H1 2026
REPORT & ACCOUNTS

Pursuant to CMVM Regulation 1/2023, please find herein the transcription of the

H1 2026 Report and Accounts

BANCO COMERCIAL PORTUGUÊS, S.A.

Public limited company
Registered Office: Praça D. João I, 28, 4000-295 Porto - Share Capital EUR 3,000,000,000.00
Registered at Porto Commercial Registry, under the single registration and tax identification number 501 525 882

The H1 2026 Report and Accounts is a translation of the "Relatório e Contas do 1S de 2026" document delivered by Banco Comercial Português, S.A. to the Portuguese Securities and Market Commission (CMVM), in accordance with Portuguese law.

The sole purpose of the English version is to facilitate consultation of the document by English-speaking Shareholders, Investors and other Stakeholders, and, in case of any doubt or contradiction between the documents, the Portuguese version of the "Relatório e Contas do 1S de 2026" prevails.

All references in this document to the application of any regulations and rules refer to the respective version currently in force.

The changes presented and the ratios were calculated based on the values in Euros and not those presented in the body of the report.

Joint Message of the Chairman of the Board of Directors and of the CEO

Millennium bcp's activity during the first half of 2026 took place within an international context marked by persistently high levels of uncertainty, associated with geopolitical tensions, particularly the volatility stemming from the conflicts in Ukraine and the Middle East and their impacts on energy markets and prices. In this challenging macroeconomic context, Millennium bcp pursued a strategy of strengthening its business model as a relationship-based commercial bank, grounded in proximity and the provision of excellent products and services to families and businesses in the markets where we operate.

Consolidated net income totaled €565.8 million in the first half of 2026, an increase of 12.7% compared to the same period of the previous year (€502.3 million), representing a ROE of 14.6%. This performance demonstrates the robustness of our balance sheet and the profitability of our business model, confirming our ability to generate value in a sustainable manner.

In Portugal, net income reached €470.2 million, up 10.9% compared with the first half of 2025, largely reflecting the growth in core income, driven by an 11.3% increase in net interest income and a 5.0% increase in net commissions.

Beyond reflecting Millennium bcp's distinctive skills in effective balance sheet management, this evolution is also underpinned by discipline in controlling operating costs, without compromising investments in technology and talent development that are essential to pursuing the modernization and strengthening -of Millennium bcp's digital transformation.

Millennium bcp's core operating profit in Portugal grew by 11.4%, continuing to be a benchmark of excellence in operational efficiency, with our cost-to-income ratio in Portugal standing at 32.4%.

International operations recorded a net profit, before minority interests, of €183.5 million, representing a significant growth -of -25.2% compared to the same period last -year -, driven mainly by the performance of Bank Millennium in Poland -, whose net profit amounted to €166.9 million, corresponding to an increase of 38.7% compared to the first half of 2025.

This performance by Bank Millennium, achieved in an unfavorable context of declining financial margins, heavily influenced by cuts in benchmark interest rates, largely reflects the 64.9% reduction in charges associated with the portfolio of mortgage loans in Swiss francs, which stood at €96.7 million in the first six months of the year. This confirms the sharp downward trend in this risk, reinforcing confidence in the underlying growth potential of this market, despite the persistent sources of uncertainty regarding the legal and political framework in which the financial sector operates.

This positive evolution at Bank Millennium was achieved despite the increase in the tax rate on bank income in Poland from 19% to 30% in 2026. Also noteworthy is the Bank's strong commercial dynamism in the Polish market, particularly in corporate lending, which registered a significant increase of 31.8% compared to June 2025, reflecting a relevant strategic priority for growth in this segment.

In Mozambique, Millennium bim reported a net profit of €13.9 million, still constrained by increased provisions related to the country's financial situation. Despite this constraint, the Bank maintains a solid capital position in Mozambique, a benchmark balance sheet in the local market, and a robust business model recognized for the quality of service provided to its clients. These factors were key to the 18.4% growth in adjusted net profit (excluding the impact of extraordinary effects) compared to the same period last year. This growth was supported by increases of 10.4% in customer funds and 11.8% in customer loans, reflecting Millennium bim's relevance and contribution to the development of the Mozambican economy.

Millennium bcp continues to demonstrate a robust capital position, with the CET1 ratio standing at 15.1% and the total capital ratio at 19.3%, figures comfortably -above regulatory requirements. In accordance with the shareholder distribution policy approved at the last General Meeting of Shareholders, these ratios consider the incorporation into capital of only 10% of the net profit obtained in the first half of 2026.

Millennium bcp's liquidity position also remained solid, far exceeding regulatory requirements, with a net loan-to-deposit ratio of 68% and assets eligible for ECB funding exceeding €30 billion. Furthermore, in the first half of the year, the Bank successfully completed a €500 million Senior Preferred bond issue and a €500 million Tier 2 bond issue, both placed with a diversified base of institutional investors under favorable conditions.

In our commercial activity and as a result of the dynamism and innovation continuously incorporated into the products and services we offer, our Customer base continued to expand, exceeding 7.4 million at the consolidated level , with particular emphasis on the 8% increase in mobile Customers, who account for 75% of the total Customer base.

This dynamic commercial activity drove the evolution of business volumes, which reached €182 billion in the first half, an increase of €15 billion compared to the same period last year, and maintaining a good growth rate, with loans to customers reinforcing the growth trajectory in the first half of 2026, increasing by 8.3% compared to the same period last year and reaching €65.2 billion, while total customer funds increased 9.8% to €116.7 billion.

In Portugal, reflecting customer confidence and the Bank's competitiveness, total customer funds increased by 7.2% compared to the same period last year, reaching €77.5 billion, and customer loans grew by 8.6%, exceeding €45 billion. This growth was mainly driven by mortgage lending (+10.9%) and corporate lending (+5.7%), in a context of economic recovery.

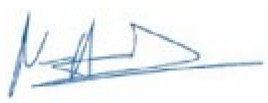
The improvement in balance sheet quality also continued, with a significant reduction in non-performing assets amounting to €187 million at the consolidated level, compared to June 2025. During this twelve-month period, the NPE ratio decreased from 2.7% to 2.2% on a consolidated basis and from 2.0% to 1.6% in the Portuguese operation, with impairment coverage significantly strengthening to 97.2% at the consolidated level and 109.1% in Portugal. The cost of risk remained controlled at 32 basis points, both at the consolidated level and in Portugal.

The results achieved in the first half of 2026 confirm the solidity and resilience of Millennium bcp's business model, as well as our ability to generate value sustainably for our stakeholders, even in a challenging macroeconomic and geopolitical context. It is this path, as set out in our 2025-2028 Strategic Plan, that Millennium bcp intends to follow with determination and ambition.

Miguel Maya

Chairman of the Executive Committee

Vice-Chairman of the Board of Directors



Nuno Amado

Chairman of the Board of Directors

Main highlights of the Results in H1 2026

Supporting the Economy and Generating Value

Profitability

- Group's net income amounted to EUR 565.8 million in the first half of 2026, corresponding to an increase of 12.7% compared with the same period of the previous year (EUR 502.3 million), reflecting the Bank's capacity to generate value.
- Net income in the activity in Portugal stood at EUR 470.2 million in the first half of 2026, representing an increase of 10.9% compared with the same period of the last year.
- Net income[1] from international operations increased by 25.2%, amounting to EUR 183.5 million in the first half of 2026, compared with EUR 146.6 million in the first half of 2025. Highlight to Bank Millennium, which recorded a net income of EUR 166.9[1] million, representing a 38.7%[2] increase compared to the first half of 2025. This performance largely reflects the 64.9%[3] reduction in charges associated with CHF mortgage loan portfolio, which stood at EUR 96.7 million in the first six months of the year.

Business Model

- Solid capital ratios[4], CET1 ratio stood at 15.1% and total capital ratio at 19.3%.
- Liquidity indicators[5] remain well above regulatory requirements: LCR at 326%, NSFR at 183% and LtD at 68%. Eligible assets available to discount at ECB of EUR 30 billion.
- Group's Loans to customers grew 8.3% to EUR 65.2 billion and total Customer funds increased 9.8% to EUR 116.7 billion compared to June 2025. In Portugal, Loans to Customers increased by 8.6% and total Customer funds rose by 7.2%. Bank Millennium loans to companies recorded an increase of 31.8%[6] from June 2025.
- Significant reduction in non-performing assets, highlighting the decrease in the NPE of the Group of EUR 187 million compared to June 2025.
- Cost of risk in the first half of 2026 stood at 32 b.p. in the Group and in the activity in Portugal.
- Active Customers increased by 4% from the same date of the previous year to 7.4 million. Mobile Customers rose by 8%, which represented 75% of the Customer base in June 2026.

1 Before non-controlling interests. 2 FX effect excluded, 37.9% with FX effect. 3 Includes provisions for legal risk, costs with out-of-court settlements and legal advice. Does not include provisions for legal risk on CHF mortgages of Euro Bank (guaranteed by a third party). Before taxes, non-controlling interests and FX effect excluded (65.1% with FX effect). 4 Fully implemented estimated ratio (June 2026) including 10% of the unaudited net income of the 1H26. Excluding any distribution, the proforma CET1 ratio is 16.2%.5 Liquidity Coverage Ratio (LCR); Net Stable Funding Ratio (NSFR); Loans to Deposits Ratio (LtD).6 Fx effect excluded, 30.1% with Fx effect.

Main highlights (1)

million EUR

	30 Jun. 26	30 Jun. 2025 (restated[2])	Chg. 26/25
BALANCE SHEET			
Total assets	114,800	105,466	8.9%
Equity	9,562	8,404	13.8%
Loans to customers (net)	63,836	58,839	8.5%
Total customer funds	116,655	106,246	9.8%
Balance sheet customer funds	95,063	87,321	8.9%
Deposits and other resources from customers	93,249	85,950	8.5%
Loans to customers (net) / Deposits and other resources from customers	68.5%	68.5%	
Loans to customers (net) / Balance sheet customer funds	67.2%	67.4%	
RESULTS			
Net interest income	1,494	1,444	3.4%
Net operating revenues	1,950	1,848	5.5%
Operating costs	720	684	5.4%
Operating costs excluding specific items (3)	713	681	4.8%
Results on modification	(1)	(5)	83.6%
Loan impairment charges (net of recoveries)	104	90	16.3%
Other impairment and provisions	189	281	(32.8%)
Income tax	283	218	29.4%
Net income	566	502	12.7 %
PROFITABILITY AND EFFICIENCY			
Return on average assets (ROA)	1.2%	1.1%	
Return on equity (ROE)	14.6%	14.3%	
Return on tangible equity (ROTE)	15.2%	14.9%	
Net interest margin	2.83%	2.97%	
Cost-to-core income (3)	36.9%	36.6%	
Cost-to-income	36.9%	37.0%	
Cost-to-income (3)	36.6%	36.8%	
Cost-to-income - Activity in Portugal (3)	32.4%	34.7%	
Staff costs / Net operating revenues (3)	20.1%	20.6%	
CREDIT QUALITY			
Cost of risk (net of recoveries, in b.p.)	32	30	
Non-Performing Exposures (loans to customers) / Loans to customers (4)	2.2%	2.7%	
Total loan impairments (balance sheet) / NPE (loans to customers) (4)	97.2%	84.5%	
Restructured loans / Loans to customers	1.5%	2.2%	
LIQUIDITY			
Liquidity Coverage Ratio (LCR)	326%	336%	
Net Stable Funding Ratio (NSFR)	183%	181%	
CAPITAL (5)			
Common equity tier I phased-in ratio	15.3%	16.4%	
Common equity tier I fully implemented ratio	15.1%	16.2%	
Total ratio fully implemented	19.3%	20.3%	
BRANCHES			
Activity in Portugal	385	396	(2.8)%
International activity	776	796	(2.5)%
EMPLOYEES			
Activity in Portugal	5,996	6,224	(3.7)%
International activity (6)	9,617	9,572	0.5 %

(1) Some indicators are presented according to management criteria of the Group, which concepts are described and detailed in the Glossary and at alternative performance measures chapter, being reconciled with the accounting values in the respective chapters.

(2) With effect from March 2026, reverse repurchase agreements (reverse repos) were excluded from the aggregate amount of loans to customers according to the management criteria adopted by the Bank. The corresponding historical amounts are presented considering these reclassifications with the purpose of ensuring their comparability (impact of EUR 96 million in June 2025).

With effect from June 2026, repurchase agreements (repos) were excluded from the aggregate amount of deposits and other resources from customers according to the management criteria adopted by the Bank. The corresponding historical amounts are presented considering these reclassifications with the purpose of ensuring their comparability. This exclusion has no impact in June 2025 as no repos were recorded in this month.

All indicators associated with the above reclassifications have been restated accordingly.

Reclassifications from previous periods, which have already been duly communicated and accompanied by their respective explanatory notes, are not presented in this report, as the corresponding restated amounts have already been disclosed in prior reports.

(3) Excludes the impact of specific items: negative impact of EUR 7 million in the first half of 2026 and an also negative impact of EUR 3 million in the first half of 2025. In both periods, specific items were recognised in staff costs in the activity in Portugal including costs with employment terminations, namely early retirements and indemnifications and amounts related with mortgage financing to former employees.

(4) These indicators refer to loans to customers as defined in the Glossary, which comprise loans to customers at amortised cost (excluding reverse repos), debt instruments at amortised cost associated to credit operations and loans to customers at fair value through profit or loss (excluding reverse repos).

(5) The capital ratios as at 30 June 2026 include 10% of the accumulated net income for the period.

(6) Of which, in Poland: 6,954 employees as at 30 June 2026 (corresponding to 6,842 FTE - full-time equivalent) and 6,909 employees as at 30 June 2025 (corresponding to 6,786 FTE - full-time equivalent).

The analysis of the international activity is consistent with the Group's consolidated accounts, which may differ from the accounts disclosed locally.

INSTRUCTION No. 16/2004 FROM BANCO DE PORTUGAL

Following the publication of Bank of Portugal Instruction No. 17/2025, which amends Instruction No. 16/2004 concerning the indicators to be used by credit institutions in the disclosure of the information to the public, the table below includes the relevant indicators calculated in accordance with the version of the instruction currently in force.

This amendment aims to align the indicators to be disclosed to the public with the definitions and criteria used by the European Banking Authority (EBA), specifically associating the calculation formulas for these indicators with specific elements of the Financial/Accounting Reporting Framework for Supervisory Purposes (FINREP – Common Reporting Framework). Accordingly, unlike the remaining information disclosed in this release, which is based on the full consolidation perimeter, these indicators are calculated using the prudential perimeter.

FINANCIAL HIGHLIGHTS ACCORDING TO INSTRUCTION No. 16/2004 FROM BANCO DE PORTUGAL, AS THE CURRENTLY EXISTING VERSION

	30 Jun. 26	30 Jun. 25
PROFITABILITY		
Net income / Total assets	1.2 %	1.1 %
Net operating revenues / Total assets	3.6 %	3.7 %
Net income / Equity	14.1 %	13.8 %
EFFICIENCY		
Cost-to-income ratio	35.5 %	36.0 %
Staff costs / Net operating revenues	19.6 %	20.1 %
LOANS TO DEPOSITS		
Loans and advances to non-financial corporations and households / Deposits from non-financial corporations and households	64.4 %	64.2 %

Information on BCP Group

Brief description

Banco Comercial Português, S.A. (BCP, Millennium bcp or Bank) is the largest Portuguese private sector bank. The Bank, with its decision centre in Portugal, operates and acts with respect for people and institutions, focusing on the Customer, pursuing a mission of excellence, trust, ethics and responsibility, and is a distinguished leader in various financial business areas in the Portuguese market and a reference institution on an international level. The Bank also holds a prominent position in Africa through its banking operation in Mozambique (in Angola, Banco Millennium Angola - BMA merged with Banco Privado Atlântico-BPA and currently the Bank holds a equity accounted shareholding) and in Europe through its banking operation in Poland. Since 2010, the Bank operates in Macau through a full branch.

Bank History

BCP was incorporated on 17 June 1985 as a limited liability company ("sociedade anónima") organised under the Portuguese laws, following the deregulation of the Portuguese banking industry. BCP was founded by a group of over 200 shareholders and a team of experienced banking professionals who sought to capitalise on the opportunity to form an independent financial institution that would serve the then underdeveloped Portuguese financial market more effectively than state-owned banks.

While the Bank's development was initially characterised by organic growth, a series of strategic acquisitions helped solidify its position in the Portuguese market and increase its offering of financial products and services. In March 1995, BCP acquired control of Banco Português do Atlântico, S.A. ("Atlântico"), which was then the largest private sector bank in Portugal. This was followed by a joint takeover bid for the whole share capital of Atlântico. In June 2000, Atlântico was merged into BCP. In 2000, BCP also acquired Império, along with Banco Mello and Banco Pinto & Sotto Mayor.

In 2004, with a view to strengthening its focus on the core business of distribution of financial products and optimising capital consumption, BCP sold insurers Império Bonança, Seguro Directo, Impergesto and Servicomercial to the Caixa Geral de Depósitos group. BCP also entered into agreements with Fortis (now named Ageas) for the sale of a controlling stake and management control of insurers Ocidental - Companhia Portuguesa de Seguros, S.A., Ocidental - Companhia Portuguesa de Seguros de Vida, S.A. and Médis - Companhia Portuguesa de Seguros de Saúde, S.A., as well as the pension fund manager PensõesGere - Sociedade Gestora de Fundos de Pensões, S.A.

In 2004, the Bank sold its non-life insurance businesses and divested a portion of its life insurance business by entering into a joint venture with Ageas (formerly Fortis), named Millenniumbcp Ageas, of which 51% is held by Ageas and 49% by the Bank.

After the consolidation of its position in the Portuguese banking market, the Bank focused on the development of its retail business in new regions, with the goal of attaining significant positions in emerging markets in Europe and in Africa. The Bank concentrated on businesses with strong growth prospects in foreign markets with a close historical connection to Portugal or that have large communities of Portuguese origin (such as Angola, Mozambique, the United States, Canada, France, Luxembourg and Macao), as well as in markets where the Bank's successful Portuguese business model could be effectively exported to and tailored to suit such local markets (such as Poland, Greece and Romania).

The Bank has pursued a consistent strategy of market segmentation. Until 2003, these segments were served through autonomous distribution networks operating under a variety of brand names. In October 2003, BCP began the process of replacing these brands in Portugal with a single brand name: Millennium bcp. The rebranding in other markets was completed in 2006. All banking operations controlled by BCP are now carried out under the "Millennium" brand. In Portugal, the Bank also operates under the "ActivoBank" brand.

In recent years, the Bank has refocused on operations that it considers core to its business. As part of this refocus, the Bank divested several of its international operations (in France, where its keeps a partnership with a shareholding below 20%, Luxembourg, United States, Canada, Greece, Turkey and Romania), while retaining commercial protocols to facilitate remittances from Portuguese emigrants in some markets. In 2010, the Bank transformed its Macao off-shore branch into an on-shore branch.

In February 2012, the Bank adopted a management restructuring through the introduction of a one-tier management and supervisory model, in which the Board of Directors includes an Executive Committee and an Audit Committee (the latter comprising non-executive members, and with a majority of independent members, in accordance with the applicable law).

In December 2012, the Bank prepared and presented to the Portuguese government a Restructuring Plan, required by national law and by the applicable European rules on matters of State aid. The Restructuring Plan was formally submitted by the Portuguese government to the EC and, In July 2013, the Bank agreed on the plan with the EC, entailing an improvement of the profitability of the Bank in Portugal through continued cost reduction, among other drivers. On September 2013, the DG Comp announced its formal decision in connection with its agreement with the Portuguese authorities concerning the Bank's Restructuring Plan. Pursuant to the decision, the Bank's Restructuring Plan was found in compliance with the European Union's rules relating to State aid, demonstrating the Bank's viability without continued State support. The implemented Restructuring Plan aimed at strengthening the Bank's strategy by focusing on its core activities.

In May 2014, as part of a process to refocus on core activities defined as a priority in its Strategic Plan, the Bank announced that it agreed with the international insurance group Ageas a partial recast of the strategic partnership agreements entered into in 2004, which included the sale of its 49% interest in the (currently jointly owned) insurance companies that operate exclusively in the non-life insurance business, i.e. Ocidental – Companhia Portuguesa de Seguros, S.A. and Médis – Companhia Portuguesa de Seguros de Saúde, S.A..

In April 2016, the Bank announced the conclusion of the merger between Banco Millennium Angola, S.A. with Banco Privado Atlântico, S.A., resulting in the second-largest private sector bank in Angola in terms of loans to the economy, with a market share of approximately 10% in business volume. The entity resulting from this merger ceased to be controlled by BCP.

In January 2017, BCP announced a EUR 1.3bn rights issue with transferable pre-emptive subscription rights. The aim of this transaction was to bring forward the full repayment of remaining Government Subscribed Securities and the removal of key State-aid related restrictions, including the dividend ban, the risk of potential sale of core businesses and the tail risk of conversion. This transaction was designed to strengthening the balance sheet through the improvement of the CET1 FL ratio and Texas ratio, bringing them in line with new industry benchmarks and above regulatory requirements.

On December 27, 2019, the merger deed of Banco de Investimento Imobiliário, S.A., a wholly-owned subsidiary of Banco Comercial Português, S.A., by incorporation into the latter, was signed, thus completing the incorporation process of Banco de Investimento Imobiliário, S.A. into Banco Comercial Português, S.A..

On 27 August 2019, the Extraordinary General Meeting of Bank Millennium S.A., in which 216 shareholders representing 78.53% of its share capital, participated, approved the merger of Bank Millennium S.A. with Euro Bank S.A.. The completion of the integration of Eurobank S.A. into Bank Millennium S.A. took place in November, with the Bank resulting from the merger now operating under a single brand, a single operating system and a single legal entity.

On June 29, 2021 BCP entered into an agreement with Union Bancaire Privée, UBP SA regarding the sale of the entire share capital of Banque Privée BCP (Suisse) SA ("Banque Privée"). The sale of the entire share capital of Banque Privée BCP (Suisse) SA ("Banque Privée") to Union Bancaire Privée, UBP SA was completed on November 2, 2021. The sale of Banque Privée allows BCP Group to pursue its strategy of focusing resources and management on core geographies, enhancing their development and thus creating value for stakeholders.

On 29 December 2021, BIM – Banco Internacional de Moçambique, SA (a bank incorporated under Mozambican law in which BCP indirectly holds a stake of 66.69%) formalized the entry into force of a long-term agreement with Fidelidade – Companhia de Seguros, SA, with a view to strengthening capabilities and expanding the offer of insurance through the banking channel (bancassurance) in Mozambique. Under this partnership, the possibility of which was provided for in the memorandum of understanding signed between BCP and the Fosun Group in November 2016, BIM and Fidelidade also formalized the sale by BIM to Fidelidade of shares representing 70% of the share capital and voting rights of Seguradora Internacional de Moçambique, SA, with BIM maintaining approximately 22% of its share capital. BIM and Fidelidade also agreed call and put options with a view to enabling Fidelidade to acquire additional shares, and BIM's shareholding, as a result of these options, may be reduced to 9.9% of SIM's capital. Under the long-term exclusive distribution agreement, BIM will promote the distribution of SIM insurance through the banking channel, continuing to provide its customers with a wide range of competitive insurance products, which is reinforced by the partnership with Fidelidade, an Insurance Group of reference.

In the 1st half of 2023, Bank Millennium concluded the sale of 80% of Millennium Financial Services, as part of the strategic partnership in the bancassurance area.

In the 1st half of 2024, Bank Millennium S.A. informed that it took a decision to complete the implementation of the Recovery Plan, notifying of the fact Polish Financial Supervision Authority and Bank Guarantee Fund.

In the 3rd quarter of 2024 Earnings Presentation, BCP and Bank Millennium presented their strategic plans for 2025-28.

Governance

Banco Comercial Português, S.A. adopts a one-tier management and supervisory model, comprising a Board of Directors (BoD), which includes an Executive Committee (EC) and an Audit Committee (AUDC) composed solely of non-executive directors, the majority of whom are independent. The Company also has a Remunerations and Welfare Board (RWB) and a Strategic Board.

The Bank has a Statutory Auditor and an External Auditor, who audit the Bank's individual and consolidated accounts, both of whom are appointed at the General Meeting.

The General Meeting is the Company's highest body, representing the totality of shareholders, and its powers are laid down by law and the Articles of Association.

The BoD is the Bank's governing body and, under the terms of the law and the Articles of Association, has the broadest powers of management and representation of the Company. Its composition may vary between 15 and 19 members, some with executive roles and others without, elected by the General Meeting for a term of four years, with re-election permitted.

At the General Meeting held on 7 May 2026, it was resolved to elect the members of the BoD, including the members of the AudC, for the 2026–2029 term, with the following composition:

- Nuno Manuel da Silva Amado, Chair;
- Jorge Magalhães Correia, 1st Vice-Chair;
- Valter Rui Dias de Barros, 2nd Vice-Chair;
- Miguel Maya Dias Pinheiro, 3rd Vice-Chair and CEO
- Fernando da Costa Lima;
- Isabel Maria de Oliveira Capelôa Gil;
- João Nuno de Oliveira Jorge Palma;
- José Pedro Rivera Ferreira Malaquias;
- Luís Miguel Manso Correia dos Santos;
- Maria João Almeida Gonçalves de Almeida;
- Maria Madalena Cascais Mendes Tomé;
- Maria José Henriques Barreto de Matos de Campos;
- Miguel de Campos Pereira de Bragança;
- Patrícia Andrea Bastos Teixeira Lopes Couto Viana, Chair of the AUDC;
- Vicent Li (Tao Li).

On 21 May 2026, the European Central Bank granted authorisation to all elected directors to take up office. The composition of the EC and the other Committees, with the exception of the AUDC, which was determined by a resolution of the General Meeting, was decided at a meeting of the BoD held on 27 May 2026.

The EC comprises six members, and its Chief Executive Officer has been appointed by the General Meeting. The BoD has delegated the day-to-day management of the Bank to the EC, which is responsible for carrying out all management functions not reserved for the BoD. The EC is assisted by various Commissions and Sub-Commissions, which are responsible for closely monitoring certain key matters.

Among the elected members, Maria João Almeida Gonçalves de Almeida informed the Chair of the Board of Directors of her inability to accept the position, citing supervening professional reasons, and therefore will not join the Board.

The supervision of the company is made by the AUDC elected by the General Meeting of Shareholders and comprises a minimum of 3 and a maximum of 5 members, elected together with the other directors. The lists proposed for the BoD should specify the members to be part of the AUDC and indicate the respective Chair. The current AUDC comprises four non-executive directors, the majority of whom are independent members, as is its Chair.

The mission of the RWB is to safeguard the long-term interests of shareholders, investors and other stakeholders, as well as the public interest in general. It comprises between 3 and 5 members, all of whom are independent of the members of the EC.

The Strategic Board is a non-permanent advisory body, and its members by virtue of their office include the Chair and Vice-Chairs of the BoD, as well as the Chief Executive Officer.

In addition to the EC and the CAud, which have their own and delegated powers, the BoD has also established other committees to which it delegates certain powers, namely the Risk Assessment Committee (RAC), the Nominations and Remunerations Committee (NRC) and the Corporate Governance, Ethics and Sustainability Committee (CGESC).

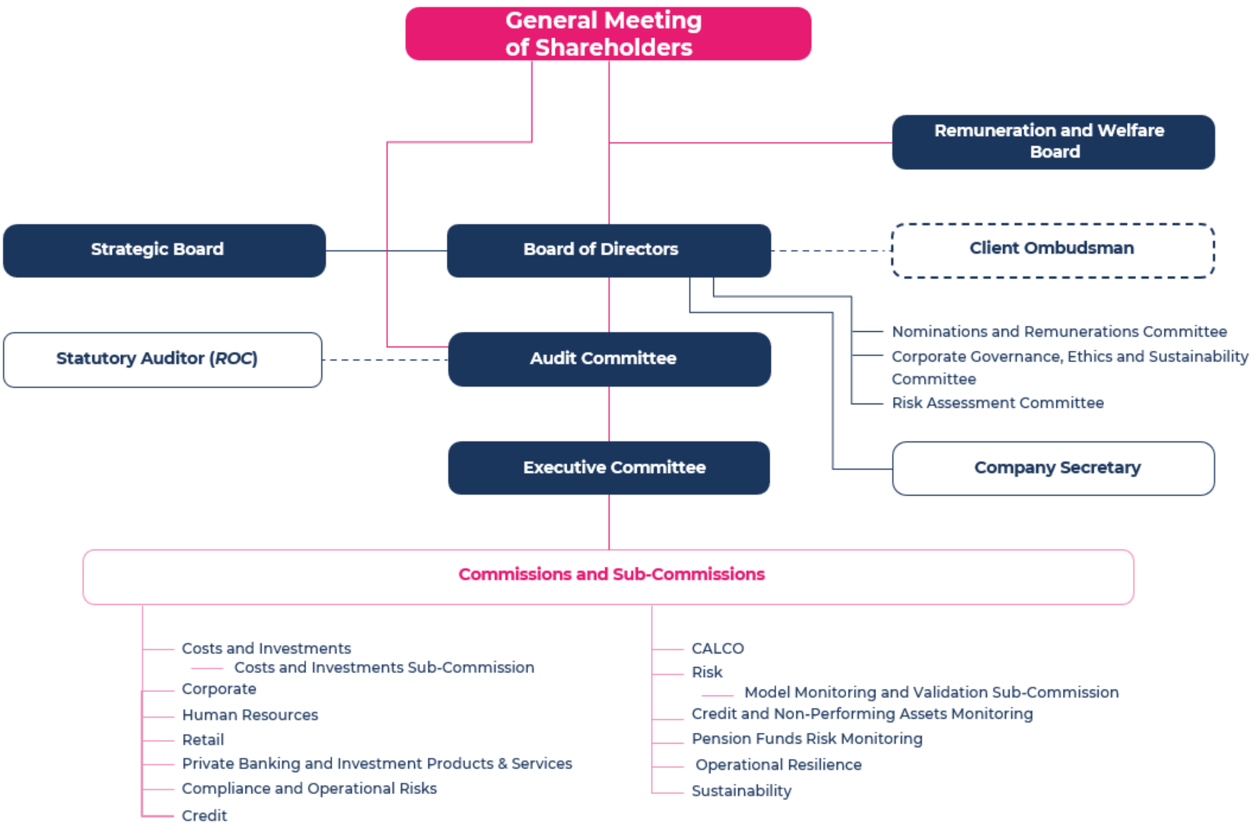
The RAC advises and supports the BoD on the Bank's strategy and risk appetite, monitoring its implementation in accordance with the law and its Regulations.

The CNR is responsible for assessing the suitability requirements of the members of the BoD, its Committees and key function holders, defining the Succession and Remuneration policies for Directors and Employees, monitoring their implementation, as well as other matters relating to the Bank's human resources, under the terms of the law and its Regulations.

The CGESC is responsible for monitoring policies and processes relating to corporate governance, conduct, values and social responsibility, overseeing the Bank’s sustainability initiatives, monitoring the Sustainability Master Plan, the Corporate Social Responsibility Plan and the Data Protection programme, and issuing an opinion on the annual governance and sustainability reports.

The Company Secretary and the Alternate Secretary are appointed by the Bank's BoD, and their term-of-office matches that of the Board that appointed them.

Corporate Governance Model



Identification and composition of the Corporate Bodies and Committees from the Board of Directors

At the time of approval of this report, the Board of Directors and its Committees have the following composition:

	Board of Directors (BD)	Executive Committee (EC)	Audit Committee (AudC)	Committee for Corporate Governance, Ethics and Sustainability (CCGES)	Committee for Nominations and Remunerations (CNR)	Risk Assessment Committee (RAC)
Nuno Manuel da Silva Amado (Chairman of BD)	●			●		
Jorge Manuel Baptista Magalhães Correia (Vice-Chairman of BD)	●					
Valter Rui Dias de Barros (Vice-Chairman of BD)	●		●	●		
Miguel Maya Dias Pinheiro (Vice-Chairman of BD and CEO)	●	●				
António Ferreira Pinto Júnior	●	●				
Carla Sofia Pereira Bambulo	●		●			●
Fernando da Costa Lima	●		●			●
Isabel Maria de Oliveira Capelôa Gil	●				●	
João Nuno de Oliveira Jorge Palma	●	●				
José Pedro Rivera Ferreira Malaquias	●			●		●
Luís Miguel Manso Correia dos Santos	●	●				
Maria Madalena Cascais Mendes Tomé	●					
Maria José Henriques Barreto de Matos de Campos	●	●				
Miguel de Campos Pereira de Bragança	●	●				
Patrícia Andrea Bastos Teixeira Lopes Couto Viana	●		●		●	
Vicent Li (Tao Li)	●				●	

The Remunerations and Welfare Board, elected at the General Meeting of 7 May 2026 for the 2026/2029 term of office, is chaired by José António Figueiredo Almaça and composed of the two vice-chair Jorge Magalhães Correia and Valter Barros.

The Strategic Board, as an advisory and non-permanent body, has a variable composition, with the Chair and Vice-Chairs of the Board of Directors being members by virtue of their positions.

The Board of the General Meeting, elected for the 2024–2027 term of office at the General Meeting of 22 May 2024, underwent a change in its composition following the resignation from office submitted by the then Chair-elect, Pedro Rebelo de Sousa. This resignation was accepted, and a new Chair was elected at the General Meeting on 7 May 2026 for the remainder of the current term of office. Its current composition is as follows:

- Chair: Luís Miguel Nogueira Freire Cortes Martins
- Vice-Chair: Octávio Castelo Paulo
- Board Secretary: Company Secretary (Ana Moniz Macedo)

Main events in H1 2026

During the first half of 2026, notwithstanding the persistence of an international environment characterised by heightened uncertainty, stemming from geopolitical tensions and a challenging macroeconomic environment, BCP remained committed to its strategy of supporting companies and households, through close customer engagement and the provision of products and services guided by the principles of rigour, trust and quality, consistently meeting the needs and expectations of its Customers.

On 20 January 2026, the Bank informed that it has decided to exercise the option to early redeem all of its EUR 500,000,000 Senior Preferred Fixed to Floating Rate Notes due 2027 (ISIN: PTBCPHOM0066), issued on 12 February 2021 under the Euro Note Programme, in accordance with condition 6(d) of the terms and conditions of the Notes and the final terms of the Notes.

On 29 January 2026, the Bank informed that it has fixed the terms for a new issue of senior preferred debt securities eligible for MREL (Minimum Requirement for own funds and Eligible Liabilities), under its Euro Note Programme.

The issue, in the amount of EUR 500 million, has a tenor of 6 years and 3 months, with the option of early redemption by the Bank on 5 May 2031, an issue price of 99.990% and an annual interest rate of 3.250% until the Optional Redemption Date. The interest rate from the Optional Redemption Date was set at 3-month Euribor plus a 0.72% spread.

The issue was placed among a diversified base of institutional investors, namely in investment funds, banks and pension funds, enabling the tightening of the spread by more than 25bp during the execution phase.

On 7 May 2026, the Bank informed that it has concluded, at the Bank's facilities and through electronic means with 68.53% of the share capital represented, the Annual General Meeting of Shareholders, with the following resolutions:

Item One – Approval of the management report, the balance sheet and the individual and consolidated accounts for the financial year 2025, the Corporate Governance Report, which includes a chapter on the remuneration of the management and supervisory bodies, and the Sustainability Report;

Item Two – Approval of the proposal for the appropriation of profits regarding the 2025 financial year;

Item Three – Approval of a vote of trust and praise addressed to the Board of Directors, including to the Executive Committee and to the Audit Committee and each one of their members, as well as to the Chartered Accountant and its representative;

Item Four – Approval of the updating the Shareholder Distribution Policy;

Item Five – Approval of the aspects of the remuneration framework for Members of the Management and Supervisory Bodies submitted to the Assembly and, in particular, on:

a) Updating the Remuneration Policy for Members of the Management and Supervisory Bodies (including ratification of the Remunerations and Welfare Board decision regarding equity and alignment of welfare frameworks);

b) The variable component of the remuneration of the executive members of the Board of Directors.

Item Six – Approval of the reduction of the Bank's share capital by up to €240,000,000.00 (two hundred and forty million euros), with the special purpose of cancelling own shares already acquired or to be acquired under the share buyback programme, involving the cancellation of own shares representing up to 8% of the total number of shares representing the share capital, as well as the related reserves, with the consequent amendment of Article 4(1) of the Articles of Association;

Item Seven – Approval of the increase of the Bank's share capital to €3,000,000,000, by incorporating the special reserve that may be set up under item Six of the Agenda, by the amount corresponding to the resulting share capital reduction and without issuing new shares, with the consequent amendment of Article 4(1) of the Articles of Association;

Item Eight – Ratification of the co-option of a member of the Board of Directors for the 2022/2025 term of office;

Item Nine – Election of the Board of Directors for the 2026/2029 term of office, including the Audit Committee;

Item Ten – Election of the Remunerations and Welfare Board for the 2026/2029 term of office;

Item Eleven – Approval of the authorisation provided for in Article 5(1) of the Articles of Association, as well as on the amendment of the respective wording;

Item Twelve – Approval of the acquisition and disposal of own shares and bonds;

Item Thirteen – Approval of the acceptance of the resignation and vote of praise for the outgoing member and selection of the President of the General Assembly to serve until the end of the current term (four-year period 2024/2027).

On 13 May 2026, the Bank informed that Fitch Ratings upgraded BCP's long-and short-term deposits to ‘A’ from ‘A-’ and to ‘F1’ from ‘F2’, following the publication, on 8 May 2026, of its updated Bank Rating Criteria.

On 15 June 2026, the Bank informed that has fixed the terms for a issue of subordinated Tier 2 Notes under its Euro Note Programme.

The issue, in the amount of EUR 500 million, has a tenor of 12 years, with the option of early redemption by the Bank at the end of year 7, an annual interest rate of 4.125% during the first 7 years, corresponding to a spread of 1.330% over the 7-year mid-swap rate. The interest rate for the last 5 years will be determined on the basis of the then applicable 5-year mid-swap rate plus the mentioned spread.

The issue was placed among a diversified base of institutional investors, with more than 80% allocated to investment funds, enabling the tightening of the spread by 27 bp during the execution phase.

On 30 June 2026, the Bank informed that it has been notified by Banco de Portugal, as the national resolution authority, about the update of its minimum requirement for own funds and eligible liabilities ("MREL" or "Minimum Requirement for own funds and Eligible Liabilities") as decided by the Single Resolution Board.

The resolution strategy applied continues to be that of a multiple point of entry ("MPE"). The MREL requirements to be met by BCP Group of Resolution (consisting of BCP, S.A., Banco ActivoBank, S.A. and all the subsidiary companies of BCP apart from Bank Millennium S.A. and Banco Internacional de Moçambique and their respective subsidiaries), with immediate application, is of:

- 24.73% of the total risk exposure amount ("TREA") to which adds further a combined buffer requirement ("CBR"), which also includes the “Countercyclical Capital Buffer” — CCyB and the “Systemic Risk Buffer” — SyRB, currently of 4.67%, thus corresponding to total requirements currently of 29.40%; and

- 6.75% of the leverage ratio exposure measure ("LRE").

Additionally, the Bank informed that is not subject to any subordination requirements.

In accordance with the regulations in force, MREL requirements could be annually updated by the competent authorities, and therefore these targets replace those previously set.

On that date, BCP informed that it complied with the established MREL requirements, both as a percentage of the TREA (including the CBR) and as a percentage of the LRE.

Banco Comercial Português (“Bank” or the “BCP”) started trading own shares in the context of the Share Buy-Back Programme approved by the Bank in accordance with the terms and conditions described in the announcement regarding the start of trading under the Buy-Back Programme disclosed by BCP on 27 May 2026.

In the context of the Buy-Back Programme, and following the transactions executed from 4 June until 31 July 2026 the Bank has, up until 31 July, purchased 102,319,294 shares for a price amounting to a total of EUR 105,874,424, now holding an aggregate total 102,319,294 own shares, representing 0.69% of its share capital.

AWARDS AND DISTINCTIONS

Millennium bcp received several distinctions in the first half of 2026:

- “Consumer Choice” award in 2026 for the sixth consecutive year in the “Large Banks” category.
- Renewed its status, in 2026, as leader in the 'Large Banks' and 'banking apps' categories, for the fourth consecutive year, for the Prémio Cinco Estrelas.
- In 2026, in the 5-Star Award category - "Large Banks" - Millennium bcp obtained the best overall rating among the banks evaluated.
- Millennium bcp's corporate website has been recognised as Product of the Year 2026 in the "Companies" category.
- Distinguished at the Euronext Lisbon Awards 2026 in the categories of: Equity Champion (listed company with the highest total return), Local Market Member - Equity (member with the highest value traded on Euronext Lisbon in this category), Market Member - Bonds (member with the highest value traded on Euronext Lisbon in this category), Structured Finance - Warrants and Certificates (member that generated the greatest growth in the securities identified in this category).
- Awarded by Euromoney magazine as the bank offering the best financing solutions in Portugal, in the context of the Awards for Excellence 2026.
- Awarded Best Distributor of Structured Products in Portugal by Structured Retail Products.
- Named Portugal’s Best Digital Bank for SMEs by Euromoney.
- BCP received the Global AI & Agentic Award, presented by SS&C Blue Prism in recognition of its leadership in the use of generative AI and intelligent agents.
- The Appropósito campaign won five awards, including a Grand Prix, Gold, Silver, and Bronze at the Lusophone Creativity Awards.
- BCP once again reaffirmed its position as a leading partner of Portugal’s business community by winning the PME Líder 2025 award.
- BCP and Ocidental were awarded the Gold Medal for the Smart Insurance Advisory Tool.

ActivoBank also received several distinctions in the first half of 2026:

- “Consumer Choice” award for the eight consecutive time in the “Digital Bank” category in 2026.
- “Five Stars” award for the third consecutive year, in the “Digital Banking” category in 2026.
- Recognised by DECO PROteste as the Right Choice for Current Accounts, reinforcing its position as one of the most advantageous solutions on the market, as well as the Right Choice for ETF Investments. ActivoBank is therefore the best choice among regulated banks in Portugal in 2026.

Bank Millennium was distinguished in the first half of 2026:

- Bank Millennium was awarded with the Golden Bank 2026 title, recognising the highest quality of multichannel Customer service. For the sixth time, the Bank achieved first place in the hotline Customer service category and, for the third consecutive year, secured a podium position for the quality of its chat and e-mail customer service.
- Bank Millennium was also recognised as a Top Employer Polska 2026 by the Top Employers Institute. This distinction confirms the Bank’s commitment to fostering an increasingly positive work environment through the adoption of high standards in human resources management and the implementation of HR best practices.
- Bank Millennium was recognised as a Bank with a Mission in the Złoty Bankier 2026 ranking. The Bank was acknowledged for its consistent efforts that go beyond the traditional banking offer, as well as for its involvement in ambitious and inspiring initiatives. It stands out as an institution that combines the scale of its operations with responsibility, credibility, and courage in promoting a more ambitious social environment, while demonstrating consistency and reliability as a long-standing patron of culture.
- Bank Millennium was also distinguished as Institution of the Year by the MojeBankowanie.pl portal, winning the following categories: Best Mobile App, Best In-Branch Account Opening Process, and Best Remote Account Opening Process.
- Bank Millennium was named Poland’s Best Digital Bank by Euromoney.
- The eSIM purchase feature available through the Millennium App was recognized among the year’s best financial innovations at the Global Finance Innovators Awards.
- Bank Millennium stood out in the Customer Relationship Star category of the Banking Stars ranking.

- Customer Experience Leader 2026, an award recognizing the quality of the customer experience delivered and the bank's customer-centric strategy.
- Service Quality Star 2026, an award granted based on high levels of consumer satisfaction.
- Star of the Decade 2015–2025, an award recognizing a decade of excellence and consistency in service quality.
- Bank Millennium's Contact Center received the Gold Grand Prix, the highest distinction in the industry.
- Sustainability Champions 2026, a recognition awarded as part of the ESG Responsible Management Ranking.

Millennium bim was also distinguished in the first half of 2026:

- Millennium bim was named Mozambique's Best Bank by Euromoney.
- Millennium bim was recognized as Mozambique's Best Digital Bank by Euromoney.
- Millennium bim was recognized as Mozambique's Best Bank by Global Finance magazine.
- The "Haverá sempre um M" campaign won one Gold, one Silver, and one Shortlist award at one of Africa's most prestigious creativity festivals, the Pitcher Awards 2026.

BCP Share

The first half of 2026 was characterised by heightened volatility in financial markets, as developments in the Middle East conflict overtook macroeconomic factors as the main driver of investor sentiment. The year began against a favourable backdrop for risk assets, supported by improving global growth prospects, the resilience of the major economies and expectations of continued corporate earnings growth.

From a macroeconomic perspective, economic indicators pointed to broadly resilient activity, albeit with differing regional dynamics. Growth in the U.S. economy slowed to 1.4% in the final quarter of 2025, reflecting the contraction in public expenditure associated with the partial shutdown of the Federal Government, before recovering to 2.0% in the first quarter of 2026. In the Euro Area, economic growth remained positive, although it slowed to an annualised rate of 0.8% in the first quarter of 2026.

In terms of monetary policy, the U.S. Federal Reserve (Fed) kept its policy rates unchanged throughout the semester, considering that the strength of the labour market, the resilience of economic activity and persistent inflation warranted a cautious approach. The appointment of Kevin Warsh as Chair of the Federal Reserve and the adoption of a more hawkish communication stance reinforced expectations that monetary policy would remain dependent on inflation developments. In the euro area, the European Central Bank (ECB) also left interest rates unchanged for most of the semester, raising the deposit facility rate by 25 basis points to 2.25% only in June, in response to mounting inflationary pressures, driven by higher energy prices.

On the geopolitical front, the semester was dominated by the escalation of the conflict involving the United States, Israel and Iran. Following rising tensions at the beginning of the year, the military offensive launched by the United States and Israel against Iran in March led to the closure of the Strait of Hormuz, causing significant disruption to global oil and natural gas supplies and a sharp increase in energy prices. From April onwards, the geopolitical environment began to stabilise, supported by the conclusion of ceasefire agreements and, in June, by the signing of an agreement between the United States and Iran, which enabled the reopening of the Strait of Hormuz and the gradual lifting of restrictions on Iranian oil exports.

Against this backdrop, equity markets started the semester with strong gains before undergoing a sharp correction in March following the escalation of the conflict in the Middle East. Markets subsequently recovered significantly during April and May, supported by improving geopolitical prospects, lower energy prices and declining sovereign bond yields. In June, markets stabilised, reflecting lower risk premia following the agreement reached between the United States and Iran.

BCP SHARES INDICATORS

	Units	H1 2026	H1 2025
ADJUSTED PRICES			
Maximum price	(€)	1.0490	0.6980
Average price	(€)	0.9038	0.5680
Minimum price	(€)	0.7806	0.4589
Closing price	(€)	1.0350	0.6606
SHARES AND EQUITY			
Number of ordinary shares (outstanding)	(M)	14,805	15,114
Of which: treasury shares	(M)	32	209
Shareholder's Equity attributable to the group (1)	(M€)	7,899	7,240
VALUE PER SHARE			
Adjusted net income (EPS) (2)	(€)	0.075	0.066
Book value (3)	(€)	0.534	0.479
MARKET INDICATORS			
Closing price to book value	(PBV)	1.94	1.38
Market capitalisation (closing price)	(M€)	15,323	9,984
LIQUIDITY			
Turnover	(M€)	6,282	5,632
Average daily turnover	(M€)	50.3	45.1
Volume	(M)	6,958	9,911
Average daily volume	(M)	55.7	79.3
Capital rotation (4)	(%)	47.0%	65.6%

(1) Includes Other Equity Instruments (400 million euros of AT1 in H1 2026 and H1 2025)
(2) Considering the average number of shares outstanding
(3) Considering the average number of shares minus the number of treasury shares in portfolio
(4) Total number of shares traded divided by the average number of shares issued in the period

In the first semester of 2026, BCP shares outperformed the European banking sector benchmark index (STOXX® Europe 600 Banks). In the first six months of 2026, BCP shares rose by 15.5%, outperforming the index, which rose by 12.5%.

Despite the high level of geopolitical uncertainty and financial markets volatility that characterised the first half of 2026, the positive performance of BCP shares was underpinned by the Group's earnings growth, the maintenance of a solid capital position, the reduction in charges associated with Bank Millennium's CHF mortgage loan portfolio, and the strengthening of the shareholder remuneration policy.

Among the key highlights were the presentation of the 2025 results and the announcement of a new shareholder remuneration framework, envisaging a potential distribution of up to 90% of net income. The release of the first quarter of 2026 results also supported the share price performance, driven by a 25.6% increase in the Group's net income compared with the first quarter of 2025. The positive evolution of BCP's fundamentals was accompanied by multiple upward revisions to price targets by analysts covering the Bank.

As at the end of the first half of 2026, among the analysts regularly covering BCP, 14 analysts (64%) had a buy recommendation, 7 analysts (32%) maintained a neutral recommendation, and 1 analyst (4%) had a sell recommendation, meanwhile revised to neutral already during July. The average price target for BCP's shares at the end of June 2026 stood at €1.04, representing an increase of 16 cents (18%) compared to €0.88 at December 2025 and 48 cents (86%) compared to the average price target of €0.56 at December 2024.

During the first half of 2026, following the approval by the General Meeting held on 7 May 2026 of a share buyback programme amounting to €407.5 million, equivalent to approximately 2.84% of BCP's market capitalisation at that date, the Bank commenced its execution on 4 June 2026.

PERFORMANCE

Index	Change H1 2026
BCP share	15.5%
Eurostoxx 600 Banks	12.5%
PSI	10.5%
IBEX 35	12.5%
CAC 40	3.1%
DAX XETRA	2.1%
FTSE 100	5.7%
MIB FTSE	15.0%
Dow Jones Indu Average	8.9%
Nasdaq	19.9%
S&P500	9.6%

Source: Euronext, Reuters, Bloomberg

Liquidity

During the first half of 2026, EUR 6,282 million in BCP shares were traded, which represented an average daily turnover of EUR 50.3 million. In the same period 6,958 million shares were traded, corresponding to an average daily volume of 55.7 million shares. The capital rotation index stood at 47.0% of the average annual number of shares issued.

Follow-up with Investors

During the first half of 2026, the Bank participated in several events, having been present at 14 conferences and roadshows, through which it held more than 200 meetings with investors.

Indexes listing BCP shares

The BCP share is included in more than 100 national and international stock indices, including the MSCI World, the STOXX® Europe 600 Banks, Euronext 150, the PSI and the PSI All-Share Index GR.

In addition, BCP remains listed on the “ISS STOXX Indices” and the “Standard Ethics European Banks Index”, and was also included in the “FTSE4Good Index Series” in 2026.

Material information announced to the market and impact on the share price

The following table summarizes the relevant facts directly related to Banco Comercial Português that occurred during the first half of 2026, as well as the changes in the share price, both on the following day and in the 5 subsequent days, and the relative evolution vis-à-vis the main national reference indices and European banking sector in the periods mentioned.

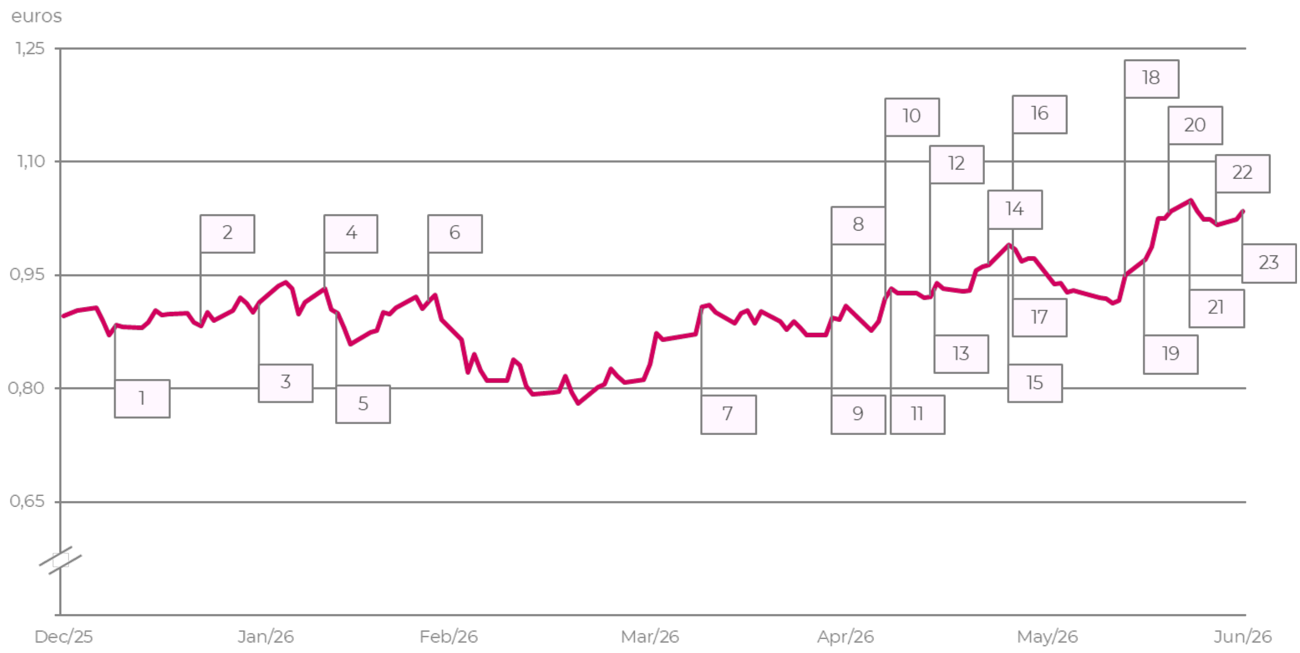
Nr.	Date	Material Events	Chg. +1D	Chg. vs. PSI (1D)	Chg. vs. STOXX® Europe 600 Banks (1D)	Chg. +5D	Chg. vs PSI (5D)	Chg. vs STOXX® Europe 600 Banks (5D)
1	8/Jan	Banco Comercial Português, S.A. informs about estimated provisions against legal risk related to FX mortgage loans portfolio booked by Bank Millennium, S.A. in 4Q 2025	-0.3%	-0.7%	-0.7%	1.4%	0.1%	-1.0%
2	20/Jan	BCP S.A. informs about decision to call the currently outstanding EUR 500,000,000 Senior Preferred Fixed to Floating Rate Notes due 2027 with an outstanding amount of 500 million euros	-0.6%	-0.5%	-0.4%	3.6%	1.4%	0.0%
3	30/Jan	Banco Comercial Português, S.A. informs about issue of senior preferred debt securities eligible for MREL	2.3%	1.8%	0.3%	-0.1%	-2.7%	0.2%
4	9/Feb	Banco Comercial Português, S.A. informs about Bank Millennium (Poland) preliminary unaudited results in 2025	2.1%	0.9%	0.8%	-6.0%	-7.3%	-0.6%
5	11/Feb	Banco Comercial Português, S.A. informs on notice of transaction of securities	-2.1%	-1.6%	-0.3%	0.1%	-0.7%	0.1%
6	25/Feb	Millennium bcp Earnings release as at 31 December	0.9%	1.2%	0.8%	-7.7%	-3.8%	-1.1%
7	8/Apr	Banco Comercial Português, S.A. informs about estimated provisions against legal risk related to FX mortgage loans portfolio booked by Bank Millennium, S.A. in 1Q 2026	0.2%	-0.2%	0.7%	-0.6%	0.6%	-3.1%
8	28/Apr	Banco Comercial Português, S.A. informs about the attribution of shares within the scope of the variable remuneration policy for Persons with Managing Responsibilities and Employees	-0.2%	0.4%	0.0%	-0.6%	0.5%	1.1%
9	28/Apr	Banco Comercial Português, S.A. informs about Bank Millennium (Poland) preliminary unaudited results in Q1 2026	2.7%	1.7%	1.7%	0.7%	0.8%	1.3%
10	6/May	Millennium bcp Earnings release as at 31 March 2026	1.4%	2.8%	1.9%	0.2%	2.3%	2.0%
11	7/May	Banco Comercial Português, S.A. informs about resolutions of the Annual General Meeting	-0.6%	0.1%	0.0%	0.7%	0.8%	1.0%

(Continues)

(Continuation)

Nr.	Date	Material Events	Chg. +1D	Chg. vs. PSI (1D)	Chg. vs. STOXX® Europe 600 Banks (1D)	Chg. +5D	Chg. vs PSI (5D)	Chg. vs STOXX® Europe 600 Banks (5D)
12	12/May	Banco Comercial Português, S.A. informs on the payment of the dividend relating to the 2025 financial year	0.1%	-0.1%	-0.9%	1.1%	-0.1%	0.7%
13	13/May	Banco Comercial Português, S.A. informs about deposit rating upgrade by Fitch Ratings	2.0%	1.4%	0.8%	3.8%	1.9%	1.6%
14	21/May	Banco Comercial Português, S.A., announces the commencement of duties of the Board of Directors for the 2026-2029 four-year term	0.2%	0.8%	-0.7%	1.1%	2.6%	-0.6%
15	26/May	Banco Comercial Português, S.A. informs about the attribution of shares within the scope of the variable remuneration policy for Persons with Managing Responsibilities	-1.6%	-1.0%	-1.9%	-4.6%	-2.0%	-4.9%
16	27/May	Comercial Português, S.A. informs on the approval of a Share Buyback Programme	0.4%	0.9%	1.3%	-4.2%	-2.7%	-2.8%
17	27/May	Banco Comercial Português, S.A., announces the composition of the Committees of its Board of Directors and Company Secretary	0.4%	0.9%	1.3%	-4.2%	-2.7%	-2.8%
18	12/Jun	Banco Comercial Português, S.A. informs about Interim report on the transactions conducted under the Share Buy-Back Programme	2.3%	2.8%	0.8%	8.9%	8.8%	3.9%
19	15/Jun	Banco Comercial Português, S.A. informs about issue of Tier 2 Notes	1.7%	2.0%	0.0%	8.0%	6.6%	3.1%
20	19/Jun	Banco Comercial Português, S.A. informs about Interim report on the transactions conducted under the Share Buy-Back Programme	1.4%	0.7%	0.0%	-1.7%	-2.1%	-0.8%
21	22/Jun	Banco Comercial Português, S.A. informs on notice of transaction of securities	-1.4%	-1.0%	-0.5%	-2.4%	-2.3%	0.0%
22	26/Jun	Banco Comercial Português, S.A. informs about Interim report on the transactions conducted under the Share Buy-Back Programme	0.7%	0.4%	0.8%	5.5%	3.4%	1.8%
23	30/Jun	Banco Comercial Português, S.A. informs on notification by Banco de Portugal regarding MREL	0.8%	1.3%	0.4%	3.5%	2.2%	0.6%

The following chart depicts BCP's share price performance in the first half of 2026:



Distribution to Shareholders policy

Distribution Governance Process

1. BCP's Board of Directors shall submit, after an opinion from the Audit Committee, a proposal to the General Meeting of Shareholders for the appropriation of the profit for the year, together with the annual report and financial statements in respect of such financial year. Pursuant to the law, a minimum of 10 percent of the net profit for the year shall be allocated to the mandatory reserves, until such reserves reach an amount equal to the BCP's share capital or the aggregate amount of unrestricted reserves and retained earnings, whichever is higher.
2. The General Meeting of Shareholders is responsible for the approval of distributions to BCP shareholders out of the profit for the year or out of other funds that are available for distribution to shareholders, either through dividends, distribution of reserves or share buyback programmes.
3. The implementation of buyback programmes is, in any case, also dependent on:

a) an authorization from the General Meeting of Shareholders for the acquisition of own shares, subject to certain terms and conditions;

b) a resolution of the Board of Directors to carry out the share buybacks programme tranches within such terms and conditions;

c) the regulatory prior approval

Principles and Purposes

4. Distributions to shareholders must ensure the prospective fulfilment of the following objectives:

a) On a sustainable basis, the regulatory requirements applicable to the consolidated prudential perimeter, also including an adequate reserve in relation to the requirements resulting from the Supervisory Review and Evaluation Process (SREP). For the 2025-2028 cycle, this means that the CET1

(Common Equity Tier1) capital ratio (on a fully loaded basis) must not fall below the highest level between 13.5 % or the level resulting from the application of the management reserve methodology.

b) An amount of capital that fully reflects the latest results of the Internal Capital Adequacy Assessment Process (ICAAP) approved for the consolidation perimeter, thus ensuring that the Group maintains sufficient economic capital to deal with the adverse scenarios covered by that exercise, thereby periodically incorporating the relevant risks and foreseeable contingencies into the analysis.

c) The amount of capital needed to support the fulfilment of the Group's strategic objectives, including expected commercial growth and the levels of investment and innovation required.

5. Without prejudice to the above, the distributions that may be proposed must also be in line with or, where appropriate, converge towards the best practices in the banking sector, providing a competitive level of remuneration for shareholders.

Distribution targets

6. Applying these principles and purpose to the Bank's current situation and considering the size of the existing reserve in addition to current and prospective regulatory requirements, the BCP’s Board of Directors promotes the implementation of the following distribution policy:

a) Adopt an ordinary dividend distribution target of 50%, calculated on the consolidated annual profits attributable to BCP shareholders;

b) In addition, implement a share buyback programme in annual tranches, each such tranche being subject to prior supervisory approval and indicatively calibrated in accordance with the following preliminary guidance:

– Up to an additional 40% of annual consolidated profits attributable to BCP shareholders, provided that proforma CET1 ratio (which results exclusively from the exclusion from the CET1 fully loaded ratio of any deductions to the numerator on account of expected distributions from the current year’s profits) is equal to, or higher than, 17.5%;

– Up to an additional 30% of annual consolidated profits attributable to BCP shareholders, if the proforma CET1 ratio described above is equal to or higher than 16% but less than 17.5%;

– Up to an additional 25% of annual consolidated profits attributable to BCP shareholders, if the proforma CET1 ratio described above is less than 16%, but sufficient to ensure full compliance with the objectives contained in these Principles.

7. The share buyback implementation is further subject to the fulfilment of the Strategic Plan's relevant business objectives and capital projections in Portugal and in the international operations, ensuring, in addition to the aforementioned consolidated objectives, the preservation of adequate pro forma individual capital ratios (which result exclusively from deducting to the numerator and to the denominator, respectively, the book value and the risk-weighted exposure of the financial participations held, directly or indirectly, in credit institutions outside the Eurozone and which exceed 20% of the capital of these entities).

Policy Governance Arrangements

This Policy shall be reviewed annually by the Board of Directors and, whenever changes are deemed necessary, the proposed amendments shall be submitted for approval of the General Meeting of Shareholders.

Shareholder structure

According to information from Interbolsa, on June 30, 2026, the number of Shareholders of Banco Comercial Português reached 112,116.

At the end of June 2026, there were two Shareholders with qualified participation with a position greater than 5% of the Bank's share capital.

Shareholder structure	Number of Shareholders	% of share capital
INDIVIDUAL SHAREHOLDERS		
Group Employees	1,685	0.37%
Other	106,011	15.96%
COMPANIES		
Institutional	923	39.18%
Qualified Shareholders	2	40.35%
Other companies	3,495	4.15%
TOTAL	**112,116**	**100 %**

It is worth highlighting the increase in the weight of institutional investors compared to the previous year, by around 7.3 p.p.

Shareholders with more than 5 million shares represented 79.73% of the capital.

Number of shares per Shareholder	Number of Shareholders	% of share capital
> 5,000,000	185	79.73%
500,000 a 4,999,999	1,059	8.85%
50,000 a 499,999	8,641	7.80%
5,000 a 49,999	27,508	3.19%
< 5,000	74,723	0.44%
TOTAL	**112,116**	**100%**

During the first half of 2026, the Bank’s shareholder structure changed in terms of geographical distribution, with a slight decrease in Portugal’s share (-0.1 p.p.), offset by an increase in the United Kingdom/United States (+6 p.p.) and in China’s share (+0.1 p.p.).

	Nr. of Shares (%)
Portugal	18.3%
China	20.6%
Africa	20.2%
UK / EUA	24.9%
Other	16.0%
Total	**100%**

Qualified Holdings

The following Shareholders held more than 5% of the share capital of Banco Comercial Português, S.A. as at 30 June 2026:

			30 June 2026
Shareholder	Nr. of shares	% of share capital	% of voting rights
Chiado (Luxembourg) S.à.r.l. (Fosun Group)	3,027,936,381	20.45%	20.45%
TOTAL FOR FOSUN GROUP	**3,027,936,381**	**20.45 %**	**20.45 %**
Sonangol - Sociedade Nacional de Combustíveis de Angola, EP	2,946,353,914	19.90%	19.90%
TOTAL FOR SONANGOL GROUP	**2,946,353,914**	**19.90%**	**19.90%**
Total of qualifying shareholdings	**5,974,290,295**	**40.35%**	**40.35%**

i

Regulatory, economic and financial system environment

Regulatory environment

The regulatory framework continued to evolve during the first half of the year in response to both supervisory priorities and a rapidly changing risk landscape. While geopolitical tensions and other emerging risks continued to create uncertainty, policymakers maintained a strong focus on regulatory simplification. In the regulatory domain, priorities included the implementation of CRR 3, the enhancement of operational resilience through stronger ICT and cybersecurity frameworks, and the management of climate- and nature-related risks. Supervisory attention also remained centred on governance, risk management and data capabilities, reinforcing the importance of sound internal controls and effective risk oversight in an increasingly digital and complex operating environment.

The EBA published on June 2026 the final revised SREP and supervisory stress testing Guidelines, while proposing simplification measures for the EU microprudential, macroprudential and resolution capital framework. Also on June 2026, the ECB announced a comprehensive review of supervisory guidance publications to improve clarity, consistency and transparency.

On 24 February 2026, the Council gave its green light to the Omnibus I simplification package for sustainability reporting and due diligence, simplifying Corporate Sustainability Reporting Directive (CSRD) and CS3D requirements by reducing reporting burdens, narrowing CSRD scope and introducing more proportionate rules. The European Commission has adopted revised European sustainability reporting standards and a voluntary reporting standard for smaller companies The delegated act revising the ESRS and the delegated act establishing the voluntary reporting standard will now be transmitted to the European Parliament and the Council of the EU for scrutiny and enter into force later in the year if neither legislative body object not requiring transposition into national law. The revised standards will become mandatory for reporting periods starting in 2027, and companies have the option to adopt the revised standards earlier.

The revision of the CRR 3 and the CRD 6 that took place in 2025 reinforced requirements for credit, market, and operational risk, the integration of ESG risks into prudential supervision, and the introduction of the output floor, setting a minimum capital level based on internal models. New trading-book rules will only enter into force on 1 January 2027.

Continuing the completion of the Banking Union, the EU adopted the reform of the Crisis Management and Deposit Insurance framework, expanding resolution tools and funding options for non-systemic institutions. However, further political agreement is still required on the European Deposit Insurance Scheme, the remaining uncompleted pillar of the Banking Union.

As part of its 2026 supervisory activities, the ECB is conducting a thematic reverse stress test on geopolitical risks, asking directly supervised banks to identify scenarios that could materially affect their business models and lead to significant capital depletion, while also assessing impacts on liquidity and funding. Aggregate outcome to be disclosed in Q3.2026.

Within the scope of the European Anti-Money-Laundering Directive and Regulation, which will apply from July 2027 with implications for transaction-scrutiny procedures and their beneficiaries, the new European authority began operating and, from 1 January 2028, will directly supervise around 40 large European financial institutions.

From 1 January 2026, in Portugal, the countercyclical capital buffer increased from 0% to 0.75%. The capital buffer applicable to domestic banks using IRB methods for exposures secured by residential real estate remained at 4%. The “other systemically important institutions” (O-SIIs) buffer stands at 1% as of 1 January 2026.

The Banco de Portugal has updated the macroprudential measure in the form of a Recommendation applicable to new credit agreements for consumers for house purchase, secured by a mortgage or equivalent guarantee, and consumer credit, setting limits to the criteria to be followed by institutions as they assess borrowers’ creditworthiness when granting new loans.

Decree-Law No. 98/2026 extends the temporary deferral of payments of principal, interest and other charges associated with credit agreements, as well as the prohibition on the revocation of existing credit lines, following Storm "Kristin".

In Poland, the Polish Financial Supervision Authority's (KNF) supervisory priorities for 2026 cover the banking sector, payment services, the capital market, the insurance sector, the consumer credit market, the legal area, the digital resilience of the financial sector, and the use of artificial intelligence.

The Polish government has adopted a draft amendment to the Banking Law Act aimed to align national legislation with the EU regulatory package on CRD 6/CRR 3. The draft provides for an enhanced role for the KNF in personnel processes within banks as well as gain new powers to supervise significant transactions carried out by banks. The Polish government has also continued work on legislation intended to accelerate the resolution of disputes concerning Swiss-franc-denominated mortgage loans. A draft bill published in May 2026 proposes procedural measures such as broader use of written proceedings and simplified court procedures, with the objective of reducing the substantial backlog of CHF-loan cases and promoting faster adjudication.

A countercyclical capital buffer of 1% was established, applicable from September 2025 and 2% from September 2026.

The GPW (administrator of benchmarks), has decided to discontinue the development of the WIBOR and the WIBID reference rates as of 1 January 2037. By 31 December 2026, no new agreements (including financial agreements) or issuing financial instruments in which the WIBOR interest rate benchmark are to be made.

In Mozambique, the Monetary Policy Committee (CPMO) decided to change the reserve requirement ratio applicable to the domestic-currency reserve base from 29.00% to 39.00%, while keeping the ratio applicable to the foreign-currency reserve base unchanged at 29.50%. In February 2026, the Banco de Moçambique issued Notice No. 1/GBM/2026, establishing the Mozambique Instant Payments System and approving its operating regulation.

Economic environment

In July, the International Monetary Fund (IMF) revised down its projection for world GDP growth in 2026, from 3.1% to 3.0%. The IMF forecasts inflation rate of 4.7% in 2026, 0.3 percentage points higher than projected in April. These revisions reflect the increase in the price of energy and food, associated with a more prolonged closure of the Strait of Hormuz. These projections are associated with important downside risks to economic activity and upside risks to prices, mainly related to the persistence of geopolitical tensions.

In the second quarter of 2026, financial markets benefited from the prospects of easing the Middle East conflict and robust corporate earnings, despite episodes of high volatility. In this sense, the main stock indices recorded valuations, especially the markets with greater exposure to the new technologies. Oil prices fell from the highs seen at the beginning of the quarter, but still, on average, remained about 25% above the previous quarter. The possibility of second-round effects on energy prices has contributed to an upward revision of inflation expectations, although they remain relatively anchored, and of the expected paths for benchmark interest rates. In this context, the European Central Bank raised the deposit facility rate from 2.0% to 2.25%, which had an impact on the increase in Euribor rates, particularly for longer maturities. The unfavourable macroeconomic and financial environment was reflected in a widening of risk premia, including sovereign issuers, in the euro area periphery, particularly Italy, with 10-year government debt yields reaching 3.15% in Germany and 4.65% in the United States.

Activity indicators point to a recovery of the Portuguese economy in the second quarter of 2026, after the stagnation recorded in the first quarter. Domestic demand is expected to be the main driver of growth, benefiting from the dynamism of investment and private consumption supported by a robust labour market, keeping the unemployment rate close to historic lows. The Bank of Portugal maintained its projection for GDP growth in 2026 at 1.8%. Regarding inflation, there was a significant acceleration from the first to the second quarter, with the average rate rising from 2.2% to 3.2%, an evolution marked by the increase in energy prices. The Bank of Portugal has revised upwards its projection for inflation in 2026, from 2.8% to 3.1%, anticipating a return to values close to 2% only in 2028.

In Poland, GDP grew by 3.5% year-on-year in the first quarter of 2026, corresponding to a deceleration compared to the previous quarter, due to the slowdown in domestic demand, mainly investment. Nevertheless, economic activity is expected to maintain a robust pace of growth, with the IMF projecting GDP growth of 3.4% for the year. In the second quarter, average inflation accelerated from 2.4% to 2.9% in the context of pressure on fuel prices. The National Bank of Poland kept the benchmark interest rate unchanged at 3.75% and the zloty depreciated slightly.

In Mozambique, GDP grew by 0.1% year-on-year in the first quarter of 2026. Economic activity was constrained by the floods that devastated the country in the first quarter and the deterioration of sovereign risk. For the year as a whole, the IMF forecasts GDP growth of 0.5%. The inflation rate in May increased to 7.2%, due to the increase in fuel prices, with core inflation remaining stable. In this context, the Central Bank of Mozambique decided to maintain the MIMO rate at 9.25% and the official metical rate remained relatively stable. In Angola, the IMF projects a slowdown in the GDP growth rate from 3.1% in 2025 to 2.3% in 2026. In terms of exchange rate, the kwanza appreciated slightly against the euro in the second quarter.

Financial system

At the end of February, the outbreak of the conflict in the Middle East/Iran, contributed to a supply shock resulting from rising energy prices, which have gradually been reflected in inflation and economic growth. The combination of uncertainty and resilience that has characterized the global economy creates a fragile balance, in a context where geopolitical risks remain very high. The uncertainty regarding their duration, despite announcements of an agreement to resolve the conflict, with worsening risks associated with security and maritime routes, and the resulting rise in energy costs; the unpredictability of U.S. geostrategic and trade policy (tensions between major blocs are fuelling a tariff war and protectionism), and concerns regarding the sustainability of public finances in economies with high levels of debt, shaped the first half of 2026.

The global economy and the Euro Area are expected to maintain a moderate growth in 2026, with several institutions revising downward growth outlooks and inflation projections upward. In global financial markets, the risk of price correction remains, given the high valuations in some market segments and the occurrence of extreme weather events (e.g., Storm Kristin). The Euro Area economy continues to show strong dependence on Germany's economic performance, particularly from its industrial sector. The Portuguese economy remained resilient in 2025, supported by the structural progress achieved in recent years, however, vulnerabilities persist, particularly in the public sector, due to pressures on public spending related to population ageing, climate transition, and defence needs, making it essential to proceed fiscal consolidation.

Central banks maintained a less restrictive monetary policy, albeit with greater caution amid rising geopolitical uncertainty and inflationary pressures. In June 2026, the ECB announced a 25 bp increase in its reference rates to 2.25%. It should be noted that between June 2024 and June 2025, the ECB delivered eight rate cuts, totalling 200 bp, keeping them unchanged until June 2026. Given current context, the ECB reaffirms that it will take the necessary measures to control inflation (2% MLT target). In the United States, the Federal Reserve cut interest rates in 2025, ending the year with the federal funds rate between 3.50% and 3.75%, and maintaining that range throughout the first half of 2026, supported by resilient economic activity and a strong labour market, despite inflationary pressures, particularly those associated with energy prices.

As part of the SREP, the ECB kept capital requirements broadly stable, reflecting the strength of the European banking sector. The supervisory priorities for 2026–2028 focus on strengthening resilience to geopolitical and macro financial risks, managing climate and credit risks, and enhancing operational resilience, cybersecurity, the implementation of DORA - Digital Operational Resilience Act and governance related to digitalization and artificial intelligence, with an emphasis on the implementation of the European Artificial Intelligence Regulation ('AI Act'). The ECB warns that "in a context of increasing digitalization, capital and liquidity are no longer sufficient to ensure the resilience of institutions. Banks must also strengthen their operational capacity by investing in systems, resources, and safeguards appropriate to the new technological challenges". The EBA also recommended strengthening cybersecurity and operational resilience under DORA, integrating ESG risks into risk management, and maintaining prudent levels of capital and liquidity amid geopolitical and technological risks.

The Portuguese banking system maintained a solid performance during the first half of 2026, supported by robust capital and liquidity and by asset-quality metrics that remained at historically low levels and broadly aligned with European standards. The sector remained profitable, albeit at lower levels than those recorded over the previous two years, reflecting the impact of a less restrictive monetary policy cycle on net interest income. In this context, prudent management of the balance between risk and return, as well as operational efficiency and capital allocation remains essential to ensure sustainable value creation in an environment of ongoing geopolitical, economic, financial and regulatory uncertainty. At the same time, consolidation continued across European banking sector, reflecting the ongoing drive for greater scale, efficiency and investment in technology and innovation.

Portuguese economy benefited from the broadly favourable backdrop for banking activity, underpinned by resilient labour market conditions, continued growth in households' disposable income and the gradual recovery of credit demand, particularly in the mortgage segment, driven by lower interest rates. Corporate credit demand was also supported by the inflow of European funds through the execution of the Recovery and Resilience Plan. At the same time, loan portfolio quality remained resilient, as reflected in stable non-performing loan levels and cost of risk, despite the persistence of a highly uncertain international environment.

The Portuguese banking system continues to operate within a particularly demanding regulatory and supervisory framework, characterised by the implementation of new prudential and operational requirements, as well as significant sector-specific contributions, namely to the National Resolution Fund and the special levy on the Banking Sector, that continue to penalise the Portuguese banks competitiveness when compared to European peers. At the same time, increasing competition from new financial and digital players continues to challenge traditional banking business models, requiring banks to highly enhance innovation, efficiency and adaptability.

During the first half of 2026, banks continued to invest in digital transformation, with a particular focus on the secure deployment of artificial intelligence solutions across internal processes and customer interactions, while further strengthening operational resilience, cybersecurity capabilities and compliance with evolving European regulatory framework. At the same time, climate and environmental risks continued to be embedded into risk management and decision-making processes, in line with supervisory expectations. These developments remain critical to enhance Portuguese banking system's competitiveness, operational efficiency and resilience in an increasingly demanding technological, prudential and regulatory landscape.

Characterisation of Business Model

Nature of operations and main activities

The Group provides a wide variety of banking services and financial activities in Portugal and abroad: Poland, Mozambique, Angola (through its associate BMA) and China (Macao). All its banking operations develop their activity under the Millennium brand. The Group also ensures its international presence through representation offices and/or commercial protocols.

The Bank offers a vast range of financial products and services: current accounts, payment systems, savings and investment products, private banking, asset management and investment banking, including mortgage loans, personal loans, commercial banking, leasing, factoring and insurance, among others. The back-office operations for the distribution network are integrated to benefit from economies of scale.

In Portugal, Millennium bcp is focused on the retail and companies markets, providing services to its Customers in a segmented manner. The Bank makes products available to Customers through its network of branches, allowing to offer to Customers a wide range of products and services..

Distinctive factors of the business model

Largest private sector banking institution

BCP is the largest private banking institution in Portugal in terms of business volume, holding a leading and prominent position in various financial products and services as well as in several market segments. Its activity is based on a modern branch network with extensive national coverage, as well as through remote and digital support channels (telephone banking, mobile banking and internet banking) that it makes available to its Customers.

The activity in the domestic market focuses on Retail Banking and Companies, which is segmented in order to best serve Customer needs, through a value proposition based on innovation and speed, targeting Mass-market Customers, and through the innovation and customized management of service for Prestige, Business, Private, Companies, Corporate and Large Corporate Customers. Retail Banking is also developed through ActivoBank, a bank aimed specifically at Customers who are young in spirit, intensive users of new technologies and prefer a banking relationship based on simplicity and innovative products and services.

At the end of June 2026, Millennium bcp continued to be the largest Portuguese privately-owned bank on business volumes and with a relevant position in the countries where it operates.

As of 30 June 2026, the operations in Portugal accounted for 63% of total assets, 69% of total gross loans to customers, and 66% of total customer funds. As of 30 June 2026, the Bank had more than 2.9 million active customers in Portugal and held market shares of 16.4% in customer lending and 18.4% in customer deposits at the end of May 2026.

International presence as a platform for growth

At the end of June 2026, Millennium bcp had an international presence throughout the world through its banking operations, representative offices and/or commercial protocols, serving more than 7.4 million active Customers.

In Poland, Bank Millennium has a well distributed network of branches, supported by a modern multi-channel infrastructure.

At the end of May 2026, Bank Millennium had a market share of 5.3% in loans to Customers and of 5.9% in deposits.

Concerning its African operations, Millennium bcp develops its activity through Millennium bim, a leading universal bank operating in Mozambique since 1995, with over 1.4 million active customers and market shares of 18.2% in customer loans and 21.7% in deposits as of the end of May 2026. Millennium bim is a highly recognised brand in the Mozambican market, associated with innovation and a great capacity to attract new customers.

On 22 April 2016, the deed of the merger of Banco Millennium Angola, S.A. with Banco Privado Atlântico, S.A. was signed. The bank resulting from the merger is an associate of Banco Comercial Português, consolidated by the equity method.

The Group also operates in the Far East since 1993. The activity of the existing branch in Macau was expanded in 2010, through the attribution of a full license (onshore) aimed at establishing an international platform for business operations between Europe, China and Portuguese-speaking African countries.

The Bank also has 4 representation offices (1 in the United Kingdom, 2 in Switzerland and 1 in China, in Guangzhou) and 1 commercial protocol (France).

Growth based on digital/mobile banking

Since its incorporation, the Bank has been recognised by the innovation. The Bank was the first in Portugal to introduce specific innovative concepts and products, including direct marketing methods, branch formats based on Customer profiles, salary accounts, simplified branches ("NovaRede"), telephone banking services, through Banco 7, which later became the first online banking services platform, health insurance (Médis) and direct insurance, and a website dedicated to individual Customers and to the corporate banking segment. The Bank was also a pioneer in the launching of a new Internet Banking concept, based on the ActivoBank platform, which provides a simplified service to the Customer, including the opening of a current account using Mobile Banking solutions.

In the first half of 2026, the strong growth in the number of mobile transactions stood out year-on-year:

- +9% in transactions (+68% international transfers; +13% P2P transfers);
- +8% in sales (+32% credit cards; +23% personal loans).

#1 NPS (Digital Channels Satisfaction - NPS, 5 largest banks, Source: Basef Banca-Marktest).

The Millennium App leads in technology platform ratings, with scores very close to the maximum value (5).

Closer to its Customers

At Group level, BCP surpassed 7.4 million active customers, with particular emphasis on mobile customers, which increased by 8% versus June 2025 (+411 thousand customers), reaching 5.6 million and representing a penetration rate of 75% of active customers. At the end of June 2025, mobile customers totalled 5.1 million, with a penetration rate of 73%.

In Portugal, BCP has approximately 2.9 million active customers, clearly demonstrating the trust placed in the Bank. As regards mobile customers, the growth trend continued, with an 8% increase (+151 thousand customers) compared with June 2025. In June 2026, the Bank surpassed 1.9 million mobile customers, representing 67% of its active customer base in Portugal, compared with 65% in the same period of the previous year.

Based on the Bank's distinctive competencies and quality of service, customers continue to consistently reward BCP, having been selected as "Consumer Choice" for the 6th consecutive year. In 2026, the Bank was once again recognised with the 5 Estrelas Award among Large Banks and in the Banking Apps category, for the fourth consecutive year. In the corporate segment, the Companies website was awarded Product of the Year 2026 in the “Companies” category.

Business Model Sustainability

The Bank, aiming to strengthen its sustainability and responsible finance offering and performance, continued to lead a transformative dynamic of adapting to ESG (Environmental, Social, and Governance) requirements that allowed it to meet the needs of its Customers, ao quadro legal aplicável, the expectations of supervisors, and, in general, the ambitions of its stakeholders in these areas.

Within the framework of its governance and decision-making model, the Bank has a Board of Directors Committee responsible for Corporate Governance, Ethics, and Sustainability, and a Sustainability Committee reporting to the Executive Committee and led by the CEO. The Bank also has a Sustainability Master Plan (SMP), a management tool that coherently and coherently encompasses the multidisciplinary actions to be developed within the scope of ESG across all of the BCP Group's operations.

The Bank intervention is thus divided into three fundamental axes: (i) Environmental, aiming at the implementation of measures that foster a fair and inclusive transition to decarbonized economic development models, including the incorporation of the climate dimension into the Bank's risk models and the commercial offering of solutions, products and services; (ii) Social, which ensures and promotes, together with the Millennium bcp Foundation, engagement with the external community and the internal community in establishing lasting relationships of proximity and cooperation and in the creation of shared value; and (iii) Corporate Governance, promoting the integration of Sustainability principles into the Bank's decision-making and control processes, in the management of its supply chain and in the definition of its value proposition.

Alignment with Sustainability principles continues to be central to the Bank, and to organizations in general, remaining a privileged means of determining the social and environmental impact of its activities. The Bank remained aware of its competitive, reputational, and business advantage, incorporating environmental, social, and governance factors, opportunities, and risks into its decision-making processes and reflecting them in the offering of solutions, products, and services.

This Sustainability is one of the vectors of the "Valorizar 28" Strategic Plan, a document that summarizes Millennium bcp's vision, objectives, and value proposition for the 2025-2028 four-year period.

Millennium network

Branches

PORTUGAL	**POLAND**	**MOZAMBIQUE**	**CHINA**
385 Branches	**585** Branches	**191** Branches	**1** Branch (on-shore)
● 163* ● 17 ● 292	● 327 ● 83 ● 192	● 12 ● 51 ● 191	

Representative offices

UNITED KINGDOM	**SWITZERLAND**	**CHINA**
1 Representative office	**2** Representative offices	**1** Representative office

Partnership

FRANCE

ANGOLA

● Branches with differentiated schedule ● Branches opened on Saturday ● Branches with access conditions to people with reduced mobility

* Includes branches of different networks that share the same physical space.

	Active Customers	Internet	Call Centre	Mobile Banking	ATM [1]	POS [2]
Portugal	2,925	2,223	317	1,973	1,825	99,323
Poland	3,097	2,782	262	2,598	0	4,671
Mozambique	1,412	1,045	59	1,036	402	9,323
Macao (China)	2	-	-	-	-	-

Values are expressed in thousands of Customers.
Note: Active customers/users are considered to be those who have used cards in the last 90 days or who have Financial Assets ≥ €100.
[1] Automated Teller Machines – units. [2] Points of Sale – units.

(Data as at 30th June 2026)

Financial information

Results and Balance Sheet

The consolidated Financial Statements were prepared under the terms of Regulation (EC) 1606/2002, of 19 July (in the version in force), and in accordance with the reporting model determined by Banco de Portugal (Notice 5/2015, in the version in force), following the transposition into Portuguese law of Directive 2003/51/EC, of 18 June, of the European Parliament and Council in the version currently in force.

To provide a better reading of the evolution of the Group's financial situation and to ensure comparability with the information from previous periods, a set of concepts are described in this analysis that reflect the management criteria adopted by the Group in the preparation of the financial information. The relation between these management criteria and the accounting information presented in the consolidated financial statements (referred to as "Balance sheet" or "P&L") is outlined in the Glossary and throughout the document, where applicable.

The analysis of the international activity is consistent with the Group's consolidated accounts, although there may be differences compared to the accounts disclosed locally.

With effect from March 2026, reverse repurchase agreements (reverse repos) were excluded from the aggregate amount of loans to customers according to the management criteria adopted by the Bank. The corresponding historical amounts are presented considering these reclassifications with the purpose of ensuring their comparability (impact of EUR 96 million in June 2025).

With effect from June 2026, repurchase agreements (repos) were excluded from the aggregate amount of deposits and other resources from customers according to the management criteria adopted by the Bank. The corresponding historical amounts are presented considering these reclassifications with the purpose of ensuring their comparability. This exclusion has no impact in June 2025 as no repos were recorded in this month.

All indicators associated with the above reclassifications have been restated accordingly.

In the first half of 2026, with the exception of the situations previously mentioned, no other changes were introduced in the way information regarding previous financial years was presented.

Reclassifications from previous periods, which have already been duly communicated and accompanied by their respective explanatory notes, are not presented in this report, as the corresponding restated amounts have already been disclosed in prior reports.

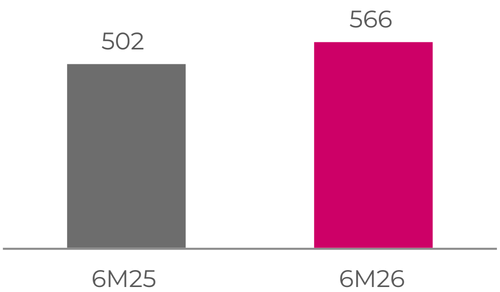
PROFITABILITY ANALYSIS

NET INCOME

In the first half of 2026, the consolidated net income amounted to EUR 566 million, corresponding to a 12.7% growth compared to the EUR 502 million achieved in the first half of the previous year and to a return on equity (ROE) of the Group of 14.6% (14.3% in the first half of 2025).

NET INCOME

million EUR



The growth of the net income of the Group compared to the first half of 2025 benefitted mainly from the favourable performance of the activity in Portugal, also reflecting a greater contribution from the international activity compared to the first half of the previous year.

Compared to the first half of 2025, net income of the Group benefitted from the increase of core income and net trading income. Equity accounted earnings and results on modification also showed a favourable evolution, although with a less significant impact on the performance of net income of the Group. On the other hand, the reduction in impairments and provisions contributed significantly to net income growth compared to the first half of the previous year. Conversely, over the same period, operating costs showed an increase.

The growth of core income of the Group compared to the first half of the previous year (+4.0%; EUR +74 million), to EUR 1,932 million at the end of the first half of the current year was driven by the performance of the activity in Portugal. In the international activity, core income was lower than in the first half of 2025, although with a marginal impact on the overall performance of the Group during this period.

In consolidated terms, the performance of core income was mainly driven by the evolution of net interest income, which stood 3.4% (EUR +50 million) above the amount recorded in the first half of 2025, reaching EUR 1,494 million at the end of June 2026, with the impact of the growth in the activity in Portugal being partially offset by the reduction in the international activity. Net commissions of the Group, in turn, also recorded an increase, of 5.8% (EUR +24 million), compared to the first half of the previous year, totalling EUR 438 million at the end of June 2026. Net commissions increased during the period under review in both the Portuguese and the international activity.

The significant increase of net trading income of the Group, from EUR 56 million in the first half of 2025 to EUR 81 million in the first half of 2026 (EUR +25 million), was driven by the contribution of the activity in Portugal, although its impact was slightly offset by the decline recorded in the international activity. The evolution of net trading income in the activity in Portugal was influenced by gains associated with the sale of credit recovery legacy assets.

Equity accounted earnings, in turn, increased 19.8% compared to those recorded in the first half of the previous year, totalling EUR 37 million in the first half of 2026.

Although not very significant, results on modification, exclusively recognised in the Polish subsidiary, also contributed to the favourable performance of the net income of the Group, evolving from a negative amount of EUR 5 million in the first half of 2025 to an also negative amount of EUR 1 million at the end of the first half of the current year (EUR +4 million), influenced by the absence in the first half of 2026 of costs associated with contractual modifications negotiated with customers with foreign exchange mortgage loans.

The overall impact before taxes and non-controlling interests associated with foreign exchange mortgage portfolio in the Polish subsidiary continued to influence the results of the Group, despite a 65.1% reduction, as it evolved from a cost of EUR 277 million in the first half of 2025 to a cost of EUR 97 million in the first half of 2026.

The positive impact associated with the foreign currency mortgage loan portfolio at the Polish subsidiary was largely driven by the reduction in the provision booked by this subsidiary to face the implicit legal risk, which was EUR 146 million lower than the provision recognised in the first half of 2025. This reduction had a decisive influence on the overall evolution of impairments and provisions.

Thus, overall, impairment and provisions of the Group recorded a significant decrease, driven by the evolution of other impairment and provisions that stood 32.8% (EUR -92 million) below the amount posted in the first half of 2025, totalling EUR 189 million at the end of June 2026. Conversely, in the activity in Portugal, other impairment and provisions increased compared with the corresponding period of the previous year, although their impact was more limited. Loan impairment charges, net of recoveries, on a consolidated basis, increased by 16.3% (EUR +15 million) compared to the first half of 2025, totalling EUR 104 million in the first half of 2026, influenced by loan portfolio sales in the Polish subsidiary, with the greatest impact in the first half of the previous year.

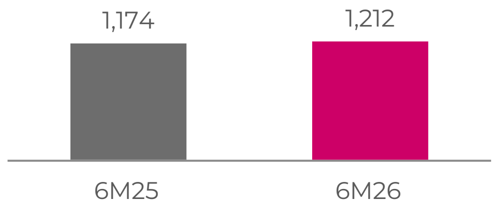
Despite the disciplined management of costs by the Group, operating costs were 5.4% (EUR +37 million) higher than in the first half of 2025, driven by the performance of both the activity in Portugal and the international activity, totalling EUR 720 million at the end of June 2026.

Other net operating income, in turn, evolved from a negative amount of EUR 98 million in the first half of 2025, to an also negative amount of EUR 101 million in the first half of 2026 (EUR -3 million). This performance was driven by the unfavourable contribution of the activity in Portugal the impact of which was largely offset by the favourable performance of the international activity, notably that of the Polish subsidiary, which recorded among others a favourable evolution in the impacts associated with the foreign exchange mortgage portfolio recognised under this heading.

In the first half of 2026, core operating profit of the Group amounted to EUR 1,212 million, standing 3.2% above the amount achieved in the same period of the previous year, since the increase in core income exceeded the increase in operating costs.

CORE OPERATING PROFIT

million EUR



The previous analysis does not exclude the impact of specific items considered in each period in staff costs in the activity in Portugal. In both periods, the impact of specific items before taxes and non-controlling interests was negative in the amount of EUR 7 million in the first half of 2026 and EUR 3 million in the first half of 2025. Excluding the impact of specific items in both periods, core operating profit of the Group was also higher than in the same period of the previous year (+3.5%) amounting to EUR 1,219 million, in the first half of 2026.

INCOME STATEMENT

million EUR

	6M26	6M25	Chg. 26/25
NET INTEREST INCOME	**1,494**	**1,444**	**3.4 %**
OTHER NET INCOME	**457**	**404**	**13.0 %**
Dividends from equity instruments	1	1	4.0 %
Net commissions	438	414	5.8 %
Net trading income	81	56	45.5 %
Other net operating income	(101)	(98)	(3.2%)
Equity accounted earnings	37	31	19.8%
NET OPERATING REVENUES	**1,950**	**1,848**	**5.5 %**
OPERATING COSTS	**720**	**684**	**5.4 %**
Staff costs	399	383	4.0 %
Other administrative costs	239	223	7.1 %
Amortisation and depreciation	82	77	6.9 %
PROFIT BEFORE IMPAIRMENT AND PROVISIONS	**1,230**	**1,164**	**5.6 %**
Results on modification	(1)	(5)	83.6 %
Loan impairments (net of recoveries)	104	90	16.3 %
Other impairment and provisions	189	281	(32.8%)
INCOME BEFORE INCOME TAX	**936**	**789**	**18.7 %**
INCOME TAX	**283**	**218**	**29.4 %**
Current	71	45	55.9 %
Deferred	212	173	22.5 %
NET INCOME AFTER INCOME TAX FROM CONTINUING OPERATIONS	**654**	**571**	**14.6 %**
Net income from discontinued operations	0	0	0.0 %
NET INCOME AFTER INCOME TAX	**654**	**571**	**14.6 %**
Non-controlling interests	88	68	28.8 %
NET INCOME ATTRIBUTABLE TO SHAREHOLDERS OF THE BANK	**566**	**502**	**12.7 %**

In the activity in Portugal, net income of the first half of 2026 amounted to EUR 470 million, growing 10.9% from the EUR 424 million achieved in the same period of the previous year.

The favourable evolution of net income in the activity in Portugal was largely driven by the increase in core income, from EUR 966 million in the first half of 2025 to EUR 1,056 million at the end of June of the current year. This performance was mainly driven by the 11.3% (EUR +74 million) increase in net interest income to EUR 733 million at the end of June of the current year. Net commissions, in turn, grew by 5.0% (EUR +15 million) over the same period, reaching a total of EUR 322 million in the first half of 2026.

Net income of the activity in Portugal was also favourably influenced by the significant increase in net trading income (EUR +34 million from the first half of 2025), totalling EUR 41 million at the end of the first half of the current year. This evolution includes gains associated with the sale of credit recovery legacy assets.

Although to a lesser extent, equity accounted earnings that totalled EUR 34 million in the first half of 2026, evolved favourably compared to the same period of the previous year (+18.9%, EUR +5 million).

Net income of the activity in Portugal was further influenced by the increase in impairments and provisions, mainly driven by other impairment and provisions, which rose from EUR 6 million to EUR 28 million in the first half of the year. Loan impairment charges (net of recoveries) increased 5.4% (EUR +4 million) from the amount recognised in the first half of 2025, totalling EUR 73 million in first half of 2026, reflecting the growth of the loan portfolio (cost of risk, net of recoveries, stood at 32 basis points in the first half of 2026 compared to 33 basis points in the first half of 2025).

Operating costs also increased from the first half of 2025 (+5.4%; EUR +18 million) totalling EUR 361 million at the end of June 2026. Excluding the impact of specific items, the increase in operating costs in the activity in Portugal was 4.2%.

Other net operating income, in turn, went from a negative amount of EUR 22 million in the first half of 2025 to an also negative amount of EUR 38 million in the first half of 2026 (EUR -17 million).

Given that the increase in core income significantly outpaced the increase in operating costs in the activity in Portugal, core operating profit increased by 11.4% to EUR 695 million in the first six months of 2026.

Excluding the specific items mentioned above (negative impacts of EUR 7 million in the first half of 2026 and EUR 3 million in the first half of 2025, both recognised in staff costs), core operating profit in the activity in Portugal totalled EUR 702 million in the first half of 2026, 12.0% above the amount recorded in the same period of the previous year.

Regarding international activity, net income evolved positively (+22.1%) from the EUR 78 million recorded in the same period of the previous year totalling EUR 96 million at the end of June 2026. This evolution primarily reflects the stronger results reported by Bank Millennium in Poland compared with the first half of 2025, while the results obtained by Millennium bim in Mozambique were lower than in the first half of the previous year, influenced by the financial context in the country.

In fact, net income of Bank Millennium reached EUR 167 million in the first half of 2026, showing a strong growth of 37.9% from the EUR 121 million recorded in the same period of the previous year. This performance was achieved despite the increase in the income tax rate for banks in Poland, from 19% in 2025 to 30% in 2026.

To the favourable performance of the Polish subsidiary largely contributed the reduction in the overall amount of costs associated with the portfolio of foreign exchange mortgage loans (EUR -180 million, before taxes) to EUR 97 million in the first half of 2026, which continue to strongly influence the results of the subsidiary. The reduction in the overall costs associated with this portfolio was mainly driven by the reduction of the provision booked by that subsidiary to face the legal risk associated with foreign exchange mortgage loans (EUR 146 million lower than the amount recognised a year before). Considering the amounts net of the amount related to loans originated by the operations of Euro Bank S.A to be reimbursed by a third party, recognised under other net operating income, the reduction amounted to EUR 137 million, to EUR 82 million in the first half of 2026.

On the other hand, the performance of the results of the Polish subsidiary was also largely influenced by the increase in operating costs and in impairment and provisions (excluding the provisions associated with foreign exchange mortgage portfolio) as well as by the reduction in core income, when compared to the amounts recorded in the first half of 2025. The unfavourable evolution of core income was due to the reduction in net interest income of the subsidiary, strongly influenced by the reduction in the reference interest rates by the central bank of Poland (a cumulative reduction of 200 basis points since the beginning of 2025 to June 2026).

Core operating profit of the Polish subsidiary was lower than the EUR 494 million recorded in the first half of 2025 totalling EUR 455 million in the first half of 2026.

Regarding Millennium bim in Mozambique, net income amounted to EUR 14 million in the first half of 2026, significantly below the EUR 24 million recorded in the first half of 2025. This improvement was largely explained by the financial context in the country.

By contrast, the evolution of net income of Millennium bim in Mozambique benefitted from the reduction in operating costs.

The combined effect of the evolution in core income and operating costs allowed core operating profit of the Mozambican subsidiary to increase by 8.0% compared with the first half of 2025, reaching EUR 62 million in the first half of 2026.

The contribution of the Angolan operation to the results of the international activity, through the appropriation of the results of Banco Millennium Atlântico recognised in equity accounted earnings, amounted to EUR 3 million in the first half of 2026, corresponding to an increase of EUR 1 million compared to the same period of the previous year.

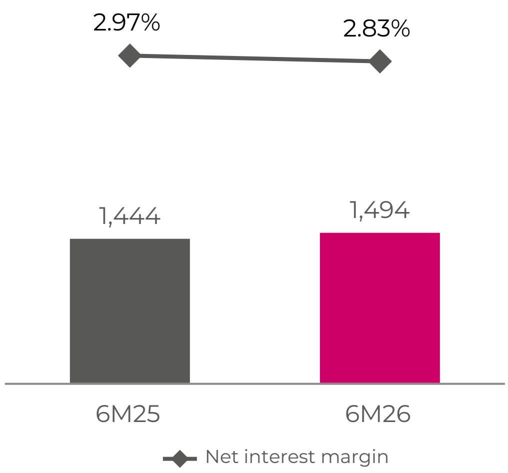
Core operating profit, in the international activity, stood at EUR 517 million in the first half of 2026, remaining 6.2% below the EUR 551 million posted in the same period of the previous year.

NET INTEREST INCOME

In the first half of 2026, net interest income of the Group reached EUR 1,494 million, standing 3.4% above the amount posted in the same period of the previous year. This evolution reflects the favourable performance of the activity in Portugal whose impact was partly offset by the reduction in net interest income in the international activity, when compared to the amount recorded in the first half of 2025.

NET INTEREST INCOME

million EUR



In the activity in Portugal, net interest income totalled EUR 733 million in the first half of 2026, increasing 11.3% from the EUR 659 million recorded in the first half of 2025.

The lower cost of funding largely contributed to this evolution, mainly influenced by the decrease in costs associated with the remuneration of deposits from customers, despite the increase in average balance of interest-bearing deposits compared to the first half of 2025.

The decrease in applied interest rates for variable-rate issues as well as an active and efficient debt management, with optimisation of funding conditions, resulted in a reduction in costs incurred with issued debt and subordinated debt, contributing positively to the performance of net interest income compared to the first half of the previous year.

The higher income generated by the sovereign debt portfolio also contributed positively to the evolution of the net interest income compared with the first half of the previous year.

Likewise, the increase in the average balance of customer loan portfolio allowed a higher income generated by this portfolio, compared to the first half of the previous year.

On the other hand, the income generated by securities portfolio excluding the sovereign debt portfolio was lower than that recorded in the first six months of 2025.

In the international activity, net interest income amounted to EUR 761 million at the end of June 2026, standing 3.1% below the EUR 785 million accounted in the first half of 2025.

This evolution mainly reflects the performance of the Polish subsidiary with the Mozambican subsidiary also recording a lower net interest income from the same period of the previous year, despite its non-significant impact.

The decrease in net interest income in the Polish subsidiary was largely due to the lower income generated by the customer loan portfolio, which, despite growth in volumes, was impacted by the sharp reduction in interest rates (average 3-month WIBOR rate of 5.60% in the first half of 2025 and 3.86% in the first half of 2026). In contrast, there was a lower cost of deposits from customers and a higher income from securities portfolio.

In consolidated terms, net interest margin went from 2.97% in the first half of 2025 to 2.83% in the first half of 2026.

In the activity in Portugal, net interest margin evolved from 2.12% in the first half of 2025, to 2.22% in the same period of the current year. Over this period, the 6-month Euribor evolved from 2.30% to 2.36% (average recorded over the six months of 2025 and 2026, respectively).

Net interest margin in the international activity, in turn, evolved from 4.47% in the first half of 2025, to 3.84% in the first half of 2026, reflecting the reduction in this indicator recorded at the subsidiary in Poland. It is noteworthy that the central bank of Poland reduced the reference interest rates six times in 2025 (in May, July, September, October, November and December), and also in March of the current year, corresponding to a cumulative reduction of 200 basis points (from 5.75% at the beginning of 2025 to 3.75% in June 2026). The increase in liquidity invested in sovereign debt securities, resulting from the growth of customer deposits, although contributing positively to net interest income, led to the reduction in net interest margin compared to the first half of the previous year.

OTHER NET INCOME

Other net income, that aggregates dividends from equity instruments, net commissions, net trading income, other net operating income and equity accounted earnings, totalled EUR 457 million in the first half of 2026, corresponding to an increase of 13.0% compared to the EUR 404 million recorded in the same period of the previous year.

This performance was mainly driven to the contribution of the activity in Portugal, that increased 11.8% (EUR +38 million) compared to the EUR 321 million posted in the first half of 2025, totalling EUR 359 million in the first half of the current year.

The performance of the activity in Portugal largely reflects the favourable performance of net trading income (EUR +34 million), influenced by gains associated with the sale of credit recovery legacy assets. Net commissions increased EUR 15 million and equity accounted earnings increased EUR 5 million year-on-year. Other net operating income, in turn, stood EUR 17 million below the amount recorded a year before

In the international activity, other net income amounted to EUR 98 million in the first half of 2026, standing 17.6% above the EUR 83 million posted in the same period of the previous year. This performance was mainly influenced by the contribution of the Polish subsidiary, that reflects namely the positive evolution of the impacts associated with the mortgage loan portfolio in foreign currency.

OTHER NET INCOME

million EUR

	6M26	6M25	Chg. 26/25
Dividends from equity instruments	1	1	4.0 %
Net commissions	438	414	5.8 %
Net trading income	81	56	45.5 %
Other net operating income	(101)	(98)	(3.2 %)
Equity accounted earnings	37	31	19.8 %
	457	**404**	**13.0 %**
of which:			
Activity in Portugal	359	321	11.8 %
International activity	98	83	17.6 %

DIVIDENDS FROM EQUITY INSTRUMENTS

Dividends from equity instruments, which incorporates dividends and income from equity shares received from investments classified as financial assets at fair value through other comprehensive income and as financial assets held for trading, amounted to EUR 1 million in the first half of 2026, arising exclusively from income associated with investments that are part of the shares portfolio of the Polish subsidiary, as well as in the first half of the previous year. The corresponding amounts did not change materially between the two periods.

NET COMMISSIONS

Net commissions include commissions related to the banking business and commissions more directly related to financial markets.

In the first half of 2026, net commissions, as a whole, totalled EUR 438 million, showing a growth of 5.8% compared to the EUR 414 million recorded in the same period of the previous year, benefitting from the performance of both the activity in Portugal and the international activity.

In consolidated terms, both banking commissions and commissions related to financial markets stood above the amount recorded in the first six months of 2025.

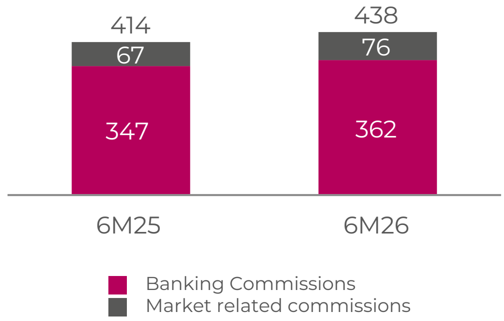
In fact, banking commissions of the Group stood 4.2% (EUR +14 million) above the amount recorded in the first half of 2025, amounting to EUR 362 million at the end of the first half of 2026, while commissions related to financial markets increased 14.7% (EUR +10 million), totalling EUR 76 million in the first half of 2026.

The growth in banking commissions of the Group was largely influenced by the increase in commissions associated with bancassurance activity. Commissions related to credit and guarantees as well as commissions related to cards and transfers also increased from the first half of 2025, while the contribution of other banking commissions stood at a lower level than that observed at the end of the first half of the previous year. Commissions associated with the management and maintenance of accounts, in turn, remained broadly in line with the amount recorded in the first half of 2025.

The favourable evolution of commissions related to financial markets was mainly driven by commissions associated with asset management and distribution, with commissions associated with securities also higher than in the first half of 2025.

NET COMMISSIONS

million EUR



In the activity in Portugal, net commissions amounted to EUR 322 million in the first half of 2026, corresponding to a growth of 5.0% from the EUR 307 million recorded in the first half of 2025.

Both banking commissions, which amounted to EUR 267 million at the end of the first half of 2026, and commissions related to markets, which totalled EUR 55 million in the same period, evolved favourably, showing increases of 3.8% (EUR +10 million) and 10.9% (EUR +5 million), respectively.

Net commissions related to the banking business in the activity in Portugal evolved favourably overall, highlighting the growth of commissions associated with the bancassurance activity (+7.6%, EUR +5 million). At the end of June 2026, these commissions totalled EUR 66 million.

Commissions associated with management and maintenance of accounts also performed favourably compared to the first half of the previous year (+3.0%, EUR +2 million), amounting to EUR 77 million at the end of June 2026.

Commissions related to cards and transfers, which include amounts charged for transactions carried out with cards and the respective payment networks, for bank transfers and for the use of points of sale (POS), were also above the amount recorded a year earlier (+2.4%; EUR +2 million), totalling EUR 80 million, in the first half of 2026.

Commissions associated with credit and guarantees stood 2.8% (EUR +1 million) above the amount recorded in the first half of the previous year, totalling EUR 45 million at the end of the first half of the current year.

Regarding market related commissions in the activity in Portugal, both commissions arising from asset management and distribution and commissions related to securities reached a higher level than in the first half of 2025, with the growth of the former contributing more significantly to the performance of this aggregate. In fact, commissions arising from asset management and distribution totalled EUR 32 million, EUR 4 million (+14.0%) above the amount recorded a year earlier, while commissions related to securities amounted to EUR 23 million at the end of June of the current year, standing EUR 2 million (+6.9%) above the amount recorded in the first six months of 2025.

In the international activity, net commissions amounted to EUR 116 million in the first half of 2026, increasing 8.3% (EUR +9 million) from the amount recognised in the same period of the prior year, largely reflecting the growth observed in the Polish subsidiary. In the Mozambican subsidiary, net commissions remained stable compared to the first half of 2025.

Commissions related to banking business in the international activity totalled EUR 95 million in the first half of 2026, increasing 5.1% (EUR +5 million) from the amount recorded in the same period of the previous year, while commissions related to financial markets, in turn, recorded a 25.8% increase (EUR +4 million).

NET COMMISSIONS

million EUR

	6M26	6M25	Chg. 26/25
BANKING COMMISSIONS	**362**	**347**	**4.2 %**
Cards and transfers	134	133	1.1 %
Credit and guarantees	68	64	6.2 %
Bancassurance	78	68	15.3 %
Management and maintenance of accounts	82	82	0.1 %
Other commissions	0	1	(119.6 %)
MARKET RELATED COMMISSIONS	**76**	**67**	**14.7 %**
Securities operations	25	23	7.1 %
Asset management and distribution	51	43	18.7 %
	438	**414**	**5.8 %**
Of which:			
Activity in Portugal	322	307	5.0 %
International activity	116	107	8.3 %

NET TRADING INCOME

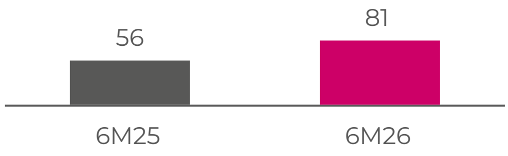
Net trading income includes gains/(losses) on financial operations at fair value through profit or loss, foreign exchange gains/(losses), gains/(losses) on hedge accounting and gains/(losses) arising from derecognition of financial assets and liabilities not measured at fair value through profit or loss.

In the first half of 2026, net trading income amounted to EUR 81 million, well above the EUR 56 million achieved in the same period of the previous year.

This performance was largely influenced by the contribution of the activity in Portugal, whose impact was partially offset by the lower contribution from the international activity compared with the first half of 2025.

NET TRADING INCOME

million EUR



In the activity in Portugal, net trading income evolved from EUR 7 million in the first half of 2025 to EUR 41 million in the first half of 2026, influenced by gains associated with the sale of credit recovery legacy assets.

In the international activity, net trading income decreased from EUR 49 million in the first half of 2025 to EUR 40 million in the first half of 2026, reflecting the decreases observed in both subsidiaries in Poland and Mozambique.

NET TRADING INCOME

million EUR

	6M26	6M25	Chg. 26/25
Gains/(losses) on financial operations at fair value through profit or loss	9	74	(87.7 %)
Foreign exchange gains/(losses)	62	(10)	>200%
Gains/(losses) on hedge accounting	(2)	0	<-200%
Gains/(losses) arising from derecognition of financial assets and liabilities not measured at fair value through profit or loss	12	(8)	>200%
	81	**56**	**45.5 %**
of which:			
Activity in Portugal	41	7	>200%
International activity	40	49	(17.6 %)

OTHER NET OPERATING INCOME

Other net operating income includes other operating income, net of other operating costs, which includes, among others, the costs associated with the resolution and the deposit guarantee funds as well as with the other mandatory contributions, both in the activity in Portugal and in the international activity. In addition, other net operating income also includes gains/(losses) on disposal of subsidiaries and other assets.

In the last year other net operating income evolved from a negative amount of EUR 98 million in the first half of 2025, to an also negative amount of EUR 101 million in the first half of 2026, with the positive impact of the international activity, particularly that of the Polish subsidiary, being offset by the opposite impact arising from the contribution of the activity in Portugal.

In fact, in the activity in Portugal, other net operating income evolved from a negative amount of EUR 22 million in the first half of 2025 to an also negative amount of EUR 38 million at the end of the first half of 2026. This performance was due on one hand to the reduction in gains recognised with the sale of assets, and, on the other, by the increase of the impact of costs with mandatory contributions to which the Bank is subject. Conversely, the performance of other net operating income benefitted from the recognition of revenue associated with the conclusion of litigation processes.

The reduction of gains recognised from the disposal of assets resulted mainly from the gains associated with financial holdings, but also from the lower results from the disposal of non-current assets held for sale.

The overall amount associated to mandatory contributions in the activity in Portugal, including the supervisory fee charged by the ECB, went from EUR 34 million in the first half of 2025 to EUR 43 million in the first half of 2026 (+27.3%).

This evolution was unfavourably influenced by the fact that an income was recognised in the first half of the previous year, related to the Additional Solidarity charge for the Banking Sector paid by the Bank in 2021. In fact, following the Constitutional Court Ruling No. 478/2025 issued on 3 June 2025, which declared the Solidarity Additional Framework for the Banking Sector unconstitutional with general binding force, the self-assessment and payment of the tax, which according to the rules previously in force would have been due by 30 June 2025, was not made. In addition, an income in the amount of EUR 6 million was recognised in the first half of 2025 in respect of the tax paid in 2021. Income relating to the tax paid by the Bank in the remaining years (from 2020 to 2024, inclusive) was recognised in the second half of 2025. Accordingly, no amount related to this tax was recognised in the first half of 2026.

The costs incurred with the other mandatory contributions to which the Bank is subject in the activity in Portugal were also higher than those recorded in the first half of 2025.

The cost incurred with the contribution on the banking sector amounted to EUR 31 million, that compares to EUR 29 million recognised in the first half of the previous year.

The contribution to the National Resolution Fund (FRN), in turn, increased from EUR 10 million to EUR 11 million in the first half of 2026, despite the decrease in the contribution rate from 0.049% to 0.047%.

The supervisory fee charged by the ECB although lower than in the first half of 2025 did not change materially totalling EUR 1 million in the first half of 2026, while the contribution to the deposit guarantee fund remained stable in an immaterial amount in the scope of this analysis.

Finally, it should be noted that the Single Resolution Board determined that, since the Single Resolution Fund (SRF) had reached its target level, no ex-ante contributions would be charged in 2026, similarly to 2025.

In the international activity, other net operating income evolved from a cost of EUR 76 million recognised in the first half of 2025 to a cost of EUR 62 million at the end of June 2026.

This performance was mainly driven by the favourable evolution of the impacts associated with the foreign exchange mortgage loan portfolio recognised under this item in the Polish subsidiary. Conversely, costs with mandatory contributions to which this subsidiary is subject increased when compared to the first half of 2025.

The impacts associated with foreign exchange mortgage loan portfolio, as far as this item is concerned, evolved significantly from a cost of EUR 5 million in the first half of 2025 to an income of EUR 8 million in the first half of 2026. This performance mainly reflects the favourable evolution of court costs related to the counterclaims filed by Bank Millennium for reimbursement of the amounts owed by customers. On the other hand, the compensation for costs incurred with the booking of provisions to address the legal risk implicit in foreign exchange mortgage loans to be reimbursed from a third party, following the indemnity clauses and contractual guarantees provided for in the acquisition contract of Euro Bank S.A., decreased when compared to the same period of the previous year, totalling EUR 14 million in the first half of 2026, which compares to EUR 23 million in the first half of 2025.

Costs associated with mandatory contributions borne by the Polish subsidiary increased from EUR 74 million in the first half of 2025 to EUR 76 million in the first half of 2026. This evolution was mainly due to the contribution to the resolution fund by this subsidiary that reached EUR 28 million in the first half of 2026, corresponding to an increase of more than 50% compared to the same period of the previous year. With a less significant impact, the special tax on the Polish banking sector, was also higher compared to the amount recognised in the first half of 2025 totalling EUR 48 million in the first half of 2026 (EUR 47 million in the first half of 2025). In contrast, since the target level was reached, no contributions to the deposit guarantee fund by Bank Millennium will be charged in 2026 (EUR 9 million in the first half of 2025).

EQUITY ACCOUNTED EARNINGS

Equity accounted earnings from associates include the results appropriated by the Group related to the entities in which, despite exercising some influence, it does not have control over their financial and operating policies.

In the first half of 2026, equity accounted earnings of the Group totalled EUR 37 million, standing 19.8% above the EUR 31 million posted in the same period of the previous year.

In the activity in Portugal, equity accounted earnings increased from EUR 28 million in the first half of 2025, to EUR 34 million at the end of the first half of the current year, largely influenced by the increase in the results from Millenniumbcp Ageas.

In the international activity, equity accounted earnings increased to EUR 3 million in the first six months of 2026. Relevant for this evolution was the appropriation of the results generated by Banco Millennium Atlântico in Angola, that went from EUR 2 million in the first half of 2025 to EUR 3 million in the first half of 2026. The appropriation of the results generated by Fidelidade Moçambique - Companhia de Seguros S.A., in turn, did not change materially compared to the same period of the previous year.

OPERATING COSTS

Operating costs include staff costs, other administrative costs and amortisation and depreciation.

Despite the disciplined management of costs followed by the Group, operating costs stood 5.4% above the EUR 684 million recorded in the first half of the previous year, totalling EUR 720 million at the end of the first half of 2026. Operating costs were higher than those recorded in the first half of 2025, both in the activity in Portugal and in the Polish subsidiary. In the Mozambican subsidiary, in turn, operating costs were lower than in the first six months of 2025.

The amounts presented do not exclude the impact of specific items considered in each period in staff costs in the activity in Portugal. In both the first half of 2026 and the first half of 2025, the impact was negative in the amount of EUR 7 million and EUR 3 million, respectively.

Excluding specific items mentioned above, operating costs of the Group amounted to EUR 713 million, standing 4.8% above the EUR 681 million accounted in the first half of 2025. The increase recorded was determined by the rise in other administrative costs (+7.1%, EUR +16 million), reflecting contributions from both the activity in Portugal and the international activity, particularly from the Polish subsidiary.

Staff costs were also higher than the amount recorded in the first half of 2025 (+3.0%, EUR +11 million) which was more pronounced in the international activity, particularly in the Polish subsidiary. Amortisation and depreciation, in turn, also stood above the amount recorded a year earlier (+6.9%, EUR +5 million), influenced by the contribution of the activity in Portugal. In the international activity, amortisation and depreciation remained stable compared to the first half of 2025, with the increase in the Polish subsidiary being offset by the decrease in the Mozambican subsidiary.

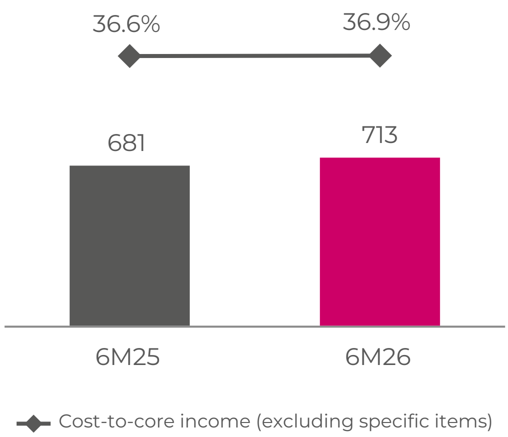
Both cost-to-income ratio and cost-to-core income ratio remained broadly in line with those recorded in the first half of the previous year, evolving from 36.8% to 36.6%, and from 36.6% to 36.9% respectively over the last year, excluding the impact of specific items in both cases.

Stated cost-to-income and cost-to-core income ratios, in turn, also remained broadly unchanged, evolving respectively, from 37.0% to 36.9% and from 36.8% to 37.3%, over the same period.

OPERATING COSTS

(excluding specific items)

million EUR



In the activity in Portugal, operating costs totalled EUR 361 million in the first half of 2026, standing 5.4% above the EUR 342 million posted in the first half of 2025. Excluding specific items mentioned above, operating costs increased 4.2%, from EUR 340 million to EUR 354 million.

The evolution of operating costs in the activity in Portugal, not considering the effect of specific items, reflects the increases of 8.9% (EUR +9 million) recorded in other administrative costs and of 13.5% (EUR +5 million) in amortisation and depreciation. Staff costs, in turn, remained in line (-0.3%; EUR -1 million) with the amount posted in the first half of 2025.

Excluding the impact of specific items, cost-to-income ratio in the activity in Portugal evolved from 34.7% to 32.4%, while cost-to-core income ratio went from 35.2% to 33.5% in the period under review.

Cost-to-income and cost-to-core income stated ratios stood at 33.0% and 34.2% in the first half of 2026, levels that compare respectively with 34.9% and 35.4% in the same period of the previous year.

In the international activity, operating costs totalled EUR 359 million at the end of the first half of 2026, standing 5.4% above the EUR 341 million accounted in the same period of the previous year. This evolution was mainly due to the increase in the Polish subsidiary, whose impact was partially offset by the reduction in the subsidiary in Mozambique compared to the first half of 2025.

In the Polish subsidiary, the increase in operating costs resulted, on one hand from the evolution of staff costs, influenced by a strong pressure on basic wages and by the current scenario of the Polish labour market, with very low unemployment rates in the country, also reflecting the increase in the number of employees in the last year, and on the other the increased in other administrative costs compared to the first half of 2025. Amortisation and depreciation also stood at a higher level than in the first half of 2025, although their impact was less significant on the evolution of the operating costs of this subsidiary.

In the operation in Mozambique, the decrease in operating costs reflects the decrease recorded in other administrative costs and in amortisation and depreciation. Staff costs, in turn, increased from the first six months of 2025.

The evolution of operating costs in the international activity was thus due to the increases of 6.4% (EUR +12 million) in staff costs and of 5.5% (EUR +7 million) in other administrative costs. Amortisation and depreciation remained in line with the amount accounted in the same period of the previous year (-0.3%).

The cost-to-income ratio of the international activity evolved from 39.3% in the first half of 2025 to 41.9% in the first half of 2026, while cost-to-core income ratio, in turn, went from 38.2% to 41.0% in the same period.

OPERATING COSTS

million EUR

	6M26	6M25	Chg. 26/25
Staff costs	399	383	4.0 %
Other administrative costs	239	223	7.1 %
Amortisation and depreciation	82	77	6.9 %
	720	**684**	**5.4 %**
Of which:			
Activity in Portugal	361	342	5.4 %
International activity	359	341	5.4 %

STAFF COSTS

In the first half of 2026, staff costs totalled EUR 399 million, standing 4.0% above the EUR 383 million accounted in the same period of the previous year. Both in the activity in Portugal and mainly in the international activity, staff costs were higher than in the first half of 2025.

These amounts include the negative impact of specific items recognised in each period in the activity in Portugal (EUR 7 million in the first half of 2026 and EUR 3 million in the first half of 2025).

In both periods, specific items, related to staff costs, include costs with employment terminations and amounts related with mortgage financing to former employees.

Not considering the impact of the specific items, staff costs of the Group increased 3.0% from the EUR 381 million accounted for in the first half of the previous year, amounting to EUR 392 million, at the end of the first half of the current year.

In the activity in Portugal, stated staff costs amounted to EUR 200 million in the first half of 2026, standing 1.8% above the EUR 197 million recorded in the same period of the previous year. Not considering the impact of the specific items, staff costs remained in line (-0.3%) with the amount posted in the first half of 2025 totalling EUR 193 million in the first half of 2026.

At the end of June 2026, the number of employees in the activity in Portugal stood at 5,996 employees, 228 employees fewer than on 30 June 2025, despite the hiring of new employees with specific skills, namely in areas related to digital transformation process, new technologies and internal control areas.

In the international activity, staff costs amounted to EUR 198 million at 30 June 2026, standing 6.4% above the EUR 187 million recorded a year before. The Polish subsidiary was mainly responsible for this evolution, although the subsidiary in Mozambique also contributed to the increase in staff costs compared to the same date in the previous year, albeit to a lesser extent.

In the Polish subsidiary, the evolution of staff costs continued to be influenced by the current scenario of the Polish labour market, with very low unemployment rates in the country and a strong pressure on basic wages, also reflecting the increase in the number of employees in the period under analysis, associated with the development of the strategic initiatives of the subsidiary. In fact, during this period, the total number of employees of this subsidiary evolved from 6,909 employees (6,786 FTE - full-time equivalent) on 30 June 2025, to 6,954 employees (6,842 FTE – full-time equivalent) on 30 June 2026.

The operation in Mozambique, in turn, kept its headcount stable, ending the first half of the current year with 2,663 employees, the same as in the end of June 2025. Salary updates are the main reason for the increase in staff costs compared to the first half of the previous year.

On 30 June 2026, the headcount of the international activity consisted of 9,617 employees, which compares to 9,572 employees at 30 June 2025.

STAFF COSTS

million EUR

	6M26	6M25	Chg. 26/25
Salaries and remunerations (1)	317	306	3.7 %
Social security charges and other staff costs (1)	75	75	0.2 %
STAFF COSTS (1)	**392**	**381**	**3.0 %**
Of which:			
Activity in Portugal	193	194	(0.3 %)
International activity	198	187	6.4 %
Specific items	7	3	144.3 %
	399	**383**	**4.0 %**

(1) Excluding specific items.

OTHER ADMINISTRATIVE COSTS

In the first half of 2026, other administrative costs totalled EUR 239 million, standing 7.1% above the EUR 223 million recorded at the same period of the previous year. Notwithstanding the disciplined management of costs followed by the Group, this evolution reflects the performance of both the activity in Portugal and the international activity.

In the activity in Portugal, other administrative costs amounted to EUR 115 million, corresponding to an increase of 8.9% from the EUR 105 million recorded in the first half of 2025. Despite the implementation of several recurrent measures to optimise the cost structure of the Bank, this performance reflects, among others with a less significant impact, the increase in costs associated with outsourcing and independent labour, other supplies and services, rents and leases (including costs associated with software licenses), advisory services (including support on regulatory matters), maintenance and related services and information technology services (in the latter two cases, related to hardware and software).

On the other hand, costs associated with advertising represent the main reduction compared to the same period in the previous year.

In the international activity, other administrative costs amounted to EUR 125 million in the first half of 2026, representing a 5.5% increase from the EUR 118 million posted in the same period of the previous year. This performance largely reflects the increase recorded in the Polish subsidiary, whose impact was partially offset by the reduction in the Mozambican subsidiary.

The Group maintains a process of optimisation of its branch network in order to efficiently serve the markets in which it is present. On 30 June 2026, the activity in Portugal had a network of 385 branches, eleven less than at the end of June 2025, while in the Polish subsidiary the reduction compared with the same period of the previous year was 16 branches, to 585 branches as of 30 June 2026. The Mozambican subsidiary, in turn, ended June 2026 with 191 branches, four fewer than at 30 June 2025.

OTHER ADMINISTRATIVE COSTS

million EUR

	6M26	6M25	Chg. 26/25
Water, electricity and fuel	7	8	(1.7 %)
Consumables	4	4	(5.2 %)
Rents and Leases	15	13	13.1 %
Communications	15	15	(2.2 %)
Travel, hotel and representation costs	6	5	7.0 %
Advertising	17	19	(6.1 %)
Maintenance and related services	11	10	10.8 %
Credit cards and mortgage	7	2	>200%
Advisory services	19	25	(20.6 %)
Information technology services	16	15	6.8 %
Outsourcing and independent labour	76	64	19.0 %
Other specialised services	19	19	(1.0 %)
Training costs	1	1	112.2 %
Insurance	3	3	7.8 %
Legal expenses	2	2	0.9 %
Transportation	6	6	(1.6 %)
Other supplies and services	16	15	6.0 %
	239	**223**	**7.1 %**
Of which:			
Activity in Portugal	115	105	8.9 %
International activity	125	118	5.5 %

AMORTISATION AND DEPRECIATION

Amortisation and depreciation amounted to EUR 82 million in the first half of 2026, standing 6.9% above the amount recorded in the first half of 2025, mainly influenced by the performance of the activity in Portugal.

In fact, in the activity in Portugal, the increase in amortisation and depreciation was of 13.5%, from EUR 40 million in the first half of 2025, to EUR 46 million at the end of the first half of the current year, reflecting the investment made in hardware and software, given the Bank's commitment to the digital and technological transformation process.

In the international activity, amortisation and depreciation amounted to EUR 36 million in the first half of 2026, in line (-0.3%) with the amount recorded in the first half of 2025, with the increase recorded in the Polish subsidiary being more than offset by the reduction recorded in the Mozambican subsidiary.

RESULTS ON MODIFICATION

Results on modification evolved very favourably in the period under review, from a negative amount of EUR 5 million recorded in the first six months of 2025, to an also negative amount of EUR 1 million in the same period of the current year. In both periods, those amounts were exclusively recorded in the Polish subsidiary.

This evolution of results on modification mainly reflects the absence of costs associated with contractual modifications negotiated with customers with foreign exchange mortgage loans recorded in this item in the first half of 2026, in contrast to the first half of the previous year, when costs amounting to EUR 2 million were recognised.

LOAN IMPAIRMENTS

Impairment of loans to customers includes impairment of financial assets at amortised cost for loans granted to customers and for debt securities associated with credit operations, net of reversals and recoveries of credit and interest.

The reconciliation of the impairment of financial assets at amortised cost presented in the consolidated income statement ("P&L") with the impairment of loans to customers (net of recoveries) considered for the purposes of this analysis is presented as follows:

Loan impairments (P&L)

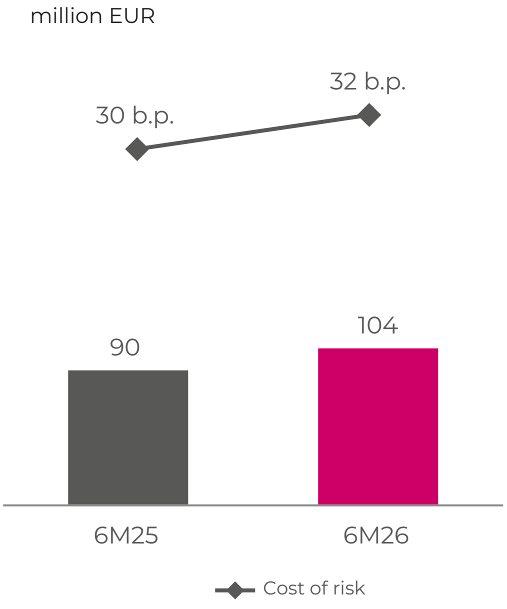
million EUR

	6M26	6M25 restated
Impairment of financial assets at amortised cost (P&L) (1)	113	109
Impairment of Loans and advances to credit institutions (at amortised cost) (2)	0	0
Impairment of financial assets at amortised cost not associated with credit operations (3)	9	19
Loan impairments considering management criteria (4)=(1)-(2)-(3)	**104**	**90**

In the first half of 2026, impairment for loan losses of the Group (net of recoveries) totalled EUR 104 million, 16.3% above the EUR 90 million accounted for in the same period of the previous year, mainly due to the increase in the international activity.

In consolidated terms, the cost of risk of the Group, net of recoveries, stood at 32 basis points in the first half of 2026 compared to 30 basis points in the first half of 2025.

LOAN IMPAIRMENT (NET)



In the activity in Portugal, loan impairment charges (net of recoveries) totalled EUR 73 million in the first half of 2026, 5.4% above the EUR 69 million recognised in the first half of 2025.

This evolution reflected the growth of the loan portfolio, as cost of risk (net of recoveries) stood at 32 basis points in the first half of 2026 compared to 33 basis points in the first half of 2025.

In the international activity, impairment charges (net of recoveries) totalled EUR 32 million at the end of June 2026, that compares to EUR 21 million recognised in the first half of 2025. This performance was mainly driven by the performance of the Polish subsidiary, influenced by loan portfolio sales, with a greater impact in the first half of the previous year. In the Mozambican subsidiary, there was a favourable evolution, although with a non-material impact in the scope of this analysis. Cost of risk net of recoveries, in the international activity, went from 22 basis points to 32 basis points in the first half of 2026.

LOAN IMPAIRMENTS (NET OF RECOVERIES)

million EUR

	6M26	6M25 restated	Chg. 26/25
Loan impairment charges (net of reversals)	111	97	13.8 %
Credit recoveries	6	7	(16.3 %)
	104	**90**	**16.3 %**
Of which:			
Activity in Portugal	73	69	5.4 %
International activity	32	21	51.8 %
COST OF RISK OF THE GROUP			
Impairment charges (net of recoveries) as a % of total loans (gross)	32 b.p.	30 b.p.	

OTHER IMPAIRMENT AND PROVISIONS

Other impairment and provisions include (i) impairment, net of reversals, for loans and advances to credit institutions classified at amortised cost; (ii) impairment for financial assets (classified at fair value through other comprehensive income and at amortised cost not associated with credit operations); (iii) impairment for other assets, namely assets received as payment in kind, investments in associates and goodwill of subsidiaries; and (iv) other provisions.

In the first half of 2026, other impairment and provisions totalled EUR 189 million, which represents a significant reduction of 32.8% from the EUR 281 million recorded in the same period of the previous year. This favourable evolution was mainly driven by the reduction in the international activity, the impact of which was offset by the increase in other impairments and provisions recorded in the activity in Portugal.

In the activity in Portugal, other impairments and provisions evolved from EUR 6 million in the first half of 2025 to EUR 28 million in the same period of the current year, mainly reflecting the increase in provisions for other risks, which reflects a conservative approach given the current uncertain environment.

In the international activity, other impairment and provisions amounted to EUR 160 million at the end of June 2026, decreasing significantly (-41.8%) from the amount recognised in the same period of the previous year (EUR 275 million). The evolution of the international activity was mainly driven by the decrease recorded in the Polish subsidiary, although its impact was partially offset by the increase observed in the subsidiary in Mozambique.

In fact, the provision booked by the Polish subsidiary to face the legal risk associated with foreign exchange mortgage loans was EUR 146 million lower than the amount recognised a year before, amounting to EUR 96 million in the first half of the current year, largely contributing to the mentioned evolution. On the other hand, the income, reflected in other net operating income, corresponding to the amount receivable from a third party, following the indemnity clauses and contractual guarantees provided for in the acquisition contract of Euro Bank S.A., decreased EUR 9 million compared to the first half of 2025, totalling EUR 14 million in the first half of 2026.

In the first half of 2026, Bank Millennium also recognised provisions to face potential litigation costs, taking into account the uncertainty regarding the evolution of consumer protection-related litigation.

INCOME TAX

Income tax (current and deferred) amounted to EUR 283 million in the first half of 2026, which compares to EUR 218 million posted in the first half of 2025.

These expenses include, in the first half of 2026, current tax of EUR 71 million (EUR 45 million in the first half of 2025) and deferred tax of EUR 212 million (EUR 173 million in the first half of 2025).

Current tax expenses in 2025 and 2026 had been influenced by provisions for legal risks related to the portfolio of foreign currency mortgage loans and by mandatory contributions to the banking sector, both non-deductible for tax purposes at the level of the Polish subsidiary, by the increase in the tax rate on bank income in Poland from 19% to 30% in 2026 and also by the autonomous taxation of interest on public debt in the Mozambican subsidiary.

In 2025, current taxes were positively influenced by the correction of the 2024 tax estimate of the Polish subsidiary, against the reduction of the respective deferred tax assets, with no impact on net income.

Deferred tax expenses are explained by the reduction in deferred tax assets secured under the Special Regime applicable to Deferred Tax Assets (REAID), mainly resulting from the results of the activity in Portugal and the evolution of taxable profits in the periods of 2025 and 2026, and by the mentioned increase in the tax rate on bank income in Poland and its impact on the taxation of income and expenses with interest and commissions on financial assets and liabilities measured at amortised cost using the effective interest rate method.

NON-CONTROLLING INTERESTS

Non-controlling interests are the part attributable to third parties of the net income of the subsidiary companies consolidated under the full method in which the Group Banco Comercial Português does not hold, directly or indirectly, the entirety of their share capital.

Non-controlling interests record mainly the income for the year attributable to third parties related to the shareholdings in Bank Millennium in Poland (49.9%) and in Millennium bim in Mozambique (33.3%).

In the first half of 2026, non-controlling interests totalled EUR 88 million, that compares to EUR 68 million recorded in the same period of the previous year. The change compared to the first half of 2025 was mainly driven by the performance of the Polish subsidiary. In fact, the income for the year attributable to third parties via the consolidation of the Polish subsidiary, went from EUR 60 million in first half of 2025 to EUR 83 million in the same period of the current year, following the better results obtained by this subsidiary compared to the first half of 2025. Conversely, the lower results recorded in the subsidiary in Mozambique resulted in an evolution of the income for the year attributable to third parties via the consolidation of this subsidiary from EUR 8 million in the first half of 2025, to EUR 5 million in the first half of 2026.

In the activity in Portugal, in turn, non-controlling interests totalled immaterial amounts for the purposes of this analysis, both in the first half of 2026 and in the first half of 2025.

REVIEW OF THE BALANCE SHEET

In the context of the preparation of financial information, some indicators were defined based on concepts that translate the management criteria adopted by the Group. The correspondence between the management approaches and the accounting information is described in the Glossary and throughout the document, when applicable, especially the concepts related with loans to customers, balance sheet customer funds and the securities portfolio.

AGGREGATED BALANCE SHEET OF THE GROUP

million EUR

	30 Jun. 26	31 Dec. 25	30 Jun. 25	Chg. 26/25
ASSETS				
Cash and deposits at central banks and loans and advances to credit institutions (1)	4,043	4,276	3,315	22.0 %
Financial assets at amortised cost				
Loans and advances to credit institutions	1,009	861	1,155	(12.6 %)
Loans and advances to customers	59,513	57,407	55,023	8.2 %
Debt securities	27,250	24,539	25,001	9.0 %
Financial assets at fair value through profit or loss				
Financial assets held for trading	1,911	1,063	1,611	18.6 %
Financial assets not held for trading mandatorily at fair value through profit or loss	353	354	344	2.5 %
Financial assets designated at fair value through profit or loss	0	0	37	(100.0 %)
Financial assets at fair value through other comprehensive income	15,819	16,046	13,749	15.1 %
Investments in associates	449	455	422	6.4 %
Non-current assets held for sale	60	69	75	(19.9 %)
Other tangible assets, goodwill and intangible assets	888	905	868	2.4 %
Current and deferred tax assets	1,511	1,767	1,993	(24.2 %)
Other (2)	1,993	1,593	1,870	6.5 %
TOTAL ASSETS	**114,800**	**109,333**	**105,466**	**8.9 %**
LIABILITIES				
Financial liabilities at amortised cost				
Deposits from credit institutions and other funds	793	879	772	2.8 %
Deposits from customers and other funds	91,358	87,673	83,968	8.8 %
Non-subordinated debt securities issued	3,941	3,894	4,266	(7.6 %)
Subordinated debt	2,381	1,412	1,398	70.3 %
Financial liabilities at fair value through profit or loss				
Financial liabilities held for trading	100	153	252	(60.3 %)
Financial liabilities designated at fair value through profit or loss	3,705	3,614	3,353	10.5 %
Other (3)	2,960	2,648	3,053	(3.0 %)
TOTAL LIABILITIES	**105,238**	**100,272**	**97,062**	**8.4 %**
EQUITY				
Share capital	3,000	3,000	3,000	0.0 %
Share premium	16	16	16	0.0 %
Other equity instruments	400	400	400	0.0 %
Treasury shares	(32)	0	(128)	74.8 %
Reserves and retained earnings (4)	3,949	3,378	3,448	14.5 %
Net income for the period attributable to Bank's Shareholders	566	1,019	502	12.7 %
Non-controlling interests	1,662	1,248	1,164	42.8 %
TOTAL EQUITY	**9,562**	**9,061**	**8,404**	**13.8 %**
TOTAL LIABILITIES AND EQUITY	**114,800**	**109,333**	**105,466**	**8.9 %**

(1) Includes Cash and deposits at central banks and Loans and advances to credit institutions repayable on demand.
(2) Includes Hedging derivatives, Investment property and Other assets.
(3) Includes Hedging derivatives, Provisions, Current and deferred income tax liabilities and Other liabilities.
(4) Includes Legal and statutory reserves and Reserves and retained earnings.

The reconciliation between the management criteria defined and the accounting values published in the consolidated financial statements (Balance sheet) are presented below.

Loans to customers (gross) includes loans to customers at amortised cost before impairment (excluding reverse repos), debt securities at amortised cost associated with credit operations before impairment and loans to customers at fair value through profit or loss before fair value adjustments. The amount of balance sheet impairment considered for the purpose of calculating loans to customers (net) and the coverage ratio of the loan portfolio includes the balance sheet impairment associated with loans to customers at amortised cost, the balance sheet impairment related with debt securities at amortised cost associated with credit operations and the fair value adjustments associated with loans to customers at fair value through profit or loss.

Loans to customers

million EUR

	30 Jun. 26	30 Jun. 25 restated
Loans and advances to customers at amortised cost (Balance Sheet) (1)	59,513	55,023
of which: repurchase agreement transaction (2)	57	17
Debt securities at amortised cost associated with credit operations net of impairment (3)	4,380	3,833
Balance sheet amount of loans to customers at fair value through profit or loss (4)	4	79
of which: repurchase agreement transaction (5)	4	79
Loans to customers (net) considering management criteria (6)=(1)-(2)+(3)+(4)-(5)	**63,836**	**58,839**
Balance sheet impairment related to loans to customers at amortised cost (7)	1,350	1,322
Balance sheet impairment associated with debt securities at amortised cost related to credit operations (8)	50	53
Fair value adjustments related to loans to customers at fair value through profit or loss (9)	1	2
Loans to customers (gross) considering management criteria (10)=(6)+(7)+(8)+(9)	**65,238**	**60,217**

Balance sheet customer funds include deposits and other resources from customers (deposits from customers and other funds at amortised cost, excluding repos, and customer deposits at fair value through profit or loss) and debt securities placed with customers (non-subordinated debt securities issued at amortised cost placed with non-institutional customers and certificates at fair value through profit or loss).

Balance sheet customer funds

million EUR

	30 Jun. 26	30 Jun. 25
Deposits from customers and other funds at amortised cost (Balance sheet) (1)	91,358	83,968
of which: repos (2)	0	0
Financial liabilities designated at fair value through profit or loss (Balance sheet) (3)	3,705	3,353
of which: Certificates at fair value through profit or loss (4)	1,813	1,372
Deposits and other resources from customers considering management criteria (5)=(1)-(2)+(3)-(4)	**93,249**	**85,950**
Non-subordinated debt securities issued at amortised cost (Balance sheet) (6)	3,941	4,266
of which: non-subordinated debt securities placed with institutional customers (7)	3,941	4,266
Certificates at fair value through profit or loss (8)	1,813	1,372
Debt securities placed with customers considering management criteria (9)= (6)-(7)+(8)	**1,813**	**1,372**
Balance sheet customer funds considering management criteria (10)=(5)+(9)	**95,063**	**87,321**

The securities portfolio includes debt securities at amortised cost not associated with credit operations (net of impairment), financial assets at fair value through profit or loss (excluding amounts related to repurchase agreement transaction held for trading, trading derivatives and credit operations) and financial assets at fair value through other comprehensive income.

Securities portfolio

million EUR

	30 Jun. 26	30 Jun. 25
Debt securities at amortised cost (Balance sheet) (1)	27,250	25,001
of which: debt securities held associated with credit operations net of impairment (2)	4,380	3,833
Debt securities at amortised cost included in securities portfolio considering management criteria (3)=(1)-(2)	**22,870**	**21,168**
Financial assets held for trading at fair value through profit or loss (Balance sheet) (4)	1,911	1,611
of which: repurchase agreement transaction (5)	4	79
of which: trading derivatives (6)	126	403
Financial assets not held for trading mandatorily at fair value through profit or loss (Balance sheet) (7)	353	344
of which: loans and advances to customers at fair value (8)	0	0
Financial assets designated at fair value through profit or loss (Balance sheet) (9)	0	37
Financial assets measured at fair value through profit or loss included in securities portfolio considering management criteria (10)=(4)-(5)-(6)+(7)-(8)+(9)	**2,135**	**1,511**
Financial assets at fair value through other comprehensive income (Balance sheet) (11)	**15,819**	**13,749**
Securities portfolio considering management criteria (12)=(3)+(10)+(11)	**40,824**	**36,428**

TOTAL ASSETS

Consolidated balance sheet total assets amounted to EUR 114,800 million on 30 June 2026, showing an increase of 8.9% compared to the EUR 105,466 million recorded at the end of the first half of 2025, with this evolution being driven by the increases in assets in the international activity (EUR +5,661 million) and in the activity in Portugal (EUR +3,674 million).

In the activity in Portugal, total assets totalled EUR 71,812 million at the end of the first half of 2026, representing a 5.4% increase compared to the EUR 68,138 million recorded on 30 June 2025. This evolution was due to a more significant increase in the loans to customer portfolio (net of impairment) and also to the growth, to a lesser extent, of securities portfolio and deposits at central banks. The most significant reduction occurred in deferred tax assets.

In the international activity, total assets amounted to EUR 42,988 million on 30 June 2026, showing a growth of 15.2% compared to the EUR 37,327 million posted at the end of the first half of the previous year. This evolution is largely explained by the growth in the total assets of the Polish subsidiary, essentially justified by the increase in the securities portfolio (mainly local sovereign debt), resulting from the application of the surplus liquidity generated by the rise in balance sheet customers funds and also by the increase, to a lesser extent, of the customer loan portfolio (net of impairment). Assets in the Mozambican subsidiary also recorded an increase, although less significant.

TOTAL LIABILITIES

Consolidated liabilities stood at EUR 105,238 million at the end of the first half of 2026, up from the EUR 97,062 million recorded at the end of the first half of 2025. This increase is largely explained by the growth in deposits and other resources from customers (EUR +7,300 million), due to the dynamism recorded both in the activity in Portugal and above all in the international activity. Although to a lesser extent, subordinated debt securities issued (EUR +983 million) and debt securities (EUR +442 million) also contributed to that increase.

TOTAL EQUITY

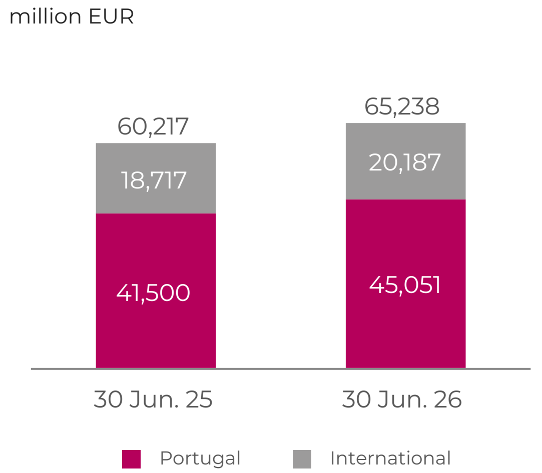
Consolidated shareholders' equity showed an increase, rising from EUR 8,404 million recorded at the end of the first half of the previous year to EUR 9,562 million at the end of the first half of 2026, with the positive impacts of the integration of net income for the period, the increase of non-controlling interests and the favourable evolution of the fair value reserve, partially offset by the payment of dividends, the impact of the share buyback program, the payment of interest from coupons of the Additional Tier 1 instruments and the negative exchange rate consolidation differences. Actuarial deviations associated with the pension fund, net of taxes showed no material changes during the period under analysis.

Additional information and details on the evolution of equity are described in the Condensed Interim Consolidated Statement of Changes in Equity for the six-month periods ended 30 June 2026 and 2025 in Consolidated accounts for the first half of 2026.

LOANS TO CUSTOMERS

Consolidated loans to customers portfolio (gross loans), as previously defined, amounted to EUR 65,238 million on 30 June 2026, showing an increase of 8.3% compared to the EUR 60,217 million figure achieved at the end of the first half of the previous year. This evolution was driven primarily by the growth in the activity in Portugal, benefitting also from the expansion recorded in the international activity. The evolution of the consolidated loans to customers portfolio is mainly explained by the greater dynamism observed in loans to companies and mortgage loans, with personal loans also recording a positive contribution, although less significant.

LOANS TO CUSTOMERS (*)



(*) Before impairment and fair value adjustments

In the activity in Portugal, loans to customers (gross) amounted to EUR 45,051 million on 30 June 2026, 8.6% above the EUR 41,500 million recorded at the end of the first half of 2025. This growth incorporates a significant increase in performing loans (EUR +3,637 million), slightly offset by the reduction in non-performing exposures (NPE) (EUR -86 million).

Mortgage loans in the activity in Portugal stood at EUR 22,750 million on 30 June 2026, recording an increase of 10.9% (EUR +2,227 million) compared to the same date in the previous year, due to the growing demand, driven by government incentives aimed at young people and also to the increase in the average loan amount, directly caused by the rise in housing prices.

Personal loans in the activity in Portugal also recorded an increase, of 10.6% (EUR +276 million) compared to the figure recorded at the end of the first half of 2025, standing at EUR 2,872 million on 30 June 2026.

In turn, loans to companies in the activity in Portugal rose by 5.7% (EUR +1,048 million) compared to the end of the first half of 2025, reaching EUR 19,429 million at the end of the first half of 2026, driven by a context of recovery in activity, with the State sponsored loans showing particularly momentum.

In the international activity, loans to customers (gross) amounted to EUR 20,187 million on 30 June 2026, 7.9% above the EUR 18,717 million recorded at the end of the first half of 2025. By geographies, there was a more significant growth in the Polish subsidiary and a less significant growth in the Mozambican subsidiary.

Mortgage loans in the international activity totalled EUR 8,652 million on 30 June 2026, recording a drop of 1.9% compared to the amount recorded at the end of the first half of the previous year (EUR 8,821 million on 30 June 2025), with this decline being explained almost entirely by the performance of the Polish subsidiary. The subsidiary in Mozambique also recorded a decline, but not material.

The amount of the mortgage loans portfolio in foreign currency in the Polish subsidiary excluding the portion concerning Euro Bank S.A.[1] decreased by EUR 82 million (30 June 2026: EUR 122 million; 30 June 2025: EUR 204 million).

Personal loans in the international activity stood at EUR 5,249 million at the end of the first half of the current year, recording an increase of EUR 261 million compared to the figure recorded at the end of first half of the previous year, driven mainly by the growth recorded in the Polish subsidiary, benefitting also from the positive contribution of the Mozambican subsidiary.

In turn, loans to companies in the international activity rose by 28.1% compared to the EUR 4,908 million recorded on 30 June 2025, standing at EUR 6,286 million at the end of the first half of 2026. This growth was driven by the positive evolution observed in the Polish subsidiary. The Mozambican subsidiary also recorded a positive contribution, although less significant.

[1] The risk of Euro Bank S.A.'s portfolio is fully covered by a third party, within the scope of the clauses set out in the acquisition contract of that entity.

LOANS TO CUSTOMERS (GROSS)

million EUR

	30 Jun. 26	30 Jun. 25 restated	Chg. 26/25
INDIVIDUALS	**39,523**	**36,928**	**7.0 %**
Mortgage loans	31,402	29,344	7.0 %
Personal loans	8,121	7,584	7.1 %
COMPANIES	**25,715**	**23,288**	**10.4 %**
Services	9,892	9,183	7.7 %
Commerce	4,420	3,915	12.9 %
Construction	1,682	1,381	21.8 %
Others	9,721	8,809	10.4 %
	65,238	**60,217**	**8.3 %**
Of which:			
Activity in Portugal	45,051	41,500	8.6 %
International activity	20,187	18,717	7.9 %

The Group has in place credit portfolio management and monitoring processes, namely with regard to the assessment of the risk profile of the exposure in different portfolios/segments. These procedures have the purpose of identifying and closely monitoring the customers potentially more affected by the prevailing macroeconomic context, anticipating possible difficulties in complying the responsibilities and defining credit and performance strategies adjusted to the specificities of each customer/group of customers, with a view to both maintaining support to customers considered viable and mitigating credit risk in cases where there are risks of loss in the exposure value.

The NPE stock, in consolidated terms, decreased to EUR 1,442 million on 30 June 2026, showing a reduction of EUR 187 million compared to the end of the first half of 2025. In the activity in Portugal, the NPE stock totalled EUR 734 million at the end of the first half of 2026, with a reduction of EUR 86 million compared to the same date in the previous year.

Regarding credit quality indicators, the NPL ratio for more than 90 days, on a consolidated basis, stood at 1.2% at the end of the first half of the current year, slightly below the 1.3% ratio recorded at the end of the first half of the previous year. In turn, NPE ratio in percentage of the total credit portfolio, on a consolidated basis, decreased from 2.7% on 30 June 2025 to 2.2% on 30 June 2026. In the activity in Portugal, the NPE ratio as a percentage of the total credit portfolio dropped from 2.0% on 30 June 2025 to 1.6% on 30 June 2026.

In consolidated terms, the ratio of total impairments to NPL by more than 90 days evolved from 174.2% on 30 June 2025 to 181.0% on 30 June 2026. The ratio between total impairment and the stock of NPE showed a significant improvement both in consolidated terms (97.2% on 30 June 2026 vis-à-vis 84.5% recorded on 30 June 2025) and in the activity in Portugal (109.1% on 30 June 2026 vis-à-vis 93.8% on 30 June 2025). On 30 June 2026, the ratio between specific NPE impairment and NPE stock stood at 55.1% in consolidated terms (53.5% on 30 June 2025) and 55.8% in the activity in Portugal (52.3% on 30 June 2025).

CREDIT QUALITY INDICATORS

	Group			Activity in Portugal		
	30 Jun. 26	30 Jun. 25 restated	Chg. 26/25	30 Jun. 26	30 Jun. 25	Chg. 26/25
STOCK (M€)						
Loans to customers (gross)	65,238	60,217	8.3 %	45,051	41,500	8.6 %
Restructured loans	972	1,318	(26.3 %)	536	791	(32.2 %)
NPL > 90 days	774	791	(2.1 %)	376	390	(3.4 %)
NPE (Loans to customers)	1,442	1,629	(11.5 %)	734	820	(10.5 %)
Total loan impairments (Balance sheet)	1,402	1,377	1.8 %	801	769	4.1 %
Impairments allocated to NPE (Balance sheet)	795	871	(8.8 %)	409	429	(4.6 %)
RATIOS AS A PERCENTAGE OF LOANS TO CUSTOMERS						
Restructured loans / Loans to customers (gross)	1.5%	2.2%		1.2%	1.9%	
NPL > 90 days / Loans to customers (gross)	1.2%	1.3%		0.8%	0.9%	
NPE / Loans to customers (gross)	2.2%	2.7%		1.6%	2.0%	
NPE ratio - EBA (includes debt securities and off-balance exposures)	1.4%	1.7%		1.3%	1.5%	
COVERAGE BY IMPAIRMENTS						
Total loan impairments / NPL > 90 days	181.0%	174.2%		212.9%	197.4%	
Total loan impairments / NPE	97.2%	84.5%		109.1%	93.8%	
Impairments allocated to NPE / NPE	55.1%	53.5%		55.8%	52.3%	

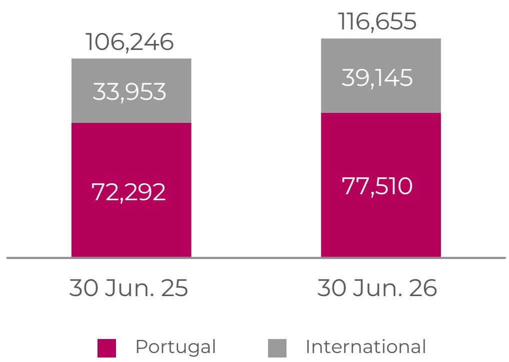
Note: unless otherwise stated, the indicators above refer to loans to customers as defined in the Glossary, which comprise loans to customers at amortised cost (excluding reverse repos), debt instruments at amortised cost associated to credit operations and loans to customers at fair value through profit or loss (excluding reverse repos).

CUSTOMER FUNDS

On 30 June 2026, the consolidated total customer funds amounted to EUR 116,655 million, representing an increase of EUR 10,409 million (+9.8%) compared to the EUR 106,246 million obtained on the same date in the previous year, benefitting from the growth in both the activity in Portugal and in the international activity. The evolution of total customer funds reflects the good performance of all items, with emphasis on the increase, in absolute terms, of the deposits and other resources from customers in balance sheet customers funds and in assets placed with customers and assets under management in off-balance sheet customer funds.

TOTAL CUSTOMER FUNDS

million EUR



Consolidated balance sheet customer funds, as defined previously, amounted to EUR 95,063 million on 30 June 2026, showing an increase of EUR 7,741 million (+8.9%) compared to the EUR 87,321 million achieved at the end of the first half of the previous year. This favourable evolution is due to the dynamism recorded both in the activity in Portugal and above all in the international activity.

On 30 June 2026, consolidated off-balance sheet customer funds, which comprises assets under management, assets placed with customers and insurance products (savings and investment), amounted to EUR 21,592 million, representing an increase of EUR 2,668 million compared to the figure posted on the same date in the prior year, driven by a more significant growth in the activity in Portugal and, to a lesser extent, by the expansion in the international activity.

In the activity in Portugal, total customer funds reached EUR 77,510 million on 30 June 2026, compared with the EUR 72,292 million recorded at the end of the first half of the previous year (+7.2%), with this evolution being mostly justified by the increase in balance sheet customer fund. Off-balance sheet customer funds also recorded positive growth, albeit to a lesser extent.

Balance sheet customer funds in the activity in Portugal reached EUR 59,784 million on 30 June 2026, compared with EUR 56,441 million recorded on the same date in the previous year, with this evolution being mainly justified by the increase in deposits and other resources from customers (EUR +2,901 million). Debt securities also recorded an increase (+32.2%, EUR +442 million) compared to the amount observed on the same date in the previous year.

Off-balance sheet customer funds in the activity in Portugal recorded an increase of EUR 1,875 million compared to the end of the first half of the previous year, standing at EUR 17,726 million on 30 June 2026. This growth was primarily driven by assets placed with customers, while insurance products (savings and investment) and assets under management recorded smaller increases.

In the international activity, total customer funds increased by EUR 5,192 million (+15.3%) compared to the EUR 33,953 million recorded on 30 June 2025, standing at EUR 39,145 million at the end of the first half of 2026, driven mainly by the rise of deposits and other resources from customers and also by the favourable evolution of the off-balance sheet customer funds. By geographies, the increase was driven by growth recorded in the Polish subsidiary, also benefitting from a smaller increase seen in the Mozambican subsidiary.

Balance sheet customer funds in the international activity, entirely composed of deposits and other resources from customers, stood at EUR 35,279 million on 30 June 2026, EUR 4,399 million above the EUR 30,880 million recorded at the end of the first half of 2025, benefitting from the rising volumes of resources in the Polish operation and also from a smaller increase seen in the Mozambican subsidiary.

Off-balance sheet customer funds in the international activity, exclusively resulting from activity in the Polish subsidiary, posted an increase of EUR 793 million compared to the end of the first half of the previous year, standing at EUR 3,866 million on 30 June 2026, driven primarily by the increase seen in assets under management and also by the smaller increase observed in assets placed with customers. Conversely, insurance products (savings and investment) recorded a decrease compared to the end of the first half of the previous year, despite being relatively small in absolute terms.

On 30 June 2026, balance sheet customer funds, on a consolidated basis, represented 81.5% of total customer funds, with deposits and other resources from customers representing 79.9% of total customer funds, both percentages slightly lower than those recorded on the same date in the previous year (82.2% and 80.9%, respectively).

The loans to deposits ratio, which results from the quotient between loans to customers (net) and deposits and other resources from customers, stood at 68.5% on 30 June 2026 (in line with the ratio recorded on the same date in the previous year). The aforementioned indicator, considering balance sheet customer funds, stood at 67.2% (slightly below the 67.4% ratio recorded on the same date in the previous year).

TOTAL CUSTOMER FUNDS

million EUR

	30 Jun. 26	30 Jun. 25	Chg. 26/25
BALANCE SHEET CUSTOMER FUNDS	**95,063**	**87,321**	**8.9%**
Deposits and other resources from customers	93,249	85,950	8.5%
Debt securities	1,813	1,372	32.2%
OFF-BALANCE SHEET CUSTOMER FUNDS	**21,592**	**18,924**	**14.1%**
Assets under management	7,538	6,483	16.3%
Assets placed with customers	8,827	7,719	14.4%
Insurance products (savings and investment)	5,227	4,722	10.7%
	116,655	**106,246**	**9.8%**
Of which:			
Activity in Portugal	77,510	72,292	7.2%
International activity	39,145	33,953	15.3%

SECURITIES PORTFOLIO

The consolidated securities portfolio, as previously defined, amounted to EUR 40,824 million on 30 June 2026, showing an increase of 12.1% compared to the EUR 36,428 million recorded on the same date in the previous year, representing 35.6% of total consolidated assets at the end of the first half of 2026 (34.5% at the end of first half of 2025), with this increase being explained by the liquidity arising from the growth of consolidated balance sheet customer funds.

The securities portfolio allocated to the activity in Portugal stood at EUR 21,804 million on 30 June 2026, recording an increase compared to the EUR 21,365 million recorded on 30 June 2025.

The securities portfolio allocated to the international activity showed a significant increase, rising from EUR 15,063 million at the end of the first half of the previous year to EUR 19,020 million on 30 June 2026. This growth was primarily driven by the activity in the Polish subsidiary, which reinforced the investment in local public debt, as a result of the liquidity arising from the growth of deposits from customers.

SECURITIES PORTFOLIO

million EUR

	30 Jun. 26	30 Jun. 25	Chg. 26/25
Financial assets measured at amortised cost (1)	22,870	21,168	8.0 %
Financial assets measured at fair value through profit or loss (2)	2,135	1,511	41.3 %
Financial assets measured at fair value through other comprehensive income	15,819	13,749	15.1 %
	40,824	**36,428**	**12.1 %**
Of which:			
Activity in Portugal	21,804	21,365	2.1 %
International activity	19,020	15,063	26.3 %

(1) Corresponds to debt instruments not associated to credit operations.
(2) Excluding the amounts related to repurchase agreement transaction held for trading, trading derivatives and loans and advances to customers at fair value.

Business Areas

Activity per Segments

Millennium bcp conducts a wide range of banking activities and financial services in Portugal and abroad, with special focus on Retail Banking, Companies Banking and Private Banking business.

BUSINESS SEGMENT	PERIMETER
Retail Banking	Retail Network of Millennium bcp (Portugal) Retail Recovery Division Banco ActivoBank
Companies and Corporate	Companies and Corporate Network of Millennium bcp (Portugal) Specialised Recovery Division Investment Banking (*) Interfundos (*) Specialized Credit and Real Estate Division (*) Treasury and Markets International Division (*)
Private Banking	Private Banking Network of Millennium bcp (Portugal)
International Business	Bank Millennium (Poland) (**) Millennium bim (Mozambique) Banco Millennium Atlântico (Angola) (***)
Other	Comprises the activity carried out by Banco Comercial Português, S.A. not included in the commercial business in Portugal which corresponds to the segments identified above, including the activity carried out by Macao branch. Also includes all other business and unallocated values in particular centralized management of financial investments, corporate activities and insurance activity.

(*) Units all together that serve mainly customers in the Companies & Corporate segment, but also customers in other segments, in which the corresponding income is recognised. The operating costs of those units are attributed to the Other segment.
(**) Entity segmented into Retail Banking, Companies and Corporate, and Others, as referenced in note 52 of the Notes to Consolidated Accounts section of this report.
(***) Consolidated by the equity method.

The figures reported for each segment resulted from aggregating the subsidiaries and business units integrated in each segment. For the business units in Portugal, the aggregation process reflects the impact from capital allocation and balancing process in the balance sheet and income statement, based on average figures. The balance sheet headings for each business unit in Portugal were re-calculated, considering the replacement of the equity book values by the amounts assigned through the allocation process, based on the regulatory solvency criteria.

Considering that the process of capital allocation complies with the regulatory criteria of solvency in force, from 1 January 2025, the risk weighted assets, and consequently the capital allocated to the business segments, are determined in accordance with the Basel IV framework, pursuant to the CRD VI/CRR3. The capital allocated to each segment resulted from the application of a target capital ratio to the risk weighted exposures managed by each segment, reflecting the application of the Basel IV methodology. The introduction of CRR3 led to a significant increase in risk weighted assets to cover operational risk. Each operation is balanced through internal transfers of funds, with impact on the net interest income and income taxes of each segment, hence with no impact in consolidated accounts.

Commissions and other net income, as well as operating costs calculated for each business area, are based on the amounts accounted for directly in the respective cost centres, on the one hand, and the amounts resulting from internal processes for allocating revenues and costs, for another. In this case, the allocation is based on the application of pre-defined criteria and subject to periodic review, related to the level of activity of each business area.

Each segment's income includes the non-controlling interests, when applicable. Therefore, the values of net income presented incorporate the individual net income of the business units, regardless of the percentage stake held by the Group, and the impacts of the transfers of funds described above.

Whenever applicable, historical figures may reflect specific restatements carried out to ensure the comparability of information across periods.

The information presented below for the individually more relevant business areas in Portugal and aggregately for the international activity was based on the financial statements prepared in accordance with IFRS and on the organization of the Group's business areas as at 30 June 2026.

RETAIL

Mass Market and Prestige Segments

During the first half of 2026, the Bank maintained a commercial strategy focused on acquiring new Customers and increasing engagement among existing Customers, thereby reinforcing its position as the primary banking relationship. The Youth segment remained a strategic priority, with a particular focus on the university market through digital campaigns and in-person initiatives. The Family Advantage proposition continued to act as a key differentiating and customer loyalty driver, promoting the cross-selling of financial products.

Within the Affluent segment, the Bank further enhanced service personalisation and aligned its value proposition with the specific needs of these Customers segment, with the objective of strengthening Customer retention and improving commercial relationships.

In parallel, the Bank continued to expand its savings and investment offering through the launch of new term deposits, structured deposits and financial insurance products, supporting funding growth and the diversification of customers funds.

Portuguese Diaspora & Foreigners

During the first half of 2026, the Portuguese Diaspora & Foreign Customers segment maintained a Customer-centric approach focused on proximity and relationship management, combining the presence of Representative Offices with the continued enhancement of digital channels.

Throughout the semester, the Bank intensified its engagement strategy with the Portuguese diaspora while continuing to deepen its relationship with foreign customers residing in Portugal.

These initiatives contributed to strengthening the Bank's position within this segment, fostering long-term and sustainable customer relationships.

Businesses Segment

During the first half of 2026, supported by a wide lending offering to both existing and prospective Customers, and underpinned by a clear commercial strategy focused on attracting new Customers while deepening relationships with Customers exhibiting the greatest potential, efforts were directed towards increasing market share in this segment through the acquisition of new high-value corporate Customers.

Products

Loans to individuals

The Bank continued to demonstrate strong commercial momentum in its retail lending business, supported by targeted commercial initiatives and a value proposition tailored to the specific needs of its various Customer segments. This performance was reflected in the sustained relevance of business volumes and the further consolidation of the Bank's market positioning within this business segment.

At the same time, the Bank continued to execute its digital transformation strategy through the introduction of new functionalities and the optimisation of internal processes, contributing to enhanced operational efficiency, shorter response times and an improved Customer experience.

In addition, following the extreme weather events recorded at the beginning of the year, the Bank implemented dedicated support measures for affected Customers, underscoring its commitment to responsible banking practices, Customer proximity and effective support during periods of heightened vulnerability and need.

Investment solutions

The growth of customer funds remained a strategic priority for the Bank, supported by a diversified range of savings and investment solutions tailored to different risk profiles and financial objectives.

Insurance

During the first half of 2026, the partnership between the Bank and the Ageas Group continued to strengthen its leadership position in the distribution of protection insurance products through the banking channel.

The Bank supported Customers affected by the extreme weather events that occurred during the period, ensuring a swift and Customer-focused response through enhanced on-the-ground support resources, the deployment of specialised claims management teams, streamlined claims reporting channels and accelerated loss assessment and claims settlement processes.

Integrated Solutions

The Bank further expanded the availability of Integrated Solutions within its mobile app. In parallel, commercial initiatives were implemented to increase Customer adoption of these solutions, contributing to stronger Customer loyalty and reinforcing a differentiated value proposition.

Current Accounts

The Bank maintained its focus on innovation and on enhancing the Customer experience through the delivery of solutions designed to simplify and improve the convenience of daily banking relationships.

Microcredit

For more than two decades, BCP has supported new micro-entrepreneurs in bringing their business projects to execution and creating employment opportunities through its Microcredit programme.

In the first half of 2026, Microcredit activity recorded a significant increase, with 108 new applications approved compared with 64 in the corresponding period of the previous year.

The current InvestEU programme, through guarantees provided by the European Investment Fund (EIF), has been a key enabler in expanding support for Microcredit. This instrument forms an integral part of the Social pillar of BCP's Sustainability Strategy.

ActivoBank

During the first half of 2026, ActivoBank maintained a strong growth trajectory, further strengthening its position in the digital banking segment, particularly among younger Customers, and reaching a customer base of 690 thousand Customers. New Customer acquisition continued to be supported by targeted digital campaigns aimed at mobile-first segments, complemented by investment fund acquisition initiatives and enhanced financial literacy content.

In terms of funding and customer funds acquisition, the bank further promoted its term deposit offering while continuing to invest in improving the digital customer experience. In this context, notable developments included the launch of a new Cards Hub within the mobile application, centralising card management and security functionalities, as well as the introduction of a new digital claims process for card-related transactions.

Within the lending business, a new mortgage and personal loan management experience was introduced in the mobile app, enabling customers to manage their financing arrangements more independently and efficiently. At the same time, communication and engagement initiatives were developed with a focus on promoting digital functionalities and enhancing financial literacy.

These initiatives reflect the consistent execution of ActivoBank's strategy, centred on the sustainable growth of its customer base, the strengthening of customer relationships, the simplification of the banking experience, and the consolidation of its position as a benchmark for innovation and customer proximity in Portugal's digital banking market.

External recognition of the brand remained strong, highlighted by its distinction, for the eighth consecutive year, as Consumer Choice in the Digital Bank category, as well as with the Five Stars Award for the third consecutive year. In the investment segment, the bank was also recognised by DECO PROteste as a Smart Choice for ETF investments.

ActivoBank reported net profit of EUR 30.3 million in the first half of 2026, representing growth of 38.1% compared with the the same period of 2025. This performance reflects the favourable evolution of commercial activity and the effectiveness of the bank's growth strategy.

million EUR

RETAIL BANKING in Portugal	Jun 30, 2026	Jun 30, 2025	Chg. 26/25
PROFIT AND LOSS ACCOUNT			
Net interest income	563	537	4.8%
Other net income	271	253	7.2%
	834	790	5.5%
Operating costs	163	162	0.4%
Impairment and provision	49	46	5.7%
Income before tax	622	582	6.9%
Income taxes	188	177	6.9%
Income after tax	434	405	6.9%
SUMMARY OF INDICATORS			
Allocated capital	1,107	992	11.7%
Return on allocated capital	79.0%	82.4%	
Risk weighted assets	8,686	7,767	11.8%
Cost to income ratio	19.5%	20.5%	
Loans to Customers (net of impairment charges)	31,145	28,064	11.0%
Balance sheet Customer funds	44,805	42,285	6.0%

Notes:

Allocated capital, Loans to customers (net of recoveries) and Balance sheet Customer funds figures based on average balance.

Financial performance

As at 30 June 2026, income after tax from Retail Banking segment of Millennium bcp in Portugal totalled EUR 434 million, showing a 6.9% increase compared to EUR 405 million in the same period of 2025, reflecting an higher net operating revenues. Regarding the evolution of the main income statement headings, the following aspects should be highlighted:

- Net interest income reached EUR 563 million as at 30 June 2026, reflecting an increase of 4.8% compared to the EUR 537 million recorded in the same period of 2025. This increase was mainly driven by the growth of both the loan and deposits portfolios.
- Other net income reached EUR 271 million as at 30 June 2026, increasing 7.2% compared with the same period of 2025. The performance reflects essentially the higher level of commissions, largely driven by bancassurance and by distribution of third-party investment funds.
- Operating costs were 0.4% higher than the amounts recognised as at 30 June 2025.
- Impairment charges amounted to EUR 49 million at the end of June 2026, representing a 5.7% increase from the amount of EUR 46 million recorded in the same period of the previous year.

- In June 2026, loans to customers (net) totalled EUR 31,145 million, increasing 11.0% from June 2025 (EUR 28,064 million), mainly from the increase in mortgage loans, driven by government incentives aimed at young people, while balance sheet customer funds increased by 6.0% in the same period, amounting to EUR 44,805 million in June 2026 (EUR 42,285 million in June of the previous year).

COMPANIES AND CORPORATE

During the first half of 2026, BCP intensified its corporate lending solutions, both in terms of working capital support and investment project financing, creating the conditions required to distribute the financial instruments launched by national entities, namely Banco Português de Fomento (BPF), Instituto de Financaimento de Agricultura e Pescas (IFAP) and Turismo de Portugal, among others. The Bank also continued to distribute guarantees under the European InvestEU Programme.

A further highlight during the first half of 2026 was the implementation of the "Kristin" moratorium in both phases (initial and extension), aimed at supporting affected Customers, ensuring the continuity of corporate financing and preventing potential defaults arising from an unexpected decline in revenues.

Within the Sustainability area, BCP reinforced its commitment to supporting Customers in their climate transition and ESG journeys. Sustainable Corporate Lending solutions were further strengthened, and the Bank continued to promote Customer adoption of the SIBS ESG platform.

With the acceleration of approvals and new application opportunities under Portugal 2030, the Bank maintained its focus on supporting corporate investment, fostering the sharing of information, knowledge and financial solutions tailored to the specific needs of entrepreneurs investing with European Union funding support.

Under the Recovery and Resilience Plan (PRR), the Bank continued to make a significant contribution to the implementation of the Programme by supporting entities responsible for delivering their investment projects by the end of the current year. The Bank has also continued to monitor applications and approved transactions under IFIC, the PRR financial instrument managed by BPF, with the aim of supporting corporate investment.

During the first six months of 2026, the Bank carried out a number of initiatives in close cooperation with its commercial network, including information and training sessions designed to disseminate practical guidance on funding calls and to share knowledge regarding the main investment opportunities and challenges facing Portuguese businesses.

In supporting the primary sector, BCP maintained a specialised team capable of providing continuous support and tailored responses to the day-to-day challenges faced by entrepreneurs, offering dedicated financial solutions and sector-focused communications. The Bank also maintained its regular presence at the leading national agriculture and livestock exhibitions, providing visibility to its Customers through the sharing of exhibition space.

The Bank also continued to support the Institutional sector, addressing its financing and treasury management needs.

BCP maintained its focus on Mutual Guarantee Facilities, particularly the BPF InvestEU and Export facilities, alongside more specific BPF facilities supporting reconstruction efforts (BPF Reconstruction Support Facility) and mitigating the impact of rising fuel prices (BPF Energy Resilience Facility). At the European guarantee level, the Bank continued to offer guarantee programmes backed by the European Investment Bank (EIB) and the European Investment Fund (EIF).

In Leasing, BCP maintained its market leadership, with a 25.9% market share as of December 2025, according to the Associação Portuguesa de Leasing, Factoring e Renting (Portuguese Leasing, Factoring and Renting Association).

In Trade Finance, BCP consolidated its position as a leading partner for exporting and importing companies, achieving a 23.9% market share, according to SWIFT Watch Analytics (June 2026), and was recognised by Global Finance as the Best Foreign Exchange Bank in Portugal in 2026.

In Confirming, BCP maintained its leadership position in 2025, with a 28.1% market share, according to the Portuguese Leasing, Factoring and Renting Association.

Investment banking

The Bank participated in a wide range of projects both in Portugal and in international markets.

- In the area of Corporate Finance, the Bank provided financial advisory services to its clients on engagements involving the analysis, development, and execution of M&A transactions and company valuations.
- Regarding the Project Finance, the activity focused on financing projects linked to sustainability and the energy transition, notably involving the structuring, negotiation, and arrangement of financing transactions for renewable energy and energy transition projects and portfolios, as well as the development of infrastructure projects.
- In the area of Structured Finance, the Bank played a prominent role in structuring, negotiating, and arranging various medium- to long-term financing transactions for domestic and international investments.
- Regarding Capital Markets activities, the Bank's participation in bond underwriting

transactions - both public and private - stands out, acting as both a coordinating bank and a placing bank. We participated in various other financing transactions involving bond issues and arranged dozens of commercial paper programs.

Regional Government	Região Autónoma da Madeira – Governo Regional	January 2026	€ 13,800,000 € 55,100,000 (total)	Syndicated bond issue	Joint Lead Manager
Communications	NOS	January 2026	€ 35,000,000	Sustainability-linked commercial paper program	Lead Manager
Renewable Energy	Hyperion renewables	February 2026	€ 41,500,000 € 166,000,000 (total)	Syndicated financing for a solar PV and wind farm project	Joint Lead Manager
Others	Sonae	February 2026	€ 50,000,000	Sustainability-linked commercial paper program	Lead Manager
Others	MC Sonae	February 2026	€ 10,000,000	Sustainability-linked commercial paper program	Lead Manager
Power	REN	February 2026	€ 300,000,000	Green bond issuance placed with private investors	Joint Lead Manager
Industry	Salvador Caetano	February 2026	€ 15,000,000	Commercial paper program	Lead Manager
Renewable Energy	Greenvolt Next	March 2026	€ 36,500,000	Financing of a decentralized solar energy portfolio	Lead Manager
Renewable Energy	finerge	April 2026	€ 34,600,000 € 115,400,000 (total)	Syndicated financing for a portfolio of solar PV parks	Joint Lead Manager
Industry	celbi	April 2026	€ 60,000,000	Refinancing of a bond issue	Lead Manager
Industry	BA	April 2026	€ 50,000,000	Commercial paper program	Lead Manager
Others	Benfica SAD	April 2026	€ 65,000,000	Public Bond Offer 2026-2031	Joint Manager
Industry	Mota-Engil	May 2026	€ 110,000,000	Public Bond Offer 2026-2031	Joint Global Coordinator
Renewable Energy	Greenvolt	May 2026	€ 70,000,000	Green bond issuance placed with private investors	Joint Global Coordinator
Power	edp	May 2026	€ 750,000,000	Green bond issuance placed with private investors	Joint Lead Manager
Regional Government	Região Autónoma da Madeira – Governo Regional	May 2026	€ 17,900,000 € 71,600,000 (total)	Syndicated bond issue	Joint Lead Manager
Tourism	Dom Pedro Golf – Vilamoura - Algarve	June 2026	€ 48,000,000	Medium long-term investment financing	Lead Manager

Real estate business

Main Areas of Focus During the first half of 2026:

Management of Properties Available for Sale – The Bank continued to reduce its stock of real estate assets available for sale, achieving its property disposal targets and thereby delivering on the established plan.

The current environment kept shaped by significant domestic and international challenges, including lengthy licensing processes, legislative and tax uncertainty within the sector, interest rate volatility, and global inflationary pressures affecting construction and logistics costs.

The Bank's approach is based on the close monitoring of the real estate sector, its properties, clients, and business partners. This activity is also characterized by a continuous presence in legislative discussion forums, innovation events, and conferences focused on the application of artificial intelligence in the real estate industry.

The Bank continues to maintain ongoing communication and a strong networking presence through its digital platforms.

This strategy directly enhances the Bank's visibility among both domestic and international investors, while also supporting strict compliance with all applicable regulations and legal requirements relating to supervision, anti-money laundering, and compliance matters.

Management of Properties Not Available for Sale – The Bank's real estate management strategy has been founded on a balanced combination of operational rigor, adaptability, and market orientation, supported by strong execution capabilities, value creation, and a focus on the timely regularization of assets.

This approach has enabled the Bank to sustainably reduce its real estate exposure, optimize disposal conditions, and strengthen the contribution of this activity to the Bank's overall financial performance.

BCP continued to manage the Bank's holdings in entities exposed to real estate risk, including funds and corporate vehicles, within the framework of a value-preserving divestment strategy.

Interfundos

As of 30 June 2026, Interfundos managed fifteen Alternative Real Estate Investment Vehicles (funds and a collective investment company), representing EUR 782 million in net assets under management (AUM). This compares with EUR 806 million recorded in the same period of 2025, reflecting a 2.9% year-on-year decrease in assets under management.

Interfundos continued to implement its strategy of strengthening the financial sustainability of its real estate investment vehicles, as evidenced by the successful completion of a capital increase transaction in the Sand Capital Closed-End Real Estate Investment Fund.

Following resolutions approved by the respective unitholders, Interfundos extended the duration of the Fundial Closed-End Real Estate Investment Fund, Imorenda Closed-End Real Estate Investment Fund, Imoal Closed-End Real Estate Investment Fund, Cimóvel Closed-End Real Estate Investment Fund, and Fimmo Closed-End Real Estate Investment Fund and the transfer of the management of Oceânico III - Closed-Ended Real Estate Investment Fund..

During the first half of 2026, total property disposals amounted to EUR 2.0 million, corresponding to the sale of 12 properties.

Interfundos reported net profit of EUR 384 thousand in the first half of 2026, representing an increase of 60% compared with EUR 240 thousand in the same period of the previous year. This performance was primarily driven by the favourable evolution of net fee income (+EUR 70 thousand). Despite an overall reduction of EUR 24 million in assets under management, the AF Portfólio open-ended fund recorded an increase of EUR 16 million (+9%), while operating performance also benefited from lower taxes and similar charges (FST) (-EUR 92 thousand) and reduced personnel costs (-EUR 54 thousand).

Financial Institutions Group (FIG) - integrated into Treasury, Markets & Institutional Department

During the first half of the year, the Bank continued to monitor the evolution of the competitive environment in which it operates, shaped by technological, regulatory and geopolitical developments that are transforming international trade. This dynamic was particularly evident in cross-border payments, trade finance and custody services.

In this context, the Bank continued to implement initiatives aimed at enhancing value creation for its Customers, particularly exporting companies. By strengthening its correspondent banking relationships, the Bank further improved its competitiveness, operational efficiency, security and responsiveness.

The dynamic management of its correspondent banking network enables the Bank to provide timely and effective solutions tailored to the needs of domestic economic agents across the various markets in which they operate or maintain commercial relationships.

During the first half of the year, the following developments stood out across BCP's main areas of activity:

International Payments and Transfers: The international payments ecosystem continued to evolve, driven by regulatory initiatives, the adoption of new technologies and the modernisation of industry infrastructures and standards, in line with the objectives established under the G20 Roadmap for Enhancing Cross-border Payments. In this environment, the Bank maintained close monitoring of key market developments, in cooperation with correspondent banks and SWIFT. Particular emphasis was placed on the adoption of the ISO 20022 messaging standard, contributing to enhanced efficiency, quality, reliability and security of the services provided to Customers.

Trade Finance: The Bank continued to strengthen partnerships with its network of correspondent banks and multilateral institutions, with the objective of providing competitive solutions to support international trade and mitigate associated risks. In this regard, participation in the 9th edition of the Global Trade Partners Meeting, organised by the International Finance Corporation (IFC), a member of the World Bank Group, was particularly noteworthy.

Institutional Custody: Institutional custody activity maintained a growth trajectory, supported by an increase in both the number of asset management companies and assets under management. In this context, the Bank continued to invest in the modernisation of its infrastructure and in enhancing the quality and competitiveness of its services, further consolidating its position as a leading provider in the domestic market.

Multilateral Institutions: Within the multilateral segment, the Bank maintained strong cooperation with the EIB/EIF Group and Banco Português de Fomento, ensuring substantial utilisation of the financing facilities previously contracted. A key highlight was the signing of a new guarantee agreement with the European Investment Fund (EIF) under the InvestEU Portugal Member State Compartment, aimed at supporting investment by Portuguese micro, small and medium-sized enterprises (SMEs) and small mid-caps in sustainability, innovation and digitalisation projects, with the potential to mobilise financing of up to EUR 1.3 billion.

million EUR

COMPANIES AND CORPORATE in Portugal	Jun 30, 2026	Jun 30, 2025	Chg. 26/25
PROFIT AND LOSS ACCOUNT			
Net interest income	129	130	-0.8%
Other net income	71	77	-7.1%
	200	207	-3.1%
Operating costs	33	34	-1.9%
Impairment and provision	47	16	195.7%
Income before tax	120	157	-23.5%
Income taxes	36	48	-23.5%
Income after tax	84	109	-23.5%
SUMMARY OF INDICATORS			
Allocated capital	1,368	1,356	0.9%
Return on allocated capital	12.3%	16.2%	
Risk weighted assets	10,774	10,593	1.7%
Cost to income ratio	16.7%	16.5%	
Loans to Customers (net of impairment charges)	11,824	11,223	5.4%
Balance sheet Customer funds	10,168	9,587	6.1%

Notes:
Allocated capital, Loans to customers (net of recoveries) and Balance sheet Customer funds figures based on average balance.

Financial performance

Companies and Corporate segment in Portugal income after tax of EUR 84 million in June 2026 compares favourably to the EUR 109 million presented in June 2025. This evolution results mostly from an higher level of impairment and provision. As at 30 June 2026 the performance of this segment is explained by the following factors:

- Net interest income stood at EUR 129 million as at 30 June 2026, 0.8% below the amount attained as at 30 June 2025 (EUR 130 million). This performance was mainly driven by a lower contribution from the loan portfolio, despite the higher volume growth. This impact was partially mitigated by deposits and the higher income from the internal placements of the excess liquidity.
- Other net income reached EUR 71 million as at 30 June 2026, being 7.1% lower compared to the amount achieved in the same period of 2025, reflecting mostly the evolution of commissions.
- Operating costs totalled EUR 33 million by the end of June 2026, 1.9% below the overall amount of costs recorded in the same period of the previous year.
- Impairment charges stood at EUR 47 million as at 30 June 2026, comparing unfavourably to EUR 16 million as at 30 June 2025, mainly reflecting the increase in coverage of exposures to customers under recovery.
- In June 2026, loans to customers (net) totalled EUR 11,824 million, increasing 5.4% from June 2025 (EUR 11,223 million), in the context of the Recovery and Resilience Plan (RRP) execution, which has had a positive impact on the Portuguese business sector. Balance sheet customer funds reached EUR 10,168 million, 6.1% above the amount recorded in June 2025.

PRIVATE BANKING

During the first half of 2026, the Private Banking area consolidated its position as a leading provider in the high-net-worth Customer segment, within a particularly challenging environment for financial markets, characterised by persistent geopolitical uncertainty, conflicts in the Middle East and volatility in energy commodity prices. In this context, customers increasingly valued diversified investment solutions, active portfolio management and specialised, close advisory support.

Business performance developed favourably, supported by the acquisition of new Customers, growth in assets under management and strong uptake of the solutions offered. Portfolio Management services, Investment Funds, Certificates and Structured Deposits continued to demonstrate significant levels of demand, reflecting Customers' confidence in the Bank's ability to respond effectively to the challenges and opportunities presented by financial markets.

From a Customer relationship perspective, the Private Banking area continued to pursue its strategy of integrating a highly personalised service model, delivered by Private Bankers and Investment Specialists, with the use of digital channels. In this regard, the Millennium App, the Investment Hub and the MTrader App recorded increasing levels of utilisation, reinforcing the complementarity between close Customer engagement and the digital experience.

During the first half of 2026, the Private Banking area made a significant investment in enhancing the commercial network's capabilities in Artificial Intelligence, recognising the strategic importance of this technology in transforming the business model, increasing operational efficiency and creating sustainable value for Customers.

With the consolidation of the initiatives launched in recent years, together with continued investment in innovation and the enhancement of team expertise, the Private Banking division reaffirmed its commitment to excellence, Customer proximity and value creation, delivering increasingly tailored solutions to meet Customers' needs in a demanding and continuously evolving market environment.

million EUR

PRIVATE BANKING in Portugal	Jun 30, 2026	Jun 30, 2025	Chg. 26/25
PROFIT AND LOSS ACCOUNT			
Net interest income	20	20	-0.8%
Other net income	24	21	15.1%
	44	41	7.2%
Operating costs	8	8	-2.0%
Impairment and provision	0	0	
Income before tax	36	33	11.3%
Income taxes	11	10	11.3%
Income after tax	25	23	11.3%
SUMMARY OF INDICATORS			
Allocated capital	30	25	17.5%
Return on allocated capital	>100%	>100%	
Risk weighted assets	233	199	17.0%
Cost to income ratio	18.0%	19.7%	
Loans to Customers (net of impairment charges)	445	377	18.1%
Balance sheet Customer funds	3,148	3,069	2.6%

Notes: Allocated capital, Loans to customers (net of recoveries) and Balance sheet Customer funds figures based on average balance.

Financial performance

Income after tax from Private Banking business in Portugal totalled EUR 25 million as at 30 June 2025, showing an increase of 11.3% compared to the net profit reached as at 30 June 2025 (EUR 23 million). Considering the performance of the main items of the income statement, the following should be highlighted:

- Net operating revenues stood at EUR 44 million as at 30 June 2026, 7.2% above the amount recorded in June 2025, driven by the increase recorded in other net income, which more than offset the slight decrease in net interest income. Net interest income totalled EUR 20 million as at 30 June 2026, representing a 0.8% decrease compared with the amount recorded at the end of June of the previous year. Other net income amounted to EUR 24 million as at 30 June 2026, reflecting an increase of 15.1% compared to the amount shown in the same period of the previous year, reflecting an increase in commissions generated by asset management activities and by the distribution of third-party investment funds, as a result of the diversification of customer funds.
- Operating costs amounted to EUR 8 million, 0.8% lower than the amounts recognised as at June 2025.
- Impairment and provision charges in this segment had a marginal impact on the income statement in both periods.
- Loans to customers (net) amounted to EUR 445 million in June 2026, increasing 18.1% when compared to the figures accounted in June of the previous year, while balance sheet customer funds amounted to EUR 3,148 million in June 2026, 2.6% above the level achieved in June 2025.

FOREIGN BUSINESS AND OTHERS

Poland

Bank Millennium's net income for the first half of 2026 amounted to PLN 708 million (EUR 166.9 million), representing a 39% increase compared with the same period of the previous year (in the first half of 2025, Bank Millennium's net income stood at PLN 511 million).

The positive performance reflects the resilience of net interest income, the growth in fee and commissions, the maintenance of strict cost discipline, and the significant reduction in charges related to foreign currency-denominated mortgage loans, despite the substantial decline in market interest rates and the significant increase in the effective tax rate.

Although the pre-tax costs associated with foreign currency mortgage loans decreased significantly, falling by 65% in the first half of 2026 compared with the first half of 2025, Bank Millennium's performance continued to be adversely affected by this factor.

Main highlights:

- Net interest income demonstrated resilience in an environment of lower market interest rates (the average 3-month WIBOR declined by 150 bps compared to the first half of 2025). In the first half of 2026, net interest income decreased by 3% year-on-year, or by 2% on an adjusted basis. Net interest margin (NIM) stood at 3.54% in the first half of 2026, compared to 4.18% in the first half of 2025.
- Net fees and commissions income increased by 11% year-on-year.
- Operating costs increased by 9% year-on-year.
- Core income decreased by 2% year-on-year.
- Operating profit decreased by 3% year-on-year.
- The impaired (Stage 3) loan ratio stood at 3.4% in the first half of 2026, compared to 4.2% in the first half of 2025.
- Cost of risk amounted to 34 basis points in the first half of 2026.
- The loan-to-deposit ratio stood at 57.7% in June 2026.
- As of June 2026, the CET1 capital ratio stood at 13.6%, the Tier 1 capital ratio at 16.1%, and the total capital ratio at 17.1%, including the recent issuance of PLN 1.5 billion of AT1 capital. The capital ratios do not yet include the EUR 500 million subordinated (Tier 2) bond issuance completed in May 2026.
- The loan portfolio increased by 10% year-on-year.
- New lending production recorded a very strong performance compared to the same period of the previous year, increasing by 18% in personal loans, 282% in mortgage lending, 77% in corporate lending, and 21% and 25% in leasing and factoring, respectively.
- Total customer deposits increased by 16% compared with the same period of the previous year.
- The number of active retail customers exceeded 3.35 million, increasing by 5% year-on-year, while the number of small business customers grew by 12%.
- The number of active digital customers exceeded 3.16 million (+6% year-on-year), with mobile-only users accounting for around 80% of this customer base.
- Individuals deposits increased by 17% year-on-year.
- Retail lending increased by 1% year-on-year (+2% excluding FX-denominated loans).
- Corporate deposits increased by 10% year-on-year.
- Corporate lending increased by 32% compared with the same period of the previous year.
- The volume of other loans and factoring increased by 47% year-on-year.
- Leasing business volumes increased by 8% compared with the same period of the previous year.

Mozambique

- Net income of 13.9 million. Adjusted[2] net income of 47.91 million, which would represent an increase of 18.4% compared to the same period last year
- Provisions and impairments of 42.5 million, an increase of 16.5 million compared to the same period last year, including impacts associated to the financial situation in the country.
- Cost of risk of 125bp in the first half of 2026 compared with 144bp in the first half of 2025.
- Customer funds increased by 10.4% compared with June 2025.
- Loans to Customers grew by 11.8% compared with June 2025.
- NPE ratio stood at 5.0% as of June 2026.
- Capital ratio of 40.8% as of June 2026.

[2] Net income excluding extraordinary effects.

Macao[3]

- Net income reached EUR 2.6 million in the first half of 2026, showing a 43.4% drop compared to the same period of last year, mainly due to the increase in impairments for credit risks, resulting from changes in assumptions made to the calculation model, which more than offset the increases in net interest income and net commission income. The loan portfolio and customer deposits experienced solid growth of 13% and 20%, respectively.
- In the first half of 2026, the branch worked primarily to increase the loan portfolio and build a platform to support the business of Portuguese companies in Macau and mainland China, namely through trade finance operations and the development of new relationships with trading companies, particularly those operating in the Portuguese-speaking countries.
- In addition, the branch sought to identify Chinese Customers, individuals, or companies, interested in investing in Portugal and to promote contacts between BCP's investment banking area and Chinese companies to identify investment opportunities in the Portuguese-speaking countries.

million EUR

Poland	Jun 30, 2026	Jun 30, 2025	Chg. 26/25
PROFIT AND LOSS ACCOUNT			
Net interest income	653	676	-3.5 %
Other net income	68	53	29.9 %
	721	729	-1.0 %
Operating costs	295	270	9.1 %
Result on modification	-1	-5	-83.6 %
Impairment and provision	149	269	-44.2 %
Income before tax	276	185	49.1 %
Income taxes	109	64	70.3 %
Income after income tax	167	121	37.9 %
BALANCE SHEET			
Loans to Customers (net of impairment charges)	18,902	17,498	8.0%
Balance sheet Customer funds	32,793	28,697	14.3%

Note: The accounts presented are in accordance with the Consolidated Accounts of the Group, and may differ from the accounts disclosed locally.

[3] For the purpose of the computation of the net income generated by business segments, Macao activity is included in the "Other" segment, since it is carried out through a branch.

million EUR

Mozambique	Jun 30, 2026	Jun 30, 2025	Chg. 26/25
PROFIT AND LOSS ACCOUNT			
Net interest income	108	109	-1.2%
Other net income	26	28	-6.9%
	134	137	-2.4%
Operating costs	65	71	-8.7%
Impairment and provision	42	27	52.9%
Income before tax	27	39	-30.3%
Income taxes	13	15	-13.4%
Income after income tax	14	24	-41.2%
BALANCE SHEET			
Loans to Customers (net of impairment charges)	685	611	12.1%
Balance sheet Customer funds	2,486	2,183	13.9%

Note: The accounts presented are in accordance with the Consolidated Accounts of the Group, and may differ from the accounts disclosed locally.

million EUR

INTERNATIONAL BUSINESS	Jun 30, 2026	Jun 30, 2025	Chg. 26/25
PROFIT AND LOSS ACCOUNT			
Net interest income	761	785	-3.1 %
Other net income (*)	97	83	17.6 %
	858	868	-1.2 %
Operating costs	359	341	5.4 %
Result on modification	-1	-5	-83.6 %
Impairment and provision	192	296	-35.1 %
Income before tax	306	226	35.4 %
Income taxes	122	79	54.1 %
Income after income tax	184	147	25.2 %
SUMMARY OF INDICATORS			
Allocated capital (**)	2,979	2,468	20.7 %
Return on allocated capital	12.4%	12.0%	
Risk weighted assets	18,294	16,248	12.6%
Cost to income ratio	41.9%	39.3%	
Loans to Customers (net of impairment charges)	19,586	18,109	8.2%
Balance sheet Customer funds	35,279	30,880	14.2%

(*) Includes equity accounted earnings related to the investment in Banco Millennium Atlântico.

(**) Allocated capital figures based on average balance.

Financial performance

Income after tax from International Business was EUR 184 million as at 30 June 2026, comparing favourably with an amount of EUR 147 million achieved by the end of June 2025. This favourable evolution of 25.2% is mainly highlighted by the lower costs related with the foreign exchange mortgage loan portfolio.

Considering the different items of the income statement, the performance of International Business can be analysed as follows:

- Net interest income stood at EUR 761 million as at 30 June 2026, which compares to EUR 785 million recorded on 30 June 2025. Excluding the impact arising from foreign exchange effects, it would have decreased by 1.7%, reflecting the unfavourable performance of the Polish subsidiary, highlighting the impact of successive reduction of the reference interest rate by the central bank of Poland throughout 2025 and also in March of 2026, corresponding to a cumulative reduction of 200 basis points (from 5.75% at the beginning of 2025 to 3.75% in June 2026). The increase in liquidity invested in sovereign debt securities, resulting from the growth in customer deposits, while contributing positively to net interest income, led to a reduction in the net interest margin compared to the first semester of the prior year.
- Other net income attained EUR 97 million as at 30 June 2026, increasing 17.6% when compared to the EUR 83 million recorded in the same period of the previous year, determined by the performance of the Polish subsidiary, due to higher net commissions, both from banking and financial market activities, and the reduction in costs related with the foreign exchange mortgage loan portfolio. This effect was, however, partially offset by higher costs associated with mandatory contributions.
- Operating costs amounted to EUR 359 million as at 30 June 2026, 5.4% up from the end of June 2025. Excluding foreign exchange effects, operating costs would have increased 7.3%, primarily driven by the Polish subsidiary, reflecting higher staff costs driven by the headcount expansion to address the strategic initiatives, as well as increased administrative expenses, also consistent with the level of activity.
- Impairment and provision charges at the end of June 2026 presented a 35.1% decrease compared to the figures reported by the end of June 2025. This variation mainly reflected the impact of the Polish subsidiary, driven by lower provision charges booked to address legal risks associated with foreign exchange mortgage loans. It also reflected the recognition of additional impairment charges and provisions at the Mozambican subsidiary, arising from the financial context in the country.
- Loans to customers (net) stood at EUR 19,586 million in June 2026, 8,2% up from the amount attained in June 2025 (EUR 18,109 million). Excluding foreign exchange effects, the loan portfolio increased 9.4%, influenced by the evolution of the Polish subsidiary. The International Business balance sheet customer funds increased 14.2% from EUR 30,880 million reported in June 2025 to EUR 35,279 million in June 2026. Excluding the foreign exchange effects, balance sheet customer funds increased 15.3%, mainly driven by the performance of the subsidiary in Poland.

Deliver More Value - Strategic Plan 2025-28

"Deliver more value 28" sets a new bar for Millennium bcp's aspirations towards customers, people and shareholders. Millennium bcp is starting this cycle from a strengthened position that allows the Bank to confidently aim for a compelling profitability level (ROE >13.5%) and a material distribution to shareholders (up to 75%[4]), while preserving a robust capital position (>13.5% CET1).

The Strategic Cycle that ended in 2024 consolidated an unrivalled path of transformation that led to early achievement of the ambitious financial targets set forth, cementing the group's competitive position in its markets, across most segments, excelling in profitability (ROE of 15.3% in 2023) and balance sheet robustness (CET1 of 16.5%[5] in 9M2024). Ultimately, these results are reflected in the upward trajectory in share price (+229%, September 2024 vs. December 2020) and investment grade ratings (3-4 notches since 2018). Millennium bcp has done so strengthening its leadership in customer centricity, while solidifying its technology foundations.

In Portugal, the bank was successful in significantly boosting revenues (+50% vs. 2021), exploring previous strides in technology to increase digital and mobile adoption. In Poland, the Bank completed the recovery plan and restored profitability, despite sizeable recognition of FX mortgage provisions, while maintaining a stable performance in Mozambique in a challenging environment.

Millennium bcp has consistently grown business volumes as a group (+4% CAGR since 2018) and in each business unit, with particular emphasis in Poland, notwithstanding the 65% reduction of NPEs since 2018. This evolution allowed Millennium bcp to consolidate a competitive position across most of the segments, in markets that offer a structural advantage in the upcoming cycle with GDP growth above EU-27 average, sizeable EU funding packages for Portugal and Poland, and substantial investments in large projects for Mozambique.

Looking to the future, the Bank is well-positioned to navigate 3 main trends: (i) the likely downward trajectory of interest rates and its implications to profitability, (ii) the evolving customer behaviour with increased demand for innovation and personalization in the rise of AI, and (iii) the growing cybersecurity risks with increasing sophistication of attacks and an evolving regulatory context (e.g., DORA).

In this context, Millennium bcp is launching a new Strategic Plan for 2028, "Deliver more value 28". In this plan, the Bank aspires to deliver more value to all stakeholders: for customers with a leading position in experience across markets, for talent with a satisfaction of >75/100 and >25% share of people promoted per year, and for shareholders with tangible returns and distribution. This will require an evolution of priorities (i) seeking growth options in attractive value pools with right-to-win, increasing portfolio balance towards the SME segment, (ii)innovating selectively in adjacencies, and (iii) strengthening credit risk capabilities.

In Portugal, Millennium bcp aspires to be the relationship bank with the best experience, human and digital enabled, for families and companies, ambitioning to capture 150-200k new active customers and +€4bn credit to companies (stock) by 2028. ActivoBank aims to lead customer acquisition in A/B digital first arena, with distinctive digital daily banking and value for money proposition, reaching 700k active customers in 2028.

In Poland, Bank Millennium aims to be the reference bank in acquisition and development of primary relationships with SMEs and individuals, embracing innovation and delivering top-quality services, reaching 3.7mn active customers, growing corporate lending stock at 14% p.a., and increasing the share of primary retail clients to 70%.

In Mozambique, Millennium bim will be focused on reinforcing its position as the main bank for families and companies and the reference bank for international investors in Mozambique's economy, with strong risk controls, targeting 1.7mn active customers and circa of 20% market share inlending to companies and individuals.

These priorities will enable Millennium bcp to deliver more value, visible in the main targets set for 2028. As a group, the bank aspires to deliver a healthy organic growth, achieving business volumes in excess of €190bn, more than 8mn active customers of which mobile more than 80%, maintain an execution discipline

[4] Of cumulative net income of €4.0-4.5bn in 2025-28 subject to supervisory approval and achievement of Plan's relevant capital and business targets in Portugal and in the international area and fulfillment of CET1 target. Including payout and share buyback, 2025 through 2028.
[5] Official ratio, without the Q3'24 net income, of 16.2%.

reflected in a cost-to-income below 40% and cost of risk of below 50bps, reinforcing the ESG commitment aiming for a top quartile position in S&P Global CSA rating, ultimately achieving returns with an RoE above 13.5%, keeping a sizeable capital buffer with a CET1 ratio of above 13.5% and shareholder distribution of up to 75%[6] of the cumulative net income of €4.0-4.5bn in 2025-28.

Deliver more value
Main targets for strategic cycle 2025-2028

	Metrics	H1'26	2028
Healthy organic growth	**Business volumes** Portugal	**182€bn** 123€bn	**> 190€bn** > 120€bn
	Number of customers Portugal	**7.4mn** 2.9mn	**> 8mn** > 3mn
	Mobile customers Portugal	**75%** 67%	**>80%** > 75%
Execution discipline	**Cost-to-income** Portugal	**37%** 33%	**< 40%** < 37%
	Cost of risk Portugal	**32 bp** 32 bp	**< 50 bps** < 45 bps
ESG commitment	**S&P Global CSA** (percentile)	**Top quartile**	**Top quartile**
Robust capital	**CET1 ratio**	**15.1%[1]**	**> 13.5%**
Superior returns	**ROE**	**14.6%**	**> 13.5%**
	Shareholder distribution	**2025 activity** **90%[2]**	**Up to 75%[2]** of cumulative net income of 4.0-4.5€bn in 2025-2028 subject to supervisory approval and achievement of Plan's relevant capital & business targets in Portugal and in the international area and fulfillment of CET1 target

[1] Estimated fully implemented ratio (June 2026) including 10% of the unaudited net income of H1'26, already considering the deduction of the maximum share buyback amount, corresponding to 40% of the 2025 net income. Excluding any distributions, the CET1 ratio would be 16.2%. | [2] Up to **90%**, as approved at the 7th May 2026 Shareholders' General Meeting: 50% through dividends and the remainder through a Share Buyback Programme (SBB), to be determined according to the proforma CET1 ratio (before distributions) at year-end: if CET1 < 16%, SBB of up to 25%; if CET1 is between 16% and 17.5%, SBB of up to 30%; if CET1 ≥ 17.5%, SBB of up to 40%. The 2025 distribution includes a 50% dividend payout of the 2025 earnings and an SBB of 40%.

[6] Subject to supervisory approval and achievement of Plan's relevant capital and business targets in Portugal and in the international area and fulfillment of CET1 target. Including payout and share buyback, 2025 through 2028.

Risk and Outlook

Internal Control System

The internal control system governance model encompasses the organizational structure, the lines of reporting and levels of authority, the set of lines of responsibilities and processes, that result from the applicable laws and regulations, as well as the Bank's by-laws and internal regulations, to ensure a prudent and effective management of the Bank and adequate checks and balances.

In 2026, the Bank has continued to strengthen its internal control and governance systems, following the comprehensive review and adaptation programme carried out in 2025 to implement the new regulatory requirements introduced by Banco de Portugal Notice No. 2/2025, which amended Notice No. 3/2020. In this context.

The focus remained on formally strengthening the framework for the Bank's organisational culture, the rigorous management of conflicts of interest and related-party transactions, as well as the operational independence of the internal control functions.

The governance model promotes a conduct and risk culture across all the areas of the Bank, which is materialized in an overarching set of principles, strategies, policies, systems and functions.

The Board of Directors promotes a strong governance and internal control culture, embedded in all levels of the organization, and based on high standards of ethical behaviour, with rules established in the Code of Conduct, available in the Bank's site.

The Board of Directors provides the Bank's governance, guidance and oversight and sets the broad strategies and major policies of the organization, approves the overall organizational structure, and has the ultimate responsibility for ensuring that adequate governance and internal controls system are established and maintained, being supported in this function by the Audit Committee.

The Audit Committee, independent review body, plays a central role in the development of a governance culture and an internal control system with a direct relation with the Board of Directors, the Bank's internal control units and the external auditors.

The current management of the Bank is delegated in the Executive Committee. This Committee established different specialised commissions, with the participation of two or more Executive Directors, and first line Managers who directly report to them.

The internal control system includes a set of principles, strategies, policies, systems, processes, rules, and procedures established in the Group aimed at ensuring:

- Efficient and profitable performance of the activity, in the medium and long-term, ensuring the effective use of the assets and resources, the business continuity and survival of the Group, namely through an adequate management and control of the activity risks, through a prudent and correct assessment of assets and liabilities, as well as through the implementation of mechanisms for prevention and protection against errors and fraud.
- The existence of financial and managerial information, which is complete, pertinent, reliable, and timely, to support decision-making and control processes, both at an internal and external level.
- Respect for applicable legal and regulatory provisions and for the guidelines issued by Supervision and Resolution Authorities, including the Single Resolution Board (SRB), as well as for professional and ethical standards and codes, for internal and statutory rules, and for the guidelines of corporate bodies, namely regarding the prevention of money laundering and terrorist financing, also taking into consideration the recommendations of the Basel Committee on Banking Supervision (BCBS) and the European Banking Authority (EBA), in order to preserve the institution's image and reputation with its Clients, Shareholders, Employees, and Supervisors.
- An effective Risk Management Function (RMF) with well-defined processes to identify, manage, monitor, and report the risks that the Group is exposed.
- A Compliance Function aimed at ensuring alignment with legal, regulatory, and statutory requirements and with internal rules, including standards of conduct and relationship with Clients, Investors, and Supervisory Entities, as well as compliance with the personal data protection regime.
- An Internal Audit Function ensuring the effectiveness and consistency of the internal control processes and mechanisms.
- The alignment of subsidiaries operating model with the organizational and managerial principles defined by the Bank, as the consolidating Entity.

- The adoption of sound sustainability principles, namely regarding Environmental, Social and Governance (ESG) factors, and its coherence with the Group's activity.

To achieve these objectives, the internal control system is based on the compliance function, the risk management function and internal audit function. The Heads of these three divisions are appointed by the Bank's Board of Directors, by proposal of the Committee for Nominations and Remunerations, after an opinion from the Audit Committee and of the Risk Assessment Committee, and subject to the Supervisor approval.

The internal control system is based on:

- A control environment supported by high integrity and honesty standards, promoting a strict compliance with the laws and regulations, by the effective enforcement of a 'checks and balances' system, including adequate segregation of duties, with the objective of preventing conflicts of interest, and by process based operational management models and control activities, that allow for clear identification of the implemented controls and the assessment of their efficiency.
- A solid risk management system, aimed at the identification, evaluation, follow-up, and control of all risks which might influence the Group's activities.
- An efficient information and communication system, designed to guarantee the collection, processing and transmission of relevant, encompassing, and consistent data, within a timeframe and manner that allows for an effective and timely management and control of the institution's activity and risks.
- An effective monitoring and correction process, implemented with a view to ensuring the adequacy and effectiveness of the actual internal control system over time, to immediately identify any flaws (defined as the group of existing, potential, or real defects, or opportunities for the introduction of improvements that will strengthen the internal control system), and ensuring the triggering of corrective actions.
- Strict compliance with all the legal and regulatory provisions by the Group's Employees in general, and by the people who hold senior or managerial positions, including members of the management bodies.
- A governance model that defines that the business areas are responsible for risk taking, ensuring the effective monitoring, control and management of the risks assumed, and supporting the independent review of the risk levels incurred as compliant with the Risk Appetite Framework.

The internal control system is consistently applied across all Group entities, supported on group codes issued by BCP defining global policies, principles, and rules, considering, and complying with local, legal or regulatory requirements of the countries where operations are based.

Three lines of defence model

The Bank's internal control system is based on the "Three Lines of Defence Model", aiming to ensure:

- A clear accountability of the business areas for the respective assumption of risks.
- The effective monitoring, control, and management of assumed risks and of the rules of conduct and compliance present in national, European, and international legislation.
- An independent evaluation, to be reported to the Board of Directors and to the Executive Committee, of the levels of risk assumed, their compliance with the Risk Appetite Framework and the effectiveness of the established internal control systems.

The business lines, as the first line of defence, take risks and are responsible for their operational management directly and on a permanent basis. For that purpose, business lines have appropriate processes and controls in place that aim to ensure that risks are identified, analysed, measured, monitored, managed, reported and kept within the limits of the institution's risk appetite and that the business activities comply with the external and internal requirements.

The risk management function and the compliance function form the second line of defence.

The risk management function facilitates the implementation of a sound risk management framework throughout the institution and has responsibility for further identifying, monitoring, analyzing, measuring, managing, and reporting on risks and forming a holistic view on all risks on an individual and consolidated basis. It challenges and assists in the implementation of risk management measures by the business lines to ensure that the process and controls in place at the first line of defence are properly designed and are effective.

The compliance function monitors the Bank's compliance with legal, regulatory, and internal policies requirements, including the reputational protection of the Bank, comprising, among others, the prevention of financial crime activities. It provides advice on compliance matters to the management body and establishes policies and processes to manage compliance risks and to ensure an overall compliance culture within the Bank.

Both the risk management function and the compliance function intervene to ensure the improvement and strengthening of internal control and risk management systems interacting with the first line of defence whenever necessary.

The internal audit function, as the third line of defence, conducts risk-based audits and reviews the internal governance arrangements, processes, and mechanisms to ascertain that they are sound and effective, implemented and consistently applied, to assess the suitability and efficiency of the organizational culture, of the risk management process, of the internal control system and of the governance models in place. The internal audit function performs its tasks fully independently of the other lines of defence.

It is also worth noting that, during the period under review, the Bank continued to strengthen its internal control system through the definition and implementation of a dedicated plan to enhance and reinforce internal control functions, supported by both investment in human resources and the strengthening of technical capabilities, as well as the Group's governance model, by strengthening the formalization of principles, responsibilities, and mechanisms for articulation and supervision of subsidiaries, promoting greater consistency of internal control systems, strategic alignment, and the effectiveness of information flows, without prejudice to local specificities.

Internal Control subsystems

The internal control system includes the following subsystems: the risk management system, the information and reporting system and the internal control monitoring system.

Risk management system

The risk management system corresponds to the set of integrated and permanent processes which enable the identification, assessment, monitoring and control of all risks, to which the Group's institutions are exposed, in order to keep them at levels that are predefined by the management and Supervisory Bodies, and takes into consideration the BCP risk taxonomy which includes the risks identified by the Regulatory and Supervisory Authorities, as well as all other risks which, in view of the specific situation of the Group's institutions, could become materially relevant. The Risk Office is responsible for keeping the BCP risks taxonomy updated as well as for promoting and conducting the regular risk identification process in the Group.

The risk management system takes into consideration the credit risk, market risk, interest rate risk, foreign exchange rate risk, liquidity risk, compliance risk, operational risk, information technology risk, strategy risk and reputation risk, as well as all other risks that, in view of the institution's specific situation, may prove material for its feasibility and sustainability. In the assessment of these risks, environmental, social, and governance factors, the geopolitical context, and technological evolution are considered, namely digitalization and the use of artificial intelligence, as transversal risk drivers across all identified risk typologies.

The risk management system ensures the segregation between the risk management function and the risk-generating business activities, respectively the second and first lines of defence. The internal audit, as third line of defence, ensures independent analysis concerning the risk activity of the first and second lines. The credit analysis and granting process ensure the segregation and independence between the credit analysis and rating structures and the business origination units.

The risk management system ensures timely reaction to changing circumstances and conditions that engenders new risks and change the risk profile of the Bank.

Management information and reporting system

The management information and reporting system ensures the existence of information, which is substantive, up-to-date, understandable, consistent, timely and reliable, to enable an overall and encompassing view of the financial situation, the development of the business, the achievement of the defined strategy and objectives, the risk profile of the Group and the behaviour and prospective evolution of relevant markets and risks.

The output of the system is an information flow enabling the management with a global and comprehensive view on the Group's financial standing, non-financial information and risk data on the compliance with the obligations assumed before third parties, legal and regulatory, and the regular monitoring of the activity, the implementation of the defined strategy and objectives so as to support decision-making processes, and also on the Group's overall risk profile, in aggregate terms and detailed by risk; and the performance, evolution and risk profile of the market(s) in which the Group operates.

For this purpose, each entity of the Group develops, implements, and maintains formal processes for obtaining and processing information that is appropriate to the respective size, nature and complexity of the activity carried out, developing communication processes and reporting lines that ensure an adequate and swift transmission of relevant information to the due intervenient, both internal and external. An adequate organizational structure promotes the necessary data flow between the relevant parties in a process and ensures the necessary confidentiality in information flows.

The financial information process is supported by the accounting and management support systems which record, classify, associate and archive, in a timely, systematic, reliable, complete, and consistent manner, all the operations carried out by the Bank and its subsidiaries, in accordance with the rulings and policies issued by the Board of Directors and the Executive Committee.

Clear duties and responsibilities are set for each organizational unit in the information and communication processes and in the decision-making process.

Planning process

The Group planning process defines a long run sustainable strategy, compatible with the corporate vision and previously established goals, with its market positioning, approved risk profile and with the implemented internal control system.

The planning process is based on properly grounded assumptions, subject to sensitivity analysis and on reliable and understandable information. As a result, clear, precise, and sustainable objectives are defined for the global activity and for each business area, including the products, activities, systems and processes of the Group and the human and material resources, namely the adequate levels of capital and liquidity, necessary to fulfil the defined strategy are identified.

The planning process is developed in close coordination with the Group's Strategic Plan, whose growth and profitability objectives are framed by the approved risk appetite and by the limits defined in the Risk Appetite Framework.

The Group’s planning process includes the preparation of the annual and three-year budget, the verification of the sufficiency of capital and liquidity (ICAAP e ILAAP), the execution of stress tests within the internal or supervision scope, the preparation of the Funding and Capital Plan and of the Recovery Plan, the activities deriving from the resolution planning and remaining initiatives that, at each moment, are required to be implemented to comply with the requirements issued by the Supervision Authorities.

The Chief Financial Officer and Chief Risk Officer of the BCP, are responsible for the different elements of the Group’s planning process, together with the Chief Financial Officers and Chief Risk Officers of the main subsidiaries.

The Group’s strategy is communicated, by the adequate means and detail, to all the Employees of the Bank.

Monitoring process

The monitoring and correcting system includes all the control and assessment actions to ensure the permanent effectiveness and adequacy of the internal control system, namely, through the identification of deficiencies in the system - in terms of its design, implementation and/or use.

This process is continuously executed and complemented by independent, periodical and or extraordinary evaluations made by the Internal Audit.

The frequency of the control and assessment actions depend on the nature and magnitude of the risks inherent to the activity carried out and the effectiveness of the associated specific controls.

All internal control identified deficiencies and non-compliance events are duly recorded in a deficiencies data base at Group level, documented, and reported to the appropriate management levels to enable the adoption of correction measures in line with the respective remediation plan. Processes for the follow-up and validation of the measures implemented are established with clear deadlines according to the inherent risk level.

Internal control system governance

The internal control system is supported by a governance model that defines the responsibilities for the assumption of risks by the Business Areas, and ensures an effective follow-up, control and management of the risks assumed, and an independent evaluation of the risk levels assumed as per the Risk Appetite Framework.

The key pillars of the governance model implemented in the Bank are:

- Clear, transparent, and understandable rules are set and communicated to all employees to enable supporting the development of the activity while ensuring an adequate broad and effective internal control system.
- Coherent, clear, and objective definition of the competences and responsibilities of each structure unit and/or function, reporting lines and authority levels, information flows, are communicated across the organization, including an appropriate segregation of potentially conflicting functions or duties, also ensuring that any potential conflict of interests is identified in advance, minimized and subject to an independent and careful monitoring.
- Sufficient and appropriate material and human resources are provided at all levels of the organization for the execution of the responsibilities, activities, and tasks inherent to the internal control system.
- Physical and functional segregation of the business activities and the respective operational and control services, avoiding possible conflict of interests through ensure robust control activities, including regular reviews, physical controls, authorisation, verification, and reconciliation.

The Risk Office's activity is essentially focused on ensuring the effective application of the Group's risk management system, namely, by developing, proposing, implementing, and controlling the use of a set of assessment methodologies and metrics, that allow for a correct assessment of the risks arising from the Group's activities, which are documented by internal rules and regulations. It is also responsible for promoting and coordinating the policies and rules applicable to risk management and control at all entities of the Group, with the responsibility of ensuring the global monitoring of risk and the alignment of concepts, practices, and objectives on a consolidated basis. Under this framework, the Risk Office has access to all the sources of information of the Group entities that are necessary for the exercise of the identification, measurement, limitation, monitoring, mitigation and reporting of the various types of risk at consolidated level.

The activity of the Compliance Office is transversal to all Institutions of the Group, in terms of applicable compliance policies, with observance of the legal specificities of each jurisdiction. The Compliance Office has access to the preventive information systems on money laundering and terrorism financing adopted by the different entities of the Group, being equally informed and giving an opinion on all changes to the IT alert systems and the processes for identifying Customers and communication of irregular cases verified in the Group's entities, within the scope of the control of anti money laundering and terrorism financing activities, in order to promote an alignment of systems, methodologies and criteria with those used by BCP.

The Accounting an Consolidation Division and the Planning and Control Division receive and centralize the financial information of all subsidiaries.

The corporate Bank divisions, namely the Research, Planning and Control Division, Accounting and Consolidation Division, the Treasury, Markets and International Division, the Compliance Office, the Risk Office, and the Audit Division ensure the existence of the procedures necessary to obtain all relevant information for the consolidation, accounting and financial information and remaining elements supporting the management, as well as the supervision and control of the risks at Group's level. These procedures include:

- The definition of the contents, the terms, and the format of the information to be reported by the companies included in the consolidation perimeter of the parent-company, in accordance with the accounting policies and guidelines defined by the management body, as well as the dates when the reporting is required.
- The identification and control of the intra-Group operations.
- Assurance that the relevant accounting and financial information is consistent between the different subsidiaries, so that it is possible to measure and monitor the evolution and profitability shown by each business, verify the compliance with the objectives that have been established, as well as evaluate and control the risks incurred by each entity, both in absolute and relative terms.
- Timely communication of extraordinary events which are relevant in terms of risk for the subsidiary or for the Group.
- A financial information and reporting system that is supported by adequate contingency arrangements.
- Validating and monitoring the implementation of the corrective measures to resolve internal control deficiencies that have a material potential impact.

The Audit Division is responsible for an on-site control function of the internal system, exercising this function transversally on a permanent and independent basis, assessing, always and pursuant to the established plan, the adequacy and effectiveness of the different components of the internal control system, issuing recommendations based on the outcome of those assessments. The Audit Division is informed of the conclusions of the inspection and internal audit actions carried out in each entity of the Group, especially from those that assess the effectiveness and integrity of the entity's internal control system.

Common principles across the Group

To foster Group coherence, and keeping up with local laws and regulations, internal control system's organizational models similar to that of the Bank are established in the Group's subsidiaries abroad and in Portugal, by anticipating the existence of an Audit Committee and a Risk Assessment Committee, or equivalent bodies. The local Supervisory Bodies have, in what the internal control system of each entity is concerned, the mission to verify its quality, integrity and effectiveness, as well as to evaluate its coherence and adherence with the internal control system of BCP and the Group.

The Bank's governance model and internal control system is extended to all subsidiaries, in a way which is compatible with their nature, complexity and business model, ensuring the maximum possible level of coherence and alignment:

- The CRO of BCP is responsible for coordinating the risk management system at Group's level through the Risk Officers and the Compliance Officers of each subsidiary.
- The CFO of BCP is responsible for coordinating the financial and accounting information system as well as for the planning process at Group's level.
- There is always at least an Executive Board member of BCP representing the parent company in each subsidiary's Board of Directors, being responsible for monitoring the overall performance of the entity.

The Bank, as the Group's parent company, ensure that all subsidiaries implement internal control systems that are coherent with each other, proportionate to the risks undertaken and with the local regulations and legislation in force. In this context, it should be noted that CAUD and CAVR meet with the COFF, ROFF and DAU of the subsidiaries abroad, at least once a year, in order to monitor their activity.

Whistleblowing

The Group has in place and maintains a Whistleblowing Policy and procedures, which are available for staff or any person regardless of their relationship with any entity of the Group to report potential or actual breaches of regulatory or internal requirements, through specific, independent, and autonomous channels.

The Whistleblowing Policy covers eventual or potential irregularities, the acts and omissions, both with malicious intent or negligence, related with management, accounting organization, internal supervision or serious evidence of breaches of duties that, in a serious manner, are susceptible namely of infringe the law, articles of association, the regulations and other rules in effect, endanger, directly or indirectly, the assets of the Customers, of the Bank and of the Shareholders or cause reputational damage to Bank.

The Whistleblowing procedures ensure, among others the protection of the identity and personal data of both the person who reports the breach and the natural person who is allegedly responsible for the breach, through which the Entity shall adopt the highest form of anonymity legally available and that the person reporting the breach is appropriately protected from any negative impact (e.g., retaliation, discrimination or other types of unfair treatment). Any information about irregularities provided through the whistleblowing procedures is analysed by the Audit Committee, supported by the Compliance Office and the Audit Division, ensuring that the potential or actual breaches raised are assessed and escalated, including as appropriate to the relevant competent authorities.

Main Risks and Uncertainties

Risk	Sources of Risk	Risk Level	Trend	Interactions/Mitigations
Regulatory and legal *	• Demanding legislative and regulatory framework, including in areas such as ESG and digital operational resilience (DORA), bank recovery and resolution, and more recently the EU regulations concerning the use of artificial intelligence and instant payments within the EU, with a potential impact on operational processes and compliance with regulatory requirements • High regulatory requirements of an AML/CTF nature and greater complexity of measures arising from international sanctions • New European legislation within the scope of the Prevention of Money Laundering and Terrorist Financing ("AML/CFT") and creation of AMLA as a central European supervisor, with reinforcement of regulatory and reporting requirements • Legislator's focus on consumer protection and aspects related to conduct risk along with a political/social environment that enhances litigation in this matter • Possible impacts of Central Bank Digital Currency on the business banking model.	Medium		• Culture of compliance and anticipation of regulatory and legal requirements • Rigorous and efficient management of capital and liquidity and its implications on the business model • Capital buffer vs regulatory minimum relevant • Robust liquidity buffers • Assessing the materiality of environmental factors in the Bank's risks and defining mitigation measures • Promotion of commercial solutions that promote the transition to low-carbon production models and monitoring of decarbonization targets by activity segments. • Monitoring of Responsible Financing Principles. • Developing more sophisticated AML/CFT models and adopting practices in compliance with regulatory requirements • Strengthening and updating AML/CFT policies and procedures and planning operational, technological and documentary adaptation measures applicable to the Bank as an obliged entity • Reinforcement of human and technological resources in the areas of internal control • Adoption of mitigation measures to reduce Bank Millennium's consumer loan portfolio potentially subject to litigation risk and continuous monitoring of regulatory evolution and timely adaptation of internal processes • Adequate of a digital operational resilience strategy • Integrated framework for the use of artificial intelligence tools.

*Excluding litigation risks in Poland

Risk	Sources of Risk	Risk Level	Trend	Interactions/Mitigations
Sovereign	• Complex geopolitical environment with high uncertainty resulting from military conflicts in Eastern Europe and the Middle East, with potential impact on financial markets, international trade, and energy prices • Uncertainty regarding the effects of trade tariffs on the performance of EU economies • Expectation of moderate growth in major economies and high levels of public debt • Greater pressure on the public budget balance in Portugal, as a result of increased public support to mitigate the impact of the conflict in the Middle East, as well as for the recovery and reconstruction of areas affected by the storms that hit Portugal at the beginning of 2026 • Size of exposure to sovereign debt of Eurozone countries, the Europen Union and Poland • Increased volatility in credit spreads • Uncertainty surrounding the evolution of the economic and financial situation in Mozambique.	High	↔	• Existence of contingency measures at European and national level, e.g. the ECB's Transmission Protection Instrument (ICT) and the EU's Excessive Deficit Procedure • Diversification of the sovereign debt portfolio • Adoption of hedging measures of portfolio interest rate risk • Relatively small size and low duration of the portfolio classified to fair value through other comprehensive income (FVOCI) • Improvement of Portugal's rating and continuity of the reduction process of the share of public debt in GDP • Maturity of public debt portfolios below the benchmark • Strengthening the provisioning levels for the exposure to the State of Mozambique.
Operational*	• Dependence on service providers (critical and supply chain), increasing exposure to operational disruptions or third-party non-compliance • Acceleration of automation, integration, and digitalization of processes, requiring continuous evolution of the internal control environment • Increasing sophistication of fraud schemes, driven by the digitalization of channels, social engineering, and sophisticated artificial intelligence models • Increased fraud' risks due to the introduction of new regulations on instant payments.	Medium	↑	• Strengthening integrated third-party risk management, through a transversal view of critical suppliers and continuous monitoring • Strengthening the risk culture and internal control environment, with continuous employee training and customer awareness for fraud prevention • Strengthening operational controls and monitoring critical processes • Strengthening business continuity plans and response capability to disruptive events.

*Excluding risks mentioned in other risk factors.

Risk	Sources of Risk	Risk Level	Trend	Interactions/Mitigations
Information and Communication Technologies (ICT)	▪ Need to ensure high levels of availability, resilience, and recovery of critical systems, supporting increasing technological dependence ▪ Complexity of technological transformation, system modernization, and infrastructure lifecycle management ▪ Growing sophistication of cybersecurity threats, including the introduction of sophisticated artificial intelligence models (frontier models), and the need to continuously strengthen prevention, detection, and response capabilities under the challenging geopolitical environment ▪ Increased challenges associated with data governance and quality, as well as the growing use of artificial intelligence, requiring robust data governance, validation, and control mechanisms.	Medium	↑	▪ Development of continuous improvement processes for data governance and quality in accordance with BCBS239 and RDARR principles ▪ Strengthening and continuous improvement in the implementation of the DORA Regulation ▪ Implementation of the digital operational resilience strategy ▪ Implementation of Golden Sources to support various reporting scopes and information reconciliation ▪ Strengthening the governance model for the use of Artificial Intelligence ▪ Continuous investment in cybersecurity capabilities, vulnerability management, and monitoring.
Credit	• Persistence of uncertainties associated with the impact of international geopolitical conflicts • Trade tensions between economic blocs, with potential impact on economic agents' confidence, financial markets, and global supply chains • Increase in trade barriers and global economic fragmentation, with potential adverse effects on economic growth, international trade, and the profitability of companies more exposed to foreign markets • Limitations in access to available and qualified labor • Impact of ESG, physical, and transition risks, including extreme weather events and regulatory changes with potential impact on credit portfolio quality and collateral valuation • Risk of fraud with an impact on credit portfolio quality (e.g., digitalization, demographic changes) • Uncertainty regarding the evolution of inflation and interest rates, with potential impact on the financial capacity of individuals and companies, as well as their ability to meet credit obligations.	High	↔	▪ Reduced NPL levels and positive history of NPA reduction using different instruments/measures. ▪ Adequate level of coverage of the NPE portfolio due to impairments ▪ Impact of the Recovery and Resilience Plan (RRP) on the Portuguese economy ▪ A significant part of the corporate credit portfolio have credit risk mitigants (including state or multilateral entities' guarantees) ▪ Rigorous approach to credit origination and strengthening of credit-monitoring mechanisms ▪ Progessive incorporation of ESG risk drivers into credit and collateral assessment policies ▪ Relatively low volume of exposures to sectors exposed to high climate transition risks factors ▪ Strengthening of impairment overlays to address the uncertainties ▪ Proactive implementation of credit-restructuring solutions ▪ Strengthening of fraud prevention and detection mechanisms ▪ Increase in the weight of the fixed-rate loan portfolio ▪ Reduction in Portugal of prudential debt-to-income ratios for credit to individuals.

Risk	Sources of Risk	Risk Level	Trend	Interactions/Mitigations
Market	▪ Persistence of uncertainty and sustained high volatility in financial markets ▪ Exchange rate fluctuations resulting from geopolitical tensions and divergences in monetary and fiscal policy orientations.	Low	↔	▪ Maintaining limited exposure within trading portfolios ▪ Use of hedging strategies to mitigate foreign exchange and interest rate risks ▪ Prioritizing the placement financial financial products with a reduced risk profile to Clients ▪ Regular monitoring of market conditions and adjustment of investment strategies
Liquidity and *Funding*	▪ Worsening of ECB haircuts on corporate debt exposed to climate risks in the second half of 2026 ▪ Potential difficulties in converting meticais (MZN) into foreign currency	Low	↔	▪ Strong retail client deposit base, with wholesale funding used only to meet MREL requirements ▪ Large portfolio of eligible assets for discounting with central banks across the Group's three operations ▪ Reduction of long-term funding requirements in Poland
Litigation associated with loan portfolio in Poland	▪ Court cases against the banking system in Poland and court decisions not favourable to banks ▪ Recent CJEU judgment (1H 26) concerning consumer credit, with potential impact on the interpretation of applicable legislation and an increase in litigation	High	↔	▪ Decrease in Banco Millennium's CHF mortgage loan portfolio ▪ Maintaining an adequate coverage level of the mortgage loan portfolio in CHF by provisions ▪ Proactive strategy related with CHF denominated loans and consumer loans
Pension Fund	▪ Upward pressure on wages and pensions, and consequently, on the volume of liabilities ▪ Potential revaluation of the asset portfolio due to uncertainties in the macroeconomic environment and volatility in financial markets	Medium	↔	▪ Integrated asset and liability management to achieve an adequate balance between risk and return ▪ Fund's liability coverage ratio by assets above 100% ▪ Defined Benefit Fund management policy, with an adjusted structure between assets and liabilities
Real estate and other investments	▪ Uncertainty related with market and regulatory trends related to environmental concerns ▪ Uncertainty regarding the evolution of real-estate market prices ▪ Impact of legislative measures for housing support	Low	↓	▪ Non-material value of real estate and other assets held for sale portfolio ▪ Moderate expectation new properties as a result of foreclosure proceedings ▪ Impact of Insurance policies on risk mitigation with real estate assets, including climate risks

Risk	Sources of Risk	Level of Risk	Trend	Interactions/Mitigations
Recurring profitability/ Business Model	▪ Reduction in GDP growth projections in Portugal, Poland and Mozambique ▪ Geopolitical instability and disruptions in international trade ▪ Regulatory limitations on interest rates and fees ▪ Impact of economic deterioration on asset values ▪ Pressures on operating costs due to inflation ▪ New global players and competition from Big Techs and non-banks entities ▪ Competitive pressure due to excess liquidity in the market ▪ Impact of ESG, transition and physical risk factors ▪ Uncertainty regarding possible consumer protection legislation and other sources of litigation	Medium	↔	▪ Rigorous net interest margin management ▪ Strict cost structure control ▪ Clear definition of the actions to be taken to achieve the objectives set forth in the Strategic Plan ▪ Business model based on a combination of physical presence and remote channels ▪ Priority given to Client satisfaction and to the provision of high-quality products and services

Considering the events that have occurred since the approval of the 2025 R&C, substantiated by the increased geopolitical risk stemming from the conflict in the Middle East, which implies severe restrictions on crossing the Strait of Hormuz, it is considered that, should the situation worsen and persist over time, this could have an incremental effect on the risks associated with the Bank's activity, particularly on credit and sovereign risks.

Given the rapid development and increasing adoption of Frontier Large Language Models (LLMs), as well as their growing relevance in the field of cybersecurity, the Bank has been developing an action plan to address the inherent risks of this technology. This plan aims to strengthen AI-supported security operations, as well as to conduct cybersecurity tests, including the evaluation of AI-powered attack techniques.

Notwithstanding the high level of uncertainty arising, in particular, from the current geopolitical context, it is considered that the Bank's adequate levels of capital and liquidity, in conjunction with the risk mitigation measures that are implemented or being implemented, will allow the Institution to maintain its soundness.

Risk management

Framework

Risk appetite

The BCP Group carries out its activities in a prudent and sustainable manner, always based on the adequacy and compatibility between the business objectives and the levels of risk tolerance defined in terms of sustainability and profitability, in the long-term.

The Group establishes and implements controls and limits on the material risks to which its activities may be subject, based on its “Risk Appetite Statement” (RAS) which concurs for a standing of prudence and sustainability of the business, in view of its profitability, as well as of the satisfaction of the different stakeholders: Shareholders, Customers and Employees.

The Group RAS is composed by a broad set of indicators of primary importance and representative of the risks assessed as "material" in the formal process of identifying and quantifying risks, which is regularly reviewed. For each of the material risks, the Group selects at least one indicator for its monitoring within the scope of the RAS.

For each RAS indicator, is established an 'alert level', up to which the risk is considered acceptable, but from which corrective measures must be considered to make the level of risk regress to a comfort level, and a 'level of excess', which may require the definition of action plans with measures aimed at reducing the level of risk within the established limits.

Stemming from the RAS indicators, lower-level indicators (and respective limits) are established, with a higher level of granularity, ensuring an adequate and detailed monitoring to the risks’ control of business processes. All risk limits are approved by the competent Governance bodies defined in the internal regulations and are periodically reviewed and updated.

For the main Entities of the Group, specific risk appetite indicators (“individual” RAS) are also established. The Group RAS involves indicators for Portugal, including ActivoBank, Poland and Mozambique, some of which are part of the Corporate RAS, which is a set of obligatory metrics for all Entities (but with appropriate limits for each of the operations and structure in question), reflecting the disaggregating of the Group’s risk appetite into the risk appetite of each Entity. Besides this corporative metrics, the RAS of each Entity can include other metrics aiming to measure, for instance, idiosyncratic risks in each geography.

Risk strategy

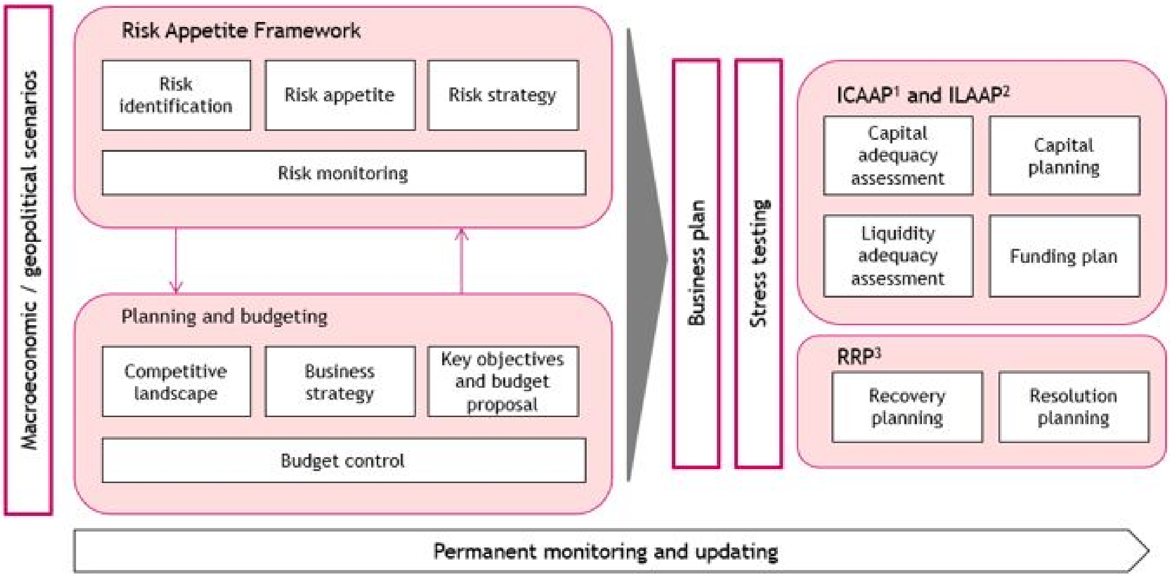
The delimitation of risk appetite, translated into the RAS, is one of the guiding vectors of the Group's "Risk Strategy", which is approved by BCP's Board of Directors, by proposal of the Executive Committee, after opinion of the Risk Assessment Committee. In fact, based on the conclusions of the risk identification and assessment process and the subsequent RAS update, the main lines of action to be developed are established in order to address the mitigation and/or control of all identified risks, which, as a whole, constitute the Group's Risk Strategy. The RAS and the Risk Strategy are inseparable elements to the control and mitigation of the risks classified within the scope of the risk identification process, while also making a relevant contribution to the Group's planning processes, whose projections must respect the risk limits defined in the RAS.

Integration between the business and risk management

The Risk Appetite Framework/ RAF – which includes the identification of material risks, the RAS and the Risk Strategy – is reviewed quarterly. The RAS and the risk strategy provide the reference framework for the establishment of business objectives, which will have to respect the risk appetite and strategy approved by the Board of Directors.

The planning and risk appetite processes are the foundations for all the activities and business lines developed, also guiding the overall controls on the robustness of the Group, such as the stress tests and the internal processes for assessing the adequacy of Capital (ICAAP) and Liquidity (ILAAP), as well as the Recovery Plan and the activities within the scope of resolution planning.

The following figure summarizes the relationships described above, providing a graphic representation of the integration of risk management within the scope of the business developed by the BCP Group.



1 Internal Capital Adequacy Assessment Process
2 Internal Liquidity Adequacy Assessment Process
3 Recovery and Resolution Planning

Risk management Governance

The composition, capacities and responsibilities of the management and control bodies that intervene in the risk management governance are the following:

Board of Directors

The ultimate body of the BCP Group's risk management structure is the Board of Directors, which, within the scope of the functions assigned to it by the Bank's Articles of Association and by the legislation and regulations in force, has the leading role in the risk management and control structure. The Board of Directors is responsible for defining the Group's global strategic guidelines and overall business objectives, the profile and risk appetite, promoting the risk culture and risk strategy, ensuring that the Bank has effective internal control, reserving for itself the approval of group codes that establish policies, principles, rules and risk limits. The Board of Directors approves and monitors the evolution of metrics and risk indicators translated into the RAS (including the approval of remediation measures in case of breaches to the limits) approves the conclusions of the ICAAP and ILAAP processes, the performance of the Internal Control System, the Recovery Plan and the Funding and Capital Plan.

The Board of Directors is supported in its functions by a set of committees appointed by it (Executive Committee, Risk Assessment Committee, Corporate Governance, Ethics and Sustainability Committee and the Nominations and Remuneration Committee) and also by the Audit Committee, which is appointed by the Shareholders' General Meeting).

It is the responsibility of the Board of Directors to ensure respect for the committees' own and delegated competences, ensuring that they are provided, in a timely and appropriate manner, with all the information and clarifications necessary for the due performance of their respective competences.

Audit Committee

The BoD's Audit Committee is elected by the Shareholders' General Meeting and is composed by three to five non-executive Directors, mainly independent. Within its the competences this Committee has global corporate supervising capabilities - e.g., in what concerns financial information, namely risk levels follow-up - as well as those that are attributed within the Internal Control System, namely:

- Overseeing the management activity of the Bank;
- Monitoring the suitability and effectiveness of the Bank's organizational culture, governance models and internal control and risk management systems, including the prevention of money laundering and terrorist financing;
- Monitoring the accounting policies and processes adopted by the Bank, the financial reporting process and submit recommendations aimed at ensuring its integrity;
- Overseeing the performance of the Compliance and Internal Audit functions;
- Supervising and controlling the effectiveness of the risk management system, in conjunction with the Risk Assessment Committee; as well as the internal control system in its different aspects and also the internal audit system itself;
- Issuing an opinion in relation to operations of acquisition of goods and services and involving related parties, including credit operations, aiming to avoid conflicts of interests;
- Analysing the information received through the whistleblowing mechanism and the clients' claims;
- Monitor the activity of the External Auditor and periodically assess its independence and objectivity in the exercise of its activity.

The Audit Committee holds regular meetings with the Heads of the Audit Division, the Risk Office and the Compliance Office.

The Compliance Officer participates in the meetings of this Committee, presenting the evolution of the monitoring of compliance risks, as well as all developments and interactions with regulation/ supervision in terms of regulatory compliance.

The Risk Officer participates in this Committee's regular meetings, reporting on the evolution of the main indicators and metrics concerning risks and credit impairment, as well as on the implementation status of the recommendations that concern the risk management system, issued within the scope of internal control or by the supervisory/regulatory authorities.

The Head of Audit Division reports regularly to the Audit Committee on interactions and the status of the recommendations of the prudential supervision entities, as well as on the audits carried out on the Bank's processes, among other matters.

Risk Assessment Committee

The Risk Assessment Committee, appointed by the BoD, is composed by three to five non-executive Directors and has the following capacities:

- Evaluate the integrity and adequacy of the Risk Management function, in line with the business strategy, corporate culture and values;
- Advising the BoD on risk appetite and risk strategy, accompanying and intervening in the definition and review of the Group's Risk Appetite Framework and providing an opinion on its adequacy to the BoD;
- Monitoring the evolution of the RAS metrics, verifying their alignment with the defined thresholds and levels and monitoring the action plans designed to ensure compliance with the established risk limits;
- Advising the BoD on the policies regarding the risks' identification, management and control within the Group, monitoring the global risk levels in order to ensure that those are compatible with the goals, the available financial resources and the approved strategies for the development of the Group's activities;
- Oversee the implementation of the strategies for capital and liquidity management as well as for all other relevant risks to the Group, such as market, credit, operational (including legal, IT and compliance), reputational and ESG risk factors, in order to assess their adequacy against the approved risk appetite and strategy;
- Monitoring the capital and liquidity planning processes (ICAAP and ILAAP), providing an opinion to the BoD concerning the respective conclusions, as well as analysing and approving the conclusions of the regular follow-up on these processes;
- Monitoring and intervening in the Recovery Plan review, the Liquidity Contingency Plan and the Business Continuity Plans, providing an opinion to the BoD on the respective adequacy.

Within the resolution planning, the Risk Assessment Committee approves its annual work plan and monitors its execution.

The Risk Officer, maintains a functional reporting duty to this Committee and participates in its meetings, presenting the evolution of the key risk metrics and indicators, as well as all incidences, changes and evolutions relative to the Risk Management System (RMS).

Committee for Corporate Governance, Ethics and Sustainability

This Committee, appointed by the Board of Directors, is composed of a minimum of three and a maximum of five non-executive directors.

Amongst other that may be delegated by the Board of Directors, the competences of the Committee for Corporate Governance, Ethics and Sustainability include:

- Recommend the adoption by the Board of Directors of policies, that observe the ethical and conduct principles and best corporate governance practices, and social responsibility and sustainability;
- Support the Board of Directors and its Committees in the evaluation of the systems that identify and solve conflicts of interest;
- Issue opinions addressed to the Board of Directors on documents that define ethical and business sustainability principles, namely the Group Codes and their respective annexes, whenever this responsibility has been delegated to it by the Board of Directors;
- Every time it deems necessary, submit to the Board of Directors a report on the evaluation and monitoring of the structure, ethical and corporate governance practices of the Bank and on the company's compliance with the legal, regulatory and supervisory requirements on these issues.
- Issue an opinion for the Board of Directors on the Annual Corporate Governance Report;

- Issue an opinion on the Annual Sustainability Report, concerning issues for which it is responsible, and and on the Sustainability Master Plan, monitoring and monitoring its degree of execution through appropriate indicators and metrics;
- Ensure the existence of structured onboarding and continuous training programmes for the members of the Management and Supervisory Bodies, assessing their adequacy to the Bank's needs and to best practices, particularly in matters related to sustainability;
- Assess the adequacy and sufficiency of human resources and training plans on sustainability matters and ESG risks;
- Time it deems necessary, submit to the Board of Directors a proposal on the guidelines for the Company's policies, based on ethical principles that aim to contribute to the pursuit of objectives of social responsibility and sustainability, proposing, in particular, guidelines for the Company's social responsibility and sustainability policies, including, among others, principles and values to safeguard the interests of Shareholders, Investors and other stakeholders in the institution and also principles of social solidarity and environmental protection,
- Monitor the implementation plan of the governance model for overseeing the international subsidiaries included in the Bank's consolidation perimeter.

Committee for Nominations and Remunerations

This Committee, appointed by the BoD, is composed of a minimum of three and a maximum of five non-executive Directors.

The Board of Directors delegates in the Committee for Nominations and Remunerations the oversight of matters related to human resources, as well as the assessment and composition of the Board of Directors and its Committees, reviewing the Succession and Remuneration Policies of the Directors and the Employees and monitoring their implementation, in accordance with the powers conferred upon it by law and by its own Regulations.

Functions of this Committee:

- Define and review the Remuneration Policy for the members of the Management and Supervisory Bodies and to provide an opinion on the Employee Remuneration Policy;
- Issue an opinion on the Remuneration Policies of each of the entities that are part of the Group and to assess the consistency of the global remuneration policy of foreign subsidiaries;
- Assess, in conjunction with the risk management and compliance functions, the impact of remuneration practices, the mechanisms and systems implemented to ensure that the remuneration system considers all types of risks and own funds, and that the global remuneration policy is consistent and promotes sound and effective risk management and is aligned with the strategic business plan, objectives, culture, including risk culture and corporate values, and the long-term interests of the Bank;
- Monitor the process of identifying the Group's key function holders in Portugal and to assess their Succession Plan;
- Monitor the existence and implementation of specific policies on recruitment and selection, evaluation of performance, promotion and management of careers, remuneration, training and development of competences, and promotion of gender equality and sustainability;
- Ensure and promote the evaluation process of candidates for members of the Bank's management and supervisory bodies and those responsible for internal control functions (Fit & Proper process) and approve the respective individual and collective final reports;
- Monitor the human resources and staff management policy;
- Deliberate on the appointment of members to the corporate bodies of credit institutions and financial companies within the Group's consolidation perimeter, or on the preparation of the candidate lists for the corporate bodies of those subsidiaries, before they are submitted to the respective General Meeting, and inform the Board of such appointments;
- Issue an opinion on the decision to appoint, replace or dismiss the heads of the internal control functions of the Group's subsidiaries, following the involvement of the corresponding heads of the respective internal control functions of BCP and the issuance of an opinion by the Chief Risk Officer.

Executive Committee

The Executive Committee (EC) is responsible for the daily management of the Bank aiming to pursue the corporate objectives in compliance with the risk limits approved and defined by the BoD. Particularly regarding the risk management function, the EC is responsible for:

- Implement the Bank's general business strategy and main policies, considering the Bank's long-term financial interests and solvency;
- Implement the global risk strategy approved by the BoD and ensure that management devotes sufficient time to risk issues;
- Ensuring an adequate and effective internal governance model and an internal control framework, including a clear organizational structure and independent internal risk management functions;
- Promote the risk culture across the BCP Group, addressing risk awareness and appropriate risk-taking behaviour;
- Promote a corporate culture and values that foster the ethical and responsible behaviour of employees;
- Promote the development, implementation and maintenance of formal processes for obtaining, producing and processing substantive information, appropriate to the size, nature, scope and complexity of the activities carried out, as well as to the institution's risk appetite, which ensure its reliability, integrity, consistency, integrity, validity, timeliness, accessibility and granularity.

The Executive Committee is supported, to carry out its responsibilities, by several management commissions in a wide range of dimensions: Business Activity; Credit Decisions; Risk and Compliance Management; Planning, Costs and Investments; Capital Structure and Liquidity Management; Human Resources Management; Operational Resilience, Sustainability and Digital Transformation and Technology. These management commissions can benefit from the presence of one or more internal control function units (Risk Office, Compliance Office and Internal Audit) which ensures timely detection of any potential internal control deficiencies.

The Executive Committee delegates in the Risk Commission, the Conduct, Compliance and Operations Risk Commission (CCORC) and the Operational Resilience Commission, the mission of monitoring the risks the Group is exposed to, as well as the deficiencies identified regarding the internal control system. These commissions are also responsible for monitoring the adoption of corrective measures and the overall progress of open recommendations. Furthermore, the CCORC may also evaluate and propose improvements to be introduced to the internal control system.

Risk Commission

This Commission is appointed by the Executive Committee and has the responsibility for defining, at an executive level, the framework and the risk management policies and instruments within the Group, establishing the respective principles, rules, models, limits, mitigation measures, and practices for the Group Entities, considering the risk thresholds defined in the Risk Appetite Statement (RAS).

The Risk Commission monitors the compliance of the group's risk levels with the RAF and monitors the overall risk levels for all types of risk (especially regarding credit, market, and liquidity risk), ensuring that the risk levels are compatible with the goals, available financial resources and strategies that have been approved for the development of the Group's activity. This Commission also validates the compliance of risk management with the applicable laws and regulations.

This commission is also responsible for decisions on risk models and methodologies (PD, CCF, LGD, ICAAP, model validation, etc.) and for making decisions with impacts on RWA/Expected Loss (EL)/ capital requirements (resulting from changes to parameters and/or prudential methodologies) or impairment increases due to changes in the assumptions of the respective model.

Operational risks are dealt with in detail in the Conduct, Compliance and Operational Risks Commission and IT and Cyber security risks in the Operational Resilience Commission.

Models Monitoring and Validation Sub-commission

The Models Monitoring and Validation Sub-Commission monitors the performance and confirms the validity of the rating systems and models used by the Bank within the scope of its risk management functions (e.g. PD, LGD, CCF, market risk, ICAAP, IRRBB, IFRS9) and informs the Risk Commission on their adequacy. Moreover, it presents the model's risk management results and suggests improvement measures to increase the model's performance and adequacy.

Credit and Non-Performing Assets Monitoring Commission

This Commission is appointed by the EC and has the responsibility of monitoring the evolution of credit risk, under various aspects:

- Monitoring the evolution of the credit portfolio's quality and of the main performance and risk indicators;
- Monitoring of the evolution of the credit exposure and the credit underwriting process;
- Monitor the results achieved by the credit monitoring systems;
- Follow-up the counterparty risk and the largest exposures concentration risk;
- Monitoring the impairment evolution and the main cases of individual analysis;
- Assessment of the recovery procedures performance;
- Monitoring the divestment in the foreclosed assets portfolio and in other non performing assets (NPA).

Pension Funds Risk Monitoring Commission

This Commission is appointed by the EC and has the following competences:

- Monitor the performance and risk of the Group's Pension Funds in Portugal;
- Approve changes to the actuarial assumptions of the Fund;
- Establish appropriate investment policies and risk hedging strategies;
- Give an opinion on the adequacy of the actuarial and financial assumptions used for the determination of the Pension Funds' liabilities;
- Issuing an opinion on materially relevant investment decisions.

Conduct, Compliance and Operational Risk Commission

This Commission, appointed by the EC, has a set of attributions and responsibilities, with a view to ensuring that the Bank's activity and the entities of the BCP Group in each jurisdiction, is carried out within an appropriate framework of risk management culture and internal control, namely, to guarantee and monitor the adoption and compliance, by all the Group's Entities, with the internal and external rules that make up its activity of the relevant contractual commitments and ethical values of the organization, in order to contribute to the mitigation of conduct, compliance and operational risks, strengthening the internal control environment, mitigating or eliminating the imputation of sanctions or significant property or reputational damage.

The Commission's competences and monitoring tasks include:

- Monitor compliance with the applicable regulatory framework and identify the main deficiencies in matters of Conduct;
- Promote the dissemination of a sound conduct culture, proposing, where necessary, adjustments to the Code of Conduct;
- Follow up and monitor, among others: conduct-related determinations issued by the supervisory authorities; customer complaints; product and service approval; advertising; commissions; and the incentive system;
- Monitoring compliance with the regulatory framework and the main deficiencies in preventing and combating money laundering and terrorist financing;
- Propose the adoption of the best technological solutions inherent to the Compliance Office activity;
- Monitoring and reporting on key interactions with Supervisors of the compliance function or legislative news;

- Evaluate the degree of implementation of the rules that regulate the Group's activity, appreciating and deciding on proposals for improvement and changes in the processes to strengthen the internal control environment;
- Promote the dissemination of a culture of operational risk management and compliance, issuing recommendations on procedures for its adoption;
- Assess and decide on proposals for improvement and changes to the processes to strengthen the internal control environment;
- Monitor the Outsourcing and IT risks and respective metrics, based on the conclusions of the monitoring reports, and prepare proposals to adapt them to the risk appetite defined;
- Assess and decide on proposed improvements to strengthen the internal control environment and mitigate operational risk, as well as on Outsourcing proposals and respective exit and improvement plans and changes to the Bank's process management;
- Analyse materially relevant events and assess the proposed mitigation measures with respect to operating losses.

Operational Resilience Commission

This Commission, appointed by the EC, has duties and responsibilities in the scope of monitoring and controlling the information systems risk, information security risk (cybersecurity), governance and data quality, personal data protection risk, and also the business continuity management policy and framework, as well as physical security.

This Commission has the following capacities and responsibilities:

- Definition of guidelines and approval of risk management policies monitored by the Commission;
- Regular review of emerging threats and most relevant trends in terms of data security and information technology, with a particular focus on cybersecurity, and promotion and evaluation of new controls and protection solutions;
- Analysis of periodic reports of security incidents of information systems, governance and data quality and physical security, identifying measures for remediation and improvement;
- Monitoring of performance metrics of information security systems, physical security and protection and data quality;
- Monitoring the implementation of initiatives and projects in the areas of information security and information systems, governance and data quality, physical security and business continuity (global and local);
- Review of security and business continuity assessment results, including internal and external audits and monitoring of improvement processes and closing associated recommendations;
- Approval of the annual plans for security assessment exercises, DRP (Disaster Recovery Plan) and business continuity (PCN), as well as the respective quantitative/qualitative evaluation and monitoring of any associated improvement initiatives;
- Articulation with subsidiaries on the subject of physical security policies, information security, business continuity and protection and data quality.

Sustainability Commission

This Committee is responsible for defining and monitoring the initiatives that ensure the implementation of the Sustainability Master Plan (SMP), in its strategic axes (Environmental, Social and Governance), in accordance with the guidelines defined by the EC.

It has the following attributions and responsibilities:

- To assist the EC in the integration of Sustainability principles (Environmental, Social and Corporate Governance) in the Bank's decision-making and management processes;
- Promote the adequacy of credit risk management processes and the offer of products and services to the evolution of the regulatory context within the scope of Sustainable Finance;
- To assess and approve the initiatives required to implement the actions defined to materialize the strategic axes of the SMP in force, as well as other changes or adaptations necessary to meet the defined objectives;

- To follow-up and monitor the progress of approved initiatives, compliance with the respective deadlines and budgets and the evolution of the results achieved, as well as the key performance indicators of the plan's dimensions;
- Develop communication actions necessary for the knowledge and dissemination, by the Bank and the market, of the performance in Sustainability matters.

Digital Transformation and Technology Committee

This Committee is responsible for monitoring the initiatives of the strategic plan concerning digital transformation and technology, as well as overseeing innovation and transformation projects whose scale and impact justify it, including those related to digital banking platforms and capabilities. It is also responsible for supervising initiatives associated with the transformation of processes and operating models, leveraging the combination of emerging technologies and new platforms to enhance competitive advantages in productivity and service quality.

Among the main responsibilities of this Committee are highlighted:

- Defining priorities and monitoring Artificial Intelligence (AI) initiatives, in alignment with strategic objectives;
- Decision-making regarding the promotion of AI and new technology capabilities at various levels of the organization, through training and strategic partnerships;
- Overseeing the implementation of transversal, scalable, and reusable capabilities that act as enablers in innovation and transformation projects;
- Monitoring new trends, emerging technologies, and assessing their implications for the financial sector.

CALCO

The Capital, Assets and Liabilities Management Commission is responsible for the management of the capital, for assets and liabilities management and for the definition of liquidity management strategies at the activity level in Portugal. Specifically, is responsible for the structural management of interest rate and liquidity risks, including, among others, the following aspects:

- Establishment of management guidelines for assets, liabilities and off-balance sheet items;
- Definition of the capital allocation and risk premium policies;
- Definition of transfer pricing policy, in particular with regard to liquidity premiums;
- Monitoring of the capital and liquidity indicators, of the Recovery Plan indicators and of the execution of the Liquidity Plan;
- Definition of policies and strategies to access wholesale funding markets and definition of the liquidity buffer composition;
- Definition of the investment policy of the Investment Portfolio and monitoring of its performance;
- Definition of the types of risk coverage classified as hedge accounting;
- Definition of the strategy and positioning within the scope of the interest rate risk and structural FX risk management, as well as of the respective policies and limits, taking into account the market conditions at any given moment.

Credit Commission

This Commission is appointed by the EC and its functions are:

- Appraisal of proposals for the granting of credit to clients, as defined in Service Order on Credit, Granting, Monitoring and Recovery;
- Decision of credit proposals transversally related with the bank activity of Group Banco Comercial Português in Portugal;
- Issuance of an advisory opinion on credit proposals from Mbim in accordance with the defined criteria in the Group Code - "Credit Principles and Guidelines".

Risk Office

The Risk Office (ROFF) is the structure unit responsible for the risk control function at Group level, promoting the overall alignment of concepts and procedures concerning risk monitoring and assessment. The ROFF is responsible for informing the Board of Directors, the Executive Committee, the Risk Assessment Committee, and the Risk Commission on the general risk level, for proposing measures to improve the control environment and for the implementation of controls which assure compliance with the approved limits. The ROFF has the following functions:

- Supporting the establishment of risk management policies and methodologies for the identification, measurement, limitation, monitoring, mitigation and reporting of the different types of risk;
- Promoting the revision of the Group's Risk Appetite and the risk identification process;
- Issuing opinions related with the Group Strategic Plan and compliance of the risk management decisions considering the approved RAS limits and also on credit operations and contracting of services with related parties;
- Participate in the definition of the risk strategy and decisions related with risk management;
- Issuing opinions on the assumption of significant risks by the Bank and its subsidiaries, ensuring they are properly identified and adequately assessed;
- Assist the formulation and implementation of business strategy and internal governance and risk management structures with regard to the climate, social and internal governance (ESG - Environmental, Social and Governance) dimension in the risk management framework;
- Ensure reporting obligations within the scope of ESG risk factors and sustainable financing;
- Monitoring the NPA (non-performing assets) portfolio;
- Coordinating the ICAAP and ILAAP processes;
- Ensuring the existence of a body of rules and procedures, of an effective IT platform and of a database for the robust and complete management of risk;
- Participating in the oversight of foreign Subsidiaries, interacting with the Risk Offices of the Group Entities, to ensure that it has the necessary data for the full performance of its consolidated risk management responsibilities and to promote all cooperation and control actions with the Group Entities;
- Controlling, on an ongoing basis, the evolution of the different risks and compliance with the applicable policies, regulations, and limits;
- Participating in the Internal Control System;
- Preparing information relative to risk management, for internal and market disclosure;
- Supporting the works of the following Commissions: Risk, NPA Monitoring, Pension Funds Risk Monitoring and participating in the Credit Commission, CALCO, Operational Resilience, Conduct, Compliance, Operational Risk, Sustainability and Digital Transformation and Technology.

The Risk Officer is appointed by the BoD, and reports to the Group Chief Risk Officer, with a functional reporting duty to the Risk Assessment Committee.

Compliance Office

Integrated autonomously and independently within the second line of the Bank's 'three lines of defence' model, the Compliance Office (COFF) ensures the Bank's compliance function. This encompasses comprehensive regulatory compliance and control activities, providing independent analysis and advisory support to the Bank's governing bodies and various departments prior to decisions involving the assumption of specific risks under the compliance function's oversight.

Furthermore, the COFF has also the mission to:

- Ensure compliance with regulations and the organization's ethical values and fulfilling all the duties conferred on it by law, ensuring the existence of a culture of internal control, thereby helping to mitigate the risk of sanctions or significant damage to assets or reputation being attributed to Group Entities;
- Promote the development, approval, implementation, compliance verification, and periodic updating of the Code of Conduct, as well as any other procedural standards related to the prevention and combating of money laundering and terrorist financing (hereinafter "AML/CFT");

- Ensure compliance with the regulatory framework on AML/CFT, including interaction with Supervisory Authorities, participating in the provision of information, clarifications and cooperation in any supervisory actions;
- Cooperate with and monitor the activities carried out within the scope of preventing, detecting and combating fraud, as well as supervising and implementing the governance processes on Group Entities related to the fraud risk management framework;
- Participate in the definition of policies and procedures related with Conflicts of Interest and transactions with Related Parties, following-up their implementation and effective application;
- Ensure the management and controls adequacy of the whistleblowing process, in support of the Audit Committee;
- Provide support to the International Entities in the development of their activities, seeking to normalise their action principles, systems and processes, in compliance with local regulatory specifications;
- Ensure and monitor the application of the regulatory compliance programme relating to the Plan for the Prevention of Risks of Corruption and Related Offences and issue opinions on credit operations and contracting of services to related parties, which serve as support to the EC and CAUD.

The Compliance Officer is appointed by the BoD, reports to the Executive Committee, through the CRO, with a functional reporting duty to the reports directly to the Executive Committee and, functionally, to the Audit Committee, exercising his/her functions in an independent, permanent and effective manner, defining the policies, guidelines and tools that are appropriate for a proactive and preventive risks' assessment. The Compliance Officer belongs to the Bank's top management, does not accumulate other functions in the Bank and is not functionally subordinate to any executive director responsible for activities subject to its control and supervision, thus ensuring its management and technical independence.

As a second line of defence structure responsible for compliance risk, for the risks associated with money laundering and the financing of terrorism, fraud, conduct, corruption, market abuse, conflicts of interest and for other risks of an operational nature, the COFF issues decisions, with binding force for its recipients, aiming at the legal and regulatory compliance of the various business and business support areas.

The functions attributed to the COFF are exercised in accordance with the law or with other applicable normative source, as well as by the Bank's corporate bodies, and the performance of the Compliance Office should be based on a risk approach, at the level of the business, Customers and transactions, allowing the identification, assessment, monitoring and control of compliance risks that may influence the strategy, reputation and objectives defined for the Bank.

Within the scope of opinions and the associated analyses produced at request of several Group areas and Divisions, the COFF:

- Identifies and evaluates the various types of risks - both within the scope of the Customer approval process, products and services, corporate processes, conflicts of interest, under the terms of the legislation in force;
- Issues proposals for the correction of processes and risks mitigation;
- Permanently analyses the general supervisory environment and, in general, provides specialised support in matters of control and regulatory compliance.

Within the scope of its specific functions, the COFF also ensures an assessment and intervention in what concerns:

- The control and monitoring of compliance risks;
- The Anti-Money Laundering and Combating the Financing of Terrorism (AML/CFT);
- The prevention, monitoring, and combating of internal and external fraud;
- The prevention, monitoring, and combating of corruption and related infractions;
- The prevention and management of conflicts of interest;
- Ensuring compliance with the personal data protection regime, including the implementation, monitoring and coordination of measures required by the GDPR and other applicable legislation;
- The mitigation of reputation risk at all Group entities, aiming at the alignment of concepts, practices and goals in these matters;

- Ensuring compliance and management of the document process, including approval of publications on the Documentation Portal;
- Overseeing the development and enhancement of Compliance analytical systems and models.

In compliance with the Principle of Coherence of the Group's internal control, the 1st responsible for the Compliance Officer of BCP is also responsible for the follow-up and monitoring of the compliance activities and Policies at Group level, highlighting the follow-up and monitoring of the AML/CFT risk through the International AML/CFT Committees, with the participation of the management and Compliance Bodies of the local units.

In accordance with the Principle of Coherence regarding the Group's internal control, the Compliance Officer of BCP holds ultimate responsibility for overseeing and monitoring compliance activities and policies at the Group level. This includes a primary focus on monitoring AML/CFT risk through the International AML/CFT Committees, ensuring the active participation and alignment of the management and Compliance Bodies across all local units.

The COFF is also responsible for coordinating the process of structuring, drafting and approving the annual self-assessment reports on the effectiveness of the organisational culture and the governance and internal control systems, both individual and consolidated, and on the AML/CFT prevention system to be submitted to the Banco de Portugal and the Securities Market Commission, under the terms of the respective Notices and Regulations, and as well for the preparation and submission of reports to the management body, at least once a year, identifying the compliance flaws verified and the recommendations issued for their correction.

The COFF fosters, intervenes and actively participates in the training policy of Employees, namely, through training actions in Compliance, for the entire universe of the Group, maintaining a large knowledge repository for matters of its competence, namely, in what concerns the AML/CFT.

Audit Division

The Audit Division (DAU) provides functions of the third line of defence, under the scope called "Model of the 3 lines of defence" and is responsible for assessing the adequacy and effectiveness of the risk management process, the internal control system and the governance models. DAU performs its function on a permanent and independent basis and in accordance with the internationally accepted principles and best practices of internal auditing, carrying out internal audit inspections to assess the systems and processes of internal control and risk management which can give rise to recommendations aimed at to improve its efficiency and effectiveness.

The main functions of the DAU in the scope of risk management are to ensure that:

- The Risks are properly identified and managed and that the controls implemented are correct, adequate and proportional to the Bank's risks;
- The Bank's internal capital and liquidity assessment system is adequate in terms of the risk exposure level;
- Transactions are recorded correctly in the systems of the Bank, and the operational and financial information is true, appropriate, material, accurate, reliable and timely;
- The Employees perform their duties in accordance with internal policies, codes of conduct, rules and procedures and with the legislation and other applicable regulations;
- The goods and services necessary for the Bank's activity are purchased economically, are used efficiently and are properly protected;
- The Legal and regulatory provisions with a significant impact on the organization are recognised, properly assimilated, and integrated into the operational processes;
- The Bank's governance model is adequate, effective, and efficient;
- Open internal control recommendations are monitored.

The Head of DAU reports hierarchically to the Chairman of the Board of Directors and functionally to Audit Committee, is responsible for the general supervision and coordination of the internal audit activities of the BCP Group subsidiaries and attends the meetings of the Audit Committee of the subsidiaries of the BCP Group and while the third line of defence supports the supervisory (CAUD), administration (CA) and executive (EC) bodies.

Main developments and accomplishments in the 1st semester 2026

In 2026, the risk management function remained focused on maintaining a robust and dynamic framework for risk identification, monitoring and control, capable of adapting swiftly to changes in the geopolitical, economic and regulatory environment, while continuously ensuring compliance with regulatory and supervisory requirements as well as with RAS limits.

The main activities carried out in 2026 may be summarized as follows:

- Monitoring compliance with risk limits, in particular the RAS, at consolidated level and across the main BCP Group entities;
- Preparation of quarterly Risk Assessment Reports, updating the outlook for the risks to which the Bank is exposed in the course of its business and the risk strategy to address them;
- Completion of the ICAAP and ILAAP with reference to December 2025, and regular monitoring of the capital and liquidity adequacy assessment processes;
- Participation in the 2026 Geo-political risk factors reverse stress test exercise conducted by the ECB;
- Continuous improvement of the Group's internal governance, risk management, measurement and control framework, through the strengthening of credit risk monitoring, the inclusion of climate and environmental risk factors in the overall risk management framework, and the monitoring of their implementation within the RAS;
- Close monitoring of customers' financial position, with a view to identifying situations potentially affected by the geopolitical and macroeconomic environment, anticipating possible difficulties in meeting their obligations;
- Control of interest rate risk in the banking book, including the monitoring of basis risk and credit spread risk;
- Enhancement of the scope and quality of risk information included in the Master Financial Database, particularly in relation to financial instruments positions;
- Contribution to the Group Sustainability Report and disclosure of decarbonization targets for carbon-intensive sectors;
- Monitoring of ESG metrics for the relevant portfolios and business lines;
- Development and implementation of the Climate Scenario Analysis (CSA) framework;
- Update and approval of interim sectoral decarbonization targets for carbon-intensive portfolios (Portfolio Alignment), and monitoring of those portfolios' intensities;
- Development of the Transition Plan, covering both own operations and prudential dimensions;
- Monitoring of the Business Environment Analysis Report (BEAR) to assess the short-, medium- and long-term impact of the Political, Economic, Societal, Technological, Legal and Environmental dimensions on the Bank's main risk categories;
- Preparation of the annual market discipline report and integration of market disclosures into the EBA Pillar 3 Data Hub platform (European Data Access Portal / EDAP);
- Consolidation of the liquidity management framework in recovery and resolution planning contexts;
- Annual self-assessment exercise of risks associated with operational processes (RCSA – Risk and Control Self-Assessment);
- Monitoring of the OCIR (Operational Continuity in Resolution) exercise;
- Participation in the alignment of the Bank's processes with Regulation (EU) 2022/2554 (DORA – Digital Operational Resilience Act);
- Monitoring of the Targeted Review on ICT Change Management;

- Monitoring of the ICTSRA (ICT & Security Risk Assessment) exercise;
- Participation in the update of the Group Recovery Plan;
- Completion of the implementation of the circular letters issued by Banco de Portugal CC/2024/33 (prevention and regularization of credit agreement arrears – PARI and PERSI processes) and CC/2024/35 (policies and procedures for the identification and flagging of debtors experiencing financial difficulties and restructured credit due to financial difficulties of individuals);
- Implementation and monitoring of the moratorium measures provided for in Decree-Law No. 31-B/2026 of 5 February, subsequently amended by Decree-Law No. 98/2026 of 21 May, ensuring close monitoring of customers affected by Storm Kristin and of the potential impacts on credit risk;
- Review of the credit conversion factor (CCF) models considered for impairment calculation purposes, in accordance with IFRS 9;
- Review of the overlays methodology to reflect the worsening of geopolitical risks and volatility in energy markets, as well as the potential impacts of these factors on the development of portfolio credit risk;
- Implementation and strengthening of the market risk management framework in the context of the Fundamental Review of the Trading Book (FRTB), in preparation for its entry into force on 1 January 2027;
- Monitoring of several On-Site Inspections and Deep Dive exercises by the supervisory authorities;
- Monitoring of litigation risk mitigation plans associated with CHF mortgage loan portfolios and consumer credit portfolios in Poland;
- Participation in internally developed projects for fraud prevention.

The compliance function maintained its focus on the continuous improvement of the Group's compliance risks' control environment, ensuring, fulfilling regulatory and supervisory requirements and updating the internal regulation's compliance risk management and control framework.

In the context of AML/CFT, the activities of COFF, grounded in a risk-based approach, is focused in 2026, among other aspects, on ensuring compliance with the following obligations:

- Identification and due diligence, for the appropriate pre-validation, substantive and formal, of the opening and maintenance of entities and accounts and credit operations, in a context of increased risk, with the issuance of successive sanctions packages;
- Examination of operations, with emphasis on the filtering operations process, essential for complying with the sanctions and embargo regimes decreed by the competent national and supranational authorities, and their monitoring, with a view to detecting and preventing potentially irregular situations;
- Control, by improving IT systems and monitoring mechanisms, adapting them to new regulatory requirements and new risk factors, contributing to the effectiveness of the AML/CFT risk management model;
- Abstention, ensuring that suspicious transactions or those involving funds or other assets potentially linked to money laundering or terrorist financing are not executed;
- Communication, adapting governance and processes in order to inform the competent authorities in a timely manner whenever there are suspicions or sufficient reasons to suspect that certain funds or other assets, regardless of the amount involved, come from criminal activities or are related to their financing, in a context of growing risk factors in this area;
- Refusal, meaning that transactions are not carried out, accounts are not opened, or business relationships are not established when it is not possible to adequately fulfil the required identification and due diligence obligations;
- Collaboration with all the supervisory and inspection bodies responsible for the activity of BCP and its Subsidiaries in Portugal;
- Non-disclosure, ensuring strict compliance with the duty of confidentiality and prohibiting clients or third parties from being informed about the existence, progress or content of communications or investigations;

- Co-operation with Direção-Geral de Política Externa of the Foreign Office and with Gabinete de Planeamento, Estratégia, Avaliação e Relações Internacionais of the Ministry of Finance, ensuring compliance with the regulatory and legal framework on restrictive measures;
- Training, through the fulfilment of a training and communication plan;
- Strengthening transactional fraud detection and prevention capabilities, through the implementation of expedited controls and enhanced risk-based analytical mechanisms, enabling a more timely and effective preventive response to evolving fraud schemes;
- Enhancing cross-functional coordination across Departments, fostering closer and more structured information sharing and operational response, allowing for faster reaction to fraud phenomena and a more integrated, holistic monitoring of risk at Group level;

This functional perimeter, based on dedicated technological solutions, also provides for the definition and management of risk models according to the evolution of the various competing variables for establishing the scorings to be applied to operations. Also noteworthy is the development of new, more effective and efficient solutions based on automation processes for analysing the risk factors inherent in new account openings and transaction screening, and the effort to update internal rules in order to bring them into line with recent changes in the legislative environment.

Of the various initiatives undertaken, we highlight, as at this date:

- Submission of the annual Anti-Money Laundering and Counter-Terrorist Financing Report (RPB) to Banco de Portugal and the CMVM;
- Submission to the Anti-Money Laundering Authority (AMLA) of a first comparative data collection exercise covering entities potentially subject to direct supervision from 2027 onwards;
- Strengthening of automated control processes related to the screening of entities and transactions to ensure continuous and timely compliance with sanctions and embargoes imposed by various European and international bodies in a more demanding context;
- Reinforcement of the model of an integrated view of Customers in the business relationship with the Bank and the inherent risk factors, in order to strengthen effectiveness in the fulfilment of AML/CFT duties, mainly identification and diligence, control, examination and communication;
- Strengthening the AML/CFT risk control in the client onboarding process, across different segments, products, services, and jurisdictions involved in business relationships;
- Strengthening AML/CFT risk control in the context of periodic and extraordinary client reviews, across different segments, products, services, and the jurisdictions involved in business relationships;
- Continued development of automatic solutions that promote alignment and cooperation between the Bank's first and second lines of defence in fulfilling the various AML/CFT duties;
- Reinforcement of controls over Correspondent Banks, ensuring a timely periodic review of their AML/CFT practices and policies according to their risk, the assessment of which now includes a set of new risk factors, in compliance with recent regulatory changes and restrictive measures;
- Continuing to strengthen, train and specialise the Compliance Office teams in the various dimensions of PBC/FT.

Still within the scope of AML/CFT activities, it remains worth highlighting the publication of a new European legislative package, which will take effect starting in 2027.

With regard to the effectiveness of the internal control system contribution, the role of the Compliance Office in monitoring the implementation of the internal control recommendations should be emphasised, namely through the issuing of periodic reports to the Bank's Management and Supervisory Bodies responsible for monitoring them and participation in a working group aimed at promoting their implementation.

In 2026, the Bank continues its commitment to strengthening the Compliance culture through the development of new and impactful communication initiatives. These actions were designed to raise awareness among Employees and commercial structures of activities or transactions that may be related to illicit conduct, promoting ethical and responsible behaviour. To achieve these outcomes, 4 new features were launched:

- “Casos de Conduta”: An initiative presenting day-to-day situations, encouraging reflection on ethical behaviours and alignment with the Bank’s Code of Conduct. •

- "No Reino dos Porquês": In this feature, we explain, in a simple and direct manner, the fundamental reasons behind the main compliance procedures. For example, it clarifies the importance of correctly completing KYC (Know Your Customer) fields and the need, in the Client onboarding process, to request evidence of income and financial wealth, underlining that these are not mere formalities, but essential requirements to ensure rigour in complying with Compliance standards and legal requirements;

- "Compliance de bolso": A set of quick and practical tips designed to support Employees in their day-to-day activities, acting as an always-available ally to help them make informed decisions and protect the Bank and its Clients;

- "Moral da História": We share current cases from around the world, with no direct connection to our Bank, which illustrate the growing complexity of organised crime networks.

In addition, fraud-related topics continued to deserve our priority attention, particularly attempted fraud involving falsified documents to obtain credit. Given the increasing sophistication and frequency of these occurrences, it is essential to know the warning signs and adopt rigorous procedures for their prevention.

With regard to training initiatives, particular emphasis was placed on: i) Personal Data Protection, ii) Data Governance and Quality, iii) Information Security, iv) Cybersecurity and v)DORA-Digital Operational Resilience Act.

In pursuit of aligning strategies and priorities in the risk management of the Group's Operations, efforts continued to update Group policies, also applicable to International Operations, ensuring that there were no delayed documents.

Additionally, the Compliance Office continues to monitor the activity of the compliance function in those Operations, implementing a number of initiatives, including the following:

- Continued efforts to adapt the Group's entities' response capacity to the challenges posed by compliance and regulatory issues, in particular by promoting training programmes for local compliance teams;
- Consolidation of control procedures, particularly on new business relationships and high risk AML/CFT products;
- Monitoring and collaborating in the resolution of control deficiencies identified by external auditors;
- Collaboration in the implementation of new IT platforms to reinforce AML/CFT;
- The approval of measures that simplify, within the legally imposed limits, internal procedures, resulting in a gain in operational efficiency;
- The timely delivery of all regulatory reports to the various authorities.

It should be noted that monthly reports analysing the transactions of high-risk customers were issued.

The internal audit function, in its role as the 3rd line of defence within the Bank's internal control system, continued to focus its activities on independent assessment and reporting to its stakeholders, particularly the Audit Committee and the Board of Directors, regarding the adequacy and effectiveness of the organisational culture, the risk management process, the internal control system, and the Bank's and Group's governance models.

In this context, the following activities carried out by the internal audit function during the 1st half of 2026 should be highlighted:

- Execution of the approved audit plan and other audits or analyses requested by the Bank's governing bodies, safeguarding its independence, or by supervisory authorities, resulting in the issuance of audit reports on Bank's processes, commercial networks' branches and Bank's subsidiaries, among other topics, providing conclusions from the assessments performed;

- Issuance of recommendations based on the conclusions from the audit missions and evaluations performed, and promotion, monitoring, and certification of the effective implementation of appropriate corrective measures by the audited units, based on timelines adjusted to the severity of the findings, and certification of the effective implementation of the deficiencies identified by other areas or entities whose follow-up has been ;assigned to the internal audit function;

- Production of management information on internal control recommendations addressed to the Bank and preparation of reports on activities carried out by the internal audit function and the implementation status of open recommendations;

- In-depth review of the risk classification matrix for recommendations, based on accumulated experience and on other contributions, with the aim of making it more comprehensive and better adapting the quantitative and qualitative metrics for assessing the impact of deficiencies to the current context and reality of the Bank and its subsidiaries, in collaboration with the internal audit teams of Bank Millennium and Millennium bim;

- Promotion of the update of the group code regulating the BCP Group's governance and internal control system, within the scope of implementing the approved changes to the risk classification matrix;

- Review of the metrics used to monitor performance and risks related to the internal audit function (KPIs and KRIs), with the objective of ensuring greater alignment of risk monitoring indicators within the Bank and increasing the scope and effectiveness of the monitoring of the function’s activities;

- Development of analyses and issuance of opinions on the adequacy of the Bank's internal control system, particularly concerning its internal regulations, within the scope of its duties and competencies;

- Support for the Bank’s external auditors in the course of their work, as well as monitoring and participation in several inspection activities carried out by supervisory authorities;

- Development and improvement of IT tools and processes supporting audit actions, namely continuous auditing, and other activities specific to the internal audit function, incorporating concepts of Machine Learning and Artificial Intelligence;

- Continuation of the implementation schedule for the internal audit function's initiatives defined within its strategic plan for the 2025-2028 period, as well as the internal quality reviews of the audit actions performed, integrated into the quality assurance programme;

- Preparation of a semi-annual review of the 2026 audit plan, to adapt it to changes in context, requests not originally planned, the management of the Bank's priorities and the resources allocated to the function;

- Continued training for Audit Division staff, according to the established integration and continuity training plans. This included external and internal training modules in several areas relevant to the internal audit function. Thus, during the 1st half of 2026, preparations continued for several auditors to obtain CIA or CISA certifications, and specific training sessions were held, including topics such as the risks associated with the use of artificial intelligence, the evolving manner in which companies report their financial information under IFRS 18 and 19, electronic signatures, interest rate swaps, bonds, salary transparency requirements, and teamwork, in addition to those related to the continuous training programme of the Data Science & Automation team.

Credit risk

The materialisation of this risk arises from the losses in the loan portfolio, due to the incapacity of borrowers (or their guarantors, when applicable), issuers of securities or contractual counterparts to comply with their credit obligations.

The control and mitigation of this risk are carried out through a solid and reliable structure of risk analysis and assessment, based on internal rating systems suited to the different business segments, through a model for the early detection of potential default of the portfolio, through processes regarding the management and follow-up of the collateral value and through structural units that are exclusively dedicated to credit recovery.

Evolution and breakdown of the loan portfolio

The next table presents the evolution of the Group's portfolio subject to credit risk and counterparty credit risk between December 31, 2025, and June 30, 2026, in terms of EAD (Exposure at Default) (*), in the three main geographies in which the Group operates - Portugal, Poland and Mozambique - which represented the Group's total EAD by June 30, 2026.

(million euros)

Geography	Jun. 26	Dec. 25	Change	
			Amount	%
Portugal	73,265	71,884	1,380	1.9%
Poland	38,907	35,336	3,570	10.1%
Mozambique	2,974	2,606	368	14.1%
TOTAL	**115,145**	**109,826**	**5,319**	**4.8%**

* The EAD represents the expected exposure if the customer defaults. For commitments and financial guarantees, the value of the EAD will consider both the amount of credit used and the expectation of future potential value that may be used in accordance with the agreement.

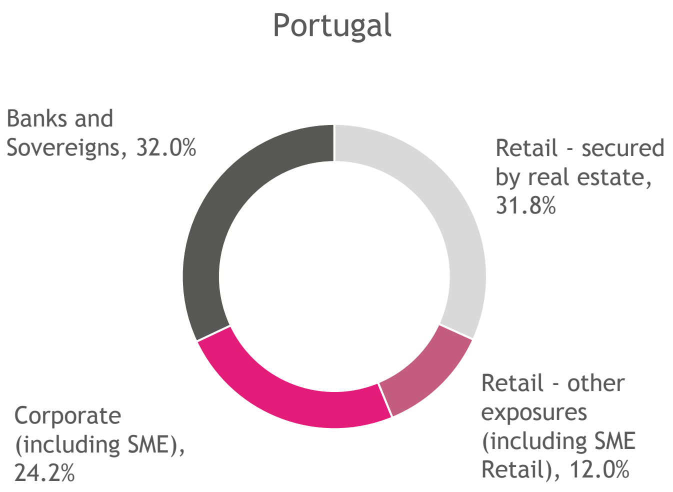
Without impairment deduction to the exposures treated prudentially under the Standardized Approach (STD) and including all risk classes (i.e. besides credit to Customers, debt positions from Sovereign entities and Institutions are included).

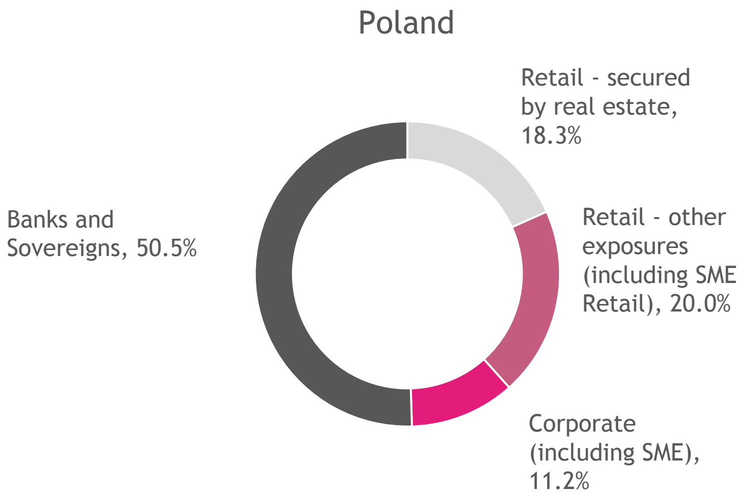
The increase in the portfolio in Portugal is linked to growth in institutional exposures and in the corporate and retail portfolios, an effect partially offset by a decrease in exposure to deposits with the Bank of Portugal and to the debt of the Republic of Italy. In addition to this factor, it is worth noting the decrease in the NPE portfolio in Portugal by 14.3 million euros (a reduction of approximately 2%) during the first half of 2026.

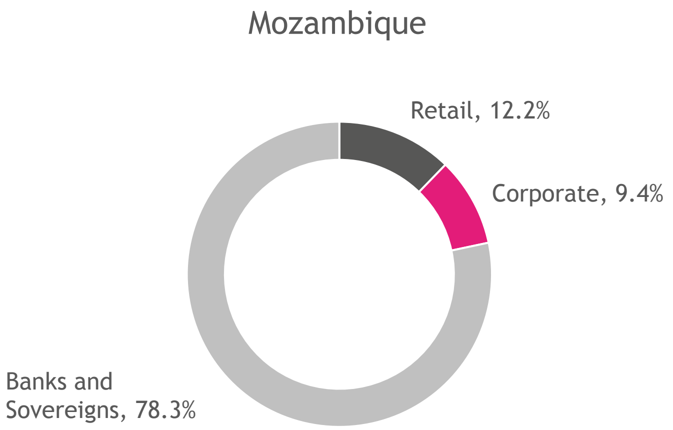
Poland's loan portfolio saw a 10.1% increase, measured in euros, largely due to higher exposure to Sovereign and Institutional Clients, which amounted to approximately 2.2 billion euros, accompanied by growth in credit exposure to corporate and retail Clients, which totalized 1.349 billion euros.

With regard to Mozambique, the loan portfolio increased by 7.3% in euros, driven by higher exposure to the Bank of Mozambique and a slight increase in credit exposure to corporate and retail Clients.

The portfolio composition by risk classes is illustrated by the following graphs, on June 30, 2026:







Regarding the structure of the portfolios by counterparty segment in Portugal, the retail segment continues to account for the largest share, at 43.8% of the total, with two-thirds of this consisting of secured by real estate exposures, specifically those associated with home purchase loans. It is worth noting that the growth of the retail portfolio was driven by an increase in mortgage lending under Decree-Law No. 44/2024. The Corporate segment accounts for approximately 24.2% of the total, a share similar to that recorded at the end of 2025, despite the increase in the portfolio's value. Also noteworthy is the slight decrease in the weight of the Banks and Sovereigns segment, which saw its share decline slightly to 32%, down from 32.9% as of December 31, 2025.

In Poland, the Retail segment stands out, accounting for 38.3% of the total; there was a decrease in the share of secured by real estate exposures to 18.3%, observed primarily in the portfolio of CHF-denominated mortgage loans. On the other hand, there was a slight increase in the share of the Corporate segment and growth in the Banks and Sovereigns segment, ending the first half of 2026 with weightings of 11.2% and 50.5%, respectively.

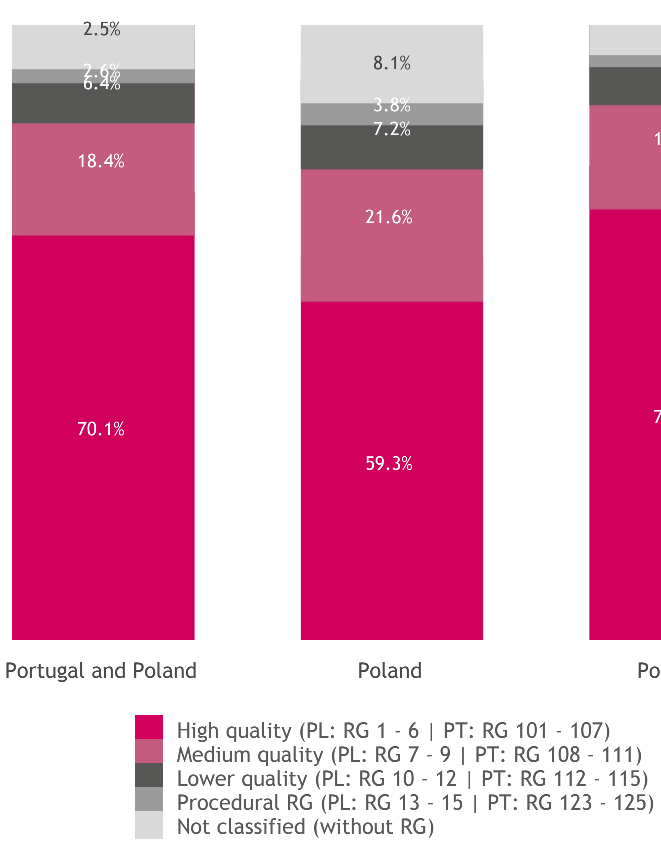
With regard to Mozambique, it is worth noting the significant weight of the Banks and Sovereigns segment, which accounts for 78.3% of the portfolio. Meanwhile, the corporate and retail segments accounted for 9.4% and 12.2%, respectively, with the corporate segment's weight decreasing by 1.5 percentage points and the retail segment's weight decreasing by 0.2 percentage points.

It should be noted that, during the first half of 2026, the Bank identified, as part of its credit risk management processes, new sectors that are sensitive to rising energy and fuel costs resulting from geopolitical instability and the macroeconomic environment. The loan portfolio in sectors considered vulnerable is subject to closer monitoring and oversight as part of credit risk management processes, enabling the timely identification of potential signs of risk deterioration.

Probability of Default (PD) and Loss Given Default (LGD)

The main parameters for credit risk assessment, used in the calculation of Risk Weighted Assets (RWA) within the scope of the Internal Ratings Based method (IRB) - the Probability of Default (PD) and the Loss Given Default (LGD) – assigned to the portfolio's credit operations, have been registering a continuous positive evolution, reflecting a clear trend of improvement in the portfolio's quality.

The following graph illustrates the distribution of the portfolio amounts, in terms of Exposure at Default (EAD) by the risk grades (internal ratings) attributed to the holders of credit positions in Portugal and Poland, on June 30, 2026. These risk grades (RG) are defined on an internal scale (the Rating Master Scale), with 18 grades in Portugal and 15 grades in Poland, corresponding to different levels of debtors' PD. Risk grades 123 to 125 in Portugal and 13 to 15 in Poland are called "procedural" and correspond to problematic credit; RG 125 in Portugal and 15 in Poland corresponds to the Default status.



As shown in the chart above, the share of EAD corresponding to medium- and high-risk grades, across the two geographic regions in question, accounted for 88.5% of total EAD as of June 30, 2026. This proportion compares with corresponding figures of 88.2%, 86.8%, 82.9%, 82.3%, and 80.9% recorded at the end of 2025, 2024, 2023, 2022, and 2021, respectively, reflecting a consistent positive trend. The share of higher-quality risk grades increased in Portugal from 73.6% to 74.3%, while in Poland, the share of this segment decreased slightly from 61.3% to 59.3%.

With regard to the weight of exposure across both geographic regions corresponding to customers with pending legal proceedings, the figure stood at 2.6% as of June 30, 2026, continuing the downward trend seen in previous years: 2.8% (2025), 3.7% (2024), 4% (2023), 4.2% (2022), and 4.8% (2021). In the case of Portugal, the downward trend is more pronounced: 2.2% (in the first half of 2026), 2.5% (2025), 3% (2024), 3.2% (2023), 3.7% (2022), and 4.7% (2021).

Regarding the LGD parameters, representative of expected losses in case of Default and which, to a good extent, reflect not only the efficiency of credit recovery according to the different types of credit segments/products, but also the collateralization levels of credit operations, the following table shows the respective average values for Portugal (weighted by EAD) at the end of first half of 2026 and 2025:

	Mortgages	SME Retail	Retail (other)	Real Estate Promotion	SME Corporate	Corporate	GLOBAL AVERAGE
30 June 2026	17.2%	31.3%	38.9%	26.4%	40.3%	39.5%	**26.0%**
30 June 2025	16.9%	31.7%	39.0%	26.3%	40.9%	38.5%	**26.0%**

There were no significant changes in LGD parameters, with slight increases observed in the Mortgage, Real Estate Promotion, and Corporate segments, offset by slight decreases in the SME (Retail and Corporate) segments and other Retail segments. Overall, the average value of the parameters remained at the December 2025 level.

It should also be noted that approximately 24% of the Corporate portfolio in Portugal is backed by guarantees issued by various entities (Mutual Guarantee Societies; the European Investment Fund;

and the European Investment Bank), which provide an additional level of protection in the event of default.

In Poland as well, a portion of the Corporate portfolio benefits from this type of guarantor (approximately 20.1%).

Main credit risk indicators

The following chart presents the quarterly evolution of the main credit risk indicators, between June 30, 2025 and June 30, 2026, for the Group and the portfolios of Portugal, Poland and Mozambique:

	Jun 26	Mar 26	Dec 25	Sep 25	Jun 25
CONSOLIDATED					
NPE/Gross credit	**2.2 %**	2.3 %	2.4 %	2.6 %	2.7 %
NPL > 90 days / Gross credit	**0.8 %**	0.8 %	0.8 %	0.8 %	0.8 %
Past due credit / Gross credit	**0.9 %**	1.0 %	0.9 %	1.0 %	1.0 %
Impairment / Gross credit	**2.1 %**	2.2 %	2.2 %	2.3 %	2.3 %
PORTUGAL					
NPE/Gross credit	**1.6 %**	1.7 %	1.7 %	1.9 %	2.0 %
NPL > 90 days / Gross credit	**0.4 %**	0.4 %	0.4 %	0.4 %	0.5 %
Past due credit / Gross credit	**0.4 %**	0.5 %	0.5 %	0.5 %	0.5 %
Impairment / Gross credit	**1.8 %**	1.8 %	1.8 %	1.8 %	1.9 %
POLAND					
NPE/Gross credit	**3.5 %**	3.7 %	3.9 %	4.2 %	4.3 %
NPL > 90 days / Gross credit	**1.5 %**	1.6 %	1.5 %	1.6 %	1.5 %
Past due credit / Gross credit	**2.0 %**	2.1 %	2.0 %	2.1 %	2.0 %
Impairment / Gross credit	**2.8 %**	3.0 %	3.0 %	3.2 %	3.2 %
MOZAMBIQUE					
NPE/Gross credit	**5.0 %**	4.8 %	4.5 %	4.9 %	5.0 %
NPL > 90 days / Gross credit	**2.4 %**	2.4 %	2.5 %	2.9 %	2.8 %
Past due credit / Gross credit	**2.6 %**	4.1 %	2.7 %	3.1 %	4.2 %
Impairment / Gross credit	**7.2 %**	7.1 %	6.9 %	4.5 %	4.5 %

Gross credit = Direct credit to clients, including credit operations represented by securities, before impairment and fair value adjustments. NPE include loans to Customers only.

The trend in credit risk indicators during the first half of 2026 was favourable at the consolidated level, and particularly so in Portugal and Poland, where the NPE ratio fell to 3.5%. This positive trend is reflected in the "NPE/Gross Credit" ratio, which decreased by 0.2 and 0.1 percentage points at the consolidated level and in Portugal, respectively, between December 2025 and June 2026. The indicators for NPL > 90 days and past-due credit as a percentage of gross credit - both on a consolidated basis and in Portugal - remained stable, with a slight decrease in the ratio NPL > 90 days to gross credit in Portugal compared to December 2025; these indicators stood at 0.8% and 0.9% at the consolidated level and 0.4% and 0.4% in Portugal.

The positive trend in these ratios stems from the ongoing efforts in recent years to reduce loans classified as non-performing.

The low level of the ratio of NPL > 90 days in Portugal (0.4%), when compared with the NPE ratio (1.6%), shows that a very significant portion of the NPE portfolio is associated with situations of "unlikelihood to pay."

It is also worth noting that, between the end of 2025 and the first half of 2026, the consolidated "Impairment/Gross Credit" ratio decreased marginally by 0.1 percentage points.

In Poland, the "NPE/Gross Credit" ratio decreased by 0.4 percentage points, with the "NPL > 90 days / Gross Credit" and "Past Due Credit/Gross Credit" ratios remaining stable, as well as a 0.2 percentage point decrease in the "Impairment/Gross Credit" ratio.

Despite the persistently challenging economic and financial environment in Mozambique, the NPE-to-Gross Credit ratio rose slightly to 5%. The Impairment-to-Gross Credit ratio rose by 0.3 percentage points to 7.2%.

Non Performing Assets (NPA) Monitoring Plan

The implementation of the Group's NPA (non-performing assets) Reduction Plan was completed in December 2025, covering its two aspects: problematic loans NPE(non-performing exposures) and foreclosed assets (FA).

However, as part of its ongoing efforts to improve the quality of its loan portfolio, the Bank maintained a plan to monitor non-performing assets, with the aim of ensuring regular tracking of the evolution of non-performing exposures (NPE) and assets received in lieu of repayment (FA).

The NPA Monitoring Plan, in line with the plan in effect through December 2025, is supported by a set of operational initiatives designed to promote ever-greater efficiency in the management of credit processes and foreclosed assets.

The achievement of the objectives for each area involved in reducing NPA is measured quarterly and reported to senior management, specifically to the Credit and Non-Performing Assets Monitoring Committee.

The following table presents the evolution of NPE volumes between June 30, 2025 and June 30, 2026, for the Group and for Portugal:

(Million euros)

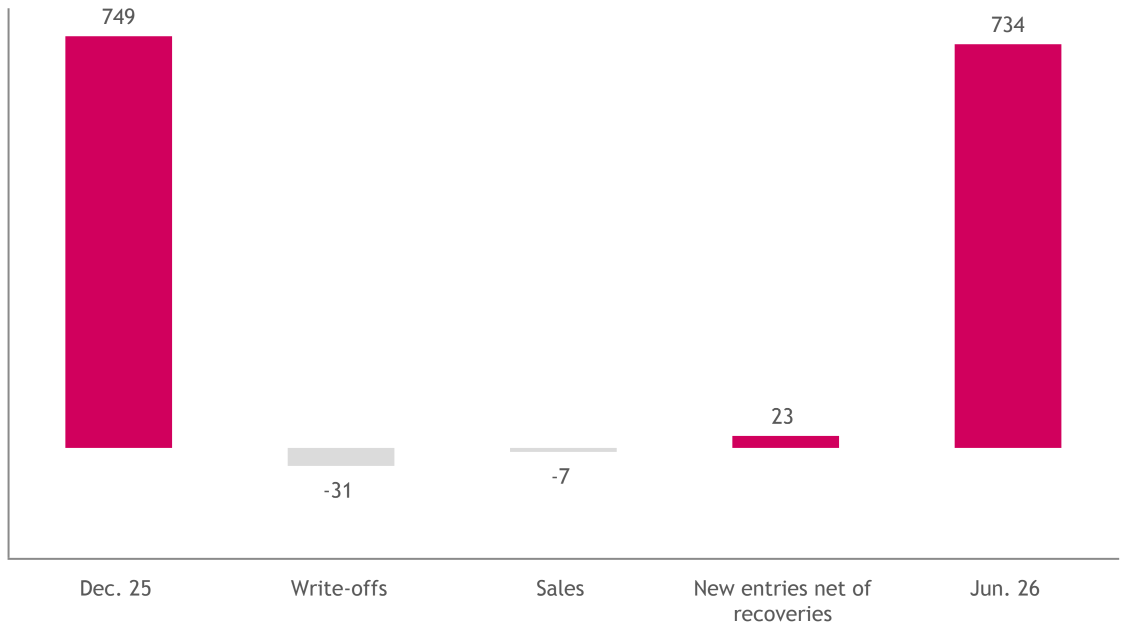
	Jun 26	Mar 26	Dec 25	Sep 25	Jun 25
CONSOLIDATED	**1,442**	1,480	1,503	1,599	1,629
Change (Semester/Year)	-60		-322		-195
PORTUGAL	**734**	746	749	803	820
Change (Semester/Year)	-14		-224		-153

A comparison of the exposure of customers classified as NPE at the end of the first half of 2026 with that recorded at the end of 2025 reveals a positive trend, with a reduction of 60 million euros on a consolidated basis and 14 million euros in Portugal, corresponding to a decline of 4% and 1.8%, respectively. This result reflects the continuation of the successful track record achieved over the past few years in identifying and implementing solutions that enable the reduction of non-performing loans.

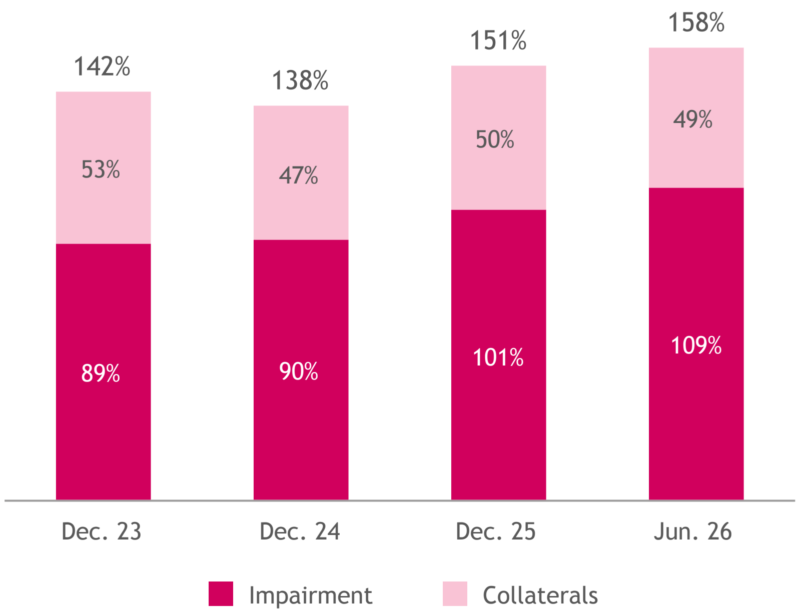
With regard to the trend in NPE exposure in Portugal during the first half of 2026, there was a reduction of approximately 14 million euros in exposure. This trend occurred against a backdrop still marked by macroeconomic and geopolitical uncertainty, with the net effect of new additions and recoveries including write-offs, liquidations, and foreclosures/auctions amounting to approximately 23 million euros.

This evolution confirms the consistent progress the Bank has made in the management and recovery of its credit portfolio, reflecting the effectiveness of the measures implemented and the continuous strengthening of monitoring and risk-mitigation processes.

(million euros)



The following chart, which refers to domestic evolution, demonstrates that the reduction of NPEs was accompanied by the strengthening of the NPE portfolio coverage ratio by total impairment to 109%. It is also possible to observe an increase of thirteen percentage points in the total coverage degree (impairment + collaterals) to 158% at the end of the first semester of 2026, with a slight decrease in the weight of collateral coverage to 49%.



The trend observed in the first half of 2026 with regard to on-balance-sheet assets resulting from the recovery of (foreclosed assets - FA) was also favourable, as shown in the table below, which presents the evolution of the total stock of FA in Portugal and its breakdown by asset type, as well as the aggregate value of such assets held by subsidiaries abroad (figures before impairment):

(Million euros)

	Jun. 26	Dec. 25	Dec. 24	Dec. 23
Real estate properties	64	71	92	169
Real estate Funds and companies	73	72	55	75
Other assets (non-Real estate)	44	51	54	57
SUB-TOTAL - Portugal	**180**	**195**	**201**	**300**
Other geographies Foreclosed Assets	56	67	64	57
GROUP TOTAL	**236**	**261**	**265**	**357**

Compared to the position at the end of 2025, there was a 9.6% decrease in the FA portfolio. The total decrease in Portugal amounted to 15 million euros, attributable to a reduction in the real estate component and Other assets. Overall, exposure to this asset class in Portugal totals 180 million euros.

During the first half of 2026, the decrease in real estate stock by a gross amount of 7 million euros (approximately 9.9% of the portfolio) should be highlighted. This was underpinned by the commercial sales dynamic and low volumes of new entries (assets received in the first half of 2026 amounted to approximately 1.4 million euros).

Credit concentration risk

The following chart presents the weights, in total exposure, of the Group's 20 largest performing exposures (non-NPE), as of June 30, 2026, in terms of EAD and using the concept of "Groups of Clients/Corporate Groups", excluding the risk classes of "Banks and Sovereigns":

	Jun. 26	Dec. 25
Client Groups	Exposure weight in total (EAD)	Exposure weight in total (EAD)
Client group 1	0.5%	0.6%
Client group 2	0.4%	0.4%
Client group 3	0.3%	0.4%
Client group 4	0.3%	0.3%
Client group 5	0.3%	0.3%
Client group 6	0.3%	0.3%
Client group 7	0.3%	0.3%
Client group 8	0.3%	0.2%
Client group 9	0.3%	0.2%
Client group 10	0.2%	0.2%
Client group 11	0.2%	0.2%
Client group 12	0.2%	0.2%
Client group 13	0.2%	0.2%
Client group 14	0.2%	0.2%
Client group 15	0.2%	0.1%
Client group 16	0.2%	0.1%
Client group 17	0.2%	0.1%
Client group 18	0.1%	0.1%
Client group 19	0.1%	0.1%
Client group 20	0.1%	0.1%
Total	**4.9%**	**4.8%**

Overall, the 20 largest exposures represented 4.9% of total EAD in June 30, 2026, compared with a weight of 4.8% on December 31, 2025. Hence, there was a slight increase in the concentration of credit in the 20 largest performing exposures, measured in terms of EAD.

It should be noted that, in addition to complying with the regulatory limits on Large Exposures, the Group defines specific objectives for controlling credit concentration, materialized into RAS metrics. Furthermore, other indicators are periodically monitored for various types of credit concentration: single-name, by sectors of activity, by country, for Institutions and for Sovereign risks.

Operational risk

Operational risk materializes in the occurrence of losses resulting from failures or inadequacies of internal processes, systems or people, or resulting from external events.

In the management of this type of risk, the Group adopts duly documented principles and practices, promoting the continued improvement of the control environment. This framework has a variety of features, such as: functions segregation, definitions for lines of responsibility and respective authorisations' levels, tolerance limits for exposure to risks, appropriate internal regulations' framework (including ethical codes and codes of conduct), risks and controls self-assessment (RCSA) exercises, assessment and monitoring of the risks over technological assets, information security and Outsourcing, key risk indicators (KRI), access controls (physical and logical), reconciliation activities, exception reports, loss events data capture, a structured process for new products and services approval, contingency plans, contracting of insurance (for the total or partial transfer of risk), follow-up of the Bank's outsourcing contracts and internal training on processes, products and systems and mechanisms of fraud prevention.

The operational risk management framework encompasses the three relevant Group geographies – Portugal, Poland and Mozambique – and the operational risk management system adopts the 3 lines of defence model, based on an end-to-end processes' structure. Each geography adapts its own processes' structure, which is regularly reviewed/updated. This approach, transversal to the functional units of the organisational structure, is appropriate for the perception of risks and to implement the corrective measures for their mitigation. Furthermore, this processes' structures also support other initiatives, such as the actions to improve operating efficiency and the management of business continuity.

The responsibility for the day-to-day management of operational risk lies with the 1st line of defence, with special relevance of the operations' areas and the process owners (seconded by process managers), whose mission - beyond the management of their processes' effectiveness and efficiency - is to characterise the operational losses captured under their processes, to monitor the respective KRI, to perform the RCSA exercises, as well as to identify and implement appropriate actions to mitigate operational risk exposures, thus contributing to the strengthening of control mechanisms and the improvement of the internal control environment.

Operational losses capture

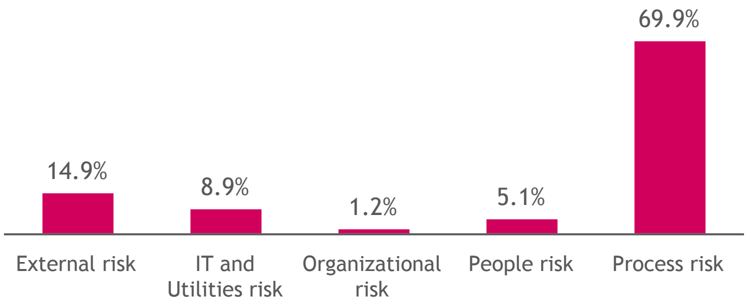
The operational losses data capture (i.e. the identification, registration and typification) of operational losses and of the originating events aims at the strengthening of the awareness to this risk and to provide relevant information for process owners to incorporate within their process management. As such, it is an important instrument to assess risk exposures which can also lead to the implementation of additional mitigation measures.

The detection and reporting of operational losses is a responsibility shared by all Group Employees, while process owners are responsible for promoting and formalizing these event capture procedures within the processes under their responsibility.

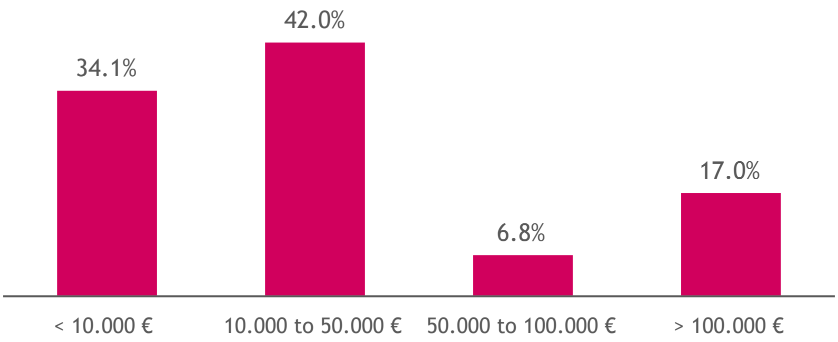
The events identified in which actual or potential losses exceed the materiality thresholds are recorded and characterized by the process owners and process managers of the processes to which the losses relate. This includes describing the cause-and-effect relationship, valuing the loss, and detailing the mitigation actions. For losses above certain thresholds, Lessons Learned reports are prepared. Both these reports and the losses recorded each month are presented and discussed within the governance body responsible for operational risk management.

The following graphs present the profile of the losses captured in the respective database for the first half of 2026:

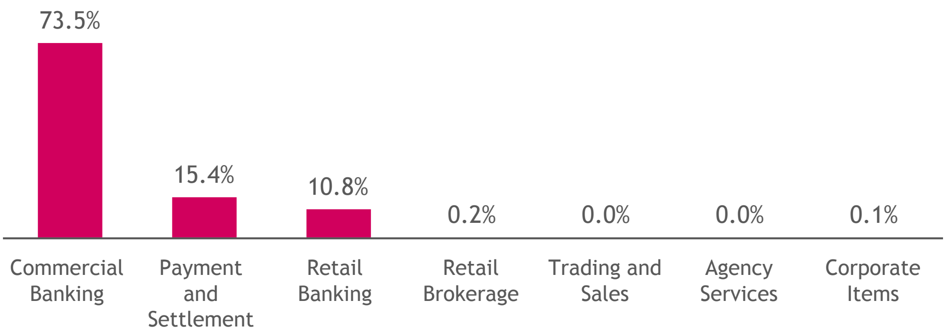
LOSSES AMOUNTS DISTRIBUTION
By cause



LOSSES AMOUNTS DISTRIBUTION
of events by amount range



LOSSES AMOUNTS DISTRIBUTION
By business line



Regarding the distribution of losses by cause, it can be seen that the weight of losses related to “Process risk” currently represent 69.9% of losses, which is the largest category (comparing to 20.8% in 2025). Additionally, losses arising from “IT and Utilities risk” have decreased to 8.9% of total losses, compared to 63,4% in 2025.

Regarding the distribution of losses by amount class (in number of loss events), there was an increase in the number of losses below 10.000€, from 28.2% in 2025 to 34.1% in 2026, which indicates a strengthening in risk culture, as well as a more effective and systematic reporting of events (including near misses).

With regards to the distribution of losses by banking activity segment, the share of losses related to 'Commercial Banking' increased when compared to 2025, representing the largest segment in the first half of 2026, contrary to segment 'Retail Banking'.

Mitigation Measures

Mitigation measures are a fundamental element of the operational risk management framework, contributing to reduce the likelihood and impact of identified risks and to strengthen internal controls. They arise from RCSA exercises, from analysis of events and operational losses, and the monitoring of KRIs, with start to end follow-ups until their implementation and subsequent evaluation for efficacy. In the first semester of 2026, about 100 mitigation measures were implemented (+233% compared to the same period of 2025).

Key risk indicators (KRI)

KRI provide alerts concerning changes in the profile of the operational risks or in the effectiveness of controls, thus enabling to identify the need to introduce corrective actions within the processes, in order to prevent potential risks from materialising into losses. These indicators cover all processes in the main Group operations (Portugal, Poland and Mozambique).

Processes management also uses Key Performance Indicators (KPI) and Key Control Indicators (KCI), the monitoring of which, even if oriented towards the assessment of operative efficiency, also contributes for the detection of risks.

Business continuity management

In the first half of 2026, as part of the Business Continuity Management System (BCMS), internal regulations were revised in view of continuous improvement, as well as the clarification of ActivoBank's integration in the recommended methodology for Portuguese entities.

With the aim to reduce operacional risk during processing of data resulting from the Business Impact Analysis (BIA) and Risk Impact Analysis (RIA) exercises, a new solution was implemented, which supports the entire exercises' cycle and allows the monitoring of the performance and BCMS risk indicators. The first phase of the BIA exercise was concluded, with the update of the critical processes catalog.

The monitoring of the performance and BCMS risk indicators was also initiated for all geographies, which reinforces Group resilience.

Bank Millenium to developed and enhanced its Business Continuity Management System in line with the approved action plan and regulatory requirements, including those arising from the DORA Regulation. During this period, the BIA review was initiated. Bank Millenium continued activities related to maintaining and enhancing recovery capabilities for critical ICT services, as well as the implementation of the business continuity and disaster recovery testing programme.

In turn, Millennium Bim conducted a business continuity exercise with an higher number of departments and employees taking part, compared to the previous year, with the objective of testing robustness and Operacional resilience. The BIA review, for all business processes, took place during this period, with the selection of additional processes to be integrated in the Business Continuity Plan.

Insurance contracting

The contracting of insurance for risks related to assets, persons or third-party liability is another important instrument in the management of operational risk, where the objective is the transfer - total or partial - of risks.

The proposals for the contracting of new insurance are submitted by the process owners under their respective duties for the management of the operational risk inherent to their processes, or are presented by the head of area or organic unit, and then analysed by the Compliance and Operational Risks Commission and approved by the EC.

Information Comunication Tecnology Risk

ICT risk is recognized as a major component of operational risk, as a result of increasing digitalization, growing system complexity and emerging risk factors, such as artificial intelligence, changing regulation, tightening supervision, the geopolitical landscape, among others.

Being a transversal and material risk to the Bank, there are various initiatives destined to reinforce the management and mitigation of ICT risk, namely the implementation of a digital operational resilience strategy, recovery testing, the implementation of measures to mitigate risk related to Frontier LLMs, the improvement of change management processes, the modernization of technological infrastructure, as well as the increased capability of cybersecurity, ensuring the continuous response to the evolution risk factors.

Legal, Compliance, Conduct and Financial Crime risks

Banco Comercial Português´s activity is governed by operating principles and rules that ensure a good conduct, following the best international practices and adopting the appropriate measures in terms of preventing compliance and conduct risks. With the purpose of permanently adapt its internal practices to the best market practices, to the evolution of Banking activity, and to society as a whole, the Bank regularly reviews its internal regulations and procedures to safeguard that the conduct of its Employees is always guided by highest ethical principles, of satisfaction and protection of the interests of the client and the Bank, in the pursuit of sustainable profitability. The Compliance Office strengthening the oversight of its activities and the monitoring of internal conduct, Compliance, regarding second-line controls of Market Abuse, highlights the transition to a new post-trade control application. Additionally, it performs control over the implementation of legislative updates impacting the Bank's operations.

To comply with the relevant legal and regulatory norms related with Anti Money Laundering and Counter Terrorism Financing (AML/CFT), as well as to safeguard the compliance with best international practices on this matter, the Bank has a set of policies, procedures and systems that ensure an effective control of the financial crime risk prevention, also ensuring an operational model that allows the Bank to identify, assess and mitigate the potential risks inherent to the activity of its Clients, non-Clients and business relationships established with one or the other.

The impact and relevance of this risk in the Banking activity developed, compels the Bank to address this risk in multiple dimensions and on a continuous basis, whether in the establishment of new business relationships or in the continuous evaluation of an already established business relationship. Through a risk-based approach (RBA) for the assessment and monitoring of its business relationships or occasional transactions execution, the Bank complies with all the required duties enshrined in Law no. 83/2017, of 18 of August, like for example, due diligence, abstention, refusal or communication.

For an effective and efficient AML/CFT activity, the Bank defines a set of policies and procedures that are supported by a wide range of information systems, of which it is worth highlighting:

- Business Relations monitoring and alerts system;
- Financial transactions monitoring system;
- Entity filtering system;
- New Business relationships validation system;
- External information platforms.

From a continuous improvement perspective regarding internal control processes, the robustness of the risk management system is maintained in 2026, in order to prepare the Bank for evolving market dynamics, regulatory developments and the requirements expected for the future of the banking business. From the set of initiatives, it is worth mentioning the following:

- The continued strengthening, training and specialization of the Compliance Office teams within the scope of AML/CFT model, in its various dimensions;
- The main legislative and regulatory highlights focus on preparations for adapting to the new European AML legislative package, which will come into effect starting in 2027;
- As a result of the establishment of the referred sanctions and embargoes, development of enhanced controls to identify transactions and risk entities, ensuring compliance with restrictive measures;
- Reinforcement of the model of an integrated view of Customers in the business relationship with the Bank and the inherent risk factors, in order to strengthen effectiveness in the fulfilment of AML/CFT duties, mainly identification and diligence, refusal, examination and communication;
- Continued development of automatic solutions that promote alignment and cooperation between the Bank's first and second lines of defence in fulfilling the various AML/CFT duties;
- Revision of the Group's Code of Conduct, with particular emphasis on liberalities, duties towards clients, and corruption prevention;
- Ongoing enhancement of the Bank's regulatory framework regarding corruption prevention;
- Implementation of the Training and Communication Plans on compliance matters for all the Bank's Employees and commercial structures, with the most important aspects to be considered, both in terms of the risk of financial crime and in terms of other compliance and regulatory risks.

Market risks

Market risks materialize in the losses that may arise within a portfolio as a result of changes in interest or exchange rates, and/or in the prices of the different financial instruments within the portfolio, taking into account not just the correlations that exist between those instruments but also their volatility.

The following management areas are defined for each Group entity for the objectives of profitability analysis and market risk measurement and control:

- Trading - Management of positions aimed at achieving short-term gains, through sale or revaluation. These positions are actively managed, tradable without restriction and may be valued frequently and accurately. These positions include securities and derivatives resulting from of sales activities;
- Funding - Management of institutional funding (wholesale funding) and money market positions;
- Investment - Management of all positions in securities to be held to maturity (or for an extended period) or positions not tradable on liquid markets;
- Commercial - Management of positions arising from commercial activities with Clients;
- Structural - Management of balance sheet items or operations which, due to their nature, are not directly related to any of the management areas referred to above; and
- ALM - Assets and Liabilities Management.

The definition of these management areas enables effective management separation between trading and banking books, as well as a proper allocation of each transaction to the most suitable management area, based on its context and strategy.

To guarantee that the risk levels incurred in the Group's various portfolios conform to the specified levels of risk tolerance, various market risks limits are established, at least yearly, and are applicable to all portfolios of the risk management areas where the risks are incident. The Risk Office monitors these limits daily (and intra-daily in the case of financial markets areas).

Stop loss limits are also set for the financial markets' areas, based on multiples of the risk limits defined for those areas, aimed at limiting the maximum losses that might occur. If these limits are breached, a review of the strategy and of the assumptions relative to the management of the positions in question is mandatory.

Trading Book market risks[7]

The daily measurement of generic market risk (relative to interest rate risk, exchange rate risk, equity risk and price risk of credit default swaps) uses a VaR (value-at-risk) model, considering a time horizon of 10 business days and a significance level of 99%.

Additionally, the Group uses an integrated market risk measurement that monitors all relevant risk subtypes. This measure includes the assessment of generic risk, specific risk, non-linear risk and commodity risk. Each risk subtype is measured individually using appropriate risk models and the integrated measurement is built from the measurements of each subtype without considering any kind of diversification between the subtypes (worst-case scenario approach).

For non-linear risk, an internally developed methodology is applied, replicating the effect of main non-linear elements of options on P&L results of the different portfolios in which these are included, similarly to what is considered by the VaR methodology, using the same time horizon and significance level.

Specific and commodity risks are measured using standard methodologies defined in the applicable regulations, with an appropriate change of the time horizon considered.

The table below presents the amounts at risk for the Trading Book, in June 30, 2025 and June 30, 2026, as measured by the methodologies referred to above:

[7] Positions assigned to the Trading Management Area (not specifically included in the accounting trading book).

(Thousand EUR)

	30 June 2026	Max of global risk in the period	Min of global risk in the period	30 June 2025
Generic Risk (VaR)	1,265	2,143	503	1,112
Interest rate risk	390	943	366	978
FX risk	792	1,877	232	378
Equity risk	506	443	328	271
Diversification effects	-422	-1,120	-423	-514
Specific Risk	420	2	1	2
Non-linear Risk	0	0	0	0
Commodities Risk	—	—	—	—
Global Risk	**1,685**	**2,145**	**504**	**1,114**

VaR model monitoring and validation

Validation of the internal VaR model's appropriateness for assessment of risks involved in the positions held is conducted over time, with different scopes and frequency, including back testing, diversification effects estimation and analysis of risk factor comprehensiveness.

The VaR model's hypothetical back testing exercise for the Portugal's Trading Book, during the 12-month period, resulted in nil excesses over the results predicted by the model in 257 days of observation. Hence, in terms of the frequency of excesses verified, the back-testing results validate the model as appropriate for measuring the risk at stake.

Trading Book Stress Tests

In addition to VaR assessment, the Group continuously tests a broad range of stress scenarios, analysing the respective results to identify risk concentrations not captured by the VaR model.

The results of these tests in the Group's Trading Book, as of June 30, 2026, in terms of impacts over this portfolio's results, were the following:

(Thousand EUR)

	Negative impact scenario	Impact
STANDARD SCENARIOS		
Parallel shift of the yield curve by +/- 100 bps	- 100 bps	-594
Change in the slope of the yield curve (for maturities from 2 to 10 years) up to +/- 25 bps	- 25 bps	-198
4 combinations of the previous 2 scenarios	- 100 bps e + 25 bps	-364
	- 100 bps e - 25 bps	-836
Variation in the main stock market indices by +/- 30%	+30%	-3,546
Variation in foreign exchange rates (against the euro) by +/- 10% for the main currencies and by +/- 25% for other currencies	+10%, +25%	-632
Variation in swap spreads by +/- 20 bps	+20 bps	-228
NON-STANDARD SCENARIOS		
Widening/narrowing of the bid-ask spread	Widening	-97
Significant vertices (1)	VaR w/o diversification	-3,032
	VaR w/ diversification	-3,486
Historical scenarios (2)	15 July, 2011	-1,305
	26 September, 2022	2,367

(1) Scenarios in which the more adverse variations of the last seven years, relative to the portfolio's five most significant risk factors for VaR, are applied to the current portfolio.
(2) Scenarios in which past extreme markets variations are applied to the current portfolio; in this case, the significant dates refer to the Eurozone Sovereign Debt crisis (from 2010 onward)

These results show that the exposure of the Group's trading book to the different risk factors considered remains relatively limited and that the main adverse scenarios to be taken into account refer to a general increase in interest rates, either a parallel shift or accompanied by a change in the slope of the yield curve. In what concerns the non-standard scenarios, the main loss case refers to the significant vertices' scenarios.

Interest rate risk in the Banking Book

The interest rate risk arising from the Banking Book operations is assessed by the Bank in two complementary ways: the portfolio's economic value method (EVE) and the financial margin sensitivity method (NII), through a risk sensitivity analysis carried out every month, for the universe of operations included in the consolidated balance sheet of the Group, broken down by the currency of exposure.

Variations of market interest rates influence the Group's net interest income and the economic value of the Group, both in the short term – affecting the Bank's NII – and in the medium/long term, affecting the balance sheet economic value (EVE method).

The main risk factors arise from the repricing mismatch of the portfolio positions (gap risk) which may cause direct or indirect financial losses in the Banking Book, due to changes in interest rates that have different impacts over assets and liabilities' classes, making the Bank vulnerable to variations of the yield curve. In turn, the changes in interest rates may alter the behaviour profile of Clients, inducing pre-payments/withdrawals in assets and liabilities, including the exercise of options' rights incorporated in the products' design (behavioural and optional risk). Additionally, there is the risk of unequal variations in different reference rates with the same repricing period (basis risk).

In order to identify the exposure of the Group's Banking book to these risks, the monitoring of the interest rate risk takes into consideration the financial characteristics of each of the contracts, with the respective expected cash-flows (principal and interest, without the commercial margin component, being projected according to the repricing dates, thus calculating the impact on economic value resulting from alternative scenarios of change of market interest rate curves. The impacts stemming from the Clients' behaviour are also considered, in particular, for the products for which this is especially relevant – namely, for products without defined term (checking accounts, revolving credit, fixed rate credit lines) – as well as the impacts resulting from changes in contractual cash flows (credits prepayments) and impacts of any prepayments on credits with defined maturity.

The result of this analysis for a +100 basis points (b.p.) change in the level of Euro interest rates (for all maturities, i.e., assuming a parallel shift of the yield curve), in the Banking Book portfolio as at 30 June 2026, found an impact on the balance sheet´s economic value of around EUR + 37.2 million. On the other hand, the impact of a generalized decrease in euro rates of -100 bps would be around EUR -128.4 million.

Complementing the previous approach, the Bank calculates monthly the impact on net interest margin projected for the following 12 months, due to changes in market interest rates (NII method). For this purpose, all assets, liabilities and off-balance products that generate interest are considered and the calculation of interest cash flows is performed based on the repricing and amortisation characteristics of the products and on yield curves for 12 months. This exercise assumes a static balance for 12 months in which, for each amortisation, an exposure with the same features of original maturity and price is generated. To capture the net interest margin sensitivity, several simulations are processed, corresponding to 10 different scenarios of the market's interest rates evolution.

Considering a variation in market interest rates combined with the scenario for the coefficients that transmit the market variations over the deposit´s rates and other interest-generating liabilities ('betas'), the evolution of the sensitivity of the net interest margin is assessed. Hence, for a variation in interest rates of +100 b.p. on June 30, 2026, on a consolidated basis, the net interest income would increase by around EUR 131.6 million, with the sensitivity to a decrease of 100 b.p. of about EUR -131.6 million. The presented values are indicative and very dependent on the pace of transmission of the interest rate increase to balance sheet items whose price is not directly indexed to a market benchmark.

Foreign exchange and equity risks of the banking book

The foreign exchange risk of the banking book is transferred internally to the Trading area, in accordance with the Group's risk specialization model for the management of balance sheet foreign exchange risk. Structural foreign exchange exposures, including those resulting from financial holdings in subsidiaries, are not transferred and may be covered by market operations, in line with the defined strategy for managing structural foreign exchange risk, aiming at hedging against volatility in the CET1 ratio stemming from exchange rates changes.

Excluding the financial holdings from the participations in the foreign subsidiaries, the exposure to FX risk is quite limited, corresponding to EUR 2.4 million in terms of VaR, as of June 30, 2026.

Regarding equity risk, the Group maintains a set of small size and low risk equity positions, primarily within the investment portfolio, mainly resulting from execution processes as payment. These positions are managed by a specialized area within the Group, with risk monitored through defined market risk metrics and limits.

Liquidity risk

Liquidity risk consists of the Group's potential inability to meet its financing repayment obligations without incurring significant losses, either due to onerous financing conditions (funding risk) or by selling assets at lower than market values (risk of market liquidity).

The Consolidated Liquidity Plan, which forms an integral part of the annual budgeting process and is formulated at the level of the Group and for the main subsidiaries, includes the projection of the wholesale funding structure, including the use of market financing, and also the forecast of the internal and regulatory liquidity indicators, ensuring its compliance with the regulatory and internally defined requirements. The preparation of this plan is coordinated by the Group Treasurer, and its execution is continuously monitored throughout the year, with the respective revision being carried out whenever necessary.

BCP Group liquidity position was kept solid between December 2025 and June 2026, primarily driven by a 4.1% increase of on-balance customer funds (EUR 3.8 billion), from which a EUR 2.2 billion increase (6.5%) from international activity, with Poland remaining the main growth driver. Although the loan portfolio continued to expand at a strong pace, rising by 4.2% (EUR 2.7 billion), driven by Portugal and Poland, loan growth remained below deposit growth in absolute terms. Consequently, the Group reinforced its solid structural liquidity position and substantial central bank liquidity buffers, supporting comfortable regulatory and internal liquidity metrics across all major geographies.

As of June 30, 2026, the Liquidity Coverage Ratio (LCR) stood, on a consolidated basis, at 326%, compared with 334% reported in December 2025, ensuring a comfortable margin above the minimum regulatory requirement of 100%. In the same period, the Net Stable Funding Ratio (NSFR) evolved from 180% to 183%, also comfortably above the minimum regulatory requirements.

In the first half of 2026, BCP carried out two market transactions: on February 5, 2026, the Bank issued EUR 500 million on senior preferred debt 6.25NC5.25, with a coupon of 3.250%, aiming to refinance the exercise, on February 12, of the call option of a previous SP issuance of EUR 500 million, which had a coupon of 1.125%; and on June 15, 2026, BCP placed a Tier 2 issuance of EUR 500 million, with a 12-year maturity and an early redemption option after 7 years (T2 12NC7), and a coupon of 4.125%.

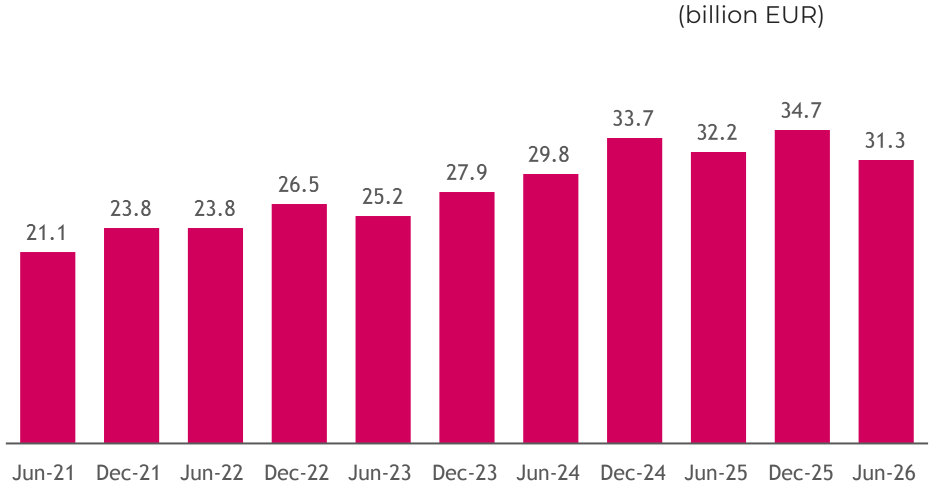
The evolution described above is reflected in the table below, which represents the evolution of the wholesale funding (net) on 31 December 2025 and 30 June 2026, in terms of each of the instruments used:

(million EUR)

	Jun. 26	Dec. 25	Variation
Interbank monetary market (Net)	**53**	**58**	9.4 %
ECB (Net)	**-957**	**-1740**	45.0 %
Repos	**-61**	**222**	127 %
Loan agreements	**0**	**0**	0.0 %
Senior Debt	**3000**	**3000**	0.0 %
Covered Bonds	**605**	**616**	-1.7 %
Subordinated Debt	**3126**	**1783**	75.3 %
Credit-Linked Notes	**100**	**161**	-38 %
Total	**5866**	**4100**	43 %

The liquidity buffer available with the ECB amounted to EUR 31.3 billion in June 2026, EUR 3.4 billion lower than in the end of 2025, a decrease attributable to the foreseen eligibility loss of a mortgage credit portfolio. At the end of June of 2026, the liquidity buffer included a long position of EUR 957 million with the ECB.

ECB liquidity buffer



Bank Millennium continues to strengthen its liquidity position, driven primarily by the continuous growth of customer deposits, which recorded an increase of 5.9% compared to the end of 2025. The bank has also enhanced the diversification of its funding and capital structure: in January 2026, it issued PLN 1.5 million of perpetual subordinated Additional Tier 1 (AT1) debt. This was followed on 27 May 2026 by its inaugural EUR 500 million Tier 2 issuance (10.25NC5.25), successfully placed with a coupon of 4.7115%; and in June 2026, it issued covered bonds amounting to PLN 500 million, thereby reinforcing its medium-long term funding component.

Millennium bim continues to maintain a strong liquidity position, reinforced by a growth of 15.9% in customer deposits until June 2026.

In consolidated terms, the refinancing risk of medium and long-term instruments will remain at low levels over the next three years, with annual values with no material expression.

The conclusions of the ILAAP process reiterate the adequacy of the liquidity and is low risk management process, as well as the compliance of its practices with the requirements defined by the supervision.

Pension Fund risk

This risk arises from the potential devaluation of the assets of the Fund associated with the Defined Benefit Plan or from the reduction of its expected returns as well as from actuarial differences that may occur from the evolution of demographical factors, in relation to the actuarial assumptions considered. Confronted with such scenarios, the Group may have to make unplanned contributions in order to maintain the benefits defined by the Fund. The responsibility for the regular monitoring of this risk and the follow-up of its management lie with the Pension Funds Risk Monitoring Commission.

In the first half of 2026, the Pension Fund achieved a net return of 4.20%, driven by positive contributions across all asset classes within its portfolio.

Equities emerged as the primary contributor to the period's performance, accounting for over half of the Fund's total profitability. Favourable developments in equity markets, particularly in regions where the Fund had significant exposure, were the main drivers of this strong performance.

The commodities sub-class also merits attention, having posted a return exceeding 10% for the half-year. However, its contribution to the overall return was more moderate, reflecting the low representativeness of this exposure in the portfolio.

The real estate component continued to make a significant contribution to value creation, adding 0.67% to the Fund's total profitability. This performance underscores the asset class's role as a stable source of return and diversification within the long-term strategy.

In relative terms, the Fund's performance was in line with its benchmark.

Regarding asset allocation, despite tactical adjustments made to adapt to evolving market conditions, the Fund maintained a favourable risk posture. This involved an overweight position in equities, with a particular emphasis on European and global markets. Concurrently, a slight overweight in corporate debt was also maintained.

In light of the evolution of reference rates, the discount rate used for the valuation of the Fund's liabilities was updated. The discount rate stood at 4.13% on December 31, 2025, and subsequently increased to 4.14% by June 2026.

As of June 30, 2026, the Pension Fund's liabilities coverage was over approximately EUR 286 million, corresponding to 9% of total liabilities.

Integration of ESG Factors in Risk Management

The BCP Group recognizes in its risk taxonomy that the climate and nature-related dimensions, as well as the social and governance aspects, designated ESG (Environmental, Social and Governance), act as factors that impact traditional risk categories.

These factors are not considered separately; in fact, they are seen as drivers likely to affect positively or negatively the financial performance and solvency of the Bank's customer's and counterparties. This way, the materialisation of their impacts occurs by means of the "traditional" categories: credit risk, market risk, operational & reputation risk, liquidity and financing risks.

Within this context, and with the purpose of promoting the integration of ESG factors in risk management, the Bank implemented a set of processes and methodologies to identify, assess, manage and monitor the impact of the ESG drivers in overall risk, in accordance with the framework and policies already established for the remaining financial and non-financial risks.

Governance Model

The governance model for risks arising from ESG factors follows a structure based on three lines of defence which, under the leadership of the Board of Directors (BoD) and its delegated bodies - namely the Executive Committee (EC), the Risk Assessment Committee (RAC) and the Corporate Governance, Ethics and Sustainability Committee (CGESC) - ensure its adequate assessment and management.

The BoD has overall responsibility for the Group's ESG strategy, management and control framework, including the design, assessment and ongoing enhancement of the governance and organisational structure. Specifically, the BoD approves the corporate policies and principles governing the management and disclosure of ESG risks. This includes defining, promoting and monitoring the Group's ESG strategy, ensuring its integration into business and support activities, as well as into risk management and control processes. The BoD also ensures that adequate resources are allocated to the management of ESG matters across the three lines of defence.

The EC is responsible for proposing to the BoD, through the CGESC and/or the RAC, key ESG-related assessments and activities, such as the Business Environment Analysis Report (BEAR) and the Climate and Nature Materiality Assessment (C&N MA), and for overseeing their implementation and management, as well as ensuring compliance with applicable regulatory and supervisory requirements, to ensure that the ESG opportunities are appropriately explored, and the associated risks effectively managed.

The CGESC is responsible for the oversight of matters related to Human Rights and sustainability, while the EC, supported by its Human Resources and Sustainability Commissions, is responsible for the management of these matters, including the implementation, monitoring and enforcement of this Policy and other related policies. Furthermore, the CGESC advises and supports the BoD in the assessment and approval of the Group's Sustainability Master Plan (SMP), monitors its implementation and progress, and oversees compliance with applicable national and international ESG legal and regulatory requirements.

The RAC has in its competences and duties to advise the BoD on the identification, management, and control of ESG risk factors. Its responsibilities also include monitoring the Groups' risk appetite and related performance, as well as overseeing the adequacy of the ESG internal control framework, with particular focus on the effectiveness of the risk management system to deal with ESG risk drivers.

The Sustainability Committee, reporting to the EC and chaired by the Chief Executive Officer (CEO), is responsible for evaluating, discussing and monitoring the implementation of the Group-wide sustainability strategy. The Commission supports the EC in integrating ESG aspects into the Group's business activities and risk management framework. This includes overseeing the implementation progress, ensuring that established deadlines are met, and validating the outcomes of the various sustainability initiatives.

Identification of ESG risk factors

Climate and nature-related risks arise from the Bank's exposure to clients, counterparties, and assets that may potentially be affected by, or contribute to, the negative impacts of climate change and nature degradation, as well as by changes in the legislative and regulatory framework. These factors may result in negative financial impacts, the materiality of which must be assessed by the Bank. Both risk dimensions – climate-related and nature-related – can be divided into:

- Physical risks: arising from the physical effects of climate change and environmental degradation. They can be categorized as acute risks, if they arise from extreme events (such as wildfires,floods, or pests); and chronic risks, if they arise from progressive changes in weather and climate patterns (e.g., changes in average global temperature, sea-level rise) or from a gradual loss of natural ecosystems (e.g., deforestation, soil degradation).

- Transition risk: stem from the adjustment process / efforts, ongoing or expected in the future, towards a low-carbon and environmentally sustainable economy. In general, transition risk can be analysed based on three underlying factors: i) climate and nature-related policy and regulatory changes; ii) technological developments; and iii) shifts in behaviour and / or market sentiment.

The materialisation of social risks is also assessed, considering the issues related with rights, well-being and interests of persons and communities and include factors such as (in)equality, health, diversity, inclusion, labour relations, workplace health and safety, human capital and communities.

In addition, the governance risk factors are also identified by Millennium BCP, through issues relating to leadership, remuneration, shareholder rights, corruption and bribery, management and prevention of conflicts of interest, quality of internal control and independent reviews/auditing, transparency and good tax practices, for example.

Management and monitoring principles

ESG risks management and respective strategy follows a different logic compared to "traditional" risks. In contrast, with these, the materialization of ESG risks is expected to occur over extended timeframes, which is why the establishment of strategy and risk appetite follows different intervals. For example, if the assessment of physical (acute) risks can determine an action strategy more focused on the short term (e.g., considering the establishment of additional mitigation measures, at the level of policies for granting credit and insurance policy), the transition risks justify a more structural approach, based on collecting information, evaluating customers and monitoring their performance over time.

From this perspective, Millennium BCP's management of ESG impacts follows the following principles:

- Responsible Financing Policy: Establishment of a responsible corporate financing policy, which excludes or conditions the credit operations in sectors and/or activities with greater environmental and social impact.

- Strategy: Integration of the strategy for managing risks arising from ESG factors into the Bank's global sustainability plan, which steers the integration of the ESG dimension into business processes, establishing goals, timelines and a model for controlling proper observance, implementation of the transition plan and strategic plan (Valorizar'28).
- Communication Transparency: The Bank publicly discloses its sustainability objectives and key practices, as well as its management of ESG impact factors. This allows all stakeholders to assess the robustness of its approach, including its exposure to risks arising from ESG factors.
- Regular monitoring of exposure to risks arising from ESG factors: this is done through established management information routines for each risk category.
- Focus on credit risk management: This is achieved through models that facilitate the integration of the ESG dimension in the risk assessment of the Bank's key companies/clients. This ensures that business decisions incorporate an evaluation of the primary impacts of ESG factors.
- Collection and structuring of information: Using public sources and information provided directly by clients, to enhance understanding of clients' ESG performance and potential financial impacts associated with any limitations in that performance.

- Regular process for monitoring employees' capabilities and knowledge on sustainability-related topics.

The operationalization of these principles is facilitated through an internal policy and procedures for managing risks arising from ESG factors, which include the following key risk initiatives:

- Regular assessment of the materiality of risks arising from ESG factors to confirm alignment with risk appetite and the need for implementing mitigation actions.
- Methodologies for assessing risks arising from ESG factors integrated into credit risk assessment models.

- Risk classification methodologies at the portfolio level, allowing the identification of sectors, companies, and exposures most susceptible to transition and/or physical risks (climate and nature-related).

- Models for quantifying financed greenhouse gas (GHG) emissions, supporting strategic discussions on the management of these emissions and their gradual alignment with the objectives of the Paris Agreement.

- Sensitivity analyses and stress testing focusing on climate-related factors.

Models validation and monitoring

This function is ensured by the Models Monitoring and Validation Office (GAVM), reporting to the Chief Risk Officer.

GAVM acts as the second line of defence, within the scope of the model risk management framework, functionally independent from the areas that are responsible for the models (model owners and developers) and from the Internal Audit Division. Hence, an adequate functions' segregation is assured. Its mission consists in monitoring and validating risk quantification methodologies and internal models used in BCP and other Group entities in Portugal, as well as to independently ensure the assessment of the quality and adequacy of the risk management framework in what concerns internal models, metrics and completeness of the associated data.

GAVM has the responsibility to maintain a robust and documented validation processes for internal risk methodologies and models, in line with current regulations. For this, it develops and applies validation procedures and methodologies capable of ensuring proper model assessments and the alignment with the applicable regulatory requirements, by reinforcing (i) the scope of validation exercises, (ii) the depth of analysis and (iii) the transparency and auditability of the work performed.

GAVM scope of action encompasses, inter alia, the validation of the methodologies and internal models for credit risk (including Probability of Default (PD), Loss Given Default (LGD), Credit Conversion Factors (CCF) and Expected Credit Loss (ECL) models, under the IFRS9 scope), market risk (in the trading book), interest rate risk in the banking book (IRRBB), business risks and for the risks included in the ICAAP, as well as the regular monitoring of their performance and evolution. GAVM also ensures the validation of risk data, under the scope of the Risk Data Aggregation and Risk Reporting (RDARR). The results of the monitoring and validation exercises are reported to the Models Monitoring and Validation Sub-Commission and to the Risk Commission. Additionally, GAVM participates, by invitation, in the Risk Assessment Committee (CAvR) to report the unit's activity and annual plan's execution.

Besides the activities directly related with the monitoring and validation of models, in terms of their performance and quality, GAVM is responsible for the coordination of the MRM activities, including the maintenance of a complete repository of the internal risk models used by the Bank and its permanent monitoring and updating through the use of a model management and risk assessment tool implemented at the Bank to support the MRM framework.

In the first semester of 2026, several actions were carried out to monitor and validate the internal models in use by the Bank. These actions aim, inter alia, to reinforce the confidence in the models, to monitor their performance and evolution, verifying their business adequacy and their compliance with the applicable regulatory requirements and best practices, as well as to reinforce the identification and adaptability to changes in their predictive quality.

In model monitoring, GAVM conducted, among other activities, the regular monitoring of portfolio evolution and the performance of internal models under the IRB and IMA approaches for credit and market risk. In addition, it reported the EBA Benchmarking exercise applicable to internal credit risk models.

In parallel, GAVM has been strengthening cooperation with the subsidiaries, promoting the alignment of validation methodologies and practices, with a particular focus on IRB and IRRBB models and activities within the Model Risk Management (MRM) framework.

Recovery Plan

Complying with the applicable law, the Group annually revises the Recovery Plan for its business and activities, which comprises a set of recovery options that can be implemented in a timely manner to respond to financial stress circumstances originating in different hypothetical shocks, of an idiosyncratic and/ or systemic order. This process is carried out in the scope of Directive 2014/59/EU and its transposition to the Regime Geral das Instituições de Crédito e Sociedades Financeiras (RGICSF) through Decree-Law 23-A/2015, from the 26th of March.

Considering that the Recovery Plan aims to restore the financial viability of the Group, several scenarios are defined, supported on hypothetical and forward-looking events, against which the impacts of recovery options, the Recovery Plan feasibility and the overall recovery capacity are tested.

In order to monitor the performance of the Group's business activity, a set of key quantitative and qualitative indicators is included in the Recovery Plan, in compliance with the European Banking Authority (EBA) guidelines. This set of indicators is continuously monitored, allowing for immediate management bodies action whenever there are deviations that exceed pre-defined thresholds defined in the Plan, the report of which is mandatory, to the Group's management and Supervision Bodies.

The priorities, responsibilities and specific measures to be taken in a capital and/or liquidity contingency situation are outlined in the Recovery Plan, which complements the Early Warning Signals (EWS) system, designed for prompt identification of potential sources of financial stress, including liquidity crises. Simultaneously, the Recovery Plan includes a 'playbook', intended to provide key information for swift decision-making in a crisis, and incorporates insights gained from the performance of dry-run exercises that test the implementation of parts of the Plan and thus raise the Bank's readiness to implement it in a potential crisis scenario.

The Recovery Plan includes components of Bank Millennium's Recovery Plan (Poland) and information from Millennium bim's Recovery Plan (Mozambique). It is aligned with the business continuity framework and its respective plans (see the Operational Risk section), the Communication Plan aimed at market participants and other stakeholders (for use in contingency situations) and the results of the capital and/or liquidity adequacy assessment processes already mentioned (ICAAP e ILAAP).

Ratings assigned to BCP

The Portuguese economy maintained a resilient growth trajectory during the first half of 2026, continuing to outperform most euro area economies despite a challenging international environment. A resilient labour market, strong private consumption and accelerating investment supported by European funds continued to underpin economic activity, against a backdrop of moderate inflation and a stable monetary policy environment. At the same time, prudent fiscal management and the continued reduction in the public debt-to-GDP ratio further strengthened the country's financial credibility. Against this backdrop, three of the main credit rating agencies revised the Outlook on the Portuguese Republic to Positive.

The strengthening of Portugal's sovereign credit profile continued to have a positive impact on the domestic banking sector. Despite the gradual normalisation of net interest margins, reflecting the stabilisation of interest rates, Portuguese banks maintained robust profitability, supported by business volumes growth, fee income and disciplined cost management. Asset quality remained resilient, with non-performing loan ratios at historically low levels and no evidence of material deterioration, while strong capitalisation and high liquidity levels continued to provide a comfortable risk absorption capacity. Although the external environment remained characterised by geopolitical risks and market volatility, the outlook for the Portuguese banking sector remained favourable, supported by the resilience of the domestic economy's fundamentals and the continued strengthening of banks' balance sheets.

Against this backdrop, BCP continued to strengthen its financial profile, supported by further improvements in asset quality, the maintenance of a robust capital position, ample liquidity levels and a consistent capacity to generate earnings. The continued reduction in charges associated with Bank Millennium's CHF-denominated mortgage loan portfolio also contributed to improving the Group's profitability, reinforcing the fundamentals underpinning the Bank's improving credit profile.

The improvement in these metrics was recognised by the leading credit rating agencies through two significant rating actions during the first half of the year. On 12 May 2026, following the publication of Fitch Ratings's updated Bank Rating Criteria, Fitch upgraded BCP's long- and short-term deposit ratings from A- to A and from F2 to F1, respectively. The decision reflected a more favourable assessment of the depositor protection framework in Portugal and of the Bank's capacity to absorb losses through its eligible resolution funding structure, thereby strengthening the protection afforded to preferred creditors.

Subsequently, on 27 May 2026, Moody's Ratings affirmed BCP's long-term deposit (A2) and senior unsecured debt (Baa1) ratings, while revising the Outlook on both ratings from Stable to Positive . The decision reflected the expectation of a further strengthening of BCP's financial profile, supported by improved asset quality, a strong capital and liquidity position and the maintenance of robust profitability. Moody's also highlighted that the enhancement of the Bank's shareholder remuneration policy remains compatible with maintaining comfortable capital levels.

The rating actions undertaken during the first half of 2026 reflect the recognition by the leading international rating agencies of the sustained strengthening of BCP's credit profile.

Moody's	
Baseline Credit Assessment	baa2
Adjusted Baseline Credit Assessment	Baa2
Counterparty Risk Assessment LT/ ST	A2 / P-1 (cr)
Counterparty Risk LT / ST	A2 / P-1
Deposits LT / ST	A2 / P-1
Senior Debt	Baa1 / P-2
Senior Non Preferred	Baa2
Outlook deposits / senior	Positive / Positive
Subordinated Debt - MTN	(P)Baa3
Subordinated Debt	Baa3
Other Short Term Debt	P(NP)
Covered Bonds	Aaa

Rating Actions

On May 27, 2026, Moody's Ratings affirmed BCP's long-term deposit rating at A2 and senior unsecured debt rating at Baa1, while upgrading the Outlook on both ratings to Positive from Stable.

Standard & Poor's	
Stand-alone credit profile(SACP)	bbb+
Resolution Counterparty Credit Rating LT/ ST	A- / A-2
Issuer Credit Rating LT/ ST	BBB+ / A-2
Senior Debt	BBB+
Senior Non Preferred	BBB
Outlook	Stable
Subordinated Debt	BBB-

Rating Actions

Fitch Ratings	
Viability Rating	bbb+
Support	no support
Issuer Default Rating LT/ST	BBB+ / F2
Deposits LT/ ST	A / F1
Senior Debt LT/ST	BBB+ / F2
Senior Non Preferred	BBB
Outlook	Positive
Subordinated Debt Lower Tier 2	BBB-
Additional Tier 1	BB
Covered Bonds	AAA

Rating Actions

On May 12, 2026 following the publication of its updated Bank Rating Criteria, Fitch Ratings upgraded BCP's long- and short-term deposit ratings from A- to A and from F2 to F1, respectively.

DBRS	
Intrinsic Assessment(IA)	A (low)
Critical obligations	A (high) / R-1 (middle)
Deposits LT/ST	A / R-1 (low)
Senior Debt LT/ ST	A (low) / R-1 (low)
Senior Non Preferred	BBB (high)
Trend	Stable
Dated Subordinated Notes	BBB
Additional Tier 1	BB (high)

Rating Actions

Capital

The estimated CET1 ratio as at 30 June 2026 stood at 15.3% phased-in and 15.1% fully implemented, reflecting a change of -109 and -107 basis points, respectively, compared to the 16.4% and 16.2% phased-in and fully implemented ratios reported in the same period of 2025, comfortably above the minimum regulatory ratios defined within the scope of SREP for June 2026 (CET1 10.29%, T1 12.19% and Total 14.73%). The ratios estimated as at 30 June 2026 take into account the deduction of the maximum share buyback amount authorised by the ECB, of €407.5 million, corresponding to 40% of the 2025 net profit, currently in progress.

In addition to the increase in shareholder distributions, the evolution of the ratios reflects, on the one hand, internal capital generation, supported by the solid performance of recurring business activity, and, on the other hand, the development of risk-weighted assets, influenced by business growth, with particular emphasis on corporate financing.

The ratios for June 2026, including 10% of the unaudited accumulated net income of the year, after the deduction of the estimated shareholder remuneration, are as follows:

SOLVABILITY RATIOS (million EUR)

	30 Jun. 26		30 Jun. 25	
	FULLY	PHASED	FULLY	PHASED
OWN FUNDS				
Common Equity Tier 1 (CET1)	6 839	6 839	6 685	6 685
Tier 1	7 460	7 460	7 175	7 175
TOTAL CAPITAL	8 725	8 725	8 394	8 394
RISK WEIGHTED ASSETS	45 287	44 731	41 338	40 823
CAPITAL RATIOS				
CET1	15,1%	15,3%	16,2%	16,4%
Tier 1	16,5%	16,7%	17,4%	17,6%
Total	19,3%	19,5%	20,3%	20,6%

MREL

The Directive on the Recovery and Resolution of Credit Institutions and Investment Firms (“BRRD”) establishes that institutions must, on an ongoing basis, comply with a Minimum Requirement for Own Funds and Eligible Liabilities (“MREL”), ensuring the feasibility of the preferred resolution strategy. In the process of determining the MREL, and in the potential application of the bail-in tool, the resolution authority must ensure that the entity holds sufficient own funds and eligible liabilities to absorb losses and restore the total capital ratio and, where applicable, the leverage ratio, whenever write-down or conversion powers are exercised.

The current requirements applicable to the BCP Resolution Group – comprising the Bank, Banco ActivoBank, S.A. (“ActivoBank”), and the remaining subsidiaries, except for Bank Millennium, BIM and their respective subsidiaries – have been in force since June 2026. To date, the Bank is not subject to subordination requirements. Under the applicable framework, the MREL is reviewed annually by the competent authorities.

As of 30 June 2026, the MREL ratio stood at 32.3% of Total Risk Exposure Amount (“TREA”), exceeding the target of 29.41% (which includes the applicable combined buffer requirement - “CBR”). In terms of Total Exposure Measure (“TEM”), the MREL ratio reached 11.5%, above the target of 6.75%. The evolution of these ratios reflects both internal capital generation, supported by recurring activity, and the dynamics of risk-weighted assets, influenced by the growth in activity and corporate financing.

The Bank fully complies with the currently applicable MREL requirement, both as a percentage of TREA (including CBR), and as a percentage of TEM.

The Funding Plan has been executed as expected: in February 2026, the Bank carried out the early redemption of a EUR 500 million senior preferred debt issuance, which was offset by the placement of a new issuance of the same amount. In June 2026, the Bank completed a EUR 500 million Tier 2 transaction.

BCP RESOLUTION GROUP		(million EUR)
	30 Jun. 26*	30 Jun. 25**
MREL CAPACITY		
Own Funds	6,923	7,061
Eligible liabilities	2,062	2,545
TOTAL	8,985	9,606
TOTAL RISK EXPOSURE AMOUNT (TREA)	27,800	26,924
TOTAL EXPOSURE MEASURE (TEM)	78,095	74,363
MREL TREA		
MREL Target(%)	24.73%	25.17%
CBR (%)	4.68%	3.97%
MREL Target + CBR (%)	29.41%	29.14%
Surplus in %	2.91%	6.54%
MREL TEM		
MREL Target(%)	6.75%	6.67%
Surplus in %	4.76%	6.25%

* Requirements covered by the 2025 Resolution Planning Cycle, applicable since June 2026.

** Requirements covered by the 2023 Resolution Planning Cycle, applicable from July 2024 to July 2025.

Pension Fund

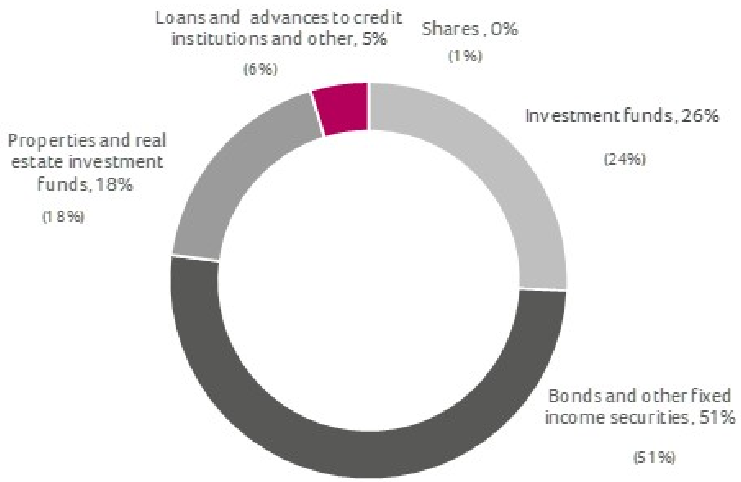
The liabilities assumed by the Group Banco Comercial Português are related with the payment to Employees of pensions on retirement and permanent disability and orphan and widow benefits.

On 30 June 2026, the Group's liabilities for pensions on retirement and other benefits stood at EUR 3,062 million, showing a slight increase compared to the EUR 3,025 million recorded at the end of previous year. These liabilities were fully funded and at levels above the minimum set by the Banco de Portugal, showing a coverage rate of 109.3% at the end of the first half of the current year (in line with the 109.4% ratio observed at the end of the previous year).

The Pension Fund's assets which are financing the above-mentioned liabilities reached EUR 3,348 million at the end of the first half of 2026 (slightly above the EUR 3,309 million recorded on 31 December 2025). These assets showed a positive cumulative return of 4.20% until June, compared to the 4.13% annual rate considered in the actuarial assumptions for the first half of the year (this rate was revised to 4.14% on 30 June 2026, which will be applied during the second half of the year).

On 30 June 2026 and 31 December 2025, the main asset categories in the Pension Fund's portfolio presented the following distribution:

STRUCTURE OF THE PENSION FUND'S ASSETS ON 30 JUNE 2026



(x%) Proportion as at 31 December 2025

On 30 June 2026, the analysis of the percentage allocation of each investment category within the Pension Fund's total asset portfolio showed, when compared to the prior year, an increase in investment funds. Conversely, the weight of bonds and other fixed income securities and properties and real estate investment funds remained stable, while loans and advances to credit institutions and other and shares recorded a slight lower weight compared to that observed at the end of the previous year.

The actuarial assumptions considered by the Group for calculating the liabilities with pension obligations were based on market indicators, particularly long-term debt yield of Euro Zone issuers considered to be of good risk, as well as the demographic characteristics of its employees. The main actuarial assumptions are shown below:

Assumptions	30 Jun. 26	31 Dec. 25
Discount rate	4.14%	4.13%
Increase in future compensation levels (a)	1.65% in 2027 and 1.15% in the following years	2.15% in 2026, 1.65% in 2027 and 1.15% in the following years
Rate of pensions increase (a)	1.25% in 2027 and 0.75% in the following years	1.75% in 2026, 1.25% in 2027 and 0.75% in the following years
Projected rate of return on fund's assets	4.14%	4.13%
Mortality tables		
Men	TV 88/90 less 1 year	TV 88/90 less 1 year
Women (b)	TV 99/01 less 2 years	TV 99/01 less 2 years
Disability rate	Non applicable	Non applicable
Turnover rate	Non applicable	Non applicable
Normal retirement age (c)	66 years and 9 months	66 years and 7 months
Total salary growth rate for Social Security purposes	1.75%	1.75%
Revaluation rate of wages / pensions of Social Security	1.00%	1.00%

(a) This rate refers to the growth for the years following the reporting year.
(b) The mortality table considered for women corresponds to TV 99/01 adjusted in less than 2 years (which implies an increase in hope life expectancy compared to that which would be considered in relation to their effective age).
(c) Retirement age is variable. The normal retirement age increases one month for each civil year and cannot be higher than the normal retirement age in force in the General Social Security Regime (RGSS). The normal retirement age in the RGSS is variable and depends on the evolution of the average life expectancy at 65 years of age. In 2026 the retirement age was 66 years and 9 months (2025: 66 years and 7 months). For 2027, the normal retirement age under the RGSS will be 66 years and 11 months. For the forecast of life expectancy's increment, it was considered an increase of one year in every 10 years, with the maximum retirement age being set at 67 years and 2 months.

The actuarial assumptions recorded on the first half of 2026 had an impact not material (positive change of EUR 146 million, before taxes, in 2025) resulting from distinct movements that offset each other: i) EUR 3 million of actuarial gains, following the slight revision of the discount rate from 4.13% on 31 December 2025 to 4.14% on 30 June 2026: ii) EUR 67 million of positive financial deviations related to the difference between the expected and actual income of the Pension Fund; iii) EUR 69 million in negative actuarial deviations recorded as a result of differences between expected and actual liabilities.

.

The main indicators of the Pension Fund at the end of the first half of 2026 and at the end of 2025 are as follows:

million EUR

Main indicators	30 Jun. 26	31 Dec. 25
Liabilities with pensions	3,062	3,025
Minimum level of liabilities to cover*	3,028	2,991
Value of the Pension Fund	3,348	3,309
Coverage rate	109.3%	109.4%
Coverage rate of the minimum level of liabilities*	110.6%	110.6%
Return on Pension Fund	4.20%	3.92%
Actuarial (gains) and losses	0	(146)

* According to the Banco de Portugal requirements (assuming the application of the minimum requirement to all Group companies).

During the first half of 2026, negotiations continued with all the unions subscribing to the Group's Collective Labour Agreements, for the salary table update for 2026 and the conclusion of the full review of the respective clauses, negotiations which are still ongoing.

Regarding the updating of salary tables, negotiations are also taking place with the “SIB – Sindicato Independente da Banca” for the review of salary tables and other pecuniary clauses relating to the years 2024 and 2025, as well as negotiations with the “Sindicato Nacional dos Quadros Técnicos Bancários (SNQTB)” for the 2025 review.

On a provisional basis, the Bank decided to implement a 2.00% increase in the salary tables for 2026 in February 2026, retroactive to 1 January 2026.

Information on future trends

Framework

Real GDP grew by 1.9% in 2025, and average growth of 1.7% is forecast between 2026 and 2028, according to Banco de Portugal, outperforming growth in the Euro Area. Domestic demand is expected to continue supporting economic growth, while external demand faces challenges due to high global uncertainty.

Public accounts recorded a surplus of 0.7% in 2025 and are expected to remain balanced. High primary balances, combined with economic growth, have led to a sharp decline in public debt, which stood at 89.7% of GDP in 2025, circa of 44.percentage points below its 2020 peak. This trend is expected to continue, as part of an economy-wide deleveraging process.

The main rating agencies assign an “A” credit rating to the Portuguese Republic. An improving trend has been observed in the sovereign ratings of the Portuguese Republic, which currently stand at A3, Stable by Moody’s; A+, Positive by S&P; A, Positive by Fitch; A (high), Positive by DBRS; and A, Positive by Scope. These ratings reflect a solid economic outlook and the reduction of public debt.

In the first half of 2026, geopolitical tensions contributed to increased inflationary pressures and, at the same time, to lower projections for economic growth. The Euro Area economy is expected to maintain a moderate pace of growth in 2026, with several institutions revising growth prospects downwards and inflation projections upwards.

In June 2026, the ECB announced a 25 bps increase in key interest rates to 2.25%. The ECB reaffirmed that it will take the necessary measures to bring inflation under control, in line with its medium-term objective of 2%.

The profitability of Portuguese banks is expected to remain robust in 2026. Despite some expected pressure on operating costs, Portuguese banks are expected to remain efficient, with the system’s cost-to-income ratio below 50%.

The cost of risk is expected to continue its normalisation trend, with no significant impact anticipated from a potential deterioration in asset quality in 2026. Portuguese banks have sound credit underwriting policies, supported by the macroprudential recommendations issued by Banco de Portugal in 2018.

Portuguese banks have improved their funding profile over the past decade, with deposits representing the largest share of their funding structures. The loan-to-deposit ratio is expected to remain below 75% in 2026.

The sector has improved its asset quality and capitalisation since 2016 and is now more resilient.

Impact on the Group’s Activity

In 2026, BCP is expected to maintain a high level of profitability, benefiting from a stable interest rate environment in the main geographies in which it operates. Net interest income in Portugal is expected to increase slightly compared with 2025. Fees and commissions are also expected to record a positive performance, mainly driven by the anticipated acceleration in credit and by financial markets. Recurring operating costs may face some upward pressure. The cost of risk is expected to maintain its normalisation trend, supported by the Portuguese economy’s near full-employment level.

BCP strengthened its liquidity position in the first half of 2026. The Group’s balance sheet customer funds increased by 8% in June 2026 compared with the same period of the previous year. Liquidity indicators stood well above regulatory requirements in June 2026: LCR at 326%, NSFR at 183% and the loans-to-deposits ratio at 68%. Assets available for funding with the ECB amounted to €30.3 billion. At Group level, the customer base increased by 4% to more than 7.4 million customers, with mobile customers increasing by 8% compared with June 2025 and representing 75% of the Group’s total active customers, and 67% in Portugal. Demand for credit has been accelerating due to the implementation of funds under the Recovery and Resilience Plan. In 2026, the Bank is expected to continue to maintain a solid liquidity position.

BCP Group has continued to follow a path of improving asset quality, particularly in Portugal, with the Group’s NPE ratio standing at 2.2% at the end of June 2026. No significant deterioration in asset quality is expected.

In the first half of 2026, BCP demonstrated its ability to generate capital organically, with the CET1 ratio standing at 15.1% and the total capital ratio at 19.3%, representing reductions of 80 bps and 60 bps, respectively, compared with December 2025, due to the fact that the bank is accruing only 10% of net income in line with shareholders' distribution policy registered in 2025. Over the coming years, capital ratios are expected to decrease as a result of higher capital distributions and organic growth, while remaining above the target set out in the Strategic Plan.

Consolidated financial statements

BANCO COMERCIAL PORTUGUÊS

CONDENSED INTERIM CONSOLIDATED INCOME STATEMENT FOR THE SIX-MONTH PERIODS ENDED 30 JUNE 2026 AND 2025

(Thousand EUR)

	30 June 2026	30 June 2026
Interest and similar income	2,134,557	2,222,073
Interest and similar expense	(640,728)	(778,019)
NET INTEREST INCOME	1,493,829	1,444,054
Dividends from equity instruments	874	841
Net fees and commissions income	438,036	413,830
Gains/(losses) on financial operations at fair value through profit or loss	9,115	74,382
Foreign exchange gains/(losses)	62,278	(10,081)
Gains/(losses) on hedge accounting	(1,674)	(36)
Gains/(losses) arising from derecognition of financial assets and liabilities not measured at fair value through profit or loss	11,512	(8,427)
Other operating income/(expenses)	(104,495)	(125,392)
TOTAL OPERATING INCOME	1,909,475	1,789,171
Staff costs	398,699	383,315
Other administrative costs	239,418	223,444
Amortisations and depreciations	82,097	76,786
TOTAL OPERATING EXPENSES	720,214	683,545
NET OPERATING INCOME BEFORE PROVISIONS AND IMPAIRMENT	1,189,261	1,105,626
Results on modification	(839)	(5,120)
Impairment of financial assets at amortised cost	(113,198)	(108,858)
Impairment of financial assets at fair value through other comprehensive income	960	(1,721)
Impairment of other assets	(6,213)	(8,807)
Other provisions	(174,452)	(250,979)
NET OPERATING INCOME	895,519	730,141
Share of profit of associates accounted for using the equity method	37,141	31,007
Gains/(losses) on disposal of subsidiaries and other assets	3,733	27,774
NET INCOME BEFORE INCOME TAXES	936,393	788,922
Income taxes		
Current	(70,693)	(45,356)
Deferred	(212,000)	(173,049)
NET INCOME AFTER INCOME TAXES	653,700	570,517
Net income for the period attributable to:		
Bank's Shareholders	565,832	502,276
Non-controlling interests	87,868	68,241
NET INCOME FOR THE PERIOD	653,700	570,517
Earnings per share (in Euros)		
Basic	0.075	0.065
Diluted	0.075	0.065

BANCO COMERCIAL PORTUGUÊS

CONDENSED INTERIM CONSOLIDATED BALANCE SHEET AS AT 30 JUNE 2026 AND 31 DECEMBER 2025

(Thousand EUR)

	30 June 2026	31 December 2025
ASSETS		
Cash and deposits at Central Banks	3,826,582	4,089,540
Loans and advances to credit institutions repayable on demand	216,349	186,011
Financial assets at amortised cost		
Loans and advances to credit institutions	1,009,140	861,245
Loans and advances to customers	59,513,375	57,406,675
Debt securities	27,249,692	24,538,875
Financial assets at fair value through profit or loss		
Financial assets held for trading	1,911,408	1,063,264
Financial assets not held for trading mandatorily at fair value through profit or loss	353,220	353,619
Financial assets at fair value through other comprehensive income	15,818,948	16,045,772
Hedging derivatives	75,601	32,365
Investments in associates	449,325	455,176
Non-current assets held for sale	60,294	68,928
Investment property	5,097	5,011
Other tangible assets	564,577	581,846
Goodwill and intangible assets	323,720	322,683
Current tax assets	8,127	22,380
Deferred tax assets	1,502,380	1,744,370
Other assets	1,911,950	1,555,167
TOTAL ASSETS	114,799,785	109,332,927
LIABILITIES		
Financial liabilities at amortised cost		
Deposits from credit institutions and other funds	793,287	878,571
Deposits from customers and other funds	91,357,614	87,672,860
Non-subordinated debt securities issued	3,940,733	3,893,593
Subordinated debt	2,381,056	1,411,658
Financial liabilities at fair value through profit or loss		
Financial liabilities held for trading	100,161	152,729
Financial liabilities designated at fair value through profit or loss	3,705,075	3,614,335
Hedging derivatives	36,772	42,728
Provisions	1,186,485	1,238,513
Current tax liabilities	70,787	86,354
Deferred tax liabilities	6,799	5,824
Other liabilities	1,659,442	1,275,005
TOTAL LIABILITIES	105,238,211	100,272,170
EQUITY		
Share capital	3,000,000	3,000,000
Share premium	16,471	16,471
Other equity instruments	400,000	400,000
Legal and statutory reserves	546,124	464,659
Treasury shares	(32,141)	—
Reserves and retained earnings	3,402,956	2,913,463
Net income for the period attributable to Bank's Shareholders	565,832	1,018,647
Non-controlling interests	1,662,332	1,247,517
TOTAL EQUITY	9,561,574	9,060,757
TOTAL LIABILITIES AND EQUITY	114,799,785	109,332,927

Alternative performance measures

BCP Group prepares financial information in accordance with International Financial Reporting Standards (IFRS) endorsed by European Union. As a complement to that information, it uses a set of alternative performance measures that allow monitoring the evolution of its activity over time. Following the guidelines on Alternative Performance Measures issued by the European Securities and Markets Authority (ESMA) in October 2015 (ESMA/2015/1415), BCP Group presents some indicators related to the assessment of profitability and efficiency and the quality of the credit portfolio, among others, which are intended to facilitate an understanding of the evolution of the economic and financial position of the Group. The information presented in this context should not, under any circumstance, be construed as a substitute for financial information prepared in accordance with IFRS. It should also be noted that the definitions and concepts used for the calculation of these indicators may differ from those used by other entities in the determination of other similar measures and may therefore not be directly comparable. In accordance with the aforementioned guidelines, in addition to the alternative performance measures, detailed below, additional information is presented throughout this document, in the respective chapters, that reconciles the accounting figures presented in the consolidated financial statements prepared in accordance with IFRS and financial information reflecting the management criteria adopted by the BCP Group. These indicators and their components are also described in more detail in the Glossary.

1) Loans to customers (net) / Balance sheet customer funds

Relevance of the indicator: the loans-to-deposits ratio is an indicator of structural liquidity that shows the Group's liquidity sourcing from its customers compared to its investment in customer lending activities.

million EUR

	30 Jun. 26	30 Jun. 25 restated
Loans to customers (net) (1)	63,836	58,839
Balance sheet customer funds (2)	95,063	87,321
(1) / (2)	**67.2%**	**67.4%**

2) Return on average assets (ROA)

Relevance of the indicator: allows measurement of the capacity of the Group to generate results with the volume of available assets.

million EUR

	6M26	6M25
Net income (1)	566	502
Non-controlling interests (2)	88	68
Average total assets (3)	111,712	104,112
[(1) + (2), annualised] / (3)	**1.2%**	**1.1%**

3) Return on average equity (ROE)

Relevance of the indicator: allows assessment of the capacity of the Group to remunerate its shareholders, assessing the level of profitability generated by the funds invested by the shareholders in the Group.

million EUR

	6M26	6M25
Net income (1)	566	502
Coupons on AT1 Instruments (2)	16	16
Average equity (3)	7,606	6,873
[(1)-(2), annualised] / (3)	**14.6%**	**14.3%**

4) Return on tangible equity (ROTE)

Relevance of the indicator: allows assessment of the capacity of the Group to remunerate its shareholders, excluding intangible items.

million EUR

	6M26	6M25
Net income (1)	566	502
Coupons on AT1 Instruments (2)	16	16
Goodwill impairment (3)	0	0
Adjusted net income (4)=[(1)-(2)+(3)]	550	486
Average equity excluding goodwill and intangible assets (5)	7,284	6,597
[(4), annualised] / (5)	**15.2%**	**14.9%**

5) Cost-to-income*

Relevance of the indicator: it allows for the monitoring of the level of efficiency of the Group (excluding specific items), evaluating the volume of operating costs to generate net operating revenues.

million EUR

	6M26	6M25
Operating costs (1)	720	684
of which: specific items (2)	7	3
Net operating revenues (3)	1,950	1,848
of which: specific items (4)	0	0
[(1) - (2)] / [(3) - (4)]	**36.6%**	**36.8%**

* Excluding specific items. Both In the first half of 2026 and the first half of 2025 specific items had a negative impact of EUR 7 million and EUR 3 million respectively in both periods recognised in staff costs in the activity in Portugal.

6) Cost of risk, net of recoveries (expressed in basis points, annualised)

Relevance of the indicator: allows assessment of the quality of the loan portfolio by evaluating the ratio between impairment charges recognised in the period (net of reversals and recoveries of credit and interest) and the stock of loans to customers at the end of that period.

million EUR

	6M26	6M25 restated
Loans to customers at amortised cost, before impairment (management criteria) (1)	65,237	60,215
Loan impairment charges (net of recoveries) (2)	104	90
[(2), annualised] / (1)	**32**	**30**

7) Non-performing exposures (NPE) / Loans to customers (gross)

Relevance of the indicator: allows the assessment of the level of credit risk to which the Group is exposed based on the proportion of the NPE loan portfolio in the loans-to-customers portfolio (gross).

million EUR

	30 Jun. 26	30 Jun. 25 restated
Non-Performing Exposures (Loans to customers) (1)	1,442	1,629
Loans to customers (gross) (2)	65,238	60,217
(1) / (2)	**2.2%**	**2.7%**

8) Total loan impairments/ Non-performing exposures (NPE)

Relevance of the indicator: it allows the assessment of the relationship between the total balance sheet impairment recognised by the Group and the NPE loan portfolio.

million EUR

	30 Jun. 26	30 Jun. 25
Non-Performing Exposures (Loans to customers) (1)	1,442	1,629
Total loan impairments (balance sheet) (2)	1,402	1,377
(2) / (1)	**97.2%**	**84.5%**

9) Impairments allocated to NPE/ Non-performing exposures (NPE)

Relevance of the indicator: it allows the assessment of the relationship between the impairments allocated to NPE recognised by the Group and the NPE loan portfolio.

million EUR

	30 Jun. 26	30 Jun. 25
Non-Performing Exposures (Loans to customers) (1)	1,442	1,629
Impairments allocated to NPE (balance sheet) (2)	795	871
(2) / (1)	**55.1%**	**53.5%**

Glossary

Average equity - weighted average of the average of monthly equity in the period.

Average total assets - weighted average of the average of monthly net assets in the period.

Assets placed with customers – amounts held by customers in the context of the placement of third-party products that contribute to the recognition of commissions.

Balance sheet customer funds – deposits and other resources from customers and debt securities placed with customers.

Business Volumes - corresponds to the sum of total customer funds and loans to customers (gross).

Commercial gap – loans to customers (gross) minus on-balance sheet customer funds.

Core income - net interest income plus net fees and commissions income.

Core operating profit - net interest income plus net fees and commissions income deducted from operating costs.

Cost of risk, net (expressed in basis points) - ratio of loan impairment (P&L) accounted in the period to loans to customers at amortised cost and debt instruments at amortised cost related to credit operations before impairment at the end of the period.

Cost-to-core income - operating costs divided by core income.

Cost-to-income – operating costs divided by net operating revenues.

Debt instruments – non-subordinated debt instruments at amortised cost and financial liabilities measured at fair value through profit or loss (debt securities and certificates).

Debt securities placed with customers - debt securities issued by the Bank and placed with customers.

Deposits and other resources from customers – deposits from customers and other funds at amortised cost (excluding repos) and customer deposits at fair value through profit or loss.

Dividends from equity instruments - dividends received from investments classified as financial assets at fair value through other comprehensive income and from financial assets held for trading.

EPS (Earnings per share) - earnings per share, considering the ratio between the net income for the year attributable to the Bank's shareholders, deducted from coupons on AT1 (if they exist), and the average number of shares.

Equity accounted earnings - results appropriated by the Group related to the consolidation of entities where, despite having some influence, the Group does not control the financial and operational policies.

Insurance products – includes unit linked saving products and retirement saving plans ("PPR", "PPE" and "PPR/E").

Loan impairments (balance sheet) – balance sheet impairment related to loans to customers at amortised cost, balance sheet impairment associated with debt instruments at amortised cost related to credit operations and fair value adjustments related to loans to customers at fair value through profit or loss.

Loan impairments (P&L) – impairment (net of reversals and net of recoveries - principal and accrual) of financial assets at amortised cost for loans to customers and for debt instruments related to credit operations.

Loans to customers (gross) – loans to customers at amortised cost before impairment (excluding reverse repos), debt instruments at amortised cost associated to credit operations before impairment and loans to customers at fair value through profit or loss before fair value adjustments (excluding reverse repos).

Loans to customers (net) - loans to customers at amortised cost net of impairment (excluding reverse repos), debt instruments at amortised cost associated to credit operations net of impairment and balance sheet amount of loans to customers at fair value through profit or loss (excluding reverse repos).

Loan to Deposits ratio (LTD) – loans to customers (net) divided by deposits and other resources from customers.

Loan to value ratio (LTV) – mortgage amount divided by the appraised value of property.

Net commissions - net fees and commissions income.

Net interest margin (NIM) - net interest income for the period as a percentage of average interest earning assets.

Net operating revenues - net interest income, dividends from equity instruments, net commissions, net trading income, other net operating income and equity accounted earnings.

Net trading income – gains/(losses) on financial operations at fair value through profit or loss, foreign exchange gains/(losses), gains/(losses) on hedge accounting and gains/(losses) arising from derecognition of financial assets and liabilities not measured at fair value through profit or loss.

NPE (Non-performing exposures) – non-performing loans and advances to customers (includes loans to customers at amortised cost, loans to customers at fair value through profit or loss and, from 2023, debt instruments at amortised cost associated to credit operations before impairment) more than 90 days past-due or unlikely to be paid without collateral realisation, if they recognised as defaulted or impaired.

NPL > 90 days (Non-performing loans for more than 90 days) – overdue loans (includes loans to customers at amortised cost, loans to customers at fair value through profit or loss and, from 2023, debt instruments at amortised cost associated to credit operations before impairment) more than 90 days past due including the non-overdue remaining principal of loans.

Off-balance sheet customer funds – assets under management, assets placed with customers and insurance products (savings and investment) subscribed by customers.

Operating costs - staff costs, other administrative costs and amortisation and depreciation.

Other impairment and provisions – impairment (net of reversals) for loans and advances of credit institutions classified at amortised cost, impairment for financial assets (classified at fair value through other comprehensive income and at amortised cost not associated with credit operations), impairment for other assets, namely assets received as payment in kind, investments in associates and goodwill of subsidiaries and other provisions.

Other net income – dividends from equity instruments, net commissions, net trading income, other net operating income and equity accounted earnings.

Other net operating income – other operating income/(expenses) and gains/(losses) on disposal of subsidiaries and other assets.

Performing loans - loans to customers (gross) deducted from Non-performing exposures (NPE).

Profit before impairment and provisions – net operating revenues deducted from operating costs.

Return on average assets (ROA) – net income (before minority interests) divided by the average total assets.

Return on equity (ROE) – net income (after minority interests) deducted from Coupons on AT1 (if they exist), divided by the average equity, with Equity = Equity - preference shares - other capital instruments, net of treasury shares of the same nature - non-controlling interests.

Return on tangible equity (ROTE) – net income (after minority interests) deducted from Coupons on AT1 and from goodwill impairment (if they exist), divided by the average equity, deducted from goodwill and intangible assets, with Equity = Equity - preference shares - other capital instruments, net of treasury shares of the same nature - non-controlling interests.

Securities portfolio - debt instruments at amortised cost not associated with credit operations (net of impairment), financial assets at fair value through profit or loss (excluding the ones related to assets with repurchase agreement held for trading, trading derivatives and loans to customers) and financial assets at fair value through other comprehensive income.

Spread - increase (in percentage points) to the index used by the Bank in loans granting or fund raising.

Total customer funds - balance sheet customer funds and off-balance sheet customer funds.

Accounts and Notes to the Condensed Interim Consolidated Accounts

CONDENSED INTERIM CONSOLIDATED INCOME STATEMENT FOR THE SIX-MONTH PERIODS ENDED 30 JUNE 2026 AND 2025

(Thousand EUR)

	Notes	30 June 2026	30 June 2026
Interest and similar income	2	2,134,557	2,222,073
Interest and similar expense	2	(640,728)	(778,019)
NET INTEREST INCOME		1,493,829	1,444,054
Dividends from equity instruments	3	874	841
Net fees and commissions income	4	438,036	413,830
Gains/(losses) on financial operations at fair value through profit or loss	5	9,115	74,382
Foreign exchange gains/(losses)	5	62,278	(10,081)
Gains/(losses) on hedge accounting	5	(1,674)	(36)
Gains/(losses) arising from derecognition of financial assets and liabilities not measured at fair value through profit or loss	5	11,512	(8,427)
Other operating income/(expenses)	6	(104,495)	(125,392)
TOTAL OPERATING INCOME		1,909,475	1,789,171
Staff costs	7	398,699	383,315
Other administrative costs	8	239,418	223,444
Amortisations and depreciations	9	82,097	76,786
TOTAL OPERATING EXPENSES		720,214	683,545
NET OPERATING INCOME BEFORE PROVISIONS AND IMPAIRMENT		1,189,261	1,105,626
Results on modification	10	(839)	(5,120)
Impairment of financial assets at amortised cost	11	(113,198)	(108,858)
Impairment of financial assets at fair value through other comprehensive income	12	960	(1,721)
Impairment of other assets	13	(6,213)	(8,807)
Other provisions	14	(174,452)	(250,979)
NET OPERATING INCOME		895,519	730,141
Share of profit of associates accounted for using the equity method	15	37,141	31,007
Gains/(losses) on disposal of subsidiaries and other assets	16	3,733	27,774
NET INCOME BEFORE INCOME TAXES		936,393	788,922
Income taxes			
Current	30	(70,693)	(45,356)
Deferred	30	(212,000)	(173,049)
NET INCOME AFTER INCOME TAXES		653,700	570,517
Net income for the period attributable to:			
Bank's Shareholders		565,832	502,276
Non-controlling interests	44	87,868	68,241
NET INCOME FOR THE PERIOD		653,700	570,517
Earnings per share (in Euros)			
Basic	17	0.075	0.065
Diluted	17	0.075	0.065

CHIEF ACCOUNTANT

THE EXECUTIVE COMMITTEE

See accompanying notes to the condensed interim consolidated financial statements.

CONDENSED INTERIM CONSOLIDATED INCOME STATEMENT FOR THE THREE-MONTH PERIODS BETWEEN 1 APRIL AND 30 JUNE 2026 AND 2025

(Thousand EUR)

	2nd Quarter 2026	2nd Quarter 2025
Interest and similar income	1,077,835	1,086,734
Interest and similar expense	(322,356)	(363,737)
NET INTEREST INCOME	755,479	722,997
Dividends from equity instruments	874	821
Net fees and commissions income	220,043	212,401
Gains/(losses) on financial operations at fair value through profit or loss	1,385	40,611
Foreign exchange gains/(losses)	32,487	(12,726)
Gains/(losses) on hedge accounting	(3,869)	(1,994)
Gains/(losses) arising from derecognition of financial assets and liabilities not measured at fair value through profit or loss	1,451	423
Other operating income/(losses)	(63,343)	(66,329)
TOTAL OPERATING INCOME	944,507	896,204
Staff costs	202,343	195,228
Other administrative costs	121,063	110,406
Amortisations and depreciations	41,882	38,191
TOTAL OPERATING EXPENSES	365,288	343,825
NET OPERATING INCOME BEFORE PROVISIONS AND IMPAIRMENTS	579,219	552,379
Results on modification	(477)	(941)
Impairment of financial assets at amortised cost	(55,115)	(32,751)
Impairment of financial assets at fair value through other comprehensive income	392	723
Impairment of other assets	(3,084)	(4,803)
Other provisions	(87,390)	(146,532)
NET OPERATING INCOME	433,545	368,075
Share of profit of associates accounted for using the equity method	21,378	17,557
Gains/(losses) on disposal of subsidiaries and other assets	1,419	25,047
NET INCOME BEFORE INCOME TAXES	456,342	410,679
Income taxes		
Current	(28,637)	(42,286)
Deferred	(117,110)	(63,876)
NET INCOME AFTER INCOME TAXES	310,595	304,517
Net income for the period attributable to:		
Bank's Shareholders	260,054	258,824
Non-controlling interests	50,541	45,693
NET INCOME FOR THE PERIOD	310,595	304,517

CHIEF ACCOUNTANT

THE EXECUTIVE COMMITTEE

See accompanying notes to the condensed interim consolidated financial statements.

CONDENSED INTERIM CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME FOR THE SIX-MONTH PERIODS ENDED 30 JUNE 2026 AND 2025

(Thousand EUR)

	30 June 2026		
		Attributable to	
	Continuing operations	Bank's Shareholders	Non-controlling interests
NET INCOME FOR THE PERIOD	653,700	565,832	87,868
ITEMS THAT MAY BE RECLASSIFIED TO THE INCOME STATEMENT (NOTE 43)			
Debt instruments at fair value through other comprehensive income			
Gains / (losses) for the period	(27,227)	(17,776)	(9,451)
Reclassification of gains /(losses) to profit or loss (note 5)	(3,810)	(3,739)	(71)
Cash flows hedging			
Gains / (losses) for the period	(48,774)	(48,976)	202
Reclassification of gains /(losses) to profit or loss	176,163	176,163	—
Other comprehensive income from investments in associates and others	8,610	8,610	—
Exchange differences arising on consolidation	(28,691)	(7,482)	(21,209)
IAS 29 application			
Effect on equity of Banco Millennium Atlântico, S.A.	(273)	(273)	—
Fiscal impact	(29,854)	(31,689)	1,835
	46,144	74,838	(28,694)
ITEMS THAT WILL NOT BE RECLASSIFIED TO THE INCOME STATEMENT			
Equity instruments at fair value through other comprehensive income			
Gains / (losses) for the period			
Subsidiaries (note 43)	(106)	(45)	(61)
Associates	1,868	1,868	—
	1,762	1,823	(61)
Changes in own credit risk of financial liabilities at fair value through profit or loss (note 43)	142	142	—
Actuarial gains / (losses) for the period			
BCP Group Pension Fund (note 50)	431	431	—
Pension Funds of foreign subsidiaries and associates	1,281	1,249	32
Fiscal impact	244	232	12
	3,860	3,877	(17)
Other comprehensive income / (loss) for the period	50,004	78,715	(28,711)
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	703,704	644,547	59,157

CHIEF ACCOUNTANT

THE EXECUTIVE COMMITTEE

See accompanying notes to the condensed interim consolidated financial statements.

(Thousand EUR)

	30 June 2025		
		Attributable to	
	Continuing operations	Bank's Shareholders	Non-controlling interests
NET INCOME FOR THE PERIOD	570,517	502,276	68,241
ITEMS THAT MAY BE RECLASSIFIED TO THE INCOME STATEMENT (NOTE 43)			
Debt instruments at fair value through other comprehensive income			
Gains / (losses) for the period	53,500	38,473	15,027
Reclassification of gains / (losses) to profit or loss (note 5)	(4,890)	(4,851)	(39)
Cash flows hedging			
Gains / (losses) for the period	32,284	30,759	1,525
Reclassification of gains / (losses) to profit or loss	193,463	193,463	—
Other comprehensive income from investments in associates and others	13,921	13,920	1
Exchange differences arising on consolidation	(57,736)	(43,076)	(14,660)
IAS 29 application			
Effect on equity of Banco Millennium Atlântico, S.A.	1,410	1,410	—
Fiscal impact	(80,236)	(76,859)	(3,377)
	151,716	153,239	(1,523)
ITEMS THAT WILL NOT BE RECLASSIFIED TO THE INCOME STATEMENT			
Equity instruments at fair value through other comprehensive income			
Gains / (losses) for the period			
Subsidiaries (note 43)	24	(18)	42
Associates	1,704	1,704	—
	1,728	1,686	42
Changes in own credit risk of financial liabilities at fair value through profit or loss (note 43)	846	846	—
Actuarial gains / (losses) for the period			
BCP Group Pensions Fund (note 50)	110,464	110,464	—
Pension Funds of foreign subsidiaries and associates	154	150	4
Fiscal impact	(32,779)	(32,773)	(6)
	80,413	80,373	40
Other comprehensive income / (loss) for the period	232,129	233,612	(1,483)
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	802,646	735,888	66,758

CHIEF ACCOUNTANT

THE EXECUTIVE COMMITTEE

See accompanying notes to the condensed interim consolidated financial statements.

CONDENSED INTERIM CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME FOR THE THREE-MONTH PERIODS BETWEEN 1 APRIL AND 30 JUNE 2026 AND 2025

(Thousand EUR)

	2nd Quarter 2026		
		Attributable to	
	Continuing operations	Bank's Shareholders	Non-controlling interests
NET INCOME FOR THE PERIOD	310,595	260,054	50,541
ITEMS THAT MAY BE RECLASSIFIED TO THE INCOME STATEMENT			
Debt instruments at fair value through other comprehensive income			
Gains/(losses) for the period	66,150	39,180	26,970
Reclassification of gains / (losses) to profit or loss	(1,158)	(1,111)	(47)
Cash flows hedging			
Gains/(losses) for the period	17,924	17,841	83
Reclassification of gains / (losses) to profit or loss	84,039	84,039	—
Other comprehensive income from investments in associates and others	10,946	10,946	—
Exchange differences arising on consolidation	3,220	2,556	664
IAS 29 application			
Effect on equity of Banco Millennium Atlântico, S.A.	(108)	(108)	—
Fiscal impact	(50,279)	(41,334)	(8,945)
	130,734	112,009	18,725
ITEMS THAT WILL NOT BE RECLASSIFIED TO THE INCOME STATEMENT			
Equity instruments at fair value through other comprehensive income			
Gains/(losses) for the period			
Associates	1,880	1,880	—
	1,880	1,880	—
Changes in own credit risk of financial liabilities at fair value through profit or loss	138	138	—
Actuarial gains/(losses) for the period			
BCP Group Pensions Fund	431	431	—
Pension Funds of foreign subsidiaries and associates	(92)	(93)	1
Fiscal impact	(452)	(451)	(1)
	1,905	1,905	—
Other comprehensive income/(loss) for the period	132,639	113,914	18,725
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	443,234	373,968	69,266

CHIEF ACCOUNTANT

THE EXECUTIVE COMMITTEE

See accompanying notes to the condensed interim consolidated financial statements.

(Thousand EUR)

	2nd Quarter 2025		
		Attributable to	
	Continuing operations	Bank's Shareholders	Non-controlling interests
NET INCOME FOR THE PERIOD	304,517	258,824	45,693
ITEMS THAT MAY BE RECLASSIFIED TO THE INCOME STATEMENT			
Debt instruments at fair value through other comprehensive income			
Gains/(losses) for the period	38,038	29,642	8,396
Reclassification of gains / (losses) to profit or loss	1,521	1,549	(28)
Cash flows hedging			
Gains/(losses) for the period	28,743	28,195	548
Reclassification of gains / (losses) to profit or loss	97,568	97,568	—
Other comprehensive income from investments in associates and others	6,622	6,619	3
Exchange differences arising on consolidation	(70,797)	(44,697)	(26,100)
IAS 29 application			
Effect on equity of Banco Millennium Atlântico, S.A.	944	944	—
Fiscal impact	(48,599)	(46,803)	(1,796)
	54,040	73,017	(18,977)
ITEMS THAT WILL NOT BE RECLASSIFIED TO THE INCOME STATEMENT			
Equity instruments at fair value through other comprehensive income			
Subsidiaries	(135)	(87)	(48)
Associates	1,680	1,680	—
	1,545	1,593	(48)
Changes in own credit risk of financial liabilities at fair value through profit or loss	582	582	—
Actuarial gains/(losses) for the period			
BCP Group Pensions Fund	110,464	110,464	—
Pension Funds of foreign subsidiaries and associates	(57)	(54)	(3)
Fiscal impact	(33,101)	(33,112)	11
	79,433	79,473	(40)
Other comprehensive income/(loss) for the period	133,473	152,490	(19,017)
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	437,990	411,314	26,676

CHIEF ACCOUNTANT THE EXECUTIVE COMMITTEE

See accompanying notes to the condensed interim consolidated financial statements.

CONDENSED INTERIM CONSOLIDATED BALANCE SHEET AS AT 30 JUNE 2026 AND 31 DECEMBER 2025

(Thousand EUR)

	Notes	30 June 2026	31 December 2025
ASSETS			
Cash and deposits at Central Banks	18	3,826,582	4,089,540
Loans and advances to credit institutions repayable on demand	19	216,349	186,011
Financial assets at amortised cost			
Loans and advances to credit institutions	20	1,009,140	861,245
Loans and advances to customers	21	59,513,375	57,406,675
Debt securities	22	27,249,692	24,538,875
Financial assets at fair value through profit or loss			
Financial assets held for trading	23	1,911,408	1,063,264
Financial assets not held for trading mandatorily at fair value through profit or loss	23	353,220	353,619
Financial assets at fair value through other comprehensive income	23	15,818,948	16,045,772
Hedging derivatives	24	75,601	32,365
Investments in associates	25	449,325	455,176
Non-current assets held for sale	26	60,294	68,928
Investment property	27	5,097	5,011
Other tangible assets	28	564,577	581,846
Goodwill and intangible assets	29	323,720	322,683
Current tax assets	30	8,127	22,380
Deferred tax assets	30	1,502,380	1,744,370
Other assets	31	1,911,950	1,555,167
TOTAL ASSETS		114,799,785	109,332,927
LIABILITIES			
Financial liabilities at amortised cost			
Deposits from credit institutions and other funds	32	793,287	878,571
Deposits from customers and other funds	33	91,357,614	87,672,860
Non-subordinated debt securities issued	34	3,940,733	3,893,593
Subordinated debt	35	2,381,056	1,411,658
Financial liabilities at fair value through profit or loss			
Financial liabilities held for trading	36	100,161	152,729
Financial liabilities designated at fair value through profit or loss	37	3,705,075	3,614,335
Hedging derivatives	24	36,772	42,728
Provisions	38	1,186,485	1,238,513
Current tax liabilities	30	70,787	86,354
Deferred tax liabilities	30	6,799	5,824
Other liabilities	39	1,659,442	1,275,005
TOTAL LIABILITIES		105,238,211	100,272,170
EQUITY			
Share capital	40	3,000,000	3,000,000
Share premium	40	16,471	16,471
Other equity instruments	40	400,000	400,000
Legal and statutory reserves	41	546,124	464,659
Treasury shares	42	(32,141)	—
Reserves and retained earnings	43	3,402,956	2,913,463
Net income for the period attributable to Bank's Shareholders		565,832	1,018,647
Non-controlling interests	44	1,662,332	1,247,517
TOTAL EQUITY		9,561,574	9,060,757
TOTAL LIABILITIES AND EQUITY		114,799,785	109,332,927

CHIEF ACCOUNTANT THE EXECUTIVE COMMITTEE

See accompanying notes to the condensed interim consolidated financial statements.

CONDENSED INTERIM CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE SIX-MONTH PERIODS ENDED 30 JUNE 2026 AND 2025

(Thousand EUR)

	30 June 2026	30 June 2025
CASH FLOWS ARISING FROM OPERATING ACTIVITIES		
Interests received	1,434,366	1,567,193
Commissions received	534,247	539,113
Fees received from services rendered	55,438	56,399
Interests paid	(613,018)	(769,957)
Commissions paid	(101,372)	(89,119)
Recoveries on loans previously written off	6,267	7,485
Payments (cash) to suppliers and employees (*)	(775,439)	(818,140)
Income taxes (paid) / received	(55,257)	(87,142)
	485,232	405,832
Decrease / (increase) in operating assets:		
Receivables from / (Loans and advances to) credit institutions	(100,451)	(105,146)
Deposits held with purpose of monetary control	(50,126)	(251,889)
Loans and advances to customers receivable / (granted)	(2,396,236)	283,666
Short-term trading securities	(886,224)	243,871
Increase / (decrease) in operating liabilities:		
Deposits from credit institutions repayable on demand	34,350	12,083
Deposits from credit institutions with agreed maturity date	(119,638)	(14,911)
Deposits from customers repayable on demand	2,528,921	2,156,723
Deposits from customers with agreed maturity date	972,528	(211,322)
	468,356	2,518,907
CASH FLOWS ARISING FROM INVESTING ACTIVITIES		
Dividends received	55,434	45,702
Interest income from financial assets at fair value through other comprehensive income and at amortised cost	555,093	528,044
Sale of financial assets at fair value through other comprehensive income and at amortised cost	1,470,184	3,971,435
Acquisition of financial assets at fair value through other comprehensive income and at amortised cost	(76,977,489)	(84,929,730)
Maturity of financial assets at fair value through other comprehensive income and at amortised cost	72,818,181	75,530,846
Acquisition of tangible and intangible assets	(50,775)	(51,596)
Sale of tangible and intangible assets	3,789	24,580
Decrease / (increase) in other sundry assets	33,475	(522,090)
	(2,092,108)	(5,402,809)
CASH FLOWS ARISING FROM FINANCING ACTIVITIES		
Issuance of subordinated debt	999,988	500,000
Repayment of subordinated debt	—	(529,500)
Issuance of debt securities	617,881	687,651
Repayment of debt securities	(564,725)	(14,208)
Issuance of certificates	66,116	265,417
Repayment of certificates	(244)	(132,419)
Issuance of Perpetual Subordinated Bonds AT1 Bank Millennium in January 2026, net of expenses	354,843	—
Purchase of treasury shares	(32,141)	(127,551)
Dividends paid to Bank's shareholders	(509,279)	(447,647)
Interest paid of the issue of Perpetual Subordinated Bonds (Additional Tier 1)	(16,250)	(16,250)
Payments on lease liabilities	(28,805)	28,669
Increase / (decrease) in other sundry liabilities and non-controlling interests	532,439	202,435
	1,419,823	416,597
Exchange differences effect on cash and equivalents	(28,691)	(57,736)
Net changes in cash and equivalents	(232,620)	(2,525,041)
Cash (note 18)	668,685	666,175
Deposits at Central Banks (note 18)	3,420,855	4,922,855
Loans and advances to credit institutions repayable on demand (note 19)	186,011	251,157
CASH AND EQUIVALENTS AT THE BEGINNING OF THE PERIOD	4,275,551	5,840,187
Cash (note 18)	581,910	610,717
Deposits at Central Banks (note 18)	3,244,672	2,432,937
Loans and advances to credit institutions repayable on demand (note 19)	216,349	271,492
CASH AND EQUIVALENTS AT THE END OF THE PERIOD	4,042,931	3,315,146

(*) As at 30 June 2026, this balance includes the amount of EUR 50 thousand (30 June 2025: EUR 32 thousand) related to short-term lease contracts and the amount of EUR 1,055 thousand (30 June 2025: EUR 1,278 thousand) related to lease contracts of low value assets.

CHIEF ACCOUNTANT

THE EXECUTIVE COMMITTEE

See accompanying notes to the condensed interim consolidated financial statements.

CONDENSED INTERIM CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE SIX-MONTH PERIODS ENDED 30 JUNE 2026 AND 2025

(Thousand EUR)

	Share capital	Share premium	Other equity instruments	Legal and statutory reserves	Treasury shares	Reserves and retained earnings	Net income attributable to Bank's Shareholders	Non-controlling interests (note 44)	Total equity
BALANCE AS AT 31 DECEMBER 2024	3,000,000	16,471	400,000	384,402	—	2,387,592	906,378	1,097,714	8,192,557
Change in the calculation criteria for the effective interest rate of the Bank Millennium Group's loan portfolio (note 43)	—	—	—	—	—	(10,618)	—	(10,575)	(21,193)
BALANCE AS AT 1 JANUARY 2025	3,000,000	16,471	400,000	384,402	—	2,376,974	906,378	1,087,139	8,171,364
Net income for the period	—	—	—	—	—	—	502,276	68,241	570,517
Other comprehensive income	—	—	—	—	—	233,612	—	(1,483)	232,129
TOTAL COMPREHENSIVE INCOME	—	—	—	—	—	233,612	502,276	66,758	802,646
Results application:									
Legal reserve	—	—	—	80,257	—	(80,257)	—	—	—
Transfers for reserves and retained earnings	—	—	—	—	—	906,378	(906,378)	—	—
Dividends paid	—	—	—	—	—	(447,646)	—	—	(447,646)
Interest on perpetual subordinated bonds (Additional Tier 1)	—	—	—	—	—	(16,250)	—	—	(16,250)
Treasury shares (note 42)	—	—	—	—	(127,551)	—	—	—	(127,551)
Other reserves	—	—	—	—	—	30	—	(69)	(39)
BALANCE AS AT 30 JUNE 2025	3,000,000	16,471	400,000	464,659	(127,551)	2,972,841	502,276	1,153,828	8,382,524
Net income for the period	—	—	—	—	—	—	516,371	73,840	590,211
Other comprehensive income	—	—	—	—	—	156,904	—	19,635	176,539
TOTAL COMPREHENSIVE INCOME	—	—	—	—	—	156,904	516,371	93,475	766,750
Reduction of share capital (note 40)	(61,406)	—	—	—	200,000	(138,594)	—	—	—
Increase in share capital (note 40)	61,406	—	—	—	—	(61,406)	—	—	—
Increase in the share capital of the Fundo Predicapital	—	—	—	—	—	—	—	220	220
Interest on perpetual subordinated bonds (Additional Tier 1)	—	—	—	—	—	(16,250)	—	—	(16,250)
Treasury shares (note 42)	—	—	—	—	(72,449)	—	—	—	(72,449)
Other reserves	—	—	—	—	—	(32)	—	(6)	(38)
BALANCE AS AT 31 DECEMBER 2025	3,000,000	16,471	400,000	464,659	—	2,913,463	1,018,647	1,247,517	9,060,757
Net income for the period	—	—	—	—	—	—	565,832	87,868	653,700
Other comprehensive income	—	—	—	—	—	78,715	—	(28,711)	50,004
TOTAL COMPREHENSIVE INCOME	—	—	—	—	—	78,715	565,832	59,157	703,704
Results application:									
Legal reserve(nota 41)	—	—	—	81,465	—	(81,465)	—	—	—
Transfers for reserves and retained earnings	—	—	—	—	—	1,018,647	(1,018,647)	—	—
Dividends paid	—	—	—	—	—	(509,279)	—	—	(509,279)
Interest on perpetual subordinated bonds (Additional Tier 1)	—	—	—	—	—	(16,250)	—	—	(16,250)
New Perpetual subordinated bonds AT1 issued by Bank Millennium, S.A. in January 2026 (note 44)	—	—	—	—	—	—	—	356,464	356,464
Expenses on the issuance of perpetual subordinated bonds AT1 by Bank Millennium, S.A. in January 2026	—	—	—	—	—	(812)	—	(809)	(1,621)
Treasury shares (note 42)	—	—	—	—	(32,141)	—	—	—	(32,141)
Other reserves	—	—	—	—	—	(63)	—	3	(60)
BALANCE AS AT 30 JUNE 2026	3,000,000	16,471	400,000	546,124	(32,141)	3,402,956	565,832	1,662,332	9,561,574

CHIEF ACCOUNTANT

THE EXECUTIVE COMMITTEE

See accompanying notes to the condensed interim consolidated financial statements.

1. Accounting policies

A. Basis of presentation

Banco Comercial Português, S.A. (the 'Bank') is a private capital bank, established in Portugal in 1985. It started operating on 5 May 1986, and these condensed interim consolidated financial statements reflect the results of the operations of the Bank and all its subsidiaries (together referred to as the 'Group') and the Group's interest in associates, for the six-month periods ended on 30 June 2026 and 2025.

In accordance with Regulation (EC) no. 1606/2002 of the European Parliament and of the Council of 19 July 2002, and Banco de Portugal Notice no. 5/2015 (which revoked Banco de Portugal Notice no. 1/2005), the Group's consolidated financial statements are required to be prepared, since 2005, in accordance with International Financial Reporting Standards (IFRS) as endorsed by the European Union (EU). 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 its predecessor bodies. The condensed interim consolidated financial statements and the accompanying notes were approved on 7 August 2026 by the Bank's Board of Directors and are presented in thousand of euros, rounded to the nearest thousand.

All the references in this document related to any normative always report to the respective current version.

The Group´s condensed interim consolidated financial statements for the six-month periods ended on 30 June 2026 were prepared for the purpose of recognition and measurement, in accordance with the IAS 34 - Interim Financial Reporting adopted by the EU and, therefore, do not include all the information required in the preparation of consolidated financial statements in accordance with IFRS, as adopted by the EU. Consequently, the adequate comprehension of the condensed interim consolidated financial statements requires that they be read with the consolidated financial statements as at 31 December 2025.

The Group has concluded its assessment of the impact of the amendments to the standards that came into effect on 1 January 2026, namely IFRS 9 and IFRS 7, as detailed in the Annual Report and Accounts of 31 December 2025, with no materially relevant impacts on the financial statements. On the other hand, the Group is still assessing the impact arising from the adoption of IFRS 18.

These condensed interim consolidated financial statements are a translation of the financial statements originally issued in Portuguese. In the event of discrepancies, the Portuguese version prevails.

A1. Comparative information

The Group has adopted IFRS and interpretations mandatory for accounting periods beginning on or after 1 January 2026. The accounting policies were applied consistently to all entities of the Group and are consistent with those used in the preparation of the financial statements of the previous period.

The Group's financial statements were prepared under the going concern assumption, the accrual basis of accounting and the historical cost convention, as modified by the application of fair value for derivative financial instruments, financial assets and liabilities at fair value through profit or loss and financial assets at fair value through other comprehensive income. Financial assets and liabilities that are covered under hedge accounting are stated at fair value in respect of the risk that is being hedged, if applicable. Other financial assets and liabilities and non-financial assets and liabilities are stated at amortised cost or historical cost. Non-current assets held for sale and disposal groups are stated at the lower of carrying amount or fair value less costs to sell. Investment properties recognised on the Group's balance sheet are recognised at fair value.The liability for defined benefit obligations is recognised as the present value of past liabilities with pensions, net of the fund's assets.

The preparation of the financial statements in accordance with IFRS requires the Board of Directors, under advice of the Executive Committee, to make judgements, estimations and assumptions that affect the application of the accounting policies and reported amounts of assets, liabilities, income and expenses. The estimations and associated assumptions are based on historical experience and other factors that are believed to be reasonable under the circumstances and form the basis for making the judgements about the carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimations. The issues involving a higher degree of judgment or complexity or for which assumptions and estimations are significant are presented in note 1.Y.

B. Basis of consolidation

The consolidated financial statements now presented reflect the assets, liabilities, income and expenses of the Bank and its subsidiaries (the Group), and the results attributable to the Group financial investments in associates.

B1. Investments in subsidiaries

Subsidiaries are entities controlled by the Group (including structure entities and investment funds). The Group controls an entity when it holds the power to direct the relevant activities of the entity, and when it is exposed, or has rights, to variable returns from its involvement with the entity and is able to seize them through the power it holds over the relevant activities of that entity (de facto control). The financial statements of subsidiaries are included in the consolidated financial statements from the date on which control commences until the date on which control ceases.

Accumulated losses are attributed to non-controlling interests in the respective proportion, implying that the Group can recognise negative non-controlling interests.

In a step acquisition process resulting in the acquisition of control, the revaluation of any previously held interest is recorded against the profit or loss account when goodwill is calculated. On a partial disposal resulting in loss of control over a subsidiary, any interest 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.

B2. Investments in associates

Investments in associates are recorded by the equity method from the date that the Group acquires significant influence until the date it ceases. Associates are entities in which the Group has significant influence but not control over their financial and operating policies. It is assumed that the Group has significant influence when it holds, directly or indirectly, more than 20% or of the voting rights of the associate. If the Group holds, directly or indirectly, less than 20% of the voting rights, it is presumed that the Group does not have significant influence, unless such influence can be clearly demonstrated.

The existence of significant influence by the Group is usually evidenced in one or more of the following ways:

- representation on the Board of Directors or equivalent governing body of the investee;
- participation in policy-making processes, including participation in decisions about dividends or other distributions;
- material transactions between the Group and the investee;
- interchange of the management team;
- provision of essential technical information.

The consolidated financial statements include the part that is attributable to the Group of the total reserves and recognised profit or loss of associates accounted for in accordance with the equity method.. When the Group's share of losses exceeds its interest in the associate, the carrying amount is reduced to zero and recognition of further losses is discontinued, with exception of the part in which the Group incurs in a legal obligation to assume these losses on behalf of an associate.

B3. Goodwill

Business combinations are accounted for using the purchase method. The acquisition cost corresponds to the fair value, determined on the acquisition date, of the assets transferred and liabilities incurred or assumed. Costs directly attributable to the acquisition of a subsidiary are recorded directly in the income statement.

Positive goodwill arising from acquisitions is recognised as an asset carried at acquisition cost and is not subject to amortisation, however, it is subject to impairment tests. Goodwill arising from the acquisition of interests in subsidiaries and associates is defined as the difference between the cost of acquisition and the total or corresponding share of the fair value of the net assets and contingent liabilities acquired, depending on the option taken.

Negative goodwill arising from an acquisition is recognised directly in the income statement of the period in which the business combination occurs.

Goodwill is not adjusted due to changes in the initial estimation of the contingent purchase price, being the difference recorded in the income statement or in equity, when applicable.

According to IFRS 3 – Business combinations, if the initial accounting of a business combination is not concluded until the end of the first financial reporting period in which the combination occurs, it is recorded at the respective provisional values. These provisional values can be adjusted over the measurement period, which can't exceed a year since the acquisition date. Over this period, the Group should retrospectively adjust the amounts recognised previously on the acquisition date, to reflect newly obtained information about facts and circumstances that existed at the acquisition date and that, if known, would have impacted the measurement of the amounts recognised on that date.

During this period, the Group should also recognise additional assets and liabilities if new information is obtained about facts and circumstances that existed on the acquisition date and that, if they were known, would have resulted in the recognition of those assets and liabilities at that time.

The recoverable amount of the goodwill recorded in the Group's assets is assessed annually in the preparation of the accounts with reference to the end of the year or whenever there are indications of eventual loss in value. Impairment losses are recognised in the income statement. The recoverable amount is determined based on the higher of the asset value in use and the market value after deducting selling costs, calculated using valuation methodologies supported by discounted cash flow techniques, considering market conditions, time value of money and the business risks.

B4. Purchases and dilution of non-controlling interests

The acquisition of non-controlling interests that do not impact the control over a subsidiary is accounted for as a transaction with shareholders and, therefore, no additional goodwill resulting from this transaction is recognised. The difference between the acquisition cost and the fair value of non-controlling interests acquired is recognised directly in reserves. On this basis, the gains and losses resulting from the sale of controlling interests that do not impact the control position of a subsidiary are always recognised against reserves.

B5. Loss of control

The gains or losses resulting from the dilution or sale of an interest in a subsidiary, with loss of control, are recognised by the Group in the income statement.

B6. Investments in foreign subsidiaries and associates

The financial statements of foreign subsidiaries and associates of the Group are prepared in their functional currency, defined as the currency of the primary economic environment in which they operate or the currency in which the subsidiaries obtain their income or finance their activity. In the consolidation process, assets and liabilities, including goodwill, of foreign subsidiaries are converted into euro at the official exchange rate on the balance sheet date.

Regarding the investments in foreign operations that are consolidated under the full consolidation or equity methods, exchange differences, between the conversion to euro of the equity position at the beginning of the year and its value in euro at the exchange rate in force on the balance sheet date in which the consolidated accounts are reported, are recognised against "Reserves - exchange differences". The changes in fair value resulting from instruments that are designated and qualified as hedging instruments related to foreign operations are recorded in equity under "Reserves and retained earnings". Whenever the hedge is not fully effective, the ineffective portion is accounted for against profit or loss for the year.

The income and expenses of these subsidiaries are converted to euro at an approximate rate of the rates on the dates of the transactions, using a monthly average considering the initial and final exchange rates of each month. Exchange differences from the conversion to euro of the profits and losses for the reporting period, arising from the difference between the exchange rate used in the income statement and the exchange rate prevailing at the balance sheet date, are recognised in "Reserves and retained earnings - exchange differences resulting from the consolidation of Group's companies". The exchange rates used by the Group are detailed in note 54.

On disposal of investments in foreign subsidiaries for which there is loss of control, exchange differences related to the investment in the foreign operation and to the associated hedge transaction previously recognised in reserves are transferred to profit or loss, as part of the gains or loss arising from the disposal.

The Group applies IAS 29 – Financial reporting in hyperinflationary economies to the financial statements of entities that present accounts in the functional currency of an economy that has hyperinflation. In applying this policy, non-monetary assets and liabilities are adjusted based on the price index from the date of acquisition. The restated values of assets are reduced by the amount that exceeds their recoverable amount, in accordance with the applicable IFRS.

Equity components are also updated considering the price index from the beginning of the period or the date of the contribution if earlier.

When the classification as a hyperinflationary economy is applied to associates, its effects are included in the Group's financial statements by applying the equity method of accounting on the financial statements restated in accordance with the requirements of IAS 29. The effects of the application of IAS 29 with impact on equity items are recognised against the item "Reserves and retained earnings".

In accordance with the requirements provided in IAS 29, Angola was considered as a hyperinflationary economy until 31 December 2018. This classification is no longer applicable as at 1 January 2019.

B7. Transactions eliminated on consolidation

The balances and transactions between Group's companies, as well as any unrealised gains and losses arising from these transactions, are eliminated in the preparation of the consolidated financial statements. Unrealised gains and losses arising from transactions with associates and jointly controlled entities are eliminated in the proportion of the Group's investment in these entities.

C. Financial instruments (IFRS 9)

C1. Financial assets

C1.1. Classification, initial recognition and subsequent measurement

At the initial recognition, financial assets are classified into one of the following categories:

– “Financial assets at amortised cost”;
– “Financial assets at fair value through other comprehensive income”; or,
– “Financial assets at fair value through profit or loss”.

The classification is made taking into consideration the following aspects:

– the Group's business model for the management of the financial asset; and,
– the characteristics of the contractual cash flows of the financial asset.

In the initial determination of fair value, if it is not based on observable market data for the financial instruments under analysis, the difference (when materially relevant) between the transaction price and the fair value (day 1 P&L) should not be immediately recognised in profit or loss. It should be deferred and recognised as a gain or loss only when the unobservable inputs become observable, or as the entity completes the transaction.

Business Model Evaluation

At the time of acquisition of financial instruments, the Group carries out an evaluation of the business model in which the are held at portfolio level, since this approach reflects how assets are managed and how that information is made available to management bodies. The information considered in this evaluation included:

– the policies and purposes established for the portfolio and the practical operability of these policies, including how the management strategy focuses on receiving contractual interest, maintaining a certain interest rate profile, adjusting the duration of financial assets to the duration of liabilities that finance these assets or on the realisation of cash flows through the sale of the assets;

– how the performance of the portfolio is evaluated and reported to the Group's management bodies;

– the evaluation of the risks that affect the performance of the business model (and of the financial assets held under this business model) and the way these risks are managed;

– the remuneration of business managers, i.e., in what way the compensation depends on the fair value of the assets under management or on contractual cash flows received; and,

– the frequency, volume and sales periodicity in previous periods, the reasons for these sales and the expectations about future sales. However, sales information should not be considered individually, but as part of an overall assessment of how the Group establishes financial asset management objectives and how cash flows are obtained.

Financial assets held for trading and financial assets managed and valued at fair value by option are measured at fair value through profit or loss because they are not held either for the collection of contractual cash flows (HTC), nor for the collection of cash flows and sale of these financial assets (HTC and Sell).

Evaluation if the contractual cash flows correspond to Solely Payments of Principal and Interest (SPPI)

For the purposes of this assessment, "principal" is defined as the fair value of the financial asset at initial recognition. "Interest" is defined as the counterparty for the time value of money, for the credit risk associated with the amount owed over a given period and for other risks and costs associated with the activity (e.g., liquidity risk and administrative costs), as well as for a profit margin.

In the evaluation of the financial instruments in which contractual cash flows refer exclusively to the receipt of principal and interest, the Group considered the original contractual terms of the instrument. This evaluation included the analysis of the existence of situations in which the contractual terms can modify the periodicity and the amount of the cash flows so that they do not fulfil the SPPI condition. In the evaluation process, the Group considered:

– contingent events that may change the periodicity and the amount of the cash flows;
– characteristics that result in leverage;
– terms of prepayment and extension of maturity;
– terms that may limit the right of the Group to claim cash flows in relation to specific assets (e.g., contracts with terms that prevent access to assets in case of default – non-recourse asset); and,
– characteristics that may change the time value of money.

In addition, an advance payment is consistent with the SPPI criterion if:

– the financial asset is acquired or originated with a premium or discount in relation to the contractual nominal value;

- the prepayment represents substantially the nominal amount of the contract plus accrued but unpaid contractual interest (this may include reasonable compensation for prepayment); and,

– the prepaid fair value is insignificant at initial recognition.

C1.1.1. Financial assets at amortised cost

Classification

A financial asset is classified under the category "Financial assets at amortised cost" if both of the following conditions are met:

- the financial asset is held within a business model whose objective is to hold financial assets in order to collect their contractual cash flows; and,
- its contractual cash flows occur on specific dates and are solely payments of principal and interest on the principal amount outstanding (SPPI).

The "Financial assets at amortised cost" category includes loans and advances to credit institutions, loans and advances to customers and debt instruments managed based on a business model whose purpose is to receive their contractual cash flows (government bonds, bonds issued by companies and commercial paper).

Initial recognition and subsequent measurement

Loans and advances to credit institutions and loans and advances to customers are recognised at the date the funds are made available to the counterparty (settlement date). Debt instruments are recognised on the trade date, that is, on the date the Group accepts to acquire them.

Financial assets at amortised cost are initially recognised at fair value plus transaction costs and are subsequently measured at amortised cost. In addition, they are subject, at their initial recognition, to the measurement of impairment losses for expected credit losses (note C1.5), which are recognised in "'Impairment of financial assets measured at amortised cost".

Interest of financial assets at amortised cost is recognised under "Interest and similar income", based on the effective interest rate method and in accordance with the criteria described in note C3.

Gains or losses generated at the time of derecognition are recorded in "Gains/(losses) arising from derecognition of financial assets and liabilities not measured at fair value through profit or loss".

C1.1.2. Financial assets at fair value through other comprehensive income

Classification

A financial asset is classified under the category of "Financial assets at fair value through other comprehensive income" if both of the following conditions are met:

- the financial asset is held within a business model whose objective is both to collect its contractual cash flows and to sell this financial asset; and,
- its contractual cash flows occur on specific dates and are solely payments of principal and interest on the principal amount outstanding (SPPI).

In addition, at the initial recognition of an equity instrument that is not held for trading, and where there is no contingent consideration recognised by an acquirer in a business combination to which IFRS 3 applies, the Group may irrevocably choose to classify it in the category of "Financial assets at fair value through other comprehensive income" (FVOCI). This option is exercised on a case-by-case basis and is only available for financial instruments that comply with the definition of equity instruments provided in IAS 32 and cannot be used for financial instruments whose classification as an equity instrument under the scope of the issuer is made under the exceptions provided in paragraphs 16A to 16D of IAS 32.

Initial recognition and subsequent measurement

Debt instruments at fair value through other comprehensive income are initially recognised at fair value plus transaction costs and are subsequently measured at fair value. Changes in the fair value of these financial assets are recognised against other comprehensive income and, at the time of their disposal, the respective gains or losses accumulated in other comprehensive income are reclassified to a specific income statement item designated "Gains or losses on derecognition of financial assets at fair value through other comprehensive income”.

Debt instruments at fair value through other comprehensive income are also subject from their initial recognition to the measurement of impairment losses for expected credit losses (note C1.5). Impairment losses are recognised in the income statement under "Impairment of financial assets at fair value through other comprehensive income", against “Other comprehensive income”, and do not reduce the carrying amount of the financial asset in the balance sheet.

Interest, premiums or discounts on financial assets at fair value through other comprehensive income are recognised in "Interest and similar income", based on the effective interest rate method and in accordance with the criteria described in note C3.

Equity instruments at fair value through other comprehensive income are initially recognised at fair value plus transaction costs and are subsequently measured at fair value. The changes in the fair value of these financial assets are recognised against “Other comprehensive income”. Dividends are recognised in the income statement when the right to receive them is attributed.

Impairment is not recognised for equity instruments at fair value through other comprehensive income, and the respective accumulated gains or losses recognised in “Fair value changes” are transferred to “Retained earnings” at the time of their derecognition.

C1.1.3. Financial assets at fair value through profit or loss

Classification

A financial asset is classified in the category "Financial assets at fair value through profit or loss" if the business model defined by the Group for its management or the characteristics of its contractual cash flows do not meet the conditions described above to be measured at amortised cost or at fair value through other comprehensive income (FVOCI).

In addition, the Group may irrevocably designate a financial asset at fair value through profit or loss that meets the criteria to be measured at amortised cost or at FVOCI at the time of its initial recognition if this eliminates or significantly reduces an inconsistency in measurement or recognition (accounting mismatch), that will otherwise arise from measuring assets or liabilities or recognising their gains and losses in different bases.

The Group classified "Financial assets at fair value through profit or loss" in the following items:

a) “Financial assets held for trading”

These financial assets are acquired with the purpose of short-term selling; at the initial recognition, they are part of a portfolio of identified financial instruments and for which there is evidence of profit-taking in the short-term; or they can be defined as derivatives (except for hedging derivatives).

b) “Financial assets not held for trading mandatorily at fair value through profit or loss”

This item classifies debt instruments whose contractual cash flows do not correspond solely to payments of principal and interest on the principal amount outstanding (SPPI).

c) “Financial assets designated at fair value through profit or loss” (Fair Value Option)

This item includes the financial assets that the Group has chosen to designate at fair value through profit or loss to eliminate accounting mismatch.

Initial recognition and subsequent measurement

Considering that the transactions carried out by the Group in the normal course of its business are in market conditions, financial assets at fair value through profit or loss are initially recognised at their fair value, with the costs or income associated with the transactions recognised in profit or loss at the initial moment. Subsequent changes in the fair value of these assets are recognised in profit or loss.

The accrual of interest and of the premium/discount (when applicable) is recognised in "Net interest income", based on the effective interest rate of each transaction, except the accrual of interest from trading derivatives that are recognised in “Gains/(losses) on financial operations at fair value through profit or loss”. Dividends are recognised in profit or loss when the right to receive them is attributed.

Trading derivatives with a positive fair value are included in the item "Financial assets held for trading", while trading derivatives with negative fair value are included in "Financial liabilities held for trading".

C1.2. Reclassification between categories of financial assets

Financial assets should be reclassified into other categories only if the business model used in their management has changed. In this case, all financial assets affected must be reclassified.

The reclassification must be applied prospectively from the date of reclassification and any gains, losses (including those related to impairment) or interest previously recognised should not be restated.

The reclassification of investments in equity instruments measured at fair value through other comprehensive income is not allowed, nor of financial instruments designated at fair value through profit or loss.

C1.3. Modification and derecognition of financial assets

General principles

i) The Group shall derecognise a financial asset when, and only when:

- the contractual rights to the cash flows from the financial asset expire; or,
- it transfers the financial asset as set out in notes ii) and iii) below and the transfer qualifies for derecognition in accordance with note iv).

ii) The Group transfers a financial asset if, and only if, it either:

- transfers the contractual rights to receive the cash flows of the financial asset; or,
- retains the contractual rights to receive the cash flows of the financial asset but assumes a contractual obligation to pay the cash flows to one or more recipients in an arrangement that meets the conditions presented in note iii).

iii) When the Group retains the contractual rights to receive the cash flows of a financial asset (the "original asset"), but assumes a contractual obligation to pay these cash flows to one or more entities (the "eventual recipients"), the Group shall treat the transaction as a transfer of a financial asset if, and only if, all three of the following conditions are met:

- the Group does not have any obligation to pay amounts to the eventual recipients, unless it collects equivalent amounts from the original asset. Short-term advances with the right of full recovery of the amount lent, plus accrued interest at market rates, do not violate this condition;
- the Group is contractually prohibited from selling or pledging the original asset other than as a security to the eventual recipients due its obligation to pay them cash flows; and,
- the Group has an obligation to remit any cash flows it collects on behalf of the eventual recipients without material delay. In addition, it is not entitled to reinvest such cash flows, except for investments in cash or cash equivalents (as defined in IAS 7 – Statement of Cash Flows) during the short settlement period from the collection date until the date of required remittance to the eventual recipients, and interest earned on such investments is passed to the eventual recipients.

iv) When the Group transfers a financial asset (see note ii) above), it shall evaluate the extent to which it retains the risks and rewards arising from owning the financial asset. In this case:

- if the Group transfers substantially all the risks and rewards arising from owning the financial asset, it shall derecognise the financial asset and recognise separately any rights and obligations created or retained in the transfer, as assets or liabilities;
- if the Group retains substantially all the risks and rewards arising from owning the financial asset, it shall continue to recognise the financial asset;
- if the Group neither transfers nor retains substantially all the risks and rewards arising from owning the financial asset, it shall determine whether it retained control of the financial asset. In this case:

a) if the Group did not retain control, it shall derecognise the financial asset and recognise separately, as assets or liabilities, any rights and obligations created or retained in the transfer;

b) if the Group retained control, it shall continue to recognise the financial asset to the extent of its continued involvement in the financial asset.

v) The transfer of risks and rewards (see prior note) is evaluated by comparing the Group's exposure, before and after the transfer, with the variability in the amounts and timing of the net cash flows of the transferred asset.

vi) The question of whether the Group retained or not control (see note iv) above) over the transferred asset depends on the transferee's ability to sell the asset. If the transferee has the practical ability to sell the asset in its entirety to an unrelated third party and can exercise that ability unilaterally without needing to impose additional restrictions on the transfer, the entity did not retain control. In all other cases, the entity retained control.

Derecognition criteria

In the context of the general principles listed in the previous section, and considering that contract modification processes may lead, in some circumstances, to the derecognition of the original financial assets and recognition of new ones (subject to the identification of purchased or originated credit-impaired financial assets - POCI), the purpose of this section is to set the criteria and circumstances that may lead to the derecognition of a financial asset.

The Group considers that a modification in the terms and conditions of a credit exposure will result in derecognition of the transaction and in recognition of a new transaction when the modification translates into at least one of the following conditions:

– Creation of a new exposure that results from a debt consolidation, without any of the derecognised instruments having a nominal value higher than 90% of the nominal amount of the new instrument;

– Double extension of the residual maturity, provided that the extension is not shorter than 3 years compared to the residual maturity in the moment of the modification;

– Increase of on balance exposure by more than 10% compared to the nominal amount (refers to the last approved amount on the operation subject to modification);

– Change in qualitative features, namely:

i) Change of currency, unless the exchange rate between the old and the new currency is pegged or managed within limits restricted by law or the relevant monetary authorities;

ii) Exclusion or addition of a substantial equity conversion feature to a debt instrument, unless it is not reasonably possible that it will be exercised over its term;

iii) Transfer of the instrument's credit risk to another borrower, or a significant change in the structure of borrowers within the instrument.

iv) Deletion or addition to the debt instrument of features of the "Pay If You Can" type or dependent on the financial performance of the debt instrument.

In the case of a restructuring due to financial difficulties of the debtor, only the criteria set out in items ii, iii and iv of the above paragraphs should be checked (the other criteria listed in this paragraph are not relevant in such situations).

Under the regulatory changes that occurred in Poland and the negotiations with customers holding mortgage loans in foreign currency described in note 57, and which correspond to contractual modifications made in accordance with IFRS 9, when the cash flows resulting from the agreement are subject to modification and a given asset is not derecognised, the Group adjusts the gross book value of the financial asset and recognises the profit or loss due to the modification in the Income Statement - Results on modification. The adjustment to the gross carrying amount of a financial asset is the difference between the discounted cash flows before and after contract modification.

Loans written-off

The Group writes off a loan when it does not have reasonable expectations of recovering a financial asset in its entirety or partially. Loan recoveries and loans written off are recorded under the Impairment of financial assets at amortised cost and in off-balance sheet accounts, respectively.

C1.4. Purchased or originated credit-impaired assets

Purchased or originated credit-impaired (POCI) assets are assets that present objective evidence of credit impairment in the moment of their initial recognition. An asset is credit-impaired if one or more events have occurred with a negative impact on the estimated future cash flows of the asset.

The two events that lead to a POCI exposure are presented as follows:

- financial assets arising from a recovery process, where there have been changes to the terms and conditions of the original agreement, which presented objective evidence of impairment that resulted in its derecognition (note C1.3) and recognition of a new contract that reflects the credit losses incurred;
- financial assets acquired with a significant discount, where the existence of a significant discount reflects credit losses incurred at the time of their initial recognition.

At initial recognition, POCI assets do not carry an impairment allowance. Instead, lifetime expected credit losses (ECL) are incorporated into the calculation of the effective interest rate (EIR). Consequently, at initial recognition, the gross book value of POCI (initial balance) is accounted for at fair value and it's equal to the net book value before being recognised as POCI (difference between the initial balance and the total discounted cash flows).

C1.5. Impairment losses

C1.5.1. Financial instruments subject to impairment losses recognition

The Group recognises impairment losses for expected credit losses on financial instruments recognised in the following accounting items:

C1.5.1.1. Financial assets at amortised cost

Impairment losses on financial assets at amortised cost reduce the balance sheet value of these financial assets against the item "Impairment of financial assets at amortised cost" (in the income statement).

C1.5.1.2. Debt instruments at fair value through other comprehensive income

Impairment losses for debt instruments at fair value through other comprehensive income are recognised in the income statement under "Impairment of financial assets at fair value through other comprehensive income", against other comprehensive income (they do not reduce the balance sheet amount of these financial assets).

C1.5.1.3. Credit commitments, documentary credits and financial guarantees

Impairment losses associated with credit commitments, documentary credits and financial guarantees are recognised in liabilities, under the balance "Provisions for guarantees and other commitments", against "Other provisions" (in the income statement).

C1.5.2. Classification of financial instruments by stages

	Changes in credit risk since the initial recognition		
	Stage 1	Stage 2	Stage 3
Classification criterion	Initial recognition	Significant increase in credit risk since initial recognition	Impaired
Impairment losses	12-month expected credit losses	Lifetime expected credit losses	

The Group determines the expected credit losses of each operation as a result of the deterioration of credit risk since its initial recognition. For this purpose, operations are classified into one of the following three stages:

- Stage 1: the operations in which there is no significant increase in credit risk since its initial recognition are classified in this stage. Impairment losses associated with operations classified in this stage correspond to expected credit losses resulting from a default event that may occur within 12 months after the reporting date (12-month expected credit losses);

- Stage 2: the operations in which there is a significant increase in credit risk since its initial recognition (note C1.5.3) but are not impaired (note C1.5.4) are classified in this stage. Impairment losses associated with operations classified in this stage correspond to the expected credit losses resulting from default events that may occur over the expected residual life of the operations (lifetime expected credit losses);
- Stage 3: impaired operations are classified in this stage. Impairment losses associated with operations classified at this stage correspond to lifetime expected credit losses.

C1.5.3. Significant increase in credit risk (SICR)

The Group uses a set of criteria to determine whether there is a significant increase in the Probability of Default (PD) (Significant increase in Credit Risk) associated with credit exposures, which leads to a stage 2 classification. Among the criteria considered by the Group, the following are noteworthy:

(i) customers classified with procedural risk grade 123 or 124, due to material arrears of more than 30 days or being monitored by credit recovery, or with no assigned risk grade;

(ii) customers with a deterioration of the risk grade on the internal scale, above pre-defined thresholds, between the initial recognition date of the contract and the impairment calculation date;

(iii) relative change in the cumulative Probability of Default (PD) over the remaining maturity of the exposure (Lifetime Forward-looking PD) exceeding a specified threshold;

(iv) exposures for which the absolute value of the 12-month Forward-looking PD at the reporting date exceeds a specified threshold;

(v) customers with operations restructured due to financial difficulties;

(vi) customers with incidents reported through the Banco de Portugal's Central Credit Register; and

(vii) customers subject to individual analysis for whom a stage 2 classification has been concluded due to the occurrence of a significant increase in credit risk, taking into account a set of predetermined indicators for this purpose.

Exposures that no longer meet the criteria to be classified as stage 2 are classified as stage 1.

C1.5.4. Definition of financial assets in default and impaired

All customers who meet at least one of the following conditions are marked as default and, consequently, in NPE:

a) Delay over 90 days of material payment:

- Amounts of principal, interest or fees not paid on the due date that, cumulatively, represent:
i) more than EUR 100 (retail) or more than EUR 500 (non-retail); and,
ii) more than 1% of the total debt (direct liabilities).

After these two conditions are met, the counting of days of delay begins: if more than 90 consecutive days in which the customer is in this situation have been counted, it is classified as default.

The existence of a material payment delay gives rise to the default setting of all holders of the operation (or operations).

b) Signs of low probability of payment:

i. Credit restructuring due to financial difficulties with loss of value;
ii. Delay after restructuring due to financial difficulties;
iii. Recurrence of restructuring due to financial difficulties;
iv. Credit with signs of impairment (or stage 3 of IFRS 9);
v. Insolvency or equivalent proceedings;
vi. Litigation;
vii. Guarantees of operations in default;
viii. Credit sales with losses;
ix. Credit fraud;
x. Unpaid credit status;
xi. Breach of covenants in a credit agreement;
xii. Spread of default in an economic group;
xiii. Cross default in BCP Group.

C1.5.5. Estimates of expected credit losses - Individual analysis

1. Customers who are in one of the following conditions are subject to individual analysis:

– Customers in litigation or insolvency, if the total exposure of the group members in these situations exceeds EUR 1 million;

– Groups or Customers with exposures exceeding EUR 5 million, provided that a Group member has a risk grade of 125 or 124, or has a restructured loan with a risk grade of 123;

– Groups or Customers with exposures exceeding EUR 10 million, provided that a Group member has at least one contract classified as Stage 2;

– Groups or Customers, not included in the previous categories, with exposures exceeding EUR 25 million.

2. Regardless of the criteria described in the previous point, the individual analysis is only performed for customers with a credit exposure over EUR 500,000, while customers with exposure below this limit are not considered for the purpose of determining the exposure referred to in the previous point.

3. Other customers that do not meet the criteria defined in 1 will also be subject to individual analysis, if under the following conditions:

– they have impairment as a result of the latest individual analysis;

– are classified in stage 2 as a result of the latest revision of the questionnaire analysing the signs of financial difficulties;

– according to recent information, they show a significant deterioration in risk levels.

4. The individual analysis includes the following procedures:

– for customers that are not in default, the analysis of financial difficulties indicators to determine whether the customer has objective signs of impairment, or whether it should be classified in stage 2 given the occurrence of a significant increase in credit risk, considering for this purpose a set of predetermined signs;

– for customers in default or for which the previous analysis has allowed to conclude that the customer has objective signs of impairment, determination of the loss.

5. For the situations identified in the first paragraph of point 4 above, involving corporate customers, the analysis is the responsibility of the Rating Division, and the responsibility of the Credit Division for the remaining customers.

6. For the situations identified in the second paragraph of point 4 above, the individual analysis to determine the loss is the responsibility of the customer's management divisions and of the Credit Division, the latter with regard to the customers managed by the Commercial Networks.

The assessment of existence of impairment losses in individual terms is determined through an analysis of the total credit exposure on a case-by-case basis. For each loan considered individually significant, the Group assessed at each balance sheet date the existence of objective evidence of impairment. In the assessment of impairment losses in individual terms, the following factors were considered:

– total exposure of each customer towards the Group and the existence of overdue loans;

– viability of the customer’s business and its capacity to generate enough cash flows to service debt obligations in the future;

– the existence, nature and estimated value of the collaterals associated to each loan;

– the customer’s assets in liquidation or insolvency situations and the existence of preferential creditor rights;

– the amount and expected recovery term.

7. Each of the units referred to in the previous point is responsible for assigning an expectation and a recovery period to exposures relating to customers subject to individual analysis, which must be transmitted to the Risk Office as part of the regular process of collecting information, accompanied by detailed justification of the proposed impairment.

8. The expected recovery shall be represented by a recovery rate of the total outstanding exposure, which may be a weighted rate considering the different recovery prospects for each part of the customer's liabilities.
9. The recovery estimation referred to in the previous point should be influenced by future prospects (forward-looking), contemplating not only a more expected scenario but also alternative scenarios (an unbiased and probability-weighted amount). The application and weighting of the scenarios should be carried out both from an overall perspective and from an individualised perspective, the latter when cases that, due to their specificity, have a high degree of uncertainty regarding the expected recovery estimation are identified.
10. The macroeconomic adjustment set out in previous point should be analysed annually and weighted according to the type of recovery strategy associated with the exposure under analysis:

- for Going Concern strategies (i.e., the estimation is based on the cash flows of the business), the possibility of applying the 2 additional macroeconomic scenarios (optimistic and pessimistic) should be analysed in a global way, to ascertain if there is the risk of a skewed view of the expected losses from the consideration of only one scenario;
- for Gone Concern strategies (i.e., the recovery estimation is based on the realisation of the collateral), the impact of the macroeconomic scenario on collaterals should be analysed, for example, to what extent the projected real estate index indicates significant changes ahead for the current valuation values.

11. It is the responsibility of the units referred to in points 5 and 6 to consider in their forecast macroeconomic expectations that may influence the recoverability of the debt.
12. For the purposes of the preceding paragraphs, the Group's Economic Studies Area shall disclose the macroeconomic data that allow the estimations to be made.
13. The decision to consider global impacts related to the going and gone concern scenarios should be made by the Risk Committee, as proposed by the Risk Office.
14. For specific cases with a high degree of uncertainty, the allocation of alternative scenarios should be considered casuistically. Examples of recovery situations with a degree of uncertainty include:

- recovery of collateral in geographies in which the Group has no relevant recovery experience;
- recovery of debt related to geographies in which there is strong political instability;
- recovery of non-real estate collateral for which there is no evidence of market liquidity;
- recovery of related collateral or government guarantees in a currency other than the country's own;
- recovery of debt related to debtors for whom there is a strong negative public exposure.

15. The Risk Office is responsible for reviewing the information collected and for clarifying all identified inconsistencies, as well as for the final decision on the customer's impairment.
16. Customers that have objective signs of impairment, but an individual impairment amount is equal to zero, are included in the collective analysis, assuming a PD 12-month equivalent to the risk grade 115 of the Master Scale.
17. The individual analysis must be carried out annually and may be carried out more frequently for customers who fall into certain situations of possible increased risk. In case significant signs of deterioration or improvement in the customer’s economic and financial situation are detected, as well as the macroeconomic conditions affecting the customer's ability to accomplish debt, it is the responsibility of the Risk Office to promote the early review of the individual analysis of this customer.

C1.5.6. Estimates of expected credit losses - Collective analysis

Transactions that are not subject to an individual impairment analysis for the determination of loss are grouped considering their risk characteristics and subject to a collective impairment analysis. The Group's credit portfolio is divided by internal risk grades and according to the following segments:

a) Segments with a reduced history of defaults, designated "low default": Large corporate exposures, Project finance, Institutions (banks/financial institutions), Sovereigns and Real estate development;

b) Segments not "low default":

- Retail: Mortgage, Consumer and Small and medium-sized enterprises - Retail;

- Corporate: Small and medium enterprises - Corporate.

The Group performs statistical tests in order to prove the homogeneity of the segments mentioned above, with a minimum period of one year.

Expected credit losses are estimates of credit losses that are determined as follows:

– financial assets with no signs of impairment at the reporting date: the present value of the difference between the contractual cash flows and the cash flows that the Group expects to receive;

– financial assets with impairment at the reporting date: the 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 resulting contractual cash flows if the commitment is made and the cash flows that the Group expects to receive;

– financial guarantees: the current value of the expected repayments less the amounts that the Group expects to recover.

The main parameters used to measure ECLs on a collective basis should include the following variables:

– Probability of Default – PD;

– Loss Given Default – LGD; and,

– Exposure at Default – EAD.

These parameters are obtained through internal statistical models and other relevant historical data, considering the already existing regulatory models adapted to the requirements of IFRS 9.

PDs are estimated based on a certain historical period and will be calculated based on statistical models. These models are based on internal data including both quantitative and qualitative factors. If there is a change in the risk of the counterparty or exposure, the estimate of the associated PD will also vary. The PDs will be calculated considering the contractual maturities of exposures.

The risk grades are a highly relevant input for determining the PD associated with each exposure.

The Group collects performance and default indicators about their credit risk exposures with analysis by types of customers and products.

LGD is the magnitude of the loss that is expected to occur if an exposure goes into default. The Group estimates the LGD parameters based on the historical recovery rates after entry into counterparty defaults. The LGD models consider the associated collaterals, the counterparty activity sector, the default time, as well as the recovery costs. In the case of contracts secured by real estate, it is expected that the LTV (loan-to-value) ratios are a parameter of high relevance in the determination of LGD, considering the applicable haircuts as well as the estimated time and costs for recovery, and the estimated time required for the sale.

For exposures relating to debt securities issued by Banks or Sovereigns, or to issuances of subordinated debt securities, the LGD used in the estimation of credit losses corresponds to the LGD applied for regulatory capital requirement purposes (CRR).

The EAD represents the expected exposure if the exposure and/or customer defaults. The Group obtains the EAD values from the counterparty's current exposure and potential changes to its current value as a result of the contractual conditions, including amortisations and prepayments. For commitments and financial guarantees, the value of the EAD will consider both the amount of credit used and the expectation of future potential value that may be used in accordance with the agreement.

For exposures covered by guarantees issued by Mutual Guarantee Societies or by supranational entities, the Bank applies, to the covered part of the EAD, the PD and LGD parameters associated with these entities.

As described above, except for financial assets that consider a 12-month PD as they do not present a significant increase in credit risk, the Group will calculate the ECL value considering the risk of default during the maximum contractual maturity period of the contract, even if, for the purpose of risk management, it is considered to be a longer period. The maximum contractual period shall be considered as the period up to the date on which the Group has the right to require payment or end the commitment or guarantee.

For revolving operations classified in stage 2, the Group conservatively considers a residual term of 5 years, determined based on the behavioural models associated with this type of product.

Incorporation of forward-looking information:

The Group uses models to forecast the evolution of the most relevant parameters for the expected credit losses, namely probability of default, which incorporate forward-looking information. This incorporation of forward-looking information is carried out in the relevant elements considered for the calculation of expected credit losses (ECL).

In particular, the PD point-in-time (PDpit) considered for the determination of the probability of performing exposures at the reference date becoming defaulted exposures considers the expected values for a set of macroeconomic variables, based on three scenarios (Central, Upside and Downside Scenario) prepared by the Group's Economic Studies area. These scenarios, which are used across the Group for various purposes besides calculating impairment, consider existing forecasts by reference entities.

In June 2026, the Bank updated its macroeconomic scenarios and made the corresponding adjustments to the parameters used in the collective impairment model.

As part of the IFRS 9 impairment model review carried out in 2025, new CCF parameters were implemented during the current semester, reflecting the updates introduced to the calculation methodology.

C2. Financial liabilities

C2.1. Classification, initial recognition and subsequent measurement

At initial recognition, financial liabilities are classified in one of the following categories:

– “Financial liabilities at amortised cost”;

– “Financial liabilities at fair value through profit or loss”.

C2.1.1. Financial liabilities at fair value through profit or loss

Classification

Financial liabilities classified under "Financial liabilities at fair value through profit or loss" include:

a) “Financial liabilities held for trading”

In this balance the issued liabilities are classified with the purpose of repurchasing in the near term, those that form part of a portfolio of identified financial instruments that are managed together and for which there is evidence of a recent actual pattern of short-term profit-taking; or is a derivative (except for a derivative classified as hedging instrument).

b) “Financial liabilities designated at fair value through profit or loss”

The Group may irrevocably assign a financial liability at fair value through profit or loss at the time of its initial recognition if at least one of the following conditions is met:

– the financial liability is managed, evaluated and reported internally at its fair value; or,

– the designation eliminates or significantly reduces the accounting mismatch of transactions.

Initial recognition and subsequent measurement

Considering that the transactions carried out by the Group in the normal course of its business are made in market conditions, financial liabilities at fair value through profit or loss are initially recognised at fair value with the costs or income associated with the transactions recognised in profit or loss at the initial moment.

Subsequent changes in the fair value of these financial liabilities are recognised as follows:

- the amount of change in the fair value of the financial liability that is attributable to changes in the credit risk of that liability shall be presented in other comprehensive income;
- the remaining amount of change in the fair value of the liability shall be presented in profit or loss.

The accrual of interest and the premium/discount (when applicable) is recognised in "Interest and similar expense" based on the effective interest rate of each transaction.

C2.1.2. Financial guarantees

If they are not designated at fair value through profit or loss at the time of initial recognition, the financial guarantee contracts are subsequently measured at the highest of the following amounts:

- the provision for losses determined according to the criteria described in note C1.5;
- the amount initially recognised deducted, when appropriate, from the accumulated amount of income recognised according to IFRS 15 - Revenue from contracts with customers.

Financial guarantee contracts that are not designated at fair value through profit or loss are presented under "Provisions".

C2.1.3. Financial liabilities at amortised cost

Classification

Financial liabilities that were not classified at fair value through profit or loss, or correspond to financial guarantee contracts, are measured at amortised cost.

The category "Financial liabilities at amortised cost" includes deposits from credit institutions and other funds, deposits from customers and other funds, as well as subordinated and non-subordinated debt securities.

Initial recognition and subsequent measurement

Financial liabilities at amortised cost are initially recognised at fair value plus transaction costs and are subsequently measured at amortised cost. Interest on financial liabilities at amortised cost are recognised in "Interest and similar expense", based on the effective interest rate method.

C2.2. Reclassification between categories of financial liabilities

Reclassifications of financial liabilities are not allowed.

C2.3. Derecognition of financial liabilities

The Group derecognises financial liabilities when these are cancelled or extinct.

C3. Interest recognition

Income and expense related to interest from financial instruments measured at amortised cost are recognised in "Interest and similar income" and "Interest and similar expense" (net interest income) through the effective interest rate method. Interest related to financial assets at fair value through other comprehensive income is also recognised in net interest income.

The effective interest rate is the rate that discounts estimated future cash payments or receipts through the expected life of the financial instrument (or, when appropriate, for a shorter period), to the net carrying amount of the financial asset or financial liability.

For calculating the effective interest rate, the Group estimates future cash flows considering all contractual terms of the financial instrument (e.g., early payment options) but without considering future impairment losses. The calculation includes all fees paid or received considered as included in the effective interest rate, transaction costs and all other premiums or discounts directly related to the transaction, except for assets and liabilities at fair value through profit and loss.

Interest income recognised in income associated with contracts classified in stage 1 or 2 are determined by applying the effective interest rate for each contract on its gross book value. The gross balance of a contract is its amortised cost, before deducting the respective impairment. For financial assets included in stage 3, interest is recognised in the income statement based on its net book value (less impairment). The interest recognition is always made in a prospective way, i.e., for financial assets entering stage 3, interest is recognised at the amortised cost (net of impairment) in subsequent periods.

For purchased or originated credit-impaired assets (POCI), the effective interest rate reflects the expected credit losses in determining the expected future cash flows receivable from the financial asset.

C4. Hedge accounting

As allowed by IFRS 9, the Group opted to continue to apply the hedge accounting requirements in accordance with IAS 39.

The Group designates derivatives and other financial instruments to hedge its exposure to interest rate and foreign exchange risk, resulting from financing and investment activities. Derivatives that do not qualify for hedge accounting are accounted for as trading instruments.

Derivative hedging instruments are stated at fair value and gains and losses on revaluation are recognised in accordance with the hedge accounting model adopted by the Group. A hedge relationship exists when:

- at the inception of the hedging relationship there is formal documentation of the hedging relationship;
- the hedge is expected to be highly effective;
- the effectiveness of the hedge can be reliably measured;
- the hedge is assessed on a continuous basis and highly effective throughout the reporting period; and,
- for hedges of a forecasted transaction, the transaction is highly probable and presents an exposure to variations in cash flows that could ultimately affect profit or loss.

When a derivative financial instrument is used to hedge foreign exchange variations arising from monetary assets or liabilities, no hedge accounting model is applied. Any gain or loss associated to the derivative is recognised through profit or loss, as well as changes in currency risk of the monetary items.

C4.1. Fair value hedge

Changes in the fair value of derivatives that are designated and qualify as fair value hedge instruments are recognised in profit or loss, together with changes in the fair value attributable to the hedged risk of the asset or liability or group of assets and liabilities. If the hedge relationship no longer meets the criteria for hedge accounting, the cumulative gains and losses due to variations of hedged risk linked to the hedge item recognised until the discontinuance of the hedge accounting are amortised through profit or loss over the residual term of the hedged item.

C4.2. Cash flow hedge

In a hedge relationship, the effective portion of changes in fair value of derivatives that are designated and qualify as cash flow hedges are recognised in equity - cash flow hedge reserves in the effective part of the hedge relations. Any gain or loss relating to the ineffective portion of the hedge is immediately recognised in profit and loss when occurred.

Amounts accumulated in equity are reclassified to profit or loss in the periods in which the hedged item will affect profit or loss.

In case of hedging variability of cash flows, when the hedge instrument expires or is disposed or when the hedging relationship no longer meets the criteria for hedge accounting, or when the hedge relation is revoked, the hedge relationship is discontinued on a prospective basis. Therefore, the fair value changes of the derivative accumulated in equity until the date of the discontinued hedge accounting can be:

– deferred over the residual period of the hedged instrument; or,
– recognised immediately in results if the hedged instrument is extinguished.

In the case of a discontinued hedge of a forecast transaction, the change in fair value of the derivative recognised in equity at that time remains in equity until the forecasted transaction is ultimately recognised in the income statement. When a forecasted transaction is no longer expected to occur, the cumulative gain or loss that was reported in equity is immediately transferred to profit or loss.

C4.3. Hedge effectiveness

For a hedge relationship to be classified as such according to IAS 39, effectiveness must be demonstrated. As such, the Group performs prospective tests at the beginning date of the initial hedge, if applicable, and retrospective tests in order to demonstrate at each reporting period the effectiveness of the hedging relationships, demonstrating that the variations in fair value of the hedging instrument are hedged by the fair value variations of the hedged item in the portion assigned to the risk covered. Any ineffectiveness is recognised immediately in profit or loss when incurred.

C4.4. Hedge of a net investment in a foreign operation

Hedges of net investments in foreign operations are accounted for similarly to cash flow hedges. Any exchange gain or loss on the hedging instrument relating to the effective portion of the hedge is recognised in equity. The gain or loss relating to the ineffective portion is immediately recognised in profit or loss. Gains and losses accumulated in equity related to the investment in a foreign operation and to the associated hedge operation are recognised in equity and transferred to profit or loss, on the disposal of the foreign operation as part of the gain or loss from the disposal.

C5. Embedded Derivatives

An embedded derivative is a component of a hybrid agreement, which also includes a non-derived host instrument.

If the main instrument included in the hybrid contract is considered a financial asset, the classification and measurement of the entire hybrid contract is carried out in accordance with the criteria described in note C1.1.3.

Derivatives embedded in contracts that are not considered financial assets are treated separately whenever the economic risks and rewards of the derivative are not related to those of the main instrument, since the hybrid instrument is not initially recognised at fair value through profit or loss. Embedded derivatives are recorded at fair value with subsequent fair value changes recorded in profit or loss for the period and presented in the trading derivatives portfolio.

D. Securitisation operations

D1. Traditional securitisations

As at 30 June 2026, Banco Comercial Português held two residential mortgage securitisation operations in Portugal: Magellan Mortgages no.3 and no.4. Initially, the portfolios of these operations were derecognised from the Bank's individual balance sheet, as the risks and rewards related to the residual portions of the referred transactions, were transferred to institutional investors.

By purchasing a part or all of the most subordinated residual portion, the Group maintained control of the assets and liabilities of Magellan Mortgages no.3, this Special Purpose Entity (SPE) being consolidated in the Group's financial statements, in accordance with the accounting policy described in note 1 B.

The two operations are traditional securitisations, where each mortgage loan portfolio was sold to a Portuguese Loan Securitisation Fund, which has financed this purchase through the sale of securitisation units to an Irish-SPE. At the same time, this Special Purpose Entity (SPE) issued and sold in capital markets the different tranches of bonds.

D2. Synthetic securitisations

As at 30 June 2026, Banco Comercial Português held in Portugal two synthetic securitisation operations, with similar characteristics, with reference to credit portfolios granted by the Bank mainly to Small and Medium Enterprises (SMEs).

The operations currently underway are as follows:

- Caravela SME no.5, initiated on 20 December 2022, is supported by a diversified portfolio of medium-and-long-term loans, leasing contracts and commercial paper programmes.

- Caravela SME no.6, initiated on 28 February 2024, is supported on a credit portfolio of short-term exposures to Corporate customers, including current accounts overdrafts, authorised overdrafts and confirming agreements.

In any of these operations, the Bank contracted a Credit Default Swap (CDS) from a Special Purpose Entity (SPE), buying, this way, protection over the total referenced portfolio. As in all synthetic securitisations, under CDS, the risk of the respective portfolios was divided in 3 tranches: senior, mezzanine and equity.

The full amount of the mezzanine was placed on the market, with the Bank retaining the risk inherent of the full amount of the senior and equity tranches.

It should also be noted that in both transactions, the product of the CLNs issue was invested by the SPE in a deposit, which fully collateralises the responsibilities in the presence of its creditors including BCP in accordance with the CDS.

Within the scope of the active management of its synthetic securitisation structures, the Bank exercised the termination options provided for in the contracts relating to Caravela SME No. 4 and Caravela SME No. 3, whose respective Credit Default Swap (CDS) contracts were terminated on 22 December 2025 and 30 December 2025, respectively (as described in note 21).

E. Equity instruments

A financial instrument is an equity instrument only if: i) the instrument includes no contractual obligation to deliver cash or another financial asset to another entity or to exchange financial assets or financial liabilities with another entity under conditions that are potentially unfavourable to the entity; and, ii) the instrument will or may be settled in the issuer's own equity instruments, it is either a non-derivative that includes no contractual obligation for the issuer to deliver a variable number of its own equity instruments or a derivative that will be settled only by the issuer exchanging a fixed amount of cash or another financial asset for a fixed number of its own equity instruments.

An equity instrument, irrespective of its legal form, evidences a residual interest in the assets of an entity after deducting all its liabilities.

Transaction costs directly attributable to an equity instrument issuance are recognised in equity as a deduction to the amount issued. Amounts paid or received related to sales or acquisitions of equity instruments are recognised in equity, net of transaction costs.

Preference shares issued by the Group are considered as an equity instrument when redemption of the shares is solely at the discretion of the Group and dividends are paid at the discretion of the Group.

Income from equity instruments (dividends) are recognised when the obligation to pay is established and are deducted to equity.

F. Securities borrowing and repurchase agreement transactions

F1. Securities borrowing

Securities lent under securities lending arrangements continue to be recognised in the balance sheet and are measured in accordance with the applicable accounting policy. Cash collateral received in respect of securities lent is recognised as a financial liability. Securities borrowed under securities borrowing agreements are not recognised. Cash collateral placements in respect of securities borrowed are recognised under loans and advances to either banks or customers. Income and expenses arising from the securities borrowing and lending business are recognised on an accrual basis over the period of the transactions and are included in interest income or expense (net interest income).

F2. Repurchase agreements

The Group performs acquisition/sale of securities under reselling/repurchase agreements of securities substantially equivalent in a future date at a predetermined price ('repos'/'reverse repos'). The securities related to reselling agreements in a future date are not recognised in the balance sheet. The amounts paid are recognised in loans and advances to customers or loans and advances to credit institutions. The receivables are collateralised by the related securities. Securities sold through repurchase agreements continue to be recognised in the balance sheet and are revaluated in accordance with the applicable accounting policy. The amounts received from the proceeds of these securities are considered as Deposits from customers and other funds or Deposits from credit institutions and other funds. The difference between the acquisition/sale and reselling/repurchase conditions is recognised on an accrual basis over the period of the transaction and is included in interest income or expenses.

G. Non-current assets held for sale and Discontinued or discontinuing operations

Non-current assets, groups of non-current assets held for sale (groups of assets together with related liabilities that include at least a non-current asset) and discontinued operations are classified as held for sale when the intention is to sell the referred assets and liabilities and when the referred assets or group of assets are available for immediate sale, subject to the terms of sale usually applicable to these types of assets, and its sale is highly probable, in accordance with IFRS 5. For the sale to be considered highly probable, the Group must be committed to a plan to sell the asset (or disposal group) and must have initiated an active program to locate a buyer and complete the plan. In addition, the asset (or disposal group) must be actively marketed for sale at a price that is reasonable in relation to its current fair value. Furthermore, it should be expected that the sale qualifies for recognition as a completed sale within one year from the date of classification, except as permitted by paragraph 9 of IFRS 5, and that the Group remains committed to the asset sales plan and the delay is caused by events or circumstances beyond its control.

If the requirements set out in IFRS 5 for these assets are not met, the balance sheet value and respective impairment are reflected in the balance "Other assets".

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 its subsequent disposal, which are available for immediate sale and its sale is highly probable. Immediately before classification as held for sale, the measurement of the non-current assets or 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 fair value less costs to sell.

Discontinued operations and the subsidiaries acquired exclusively with the purpose to sell in the short-term are consolidated until the moment of their sale.

G1. Non-operating real estate (INAE)

The Group also classifies as non-current assets held for sale the non-operating real estate (INAE), which include properties acquired by the Group as a result of the resolution of customer credit processes, as well as own properties that are no longer used by the Group's services.

Properties held by real estate companies and real estate investment funds, which are part of the Group's consolidation scope, whose capital or units acquired by the Group as a result of the recovery loans are treated as INAE.

At the time of acquisition, real estate classified as INAE is recognised at the lower of the value of the loans existing on the date on which the recovery occurs, or the judicial decision is formalised, and the fair value of the property, net of estimated costs for sale. Subsequent measurement of INAE is made at the lower of their book value and the corresponding fair value, net of the estimated costs for their sale and are not subject to amortisation. Impairment losses are recorded in the income statement for the period in which they arise.

The fair value is determined based on the market value, which is determined based on the expected sales price obtained through periodic valuations made by expert external evaluators accredited to the Comissão do Mercado de Valores Mobiliários (CMVM).

The principles used to determine the net fair value of selling costs of a property apply, whenever possible, to real estate like INAE held by Real Estate Companies and Real Estate Investment Funds for the purpose of consolidating Group accounts.

Whenever the net fair value of the selling costs calculated for an INAE is less than the amount by which the same is recognised in the Group's balance sheet, an impairment loss is recorded in the amount of the decrease in value ascertained. Impairment losses are recorded against income for the year.

If the net fair value of the selling costs of an INAE, after recognition of impairment, indicates a gain, the Group may reflect that gain up to the maximum of the impairment that has been recorded on that property.

H. Lease transactions (IFRS 16)

This standard establishes the requirements regarding the scope, classification/recognition and measurement of leases:

- from the lessor's perspective, leases will continue to be classified as finance leases or operating leases;
- from the lessee's perspective, the standard defines a single model of accounting for lease contracts, which results in the recognition of a right-of-use asset and a lease liability for all leases, except for those which the lease term ends within 12 months or for those which the underlying asset is of low-value and, in these cases, the lessee may opt for the exemption from recognition under IFRS 16 and shall recognise the lease payments associated with these leases as an expense.

The Group chose not to apply this standard to short-term lease contracts, i.e. contracts with a term shorter than or equal to one year, and to lease contracts in which the underlying asset's value is below EUR 5,000. Additionally, this standard was not applied to leases of intangible assets.

Lease definition

The lease definition focuses on the control of the identified asset, establishing that a contract constitutes or contains a lease if it conveys the right to control the use of an identified asset, i.e., the right to obtain substantially all the economic benefits of using it, and the right to direct the use of that identified asset over a period in exchange of a payment.

Impacts from the lessee's perspective

The Group recognises for all leases, except for those with a term under 12 months or for leases of low-value assets:

- a right-of-use asset initially measured at cost must consider the Net Present Value (NPV) of the lease liability plus the value of payments made (fixed and/or variable), deducted from any lease incentives received, penalties for terminating the lease (if reasonably certain), as well as any cost estimates to be supported by the lessee with the dismantling and removal of the underlying asset and/or with the recovery of its location. Subsequently, it will be measured according to the cost model (subject to depreciations/amortisations and impairment tests);
- a lease liability initially recorded at Net Present Value (NPV), which includes:
  - fixed payments deducted from any lease incentives receivable;
  - variable lease payments that depend on a rate or an index, initially measured considering the rate or index as at the commencement date;
  - amounts expected to be paid by the lessee under residual values guarantees;
  - the exercise price of a purchase option, if the lessee is reasonably certain to exercise that option;
  - payments of penalties for terminating the lease, if the lease term reflects the lessee exercising an option to end the lease.

Since it is not possible to easily determine the implicit interest rate in the lease (paragraph 26 of IFRS 16), lease payments are discounted according to the lessee's incremental borrowing rate, which embodies the risk-free rate curve (swap curve) plus the Group's spread of risk, applied over the weighted average term of each lease contract. For term contracts, that date is considered as the end of lease date, while for contracts without term, or with renewable terms, it is assessed using the date in which the contract is enforceable, as well as eventual economic penalties associated with the lease contract. In the evaluation of enforceability, the particular clauses of the contracts are considered, as well as the current law on Urban Leases.

Subsequently, lease payments are measured as follows:

- by increasing their carrying amount to reflect interest;
- by reducing their carrying amount to reflect lease payments;
- carrying amount shall be remeasured to reflect any leases' revaluations or changes, as well as to reflect the review of in -substance fixed payments and the review of the lease term.

The Group remeasures the lease liability (and makes a corresponding adjustment to the right-of-use asset) whenever:

- the lease term has changed or there is a change in the assessment of exercise of a purchase option, in which case the lease liability is remeasured by discounting the revised lease payments using the revised discount rate;
- the lease payments change due to changes in an index or rate or a change in expected payment under a guaranteed residual value, in which cases the liability is remeasured by discounting the revised lease payments using the initial discount rate (unless the lease payments change is due to a change in a floating interest rate, in which case a revised discount rate is used);
- a lease contract is modified, and the lease modification is not accounted for as a separate lease, in which case the lease liability is remeasured by discounting the revised lease payments using the revised discount rate.

The Group did not make any adjustment during the periods presented.

Right-of-use assets are depreciated/amortised from the effective date until the end of the useful life of the underlying asset. If the lease transfers ownership of the underlying asset or the cost of the right-of-use asset reflects that the Group expects to exercise a purchase option, the related right-of-use asset is depreciated over the useful life of the underlying asset. The depreciation starts at the commencement date of the lease.

The implementation of this standard implies changes in the Group's financial statements, namely:

– in the consolidated income statement:

(i) recording in "Net Interest Income" the interest expenses related to lease liabilities;

(ii) recording in "Other administrative costs" the amounts related to short-term lease contracts and to lease contracts of low-value assets; and,

(iii) recording in "Amortisations and depreciations" the depreciation expenses related to right-to-use assets.

– in the consolidated balance sheet:

(i) recording in "Financial assets at amortised cost – Loans and advances to customers" the recognition of financial assets related to sublease operations measured accordingly to IFRS 9;

(ii) recording in "Other tangible assets" the recognition of right-to-use assets; and,

(iii) recording in "Other liabilities" the amount of recognised lease liabilities.

– in the consolidated statement of cash flows, the balance "Cash flows arising from operating activities – Payments (cash) to suppliers and employees" includes amounts related to short-term lease contracts and to lease contracts of low-value assets, and the balance "Cash flows arising from financing activities - Decrease in other sundry liabilities and non-controlling interests" includes amounts related to payments of lease liabilities' capital portions, as detailed in the consolidated statement of cash flows.

Impact from the lessor's perspective

In accordance with IFRS 16, paragraph 62, lessors shall classify leases as finance or operational leases.

A lease is classified as a finance lease if it transfers substantially all the risks and rewards inherent to ownership of an underlying asset. A lease is classified as an operating lease if it does not transfer substantially all the risks and rewards inherent to ownership of an underlying asset.

Subleases

A sublease arrangement arises when a lessee enters into a lease agreement with a third party, acting as an intermediate lessor, while the lease agreement with the original lessor remains in force.

IFRS 16 – Leases requires that the lessor evaluates subleases regarding right-to-use and not regarding the underlying asset.

The sublease's lessor, simultaneously lessee regarding the original lease, shall recognise an asset in the financial statement – a right-to-use related to the initial lease (if the lease is classified as operating) or a financial asset, measured according to IFRS 9, related to the sublease (if the lease is classified as financing).

In case the primary lease is short-term, then the sublease should be classified as an operating lease.

I. Recognition of income from services and commissions

In accordance with IFRS 15, the Group recognises revenue associated with services and commissions when (or as) a performance obligation is satisfied when transferring a service, based on the transaction price associated with this performance obligation. In this context, the Group takes the following steps to recognise revenue associated with services and commissions:

- Recognition (satisfaction of the performance obligation): (i) identification of the contract associated with the service provided and whether it should be covered by IFRS 15; (ii) identification of performance obligations associated with each contract; (iii) definition of the criteria for the fulfilment of performance obligations, also considering the contractual terms established with the counterparty. According to this definition, a service is transferred when the customer obtains the benefits and control associated with the service provided. In this context, the Group also identifies whether performance obligations are met over time ("over time") or at an exact moment ("point in time"), with revenue being recognised accordingly.

- Measurement (price to be recognised associated with each performance obligation): (i) determine the transaction price associated with the service provided, considering the contractual terms established with the counterparty and its usual commercial practices. The transaction price is the amount of consideration to which the Group expects to be entitled in exchange for transferring promised services to the customer, excluding amounts collected on behalf of third parties. The Group includes in the transaction price part or all of the estimated amount of the variable consideration associated with a performance obligation, only to the extent that it is highly probable that a significant reversal in the amount of the accrued revenue recognised will not occur when the uncertainty associated with that variable consideration is subsequently resolved; and (ii) allocate the transaction price to each of the performance obligations identified under the contract established with the customer.

It should be noted that when services or commissions are an integral part of the effective interest rate of a financial instrument, income resulting from services and commissions is recorded in net interest income (note C.3).

J. Gains/(losses) on financial operations at fair value through profit or loss, Foreign exchange gains/(losses), Gains/(losses) on hedge accounting and Gains/(losses) arising from derecognition of financial assets and liabilities not measured at fair value through profit or loss

These balances include gains and losses on financial assets and liabilities at fair value through profit or loss, i.e., fair value changes and interest on trading derivatives and embedded derivatives, as well as the corresponding dividends received. This balance also includes the gains and losses on sale of financial assets at fair value through other comprehensive income and financial assets and financial liabilities at amortised cost. The changes in fair value of hedging derivatives and hedged items, when fair value hedge is applicable, are also recognised in this balance, as well as the foreign exchange gains or losses.

K. Fiduciary activities

Assets held in the scope of fiduciary activities are not recognised in the Group's consolidated financial statements. Fees and commissions arising from this activity are recognised in the income statement in the period in which they occur.

L. Other tangible assets

Other tangible assets are stated at acquisition cost less accumulated depreciation and impairment losses. Subsequent costs are recognised as a separate asset only when it is probable that future economic benefits will result for the Group. All other repairs and maintenance expenses are charged to the income statement during the financial period in which they are incurred, under the principle of accrual-based accounting.

Depreciation is calculated on a straight-line basis, over the following periods which correspond to their estimated useful life:

	Number of years
Buildings	50
Expenditure on freehold and leasehold buildings	10
Equipment	4 to 12
Other tangible assets	3

Whenever there is an indication that a fixed tangible asset might be impaired, its recoverable amount is estimated and an impairment loss shall be recognised if the net value of the asset exceeds its recoverable amount. The recoverable amount is determined as the highest between the fair value less costs to sell and its value in use calculated based on the present value of 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 the fixed tangible assets are recognised in the income statement of the period.

M. Investment properties

Real estate properties owned by the Group are recognised as "Investment properties" considering that the main objective of these buildings is their capital appreciation on a long-term basis and not their sale in a short-term period, nor their maintenance for own use.

These investments are initially recognised at their acquisition cost, including transaction costs, and subsequently revaluated at their fair value. The fair value of investment properties should reflect the market conditions at the balance sheet date. Changes in fair value are recognised in the income statement, as "Other operating income/(expenses)" (note 6).

The experts responsible for the valuation of the assets are properly certified for that purpose, being registered in CMVM.

N. Intangible assets

N1. Research and development expenditure

The Group does not capitalise any research and development costs. All expenses are recognised as costs in the period in which they occur.

N2. Software

The Group recognises as intangible assets the costs associated to software acquired from external entities and depreciates them on a straight-line basis by an estimated lifetime of 6 years. The Group does not capitalise internal costs arising from software development.

Whenever there is an indication that an intangible fixed asset may be impaired, an estimate of its recoverable amount is made, and an impairment loss should be recognised whenever the net value of that asset exceeds its recoverable amount. The recoverable amount is determined as the higher of its fair value less costs to sell and its value in use, which is calculated based on the present value of the estimated future cash flows expected to be obtained from the continued use of the asset and its disposal at the end of its useful life. Impairment losses on intangible fixed assets are recognised in profit or loss for the period.

O. Cash and cash equivalents

For the purposes of the cash flow statement, the balance “Cash and cash equivalents” comprises balances with a maturity of less than three months from the date of acquisition, where "Cash", "Cash and deposits at Central Banks" and "Loans and advances to credit institutions" are included.

P. Offsetting

Financial assets and liabilities are offset and recognised at their net book value when: i) the Group has a legal right to offset the amounts recognised and transactions can be settled at their net value; and, ii) the Group intends to settle on a net basis or realize the asset and settle the liability simultaneously. Considering the current operations of the Group, no compensation of material amount is made. In case of reclassification of comparative amounts, the provisions of IAS 1.41 are disclosed: i) the nature of the reclassification; ii) the amount of each item (or class of items) reclassified; and, iii) the reason for the reclassification.

Q. Foreign currency transactions

Transactions in foreign currencies are converted 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 converted into the respective functional currency of the operation at the foreign exchange rate on the reporting date. Foreign exchange differences arising from conversion are recognised in the income statement. Non-monetary assets and liabilities denominated in foreign currencies, which are stated at historical cost, are converted into the respective functional currency of the operation 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 converted into the respective functional currency of the operation at the foreign exchange rate on the date that the fair value was determined against profit or loss, except for financial assets at fair value through other comprehensive income, for which the difference is recognised against equity.

R. Employee benefits

R1. Defined benefit plans

The Group has the responsibility to pay its employees' retirement pensions, disability pensions and survivor's pensions for their death, in accordance with the terms of the two collective labour agreements approved. These benefits are provided for in the pension plans 'Plano ACT' and 'Plano ACTQ' of the Banco Comercial Português Group Pension Fund.

Following the publication of Decree-Law no. 54/2009, of 2 March, banking entities are obligatorily enrolling new employees in the General Social Security System (RGSS). These employees have the RGSS as their basic retirement scheme, and do not have any benefits under the ACT (base plan). Under the scope of its management and human resources, the Group had already adopted as a rule the inclusion of new employees in the RGSS since July 2005. However, until the transposition into the ACT of the alterations resulting from the referred Decree-Law no. 54/2009, all employees were covered by the provisions of the social security chapter of the ACT, and for employees who were already registered with the RGSS, the ACT benefit worked as a complement to the RGSS. As as 1 July 2009, in accordance with the ACT, all new employees only have the RGSS as their basic social security scheme.

Until 2011, in addition to the benefits provided for in the two plans above-mentioned, the Group had assumed the responsibility, if certain conditions of profitability were verified in each year, of assigning retirement supplements to the Group's employees hired up to 21 September 2006 (Complementary Plan). The Group, at the end of 2012, determined the extinction (cut) of the old-age benefit of the Complementary Plan. On 14 December 2012, Instituto de Seguros de Portugal (ISP) formally approved this change to the Group's benefit plan, effective from 1 January 2012. The plan was cut, and employees were given individual acquired rights. On that date, the Group also proceeded to the settlement of the respective liability.

From 1 January 2011, Bank employees were integrated in the General Social Security Scheme which now covers their maternity, paternity, adoption and pension benefits. However, the banks remain liable for benefits that concern illness, disability and life insurance (Decree-Law no. 1-A/2011, of 3 January).

The contributory rate is 26.6% divided between 23.6% supported by the employer and 3% supported by the employee, replacing the Banking Social Healthcare System which was extinguished by the decree law referred above. As a consequence of this amendment the capability to receive pensions by the actual employees are covered by the General Social Security Scheme regime, considering the service period between 1 January 2011 and the retirement age. The banks support the remaining difference for the total pension assured in the Collective Labour Agreement (ACT).

This integration has led to a decrease in the present value of the total benefits reported to the retirement age to be borne by the Pension Fund, and this effect is to be recorded in accordance with the Projected Unit Credit during the average lifetime of the pension until the normal retirement age is reached. The calculation of the liability for pensions carried out periodically by the actuary considers this effect and is calculated considering the actuarial assumptions in force, ensuring that the liabilities calculated as at 31 December 2010, not considering the effect of the integration of bank employees into the General Social Security Scheme are fully covered and deducted from the amount of the effect recognised until the date. The component of this effect for the year is recognised under the heading "Current service costs".

Following the approval by the Government of the Decree-Law no. 127/2011, which was published on 31 December, an agreement was established between the Government, the Portuguese Banking Association and the Banking Labour Unions in order to transfer, to the Social Security, the liabilities related to pensions currently being paid to pensioners and retirees, as at 31 December 2011.

This agreement established that the responsibilities to be transferred related to the pensions in payment as at 31 December 2011 at fixed amounts (discount rate 0%) in the component established in the IRCT - Instrument of Collective Regulation of Work of the retirees and pensioners. The responsibilities related to the increase in pensions as well as any other complements, namely, contributions to the Health System (SAMS), death benefit and death before retirement benefit continued to be under the responsibility of the Financial Institutions.

At the end of December 2016, a revision of the ACT was reached between the BCP Group and four unions from the two union federations of the unions that represent the Group's employees, which introduced changes in the Social Security clause and consequently in the pension plan financed by the BCP Group Pension Fund. The new ACT was published by the Ministry of Labour in the Bulletin of Labour and Employment on 15 February 2017 and the effects were recorded in the financial statements of 31 December 2016, for employees associated with these four unions.

The negotiation with Sindicato dos Bancários do Norte (SBN), which was also involved in the negotiations of the new ACT, was concluded in April 2017 with the publication of the Bulletin of Labour and Employment, with the effects of this new ACT recorded in the financial statements as at 31 December 2017, for SBN associate employees.

The most relevant changes in the ACT were the change in the retirement age (presumed disability) from 65 years to 66 years and two months in 2016 and the subsequent update of an additional month in each year, which cannot, in any case, be higher than the one in force at any moment in the General Regime of Social Security, the change in the formula for determining the employer's contribution to SAMS and, lastly, the introduction of a new benefit called the End of Career Premium, which replaces the Seniority Premium.

These changes were framed by the Group as a change to the pension plan under the terms of IAS 19, as such had an impact on the present value of the liabilities with services rendered and were recognised in the income statement for the year under "Staff costs".

In 2017, after the authorisation of the Autoridade de Supervisão de Seguros e Fundos de Pensões (ASF - Portuguese Insurance and Pension Funds Supervision Authority), the BCP Group's pension fund agreement was amended. The main purpose of the process was to incorporate into the pension fund the changes introduced in the Group's ACT in terms of retirement benefits, as well as to transfer to the pension fund the responsibilities that were directly chargeable to the company (extra-fund liabilities). The pension fund has a part exclusively for the financing of these liabilities which, in the scope of the fund, is called Additional Complement. The End of Career Premium also became the responsibility of the pension fund under the basic pension plan.

The Group’s net obligation in respect of pension plans (defined benefit pensions plan) is calculated on a half year basis on 31 December and 30 June of each year, and whenever there are significant market fluctuations or significant specific events, such as changes in the plan, curtailments or settlements since the last estimation. The responsibilities with past service are calculated using the Projected Unit Credit method and actuarial assumptions considered adequate.

Pension liabilities are calculated by the responsible actuary, who is certified by the ASF.

The Group’s net obligation in respect of defined benefit pension plans and other benefits is calculated separately for each plan by estimating the amount of future benefit that employees have earned in return for their service in the current and prior periods. The benefit is discounted to determine its present value, using a discount rate determined by reference to interest rates of high- quality corporate bonds that have maturity dates approximating the terms of the Group’s obligations. The net obligations are determined after the deduction of the fair value of the Pension Plan's assets.

The income/cost of interest with the pension plan is calculated by the Group, multiplying the net asset/liability with retirement pension (liabilities less the fair value of the plan's assets) by the discount rate used in the determination of the retirement pension liabilities. On this basis, the income/cost net of interest includes the interest costs associated with retirement pension liabilities and the expected return of the plan's assets, both measured based on the discount rate used to calculate the liabilities.

Gains and losses from the re-measurement, namely (i) actuarial gains and losses resulting from differences between actuarial assumptions used and the amounts actually observed (experienced gains and losses) and changes in actuarial assumptions and (ii) gains and losses arising from the difference between the expected return of the plan's assets and the amounts obtained, are recognised against equity under "Other comprehensive income".

The Group recognises in its income statement a net total amount that comprises (i) the current service cost, (ii) the income/cost net of interest with the pension plan, (iii) the effect of early retirement, (iv) past service costs and, (v) the effects of any settlement or curtailment occurred during the period. The net income/cost with the pension plan is recognised as interest and similar income or interest and similar expense depending on their nature. The costs of early retirements correspond to the increase in liabilities due to the employee's retirement before reaching the age of retirement.

Employee benefits, other than pension plans, namely post-retirement health care benefits and benefits for the spouse and descendants for death before retirement are also included in the benefit plan calculation.

The contributions to the funds are made annually by each company of the Group, according to a specific contribution plan that ensures the solvency of the fund. In the end of each year, according to Banco de Portugal Notice no. 12/2001, the minimum level required for the responsibilities funding must be 100% regarding pension payments and 95% regarding past services of active employees.

R2. Revision of the salary tables for employees in service and pensions in payment

During the first half of 2026, negotiations continued with all the unions subscribing to the Group's Collective Labour Agreements, for the salary table update for 2026 and the conclusion of the full review of the respective clauses, negotiations which are still ongoing.

Regarding the updating of salary tables, negotiations are also taking place with the “SIB – Sindicato Independente da Banca” for the review of salary tables and other pecuniary clauses relating to the years 2024 and 2025, as well as negotiations with the “Sindicato Nacional dos Quadros Técnicos Bancários (SNQTB)” for the 2025 review.

On a provisional basis, the Bank decided to implement a 2.00% increase in the salary tables for 2026 in February 2026, with retroactive effect from 1 January 2026.

R3. Defined contribution plan

For the defined contribution plans, the responsibilities related to the benefits attributed to the Group's employees are recognised as expenses when incurred.

As at 30 June 2026, the Group has two defined contribution plans. One plan covers employees who were hired before 1 July 2009. For this plan, called non-contributory, Group's contributions will be made annually and equal to 1% of the annual remuneration paid to covered employees in the previous year. Contributions shall only be made if the following requirements are met: (i) the Bank's ROE equals or exceeds the rate of government bonds of 10 years plus 5 percentage points, and (ii) distributable profits or reserves exist in the accounts of Banco Comercial Português. As in the year 2025 the indicated requirements were fulfilled a provision for the annual contribution, which was carried out in May 2026, was recorded in the 2025 costs.

The other plan covers employees who have been hired after 1 July 2009. For this plan, designated contributory, monthly contributions will be made equal to 1.5% of the monthly remuneration received by employees in the current month, by the Group and by the employees. This contribution has a mandatory character and is defined in the Collective Labour Agreement of the BCP Group and does not have a performance criterion.

R4. Variable remuneration paid to employees

In the remuneration policy for employees in force, it is foreseen an annual variable remuneration system / profit distribution for employees not covered by commercial incentive systems, which is based on the level of results achieved by the Bank and the principle of discretion based on the level of responsibility and contribution of everyone to the Bank's results. Based on this assessment, and provided that a Bank's minimum level of performance, as measured by a set of quantitative indicators, is met, the amount of the variable remuneration to be attributed to each employee is determined.

The Executive Committee is responsible, under the terms defined in the remuneration policy, for setting the respective allocation criteria for each employee, whenever it is attributed. The variable remuneration attributed to employees is recorded against the income statement in the period to which it relates.

R5. Share-based compensation plan

As at 30 June 2026, a variable compensation plan / profit distribution with BCP shares is in force for the members of the Executive Committee and for the employees considered Key Function Holders (includes Key Management Members), resulting from the Remuneration Policy for Employees approved for the year 2026 and the Remuneration Policy for members of the management and supervisory bodies approved for the year 2026 and following years, with the changes that may be approved in each financial year, namely by the General Shareholders' Meeting regarding the Remuneration Policy for the members of the management and supervisory bodies, and by the Board of Directors regarding the Remuneration Policy for Employees.

Key Function Holders include Key Management Members, which are the first line directors who report directly to the Board of Directors and the remaining employees whose professional activities have a significant impact on the Bank's risk profile.

As defined in the Remuneration Policy for the members of the management and supervisory bodies, an annual variable remuneration / profit distribution system is foreseen for the Executive Committee members, which is based on the level of results achieved by the Bank, and for which a discretion assessment of the performance of the Executive Committee is carried out on an annual basis based on quantitative and qualitative data. According to this assessment and your annual fixed remuneration, and provided that a Bank's minimum level of performance as measured by a set of quantitative indicators is met, the amount of the variable remuneration to be attributed to each member of the Executive Committee is decided by the Remuneration and Welfare Board. The payment of the amount of the variable remuneration attributed is subject to a deferral period of 5 years for 50% of its value, being 50% of its value paid in the year following the financial year in question. For the members with variable remuneration awarded greater than the fixed annual remuneration earned in the financial year in question, 60% of the amount must be deferred. The amounts related to the non-deferred and deferred portion are paid 50% in cash and 50% in BCP shares. The number of BCP shares attributed results from their valuation at a price defined in accordance with the approved Remuneration Policy.

The Remuneration Policy for Employees foresees an annual variable remuneration / profit distribution system for Employees not covered by Commercial Incentives Systems, which is based on the level of results achieved by the Bank and the principle of discretion based on the level of responsibility and contribution of everyone to the Bank's results. As a result of this assessment and the fixed reference remuneration for the function performed, and provided that a Bank's minimum level of performance in a set of quantitative indicators is met, the value of the variable remuneration to be attributed to each Employee is decided by the Executive Committee. For Employees considered as Key Function Holders (KFH), the payment of the amount of the variable remuneration to be attributed to each Employee is decided by the Nominations and Remunerations Committee, and its payment subject to a deferral period of 5 years for 40% of its value, with 60% of its value paid in the year following the financial year in question. For the KFH with variable remuneration awarded greater than the fixed annual remuneration earned in the financial year in question, 60% of the amount must be deferred. The amounts related to the non-deferred and deferred portion are paid 50% in cash and 50% in BCP shares. The number of BCP shares attributed and to be attributed results from their valuation at a price defined in accordance with the approved Remuneration Policy. As provided for in the Remuneration Policy for Employees, if the amount of the annual variable remuneration awarded to a Key Function Holder is less than EUR 50,000 and does not represent more than one third of the total annual remuneration of the Key Function Holder the payment of the annual variable remuneration will be 100% in cash and there will be no deferral.

Employees considered as Key Function Holders are not covered by Commercial Incentives Systems.

For the remaining Employees not covered by Commercial Incentive Systems, the payment of the variable remuneration amount awarded is fully paid in cash in the following year to which it relates.

For the members of the Executive Committee and to the Employees considered as Key Function Holders (KFH), a long-term variable remuneration / profit distribution (LTVR) system is also foreseen, through which these members may receive variable remuneration fully paid in BCP shares after the end of the assessment period, from 1 January 2026 until 31 December 2029, provided that a certain level of performance is achieved by the Bank in a set of long-term objectives. The amount of the long-term variable remuneration attributed is subject to a deferral period of 5 years for 50% of its value, being 50% of its value paid in the year following the assessment period to which it relates. If the LTVR of each member of the Executive Committee or KFH, equal to or greater than the annual fixed remunerations earned in the LTVR valuation period, the deferred amount will correspond to 60%. The number of BCP shares attributed results from their valuation at a price defined in accordance with the approved Remuneration Policy.

All the shares attributed to the members of the Executive Committee and to the Key Function Holders, within the scope of the payment of variable remuneration, including long-term, are subject to a retention period of 1 year after their payment.

The total variable remuneration to be attributed, each year, to each member of the Executive Committee and to the Key Function Holders, regarding the proportion between its amount and the annual fixed remuneration, is limited to the limits provided in the respective Remuneration Policy.

As foreseen in the approved Remuneration Policy and in the applicable legislation, the amounts of variable remuneration attributed to the members of the Executive Committee and to the Employees Key Function Holders are subject to reduction and reversal mechanisms, to be applied in case of verification of extremely significant events, duly identified, in which the people covered have had a direct participation.

S. Income taxes

The Group is subject to income tax in several jurisdictions. The Bank is subject, in individual terms, to the regime established by the Corporate Income Tax Code (CIRC), the Special Regime applicable to Deferred Tax Assets approved by Law no. 61/2014 of 26 August, to which it adhered, and individual legislation. Additionally, deferred taxes relating to tax losses and to temporary differences between the accounting net income and the net income accepted by the Tax Authorities for Income Taxes calculation are accounted for, whenever there is a reasonable probability that these taxes will be paid or recovered in the future.

Income tax recorded in net income for the year comprises current and deferred tax effects. Income tax is recognised in the income statement, except when related to items recognised directly in equity, which implies its recognition in equity. Deferred taxes arising from the revaluation of financial assets at fair value through other comprehensive income and cash flow hedging derivatives are recognised in shareholders' equity and are recognised after in the income statement at the moment the profit or loss that originated the deferred taxes are recognised.

Current tax is the value that determines the taxable income for the year, using tax rates enacted or substantively enacted by authorities at the balance sheet date, and any adjustment to tax payable in respect of previous years.

Deferred taxes are calculated in accordance with the liability method based on the balance sheet, considering temporary differences, between the carrying amounts of assets and liabilities and the amounts used for taxation purposes using the tax rates approved or substantially approved at balance sheet date and that is expected to be applied when the temporary difference is reversed.

Deferred tax liabilities are recognised for all taxable temporary differences except for non-deductible goodwill for tax purposes, differences arising from initial recognition of assets and liabilities that affect neither accounting nor taxable profit and differences relating to investments in subsidiaries to the extent that probably they will not reverse in the foreseeable future.

The item "Deferred tax assets" includes amounts associated with credit impairment not accepted for tax purposes whose credits have been written-off, according to the expectation that the use of such impairment will be deductible for the purposes of determining taxable income for the tax periods in which the legal conditions required for their tax deductibility are met.

Deferred tax assets are recognised when it is probable that there will be future taxable profits that absorb the deductible temporary differences for tax purposes (including reportable tax losses).

The Group, as established in IAS 12, paragraph 74, compensates the deferred tax assets and liabilities if, and only if: (i) it has a legally enforceable right to offset current tax assets and current tax liabilities; and (ii) the deferred tax assets and the deferred tax liabilities relate to income taxes released by the same Tax Authority on the same taxable entity.

The Group complies with the guidelines of IFRIC 23 – Uncertainty over Income Tax Treatments on the determination of taxable profit, tax bases, tax losses to be reported, tax credits to be used and tax rates in scenarios of uncertainty regarding the income tax treatment. This uncertainty is reflected in the amount of current tax liabilities and deferred tax assets and liabilities.

The Group recognises deferred tax liabilities associated with the taxation, in Mozambique and Angola, of its share of the distributable profits of Banco Internacional de Moçambique and Banco Millennium Atlântico.

In 2016, the Banco Comercial Português adhered to the Special Tax Regime for Groups of Companies (RETGS) for the purposes of corporate income (IRC) taxation, with BCP being the dominant entity. In the first half of 2026 and in financial year of 2025, RETGS application was maintained. The group's taxable profit is calculated by the algebraic sum of taxable profits and individual tax losses of the companies that integrate it.

T. Segmental reporting

The Group adopted IFRS 8 – Operating Segments for the purpose of disclosing financial information by geographic segments, breaking them down into their respective operating segments whenever deemed relevant. A business segment is a Group's component: (i) which develops business activities that can obtain revenues or expenses; (ii) whose operating results are regularly reviewed by the management with the aim of taking decisions about allocating resources to the segment and assess its performance; and (iii) for which separate financial information is available.

The Group controls its activity through the following major operating segments:

Portugal activity:

- Retail Banking, also including ActivoBank;
- Companies and Corporate;
- Private Banking;
- Other.

The Other segment (Portugal activity) includes activities that are not allocated to remaining segments, namely centralised management of financial investments, corporate activities, and insurance activity.

International activity:

- Poland:
  - Retail;
  - Companies and Corporate;
  - Other.
- Mozambique;
- Other.

The contribution of the interest in the associate in Angola is included in the "Other" segment (International activity).

U. Provisions, Contingent liabilities and Contingent assets

U1. Provisions

Provisions are recognised when (i) the Group has a present obligation (legal or resulting from past practices or published policies that imply the recognition of certain responsibilities); (ii) it is probable that a payment will be required to settle; and (iii) a reliable estimation can be made of the amount of the obligation.

Additionally, when fundamental reorganisations occur that have a material effect on the nature and focus of the company's operations, and the criteria for recognition of provisions referred to above are met, provisions are recognised for restructuring costs.

The measurement of provisions considers the principles set in IAS 37 regarding the best estimate of the expected cost, the most likely result of current actions and considering the risks and uncertainties inherent to the process result. On the cases that the discount effect is material, provision corresponds to the actual value of the expected future payments, discounted at a rate that considers the associated risk of the obligation.

Provisions are reviewed at each balance sheet date and adjusted to reflect the best estimate, being reverted through profit or loss in the proportion of the payments that are not probable.

Provisions are derecognised through their use in the obligations for which they were initially created, or in the case that these obligations cease to exist.

U2. Contingent assets

Contingent assets are not recognised in the financial statements and are disclosed when a future economic inflow of resources is probable.

U3. Contingent liabilities

Contingent liabilities are not recognised in the financial statements, being framed under IAS 37 whenever the possibility of an outflow of resources regarding economic benefits is not remote. The Group records a contingent liability when:

i) it is a possible obligation that arises from past events and whose existence will be confirmed only by the occurrence or non- occurrence of one or more uncertain future events that are not wholly within the control of the Group; or,
ii) it is a present obligation that arises from past events but is not recognised because:
   a) it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation; or,
   b) the amount of the obligation cannot be measured with sufficient reliability.

The contingent liabilities identified are subject to disclosure, unless the possibility of an outflow of resources incorporating economic benefits is remote.

V. Earnings per share

Basic earnings per share are calculated by dividing net income attributable to shareholders of the Group by the weighted average number of ordinary shares outstanding, excluding the average number of ordinary shares purchased by the Group and held as treasury shares.

For the diluted earnings per share, the weighted average number of ordinary shares outstanding is adjusted to consider conversion of all dilutive potential ordinary shares. Potential or contingent share issues are treated as dilutive when their conversion to shares would decrease net earnings per share. If the earnings per share are changed because of an issue with premium or discount or other event that changed the potential number of ordinary shares or because of changes in the accounting policies, the earnings per share for all presented periods should be adjusted retrospectively.

W. Insurance contracts

W1. Classification

IFRS 17 is the accounting standard for insurance contracts, reinsurance contracts and for Investment contracts with discretionary participation features, covering aspects such as recognition and measurement, presentation and disclosure of information.

The Group issues contracts that include insurance risk, financial risk or a combination of both insurance and financial risk. A contract, in which the Group accepts a significant insurance risk from another party, by agreeing to compensate that party on the occurrence of a specified uncertain future event, is classified as an insurance contract.

A contract issued by the Group without significant insurance risk, but on which financial risk is transferred with discretionary participating features is classified as an investment contract recognised and measured in accordance with the accounting policies applicable to insurance contracts. A contract issued by the Group that transfers only financial risk, without discretionary participating features, is accounted for as a financial instrument.

W2. Recognition and measurement

IFRS 17 defines principles for recognition, measurement, presentation and disclosure of insurance contracts, reinsurance contracts and Investment contracts with discretionary participation features. The references below apply to these three types of contracts.

In terms of recognition and measurement, insurance contracts are divided into portfolios, annual cohorts and groups of contracts. In the initial recognition, contracts that have similar risk and can be managed together, must be identified, grouping them into portfolios. For measurement purposes, these portfolios are further subdivided into annual cohorts, according to the issuance year. Each of the cohorts, according to the expected future return, is then divided into the following groups: i) contracts that are onerous at initial recognition; ii) contracts that do not present a significant possibility of subsequently becoming onerous; and iii) remaining contracts in the portfolio.

The liability of an insurance contract begins when one of the following conditions is met: i) beginning of the coverage period of the contract, ii) date on which the first payment is made by the insured and this becomes due or iii) in the case of an onerous contract, when it becomes onerous.

IFRS 17 defines 3 measurement models of the insurance liabilities: GMM (General Measurement Model) as a general modal, VFA (Variable Fee Approach) to be applied for investment contracts, which does not include a transfer of significant insurance risk and PAA (Premium Allocation Approach), which can be applied for short-term contracts (less than 1 year).

The measurement of the value of a contract is the sum of (except where contracts are being measured using the premium allocation approach): (i) the present value of future cash flows; (ii) a non-financial risk adjustment; and the amount of future profit that is estimated that this contract will generate the Contractual Service Margin (CSM), unless the contract group is onerous. In this case, the estimated loss is recognised immediately.

The liability for future services in contracts measured using the premium allocation approach is based on premiums received, less amounts recognised in profit or loss already incurred in the period.

In terms of the discount rate for determining future cash flows, it should: (i) reflect the time value of money; ii) be consistent with similar ones applied in the market for situations with similar characteristics and iii) exclude the effect of factors that do not affect the future cash flows of the insurance contract.

In the subsequent valuation, the Statement of Financial Position shall include liabilities for insurance contracts, divided into i) liabilities for future services and ii) liabilities for past services. In terms of the Income Statement, it should include: i) income from insurance contracts, ii) expenses from insurance contracts and iii) losses from the financial component of insurance contracts.

W3. Presentation and disclosures

In the Statement of Financial Position should appear in disaggregated form i) insurance contract assets, ii) reinsurance ceded contract assets iii) insurance contracts liabilities and iv) reinsurance ceded contract liabilities.

In terms of the Income Statement, the following must be disclosed: i) income from insurance contracts, ii) expense from insurance contracts, iii) losses from the financial component of insurance contracts, and iv) net result from reinsurance contracts.

Together with the Financial Statements, the standard provides for additional qualitative and quantitative disclosures of i) amounts recognised in the financial statements that fall within the scope of IFRS 17; ii) significant judgements and changes to those judgements made with the application of IFRS 17 and iii) nature and extent of the risks inherent in contracts that fall within the scope of IFRS 17.

For risks falling within the scope of IFRS 17, the entity shall analyse: (i) concentration risk, (ii) sensitivity analysis to the most significant risks, (iii) claims development, (iv) credit risk and (v) liquidity risk.

X. Insurance or reinsurance intermediation services

Banco Comercial Português and Banco ActivoBank are entities authorised by the Insurance and Pension Funds Supervisory Authority (ASF - Autoridade de Supervisão de Seguros e Fundos de Pensões) for the practice of the activity of insurance mediation, in the category of tied Insurance Intermediary, in accordance with article 8(a)(i) of Decree-Law no. 144/2006, of 31 July, developing the activity of insurance intermediation in the life and non-life branches.

Within the scope of insurance mediation services, these Banks sell insurance contracts. As remuneration for the services provided of insurance mediation, they receive commissions for the mediation of insurance contracts and investment contracts, which are defined in agreements/protocols established with the Insurers.

Commissions received by insurance mediation services are recognised in accordance with the accrual principle, so that commissions received at a time other than the period to which it relates are recorded as receivables under "Other assets". Commissions received for insurance mediation services are recognised in accordance with the policy described in note I. Recognition of income from services and commissions.

Y. Accounting estimates and judgements in applying accounting policies

IFRS set forth a range of accounting procedures that require the Board of Directors, under advice of the Executive Committee, to apply judgements and to make estimations when deciding which treatment is the most appropriate. These estimates were made considering the best information available at the date of preparation of the consolidated financial statements, considering the context of uncertainty that results from the current economic scope and the global geopolitical conflicts. The most significant of these accounting estimates and judgements used when applying accounting principles are discussed in this section to improve understanding of how they affect 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, under advice of the Executive Committee, the Group’s reported results would differ if a different treatment was chosen. The Executive Committee believes that the choices made are appropriate and that the financial statements present the Group’s financial position and results fairly in all material relevant 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 estimations would be more appropriate.

Y1. Entities included in the consolidation scope

For the purposes of determining entities to include in the consolidation scope, the Group assesses whether it is exposed to, or has rights to, the variable returns from its involvement with the entity and if it can take possession of these results through the power it holds *(de facto control)*. The decision if an entity needs to be consolidated by the Group requires the use of judgment, estimations and assumptions to determine at what extent the Group is exposed to the variable returns and its ability to use its power to affect these returns. Different estimations and assumptions could lead the Group to a different scope of consolidation scope with a direct impact in consolidated income.

Y2. Goodwill impairment

The recoverable amount of the goodwill recorded in the Group's assets is assessed annually in the preparation of accounts with reference to the end of the year or whenever there are indications of eventual loss of value. For this purpose, the carrying amount of the business units of the Group for which goodwill has been recognised is compared with the respective recoverable amount. A goodwill impairment loss is recognised when the carrying amount of the business unit exceeds the respective recoverable amount.

In the absence of an available market value, the recoverable amount is determined using cash flows predictions, applying a discount rate that includes a risk premium appropriated to the business unit being tested. Determining the cash flows to discount and the discount rate, involves judgment.

Y3. Income taxes

Interpretations and estimations were required to determine the total amount of income taxes in each of the jurisdictions where the Group operates. There are many transactions and calculations for which the tax determination is uncertain during the ordinary course of business. Different interpretations and estimations could result in a different level of income taxes, current and deferred, recognised in the year.

This aspect assumes greater relevance for the purposes of the analysis of the recoverability of deferred taxes, in which the Group considers forecasts of future taxable income based on a set of assumptions, including the estimate of income before taxes, adjustments to taxable income, evolution of tax legislation and its interpretation. Thus, the recoverability of deferred tax assets depends on the implementation of the Bank's Board of Directors strategy, namely the ability to generate the estimated taxable income, the evolution of tax law and its interpretation.

Regarding the activity in Portugal, the Law no. 98/2019, of 4 September established the tax regime for credit impairment and provisions for guarantees for tax periods beginning on or after 1 January 2019, providing for approximation between the accounting and tax rules for the purposes of deductibility of expenses with the reinforcement of credit impairment. The rules in force until 2018 could continue to be applied until the end of the 2023 financial year, unless the option to apply the new regime was exercised in advance.

In 2022, the Banco Comercial Português, S.A. and the Banco ActivoBank, S.A. exercised the option to apply the new regime, under which impairment losses for credit risk relating to exposures analysed on an individual or collective basis, recognised in accordance with applicable accounting and regulatory standards, the provisions for guarantees and other commitments, and the impairment losses on debt instruments at amortised cost or at fair value through Other Comprehensive Income, are fully deductible for the purposes of determining taxable profit, with the exceptions provided for in the Corporate Income Tax Code. The exceptions apply to impairment losses relating to credits and other rights over natural or legal persons who hold, directly or indirectly, more than 10 % of the Bank's capital, over members of its corporate bodies, over companies in which the Bank holds, directly or indirectly, more than 10 % of the capital or over entities with which it is in a situation of special relations.

The Impairment losses and other value corrections for specific credit risk recorded until 31 December 2021 and still not accepted for tax purposes are only deductible up to the amount that, in each tax period, corresponds to the application of the mandatory minimum limits set out in Notice of Banco de Portugal no. 3/95, as amended before its repeal by Notice of Banco de Portugal no. 5/2015, and, between other conditions, provided that they are not credits covered by real estate rights.

Following the amendments provided for in Law no. 24-D/2022, of 30 December, within the scope of the State Budget for 2023, the time limit applicable to the carrying forward of tax losses in Portugal was eliminated. This amendment applies to tax losses calculated in tax periods beginning on or after 1 January 2023, as well as to tax losses calculated in tax periods prior to 1 January 2023 and whose deduction period is still in progress on that date. Thus, tax losses calculated in 2014 and subsequent years may be deducted from future taxable income. The deduction limit for tax losses went from 70% to 65%, being increased by ten percentage points when the difference results from the deduction of tax losses calculated in the 2020 and 2021 tax periods, under the terms of the special regime provided for in Law no. 27-A/2020, of 24 July.

In the forecasts of future taxable income, namely for purposes of the analysis of the recoverability of deferred taxes assets carried out with reference to 31 December 2025, the approximation between the accounting and tax rules provided for in the aforementioned Law no. 98/2019, of 4 September, taking into account the option for applying the new regime exercised in 2022, as well as the changes in terms of the elimination of the time limit on the use of tax losses provided for in said Law no. 24-D/2022, of 30 December.

The taxable profit or tax loss calculated by the Bank or its subsidiaries residing in Portugal can be corrected by the Portuguese tax administration within a period of four years, except in the case of any tax losses deduction has been made or tax credit has been used, in which the expiry period is the exercise of that right. The Group recorded provisions, current tax liabilities or deferred taxes liabilities in the amount it considers appropriate to cover tax corrections or tax losses incurred, as well as contingencies relating to years not yet reviewed by the tax authorities.

Y4. Valuation of real estate recorded in Non-current assets held for sale and in Other assets

The valuation of these assets, and consequently the impairment losses, is supported by evaluations carried out by external experts, which incorporate several assumptions, namely the selling price per square meter, discount rate, better use of the real estate and expectations regarding the development of real estate projects, as applicable, and also considers the Group's historical experience in the commercialisation of real estate, its perspectives on the evolution of the real estate market and the intentions of the management body regarding the commercialisation of these assets. The assumptions used in the valuations of these assets have an impact on their valuation and consequently on the determination of impairment.

Y5. Pension and other employees' benefits

Determining pension liabilities requires the use of assumptions and estimations, including the use of actuarial forecasts, estimated returns on investment, and other factors, such as discount rate, pensions and salary growth rates, mortality tables, that could impact the cost and liability of the pension plan.

The discount rate used to update the Group's pension fund liabilities, regarding the defined benefit pension plans of its employees and managers, was determined based on an analysis carried out on a set of available information, which includes, among other elements, the market references for this indicator published by internationally recognised specialised entities and which are based, as defined by IAS 19, on market yields of a universe of high quality bond issues (low risk), different maturities, called in euro and relating to a diverse and representative range of issuers (non-sovereign).

Y6. Financial instruments – IFRS 9

Y6.1. Classification and measurement

The classification and measurement of financial assets depends on the results of the SPPI test (analysis of the characteristics of the contractual cash flows to determine if they correspond only to payments of principal and interest on the outstanding capital) and the testing of the business model.

The Group determines the business model at a level that reflects how financial asset groups are managed together to achieve a specific business objective. This evaluation requires judgement, since the following aspects, among others, must be considered: the way in which the performance of assets is evaluated; the risks that affect the performance of the assets and the way these risks are managed; and how asset managers are rewarded.

The Group monitors the financial assets measured at amortised cost and at fair value through other comprehensive income that are derecognised prior to their maturity to understand the underlying reasons for their disposal and to determine whether they are consistent with the purpose of the business model defined for these assets. This monitoring is part of a process of continuous evaluation by the Group of the business model of the financial assets that remain in the portfolio, to determine if it is adequate and, if it is not, if there was a change in the business model and, consequently, a prospective classification change of these financial assets.

Y6.2. Impairment losses on financial assets at amortised cost and debt instruments at fair value through other comprehensive income

The determination of impairment losses on financial instruments involves judgements and estimations regarding, among others, the following:

Significant increase in credit risk:

Impairment losses correspond to the expected losses on a 12-month for the assets in Stage 1 and the expected losses considering the probability of a default event occurring at some point up to the maturity date of the instrument financial assets for assets in Stages 2 and 3. An asset is classified in 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 qualitative and quantitative information, reasonable and sustainable.

In order to comply with the supervisors' guidelines, namely regarding to the identification and measuring credit risk in the current context of uncertainty, largely associated with the worsening of the international geopolitical context, the risks arising from higher fuel and energy costs and to the imposition of tariffs by the US on imports of goods from the E.U, the Group proceeded to record additional impairment in relation to the current models of collective impairment calculation (overlays).

The assessment was based on an analysis of migrations of customers identified as higher risk to Stage 2 or Stage 3, with the most significant impact being recorded in the corporate segment.

Definition of groups of assets with common credit risk characteristics:

When expected credit losses are measured on a collective basis, the financial instruments are grouped based on common risk characteristics. The Group monitors the adequacy of credit risk characteristics on a regular basis to assess whether it maintains its similarity. This procedure is necessary to ensure that, in the event of a change in the credit risk characteristics, the asset segmentation is reviewed. This review may result in the creation of new portfolios or in transferring assets to existing portfolios that better reflect their credit risk characteristics.

Definition of the number and relative weight of prospective information for each type of product/market and determination of relevant prospective information:

In estimating expected credit losses, the Group uses reasonable and sustainable forecasting information that is based on assumptions about the future evolution of different economic drivers and how each of the drivers impacts the remaining drivers.

Probability of default:

The probability of default represents a determining factor in the measurement of expected credit losses and corresponds to an estimation of the probability of default in each period, which is calculated based on historical data, assumptions and expectations about future conditions.

Loss given default:

It corresponds to a loss estimation in a default scenario. It is based on the difference between the contractual cash flows and those that the Group expects to receive, through the cash flows generated by the customers' business or credit collaterals. The estimation of loss given default is based on, among other aspects, the different recovery scenarios, historical information, the costs involved in the recovery process and the estimation of the valuation of collaterals associated with credit operations.

Y6.3. Fair value of financial instruments

Fair value is determined based on market quotations when available, or, in their absence, on the prices of recent similar transactions carried out under market conditions or through valuation methodologies supported by discounted cash flow techniques, taking into consideration factors such as market conditions, the time value, the yield curve, and volatility. When these methodologies involve the use of significant unobservable inputs or assumptions, the instruments are classified as Level 3 in the fair value hierarchy, in accordance with applicable accounting standards (IFRS 13). The use of different methodologies, assumptions, or judgements may result in outcomes that differ from those reported.

In market environments characterised by higher macroeconomic uncertainty, the Group may, among other measures, reallocate risk limits and review both stress scenarios and the calculation of fair value adjustments.

Y7. Provisions for legal risk related to foreign currency-indexed mortgage loans (mostly to Swiss franc)

The Group creates provisions for legal contingencies related foreign currency-indexed mortgage loans, mostly to Swiss franc granted by Bank Millennium, S.A.

The assumptions used by Bank Millennium are essentially based on historical observations and will have to be updated in subsequent periods, which may have a relevant impact on the provision's estimation. The methodology developed by Bank Millennium is based on the following parameters: (i) the number of ongoing cases (including collective actions) and potential future lawsuits; (ii) the amount of potential loss for Bank Millennium in the event of a specific court judgment (including the estimate of statutory interest which depends significantly on the relevant period (iii) estimates involving judicial or out-of-court settlements reached with customers.

The evolution of responsibilities with legal contingencies related to mortgage loans indexed to the Swiss franc and the amount of the Bank Millennium's actual losses depend, namely, on the number of ongoing and potential lawsuits, as well as on the final court decisions about each case and amicable settlement with customers, concluded in court or out of court.

Z. Subsequent events

The Group analyses events occurred after the balance sheet date, i.e., favourable and/or unfavourable events that occur between the balance sheet date and the date the financial statements were authorised for issue. In this context, two types of events can be identified:

i) those that provide evidence of conditions that existed at the balance sheet date (events after the balance sheet date that give rise to adjustments); and,
ii) those that are indicative of the conditions that arose after the balance sheet date (events after the balance sheet date that do not give rise to adjustments).

Events occurred after the date of the financial statements that are not considered as adjustable events, if significant, are disclosed in the notes to the consolidated financial statements.

2. Net interest income

The amount of this account is comprised of:

(Thousand EUR)

	30 June 2026	30 June 2025
Interest and similar income		
Interest on deposits at Central Banks and on loans and advances to credit institutions repayable on demand	29,267	37,804
Interest on financial assets at amortised cost		
Loans and advances to credit institutions	35,815	39,330
Loans and advances to customers	1,255,888	1,378,905
Debt securities	408,606	366,385
Interest on financial assets at fair value through profit or loss		
Financial assets held for trading	37,845	31,139
Financial assets not held for trading mandatorily at fair value through profit or loss	39	2,196
Financial assets designated at fair value through profit or loss	—	502
Interest on financial assets at fair value through other comprehensive income	300,715	287,867
Interest on hedging derivatives	59,855	70,717
Interest on other assets	6,527	7,228
	2,134,557	2,222,073
Interest and similar expense		
Interest on financial liabilities at amortised cost		
Deposits from credit institutions and other funds	(13,761)	(18,057)
Deposits from customers and other funds	(422,459)	(513,941)
Non-subordinated debt securities issued	(92,856)	(99,555)
Subordinated debt	(41,498)	(41,683)
Interest on financial liabilities at fair value through profit or loss		
Financial liabilities held for trading		
Derivatives	(9,845)	(11,575)
Financial liabilities designated at fair value through profit or loss		
Deposits from customers and other funds	(18,811)	(10,993)
Interest on hedging derivatives	(35,886)	(76,175)
Interest on leasing	(5,413)	(5,934)
Interest on other liabilities	(199)	(106)
	(640,728)	(778,019)
	1,493,829	1,444,054

The balance Interest and similar income - Interest on financial assets at amortised cost - Loans and advances to customers includes a gain in the amount of EUR 20,664,000 (30 June 2025: loss of EUR 38,816,000) related to commissions and other gains accounted for under the effective interest method, as referred in the accounting policy described in note 1 C3. The balance also includes the amount of EUR 24,790,000 (30 June 2025: EUR 29,753,000) related to interest income arising from customers classified in stage 3.

The balance Interest and similar expense - Interest on non-subordinated debt securities issued and Interest on subordinated debt include the amount of EUR 1,015,000 and EUR 450,000, respectively (30 June 2025: EUR 1,634,000 and EUR 392,000, respectively) related to commissions and other costs accounted for under the effective interest method, as referred in the accounting policy described in note 1 C3.

The balance Interest and similar expense - Interest on leasing refers to the interest cost related to the leasing liabilities recognised under IFRS 16, as referred in accounting policy described 1 H.

3. Dividends from equity instruments

The amount of this account is comprised of:

(Thousand EUR)

	30 June 2026	30 June 2025
Dividends from financial assets through other comprehensive income	874	841
	874	841

4. Net fees and commissions income

The amount of this account is comprised of:

(Thousand EUR)

	30 June 2026	30 June 2025
Fees and commissions received		
Banking services provided	284,403	270,090
Management and maintenance of accounts	91,929	88,874
Bancassurance	78,976	68,762
Securities operations	30,422	28,167
From guarantees granted	22,560	23,337
From commitments to third parties	2,720	2,749
Management and intervention commissions	13,828	12,539
Other commissions	10,080	11,322
	534,918	505,840
Fees and commissions paid		
Banking services provided by third parties	(73,592)	(67,133)
Securities operations	(5,395)	(4,804)
From guarantees received	(1,472)	(2,910)
Bancassurance	(1,051)	(1,158)
Other commissions	(15,372)	(16,005)
	(96,882)	(92,010)
	438,036	413,830

5. Gains / (losses) on financial operations

The amount of this account is comprised of:

(Thousand EUR)

	30 June 2026	30 June 2025
Gains/(losses) on financial operations at fair value through profit or loss		
Gains/(losses) on financial assets held for trading	114,417	46,307
Gains/(losses) on financial assets not held for trading mandatorily at fair value through profit or loss	44,693	13,988
Gains/(losses) on financial assets and liabilities designated at fair value through profit or loss	(149,995)	14,087
	9,115	74,382
Foreign exchange gains/(losses)	62,278	(10,081)
Gains/(losses) on hedge accounting	(1,674)	(36)
Gains/(losses) arising from derecognition of financial assets and liabilities not measured at fair value through profit or loss	11,512	(8,427)
	81,231	55,838

The balances Gains/(losses) on financial operations at fair value through profit or loss is comprised of:

(Thousand EUR)

	30 June 2026	30 June 2025
Gains/(losses) on financial assets held for trading		
Gains		
Debt securities portfolio	7,664	9,193
Equity instruments	4,857	10,874
Derivative financial instruments	507,360	477,448
Other operations	1,270	840
	521,151	498,355
Losses		
Debt securities portfolio	(10,237)	(5,871)
Equity instruments	(2,961)	(12,106)
Derivative financial instruments	(393,195)	(433,833)
Other operations	(341)	(238)
	(406,734)	(452,048)
	114,417	46,307

(continues)

(continuation)

(Thousand EUR)

	30 June 2026	30 June 2025
Gains/(losses) on financial assets not held for trading mandatorily at fair value through profit or loss		
Gains		
Loans and advances to customers	48	164
Debt securities portfolio	8,997	14,373
Equity instruments	43,132	20,946
	52,177	35,483
Losses		
Loans and advances to customers	(27)	(118)
Debt securities portfolio	(2,907)	(5,127)
Equity instruments	(4,550)	(16,250)
	(7,484)	(21,495)
	44,693	13,988
Gains/(losses) on financial assets and liabilities designated at fair value through profit or loss		
Gains		
Debt securities portfolio	—	62
Deposits from customers and other funds	28,205	14,442
Debt securities issued		
Certificates and structured securities issued	112,480	173,482
	140,685	187,986
Losses		
Debt securities portfolio	—	(72)
Deposits from customers and other funds	(19,276)	(20,532)
Debt securities issued		
Certificates and structured securities issued	(271,404)	(153,295)
	(290,680)	(173,899)
	(149,995)	14,087

The balances Gains / (losses) on financial assets and liabilities designated at fair value through profit or loss - Gains/(Losses) - Certificates and structured securities issued record the valuations and devaluations of certificates issued by the Group. These liabilities are covered by futures, which valuation and devaluation are recorded in Gains / (losses) on financial assets held for trading - Gains/(Losses) - Derivative financial instruments and foreign exchange transactions recorded under the balances “Foreign exchange gains/(losses)” shown in the table below.

The balances Foreign exchange gains/(losses), Gains/(losses) on hedge accounting and Gains/(losses) arising from derecognition of financial assets and liabilities not measured at fair value through profit or loss, are presented as follows:

(Thousand EUR)

	30 June 2026	30 June 2025
Foreign exchange gains/(losses)		
Gains	1,765,761	2,411,385
Losses	(1,703,483)	(2,421,466)
	62,278	(10,081)
Gains/(losses) on hedge accounting		
Gains		
Hedging derivatives	547,352	539,174
Hedged items	506,803	447,818
	1,054,155	986,992
Losses		
Hedging derivatives	(602,137)	(521,374)
Hedged items	(453,692)	(465,654)
	(1,055,829)	(987,028)
	(1,674)	(36)
Gains/(losses) arising from derecognition of financial assets and liabilities not measured at fair value through profit or loss		
Gains		
Credit sales	7,158	5,361
Debt securities portfolio at amortised cost	—	689
Debt securities portfolio at fair value through other comprehensive income	4,576	8,219
Debt securities issued	1,962	1,609
Other	1,040	947
	14,736	16,825
Losses		
Credit sales	(186)	(253)
Debt securities portfolio at amortised cost	—	(12,531)
Debt securities portfolio at fair value through other comprehensive income	(766)	(3,329)
Debt securities issued	(1,739)	(8,856)
Other	(533)	(283)
	(3,224)	(25,252)
	11,512	(8,427)

The detail of the balance Gains/(losses) on hedge accounting relating to the hedging of financial assets and liabilities is as follows:

(Thousand EUR)

	30 June 2026	30 June 2025
Covered item		
Loans and advances to customers (Portfolio Hedge)	(249)	226
Loans and advances to customers	(227)	(770)
Deposits from customers (CIRS)	(533)	(155)
Deposits from customers	359	37
Deposits from customers (Portfolio Hedge)	(2,560)	(727)
Bonds recorded in other comprehensive income and at amortised cost	(1,098)	3,255
Non subordinated debt	236	144
Subordinated debt	2,292	(1,938)
Others	106	(108)
	(1,674)	(36)

Regarding the sale of financial assets at fair value through other comprehensive income subject to hedge accounting, the balance Gains/(losses) arising from derecognition of financial assets and liabilities not measured at fair value through profit or loss - Debt securities portfolio at fair value through other comprehensive income, includes a net gain of EUR 4,323,000 (30 June 2025: net gain of EUR 5,070,000), which is offset in the balance Gains/(losses) on hedge accounting.

6. Other operating income / (expenses)

The amount of this account is comprised of

(Thousand EUR)

	30 June 2026	30 June 2025
Operating income		
Gains on leasing operations	1,529	1,574
Income from services rendered	16,512	16,941
Rents	965	1,010
Sales of cheques and others	3,077	3,372
Other operating income	33,719	30,508
	55,802	53,405
Operating expenses		
Donations and contributions	(2,835)	(3,026)
Contribution on the Banking Sector	(31,205)	(22,409)
Contributions to Resolution Funds	(38,225)	(28,189)
Contributions to the Deposit Guarantee Fund	(747)	(9,421)
Special tax on the polish banking sector	(48,289)	(47,367)
Taxes	(7,647)	(7,630)
Losses on financial leasing operations	(86)	(131)
Other operating expenses	(31,263)	(60,624)
	(160,297)	(178,797)
	(104,495)	(125,392)

The balance Contribution on the Banking Sector in Portugal includes the estimated contributions, in the amount of EUR 31,335,000 (30 June 2025: EUR 28.560.000), according to the terms of the Decree-Law no. 55-A/2010. The determination of the amount payable is based on: (i) the annual average liabilities deducted by core capital (Tier 1) and supplementary capital (Tier 2) and deposits covered by the Deposit Guarantee Fund, and (ii) notional amount of derivatives.

Further to Portugal's Constitutional Court decision no. 478/2025 of 3 June 2025 declaring the Solidarity Surcharge on the Banking Sector (ASSB) unconstitutional, the Group did not proceed with the self-assessment and payment of the tax which, under the rules previously in force, would have been due by 30 June 2025. Further to the favorable court decision in the legal challenge against the ASSB paid in 2021 and its final judgment, the amount of EUR 6,151 thousand was recognised as income in the first half of 2025. The amount in question was repaid to the Group at the beginning of July 2025.

The State Budget Law for 2026 (Law No. 73-A/2025, of 30 December) revoked the regime that created the Solidarity Surcharge on the Banking Sector.

The balance Contributions to Resolution Funds includes the periodic contributions that must be paid to the Portuguese Fund, as stipulated in Decree-Law no. 24/2013. The periodic contributions are determined by a base rate, established by the Banco de Portugal through regulatory instruments, to be applied in each year and which may be adjusted to the credit institution’s risk profile based on the objective incidence of those contributions. The period contributions affect the liabilities of the credit institutions members of the Fund, as per the article 10 of the referred Decree-Law, deducted from the liability elements that are part of the core capital and supplementary and from the deposits covered by the Deposit Guarantee Fund.

The balance of Contributions to Resolution Funds includes mandatory contributions paid by Bank Millennium S.A. to the Polish Bank Guarantee Fund (BFG). The current rules governing the financing of the deposit guarantee scheme and bank resolution framework in Poland were introduced under the Act of 10 June 2016 on the Bank Guarantee Fund, Deposit Guarantee Scheme and Resolution. While the Act came into force on 9 October 2016, 2017 was the first full year of contributions assessed and collected under the new regime. In 2026, the Bank Guarantee Fund decided to increase the contribution to the resolution fund, while at the same time not collecting any contribution of Bank Millennium to the deposit guarantee fund.

The methodology for calculating contributions to the Bank Resolution Fund was established in Commission Delegated Regulation (EU) 2015/63 (as amended by Regulation (EU) 2016/1434, Regulation (EU) 2023/662, and Regulation (EU) 2024/895), which is directly applicable in all European Union Member States. The annual contribution payable by each institution is calculated by the Bank Guarantee Fund (BFG) in accordance with this methodology, and the amount of the contribution is communicated to the institution concerned by 1 May of each year.

The balance contribution to the Deposit Guarantee Fund, includes the amount of EUR 250,000 (30 June 2025: EUR 239,000) related to contributions made in Portugal by BCP and ActivoBank. The decrease in this balance during the first half of 2026 is due to the Polish Bank Guarantee Fund deciding not to charge Bank Millennium any contribution to the deposit guarantee fund in 2026 (30 June 2025: EUR 8,674,000), given the increase in the contribution to the resolution fund, as previously mentioned.

Up to and including 2011, inclusive, under the terms set out in Banco de Portugal Notice 11/94, the Group could choose to deliver part of the contribution to the Deposit Guarantee Fund and the other part to constitute an irrevocable payment commitment. As a guarantee of the assumption of irrevocable payment commitments assumed until 2012 with the Deposit Guarantee Fund, as at 30 June 2025, a security pledge has been created for this purpose, in the amount of EUR 52,178,000. Accumulated irrevocable payment commitments amounting to EUR 47,595,000 were also recorded in off-balance sheet items (note 45). In the last quarter of 2025, the Group (BCP and ActivoBank) paid the remaining amount of EUR 47,595,000, thereby terminating the irrevocable payment commitments and the corresponding security pledge.

Banco Comercial Português, S.A. filed two lawsuits against the Deposit Guarantee Fund contesting the conversion of the irrevocable commitments (for the period between April 1996 and April 2011) into actual payment in the amount of EUR 47,195,000 each. The Deposit Guarantee Fund has already been summoned in the first lawsuit and submitted its defence by way of an objection, stating, among other arguments, that the (i) periodic contributions were not of a tax nature, that (ii) the summons could not be challenged as it did not have constitutive effects, that (iii) the court lacked jurisdiction and that (iv) the Bank's claims were extemporaneous, and the Bank subsequently submitted its response to the various issues raised. Further developments in the proceedings are awaited, and it is expected that the judge will rule on the preliminary matters and/or notify the parties to provide written submissions in the next months.

In January 2026, ActivoBank, S.A. filed another legal challenge with the same subject matter, contesting the conversion of the irrevocable commitments it had undertaken for the period between April 1996 and April 2011 into an actual payment of EUR 400,000. These proceedings have already been contested, and further developments are awaited.

7. Staff costs

The amount of this account is comprised of:

(Thousand EUR)

	30 June 2026	30 June 2025
Remunerations	317,134	305,922
Mandatory social security charges		
Post-employment benefits (note 51)		
Service cost	(4,821)	(4,845)
Net interest cost / (income) in the liability coverage balance	(2,096)	1,225
Cost with early retirement programs	5,018	2,362
	(1,899)	(1,258)
Other mandatory social security charges	71,219	68,188
	69,320	66,930
Voluntary social security charges	7,104	6,031
Other staff costs	5,141	4,432
	398,699	383,315

In the first half of 2026, the Group paid severance payments in the amount of EUR 1,441,000 (30 June 2025: EUR 804,000), of which the highest amounted to EUR 197,000 (30 June 2025: EUR 230,000).

Remunerations

In compliance with the provisions of Article 47 of Banco de Portugal Notice no. 3/2020, quantitative information is disclosed regarding the remuneration paid to different categories of members of governing bodies and categories of employees provided for in Article 115-C (2) of the RGICS, as well as the information provided for in Article 450 (g) to (i) of Regulation (EU) 2019/876 of the European Parliament and of the Council.

A. BCP Board of Directors

The fixed remuneration and social charges paid to members of the Board of Directors of Banco Comercial Português, S.A. are analysed as follows:

(Thousand EUR)

	Board of Directors			
	Executive Committee		Non-executive directors	
	30 June 2026 (*)	30 June 2025	30 June 2026	30 June 2025
Fixed remuneration	1,810	1,713	1,094	1,102
Variable remuneration				
Pecuniary	792	576	—	—
Shares	908	729	—	—
Deferred	6,552	1,831	—	—
Supplementary retirement pension	402	382	116	114
Post-employment benefits	(11)	(17)	—	—
Other mandatory social security charges	435	411	217	220
	10,888	5,625	1,427	1,436
Number of beneficiaries	8	6	18	11

(*) Includes amounts paid, as employee, to directors appointed in May 2026, as well as to directors who ceased their functions on that same date.

Considering that the remuneration of members of the Executive Committee and Directors, with an exclusivity contract, intends to compensate the functions that are performed in the Group and in all other functions performed in subsidiaries or governing bodies for which they have been designated by indication or in representation of the Group, in the latter case, the net amount of the remuneration annually received by each member of the Executive Committee will be deducted from the fixed annual remuneration attributed by the Group, ensuring that the effective payable amount corresponds to the one approved by the Remuneration and Welfare Board.

The amount of remuneration paid to the Executive Committee includes the amount of EUR 78,000 (30 June 2025: EUR 65,000) supported by subsidiaries or companies whose governing bodies represent the Group's interests. Regarding the Non-executive directors, this amount was EUR 18,000 (30 June 2025: EUR 14,000).

In 2026, variable remuneration was awarded to members of the management bodies and to employees, under the Remuneration Policies approved for 2025, as described in accounting policies 1 R4 and 1 R5.

In the first half of 2026, the variable remuneration attributed was EUR 1,584,000 in cash, (30 June 2025: EUR 1,440,000) of which EUR 792,000 are deferred for 5 years (30 June 2025: EUR 864,000), and 1,887,665 BCP shares (30 June 2025: 2,673,969 BCP shares) corresponding to EUR 1,584,000 (30 June 2025: EUR 1,440,000), of which 943,831 BCP shares are deferred for 5 years (30 June 2025: 1,604,381 BCP shares).

In the first half of 2026, the deferred variable remuneration paid refers to the years 2020 to 2025 (30 June 2025: 2018 to 2023), of which EUR 513,000 in cash (30 June 2025: EUR 251,000), a deferred cash increase of EUR 37,000 in the first half of 2026 and 6,241,546 BCP shares (30 June 2025: 2,318,880 BCP shares) in the amount of EUR 6,002,000 (30 June 2025: EUR 1,580,000).

During the first half of 2026 and 2025, no severance payments were paid to members of the Board of Directors.

B. Key Function Holders (KFH)

The remunerations and social security charges supported with the Group's Key Function Holders are, detailed by segment, as follows:

(Thousand EUR)

	Retail		Corporate		Control functions		Other		Total	
	30 June 2026	30 June 2025	30 June 2026	30 June 2025	30 June 2026	30 June 2025	30 June 2026	30 June 2025	30 June 2026	30 June 2025
Fixed remuneration	527	573	904	1,049	1,378	1,463	2,547	2,567	5,356	5,652
Variable remuneration										
Pecuniary	140	144	119	180	265	559	668	772	1,192	1,655
Shares	449	120	440	76	775	41	1,916	462	3,580	699
Deferred	150	117	105	88	37	53	713	512	1,005	770
Post-employment benefits	(19)	(30)	(27)	(20)	(58)	(65)	(68)	(84)	(172)	(199)
Other mandatory social security charges	132	155	188	218	352	370	635	638	1,307	1,381
	1,379	1,079	1,729	1,591	2,749	2,421	6,411	4,867	12,268	9,958
Number of beneficiaries	7	9	9	11	29	29	35	36	80	85

Arising from the application of the Remuneration Policies for Employees, approved for the financial year 2025 and 2024, as described in accounting policies 1 R4 and 1 R5, in the first half of 2026, the 80 Key Function Holders (KFH) (30 June 2025: 85 KFH) were awarded with variable remuneration, in the amount of EUR 1,499,000 in cash (30 June 2025: EUR 461,000) and 3,486,098 BCP shares deferred for 5 years (30 June 2025: 850,656 BCP shares).

During the first half of 2026, deferred variable remunerations were paid to KFH deferred from 2020 to 2024 (30 June 2025: 2019 to 2023) corresponding in cash to EUR 249,000 (30 June 2025: EUR 226,000) and BCP shares in the amount of EUR 756,000 (30 June 2025: EUR 545,000).

During the first half of 2026, no severance payments were paid to KFH (30 June 2025: 1 KFH in the amount of EUR 50,000).

The remunerations and social security charges supported with the Group's Key Function Holders, discriminated by Key management personnel and by members whose professional activities have significant impact in the risk profile of the Bank (Other KFH), are as follows:

(Thousand EUR)

	Key Function Holders					
	Key management personnel		Other KFH		Total	
	30 June 2026	30 June 2025	30 June 2026	30 June 2025	30 June 2026	30 June 2025
Fixed remuneration	3,850	4,078	1,506	1,574	5,356	5,652
Variable remuneration						
Pecuniary	911	1,018	281	637	1,192	1,655
Shares	2,830	699	750	—	3,580	699
Deferred	1,005	762	—	8	1,005	770
Post-employment benefits	(102)	(113)	(70)	(86)	(172)	(199)
Other mandatory social security charges	924	982	383	399	1,307	1,381
	9,418	7,426	2,850	2,532	12,268	9,958
Number of beneficiaries	48	52	32	33	80	85

During the first half of 2026 , the Key management personnel were awarded with deferred variable remuneration in the amount of EUR 115,000 (30 June 2025: EUR 461,000) and 715,221 BCP shares deferred for 5 years (30 June 2025: 850,656 BCP shares).

During the first half of 2026, deferred variable remunerations from years 2020 to 2024 (30 June 2025: 2019 to 2023) were paid in cash to Key management members, in the amount of EUR 249,000 (30 June 2025: EUR 224,000), as well as BCP shares and participation units from AF Portfólio Imobiliário Fund corresponding to EUR 756,000 (30 June 2025: EUR 538,000).

Regarding the other KFH, no deferred variable remunerations were paid during the first half of 2026. During the first half of 2025, were paid EUR 2,000 in cash deferred from 2019, BCP shares and investment units from AF Portfólio Imobiliário Fund, from the years 2019, corresponding to EUR 5,000.

C. Remuneration exceeding 1 million euros

In accordance with regulation (EU) 11 575/2013, Article 450 (1)(i), the Bank has the following employees on its Board of Directors with remuneration exceeding EUR 1 million:

	30 June 2026	30 June 2025
Remuneration between 1.000.000 € - 1.499.999 €	2	1
Remuneration between 1.500.000 € - 1.999.999 €	3	—
Remuneration between 2.000.000 € - 2.499.999 €	1	—
	6	1

8. Other administrative costs

The amount of this account is comprised of:

(Thousand EUR)

	30 June 2026	30 June 2025
Water, electricity and fuel	7,499	7,627
Credit cards and mortgage	6,645	1,634
Communications	14,672	15,007
Maintenance and related services	11,176	10,087
Legal expenses	1,751	1,735
Travel, hotel and representation costs	5,767	5,388
Advisory services	19,472	24,520
Training costs	1,145	539
Information technology services	15,587	14,590
Consumables	3,778	3,984
Outsourcing and independent labour	76,403	64,217
Advertising	17,494	18,632
Rents and leases	15,092	13,341
Insurance	2,731	2,535
Transportation	5,641	5,734
Other specialised services	19,027	19,211
Other supplies and services	15,538	14,663
	239,418	223,444

The balance Rents and leases includes the amount of EUR 50.000 (30 June 2025: EUR 32.000) related to short-term lease contracts and the amount of EUR 1,055.000 (30 June 2025: EUR 1,278.000) related to lease contracts of low-value assets, as described in the accounting policy 1 H.

9. Amortisations and depreciations

The amount of this account is comprised of:

(Thousand EUR)

	30 June 2026	30 June 2025
Amortisations of intangible assets (note 29):		
Software	24,675	20,438
Other intangible assets	5,992	3,609
	30,667	24,047
Depreciations of other tangible assets (note 28):		
Properties	7,496	7,316
Equipment		
Computers	10,197	10,359
Security equipment	597	649
Indoor facilities	1,495	1,725
Machinery	490	821
Furniture	1,131	1,084
Vehicles	2,910	3,149
Other equipment	896	1,109
Right-of-use		
Real estate	26,218	26,527
	51,430	52,739
	82,097	76,786

10. Results on modification

The Group has recognised a cost of EUR 839,000 under this line item relating to contractual modifications made in accordance with IFRS 9, as described in accounting policy 1 C1.3. (30 June 2025: cost of EUR 5,120,000) of which EUR 2,509,000 relating to negotiations with customers holding foreign currency-indexed mortgages loans in Poland, as described in note 57.

11. Impairment of financial assets at amortised cost

The amount of this account is comprised of:

(Thousand EUR)

	30 June 2026	30 June 2025
Loans and advances to credit institutions (note 20)		
Charge for the period	1,383	134
Reversals for the period	(1,221)	(32)
	162	102
Loans and advances to customers (note 21)		
Charge for the period	375,659	352,819
Reversals for the period	(266,862)	(256,299)
Recoveries of loans and interest charged-off	(6,267)	(7,485)
	102,530	89,035
Debt securities (note 22)		
Associated to credit operations		
Charge for the period	1,850	1,187
Reversals for the period	—	(452)
	1,850	735
Not associated to credit operations		
Charge for the period	12,828	24,841
Reversals for the period	(4,172)	(5,855)
	8,656	18,986
	10,506	19,721
	113,198	108,858

The balances Impairment of Loans and advances to customers and Debt securities not associated to credit operations, include a net reversal of charge recorded in BIM - Banco Internacional de Moçambique, S.A., in the amount of EUR 5,492,000 (30 June 2025: EUR 5,574,000) and EUR 5,603,000 (30 June 2025: EUR 17,569,000), respectively, explained mainly by the financial situation in the country, as referred to in note 55.

12. Impairment of financial assets at fair value through other comprehensive income

The detail of this balance is comprised of:

(Thousand EUR)

	30 June 2026	30 June 2025
Impairment of financial assets at fair value through other comprehensive income (note 23)		
Charge for the period	2,275	2,496
Reversals for the period	(3,235)	(775)
	(960)	1,721

13. Impairment of other assets

The amount of this account is comprised of:

(Thousand EUR)

	30 June 2026	30 June 2025
Impairment of non-current assets held for sale (note 26)		
Charge for the period	729	1,196
Reversals for the period	(424)	(1,048)
	305	148
Impairment of tangible fixed assets (note 28)		
Reversals for the period	—	(52)
	—	(52)
Impairment of other assets (note 31)		
Charge for the period	4,954	6,087
Reversals for the period	(1,287)	(2,388)
	3,667	3,699
Impairment of real estate and other assets arising from recovered loans (note 31)		
Charge for the period	2,906	5,235
Reversals for the period	(665)	(223)
	2,241	5,012
	6,213	8,807

14. Other provisions

This balance is comprised of:

(Thousand EUR)

	30 June 2026	30 June 2025
Provision for guarantees and other commitments (note 38)		
Charge for the period	46,115	19,434
Reversals for the period	(42,489)	(22,959)
	3,626	(3,525)
Other provisions for liabilities and charges (note 38)		
Charge for the period	172,235	258,421
Reversals for the period	(1,409)	(3,917)
	170,826	254,504
	174,452	250,979

The balance Other provisions for liabilities and charges - Charge for the period refers essentially to provisions for legal risk accounted for by Bank Millennium, related to foreign currency-indexed mortgage loans, as described in note 57, which, in the first half of 2026, amounted to EUR 95,582,000 (30 June 2025: EUR 241,458,000).

15. Share of profit of associates accounted for using the equity method

The main contributions of the investments accounted for using the equity method are analysed as follows:

(Thousand EUR)

	30 June 2026	30 June 2025
Banco Millennium Atlântico, S.A. (note 25)		
Appropriation of net income relating to the current period	2,703	1,868
Effect of the application of IAS 29:		
Amortisation of the effect calculated until 31 December 2018 (a)	(49)	(56)
	2,654	1,812
Millenniumbcp Ageas Grupo Segurador, S.G.P.S., S.A.	21,333	18,411
Unicre - Instituição Financeira de Crédito, S.A.	1,976	3,773
SIBS, S.G.P.S, S.A.	7,096	7,109
Banque BCP, S.A.S.	1,861	1,751
Fidelidade Moçambique - Companhia de Seguros S.A.	612	696
Other companies	1,609	(2,545)
	34,487	29,195
	37,141	31,007

(a) Based on the requirements of IAS 29, Angola was considered as a hyperinflationary economy until 31 December 2018, for the purposes of presentation of consolidated financial statements, as described in accounting policy 1 B6. This classification is no longer applied since 1 January 2019.

16. Gains/(losses) on disposal of subsidiaries and other assets

This balance is comprised of:

(Thousand EUR)

	30 June 2026	30 June 2025
Gains/(Losses) on disposal of investments	—	15,212
Gains/(Losses) on disposal of other assets	3,733	12,562
	3,733	27,774

The balance Gains/(losses) on disposal of investments, as at 30 June 2025, included an amount of EUR 15,213,000 relating to a price adjustment relating to the sale process of an investment that took place in 2017.

The balance Gains/(Losses) on disposal of other assets essentially include the result deducted from intermediation costs from the sale of assets held by the Group and classified as non-current assets held for sale and as other assets, which corresponds to a gain of EUR 1,174,000 (30 June 2025: gain of EUR 4,123,000).

17. Earnings per share

The earnings per share are calculated as follows:

(Thousand EUR)

	30 June 2026	30 June 2025
Continuing operations		
Net income after taxes from continuing operations	653,700	570,517
Non-controlling interests	(87,868)	(68,241)
Appropriated net income from continuing operations	565,832	502,276
Interests on perpetual subordinated bonds (Additional Tier 1)	(16,250)	(16,250)
Adjusted net income	549,582	486,026
Average number of shares	14,802,371,964	15,058,636,575
Basic earnings per share (Euros)	0.075	0.065
Diluted earnings per share (Euros)	0.075	0.065

As at 30 June 2026, the Bank's share capital amounts to EUR 3,000,000,000 (30 June 2025: EUR 3,000,000,000) and is represented by 14,804,627,089 (30 June 2025: 15,113,989,952) nominative book-entry shares without nominal value, fully subscribed and paid up.

The calculation of the average number of shares as at 30 June 2026 (14,802,371,964 BCP shares) took into account the repurchase of treasury shares that occurred in the second quarter of 2026 (32,293,834 BCP shares), which programme is described in note 42.

There were not identified another dilution effects of the earnings per share as at 30 June 2026 and 30 June 2025, so the diluted result is equivalent to the basic result.

18. Cash and deposits at Central Banks

This balance is analysed as follows:

(Thousand EUR)

	30 June 2026	31 December 2025
Cash	581,910	668,685
Central Banks		
Banco de Portugal	1,277,173	1,997,077
Central Banks abroad	1,967,499	1,423,778
	3,826,582	4,089,540

The balance Central Banks includes deposits at Central Banks of the countries where the Group operates to satisfy the legal requirements to maintain a cash reserve calculated based on the value of deposits and other effective liabilities. According to the European Central Bank System for Euro Zone, the cash reserve requirements establish the maintenance of a deposit with the Central Bank equivalent to 1% of the average value of deposits and other liabilities, during each reserve requirement period. The rate is different for countries outside the Euro Zone.

According to the legislation of the Central Banks of Portugal, Poland, Mozambique and Monetary Authority of Macao (AMCM), as at 30 June 2026, the minimum reserve requirements are EUR 2,597,635,000 (31 December 2025: EUR 2,248,917,000).

19. Loans and advances to credit institutions repayable on demand

This balance is analysed as follows:

(Thousand EUR)

	30 June 2026	31 December 2025
Credit institutions in Portugal	13,777	6,506
Credit institutions abroad	127,740	108,635
Amounts due for collection	74,832	70,870
	216,349	186,011

The balance Amounts due for collection represents, essentially, cheques due for collection on other financial institutions. These balances were settled in the first days of the following month.

20. Loans and advances to credit institutions

This balance is analysed as follows:

(Thousand EUR)

	30 June 2026	31 December 2025
Loans and advances to Central Banks		
Central Banks abroad	423,248	373,122
	423,248	373,122
Loans and advances to credit institutions in Portugal		
Term deposits	2,110	1,927
Loans	—	10,005
Other	(92)	1,817
	2,018	13,749
Loans and advances to credit institutions abroad		
Very short-term deposits	207,610	117,563
Term deposits	331,824	313,885
Loans	22,829	4,291
Term deposits to collateralise CIRS and IRS operations (*)	5,567	25,833
Other	16,717	13,300
	584,547	474,872
	1,009,813	861,743
Impairment for loans and advances to credit institutions	(673)	(498)
	1,009,140	861,245

(*) Under the scope of derivative financial instruments operations (IRS and CIRS) with institutional counterparties, and as defined in the respective contracts ("Cash collateral"), these deposits are held by the counterparties and are given as collateral of the referred operations (IRS and CIRS), whose revaluation is negative for the Group.

The changes occurred in impairment of Loans and advances to credit institutions are analysed as follows:

(Thousand EUR)

	30 June 2026	31 December 2025
Balance as at 1 January	498	112
Charge for the period (note 11)	1,383	471
Reversals for the period (note 11)	(1,221)	(63)
Exchange rate differences	13	(22)
Balance at the end of the period	673	498

21. Loans and advances to customers

The analysis of loans and advances to customers, by type of credit, is as follows:

(Thousand EUR)

	30 June 2026	31 December 2025
Mortgage loans	32,295,050	31,337,755
Loans	18,148,250	17,600,936
Finance leases	4,660,407	4,514,157
Factoring operations	2,775,393	2,537,479
Current account credits	908,384	824,486
Overdrafts	1,343,210	1,163,242
Discounted bills	129,708	156,544
	60,260,402	58,134,599
Overdue loans - less than 90 days	110,428	119,191
Overdue loans - Over 90 days	493,028	468,710
	60,863,858	58,722,500
Loans impairment	(1,350,483)	(1,315,825)
	59,513,375	57,406,675

The balance Loans and advances to customers, as at 30 June 2026, is analysed as follows:

(Thousand EUR)

	30 June 2026				
	Outstanding loans	Overdue loans	Gross amount	Impairment	Net amount
Public sector	526,337	—	526,337	(1,192)	525,145
Asset-backed loans	34,550,396	84,975	34,635,371	(307,614)	34,327,757
Other guaranteed loans	4,749,653	72,540	4,822,193	(163,204)	4,658,989
Unsecured loans	10,625,700	315,216	10,940,916	(694,441)	10,246,475
Foreign loans	2,372,517	8,392	2,380,909	(26,280)	2,354,629
Factoring operations	2,775,393	31,982	2,807,375	(62,045)	2,745,330
Finance leases	4,660,406	90,351	4,750,757	(95,707)	4,655,050
	60,260,402	603,456	60,863,858	(1,350,483)	59,513,375

The balances Asset-backed loans and Other guaranteed loans follow the subsequent types of guarantees considered:

– Asset-backed loans: Financial collaterals, physical collaterals (movable or immovable) and amounts receivable (income consignment);
– Credit with other guarantees: First-demand guarantees issued by banks or other entities and personal guarantees.

The balance Loans and advances to customers, as at 31 December 2025, is analysed as follows:

(Thousand EUR)

	31 December 2025				
	Outstanding loans	Overdue loans	Gross amount	Impairment	Net amount
Public sector	510,544	—	510,544	(1,119)	509,425
Asset-backed loans	33,450,676	92,984	33,543,660	(330,915)	33,212,745
Other guaranteed loans	4,618,812	64,311	4,683,123	(141,805)	4,541,318
Unsecured loans	10,175,011	291,940	10,466,951	(654,129)	9,812,822
Foreign loans	2,327,920	2,488	2,330,408	(24,536)	2,305,872
Factoring operations	2,537,479	49,986	2,587,465	(70,689)	2,516,776
Finance leases	4,514,157	86,192	4,600,349	(92,632)	4,507,717
	58,134,599	587,901	58,722,500	(1,315,825)	57,406,675

The balances Asset-backed loans and Other guaranteed loans follow the subsequent types of guarantees considered:

- Asset-backed loans: Financial collaterals, physical collaterals (movable or immovable) and amounts receivable (income consignment);
- Credit with other guarantees: First-demand guarantees issued by banks or other entities and personal guarantees.

The balance Loans and advances to customers includes the amount of EUR 12,745,871,000 (31 December 2025: EUR 13,414,544,000) regarding mortgage loans assigned to the cover pool backing the Group's covered bond programme issuances.

As part of the liquidity risk management, the Group holds a pool of eligible assets that can serve as collateral in funding operations with the European Central Bank and other Central Banks in countries where the Group operates, which include loans and advances to customers.

As referred in note 51, the Group provides loans and/or guarantees to qualifying shareholders holding individually or together with their affiliates, 5% or more of the share capital identified in the Board of Directors report and in note 40.

The Group granted credit to qualifying shareholders and entities controlled by them, in the amount of EUR 128,356,000 (31 December 2025: EUR 118,176,000), as referred in note 51 a). The amount of impairment recognised for these contracts amounts to EUR 1,189,000 (31 December 2025: EUR 1,147,000).

The conclusion of business between the Company and holders of qualifying holdings or individuals or legal entities related to them in accordance with the provisions of article 33 (3) of Notice 3/2020 of Banco de Portugal, regardless of the amount, is always subject of consideration and deliberation by the Board of Directors, after obtaining a prior opinion from the Audit Committee, and by proposal of the Executive Committee, which in turn deliberates under proposal from the Credit Committee, after obtaining an analysis and opinion from the Compliance Office, which pronounces regarding the compliance of the proposed operations with internal regulations, legal and regulatory provisions and other conditions that may apply to them, and the Risk Office, which evaluates and issues an opinion on the risks inherent to the operation.

According to accounting policy C.4, there is a set of loans and advances to customers that are being hedged, the impact of which is detailed in note 54.

The analysis of loans and advances to customers, as at 30 June 2026, by sector of activity, is as follows:

(Thousand EUR)

	30 June 2026					
	Outstanding loans	Overdue loans	Gross amount	Impairment	Net amount	% Gross amount
Agriculture and forestry	379,477	7,749	387,226	(11,830)	375,396	0.64 %
Fisheries	18,235	341	18,576	(1,228)	17,348	0.03 %
Mining	63,059	992	64,051	(1,791)	62,260	0.11 %
Food, beverage and tobacco	816,619	16,213	832,832	(31,397)	801,435	1.37 %
Textiles	367,969	12,976	380,945	(44,356)	336,589	0.63 %
Wood and cork	240,514	5,353	245,867	(11,157)	234,710	0.40 %
Paper, printing and publishing	142,282	333	142,615	(2,884)	139,731	0.23 %
Chemicals	789,489	12,439	801,928	(41,848)	760,080	1.32 %
Machinery, equipment and basic metallurgical	1,436,573	48,253	1,484,826	(69,852)	1,414,974	2.44 %
Electricity and gas	499,193	4,671	503,864	(17,141)	486,723	0.83 %
Water	210,867	904	211,771	(7,460)	204,311	0.35 %
Construction	1,633,083	29,248	1,662,331	(56,079)	1,606,252	2.73 %
Retail business	1,823,230	22,396	1,845,626	(44,758)	1,800,868	3.03 %
Wholesale business	2,341,494	34,756	2,376,250	(66,872)	2,309,378	3.90 %
Restaurants and hotels	1,245,598	7,163	1,252,761	(29,220)	1,223,541	2.06 %
Transports	1,356,484	22,922	1,379,406	(39,471)	1,339,935	2.27 %
Post offices	27,689	1,013	28,702	(1,212)	27,490	0.05 %
Telecommunications	209,735	767	210,502	(3,642)	206,860	0.35 %
Services						
Financial intermediation	1,412,128	1,753	1,413,881	(15,420)	1,398,461	2.32 %
Real estate activities	2,477,619	9,467	2,487,086	(69,988)	2,417,098	4.09 %
Consulting, scientific and technical activities	1,055,253	9,517	1,064,770	(36,710)	1,028,060	1.75 %
Administrative and support services activities	587,727	4,698	592,425	(13,834)	578,591	0.97 %
Public sector	415,913	—	415,913	(23,002)	392,911	0.68 %
Education	143,622	757	144,379	(2,372)	142,007	0.24 %
Health and collective service activities	452,483	1,691	454,174	(6,283)	447,891	0.75 %
Artistic, sports and recreational activities	211,338	2,131	213,469	(5,980)	207,489	0.35 %
Other services	312,728	6,069	318,797	(67,745)	251,052	0.52 %
Consumer loans	7,871,824	248,310	8,120,134	(439,988)	7,680,146	13.34 %
Mortgage loans	31,315,368	86,733	31,402,101	(170,265)	31,231,836	51.59 %
Other domestic activities	1,405	4	1,409	(27)	1,382	0.00 %
Other international activities	401,404	3,837	405,241	(16,671)	388,570	0.67 %
	60,260,402	603,456	60,863,858	(1,350,483)	59,513,375	100 %

The analysis of loans and advances to customers, as at 31 December 2025, by sector of activity, is as follows:

(Thousand EUR)

	31 December 2025					
	Outstanding loans	Overdue loans	Gross amount	Impairment	Net amount	% Gross amount
Agriculture and forestry	373,520	7,804	381,324	(11,889)	369,435	0.65 %
Fisheries	17,290	319	17,609	(930)	16,679	0.03 %
Mining	61,021	1,557	62,578	(2,222)	60,356	0.11 %
Food, beverage and tobacco	761,364	18,195	779,559	(39,446)	740,113	1.33 %
Textiles	368,557	25,233	393,790	(47,124)	346,666	0.67 %
Wood and cork	233,351	4,664	238,015	(8,439)	229,576	0.41 %
Paper, printing and publishing	134,021	259	134,280	(2,033)	132,247	0.23 %
Chemicals	724,701	11,278	735,979	(33,873)	702,106	1.25 %
Machinery, equipment and basic metallurgical	1,372,775	48,033	1,420,808	(66,160)	1,354,648	2.42 %
Electricity and gas	421,050	217	421,267	(5,191)	416,076	0.72 %
Water	196,120	1,928	198,048	(7,101)	190,947	0.34 %
Construction	1,428,968	22,329	1,451,297	(48,860)	1,402,437	2.47 %
Retail business	1,722,367	18,101	1,740,468	(40,212)	1,700,256	2.96 %
Wholesale business	2,148,787	35,103	2,183,890	(63,937)	2,119,953	3.72 %
Restaurants and hotels	1,225,499	6,026	1,231,525	(27,818)	1,203,707	2.10 %
Transports	1,268,103	19,002	1,287,105	(36,369)	1,250,736	2.19 %
Post offices	23,150	651	23,801	(1,087)	22,714	0.04 %
Telecommunications	257,925	490	258,415	(4,469)	253,946	0.44 %
Services						
Financial intermediation	1,504,942	1,369	1,506,311	(28,308)	1,478,003	2.57 %
Real estate activities	2,594,679	19,242	2,613,921	(74,022)	2,539,899	4.45 %
Consulting, scientific and technical activities	994,942	9,113	1,004,055	(35,743)	968,312	1.71 %
Administrative and support services activities	540,579	3,917	544,496	(11,890)	532,606	0.93 %
Public sector	417,667	—	417,667	(4,428)	413,239	0.71 %
Education	124,500	708	125,208	(2,042)	123,166	0.21 %
Health and collective service activities	425,219	1,289	426,508	(4,924)	421,584	0.73 %
Artistic, sports and recreational activities	188,418	1,396	189,814	(4,697)	185,117	0.32 %
Other services	309,705	4,838	314,543	(62,057)	252,486	0.54 %
Consumer loans	7,629,025	232,817	7,861,842	(430,534)	7,431,308	13.39 %
Mortgage loans	30,256,455	91,485	30,347,940	(174,972)	30,172,968	51.68 %
Other domestic activities	18,538	444	18,982	(379)	18,603	0.03 %
Other international activities	391,361	94	391,455	(34,669)	356,786	0.67 %
	58,134,599	587,901	58,722,500	(1,315,825)	57,406,675	100 %

The item Loans and advances to customers, broken down by stage according with IFRS 9, is analysed as follows:

(Thousand EUR)

	30 June 2026	31 December 2025
Stage 1		
Gross amount	53,274,856	50,874,014
Impairment	(270,943)	(252,249)
	53,003,913	50,621,765
Stage 2		
Gross amount	6,182,052	6,382,660
Impairment	(318,140)	(296,454)
	5,863,912	6,086,206
Stage 3		
Gross amount	1,406,950	1,465,826
Impairment	(761,400)	(767,122)
	645,550	698,704
Net amount	59,513,375	57,406,675

The exposure and impairment of the above table also includes the operations classified as POCI as detailed in note 54.

The analysis of the exposure covered by collaterals associated with loans and advances to customers' portfolio, by stage according with IFRS 9, considering the collaterals' fair value, is as follows:

(Thousand EUR)

	30 June 2026	31 December 2025
Stage 1		
Securities and other financial assets	1,142,388	1,349,916
Residential real estate	27,870,772	27,169,047
Other real estate	4,249,840	3,949,611
Other guarantees	10,001,284	8,881,118
	43,264,284	41,349,692
Stage 2		
Securities and other financial assets	128,609	130,311
Residential real estate	2,002,265	2,102,200
Other real estate	778,577	887,342
Other guarantees	1,309,298	1,549,444
	4,218,749	4,669,297
Stage 3		
Securities and other financial assets	6,891	12,647
Residential real estate	332,935	366,942
Other real estate	131,802	157,621
Other guarantees	225,415	265,994
	697,043	803,204
	48,180,076	46,822,193

The balance Other guarantees include first-demand guarantees issued by the Bank and other entities, with an internal risk rating of 108 or better; personal guarantees, when the guarantors are classified with internal risk grade 108 or better. This balance also includes pledges, assets subject to financial leasing operations and personal guarantees, among others.

Considering the policy of risk management of the Group (note 54), the amounts presented do not include the fair value of the personal guarantees provided by customers with lower risk rating. When considered, the fair value of the personal guarantees corresponds to the guaranteed amount.

The Group is applying physical collaterals and financial guarantees as instruments to mitigate the credit risk. The physical collaterals are mainly mortgages on residential buildings for the mortgage portfolio and other mortgages on other types of buildings related to other types of loans. To reflect the market value, these collaterals are regularly reviewed based on independent and certified valuation entities or through the application of revaluation coefficients that reflect the market trends for each specific type of building and geographical area. The financial guarantees are reviewed based on the market value of the respective assets, when available, with the subsequent application of haircuts that reflect the volatility of their prices. The Group continued to negotiate additional physical and financial collaterals with its customers.

The loans and advances to customers' portfolio includes contracts that resulted in a formal restructuring with the customers and which arise to the marking of operations as being restructured due to financial difficulties of customers. The restructuring may include in a reinforce of guarantees, liquidation of part of the credit and imply an extension of maturities or changes in interest rate. The analysis of the restructured loans, by sector of activity, is as follows:

(Thousand EUR)

	30 June 2026			31 December 2025		
	Restructured loans	Impairment (*)	Net amount	Restructured loans	Impairment (*)	Net amount
Agriculture and forestry	9,627	(2,228)	7,399	11,301	(2,742)	8,559
Fisheries	4,768	(762)	4,006	5,390	(492)	4,898
Mining	581	(224)	357	574	(265)	309
Food, beverage and tobacco	14,128	(4,863)	9,265	15,118	(8,625)	6,493
Textiles	19,591	(8,431)	11,160	10,448	(2,627)	7,821
Wood and cork	5,652	(1,523)	4,129	5,555	(975)	4,580
Paper, printing and publishing	636	(115)	521	433	(77)	356
Chemicals	13,511	(8,178)	5,333	13,557	(8,126)	5,431
Machinery, equipment and basic metallurgical	19,833	(6,377)	13,456	20,356	(6,985)	13,371
Electricity and gas	22,089	(5,068)	17,021	22,428	(545)	21,883
Water	809	(274)	535	493	(227)	266
Construction	15,624	(4,323)	11,301	14,978	(4,222)	10,756
Retail business	13,492	(2,314)	11,178	13,148	(1,941)	11,207
Wholesale business	31,349	(10,118)	21,231	28,443	(6,517)	21,926
Restaurants and hotels	14,392	(2,030)	12,362	16,954	(1,016)	15,938
Transports	6,351	(2,850)	3,501	6,539	(2,831)	3,708
Post offices	252	(177)	75	192	(157)	35
Telecommunications	359	(300)	59	379	(200)	179
Services						
Financial intermediation	37,667	(1,415)	36,252	58,036	(14,262)	43,774
Real estate activities	32,854	(10,020)	22,834	48,690	(18,884)	29,806
Consulting, scientific and technical activities	23,462	(4,049)	19,413	22,663	(3,611)	19,052
Administrative and support services activities	10,526	(1,253)	9,273	11,231	(1,286)	9,945
Public sector	58,254	(870)	57,384	56,723	(867)	55,856
Education	2,080	(313)	1,767	2,509	(324)	2,185
Health and collective service activities	1,385	(229)	1,156	2,651	(165)	2,486
Artistic, sports and recreational activities	697	(302)	395	1,422	(1,058)	364
Other services	7,910	(819)	7,091	9,767	(783)	8,984
Consumer loans	185,443	(88,686)	96,757	205,302	(97,366)	107,936
Mortgage loans	376,411	(62,341)	314,070	460,854	(68,609)	392,245
Other domestic activities	11	(1)	10	1	—	1
Other international activities	178	(137)	41	230	(191)	39
	929,922	(230,590)	699,332	1,066,365	(255,976)	810,389

(*) The impairment presented in the table does not include the amounts of impairment calculated using the overlays methodology described in point ii. of the section "Additional measures with impact on the Impairment level" of note 54.

The breakdown of the restructured loans as at 30 June 2026, by restructuring measure, is as follows:

(Thousand EUR)

	30 June 2026					
	Number of operations	Outstanding loans	Overdue loans	Gross amount	Impairment (*)	Net amount
Extension of the repayment term	28,019	227,738	63,603	291,341	(97,801)	193,540
Introduction of the grace period for capital and / or interest	5,559	209,533	17,915	227,448	(52,955)	174,493
Interest rate reduction	2,973	56,577	1,543	58,120	(6,937)	51,183
Payment plan change	5,298	99,745	12,458	112,203	(21,618)	90,585
Debt relief	14	134	419	553	(462)	91
Debt-asset swaps	1	14	—	14	(2)	12
Other restructured loans	5,192	224,978	15,265	240,243	(50,815)	189,428
	47,056	818,719	111,203	929,922	(230,590)	699,332

The breakdown of the restructured loans as at 31 December 2025, by restructuring measure, is as follows:

(Thousand EUR)

	31 December 2025					
	Number of operations	Outstanding loans	Overdue loans	Gross amount	Impairment (*)	Net amount
Extension of the repayment term	32,461	202,838	72,773	275,611	(110,585)	165,026
Introduction of the grace period for capital and / or interest	6,348	233,472	21,628	255,100	(56,958)	198,142
Interest rate reduction	2,538	119,336	7,732	127,068	(24,171)	102,897
Payment plan change	5,921	127,638	7,187	134,825	(24,968)	109,857
Debt relief	18	205	387	592	(460)	132
Debt-asset swaps	2	15	14	29	(6)	23
Other restructured loans	5,612	254,249	18,891	273,140	(38,828)	234,312
	52,900	937,753	128,612	1,066,365	(255,976)	810,389

(*) The impairment presented in the tables does not include the amounts of impairment calculated using the overlays methodology described in point ii. of the section "Additional measures with impact on the Impairment level" of note 54.

The restructured loans are also subject to an impairment analysis resulting from the revaluation of expectation to meet new cash flows inherent to the new contract terms and considering new collaterals.

The Group has implemented a process for marking operations restructured due to customers' financial difficulties. This marking is part of the credit analysis process, being in charge of the respective decision-making bodies, according to the corresponding competencies, established in the regulations in force.

The information on operations restructured due to financial difficulties is available in the Group's information systems, having a relevant role in the processes of credit analysis, in the marking of customers in default and in the process of determining impairment. In particular:

- there are several default triggers related to restructuring due to financial difficulties (restructuring with loss of value, recidivism of restructuring, default on customers with restructured operations);

- in the process of individual impairment analysis, in addition to the existence of operations restructured due to financial difficulties, being a reason for customer selection, the loss inherent to the change in the conditions resulting from the restructuring is determined.

An operation marked as restructured due to financial difficulties, can only be unmarked at least 2 years after the date of marking, provided that a set of conditions exist that allow to conclude by the improvement of the financial condition of the customer. In the case of credits marked as Non-Performing Exposure (NPE), this 2-year period will only start on the date of classification of the credit as performing.

The definition of Non-Performing Loans for more than 90 days (NPL > 90) incorporates total credit (past due plus outstanding) associated with past due operations for more than 90 days. The amount calculated is EUR 770,025,000 (31 December 2025: EUR 740,933,000).

All customers who check at least one of the following conditions are marked in default and therefore as NPE:

- Material payment delay of more than 90 days in the amounts of principal, interest or unpaid commissions on the due date that, cumulatively, represent: more than EUR 100 (retail) or more than EUR 500 (non-retail); and more than 1% of the total debt (direct liabilities).

- Indications of low probability of payment:

a) Credit restructuring due to financial difficulties with loss of value; b) Delay after restructuring due to financial difficulties; c) Recurrence of restructuring due to financial difficulties; d) Credit with signs of impairment (or Stage 3 of IFRS 9); e) Insolvency or equivalent process; f) Litigation; g) Guarantees of operations in default; h) Loss of credit sales; i) Credit fraud; j) Unpaid credit status; k) Breach of covenants in a credit agreement; l) Contagion of default in an economic group; m) Cross default in the BCP Group.

The NPE associated with Loans and advances customers at amortised cost amounts to EUR 1,406,950,000 (31 December 2025: EUR 1,465,826,000).

The changes occurred in Loans impairment are analysed as follows:

(Thousand EUR)

	30 June 2026	31 December 2025
Balance as at 1 January	1,315,825	1,486,734
Charge for the period in net income interest	10,079	24,584
Other transfers	669	(187,332)
Impairment charge for the period (note 11)	375,659	745,135
Reversals for the period (note 11)	(266,862)	(523,071)
Loans charged-off		
Write-offs	(54,649)	(66,162)
Credit assignments	(22,926)	(168,289)
Exchange rate differences	(7,312)	4,226
Balance at the end of the period	1,350,483	1,315,825

According to note 38, regarding the proceedings related to foreign currency-indexed mortgages of Bank Millennium the amount of EUR 632,911,000 has been deducted from the gross carrying amount of loans and advances to customers portfolio (31 December 2025: EUR 869,230,000).

The analysis of Write-offs, by sector of activity, is as follows:

(Thousand EUR)

	30 June 2026	31 December 2025
Agriculture and forestry	889	1,138
Fisheries	1	4
Mining	639	39
Food, beverage and tobacco	2,069	359
Textiles	649	785
Wood and cork	309	324
Paper, printing and publishing	—	858
Chemicals	115	1,617
Machinery, equipment and basic metallurgical	2,547	4,198
Electricity and gas	2	1
Water	188	226
Construction	1,543	4,741
Retail business	2,080	1,642
Wholesale business	4,002	4,174
Restaurants and hotels	757	1,805
Transports	1,618	4,328
Post offices	40	85
Telecommunications	14	12
Services		
Financial intermediation	2,388	624
Real estate activities	6,281	4,134
Consulting, scientific and technical activities	5,270	581
Administrative and support services activities	584	488
Education	52	96
Health and collective service activities	167	343
Artistic, sports and recreational activities	40	38
Other services	320	1,144
Consumer loans	21,346	28,039
Mortgage loans	691	3,808
Other domestic activities	1	260
Other international activities	47	271
	54,649	66,162

According to the accounting policy described in note 1 C1.3, the Group writes off a loan when it does not have reasonable expectations of recovering a financial asset in its entirety or partially. Loans written-off are recognised in off-balance sheet accounts.

The analysis of Write-offs, by type of credit, is as follows:

(Thousand EUR)

	30 June 2026	31 December 2025
Asset-backed loans	8,940	8,923
Other guaranteed loans	2,437	5,896
Unsecured loans	40,391	42,891
Finance leases	2,881	8,452
	54,649	66,162

The analysis of recovered loans and interest occurred during the first half of 2026 and 2025, by sector of activity, is as follows:

(Thousand EUR)

	30 June 2026	30 June 2025
Agriculture and forestry	—	68
Mining	3	—
Food, beverage and tobacco	80	34
Textiles	9	7
Wood and cork	18	405
Paper, printing and publishing	4	—
Chemicals	5	163
Machinery, equipment and basic metallurgical	18	9
Water	17	7
Construction	379	769
Retail business	171	141
Wholesale business	74	77
Restaurants and hotels	25	42
Transports	341	198
Post offices	—	1
Telecommunications	1	19
Services		
Financial intermediation	2	903
Real estate activities	679	196
Consulting, scientific and technical activities	25	2
Administrative and support services activities	41	48
Education	1	—
Health and collective service activities	3	—
Other services	22	3
Consumer loans	3,503	3,839
Mortgage loans	476	526
Other international activities	370	28
	6,267	7,485

The analysis of recovered loans and interest occurred during the first half of 2026 and 2025, by type of credit, is as follows:

(Thousand EUR)

	30 June 2026	30 June 2025
Asset-backed loans	838	1,342
Other guaranteed loans	2,450	526
Unsecured loans	2,539	5,203
Foreign loans	1	3
Factoring operations	1	—
Finance leases	438	411
	6,267	7,485

The balance Loans and advances to customers includes the effect of traditional securitisation transactions made through Special Purpose Entities (SPE) consolidated following the application of IFRS 10, in accordance with accounting policy 1 B and synthetic securitisation. The characterisation of these operations is described in note 1 D.

Traditional securitisations

The traditional securitisation transactions engaged by BCP and still ongoing, refer to mortgage loan portfolios and were structured through securitisation funds and special purpose entities (SPEs). As referred in accounting policy 1 B, when the substance of the relationship with an SPE indicates that the Group holds control of its activities, such entities are consolidated by the full method.

Magellan Mortgages No. 3

On 24 June 2005, the Bank transferred, through a securitisation fund, a mortgage loan portfolio to the SPE "Magellan Mortgages No. 3 PLC". Considering that, by having acquired part of the subordinated tranche of the bonds issued by that SPE, the Bank holds control of the referred assets and so the SPE is consolidated in the Group's Financial Statements, as established in the accounting policy 1.B. As at 30 June 2026, the SPE's credit portfolio associated with this operation amounts to EUR 111,875,000 (31 December 2025: EUR 119,915,000) and bonds issued with different subordination levels amount to EUR 85,096,000 (this amount excludes bonds held by the Group in the amount of EUR 38,299,000) and the most subordinated tranche amounts to EUR 44,000 (this amount excludes bonds already acquired by the Group in the amount EUR 206,000).

Synthetic securitisations

BCP has two transactions ongoing which form synthetic securitisation structures with similar characteristics, with reference to credit portfolios granted by the Bank mainly to Small and Medium-sized Enterprises (SMEs), as described in the accounting policy presented in note 1 D 2.

Caravela SME No.5

Caravela SME No.5, initiated on 20 December 2022, is supported by a portfolio of medium and long-term loans, leasing contract and commercial paper programmes. The legal maturity date is 26 September of 2035 and, as at 30 June 2026, the transaction amounts to EUR 493,862,000 (31 December 2025: EUR 661,171,000). The fair value of the related CDS is recorded as a negative amount of EUR 1,111,000 (31 December 2025: negative amount EUR 8,538,000) and a cost of EUR 9,889,000 was recognised in the first half of 2026 (31 December 2025: gain of EUR 1,497,000).

Caravela SME No.6

Caravela SME No. 6, initiated on 28 February 2024, is supported by a credit portfolio of short-term exposures to Portuguese SME and Corporate customers, in the form of current accounts overdrafts, authorised overdrafts and confirming agreements. The legal maturity date is 26 March of 2028 and the operation amounts to EUR 850,000,000 (31 December 2025: EUR 850,000,000). The fair value of the related CDS is recorded as a negative amount of EUR 9,954,000 (31 December 2025: negative amount of EUR 13,665,000) and a cost of EUR 3,124,000 was recognised in the first half of 2026 (31 December 2025: cost of EUR 7,948,000).

In both transactions, the Bank contracted a Credit Default Swap (CDS) with a Special Purpose Entity (SPE), acquiring credit risk protection on the referenced portfolios. Within these synthetic structures, the credit risk of the respective portfolios was subdivided into three tranches: senior, mezzanine and equity. The entire mezzanine tranche has been placed on the market, while the Bank retained the risk of the senior and equity tranches. In both transactions, the proceeds from the issuance of the Credit-Linked Notes (CLNs) were applied by each SPE in the constitution of a deposit which fully collateralises its liabilities to its creditors in connection with each transaction, including the Bank.

Within the scope of the active management of its synthetic securitisation structures, the Bank exercised the contractual termination options in respect of Caravela SME No. 4 and Caravela SME No. 3, whose respective Credit Default Swap (CDS) contracts were terminated on 22 December 2025 and 30 December 2025, respectively.

These transactions allow the Bank to reduce the risk-weighted assets associated with the underlying credit portfolios, but the Bank did not transfer to third parties most of the rights and obligations arising from the credits included in the respective portfolios, thus not meeting the derecognition criteria in the accounting policy presented in note 1 C1.3.

22. Debt securities

The balance Debt securities is analysed as follows:

(Thousand EUR)

	30 June 2026	31 December 2025
Debt securities held associated with credit operations		
Portuguese public issuers		
Bonds	654,665	625,121
Other Portuguese issuers		
Bonds	889,371	835,421
Commercial paper	2,820,512	2,363,943
Foreign issuers		
Commercial paper	61,241	43,710
	4,425,789	3,868,195
Overdue securities - over 90 days	4,449	4,449
	4,430,238	3,872,644
Impairment	(50,455)	(48,604)
	4,379,783	3,824,040
Debt securities held not associated with credit operations		
Bonds issued by public entities (*)		
Portuguese issuers	1,332,165	1,326,262
Foreign issuers	21,350,227	19,041,663
Bonds issued by public companies and other entities		
Foreign issuers	294,992	453,631
	22,977,384	20,821,556
Overdue securities	11,089	—
	22,988,473	20,821,556
Impairment	(118,564)	(106,721)
	22,869,909	20,714,835
	27,249,692	24,538,875

(*) Includes the negative amount of EUR 228,032,000 (31 December 2025: negative amount of EUR 247,549,000) related to adjustments resulting from the application of fair value hedge accounting.

Under the terms of IFRS 9, the balance Debt securities held associated with credit operations, includes financial assets classified as Loans and advances to customers arising from the subscription of Commercial Paper or Bonds issues by Corporate and Institutional customers.

Under the terms of IFRS 9, the balance Debt securities held not associated with credit operations - Bonds issued by public issuers, includes essentially a portfolio of securities to support Group's ALM (Asset and Liability Management), whose business model seeks to receive the respective income until maturity, that is, of a portfolio Held to Collect, whose value as at 30 June 2026 amounts to EUR 14,127,719,000 (31 December 2025: EUR 13,874,625,000).

According to accounting policy C.4, there is a set of debt securities that are being hedged, the impact of which is detailed in note 54.

The analysis of debt securities portfolio, by sector of activity, is analysed as follows:

(Thousand EUR)

	30 June 2026	31 December 2025
Debt securities held associated with credit operations		
Agriculture and forestry	14,723	7,487
Mining	102,551	94,879
Food, beverage and tobacco	176,194	168,617
Textiles	47,289	48,510
Wood and cork	17,434	21,366
Paper, printing and publishing	60,310	2,158
Chemicals	220,166	211,298
Machinery, equipment and basic metallurgical	105,920	114,080
Electricity and gas	424,863	385,465
Water	34,310	33,309
Construction	19,743	16,077
Retail business	46,835	45,468
Wholesale business	150,730	153,873
Restaurants and hotels	15,096	15,695
Transports	76,459	74,968
Services		
Financial intermediation	511,709	456,163
Real estate activities	45,966	41,665
Consulting, scientific and technical activities	1,576,234	1,257,003
Administrative and support services activities	18,954	7,486
Health and collective service activities	3,195	3,851
Artistic, sports and recreational activities	11,897	12,352
Other international activities	61,239	43,709
	3,741,817	3,215,479
Government and Public securities	637,966	608,561
	4,379,783	3,824,040
Debt securities held not associated with credit operations		
Services		
Financial intermediation	294,992	453,631
Government and Public securities	22,574,917	20,261,204
	22,869,909	20,714,835
	27,249,692	24,538,875

The analysis of restructured debt securities portfolio, by sector of activity, is analysed as follows:

(Thousand EUR)

	30 June 2026			31 December 2025		
	Restructured loans	Impairment	Net amount	Restructured loans	Impairment	Net amount
Debt securities held associated with credit operations						
Food, beverage and tobacco	6,986	(146)	6,840	8,422	(168)	8,254
Textiles	202	(14)	188	252	(17)	235
Chemicals	4,449	(4,412)	37	4,449	(4,412)	37
Services						
Real estate activities	30,032	(28,077)	1,955	31,431	(29,384)	2,047
	41,669	(32,649)	9,020	44,554	(33,981)	10,573

The changes occurred in impairment of debt securities are analysed as follows:

(Thousand EUR)

	30 June 2026	31 December 2025
Debt securities held associated with credit operations		
Balance as at 1 January	48,604	7,308
Charge for the period in net income interest	—	548
Transfers	—	45,250
Charge for the period (note 11)	1,850	1,287
Reversals for the period (note 11)	—	(5,788)
Exchange rate differences	1	(1)
Balance at the end of the period	50,455	48,604
Debt securities held not associated with credit operations		
Balance as at 1 January	106,721	51,973
Other transfers	—	(3,429)
Charge for the period (note 11)	12,828	71,342
Reversals for the period (note 11)	(4,172)	(6,143)
Exchange rate differences	3,187	(7,022)
Balance at the end of the period	118,564	106,721

The balance Debt securities not associated with credit operations, includes a net reversal recorded at BIM - Banco Internacional de Moçambique, S.A., in the amount of EUR 5,603,000 (31 December 2025: EUR 63,266,000), explained mainly by the financial situation in the country, as referred to in note 55.

23. Financial assets at fair value through profit or loss and financial assets at fair value through other comprehensive income

The balances Financial assets at fair value through profit or loss and Financial assets at fair value through other comprehensive income are analysed as follows:

(Thousand EUR)

	30 June 2026	31 December 2025
Financial assets at fair value through profit or loss		
Financial assets held for trading		
Repurchase agreement transaction	3,610	9,222
Debt instruments	1,644,719	791,310
Equity instruments	137,158	115,430
Trading derivatives	125,921	147,302
	1,911,408	1,063,264
Financial assets not held for trading mandatorily at fair value through profit or loss		
Loans and advances to customers at fair value	144	178
Debt instruments	233,759	228,652
Equity instruments	119,317	124,789
	353,220	353,619
Financial assets at fair value through other comprehensive income		
Debt instruments	15,791,563	16,015,233
Equity instruments	27,385	30,539
	15,818,948	16,045,772
	18,083,576	17,462,655

The balances of Financial assets Held for trading - Repurchase agreement transaction and Financial assets not held for trading mandatorily at fair value through profit or loss - Loans and advances to customers at fair value are analysed as follows:

(Thousand EUR)

	30 June 2026		31 December 2025	
	Held for trading	Not held for trading mandatorily at fair value through profit or loss	Held for trading	Not held for trading mandatorily at fair value through profit or loss
Asset-backed loans	3,610	—	9,222	—
Unsecured loans	—	135	—	161
	3,610	135	9,222	161
Overdue loans - less than 90 days	—	5	—	5
Overdue loans - Over 90 days	—	4	—	12
	3,610	144	9,222	178

The portfolio of Financial assets at fair value through profit or loss (excluding Loans and advances to customers at fair value) and Financial assets at fair value through other comprehensive income, by type of asset, as at 30 June 2026, is analysed as follows:

(Thousand EUR)

	30 June 2026			
	At fair value through profit or loss			
	Held for trading	Not held for trading mandatorily at fair value through profit or loss	At fair value through other comprehensive income	Total
Debt instruments				
Bonds issued by public entities				
Portuguese issuers	7,827	—	419,316	427,143
Foreign issuers	46,998	—	11,172,503	11,219,501
Bonds issued by public companies and other entities				
Portuguese issuers	2,660	—	491,629	494,289
Foreign issuers	87,493	466	1,728,122	1,816,081
Treasury bills (Public Issuers and Central Banks)				
Portuguese issuers	1,295,718	—	—	1,295,718
Foreign issuers	204,023	—	1,979,993	2,184,016
Shares of foreign companies (a)	—	6,111	—	6,111
Investment units (b)	—	227,182	—	227,182
	1,644,719	233,759	15,791,563	17,670,041
Equity instruments				
Shares				
Portuguese companies	—	20,341	14,985	35,326
Foreign companies	28	35,431	11,854	47,313
Investment units (c)	—	63,545	546	64,091
Other securities (d)	137,130	—	—	137,130
	137,158	119,317	27,385	283,860
Trading derivatives	125,921	—	—	125,921
	1,907,798	353,076	15,818,948	18,079,822
Level 1	1,771,833	466	13,836,899	15,609,198
Level 2	121,144	—	1,943,730	2,064,874
Level 3	14,821	352,610	38,319	405,750

(a) These shares are considered as debt instruments because they do not fall within the definition of equity instruments provided by IAS 32.
(b) These investment units are considered as debt instruments because they do not fall within the definition of equity instruments provided by IAS 32.
(c) These investment units were considered as equity instruments in accordance with the terms provided in IAS 32.
(d) Includes the amount of EUR 137,130,000 in Exchange Traded Funds (ETFs).

The portfolios are recorded at fair value in accordance with the accounting policy described in note 1 C. As referred in IFRS 13, financial instruments are measured according to the levels of valuation described in note 49.

The balance Financial assets held for trading include bonds issued with different levels of subordination associated with the traditional securitisation transactions Magellan Mortgages No. 4, referred in note 1 D, in the amount of EUR 47,000 (31 December 2025: EUR 52,000).

The portfolio of Financial assets at fair value through profit or loss (excluding Loans and advances to customers at fair value) and Financial assets at fair value through other comprehensive income, by type of asset, as at 31 December 2025, is analysed as follows:

(Thousand EUR)

	31 December 2025			
	At fair value through profit or loss			
	Held for trading	Not held for trading mandatorily at fair value through profit or loss	At fair value through other comprehensive income	Total
Debt instruments				
Bonds issued by public entities				
Portuguese issuers	7,148	—	435,964	443,112
Foreign issuers	195,347	—	10,211,511	10,406,858
Bonds issued by public companies and other entities				
Portuguese issuers	—	—	590,234	590,234
Foreign issuers	1,076	—	1,515,647	1,516,723
Treasury bills (Public Issuers and Central Banks)				
Portuguese issuers	390,267	—	—	390,267
Foreign issuers	197,472	—	3,261,877	3,459,349
Shares of foreign companies (a)	—	6,109	—	6,109
Investment units (b)	—	222,543	—	222,543
	791,310	228,652	16,015,233	17,035,195
Equity instruments				
Shares				
Portuguese companies	—	20,671	18,617	39,288
Foreign companies	60	36,860	11,922	48,842
Investment units (c)	—	67,258	—	67,258
Other securities (d)	115,370	—	—	115,370
	115,430	124,789	30,539	270,758
Trading derivatives	147,302	—	—	147,302
	1,054,042	353,441	16,045,772	17,453,255
Level 1	906,688	—	13,317,129	14,223,817
Level 2	124,593	—	2,684,772	2,809,365
Level 3	22,761	353,441	43,871	420,073

(a) These shares are considered as debt instruments because they do not fall within the definition of equity instruments provided by IAS 32.
(b) These investment fund units are considered debt instruments because they do not fall within the definition of equity instruments provided by IAS 32.
(c) These investment fund units were considered as equity instruments in accordance with the terms provided in IAS 32.
(d) Includes the amount of EUR 115,370,000 in Exchange Traded Funds (ETFs).

The accumulated impairment related to credit risk associated with the financial assets at fair value through other comprehensive income amounts to EUR 20,003,000 and is recognised against Fair value reserves (31 December 2025: EUR 21,062,000).

The changes occurred in impairment of financial assets at fair value through other comprehensive income, are analysed as follows:

(Thousand EUR)

	30 June 2026	31 December 2025
Balance as at 1 January	1,183	1,169
Transfers to changes in fair value (note 43)	960	(6,101)
Impairment through profit or loss (note 12)	2,275	10,940
Reversals through profit or loss (note 12)	(3,235)	(4,839)
Exchange rate differences	(20)	14
Balance at the end of the period	1,163	1,183

The portfolio of financial assets at fair value through other comprehensive income, as at 30 June 2026, is analysed as follows:

(Thousand EUR)

	30 June 2026			
	Amortised cost (a)	Fair value hedge adjustments (note 43)	Fair value adjustments (note 43)	Total
Debt instruments				
Bonds issued by public entities				
Portuguese issuers	467,890	(50,201)	1,627	419,316
Foreign issuers	11,170,443	(36,251)	38,311	11,172,503
Bonds issued by public companies and other entities				
Portuguese issuers	488,169	322	3,138	491,629
Foreign issuers	1,732,449	(21,389)	17,062	1,728,122
Treasury bills (Public Issuers and Central Banks)				
Foreign issuers	1,980,007	—	(14)	1,979,993
	15,838,958	(107,519)	60,124	15,791,563
Equity instruments				
Shares				
Portuguese companies	20,437	—	(5,452)	14,985
Foreign companies	6,501	—	5,353	11,854
Investment fund units	544	—	2	546
	27,482	—	(97)	27,385
	15,866,440	(107,519)	60,027	15,818,948

(a) Includes accrued interest and accumulated impairment for debt securities classified as financial assets at fair value through other comprehensive income, as provided by IFRS 9, and according to the requirements defined in the accounting policy 1 C1.5.1.2.

The portfolio of financial assets at fair value through other comprehensive income, as at 31 December 2025, is analysed as follows:

(Thousand EUR)

	31 December 2025			
	Amortised cost (a)	Fair value hedge adjustments (note 43)	Fair value adjustments (note 43)	Total
Debt instruments				
Bonds issued by public entities				
Portuguese issuers	487,459	(53,721)	2,226	435,964
Foreign issuers	10,147,142	11,942	52,427	10,211,511
Bonds issued by public companies and other entities				
Portuguese issuers	583,555	1,183	5,496	590,234
Foreign issuers	1,514,511	(16,869)	18,005	1,515,647
Treasury bills (Public Issuers and Central Banks)				
Foreign issuers	3,258,392	—	3,485	3,261,877
	15,991,059	(57,465)	81,639	16,015,233
Equity instruments				
Shares				
Portuguese companies	24,069	—	(5,452)	18,617
Foreign companies	6,522	—	5,400	11,922
	30,591	—	(52)	30,539
	16,021,650	(57,465)	81,587	16,045,772

(a) Includes accrued interest and accumulated impairment for debt securities classified as financial assets at fair value through other comprehensive income, as provided by IFRS 9, and according to the requirements defined in the accounting policy 1 C1.5.1.2.

The analysis of Financial assets at fair value through profit or loss (excluding loans and advances to customers at fair value and trading derivatives) and Financial assets at fair value through other comprehensive income, by sector of activity, as at 30 June 2026, is as follows:

(Thousand EUR)

	30 June 2026			
	Bonds and Treasury bills	Shares	Other Financial Assets	Total
Mining	—	8	—	8
Food, beverage and tobacco	9,027	—	—	9,027
Chemicals	17,588	3	—	17,591
Machinery, equipment and basic metallurgical	—	4	—	4
Electricity and gas	306,159	—	—	306,159
Water	23,060	—	—	23,060
Construction	466	4	—	470
Wholesale business	20,149	—	—	20,149
Transports	50,614	—	—	50,614
Telecommunications	158,217	4,670	—	162,887
Services				
Financial intermediation	3,344,593	77,895	428,403	3,850,891
Consulting, scientific and technical activities	53,379	196	—	53,575
Administrative and support services activities	9,939	5,947	—	15,886
Public sector	49,703	—	—	49,703
Health and collective service activities	28,350	—	—	28,350
Other services	—	22	—	22
Other international activities	—	1	—	1
	4,071,244	88,750	428,403	4,588,397
Government and Public securities	13,365,504	—	—	13,365,504
	17,436,748	88,750	428,403	17,953,901

The analysis of Financial assets at fair value through profit or loss (excluding loans and advances to customers at fair value and trading derivatives) and Financial assets at fair value through other comprehensive income, by sector of activity, as at 31 December 2025, is as follows:

(Thousand EUR)

	31 December 2025			
	Bonds and Treasury bills	Shares	Other Financial Assets	Total
Mining	—	27	—	27
Paper, printing and publishing	50,002	—	—	50,002
Chemicals	18,060	4	—	18,064
Electricity and gas	210,888	—	—	210,888
Water	17,473	—	—	17,473
Construction	6,080	4	—	6,084
Wholesale business	23,065	—	—	23,065
Transports	51,672	—	—	51,672
Telecommunications	69,784	4,670	—	74,454
Services				
Financial intermediation	3,959,419	62,694	405,171	4,427,284
Real estate activities	—	20,341	—	20,341
Consulting, scientific and technical activities	62,201	526	—	62,727
Administrative and support services activities	19,886	5,949	—	25,835
Public sector	49,594	—	—	49,594
Health and collective service activities	10,620	—	—	10,620
Other services	1,003	23	—	1,026
Other international activities	—	1	—	1
	4,549,747	94,239	405,171	5,049,157
Government and Public securities	12,256,796	—	—	12,256,796
	16,806,543	94,239	405,171	17,305,953

The analysis of trading derivatives, by maturity, as at 30 June 2026, is as follows:

(Thousand EUR)

	30 June 2026					
	Notional (remaining term)				Fair value	
	Up to 3 months	3 months to 1 year	Over 1 year	Total	Assets	Liabilities (note 36)
Interest rate derivatives:						
OTC Market:						
Forward rate agreement	—	267,666	—	267,666	400	152
Interest rate swaps	345,721	2,178,597	4,292,932	6,817,250	72,061	61,346
Interest rate options (purchase)	24,972	260,011	229,407	514,390	368	271
Interest rate options (sale)	24,972	260,011	229,407	514,390	260	353
	395,665	2,966,285	4,751,746	8,113,696	73,089	62,122
Stock Exchange transactions:						
Interest rate futures	46,700	2,625	—	49,325	—	—
	46,700	2,625	—	49,325	—	—
Currency derivatives:						
OTC Market:						
Forward contracts	262,271	111,122	31,301	404,694	3,841	4,124
Currency swaps	1,961,431	613,490	22,061	2,596,982	25,828	7,973
Other spot contracts	294,259	—	—	294,259	24	39
	2,517,961	724,612	53,362	3,295,935	29,693	12,136
Currency and interest rate swaps:						
OTC Market:						
Currency and interest rate swaps:	—	8,724	99,843	108,567	1,653	763
	—	8,724	99,843	108,567	1,653	763
Shares/indexes:						
OTC Market:						
Shares/index swaps	298,774	1,572,378	—	1,871,152	5,756	6,842
Shares/index options (purchase)	41,813	79,410	79,084	200,307	14,820	—
Shares/index options (sale)	197,513	1,729	1,066	200,308	—	15,173
Others shares/index options (purchase)	—	—	1,000	1,000	1	—
Others shares/index options (sale)	—	—	1,001	1,001	—	78
	538,100	1,653,517	82,151	2,273,768	20,577	22,093
Stock exchange transactions:						
Share futures	1,597,584	—	—	1,597,584	—	—
	1,597,584	—	—	1,597,584	—	—
Commodity derivatives:						
Stock Exchange transactions:						
Commodities futures	14	—	—	14	—	—
	14	—	—	14	—	—
Credit derivatives:						
OTC Market:						
Credit default swaps (CDS)	—	—	111,557	111,557	909	—
	—	—	111,557	111,557	909	—
Total derivatives traded in:						
OTC Market	3,451,726	5,353,138	5,098,659	13,903,523	125,921	97,114
of which: Embedded derivatives	—	—	196,274	196,274	—	14,867
Stock Exchange	1,644,298	2,625	—	1,646,923	—	—
	5,096,024	5,355,763	5,098,659	15,550,446	125,921	97,114

The analysis of trading derivatives, by maturity, as at 31 December 2025, is as follows:

(Thousand EUR)

	31 December 2025					
	Notional (remaining term)				Fair value	
	Up to 3 months	3 months to 1 year	Over 1 year	Total	Assets	Liabilities (note 36)
Interest rate derivatives:						
OTC Market:						
Interest rate swaps	225,052	909,492	4,313,216	5,447,760	85,282	83,509
Interest rate options (purchase)	25,970	160,944	357,772	544,686	127	352
Interest rate options (sale)	25,970	160,944	357,773	544,687	308	75
	276,992	1,231,380	5,028,761	6,537,133	85,717	83,936
Stock Exchange transactions:						
Interest rate futures	15,000	—	—	15,000	—	—
	15,000	—	—	15,000	—	—
Currency derivatives:						
OTC Market:						
Forward contracts	197,669	232,879	13,049	443,597	6,372	6,066
Currency swaps	1,587,929	841,169	2,493	2,431,591	11,209	25,483
Other spot contracts	92,116	—	—	92,116	—	—
	1,877,714	1,074,048	15,542	2,967,304	17,581	31,549
Currency and interest rate swaps:						
OTC Market:						
Currency and interest rate swaps:	—	—	109,251	109,251	1,729	1,117
	—	—	109,251	109,251	1,729	1,117
Shares/indexes:						
OTC Market:						
Shares/index swaps	689,916	1,361,323	—	2,051,239	11,619	4,211
Shares/index options (purchase)	41,476	125,918	84,121	251,515	22,761	—
Shares/index options (sale)	247,756	2,751	1,000	251,507	—	22,967
	979,148	1,489,992	85,121	2,554,261	34,380	27,178
Stock exchange transactions:						
Share futures	1,366,562	—	—	1,366,562	—	—
	1,366,562	—	—	1,366,562	—	—
Commodity derivatives:						
Stock Exchange transactions:						
Commodities futures	10	—	—	10	—	—
	10	—	—	10	—	—
Credit derivatives:						
OTC Market:						
Credit default swaps (CDS)	—	—	123,456	123,456	7,895	—
	—	—	123,456	123,456	7,895	—
Total derivatives traded in:						
OTC Market	3,133,854	3,795,420	5,362,131	12,291,405	147,302	143,780
of which: Embedded derivatives	—	—	246,294	246,294	—	22,531
Stock Exchange	1,381,572	—	—	1,381,572	—	—
	4,515,426	3,795,420	5,362,131	13,672,977	147,302	143,780

24. Hedging derivatives

This balance is analysed, by hedging instruments, as follows:

(Thousand EUR)

	30 June 2026		31 December 2025	
	Assets	Liabilities	Assets	Liabilities
Swaps	75,601	36,772	32,365	42,728

Hedging derivatives are measured in accordance with internal valuation techniques considering observable market inputs and, when not available, on information prepared by the Group by extrapolation of market data. In accordance with the hierarchy of the valuation sources, as referred in IFRS 13, these derivatives are classified in level 2. The Group resources to derivatives to hedge interest and exchange rate exposure risks. The accounting method depends on the nature of the hedged risk, namely if the Group is exposed to changes in fair value, variability in cash flows or highly probable forecast transactions.

As allowed by IFRS 9, the Group opted to continue to apply the hedge accounting requirements in accordance with IAS 39, using mainly interest rate and exchange rate derivatives. The fair value hedge model is adopted for debt securities, loans granted at fixed rate and money market loans and deposits, securities and combined hedge of variable rate financial assets and fixed rate financial liabilities. The cash flows hedge model is adopted for future transactions in foreign currency to cover dynamic changes in cash flows from loans granted and variable rate deposits in foreign currency, and for mortgages in foreign currency.

The relationships that follow the fair value hedge model recorded ineffectiveness in the positive amount of EUR 1,012,000 (31 December 2025: negative amount of EUR 2,609,000), while hedging relationships that follow the cash flow hedge model recorded negative ineffectiveness, in 31 December 2025, in the amount of EUR 6,000.

Associated with hedge losses, the amount of EUR 131,238,000 (31 December 2025: EUR 321,661,000) of which EUR 176,163,000 (31 December 2025: EUR 389,944,000) was amortised from fair value reserves to interest and similar income and interest and similar expense, relating to cash flow hedge accounting. The accumulated adjustment on financial risks covered performed on the assets and liabilities which includes hedged items is detailed in note 54.

The analysis of hedging derivatives portfolio, by maturity, as at 30 June 2026, is as follows:

(Thousand EUR)

	30 June 2026					
	Notional (remaining period)				Fair value	
	Up to 3 months	3 months to 1 year	Over 1 year	Total	Assets	Liabilities
Fair value hedging derivatives related to interest rate risk changes						
OTC Market						
Interest rate swaps	557,861	955,098	36,282,202	37,795,161	61,216	32,126
Fair value hedging derivatives related to currency risk changes						
OTC Market						
Currency and interest rate swap (CIRS)	96,238	349,956	89,882	536,076	13,660	4,177
Cash flow hedging derivatives related to interest rate risk changes						
OTC Market						
Interest rate swaps	500,000	1,360,000	6,375,000	8,235,000	725	469
Total derivatives traded by						
OTC Market	1,154,099	2,665,054	42,747,084	46,566,237	75,601	36,772

The analysis of hedging derivatives portfolio, by maturity, as at 31 December 2025, is as follows:

(Thousand EUR)

	31 December 2025					
	Notional (remaining period)				Fair value	
	Up to 3 months	3 months to 1 year	Over 1 year	Total	Assets	Liabilities
Fair value hedging derivatives related to interest rate risk changes						
OTC Market						
Interest rate swaps	540,762	985,263	35,412,434	36,938,459	30,536	34,026
Fair value hedging derivatives related to currency risk changes						
OTC Market						
Currency and interest rate swap (CIRS)	89,419	157,547	87,345	334,311	1,746	6,950
Cash flow hedging derivatives related to interest rate risk changes						
OTC Market						
Interest rate swaps	205,000	3,204,724	6,405,000	9,814,724	83	1,752
Total derivatives traded by						
OTC Market	835,181	4,347,534	41,904,779	47,087,494	32,365	42,728

25. Investments in associates

This balance is analysed as follows:

(Thousand EUR)

	30 June 2026	31 December 2025
Portuguese credit institutions	52,508	54,910
Foreign credit institutions	127,029	124,181
Other Portuguese companies	272,576	277,542
Other foreign companies	39,983	40,684
	492,096	497,317
Impairment	(42,771)	(42,141)
	449,325	455,176

The balance Investments in associates, as at 30 June 2026, is analysed as follows:

(Thousand EUR)

	30 June 2026		
	Global value of investment	Impairment of investments in associates	Book value of investment
Millenniumbcp Ageas Grupo Segurador, S.G.P.S., S.A.	120,283	—	120,283
Banco Millennium Atlântico, S.A.	75,002	(24,760)	50,242
Banque BCP, S.A.S.	52,027	—	52,027
SIBS, S.G.P.S, S.A.	85,508	—	85,508
Unicre - Instituição Financeira de Crédito, S.A.	52,508	—	52,508
Fidelidade Moçambique - Companhia de Seguros S.A.	13,486	—	13,486
Lusofundo - Fundo de Investimento Imobiliário Fechado (in liquidation)	15,595	—	15,595
Fundo Especial de Investimento Imobiliário Fechado Eurofundo (in liquidation)	1,362	—	1,362
Fundo Turismo Algarve FCR (in liquidation)	42,009	—	42,009
Europa Millennium Financial Services Sp. z o.o.	8,386	—	8,386
Nexponor - Sociedade de Investimento Coletivo Imobiliário Fechado, S.A. (in liquidation)	7,819	—	7,819
TIICC S.A.R.L.	100	—	100
Webspectator Corporation	18,011	(18,011)	—
	492,096	(42,771)	449,325

These investments refer to entities whose shares are not listed on the stock exchange. According to the accounting policy described in note 1 B, these investments are measured at the equity method.

The balance Investments in associates, as at 31 December 2025, is analysed as follows:

(Thousand EUR)

	31 December 2025		
	Global value of investment	Impairment of investments in associates	Book value of investment
Millenniumbcp Ageas Grupo Segurador, S.G.P.S., S.A.	127,932	—	127,932
Banco Millennium Atlântico, S.A.	70,488	(24,130)	46,358
Banque BCP, S.A.S.	53,693	—	53,693
SIBS, S.G.P.S, S.A.	84,639	—	84,639
Unicre - Instituição Financeira de Crédito, S.A.	54,910	—	54,910
Fidelidade Moçambique - Companhia de Seguros S.A.	13,184	—	13,184
Lusofundo - Fundo de Investimento Imobiliário Fechado (in liquidation)	16,273	—	16,273
Fundo Especial de Investimento Imobiliário Fechado Eurofundo (in liquidation)	1,737	—	1,737
Fundo Turismo Algarve FCR (in liquidation)	42,037	—	42,037
Europa Millennium Financial Services Sp. z o.o.	9,155	—	9,155
Nexponor - Sociedade de Investimento Coletivo Imobiliário Fechado, S.A. (in liquidation)	4,924	—	4,924
TIICC S.A.R.L.	334	—	334
Webspectator Corporation	18,011	(18,011)	—
	497,317	(42,141)	455,176

The Group's companies included in the consolidation scope are presented in note 58, as well as the main indicators of the most relevant ones.

The movements occurred in Impairment of investments in associates are analysed as follows:

(Thousand EUR)

	30 June 2026	31 December 2025
Balance as at 1 January	42,141	45,451
Exchange rate differences	630	(3,310)
Balance at the end of the period	42,771	42,141

In accordance with the requirements of IFRS 12 and considering their relevance, the movements occurred in the investment held in Banco Millennium Atlântico, S.A., is analysed as follows:

(Thousand EUR)

	30 June 2026	31 December 2025
Ownership held by BCP on equity of the associate as at 1 January	46,358	47,442
Application of IAS 29 for the period:		
Net non-monetary assets of BMA		
Effect of exchange rate variations (note 43)	357	(1,893)
Amortisation of the effect of IAS 29 application calculated as at 31 December 2018 (note 15)	(49)	(104)
Appropriation of net income for the period of the associates (note 15)	2,703	4,954
Other comprehensive income attributable to BCP	(24)	(182)
Exchange rate differences		
Effect on BMA's equity	1,210	(5,555)
Goodwill of the investment in BMA	317	(1,664)
Impairment of investments in associates (note 43)	(630)	3,310
Other	—	50
Investment held at the end of the period	50,242	46,358

The following table presents the financial statements of Banco Millennium Atlântico, S.A, prepared in accordance with IFRS, modified by the consolidation adjustments:

(Thousand EUR)

	30 June 2026	31 December 2025
Net income for the period	11,891	21,793
Other comprehensive income	(106)	(802)
Total comprehensive income attributable to Shareholders of the associate	11,785	20,991
Application of IAS 29 (*)	(215)	(459)
Attributable to Shareholders of the associates adjusted to BCP GAAP	11,570	20,532
Attributable to the BCP Group	2,630	4,668
Balance sheet		
Financial assets	2,160,723	1,875,455
Non-financial assets	254,697	246,062
Financial liabilities	(2,165,481)	(1,903,127)
Non-financial liabilities	(36,512)	(22,068)
Equity attributable to Shareholders of the associates	213,427	196,322
Application of IAS 29 (*)	16,744	16,535
Equity attributable to Shareholders of the associates adjusted to BCP GAAP	230,171	212,857
Equity attributable to the BCP Group	52,329	48,392
Goodwill of the merge	22,673	22,096
Impairment of investments in associates	(24,760)	(24,130)
Equity attributable to the BCP Group adjusted of consolidation items	50,242	46,358

(*) The impact of the IAS 29 adoption was calculated from the date of the merger (April 2016).

The amounts presented do not include adjustments arising from the application of IAS 29. Based on the requirements of IAS 29, Angola was considered a hyperinflationary economy until 31 December 2018, for the purpose of presenting the consolidated financial statements, as described in accounting policy 1 B6. This classification ceased to be applied on 1 January 2019.

In accordance with the requirements of IFRS 12 and considering their relevance, the movements occurred in the investment held in Millenniumbcp Ageas Grupo Segurador, S.G.P.S., S.A., is analysed as follows:

(Thousand EUR)

	30 June 2026	31 December 2025
Appropriation of equity of the associate as at 1 January	127,932	106,675
Appropriation of net income for the period of associates (note 15)	21,333	36,144
Other comprehensive income attributable to BCP	9,774	16,473
Dividends received	(38,756)	(31,360)
Investment held at the end of the period	120,283	127,932

The following table presents the financial statements of Millenniumbcp Ageas Grupo Segurador, S.G.P.S., S.A., prepared in accordance with IFRS, modified by the consolidation adjustments:

(Thousand EUR)

	30 June 2026	31 December 2025
Net income for the period	43,537	73,764
Other comprehensive income	19,947	33,618
Total comprehensive income attributable to Shareholders of the associate	63,484	107,382
Total comprehensive income attributable to the BCP Group (49%)	31,107	52,617
Balance sheet		
Financial assets	8,757,112	8,395,817
Non-financial assets	369,898	373,108
Financial liabilities	(4,161,257)	(4,165,001)
Non-financial liabilities	(4,456,858)	(4,079,688)
Total equity	508,895	524,236
Equity attributable to non-controlling interests	10,932	10,663
Equity attributable to Shareholders of the associates	497,963	513,573
Adjustments of intra-group transactions (*)	378,415	378,415
Equity attributable to Shareholders of the associate adjusted to BCP GAAP	876,378	891,988
Equity attributable to the BCP Group (49%)	429,425	437,074
Reversal of the initial gain in 2004 allocated to the BCP Group	(309,142)	(309,142)
Equity attributable to the BCP Group adjusted of consolidation items	120,283	127,932

(*) Adjustment related to the cancellation in the BCP Group consolidated accounts of the VOBA recorded by Millenniumbcp Ageas Grupo Segurador, S.G.P.S, S.A., upon initial registration of this investment. VOBA corresponds to the estimated current value of the future cash flows of the contracts in force at the date of acquisition under IFRS 4. With the implementation of IFRS 17, this concept was cancelled in the consolidated accounts of Millenniumbcp Ageas having no impact on the Group 's consolidated accounts as it is not recognised in the investment.

26. Non-current assets held for sale

This balance is analysed as follows:

(Thousand EUR)

	30 June 2026			31 December 2025		
	Gross value	Impairment	Net value	Gross value	Impairment	Net value
Real estate						
Assets arising from recovered loans	73,921	(23,605)	50,316	71,967	(20,826)	51,141
Assets belong to investments funds and real estate companies	4,904	(1,761)	3,143	5,045	(1,903)	3,142
Assets for own use (closed branches)	398	—	398	296	—	296
Equipment and other	4,373	(604)	3,769	4,344	(239)	4,105
Other assets (*)	7,174	(4,506)	2,668	14,750	(4,506)	10,244
	90,770	(30,476)	60,294	96,402	(27,474)	68,928

(*) includes Shares, Price Deposit and Property Adjudication Proposals

The assets included in this balance are accounted for in accordance with the accounting policy described in note 1 G.

The balance Real estate - Assets arising from recovered loans includes, essentially, real estate resulted from process of recovered loans or judicial auction being accounted for at the time the Group assumes control of the asset, which is usually associated with the transfer of their legal ownership. Additional information on these assets is presented in note 54.

The Group has a strategy for sale these assets, consistent with the characteristic of each asset as well as with the breakdown of underlying valuations. However, considering the formal constraints, it was not possible in all instances to conclude the sales in the expected time. The sale strategy is based in an active search of buyers, with the Group having a website where advertises these properties and through partnerships with the mediation of companies having more ability for the product that each time the Group has for sale. Prices are periodically reviewed and adjusted for continuous adaptation to the market. The Group requests, regularly, to the European Central Bank, the extension of the period of holding these properties.

This balance includes properties for which the Group has already entered sales contracts in the gross amount of EUR 2,492,000 (31 December 2025: EUR 2,317,000). The impairment associated with these contracts amounts to EUR 1,451,000 (31 December 2025: EUR 930,000).

The changes occurred in Impairment of non-current assets held for sale are analysed as follows:

(Thousand EUR)

	30 June 2026	31 December 2025
Balance as at 1 January	27,474	21,353
Other transfers	4,043	17,797
Charge for the period (note 13)	729	1,187
Reversals for the period (note 13)	(424)	(2,158)
Amounts charged-off	(1,991)	(10,474)
Exchange rate differences	645	(231)
Balance at the end of the period	30,476	27,474

27. Investment property

The balance Investment property corresponds to real estate valued in accordance with the accounting policy presented in note 1 M, based on independent assessments and compliance with legal requirements.

The rents received related to these assets amounted to EUR 475,000 (31 December 2025: EUR 856,000).

The changes occurred in this balance are analysed as follows:

(Thousand EUR)

	30 June 2026	31 December 2025
Balance as at 1 January	5,011	24,183
Transfers from / (to) to Other assets	—	(694)
Transfers from / (to) Non-current assets held for sale	—	(13,697)
Revaluations	86	(2,654)
Disposals	—	(2,127)
Balance at the end of the period	5,097	5,011

28. Other tangible assets

This balance is analysed as follows:

(Thousand EUR)

	30 June 2026	31 December 2025
Real estate	666,390	664,998
Equipment		
Computer equipment	345,870	333,933
Security equipment	66,037	64,945
Facilities	141,223	139,543
Machinery	45,734	46,237
Furniture	77,125	76,835
Vehicles	41,103	40,172
Other equipment	28,062	30,007
Right of use		
Real estate	464,344	453,273
Assets under construction	14,995	29,729
Other tangible assets	13	11
	1,890,896	1,879,683
Accumulated depreciation		
Relating to the current period (note 9)	(51,430)	(105,186)
Relating to previous periods	(1,274,889)	(1,192,651)
	(1,326,319)	(1,297,837)
	564,577	581,846

The balance Real Estate includes the amount of EUR 107,226,000 (31 December 2025: EUR 107,226,000) related to real estate held by the Group's real estate investment funds.

The balance Right-of-use corresponds to real estate (branches and central buildings) which are amortised according to the lease term of each contract, as described in the accounting policy 1 H.

The changes occurred in Other tangible assets are analysed as follows:

(Thousand EUR)

	30 June 2026					
	Balance as at 1 January	Acquisitions / Charge	Disposals / Write-off	Transfers	Exchange rate differences	Balance as at 30 June
Real estate	664,998	87	(1,450)	1,920	835	666,390
Equipment:						
Computer equipment	333,933	2,273	(9,355)	18,627	392	345,870
Security equipment	64,945	741	(30)	132	249	66,037
Facilities	139,543	544	(275)	837	574	141,223
Machinery	46,237	142	(959)	580	(266)	45,734
Furniture	76,835	299	(853)	657	187	77,125
Vehicles	40,172	3,123	(2,450)	161	97	41,103
Other equipment	30,007	7	(2,561)	1,049	(440)	28,062
Right of use			—	—	—	
Real estate	453,273	18,324	(5,450)	61	(1,864)	464,344
Assets under construction	29,729	9,904	(43)	(24,772)	177	14,995
Other tangible assets	11	—	—	—	2	13
	1,879,683	35,444	(23,426)	(748)	(57)	1,890,896
Accumulated depreciation						
Real estate	(426,585)	(7,496)	1,427	619	168	(431,867)
Equipment:						
Computer equipment	(266,479)	(10,197)	9,135	(349)	(508)	(268,398)
Security equipment	(60,437)	(597)	28	—	(170)	(61,176)
Facilities	(121,995)	(1,495)	275	77	(350)	(123,488)
Machinery	(39,506)	(490)	726	21	227	(39,022)
Furniture	(73,050)	(1,131)	835	(29)	(148)	(73,523)
Vehicles	(20,518)	(2,910)	1,814	20	(65)	(21,659)
Other equipment	(23,905)	(896)	2,360	48	339	(22,054)
Right of use						
Real estate	(265,351)	(26,218)	5,238	(59)	1,269	(285,121)
Other tangible assets	(11)	—	—	—	—	(11)
	(1,297,837)	(51,430)	21,838	348	762	(1,326,319)
	581,846	(15,986)	(1,588)	(400)	705	564,577

The changes occurred in Other tangible assets are analysed as follows:

(Thousand EUR)

	31 December 2025					
	Balance as at 1 January	Acquisitions / Charge	Disposals / Write-off	Transfers	Exchange rate differences	Balance as at 31 December
Real estate	675,021	17	(6,270)	5,122	(8,892)	664,998
Equipment:						
Computer equipment	321,858	13,717	(4,110)	7,663	(5,195)	333,933
Security equipment	63,919	574	(180)	1,526	(894)	64,945
Facilities	137,412	2,127	(354)	2,519	(2,161)	139,543
Machinery	47,297	430	(2,909)	1,560	(141)	46,237
Furniture	76,733	595	(921)	1,244	(816)	76,835
Vehicles	38,920	7,534	(5,578)	466	(1,170)	40,172
Other equipment	33,492	37	(5,685)	1,833	330	30,007
Right of use						
Real estate	430,349	34,027	(8,805)	(1)	(2,297)	453,273
Assets under construction	28,846	27,923	(1,098)	(25,243)	(699)	29,729
Other tangible assets	15	—	—	—	(4)	11
	1,853,862	86,981	(35,910)	(3,311)	(21,939)	1,879,683
Accumulated depreciation						
Real estate	(420,458)	(14,537)	4,079	1,529	2,802	(426,585)
Equipment:						
Computer equipment	(253,376)	(20,829)	3,692	(125)	4,159	(266,479)
Security equipment	(59,879)	(1,345)	153	—	634	(60,437)
Facilities	(120,356)	(3,458)	307	132	1,380	(121,995)
Machinery	(39,578)	(1,515)	1,904	(401)	84	(39,506)
Furniture	(72,796)	(2,172)	839	457	622	(73,050)
Vehicles	(19,690)	(6,316)	4,573	149	766	(20,518)
Other equipment	(26,773)	(2,055)	5,092	87	(256)	(23,905)
Right of use						
Real estate	(221,605)	(52,959)	7,733	(170)	1,650	(265,351)
Other tangible assets	(12)	—	—	—	1	(11)
	(1,234,523)	(105,186)	28,372	1,658	11,842	(1,297,837)
	619,339	(18,205)	(7,538)	(1,653)	(10,097)	581,846

The changes occurred in impairment for tangible fixed assets are analysed as follow:

(Thousand EUR)

	30 June 2026	31 December 2025
Balance as at 1 January	—	193
Reversals for the period (note 13)	—	(50)
Amounts charged-off	—	(121)
Exchange rate differences	—	(22)
Balance at the end of the period	—	—

29. Goodwill and intangible assets

This balance is analysed as follows:

(Thousand EUR)

	30 June 2026	31 December 2025
Goodwill - Differences arising on consolidation		
Bank Millennium, S.A. (Poland)	111,858	113,808
Euro Bank, S.A. (Poland)	44,718	45,497
Other	10,164	10,155
	166,740	169,460
Impairment		
Bank Millennium, S.A. (Poland)	(111,858)	(113,808)
Other	(9,880)	(9,880)
	(121,738)	(123,688)
	45,002	45,772
Intangible assets		
Software	396,886	349,976
Software - in progress	64,256	83,321
Other intangible assets	63,024	59,718
	524,166	493,015
Accumulated amortisation		
Charge for the period (note 9)	(30,667)	(50,548)
Charge for the previous periods	(214,781)	(165,556)
	(245,448)	(216,104)
	278,718	276,911
	323,720	322,683

According to the accounting policy described in note 1 B, the recoverable amount of the Goodwill is annually assessed in the second half of each year or whenever there are indications of eventual loss of value. In accordance with IAS 36 the recoverable amount of goodwill resulting from the consolidation of the subsidiaries, should be the greater between its value in use (the present value of the future cash flows expected from its use) and its fair value less costs to sell. Based on these criteria, the Group made in 2025, valuations of their investments for which there is goodwill recognised considering among other factors:

(i) an estimate of future cash flows generated by each cash generating unit;

(ii) an expectation of potential changes in the amounts and timing of cash flows;

(iii) the time value of money;

(iv) a risk premium associated with the uncertainty by holding the asset; and

(v) other factors associated with the current situation of financial markets.

The valuations are based on reasonable and sustainable assumptions representing the best estimate of the Executive Committee on the economic conditions that affect each subsidiary, the budgets and the latest forecasts approved for those subsidiaries and their extrapolation to future periods. The assumptions made for these valuations might vary with the change in economic conditions and in the market.

In the first half of 2026, there were no factors pointing to the deterioration of the value of those financial participations that could lead to impairment charges in respect of goodwill.

Goodwill of Euro Bank, S.A. in the accounts of Bank Millennium, S.A. (Poland)

As a result of the purchase by Bank Millennium of 99.787% of shares of Euro Bank S.A. from SG Financial Services Holdings, a 100% subsidiary of Société Générale S.A., and the subsequent merger with the above-mentioned entity in 2019, the difference in the fair value of the acquired assets and liabilities as at the acquisition date to the purchase price was determined and, in accordance with the provisions of IFRS 3.32, was recognised as goodwill in intangible assets (assigned to retail activities).

With respect to goodwill, an impairment test is performed at least once a year, regardless of any indication that impairment may have occurred.

The input data for the goodwill test include the result on retail assets and liabilities allocated to Cash Generating Units. To determine the amount of capital, an estimate of risk-weighted assets and a capital adequacy ratio that meets regulatory minimums for the business were used. The test is performed by comparing the present value of cash flows generated by the listed assets with the estimated amount of capital. Cash flow forecasts have been prepared based on management's assumptions about all the conditions that will occur over the remaining useful lives of the assets. They are consistent with the medium-term financial plan adopted by the Bank for 2026-2028 and the Bank's Strategy. Data for subsequent years after 2028 are the result of extrapolation of forecasts assuming continued changes in the balance sheet and income statement and applying a residual value growth rate of 3%. Cash flows were discounted using a cost of capital of approximately 12%, consisting of the market rate plus a risk premium.

The test, executed as at the end of 2025, showed a surplus of the current value of cash flows over the net book value of the cash-generating unit and therefore no impairment was found for this unit.

The changes occurred in Goodwill and intangible assets are analysed as follows:

(Thousand EUR)

	30 June 2026					
	Balance as at 1 January	Acquisitions / Charge	Disposals / Write-off	Transfers	Exchange rate differences	Balance as at 30 June
Goodwill - consolidation and revaluation differences	169,460	—	—	—	(2,720)	166,740
Impairment	(123,688)	—	—	—	1,950	(121,738)
	45,772	—	—	—	(770)	45,002
Intangible assets						
Software	349,976	8,990	(259)	38,611	(432)	396,886
Software - in progress	83,321	24,665	(114)	(42,991)	(625)	64,256
Other intangible assets	59,718	—	—	4,380	(1,074)	63,024
	493,015	33,655	(373)	—	(2,131)	524,166
Accumulated amortisation						
Software	(176,316)	(24,675)	259	(519)	317	(200,934)
Other intangible assets	(39,788)	(5,992)	—	519	747	(44,514)
	(216,104)	(30,667)	259	—	1,064	(245,448)
	276,911	2,988	(114)	—	(1,067)	278,718
	322,683	2,988	(114)	—	(1,837)	323,720

The changes occurred in Goodwill and intangible assets are analysed as follows:

(Thousand EUR)

	31 December 2025					
	Balance as at 1 January	Acquisitions / Charge	Disposals / Write-off	Transfers	Exchange rate differences	Balance as at 31 December
Goodwill - consolidation and revaluation differences	167,491	—	—	—	1,969	169,460
Impairment	(122,254)	—	—	—	(1,434)	(123,688)
	45,237	—	—	—	535	45,772
Intangible assets						
Software	291,642	25,757	(13,669)	50,689	(4,443)	349,976
Software - in progress	71,726	72,395	(325)	(60,746)	271	83,321
Other intangible assets	49,797	181	(955)	10,043	652	59,718
	413,165	98,333	(14,949)	(14)	(3,520)	493,015
Accumulated amortisation						
Software	(149,965)	(43,019)	13,636	140	2,892	(176,316)
Other intangible assets	(32,467)	(7,529)	769	(140)	(421)	(39,788)
	(182,432)	(50,548)	14,405	—	2,471	(216,104)
	230,733	47,785	(544)	(14)	(1,049)	276,911
	275,970	47,785	(544)	(14)	(514)	322,683

30. Income tax

Income tax assets and liabilities are analysed as follows:

(Thousand EUR)

	30 June 2026			31 December 2025		
	Assets	Liabilities	Net	Assets	Liabilities	Net
Deferred taxes not depending on future profits (a)						
Impairment losses (b)	678,746	—	678,746	704,514	—	704,514
Employee benefits	261,399	—	261,399	370,593	—	370,593
	940,145	—	940,145	1,075,107	—	1,075,107
Deferred taxes depending on future profits						
Impairment losses (b)	426,498	(3,729)	422,769	433,459	(3,723)	429,736
Tax losses carried forward	256,426	—	256,426	239,713	—	239,713
Employee benefits	69,739	(64,943)	4,796	65,440	(65,400)	40
Financial assets at fair value through other comprehensive income	141,767	(94,920)	46,847	185,006	(96,695)	88,311
Derivatives	—	(5,846)	(5,846)	—	(2,703)	(2,703)
Intangible assets	1,282	—	1,282	1,255	—	1,255
Other tangible assets	9,222	(2,490)	6,732	9,135	(2,511)	6,624
Others (c)	121,506	(299,076)	(177,570)	106,007	(205,544)	(99,537)
	1,026,440	(471,004)	555,436	1,040,015	(376,576)	663,439
Total deferred taxes	1,966,585	(471,004)	1,495,581	2,115,122	(376,576)	1,738,546
Offset between deferred tax assets and deferred tax liabilities	(464,205)	464,205	—	(370,752)	370,752	—
Net deferred taxes	1,502,380	(6,799)	1,495,581	1,744,370	(5,824)	1,738,546
Current taxes (d)	8,127	(70,787)	—	22,380	(86,354)	—

(a) Special Regime applicable to deferred tax assets in Portugal.
(b) The amounts for 2026 and 2025 include deferred tax assets related with credit impairment losses not deducted for tax purposes of which credits were written-off, according to the expectation that the use of such impairment will be deductible in the tax periods in which the legal conditions required for their tax deductibility are met.
(c) Deferred tax liabilities include EUR 212,798,000 (31 December 2025: EUR 191,446,000) relating to accrued interest and commissions of Bank Millennium at the effective interest rate, which, in Poland, are taxed on a cash basis. Deferred taxes assets includes EUR 69,554,000 (31 December 2025: EUR 69,450,000) relating to fair value adjustments of interests in real estate investment funds and venture capital funds classified as equity instruments.
(d) The amounts of current taxes assets and liabilities refer exclusively to income taxes levied on the various BCP Group companies.

Special regime applicable to deferred tax assets

At the Extraordinary General Meeting of 15 October 2014 of Banco Comercial Português, S.A. and the General Meeting of 5 November 2014 of Banco ActivoBank, S.A., it was approved and resolved that these banks adhere to the Special Regime approved by Law 61/2014, of 26 August, applicable to deferred tax assets that resulted from the non-deduction of expenses and negative equity variations related to impairment losses on credits and post-employment or long-term employee benefits.

The special regime is applicable to those expenses and negative equity variations 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 part of expenses and negative equity variations associated with them. Pursuant to Law 23/2016, of 19 August, this special regime is not applicable to expenses and negative equity variations with impairment losses on credits and with post-employment or long-term employee benefits recorded in the tax periods commencing on or after 1 January 2016, nor to deferred tax assets associated with them.

The special regime applicable to deferred tax assets provides for an optional framework and with the possibility of subsequent waiver, under which:

- Expenses and negative equity variations with impairment losses on credits and with post-employment or long-term employee benefits covered by it are deducted, under the terms and conditions set out in the Corporate income tax Code and in relevant separate tax legislation, up to the limit of the taxable profit for the tax period determined before these deductions. Expenses and negative equity variations not deducted due to this limit are deducted in subsequent tax periods, with the same limit. At the Banco Comercial Português, S.A. deferred tax assets associated with expenses and negative equity variations under these conditions amount to EUR 794,076,000 (31 December 2025: EUR 915,512,000), of which EUR 671,829,000 relate to impairment losses on credits (31 December 2025: EUR 697,542,000) and EUR 122,247,000 relate to post-employment or long-term employee benefits (31 December 2025: EUR 217,970,000).

- In certain situations (those with negative net results in annual individual accounts or liquidation by voluntary dissolution, insolvency decreed by court or revocation of the respective authorisation), deferred tax assets covered by the Special Regime are converted into tax credits, in part or in full. In case of negative net income, the conversion is made according to the proportion between the amount of the negative net income for the period and the total of equity, a special reserve corresponding to 110% of the tax credit must be constituted and, simultaneously, conversion rights of equivalent value attributable to the State are also constituted. These rights that can be acquired by the shareholders upon payment to the State of the same value. Tax credits may be offset against tax debts of the beneficiaries (or an entity based in Portugal within the same prudential consolidation scope or included in the same group of entities for which are applied the Special Tax Regime for Groups of Companies) or repaid by the State. As Banco Comercial Português, S.A. did not report negative net results in the years 2015 to 2025, there was no conversion of deferred taxes assets into tax credits, under the terms provided for in the Special Regime.

Pursuant to the regime described, the recovery of deferred tax assets covered by the optional regime approved by Law 61/2014, of 26 August, is not dependent on future profits.

The above-mentioned legal framework was densified by Ordinance 259/2016, of 4 October, about the control and use of tax credits, and by the Ordinance No. 293-A/2016, of 18 November, which establishes the conditions and procedures for the acquisition by the shareholders of the referred rights of the State. Law 98/2019, of 4 September, establishes a deadline for the acquisition of the referred rights of the State by the shareholders, after which the Management Board of the issuing bank is obliged to promote the record of the capital increase by the amount resulting from the exercise of the conversion rights. According to this legislation, among other aspects, these rights are subject to a right of acquisition by the shareholders on the date of creation of the rights of the State, exercisable in periods that will be established by the Board of Directors until 3 years after the confirmation date of the conversion of the deferred tax asset into tax credit by the Portuguese Tax and Customs Authority. The issuing entity shall deposit in favour of the State the amount of the price corresponding to all the rights issued, within 3 months beginning from the confirmation date of the conversion of the deferred tax asset into tax credit. Such deposit shall be redeemed when and to the extent that the rights of the State are acquired by the shareholders or exercised by the State.

Current and deferred tax rates

Deferred taxes are calculated based on the tax rates expected to be in force when the temporary differences are reversed, which correspond to the tax rates enacted or substantively enacted at the balance sheet date. The deferred tax assets and liabilities are presented on a net basis whenever, in accordance with applicable law, current tax assets and current tax liabilities can be offset with each other, and the deferred tax assets and liabilities related to income taxes levied by the same tax authority over the same taxable entity.

Portugal

Pursuant to Law no. 64/2025, of 7 November, the general Corporate Income Tax (IRC) rate has been changed to 19%, 18%, and 17% for the tax periods beginning in 2026, 2027, and on or after 2028, respectively.

The current tax rate for Banco Comercial Português, S.A. is analysed as follows:

	30 June 2026	31 December 2025
Income tax	19%	20%
Municipal surtax rate (on taxable net income)	1.5%	1.5%
State tax rate (on taxable net income)		
More than 1,500,000 to 7,500,000	3%	3%
From more than 7,500,000 to 35,000,000	5%	5%
More than 35,000,000	9%	9%

The average deferred tax rate applicable to tax losses of Banco Comercial Português, S.A is 17% (31 December 2025: 17%).

The average deferred tax rate applicable to temporary differences of Banco Comercial Português, S.A. is 27.8% (31 December 2025: 28%). The tax rate used by the Bank in the calculation and recognition of deferred taxes relating to temporary differences was 29.3%, 28.3%, and 27.3%, depending on the estimated year for the reversal of the temporary differences (2026, 2027, and subsequent periods, respectively).

Poland and Mozambique

The income tax rate in Poland increased from 19% to 30% in 2026, reducing to 26% in 2027 and to 23% in 2028.

Following this change, the average deferred tax rate applicable to temporary differences for Bank Millennium, S.A. is 19.741% (31 December 2025: 22.371%).

The standard income tax rate in Mozambique is 32%, with an additional 20% tax rate applied to interest from government bonds and interest from investments in the central bank and other credit institutions.

The reporting period for tax losses carried forward in Poland and in Mozambique is 5 years.

Main rules

Following the amendments provided for in Law 24-D/2022, of 30 December, within the scope of the State Budget for 2023, the time limit applicable to the carrying forward of tax losses in Portugal was eliminated. This amendment applies to tax losses assessed in tax periods beginning on or after 1 January 2023, as well as to tax losses calculated in tax periods prior to 1 January 2023 and whose deduction period is still in progress on that date. Thus, tax losses calculated in 2014 and subsequent years may be deducted from future taxable income. The deduction limit for tax losses reduced from 70% to 65%, being increased by ten percentage points when the difference results from the deduction of tax losses calculated in the 2020 and 2021 tax periods, under the terms of the special regime provided for in Law 27-A/2020, of 24 July.

Banco Comercial Português, S.A. applies the Special Tax Regime for Groups of Companies (RETGS) since 2016 for taxation purposes under corporate income tax (IRC), in which it's the dominant company. The remaining companies covered by the RETGS are Banco ActivoBank, S.A., Interfundos - Sociedade Gestora de Organismos de Investimento Coletivo, S.A., BCP África, S.G.P.S. Lda., Millennium bcp Participações, S.G.P.S., Sociedade Unipessoal Lda., Millennium bcp Teleserviços – Serviços de Comércio Electrónico, S.A., and Imoserit, S.A.

Regarding the activity in Portugal, Law No. 98/2019, of 4 September, established the tax regime for credit impairment losses and provisions for guarantees for tax periods beginning on or after 1 January 2019, providing for the approximation between the accounting and tax rules in what concerns the deductibility of credit impairment losses. The rules in force until 2018 could continue to be applied until the end of the 2023 financial year, unless the option to apply the new regime was exercised in advance.

In 2022, the Banco Comercial Português, S.A. and the Banco ActivoBank, S.A. exercised the option to apply the new regime, under which impairment losses for credit risk relating to exposures analysed on an individual or collective basis recognised in accordance with applicable accounting and regulatory standards, the provisions for guarantees and other commitments, and impairment losses on debt instruments at amortised cost or at fair value through Other Comprehensive Income, are fully deductible for the purposes of determining taxable profit, with the exceptions provided for in the Corporate Income Tax Code. The exceptions apply to impairment losses relating to credits and other rights over natural or legal persons who hold, directly or indirectly, more than 10 % of the Bank's capital, over members of its corporate bodies, over companies in which the Bank holds, directly or indirectly, more than 10 % of the capital or over entities with which it is in a situation of special relations.

Impairment losses and other value corrections for specific credit risk recorded until 31 December 2021 and still not deducted for tax purposes are only deductible up to the amount that, in each tax period, corresponds to the application of the mandatory minimum limits set out in Notice of Banco de Portugal No. 3/95, as amended before its repeal by Notice of Banco de Portugal 5/2015 and, between other conditions, provided that they are not claims covered by real estate rights.

The Group complies with the guidance of IFRIC 23 - Uncertainty over Income Tax Treatments on the determination of taxable profit, tax bases, unused tax losses, unused tax credits and tax rates when there is uncertainty over income tax treatments. This uncertainty is reflected in the value of the current tax liabilities and deferred tax assets and liabilities.

The Group recognises deferred tax liabilities associated with the taxation, in Mozambique and Angola, of its share of the distributable profits of Banco Internacional de Moçambique and Banco Millennium Atlântico.

Analysis of the recoverability of deferred tax assets

In accordance with the accounting policy 1 Y3 and with the requirements of IAS 12, the deferred tax assets were recognised based on the Group's expectation of their recoverability. The recoverability of deferred taxes depends on the implementation of the strategy of the Bank's Board of Directors, namely the generation of estimated taxable income and its interpretation of tax legislation. Any changes in the assumptions used in estimating future profits or tax legislation may have material impacts on deferred tax assets.

The assessment of the recoverability of deferred tax assets is based on the projected results for the period from 2026 to 2032, as longer forecast periods have higher underlying factors of uncertainty. The projected income before taxes for the years 2026, 2027 and 2028 is consistent with the budget approved by the Bank's Board of Directors in November 2025, which incorporates the priorities stemming from the 2025-2028 Strategic Plan. In the earnings forecast for the years 2029, 2030, 2031 and 2032, a standard nominal growth rate of 2% was considered.

The forecasts consider the conclusion of the monetary policy easing cycle in the Eurozone, with the stabilisation of interest rates at a level lower than the current one, and the development of the Bank's activity aligned with the commercial positioning and the targets enshrined in the 2025-2028 Strategic Plan approved by the governing bodies, highlighting:

- after reflecting the impacts of the normalisation of interest rates, net interest income benefits from the recovery of volumes in customer lending, especially to companies, with a focus on priority segments associated with customer knowledge and relationship, and continued growth of the deposit base, focusing on customer engagement and transactionality;

- increase in commission income based on an efficient and judicious management of commissions and price lists;

- stabilisation of cost of risk at levels in line with the current activity of Banco Comercial Português, S.A. given the lower impact from the historical portfolios of NPEs, foreclosed assets and FRE (Corporate Restructuring Funds), after the reduction of these exposures achieved over the last years;

- strengthening of the capabilities required for the implementation of the initiatives foreseen in the 2025-2028 Strategic Plan, while preserving high levels of efficiency based on continued cost discipline and increased use of technology.

To estimate taxable net income for the periods of 2026 to 2032, the following main assumptions were considered:

- The rules of the new tax regime of credit impairment implemented were applied in 2022 . In the application of these rules, the following assumptions were considered, in general terms:

a) the impairment losses for credit risk related to exposures analysed on an individual or collective basis, recognised in accordance with the applicable accounting and regulatory standards, were considered deductible for tax purposes;

b) impairment reversals created up to 31 December 2021 not accepted for tax purposes were estimated based on the most recent Non-Performing Assets Reduction Plan (2025-2027), and also on the basis of the average percentage of reversal observed in the last years from 2016 to 2025;

c) the referred average percentages were calculated separately, depending on whether or not there was a mortgage guarantee, the eligibility for purposes of the special regime applicable to deferred tax assets and according to the customers' classification as Non-Performing Exposures (NPE).

- The increase in provisions for guarantees was considered, as fully, as deductible for tax purposes, under the terms of the current rules. Reversals of provisions taxed until 31 December 2021 are being estimated based on the percentage of impairment replacement taxed for the years 2022 to 2025.

- The deductions related to impairment of financial assets were projected based on the destination (sale or settlement) and the estimated date of the respective operations;

- Impairment reversals of non-financial assets not accepted for tax purposes were projected considering the expected periods of disinvestment in certain real estate assets. For the remaining assets without a forecasted term for disinvestment, the reversals were estimated based on the average percentage of reversal observed in the years from 2016 to 2025. Non-deductible expenses related to the reinforcement of impairment of non-financial assets were estimated on the based on the average percentage of amounts not deducted for tax purposes in the years from 2016 to 2025, compared to the amounts of reinforcements net of impairment recorded in those years;

- The deductions related to employee benefits were projected based on their estimated payments or deduction plans, in accordance with information provided by the pension fund actuary;

- The realisation of changes in the fair value of real estate investment funds and venture capital funds classified as equity instruments, was projected based on the information available in the regulations of the funds in question in relation to the period foreseen for the respective liquidation.

According to the estimate of future taxable income, the deferred taxes assets recorded as at 31 December 2025 are adequate under the IAS 12 requirements. As at 30 June 2026, this analysis and conclusions remain valid.

In accordance with these assessments, the amount of unrecognised deferred tax related to temporary differences and to tax losses is as follows:

(Thousand EUR)

	30 June 2026	31 December 2025
Temporary differences	983	990
Tax losses carried forward		
2014	131,067	131,067
2015	2	2
2016	81,911	102,610
2017	2,015	2,245
2018	78,534	78,534
2019	21,675	21,675
2020	1,825	4,009
2021	147,293	146,886
2022	13,724	14,482
2023	2,576	2,547
2024	23,219	22,595
2025	33,293	40,432
2026	2,364	—
Total	539,498	567,084

The amount of unrecognised deferred taxes relating to tax losses per expiry year is analysed as follows:

(Thousand EUR)

	30 June 2026	31 December 2025
2026	—	132
2027	10,489	11,247
2028	915	885
2029	19,510	18,886
2030	33,261	40,237
2031	2,354	—
No expiry date	472,969	495,697
Total	539,498	567,084

In addition to the above amounts, the Bank is contesting corrections to tax losses for 2014, 2016, 2021 and 2022, which, if granted, will increase the value of unrecognised deferred taxes assets by EUR 77,516,000.

Income tax for the period

The impact of income taxes on Net income and on other balances of Group's equity, as at 30 June 2026, is analysed as follows:

(Thousand EUR)

	30 June 2026		
	Net income for the period	Reserves	Exchange differences
Deferred taxes not depending on the future profits			
Impairment losses	(25,768)	—	—
Employee benefits	(106,827)	(2,367)	—
	(132,595)	(2,367)	—
Deferred taxes depending on future profits			
Impairment losses	(28,936)	36	21,933
Tax losses carried forward (a)	14,923	1,791	(1)
Employee benefits	3,294	757	705
Financial assets at fair value through other comprehensive income	1	(30,026)	(11,439)
Derivatives	(4,925)	—	1,782
Intangible assets	(20)	—	47
Other tangible assets	136	—	(28)
Other	(63,878)	199	(14,354)
	(79,405)	(27,243)	(1,355)
	(212,000)	(29,610)	(1,355)
Current taxes			
Current period	(77,416)	—	—
Correction of previous periods	6,723	—	—
	(70,693)	—	—
	(282,693)	(29,610)	(1,355)

(a) The amount recorded in reserves refers to the deferred tax on the part of tax loss arising from the deduction of negative equity changes recorded in reserves that contribute to the calculation of taxable income.

The impact of income taxes on Net income and on other balances of Group's equity, as at 30 June 2025, is analysed as follows:

(Thousand EUR)

	30 June 2025		
	Net income for the period	Reserves	Exchange differences
Deferred taxes not depending on the future profits			
Impairment losses	(23,984)	—	—
Employee benefits	(77,270)	(992)	—
	(101,254)	(992)	—
Deferred taxes depending on the future profits			
Impairment losses	(50,539)	(447)	2,345
Tax losses carried forward (a)	3,476	863	52
Employee benefits	3,505	(32,452)	47
Financial assets at fair value through other comprehensive income	—	(78,424)	(6,831)
Derivatives	1,248	—	(74)
Intangible assets	7	—	9
Other tangible assets	97	—	(4)
Other	(29,589)	(1,561)	6,490
	(71,795)	(112,021)	2,034
	(173,049)	(113,013)	2,034
Current taxes			
Current period	(64,515)	(2)	—
Correction of previous periods	19,159	—	—
	(45,356)	(2)	—
	(218,405)	(113,015)	2,034

(a) The amount recorded in reserves refers to the deferred tax on the part of tax loss arising from the deduction of negative equity changes recorded in reserves that contribute to the calculation of taxable income.

The impact of income taxes on Net income and on other balances of Group's equity, by geographies where the Group operates, is analysed as follows:

(Thousand EUR)

	30 June 2026			30 June 2025		
	Portugal	Poland	Mozambique	Portugal	Poland	Mozambique
Current period						
Deferred taxes	(156,205)	(55,796)	—	(135,579)	(37,470)	—
Current taxes	(4,248)	(53,188)	(13,257)	(3,525)	(26,528)	(15,303)
	(160,453)	(108,984)	(13,257)	(139,104)	(63,998)	(15,303)
Reserves and Exchange differences						
Deferred taxes	(33,393)	2,429	—	(105,872)	(5,107)	—
Current taxes	—	—	—	(2)	—	—
	(33,393)	2,429	—	(105,874)	(5,107)	—
	(193,846)	(106,555)	(13,257)	(244,978)	(69,105)	(15,303)

The reconciliation between the nominal tax rate and the effective tax rate is analysed as follows:

(Thousand EUR)

	30 June 2026	30 June 2025
Income before taxes	936,393	788,922
Current tax rate (%)	29.5%	30.5%
Tax at the applicable tax rate	(276,236)	(240,621)
Non-deductible impairment and provisions (a)	(29,007)	(18,363)
Mandatory contributions on the banking sector (b)	(30,022)	(20,907)
Results of companies accounted by the equity method	10,972	9,245
Interests on other equity instruments (c)	4,794	4,956
Effect of the tax rate difference (d)	8,107	37,533
Effect of recognition/derecognition net of deferred taxes (e)	20,581	(7,209)
Non-deductible costs and other corrections	3,304	5,656
Correction of previous periods	1,634	6,785
Impact of the special regime for the taxation of groups of companies	3,522	4,774
Autonomous taxation	(342)	(254)
Total	(282,693)	(218,405)
Effective rate (%)	30.2%	27.7%

(a) In 2026, it includes the impacts of non-deductible provisions in Portugal, in the negative amount of EUR 6,012,000, the non-deductibility for tax purposes of the allocation of provisions related to legal risks associated with the portfolio of mortgage loans granted in foreign currency by Bank Millennium, in the negative amount of EUR 22,390,000, and the provisions for losses on public debt in Mozambique, in the negative amount of EUR 9,238,000. In 2025, it includes the negative amount of EUR 21,651,000 relating to the impact of the non-deductibility for tax purposes of the allocation of provisions related to legal risks associated with the portfolio of mortgage loans granted in foreign currency by Bank Millennium.
(b) Relates to the impact of taxes on the banking sector in Portugal in the negative amount of EUR 9,206,000 (30 June 2025: negative EUR 6,835,000) and in Poland in the negative amount of EUR 20,816,000 (30 June 2025: negative EUR 14,072,000),
(c) Relates to the impact of the deduction for taxable income purposes of interest paid in respect of perpetual bonds representing subordinated debt issued on 18 January 2024.
(d) In 2026, includes the effect of the 20% tax on interest from Mozambique's public debt securities, and interest from deposits in the central bank and other credit institutions, in the amount of EUR 7,898,000.
In 2025, included (i) the effect of the 20% tax on interest from Mozambique's public debt securities and interest from investments in the central bank and other credit institutions, in the amount of EUR 9,182,000, and (ii) the effect of the difference in the applicable tax rate in Poland, (then 19%) amounting to EUR 24,768,000 related to on a positive profit before tax.
(e) It includes the amount of EUR 17,811,000 (30 June 2025: EUR 6,900,000) of deferred tax assets recognised by Banco Comercial Português, S.A. relating to tax losses and a negative amount of EUR 2,297,000 (30 June 2025: negative amount EUR 11,558,000) relating to the non-recognition of deferred tax assets on the tax losses of Banco Internacional de Moçambique.

Directive (EU) 2022/2523 of the Council, of 15 December 2022 – Minimum level of taxation of 15% per jurisdiction

Under Pillar 2 of the Base Erosion and Profit Shifting 2.0 ("BEPS 2.0") project of the Organisation for Economic Co-operation and Development ("OECD"), enshrined in Council Directive (EU) 2022/2523 of 15 December 2022, multinationals enterprises and large national groups with consolidated annual revenues of more than EUR 750 million in at least two of the last four financial years are will become subject, from the 2024 financial year onwards, to a minimum tax rate of 15%, in each of the jurisdiction they operate.

Directive (EU) 2022/2523, on ensuring a global minimum level of taxation for multinational enterprise groups and large-scale domestic groups in the Union, was transposed into domestic legislation in Portugal through Law No. 41/2024 of 8 November, which established the Global Minimum Tax Regime. In Poland, the transposition of this Directive took plane on 15 November 2024.

The regime provides for a Qualified Domestic Minimum Top-Up Tax (QDMTT) and an Income Inclusion Rule (IIR), applicable to tax years beginning on or after 1 January 2024, and a Undertaxed Profits Rule (UTPR), applicable to tax years beginning on or after 1 January 2025.

The regime was, meanwhile, amended by Law No. 26/2026, of 3 June Ministerial Orders No. 290/2025/1, of 2 September, and No. 255/2026/1, of 12 June, approved the reporting obligations associated with the regime, which are reflected in Form 62 (Registration Declaration - RIMG) and Form 63 (GloBE Information Return - GIR).

The regime in question may determine the payment of a top-up tax when a minimum level of taxation of 15% is not observed, on a jurisdictional basis.

According to the analysis carried out on the potential future impacts of this regime, the Group estimates that it will meet, in the jurisdictions in which it operates, namely in Portugal, Poland and Mozambique, the necessary requirements for the application of "transitional safe harbours", thus being excluded, between 2024-2026, from the obligation to calculate any top-up tax.

Banco Comercial Português, S.A. applies the temporary exception set out in IAS 12 for the recognition and disclosure of information on deferred tax assets and liabilities related to income tax arising from the Global Minimum Tax Regime (GMTR).

31. Other assets

This balance is analysed as follows:

(Thousand EUR)

	30 June 2026	31 December 2025
Deposit account applications	70,008	61,273
Shareholder Loans	110,309	107,790
Surplus in the post-employment benefits	286,016	283,686
Debtors for futures and options transactions	257,117	195,542
Real estate and other assets arising from recovered loans (*)	228,314	234,742
Debtors		
Residents		
Receivables from real estate, transfers of assets and other securities	47,727	47,216
Pending legal proceedings / agreements with the Bank	7,646	8,521
SIBS	2,260	2,366
Other	24,358	24,217
Non-residents	25,252	26,546
Amounts due for collection (**)	67,783	106,535
Interest and other amounts receivable	97,573	83,183
Amounts receivable on trading activity	239,167	20,674
Amounts due from customers	17,883	9,487
Artistic assets	28,795	28,795
Prepaid expenses	32,267	33,453
Subsidies receivables	16,158	13,155
Other taxes recoverable	12,068	13,066
Gold and other precious metals	3,476	3,533
Capital supplementary contributions	109	109
Associates	42	39
Receivables due from Société Générale S.A. (CHF Portfolio Indemnity and Guarantee Agreement, as described in note 57)	215,628	219,623
Receivables due to legally invalidated foreign currency mortgage loans	95,628	80,839
Other	281,726	204,388
	2,167,310	1,808,778
Impairment for other assets	(255,360)	(253,611)
	1,911,950	1,555,167

(*) Amounts of real estate and other assets that do not meet the requirements of IFRS 5 (accounting policy G).
(**) This mainly corresponds to the specific position of the financial flow with SIBS within the scope of transactions carried out via ATMs.

The balance Deposit account applications includes the amount of EUR 30,638,000 (31 December 2025: EUR 30,638,000) relating to the collateral constituted in compliance with the assumption of irrevocable payment commitments to Single Resolution Fund, as referred in note 45.

As referred in note 47, as at 30 June 2026, the balance Shareholder Loans includes the amount of EUR 102,885,000 (31 December 2025: EUR 100,375,000) arising from the transfers of assets to Specialised recovery funds for which there is an impairment loss of the same amount.

The balance Amounts receivable on trading activity corresponds to operations pending financial settlement, most of which had already taken place on the date these accounts were approved, except for one operation with a balance sheet value of EUR 98,836,000, whose settlement will occur on 12 August 2026.

Considering the nature of these transactions and the age of the amounts of these items, the Group's procedure is to periodically assess the collectability of these amounts and whenever impairment is identified, an impairment loss is recorded in the income statement.

The detail of the item Real estate and other assets arising from recovered loans is analysed as follows:

(Thousand EUR)

	30 June 2026			31 December 2025		
	Gross value	Impairment	Net value	Gross value	Impairment	Net value
Real estate						
Assets arising from recovered loans	61,707	(34,466)	27,241	68,804	(35,864)	32,940
Assets belong to investments funds and real estate companies	136,027	(77,544)	58,483	135,403	(77,353)	58,050
Assets for own use (closed branches)	8,731	(3,042)	5,689	9,153	(3,194)	5,959
Equipment	14,426	(10,483)	3,943	13,965	(10,148)	3,817
Other assets (*)	7,423	—	7,423	7,417	—	7,417
	228,314	(125,535)	102,779	234,742	(126,559)	108,183

(*) includes Shares, Price Deposit and Property Adjudication Proposals

The changes occurred in Impairment of other assets, with the exception of impairment for Real estate and other assets arising from recovered loans are analysed as follows:

(Thousand EUR)

	30 June 2026	31 December 2025
Balance as at 1 January	127,052	135,421
Other transfers	126	705
Charge for the period (note 13)	4,954	13,943
Reversals for the period (note 13)	(1,287)	(3,452)
Amounts charged-off	(923)	(19,260)
Exchange rate differences	(97)	(305)
Balance at the end of the period	129,825	127,052

The changes occurred in impairment for Real Estate and other assets arising from recovered loans, are analysed as follow:

(Thousand EUR)

	30 June 2026	31 December 2025
Balance as at 1 January	126,559	141,475
Other transfers	(4,169)	(18,179)
Charge for the period (note 13)	2,906	11,880
Reversals for the period (note 13)	(665)	(215)
Amounts charged-off	472	(4,993)
Exchange rate differences	432	(3,409)
Balance at the end of the period	125,535	126,559

32. Deposits from credit institutions and other funds

This balance is analysed as follows:

(Thousand EUR)

	30 June 2026			31 December 2025		
	Non-interest bearing	Interest bearing	Total	Non-interest bearing	Interest bearing	Total
Deposits from Central Banks and other funds						
Central Banks abroad	—	205,255	205,255	—	200,601	200,601
Deposits from credit institutions in Portugal and other funds						
Demand deposits	117,840	—	117,840	98,802	—	98,802
Term Deposits	—	75,424	75,424	—	104,161	104,161
	117,840	75,424	193,264	98,802	104,161	202,963
Deposits from credit institutions abroad and other funds						
Very short-term deposits	—	86,185	86,185	—	—	—
Demand deposits	93,384	—	93,384	75,497	—	75,497
Term deposits	—	136,325	136,325	—	107,083	107,083
Loans obtained	—	1,250	1,250	—	401	401
CIRS and IRS operations collateralised by deposits (*)	61,764	—	61,764	36,366	—	36,366
Sales operations with repurchase agreement	—	—	—	—	246,856	246,856
Other	—	15,860	15,860	—	8,804	8,804
	155,148	239,620	394,768	111,863	363,144	475,007
	272,988	520,299	793,287	210,665	667,906	878,571

(*) Under the scope of transactions involving derivative financial instruments (IRS and CIRS) with institutional counterparties, and in accordance with the terms of their respective agreements ("Cash collateral"). These deposits are held by the Group and are reported as collateral for the referred operations (IRS and CIRS), whose revaluation is positive.

33. Deposits from customers and other funds

This balance is analysed as follows:

(Thousand EUR)

	30 June 2026			31 December 2025		
	Non-interest bearing	Interest bearing	Total	Non-interest bearing	Interest bearing	Total
Deposits from customers						
Repayable on demand	55,049,544	947,910	55,997,454	52,477,872	990,661	53,468,533
Term deposits	—	30,012,929	30,012,929	—	29,114,003	29,114,003
Saving accounts	—	4,751,009	4,751,009	—	4,580,066	4,580,066
Cheques and orders to pay	504,489	—	504,489	352,055	—	352,055
	55,554,033	35,711,848	91,265,881	52,829,927	34,684,730	87,514,657
Corrections to the liabilities value subject to hedging operations			(33,880)			38,521
Interests payable			125,613			119,682
			91,357,614			87,672,860

In the terms of the Law, the Deposit Guarantee Fund was established to guarantee the repayment of funds deposited in Credit Institutions. The criteria to calculate the annual contributions to the Portuguese fund are defined in the Regulation no. 11/94 of the Banco de Portugal.

According to accounting policy C.4, there is a set of deposits from customers and other loans that are being hedged, the impact of which is detailed in note 54.

34. Non-subordinated debt securities issued

This balance is analysed as follows:

(Thousand EUR)

	30 June 2026	31 December 2025
Bonds	821,154	775,249
Medium term notes (MTN)	2,997,144	2,997,334
Securitisations	85,096	91,743
	3,903,394	3,864,326
Corrections to the liabilities value subject to hedging operations	(30,002)	(13,456)
Deferred costs/(gains)	(13,083)	(9,157)
Interests payable	80,424	51,880
	3,940,733	3,893,593

According to accounting policy C.4, there is a set of debt securities that are being hedged, the impact of which is detailed in note 54.

35. Subordinated debt

This balance is analysed as follows:

(Thousand EUR)

	30 June 2026	31 December 2025
Bonds		
Non-Perpetual	2,373,708	1,382,228
Corrections to the liabilities value subject to hedging operations (note 54)	(11,641)	(10,783)
Deferred costs / (income)	(4,620)	(2,232)
Interests payable	23,609	42,445
	2,381,056	1,411,658

On 22 June 2026, the Bank carried out a new issue under the MTN programme in the amount of EUR 500 million with a maturity of 12 years, as referred in note 48.

On 27 May 2026, the Bank Millennium carried out a new issue in the amount of EUR 500 million with a maturity of 10 years.

According to accounting policy C.4, there is a set of debt securities that are being hedged, the impact of which is detailed in note 54.

36. Financial liabilities held for trading

This balance is analysed as follows:

(Thousand EUR)

	30 June 2026	31 December 2025
Short sales	3,047	8,949
Trading derivatives (note 23)		
FRA	152	—
Swaps	76,924	114,320
Options	15,875	23,394
of which: Embedded derivatives	14,867	22,531
Forwards	4,124	6,066
Others	39	—
	97,114	143,780
	100,161	152,729
Level 2	81,864	120,807
Level 3	18,297	31,922

As referred in IFRS 13, financial instruments are measured according to the levels of valuation described in note 49. The balance Financial liabilities held for trading includes, as at 30 June 2026, the embedded derivatives valuation separated from the host contracts in accordance with the accounting policy presented in note 1 C5. in the amount of EUR 14,867,000 (31 December 2025: EUR 22,531,000). This note should be analysed together with note 23.

37. Financial liabilities designated at fair value through profit or loss

This balance is analysed as follows:

(Thousand EUR)

	30 June 2026	31 December 2025
Deposits from customers (*)	1,891,773	2,075,969
Certificates	1,813,302	1,538,366
	3,705,075	3,614,335

(*) Deposits from customers whose remuneration is indexed to a set of shares and/or indices.

38. Provisions

This balance is analysed as follows:

(Thousand EUR)

	30 June 2026	31 December 2025
Provision for guarantees and other commitments	147,725	146,156
Other provisions for liabilities and charges	1,038,760	1,092,357
	1,186,485	1,238,513

Changes in Provisions for guarantees and other commitments are analysed as follows:

(Thousand EUR)

	30 June 2026	31 December 2025
Balance as at 1 January	146,156	118,039
Transfers	(1,682)	—
Charge for the period (note 14)	46,115	79,248
Reversals for the period (note 14)	(42,489)	(51,165)
Exchange rate differences	(375)	34
Balance at the end of the period	147,725	146,156

Changes in Other provisions for liabilities and charges are analysed as follows:

(Thousand EUR)

	30 June 2026	31 December 2025
Balance as at 1 January	1,092,357	967,819
Transfers	193	5,193
Charge for the period (note 14)	172,235	523,282
Reversals for the period (note 14)	(1,409)	(18,348)
Amounts charged-off	(217,068)	(399,464)
Allocation to loan's portfolio (note 21)	7,800	4,485
Exchange rate differences	(15,348)	9,390
Balance at the end of the period	1,038,760	1,092,357

The balance Other provisions for liabilities and charges - Charge for the period refers essentially to provisions for legal risk accounted for by Bank Millennium, in the amount of EUR 95,582,000(31 December 2025: EUR 480,973,000) and the balance Amounts charged-off includes the amount of EUR 212,517,000 (31 December 2025: EUR 334,363,000), both related to foreign currency-indexed mortgage loans described in note 57.

Other provisions for liabilities and charges were based on the probability of occurrence of certain contingencies related to risks inherent to the Group's activity, being reviewed at each reporting date in order to reflect the best estimate of the amount and respective probability of payment.

This balance includes provisions for lawsuits, frauds and tax contingencies. The provisions constituted to cover tax contingencies amounted to EUR 57,557,000 (31 December 2025: EUR 52,587,000).

Additionally, there are provisions for liabilities and charges recorded for corporate restructuring funds and carved-out assets of the Project Crow.

Provisions for legal risk related to foreign currency-indexed mortgage loans in Bank Millennium (Poland)

Bank Millennium estimated the impact of legal risk on the recoverability of the expected cash flows resulting from concluded contracts for the active portfolio of mortgage loans in CHF, adjusting, in accordance with point B5.4.6 of IFRS 9, the gross carrying amount of the portfolio by reducing the expected cash flows from mortgage loan contracts denominated or indexed to CHF, and recognised a provision in accordance with International Accounting Standard 37 Provisions, Contingent Liabilities and Contingent Assets (“IAS 37”) for fully repaid loans and in a situation where the gross carrying amount of the loan was lower than the value of the assessed risk.

A detailed description of the adopted valuation methodology is presented in note 57 "Legal risk related to foreign currency mortgage loans in Bank Millennium (Poland)".

As at 30 June 2026, the Loans and advances to customers portfolio in CHF has a gross amount of EUR 773,372,000 (31 December 2025: EUR 1,043,576,000).

As at 30 June 2026, the provisions estimated by Bank Millennium to address the legal risk related with the portfolio of foreign currency-indexed mortgage loans amount to EUR 1,323,934,000 (PLN 5,688,149,000), of which EUR 632,911,000 (PLN 2,719,240,000) are presented under assets, as a deduction from the gross amount of the loan portfolio in CHF (note 21) and EUR 691,023,000 (PLN 2,968,909,000) are presented under Provisions for other liabilities and charges. As at 31 December 2025, these provisions amounted to EUR 1,684,540,000 (PLN 7,113,474,000), of which EUR 869,230,000 (PLN 3,670,583,000) are presented as a deduction from the gross amount of the loan portfolio in CHF (note 21) and EUR 815,310,000 (PLN 3,442,891,000) as Provisions for other liabilities and charges.

The variation in the level of provisions or actual losses will depend on the final court decisions in each case and on the number of legal proceedings, as described in accounting policy 1 Y7 and note 57.

39. Other liabilities

This balance is analysed as follows:

(Thousand EUR)

	30 June 2026	31 December 2025
Interests and other amounts payable	173,074	158,792
Operations to be settled - foreign, transfers and deposits	217,485	129,370
Credit insurance received and to accrued	4,634	5,933
Holidays, subsidies and other remuneration payable	62,246	58,634
Transactions on securities to be settled	142,477	1,519
Public sector	53,610	46,118
Creditors		
Rents to pay	182,843	190,336
Deposit account and other applications	93,744	99,704
Suppliers	50,275	56,182
From factoring operations	33,628	26,578
For futures and options transactions	21,785	18,074
Liabilities not covered by the Group Pension Fund - amounts payable by the Group	5,716	6,619
Associates	—	178
Other creditors		
Residents	39,555	39,337
Non-residents	53,328	67,677
Deferred income	13,508	12,964
Other administrative costs payable	8,093	5,605
Liabilities due to legally invalidated foreign currency mortgage loans	81,660	73,136
Insurance settlements	23,050	16,747
Commitment to pay – BGF (Bank associated with the Polish Bank Guarantee Fund)	71,446	64,472
Other liabilities	327,285	197,030
	1,659,442	1,275,005

The balance Liabilities not covered by the Group Pension Fund - amounts payable by the Group includes the amount of EUR 2,992,000 (31 December 2025: EUR 2,748,000) related to the actual value of benefits attributed associated with mortgage loans to employees, retirees and former employees.

The balance Operations to be settled - foreign, transfers and deposits includes amounts that have already been settled on the date of approval of these accounts, namely interbank transactions amounting to EUR 202,283,000 (31 de December de 2025: EUR 118,518,000).

The balance Amounts payable on trading activity corresponds to transactions pending financial settlement, which had already taken place on the date these accounts were approved.

The Group has several operating leases for properties, being recorded in the item Rents to pay the amount of lease liabilities recognised under IFRS 16, as described in the accounting policy 1 H. The analysis of this balance, by maturity, is as follows:

(Thousand EUR)

	30 June 2026	31 December 2025
Until 1 year	20,490	21,766
1 to 5 years	76,421	81,942
Over 5 years	105,508	108,917
	202,419	212,625
Accrued costs recognised in Net interest income	(19,576)	(22,289)
	182,843	190,336

40. Share capital, Share premium and Other equity instruments

As at 30 June 2026, the Bank's share capital amounts to EUR 3,000,000,000 and is represented by 14,804,627,089 nominative book-entry shares without nominal value, fully subscribed and paid up (total number of voting rights inherent to these shares being also 14,804,627,089).

In the context of the share buyback programme in the total amount of up to EUR 200,000,000, the conclusion of which was announced on 25 August 2025 (the "Programme"), the Bank, following the resolutions adopted in the context of Items Eight and Nine of the Agenda of the General Meeting of 22 May 2025, concluded the following operations on 23 December 2025:

- Share capital decrease by EUR 61,405,928.67, for the specific purpose of implementing the Buyback Programme, with the share capital of the Bank now standing at EUR 2,938,594,071.33, involving the cancellation of 309,362,863 nominative book-entry treasury shares without nominal value, as well as the creation of a special reserve, subject to the legal reserve regime, in the amount of EUR 61,405,928.67; and

- Subsequent share capital increase in the amount of EUR 61,405,928.67 to EUR 3,000,000,000, without issuing new shares and by incorporating a special reserve of the same amount set up for this purpose following the aforementioned share capital reduction, with the objective of restoring the share capital amount.

As at 30 June 2026, Share premium amounts to EUR 16,470,667.11, corresponding to the difference between the issue price (EUR 0.0834 per share) and the issue value (EUR 0.08 per share) determined under the scope of the Public Exchange Offer occurred in June 2015.

As at 30 June 2026, Other equity instruments in the amount of EUR 400,000,000 corresponds to 2,000 perpetual subordinated notes issued on 18 January 2024, with a nominal value of EUR 200,000 each which was classified as Additional Tier 1 (AT1) in accordance with the specific rules of IAS 32 and accounting policy 1 E. The issue has the option of early repayment by the Bank from the end of 5th year onwards with a coupon of 8.125% per year for the first 5.5 years, which will be refixed from that date every 5 years, with reference to the then prevailing 5-year mid-swap rate plus a spread of 5.78% a year. As the operation is classified as AT1, the corresponding interest payment can be cancelled by the Bank at its discretion or by imposition of the competent authorities and is still subject to compliance with a set of conditions, including compliance with the combined capital reserve requirement and the existence of sufficient distributable funds.

As at 30 June 2026, the shareholders who hold, individually or jointly, 5% or more of the Bank's capital, are the following:

Shareholder	number of shares	% share capital	% voting rights
Chiado (Luxembourg) S.à.r.l. (Fosun Group)	3,027,936,381	20.45%	20.45%
Sonangol - Sociedade Nacional de Combustíveis de Angola, EP	2,946,353,914	19.90%	19.90%
Total Qualified Shareholdings	5,974,290,295	40.35%	40.35%

41. Legal and statutory reserves

Under the Portuguese legislation, the Bank is required to annually set-up a legal reserve equal to a minimum of 10% of annual profits until the reserve equals the share capital, or until the sum of the free reserves constituted and the retained earnings, if higher. In accordance with the proposal for the appropriation of net income for the 2025 financial year approved at the General Shareholders' Meeting held on 7 May 2026, the Bank increased its legal reserves in the amount of EUR 81,465,000, thus, as at 30 June 2026 the Legal Reserves amount to EUR 546,124,000 (31 December 2025: EUR 464,659,000).

In accordance with the current Portuguese legislation, the Group companies must set-up annually a reserve with a minimum percentage between 5% and 20% of their net annual profits depending on the nature of their economic activity and are recognised in Other reserves and retained earnings in the Bank's consolidated financial statements (note 43).

42. Treasury shares

This balance is analysed as follows:

	30 June 2026		
	Net book value (EUR '000)	Number of securities	Average book value (Euros)
Banco Comercial Português, S.A. shares	32,141	32,293,834	0.995

On 27 May 2026, the Bank approved a share buyback programme in the total amount of EUR 407,458,786, equivalent to approximately 2.84% of BCP's market capitalisation (the "Buy-Back Programme").

The objective of the Buy-Back Programme, for the purposes of Article 5(2)(a) of Regulation (EU) No. 596/2014, is the cancellation of treasury shares acquired under its scope and it will be implemented in accordance with the provisions of Regulation (EU) No. 596/2014, as supplemented by Delegated Regulation (EU) No. 2016/1052, taking into consideration the terms and conditions described below, and also being conditional to: (i) the limits set out in the resolution adopted under item 12 of the Agenda of the General Meeting held on 7 May 2026, as duly disclosed to the market; (ii) the terms and conditions of any future authorisations for the acquisition of treasury shares that may be approved by the General Meeting of Shareholders of BCP; and (iii) the terms and conditions of the share capital reduction set out in the resolution adopted under item 6 of the Agenda of the General Meeting of Shareholders held on 7 May 2026.

In this context, the Programme will be carried out in accordance with the following terms and conditions:

- Maximum number of shares to be acquired under the Buy-Back Programme: up to 1,184,370,167 ordinary shares of BCP corresponding to up to 8% of the total shares representing its share capital. This is the maximum number of shares that may be cancelled in the context of the Buy-Back Programme, under the terms of a resolution to be adopted by the General Meeting;
- Maximum pecuniary amount of the Buy-Back Programme: up to EUR 407,458,786.00;
- Duration of the Buy-Back Programme: the Buy-Back Programme will start on 4 June 2026 and end on 4 December 2026 (inclusive), without prejudice, namely, of the possibility of ending earlier following a decision by BCP or should the maximum number of shares to be acquired or the maximum pecuniary amount of the Buy-Back Programme be reached.

Until 30 June of 2026, the Bank acquired 32,293,834 BCP shares at a average unit cost of 0.995 euros, for a total amount of EUR 32,141,000.

As at 30 June 2026, in compliance with the provisions of Article 324(1)(b) of the Commercial Companies Code, the Bank maintains a reserve of a equivalent amount of its own shares, of EUR 32,141,000 recognised under the heading of Other Reserves and Retained Earnings (note 43).

In the context of the Buy-Back Programme, and following the transactions executed from 4 June until 31 July 2026, the Bank has, up until that date, purchased 102,319,294 shares for a price amounting to a total of EUR 105,874,424, now holding an aggregate total 102,319,294 own shares, representing 0.69% of its share capital.

On 8 April 2025, the Bank approved a share buyback programme in the total amount of EUR 200,000,000, equivalent to approximately 2,683% of BCP's market capitalisation (the "BuyBack Programme").

The objective of the BuyBack Programme, for the purposes of Article 5(2)(a) of Regulation (EU) 596/2014, was the cancellation of treasury shares acquired under its scope and it was implemented in accordance with the provisions of Regulation (EU) 596/2014, as supplemented by Delegated Regulation (EU) 2016/1052, taking into consideration the terms and conditions described below.

In this context, the Programme was approved in accordance with the following terms and conditions:

- Maximum number of shares to be acquired under the Buy-Back Programme: up to 755,699,497 ordinary shares of BCP, corresponding to up to 5% of the total shares representing its share capital. This is the maximum number of shares that may be cancelled in the context of the Buy-Back Programme, under the terms of a resolution approved at the General Meeting.
- Maximum pecuniary amount of the Buy-Back Programme: up to EUR 200,000,000;
- Duration of the Buy-Back Programme: the Buy-Back Programme began on 14 April 2025 and ended on 14 October 2025 (inclusive), without prejudice, namely, of the possibility of ending earlier following a decision by the Bank or should the maximum number of shares to be acquired or the maximum pecuniary amount of the Buy-Back Programme were reached.
- Forms of acquisition under the Buy-Back Programme: acquisitions of shares or rights to acquire or allocate shares, for consideration, in trading sessions on the Euronext Lisbon regulated market, in compliance with the principle of shareholder equality as required by law, according to criteria whereby any shareholder status is not considered a relevant factor.

On 25 August 2025, the Buy-Back Programme ended, with the Bank acquiring 309,362,863 BCP shares at an average unit cost of EUR 0.646, for a total amount of EUR 200,000,000.

In compliance with the provisions of Article 324(1)(b) of the Commercial Companies Code, the Bank had a reserve of a equivalent amount of its own shares, of EUR 200,000,000 recognised under the heading of Other Reserves and Retained Earnings (note 43).

The Bank in the context of Items Eight and Nine of the Agenda of the General Meeting of 22 May 2025, concluded on 23 December 2025 the Share capital decrease (note 40), involving the cancellation of 309,362,863 nominative book-entry treasury shares without nominal value, using the reserve of Euros 200,000,000 described above.

The own shares held by the companies included in the consolidation scope are within the limits established by the Bank's by-laws and by the Commercial Companies Code.

43. Reserves and retained earnings

This balance is analysed as follows:

(Thousand EUR)

	30 June 2026	31 December 2025
Changes in fair value - Gross amount		
Financial assets at fair value through other comprehensive income (note 23)		
Debt instruments (*)	60,124	81,639
Equity instruments	(97)	(52)
Of associates and other changes	29,538	20,928
Cash-flow hedge	(365,133)	(492,320)
From financial liabilities designated at fair value through profit or loss related to changes in own credit risk	103	(39)
	(275,465)	(389,844)
Changes in Fair value - Tax		
Financial assets at fair value through other comprehensive income		
Debt instruments	(15,883)	(20,533)
Equity instruments	326	318
Cash-flow hedge	101,517	137,856
From financial liabilities designated at fair value through profit or loss related to changes in own credit risk	(29)	11
	85,931	117,652
	(189,534)	(272,192)
Exchange rate differences arising on consolidation		
Bank Millennium, S.A.	(28,989)	(9,789)
BIM - Banco Internacional de Moçambique, S.A.	(160,730)	(171,222)
Banco Millennium Atlântico, S.A.	(187,285)	(188,730)
Other	(1,081)	(862)
	(378,085)	(370,603)
Application of IAS 29		
Effect on equity of Banco Millennium Atlântico, S.A.	52,109	52,382
Other	(3,965)	(3,965)
	48,144	48,417
Other reserves and retained earnings	3,922,431	3,507,841
	3,402,956	2,913,463

(*) Includes the effects arising from the application of hedge accounting.

As at 31 December 2025 the Other reserves and retained earnings item includes the effect of Bank Millennium S.A.'s introduction of a change in the approach to calculating the effective interest rate (EIR) applied to the valuation of mortgage loans with periodically fixed interest rates.

With the purpose to ensure a better economic substance of the transactions and to enhance consistency between the accounting approach and the interest rate risk management framework, as well as the methodologies applied within the BCP Group, in 2025, Bank Millennium S.A. changed its approach to determine the EIR. After this change, the EIR was calculated exclusively on the basis of the currently applicable interest rate.

The item changes in fair value corresponds to the accumulated changes of the Financial assets at fair value through other comprehensive income and Cash flow hedge, in accordance with the accounting policy presented in note 1 C.

The variation in the fair value of cash flow hedges reflects the economic impact on these hedges of the pronounced increase in market interest rates, an effect that is more than offset by the economic impact on the fair value of liabilities that are more sensitive to such an increase and that are accounted for at amortised cost.

As at 30 June 2026, in compliance with the provisions of Article 324(1)(b) of the Commercial Companies Code, the Bank maintains a reserve in a equivalent amount of its own shares (note 42) of EUR 32,141,000 recognised under the heading of Other Reserves and Retained Earnings.

During the first half of 2026, the changes occurred in changes in fair value - Gross amount, excluding the effect of hedge accounting and changes in own credit risk associated with financial liabilities designated at fair value through profit or loss, are analysed as follows:

(Thousand EUR)

	30 June 2026					
	Balance as at 1 January	Changes in fair value	Fair value hedge adjustment	Impairment in profit or loss	Disposals	Balance as at 30 June
Financial assets at fair value through other comprehensive income (note 23)						
Debt instruments						
Debt securities - Portuguese public issuers	2,226	3,831	(3,520)	(45)	(865)	1,627
Other	79,413	(70,701)	53,574	(915)	(2,874)	58,497
	81,639	(66,870)	50,054	(960)	(3,739)	60,124
Equity instruments	(52)	(45)	—	—	—	(97)
Associates and other changes						
Millenniumbcp Ageas	9,546	9,770	—	—	(1,868)	17,448
Other associates and other changes	11,382	708	—	—	—	12,090
	20,928	10,478	—	—	(1,868)	29,538
	102,515	(56,437)	50,054	(960)	(5,607)	89,565

During 2025 the changes occurred in Changes in fair value - Gross amount, excluding the effect of hedge accounting and changes in own credit risk associated with financial liabilities designated at fair value through profit or loss, are analysed as follows:

(Thousand EUR)

	31 December 2025					
	Balance as at 1 January	Changes in fair value	Fair value hedge adjustment	Impairment in profit or loss	Disposals	Balance as at 31 December
Financial assets at fair value through other comprehensive income (note 23)						
Debt instruments						
Debt securities - Portuguese public issuers	(12,007)	(297)	11,431	1,224	1,875	2,226
Other	12,416	80,433	(8,962)	4,877	(9,351)	79,413
	409	80,136	2,469	6,101	(7,476)	81,639
Equity instruments	(1,051)	1,284	—	—	(285)	(52)
Associates and other changes						
Millenniumbcp Ageas	(3,044)	16,009	—	—	(3,419)	9,546
Other associates and other changes	8,600	2,782	—	—	—	11,382
	5,556	18,791	—	—	(3,419)	20,928
	4,914	100,211	2,469	6,101	(11,180)	102,515

The item Disposals refers to the derecognition of debt securities and equity instruments at fair value through other comprehensive income.

44. Non-controlling interests

This balance is analysed as follows:

(Thousand EUR)

	30 June 2026	31 December 2025
Changes in fair value		
Debt instruments	17,725	27,247
Equity instruments	4,654	4,715
Cash-flow hedge	(115)	(317)
Other	1,083	1,083
	23,347	32,728
Deferred taxes		
Debt instruments	(4,414)	(6,311)
Equity instruments	(1,052)	(1,070)
Cash-flow hedge	34	95
	(5,432)	(7,286)
	17,915	25,442
Exchange rate differences arising on consolidation	(141,940)	(120,731)
Actuarial losses (net of taxes)	(2,440)	(2,465)
Perpetual subordinated bonds AT1	356,464	—
Other reserves and retained earnings	1,432,333	1,345,271
	1,662,332	1,247,517

As described in note 48, in January 2026, Bank Millennium issued Additional Tier 1 (AT1) bonds in nominal amount of PLN 1,500,000,000 (EUR 356,464,000). As at 30 June 2026, this amount totals EUR 356,464,000 and is reflected in under Non-controlling interests - Perpetual subordinated bonds AT1. with a negative amount of Euros 7,334,000 being recorded under exchange rate differences.

The balance Non-controlling interests is analysed as follows:

(Thousand EUR)

	Balance Sheet		Income Statement	
	30 June 2026	31 December 2025	30 June 2026	30 June 2025
Bank Millennium Group	1,485,667	1,078,304	83,304	60,415
of which Perpetual subordinated bonds AT1	356,464	—	—	—
BIM - Banco Internacional de Moçambique Group	165,685	158,153	4,642	7,893
Other subsidiaries	10,980	11,060	(78)	(67)
	1,662,332	1,247,517	87,868	68,241

The following table presents a summary of financial information for the main subsidiaries included in this balance, prepared in accordance with IFRS. The information is presented before inter-company eliminations:

(Thousand EUR)

	Bank Millennium Group		BIM - Banco International de Moçambique Group	
	30 June 2026	30 June 2025	30 June 2026	30 June 2025
Net income for the period	166,943	121,072	13,933	23,693
Net income attributable to shareholders	83,639	60,657	9,291	15,800
Net income attributable to non-controlling interests	83,304	60,415	4,642	7,893
Other comprehensive income attributable to shareholders	(24,352)	21,651	5,760	(46,136)
Other comprehensive income attributable to non-controlling interests	(31,588)	21,563	2,878	(23,050)
Total comprehensive income	111,003	164,286	22,571	(45,493)
	30 June 2026	31 December 2025	30 June 2026	31 December 2025
Balance sheet				
Financial assets	38,941,825	36,041,258	2,919,118	2,503,801
Non-financial assets	882,810	908,019	194,085	185,831
Financial liabilities	(35,696,045)	(33,327,715)	(2,492,012)	(2,148,273)
Non-financial liabilities	(1,502,066)	(1,460,528)	(125,005)	(67,745)
Equity:	2,626,524	2,161,034	496,186	473,614
attributable to shareholders	1,140,857	1,082,730	330,884	315,832
attributable to non-controlling interests	1,485,667	1,078,304	165,302	157,782
Cash flows arising from:				
operating activities	1,656,769	3,226,769	14,030	6,074
investing activities	(2,730,859)	(3,248,321)	(6,287)	(22,936)
financing activities	850,131	194,596	(2,629)	(4,401)
Increase / (decrease) in cash and cash equivalents	(223,959)	173,044	5,114	(21,263)

45. Guarantees and other commitments

This balance is analysed as follows:

(Thousand EUR)

	30 June 2026	31 December 2025
Guarantees granted		
Guarantees	3,746,779	3,846,367
Stand-by letter of credit	66,412	90,437
Open documentary credits	210,332	231,257
Bails and indemnities	9,737	9,744
	4,033,260	4,177,805
Commitments to third parties		
Irrevocable commitments		
Term deposit contracts	143,541	41
Irrevocable credit facilities	6,602,779	6,443,765
Securities subscription	7,942	8,721
Other irrevocable commitments	61,473	59,294
Revocable commitments		
Revocable credit facilities	6,643,228	6,338,900
Bank overdraft facilities	1,031,348	1,078,993
Other revocable commitments	208,590	211,772
	14,698,901	14,141,486
Guarantees received	28,297,480	27,708,089
Commitments from third parties	12,288,638	12,035,074
Securities and other items held for safekeeping	110,064,947	101,554,717
Securities and other items held under custody by the Securities Depository Authority	110,067,035	102,535,454
Other off-balance sheet accounts	166,429,722	168,508,261

The guarantees granted by the Group may be related to loans transactions, where the Group grants a guarantee in connection with a loan granted to a customer by a third entity. According to its specific characteristics it is expected that some of these guarantees expire without being executed and therefore these transactions do not necessarily represent a cash-outflow. The estimated liabilities are recorded under provisions (note 38).

Stand-by letters and open documentary credits aim to ensure the payment to third parties from commercial deals with foreign entities and therefore financing the shipment of the goods. Therefore, the credit risk of these transactions is limited since they are collateralised by the shipped goods and are generally short-term operations.

Irrevocable commitments are non-used parts of credit facilities granted to corporate or retail customers. Many of these transactions have a fixed term and a variable interest rate and therefore the credit and interest rate risk are limited.

As at 30 June 2026 and 31 December 2025, the balance Irrevocable commitments - Other irrevocable commitments includes the amount of EUR 30,638,000 relating to the collateral constituted in compliance with the assumption of irrevocable payment commitments to Single Resolution Fund, as referred in note 31.

This balance also included, in the first half of 2025, the amount of EUR 47,595,000, corresponding to cumulative irrevocable payment commitments undertaken with the Deposit Guarantee Fund. In the last quarter of 2025, the Group (BCP and ActivoBank) paid the remainder in the amount of EUR 47,595,000, with the irrevocable commitment no longer existing.

The financial instruments accounted as guarantees and other commitments are subject to the same approval and control procedures applied to the credit portfolio, namely regarding the analysis of objective evidence of impairment, as described in the accounting policy in note 1.C. The maximum credit exposure is represented by the nominal value that could be lost related to guarantees and commitments undertaken by the Group in the event of default by the respective counterparties, without considering potential recoveries or collaterals.

Guarantees granted, Irrevocable credit facilities and revocable commitments portfolio detailed by stage according with IFRS 9, is analysed as follows:

(Thousand EUR)

	30 June 2026	31 December 2025
Stage 1		
Gross amount	16,921,640	16,256,295
Impairment	(37,989)	(30,425)
	16,883,651	16,225,870
Stage 2		
Gross amount	1,290,296	1,682,810
Impairment	(24,830)	(23,353)
	1,265,466	1,659,457
Stage 3		
Gross amount	307,269	312,130
Impairment	(84,906)	(92,378)
	222,363	219,752
	18,371,480	18,105,079

46. Assets under management and custody

Asset management activity is governed by the framework established in Decree-Law 27/2023, of 28 April, and by the Portuguese Securities Code as well. The aforementioned framework determines, namely, the obligations to which fund management companies and depositaries are subject to. The total value of funds managed by the Group companies is analysed as follows:

(Thousand EUR)

	30 June 2026	31 December 2025
Banco Comercial Português, S.A.	4,154,391	3,904,793
Interfundos - Sociedade Gestora de Organismos de Investimento Coletivo, S.A.	541,798	584,806
Millennium TFI S.A.	2,841,905	2,613,116
	7,538,094	7,102,715

The Group provides custody, asset management, investment management and advisory services to third parties, which involve the Group making allocation and purchase and sale decisions in relation to a wide range of financial instruments. For certain services are set objectives and levels of return for assets under management and custody. There is no capital or profitability guaranteed by the Bank in these assets. Those assets under management are not included in the financial statements.

The assets under management and custody are analysed as follows:

(Thousand EUR)

	30 June 2026	31 December 2025
Assets under deposit	102,639,626	94,489,105
Wealth management (*)	4,154,391	3,904,793
Investment funds	3,383,703	3,197,922
	110,177,720	101,591,820

(*) Corresponds to the assets portfolio that are currently monitored and controlled by the business area as being managed by the Bank.

47. Transfers of assets

The Group performed a set of transactions of sale of financial assets (namely loans and advances to customers) for Funds specialised in the recovery of loans. These funds take the responsibility for management of the borrower 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 the companies/assets.

The specialised funds in credit recovery that acquired the financial assets are closed funds, in which the holders of the investment units have no possibility to request the repayment of its investment units throughout the useful life of the fund. These investment units are held by several banks, which are the sellers of the loans, in percentages that vary through the useful life of the Funds, ensuring however that, separately, none of the banks hold more than 50% of the capital of the Fund.

The Funds have a specific management structure (General Partner), fully independent from the assignor banks and that is selected on the date of establishment of the Fund. The management structure of the Fund has as main responsibilities to: (i) determine the objective of the Fund and (ii) administrate and manage exclusively the Fund, determining the objectives and investment policy and the conduct in management and business of the Fund. The management structure is remunerated through management commissions charged to the Funds.

These funds (in which the Group holds minority positions) establish companies in order to acquire the loans to the banks, which are financed through the issuance of senior and junior securities. The value of the senior securities fully subscribed by the Funds that hold the share capital match the fair value of the asset sold, determined in accordance with a negotiation based on valuations performed by both parties.

The value of the junior securities is equivalent to the difference between the fair value that was based on the valuation of the senior security and the value of the transferred receivables. These junior securities, being subscribed by the Group, will entitle the Group to a contingent positive value if the value of the assets transferred exceeds the amount of the senior tranches plus the remuneration on them. Thus, considering these junior assets reflect a difference between the valuations of the assets sold based on the appraisals performed by independent entities and the negotiation between the parties, the Group performs the constitution of impairment losses for all of them.

Therefore, as a result of the transfer of assets occurred operations, the Group subscribed:

- Senior securities (investment units) of the funds, for which the cash-flows arise mainly from a set of assets transferred from the participant banks. These securities are booked in Financial assets not held for trading mandatorily at fair value through profit or loss portfolio and are accounted for at fair value based on the last available Net assets value (NAV), as disclosed by the Management companies and audited at year end, still being analysed by the Bank;

- Junior securities (with higher subordination degree) issued by the Portuguese law companies held by the funds and which are fully provided to reflect the best estimate of impairment of the financial assets transferred.

Within this context, not withholding control but maintaining an exposure to certain risks and rewards, the Group, in accordance with IFRS 9 3.2 performed an analysis of the exposure to the variability of risks and rewards in the assets transferred, before and after the transaction, 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 on the funds or companies' management, the Group performed, under the scope of IAS IFRS 9 3.2, the derecognition of the assets transferred and the recognition of the assets received.

The results were calculated on the date of transfer of the assets. During the first half of 2026 and in the financial year 2025, no credits were sold to corporate restructuring funds.

The amounts accumulated as at 30 June 2026, related to these operations, are analysed as follows:

(Thousand EUR)

	Assets transferred	Net assets transferred	Received value	Net gains / (losses)
Fundo Aquarius FCR (a)	132,635	124,723	132,635	7,912
Discovery Real Estate Fund (a)	211,388	152,155	138,187	(13,968)
Fundo Vega FCR (b)	113,665	113,653	109,599	(4,054)
	457,688	390,531	380,421	(10,110)

The activity segments are as follows: a) Real estate and tourism; and b) Real estate.

The amounts accumulated as at 31 December 2025, related to these operations, are analysed as follows:

(Thousand EUR)

	Assets transferred	Net assets transferred	Received value	Net gains / (losses)
Fundo Aquarius FCR (a)	132,635	124,723	132,635	7,912
Discovery Real Estate Fund (a)	211,388	152,155	138,187	(13,968)
Fundo Vega FCR (b)	113,665	113,653	109,599	(4,054)
	457,688	390,531	380,421	(10,110)

The activity segments are as follows: a) Real estate and tourism; and b) Real estate.

As at 30 June 2026 and 31 December 2025, the assets received under the scope of these operations are comprised of:

(Thousand EUR)

	30 June 2026		
	Fair value of Investment fund units (note 23)	Shareholder loans (note 31)	Total
Fundo Aquarius FCR	63,545	—	63,545
Discovery Real Estate Fund	179,989	—	179,989
Fundo Vega FCR	34,484	—	34,484
	278,018	—	278,018

(Thousand EUR)

	31 December 2025		
	Fair value of Investment fund units (note 23)	Shareholder loans (note 31)	Total
Fundo Aquarius FCR	67,258	—	67,258
Discovery Real Estate Fund	172,953	—	172,953
Fundo Vega FCR	33,923	—	33,923
	274,134	—	274,134

As at 30 June 2026 and 31 December 2025, the book value of investment funds units is recorded under Financial assets not held for trading mandatorily at fair value through profit or loss (note 23) and considers the Fund's Global Net Asset Value (NAV) communicated by the Management Companies.

It is also important to mention the following aspects: (i) these are Funds whose latest Audit Reports available as at 31 December 2025 do not include reserves. However, the Fundo Discovery Audit Report, as at 31 December 2025, mentions a "Material uncertainty related to going concern"; (ii) the funds are subject to supervision by the competent authorities.

The balance Shareholder loans in the gross amount of EUR 102,885,000 (31 December 2025: EUR 100,375,000) has recorded an impairment of the same amount (note 31).

The detail of the commitments of subscribed and unpaid capital for each of the corporate restructuring funds is analysed as follows:

(Thousand EUR)

	30 June 2026			31 December 2025		
Corporate restructuring funds	Subscribed capital	Paid up capital realized	Subscribed and unpaid capital	Subscribed capital	Paid up capital realized	Subscribed and unpaid capital
Fundo Aquarius FCR	75,862	71,291	4,571	75,862	70,871	4,991
Discovery Real Estate Fund	158,991	158,991	—	158,991	158,991	—
Fundo Vega FCR	45,439	44,528	911	45,439	44,169	1,270
	280,292	274,810	5,482	280,292	274,031	6,261

There are additional subscription commitments for the fund Discovery, in the amount of EUR 1,107,000 (31 December 2025: EUR 1,107,000).

Project Crow

As part of the sale process called Project Crow concluded at the end of 2022, Banco Comercial Português, S.A. now holds an investment in a venture capital fund, in 2 real estate funds and in a company, as follows:

(Thousand EUR)

	30 June 2026	31 December 2025
Investments in associates (note 25)		
Fundo Turismo Algarve, FCR (in liquidation)	42,009	42,037
Lusofundo - Fundo de Investimento Imobiliário Fechado (in liquidation)	15,595	16,273
Fundo Especial de Investimento Imobiliário Fechado Eurofundo (in liquidation)	1,362	1,737
	58,966	60,047

As referred in note 38, there are provisions for liabilities and charges recorded for corporate restructuring funds and carved-out assets of the Project Crow.

48. Relevant events occurred during first half of 2026

BCP S.A. informed about decision to call the currently outstanding EUR 500,000,000 Senior Preferred Fixed to Floating Rate Notes due 2027 with an outstanding amount of 500 million euros

On 20 January 2026, Banco Comercial Português, S.A. informed that it has decided to exercise its option to early redeem all of its EUR 500,000,000 Senior Preferred Fixed to Floating Rate Notes due 2027 (ISIN: PTBCPHOM0066), issued on 12 February 2021 under the EUR25,000,000,000 Euro Note Programme (the "Notes"), in accordance with condition 6(d) of the terms and conditions of the Notes and the final terms of the Notes. The early redemption of the Notes shall take place on the optional redemption date set out in the final terms of the Notes, 12 February 2026, at their outstanding principal amount together with accrued interest.

Banco Comercial Português, S.A. informed about issue of senior preferred debt securities eligible for MREL

On 29 January 2026, Banco Comercial Português, S.A. ("Bank") hereby informed that it has fixed the terms for a new issue of senior preferred debt securities eligible for MREL (Minimum Requirement for own funds and Eligible Liabilities), under its Euro Note Programme.

The issue, in the amount of EUR 500 million, will have a tenor of 6 years and 3 months, with the option of early redemption by the Bank on 5 May 2031 ("Optional Redemption Date"), an issue price of 99.990% and an annual interest rate of 3.250% until the Optional Redemption Date. The interest rate from the Optional Redemption Date was set at 3-month Euribor plus a 0.72% spread.

The issue was placed among a diversified base of institutional investors, namely in investment funds, banks and pension funds, enabling the tightening of the spread by more than 25bp during the execution phase.

Bank Millennium issues Additional Tier I bonds

In January 2026, Bank Millennium's Management Board decided to issue perpetual Additional Tier I bonds (AT1 bonds) denominated in Polish zloty (PLN), with a maximum total nominal amount of PLN 1,500,000,000. These instruments are designed to qualify as additional instruments in the Bank's Tier I capital in accordance with Article 52 of EU Regulation 575/2013 of the European Parliament and of the Council of 26 June 2013 on prudential requirements for credit institutions and amending Regulation (EU) No. 648/2012. The bonds are perpetual (no fixed maturity), but the Bank may redeem them early under conditions set in the terms and conditions. They bear interest at a fixed rate which is reset every five years. In the event of a contractually defined trigger event, the principal amount of the bonds will be written down. The structure does not include conversion into Bank Millennium shares.

Military conflict in the Middle East

Following the military conflict between the United States of America and Iran triggered in February 2026, financial markets reacted with a significant increase in volatility and in the price of energy goods, namely oil and natural gas, with repercussions on the behaviour of equity and bond markets. Increased risks to price stability in the long term justified the adoption by some central banks of tighter monetary policies. The European Central Bank has raised benchmark interest rates by 25 basis points in the euro area, with a non-negligible likelihood of further hikes in benchmark interest rates by the end of 2026.

The persistence of high energy prices and the possible occurrence of disruptions in international supply chains maintain the risk of additional pressures on inflation and a slowdown in economic activity, with potential effects on business investment, private consumption and the ability of households and firms to meet financial obligations.

In this context, the Bank has been continuously monitoring developments in the geopolitical environment and financial markets, monitoring potential impacts on the quality of the loan portfolio, liquidity levels, market risks and developments in the cost of funding.

The level of uncertainty remains high, stemming either from lagged effects of the conflict and the persistence of still volatile confidence levels, impacting the behaviour of financial markets and the evolution of economic activity. Future developments will depend on the duration and intensity of the conflict, as well as on the response of monetary authorities and the economy's ability to absorb the effects arising from the persistence of an adverse geopolitical environment.

Bank Millennium Minimum requirements for own funds and eligible liabilities (MREL)

Bank Millennium manages MREL indicators in a manner analogous to capital adequacy management.

In terms of the MREL-TREA and MREL-TEM requirements, Bank Millennium Group has a surplus compared to the minimum required levels as at 30 June 2026, and also meets the MREL-TREA Requirement after the inclusion of the Combined Buffer Requirement.

MREL	30.06.2026	31.12.2025
MREL-TREA ratio	**25.87 %**	**24.53 %**
Minimum required level MREL-TREA	15.36 %	15.36 %
Surplus(+) / Deficit(-) of MREL-TREA (p.p.)	10.51 p.p.	9.17 p.p.
Minimum required level including Combined Buffer Requirement (CBR)	19.11 %	19.11 %
Surplus(+) / Deficit(-) of MREL-TREA+CBR (p.p.)	6.76 p.p.	5.42 p.p.
MREL-TEM ratio	**8.87 %**	**8.27 %**
Minimum required level of MREL-TEM	5.91 %	5.91 %
Surplus(+) / Deficit(-) of MREL-TEM (p.p.)	2.96 p.p.	2.36 p.p.

In May 2026, the Bank received a letter from the Bank Guarantee Fund regarding the joint decision of the Single Resolution Board (SRB) and the BFG requiring the Bank to meet the communicated consolidated MREL-TREA requirements of 15.36% (previously 15.36% in the decision received in May 2025) and 14.14% taking into account the subordination criterion (previously 14.15% in the decision received in May 2025) and MREL-TEM requirements of 5.91% (the same as in the decision received in May 2025) and 5.54% taking into account the subordination criterion (previously 5.87% in the decision received in June 2024).

Additionally, the MREL-TREA requirement calculated for the Bank, increased by the combined buffer requirement expressed as an amount, is lower than 8% of the Bank's total liabilities, including its own funds (Total Liabilities and Own Funds - TLOF). Therefore, pursuant to paragraph 4 of Article 45c(3) of the BRRD, the BFG has set the MREL-TEM requirement at a level no lower than 8% of TLOF. As at 1 January 2027, the MREL-TREA requirement has been set at 15.36% and the MREL-TEM requirement at 7.7% at the consolidated level. Taking into account the subordination criteria, as at 1 January 2027, the Bank will be required to meet a minimum MREL-TREA subordination requirement of 14.14% and MREL-TEM of 7.7%.

The Bank also meets the requirements applicable from 1 January 2027.

Banco Comercial Português, S.A. informed about resolutions of the Annual General Meeting

On 7th May 2026, the Annual General Meeting of Shareholders was held at the Bank's facilities and through electronic means, with Shareholders representing 68.53% of the share capital, with the following resolutions:

Item One – Approval of the management report, the balance sheet and the individual and consolidated accounts for the financial year 2025, the Corporate Governance Report, which includes a chapter on the remuneration of the management and supervisory bodies, and the Sustainability Report;

Item Two – Approval of the proposal for the appropriation of profits regarding the 2025 financial year;

Item Three – Approval of a vote of trust and praise addressed to the Board of Directors, including to the Executive Committee and to the Audit Committee and each one of their members, as well as to the Chartered Accountant and its representative;

Item Four – Approval of the updating the Shareholder Distribution Policy;

Item Five – Approval of the aspects of the remuneration framework for Members of the Management and Supervisory Bodies submitted to the Assembly and, in particular, on:

(a) Updating the Remuneration Policy for Members of the Management and Supervisory Bodies (including ratification of the Remunerations and Welfare Board decision regarding equity and alignment of welfare frameworks);

(b) The variable component of the remuneration of the executive members of the Board of Directors.

Item Six – Approval of the reduction of the Bank's share capital by up to EUR 240,000,000.00 (two hundred and forty million euros), with the special purpose of cancelling own shares already acquired or to be acquired under the share buyback programme, involving the cancellation of own shares representing up to 8% of the total number of shares representing the share capital, as well as the related reserves, with the consequent amendment of Article 4(1) of the Articles of Association;

Item Seven – Approval of the increase of the Bank's share capital to EUR 3,000,000,000, by incorporating the special reserve that may be set up under item Six of the Agenda, by the amount corresponding to the resulting share capital reduction and without issuing new shares, with the consequent amendment of Article 4(1) of the Articles of Association;

Item Eight – Ratification of the co-option of a member of the Board of Directors for the 2022/2025 term of office;

Item Nine – Election of the Board of Directors for the 2026/2029 term of office, including the Audit Committee;

Item Ten – Election of the Remunerations and Welfare Board for the 2026/2029 term of office;

Item Eleven – Approval of the authorisation provided for in Article 5(1) of the Articles of Association, as well as on the amendment of the respective wording;

Item Twelve – Approval of the acquisition and disposal of own shares and bonds;

Item Thirteen – Approval of the acceptance of the resignation and vote of praise for the outgoing member and selection of the President of the General Assembly to serve until the end of the current term (four-year period 2024/2027).

Banco Comercial Português, S.A. informed on the payment of the dividend relating to the 2025 financial year

On 12 May 2026, Banco Comercial Português, S.A. (“BCP” or “Bank”) informed, in accordance with the law and considering the resolution adopted at the Annual General Meeting of Shareholders held on May 7, 2026, the Shareholders that, as at 3 June 2026, the dividend relating to the 2025 financial year will be paid, with the following amounts per share:

Gross unit dividend: €0.0344

Taxation (withholding at source): IRS (individuals income tax) 28% / IRC (corporate income tax): 25%

Amount withheld at source IRS/IRC (if applicable): € 0.009632 / € 0.0086

Net Dividend per share: € 0.024768 / € 0.0258

The payment of the dividends will be made by crediting the account with the financial intermediary where the shares held by each shareholder are registered. Banco Comercial Português, S.A. will be the paying agent.

Banco Comercial Português, S.A. informed about deposit rating upgrade by Fitch Ratings

On 13 May 2026, Banco Comercial Português, S.A. (“BCP” or “Bank”) informed that Fitch Ratings upgraded BCP's long-and short-term deposits to ‘A’ from ‘A-’ and to ‘F1’ from ‘F2’, following the publication, on 8 May 2026, of its updated Bank Rating Criteria.

The key changes in the updated criteria relate to banks in jurisdictions with developed resolution regimes, with senior resolution debt (senior non-preferred debt in Europe) now excluded from Issuer Default Rating (IDR) reference obligation and greater notching differentiation for deposits, senior unsecured (senior preferred in Europe) and senior resolution debt ratings as well as Derivative Counterparty Ratings (DCRs).

Banco Comercial Português, S.A. informed on the approval of a Share Buyback Programme

On 27 May 2026, Banco Comercial Português, S.A. ("BCP") informed that a share buyback programme in the total amount of EUR 407,458,786.00 (four hundred and seven million, four hundred and fifty-eight thousand, seven hundred and eighty-six euros), equivalent to approximately 2.84% of BCP's market capitalization(1) had been approved on that same day (the "Buy-Back Programme"). The objective of the Buy-Back Programme, for the purposes of Article 5(2)(a) of Regulation (EU) No. 596/2014, is the cancellation of treasury shares acquired under its scope and it will be implemented in accordance with the provisions of Regulation (EU) No. 596/2014, as supplemented by Delegated Regulation (EU) No. 2016/1052, taking into consideration the terms and conditions described below, and also being conditional to: (i) the limits set out in the resolution adopted under item 12 of the Agenda of the General Meeting held on 7 May 2026, as duly disclosed to the market; (ii) the terms and conditions of any future authorisations for the acquisition of treasury shares that may be approved by the General Meeting of Shareholders of BCP; and (iii) the terms and conditions of the share capital reduction set out in the resolution adopted under item 6 of the Agenda of the General Meeting of Shareholders held on 7 May 2026.

Banco Comercial Português, S.A. informed about issue of Tier 2 Notes

On 15 June 2026, Banco Comercial Português, S.A. hereby informed that the Bank has fixed the terms for a new issue of subordinated Tier 2 Notes under its Euro Note Programme.

The issue, in the amount of Euros 500 million, will have a tenor of 12 years, with the option of early redemption by the Bank at the end of year 7, an annual interest rate of 4.125% during the first 7 years, corresponding to a spread of 1.330% (the "Spread") over the 7-year mid-swap rate. The interest rate for the last 5 years will be determined on the basis of the then applicable 5-year mid-swap rate plus the Spread.

Banco Comercial Português, S.A. informed on notification by Banco de Portugal regarding MREL requirements

On 30 June 2026, Banco Comercial Português, S.A. ("BCP" or the "Bank") informed that it has been notified by Banco de Portugal, as the national resolution authority, about the update of its minimum requirement for own funds and eligible liabilities ("MREL" or "Minimum Requirement for own funds and Eligible Liabilities") as decided by the Single Resolution Board.

The resolution strategy applied continues to be that of a multiple point of entry ("MPE"). The MREL requirements to be met by BCP Group of Resolution (consisting of BCP, S.A., Banco ActivoBank, S.A. and all the subsidiary companies of BCP apart from Bank Millennium S.A. and Banco Internacional de Moçambique and their respective subsidiaries), with immediate application, is of:

- 24.73% of the total risk exposure amount ("TREA") to which adds further a combined buffer requirement ("CBR"), which also includes the "Countercyclical Capital Buffer" — CCyB and the "Systemic Risk Buffer" — SyRB, currently of 4.67%, thus corresponding to total requirements currently of 29.40%; and

- 6.75% of the leverage ratio exposure measure ("LRE").

Additionally, the Bank informed that is not subject to any subordination requirements.

In accordance with the regulations in force, MREL requirements could be annually updated by the competent authorities, and therefore these targets replace those previously set.

At the date of this announcement, BCP informed that it complies with the established MREL requirements, both as a percentage of the TREA (including the CBR) and as a percentage of the LRE.

[1] With reference to the closing price registered in the regulated market Euronext Lisbon on 27 May 2026.

49. Fair value

Fair value is based on market prices, whenever these are available. If market prices are not available, as occurs regarding 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 its financial characteristics and the discount rates used include both the market interest rate curve and the current conditions of the Group's pricing policy.

Thus, the fair value obtained is influenced by the parameters used in the evaluation model that have some degree of judgement and reflects exclusively the value attributed to different financial instruments. However, it does not consider prospective factors, as the future business evolution. Therefore, the values presented cannot be understood as an estimate of the economic value of the Group.

The main methods and assumptions used in estimating the fair value for the financial assets and financial liabilities are presented as follows:

Cash and deposits at Central Banks and Loans and advances to credit institutions repayable on demand

Considering the short term of these financial instruments, the amount in the balance sheet is a reasonable estimate of its fair value.

Loans and advances to credit institutions, Deposits from credit institutions and other funds and Assets with repurchase agreements

The fair value of these financial instruments is calculated discounting the expected principal and interest future cash flows for these instruments, considering that the payments of the instalments occur in the contractually defined dates. This update is made based on the prevailing market rate for the term of each cash flow plus the average spread of the production of the most recent 3 months of the same. For the elements with signs of impairment, the net impairment of these operations is considered as a reasonable estimate of their fair value, considering the economic valuation that is realised in the determination of this impairment.

For Deposits from Central Banks and other funds, it was considered that the book value is a reasonable estimate of its fair value, given the nature of operations and the associated short-term.

For the remaining loans and advances and deposits, the discount rate used reflects the current conditions applied by the Group on identical instruments for each of the different residual maturities (rates from the monetary market or from the interest rate swap market).

Loans and advances to customers without defined maturity date

Considering the short maturity of these financial instruments, the conditions of the portfolio are similar to conditions used at the date of the report. Therefore, the amount in the balance sheet is a reasonable estimate of its fair value (this class incorporates among other, factoring operations, current account credit, credit cards and overdrafts in demand deposits).

Loans and advances to customers with defined maturity date

The fair value of these instruments is calculated by discounting the expected principal and interest future cash flows for these instruments, considering that the payments of the instalments occur in the contractually defined dates. For loans with signs of impairment (Stage 3 loans), the net impairment of these operations is considered as a reasonable estimate of their fair value, considering the economic valuation that is realised in the determination of this impairment.

The discount rate used is the one that reflects the current rates of the Group for each of the homogeneous classes of this type of instruments and with similar residual maturity. The discount rate includes the market rates for the residual maturity date (rates from the monetary market or from the interest rate swap market) and the spread used at the date of the report, which was calculated from the average production of the three most recent months compared to the reporting date.

Deposits from customers and other funds

The fair value of these financial instruments is calculated by discounting the expected principal and interest future cash flows for the referred instruments, considering that payments occur in the contractually defined dates. The discount rate used reflects the current conditions applied by the Group in similar instruments with a similar maturity. The discount rate includes the market rates of the residual maturity date (rates of monetary market or the interest rate swap market, at the end of the period) and the actual spread of the Group. This was calculated from the average production of the three most recent months compared to the reporting date.

As in the case of credits without defined maturity, also for the Deposits from customers without defined maturity (demand deposits) it is considered that given the potential short term of the same, possibility of their liquidation at any time, the book value of these liabilities is a reasonable estimate of their fair value.

The average discount rates for Loans and advances to credit institutions, Loans and advances to customers, Deposits from credit institutions and other funds and Deposits from customers and other funds are analysed as follows:

	Loans and advances to credit institutions		Loans and advances to customers		Deposits from credit institutions and other funds		Deposits from customers and other funds	
	30 June 2026	31 December 2025	30 June 2026	31 December 2025	30 June 2026	31 December 2025	30 June 2026	31 December 2025
EUR	2.13%	1.75%	4.80%	4.70%	2.57%	1.82%	2.59%	2.30%
AUD	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	4.86%	4.27%
CAD	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	2.75%	2.59%
CHF	n.a.	n.a.	2.76%	2.94%	n.a.	n.a.	0.28%	0.11%
CNY	n.a.	n.a.	1.49%	1.65%	n.a.	n.a.	1.24%	1.25%
DKK	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	2.19%
GBP	n.a.	n.a.	n.a.	n.a.	4.06%	4.06%	4.02%	3.89%
HKD	n.a.	n.a.	3.33%	2.82%	2.64%	n.a.	3.11%	2.80%
JPY	n.a.	n.a.	1.08%	n.a.	n.a.	n.a.	n.a.	n.a.
MOP	n.a.	n.a.	2.73%	2.80%	n.a.	2.96%	3.31%	2.96%
MZN	9.66%	9.92%	16.89%	16.67%	n.a.	n.a.	7.54%	7.64%
NOK	n.a.	n.a.	7.40%	n.a.	n.a.	n.a.	4.88%	4.36%
PLN	4.07%	4.48%	7.53%	8.14%	3.62%	5.26%	3.61%	4.60%
SEK	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	2.39%	2.22%
USD	4.07%	4.14%	5.18%	4.71%	4.02%	4.05%	3.41%	3.21%
ZAR	6.44%	4.18%	12.16%	11.28%	n.a.	n.a.	3.77%	2.88%

Financial assets and liabilities measured at fair value through profit or loss (except derivatives) and financial assets at fair value through other comprehensive income

These financial instruments are accounted for at fair value. Fair value is based on market prices ("Bid-price"), 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 factors associated, predominantly credit risk and liquidity risk, determined in accordance with the market conditions and time frame. In this class of assets, the fair value corresponds to their book value.

Market interest rates are determined based on information released by the suppliers of financial content - Reuters and Bloomberg - more specifically because of prices of interest rate swaps. The values for the very short-term rates are obtained from similar sources but regarding interbank money market. The interest rate curve obtained is calibrated with the values of interest rate short-term futures. Interest rates for specific periods of the cash flows are determined by appropriate interpolation methods. The same interest rate curves are used in the forecast of the non-deterministic cash flows such as indexes.

When optionality is involved, the standard templates (Black-Scholes, Black, Ho and others) are used considering the volatility areas applicable. Whenever there are no references in the market of sufficient quality or that the available models do not fully apply to meet the characteristics of the financial instrument, specific quotations supplied by an external entity are applied, typically a counterparty of the business.

Financial assets measured at amortised cost - Debt instruments

These financial instruments are accounted at amortised cost net of impairment, as referred in the accounting policy described in note 1 C1.1.1. The fair value of this class of assets, 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 factors associated, predominantly credit risk and liquidity risk, determined in accordance with the market conditions and time frame.

Hedging and trading derivatives

All derivatives are recorded at fair value. In case of derivative contracts that are quoted in organised markets their market prices are used. As for derivatives traded "Over-the-counter", it is applied methods based on numerical cash-flow discounting techniques and models for assessment of options considering variables of the market, particularly the interest rates on the instruments in question, and where necessary, their volatilities.

Market interest rates are determined based on information released by the suppliers of financial content - Reuters and Bloomberg - more specifically because of prices of interest rate swaps. The values for the very short-term rates are obtained from similar sources but regarding interbank money market. The interest rate curve obtained is calibrated with the values of interest rate short-term futures. Interest rates for specific periods of the cash flows are determined by appropriate interpolation methods. The same interest rate curves are used in the forecast of the non-deterministic cash flows such as indexes. The remaining market inputs, such as yield curves, credit, exchange rates, among others, are also made available by financial content providers.

Debt securities non-subordinated issued and subordinated debt

For these financial instruments the fair value was calculated for components for which fair value is not yet reflected in the balance sheet. Fixed rate remunerated instruments for which the Group adopts "hedge-accounting", the fair value related to the interest rate risk is already recognised. For the fair value calculation, other components of risk were considered, in addition to the interest rate risk already recorded, when applicable. The 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 by associated factors, predominantly credit risk and trading margin, the latter only in the case of issues placed on non-institutional customers of the Group.

As original reference, the Group applies the curves resulting from the market interest rate swaps for each specific currency. The credit risk (credit spread) is represented by an excess from the curve of interest rate swaps established specifically for each term and class of instruments based on the market prices on equivalent instruments.

For own issued debts placed among non-institutional customers of the Group, one more differential was added (commercial spread), which represents the margin between the financing cost in the institutional market and the cost obtained by distributing the respective instrument in the owned commercial network.

The average of the reference rates of the yield curve obtained from the market prices of the different currencies used in the determination of the fair value of the issues is analysed as follows:

	30 June 2026		31 December 2025	
	EUR	PLN	EUR	PLN
Placed in the institutional market				
Subordinated	4.98 %	0.00 %	5.41 %	0.00 %
Senior	3.38 %	0.00 %	3.01 %	0.00 %
Placed in retail				
Senior and collateralised	3.51 %	4.15 %	2.90 %	3.68 %

For Non-subordinated debt securities issued, the fair value calculation focused on all the components of these instruments, as a result the difference determined is a positive amount of EUR 42,324,000 (31 December 2025: a positive amount of EUR 22,162,000) and includes a payable amount of EUR 14,867,000 (31 December 2025: a payable amount of EUR 22,531,000) which reflects the fair value of embedded derivatives and are recorded in financial assets and liabilities held for trading (note 23 and 36).

The following table presents the interest rates used in the definition of the interest rate curves of main currencies, namely EUR, USD, GBP and PLN used to determine the fair value of the financial assets and liabilities of the Group:

	30 June 2026				31 December 2025			
	EUR	USD	GBP	PLN	EUR	USD	GBP	PLN
1 day	2.28%	3.65%	3.85%	3.28%	2.01%	3.69%	3.73%	5.02%
7 days	2.30%	3.73%	3.79%	3.62%	1.98%	3.73%	3.72%	5.19%
1 month	2.36%	3.82%	3.86%	3.65%	2.03%	3.77%	3.83%	5.23%
2 months	2.37%	3.87%	3.89%	3.69%	2.04%	3.77%	3.89%	5.16%
3 months	2.41%	3.92%	3.94%	3.72%	2.09%	3.81%	3.90%	5.10%
6 months	2.57%	4.12%	4.11%	3.76%	2.16%	3.79%	3.91%	4.88%
9 months	2.68%	4.25%	4.23%	3.78%	2.23%	3.77%	3.92%	4.76%
1 year	2.65%	4.23%	4.34%	3.79%	2.15%	3.68%	3.67%	4.60%
2 years	2.67%	4.23%	4.16%	3.79%	2.23%	3.55%	3.71%	4.21%
3 years	2.67%	4.17%	4.16%	3.81%	2.35%	3.58%	3.83%	4.09%
5 years	2.70%	4.12%	4.22%	3.89%	2.55%	3.70%	3.97%	4.13%
7 years	2.76%	4.15%	4.31%	4.01%	2.71%	3.86%	4.19%	4.25%
10 years	2.89%	4.24%	4.50%	4.22%	2.92%	4.07%	4.49%	4.49%
15 years	3.06%	4.42%	4.79%	4.47%	3.16%	4.37%	4.66%	4.88%
20 years	3.13%	4.50%	4.96%	4.53%	3.26%	4.52%	4.68%	4.87%
30 years	3.04%	4.38%	5.01%	4.50%	3.25%	4.46%	4.72%	4.84%

The following table shows the fair value of financial assets and liabilities of the Group:

(Thousand EUR)

	30 June 2026				
	Fair value through profit or loss	**Fair value through other comprehensive income**	**Amortised cost**	**Book value**	**Fair value**
Assets					
Cash and deposits at Central Banks	—	—	3,826,582	3,826,582	3,826,582
Loans and advances to credit institutions repayable on demand	—	—	216,349	216,349	216,349
Financial assets at amortised cost					
Loans and advances to credit institutions	—	—	1,009,140	1,009,140	1,008,009
Loans and advances to customers (i)	—	—	59,513,375	59,513,375	58,619,302
Debt securities	—	—	27,249,692	27,249,692	27,200,049
Financial assets at fair value					
Loans and advances to customers	3,754	—	—	3,754	3,754
Bonds issued by public entities	54,825	11,591,819	—	11,646,644	11,646,644
Bonds issued by public companies and other entities	90,619	2,219,751	—	2,310,370	2,310,370
Treasury bills	1,499,741	1,979,993	—	3,479,734	3,479,734
Shares	61,911	26,839	—	88,750	88,750
Investment units	290,727	546	—	291,273	291,273
Other securities	137,130	—	—	137,130	137,130
Trading derivatives	125,921	—	—	125,921	125,921
Hedging derivatives (ii)	75,601	—	—	75,601	75,601
	2,340,229	15,818,948	91,815,138	109,974,315	109,029,468
Liabilities					
Financial liabilities at amortised cost					
Deposits from credit institutions and other funds	—	—	793,287	793,287	793,874
Deposits from customers and other funds	—	—	91,357,614	91,357,614	91,416,378
Non-subordinated debt securities issued (i)	—	—	3,940,733	3,940,733	3,983,057
Subordinated debt (i)	—	—	2,381,056	2,381,056	2,456,388
Financial liabilities at fair value					
Deposits from customers and other funds	1,891,773	—	—	1,891,773	1,891,773
Non-subordinated debt securities issued	1,813,302	—	—	1,813,302	1,813,302
Short selling securities	3,047	—	—	3,047	3,047
Trading derivatives	97,114	—	—	97,114	97,114
Hedging derivatives (ii)	36,772	—	—	36,772	36,772
	3,842,008	—	98,472,690	102,314,698	102,491,705

(i) The book value includes the effect of the adjustments resulting from the application of hedge accounting;
(ii) Includes a portion that is recognised in reserves in the application of accounting cash flow hedge.

The Group includes in the Book value column of the balance Financial assets at amortised cost - Debt securities the variation in the fair value of the hedged element attributable to the hedged risk (risk of interest rate) for securities to which the Group is applying fair value hedge accounting.

The following table shows the fair value of financial assets and liabilities of the Group:

(Thousand EUR)

	31 December 2025				
	Fair value through profit or loss	Fair value through other comprehensive income	Amortised cost	Book value	Fair value
Assets					
Cash and deposits at Central Banks	—	—	4,089,540	4,089,540	4,089,540
Loans and advances to credit institutions repayable on demand	—	—	186,011	186,011	186,011
Financial assets at amortised cost					
Loans and advances to credit institutions	—	—	861,245	861,245	829,391
Loans and advances to customers (i)	—	—	57,406,675	57,406,675	56,511,413
Debt securities	—	—	24,538,875	24,538,875	24,552,771
Financial assets at fair value					
Loans and advances to customers	9,400	—	—	9,400	9,400
Bonds issued by public entities	202,495	10,647,475	—	10,849,970	10,849,970
Bonds issued by public companies and other entities	1,076	2,105,881	—	2,106,957	2,106,957
Treasury bills	587,739	3,261,877	—	3,849,616	3,849,616
Shares	63,700	30,539	—	94,239	94,239
Investment units	289,801	—	—	289,801	289,801
Other securities	115,370	—	—	115,370	115,370
Trading derivatives	147,302	—	—	147,302	147,302
Hedging derivatives (ii)	32,365	—	—	32,365	32,365
	1,449,248	16,045,772	87,082,346	104,577,366	103,664,146
Liabilities					
Financial liabilities at amortised cost					
Deposits from credit institutions and other funds	—	—	878,571	878,571	805,842
Deposits from customers and other funds	—	—	87,672,860	87,672,860	87,663,994
Non-subordinated debt securities issued (i)	—	—	3,893,593	3,893,593	3,915,755
Subordinated debt (i)	—	—	1,411,658	1,411,658	1,431,529
Financial liabilities at fair value					
Deposits from customers and other funds	2,075,969	—	—	2,075,969	2,075,969
Non-subordinated debt securities issued	1,538,366	—	—	1,538,366	1,538,366
Short selling securities	8,949	—	—	8,949	8,949
Trading derivatives	143,780	—	—	143,780	143,780
Hedging derivatives (ii)	42,728	—	—	42,728	42,728
	3,809,792	—	93,856,682	97,666,474	97,626,912

(i) The book value includes the effect of the adjustments resulting from the application of hedge accounting;
(ii) Includes a portion that is recognised in reserves in the application of accounting cash flow hedge.

The Group classified the financial instruments recorded in the balance sheet at fair value in accordance with the hierarchy established in IFRS 13. The fair value of financial instruments is determined using quotations recorded in active and liquid markets, considering that a market is active and liquid whenever its stakeholders conduct transactions on a regular basis giving liquidity to the instruments traded. When it is verified that there are no transactions that regularly provide liquidity to the traded instruments, valuation methods and techniques are used to determine the fair value of the financial instruments.

Level 1 - With quotation in active market

In this category are included, in addition to financial instruments traded on a regulated market, bonds and units of investment funds valued based on the prices disclosed through trading systems.

The classification of the fair value of level 1 is used when:

i. there is a firm daily enforceable quotation for the financial instruments concerned, or;

ii. there is a quotation available in market information systems that aggregate multiple prices of various stakeholders.

Level 2 - Valuation methods and techniques based on market data

Financial instruments, when there are no regular transactions in the active and liquid markets (level 1), are classified in level 2, according to the following rules:

i. failure to comply with the rules defined for level 1, or;

ii. they are valued based on valuation methods and techniques that use mostly observable market data (interest rate or exchange rate curves, credit curves, etc.).

Level 2 includes over-the-counter derivative financial instruments contracted with counterparties with which the Group maintains collateral agreements (ISDAs with Credit Support Annex (CSA)). In addition, derivative financial instruments traded in the over-the-counter market, which, despite not having CSA agreements, the non-observable market data component (i.e., internal ratings, default probabilities determined by internal models, etc.) incorporated in the estimation of CVA/DVA is not significant in the overall value of the derivative. In order to assess the significance of this component, the Group defined a quantitative relevance criterion and performed a qualitative sensitivity analysis on the valuation component that includes unobservable market data.

Level 3 - Valuation methods and techniques based on data not observable in the market

If the level 1 or level 2 criteria are not met, financial instruments should be classified in level 3, as well as in situations where the fair value of financial instruments results from the use of information not observable in the market, such as:

- financial instruments which are not classified as level 1 and which are valued using evaluation methods and techniques without being known or where there is consensus on the criteria to be used, namely:

i. - those measured using comparative price analysis of financial instruments with risk and return profile, typology, seniority or other similar factors, observable in the active and liquid markets;

ii. - those measured using performance indicators of the underlying transactions (e.g. default probability rates of the underlying assets, delinquency rates, evolution of the ratings, etc.);

iii. - those measured taking as reference the NAV (Net Asset Value) disclosed by the management entities of securities/real estate/other investment funds not listed on a regulated market.

Level 3 includes over-the-counter derivative financial instruments that have been contracted with counterparties with which the Group does not maintain collateral exchange agreements, and whose unobservable market data component incorporated in the estimation of the value adjustment, such as those relating to synthetic securitisation operations carried out by the Group.

The following table shows, by valuation levels, the fair value of financial assets and liabilities of the Group:

(Thousand EUR)

	30 June 2026			
	Level 1	Level 2	Level 3	Total
Assets				
Cash and deposits at Central Banks	3,826,582	—	—	3,826,582
Loans and advances to credit institutions repayable on demand	216,349	—	—	216,349
Financial assets at amortised cost				
Loans and advances to credit institutions	—	—	1,008,009	1,008,009
Loans and advances to customers	—	—	58,619,302	58,619,302
Debt securities	22,435,598	1,406,780	3,357,671	27,200,049
Financial assets at fair value				
Loans and advances to customers	3,610	—	144	3,754
Bonds issued by public entities	11,610,277	24,888	11,479	11,646,644
Bonds issued by public companies and other entities	2,193,230	117,140	—	2,310,370
Treasury bills	1,667,988	1,811,746	—	3,479,734
Shares	28	—	88,722	88,750
Investment units	545	—	290,728	291,273
Other securities	137,130	—	—	137,130
Trading derivatives	—	111,100	14,821	125,921
Hedging derivatives	—	75,601	—	75,601
	42,091,337	3,547,255	63,390,876	109,029,468
Liabilities				
Financial liabilities at amortised cost				
Deposits from credit institutions and other funds	—	—	793,874	793,874
Deposits from customers and other funds	—	—	91,416,378	91,416,378
Non-subordinated debt securities issued	—	—	3,983,057	3,983,057
Subordinated debt	—	—	2,456,388	2,456,388
Financial liabilities at fair value				
Deposits from customers and other funds	—	—	1,891,773	1,891,773
Non-subordinated debt securities issued	1,813,302	—	—	1,813,302
Short selling securities	—	—	3,047	3,047
Trading derivatives	—	81,864	15,250	97,114
Hedging derivatives	—	36,772	—	36,772
	1,813,302	118,636	100,559,767	102,491,705

The following table shows, by valuation levels, the fair value of financial assets and liabilities of the Group:

(Thousand EUR)

	31 December 2025			
	Level 1	Level 2	Level 3	Total
Assets				
Cash and deposits at Central Banks	4,089,540	—	—	4,089,540
Loans and advances to credit institutions repayable on demand	186,011	—	—	186,011
Financial assets at amortised cost				
Loans and advances to credit institutions	—	—	829,391	829,391
Loans and advances to customers	—	—	56,511,413	56,511,413
Debt securities	20,342,177	1,039,152	3,171,442	24,552,771
Financial assets at fair value				
Loans and advances to customers	9,223	—	177	9,400
Bonds issued by public entities	10,811,416	25,224	13,330	10,849,970
Bonds issued by public companies and other entities	1,951,759	155,198	—	2,106,957
Treasury bills	1,345,214	2,504,402	—	3,849,616
Shares	58	—	94,181	94,239
Investment units	—	—	289,801	289,801
Other securities	115,370	—	—	115,370
Trading derivatives	—	124,541	22,761	147,302
Hedging derivatives	—	32,365	—	32,365
	38,850,768	3,880,882	60,932,496	103,664,146
Liabilities				
Financial liabilities at amortised cost				
Deposits from credit institutions and other funds	—	—	805,842	805,842
Deposits from customers and other funds	—	—	87,663,994	87,663,994
Non-subordinated debt securities issued	—	—	3,915,755	3,915,755
Subordinated debt	—	—	1,431,529	1,431,529
Financial liabilities at fair value				
Deposits from customers and other funds	—	—	2,075,969	2,075,969
Non-subordinated debt securities issued	1,538,366	—	—	1,538,366
Short selling securities	—	—	8,949	8,949
Trading derivatives	—	120,807	22,973	143,780
Hedging derivatives	—	42,728	—	42,728
	1,538,366	163,535	95,925,011	97,626,912

The changes that occurred during the first half of 2026 in financial assets and liabilities accounted for at fair value and classified at level 3, are detailed as follows:

(Thousand EUR)

	2026				
	Financial assets at fair value			Financial liabilities at fair value	
	held for trading	not held for trading mandatorily at fair value through profit or loss	at fair value through other comprehensive income	Deposits from customers and other funds	held for trading (*)
Balance as at 1 January	22,761	353,619	43,871	2,075,969	22,973
Gains / (losses) recognised in profit or loss					
Net trading income	(3,255)	1,523	—	(9,070)	(7,710)
Net interest income	—	39	13	—	—
Transfers between portfolios	(180)	180	—	—	—
Capital increases (Investment units)	—	780	—	—	—
Capital reductions (Investment units)	—	(1,359)	—	—	—
Purchases	2,138	—	75	889,329	192
Sales	(6,643)	(1,352)	(3,707)	—	(205)
Maturity	—	—	—	(1,064,455)	—
Gains / (losses) recognised in reserves	—	—	(2,259)	—	—
Exchange rate differences	—	(676)	326	—	—
Balance as at 30 June	14,821	352,754	38,319	1,891,773	15,250

(*) Do not include short sales in the amount of EUR 3,047,000 (note 36).

In first half of 2026, there were no relevant transfers relating to the measurement of financial instruments with respect to valuation levels.

The changes that occurred during 2025 in financial assets and liabilities accounted for at fair value and classified at level 3, are detailed as follows:

(Thousand EUR)

	2025				
	Financial assets at fair value			Financial liabilities at fair value	
	held for trading	not held for trading mandatorily at fair value through profit or loss	at fair value through other comprehensive income	Deposits from customers and other funds	held for trading (*)
Balance as at 1 January	277,832	355,211	107,088	1,956,851	43,494
Gains / (losses) recognised in profit or loss					
Net trading income	(72)	3,777	—	10,657	(19,946)
Net interest income	—	1,250	24	—	—
Transfers between levels	(54)	—	(59,463)	—	—
Capital increases (Investment units)	—	42,065	—	—	—
Capital reductions (Investment units)	—	(68,651)	—	—	—
Purchases	22,761	20,712	14,817	1,672,122	442
Sales	(277,706)	(731)	(12,371)	—	(1,017)
Amortisation	—	(51)	(5,671)	—	—
Maturity	—	—	—	(1,563,661)	—
Gains / (losses) recognised in reserves	—	—	2,181	—	—
Exchange rate differences	—	37	(2,672)	—	—
Accrued interest	—	—	(62)	—	—
Balance as at 30 June	22,761	353,619	43,871	2,075,969	22,973

(*) Do not include short sales in the amount of EUR 8,949,000 (note 36).

In 2025, the unobservable inputs included in the valuation of two issues recorded in the portfolio of financial assets at fair value through other comprehensive income, under the balance Transfers between levels, lost relevance and, therefore, the securities were classified as level 2 in the fair value hierarchy.

The Group prepared a sensitivity analysis of the variation in the probability of default by 1 percentage point (2 percentage points for the Caravela 6 operation) at the fair value of the credit default swaps recognised by level 3, with an estimated impact of around EUR 3,000 (31 December 2025: EUR 21,000).

The remaining unlisted instruments classified at level 3 are essentially venture capital funds with recognised valuation based on the information provided by the management entities. The variation of 1% in the quotation value of these assets impacts the balance sheet value of the same magnitude.

50. Post-employment benefits and other long-term benefits

The Group assumed the liability to pay to their employees' pensions on retirement or disability and other obligations, in accordance with the accounting policy described in note 1 R.

The number of participants in the Pension Fund of Banco Comercial Português covered by this pension plan and other benefits is analysed as follows:

Number of participants	30 June 2026	31 December 2025
Retirees and pensioners	17,164	17,215
Former participants with acquired rights	6,529	6,607
Employees	6,070	6,123
	29,763	29,945

In accordance with the accounting policy described in note 1 R, the Group's retirement pension liabilities and other benefits and the respective coverage, based on the Projected Unit Credit method are analysed as follows:

(Thousand EUR)

	30 June 2026	31 December 2025
Actual amount of the past services		
Retirees and pensioners	2,385,475	2,342,769
Former participants with acquired rights	198,355	196,638
Employees	477,911	485,454
	3,061,741	3,024,861
Pension fund value	(3,347,757)	(3,308,547)
Net (assets) / liabilities in balance sheet (note 31)	(286,016)	(283,686)

In 2017, following the authorisation of the Insurance and Pension Funds Supervisory Authority, the BCP group's pension fund agreement was amended. The main purpose of this process was to incorporate into the pension fund the changes made to the Group's Collective Labour Agreement (CLA) in terms of retirement benefits and to pass on to the pension fund the responsibilities that were directly in charge by the companies (extra-fund liabilities). The pension fund has a share exclusively related to the financing of these liabilities, which under the scope of the fund is called an Additional Complement, which as at 30 June 2026 amounts to EUR 164,212,000 (31 December 2025: EUR 166,805,000). The End of Career Premium also came to be borne by the pension fund under the basic pension plan.

During the first half of 2026, negotiations continued with all the unions subscribing to the Group's Collective Labour Agreements, for the salary table update for 2026 and the conclusion of the full review of the respective clauses, negotiations which are still ongoing.

Regarding the updating of salary tables, negotiations are also taking place with the “SIB – Sindicato Independente da Banca” for the review of salary tables and other pecuniary clauses relating to the years 2024 and 2025, as well as negotiations with the “Sindicato Nacional dos Quadros Técnicos Bancários (SNQTB)” for the 2025 review.

On a provisional basis, the Bank decided to implement a 2.00% increase in the salary tables for 2026 in February 2026, retroactive to 1 January 2026.

The change in the projected benefit obligations is analysed as follows:

(Thousand EUR)

	30 June 2026	31 December 2025
Balance as at 1 January	3,024,861	3,203,252
Service cost	(4,821)	(9,717)
Interest expense / (income)	60,577	112,151
Actuarial (gains) / losses		
Not related to changes in assumptions	69,472	36,549
Related to changes in assumptions	(3,350)	(171,130)
Payments	(93,457)	(174,035)
Early retirement programmes and terminations by mutual agreement	5,018	20,656
Contributions of employees	3,441	7,135
Balance at the end of the period	3,061,741	3,024,861

The pensions paid by the Fund, including the Additional Complement, amounts to EUR 93,457,000 (31 December 2025: EUR 174,035,000).

The liabilities with health benefits are fully covered by the Pension Fund and correspond to EUR 242,170,000 (31 December 2025: EUR 242,123,000).

Additionally, regarding the coverage of some benefit obligations related to pensions, the Group contracted with Ocidental Vida the acquisition of perpetual annuities for which the total liability amounts to EUR 40,796,000 (31 December 2025: EUR 30,426,000), in order to pay:

i) pensions of former Group's Board Members in accordance with the Bank's Board Members Retirement Regulation;

ii) pensions and complementary pensions to pensioners in accordance with the Pension Fund of the BCP Group employees established in 28 December 1987, as also to pensioners, in accordance with other Pension Funds, that were incorporated after on the BCP Group Pension Fund and which were planed that the retirement benefits should be paid through the acquisition of insurance policies, in accordance with the Decree - Law no. 12/2006.

Ocidental Vida is 100% owned by Ageas Group and Ageas Group is 49% owned by the BCP Group.

The changes occurred in the plan's assets value is analysed as follows:

(Thousand EUR)

	30 June 2026	31 December 2025
Balance as at 1 January	3,308,547	3,351,481
Employees' contributions	3,441	7,135
Actuarial gains / (losses)	66,553	11,772
Payments	(93,457)	(174,035)
Expected return on plan assets	62,673	112,194
Balance at the end of the period	3,347,757	3,308,547

The elements of the Pension Fund's assets are analysed as follows:

(Thousand EUR)

	30 June 2026			31 December 2025		
Asset class	Assets with market price in active market	Remaining	Total Portfolio	Assets with market price in active market	Remaining	Total Portfolio
Shares	—	1,309	1,309	21,406	1,309	22,715
Bonds and other fixed income securities	1,715,136	—	1,715,136	1,699,555	—	1,699,555
Investment units in securities funds	—	863,398	863,398	—	785,969	785,969
Investment units in real estate funds	—	340,094	340,094	—	330,874	330,874
Properties	—	269,348	269,348	—	269,348	269,348
Loans and advances to credit institutions and others	—	158,472	158,472	—	200,086	200,086
	1,715,136	1,632,621	3,347,757	1,720,961	1,587,586	3,308,547

The balance Properties includes buildings booked in the Fund's financial statements and used by the Group's companies which amount to EUR 227,346,000 (31 December 2025: EUR 227,346,000).

The securities issued by Group's companies accounted in the portfolio of the Fund are analysed as follows:

(Thousand EUR)

	30 June 2026	31 December 2025
Bonds and other fixed income securities	24,538	26,987
Loans and advances to credit institutions and others	7,569	73,700
	32,107	100,687

The evolution of net (assets) / liabilities in the balance sheet is analysed as follows:

(Thousand EUR)

	30 June 2026	31 December 2025
Balance as at 1 January	(283,686)	(148,229)
Recognised in the income statement:		
Service cost	(4,821)	(9,717)
Interest expense / (income) net of the balance liabilities coverage	(2,096)	(43)
Cost with early retirement programmes	5,018	20,656
	(1,899)	10,896
Recognised in the statement of comprehensive income:		
Actuarial (gains) / losses		
Not related to changes in assumptions		
Difference between the estimated and the actual income of the fund	(66,553)	(11,772)
Difference between expected and effective liabilities	69,472	36,549
Arising from changes in assumptions	(3,350)	(171,130)
	(431)	(146,353)
Balance at the end of the period	(286,016)	(283,686)

In accordance with IAS 19, the Group accounted for (income)/expense with post-employment benefits, which is analysed as follows:

(Thousand EUR)

	30 June 2026	30 June 2025
Current service cost	(4,821)	(4,845)
Net interest expense /(income) in the liability coverage balance	(2,096)	1,225
Cost with early retirement programmes	5,018	2,362
(Income) / Expense of the period	(1,899)	(1,258)

Within the framework of the three-party agreement between the Government, the Banking and the Trade Unions, the bank's employees in activity as at 31 December 2010 under the CAFEB/CLA regime were integrated into the General Social Security System (RGSS) with effect from 1 January 2011. The integration led to an effective decrease in the present value of the total benefits reported at the retirement age to be borne by the Pension Fund, and this effect is recorded on a straight-line basis over the average period of active life until the normal retirement age is reached. The calculation of the liability for pensions carried out periodically by the actuary considers this effect and is calculated considering the actuarial assumptions in force, ensuring that the liabilities calculated with reference to 31 December 2010, not considering the effect of the integration of bank employees into the General Social Security Scheme are fully covered and deducted from the amount of the effect recognised until the date. The component of this effect for the year is recognised under the heading "Current service costs".

Board of Directors Plan

As the Board of Directors Retirement Regulation establish that the pensions are subjected to an annual update, and as it is not common in the insurance market the acquisition of perpetual annuities including variable updates in pensions, the Bank determined, the liability to be recognised on the financial statements related to that update, taking into consideration current actuarial assumptions.

In accordance with the remuneration policy of the Board Members, the Group has the responsibility of supporting the cost with: i) the retirement pensions of former Group's Executive Board Members; and ii) the Complementary Plan for these members in accordance with the applicable rules funded through the Pension Fund, Extra-fund and perpetual annuities.

In order to cover liabilities with pensions to former members of the Executive Board of Directors, under the Bank's Board of Directors Retirement Regulation the Group contracted with Ocidental Vida to purchase immediate life annuity insurance policies.

Assumptions used in the liability's assessment

Considering the market indicators, particularly the inflation rate estimates and the long-term interest rate for Euro Zone, as well as the demographic characteristics of its employees, the Group considered the following actuarial assumptions for calculating the liabilities with pension obligations:

	30 June 2026	31 December 2025
Salary growth rate (c)	1.65% in 2027 and 1.15% in the following years	2.15% in 2026, 1.65% in 2027 and 1.15% in the following years
Pension's growth rate (c)	1.25% in 2027 and 0.75% in the following years	1.75% in 2026, 1.25% in 2027 and 0.75% in the following years
Discount rate / Projected Fund's rate of return	4.14%	4.13%
Mortality tables		
Men	TV 88/90 less a year	TV 88/90 less a year
Women (a)	TV 99/01 less 2 years	TV 99/01 less 2 years
Disability rate	Non applicable	Non applicable
Turnover rate	Non applicable	Non applicable
Normal retirement age (b)	66 years and 9 months	66 years and 7 months
Total salary growth rate for Social Security purposes	1.75 %	1.75 %
Revaluation rate of wages / pensions of Social Security	1 %	1 %

a) The mortality table considered for women corresponds to TV 99/01 adjusted in less than 2 years (which implies an increase in hope life expectancy compared to that which would be considered in relation to their effective age).

b) Retirement age is variable. The normal retirement age increases one month for each civil year and cannot be higher than the normal retirement age in force in the General Social Security Regime (RGSS). The normal retirement age in the RGSS is variable and depends on the evolution of the average life expectancy at 65 years of age.
In 2026 the retirement age was 66 years and 9 months (2025: 66 years and 7 months). For 2027, the normal retirement age under the RGSS will be 66 years and 11 months. For the forecast of life expectancy's increment, it was considered an increase of one year in every 10 years, with the maximum retirement age being set at 67 years and 2 months.

c) This rate refers to the growth for the years following the reporting year.

The assumptions used on the calculation of the actuarial value of the liabilities are in accordance with the requirements of IAS 19 and are determined based on the references of the entities under common control. No disability decreases are considered in the calculation of the liabilities.

The discount rate used to update the Group's pension fund liabilities, regarding the defined benefit pension plans of its employees and managers, was determined based on an analysis carried out on a set of available information, which includes, among other elements, the market references for this indicator published by internationally recognised specialised entities and which are based, as defined by IAS 19, on market yields of a universe of high quality bond issues (low risk), different maturities, called in euro and relating to a diverse and representative range of issuers (non-sovereign). As at 30 June 2026, the Group used a discount rate of 4.14% (31 December 2025: 4.13%).

The Actuarial gains are related to the difference between the actuarial assumptions used for the estimation of the liabilities and the values verified and the change in actuarial assumptions, are analysed as follows:

(Thousand EUR)

	Actuarial (gains) / losses			
	30 June 2026		31 December 2025	
	Values effectively verified in %	Amount of deviations	Values effectively verified in %	Amount of deviations
Deviation between expected and actual liabilities		69,472		36,549
Changes in the assumptions:				
Discount rate		(3,350)		(230,807)
Salary and pensions growth rate		—		28,326
Other changes		—		31,351
Deviation between expected income and income from funds	4.2%	(66,553)	3.92 %	(11,772)
		(431)		(146,353)

In accordance with IAS 19, the sensitivity analysis to changes in assumptions, is as follows:

(Thousand EUR)

	Impact resulting from changes in financial assumptions			
	30 June 2026		31 December 2025	
	-0.25%	0.25%	-0.25%	0.25%
Discount rate	86,393	(80,570)	87,377	(81,220)
Pension's increase rate	(90,909)	94,664	(96,067)	100,376
Salary growth rate	(22,139)	23,656	(22,567)	24,204

(Thousand EUR)

	Impact resulting from changes in demographic assumptions			
	30 June 2026		31 December 2025	
	- 1 year	+ 1 year	- 1 year	+ 1 year
Changes in mortality table (*)	98,970	(99,282)	98,463	(98,654)

(*) The impact of 1 year reduction in the mortality table implies an increase in the average life expectancy

Defined contribution plan

According to what is described in accounting policy 1 R3, in the scope of the Defined Contribution Plan provided for the BCP Pension Fund of the BCP Group for employees who have been admitted until 1 July 2009, it was accounted for a cost, in the first half of 2026, of EUR 1,049,000 (30 June 2025: EUR 1,106,000) as an estimated contribution given that the Group estimates that the following requirements will be met, cumulatively: (i) the previous year BCP's ROE equals or exceeds the rate of government bonds of 10 years plus 5 percentage points, and (ii) distributable profits or reserves exist in the accounts of Banco Comercial Português.

For employees who have been admitted after 1 July 2009, are made monthly contributions equal to 1.5% of the monthly remuneration received by employees in the current month, either by themselves or by the Group and employees. This contribution has a mandatory character and is defined in the Collective Labour Agreement of the BCP Group and does not have a performance criterion. The Group accounted for staff costs in 30 June 2026 the amount of EUR 304,000 (30 June 2025: EUR 266,000) related to this contribution.

51. Related parties

As defined by IAS 24, the companies detailed in note 58 - List of subsidiary and associates of Banco Comercial Português Group, the post-employment benefit plans, the members of the Board of Directors and the key management members are considered related parties of the Group. The key management members are the first line Directors. Beyond the members of the Board of Directors and key management members, are also considered related parties, people who are close to them (family relationships) and entities controlled by them or in whose management they have significant influence.

As the transactions with subsidiaries are eliminated in consolidation, these are not included in the notes to the Group's consolidated financial statements.

According to Portuguese law, namely under Article 109 of the Legal Framework of Credit Institutions and Financial Companies and also in accordance with Article 33 of Notice 3/2020 of the Banco de Portugal, are considered related parties as well, the qualified shareholders of Banco Comercial Português, S.A. and the entities controlled by them or with which they are in a group relationship. The list of the qualified shareholders is detailed in note 40.

A) Balances and transactions with qualified shareholders

The balances reflected in assets of consolidated balance sheet with qualified shareholders, are analysed as follows:

(Thousand EUR)

	30 June 2026	31 December 2025
Assets		
Financial assets at amortised cost		
Loans and advances to customers	127,167	117,029
Debt securities	99,797	99,205
	226,964	216,234
Liabilities		
Deposits from customers and other funds	43,212	46,617
	43,212	46,617

The balance Financial assets at amortised cost is net of impairment of EUR 1,189,000 (31 December 2025: EUR 1,147,000) for Loans and advances to customers and EUR 102,000 (31 December 2025: EUR 97,000 for Debt securities).

The transactions with qualified shareholders, reflected in the consolidated income statement items, are as follows:

(Thousand EUR)

	30 June 2026	30 June 2025
Income		
Interest and similar income	4,130	3,186
Commissions	622	465
	4,752	3,651
Expense		
Interest and similar expense	62	38
Commissions	145	142
	207	180

The balances with qualified shareholders, reflected in the guarantees granted and revocable and irrevocable credit facilities, are as follows:

(Thousand EUR)

	30 June 2026	31 December 2025
Guarantees granted	3,067	3,960
Revocable credit facilities	17,586	17,592
	20,653	21,552

The Group has accounted for provisions for guarantees granted the amount of EUR 7,000 (31 December 2025: EUR 3,000) and provisions for revocable credit facilities the amount of EUR 26,000 (31 December 2025: EUR 12,000).

B) Balances and transactions with members of the Board of Directors and key management members

The balances with related parties discriminated in the following table, included in asset items of the consolidated balance sheet, are analysed as follows:

(Thousand EUR)

	Loans and advances to customers		Financial assets held for trading	
	30 June 2026	31 December 2025	30 June 2026	31 December 2025
Board of Directors				
Non-executive directors	502	3	—	—
Executive Committee (*)	217	17	—	—
Closely related people	478	485	—	—
Controlled entities	2,476	1	1	—
Key management personnel				
Key management personnel	4,732	5,104	—	—
Closely related people	4,078	3,660	—	—
Controlled entities	805	812	—	—
	13,288	10,082	1	—

(*) The item Loans to Customers corresponds to the amount used from private credit cards which must be settled on the maturity date.

In accordance with Article 85, (9) of RGICSF, as at 30 June 2026, mortgages were granted to Closely related people of Board of Directors in the amount of EUR 469,000 (31 December 2025: EUR 472,000).

The balances with related parties discriminated in the following table, included in liabilities items of the consolidated balance sheet, are analysed as follows:

(Thousand EUR)

	Deposits from customers and other funds		Financial liabilities held for trading	
	30 June 2026	31 December 2025	30 June 2026	31 December 2025
Board of Directors				
Non-executive directors	1,976	9,075	—	—
Executive Committee	2,924	4,245	—	—
Closely related people	406	2,837	—	—
Controlled entities	11,144	1,426	78	—
Key management personnel				
Key management personnel	8,582	7,519	—	—
Closely related people	4,184	3,611	—	—
Controlled entities	392	585	—	—
	29,608	29,298	78	—

The transactions with related parties discriminated in the following table, included in income items of the consolidated income statement, are as follows:

(Thousand EUR)

	Interest and similar income		Commissions income	
	30 June 2026	30 June 2025	30 June 2026	30 June 2025
Board of Directors				
Non-executive directors	8	—	10	15
Executive Committee	4	—	5	6
Closely related people	—	—	1	2
Controlled entities	38	—	45	1
Key management personnel				
Key management personnel	73	82	9	16
Closely related people	50	41	4	15
Controlled entities	12	41	3	14
	185	164	77	69

The transactions with related parties discriminated in the following table, included in cost items of the consolidated income statement, are as follows:

(Thousand EUR)

	Interest and similar expense		Commissions' expense	
	30 June 2026	30 June 2025	30 June 2026	30 June 2025
Board of Directors				
Non-executive directors	13	111	—	—
Executive Committee (*)	16	20	—	—
Closely related people	1	24	—	—
Controlled entities	1	—	1	—
Key management personnel				
Key management personnel	46	99	—	—
Closely related people	22	27	—	—
Controlled entities	—	25	—	—
	99	306	1	—

The revocable credit facilities granted by the Group to the following related parties are as follows:

(Thousand EUR)

	Guarantees granted		Revocable credit facilities	
	30 June 2026	31 December 2025	30 June 2026	31 December 2025
Board of Directors				
Non-executive directors	—	—	57	129
Executive Committee (*)	—	—	93	102
Closely related people	—	—	78	87
Controlled entities	5,169	8	1,562	5
Key management personnel				
Key management personnel	4	4	711	749
Closely related people	—	—	206	191
Controlled entities	—	—	12	17
	5,173	12	2,719	1,280

(*) Corresponds to the maximum authorised and unused limit of private credit cards and overdraft authorisation in a salary account under the same regime as all the Group's other employees.

The shareholder and bondholder position of members of the Board of Directors, Key management members and people closely related to the previous categories, as well as the movements occurred during the first half of 2026, are as follows:

Shareholders/Bondholders	Security	Number of securities 30 June 2026	Number of securities 31 December 2025	Acquisitions		Disposals		Date	Unit price Euros
MEMBERS OF BOARD OF DIRECTORS									
António Ferreira Pinto Júnior	BCP Shares	11,842	11,842						
Carla Sofia Pereira Bambulo	BCP Shares	0	0						
Fernando da Costa Lima	BCP Shares	18,986	18,986						
Isabel Maria de Oliveira Capelôa Gil	BCP Shares	0	0						
João Nuno Oliveira Jorge Palma	BCP Shares	3,037,610	2,410,855	1,184,344	(a)	557,589	(b)	25/5/2026	0.9620
Jorge Manuel Baptista Magalhães Correia	BCP Shares	388,500	388,500						
	Bonds (i)	2	2						
	Bonds (ii)	1	1						
	Bonds (iv)	2	2						
José Pedro Rivera Ferreira Malaquias	BCP Shares	78,778	78,778						
Luis Miguel Manso Correia dos Santos	BCP Shares		417,894	116,305	(a)			24/4/2026	0.8890
		534,255		56	(a)			25/5/2026	0.9620
Maria José Henriques Barreto de Matos de Campos	BCP Shares	3,701,702	2,858,212	1,054,362	(a)	210,872	(b)	25/5/2026	0.9620
Maria Madalena Cascais Mendes Tomé	BCP Shares	2,704	2,704						
Miguel de Campos Pereira de Bragança	BCP Shares	3,491,716	2,842,561	1,226,673	(a)	577,518	(b)	25/5/2026	0.9620
Miguel Maya Dias Pinheiro	BCP Shares	4,305,316	3,434,160	1,646,799	(a)	775,643	(b)	25/5/2026	0.9620
Nuno Manuel da Silva Amado	BCP Shares	2,525,388	2,525,388						
	Bonds (i)	1	1						
	Bonds (ii)	1	1						
	Bonds (iii)	1	1						
	Bonds (iv)	1	1						
	Bonds (v)	1		1				19/6/2026	100,000
Patrícia Andrea Bastos Teixeira Lopes Couto Viana	BCP Shares	0	0						
Tao Li Vincent	BCP Shares	0	0						
Valter Rui Dias de Barros	BCP Shares	0	0						
KEY MANAGEMENT MEMBERS									
Albino António Carneiro de Andrade	BCP Shares	131,426	64,275	67,151	(a)			24/4/2026	0.8890
Alexandre Manuel Casimiro de Almeida	BCP Shares		314,188	109,185	(a)			24/4/2026	0.8890
		423,423		50	(a)			25/5/2026	0.9620
Américo João Pinto Carola	BCP Shares		159,145	111,129	(a)	51,424	(b)	24/4/2026	0.8890
		218,881		31	(a)			25/5/2026	0.9620
Ana Beatriz Marvão Prata Pina	BCP Shares	27,918		27,918	(a)			24/4/2026	0.8890
Ana Maria Jordão F. Torres Marques Tavares	BCP Shares		387,088	87,517	(a)	21,921	(b)	24/4/2026	0.8890
		452,726		42	(a)			25/5/2026	0.9620
Ana Patrícia Moniz Macedo	BCP Shares		124,036	99,209		45,805	(b)	24/4/2026	0.8890
		177,475		35	(a)			25/5/2026	0.9620
António Augusto Amaral de Medeiros	BCP Shares		324,724	112,417	(a)			24/4/2026	0.8890
		437,191		50	(a)			25/5/2026	0.9620
António Luís Duarte Bandeira	BCP Shares		324,345	115,811	(a)	53,661	(b)	24/4/2026	0.8890
		386,528		33	(a)			25/5/2026	0.9620
António Ricardo Fery Salgueiro Antunes	BCP Shares		108,474	109,735	(a)			24/4/2026	0.8890
		218,259		50	(a)			25/5/2026	0.9620

(i) - Fixed Rate Reset Perpetual Temporary Write Down Additional Tier 1 Capital Notes
(ii) - BCP Tier 2 Subordinated Callable Notes
(iii) - BCP 1.75% EUR 500M 6.5NC5.5 Social Senior Preferred Notes
(iv) - BCP/2023 - BCP Senior Preferred Fixed FLT OCT 2026
(vi) - BCP/2026 FXO Rate Reset SUB. NTS jun/2038
(a) - identifies the increment in shares during 2026 corresponding to the annual deferred variable compensation of previous years.
(b) - identifies the shares used in sell-cover in 2026 related to the increment of shares of variable compensation, intended to support the tax charges with the shares received.

Shareholders/Bondholders	Security	Number of securities: 30 June 2026	Number of securities: 31 December 2025	Acquisitions		Disposals		Date	Unit price Euros
Belmira Abreu Cabral	BCP Shares		208,297	109,235	(a)	50,527	(b)	24/4/2026	0.8890
		267,036		31	(a)			25/5/2026	0.9620
Bernardo Roquette de Aragão de Portugal Collaço	BCP Shares		177,378	113,876	(a)	51,537	(b)	24/4/2026	0.8890
		239,752		35	(a)			25/5/2026	0.9620
Carlos Manuel da Silva Teixeira	BCP Shares	16,640		29,499	(a)	12,859	(b)	24/4/2026	0.8890
Chi Wai Leung (Timothy)	BCP Shares	74,161	43,768	30,393	(a)			24/4/2026	0.8890
Constantino Alves Mousinho	BCP Shares	152,031	118,062	33,969	(a)			24/4/2026	0.8890
Francisco António Caspa Monteiro	BCP Shares		256,374	116,361	(a)	53,916	(b)	24/4/2026	0.8890
		318,853		34	(a)			25/5/2026	0.9620
Gonçalo Nuno Belo de Almeida Pascoal	BCP Shares		272,865	109,235	(a)	50,494	(b)	24/4/2026	0.8890
		331,638		32	(a)			25/5/2026	0.9620
Hugo Miguel Martins Resende	BCP Shares		203,739	116,361	(a)	52,627	(b)	24/4/2026	0.8890
		267,529		56	(a)			25/5/2026	0.9620
João Adriano Azevedo Seixas Vale	BCP Shares	43,222	43,222						
João Manuel Rodrigues Tomé Cunha Martins	BCP Shares	52,370		52,370	(a)			24/4/2026	0.889
João Brás Jorge	BCP Shares	91,709	91,709						
João Manuel Taveira Pinto Santos Paiva	BCP Shares		421,578	62,161	(a)			24/4/2026	0.8890
		483,774		35	(a)			25/5/2026	0.9620
João Pedro Quintas Melo de Jesus	BCP Shares	43,006		43,006	(a)			24/4/2026	0.8890
Joaquim Lino Abreu Cavaco	BCP Shares	77,073	34,840	42,233	(a)			24/4/2026	0.8890
Jorge Filipe Nogueira Freire Cortes Martins	BCP Shares		61,963	113,211	(a)			24/4/2026	0.8890
				50	(a)			25/5/2026	0.9620
		113,261				61,963		24/6/2026	1.0220
Jorge Manuel Machado de Sousa Góis	BCP Shares		140,728	107,215	(a)			24/4/2026	0.8890
		247,993		50	(a)			25/5/2026	0.9620
Jorge Manuel Magalhães Oliveira Pereira	BCP Shares		133,763	111,020	(a)	51,343	(b)	24/4/2026	0.8890
		193,476		36	(a)			25/5/2026	0.9620
Jorge Manuel Nobre Carreteiro	BCP Shares		122,748	107,215	(a)			24/4/2026	0.8890
		230,013		50	(a)			25/5/2026	0.9620
José Luis Dores de Almeida	BCP Shares	60,488	60,488						
Luis Miguel Martinho Antunes Amaro	BCP Shares	28,835	28,835						
Luísa Maria Videira dos Santos	BCP Shares	87,040	25,220	61,820	(a)			24/4/2026	0.8890
Maria Constança C. Brandão Amado Fonseca G. Santos	BCP Shares	800	800						
Maria de Los Angeles Sanchez Sanchez	BCP Shares	37,806	18,000	35,757	(a)	15,951	(b)	24/4/2026	0.8890
Maria Helena Soledade Nunes Henriques	BCP Shares		350,493	113,811	(a)	52,698	(b)	24/4/2026	0.8890
		411,637		31	(a)			25/5/2026	0.9620
Mário António Pinho Gaspar Neves	BCP Shares		220,165	109,353	(a)	50,581	(b)	24/4/2026	0.8890
		278,968		31	(a)			25/5/2026	0.9620
Mário George Chaves Afonso	BCP Shares	21,468	1,623	35,757	(a)	15,912	(b)	24/4/2026	0.8890
Nelson Luís Vieira Teixeira	BCP Shares		127,060	111,679	(a)	51,656	(b)	24/4/2026	0.8890
		187,114		31	(a)			25/5/2026	0.9620
Noé Beato dos Santos Oliveira	BCP Shares	140,403	120,619	35,757	(a)	15,973	(b)	24/4/2026	0.8890
	Bonds (v)	1	1						
Nuno Alexandre Ferreira Pereira Alves	BCP Shares		295,000			5,000		26/2/2026	0.9170
						3,000		26/3/2026	0.8202
				115,714	(a)			24/4/2026	0.8890
		402,770		56	(a)			25/5/2026	0.9620

(v) BCP EUR Flixed Rate Reset Subordinated Notes Sindicada
(a) - identifies the increment in shares during 2026 corresponding to the annual deferred variable compensation of previous years.
(b) - identifies the shares used in sell-cover in 2026 related to the increment of shares of variable compensation, intended to support the tax charges with the shares received.

Shareholders/Bondholders	Security	Number of securities: 30 June 2026	Number of securities: 31 December 2025	Acquisitions		Disposals		Date	Unit price Euros
Nuno Miguel de Ferreira Soares	BCP Shares	105,295	85,500	35,757	(a)	15,962	(b)	24/4/2026	0.8890
Nuno Miguel Nobre Botelho	BCP Shares		175,000			20,000		15/4/2026	0.9030
				98,545	(a)			24/4/2026	0.8890
		253,590		45	(a)			25/5/2026	0.9620
Pedro José Mora de Paiva Beija	BCP Shares		69,187	116,305	(a)			24/4/2026	0.8890
				56	(a)			25/5/2026	0.9620
		116,361				69,187		16/6/2026	1.0150
Pedro Manuel Francisco da Silva Dias	BCP Shares		314,748	116,305	(a)			24/4/2026	0.8890
		431,109		56	(a)			25/5/2026	0.9620
Pedro Manuel Macedo Vilas Boas	BCP Shares		146,869	110,285	(a)			24/4/2026	0.8890
		257,204		50	(a)			25/5/2026	0.9620
Ricardo Potes Valadares	BCP Shares		135,083	98,331	(a)	45,337	(b)	24/4/2026	0.8890
		188,108		31	(a)			25/5/2026	0.9620
Ricardo Jorge da Graça Rodrigues de Almeida	BCP Shares		34,154	73,416	(a)			24/4/2026	0.8890
						34,154		7/5/2026	0.6830
				50	(a)			25/5/2026	0.9620
						10,750		4/6/2026	0.9280
				10,800				4/6/2026	0.9230
				10,700				9/6/2026	0.9250
						10,650		12/6/2026	0.9350
				9,300				24/6/2026	1.0230
		73,516				9,350		26/6/2026	1.0160
Rosa Maria Ferreira Vaz Santa Bárbara	BCP Shares		135,706	115,770	(a)	53,620	(b)	24/4/2026	0.8890
		197,889		33	(a)			25/5/2026	0.9620
Rui Artur dos Santos Baptista	BCP Shares	17,120		30,393	(a)	13,273	(b)	24/4/2026	0.8890
Rui Emanuel Agapito Silva	BCP Shares		228,937	114,110	(a)	52,815	(b)	24/4/2026	0.8890
		290,265		33	(a)			25/5/2026	0.9620
Rui Manuel Pereira Pedro	BCP Shares		545,866	88,697	(a)	22,207	(b)	24/4/2026	0.8890
		612,390		34	(a)			25/5/2026	0.9620
Rui Miguel Alves Costa	BCP Shares		511,807	116,305	(a)			24/4/2026	0.8890
		628,168		56	(a)			25/5/2026	0.9620
Rui Nelson Moreira de Carvalho Maximino	BCP Shares	238,751	183,121	74,172	(a)	18,542	(b)	24/5/2026	0.8890
Rui Pedro da Conceição Coimbra Fernandes	BCP Shares		239,537	115,220	(a)	52,214	(b)	24/4/2026	0.8890
		302,580		37	(a)			25/5/2026	0.9620
Sérgio Quintas Silva Magalhães	BCP Shares	50,000	510,000			460,000		7/5/2026	0.9270
Vânia Alexandra Machado Marques Correia	BCP Shares		300,874	107,265	(a)	49,540	(b)	24/4/2026	0.8890
		358,632		33	(a)			25/5/2026	0.9620

(a) - identifies the increment in shares during 2026 corresponding to the annual deferred variable compensation of previous years.
(b) - identifies the shares used in sell-cover in 2026 related to the increment of shares of variable compensation, intended to support the tax charges with the shares received.

Shareholders/Bondholders	Security	Number of securities 30 June 2026	31 December 2025	Acquisitions	Disposals	Date	Unit price Euros
PEOPLE CLOSELY RELATED TO THE PREVIOUS							
of: Américo João Pinto Carola							
Ana Isabel Salgueiro Antunes	BCP Shares	29	29				
of: Ana Maria Jordão F. Torres Marques Tavares							
Álvaro Manuel Coreia Marques Tavares	BCP Shares	25,118	25,118				
Francisco Jordão Torres Marques Tavares	BCP Shares	1,016	1,016				
of: António Luís Duarte Bandeira							
Ana Margarida Rebelo A. M. Soares Bandeira	BCP Shares	2,976	2,976				
of: Constantino Alves Mousinho							
Laura Santos Marciano Alves Mousinho	BCP Shares	10,000	0	10,000		4/3/2026	0.8426
of: Francisco António Caspa Monteiro							
Ricardo Miranda Monteiro	BCP Shares	1,639	1,639				
Rita Miranda Monteiro	BCP Shares	1,639	1,639				
of: João Manuel Taveira Pinto Santos Paiva							
Ana Sofia Bessa Ribeiro	BCP Shares	432	432				
of: Maria Helena Soledade Nunes Henriques							
João Paulo Rodrigues Taborda Gonçalves	BCP Shares	130	130				
of: Mário George Chaves Afonso							
Maria Adelaide Godinho Jerónimo Afonso	BCP Shares	6,200	6,200				
Maria Godinho Jerónimo Chaves Afonso	BCP Shares	3,700	3,700				

C) Balances and transactions with associates

The balances with associates included in the consolidated balance sheet items, except for the item investments in associates, are as follows:

(Thousand EUR)

	30 June 2026	31 December 2025
Assets		
Loans and advances to credit institutions repayable on demand	12,725	5,337
Financial assets at amortised cost		
Loans and advances to credit institutions	200,751	220,232
Loans and advances to customers	21,211	59,169
Other assets	18,666	18,461
	253,353	303,199
Liabilities		
Financial liabilities at amortised cost		
Deposits from credit institutions and other funds	52,232	10,822
Deposits from customers and other funds	165,168	118,653
Other liabilities	1,201	614
	218,601	130,089

The transactions with associates included in the consolidated income statement items are as follows:

(Thousand EUR)

	30 June 2026	30 June 2025
Income		
Interest and similar income	3,078	5,978
Commissions	38,672	37,951
Other operating income	1,752	2,204
	43,502	46,133
Costs		
Interest and similar expense	578	1,630
Commissions	1,072	2,633
Other administrative costs	944	1,972
Other operating expenses	1	—
	2,595	6,235

The guarantees granted and revocable and irrevocable credit facilities by the Group over associates are as follows:

(Thousand EUR)

	30 June 2026	31 December 2025
Guarantees granted	6,093	2,655
Revocable credit facilities	17,580	17,309
Irrevocable credit facilities	1,354	1,354
	25,027	21,318

Under the scope of the Group's insurance mediation activities, the remuneration from services provided is analysed as follows:

(Thousand EUR)

	30 June 2026	30 June 2025
Life insurance		
Saving products	12,910	11,628
Mortgage and consumer loans	22,292	22,465
	35,202	34,093
Non-Life insurance		
Accidents and health	18,708	16,930
Motor	2,783	2,463
Home Multi-Risk	7,611	6,296
Other	1,309	1,135
	30,411	26,824
	65,613	60,917

Remuneration from insurance intermediation services was received through bank transfers and resulted from insurance intermediation with Ocidental - Companhia Portuguesa de Seguros de Vida, S.A. and Ageas Portugal - Companhia de Seguros, S.A. (Millenniumbcp Ageas Group). The Group does not collect insurance premiums on behalf of Insurance Companies nor performs any movement of funds related to insurance contracts. Thus, there is no other asset, liability, income or expense to be reported related to the activity of insurance mediation exercised by the Group, other than those already disclosed.

The receivable balances from insurance intermediation activities, by nature, are analysed as follows:

(Thousand EUR)

	30 June 2026	31 December 2025
Funds receivable for payment of life insurance commissions	17,124	16,941
Funds receivable for payment of non-life insurance commissions	14,847	14,500
	31,971	31,441

The commissions received result from insurance mediation contracts and investment contracts, under the terms established in the contracts in force. The mediation commissions are calculated according to the nature of the contracts subject to mediation, as follows:

- insurance contracts – use of fixed rates on gross premiums issued;

- investment contracts – use of fixed rates on the responsibilities assumed by the insurance company under the commercialisation of these products.

D) Transactions with the Pension Fund

The balances with the Pension Fund included in items of the consolidated balance sheet are as follows:

(Thousand EUR)

	30 June 2026	31 December 2025
Liabilities		
Deposits from customers and other funds	11,106	76,718
Non-subordinated debt securities issued	28,660	31,713
	39,766	108,431

In the first half of 2026 and during the financial year of 2025, there were no transactions related to other financial instruments between the Group and the Pension Fund.

Income and expenses with the Pension Fund included in the items of the consolidated income statement are as follows:

(Thousand EUR)

	30 June 2026	30 June 2025
Income		
Commissions	530	498
Expenses		
Interest and similar expense	504	266
Amortisations and depreciations	7,731	7,731
	8,235	7,997

The balance Amortisations and depreciations corresponds to rents incurred under the scope of the Pension Fund's properties in which the tenant is the Group.

As at 30 June 2026, the guarantees granted by the Group to the Pension Fund amount to EUR 5,000 (31 December 2025: EUR 5,000) and in other revocable commitments amount to EUR 5,000,000 (31 December 2025: EUR 5,000,000).

52. Consolidated Balance sheet and Income statement by segments

The segments presented are in accordance with IFRS 8. In accordance with the Group's management model, the segments presented correspond to the segments used for management purposes by the Executive Committee. The Group offers a wide range of banking activities and financial services in Portugal and abroad, with a special focus on Commercial Banking, Companies Banking and Private Banking.

Segments description

The Group operates in the Portuguese market and also in a few affinity markets with recognised growth potential. Considering this, the geographical segments are structured in Portugal and International Business (Poland, Mozambique and Other). Portugal segment reflects, essentially, the activities carried out by Banco Comercial Português in Portugal and ActivoBank.

Portugal activity includes the following segments: i) Retail Banking; ii) Companies and Corporate; iii) Private Banking and iv) Other.

Retail Banking includes the following business areas:

- Retail network, which serves individual customers, entrepreneurs, merchants and small and medium enterprises with a turnover less than EUR 2.5 million. The Retail network strategic approach is to target “Mass Market” customers, who appreciate a value proposal based on innovation and speed, as well as Prestige and Small Business customers, whose specific characteristics, financial assets or income imply a value proposal based on innovation and personalisation, requiring a dedicated Account Manager;

- Retail Recovery Division that manages customers or economic groups in effective default, as well as customers who have filed for bankruptcy or other similar mechanisms, aiming to minimise losses through agreements or payment restructuring processes; and

- ActivoBank, a bank focused on mainly young customers, who are intensive users of new communication technologies and who prefer a banking relationship based on simplicity, offering modern products and services.

Companies and Corporate segment includes:

- Companies and Corporate network, which integrates the former Large Corporate network, serving customers within the corporate segment, economic groups and institutional entities with a turnover exceeding EUR 2.5 million, offering a wide range of traditional banking products complemented by specialised financing and providing a complete range of value-added products and services;

- Specialised Recovery Division which ensures efficient tracking of customers with predictable or effective high risk of credit, from Companies, Corporate, Large Corporate and retail networks (exposure exceeding EUR 1 million), in order to defend the value and manage credit risk;

- Investment Banking unit, that ensures the offer of products and specific services, in particular financial advice, including corporate finance services, capital market transactions and analysis and financing structuring in the medium to long-term;

- Interfundos with the activity of management of real estate investment funds;

- Specialised Credit and Real Estate Department, with the mission of managing the Group's foreclosed assets portfolio, referred as non-performing assets, in order to place them back to the market;

- Treasury, Markets and International Department, which coordinates business with banks and financial institutions in order to better serve the Group's commercial networks and operations abroad. This unit has a dynamic emphasis that promotes international business within commercial networks, aiming to be a partner for customers for internationalization. It also provides securities custody services to resident and non-resident customers, and grants the Group's intervention in the financial markets, providing commercial services for treasury and markets products and managing the financial risks inherent to the Group's activity.

The Private Banking segment comprises:

- Private Banking Division in Portugal, focused on high-net-worth individuals, based on a commitment to excellence and a personalised relationship with customers;
- Wealth Management Division, which provides advisory customer services and portfolio management for customers in the Private Banking network and the affluent segment.

All other businesses not previously discriminated are allocated to the Other segment (Portugal) and include centralised management of financial investments, corporate activities and operations not integrated in the remaining business segments and other amounts not allocated to segments.

International Business includes the following segments:

- Poland, where the Group is represented by Bank Millennium, a universal bank offering a wide range of financial products and services to individuals and companies nationwide. Polish activity is segmented as follow:
  - Retail Banking, which includes services aimed at mass-market customers, affluent customers and individual entrepreneurs, through a comprehensive offer of banking products and services, as well as the distribution of specialised products provided by the Group’s subsidiaries;
  - Companies and Corporate, focused on serving companies of all sizes, including public sector entities, with a high-quality suite of tailored banking solutions, complemented by cash management services, treasury products (including derivatives), and leasing and factoring offerings; and
  - Other covering the Group’s activities such as treasury management, brokerage operations, positions in debt securities and other items not allocated to specific segments, as well as the impacts of FX mortgage portfolio;

- Mozambique, where the Group is represented by BIM – Banco Internacional de Moçambique, a universal bank targeting companies and individual customers; and

- Other, which includes the contribution of the associate in Angola.

Business segments activity

The figures reported for each segment resulted from aggregating the subsidiaries and business units integrated in each segment. For the business units in Portugal, the aggregation process reflects the impact from capital allocation and balancing process in the balance sheet and income statement, based on average figures. The balance sheet headings for each business unit in Portugal were calculated considering the allocation process, based on the regulatory solvency criteria.

Considering that the process of capital allocation complies with the regulatory criteria of solvency in force, from 1 January 2026, the risk weighted assets, and consequently the capital allocated to the business segments, are determined in accordance with the Basel IV framework, pursuant to the CRD VI/CRR3. The capital allocated to each segment resulted from the application of a target capital ratio to the risk weighted exposures managed by each segment, reflecting the application of the Basel IV methodology. The introduction of CRR3 led to a significant increase in risk weighted assets to cover operational risk. Each operation is balanced through internal transfers of funds, with impact on the net interest income and income taxes of each segment, but with no impact on consolidated accounts.

Commissions and other net income, as well as operating costs calculated for each business area, are based on the amounts accounted for directly in the respective cost centres, on the one hand, and the amounts resulting from internal processes for allocating revenues and costs, for another. In this case, the allocation is based on the application of pre-defined criteria and subject to periodic review, related to the level of activity of each business area.

The following information has been prepared based on the individual and consolidated financial statements of the Group prepared in accordance with international financial reporting standards (IFRS), as adopted by the European Union (EU), at the reference date and with the Organisation of the Group's business areas in force on 30 June 2026. Information relating to prior periods is restated whenever changes occur in the internal organisation of the Group that affect the composition of the reportable segments or relevant changes in the criteria for allocation of indirect revenues and costs, as described in the previous paragraph, ensuring the comparability of the information provided across the reported periods.

The information in the financial statements of reportable segments is reconciled, at the level of the total revenue for those segments, with the revenue presented in the consolidated financial position statement of the reporting entity for each reporting date on which is lodged a statement of financial position. Whenever applicable, historical figures may reflect specific restatements carried out to ensure the comparability of information across periods.

As at 30 June 2026, the net contribution of the main geographical areas, for the income statement, is analysed as follows:

(Thousand EUR)

	30 June 2026				
		International			
	Portugal	Poland	Mozambique	Others (*)	Consolidated
INCOME STATEMENT					
Net interest income	733,183	652,880	107,766	—	1,493,829
Net fees and commissions income	322,421	97,054	18,561	—	438,036
Other net income	(38,316)	(62,779)	333	—	(100,762)
Gains/(losses) on financial operations (1)	41,025	33,260	6,946	—	81,231
Dividends from equity instruments	—	874	—	—	874
Share of profit of associates under the equity method	33,874	—	613	2,654	37,141
Net operating income	1,092,187	721,289	134,219	2,654	1,950,349
Operating expenses	360,724	294,943	64,547	—	720,214
Results on modification (2)	—	(839)	—	—	(839)
Impairment for credit and financial assets (3)	(75,865)	(27,365)	(8,847)	—	(112,077)
Other impairment and provisions (4)	(24,977)	(122,214)	(33,635)	—	(180,826)
Net income before income tax	630,621	275,928	27,190	2,654	936,393
Income tax	(160,451)	(108,985)	(13,257)	—	(282,693)
Net income for the period	470,170	166,943	13,933	2,654	653,700
Non-controlling interests	79	(83,305)	(4,642)	—	(87,868)
Net income for the period attributable to Bank's Shareholders	470,249	83,638	9,291	2,654	565,832

(*) Includes the contribution associated with the investments held in Angola, in Banco Millennium Atlântico.

(1) Includes results from financial operations at fair value through profit or loss, results from foreign exchange, results from hedge accounting operations and results arising from derecognition of financial assets and liabilities not measured at fair value through profit or loss.

(2) Includes the results of contractual amendments, namely, costs arising from negotiations with customers holding mortgages in foreign currency.

(3) Includes impairment of financial assets at amortised cost, for loans to customers (net of recoveries - principal and accrual) and for debt instruments related to credit operations. It also includes impairment of financial assets at amortised cost not associated with credit operations.

(4) Includes impairment of non-current assets held for sale, investments in associated companies, goodwill, other assets and provisions, highlighting the provisions for legal proceedings related to mortgage loans granted in Swiss francs, booked by the Polish subsidiary.

The detail of the net contribution from the activity in Portugal and the activity in Poland, by business areas, to the income statement, is analysed in the following table. Net contribution from the activity in Mozambique, which mostly comprises retail banking, is presented henceforth in this note only on an aggregated basis (as presented in the previous table), given its relative weight in the consolidated activity of the Group.

(Thousand EUR)

	30 June 2026								
	Portugal					Poland			
	Retail banking	Companies and Corporate	Private banking	Other	**Total Portugal**	Retail banking	Companies and Corporate	Other	**Total Poland**
INCOME STATEMENT									
Net interest income	562,853	129,197	20,110	21,023	733,183	438,835	89,022	125,023	652,880
Net fees and commissions income	265,654	64,890	23,366	(31,489)	322,421	71,731	26,572	(1,249)	97,054
Other net income	3,359	4,998	41	(46,714)	(38,316)	(2,458)	746	(61,067)	(62,779)
Gains/(losses) on financial operations (1)	1,931	1,079	47	37,968	41,025	12,761	12,290	8,209	33,260
Dividends from equity instruments	—	—	—	—	—	—	—	874	874
Share of profit of associates under the equity method	—	—	—	33,874	33,874	—	—	—	—
Net operating income	833,797	200,164	43,564	14,662	1,092,187	520,869	128,630	71,790	721,289
Operating expenses	162,722	33,388	7,853	156,761	360,724	225,747	54,551	14,645	294,943
Results on modification (2)	—	—	—	—	—	(7)	(503)	(329)	(839)
Impairment for credit and financial assets (3)	(48,940)	(46,944)	341	19,678	(75,865)	(20,686)	(11,275)	4,596	(27,365)
Other impairment and provisions (4)	—	—	—	(24,977)	(24,977)	—	—	(122,214)	(122,214)
Net income before income tax	622,135	119,832	36,052	(147,398)	630,621	274,429	62,301	(60,802)	275,928
Income tax	(188,507)	(36,309)	(10,923)	75,288	(160,451)	(52,141)	(11,837)	(45,007)	(108,985)
Net income for the period	433,628	83,523	25,129	(72,110)	470,170	222,288	50,464	(105,809)	166,943
Non-controlling interests	—	—	—	79	79	—	—	(83,305)	(83,305)
Net income for the period attributable to Bank's Shareholders	433,628	83,523	25,129	(72,031)	470,249	222,288	50,464	(189,114)	83,638

(1) Includes results from financial operations at fair value through profit or loss, results from foreign exchange, results from hedge accounting operations and results arising from derecognition of financial assets and liabilities not measured at fair value through profit or loss.

(2) Includes the results of contractual amendments, namely, costs arising from negotiations with customers holding mortgage in foreign currency.

(3) Includes impairment of financial assets at amortised cost, for loans to customers (net of recoveries - principal and accrual) and for debt instruments related to credit operations. It also includes impairment of financial assets at amortised cost not associated with credit operations.

(4) Includes impairment of non current assets held for sale, investments in associated companies, goodwill, other assets and provisions, highlighting the provisions for legal proceedings related to mortgage loans granted in Swiss francs, booked by the Polish subsidiary.

As at 30 June 2026, the net contribution of the main geographical areas, for the balance sheet, is analysed as follows:

(Thousand EUR)

	30 June 2026				
		International			
	Portugal	Poland	Mozambique	Other (*)	Consolidated
BALANCE SHEET					
Cash and Loans and advances to credit institutions (1)	2,009,385	1,490,425	1,612,908	—	5,112,718
Loans and advances to customers (2)	44,249,941	18,901,682	684,640	—	63,836,263
Financial assets (3)	21,876,441	18,541,330	607,682	(119)	41,025,334
Other assets	3,676,176	891,197	207,973	50,124	4,825,470
Total Assets	71,811,943	39,824,634	3,113,203	50,005	114,799,785
Deposits from other credit institutions (4)	720,275	66,591	6,421	—	793,287
Deposits from customers (5)	57,970,683	32,793,113	2,485,591	—	93,249,387
Debt securities issued (6)	3,874,912	1,879,123	—	—	5,754,035
Other financial liabilities (7)	1,560,771	957,218	—	—	2,517,989
Other liabilities (8)	1,296,442	1,502,066	125,005	—	2,923,513
Total Liabilities	65,423,083	37,198,111	2,617,017	—	105,238,211
Total Equity	6,388,860	2,626,523	496,186	50,005	9,561,574
Total Liabilities and Equity	71,811,943	39,824,634	3,113,203	50,005	114,799,785
Number of employees	5,996	6,954	2,663	0	15,613

(*) Includes the contribution associated with the investments held in Angola, in Banco Millennium Atlântico.

(1) Includes reverse repurchase agreements (reverse repos).

(2) Includes loans to customers at amortised cost net of impairment, debt instruments at amortised cost associated to credit operations net of impairment and balance sheet amount of loans to customers at fair value through profit or loss. Excludes reverse repurchase agreements (reverse repos).

(3) Includes debt instruments at amortised cost not associated with credit operations (net of impairment), financial assets at fair value through profit or loss (excluding the ones related to loans to customers), financial assets at fair value through other comprehensive income and hedging derivatives.

(4) Includes deposits and other financing from central banks and deposits from other credit institutions. Includes securities sold under repurchase agreements (repos).

(5) Corresponds to deposits and other resources from customers (including deposits from customers at amortised cost and customer deposits at fair value through profit or loss). Excludes securities sold under repurchase agreements (repos).

(6) Includes non subordinated debt securities at amortized cost and financial liabilities at fair value through profit or loss (debt securities and certificates).

(7) Includes financial liabilities held for trading, subordinated debt and hedging derivatives.

(8) Includes provisions, current and deferred tax liabilities and other liabilities.

As at 30 June 2026, the detail of the net contribution of Portugal activity and Poland activity, by business areas, for the balance sheet, is analysed as follows:

(Thousand EUR)

	30 June 2026								
	Portugal					Poland			
	Retail banking	Companies and Corporate	Private banking	Other	**Total Portugal**	Retail banking	Companies and Corporate	Other	**Total Poland**
BALANCE SHEET									
Cash and Loans and advances to credit institutions (1)	14,976,647	992,601	2,731,276	(16,691,139)	2,009,385	13,445,331	2,609,596	(14,564,502)	1,490,425
Loans and advances to customers (2)	31,145,208	11,823,633	445,125	835,975	44,249,941	13,903,680	4,859,424	138,578	18,901,682
Financial assets (3)	—	—	—	21,876,441	21,876,441	—	—	18,541,330	18,541,330
Other assets	—	—	—	3,676,176	3,676,176	—	—	891,197	891,197
Total Assets	46,121,855	12,816,234	3,176,401	9,697,453	71,811,943	27,349,011	7,469,020	5,006,603	39,824,634
Deposits from other credit institutions (4)	184,575	1,253,346	—	(717,646)	720,275	—	—	66,591	66,591
Deposits from customers (5)	43,516,563	10,165,722	2,624,996	1,663,402	57,970,683	25,848,523	6,944,590	—	32,793,113
Debt securities issued (6)	1,287,990	2,744	522,568	2,061,610	3,874,912	—	—	1,879,123	1,879,123
Other financial liabilities (7)	—	—	—	1,560,771	1,560,771	—	—	957,218	957,218
Other liabilities (8)	—	—	—	1,296,442	1,296,442	—	—	1,502,066	1,502,066
Total Liabilities	44,989,128	11,421,812	3,147,564	5,864,579	65,423,083	25,848,523	6,944,590	4,404,998	37,198,111
Total Equity	1,132,727	1,394,422	28,837	3,832,874	6,388,860	1,500,488	524,430	601,605	2,626,523
Total Liabilities and Equity	46,121,855	12,816,234	3,176,401	9,697,453	71,811,943	27,349,011	7,469,020	5,006,603	39,824,634
Number of employees	3,249	304	100	2,343	5,996	5,478	1,197	280	6,955

(1) Includes reverse repurchase agreements (reverse repos).

(2) Includes loans to customers at amortised cost net of impairment, debt instruments at amortised cost associated to credit operations net of impairment and balance sheet amount of loans to customers at fair value through profit or loss. Excludes reverse repurchase agreements (reverse repos).

(3) Includes debt instruments at amortised cost not associated with credit operations (net of impairment), financial assets at fair value through profit or loss (excluding the ones related to loans to customers), financial assets at fair value through other comprehensive income and hedging derivatives.

(4) Includes deposits and other financing from central banks and deposits from other credit institutions. Includes securities sold under repurchase agreements (repos).

(5) Corresponds to deposits and other resources from customers (including deposits from customers at amortised cost and customer deposits at fair value through profit or loss). Excludes securities sold under repurchase agreements (repos).

(6) Includes non subordinated debt securities at amortized cost and financial liabilities at fair value through profit or loss (debt securities and certificates).

(7) Includes financial liabilities held for trading, subordinated debt and hedging derivatives.

(8) Includes provisions, current and deferred tax liabilities and other liabilities.

As at 30 June 2025, the net contribution of the main geographical areas, for the income statement, is analysed as follows:

(Thousand EUR)

	30 June 2025				
		International			
	Portugal	Poland	Mozambique	Other (*)	Consolidated
INCOME STATEMENT					
Net interest income	658,780	676,210	109,064	—	1,444,054
Net fees and commissions income	307,109	87,858	18,863	—	413,830
Other net income	(21,622)	(76,724)	728	—	(97,618)
Gains/(losses) on financial operations (1)	7,018	40,680	8,140	—	55,838
Dividends from equity instruments	—	841	—	—	841
Share of profit of associates under the equity method	28,499	—	696	1,812	31,007
Net operating income	979,784	728,865	137,491	1,812	1,847,952
Operating expenses	342,386	270,447	70,712	—	683,545
Results on modification (2)	—	(5,120)	—	—	(5,120)
Impairment for credit and financial assets (3)	(71,919)	(16,035)	(22,523)	—	(110,477)
Other impairment and provisions (4)	(2,437)	(252,192)	(5,259)	—	(259,888)
Net income before income tax	563,042	185,071	38,997	1,812	788,922
Income tax	(139,102)	(64,000)	(15,303)	—	(218,405)
Net income for the period	423,940	121,071	23,694	1,812	570,517
Non-controlling interests	68	(60,416)	(7,893)	—	(68,241)
Net income for the period attributable to Bank's Shareholders	424,008	60,655	15,801	1,812	502,276

(*) Includes the contribution associated with the investments held in Angola, in Banco Millennium Atlântico.

(1) Includes results from financial operations at fair value through profit or loss, results from foreign exchange, results from hedge accounting operations and results arising from derecognition of financial assets and liabilities not measured at fair value through profit or loss.

(2) Includes the results of contractual amendments, namely, costs arising from negotiations with customers holding mortgage loans in foreign currency.

(3) Includes impairment of financial assets at amortised cost, for loans to customers (net of recoveries - principal and accrual) and for debt instruments related to credit operations. It also includes impairment of financial assets at amortised cost not associated with credit operations.

(4) Includes impairment of non current assets held for sale, investments in associated companies, goodwill, other assets and provisions, highlighting the provisions for legal proceedings related to mortgage loans granted in Swiss francs, booked by the Polish subsidiary.

As at 30 June 2025, the detail of the net contribution of Portugal activity and Poland activity, by business areas, for the income statement, is analysed as follows:

(Thousand EUR)

	30 June 2025								
	Portugal					Poland			
	Retail banking	Companies and Corporate	Private banking	Other	**Total Portugal**	Retail banking	Companies and Corporate	Other	**Total Poland**
INCOME STATEMENT									
Net interest income	537,291	130,209	20,266	(28,986)	658,780	570,680	98,132	7,398	676,210
Net fees and commissions income	248,124	71,227	20,291	(32,533)	307,109	62,802	24,000	1,056	87,858
Other net income	4,827	4,228	70	(30,747)	(21,622)	5,249	931	(82,904)	(76,724)
Gains/(losses) on financial operations (1)	(136)	934	22	6,198	7,018	11,758	13,191	15,731	40,680
Dividends from equity instruments	—	—	—	—	—	—	—	841	841
Share of profit of associates under the equity method	—	—	—	28,499	28,499	—	—	—	—
Net operating income	790,106	206,598	40,649	(57,569)	979,784	650,489	136,254	(57,878)	728,865
Operating expenses	162,033	34,045	8,014	138,294	342,386	206,053	46,096	18,298	270,447
Results on modification (2)	—	—	—	—	—	(4)	(525)	(4,591)	(5,120)
Impairment for credit and financial assets (3)	(46,309)	(15,877)	(232)	(9,501)	(71,919)	(5,352)	(13,506)	2,823	(16,035)
Other impairment and provisions (4)	—	—	—	(2,437)	(2,437)	—	—	(252,192)	(252,192)
Net income before income tax	581,764	156,676	32,403	(207,801)	563,042	439,080	76,127	(330,136)	185,071
Income tax	(176,274)	(47,473)	(9,818)	94,463	(139,102)	(83,426)	(14,464)	33,890	(64,000)
Net income for the period	405,490	109,203	22,585	(113,338)	423,940	355,654	61,663	(296,246)	121,071
Non-controlling interests	—	—	—	68	68	—	—	(60,416)	(60,416)
Net income for the period attributable to Bank's Shareholders	405,490	109,203	22,585	(113,270)	424,008	355,654	61,663	(356,662)	60,655

(1) Includes results from financial operations at fair value through profit or loss, results from foreign exchange, results from hedge accounting operations and results arising from derecognition of financial assets and liabilities not measured at fair value through profit or loss.

(2) Includes the results of contractual amendments, namely, costs arising from negotiations with customers holding mortgage loans in foreign currency.

(3) Includes impairment of financial assets at amortised cost, for loans to customers (net of recoveries - principal and accrual) and for debt instruments related to credit operations. It also includes impairment of financial assets at amortised cost not associated with credit operations.

(4) Includes impairment of non current assets held for sale, investments in associated companies, goodwill, other assets and provisions, highlighting the provisions for legal proceedings related to mortgage loans granted in Swiss francs, booked by the Polish subsidiary.

As at 31 December 2025, the net contribution of the main geographical areas, for the balance sheet, is analysed as follows:

(Thousand EUR)

	31 December 2025				
		International			
	Portugal	Poland	Mozambique	Other (*)	Consolidated
BALANCE SHEET					
Cash and Loans and advances to credit institutions [1]	2,746,567	1,139,906	1,273,749	—	5,160,222
Loans and advances to customers [2]	42,453,337	18,106,743	656,607	—	61,216,687
Financial assets [3]	20,855,233	16,785,455	559,872	(103)	38,200,457
Other assets	3,592,739	917,174	199,405	46,243	4,755,561
Total Assets	69,647,876	36,949,278	2,689,633	46,140	109,332,927
Deposits from other credit institutions [4]	849,334	24,909	4,328	—	878,571
Deposits from customers [5]	56,628,892	30,975,991	2,143,945	—	89,748,828
Debt securities issued [6]	3,622,541	1,809,419	—	—	5,431,960
Other financial liabilities [7]	1,089,719	517,396	—	—	1,607,115
Other liabilities [8]	1,077,423	1,460,528	67,745	—	2,605,696
Total Liabilities	63,267,909	34,788,243	2,216,018	—	100,272,170
Total Equity	6,379,967	2,161,035	473,615	46,140	9,060,757
Total Liabilities and Equity	69,647,876	36,949,278	2,689,633	46,140	109,332,927
Number of employees	6,046	7,023	2,678	0	15,747

(*) Includes the contribution associated with the investments held in Angola, in Banco Millennium Atlântico.

(1) Includes reverse repurchase agreements (reverse repos).

(2) Includes loans to customers at amortised cost net of impairment, debt instruments at amortised cost associated to credit operations net of impairment and balance sheet amount of loans to customers at fair value through profit or loss. Excludes reverse repurchase agreements (reverse repos).

(3) Includes debt instruments at amortised cost not associated with credit operations (net of impairment), financial assets at fair value through profit or loss (excluding the ones related to loans to customers), financial assets at fair value through other comprehensive income (net of impairment) and hedging derivatives.

(4) Includes deposits and other financing from central banks and deposits from other credit institutions. Includes securities sold under repurchase agreements (repos).

(5) Corresponds to deposits and other resources from customers (including deposits from customers at amortised cost and customer deposits at fair value through profit or loss). Excludes securities sold under repurchase agreements (repos).

(6) Includes non subordinated debt securities at amortized cost and financial liabilities at fair value through profit or loss (debt securities and certificates).

(7) Includes financial liabilities held for trading, subordinated debt and hedging derivatives.

(8) Includes provisions, current and deferred tax liabilities and other liabilities.

As at 31 December 2025, the detail of the net contribution of Portugal activity and Poland activity, by business areas, for the balance sheet, is analysed as follows:

(Thousand EUR)

	31 December 2025								
	Portugal					Poland			
	Retail banking	Companies and Corporate	Private banking	Other	**Total Portugal**	Retail banking	Companies and Corporate	Other	**Total Poland**
BALANCE SHEET									
Cash and Loans and advances to credit institutions (1)	15,151,964	1,488,578	2,604,520	(16,498,495)	2,746,567	12,003,083	2,936,275	(13,799,452)	1,139,906
Loans and advances to customers (2)	29,866,650	11,550,101	418,326	618,260	42,453,337	13,674,399	4,252,669	179,675	18,106,743
Financial assets (3)	—	—	—	20,855,233	20,855,233	—	—	16,785,455	16,785,455
Other assets	—	—	—	3,592,739	3,592,739	—	—	917,174	917,174
Total Assets	45,018,614	13,038,679	3,022,846	8,567,737	69,647,876	25,677,482	7,188,944	4,082,852	36,949,278
Deposits from other credit institutions (4)	193,438	1,381,910	1	(726,015)	849,334	—	—	24,909	24,909
Deposits from customers (5)	42,647,770	10,300,054	2,586,270	1,094,798	56,628,892	24,235,498	6,740,493	—	30,975,991
Debt securities issued (6)	1,127,207	2,398	408,762	2,084,174	3,622,541	—	—	1,809,419	1,809,419
Other financial liabilities (7)	—	—	—	1,089,719	1,089,719	—	—	517,396	517,396
Other liabilities (8)	—	—	—	1,077,423	1,077,423	—	—	1,460,528	1,460,528
Total Liabilities	43,968,415	11,684,362	2,995,033	4,620,099	63,267,909	24,235,498	6,740,493	3,812,252	34,788,243
Total Equity	1,050,199	1,354,317	27,813	3,947,638	6,379,967	1,441,984	448,451	270,600	2,161,035
Total Liabilities and Equity	45,018,614	13,038,679	3,022,846	8,567,737	69,647,876	25,677,482	7,188,944	4,082,852	36,949,278
Number of employees	3,276	309	97	2,364	6,046	5,672	1,070	281	7,023

(1) Includes reverse repurchase agreements (reverse repos).

(2) Includes loans to customers at amortised cost net of impairment, debt instruments at amortised cost associated to credit operations net of impairment and balance sheet amount of loans to customers at fair value through profit or loss. Excludes reverse repurchase agreements (reverse repos).

(3) Includes debt instruments at amortised cost not associated with credit operations (net of impairment), financial assets at fair value through profit or loss (excluding the ones related to loans to customers), financial assets at fair value through other comprehensive income (net of impairment) and hedging derivatives.

(4) Includes deposits and other financing from central banks and deposits from other credit institutions. Includes securities sold under repurchase agreements (repos).

(5) Corresponds to deposits and other resources from customers (including deposits from customers at amortised cost and customer deposits at fair value through profit or loss). Excludes securities sold under repurchase agreements (repos).

(6) Includes non subordinated debt securities at amortized cost and financial liabilities at fair value through profit or loss (debt securities and certificates).

(7) Includes financial liabilities held for trading, subordinated debt and hedging derivatives.

(8) Includes provisions, current and deferred tax liabilities and other liabilities.

Reconciliation of net income of reportable segments with the net income attributable to shareholders

(Thousand EUR)

	30 June 2026	30 June 2025
Net contribution		
Retail banking in Portugal	433,628	405,490
Companies and Corporate	83,523	109,203
Private Banking	25,129	22,585
International business (continuing operations)	183,530	146,577
Non-controlling interests (1)	(87,947)	(68,308)
	637,863	615,547
Amounts not allocated to segments (presented under Other)		
Net interest income - bonds portfolio	242,988	243,128
Net interest income - other (2)	(221,965)	(272,114)
Foreign exchange activity	28,547	(41,995)
Gains / (losses) arising from sales of subsidiaries and other assets	1,288	18,878
Equity accounted earnings	33,874	28,499
Impairment and other provisions (3)	(5,299)	(11,938)
Operational costs	(156,761)	(138,294)
Gains on sale of Portuguese public debt	(1,592)	(12,182)
Gains on sale of foreign public debt	2,058	7,613
Mandatory contributions	(42,160)	(32,825)
Loans sale	6,972	5,107
Income from other financial assets not held for trading mandatorily at fair value through profit or loss (4)	35,845	1,027
Taxes (5)	75,288	94,462
Non-controlling interests	79	68
Other (6)	(71,193)	(2,705)
Total not allocated to segments (presented under Other)	(72,031)	(113,271)
Consolidated net income	565,832	502,276

(1) Corresponds mainly to the income attributable to third parties related to the subsidiaries in Poland and in Mozambique.

(2) Includes net interest income arising from internal transfer of liquidity, interest rate risk, cost of wholesale funding and others.

(3) Includes impairment for non-current assets held for sale, impairment for other assets, provisions for administrative infractions, various contingencies and other impairment and/or provisions not allocated to business segments.

(4) Includes gains/(losses) from corporate restructuring funds.

(5) Includes deferred tax revenue/(expenses), net of current non-segment tax expense, namely the tax effect associated with the impacts of the previous items.

(6) It includes other operations not allocated previously namely funding for non-interest-bearing assets and strategic financial investments.

53. Solvency

The Group's own funds are determined according to the established regulation, namely, according to Directive 2013/36/EU and Regulation (EU) 575/2013, approved by the European Parliament and the Council.

Total capital includes tier 1 and tier 2. Tier 1 comprises common equity tier 1 (CET1) and additional tier 1.

Common equity tier 1 includes: (i) paid-up capital, share premium, reserves and retained earnings deducted of any foreseeable charges or dividends and non-controlling interests; ii) and deductions related to own shares and loans to finance the acquisition of shares of the Bank, the shortfall of value adjustments and provisions to expected losses concerning risk-weighted exposure amounts calculated according to the IRB approach, goodwill and other intangible assets and the additional value adjustments necessary for the prudent valuation requirements applied to all assets at fair value, adjustments related to minimum commitment with collective investments undertakings, insufficient coverage for non-performing exposures and with the amount of securitisation positions, eligible for deduction as an alternative to a 1 250 % risk weight. Reserves and retained earnings are adjusted by the reversal of unrealised gains and losses on cash-flow hedge transactions and on financial liabilities valued at fair value through profits and losses, to the extent related to own credit risk. The non-controlling interests are only eligible up to the amount of the Group's capital requirements attributable to the minorities. In addition, the deferred tax assets arising from unused tax losses carried forward are deducted, as well as the deferred tax assets arising from temporary differences relying on the future profitability and the interests held in financial institutions and insurers of at least 10%, in this case only in the amount that exceeds the thresholds of 10% and 15% of the common equity tier 1, when analysed on an individual and aggregated basis, respectively. The irrevocable payment commitments for the Single Resolution Fund and the additional coverage for non-performing exposures, are also deducted, due to a SREP (Supervisory Review and Evaluation Process) recommendation.

Additional tier 1 comprises preference shares, hybrid instruments and perpetual bonds representing subordinated debt that are compliant with the issue conditions established in the Regulation, deducted from amounts related to loans granted to finance its acquisition and non-controlling interests related to minimum level 1 additional capital requirements of institutions that are not totally owned by the Group.

Tier 2 includes the subordinated debt that is compliant with the Regulation, deducted from amounts related to loans granted to finance its acquisition and the non-controlling interests related to minimum total capital requirements of institutions that are not totally owned by the Group. Additionally, Tier 2 instruments held in financial institutions and insurers of at least 10% are deducted.

According to the legislation in force, the capital requirements applicable to the Group, as at 30 June 2026, are as follows:

2026 Minimum Capital Requirements				
		of which:		
BCP Consolidated	Total	Pilar 1	Pilar 2	Buffers (*)
CET1	10.29%	4.50%	1.21%	4.58%
T1	12.19%	6.00%	1.61%	4.58%
Total	14.73%	8.00%	2.15%	4.58%

(*) Capital conservation buffer (CCB), other systemically important institution (O-SII), institution specific countercyclical capital buffer (CCyB) e de systemic risk buffer (SyRB).

The Group meets all the requirements and other recommendations issued by the supervisor on this matter.

The Group has adopted the methodologies based on internal rating models (IRB) for the calculation of capital requirements for credit and counterparty risk, covering a substantial part of both its retail portfolio in Portugal and Poland and its corporate portfolio in Portugal. The Group has adopted the advanced approach (internal model) for the coverage of trading portfolio's general market risk and for exchange rate risks generated in exposures in the perimeter centrally managed from Portugal, and the standard method was used for the purposes of operational risk coverage. The capital requirements of the other portfolios/geographies were calculated using the standardised approach.

The own funds and the capital requirements determined according to the CRD IV/CRR (phased-in) methodologies previously referred, are the following:

(Thousand EUR)

	30 June 2026	31 December 2025
Common equity tier 1 (CET1)		
Share capital	3,000,000	3,000,000
Share Premium	16,471	16,471
Ordinary own shares	(32,141)	—
Reserves and retained earnings	3,617,008	3,626,248
Non-controlling interests eligible to CET1	759,192	726,109
Regulatory adjustments to CET1	(521,510)	(446,530)
	6,839,020	6,922,298
Tier 1		
Equity instruments	400,000	400,000
Non-controlling interests eligible to AT1	221,393	97,274
Regulatory adjustments	(873)	(865)
	7,459,540	7,418,707
Tier 2		
Subordinated debt	954,543	989,508
Non-controlling interests eligible to Tier 2	206,473	205,245
Other	104,907	44,726
	1,265,923	1,239,479
Total own funds	8,725,463	8,658,186
RWA - Risk weighted assets		
Credit risk	36,374,165	34,660,799
Market risk	672,111	568,756
Operational risk	7,656,280	7,656,280
CVA	27,987	15,708
	44,730,543	42,901,543
Capital ratios		
CET1	15.3%	16.1%
Tier 1	16.7%	17.3%
Tier 2	2.8%	2.9%
Total own funds	19.5%	20.2%

The presented amounts include the accumulated net income.

54. Risk Management

The Group is subject to several risks during the course of its business. The risks from different companies of the Group are managed centrally, in coordination with the local departments and considering the specific risks of each business.

The Group's risk-management policy is designed to permanently ensure an adequate relationship between its own funds and the business it develops, as well as the corresponding evaluation of the risk/return profile by business line. Under this scope, the monitoring and control of the main types of financial risks (e.g., credit, market, operational) or non-financial risks (e.g., legal and compliance, reputational) to which the Group's business is subject to, including the impact of the geostrategic and ESG risk drivers (environmental, social and governance).

The Bank implemented a regular process for identifying and assessing the risks to which its activity is exposed, which conclusions are presented to the management bodies and influence the update of the Group's risk appetite and risk strategy.

Internal organisation

The Board of Directors of Banco Comercial Português is responsible for the definition of the risk strategy and policies, including the approval of the principles and rules of the highest level to be followed in risk management of the Group, as well as the guidelines dictating the allocation of capital to the business lines.

The Board of Directors, through the Audit Committee and Risk Assessment Committee, ensures the existence of adequate risk management function and of risk-management systems at Group level and for each entity. The Board of Directors also approves the risk-tolerance level acceptable to the Group, translated in the risk appetite statement (RAS), proposed by its Executive Committee, hearing the Risk Assessment Committee.

The Risk Committee is responsible for monitoring the overall levels of risk incurred, ensuring that these are compatible with the goals and strategies approved for the business. Other commissions regularly monitor specific risks, namely the Conduct, Compliance and Operational Risks Commission, the Credit and Non-performing Assets Monitoring Commission, the Pension Funds Risk Monitoring Commission, the Operational Resilience Commission (with a focus on information technologies and cybernetics) and the Sustainability Commission.

The Chief Risk Officer is responsible for the control of risks in all Group entities, for the identification of all risks to which the Group activity is exposed and for the proposal of measures to improve risks control. The Chief Risk Officer also ensures that risks are monitored on an overall basis and that there is alignment of concepts, practices and goals in risk management. The activity of every entity included within the Banco Comercial Português consolidation scope is governed by the principles and decisions established centrally by the Board of Directors and the main subsidiaries are provided with Risk Office structures which are established in accordance with the risks inherent to their activity. A Risk Commission has been set up at each relevant subsidiary, responsible for the control of risks at local level, in which the Risk Officer of BCP takes part.

As Head of the Compliance Office, the Compliance Officer is responsible for ensuring that regulatory requirements are complied with, as well as the ethical values of the organisation, fulfilling all the attributions that are legally conferred to it, ensuring the existence of an internal control culture, thus contributing to the mitigation of the risk of attributing sanctions or significant asset or reputational damages to the Group Entities, including, among others, compliance with the regulatory framework on the prevention and combating of money laundering and terrorist financing, fraud, and personal data protection.

Risk assessment

Credit Risk

Credit granting is based on a prior classification of the customers' risk and on a thorough assessment of the level of protection provided by the underlying collateral. In order to do so, a single risk-notation system has been introduced, the Rating Master Scale, based on the expected probability of default, allowing greater discrimination in the assessment of the customers and better establishment of the hierarchies of the associated risk.

The Rating Master Scale also identifies those customers that show a worsening credit capacity and, in particular, those classified as being in default. All rating and scoring models used by the Group have been duly calibrated for the Rating Master Scale. The protection-level concept has been introduced as a crucial element of evaluation of the effectiveness of the collateral in credit-risk mitigation, leading to a more active collateralisation of loans and to a better adequacy of pricing regarding the risk incurred.

The gross Group's exposure to credit risk (original exposure) is presented in the following table:

(Thousand EUR)

Risk items	30 June 2026	31 December 2025
Central Governments or Central Banks (*)	34,274,581	33,081,155
Regional Governments or Local Authorities	1,828,110	1,619,443
Administrative and non-profit Organisations	6,307,866	6,314,917
Multilateral Development Banks	316,380	200,119
Other Credit Institutions	4,179,594	3,440,851
Retail and Corporate customers	79,212,479	75,949,113
Other items	7,355,078	7,863,835
	133,474,088	128,469,433

Note: gross exposures of impairment and amortisation, in accordance with the prudential consolidation scope. Includes securitisation positions.

(*) In 2026 includes DTA's of EUR 1,292,705,570 (31 December 2025: EUR 1,495,717,787).

The evaluation of the risk associated to the loan portfolio and quantification of the respective losses expected considers the following methodological notes.

a) Collaterals and Guarantees

On the risk evaluation of an operation or of a group of operations, the mitigation elements of credit risk associated to those operations are considered in accordance with the rules and internal procedures that fulfil the requirements defined by the regulations in force, also reflecting the experience of the loan's recovery areas and the Legal Department opinions with respect to the entailment of the various mitigation instruments.

The collaterals and the relevant guarantees can be aggregated in the following categories:

- financial collaterals, real estate collaterals or other collaterals;
- receivables;
- first demand guarantees, issued by banks or other entities with Risk Grade 108 or better on the Rating Master Scale;
- personal guarantees when the persons are classified with Risk Grade 108 or better;
- credit derivatives.

The financial collaterals accepted are those that are traded in a recognised stock exchange, i.e., on an organised secondary market, liquid and transparent, with public bid-ask prices, located in countries of the European Union, United Kingdom, United States, Japan, Canada, Hong Kong or Switzerland.

In this context, it is important to refer that the Bank's shares are not accepted as financial collaterals of new credit operations and are only accepted for the reinforcement of guarantees of existing credit operations, or in restructuring process associated to credit recoveries.

Regarding guarantees and credit derivatives, it can be applied the substitution principle by replacing the Risk Grade of the customer by the Risk Grade of the guarantor, (if the Risk of Grade Degree of the guarantor is better than the customer's), when the protection is formalised through:

- State, Financial Institutions or Mutual Guarantee Societies guarantees exist;
- Personal guarantees (or, in the case of Leasing, there is a recovery agreement of the provider);
- Credit derivatives;
- Formalisation of the clause of the contracting party in leasing contracts in which it is an entity that is in a relationship of dominion or group with the lessee.

An internal level of protection is attributed to all credit operations at the moment of the credit granting decision, considering the credit amount as well as the value and type of the collaterals involved. The protection level corresponds to the loss reduction in case of default that is linked to the various collateral types, considering their market value and the amount of the associated exposure.

In the case of financial collaterals, adjustments are made to the protection value by the use of a set of haircuts, in order to reflect the price volatility of the financial instruments.

In the case of real estate mortgages, the initial appraisal of the real estate value is done during the credit analysis and before decision process.

Either the initial evaluations or the subsequent reviews carried out are performed by external expert valuers and the ratification process is centralised in the Appraisals Unit, which is independent of the customers' areas.

In any case, they are the subject to a written report, in a standardised digital format, based on a group of predefined methods that are aligned with the sector practices – income, replacement cost and/or market comparative - mentioning the obtained value, for both the market value and for purposes of the mortgages guarantee, depending on the type of the real estate. The evaluations have a declaration/certification of an expert valuer since 2008, as requested by Regulation (EU) 575/2013 and Law 153/2015 of 14 September and are ratified by the Appraisals Unit.

Regarding residential real estate, after the initial valuation and in accordance with Notice n. 5/2006 of Banco de Portugal and CRR 575/2013, the Group monitors the respective values through market indexes. If the index is lower than 0.9, the Group revaluates choosing one of the following two methods:

i) depreciation of the property by direct application of the index, if the amount owed does not exceed EUR 300,000;

ii) review of the property value by external valuators, depending on the value of the credit operation, and in accordance with the established standards from ECB and Banco de Portugal.

For all non-residential real estate, the Group also monitors its values through market indexes and to the regular valuation reviews with the minimum periodicities in accordance with the Regulation (EU) 575/2013, in the case of offices, commercial spaces, warehouses and industrial premises.

For all real estate (residential or non-residential) for which the monitoring result in significant devaluation of the real estate value (more than 10%), a valuation review is subsequently carried out by an expert valuer, preserving the referred i) above.

For the remaining real estate (land or countryside buildings for example) there are no market indexes available for the monitoring of appraisal values, after the initial valuations. Therefore, for these cases and in accordance with the minimum periodicity established for the monitoring and reviewing of this type of real estate, valuation reviews are carried out by expert valuers.

The indexes currently used are supplied to the Group by an external specialised entity that, for more than a decade, has been collecting and processing the data upon which the indexes are built.

In the case of financial collaterals, their market value is daily and automatically updated, through the IT connection between the collaterals management system and the relevant financial markets data.

b) Risk grades

Credit granting is based on the previous risk assessment of customers and also on a rigorous assessment of the protection level provided by the underlying collaterals. For this purpose, a single risk grading system is used - the Rating Master Scale - based on Probability of Default (PD), allowing for a greater discriminating power in customers' assessment and for a better hierarchy of the associated risk. The Rating Master Scale also allows to identify customers that show signs of degradation in their credit capacity and, in particular, those that are classified in a default situation. All rating systems and models used by the Group were calibrated for the Rating Master Scale.

Aiming at an adequate assessment of credit risk, the Group defined a set of macro segments and segments which are treated through different rating systems and models that relate the internal risk grades and the customers' PD, ensuring a risk assessment that considers the customers' specific features in terms of their respectively risk profiles.

The assessment made by these rating systems and models result in the risk grades of the Master Scale, that has eighteen grades, where the last three correspond to relevant downgrades of the customers' credit quality and are referred to by "procedural risk grades": 123, 124 and 125, that correspond, in this order, to situations of increased severity in terms default, as risk grade 125 is a Default situation.

The non-procedural risk grades are attributed by the rating systems through automatic decision models or by the Rating Division – a unit which is independent from the credit analysis and decision areas and bodies- and are reviewed/updated periodically or whenever this is justified by events.

The models within the various rating systems are regularly subject to validation, made by the Models Validation and Monitoring Office, which is independent from the units that are responsible for the development and maintenance of the rating models.

The conclusions of the validations by the Models Validation and Monitoring Office, as well the respective recommendations and proposal for changes and/or improvements, are analysed and ratified by a specific Validation Committee, composed in accordance to the type of model analysed. The proposals for models' changes originated by the Validation Committee are submitted to the approval of the Risk Committee.

The following table lists the equivalence between the internal rating levels (Rating Master Scale) and the external ratings of the international rating agencies:

	External ratings			
Internal risk grade (*)	Fitch	S&P	Moody's	DBRS
101	AAA	AAA	Aaa	AAA
102	AA+	AA+	Aa1	AA (high)
102	AA	AA	Aa2	AA
103	AA-	AA-	Aa3	AA (low)
103	A+	A+	A1	A (high)
104	A	A	A2	A
105	A-	A-	A3	A (low)
105	BBB+	BBB+	Baa1	BBB (high)
106	BBB	BBB	Baa2	BBB
107	BBB-	BBB-	Baa3	BBB (low)
108	BB+	BB+	Ba1	BB (high)
109	BB	BB	Ba2	BB
111	BB-	BB-	Ba3	BB (low)
112	B+	B+	B1	B (high)
114	B	B	B2	B
115	Lower B	Lower B	Lower B2	Lower B

(*) Customers with GR 110 and GR 113 correspond to BB- and B- from S&P, respectively, or another equivalent.

c) Impairment and Write-offs

The credit impairment calculation as at 30 June 2026 and 31 December 2025 integrates the general principles defined in International Financial Reporting Standards (IFRS 9) and the guidelines issued by the Banco de Portugal through Circular Letter CC/2018/00000062, in order to align the calculation process used in the Group with the best international practices in this area.

As at 30 June 2026, the financial instruments subject to impairment requirements under IFRS 9, (do not include equity instruments as accounting policy 1.C1.1.2), analysed by stage, are detailed in the following tables:

(Thousand EUR)

	30 June 2026				
	Gross exposure				
Category	*Stage 1*	*Stage 2*	*Stage 3*	*POCI*	Total
Financial assets at amortised cost					
Loans and advances to credit institutions (note 20)	1,008,507	1,306	—	—	1,009,813
Loans and advances to customers (note 21)	53,272,170	6,175,221	1,390,017	26,450	60,863,858
Debt instruments (note 22)	26,698,173	686,057	34,481	—	27,418,711
Debt instruments at fair value through other comprehensive income (note 23) (*)	15,721,503	70,060	1,163	—	15,792,726
Guarantees and other commitments (note 45) (**)	16,921,640	1,290,154	307,231	180	18,519,205
Total	113,621,993	8,222,798	1,732,892	26,630	123,604,313

(*) For financial assets at fair value through other comprehensive income, impairment is recorded in accordance with the requirements indicated in the accounting policy 1.C1.5.1.2.
(**) Includes the balances of guarantees granted, irrevocable credit facilities and revocable commitments

(Thousand EUR)

	30 June 2026				
	Impairment losses				
Category	*Stage 1*	*Stage 2*	*Stage 3*	*POCI*	Total
Financial assets at amortised cost					
Loans and advances to credit institutions (note 20)	659	14	—	—	673
Loans and advances to customers (note 21)	270,943	318,029	754,844	6,667	1,350,483
Debt instruments (note 22)	34,813	101,717	32,489	—	169,019
Debt instruments at fair value through other comprehensive income (note 23) (*)	—	—	1,163	—	1,163
Guarantees and other commitments (note 38)	37,989	24,830	84,906	—	147,725
Total	344,404	444,590	873,402	6,667	1,669,063

(Thousand EUR)

	30 June 2026				
	Net exposure				
Category	*Stage 1*	*Stage 2*	*Stage 3*	*POCI*	Total
Financial assets at amortised cost					
Loans and advances to credit institutions (note 20)	1,007,848	1,292	—	—	1,009,140
Loans and advances to customers (note 21)	53,001,227	5,857,192	635,173	19,783	59,513,375
Debt instruments (note 22)	26,663,360	584,340	1,992	—	27,249,692
Debt instruments at fair value through other comprehensive income (note 23) (*)	15,721,503	70,060	—	—	15,791,563
Guarantees and other commitments (note 45) (**)	16,883,651	1,265,324	222,325	180	18,371,480
Total	113,277,589	7,778,208	859,490	19,963	121,935,250

(*) For financial assets at fair value through other comprehensive income, impairment is recorded in accordance with the requirements indicated in the accounting policy 1.C1.5.1.2.
(**) Includes the balances of guarantees granted, irrevocable credit facilities and revocable commitments.

As at 31 December 2025, the financial instruments subject to impairment requirements under IFRS 9 (do not include equity instruments as accounting policy 1.C1.1.2), analysed by stage, are detailed in the following tables:

(Thousand EUR)

	31 December 2025				
	Gross exposure				
Category	*Stage 1*	*Stage 2*	*Stage 3*	*POCI*	Total
Financial assets at amortised cost					
Loans and advances to credit institutions (note 20)	860,914	829	—	—	861,743
Loans and advances to customers (note 21)	50,871,677	6,376,942	1,449,026	24,855	58,722,500
Debt instruments (note 22)	24,052,457	605,864	35,879	—	24,694,200
Debt instruments at fair value through other comprehensive income (note 23) (*)	15,932,588	82,644	1,183	—	16,016,415
Guarantees and other commitments (note 45) (**)	16,256,245	1,682,805	311,324	861	18,251,235
Total	107,973,881	8,749,084	1,797,412	25,716	118,546,093

(*) For financial assets at fair value through other comprehensive income, impairment is recorded in accordance with the requirements indicated in the accounting policy 1.C1.5.1.2.
(**) Includes the balances of guarantees granted, irrevocable credit facilities and revocable commitments.

(Thousand EUR)

Category	31 December 2025 Impairment losses Stage 1	Stage 2	Stage 3	POCI	Total
Financial assets at amortised cost					
Loans and advances to credit institutions (note 20)	488	10	—	—	498
Loans and advances to customers (note 21)	252,249	296,302	759,614	7,660	1,315,825
Debt instruments (note 22)	28,878	92,651	33,796	—	155,325
Debt instruments at fair value through other comprehensive income (note 23) (*)	—	—	1,183	—	1,183
Guarantees and other commitments (note 38)	30,425	23,353	92,378	—	146,156
Total	312,040	412,316	886,971	7,660	1,618,987

(Thousand EUR)

Category	31 December 2025 Net exposure Stage 1	Stage 2	Stage 3	POCI	Total
Financial assets at amortised cost					
Loans and advances to credit institutions (note 20)	860,426	819	—	—	861,245
Loans and advances to customers (note 21)	50,619,428	6,080,640	689,412	17,195	57,406,675
Debt instruments (note 22)	24,023,579	513,213	2,083	—	24,538,875
Debt instruments at fair value through other comprehensive income (note 23) (*)	15,932,588	82,644	—	—	16,015,232
Guarantees and other commitments (note 45) (**)	16,225,820	1,659,452	218,946	861	18,105,079
Total	107,661,841	8,336,768	910,441	18,056	116,927,106

(*) For financial assets at fair value through other comprehensive income, impairment is recorded in accordance with the requirements indicated in the accounting policy 1 C1.5.1.2.
(**) Includes the balances of guarantees granted, irrevocable credit facilities and revocable commitments

The maximum exposure to credit risk of financial assets not subject to impairment requirements is analysed as follows:

(Thousand EUR)

	30 June 2026	31 December 2025
Financial assets held for trading (note 23)		
Debt instruments	1,644,719	791,310
Derivatives	144,034	168,266
Financial assets not held for trading mandatorily at fair value through profit or loss		
Debt instruments (note 23)	233,759	228,652
Hedging derivatives (note 24)	75,601	32,365
Total	2,098,113	1,220,593

- In the case of financial assets, excluding derivatives, it is considered that its credit risk exposure is equal to its book value;
- In the case of derivatives, the maximum exposure to credit risk is its market value, plus its potential risk ("add-on").

As at 30 June 2026, financial assets at amortised cost, guarantees granted, irrevocable credit facilities and revocable commitments, analysed by segment and stage, are as follows:

(Thousand EUR)

	30 June 2026									
		Stage 2				Stage 3				
Segment	Stage 1	No delays	Days past due <= 30 days	Days past due > 30 days	Total	Days past due <= 90 days	Days past due > 90 days	Total	POCI	Total
Gross Exposure										
Individuals-Mortgages	28,937,014	1,695,386	182,968	69,603	1,947,957	234,819	117,043	351,862	8,947	31,245,780
Individuals-Other	10,714,529	1,188,231	123,483	52,015	1,363,729	164,236	343,877	508,113	7,200	12,593,571
Financial Companies	3,945,310	286,353	75	36	286,464	2,426	1,642	4,068	—	4,235,842
Non-financial companies - Corporate	9,932,804	856,793	22,594	5,181	884,568	118,900	51,323	170,223	3,938	10,991,533
Non-financial companies - SME-Corporate	10,401,395	1,605,376	15,757	12,076	1,633,209	293,276	122,635	415,911	4,224	12,454,739
Non-financial companies - SME-Retail	7,275,518	1,002,992	92,155	30,190	1,125,337	122,066	124,500	246,566	2,321	8,649,742
Non-financial companies - Other	3,480,302	42,905	—	—	42,905	30,032	4,954	34,986	—	3,558,193
Other loans	23,213,618	650,641	—	217,928	868,569	—	—	—	—	24,082,187
Total	97,900,490	7,328,677	437,032	387,029	8,152,738	965,755	765,974	1,731,729	26,630	107,811,587
Impairment losses										
Individuals-Mortgages	9,067	17,747	4,145	3,217	25,109	70,031	42,046	112,077	3,426	149,679
Individuals-Other	66,414	79,224	19,382	15,396	114,002	73,480	241,466	314,946	3,234	498,596
Financial Companies	15,406	8,628	8	6	8,642	541	577	1,118	—	25,166
Non-financial companies - Corporate	54,681	31,110	900	123	32,133	54,306	24,954	79,260	3	166,077
Non-financial companies - SME-Corporate	91,556	68,560	1,440	2,776	72,776	130,502	84,316	214,818	—	379,150
Non-financial companies - SME-Retail	73,166	55,741	7,157	4,621	67,519	48,646	68,542	117,188	4	257,877
Non-financial companies - Other	13,184	791	—	—	791	28,077	4,755	32,832	—	46,807
Other loans	20,930	101,665	—	21,953	123,618	—	—	—	—	144,548
Total	344,404	363,466	33,032	48,092	444,590	405,583	466,656	872,239	6,667	1,667,900
Net exposure										
Individuals-Mortgages	28,927,947	1,677,639	178,823	66,386	1,922,848	164,788	74,997	239,785	5,521	31,096,101
Individuals-Other	10,648,115	1,109,007	104,101	36,619	1,249,727	90,756	102,411	193,167	3,966	12,094,975
Financial Companies	3,929,904	277,725	67	30	277,822	1,885	1,065	2,950	—	4,210,676
Non-financial companies - Corporate	9,878,123	825,683	21,694	5,058	852,435	64,594	26,369	90,963	3,935	10,825,456
Non-financial companies - SME-Corporate	10,309,839	1,536,816	14,317	9,300	1,560,433	162,774	38,319	201,093	4,224	12,075,589
Non-financial companies - SME-Retail	7,202,352	947,251	84,998	25,569	1,057,818	73,420	55,958	129,378	2,317	8,391,865
Non-financial companies - Other	3,467,118	42,114	—	—	42,114	1,955	199	2,154	—	3,511,386
Other loans	23,192,688	548,976	—	195,975	744,951	—	—	—	—	23,937,639
Total	97,556,086	6,965,211	404,000	338,937	7,708,148	560,172	299,318	859,490	19,963	106,143,687
% of impairment coverage										
Individuals-Mortgages	0.03%	1.05%	2.27%	4.62%	1.29%	29.82%	35.92%	31.85%	38.29%	0.48%
Individuals-Other	0.62%	6.67%	15.70%	29.60%	8.36%	44.74%	70.22%	61.98%	44.92%	3.96%
Financial Companies	0.39%	3.01%	10.67%	16.67%	3.02%	22.30%	35.14%	27.48%	0.00%	0.59%
Non-financial companies - Corporate	0.55%	3.63%	3.98%	2.37%	3.63%	45.67%	48.62%	46.56%	0.08%	1.51%
Non-financial companies - SME-Corporate	0.88%	4.27%	9.14%	22.99%	4.46%	44.50%	68.75%	51.65%	0.00%	3.04%
Non-financial companies - SME-Retail	1.01%	5.56%	7.77%	15.31%	6.00%	39.85%	55.05%	47.53%	0.17%	2.98%
Non-financial companies - Other	0.38%	1.84%	0.00%	0.00%	1.84%	93.49%	95.98%	93.84%	0.00%	1.32%
Other loans	0.09%	15.63%	0.00%	10.07%	14.23%	0.00%	0.00%	0.00%	0.00%	0.60%
Total	0.35%	4.96%	7.56%	12.43%	5.45%	42.00%	60.92%	50.37%	25.04%	1.55%

As at 31 December 2025, financial assets at amortised cost, guarantees granted, irrevocable credit facilities and revocable commitments, analysed by segment and stage, are as follows:

(Thousand EUR)

	31 December 2025									
		Stage 2				Stage 3				
Segment	Stage 1	No delays	Days past due <= 30 days	Days past due > 30 days	Total	Days past due <= 90 days	Days past due > 90 days	Total	POCI	Total
Gross Exposure										
Individuals-Mortgages	27,912,683	1,724,254	164,858	63,735	1,952,847	243,962	133,169	377,131	8,151	30,250,812
Individuals-Other	10,293,222	1,112,561	119,694	47,582	1,279,837	179,123	312,892	492,015	8,562	12,073,636
Financial Companies	3,469,121	471,063	1,889	34	472,986	14,565	2,213	16,778	—	3,958,885
Non-financial companies - Corporate	9,556,611	1,010,324	12,425	1,096	1,023,845	139,011	53,567	192,578	117	10,773,151
Non-financial companies - SME-Corporate	9,378,672	1,782,468	11,756	12,078	1,806,302	315,449	119,290	434,739	5,900	11,625,613
Non-financial companies - SME-Retail	7,169,460	1,178,965	94,826	25,340	1,299,131	128,889	117,746	246,635	2,986	8,718,212
Non-financial companies - Other	3,172,509	33,787	—	—	33,787	31,431	4,922	36,353	—	3,242,649
Other loans	21,089,015	709,238	—	88,467	797,705	—	—	—	—	21,886,720
Total	92,041,293	8,022,660	405,448	238,332	8,666,440	1,052,430	743,799	1,796,229	25,716	102,529,678
Impairment losses										
Individuals-Mortgages	9,111	16,736	4,302	3,328	24,366	72,363	46,612	118,975	3,575	156,027
Individuals-Other	82,776	66,824	18,745	13,697	99,266	84,033	220,900	304,933	4,085	491,060
Financial Companies	17,774	6,690	92	2	6,784	12,651	1,120	13,771	—	38,329
Non-financial companies - Corporate	41,456	32,864	414	72	33,350	72,516	25,273	97,789	—	172,595
Non-financial companies - SME-Corporate	62,270	63,127	746	1,574	65,447	139,954	75,533	215,487	—	343,204
Non-financial companies - SME-Retail	70,155	58,625	6,371	4,240	69,236	46,642	54,102	100,744	—	240,135
Non-financial companies - Other	11,301	466	—	—	466	29,384	4,705	34,089	—	45,856
Other loans	17,197	94,751	—	18,650	113,401	—	—	—	—	130,598
Total	312,040	340,083	30,670	41,563	412,316	457,543	428,245	885,788	7,660	1,617,804
Net exposure										
Individuals-Mortgages	27,903,572	1,707,518	160,556	60,407	1,928,481	171,599	86,557	258,156	4,576	30,094,785
Individuals-Other	10,210,446	1,045,737	100,949	33,885	1,180,571	95,090	91,992	187,082	4,477	11,582,576
Financial Companies	3,451,347	464,373	1,797	32	466,202	1,914	1,093	3,007	—	3,920,556
Non-financial companies - Corporate	9,515,155	977,460	12,011	1,024	990,495	66,495	28,294	94,789	117	10,600,556
Non-financial companies - SME-Corporate	9,316,402	1,719,341	11,010	10,504	1,740,855	175,495	43,757	219,252	5,900	11,282,409
Non-financial companies - SME-Retail	7,099,305	1,120,340	88,455	21,100	1,229,895	82,247	63,644	145,891	2,986	8,478,077
Non-financial companies - Other	3,161,208	33,321	—	—	33,321	2,047	217	2,264	—	3,196,793
Other loans	21,071,818	614,487	—	69,817	684,304	—	—	—	—	21,756,122
Total	91,729,253	7,682,577	374,778	196,769	8,254,124	594,887	315,554	910,441	18,056	100,911,874
% of impairment coverage										
Individuals-Mortgages	0.03%	0.97%	2.61%	5.22%	1.25%	29.66%	35.00%	31.55%	43.86%	0.52%
Individuals-Other	0.80%	6.01%	15.66%	28.79%	7.76%	46.91%	70.60%	61.98%	47.71%	4.07%
Financial Companies	0.51%	1.42%	4.87%	5.88%	1.43%	86.86%	50.61%	82.08%	0.00%	0.97%
Non-financial companies - Corporate	0.43%	3.25%	3.33%	6.57%	3.26%	52.17%	47.18%	50.78%	0.00%	1.60%
Non-financial companies - SME-Corporate	0.66%	3.54%	6.35%	13.03%	3.62%	44.37%	63.32%	49.57%	0.00%	2.95%
Non-financial companies - SME-Retail	0.98%	4.97%	6.72%	16.73%	5.33%	36.19%	45.95%	40.85%	0.00%	2.75%
Non-financial companies - Other	0.36%	1.38%	0.00%	0.00%	1.38%	93.49%	95.59%	93.77%	0.00%	1.41%
Other loans	0.08%	13.36%	0.00%	21.08%	14.22%	0.00%	0.00%	0.00%	0.00%	0.60%
Total	0.34%	4.24%	7.56%	17.44%	4.76%	43.47%	57.58%	49.31%	29.79%	1.58%

As at 30 June 2026, financial assets at amortised cost, guarantees granted, irrevocable credit facilities and revocable commitments, analysed by sector of activity and stage, are as follows:

(Thousand EUR)

	30 June 2026									
		Stage 2				*Stage 3*				
Sector of activity	Stage 1	No delays	Days past due <= 30 days	Days past due > 30 days	Total	Days past due <= 90 days	Days past due > 90 days	Total	POCI	Total
Gross Exposure										
Loans to individuals	39,651,543	2,883,617	306,451	121,618	3,311,686	399,055	460,920	859,975	16,147	43,839,351
Non-financial companies - Trade	6,177,592	680,027	16,985	11,816	708,828	50,282	60,996	111,278	4,554	7,002,252
Non-financial companies - Construction	3,207,840	445,821	21,665	6,758	474,244	224,535	35,768	260,303	1,078	3,943,465
Non-financial companies - Manufacturing industries	6,255,633	772,315	25,319	7,534	805,168	114,231	126,762	240,993	2,713	7,304,507
Non-financial companies - Other activities	2,917,610	299,646	6,372	800	306,818	16,483	16,676	33,159	10	3,257,597
Non-financial companies - Other services	12,531,344	1,310,257	60,165	20,539	1,390,961	158,743	63,210	221,953	2,128	14,146,386
Other Services /Other activities	27,158,928	936,994	75	217,964	1,155,033	2,426	1,642	4,068	—	28,318,029
Total	97,900,490	7,328,677	437,032	387,029	8,152,738	965,755	765,974	1,731,729	26,630	107,811,587
Impairment losses										
Loans to individuals	75,481	96,971	23,527	18,613	139,111	143,511	283,512	427,023	6,660	648,275
Non-financial companies - Trade	41,110	27,364	1,461	1,077	29,902	21,127	35,243	56,370	3	127,385
Non-financial companies - Construction	19,513	10,418	1,491	1,516	13,425	86,625	19,721	106,346	—	139,284
Non-financial companies - Manufacturing industries	55,529	37,156	2,240	1,970	41,366	62,902	77,676	140,578	4	237,477
Non-financial companies - Other activities	15,306	18,463	415	178	19,056	5,154	11,204	16,358	—	50,720
Non-financial companies - Other services	101,129	62,801	3,890	2,779	69,470	85,723	38,723	124,446	—	295,045
Other Services /Other activities	36,336	110,293	8	21,959	132,260	541	577	1,118	—	169,714
Total	344,404	363,466	33,032	48,092	444,590	405,583	466,656	872,239	6,667	1,667,900
Net exposure										
Loans to individuals	39,576,062	2,786,646	282,924	103,005	3,172,575	255,544	177,408	432,952	9,487	43,191,076
Non-financial companies - Trade	6,136,482	652,663	15,524	10,739	678,926	29,155	25,753	54,908	4,551	6,874,867
Non-financial companies - Construction	3,188,327	435,403	20,174	5,242	460,819	137,910	16,047	153,957	1,078	3,804,181
Non-financial companies - Manufacturing industries	6,200,104	735,159	23,079	5,564	763,802	51,329	49,086	100,415	2,709	7,067,030
Non-financial companies - Other activities	2,902,304	281,183	5,957	622	287,762	11,329	5,472	16,801	10	3,206,877
Non-financial companies - Other services	12,430,215	1,247,456	56,275	17,760	1,321,491	73,020	24,487	97,507	2,128	13,851,341
Other Services /Other activities	27,122,592	826,701	67	196,005	1,022,773	1,885	1,065	2,950	—	28,148,315
Total	97,556,086	6,965,211	404,000	338,937	7,708,148	560,172	299,318	859,490	19,963	106,143,687
% of impairment coverage										
Loans to individuals	0.19%	3.36%	7.68%	15.30%	4.20%	35.96%	61.51%	49.66%	41.25%	1.48%
Non-financial companies - Trade	0.67%	4.02%	8.60%	9.11%	4.22%	42.02%	57.78%	50.66%	0.07%	1.82%
Non-financial companies - Construction	0.61%	2.34%	6.88%	22.43%	2.83%	38.58%	55.14%	40.85%	0.00%	3.53%
Non-financial companies - Manufacturing industries	0.89%	4.81%	8.85%	26.15%	5.14%	55.07%	61.28%	58.33%	0.15%	3.25%
Non-financial companies - Other activities	0.52%	6.16%	6.51%	22.25%	6.21%	31.27%	67.19%	49.33%	0.00%	1.56%
Non-financial companies - Other services	0.81%	4.79%	6.47%	13.53%	4.99%	54.00%	61.26%	56.07%	0.00%	2.09%
Other Services /Other activities	0.13%	11.77%	10.67%	10.07%	11.45%	22.30%	35.14%	27.48%	0.00%	0.60%
Total	0.35%	4.96%	7.56%	12.43%	5.45%	42.00%	60.92%	50.37%	25.04%	1.55%

As at 31 December 2025, financial assets at amortised cost, guarantees granted, irrevocable credit losses and revocable commitments, analysed by sector of activity and stage, are as follows:

(Thousand EUR)

	31 December 2025									
		Stage 2				*Stage 3*				
Sector of activity	Stage 1	No delays	Days past due <= 30 days	Days past due > 30 days	Total	Days past due <= 90 days	Days past due > 90 days	Total	POCI	Total
Gross Exposure										
Loans to individuals	38,205,905	2,836,815	284,552	111,317	3,232,684	423,085	446,061	869,146	16,713	42,324,448
Non-financial companies - Trade	5,761,596	825,034	16,753	7,939	849,726	63,983	60,891	124,874	594	6,736,790
Non-financial companies - Construction	3,025,258	491,950	13,816	3,764	509,530	226,993	31,456	258,449	640	3,793,877
Non-financial companies - Manufacturing industries	5,898,525	866,217	17,949	4,764	888,930	137,782	125,158	262,940	4,712	7,055,107
Non-financial companies - Other activities	2,503,502	308,930	6,024	1,650	316,604	17,510	12,076	29,586	16	2,849,708
Non-financial companies - Other services	12,088,371	1,513,413	64,465	20,397	1,598,275	168,512	65,944	234,456	3,041	13,924,143
Other Services /Other activities	24,558,136	1,180,301	1,889	88,501	1,270,691	14,565	2,213	16,778	—	25,845,605
Total	92,041,293	8,022,660	405,448	238,332	8,666,440	1,052,430	743,799	1,796,229	25,716	102,529,678
Impairment losses										
Loans to individuals	91,887	83,560	23,047	17,025	123,632	156,396	267,512	423,908	7,660	647,087
Non-financial companies - Trade	32,237	27,470	1,207	1,323	30,000	23,077	26,655	49,732	—	111,969
Non-financial companies - Construction	16,448	11,203	1,106	690	12,999	80,248	16,689	96,937	—	126,384
Non-financial companies - Manufacturing industries	44,103	40,034	946	701	41,681	87,029	78,428	165,457	—	251,241
Non-financial companies - Other activities	12,409	12,921	303	265	13,489	7,860	6,927	14,787	—	40,685
Non-financial companies - Other services	79,985	63,454	3,969	2,907	70,330	90,282	30,914	121,196	—	271,511
Other Services /Other activities	34,971	101,441	92	18,652	120,185	12,651	1,120	13,771	—	168,927
Total	312,040	340,083	30,670	41,563	412,316	457,543	428,245	885,788	7,660	1,617,804
Net exposure										
Loans to individuals	38,114,018	2,753,255	261,505	94,292	3,109,052	266,689	178,549	445,238	9,053	41,677,361
Non-financial companies - Trade	5,729,359	797,564	15,546	6,616	819,726	40,906	34,236	75,142	594	6,624,821
Non-financial companies - Construction	3,008,810	480,747	12,710	3,074	496,531	146,745	14,767	161,512	640	3,667,493
Non-financial companies - Manufacturing industries	5,854,422	826,183	17,003	4,063	847,249	50,753	46,730	97,483	4,712	6,803,866
Non-financial companies - Other activities	2,491,093	296,009	5,721	1,385	303,115	9,650	5,149	14,799	16	2,809,023
Non-financial companies - Other services	12,008,386	1,449,959	60,496	17,490	1,527,945	78,230	35,030	113,260	3,041	13,652,632
Other Services /Other activities	24,523,165	1,078,860	1,797	69,849	1,150,506	1,914	1,093	3,007	—	25,676,678
Total	91,729,253	7,682,577	374,778	196,769	8,254,124	594,887	315,554	910,441	18,056	100,911,874
% of impairment coverage										
Loans to individuals	0.24%	2.95%	8.10%	15.29%	3.82%	36.97%	59.97%	48.77%	45.83%	1.53%
Non-financial companies - Trade	0.56%	3.33%	7.20%	16.66%	3.53%	36.07%	43.77%	39.83%	0.00%	1.66%
Non-financial companies - Construction	0.54%	2.28%	8.01%	18.33%	2.55%	35.35%	53.06%	37.51%	0.00%	3.33%
Non-financial companies - Manufacturing industries	0.75%	4.62%	5.27%	14.71%	4.69%	63.16%	62.66%	62.93%	0.00%	3.56%
Non-financial companies - Other activities	0.50%	4.18%	5.03%	16.06%	4.26%	44.89%	57.36%	49.98%	0.00%	1.43%
Non-financial companies - Other services	0.66%	4.19%	6.16%	14.25%	4.40%	53.58%	46.88%	51.69%	0.00%	1.95%
Other Services /Other activities	0.14%	8.59%	4.87%	21.08%	9.46%	86.86%	50.61%	82.08%	0.00%	0.65%
Total	0.34%	4.24%	7.56%	17.44%	4.76%	43.47%	57.58%	49.31%	29.79%	1.58%

As at 30 June 2026, financial assets at amortised cost, guarantees granted, irrevocable credit facilities and revocable commitments, analysed by geography and stage, are as follows:

(Thousand EUR)

	30 June 2026									
		Stage 2				*Stage 3*				
Geography	Stage 1	No delays	Days past due <= 30 days	Days past due > 30 days	Total	Days past due <= 90 days	Days past due > 90 days	Total	POCI	Total
Gross Exposure										
Portugal	67,069,890	5,022,744	199,995	91,087	5,313,826	658,320	366,103	1,024,423	11,670	73,419,809
Poland	29,585,446	1,565,775	229,010	70,555	1,865,340	299,797	370,011	669,808	14,960	32,135,554
Mozambique	1,245,154	740,158	8,027	225,387	973,572	7,638	29,860	37,498	—	2,256,224
Total	97,900,490	7,328,677	437,032	387,029	8,152,738	965,755	765,974	1,731,729	26,630	107,811,587
Impairment										
Portugal	230,562	193,784	10,832	10,139	214,755	281,474	211,042	492,516	—	937,833
Poland	106,891	66,123	21,108	14,304	101,535	120,423	239,770	360,193	6,667	575,286
Mozambique	6,951	103,559	1,092	23,649	128,300	3,686	15,844	19,530	—	154,781
Total	344,404	363,466	33,032	48,092	444,590	405,583	466,656	872,239	6,667	1,667,900
Net exposure										
Portugal	66,839,328	4,828,960	189,163	80,948	5,099,071	376,846	155,061	531,907	11,670	72,481,976
Poland	29,478,555	1,499,652	207,902	56,251	1,763,805	179,374	130,241	309,615	8,293	31,560,268
Mozambique	1,238,203	636,599	6,935	201,738	845,272	3,952	14,016	17,968	—	2,101,443
Total	97,556,086	6,965,211	404,000	338,937	7,708,148	560,172	299,318	859,490	19,963	106,143,687
% of impairment coverage										
Portugal	0.34%	3.86%	5.42%	11.13%	4.04%	42.76%	57.65%	48.08%	0.00%	1.28%
Poland	0.36%	4.22%	9.22%	20.27%	5.44%	40.17%	64.80%	53.78%	44.57%	1.79%
Mozambique	0.56%	13.99%	13.60%	10.49%	13.18%	48.26%	53.06%	52.08%	0.00%	6.86%
Total	0.35%	4.96%	7.56%	12.43%	5.45%	42.00%	60.92%	50.37%	25.04%	1.55%

As at 31 December 2025, financial assets at amortised cost, guarantees granted, irrevocable credit facilities and revocable commitments, analysed by geography and stage, are as follows:

(Thousand EUR)

	31 December 2025									
		Stage 2				*Stage 3*				
Geography	Stage 1	No delays	Days past due <= 30 days	Days past due > 30 days	Total	Days past due <= 90 days	Days past due > 90 days	Total	POCI	Total
Gross Exposure										
Portugal	64,304,554	5,796,075	166,462	77,972	6,040,509	712,242	333,631	1,045,873	16,598	71,407,534
Poland	26,613,257	1,432,010	234,829	67,639	1,734,478	333,419	384,880	718,299	9,118	29,075,152
Mozambique	1,123,482	794,575	4,157	92,721	891,453	6,769	25,288	32,057	—	2,046,992
Total	92,041,293	8,022,660	405,448	238,332	8,666,440	1,052,430	743,799	1,796,229	25,716	102,529,678
Impairment										
Portugal	196,675	190,342	8,916	8,956	208,214	315,589	172,412	488,001	—	892,890
Poland	109,034	53,120	21,033	13,097	87,250	138,838	240,733	379,571	7,660	583,515
Mozambique	6,331	96,621	721	19,510	116,852	3,116	15,100	18,216	—	141,399
Total	312,040	340,083	30,670	41,563	412,316	457,543	428,245	885,788	7,660	1,617,804
Net exposure										
Portugal	64,107,879	5,605,733	157,546	69,016	5,832,295	396,653	161,219	557,872	16,598	70,514,644
Poland	26,504,223	1,378,890	213,796	54,542	1,647,228	194,581	144,147	338,728	1,458	28,491,637
Mozambique	1,117,151	697,954	3,436	73,211	774,601	3,653	10,188	13,841	—	1,905,593
Total	91,729,253	7,682,577	374,778	196,769	8,254,124	594,887	315,554	910,441	18,056	100,911,874
% of impairment coverage										
Portugal	0.31%	3.28%	5.36%	11.49%	3.45%	44.31%	51.68%	46.66%	0.00%	1.25%
Poland	0.41%	3.71%	8.96%	19.36%	5.03%	41.64%	62.55%	52.84%	84.01%	2.01%
Mozambique	0.56%	12.16%	17.34%	21.04%	13.11%	46.03%	59.71%	56.82%	0.00%	6.91%
Total	0.34%	4.24%	7.56%	17.44%	4.76%	43.47%	57.58%	49.31%	29.79%	1.58%

As at 30 June 2026, the gross exposure, by type of financial instrument, internal rating and stage, is analysed as follows:

(Thousand EUR)

	30 June 2026							
	Gross Exposure							
	Higher quality	Average quality	Lower quality	Procedural RG	Not classified (without risk grade)	Total	Impairment losses	Net exposure
Financial assets at amortised cost								
stage 1	66,097,950	11,125,177	2,267,979	381	1,487,363	80,978,850	306,415	80,672,435
stage 2	1,084,122	2,070,863	2,947,462	355,214	404,923	6,862,584	419,760	6,442,824
stage 3	—	—	—	1,398,544	25,954	1,424,498	787,333	637,165
POCI	4,376	2,560	2,032	17,481	1	26,450	6,667	19,783
	67,186,448	13,198,600	5,217,473	1,771,620	1,918,241	89,292,382	1,520,175	87,772,207
Debt instruments at fair value through other comprehensive income (*)								
stage 1	15,674,617	—	—	—	46,886	15,721,503	—	15,721,503
stage 2	7,707	—	62,353	—	—	70,060	—	15,721,503
stage 3	—	—	—	—	1,163	1,163	1,163	—
	15,682,324	—	62,353	—	48,049	15,792,726	1,163	15,791,563
Guarantees and other commitments (**)								
stage 1	11,721,952	4,159,422	716,075	100	324,091	16,921,640	37,989	16,883,651
stage 2	264,310	434,558	324,422	39,007	227,857	1,290,154	24,830	1,265,324
stage 3	—	—	—	307,027	204	307,231	84,906	222,325
POCI	110	13	7	37	12	179	—	179
	11,986,372	4,593,993	1,040,504	346,171	552,164	18,519,204	147,725	18,371,479
Total	94,855,144	17,792,593	6,320,330	2,117,791	2,518,454	123,604,312	1,669,063	121,935,249

Note: Higher quality (RG 101-107); Average quality (RG 108-111); Lower quality (RG 112-115); Procedural RG (RG 123/124/125).

(*) For financial assets at fair value through other comprehensive income, impairment is recorded in accordance with the requirements indicated in the accounting policy 1 C1.5.1.2.
(**) The gross exposure includes the guarantees granted, irrevocable credit facilities and revocable commitments (note 45).

As at 31 December 2025, the gross exposure, by type of financial instrument, internal rating and stage, is analysed as follows:

(Thousand EUR)

	31 December 2025							
	Gross Exposure							
	Higher quality	Average quality	Lower quality	Procedural RG	Not classified (without risk grade)	Total	Impairment losses	Net exposure
Financial assets at amortised cost								
stage 1	62,069,337	9,954,383	2,363,743	6,717	1,390,868	75,785,048	281,615	75,503,433
stage 2	1,226,273	2,864,442	2,112,262	335,072	445,586	6,983,635	388,963	6,594,672
stage 3	—	—	—	1,464,711	20,194	1,484,905	793,411	691,494
POCI	3,191	2,339	1,865	17,460	1	24,856	7,660	17,196
	63,298,801	12,821,164	4,477,870	1,823,960	1,856,649	84,278,444	1,471,649	82,806,795
Debt instruments at fair value through other comprehensive income (*)								
stage 1	15,830,797	5,017	—	—	96,774	15,932,588	—	15,932,588
stage 2	7,702	74,942	—	—	—	82,644	—	82,644
stage 3	—	—	—	—	1,183	1,183	1,183	—
	15,838,499	79,959	—	—	97,957	16,016,415	1,183	16,015,232
Guarantees and other commitments (**)								
stage 1	11,546,206	3,741,469	687,219	755	280,596	16,256,245	30,425	16,225,820
stage 2	485,675	402,580	410,615	17,358	366,577	1,682,805	23,353	1,659,452
stage 3	3	24	84	311,080	133	311,324	92,377	218,947
POCI	52	1	2	806	—	861	—	861
	12,031,936	4,144,074	1,097,920	329,999	647,306	18,251,235	146,155	18,105,080
Total	91,169,236	17,045,197	5,575,790	2,153,959	2,601,912	118,546,094	1,618,987	116,927,107

Note: Higher quality (RG 101-107); Average quality (RG 108-111); Lower quality (RG 112-115); Procedural RG (RG 123/124/125).
(*) For financial assets at fair value through other comprehensive income, impairment is recorded in accordance with the requirements indicated in the accounting policy 1 C1.5.1.2.
(**) The gross exposure includes the guarantees granted, irrevocable credit facilities and revocable commitments (note 45).

As at 30 June 2026, the financial assets at amortised cost, guarantees and other commitments subject to individual and collective impairment, by segment, are presented in the following table:

(Thousand EUR)

	30 June 2026					
	Gross Exposure			Impairment losses		
Segment	Individual	Collective	Total	Individual	Collective	Total
Individuals - Mortgages	20,931	31,224,849	31,245,780	7,112	142,567	149,679
Individuals - Other	7,153	12,586,418	12,593,571	4,161	494,435	498,596
Financial Companies	1,234	4,234,608	4,235,842	394	24,772	25,166
Non-financial companies-Corporate	140,111	10,851,422	10,991,533	70,190	95,887	166,077
Non-financial companies-SME-Corporate	233,264	12,221,475	12,454,739	154,135	225,015	379,150
Non-financial companies-SME-Retail	27,374	8,622,368	8,649,742	25,081	232,796	257,877
Non-financial companies-Other	34,987	3,523,206	3,558,193	32,832	13,975	46,807
Other loans	—	24,082,187	24,082,187	—	144,548	144,548
Total	465,054	107,346,533	107,811,587	293,905	1,373,995	1,667,900

As at 31 December 2025, the financial assets at amortised cost, guarantees and other commitments subject to individual and collective impairment, by segment, are presented in the following table:

(Thousand EUR)

	31 December 2025					
	Gross Exposure			Impairment losses		
Segment	Individual	Collective	Total	Individual	Collective	Total
Individuals - Mortgages	24,013	30,226,799	30,250,812	7,945	148,082	156,027
Individuals - Other	6,596	12,067,040	12,073,636	3,860	487,200	491,060
Financial Companies	13,833	3,945,052	3,958,885	12,986	25,343	38,329
Non-financial companies-Corporate	154,023	10,619,128	10,773,151	89,870	82,725	172,595
Non-financial companies-SME-Corporate	261,218	11,364,395	11,625,613	162,761	180,443	343,204
Non-financial companies -SME - Retail	31,409	8,686,803	8,718,212	19,874	220,261	240,135
Non-financial companies-Other	36,352	3,206,297	3,242,649	34,090	11,766	45,856
Other loans	—	21,886,720	21,886,720	—	130,598	130,598
Total	527,444	102,002,234	102,529,678	331,386	1,286,418	1,617,804

As at 30 June 2026, the financial assets at amortised cost, guarantees and other commitments subject to individual and collective impairment, by sector of activity are presented in the following table:

(Thousand EUR)

	30 June 2026					
	Gross Exposure			Impairment losses		
Sector of activity	Individual	Collective	Total	Individual	Collective	Total
Loans to individuals	28,084	43,811,267	43,839,351	11,273	637,002	648,275
Non-financial companies-Trade	27,108	6,975,144	7,002,252	22,257	105,128	127,385
Non-financial companies-Construction	154,978	3,788,487	3,943,465	77,700	61,584	139,284
Non-financial companies-Manufacturing industry	138,594	7,165,913	7,304,507	93,665	143,812	237,477
Non-financial companies-Other activities	17,149	3,240,448	3,257,597	8,148	42,572	50,720
Non-financial companies-Other services	97,907	14,048,479	14,146,386	80,468	214,577	295,045
Other Services/Other activities	1,234	28,316,795	28,318,029	394	169,320	169,714
Total	465,054	107,346,533	107,811,587	293,905	1,373,995	1,667,900

As at 31 December 2025, the financial assets at amortised cost, guarantees and other commitments subject to individual and collective impairment, by sector of activity are presented in the following table:

(Thousand EUR)

	31 December 2025					
	Gross Exposure			Impairment losses		
Sector of activity	Individual	Collective	Total	Individual	Collective	Total
Loans to individuals	30,609	42,293,839	42,324,448	11,805	635,282	647,087
Non-financial companies-Trade	40,995	6,695,795	6,736,790	22,484	89,485	111,969
Non-financial companies-Construction	154,347	3,639,530	3,793,877	70,384	56,000	126,384
Non-financial companies-Manufacturing industry	155,378	6,899,729	7,055,107	122,836	128,405	251,241
Non-financial companies-Other activities	13,008	2,836,700	2,849,708	7,981	32,704	40,685
Non-financial companies-Other services	119,274	13,804,869	13,924,143	82,910	188,601	271,511
Other Services/Other activities	13,833	25,831,772	25,845,605	12,986	155,941	168,927
Total	527,444	102,002,234	102,529,678	331,386	1,286,418	1,617,804

As at 30 June 2026, the financial assets at amortised cost, guarantees and other commitments subject to individual and collective impairment, by geography, are presented in the following table:

(Thousand EUR)

	30 June 2026					
	Gross Exposure			Impairment losses		
Geography	Individual	Collective	Total	Individual	Collective	Total
Portugal	344,392	73,075,417	73,419,809	250,357	687,476	937,833
Poland	110,234	32,025,320	32,135,554	38,062	537,224	575,286
Mozambique	10,428	2,245,796	2,256,224	5,486	149,295	154,781
Total	465,054	107,346,533	107,811,587	293,905	1,373,995	1,667,900

As at 31 December 2025, the financial assets at amortised cost, guarantees and other commitments subject to individual and collective impairment, by geography, are presented in the following table:

(Thousand EUR)

	31 December 2025					
	Gross Exposure			Impairment losses		
Geography	Individual	Collective	Total	Individual	Collective	Total
Portugal	387,544	71,019,990	71,407,534	279,596	613,294	892,890
Poland	127,879	28,947,273	29,075,152	45,469	538,046	583,515
Mozambique	12,021	2,034,971	2,046,992	6,321	135,078	141,399
Total	527,444	102,002,234	102,529,678	331,386	1,286,418	1,617,804

The columns Gross exposure and Collective impairment losses of the previous tables include loans subject to individual analysis for which the Group has concluded that there is no objective evidence of impairment.

As at 30 June 2026, the following table includes the loans portfolio (including guarantees and commitments) by segment and by year of production (date of the beginning of the operations, in the portfolio at the date of balance sheet - it does not include restructured loans):

	30 June 2026					
Year of production	Construction and Commercial Real Estate	Companies - Other Activities	Mortgages	Individuals - Other	Other loans	Total
2016 and previous						
Number of operations	14,914	37,687	224,718	725,573	435	1,003,327
Amount (EUR '000)	847,498	4,322,073	7,032,588	1,477,199	239,878	13,919,236
Impairment constituted (EUR '000)	70,360	62,399	82,223	34,269	1,626	250,877
2017						
Number of operations	1,773	6,932	13,571	83,953	279	106,508
Amount (EUR '000)	87,279	650,244	734,468	171,061	4,585	1,647,637
Impairment constituted (EUR '000)	4,167	9,792	6,446	8,826	315	29,546
2018						
Number of operations	3,101	9,576	18,282	156,191	167	187,317
Amount (EUR '000)	290,711	1,467,836	1,136,135	334,513	20,399	3,249,594
Impairment constituted (EUR '000)	5,729	23,904	9,121	18,107	598	57,459
2019						
Number of operations	4,817	10,865	20,854	372,709	155	409,400
Amount (EUR '000)	214,371	1,253,192	1,379,645	596,811	6,872	3,450,891
Impairment constituted (EUR '000)	4,250	15,603	8,257	30,238	215	58,563
2020						
Number of operations	3,756	10,798	25,062	134,511	155	174,282
Amount (EUR '000)	230,820	1,054,526	1,684,654	279,149	12,985	3,262,134
Impairment constituted (EUR '000)	4,340	11,312	9,535	19,745	501	45,433
2021						
Number of operations	5,223	16,924	36,581	169,756	177	228,661
Amount (EUR '000)	271,038	1,384,375	2,744,856	434,414	157,145	4,991,828
Impairment constituted (EUR '000)	5,330	22,737	11,544	37,001	1,523	78,135
2022						
Number of operations	6,392	21,559	26,162	260,961	206	315,280
Amount (EUR '000)	470,913	1,835,478	2,326,333	705,330	13,650	5,351,704
Impairment constituted (EUR '000)	5,664	22,063	7,736	50,076	920	86,459
2023						
Number of operations	8,023	27,184	22,800	340,800	423	399,230
Amount (EUR '000)	869,660	2,186,774	2,180,970	907,397	60,226	6,205,027
Impairment constituted (EUR '000)	12,595	36,075	6,041	61,760	539	117,010
2024						
Number of operations	9,844	33,671	32,846	429,342	1,498	507,201
Amount (EUR '000)	1,177,399	3,500,732	3,644,450	1,454,123	110,683	9,887,387
Impairment constituted (EUR '000)	13,246	66,523	6,363	80,320	1,132	167,584
2025						
Number of operations	13,917	43,282	37,533	849,050	827	944,609
Amount (EUR '000)	2,296,981	6,351,386	5,287,754	2,815,043	90,743	16,841,907
Impairment constituted (EUR '000)	23,361	71,346	4,255	78,516	2,386	179,864
2026						
Number of operations	10,197	43,925	24,950	929,729	503	1,009,304
Amount (EUR '000)	1,434,204	6,860,384	3,492,262	2,307,218	81,595	14,175,663
Impairment constituted (EUR '000)	12,827	246,411	6,158	31,872	615	297,883
Total						
Number of operations	81,957	262,403	483,359	4,452,575	4,825	5,285,119
Amount (EUR '000)	8,190,874	30,867,000	31,644,115	11,482,258	798,761	82,983,008
Impairment constituted (EUR '000)	161,869	588,165	157,679	450,730	10,370	1,368,813

In the year of the current production, are included operations that, by their nature, are contractually subject to renewals. In these cases, the date of the last renewal is considered, namely for overdraft operations, secured current account and factoring operations.

As at 31 December 2025, the following table includes the loans portfolio (including guarantees and commitments) by segment and by year of production (date of the beginning of the operations, in the portfolio at the date of balance sheet - it does not include restructured loans):

	31 December 2025					
Year of production	Construction and Commercial Real Estate	Companies - Other Activities	Mortgages	Individuals - Other	Other loans	Total
2015 and previous						
Number of operations	13,971	32,750	229,682	683,541	421	960,365
Amount (EUR '000)	849,839	3,557,234	7,093,943	1,369,473	239,846	13,110,335
Impairment constituted (EUR '000)	70,756	65,253	84,077	29,715	2,295	252,096
2016						
Number of operations	1,576	6,487	8,800	81,234	58	98,155
Amount (EUR '000)	89,734	861,158	411,126	167,116	2,443	1,531,577
Impairment constituted (EUR '000)	1,621	8,371	4,652	8,090	78	22,812
2017						
Number of operations	1,885	7,260	14,310	91,995	318	115,768
Amount (EUR '000)	91,755	727,192	788,409	185,226	4,601	1,797,183
Impairment constituted (EUR '000)	4,169	10,994	6,887	10,374	302	32,726
2018						
Number of operations	3,289	10,303	19,282	167,005	198	200,077
Amount (EUR '000)	303,634	1,550,329	1,219,319	356,944	170,361	3,600,587
Impairment constituted (EUR '000)	7,212	24,450	9,317	20,830	564	62,373
2019						
Number of operations	5,093	12,111	21,941	389,036	177	428,358
Amount (EUR '000)	237,398	1,380,556	1,484,350	671,144	8,735	3,782,183
Impairment constituted (EUR '000)	4,723	24,536	8,693	35,051	287	73,290
2020						
Number of operations	5,377	18,124	26,702	145,489	167	195,859
Amount (EUR '000)	309,033	1,375,805	1,843,019	313,927	13,884	3,855,668
Impairment constituted (EUR '000)	12,140	16,869	9,681	23,568	941	63,199
2021						
Number of operations	6,109	21,032	38,974	193,999	214	260,328
Amount (EUR '000)	336,007	1,636,125	2,994,728	501,631	158,365	5,626,856
Impairment constituted (EUR '000)	5,249	24,429	11,922	42,987	1,604	86,191
2022						
Number of operations	7,038	24,377	28,074	287,516	234	347,239
Amount (EUR '000)	605,074	2,284,241	2,546,466	807,341	20,258	6,263,380
Impairment constituted (EUR '000)	5,901	26,408	7,007	54,936	1,033	95,285
2023						
Number of operations	8,584	29,671	25,183	391,892	489	455,819
Amount (EUR '000)	1,033,572	2,537,056	2,463,206	1,063,457	69,089	7,166,380
Impairment constituted (EUR '000)	12,566	38,288	5,104	65,701	569	122,228
2024						
Number of operations	10,454	35,689	35,879	543,138	1,691	626,851
Amount (EUR '000)	1,379,732	3,879,212	4,040,851	1,805,476	124,652	11,229,923
Impairment constituted (EUR '000)	13,881	73,252	5,941	78,432	793	172,299
2025						
Number of operations	16,372	73,191	38,659	1,416,963	1,305	1,546,490
Amount (EUR '000)	2,584,307	9,782,219	5,520,407	3,949,943	132,075	21,968,951
Impairment constituted (EUR '000)	23,594	243,815	5,524	71,902	2,468	347,303
Total						
Number of operations	79,748	270,995	487,486	4,391,808	5,272	5,235,309
Amount (EUR '000)	7,820,085	29,571,127	30,405,824	11,191,678	944,309	79,933,023
Impairment constituted (EUR '000)	161,812	556,665	158,805	441,586	10,934	1,329,802

In the year of the current production, are included operations that, by their nature, are contractually subject to renewals. In these cases, the date of the last renewal is considered, namely for overdraft operations, secured current account and factoring operations.

As at 30 June 2026, the following table includes the fair value of the collaterals by segments (not limited by the value of the collateral) associated to the loan's portfolio:

	30 June 2026					
	Construction and Commercial Real Estate		Companies - Other Activities		Mortgages	
Fair Value	Real Estate (*)	Other real Collateral (**)	Real Estate (*)	Other real Collateral (**)	Real Estate (*)	Other real Collateral (**)
< 0.5 M€						
Number	6,739	10,579	7,872	75,346	408,420	139
Amount (EUR '000)	1,012,974	269,058	1,304,905	2,041,010	69,570,410	8,145
>= 0.5 M€ and < 1 M€						
Number	1,097	53	1,390	346	11,883	4
Amount (EUR '000)	753,768	37,448	961,212	236,368	7,586,987	2,887
>= 1 M€ and < 5 M€						
Number	884	47	1,269	230	1,745	—
Amount (EUR '000)	1,839,089	113,085	2,535,795	464,260	2,766,838	—
>= 5 M€ and < 10 M€						
Number	113	1	132	18	37	—
Amount (EUR '000)	790,571	9,011	898,720	122,333	244,157	—
>= 10 M€ and < 20 M€						
Number	70	2	64	8	6	—
Amount (EUR '000)	1,030,006	32,025	906,028	104,395	98,179	—
>= 20 M€ and < 50 M€						
Number	35	—	47	2	1	—
Amount (EUR '000)	1,003,634	—	1,379,865	50,426	25,050	—
>= 50 M€						
Number	5	—	14	2	—	—
Amount (EUR '000)	418,847	—	1,198,818	670,410	—	—
Total Number	8,943	10,682	10,788	75,952	422,092	143
Total Amount (EUR '000)	6,848,889	460,627	9,185,343	3,689,202	80,291,621	11,032

(*) The fair value of real estate collateral relates to the PVT included in valuations.

(**) Includes, namely, securities, deposits and fixed assets pledges.

As at 31 December 2025, the following table includes the fair value of the collaterals by segments (not limited by the value of the collateral) associated to the loan's portfolio:

	31 December 2025					
	Construction and Commercial Real Estate		Companies - Other Activities		Mortgages	
Fair Value	Real Estate (*)	Other real Collateral (**)	Real Estate (*)	Other real Collateral (**)	Real Estate (*)	Other real Collateral (**)
< 0.5 M€						
Number	6,917	10,176	8,226	74,749	414,650	165
Amount (EUR '000)	950,927	247,527	1,337,812	1,940,745	68,904,429	8,251
>= 0.5 M€ and < 1 M€						
Number	967	28	1,470	310	11,134	4
Amount (EUR '000)	677,703	18,302	1,022,382	205,451	7,119,495	2,845
>= 1 M€ and < 5 M€						
Number	857	28	1,162	226	1,638	—
Amount (EUR '000)	1,732,967	58,427	2,273,194	438,883	2,590,652	—
>= 5 M€ and < 10 M€						
Number	113	1	136	22	32	—
Amount (EUR '000)	798,161	9,022	941,111	151,390	210,548	—
>= 10 M€ and < 20 M€						
Number	71	1	60	7	5	—
Amount (EUR '000)	1,018,316	16,135	833,131	89,073	64,077	—
>= 20 M€ and < 50 M€						
Number	30	—	44	2	2	—
Amount (EUR '000)	876,246	—	1,373,170	42,941	45,180	—
>= 50 M€						
Number	6	—	15	4	—	—
Amount (EUR '000)	553,001	—	1,266,400	926,307	—	—
Total Number	8,961	10,234	11,113	75,320	427,461	169
Total Amount (EUR '000)	6,607,321	349,413	9,047,200	3,794,790	78,934,381	11,096

(*) The fair value of real estate collateral relates to the PVT included in valuations.
(**) Includes, namely, securities, deposits and fixed assets pledges.

As at 30 June 2026, the following table includes the LTV (*loan-to-value*) ratio by segments Construction and Commercial Real Estate (CRE), Companies - Other Activities and Mortgages:

(Thousand EUR)

	30 June 2026				
Segment/Ratio	Number of properties	Stage 1	Stage 2	Stage 3	Impairment
Construction and CRE					
Without associated collateral	n.a.	1,817,273	284,436	56,885	62,330
<60%	26,509	1,509,112	203,317	32,700	21,801
>=60% and <80%	3,872	472,320	67,153	35,845	36,295
>=80% and <100%	1,171	196,087	13,384	3,992	6,212
>=100%	1,203	88,116	16,427	15,284	12,736
Companies - Other Activities					
Without associated collateral	n.a.	12,974,017	1,395,362	275,347	490,289
<60%	48,296	2,078,453	379,662	83,134	45,864
>=60% and <80%	15,018	1,017,792	423,237	35,724	26,708
>=80% and <100%	11,924	756,697	95,431	22,221	18,545
>=100%	2,048	537,972	170,932	16,664	32,282
Mortgage loans					
Without associated collateral	n.a.	48,108	2,447	6,562	10,801
<60%	365,787	15,890,660	998,811	267,390	117,727
>=60% and <80%	95,798	8,685,147	604,495	69,832	25,138
>=80% and <100%	29,244	4,145,659	335,322	28,306	12,440
>=100%	2,962	203,898	21,257	6,847	3,722

As at 31 December 2025, the following table includes the LTV (loan-to-value) ratio by segments Construction and Commercial Real Estate (CRE), Companies - Other Activities and Mortgages:

(Thousand EUR)

	31 December 2025				
Segment/Ratio	Number of properties	Stage 1	Stage 2	Stage 3	Impairment
Construction and CRE					
Without associated collateral	n.a.	1,694,782	312,789	53,621	56,044
<60%	27,348	1,619,072	239,394	29,348	22,896
>=60% and <80%	3,575	321,539	69,834	49,104	43,574
>=80% and <100%	1,036	154,519	19,377	3,404	4,666
>=100%	1,113	93,695	18,726	14,336	13,449
Companies - Other Activities					
Without associated collateral	n.a.	11,597,146	1,496,792	294,073	453,770
<60%	49,352	2,036,606	427,181	82,466	45,882
>=60% and <80%	15,400	1,001,970	455,418	37,644	30,093
>=80% and <100%	9,328	690,982	110,772	21,601	16,917
>=100%	2,327	519,764	182,305	28,780	36,337
Mortgage loans					
Without associated collateral	n.a.	85,965	2,546	6,807	10,999
<60%	369,342	15,555,903	1,034,322	283,388	119,717
>=60% and <80%	98,453	8,471,037	615,595	77,229	26,837
>=80% and <100%	28,582	3,605,064	289,596	31,808	12,817
>=100%	3,140	188,612	21,488	7,194	3,919

As at 30 June 2026, the following table includes the fair value and the net book value of the properties classified as Non-current assets held for sale (note 26) and as Other assets (note 31), by type of asset:

(Thousand EUR)

	30 June 2026					
	Assets arising from recovered loans results		Assets belonging to investments funds and real estate companies		Total	
Asset	Appraised value	Book value	Appraised value (1)	Book value	Appraised value	Book value
Land						
Urban	39,857	17,230	58,909	58,909	98,766	76,139
Rural	1,345	893	2,717	2,717	4,062	3,610
Buildings under construction						
Commercials	670	—	—	—	670	—
Mortgages	2,434	—	—	—	2,434	—
Constructed buildings						
Commercials	12,616	8,286	—	—	12,616	8,286
Mortgages	20,988	17,508	—	—	20,988	17,508
Other	33,810	33,640	—	—	33,810	33,640
	111,720	77,557	61,626	61,626	173,346	139,183

(1) Value deducted from haircuts or other applicable impairment

As at 31 December 2025, the following table includes the fair value and the net book value of the properties classified as Non-current assets held for sale (note 26) and as Other assets (note 31), by type of asset:

(Thousand EUR)

	31 December 2025					
	Assets arising from recovered loans		Assets belonging to investments funds and real estate companies		Total	
Asset	Appraised value	Book value	Appraised value (1)	Book value	Appraised value	Book value
Land						
Urban	38,398	17,708	58,729	58,729	97,127	76,437
Rural	1,365	924	2,463	2,463	3,828	3,387
Buildings under construction						
Commercials	670	—	—	—	670	—
Mortgages	2,435	—	—	—	2,435	—
Constructed buildings						
Commercials	22,455	12,919	—	—	22,455	12,919
Mortgages	19,706	16,562	—	—	19,706	16,562
Other	36,138	35,968	—	—	36,138	35,968
	121,167	84,081	61,192	61,192	182,359	145,273

(1) Value deducted from haircuts or other applicable impairment

Credit Portfolio Monitoring Process

The Bank has in place a credit portfolio management and monitoring processes, namely with regard to the assessment of the risk profile of the exposure in different portfolios/segments. These procedures have the purpose of identifying and closely monitoring the customers potentially more affected by the prevailing macroeconomic context, anticipating possible difficulties in complying the responsibilities and defining credit and performance strategies adjusted to the specificities of each customer/group of customers, with a view to both maintaining support to customers considered viable and mitigating credit risk in cases where there are risks of loss in the exposure value.

The importance of this approach is underscored by the uncertainty that has marked activity in recent years, with the current context highlighting the potential impacts resulting from multiple geopolitical conflicts, instability in several key European countries, particularly in terms of political uncertainty, more modest economic growth and budgetary pressures. Added to this context is the imposition of tariffs by the US on imports of goods originating in the EU, with significant impacts on international trade and geopolitical alliances.

The main guidelines of the credit portfolio monitoring approach can be characterised as presented below:

- Global and transversal: Analysis of the entire credit portfolio of the Group, being excluded from the monitoring process only customers with a better risk profile (in the case of retail) or with exposures of a lower size (in the case of retail and corporate).

- Specialised: Monitoring by the Credit Division in coordination with the Rating Division and the Specialised Recovery Division for the corporate segment and by the Credit Division and Retail Recovery Division for individuals and small businesses.

- Segmented: Prioritisation of approach/analysis recurrence based on risk signs, in order to gather additional information and agree on appropriate and sustainable financial restructuring solutions in a timely manner.

- Prospective: Use of predictive models, in order to anticipate potential future defaults, avoiding a reactive approach.

- Standardised: Both in terms of risk models and monitoring, and in terms of credit solutions for which it is possible to identify pre-defined alternatives (retail segments).

- Convenient and innovative: Making the restructuring journey simpler and more convenient both in terms of credit solutions and channels, extending the restructuring offer to the App for consumer credit and mortgages.

Specifically in the corporate segment, the process of portfolio follow-up and monitoring can be generically characterised as described below, having as a fundamental component the attribution of credit strategies, among pre-defined options, with review periods differentiated according to the level of risk associated to the strategy attributed:

1. Customer Assessment and presentation of Indicative Credit Strategy by the Rating Division (for customers with ratings assigned by corporate rating models);

2. Approval, by the competent credit decision levels, of a credit strategy for each customer, taking into consideration the Indicative Credit Strategy from the Rating Division, the information received from the area that follows the customer and the inputs received as a result of the customer interaction process;

3. Decision, negotiation and formalisation of the operations that will ensure that the approved strategy is pursued and the approved credit limits are met (Credit Division, Areas that follow the client and Operations Division);

4. Monitoring the Credit Strategy and the evolution of the customer's activity (Credit Division and the Areas that follow the customer);

5. Monitoring of the credit portfolio and effectiveness of the portfolio monitoring process and credit strategy attribution (Risk Office), based on a set of KPIs, (e.g. percentage of the credit portfolio with valid risk strategy; evolution of credit exposure to customers with a reduction strategy; adequacy of the credit strategy to the customer's performance);

6. In the attribution of the customer's credit strategy, besides the intrinsic factors of the customer, more transversal factors are taken into consideration, such as the evaluation of the sectorial risk (periodically reviewed with the support of the Economic Studies Division) and taking into consideration the attribution of a ESG rating regarding the customers with most relevant exposures;

7. The occurrence of effective and/or potential risk events (signs of default/delinquency; breach of contractual covenants; severe alteration in sector risk; alteration in the corporate/shareholder structure), trigger an extraordinary/anticipated revision of the strategy.

As part of this monitoring process and with an impact on other complementary procedures adopted, the Group defines a list of sectors considered to be more vulnerable to the macroeconomic environment and climate impacts, which is reviewed periodically (at least annually), supporting a set of reports on the evolution of the risk profile of the exposures associated with these sectors.

Additional measures with impact on the Impairment level

i. Updating macroeconomic scenarios and the parameters of the collective impairment model

In view of developments in the economic environment and outlook — characterised by easing inflationary pressures and the gradual stabilisation of interest rates — an update of the macroeconomic scenarios used in the collective impairment assessment model in Portugal was carried out in June 2026, based on three scenarios (Central, Upward and Downward) prepared by the Bank’s Economic Studies Department.

The referred scenarios, which are used in the Group for several purposes other than the impairment calculation, took into consideration the existing projections of reputed entities.

The tables below systematise the projections for 2026 and 2027 considered for Portugal concerning the central scenarios with regard to some of the critical variables used in the calculation of collective impairment.

Update of main macroeconomic scenario assumptions (Base Scenario) - Portugal

	December 2025 Scenario		December 2026 Scenario		Difference	
Variable	2026	2027	2026	2027	2026	2027
3-month Euribor Rate	2.06%	2.26%	2.34%	2.71%	0.28%	0.45%
Employment growth rate	1.14%	0.48%	1.01%	0.45%	-0.13%	-0.03%
Nominal GDP growth rate	5.41%	3.92%	4.66%	4.58%	-0.75%	0.66%
Public consumption growth rate	1.25%	1.03%	1.62%	1.14%	0.37%	0.11%

Regarding Poland, an update of the macroeconomic assumptions was carried out in relation to those considered in December 2025, which translates into the terms presented in the table below regarding the projections for 2025 and 2026 foreseen in the central scenario.

Update of main macroeconomic scenario assumptions (Base Scenario) - Poland

	December 2025 Scenario		December 2026 Scenario		Difference	
Variable	2026	2027	2026	2027	2026	2027
Unemployment rate	5.50%	5.40%	5.90%	5.90%	0.40%	0.50%
Nominal GDP annual evolution	6.70%	5.40%	7.10%	6.10%	0.40%	0.70%
Consumption annual evolution	3.50%	3.30%	3.40%	3.20%	-0.10%	-0.10%
Disposable Income	6.50%	5.20%	7.00%	5.70%	0.50%	0.50%
EUR/PLN exchange rate	4.29	4.30	4.25	4.27	-0.04	-0.03
CHF/PLN exchange rate	4.52	4.47	4.62	4.59	0.10	0.12

The following tables describe the weightings assigned in Portugal and Poland to the different macroeconomic scenarios considered at the end of 2025 and June 2026, which can be considered as conservative:

Weightings of the macroeconomic scenarios considered

	Weightings			
	Portugal		Poland	
Scenario	2025	2026	2025	2026
Central	60 %	60 %	65 %	55 %
Upside	10 %	10 %	10 %	10 %
Downside	30 %	30 %	25 %	35 %

For Portugal, a simulation of an additional one percentage point worsening in the evolution of the key indicators for the collective impairment estimate was carried out, which translates into the impacts shown in the table below, based on the collective impairment of the portfolio in Portugal as at 30 June 2026, which amounted to EUR 537 million (this figure does not include the impairment amounts calculated by the overlays methodology described in point ii. of this section).

Sensitivity analysis on the calculation of collective impairment (June 2026)

Variable	Estimated impact (% variation)
100 bp Employment Growth Rate Aggravation	1,01%
100 bp 3-month Euribor aggravation	2,73%
100 bp Public Consumption Growth Rate aggravation	0,05%
100 bp Nominal GDP Growth Rate Aggravation	0,41%

ii. Impairment overlays

In order to incorporate an additional level of conservatism in the impairment values, the Group defined and implemented a methodology of complementary of identification of significant increase in credit risk situations and potential signs of impairment.

This approach adopts differentiated criteria in relation to the base methodologies in force, with distinct processes having been adopted for the calculation of overlays for the corporate and individual customers segments.

The overlays currently in force seek in particular to address the uncertainty that continues to prevail, associated with a context of multiple geopolitical conflicts, instability in several relevant European countries, constraints on economic growth and potential measures affecting international trade.

This positioning is in line with the guidelines on this matter issued by the supervisors in what regards the identification and measurement of credit risk in contexts of uncertainty, so that the release of overlays initially constituted in the context of the pandemic should be carried out with prudence and taking into account the possible need for new overlays to respond to the current context.

The exercise carried out reflected, in terms of impairment value, in the calculation of the estimated impact arising from potential migrations of customers with higher risk to Stage 2 and Stage 3, based on the various factors considered in the analysis. It should be noted that the most significant impact occurred in the corporate segment. The methodology developed by the Group was considered for the calculation and recording of impairment at the reference date of the accounts, without affecting the classification of credit exposures by stages in the Group's loan portfolio.

The application of overlay impairment and the respective methodology is approved by the Risk Committee.

In Poland, the Bank also adopted a policy of recording overlays. Taking into consideration the country's specific reality, adjustments to the overlay's methodology had already been incorporated in 2022 to address the impacts of the geopolitical crisis.

As a result of the implementation of this methodology, the Bank calculated an additional impairment to that resulting from the collective analysis model, therefore with characteristics of overlays, whose amount on 30 June 2026 was approximately EUR 131,9 million in Portugal (EUR 114,4 million in December 2025), EUR 43.1 million in Poland (EUR 41.8 million in December 2025), and EUR 22.4 million in Mozambique (EUR 20.5 million in December 2025).

As disclosed in Note 55, following the downgrade of Mozambique's public debt rating in March 2025, and notwithstanding S&P's decision to maintain the rating in March 2026, the Bank continued to reinforce the overlays applied to its Mozambican credit portfolio.

Accordingly, as at June 2026, overlays amounting to EUR 18.5 million for loans to the Mozambican State and EUR 3.9 million for the consumer loans were recognised.

Government measures to mitigate the impacts on mortgage contracts and support in the access to financing for the purchase of own and permanent housing

Decree-Law 44/2024

With the aim to support the purchase of own permanent houses by young people up to the age of 35, Decree-Law 44/2024, was published by the Portuguese government on July 10, which involves the granting of a partial personal State guarantee to bank loans granted within this purpose and scope.

As at 31 December 2025, Millennium bcp had contracted 6,478 operations, corresponding to EUR 1.362,8 million. During the first half of 2026, a total of 2.837 transactions were originated, representing an aggregate amount of EUR 621.1 million.

Credit concentration risk

The Group’s policy relating to the identification, measurement, and evaluation of the concentration risk in credit risk is approved by the Bank’s management body, applied to all Group entities, and is based on the following guidelines:

The monitoring of the concentration risk and the follow-up of major risks is made, at Group level, based on the concept of "Economic Groups" and “Customers Groups” - sets of connected Customers (individual persons or companies), which represent a single entity from a credit risk perspective, such that if one of them is affected by financial problems, one or all of the others, will probably face difficulties to fulfil their debtor obligations.

The Customer connections that originate a Customers’ group include the formal participation on the same economic group, the evidence that a direct or indirect control relationship exists, including the control by an individual Customer (criteria of capacity of control) of a company or the existence of a strong commercial interdependency or common sources of funding that cannot be replaced on a short term (criteria of economic dependency). The identification of connected costumers is an integral part of the credit granting and monitoring processes of each Entity, with the Risk Office monitoring the economic and customers’ groups maintenance.

For the control of credit concentration risk and limit the exposure to this risk, there are limits defined for exposures to Sovereigns, to Institutions, Single-name exposures (Corporate), geographic concentration, and sectors of activity.

These limits apply to the 'Net exposures' (*), relating either to a counterparty or a group of counterparties or to the set of exposures to an activity sector or to a country.

Except for exposure to sectors of activity, the concentration limits are established by taking into consideration the credit worthiness of the debtors at stake in what concerns their rating grades/probability of default (PD) (internal or external ratings; country rating in the case of geographic concentration).

The concentration limits for corporate single-name exposures apply only to performing exposures, since the non-performing exposures (NPE) are considered "always in excess" and its management is made aiming to its reduction.

The limits in force as at 30 June 2026, for the exposure to Single name, in terms of the Net Exposure weight over the Consolidated Own Funds, are the following:

Risk quality	Master Scale rating grades	%
Tier 1	101 - 105	7.0%
Tier 2	106 - 108	4.5%
Tier 3	109 - 111	2.6%
Tier 4	112 - 113	0.6%
Tier 5	114 - 116	0.3%

(*) Net exposure = EAD x LGD. EAD = Exposure at default ; LGD = Loss given Default.

The limit for exposure to sectors of activity is defined as a maximum of 40% per sector of activity, in terms of the weight of the Net Exposure for each sector of activity over the Tier 1 Funds of each Group Entity.

The assessment of the Single-name concentration is also performed within the Group RAS (Risk Appetite Statement) scope and the Bank's management body and the Risk Assessment Committee are regularly informed on its evolution.

The credit concentration risk is measured and monitored by the Risk Office.

Real Estate risk

Real estate risk materialises through losses associated with changes in the value of assets held by the Group or, indirectly, through funds and/or real estate companies.

The Group detains a real estate portfolio, that comes from repossessed assets linked with recovery processes of non-performing exposures, that is subject to fluctuations and risks in the real estate market and the obligations arising from ownership of the properties.

As a credit institution operating in the financial market, the Bank does not operate directly in the real estate sector, neither as a sales agent nor as an operator in the rental segment.

In this context, the management of this portfolio is based on the following objectives:

- Minimise the risks associated with the real estate portfolio;
- Minimise management costs, maintenance and sale of properties;
- Maximise the financial results from the sale of foreclosed assets;
- Mitigate the portfolio's impact on the Group's cost of capital and liquidity.

Within this framework, the Group should optimise the outflow of foreclosed assets from the real estate portfolio, developing appropriate commercial strategies and exploring the distribution channels that are expected to be most effective at any given time to sell the different types of properties held by the Bank.

By managing this portfolio, the following risks were identified and monitored by the Group:

- Price risk – Risk associated with the devaluation of the property due to unfavourable developments in the real estate market, whether due to a decrease in demand or strong pressure on property sales;
- Liquidity risk - Inherent to the nature of real estate assets and the impact on the Group's liquidity position and respective financial costs of holding the property;
- Operational risk - associated with the processes of acquiring, maintaining and selling properties, which can result in costs or lost revenue (includes the risks of vandalism and deterioration of properties);
- Compliance risk - compliance with legal standards from the property acquisition process to the requirements to be observed in its sale, including the responsibility of being a property owner;
- Fiscal risk – associated with possible tax contingencies relating to properties owned by the Group and monitoring the administrative and judicial proceedings;
- Reputational risk - related to the risks mentioned above, but also with the image projected by the Group in the way it manages its operations in the real estate market.

The risks associated above are mitigated by the Group through the existence of a team specialised in the management of this type of assets; a set of internal policies and standards that regulate the asset management processes on the balance sheet; and an insurance policy.

The portfolio of real estate assets has been progressively reduced by the Group over the last few years.

Market risk

Market risks represent potential losses arising from changes in interest or exchange rates and/or in the prices of various financial instruments, considering account not only the correlations among these instruments but also their respective volatilities.

For profitability analysis and for the quantification, monitoring and control of market risks, the following management areas are defined for each Group entity:

- Trading: Management of positions aimed at achieving short-term gains through sale or revaluation. These positions are actively managed, tradable without restrictions, and can be frequently and accurately valued. These include securities and derivatives resulting from sales activities.
- Funding: Management of institutional funding (wholesale funding) and money market positions.
– Investment: Management of all positions in securities intended to be held to maturity or for an extended period, as well as positions not tradable on liquid markets.
- Commercial: Management of positions arising from commercial activities with customers.
- Structural: Management of balance sheet items or operations which, due to their nature, are not directly related to any of the management areas referred to above.
- ALM: Assets and Liabilities Management.

The definition of these management areas allows for an effective separation between the trading and banking books, as well as a proper allocation of each transaction to the most appropriate management area, according to its context and strategy.

To ensure that the risk levels incurred in the Group’s portfolios align with predefined risk tolerance levels, various market risk limits are established, at least on an annual basis, applicable to all portfolios of the relevant management areas. These limits are monitored daily (or intra-daily, for financial market areas) by the Risk Office.

Stop-loss limits are also set for portfolios in the financial market areas – Trading and Funding – based on multiples of the defined risk limits. The objective is to cap potential losses in these areas. If these limits are reached, a mandatory review of the underlying business strategy and assumptions associated with the positions in question is triggered.

Market risks of the prudential trading book [1]

For the daily measurement of generic market risk, which includes interest rate risk, exchange rate risk, equity risk and the price risk of credit default swap (indices), the Group uses a Value-at-Risk (VaR) model, with a 10-business-day time horizon and a 99% confidence level.

Additionally, the Group uses an integrated market risk measure that covers all relevant risk subtypes. This measure incorporates generic, specific, non-linear and commodity risks. Each sub-type is measured individually using appropriate risk models, and the integrated measure is calculated without considering any diversification across the four subtypes (worst-case scenario approach).

For non-linear risk, the Group applies an internally developed methodology that replicates the effect of the main non-linear elements of option positions on portfolio results, similar to the VaR approach, using the same time horizon and confidence level.

Specific and commodity risks are measured using standard methodologies defined in applicable regulations, with an appropriate adjustment of the time horizon.

The following table presents the amounts at risk for the Trading Book, measured using approaches described above:

(Thousand EUR)

	30 June 2026	Max of global risk in the period	Min of global risk in the period	30 June 2025
Generic Risk (VaR)	1,265	2,143	503	1,112
Interest Rate Risk	390	943	366	978
FX Risk	792	1,877	232	378
Equity Risk	506	443	328	271
Diversification effects	*(422)*	*(1,120)*	*(423)*	*(514)*
Specific Risk	420	2	1	2
Non-Linear Risk	—	—	—	—
Commodities Risk	—	—	—	—
Global Risk	1,685	2,145	504	1,114

Several validation processes are conducted over time to ensure the internal VaR model is appropriate for assessing the risk in the Group's positions, with different scopes and frequencies, including back testing, diversification effects estimation, and analysis of the comprehensiveness of risk factors.

In addition to VaR, the Group continuously tests a broad range of stress scenarios, the results of which are analysed to identify risk concentrations not captured by the VaR model.

(1) Trading Book - positions allocated to the Trading Management Area (and not specifically to the accounting trading book)

Interest rate risk

Interest rate risk from Banking Book operations is evaluated through a monthly risk sensitivity analysis, covering all operations in the Group’s consolidated Balance Sheet, categorised by exposure currency. Market interest rate fluctuations impact the Group’s net interest income in both the short- and long-term, as well as its economic value.

Key sources of this risk include Repricing Risk, from timing mismatches in asset and liability repricing; Yield Curve Risk, due to shifts in the interest rate environment affecting future cash flow valuations; Basis Risk, arising from unequal variations in reference rates with the same repricing period; and Credit Spread Risk, reflecting changes in credit spreads that impact asset and liability fair values.

Additionally, behavioural factors such as assumptions relating to deposits with no defined maturity, early repayments of consumer and mortgages, and redemptions of term deposits contribute to Interest Rate Risk in the Banking Book (IRRBB).

In order to identify the exposure of the Group's banking book to these risks, the monitoring of the interest rate risk takes into consideration the financial characteristics of each of the relevant contracts, with the respective expected cash-flows (principal and interest, without the spread component but including costs for liquidity, capital, operational and other) being forecasted according to the repricing dates, thus allowing for the calculation of the impact on economic value resulting from alternative scenarios of change of market interest rate curves.

The Group measures interest rate risk exposure using standardised sensitivity scenarios, typically assessing the impact of parallel shifts of ±100 and ±200 basis points on the economic value of the Banking Book. These analyses are complemented by the Supervisory Outlier Tests (SOTs), which assess exposure to IRRBB in the context of SREP, identifying potential adverse impacts on EVE under shock scenarios.

The following tables show the expected impact on the banking book economic value of the Banking Book resulting from parallel shifts in the yield curve by ±100 and ±200 basis points, for each of the main currencies in which the Group holds material positions:

(Thousand EUR)

	30 June 2026			
Currency	- 200 bp (*)	- 100 bp (*)	+ 100 bp	+ 200 bp
CHF	23,461	11,715	(10,820)	(21,613)
EUR	(342,437)	(128,353)	37,165	16,019
PLN	233,800	120,862	(129,084)	(232,995)
USD	8,242	4,498	(5,462)	(10,668)
	(76,934)	8,722	(108,201)	(249,257)

(*) Scenario of decreasing rates, limited to non-negative rates (which implies effective variations of lesser amplitude than 100 bp, especially in shorter periods).

(Thousand EUR)

	31 December 2025			
Currency	- 200 bp (*)	- 100 bp (*)	+ 100 bp	+ 200 bp
CHF	13,384	6,589	(6,339)	(12,400)
EUR	(358,503)	(126,800)	37,901	16,341
PLN	188,824	119,038	(126,652)	(187,148)
USD	(16,743)	(7,575)	5,926	11,417
	(173,038)	(8,748)	(89,164)	(171,790)

(*) Scenario of decreasing rates, limited to non-negative rates (which implies effective variations of lesser amplitude than 100 bp, especially in shorter periods).

As described in accounting policy 1.B, the financial statements of the Group's subsidiaries and associates placed abroad are prepared in their functional currency and translated into euro at the end of each financial period. The exchange rates used for the conversion of balance sheet amounts in foreign currency are the ECB reference rates at the end of each period. The conversion of results in foreign currency is calculated using average exchange rates according to the closing exchange rates of each month of the year. The rates used by the Group are as follows:

	Closing exchange rates		Average exchange rates	
	Balance sheet		Income statement	
Currency	30 June 2026	31 December 2025	30 June 2026	30 June 2025
AOA	1,058.7140	1,086.3720	1,085.6528	1,004.0025
BRL	5.9191	6.4430	6.0196	6.2584
CHF	0.9222	0.9304	0.9159	0.9406
MOP	9.2329	9.4141	9.2329	9.4882
MZN	72.6630	75.0650	74.4753	69.5553
PLN	4.2964	4.2228	4.2431	4.2185
USD	1.1430	1.1743	1.1715	1.0896

Foreign exchange and equity risk of the banking book

The foreign exchange risk of the banking book is internally transferred to the Trading area, in accordance with the Group’s risk specialisation model for management of foreign exchange risk on the balance sheet. Structural foreign exchange exposures, including those resulting from interests in subsidiaries, are not transferred and may be hedged using market operations, in accordance with the defined strategy for structural foreign exchange risk management. This strategy aims at hedging against volatility in the CET1 ratio stemming from changes in exchange rates.

As at 30 June 2026, the Group 's financial investments denominated in foreign currency were not hedged.

When such hedges exist, on a consolidated basis, these are identified as net investment hedge sunder IFRS nomenclature. On an individual basis, they are designated as fair value hedges of the relevant investments. Gains and losses on instruments used to hedge net investments in foreign institutions are recognised in foreign exchange reserves and presented in the statement of comprehensive income.

The transfer of funds, including dividends, owed by BCP subsidiaries or associates in third countries, particularly those outside the European Union, may be subject to restrictions and exchange controls that, at any given time, are in force in the subsidiary’s or associate’s country of incorporation.

Regarding equity risk, the Group holds a limited number of low-risk positions, primarily within the investment portfolio, mainly resulting from foreclosure or payment-in-kind processes. These positions are managed by a specialised unit within the Group, with the associated risk monitored through metrics and limits set for market risk control.

Liquidity risk

The evaluation of the Group's liquidity risk is carried out using indicators set by the supervisory authorities on a regular basis and other internal metrics for which exposure limits are also fixed.

The monitoring of the liquidity position of the Group's operations in short-term time horizons (up to 3 months) is based on two internally defined indicators (immediate liquidity and quarterly liquidity). These indicators are calculated on a daily basis, taking into account the impact on the liquidity buffers available to discount with the respective central banks at the reference date of future estimated cash flows for each of the respective time horizon (3 days or 3 months) considering the set of transactions intermediate by the market areas, including transactions carried out with Corporate and Private networks customers, which, due to their size, must be quoted by the Trading Room. The remaining buffer in each time bucket is then compared to the amount of customer deposits, being the indicators assessed against exposure limits defined in the Group's regulations.

In parallel, the evolution of the Group's structural liquidity position is calculated on a regular basis, identifying all the factors that justify the variations that have occurred. This analysis is submitted to the Capital and Assets and Liabilities Committee (CALCO) for appraisal, with a view to making decisions that lead to the maintenance of financing conditions adequate to the business sustainability.

The methodological aspects of the control of liquidity risk are a responsibility of the Risk Commission. This control includes the regular execution of stress tests, to characterise the Bank's risk profile and to ensure that the Group and each of its subsidiaries fulfil its obligations in the event of a liquidity crisis. These tests are also used to support the liquidity contingency plan and management decisions.

BCP Group liquidity position was kept solid between December 2025 and June 2026, primarily driven by a 4.1% increase of on-balance customer funds (equivalent to EUR 3,775,494,000), from which a EUR 2,158,767,000 increase (6.5%) from international activity, with Poland remaining the main growth driver. Although the loan portfolio continued to expand at a strong pace, rising by 4.2% (EUR 2,655,762,000), mainly driven by Portugal, loan growth remained below deposit growth in absolute terms. Consequently, the Group preserved a solid structural liquidity position and substantial central bank liquidity buffers, supporting comfortable regulatory and internal liquidity metrics across all major geographies.

As at 30 June 2026, the Liquidity Coverage Ratio (LCR) stood, on a consolidated basis, at 326%, compared with 334% reported in December 2025, ensuring a comfortable margin above the minimum regulatory requirement of 100%. In the same period, the Net Stable Funding Ratio (NSFR) evolved from 180% to 183%, also comfortably above the minimum regulatory requirements.

In the first half of 2026, taking advantage of favourable marketable conditions, BCP carried out two market transactions: on 5 February 2026, the Bank issued EUR 500,000,000 in SP 6.25NC5.25, with a coupon of 3.250%, aiming to refinance the exercise, on 12 February of the call option of a previous SP issuance of EUR 500,000,000, which had a coupon of 1.125%; and on 22 June 2026, BCP placed a Tier 2 issuance of EUR 500,000,000, with a 12-year maturity and an early redemption option after 7 years (T2 12NC7), and a coupon of 4.125%.

The liquidity buffer available with the ECB amounted EUR 31,277,551,000 in June 2026, EUR 3,448,023,000 lower than in the end of 2025, a decrease attributable to the foreseen eligibility loss of a mortgage credit portfolio. At the end of June of 2026, the liquidity buffer included a long position of EUR 956,689,000 with the ECB.

Bank Millennium continues to strengthen its liquidity position, driven primarily by the continuous growth of customer deposits, which recorded an increase of 5.9% compared to the end of 2025. The bank has also enhanced the diversification of its funding and capital structure: in January 2026, it issued PLN 1,500,000,000 of perpetual subordinated Additional Tier 1 (AT1) debt. This was followed on 27 May 2026 by its inaugural EUR 500,000,000 Tier 2 issuance (10.25NC5.25), successfully placed with a coupon of 4.7115%; and in June 2026, it issued covered bonds amounting to PLN 500,000,000, thereby reinforcing its medium-long term funding component.

Millennium bim continues to maintain a strong liquidity position, reinforced by a 15.9% in customer deposits compared to December 2025.

The pool of eligible assets for funding operations in the European Central Bank and other central banks, after haircuts, is detailed as follows:

(Thousand EUR)

	30 June 2026	31 December 2025
European Central Bank	11,642,990	14,965,278
Other Central Banks	15,201,468	13,676,940
	26,844,458	28,642,218

The amount discounted with the Bank of Mozambique amounts to EUR 274,000 (31 December 2025: EUR 398,000). There are no discounted amounts with other central banks.

The evolution of the ECB's Monetary Policy Pool, of the net borrowings at the ECB and of the liquidity buffer is analysed as follows:

(Thousand EUR)

	30 June 2026	31 December 2025
Collateral eligible for ECB, after haircuts:		
The pool of ECB monetary policy (i)	11,642,990	14,965,278
Outside the pool of ECB monetary policy	18,677,872	18,020,487
	30,320,862	32,985,765
Net borrowing at the ECB (ii)	(956,689)	(1,739,808)
Liquidity buffer (iii)	31,277,551	34,725,573

i) Corresponds to the amount reported in ECMS (Banco de Portugal application).
ii) Includes as at 30 June 2026 the amount of deposits with the Banco de Portugal and other liquidity with the Eurosystem (EUR 1,527,322,000) in excess over the minimum cash reserves (EUR 570,633,000).
iii) Eligible collateral available for discount with the ECB, after haircuts, deducted from the net funding at the ECB.

In consolidated terms, the refinancing risk of medium and long-term instruments will remain at very low levels over the next years, with no material impact, considering the liquidity buffers of the issuing entities.

Operational Risk

Operational risk management is a strategic pilar for the Group's resilience and sustainability. It is structured in accordance with the "three Lines of Defence" Corporate Governance model and supported by an integrated end-to-end process view, ensuring a holistic approach to the identification, assessment and mitigation of operational risks. This framework not only strengthens internal control mechanisms but also supports initiatives aimed at enhancing operational efficiency and reinforcing business continuity management.

The First Line of Defence, composed of process owners and process managers, is responsible for the day-to-day management of operational risk. In addition to ensuring the effectiveness and efficiency of processes, it is responsible for identifying, recording and analysing operational losses, monitoring the relevant Key Risk Indicators (KRIs), conducting Risk Self-Assessment (RSA) exercises, and defining and implementing appropriate mitigation measures to address operational risk exposures. These actions are subject to periodic review, ensuring continuous alignment between the Group's risk profile and business evolution, as well as the ongoing strengthening of the internal control environment.

The Second Line of Defence, represented by the Risk Office and the Compliance Office, provides oversight, monitoring and effective challenge of the First Line's activities. The Third Line of Defence, Internal Audit, independently assesses the adequacy, effectiveness and compliance of the overall operational risk management framework, ensuring its proper functioning.

Throughout 2025, the various stakeholders involved in operational risk management continued to perform the standard risk management activities, ensuring the efficient and systematic identification, assessment, mitigation and control of risk exposures, as well as the appropriate reporting to the Group's governing bodies and to regulatory authorities.

The results of the RSA exercises continue to evidence a robust control environment, demonstrating the Group's strong commitment to operational risk management through the continuous development of improvement initiatives aimed at mitigating risk exposures. The pattern of recorded operational losses remained within normal and expected levels.

Ongoing KRI monitoring has enabled the identification of improvement opportunities which, combined with RSA exercises and the operational loss identification and recording process, support effective and proactive risk management.

The Group's transformation strategy, focused on digitalisation and the integration of new technologies, introduces significant operational risk challenges. Key priorities include strengthening the security of digital banking channels, enhancing fraud prevention and detection mechanisms, reinforcing the ICT risk management framework, ensuring robust personal data governance, and maintaining strict compliance with legally required information duties in digital sales channels.

Covenants

The contractual terms of instruments of various wholesale funding instruments encompass obligations assumed by entities belonging to the Group as borrowers or issuers, concerning general duties of corporate conduct, maintenance of banking activity and the in existence of special guarantees constituted for the benefit of other creditors ("negative pledge"). These terms essentially reflect the internationally adopted standards for each of the types of debt instruments used by the Group.

The terms of the Group's intervention in rated securitisation transactions involving its own assets are subject to changes in case the Group triggers certain rating criteria. The criteria established in each transaction results mainly from the analysis performed at the moment that the transaction was structured, being usually applied by each rating agency in a standardised way to the securitisation transactions involving the same type of assets.

Regarding the Covered Bond Programmes of Banco Comercial Português, there are no relevant covenants related to a possible downgrade of BCP.

Hedge accounting

The detailed information of the strategies, hedge transactions, hedged items and hedging instruments applied by the Group, is shown in a table below:

Strategy	Description of hedge transactions	Hedged items	Hedging instruments
Cash flow volatility hedge of the flows generated by the portfolio of EUR floating rate mortgage loans (a)	Group hedges the risk of the volatility of interest payments from floating rate mortgages. The volatility of cash flows results from interest rate risk	Floating rate mortgage loans (BCP S.A.)	Interest Rate Swap (IRS) transactions
Cash flow volatility hedge due to future income and interest costs denominated in foreign currencies (a)	The Group hedges the risk of the volatility of cash flows generated by income and interest costs denominated in foreign currencies. The volatility of cash flows results from the currency risk	Cash flows resulting from income and interest costs denominated in foreign currencies (Bank Millennium S.A.)	FX position transactions
Cash flow volatility hedge for the flows generated by FX mortgage portfolio and its underlying PLN liabilities (a)	The Group hedges the risk of the volatility of cash flows generated by FX mortgages and by PLN liabilities financially underlying such loans. The volatility of cash flows results from the currency risk and interest rate risk	Cash flows resulting from the FX mortgage loan portfolio and PLN deposits together with issued debt PLN securities funding them (Bank Millennium S.A.)	CIRS transactions
Hedge of volatility of the cash flows generated by PLN denominated financial assets (a)	The Group hedges the risk of the volatility of cash flows generated by PLN denominated financial assets. The volatility of cash flows results from interest rate risk	Cash flows resulting from PLN denominated financial assets (Bank Millennium S.A.)	IRS transactions
Fair value hedge of fixed rate loans (a)	Group hedges changes in the fair value of cash flows of fixed rate loans due to changes in market interest rates	Fixed rate loans (BCP S.A.)	IRS transactions
Fair value hedge of fixed rate debt instruments (a)	Group hedges changes in the fair value of fixed rate bonds due to changes in market interest rates	Fixed rate debt securities, classified as Financial assets at amortised cost (BCP S.A.)	IRS transactions
Fair value hedge of fixed rate debt instruments in EUR (a)	Group hedges changes in the fair value of fixed rate bonds due to changes in market interest rates	Fixed rate debt securities, classified as Financial assets at fair value through other comprehensive income (BCP S.A. and ActivoBank S.A.)	IRS transactions
Fair value hedge of fixed rate issued debt instruments in EUR (a)	Group hedges changes in the fair value of fixed rate bonds due to changes in market interest rates	Fixed rate Issued debt (BCP S.A.)	IRS transactions
Fair value hedge of fixed rate deposits in EUR (a)	Group hedges changes in the fair value of fixed rate deposits due to changes in market interest rates	Term deposits (BCP S.A.)	IRS transactions
Fair value hedge of fixed rate deposits in EUR (portfolio hedge) (a)	Group hedges changes in the fair value of fixed rate deposits due to changes in market interest rates	Repayable demand deposits without maturity (BCP S.A. and ActivoBank S.A.)	IRS transactions
Fair value hedge of fixed rate deposits in USD (a)	Group hedges changes in the fair value of fixed rate bonds due to changes in foreign exchange and in market interest rates	Term deposits (BCP S.A.)	CIRS transactions
Fair value hedge of a fixed interest rate debt instrument (macro hedge) (a)	The Group hedges part of the interest rate risk associated with the change in the fair value of a fixed-rate debt instrument recorded in other comprehensive income, resulting from fluctuations in market interest rate	A portfolio of fixed coupon debt securities classified as financial assets measured at fair value through other comprehensive income denominated in PLN (Bank Millennium S.A.)	IRS transactions
Hedging the fair value of cash flows from issued fixed-rate liabilities denominated in foreign currencies (portfolio *hedge*) (a)	The Group hedges part of the interest rate risk related to changes in the fair value of cash flows from issued fixed-rate liabilities denominated in foreign currencies, resulting from the volatility of market interest rates	Cash flows from issued fixed-rate liabilities denominated in foreign currencies (Bank Millennium S.A.)	IRS transactions
Hedging the fair value of the risk profile assigned to a portfolio of homogeneous, non-interest-bearing current accounts in PLN (portfolio hedge) (b)	The Group hedges part of the interest rate risk related to the change in the fair value of the risk profile assigned to the portfolios of homogeneous, non-interest-bearing current accounts in PLN and separately foreign currencies, resulting from the volatility of market interest rates.	Risk profile assigned to a portfolios of homogeneous, non-interest-bearing current accounts in PLN and separately in foreign currencies (Bank Millennium S.A.).	IRS transactions

(a) - Strategy applied in 2026 and 2025.
(b) - Strategy applied in 2026.

As at 30 June 2026, the table below includes the detail of the hedging instruments used in the Group's hedging strategies and accounted at the Balance sheet item - Hedging derivatives:

(Thousand EUR)

	30 June 2026			
	Hedging instruments			
		Book value		
Type of hedging	Notional	Assets	Liabilities	Change in fair value (A)
Fair value hedge				
Interest rate risk				
Interest rate swaps	37,795,161	61,216	32,126	(2,145)
Foreign exchange risk				
Currency and interest rate swap	536,076	13,660	4,177	301
	38,331,237	74,876	36,303	(1,844)
Cash flows hedging				
Interest rate risk				
Interest rate swaps	8,235,000	725	469	(50,791)
Total	46,566,237	75,601	36,772	(52,635)

(A) Changes in fair value used to calculate the ineffectiveness of the hedge

As at 31 December 2025, the table below includes the detail of the hedging instruments used in the Group's hedging strategies and accounted at the Balance sheet item - Hedging derivatives:

(Thousand EUR)

	31 December 2025			
	Hedging instruments			
		Book value		
Type of hedging	Notional	Assets	Liabilities	Change in fair value (A)
Fair value hedge				
Interest rate risk				
Interest rate swaps	36,938,459	30,536	34,026	(17,841)
Foreign exchange risk				
Currency and interest rate swap	334,311	1,746	6,950	207
	37,272,770	32,282	40,976	(17,634)
Cash flows hedging				
Interest rate risk				
Interest rate swaps	9,814,724	83	1,752	(1,636)
Total	47,087,494	32,365	42,728	(19,270)

(A) Changes in fair value used to calculate the ineffectiveness of the hedge

As at 30 June 2026, the table below includes the detail of the hedged items:

(Thousand EUR)

	30 June 2026							
	Hedged items							
		Book value		Cumulative value of the adjustments			Cash flow hedge reserve / Currency translation reserve	
Type of hedging	Balance sheet item	Assets	Liabilities	Assets	Liabilities	Change in fair value (A)	Hedging relationships in effect	Hedging relationships discontinued
Fair value hedge								
Interest rate risk								
Interest rate swaps	(B)	1,388,982	—	(10,357)	—	3,890	n/a	n/a
	(H)	10,688,977	—	(83,522)	—	(8,610)	n/a	n/a
	(C)	5,751,566	—	(106,973)	—	(27,669)	n/a	n/a
	(E)	—	14,198,076	—	(61,556)	17,262	n/a	n/a
	(F)	—	3,038,266	—	(30,002)	15,641	n/a	n/a
	(G)	—	1,518,862	—	(11,641)	859	n/a	n/a
Foreign exchange risk								
Currency and interest rate swap	(C)	89,882	—	(546)	—	(633)	n/a	n/a
	(E)	—	446,194	—	55	92	n/a	n/a
		17,919,407	19,201,398	(201,398)	(103,144)	832	n/a	n/a
Cash flows hedging								
Interest rate risk								
Interest rate swaps	(B)	8,235,000	—	—	—	50,791	(54,067)	(311,181)
Total		26,154,407	19,201,398	(201,398)	(103,144)	51,623	(54,067)	(311,181)

(A) Change in fair value of the hedge item used to calculate the ineffectiveness of the hedge
(B) Financial assets at amortised cost - Loans and advances to customers
(C) Financial assets at fair value through other comprehensive income
(D) Financial liabilities at amortised cost - Deposits from credit institutions and other funds
(E) Financial liabilities at amortised cost - Deposits from customers and other funds
(F) Financial liabilities at amortised cost - Non-subordinated debt securities issued
(G) Financial liabilities at amortised cost - Subordinated debt
(H) Debt securities not associated with credit operations

As at 31 December 2025, the table below includes the detail of the hedged items:

(Thousand EUR)

	31 December 2025							
	Hedged items							
							Cash flow hedge reserve / Currency translation reserve	
	Balance sheet item	Book value		Cumulative value of the adjustments		Change in fair value (A)	Hedging relationships in effect	Hedging relationships discontinued
Type of hedging		Assets	Liabilities	Assets	Liabilities			
Fair value hedge								
Interest rate risk								
Interest rate swaps	(B)	1,139,290	—	(20,453)	—	(8,889)	n/a	n/a
	(H)	13,373,963	—	(86,703)	—	(70,206)	n/a	n/a
	(C)	6,006,753	—	(57,540)	—	(3,523)	n/a	n/a
	(E)	—	10,955,660	—	(13,139)	98,552	n/a	n/a
	(F)	—	3,028,763	—	(13,456)	7,999	n/a	n/a
	(G)	—	1,042,739	—	(10,783)	(3,359)	n/a	n/a
Foreign exchange risk								
Currency and interest rate swap	(C)	87,345	—	75	—	75	n/a	n/a
	(E)	—	246,966	—	405	(406)	n/a	n/a
		20,607,351	15,274,128	(164,621)	(36,973)	20,243	n/a	n/a
Cash flows hedging								
Interest rate risk								
Interest rate swaps	(B)	9,814,724	—	—	—	1,636	(3,682)	(488,955)
Total		30,422,075	15,274,128	(164,621)	(36,973)	21,879	(3,682)	(488,955)

(A) Change in fair value of the hedge item used to calculate the ineffectiveness of the hedge
(B) Financial assets at amortised cost - Loans and advances to customers
(C) Financial assets at fair value through other comprehensive income
(D) Financial liabilities at amortised cost - Deposits from credit institutions and other funds
(E) Financial liabilities at amortised cost - Deposits from customers and other funds
(F) Financial liabilities at amortised cost - Non-subordinated debt securities issued
(G) Financial liabilities at amortised cost - Subordinated debt
(H) Debt securities not associated with credit operations

The reconciliation of each equity component and an analysis of other comprehensive income attributable to hedge accounting, is as follows:

(Thousand EUR)

	Cash flow hedge reserve	
	30 June 2026	31 December 2025
Balance as at 1 January	(492,637)	(879,597)
Amounts recognised in other comprehensive income:		
Cash flow hedge		
Changes in fair value of currency and interest rate swaps	(50,791)	(1,636)
Foreign exchange changes	11	(65)
Hedge breakage	177,775	388,232
Ineffectiveness of coverage recognised in results	—	(6)
Other	394	435
Balance at the end of the period	(365,248)	(492,637)

The table below includes information on the effectiveness of hedging relationships, as well as impacts on profit or loss and other comprehensive income, as at 30 June 2026:

(Thousand EUR)

	30 June 2026					
				Amounts reclassified from reserves to P&L for the following reasons:		
Type of hedging	Income statement item (A)	Gains/(losses) recognised in Other comprehensive income	Hedging ineffectiveness recognised in Income statement (A)	Income statement item (B)	Cash flows that were being hedged (C)	Hedged item with an impact on results
Fair value hedge						
Interest rate risk						
Interest rate swaps	(D)	—	(772)	(E)	—	12,168
Foreign exchange risk						
Currency and interest rate swap	(D)	—	(240)		—	—
		—	(1,012)	—	—	12,168
Cash flows hedging						
Interest rate risk						
Interest rate swaps	(D)	892	—	(E)	(176,163)	—
Total		892	(1,012)	—	(176,163)	12,168

(A) Income Statement item in which the ineffectiveness of the hedge was recognised
(B) Income Statement item in which the reclassified amount was recognised
(C) but which are no longer expected to occur
(D) Gains/(losses) on hedge accounting
(E) Interest an similar income

The table below includes information on the effectiveness of hedging relationships, as well as impacts on results and other comprehensive income, as at 31 December 2025:

(Thousand EUR)

	31 December 2025					
				Amounts reclassified from reserves to P&L for the following reasons:		
Type of hedging	Income statement item (A)	Gains/(losses) recognised in Other comprehensive income	Hedging ineffectiveness recognised in Income statement (A)	Income statement item (B)	Cash flows that were being hedged (C)	Hedged item with an impact on results
Fair value hedge						
Interest rate risk						
Interest rate swaps	(D)	—	2,733	(E)	—	17,380
Foreign exchange risk						
Currency and interest rate swap	(D)	—	(124)		—	—
		—	2,609	—	—	17,380
Cash flows hedging						
Interest rate risk						
Interest rate swaps	(D)	4,798	6	(E)	(389,944)	—
Total		4,798	2,615	—	(389,944)	17,380

(A) Income Statement item in which the ineffectiveness of the hedge was recognised
(B) Income Statement item in which the reclassified amount was recognised
(C) but which are no longer expected to occur
(D) Gains/(losses) on hedge accounting
(E) Interest and similar income

The table below shows the detail of hedging instruments, as at 30 June 2026, by maturity:

(Thousand EUR)

	30 June 2026					
	Remaining period				Fair value	
Type of hedging	Up to 3 months	3 months to 1 year	Over 1 year	Total	Assets	Liabilities
Fair value hedging derivatives related to						
interest rate risk changes:						
OTC Market:						
Interest rate swaps						
Notional	557,861	955,098	36,282,202	37,795,161	61,216	32,126
Fixed interest rate (average)	9.17%	0.45%	3.11%	3.14%		
Fair value hedging derivatives related to currency risk changes						
OTC Market:						
Currency and interest rate swap	96,238	349,956	89,882	536,076	13,660	4,177
Cash flow hedging derivatives related to						
interest rate risk changes:						
OTC Market:						
Interest rate swaps	500,000	1,360,000	6,375,000	8,235,000	725	469
Total derivatives traded by						
OTC Market:	1,154,099	2,665,054	42,747,084	46,566,237	75,601	36,772

The table below shows the detail of hedging instruments, as at 31 December 2025, by maturity:

(Thousand EUR)

	31 December 2025					
	Remaining period				Fair value	
Type of hedging	Up to 3 months	3 months to 1 year	Over 1 year	Total	Assets	Liabilities
Fair value hedging derivatives related to						
interest rate risk changes:						
OTC Market:						
Interest rate swaps						
Notional	540,762	985,263	35,412,434	36,938,459	30,536	34,026
Fixed interest rate (average)	1.03%	5.51%	3.05%	3.09%		
Fair value hedging derivatives						
related to currency risk changes						
OTC Market:						
Currency and interest rate swap	89,419	157,547	87,345	334,311	1,746	6,950
Cash flow hedging derivatives related to						
interest rate risk changes:						
OTC Market:						
Interest rate swaps	205,000	3,204,724	6,405,000	9,814,724	83	1,752
Total derivatives traded by						
OTC Market:	835,181	4,347,534	41,904,779	47,087,494	32,365	42,728

Climate risks - Integration of ESG Factors in Risk Management

In its risk taxonomy, the BCP Group recognises that climate and nature-related dimensions, as well as the social and governance aspects, collectively referred to as ESG (Environmental, Social and Governance), act as drivers that impact traditional risk categories.

These drivers are not considered separately; in fact, they are regarded as likely to affect, positively or negatively, the financial performance and solvency of the Bank's customer's and counterparties. Accordingly the materialisation of their impacts occurs by means of the "traditional" categories: credit, market, liquidity, operational and reputational risk.

Within this context, and with the purpose of promoting the integration of ESG factors in risk management, the Bank has implemented a set of processes and methodologies to identify, assess, manage and monitor the impact of the ESG drivers in overall risk, in accordance with the framework and policies already established for the remaining financial and non-financial risks.

Governance Model

The governance model for risks arising from ESG factors follows a structure based on three lines of defence which, under the leadership of the Board of Directors (BoD) and its delegated bodies - namely the Executive Committee (EC), the Risk Assessment Committee (RAC) and the Corporate Governance, Ethics and Sustainability Committee (CGESC) - ensure its adequate assessment and management.

The BoD has overall responsibility for the Group's ESG strategy, management and control framework, including the design, assessment and ongoing enhancement of the governance and organisational structure. Specifically, the BoD approves the corporate policies and principles governing the management and disclosure of ESG risks. This includes defining, promoting and monitoring the Group's ESG strategy, ensuring its integration into business and support activities, as well as into risk management and control processes. The BoD also ensures that adequate resources are allocated to the management of ESG matters across the three lines of defence.

The EC is responsible for proposing to the BoD, through the CGESC and/or the RAC, key ESG-related assessments and activities, such as the Business Environment Analysis Report (BEAR) and the Climate and Nature Materiality Assessment (C&N MA), and for overseeing their implementation and management, as well as ensuring compliance with applicable regulatory and supervisory requirements, to ensure that the ESG opportunities are appropriately explored, and the associated risks effectively managed.

The CGESC is responsible for the oversight of matters related to Human Rights and sustainability, while the EC, supported by its Human Resources and Sustainability Commissions, is responsible for the management of these matters, including the implementation, monitoring and enforcement of this Policy and other related policies. Furthermore, the CGESC advises and supports the BoD in the assessment and approval of the Group's Sustainability Master Plan (SMP), monitors its implementation and progress, and oversees compliance with applicable national and international ESG legal and regulatory requirements.

The RAC has in its competences and duties to advise the BoD on the identification, management, and control of ESG risk factors. Its responsibilities also include monitoring the Groups' risk appetite and related performance, as well as overseeing the adequacy of the ESG internal control framework, with particular focus on the effectiveness of the risk management system to deal with ESG risk drivers.

The Sustainability Committee, reporting to the EC and chaired by the Chief Executive Officer (CEO), is responsible for evaluating, discussing and monitoring the implementation of the Group-wide sustainability strategy. The Commission supports the EC in integrating ESG aspects into the Group's business activities and risk management framework. This includes overseeing the implementation progress, ensuring that established deadlines are met, and validating the outcomes of the various sustainability initiatives.

Identification of ESG risks

Climate and nature-related risks arise from the Bank's exposure to customers, counterparties, and assets that may be potentially affected by, or contribute to, the negative impacts of climate change and nature degradation, as well as by changes in the legislative and regulatory framework. These factors may result in negative financial impacts, the materiality of which must be assessed by the Bank. Both risk dimensions – climate-related and nature-related – can be divided into:

- Physical Risks: arising from the physical effects of climate change and environmental degradation. They can be categorised as acute risks, if they arise from extreme events (such as wildfires, floods or pest outbreaks); and chronic risks, if they arise from progressive changes in weather and climate patterns (e.g., changes in average global temperature, sea-level rise) or from a progressive loss of natural ecosystems (e.g., deforestation, soil degradation).

- Transition Risks: stem from the adjustment process / efforts, ongoing or expected in the future, towards a low-carbon and environmentally sustainable economy. In general, transition risk can be analysed based on three underlying factors: i) climate and nature-related policy and regulatory changes; ii) technological developments; and iii) shifts in behaviour and / or market sentiment.

The materialisation of social risks is also assessed, considering the issues related to the rights, well-being and interests of individuals and communities and includes factors such as (in)equality, health, diversity, inclusion, labour relations, workplace health and safety, human capital and communities.

In addition, governance risk factors are also identified by Millennium BCP, through issues relating to leadership, remuneration, shareholder rights, corruption and bribery, management and prevention of conflicts of interest, quality of internal control and independent reviews/auditing, transparency and good tax practices, for example.

Management and Monitoring Principles

ESG risks management and respective strategy follows a different logic compared to “traditional” risks. In contrast with these, the materialisation of ESG risks is expected to occur over extended timeframes, which is why the establishment of strategy and risk appetite follows different intervals. For example, if the assessment of physical (acute) risks can determine an action strategy more focused on the short term (e.g., considering the establishment of additional mitigation measures, at the level of policies for granting credit and insurance policy), the transition risks justify a more structural approach, based on collecting information, evaluating customers and monitoring their performance over time.

From this perspective, Millennium BCP's management of ESG impacts follows the following principles:

- Responsible Financing Policy: Establishment of a responsible corporate financing policy, which excludes or conditions the credit operations in sectors and/or activities with greater environmental and social impact.
- Strategy: Integration of the strategy for managing risks arising from ESG factors into the Bank's global sustainability plan, which steers the integration of the ESG dimension into business processes, establishing goals, timelines and a model for controlling proper observance; implementation of the transition plan and strategic plan (Valorizar’28).
- Communication Transparency: The Bank publicly discloses its sustainability objectives and key practices, as well as its management of ESG impact factors. This allows all stakeholders to assess the robustness of its approach, including its exposure to risks arising from ESG factors.
- Regular monitoring of exposure to risks arising from ESG factors: this is done through established management information routines for each risk category.
- Focus on credit risk management: This is achieved through models that facilitate the integration of the ESG dimension in the risk assessment of the Bank's key companies/customers. This ensures that business decisions incorporate an evaluation of the primary impacts of ESG factors.
- Collection and structuring of information: Using public sources and information provided directly by clients to enhance understanding of clients' ESG performance and potential financial impacts associated with any limitations in that performance.
- Regular process for monitoring employees' capabilities and knowledge on sustainability-related topics.

The operationalisation of these principles is facilitated through an internal policy and procedures for managing risks arising from ESG factors, which include the following key risk initiatives:

- Regular assessment of the materiality of risks arising from ESG factors to confirm alignment with risk appetite and the need for implementing mitigation actions.
- Methodologies for assessing risks arising from ESG factors integrated into credit risk assessment models.
- Risk classification methodologies at the portfolio level, allowing the identification of sectors, companies, and exposures most susceptible to transition and/or physical risks (climate and nature-related).
- Models for quantifying financed greenhouse gas (GHG) emissions, supporting strategic discussions on the management of these emissions and their gradual alignment with the objectives of the Paris Agreement.
- Sensitivity analyses and stress testing focusing on climate-related factors.

55. Mozambique's sovereign debt

Following the political and social situation in Mozambique, which arose from the disputed results of the 2024 presidential elections, there has been a deterioration in the Mozambican economic risk profile, materialised by the downgrade of Mozambique's sovereign debt rating (in local currency) by Standard & Poor's ('S&P').

Accordingly, on 19 February 2025, S&P implemented a further one-notch downgrade of the long-term public debt rating from CCC to CCC-, due to liquidity challenges and apparent delays in payments to domestic creditors. Subsequently, on 21 March 2025, S&P again downgraded the Mozambique's long-term local currency sovereign debt rating, once again, from CCC- to SD (Selective Default) and maintained these ratings in October 2025.

On 27 March 2026, S&P affirmed the local currency sovereign debt rating at Selective Default.

This situation is expected to persist into 2026, as the positive impacts from the development of natural gas exploration are not expected to materialise until 2029. The State has been resorting to debt issuances and swap operations throughout the year to mitigate the impact of the situation. In June 2026, an interest settlement took place as part of the swap operations.

This assessment by S&P Global Ratings, consistent with other rating agencies and the perspectives of the IMF and World Bank, underscores the need for caution when assessing Mozambique's sovereign risk.. Uncertainty persists regarding the ultimate outcome of this entire process. Its evolution will depend on the performance of the Mozambican economy, any potential measures jointly undertaken with the IMF to address existing risks, and the assessments by rating agencies.

Considering the impairment loss calculation model defined by Banco Internacional de Moçambique, the total stock of impairment on sovereign debt (which includes debt securities and loans) totalled MZN 11,496 million (EUR 158.2 million) as at 30 June 2026, of which MZN 7,588 million (EUR 104.4 million) correspond to an overlay. In the first half of 2026, BIM increased the impairment by MZN 2.530 million (EUR 38.8 million). As at 31 December 2025, the stock of impairment amounted to MZN 8,966 million (EUR 119.4 million), of which MZN 4.618 million (Euros 61.5 million corresponded to overlays.

As at 30 June 2026, the subsidiary BIM's exposure to the State of Mozambique includes public debt securities denominated in Metical classified as Financial assets measured at amortised cost - Debt instruments in the gross amount of MZN 46,835,456,000 corresponding to EUR 644,557,000 (31 December 2025: MZN 43,197,478,000 corresponding to EUR 575,468,000) and Financial assets at fair value through other comprehensive income in the gross amount of MZN 4,530,727,000 corresponding to EUR 62,353,000 (31 December 2025: MZN 5,625,491,000 corresponding to EUR 74,942,000).

As at 30 June 2026, the impairment for public debt securities amounts to MZN 7,325,090,000, corresponding to EUR 100,809,000 (31 December 2025: MZN 6,928,925,000, corresponding to EUR 94,540,000).

Additionally, the Group has also recorded as at 30 June 2026, in the balance Loans and advances to customers, a direct gross exposure to the Mozambican State in the amount of MZN 15,644,252,000 corresponding to EUR 215,299,000 (31 December 2025: MZN 15,872,613,000 corresponding to EUR 211,452,000).

As at 30 June 2026 considering the 66.7% indirect investment in BIM, the Group's interest in BIM's equity amounted to EUR 330,884,000 (31 December 2025: EUR 315,832,000). The exchange translation reserve associated with this investment, recognised in the Group's consolidated equity, amounted to a negative EUR 160,730,000 (31 December 2025: negative amount of EUR 171,221,000). BIM's contribution to consolidated net income, attributable to the shareholders of the Bank, amounted to a positive EUR 9,291,000 (30 June 2025: positive amount of EUR 15,800,000).

56. Contingent liabilities and other commitments

In accordance with accounting policy 1.U3, the main contingent liabilities and other commitments under IAS 37 are the following:

1. In 2012, the Competition Authority ("AdC") filed an administrative offence proceedings for alleged practices restricting competition (proceedings PRC 2012/9). On 6 March 2013, it carried out measures of search and seizure at Banco Comercial Português, S.A. ("BCP" or "Bank") and other credit institutions facilities, where it seized documents relevant to the investigation of an alleged exchange of sensitive commercial information between credit institutions in the national market.

The proceedings were subject to justice secrecy by decision of the AdC, considering that the interests of the investigation and the rights of the procedural parties would not be specifically compatible with the publicity of the proceedings. On 2 June 2015, the Bank was notified of an infringement notice ("NI") adopted by the AdC in the context of the investigation of proceedings PRC 2012/9, accusing it of participating, together with 14 other credit institutions, in an exchange of sensitive commercial information, regarding the offer of credit products in retail banking, namely home loan, consumer loan and corporate loan.

On 9 September 2019, the AdC adopted a final decision in this proceedings, and convicted the Bank to pay a EUR 60 million fine on the grounds that it had participated in a system of sharing confidential information between competitors regarding home loan, consumer loan and corporate loan. BCP disagreed with the Decision, which it considers having a set of serious defects, both in fact and in law, and appealed against it to the Competition Court (CRSC) on 21 October 2019, requesting that it be annulled and that the appeal be given suspensive effect. On 8 May 2020, the appeal was admitted. On 21 December 2020, BCP submitted, which the Competition Court accepted, a bank guarantee issued by the Bank itself as a way of fulfilling the bail. By order of 1 March 2021, the Competition Court granted suspensive effect to the judicial objection appeal as to the sentencing decision. By order of 20 March 2021, the Competition Court ordered the lifting of the justice secrecy and informed the appellants that the trial should, in principle, begin in September 2021.

On 28 April 2022, the CRSC ruled within proceedings Proc. no. 225/15.4YUSTR-W, regarding the judicial objection appeal as to the decision of the Competition Authority of September 2019 (PRC/2012/09).

In this extensive ruling, the CRSC listed the facts given as proven, both in the administrative phase and in the trial, however, at this stage, the CRSC did not concluded that the facts have been proven are legally based, nor, consequently, that fines should be imposed, and the CRSC has instead chosen to make a reference for a preliminary ruling to the Court of Justice of the European Union (CJEU) to answer two questions referred for a preliminary ruling, requesting that this reference follow further terms in the form of an expedited procedure in view of the limitation risk. It should be noted that the CJEU was not responsible for judging the case, but only for interpreting the rules of Community law by answering in abstract to the questions referred to it by the national court.

The CJEU rejected the CRSC's request for an expedited procedure and for priority to be given in the examination of this proceedings.

On 29 July 2024, the CJEU delivered its judicial ruling in which it gave the following interpretation on the questions referred by the CRSC:

"Article 101(1), TFEU to be interpreted as meaning that a comprehensive reciprocal and monthly exchange of information between competing credit institutions, carried out on highly concentrated markets with high barriers to entry, and which regards the conditions applicable to transactions carried out on those markets, in particular spreads and risk variables, current and future ones, as well as the individualised production values of the participants in that exchange, to the extent that, at least, those spreads thus exchanged are those that those institutions intend to apply in the future, must be qualified as a restriction of competition by object."

After the judicial Ruling, the proceedings returned to the CRSC, which issued an order on 30 July 2024, notifying the Banks (i) of the appointment of 18 September 2024 for oral arguments, of an optional nature, limited to the content of the CJEU Ruling; and (ii) the designation of 20 September 2024 for the reading of the Ruling, in the part relating to the Law and the section.

On 20 September 2024, the CRSC issued its Final Ruling in which it deemed that an offence by object committed by the Appellants BPN/BIC, BBVA, BPI, BCP, BES, Popular/Santander, Santander, Barclays, Caixa Agrícola, Montepio, CGD and UCI, embodied in an exchange of sensitive information between competitors, was verified in the case files.

In its Ruling, the CRSC confirmed the EUR 60 million fine imposed by the AdC on the Bank.

On 14 October 2024, the Bank filed its appeal with the Lisbon Court of Appeal (TRL), which, by decision issued on 10 February 2025 by its Intellectual Property, Competition and Supervision Section, decided, by majority, to declare the pending administrative offence proceedings against the Defendant companies in relation to the practice of the aforementioned administrative offence to be barred and ordered the timely filing of the case.

In summary, the TRL considered that the facts occurred between 2002 and March 2013, applying the 2012 Competition Law, which provides for the maximum limitation period for administrative offence proceedings of 10 years and 6 months, and not applying the 2022 Competition Law, which provides for a longer period of suspension of the limitation period for administrative offence proceedings (either because the legislator so determined, or because it is more unfavourable than the 2012 Competition Law).

Moreover, the reference for a preliminary ruling (made by the TCRS to the CJEU) does not suspend (autonomously) the limitation period.

The TRL also considered that the limitation occurred on 1 September 2023 or, at the limit, applied to the so-called Covid-19 laws, on 11 February 2024.

The Public Prosecutor's Office appealed against this decision to the Lisbon Court of Appeal and the Competition Authority appealed to the Constitutional Court.

The Lisbon Court of Appeal rejected the Public Prosecutor's Office's claims of nullity regarding the statute of limitations.

The Competition Authority and the Public Prosecutor's Office then filed appeals to the Constitutional Court against the Lisbon Court of Appeal's ruling of 10 February 2025, which declared the statute of limitations for the administrative offense proceedings to be time-barred.

Both the Competition Authority and the Public Prosecutor's Office raised questions of unconstitutionality related to the exclusion of preliminary references to the CJEU as a ground for suspending the statute of limitations in administrative offense proceedings. While the Competition Authority focused on the uniform application of European law and the effectiveness of the competition sanctions regime, pointing out violations of the principles of the Primacy of European Union Law and Effective Legal Protection, the Public Prosecutor's Office have adopted a broader approach, also including violations of the Principle of Equality.

These appeals were admitted by the Regional Court of Appeal and were brought before the Constitutional Court.

The Constitutional Court admitted these appeals and issued a Summary Decision on 4 June 2025, disregarding the appeals filed by the Competition Authority and the Public Prosecutor's Office.

Following this Summary Decision, the Competition Authority filed an appeal against the Constitutional Court's individual decision to disregard the appeals filed by the Competition Authority and the Public Prosecutor's Office, which the Constitutional Court is currently awaiting.

On 25 August 2025, the Constitutional Court issued its judgment dismissing the complaint filed for review by this Court, confirming its Summary Decision of 4 June 2025, regarding the inadmissibility of the appeal.

In light of this Constitutional Court judgment, the Lisbon Court of Appeal's judgment of 10 February 2025 became final, making the decision declaring the statute of limitations for the administrative offence proceedings final. This concluded the proceedings and eliminated the payment of any fines by the Banks.

1-A. In relation to this administrative offence proceeding of the Competition Authority PRC/2012/09, and in view of the alleged damage caused by the targeted and defendant Banks to bank customers, resulting from the alleged sharing of confidential information between the Banks relating to home loan, consumer loan and corporate loan, three declaratory popular actions of conviction were filed against the Bank and several other banking institutions.

These proposed popular actions aim to compensate consumers and companies affected by alleged harm caused by the alleged anti-competitive practice. Actions vary depending on the group of consumers and companies represented and the damages calculated.

It should be noted that the decision issued by the Lisbon Court of Appeal on 10 February 2025, which decided to declare the administrative offence proceedings PRC/2012/09 barred, does not extinguish these popular actions, which will now fully continue as "stand alone", not taking advantage of the presumption of evidence produced in this case.

1-A.1. On 11 March 2024, BCP, along with 8 banking institutions, was summoned, to plead a "popular declaratory action of conviction in the form of a common proceeding aimed at the protection of competition, consumer rights, and diverse and/or collective interests associated with the consumption of goods and services", an action brought by Ius Omnibus Association, which is under no. 2/24.1YQSRT in the Competition, Regulation and Supervision Court, entirely based on the alleged competition offence in home and consumer loan transactions declared in the AdC's Ruling of 9 September 2019 (PRC/2012/09), a ruling that was subject to a judicial objection appeal by BCP, an objection that has not yet been definitively judged.

In this case, the Plaintiff makes the following main claims:

1. To be declared that, from May 2002 to March 2013, the Defendants violated, in a single and continuous practice, article 101(2) of the TFEU and (subsequently) article 2 of Decree-Law no. 371/393 and article 4 of Law no. 18/2003, by exchanging strategic, non-public, current and future information, with its competitors, in a disaggregated, individualised and regular manner, namely, on their respective offers of home loan and consumer loan;

2. To be declared that this Defendants' practice has caused damage to the diverse or collective protection interests of the consumption of goods and services and of competition, and to the individual homogeneous interests of the consumers represented;

3. Alternatively to section 2, to be declared that the Defendants' practice has led to their unjust enrichment at the expense of the impoverishment of all the consumers represented;

4. Based on civil liability, or, alternatively, by restitution of the undue, the Defendants be sentenced to compensate/return in full all the consumers represented in this lawsuit for the damage suffered/overprice paid as a result of the anti-competitive practices in question in the amount resulting from the sum of several factors.

5. To be declared the nullity of the clause(s) that fix the spread rate in home loan agreements and consumer loan agreements entered into by consumers represented during the relevant period, the aforementioned clause(s) being consequently reduced in the part corresponding to the unlawful overprice, in agreements whose validity exceeds the date of the final judgment, and in which the Defendants are lenders, because they were entered into by them or by subsequent termination of the contractual position.

As the deadline for the pleading is running, the Bank was notified on 9 May 2024 that an order had been issued ordering the suspension of the proceedings until the final judgment to be rendered in proceeding no. 225/15.4YUSTR-W (the judicial objection appeal of the administrative offence proceeding PRC/2012/09), before this Competition, Regulation and Supervision Court.

At the time, the TCRS also determined that, as soon as the administrative proceeding became final, the records of Case n°. 2/24.1YQSTR would be notified.

The judgment of the administrative proceeding became final on 11 September 2025, as the Bank was notified of the Court order lifting the suspension of Case No. 2/24.1YQSTR, the respective Response was submitted on the 24 February 2026.

1-A.2. On 8 April 2024, BCP, along with 9 banking institutions, was summoned to oppose another case brought by Ius Omnibus Association against the banks, under no. 6/24.4YQSTR, also related to the aforementioned Ruling of the AdC of 9 September 2019 (PRC/2012/09), this case being related to the corporate credit segment.

In this case, the Plaintiff makes the following main claims:

1. To be declared that from May 2002 to March 2013, the Defendants violated, in a single and continuous practice, article 101 of the TFEU and (successively) article 2 of Decree-Law No. 371/393 and article 4 of Law No. 18/2003, by exchanging strategic, non-public, current and future information with their competitors, in a disaggregated, individualised, and regular manner, namely, on their respective credit offers to companies;

2. To be declared that the Defendants' practice has caused damage to the diverse or collective protection interests of the consumption of goods and services and of competition, and to the individual homogeneous interests of the consumers represented;

3. Based on civil liability, or, alternatively, by restitution of the undue, the Defendants be sentenced to compensate/return in full all the consumers represented in this lawsuit for the damage suffered/overprice paid as a result of the anti-competitive practices in question, associated with the credits to the companies entered into between the Defendants and companies in Portugal, in the period from May 2005 to September 2012, with regard to the overprice that was passed on by the companies to the represented consumers, and charged directly by the Defendants, in a global amount to be fixed and determined considering several factors.

On 18 November 2024, the Bank filed its opposition with the Competition, Regulation and Supervision Court.

On 8 January 2025, the Court ordered the attachment of Case n° 10/24.2YQSRT, identified below, to this case.

On 8 July 2025, the TCRS issued an Order of Acquittal of the Instance regarding the claims filed by IUS Omnibus because the class of defendants was not adequately defined by Plaintiff Ius Omnibus.

Essentially, the TCRS found that the AIO failed to identify the small and medium-sized Portuguese companies that contracted corporate loans in Portugal during the period of the alleged infringement, as stated in the Initial Petition, nor was this publicly available. Indeed, it would be virtually impossible for the alleged defendants to identify these companies and, therefore, guarantee their future claim for individual compensation.

The TCRS ruling of 8 July 2025, has already become final and was not appealed by the AIO. Consequently, the Defendants (including BCP) were acquitted of the action brought by the AIO.

However, it is worth noting that, given that the action in Case No. 10/24.2YQSRT (the AMPEMEP action, which we will discuss in section 1-A.3. below) was joined to the action in Case No. 6/24.4YQSRT, the AIO's action is addressed separately in section 1-A.3.

1-A.3. On 24 April 2024, BCP, along with 9 banking institutions, was summoned to oppose an action brought by Association of Portuguese Micro, Small and Medium Enterprises (AMPEMEP) against the banks, initially under no. 10/24.2YQSRT, also related to the aforementioned AdC' Decision of 9 September 2019 (PRC/2012/09), this case also being related to the corporate credit segment.

In this case, the Plaintiff makes the following main claims:

1. To be declared that from May 2002 to March 2013, the Defendants violated, in a single and continuous practice, article 101 of the TFEU and (successively) article 2 of Decree-Law No. 371/393 and article 4 of Law No. 18/2003, by exchanging strategic, non-public, current and future information with their competitors, in a disaggregated, individualised, and regular manner, namely, on their respective credit offers to companies;

2. To be declared that this Defendants' practice has caused damage to the diverse or collective protection interests of the consumption of goods and services and of competition, and to the individual homogeneous interests of the consumers represented;

3. Based on civil liability, or, alternatively, by restitution of the undue, the Defendants be sentenced to compensate/return in full all the consumers represented in this lawsuit for the damage suffered/overprice paid as a result of the anti-competitive practices in question, associated with the credits to the companies entered into between the Defendants and companies in Portugal, in the period from May 2005 to September 2012, with regard to the overprice that was passed on by the companies to the represented consumers, and charged directly by the Defendants, in a global amount to be fixed and determined considering several factors.

On 17 December 2024, the Bank filed its opposition with the Competition, Regulation and Supervision Court.

In view of the similarity of the object and parts of these 3 popular actions, the possibility of joining them was raised, and BCP was notified, in the context of proceeding no. 6/24.4YQSTR (point 1-A.2.above) to rule on the joinder to this action of proceeding no. 10/24.2YQSTR (point 1-A.3.above).

The Bank has commented on this issue, requesting the opposite, that is, that proceeding no. 6/24.4YQSTR be joined to proceeding no. 10/24.2YQSTR instead, requesting that the logical precedence relationship between this proceeding and that one be declared, and that the Judge in charge of proceeding no. 10/24.2YQSTR should be granted the decision to join proceeding no. 6/24.4YQSTR.

On 8 January .2025, the Court ordered this to be attached to Process No. 6/24.4YQSRT.

Following the Preliminary Hearing on 10 July 2025, by a Corrective Order, the TCRS (Court of Appeals) ruled that the Defendants, including BCP, be acquitted of the claims for compensation, considering that AMPEMEP lacks standing to bring them due to the insufficient definition of the represented class and the failure to demonstrate homogeneity among the allegedly represented companies.

However, the TCRS found that AMPEMEP has standing to request a declaration of wrongdoing in the corporate credit segment, which is why the lawsuit proceeds without the Defendants, including BCP, being ordered to pay compensation.

The Court also invited AMPEMEP to identify the articles of the Initial Petition that embody the violation (limited to information on corporate credit) and the respective evidence. AMPEMEP filed its request to this effect on 9 October 2025. On the 3rd of November 2025 we indicated our means of proof.

The Bank was notified of the request to lodge a per saltum appeal with the Supreme Court of Justice and of the respective plea, dated 27 October 2025, and in early December 2025 it submitted its reply to pleadings.

As the evolution of the case and its outcome are currently unpredictable, the case is currently proceeding to appraisal of the merits of the declaratory claim, in terms of competition law infringement.

2. On 7 June 2022, the Bank was notified by the Court to contest a lawsuit brought by Fundação José Berardo and José Manuel Rodrigues Berardo against Banco Comercial Português, S.A., Caixa Geral de Depósitos, S.A., Novo Banco, S.A. and Banco Espírito Santo, S.A., in liquidation.

In this lawsuit, the Plaintiffs allege that they incurred in a mistake regarding the endogenous situation of the defendant banks and the financial system, without which they would have sold the pledged shares and paid their loans. If this is not the case, the plaintiffs request the defendant banks to be ordered to pay compensation to Fundação José Berardo for damages caused by breach of contract, since the moment when they should have been sold in execution of the pledge due to failure to verify coverage ratios until the moment when they were sold, that is, the difference between the price at which the pledged shares would have been sold on the dates of coverage ratios default and the price at which they were actually sold, plus interest and all other loan charges since those dates, in any case the global amount of compensation not being less than EUR 800,000,000. In any case, the plaintiffs ask the defendant banks to be jointly condemned to pay José Manuel Rodrigues Berardo compensation for moral damages, in the already calculated amount of EUR 100,000,000 and also in the amount that is settled as soon as the full extent of the damages is known.

In the meantime, through Order No. 8765/2022 of Mr. Secretary of State for the Presidency of the Council of Ministers, published in Republic Diary, Series 2, part C, of 19 July 2022, the Plaintiff of this lawsuit, Fundação José Berardo, was declared extinct. This decision was legally contested by the José Berardo Foundation, and in April 2023, the Administrative and Fiscal Court of Funchal cancel the decision that ordered its extinction. Dissatisfied, the Portuguese State appealed against this latter and is awaiting the outcome.

The lawsuit was contested on 27 September 2022 and is awaiting subsequent terms.

Nothing relevant to the judgment on the merit of the case happened. The lawsuit is suspended until the motions submitted by FJB in the execution filed by the Banks (8489/19.8T8LSB) have been definitively judged.

On 30 June 2026, the action remains suspended.

The Bank does not anticipate that this lawsuit may result in any responsibility that could have impact on the respective financial statements.

3. Proceedings on infringement of collective consumer interests

On 3 January 2018, Bank Millennium received a decision of the Chairman of the Office for Protection of Competition and Consumers (OPCC Chairman), in which the OPCC Chairman found infringement by Bank Millennium of the rights of consumers. In the opinion of the OPCC Chairman the essence of the violation is that Bank Millennium informed consumers (it regards 78 agreements) in responses to their complaints, that the court verdict stating the abusiveness of the provisions of the loan agreement regarding exchange rates does not apply to them. According to the position of the OPCC Chairman the abusiveness of contract's clauses determined by the court in the course of abstract control is constitutive and effective for every contract from the beginning. As a result of the decision, Bank Millennium was obliged to:

1) send information on the UOKiK"s decision to the said 78 customers;

2) place the information on decision and the decision itself on the website and on Twitter;

3) to pay a fine amounting to PLN 20.7 million (EUR 4.8 million).

Bank Millennium lodged an appeal within the statutory time limit.

On 7 January 2020, the first instance court dismissed Bank Millennium's appeal in its entirety. Bank Millennium appealed against the judgment within the statutory deadline. The court presented the view that the judgment issued in the course of the control of a contractual template (in the course of an abstract control), recognising the provisions of the template as abusive, determines the abusiveness of similar provisions in previously concluded contracts. Therefore, the information provided to consumers was incorrect and misleading. As regards the penalty imposed by OPCC, the court pointed out that the policy of imposing penalties by the Office had changed in the direction of tightening penalties and that the court agrees with this direction.

In Bank Millennium's assessment, the Court should not assess Bank Millennium's behaviour in 2015 from the perspective of today's case-law views on the importance of abstract control (it was not until January 2016 that the Supreme Court's resolution supporting the view of the OPCC Chairman was published), the more penalties for these behaviours should not be imposed using current policy. The above constitutes a significant argument against the validity of the judgment and supports the appeal which Bank Millennium submitted to the Court of second instance.

The second instance court, in its judgment of 24 February 2022, completely revoked the decision of the OPCC Chairman. On 31 August 2022, the OPCC Chairman lodged a cassation appeal to the Supreme Court. On 3 July 2024, the Supreme Court issued a decision accepting the cassation appeal for consideration. Bank Millennium believes that the prognosis regarding the litigation chances of winning the case before the Supreme Court is positive and therefore no provision has been recognised.

4. Proceedings on competition-restricting practice

Bank Millennium (along with other banks) is also a party to the dispute with OPCC, in which the OPCC Chairman recognised the practice of participating banks, including Bank Millennium, in an agreement aimed at jointly setting interchange fee rates charged on transactions made with Visa and Mastercard cards as restrictive of competition, and by decision of 29 December 2006 imposed a fine on Bank Millennium in the amount of PLN 12.2 million (EUR 2.8 million). Bank Millennium, along with other banks, appealed the decision.

In connection with the judgment of the Supreme Court and the judgment of the Court of Appeal in Warsaw of 23 November 2020, the case is currently pending before the court of first instance - the Court of Competition and Consumer Protection.

Bank Millennium has created a provision in the amount equal to the imposed penalty.

5. As at 30 June 2026, the most important proceedings, in the group of the court cases in which entities of the Bank Millennium Group were defendant, were the following:

- Bank Millennium is a defendant in two court proceedings, in which the subject of the dispute is the amount of the interchange fee. The total value of claims reported in these cases is PLN 729.2 million (EUR 169.7 million). The procedure with the highest value of the reported claim is the case is brought by PKN Orlen SA, the plaintiff demands payment of PLN 635.7 million (EUR 148 million). The plaintiff in this proceeding alleges that the banks acted under an agreement restricting competition on the acquiring services market by jointly setting the level of the national interchange fee in the years 2006-2014. In this case, Bank Millennium was sued jointly with another bank and card organisations. On 19 December 2025, the District Court in Warsaw dismissed in full the claims of PKN Orlen S.A. The judgment is not final. In the case brought by LPP S.A. the allegations are similar to those raised in the case brought by PKN Orlen SA, while the period of the alleged agreement is indicated as 2008-2014. In this case, the Bank is sued jointly and severally with another bank. The case was resolved positively for the Bank by the courts of both instances, and is currently at the stage of a cassation appeal filed by LPP S.A.

The Supreme Court on 3 April 2026, issued a decision regarding the acceptance of the cassation appeal for consideration. In line with the current assessments of the risk of losing the dispute and in view of final and binding favourable judgments in other cases, the Bank Millennium has not recognised a provision.

In addition, we point out that Bank Millennium participates as a side intervener in two other proceedings regarding the interchange fee. Other banks are the defendants. Plaintiffs in these cases also accuse banks of acting as part of an agreement restricting competition on the acquiring services market by jointly setting the level of the national interchange fee in the years 2008-2014.

The Bank believes that the prognosis regarding the litigation chances of winning the case is positive and therefore no provision has been recognised.

- A lawsuit brought up by shareholder of PCZ S.A. in bankruptcy (PHM, then the European Foundation for Polish-Belgian Cooperation - EFWP-B, currently called The European Foundation for Polish-Kenyan Cooperation) against Bank Millennium S.A., worth of the dispute PLN 521.9 million (EUR 121.5 million) with statutory interest from 5 April 2016 until the day of payment. The plaintiff filed the suit dated 23 October 2015 to the Regional Court in Warsaw; the suit was served to Bank Millennium on 4 April 2016. According to the plaintiff, the basis for the claim is damage to their assets, due to the actions taken by Bank Millennium and consisting in the wrong interpretation of the Agreement for working capital loan concluded between Bank Millennium and PCZ S.A., which resulted in placing the loan on demand. Bank Millennium is requesting complete dismissal of the suit, stating disagreement with the charges raised in the claim. Supporting the position of Bank Millennium, the Bank's attorney submitted a binding copy of final verdict of Appeal Court in Wrocław favourable to Bank Millennium, issued in the same legal state in the action brought by PCZ SA against Bank Millennium. On 10 May 2023, the Court of First Instance announced a judgment dismissing the claim in its entirety. The plaintiff filed an appeal.

On 6 May 2024, the Bank Millennium's representative submitted a response to the appeal, requesting that it be dismissed in its entirety as unfounded. On 17 December 2024, the Court of Appeal in Warsaw issued a judgment favourable to the Bank, dismissing the Plaintiff's appeal. The judgment is final. The Bank has been served with the Plaintiff’s cassation complaint and has submitted a formal response. On 19 December 2025, the cassation appeal was admitted for consideration.

Bank Millennium believes that the prognosis regarding the litigation chances of winning the case is positive and therefore no provision has been recognised.

6. The class action related to the LTV insurance

On 3 December 2015 a class action was served on Bank Millennium. A group of Bank Millennium's debtors (initially covering 454 borrowers party to 275 loan agreements) is represented by the Municipal Consumer Ombudsman in Olsztyn. The plaintiffs demanded payment in the amount of PLN 3.5 million (EUR 0.8 million), claiming that the clauses of the agreements, pertaining to the low-down payment insurance, are unfair and thus not binding. Plaintiff extended the group in the court letter filed on 4 April 2018, therefore the claims increased from PLN 3.5 million (EUR 0.8 million) to over PLN 5 million (EUR 1.2 million).

On 1 October 2018, the group's representative corrected the total amount of claims pursued in the proceedings and submitted a revised list of all group members, covering the total of 697 borrowers – 432 loan agreements. The value of the subject of the dispute, as updated by the claimant, is PLN 7,371,107.94 (EUR 1,715,647.5).

By the resolution of 1 April 2020 the court established the composition of the group as per request of the plaintiff and decided to take witness evidence in writing. On 18 October 2024, the court decided to disregard the evidence from the hearing of the parties and obliged the parties to submit documents - agreements concluded between the group members and the Bank and final judgements regarding the agreements in question. The Bank has fulfilled the obligation in question. The Court has scheduled the next hearing for 16 October 2026.

The Bank Millennium has recognised a provision for this case in the amount resulting from the expected cash outflow - PLN 4.4 million (EUR 1 million).

As at 30 June 2026, there were also 37 individual court cases regarding LTV insurance (cases in which only a claim for the reimbursement of the commission or LTV insurance fee is presented).

For cases in which, in the Bank’s assessment, the probability of losing the dispute is higher than that of winning it, provisions are created in an amount resulting from the expected cash outflows.

7. Lawsuits filed by Financial Ombudsman for discontinuation of unfair market practices

On 13 August 2020, Bank Millennium received lawsuit from the Financial Ombudsman. The Financial Ombudsman, in the lawsuit, demands that Bank Millennium and the Insurer Towarzystwo Ubezpieczeń Europa, S.A. ordered to discontinue performing unfair market practices involving, as follows:

- presenting the offered loan repayment insurance as protecting interests of the insured in case when insurance structure indicates that it protects Bank Millennium’s interests;

- use of clauses linking the value of insurance benefit with the amount of borrower’s debt;

- use of clauses determining the amount of insurance premium without prior risk assessment (underwriting);

- use of clauses excluding insurer’s liability for insurance accidents resulting from earlier causes.

Furthermore, the Ombudsman requires Bank Millennium to be ordered to publish, on its web site, information on use of unfair market practices.

The lawsuit does not include any demand for payment, by Bank Millennium, of any specified amounts. Nonetheless, if the practice is deemed to be abusive it may constitute grounds for future claims to be filed by individual customers.

The case is being examined by the court of first instance. Due to the absence of any claims in this matter, no provision has been recognised.

8. Selected court disputes related to the application of the Consumer Credit Act

By 30 June 2026, Bank Millennium had received 3,043 lawsuits from plaintiffs (both clients or companies purchasing claims), of these, 2,530 cases remain pending, with a total amount in dispute of PLN 67.6 million (EUR 15.7 million) (as at 31 December 2025: 1,982 lawsuits with a total amount in dispute of PLN 48.7 million (EUR 11.3 million), respectively), alleging violation of the information obligations namely irregularities in the conclusion of consumer credit agreements, in particular the incorrect disclosure of the Real Annual Interest Rate resulting from the inclusion of interest charged on non-interest credit costs. Consequently, they seek reimbursement of interest and other costs incurred by clients in connection with the consumer credit granted.

As at 30 June 2026, 513 cases have been legally concluded, in 437 cases the Bank won the dispute and lost in 76 cases. Disputes in the above respect are subject to constant observation and analysis. In the cases in question, the Bank makes an individual assessment of the litigation chances in each of the court cases, which is justified by the lack of a uniform line of jurisprudence. For individual cases in which, in the Bank's assessment, the probability of losing the dispute is higher than that of winning it, specific provisions are created in an amount resulting from the expected cash outflow (PLN 4 million as at 30 June 2026 (EUR 0.9 million)). On the other hand, taking into consideration the current uncertain situation, Bank Millennium has charged the gross profit for the second quarter of 2026 with an amount of PLN 61 million (EUR 14.2 million).

The case-law of the Court of Justice of the European Union, which interprets the provisions relating to the objections raised in national judicial proceedings, plays an important role in shaping the line of jurisprudence.

The jurisprudence of the Court of Justice of the European Union

On 13 February 2025, the Court of Justice of the European Union (CJEU) issued a judgment in a case registered under the reference number C472/23 as a result of an application filed by the District Court for the Capital City of Warsaw. In its judgment, the CJEU, interpreting the provisions of Directive 2008/48/EC of the European Parliament and of the Council of 23 April 2008 on consumer credit agreements, found that:

(i) the fact that a credit agreement indicates an annual percentage rate, which turns out to be inflated because certain terms of that agreement were subsequently found to be unfair, within the meaning of Article 6(1) of Council Directive 93/13/EEC of 5 April 1993 on unfair terms in consumer contracts, and, therefore not binding on the consumer, does not in itself constitute an infringement of the obligation to provide information laid down in that provision of Directive 2008/48.

(ii) the fact that a credit agreement lists a number of circumstances justifying an increase in the fees related to the performance of the agreement, without a properly informed and sufficiently observant and reasonable consumer being able to verify their occurrence or their impact on those fees, constitutes an infringement of the information obligation laid down in that provision, provided that this indication may undermine the consumer's ability to assess the extent of his obligation.

(iii) Directive 2008/48 does not preclude national legislation which provides, in the event of a breach of the obligation to provide for information imposed on the creditor in accordance with Article 10(2) of that directive, a uniform penalty consisting in depriving the creditor of the right to interest and fees, irrespective of the individual degree of gravity of such a breach, provided that such breach may undermine the consumer's ability to assess the extent of his obligation.

On 9 October 2025, the Court of Justice of the European Union, in case registered under reference C-80/24, following a request submitted by the District Court for Warsaw – Śródmieście in Warsaw, while interpreting the provisions of Directive 2008/48/EC of the European Parliament and of the Council of 23 April 2008 on credit agreements for consumers and repealing Council Directive 87/102/EEC, as well as Council Directive 93/13/EEC of 5 April 1993 on unfair terms in consumer contracts, held that:

(i) Article 22(2) of Directive 2008/48/EC of the European Parliament and of the Council of 23 April 2008 on credit agreements for consumers and repealing Council Directive 87/102/EEC must be interpreted as meaning that it does not preclude national legislation allowing a consumer to assign to a third party, who is not a consumer, a claim based on the infringement of a right granted to him under national provisions implementing that Directive.

(ii) Articles 6(1) and 7(1) of Council Directive 93/13/EEC of 5 April 1993 on unfair terms in consumer contracts must be interpreted as meaning that a national court is not required to examine of its own motion the unfair nature of a term in an assignment agreement concluded by a consumer, where the dispute pending before that court between the assignee company and the trader does not concern that assignment agreement but rather the consumer's claim against that trader.

On 23 April 2026, the Court of Justice of the European Union delivered a judgment in the case registered under reference number C 744/24, following a request submitted by the District Court in Włodawa. In its judgment, the Court, interpreting the provisions of Directive 2008/48/EC of the European Parliament and of the Council of 23 April 2008 on credit agreements for consumers, held that Article 3(g) and (j) of Directive 2008/48/EC of the European Parliament and of the Council of 23 April 2008 on credit agreements for consumers and repealing Council Directive 87/102/EEC, as amended by Directive (EU) 2021/2167 of the European Parliament and of the Council of 24 November 2021, read in conjunction with Article 10(2) of that directive, must be interpreted as precluding the inclusion in consumer credit agreements of terms providing for the application of an interest rate not only to the total amount of the credit, but also to amounts intended to cover costs related to that credit, which therefore form part of the total cost of the credit borne by the consumer.

In its judgment, the CJEU challenged the possibility of charging interest on financed costs of consumer credit. The CJEU did not rule on the consequences that the existence of the contested interest-rate structure entails for a specific agreement. These consequences will be the subject of decisions by national courts.

In these circumstances, it is necessary to monitor national case law, as well as any potential further judgments of the Court of Justice of the European Union.

The Bank will stop accruing and charging interest on credited costs. Direct consequence of the change is decrease in future interest to be received from clients. The estimated negative impact of this change was reflected in the second quarter of 2026 in the net interest income line as a deduction from interest income amounting to PLN 35 million (EUR 8 million).

9. Court cases regarding mortgage loans in PLN

By 30 June 2026, Bank Millennium recorded the receipt of 318 lawsuits by borrowers of mortgage loans in PLN for reimbursement of benefits provided under the loan agreement. Eleven final and favourable rulings for the Bank were issued. The borrowers' allegations focus on the WIBOR ratio as an incomprehensible, unverifiable element affecting the consumer's liability, as well as the issue of insufficient information on the effects of variable interest rates provided to the consumer by the bank before the conclusion of the contract.

The jurisprudence of the Court of Justice of the European Union concerning the interpretation of legal provisions relevant to the claims and arguments raised in national court proceedings may significantly influence the development of the prevailing line of case law.

On 12 February 2026, the Court of Justice of the European Union issued a judgment in case C-471/24.

The Court stated that:

i) Article 1(2) of Directive 93/13/EEC of 5 April 1993 on unfair terms in consumer contracts (that is that: contract terms reflecting mandatory statutory or regulatory provisions and the provisions or principles of international conventions to which the Member States or the Community are parties, in particular in the field of transport, shall not be subject to the provisions of this Directive), must be interpreted as meaning that: the exception provided therein does not cover a term of a mortgage loan agreement providing for a variable interest rate based on a reference index within the meaning of Regulation (EU) 2016/1011 of the European Parliament and of the Council of 8 June 2016 on indices used as benchmarks in financial instruments and financial contracts or to measure the performance of investment funds and amending Directives 2008/48/EC and 2014/17/EU and Regulation (EU) No 596/2014, and on a fixed margin, if the statutory or regulatory provisions applicable to such a term establish only a general framework for determining the interest rate of such agreements while simultaneously leaving the trader the possibility of determining the contractual reference index or the fixed margin which may be added to the value of that index.

ii) Article 4(2) of Directive 93/13/EEC of 5 April 1993 on unfair terms in consumer contracts must be interpreted as meaning that where a mortgage loan agreement relating to residential property contains a term providing for a variable interest rate based on a reference index within the meaning of Regulation 2016/1011, the transparency requirement resulting from that provision does not impose on the lender specific information obligations relating to the methodology of that index. The circumstance that the lender fulfilled all information obligations imposed on it by Directive 2014/17/EU of the European Parliament and of the Council of 4 February 2014 on credit agreements for consumers relating to residential immovable property and amending Directives 2008/48/EC and 2013/36/EU and Regulation (EU) No 1093/2010, as amended by Regulation 2016/1011, in relation to such a term, and, in the case of providing additional information, did not present indications that would give a distorted picture of the said index, may indicate that the lender fulfilled this transparency requirement with regard to that term.

iii) Article 3(1) of Directive 93/13/EEC of 5 April 1993 on unfair terms in consumer contracts must be interpreted as meaning that where a term of a mortgage loan agreement specifies a variable interest rate based on a reference index within the meaning of Regulation 2016/1011, the following cannot render that term unfair: first, the lack of informing the consumer of certain specific features of the contractual reference index, in particular that the methodology of that index provides for the use of input data not necessarily corresponding to actual transactions, and that the lender is one of the banks providing data used to determine that index, and second, those specific features themselves, provided that the said index could be regarded as compliant with that Regulation at the time of conclusion of that agreement.

The Polish Financial Supervision Authority (KNF) has addressed issues relating to the WIBOR benchmark rate. On 29 June 2023, the KNF announced that it had assessed the ability of the WIBOR interest rate reference index to measure the market and economic realities. The KNF stated that the WIBOR interest rate reference index is capable of measuring the market and economic realities for which it was established. According to the Commission's assessment, the WIBOR ratio responds appropriately to changes in liquidity conditions, changes in central bank rates and economic realities.

On 26 July 2023, the Office of the Polish Financial Supervision Authority (UKNF) presented its position on legal and economic issues related to mortgage loan agreements in Polish currency in which the WIBOR interest rate reference index is used. UKNF explicitly and publicly authorized interested parties to rely on this position in court proceedings and to submit it as an amicus curiae opinion. The UKNF stated that the WIBOR reference index meets all legal requirements. In the opinion of the UKNF, there are no grounds to question the credibility and legality of WIBOR, in particular in the context of the use of this indicator in mortgage loan agreements in the Polish currency.

For cases in which, in the Bank's assessment, the probability of losing the dispute is higher than that of winning it, provisions are created in an amount resulting from the expected cash outflows.

Financial Stability Committee Statement on Current Risks

On 21 March 2025, the Financial Stability Committee issued a resolution (No. 79/2025) on the position regarding the risk associated with the sanction of free credit (SKD). The Committee noted that "while the violations listed in the Consumer Credit Act are of a varied nature and severity, the sanction itself is not subject to gradation. The inability to moderate sanctions creates a system of incentives to instrumentally use the benefits of the SKD and to undermine credit agreements, regardless of whether the violation has economic consequences for the borrower or not."

On 19 September 2025, the Financial Stability Committee convened. In the communiqué issued following the meeting, the Committee stated: *"in the context of SKD - related risk, the Committee concluded that the draft Consumer Credit Act presented for public consultation did not adequately reflect the FSC's position on the risks associated with the application of the free credit sanction. The Committee notes that no regulatory measures have been introduced that sufficiently restrict the scope and possibility of applying this sanction. The Committee continues to identify areas that may facilitate the misuse of legal provisions intended to protect consumers'."*

On 19 June 2026, the Financial Stability Committee held a meeting. In the communiqué issued following the meeting, the Committee stated: 'As a result of a lower assessment of the legal risks associated with foreign currency residential mortgage loans and challenges to the WIBOR benchmark, the synthetic systemic risk indicator decreased compared with the previous quarter. At the same time, in the Committee's assessment, the risk associated with the free credit sanction (FCS) increased (...) The Committee discussed the potential implications of the CJEU judgment in Case C-744/24 for the Polish financial system. Expansive interpretations of the judgment appearing in the public domain do not always reflect concern for borrowers' interests and, in some cases, are aimed solely at maximising the profits of entities operating in the claims management market. In the Committee's view, as part of the work on implementing the CCD II Directive, efforts should be made to rationalise the civil law sanctions provided for under consumer credit regulations, while ensuring a minimum-harmonisation approach to the implementation of European Union law. In this context, the Committee draws attention to the assessments presented in its position of 21 March 2025, which highlighted, among other things, the abuse of rights arising from the free credit sanction and its instrumental use by specialised entities, often without due regard to consumers' best interests. Such practices are detrimental to consumers' actual welfare, undermine confidence in the banking sector and, in the long term, disrupt the legal and economic conditions for conducting business in the financial market.'

10. Handling of unauthorised transactions

Currently, in connection with the activities of Bank Millennium - as it is the case with the activities of other banks in Poland - the President of the Office of Competition and Consumer Protection is conducting proceedings on the use of practices infringing the collective interests of consumers as regards the so-called "unauthorised transactions". In the opinion of the President of the Office of Competition and Consumer Protection, in the case of Bank Millennium, such actions include the following:

(i) failure – no later than by the end of the business day after the date of receipt of an appropriate notification from the consumer regarding the occurrence of an unauthorised payment transaction – to refund the amount of the unauthorised payment transaction or to restore the debited payment account to the state that would have existed if the unauthorised payment transaction had not taken place, despite the lack of justified and duly documented grounds to suspect fraud on the part of the consumer and informing the authorities appointed to prosecute crimes about this suspicion in writing, as well as;

(ii) providing consumers – in the replies to their reports regarding the occurrence of unauthorised payment transactions – with information about the verification by the payment service provider of the correct use of the payment instrument by using individual authentication data in a way suggesting that the Bank's demonstration only that the disputed payment transactions have been correctly authenticated constitutes at the same time demonstration of the authorisation of such a transaction and excludes its obligation to return the amount of the unauthorised transaction and;

iii) providing consumers – in the replies to their reports regarding the occurrence of unauthorised payment transactions – with false information about authorisation of the transactions questioned by consumers, while presenting information indicating that the transactions took place as a result of an intentional or grossly negligent violation by consumers of at least one of the obligations referred to in Article 42 of the Payment Services Act and in the agreement between the consumer and the bank, as a result of which they are liable for the questioned payment transactions.

In the course of the proceedings, the Bank provided appropriate explanations and also substantively referred to the allegations formulated by the President of the Office of Competition and Consumer Protection.

On 18 April 2025, Bank Millennium filed an application for a binding decision pursuant to Article 28 section 1 of the Act on Competition and Consumer Protection. The application (proposal) includes all allegations presented by the UOKiK, i.e. changes in the procedure for handling reports regarding unauthorised payment transactions, changes in the classification of a given transaction as authorised and changes in complaint response templates. The application also includes a proposal for "compensation" for customers whose complaints were rejected. Currently, discussions with the President of the UOKiK regarding the issuance of a commitment decision are still ongoing.

The proceedings have been extended until 30 September 2026.

In connection with the proceedings, the Bank Millennium recognised a provision in the amount of PLN 106 million (EUR 24.7 million) based on estimated outflow of funds.

As at 30 June 2026, the Bank Millennium recorded the receipt of 369 court proceedings in which customers challenged the authorization of the transaction in question. In the cases in question, the Bank Millennium makes an individual assessment of the litigation chances in each of the court cases. In cases where, in the Bank's opinion, there is a greater probability of losing the dispute than winning it, provisions in the amount resulting from the potential loss of the Bank are created.

11. Proceedings regarding modification clauses

Bank Millennium is a party to proceedings initiated by the President of UOKiK regarding the recognition of certain provisions of a contract template as abusive. The proceedings concern modification clauses indicating the circumstances in which the Bank is entitled to amend the terms and conditions and the fees and commissions price lists. According to UOKiK, these clauses grant the Bank unlimited discretion in shaping the content of the contract, which may violate good practice and grossly infringe the interests of consumers. The Bank challenged the validity of these allegations, indicating that the provisions are precise and clearly define the conditions for their application. The President of UOKiK extended the proceedings until 25 November 2026.

Bank Millennium is also a party to proceedings initiated by the President of UOKiK regarding the modification clauses used by Euro Bank S.A., for which Bank Millennium S.A. is the legal successor. The President of UOKiK extended these proceedings until 31 August 2026.

As at 30 June 2026, the total value of the subjects of the other litigations in which the Bank Millennium Group's companies appeared as defendant, stood at PLN 3,999.3 million (EUR 930.8 million) (31 December 2025: 5,060.6 million (EUR 1,198.4 million), excluding the class actions described in note 57. In this group the most important category are cases related with FX loans mortgage portfolio.

12. A lawsuit based on the provisions on unjust enrichment, on 16 April 2026, the Bank Millennium received a claim for payment based on the provisions on unjust enrichment in the amount of PLN 299.4 million (EUR 69.7 million) as principal and PLN 139.7 million (EUR 32.5 million) as capitalised interest.

According to the claimants, the Bank became unjustly enriched in connection with the acquisition in 1992 of Łódzki Bank Rozwoju S.A. by Bank Inicjatyw Gospodarczych BIG S.A. (i.e. Bank Millennium S.A., which operated under that name 34 years ago). The claim was filed by spouses who were shareholders of Łódzki Bank Rozwoju S.A.('ŁBR S.A.'), Since 1991 Bank Inicjatyw Gospodarczych BIG S.A. had participated in the comprehensive restructuring of ŁBR S.A., in cooperation with and under the supervision of the National Bank of Poland. One of the restructuring measures was the decision of the Receiver's Management Board of ŁBR S.A. (Zarzad Komisaryczny ŁBR S.A.) dated 13 November 1992 to reduce the share capital of ŁBR S.A. by reducing the nominal value of its shares, and subsequently to increase the share capital through the issue of new registered shares, subscribed for by Bank Inicjatyw Gospodarczych BIG S.A. As a result of this decision, the claimants' shareholding in the share capital of ŁBR S.A. was significantly reduced.

At the same time, Bank Inicjatyw Gospodarczych BIG S.A. became the dominant shareholder of ŁBR S.A., which – following a change of name – operated as BIG Bank S.A. On 5 January 2001, BIG Bank S.A. was merged with BIG Bank Gdański S.A. (the name under which Bank Inicjatyw Gospodarczych BIG S.A. had operated since 1997). Since 2003, the Bank has operated under the name Bank Millennium S.A.

In the years 1992–2008, in connection with the events described above, the claimants in the present case initiated a number of court proceedings in which they attempted to obtain a legal basis for receiving an amount corresponding to the value of the principal claim asserted in the present proceedings. All those proceedings were dismissed. In the Bank's opinion, the claim is unfounded. Bank Millennium assesses that the prospects of prevailing in the litigation are favourable and, accordingly, no provision has been recognized in respect of this matter.

13. On 1 October 2015, a set of entities connected to a group with debts in default to BCP amounting to EUR 170 million, resulting from a loan agreement signed in 2009 - debts already fully provisioned in the Bank's accounts -, filed against BCP, after receiving the Bank's notice for mandatory payment, a lawsuit requesting that:

a) the court declares that two of the defendants are mere fiduciary owners of 340,265,616 BCP shares, since they acted pursuant to a request made by the Bank for the making of the respective purchases, and also that the court orders the cancellation of the registration of those shares in the name of those companies;

b) the court declares the nullity of the financing agreement established between the plaintiffs and the Bank, due to relative simulation;

c) the court sentences the Bank, in accordance with the legal regime of the mandate without representation, to become liable for the amounts due to the institution, abstaining from requesting those amounts to the plaintiffs and to refund them the cost they incurred while complying with that mandate, namely, EUR 90,483,816.83 regarding Banco Espírito Santo, S.A. (BES) and EUR 52,021,558.11 regarding Caixa Geral de Depósitos, S.A. (CGD), plus default interests;

d) the amount of the lawsuit determined by the plaintiffs is EUR 317,200,644.90;

e) the Bank opposed and presented a counter claim, wherein it requests the conviction, namely, of a plaintiff company in the amount of EUR 185,169,149.23 for the loans granted, plus default interests and stamp tax.

The court issued a curative act and already ascertained the factual basis that are proven and that must be proven.

The expertise was carried out and the expert report submitted.

In November 2022 the Bank complained about the Experts' Report: (i) they considered documents that the Court had ordered to be removed from the proceedings, which had not been done due to the Court's inertia, (ii) they considered written notes on documents, that may have been written by the entities that initiated the process, and (iii) they did not consider much information that was contained in the statements, and (iv) they made errors in the calculation of interest and the amount of financing granted. In view of the experts' new reply, BCP claimed all the expertise, in March 2023. For the Court's final decision, BCP added, in June 2025, a set of documents supporting its position.

On 30 June 2026, complaints regarding the expert assessment remain pending.

14. Resolution Fund

Resolution measure of Banco Espírito Santo, S.A.

On 3 August 2014, with the purpose of safeguarding the stability of the financial system, Banco de Portugal applied a resolution measure to Banco Espírito Santo, S.A. (BES) in accordance with the Article 145-C (1.b) of the Decree-law 298/92, of 31 December 1992, as amended (the "Banking Law"), which entailed, *inter alia*, the partial transfer of assets, liabilities, off-balance sheet items and assets under management into a transition bank, Novo Banco, S.A. (Novo Banco), incorporated on that date by a decision issued by Banco de Portugal. Within the scope of this process, the Resolution Fund made a capital contribution to Novo Banco amounting to EUR 4,900 million, becoming, on that date, the sole shareholder. Further, in accordance with information published on the Resolution Fund's website, the Resolution Fund borrowed EUR 4,600 million, of which EUR 3,900 million were granted by the Portuguese State and EUR 700 million by a group of credit institutions, including the Bank.

As announced on 29 December 2015, Banco de Portugal transferred to the Resolution Fund the liabilities emerging from the "*eventual negative effects of future decisions regarding the resolution process that may result in liabilities or contingencies*".

On 7 July 2016, the Resolution Fund declared that it would analyse and evaluate the diligences to be taken, following the publication of the report on the result of the independent evaluation, made to estimate the level of credit recovery for each category of creditors under a hypothetical scenario of a normal insolvency process of BES on 3 August 2014.

In accordance with the applicable law, when the BES liquidation process is over, if it is verified that the creditors, whose credits were not transferred to Novo Banco, would take on a higher loss than the one they would hypothetically take if BES had gone into liquidation right before the application of the resolution measure, such creditors shall be entitled to receive the difference from the Resolution Fund.

On 31 May 2019, the Liquidation Committee of BES presented a list of all the acknowledged and a list of the non-acknowledged creditors before the court and the subsequent terms of the proceedings. These lists detail that the total acknowledged credits, including capital, remunerative and default interest amounts to EUR 5,056,814,588, of which EUR 2,221,549,499 are common credits and EUR 2,835,265,089 are subordinated claims, and no guaranteed or privileged claims exist. Both the total number of acknowledged creditors and the total value of the acknowledged credits and their ranking will only be ultimately determined upon the definitive judicial judgement of the verification and ranking of credits to be given in the liquidation proceedings.

According to note 25 of the Resolution Fund's Annual Report of 2025, "in 2019, the Resolution Fund was informed that the credits (it) claimed had not been recognised by the Liquidation Commission of BES – In Liquidation, whilst the Resolution Fund filed an objection to the list of creditors with the Lisbon District Court, requesting that the credits it claimed be recognised. The challenge was upheld and the Liquidation Committee of BES – In Liquidation appealed. In 2023, the Lisbon Court of Appeal issued a judgement dismissing the appeal of the Liquidation Commission of BES - In Liquidation, and in favour of the position defended by the Resolution Fund, confirms the decision of the Court of First Instance and the recognition of the credits claimed by the Resolution Fund as privileged credits. The Liquidation Commission of BES - In Liquidation, filed an appeal for review before the Supreme Court of Justice, which issued a judgement in July 2023, which has already become final, recognising, and classifying as privileged the credits claimed by the Resolution Fund for the total amount of EUR 1,242,568.9 thousand".

Following the resolution measure of BES, a significant number of lawsuits against the Resolution Fund was filed and is underway. According to note 26 of the Resolution Fund's Annual Report of 2025, *"Legal actions related to the application of resolution measures have no definitive legal precedents, which makes it impossible to use case law in its evaluation, as well as to obtain a reliable estimate of the associated contingent financial impact. (...) The Resolution Fund, supported by legal advice of the attorneys for these actions, and in light of the legal and procedural information available so far, considers that there is no evidence to cast doubt on their belief that the probability of success is higher than the probability of failure".*

According to note 28 of the Resolution Fund's Annual Report of 2025, *"In addition to the Portuguese courts, it is important to take into account the litigation of Novo Banco, S.A., in other jurisdictions, being noteworthy, for its materiality and respective procedural stage, the litigation in the Spanish jurisdiction"*.

According to Resolution Fund's Annual Report of 2025, "in 2025 there were significant developments in the judicial liquidation process of BES. In light of these developments, the application of accounting rules leads to the recognition of a provision — in the amount of Euros 630.0 million — related to the possibility that, under the so-called no creditor worse off principle, the Resolution Fund may have to compensate the ordinary creditors of Banco Espírito Santo, S.A. ("BES") whose claims were not transferred to Novo Banco and who suffered losses in the context of that bank's resolution, even if, as of today, there is no obligation or liability incumbent upon the Resolution Fund under that principle, nor has it yet been determined, for any ordinary creditor, whether there is a right to compensation from the Resolution Fund."

On 31 March 2017, Banco de Portugal communicated the sale of Novo Banco, where it states the following: *"Banco de Portugal today selected Lone Star to complete the sale of Novo Banco. The Resolution Fund has consequently signed the contractual documents of the transaction. Under the terms of the agreement, Lone Star will inject a total of EUR 1,000 million in Novo Banco, of which EUR 750 million at completion and EUR 250 million within a period of up to 3 years. Through the capital injection, Lone Star will hold 75% of the share capital of Novo Banco and the Resolution Fund will maintain 25% of the share capital"*.

On 18 October 2017, following the resolution of the Council of Ministers 151-A/2017 of 2 October 2017, Banco de Portugal communicated the conclusion of the sale of Novo Banco to Lone Star, with an injection by the new shareholder of EUR 750 million, followed by a further capital increase of EUR 250 million by the end of 2017. Upon completion of the transaction, the status of Novo Banco as a bridge institution ceased, fully complying with the purposes of the resolution of BES.

On 26 February 2018, the European Commission published the non-confidential version of its decision regarding the approval of State aid underlying Novo Banco's sale process. This statement identifies the three support measures by the Resolution Fund and the Portuguese State that are part of the sale agreement associated with a total gross book value of around EUR [10-20] billion(1) that revealed significant uncertainties regarding adequacy in provisioning(2):

(i) Contingent Capital Agreement (CCA) which allows Lone Star to reclaim, from the Resolution Fund, funding costs, realised losses and provisions related to an ex-ante agreed portfolio of existing loan stock, up to a maximum of EUR 3.89 billion, subject to a capital ratio trigger (CET1 below 8%-13%) as well as to some additional conditions(1)(2)(3);

(ii) Underwriting by the Resolution Fund of a Tier 2 instrument to be issued by Novo Banco up to the amount necessary (but no more than EUR 400 million). The amount that can be reclaimed by the Resolution Fund under the CCA is subject to the cap of EUR 3.89 billion(2);

(iii) In case the Supervisory Review and Evaluation Process ("SREP") total capital ratio of Novo Banco falls below the SREP total capital requirement, the Portuguese State will provide additional capital in certain conditions and through different instruments(2). According to the audit report on the management of Novo Banco conducted by the Court of Auditors and released on 12 July 2022, "the risk of triggering the additional capital mechanism (capital backstop), up to EUR 1.6 billion, provided for in the commitments made by the Portuguese State to ensure the viability of NB, exists".

On 9 September 2020, BCP informed that it has decided not to continue with the legal proceeding before the General Court of the European Union with a view to partially annul the European Commission's decision regarding its approval of the CCA of Novo Banco.

(1) Exact value not disclosed by the European Commission for confidentiality reasons

(2) As referred to in the respective European Commission Decision

(3) According to 2018 Novo Banco's earnings institutional presentation, the "minimum capital condition" is (i) CET1 or Tier 1 < CET1 or Tier 1 SREP requirement plus a buffer for the first three years (2017-2019); (ii) CET1 < 12%

According to a statement issued by the Resolution Fund on 13 February 2023, "*the Ministry of Finance has disclosed that the European Commission intends to consider the restructuring process of Novo Banco as completed. The information disclosed today confirms the successful restructuring of Novo Banco, resulting from the combined execution of the restructuring plan agreed in 2017, under the sale transaction conducted by Banco de Portugal, and the sale agreements, namely the CCA, under which the Resolution Fund transferred to Novo Banco EUR 485 million, less than the maximum amount set in the contract (EUR 3,890 million). The completion of the restructuring of Novo Banco, is also another indicator that Novo Banco should not need to request any further payment to the Resolution Fund under the CCA, without prejudice to the ongoing litigation or that still may occur regarding the amounts already requested by Novo Banco in relation to past years and that the Resolution Fund considers that are not due.*"

On 9 December 2024, the Resolution Fund announced in a statement that it had signed an agreement ending the Contingent Capitalisation Agreement (CCA) signed in 2017 as part of the Novo Banco sale. This agreement brings forward by around a year the end of the CCM, which until now had been scheduled for the end of 2025, definitively extinguishing any possibility of Novo Banco requesting further payments from the Resolution Fund. The main terms and conditions of the agreement to bring forward the end of the MCC include:

- Immediate termination of the CCA, bringing forward the maturity of the contract, scheduled for the end of 2025, which implies, in particular, that no new payment requests can be made by Novo Banco, that operations relating to the assets covered by the Agreement no longer require the Resolution Fund's opinion, and that the Monitoring Committee is also extinguished, and that the impediment to the distribution of dividends by Novo Banco, which was stipulated in the MCC, ceases.

- The existing payment obligations between the parties as a result of the CCA, as well as all litigation and disputes related to the implementation of the agreement, are settled - without any transfer of funds.

- The Resolution Fund's contingent liabilities associated with the alleged breach of the “Business Warranties” assumed in the Novo Banco sale agreement are extinguished, namely with the waiver of the compensation claims preliminarily presented by Nani Holdings, which amounted to around EUR 60 million.

- The mechanism whereby the stake in Novo Banco held by Nani Holdings is not diluted in the event of capital increases because of the application and under the terms of the Special Regime Applicable to Deferred Tax Assets is extinguished.

The agreement allows for a significant reduction in the Resolution Fund's liabilities (in excess of EUR 73 million in net terms, based on the amounts claimed by Novo Banco), as well as allowing for the extinction of potentially significant contingencies. Thus, all the Resolution Fund's obligations relating to the CCA are definitively closed. The amount paid by the Resolution Fund was therefore EUR 485 million below the maximum amount provided for in the contract (EUR 3,890 million) and EUR 936 million below the aggregate amount of losses “covered” by the contingent capitalisation mechanism (EUR 4,341 million, as at 30 June 2024).

With the expiry of the Contingent Capitalisation Agreement, the payments made by the Resolution Fund will be limited to the EUR 3,405 million that the Resolution Fund considered to be due, between 2018 and 2021.

According to a statement issued by the Banco de Portugal on 9 December 2024 on the end of the contingent capitalisation agreement signed in the context of the sale of Novo Banco, “The CCA and the management of the assets that comprised it were subject to numerous internal and external audits, as provided for in the original Agreement, carried out by independent entities hired for this purpose. To this was added the monitoring carried out by the supervisory authorities and others with powers to do so within the legal framework in force, including the European Central Bank and the Court of Auditors.”

According to Novo Banco’s 2025 Report (note 28), Novo Banco adhered to the Special Regime applicable to Deferred Tax Assets under Law 61/2014, of 26 August (REAID), according to which, the deferred tax assets recorded until 31 December 2015 can be converted into tax credits when the taxable entity reports an annual net loss, in accordance to the proportion of the amount of the said net loss to total equity at the individual company level, A special reserve was established with an amount identical to the tax credit approved, increased by 10%. The conversion rights are securities that entitle the State to require Novo Banco to increase its share capital by incorporating the amount of the special reserve and consequently issuing and delivering free of charge ordinary shares. The shareholders have the right to acquire the conversion rights attributed to the Portuguese State.

According to note 8 of the Resolution Fund's 2025 Annual Report, under the terms of the sale of Novo Banco, the Fund is required to maintain Nani Holdings' stake at 75% when that stake is affected by capital increases carried out under the terms of the REAID.

According to the same note, under REAID, Novo Banco, S. A., carried out three capital increases by incorporation of reserves, through the rights conversion that had been attributed to the State as a result of the conversion, into tax credits, of Novo Banco's deferred tax assets with reference to the 2015 to 2019 tax periods.

According to Novo Banco's 2025 Report, Novo Banco carried out another capital increase following the conversion of the conversion rights granted by the State for the 2020 fiscal year, fully subscribed by the Resolution Fund.

On 13 June 2025, it was announced that a Memorandum of Understanding had been signed between the Lone Star funds and the BPCE Group for the sale of the 75% stake held by Lone Star in Novo Banco.

In October 2025, the Resolution Fund, like the Portuguese State, entered into an adherence agreement to the sale of the share capital of Novo Banco, S.A. to the French group Banque Populaire Caisse d'Epargne ("BPCE Group"), which had been agreed between that entity and Nani Holdings, SGPS, S.A. Under the terms of this adherence agreement, the Resolution Fund sold all the shares it held in Novo Banco to the BPCE Group.

On 30 April 2026, according to a statement from the Resolution Fund, the sale of Novo Banco was concluded, allowing the Resolution Fund to receive Euro 906 million, bringing the total amount received from its participation in Novo Banco to Euros 1.082 million, thereby closing a process that began in 2014.

With the sale of its shares to BPCE, the Resolution Fund ceased to hold any equity stake in Novo Banco.

Resolution measure of Banif – Banco Internacional do Funchal, S.A.

On 19 December 2015, the Board of Directors of Banco de Portugal announced that Banif *"was failing or likely to fail"* and started an urgent resolution process of the institution through the partial or total sale of its activity, which was completed on 20 December 2015 through the sale to Banco Santander Totta S.A. (BST) of the rights and obligations of Banif, formed by the assets, liabilities, off-balance sheet items and assets under management. The largest portion of the assets that were not sold, were transferred to an asset management vehicle denominated Oitante, S.A. (Oitante) specifically created for that purpose, having the Resolution Fund as the sole shareholder. For that matter, Oitante issued bonds representing debt in the amount of EUR 746 million. The Resolution Fund provided a guarantee and the Portuguese State a counter-guarantee. The operation also involved State aid, of which EUR 489 million were provided by the Resolution Fund, which was funded by a loan granted by the State.

On 12 January 2021, Banco de Portugal was informed that the Administrative and Fiscal Court of Funchal dismissed a lawsuit involving several disputes associated to Banif's resolution measures applied by Banco de Portugal. In its decision, the Court determined the legality and maintenance of Banco de Portugal's measures.

On 4 July 2022, Oitante - 100% owned by the Resolution Fund - completed the process of repayment of the bonds issued in connection with the resolution of BANIF. Oitante's debt, which initially totalled EUR 746 million, has therefore been fully settled. With the repayment of the debt, the Resolution Fund's responsibility as guarantor also ceases, as well as the Portuguese State's responsibility as provider of a counter-guarantee.

On 16 January 2023, the Liquidation Committee of Banif announced a list of all the acknowledged and a list of the non-acknowledged creditors. According to note 24 of the Resolution Fund's 2025 Annual Report, the Resolution Fund holds a claim on Banif of EUR 489 million, which has a higher claim ranking provided for in article 166-A of the RGICSF. According to the same note, no court decision has yet been issued regarding the judicial challenges submitted against the list of recognized creditors and the list of unrecognized creditors. For accounting purposes, the Resolution Fund continues to consider the likelihood of recovery of this claim to be remote, based on prudence criteria, and therefore continues to recognize a full impairment on this exposure.

The Resolution Fund on 18 June 2026 informed that Oitante approved another dividend distribution to the Resolution Fund by EUR 10.1 million. With this new distribution, the amount delivered by Oitante to the Resolution Fund totals EUR 186.3 million since the company was set up. The amounts received and to be received by the Resolution Fund, given its 100% participation in Oitante's capital, contribute to reducing the losses of Euro 489 million incurred by this Fund in the resolution of BANIF and will be used to repay the debts of the Resolution Fund.

Liabilities and financing of the Resolution Fund

Pursuant to the resolution measures applied to BES and Banif, the Resolution Fund incurred on loans and assumed other responsibilities and contingent liabilities resulting from:

- The State loans, on 31 December 2025, included the amounts made available (i) in 2014 for the financing of the resolution measure applied to BES (EUR 3,900 million); (ii) to finance the absorption of Banif's losses (EUR 353 million); (iii) under the framework agreement concluded with the State in October 2017 for the financing of the measures under the CCA (EUR 430 million plus EUR 850 million of additional funding requested in 2019 and EUR 850 million made available in 2020);

- Other funding received:

  - in 2014 by seven domestic institutions in the amount of EUR 700 million, in which the Bank participates, within the scope of BES resolution measure;

  - in 2021 by seven domestic credit institutions, including BCP, to finance payments due under the CCA up to a maximum of EUR 429 million;

- The underwriting by the Resolution Fund of a Tier 2 instrument to be issued by Novo Banco up to the amount of EUR 400 million (did not take place as the instruments were placed with third party investors as disclosed by Novo Banco on 29 July 2018);

- Effects of the application of the principle that no creditor of the credit institution under resolution may assume a loss greater than the one it would take if that institution did not go into liquidation;

- Negative effects resulting from the resolution process that result in additional liabilities or contingencies for Novo Banco, which must be neutralised by the Resolution Fund;

- Legal proceedings filed against the Resolution Fund;

- Guarantee granted to secure the bonds issued by Oitante, S.A.;

- CCA that allows Lone Star to claim, from the Resolution Fund, funding costs, realised losses and provisions related to the aforementioned ex-ante portfolio of existing loan stock agreed upon the sale process to Lone Star, as described above;

- In case the Supervisory Review and Evaluation Process (SREP) total capital ratio of Novo Banco falls below the SREP total capital requirement, the State will provide additional capital in certain conditions and through different instruments as referred to in the respective European Commission Decision.

To meet a payment from the Resolution Fund to Novo Banco, as per to Resolution 63-A/2021 of 27 May 2021 of the Council of Ministers and Order from the Minister of State and Finance, of 31 May 2021 - intended to provide the Resolution Fund with the financial resources necessary to meet any obligations arising from the Contingent Capitalisation Agreement in the years 2021 and 2022 – rendering a new loan from the State to the Resolution Fund, a number of national financial institutions offered to finance the Resolution Fund, increasing up to EUR 475 million the direct financing of banks to the Resolution Fund and waiving a Portuguese State loan to the Resolution Fund.

According to the Resolution Fund’s 2025 Annual Report from the maximum amount of EUR 475 million. The Resolution Fund used EUR 429 million, which corresponds to the payment made to Novo Banco in 2021. The loan matures in 2046 and bears interest at a rate corresponding to the sovereign cost of funding for the period between the contract date (31 May 2021) and 31 December 2026, plus a margin of 15 b.p. The interest rate will be reviewed on 31 December 2026 and, after that, every five-years. The payment obligations arising from this loan benefit from a pari passu treatment with the payment obligations of the loans entered into with the Portuguese State on 7 August 2014 and 31 December 2015 and with the Portuguese credit institutions on 28 August 2014. The funding costs of the Resolution Fund (from the State and from banks) will continue to be exclusively borne by periodic revenues, corresponding to the contributions paid by the banking sector.

According to note 28 of the Resolution Fund's 2025 Annual Report, the Resolution Fund considers that, to date, there are no elements that allow a reliable estimate of the potential financial effect of these potential liabilities.

By a public statement on 28 September 2016, the Resolution Fund and the Ministry of Finance communicated the agreement based on a review of the terms of the EUR 3,900 million loan originally granted by the State to the Resolution Fund in August 2014 to finance the resolution measure applied to BES. According to the Resolution Fund, the extension of the maturity of the loan was intended to ensure the ability of the Resolution Fund to meet its obligations through its regular revenues, regardless of the contingencies to which the Resolution Fund is exposed. On the same day, the Office of the Minister of Finance also announced that increases in the liabilities arising from the materialisation of future contingencies will determine the maturity adjustment of State and bank loans to the Resolution Fund, required from to maintain the contributory effort required from the banking sector at prevailing levels at that time.

According to the statement of the Resolution Fund of 21 March 2017:

- *"The conditions of the loans obtained from the Fund to finance the resolution measures applied to Banco Espírito Santo, S.A. and to Banif – Banco Internacional do Funchal, S.A. were changed. These loans amount to EUR 4,953 million, of which EUR 4,253 million were granted by the Portuguese State and EUR 700 million were granted by a group of banks"*;

- *"Those loans are now due in December 2046, without prejudice to the possibility of early repayment based on the use of the Resolution Fund's revenues. The revision of the loan's terms aimed to ensure the sustainability and financial balance of the Resolution Fund. The terms allow the Resolution Fund to fully meet its liabilities based on regular revenues and without the need for special contributions or any other type of extraordinary contributions"*.

According to the audit report on the management of Novo Banco conducted by the Court of Auditors and released on 12 July 2022, "*the repayment of the EUR 2,130 million loans granted by the Portuguese State to the Resolution Fund will not end in 2046, as expected, rather in 2056 (without payments under the CCA after 2021) or in 2059 (with the use of the CCA cap). (...) In other, more pessimistic scenarios, these loans will still be being repaid in 2062*".

On 2 October 2017, by Resolution 151-A/2017, of the Council of Ministers of the Portuguese State, as the ultimate guarantor of financial stability, was authorised to enter into a framework agreement with the Resolution Fund, to make available the necessary financial resources to the Resolution Fund, if and when the State deemed necessary, to satisfy any contractual obligations that may arise from the sale of the 75% stake in Novo Banco. The above-mentioned resolution further set out that the framework agreement should be subject to a time period that is consistent with the undertakings of the Resolution Fund and should preserve the Resolution Fund's capacity to satisfy said obligations in due time.

As at 31 December 2025, the Resolution Fund's own resources had a negative equity of EUR 5,971.7 million, as opposed to EUR 6,475.8 million at the end of 2024, according to the latest 2025 Annual Report of the Resolution Fund.

To repay the loans obtained and to meet other liabilities that it may take on, the Resolution Fund receives proceeds from the initial and regular contributions from the participating institutions (including the Bank) and from the contribution over the banking sector (created under Law 55-A/2010). It is also provided for the possibility of the member of the Government responsible for the area of Finance to determine, by ordinance that the participating institutions make special contributions, in the situations provided for in the applicable legislation, particularly if the Resolution Fund does not have resources to satisfy its obligations.

Pursuant to Decree-Law 24/2013 of 19 February, which establishes the method for determining the initial, periodic and special contributions to the Resolution Fund, provided for in the Banking Law, the Bank has been paying, since 2013, its mandatory contributions set out in the aforementioned decree-law.

On 3 November 2015, the Banco de Portugal issued Circular Letter no. 085/2015/DES, under which it is clarified that the periodic contribution to the Resolution Fund should be recognised as an expense at the time of the occurrence of the event which creates the obligation to pay the contribution, i.e. on the last day of April of each year, as stipulated in Article 9 of the referred Decree-Law 24/2013, of 19 February, thus the Bank is recognising as an expense the contribution to the Resolution Fund in the year in which it becomes due.

Decree-Law 24/2013 of 19 February further sets out that Banco de Portugal has the authority to determine, by way of instruction ("instrução"), the applicable yearly rate based on objective incidence of periodic contributions. The instruction of Banco de Portugal no. 14/2025, published on 15 December 2025, set the base rate for 2026 for the determination of periodic contributions to the Resolution Fund at 0.047% (0.049% in 2025).

According to Article 5 (e) of the Regulation of the Resolution Fund, approved by the Ministerial Order 420/2012, of 21 December, the Resolution Fund may submit to the member of the Government responsible for finance a proposal with respect to the determination of amounts, time limits, payment methods, and any other terms related to the special contributions to be made by the institutions participating in the Resolution Fund. According to public communications from both the Resolution Fund and from the Government, there is no indication, as of today, that any such special contributions are foreseen.

The Resolution Fund issued, on 15 November 2015, a public statement declaring: *"…it is further clarified that it is not expected that the Resolution Fund will propose the setting up of a special contribution to finance the resolution measure applied to BES. Therefore, the potential collection of a special contribution appears to be unlikely"*.

In 2015, following the establishment of the Single Resolution Fund (SRF), the Group made an initial contribution in the amount of EUR 31,364 thousand. In accordance with the Intergovernmental Agreement on the Transfer and Mutualisation of Contributions to the SRF, this amount was not transferred to the SRF but was used instead to partially cover for the disbursements made by the Resolution Fund in respect of resolution measures prior to the date of application of this Agreement.

In the first half of 2026, the Group made regular contributions to the Portuguese Resolution Fund in the amount of EUR 10,695 thousand. The amount related to the contribution on the banking sector in Portugal, recorded in this period was EUR 31,335 thousand. These contributions were recognised as a cost in the first half of 2026, in accordance with IFRIC no. 21 – Levies.

It is not possible, on this date, according to note 28 of the 2025 Resolution Fund's annual report to assess the effects on the Resolution Fund due to: (i) in the Banif process, the application of the principle that no creditor of the credit institution under resolution may take on a loss greater than the one it would take if that institution did not go into liquidation; and (iii) legal proceedings against the Resolution Fund.

15. Banco Comercial Português, S.A., Banco ActivoBank S.A. and Banco de Investimento Imobiliário, S.A. (company merged into Banco Comercial Português, S.A.) initiated an administrative proceeding to contest the resolution adopted by Banco de Portugal on 31 March 2017 to sell Novo Banco (NB), and also, as a precaution, the deliberation adopted by the Resolution Fund on the same date, as they foresee the sale of NB by resorting to a contingent capitalisation agreement under which the Resolution Fund commits to inject capital in Novo Banco up to EUR 3,9 billion, under determined circumstances. In the proceedings, the claimants request the declaration of nullity or annulment of those acts.

The proceedings were filed based on the information contained in the Communication from Banco de Portugal dated 31 March 2017, of which the claimants were not notified. The proceedings were filed in court on 4 September 2017. Banco de Portugal and the Resolution Fund presented their arguments and, only very recently, Nani Holdings SGPS, S.A. did the same since, by delay of the court, this company was only very recently notified to act as a party in the proceedings.

In addition to opposing to it, the defendants invoke three objections (i) the illegitimacy of the claimants, (ii) the argument that the act performed by Banco de Portugal cannot be challenged and (iii) the material incompetence of the court. The opponent party invoked the issue of passive illegitimacy since Novo Banco was not notified as an opponent party.

The claimants replied to the arguments presented by the defendants and to the arguments presented by the opponent party. After the presentation of the arguments, Banco de Portugal attached to the proceedings what it called an evidence process (allegedly in compliance with the law) but most of the documents delivered were truncated in such a way that neither the court nor the claimants are able to obtain adequate knowledge thereof. That issue was already raised in the proceedings (requesting the court to order Banco de Portugal to deliver a true evidence process) but no decision thereon has been made yet.

The proceeding was sent to the judge on 23 September 2019 and the Bank is awaiting a decision. BCP added legal opinions to the records (Professors Mário Aroso de Almeida and Manuel Fontaine de Campos).

On 30 June 2026, the proceedings are prepared for confirmation of the decision accepting the formalities of the right of action (with the making of a decision on the specific objections invoked). In case the judge considers that Novo Banco is an opponent party, the judge must start by issuing a pre-confirmation in order to request the claimants to identify it. Afterwards, that Bank will be notified to present its opposition arguments.

On 30 June 2026, the proceedings have not progressed and are still before the judge (for a possible decision on the reorganisation of the case).

By application dated 7 January 2026, the Bank took advantage of the Court's invitation to rule on the updating of the data of the Counterparty Nani Holdings, SGPS, S.A., to submit a set of supervening documents to the case-files and request the continuation of the proceedings.

Since the case has not undergone any developments since the end of the written proceedings (in 2018), it is not possible to have a non-speculative expectation of its development or timetable for its conclusion, and it is not anticipated that the agreement for the sale of NB will influence this timetable.

16. Banco Comercial Português, S.A. was subject to tax inspections for the years up to 2022. As a result of the inspections in question, corrections were made by the tax authorities, arising from the different interpretation of some tax rules. The main impact of these corrections occurred regarding IRC, including in terms of the tax loss carry forwards and, in the case of indirect tax, in the calculation of the Value-Added Tax (VAT) deduction pro rata used for the purpose of determining the amount of deductible VAT and at the Stamp Duty level. Most of additional liquidations/corrections made by the tax administration were the object of contestation by administrative and/or judicial means.

The Bank recorded provisions, current tax liabilities or deferred tax liabilities at the amount considered sufficient to offset the tax or tax loss carry forwards, as well as the contingencies related to the fiscal years not yet reviewed by the tax administration.

57. Legal risk related to foreign currency mortgage loans in Bank Millennium (Poland)

1. Court claims and current provisions for legal risk

On 30 June 2026, Bank Millennium had 12,546 loan agreements and additionally 1,997 loan agreements from former Euro Bank under individual ongoing litigations (excluding claims submitted by Bank Millennium against clients i.e. debt collection cases) concerning indexation clauses of FX mortgage loans submitted to the courts (43% loans agreements before the courts of first instance and 57% loans agreements before the courts of second instance) with the total value of claims filed by the plaintiffs amounting to PLN 2,737.5 million (EUR 637.2 million) and CHF 225.6 million (EUR 244.6 million) [(Bank Millennium portfolio: PLN 2,303.1 million (EUR 535.6 million) and CHF 214.9 million (EUR 233 million) and former Euro Bank portfolio: PLN 434.4 million (EUR 101.1 million) and CHF 10.7 million (EUR 11.6 million)]. The original value of the portfolio of CHF agreements granted (the sum of tranches paid to customers), taking into account the exchange rate as at the date of disbursement of loan tranches, amounted to PLN 19.4 billion (EUR 4.5 billion) for 109 thousand loan agreements (Bank Millennium portfolio: PLN 18.3 billion (EUR 4.3 billion) for 103.8 thousand loan agreements and former Euro Bank portfolio: PLN 1.1 billion (EUR 0.3 billion) for 5.2 thousand loan agreements). Out of 12,546 Bank Millennium's loan agreements in ongoing individual cases 314 are also part of class action. From the total number of individual litigations against the Bank approximately 3,890 or 31% were submitted by borrowers that did not have any active loans with a CHF balance at the moment of submission. Approximately another 760 cases correspond to loans that were fully repaid during the proceedings (as court proceedings are lengthy).

The claims formulated by the clients in individual proceedings primarily concern the declaration of invalidity of the contract and payment for reimbursement of paid principal and interest instalments as undue performance, due to the abusive nature of indexation clauses, or maintenance of the agreement in PLN with interest rate indexed to CHF Libor (currently CHF Saron).

In addition, Bank Millennium is a party to the group proceedings (class action) subject matter of which is to determine the Bank's liability towards the group members based on unjust enrichment (undue benefit) ground in connection with the foreign currency mortgage loans concluded. It is not a payment dispute. The number of credit agreements currently covered by these proceedings is 1,354. Out of 1,354 loan agreements in class action 314 are also part of ongoing individual cases, 101 concluded settlements and 119 received final verdicts (invalidation of loan agreement). On 24 May 2022 the court issued a judgment on the merits, dismissing the claim in full. On 13 December 2022 the claimant filed an appeal against the judgment. On 25 June 2024 an appeal hearing was held, at which the Bank filed a motion to amend the composition of the group and exclude those group members who had entered into an amicable settlement or whose claims had already been adjudicated in separate proceedings brought by the customer. The court required the plaintiffs' attorneys to take a written position on the current composition of the group. Since 31 January 2025, the court has issued a number of orders setting aside the judgment and discontinuing the proceedings from the persons who entered into amicable settlements or whose claims had already been adjudicated in separate court proceedings. As a consequence of these orders, the number of credit agreements covered by the class action dropped from 3,273 to 1,354.

Until the end of 2019, 1,979 individual claims were filed against Bank Millennium (in addition, 235 against former Euro Bank), in 2020 3,002 (265), in 2021 6,152 (421), in 2022 5,756 (407), in 2023 6,865 (644), in 2024 5,834 (655), in 2025 3,710 (427) while in the first half of 2026, the number increased by 1,586 (137).

As far as Bank Millennium (including the former Euro Bank portfolio) is concerned, from 2015 until the end of the first half of 2026, 23,825 cases were finally resolved (23,668 in claims submitted by clients against the Bank and 157 in claims submitted by the Bank against clients i.e. debt collection cases) out of which 6,565 were settlements, 152 were remissions, 99 rulings were favourable for the Bank and 17,009 were unfavourable including both invalidation of loan agreements as well as conversions into PLN+LIBOR (currently Saron). Bank Millennium undertakes proper legal actions in order to secure repayment of initially disbursed capital of the loan.

The methodology developed by Bank Millennium of calculating provisions for legal risk involved with indexed loans is based on the following main parameters:

(1) the number of ongoing cases (including class action agreements);

(2) the number of potential future court cases, the Bank monitors customer behaviours, analyses their willingness to sue the Bank, including due to economic factors and applies the following assumptions:

a. regarding active loans (i.e., loans with an outstanding balance), the Bank estimates that approximately 21% of them will neither sign an out-of-court settlement nor decide to file a lawsuit;

b. regarding loans already fully repaid or converted to polish zloty, the Bank anticipates that approximately 5.3 thousand repaid loans - those which were not previously subject to a settlement - may result in future litigation initiated by the borrowers.

The impact on the level of provisions of a change by 100 clients (assuming recent inflow structure) would be around PLN 12.5 million (EUR 2.9 million);

(3) the amount of the Bank's potential loss in the event of a specific court judgment (including statutory interest estimation significantly dependent on the period for which they are awarded);

(4) estimates involved with amicable settlements with clients.

As a result of negotiations, the number of active FX mortgage loans originated by Bank Millennium decreased by 31,554. At the end of the first half of 2026, the Bank had 10,827 active FX mortgage loans.

The costs regarding legal risk related to foreign-currency mortgage loans are presented in the following table:

		30 June 2026		30 June 2025	
Item	note	thousand PLN	thousand EUR	thousand PLN	thousand EUR
Results on modification	10	—	—	10,584	2,509
Other operating income/(expenses)	6	—	—	33,864	8,027
Foreign exchange gains/(losses)	5	—	—	22,339	5,295
Charge of other provisions	14	405,561	95,582	1,018,600	241,458
Total costs		405,561	95,582	1,085,387	257,289

Legal risk from former Euro Bank portfolio is fully covered by Indemnity Agreement with Société Générale S.A.

Over the past years, the Court of Justice of the European Union (CJEU) has interpreted a number of legal issues concerning disputes in the area of foreign currency housing loan agreements. As a result of these actions, the legal assessments of national courts regarding claims submitted by borrowers have been significantly unified. The established line of case law is generally favourable to consumers, and the legal arguments put forward by banks, including those referring to principles of fairness, are taken into account only to a limited extent.

It can reasonably be assumed that the legal issues relating to foreign currency mortgage loans will be further examined by the domestic courts and the European Court of Justice which could potentially result in the further interpretations, that are relevant for the assessing of the risks associated with proceedings.

The issues related to the statute of limitations for the Bank Millennium's and the customer's restitutionary claims following the invalidation of a loan agreement remain an area that may be subject to further analysis in the jurisprudence of Polish courts. In particular, the manner in which national courts implement the CJEU's interpretations favourable to the Bank with regard to the interruption of the running of the limitation period for the Bank's claims, as well as the possibility of applying the principle of equity in the case of time barred restitution claims of the Bank, will be of key importance. Below, in the section describing selected theses and rulings of the CJEU, the relevant interpretations of the CJEU in this respect are referred to.

Legal interpretations in this subject may have an impact for the amount of provisions in the future.

There is a need for constant analysis of these matters. Bank Millennium will have to regularly review and may need to continue to create additional provisions for FX mortgage legal risk, taking into consideration not only the above mentioned developments, but also the negative verdicts in the courts regarding FX mortgage loans and important parameters, such as the number of new customer claims, including those relating to repaid loan agreements.

On 25 June 2026, the Polish Parliament adopted the Act on special solutions for the examination of cases concerning loan agreements denominated or indexed to the Swiss franc. On 17 July 2026, the Act was signed by the President of Poland and will enter into force 14 days after its publication in the Journal of Laws.

The bill aims to create new regulations enabling courts to consider Swiss franc cases faster and more effectively. Its primary task is to relieve the judiciary, by accelerating the examination of Swiss franc cases.

The entry into force of the new Act does not alter the Bank Millennium's strategic approach, which remains focused on the amicable resolution of disputes with clients through the conclusion of settlement agreements.

Selected theses and decisions of the CJEU and the Supreme Court that have shaped the line of jurisprudence.

Case law of the Court of Justice of the European Union

On 3 October 2019, in case C 260/18, the CJEU ruled that a national court may annul a credit agreement if the removal of unfair terms identified in that agreement would alter the nature of the main subject matter of the contract, and that it is excluded to fill the gaps in the agreement caused by the removal of unfair terms solely on the basis of national legislation of a general nature or on the basis of accepted customs. The Court also found that the consumer, if he or she so wishes, may maintain the agreement in force.

On 10 June 2021, the CJEU found that the protection provided for in Directive 93/13/EEC applies to every consumer, and not only to one who may be regarded as a "reasonably well informed, observant and circumspect average consumer".

With regard to the definition of a consumer, on 8 June 2023, in case C 570/21, the CJEU ruled that the notion of "consumer" within the meaning of Directive 93/13 also includes a person who concluded a credit agreement for use partly related to his or her business or professional activity.

On 15 June 2023, in case C 520/21, the CJEU, referring to the issue of settlements between the bank and the consumer as a consequence of the annulment of a credit agreement, explained that the provisions of Directive 93/13 preclude a judicial interpretation of national law under which a credit institution has the right to demand from the consumer compensation exceeding the return of the capital disbursed under the performance of that agreement, as well as exceeding statutory default interest from the date of the demand for payment.

On 21 September 2023, in case C 139/22, the Court ruled that it is possible to consider a contractual term unfair solely because its content is equivalent to the content of a clause included in the national register of unfair terms. Moreover, the CJEU held that a contractual term found to be unfair cannot lose that character because of another provision of the same agreement that provides the consumer with the possibility of performing obligations under different conditions. Furthermore, the trader is obliged to inform the concerned consumer about the essential features of the agreement concluded with him or her, as well as about the risks connected with that agreement, even if that consumer is the trader's employee and has relevant knowledge in the field of that agreement.

On 7 December 2023, in case C 140/22, the Court ruled that the exercise of a consumer's rights cannot be made conditional upon the consumer submitting to the court, in particular, a statement declaring that he or she agrees to the recognition of the agreement as null and void.

On 14 December 2023, in case C 28/22, the Court ruled that the limitation period for the trader's claims arising from the invalidity of the agreement cannot begin later than the limitation period for the consumer's claims arising from the invalidity of that agreement. The Court also indicated, among other things, that the trader cannot rely on the right of retention that would allow him to make the return of the benefits received from the consumer conditional upon the consumer offering to return the benefits he or she received, if the exercise of this right of retention would cause the consumer to lose the right to obtain default interest.

The Court of Justice of the European Union on 19 June 2025 issued a judgment in case C 396/24. The Court stated in particular that a trader, in the case of the invalidity of the agreement, may not demand from the consumer the return of the entire nominal amount of the credit granted, regardless of the amount of repayments made by the consumer under that agreement and regardless of the amount remaining to be repaid.

In its judgment of 27 November 2025, in case C 746/24, the CJEU addressed the possibility of charging the consumer with the costs of legal proceedings lost by the consumer concerning the repayment of the capital disbursed by the bank. The Court found that it is not permissible to charge the consumer with costs that significantly exceed the costs that the consumer would have had to bear had he or she lost the case in proceedings initiated to challenge the unfairness of the credit agreement terms.

On 11 December 2025, in case C 767/24, the CJEU held that in the event of the invalidity of a credit agreement, the submission by the consumer of a statement on the set off of his or her claim with the bank's claim does not entail an implied waiver of the statute of limitations defence.

On 22 January 2026 in case C 902/24, the CJEU stated that the provisions of Directive 93/13 do not preclude a judicial interpretation of national law that, within proceedings initiated by a consumer for the purpose of establishing the invalidity of a mortgage loan agreement, allows the trader, while maintaining as the main argument that the agreement is valid, to raise alternatively a set off defence based on a claim corresponding to the amount of that mortgage loan, provided that, first, that latter claim is not considered due before the competent court establishes the invalidity of the agreement itself, and second, that the acceptance of such a defence does not lead to a decision on costs that could discourage the consumer from exercising the rights granted to him or her under that Directive.

On 16 April 2026, the CJEU issued three judgments concerning the limitation of banks' restitution claims:

(i) In judgment C-753/24, the CJEU held that the provisions of Directive 93/13 do not, in principle, preclude a provision of national law which allows a national court, in exceptional circumstances and where considerations of equity so require, to uphold an action brought by a trader seeking repayment from a consumer of payments made to that consumer under a credit agreement invalid due to the presence of unfair terms, even if the limitation period for the trader's claim for repayment has expired.

(ii) In judgment C-752/24, the CJEU held that the provisions of Directive 93/13 do not, in principle, preclude a judicial interpretation of a provision of national law according to which the bringing, by a trader, of an action for repayment of performances rendered under a credit agreement that is the subject of separate proceedings initiated by the consumer seeking a declaration that the agreement is invalid due to the unfair nature of its terms, interrupts the running of the limitation period for the trader's claim until the final conclusion of the proceedings initiated by the consumer.

(iii) In judgment C-901/24, the CJEU held that the provisions of Directive 93/13 do not preclude a judicial interpretation of national provisions according to which the running of the limitation period for a trader's claim is interrupted by a statement made by the consumer in the context of preliminary proceedings seeking a declaration of invalidity of a credit agreement containing unfair terms, in which the consumer declares that he or she is aware that, as a consequence of that declaration of invalidity, he or she will be required to repay the performance received from the trader.

On 30 April 2026, in case C-246/25, the Court of Justice of the European Union held that where a CHF annex is invalid due to unfair contractual terms, the original PLN loan agreement may be reinstated instead of declaring the entire agreement invalid, provided that the national court takes into account any negative consequences for the consumer resulting from the restoration of the original terms (e.g. a higher interest rate or a shorter loan term).

On 11 June 2026, the CJEU delivered its judgment in case C 903/24. The Court held that statutory interest accrues from the moment the consumer specifically identifies the amount claimed (for example, in a statement of claim or a demand for payment).

On 2 July 2026, in the joined cases C 261/25 and C 262/25, the CJEU ruled that the limitation period for the Bank's claim begins to run on the date when the consumer first challenges being bound by the contractual terms (for example, in a complaint or a demand payment addressed to the Bank).

Jurisprudence of the Polish Supreme Court

The case law of the Supreme Court remains consistent with the guidance of the Court of Justice of the European Union.

On 7 May 2021, the Supreme Court composed of 7 judges of the Supreme Court, issued a resolution for which the meaning of legal principle has been granted, stating that:

1. An abusive contractual clause (art. 385(1) § 1 of the Civil Code), by force of the law itself, is ineffective to the benefit of the consumer who may consequently give conscious and free consent to this clause and thus restore its effectiveness retroactively.

2. If without the ineffective clause the loan agreement cannot bind, the consumer and the lender shall be eligible for separate claims for return of monetary performances made in exercising this agreement (art. 410 § 1 in relation to art. 405 of the Civil Code). The lender may demand return of the performance from the moment the loan agreement becomes permanently ineffective.

On 28 April 2022 the Supreme Court issued a resolution (III CZP 40/22) in which it indicated that in disputes with consumers, the provision of Article 358(1) of the Civil Code is a special provision to Article 353(1) of the Civil Code, which means that if the prerequisites for the application of both provisions exist, the court should apply the special provision and declare the contractual provision permanently ineffective, rather than invalid.

The effect of the Supreme Court's resolution of 7 May 2021 is that the bank is entitled to a refund of the cash benefit provided by the bank in performance of a permanently ineffective contract. Taking into account the uncertainty as to the starting point of the limitation period for the bank's claims, Bank Millennium, in order to protect its interests, files lawsuits for payment against borrowers in a court dispute with the Bank and in other circumstances where such risk may exist. The Bank's demand consists of a claim for return of the capital made available to the borrower under the contract. By 30 June 2026 Bank Millennium filed 18,190 lawsuits against the borrowers. From those lawsuits, 9,392 cases are currently pending.

On 25 April 2024, a session of the Civil Chamber of the Supreme Court was held to answer questions formulated by the First President of the Supreme Court, published on 29 January 2021, on key issues related to foreign currency mortgage loan agreements. The Supreme Court, composed of the entire Civil Chamber, adopted a resolution having the force of a legal principle, in which it stated that:

a. When finding that a provision of an indexed or denominated credit agreement relating to the manner of determining the foreign currency exchange rate constitutes an unfair contractual provision and is not binding, then in currently existing legal situation it cannot be stated that such a provision could be replaced by another formula of defining the foreign currency exchange rate resulting from law or custom.

b. In case of impossibility to determine the foreign currency exchange rate binding the parties in the indexed or denominated loan agreement, the agreement is not binding also in the remaining scope.

c. If, in the performance of a credit agreement which is not binding due to the unfair nature of its provisions, the bank has disbursed to the borrower all or part of the amount of the credit and the borrower has made repayments of the credit, independent claims for repayment of the undue performance shall arise in favour of each party.

d. If a credit agreement is not binding due to the unfair nature of its provisions, the statute of limitations of the bank's claim for repayment of amounts disbursed under the credit shall, as a rule, start to run from the day following the day on which the borrower challenges being bound by the provisions of agreement.

e. If a credit agreement is not binding due to the unfair nature of its provisions, there shall be no legal basis for any party to claim interest or other remuneration because of using party's pecuniary means during the period from the provision of undue benefit until the delay in the return of this benefit.

On 19 June 2024, the Supreme Court issued a resolution by a panel of 7 Supreme Court judges (III CZP 31/23) stating that: The right of retention (Article 496 of the Civil Code) does not apply to the party that can set off its claim against the claim of the other party.

On 28 February 2025, the Supreme Court issued a resolution of 7 judges of the Supreme Court (III CZP 126/22), in which it stated that: A bank loan agreement (Article 69(1) of the Banking Law Act of 29 August 1997) is a mutual agreement within the meaning of Article 487 § 2 of the Civil Code.

On 5 March 2025 the Supreme Court issued a resolution by a panel of 7 Supreme Court judges (III CZP 37/24), in which it stated that: In the event of a claim for repayment from a bank of a consideration fulfilled on the basis of a credit agreement which has proved to be invalid, the bank is not entitled to the right of retention under Article 496 in connection with Article 497 of the Civil Code.

On 15 May 2025, the Supreme Court issued a resolution by a panel of 7 Supreme Court judges (III CZP 22/24), in which it indicated that: Under the legal state in force until 30 June 2022, a request for a settlement attempt interrupted the limitation period of the claim, unless the circumstances of making this action indicate that it was not undertaken directly for the purpose of pursuing or determining, or satisfying or securing the claim (Article 123 § 1 point 1 of the Civil Code).

Due to the CJEU jurisprudence interpreting the causes and effects of invalidity of foreign currency mortgage loan agreements as well as above indicated resolution of the Civil Chamber of the Supreme Court, the area of interpretation of regulations by Polish courts in this respect appears to be limited. However, further jurisprudential practice of the Polish courts will play certain role in practical realisation of the CJEU's and the Supreme Court’s guidance.

58. List of subsidiaries and associates of Banco Comercial Português Group

SUBSIDIARIES

As at 30 June 2026, the Group's subsidiaries included in the consolidated accounts using the full consolidation method were as follows:

					Group		Bank
Subsidiaries	Head office	Share capital	Currency	Sector of activity	% economic interests	% effective held	% direct held
Banco ActivoBank, S.A.	Lisbon	217,600,000	EUR	Banking	100 %	100 %	100 %
Bank Millennium, S.A.	Warsaw	1,213,116,777	PLN	Banking	50.1 %	50.1 %	50.1 %
Millennium Bank Hipoteczny S.A.	Warsaw	196,000,000	PLN	Banking	100 %	50.1 %	—
BCP África, S.G.P.S., Lda.	Funchal	214,223,800	EUR	Holding company	100 %	100 %	100 %
BIM - Banco Internacional de Moçambique, S.A.	Maputo	4,500,000,000	MZN	Banking	66.7 %	66.7 %	—
Millennium bcp Participações, S.G.P.S., Sociedade Unipessoal, Lda.	Funchal	25,000	EUR	Holding company	100 %	100 %	100 %
Interfundos - Sociedade Gestora de Organismos de Investimento Coletivo, S.A.	Oeiras	1,500,000	EUR	Real estate investment fund management	100 %	100 %	100 %
Monumental Residence - Sociedade de investimento coletivo imobiliária fechada, S.A.	Oeiras	31,900,000	EUR	Real-estate management	100 %	100 %	100 %
Millennium bcp - Prestação de Serviços, A.C.E.	Lisbon	331,750	EUR	Services	98.6 %	97.7 %	93.2 %
Millennium bcp Teleserviços - Serviços de Comércio Electrónico, S.A.	Lisbon	50,004	EUR	E-commerce	100 %	100 %	100 %
Imoserit, S.A.	Oeiras	50,000	EUR	Real-estate company	100 %	100 %	100 %
Bichorro – Empreendimentos Turísticos e Imobiliários S.A.	Oeiras	2,150,000	EUR	Real-estate management	100 %	100 %	—
Finalgarve – Sociedade de Promoção Imobiliária Turística, S.A.	Oeiras	250,000	EUR	Real-estate management	100 %	100 %	—
Fiparso – Sociedade Imobiliária S.A	Oeiras	50,000	EUR	Real-estate company	100 %	100 %	—
Millennium Consulting S.A.	Warsaw	4,339,500	PLN	Consulting services	100 %	50.1 %	—
Millennium Goodie Sp.z.o.o.	Warsaw	500,000	PLN	Web portals	100 %	50.1 %	—
Millennium Leasing, Sp.z o.o.	Warsaw	48,195,000	PLN	Leasing	100 %	50.1 %	—
Millennium Service, Sp.z o.o.	Warsaw	1,000,000	PLN	Services	100 %	50.1 %	—
Millennium Telecommunication Services Sp. z o.o.	Warsaw	100,000	PLN	Brokerage services	100 %	50.1 %	—
Millennium TFI - Towarzystwo Funduszy Inwestycyjnych, S.A.	Warsaw	10,300,000	PLN	Investment fund management	100 %	50.1 %	—

As at 30 June 2026, the investment funds included in the consolidated accounts using the full consolidation method, were as follows:

					Group		Bank
Investment funds	Head office	Share capital	Currency	Activity	% economic interests	% effective held	% direct held
Imosotto acumulação – Fundo de Investimento Imobiliário Fechado	Oeiras	96,385,157	EUR	Real-estate investment fund	100 %	100 %	100 %
Imorenda – Fundo de Investimento Imobiliário Fechado	Oeiras	85,156,715	EUR	Real-estate investment fund	100 %	100 %	100 %
Sand Capital - Fundo de Investimento Imobiliário Fechado	Oeiras	89,182,695	EUR	Real-estate investment fund	100 %	100 %	100 %
Fundial – Fundo de Investimento Imobiliário Fechado	Oeiras	17,340,985	EUR	Real-estate investment fund	100 %	100 %	100 %
Fundipar – Fundo de Investimento Imobiliário Fechado	Oeiras	1,546,726	EUR	Real-estate investment fund	100 %	100 %	100 %
Domus Capital– Fundo de Investimento Imobiliário Fechado	Oeiras	3,799,969	EUR	Real-estate investment fund	95.8 %	95.8 %	95.8 %
Predicapital – Fundo de Investimento Imobiliário Fechado (*)	Oeiras	89,501,441	EUR	Real-estate investment fund	60 %	60 %	60 %

(*) - Company classified as non-current assets held for sale.

The Group holds a securitisation transaction regarding mortgage loans which was set through specifically created SPE. As referred in accounting policy 1 B, when the substance of the relationships with the SPEs indicates that the Group holds control of its activities, the SPE is fully consolidated, following the application of IFRS 10.

As at 30 June 2026, the Special Purpose Entity included in the consolidated accounts under the full consolidation method is as follows:

					Group		Bank
Special Purpose Entities	Head office	Share capital	Currency	Activity	% economic interests	% effective held	% direct held
Magellan Mortgages No.3 Limited	Dublin	40,000	EUR	Special Purpose Entities	82.4 %	82.4 %	82.4 %

ASSOCIATES

As at 30 June 2026, the Group's associates included in the consolidated accounts under the equity method are as follows:

Associates	Head office	Share capital	Currency	Activity	Group		Bank
					% economic interests	% effective held	% direct held
Banco Millennium Atlântico, S.A.	Luanda	53,821,603,000	AOA	Banking	22.7 %	22.5 %	—
Banque BCP, S.A.S.	Paris	216,125,487	EUR	Banking	18.9 %	18.9 %	18.9 %
Lubuskie Fabryki Mebli, S.A. (in liquidation)	Swiebodzin	524,552	PLN	Furniture manufacturer	50 %	25.1 %	—
Europa Millennium Financial Services sp. z o.o.	Warsaw	100,000	PLN	Services	20 %	10 %	—
SIBS, S.G.P.S., S.A.	Lisbon	24,642,300	EUR	Banking services	23.3 %	21.9 %	—
UNICRE - Instituição Financeira de Crédito, S.A.	Lisbon	10,000,000	EUR	Credit cards	32 %	32 %	0.5 %
Webspectator Corporation	Delaware	950	USD	Digital advertising services	25.1 %	25.1 %	25.1 %
TIICC S.A.R.L.	Luxembourg	13,000	EUR	Services	38.5 %	38.5 %	38.5 %
Nexponor - Sociedade de Investimento Coletivo Imobiliário Fechado, S.A. (in liquidation)	Lisbon	65,621,200	EUR	Real-estate management	20.7 %	20.7 %	20.7 %

As at 30 June 2026, the investment and venture capital funds included in the consolidated accounts under the equity method are as follows:

Investment and venture capital funds	Head office	Share capital	Currency	Activity	Group		Bank
					% economic interests	% effective held	% direct held
Fundo Turismo Algarve, FCR (in liquidation) (*)	Lisbon	124,160,000	EUR	Venture capital fund	73.6 %	73.6 %	73.6 %
Fundo de Investimento imobiliário fechado Eurofundo (in liquidation)	Lisbon	5,120,400	EUR	Real-estate investment fund	35.1 %	35.1 %	35.1 %
Lusofundo - Fundo de Investimento imobiliário fechado (in liquidation)	Lisbon	34,518,110	EUR	Real-estate investment fund	42.5 %	42.5 %	42.5 %

(*) Since Banco Comercial Português, SA does not have control over the management of this fund, the equity method was applied in the Group 's consolidated accounts.

As at 30 June 2026, the Group's associates in the insurance sector included in the consolidated accounts under the equity method were as follows:

					Group		Bank
Associates	Head office	Share capital	Currency	Activity	% economic interests	% effective held	% direct held
Millenniumbcp Ageas Grupo Segurador, S.G.P.S., S.A.	Lisbon	50,002,375	EUR	Holding company	49 %	49 %	49 %
Ocidental - Companhia Portuguesa de Seguros de Vida, S.A.	Lisbon	22,375,000	EUR	Life insurance	49 %	49 %	—
Ageas - Sociedade Gestora de Fundos de Pensões, S.A.	Lisbon	1,200,000	EUR	Pension fund management	49 %	49 %	—
Fidelidade Moçambique - Companhia de Seguros S.A.	Maputo	295,000,000	MZN	Insurance	22 %	14.7 %	—

Some indicators of the main subsidiaries and associates are analysed as follows:

(Thousand EUR)

	30 June 2026			30 June 2025		
Subsidiaries and associates	Total Assets	Total Equity	Net income for the period	Total Assets	Total Equity	Net income for the period
Banco Comercial Português, S.A.	70,476,801	7,208,081	436,575	66,837,305	6,794,559	408,850
Banco ActivoBank, S.A.	5,530,865	453,390	30,348	4,867,614	311,349	21,970
Bank Millennium, S.A. (1)	39,824,635	2,626,524	166,943	34,521,832	1,981,490	121,072
BIM - Banco Internacional de Moçambique, S.A. (1)	3,113,203	496,186	13,933	2,762,036	492,054	23,694
BCP International B.V.	—	—	—	—	—	(15)
BCP África, S.G.P.S., Lda.	269,045	269,022	(9,375)	256,882	256,874	(20,998)
Millennium bcp Participações, S.G.P.S., Sociedade Unipessoal, Lda.	175,622	175,614	925	187,358	187,088	3,978
Interfundos - Sociedade Gestora de Organismos de Investimento Coletivo, S.A.	7,898	6,638	384	7,625	6,340	240
Millenniumbcp Ageas Grupo Segurador, S.G.P.S., S.A. (1)	9,127,010	508,895	43,537	8,538,612	480,292	37,573
Banco Millennium Atlântico, S.A. (2)	2,415,420	213,427	11,891	2,030,345	205,161	8,215
Banque BCP, S.A.S.	6,036,166	275,827	9,840	5,895,884	276,908	9,250

1) Consolidated accounts.
2) These indicators correspond to the statutory financial statements that do not include the effects of applying IAS 29.

59. Subsequent events

In addition to the aspects disclosed in the other notes and according to the accounting policy 1 Z, there were no facts or events subsequent to 30 June 2026 and until the approval of the financial statements that require additional judgments, disclosures or records.

Declaration of Compliance

DECLARATION OF COMPLIANCE

It is hereby declared that, to the best of the knowledge of the undersigned, the individual and consolidated condensed interim financial statements of Banco Comercial Português, S.A. ("BCP" or "Bank"), which include (i) the individual and consolidated balance sheets as at 30 June 2026, (ii) the individual and consolidated income and compreensive incomestatements for the financial half-year ended on 30 June 2026, (iii) the maps of changes in equity and individual and consolidated cash flows for the financial half-year ended on 30 June 2026, (iv) a summary of the significant accounting policies, and (v) the individual and consolidated explanatory notes, give a true and appropriate image of the individual and consolidated financial situation of the Bank as at 30 June 2026, of the individual and consolidated earnings of their operations and changes in equity and in individual and consolidated cash flows for the half-year ended on that date, in accordance to the International Accounting Standards, as adopted by the European Union.

The Bank's individual and consolidated condensed interim financial statements relative to 30 June 2026 and the management report were approved by the Board of Directors on 7 August, 2026.

Furthermore, it is also declared that the management report of BCP for the first half-year of 2026 faithfully presents the evolution of the business, performance and situation of the Bank and companies included in the consolidation perimeter and contains a description of the main risks and uncertainties faced by them, has been approved by the Board of Directors on 7 August, 2026.

Porto Salvo, 7 August 2026

Nuno Manuel da Silva Amado
(Chairperson)

Jorge Manuel Baptista Magalhães Correia
(Vice-Chairman)

Valter Rui Dias de Barros
(Vice-Chairman)

Miguel Maya Dias Pinheiro
(Vice-Chairman)

António Ferreira Pinto Júnior
(Member)

Carla Sofia Pereira Bambulo
(Member)

Fernando da Costa Lima
(Member)

Isabel Maria de Oliveira Capelôa Gil
(Member)

João Nuno de Oliveira Jorge Palma
(Member)

José Pedro Rivera Ferreira Malaquias
(Member)

Luís Miguel Manso Correia dos Santos
(Member)

Maria Madalena Cascais Mendes Tomé
(Member)

Maria José Henriques Barreto Matos de Campos
(Member)

Miguel de Campos Pereira de Bragança
(Member)

Patrícia Andrea Bastos Teixeira Lopes Couto Viana
(Member)

Vicent Li (Tao Li)
(Member)

External Auditors' Report

KPMG & Associados - Sociedade de Revisores Oficiais de Contas, S.A.
Edifício FPM41 - Avenida Fontes Pereira de Melo, 41 - 15.º
1069-006 Lisboa - Portugal
+351 210 110 000 | www.kpmg.pt

LIMITED REVIEW REPORT ON CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

(This report is a free translation to English from the original Portuguese version. In case of doubt or misinterpretation the Portuguese version will prevail.)

Introduction

We have reviewed the accompanying condensed interim consolidated financial statements of **Banco Comercial Português, S.A.** (the Group), which comprise the condensed interim consolidated balance sheet as of 30 June 2026 (that presents a total of 114,799,785 thousand euro and total consolidated equity of 9,561,574 thousand euro, including a consolidated net profit attributable to the shareholders of 565,832 thousand euro), the condensed interim consolidated statements of income, comprehensive income, changes in equity and cash flows for the six month period then ended, and notes to the condensed interim consolidated financial statements.

Management's responsibilities

Management is responsible for the preparation of this condensed interim consolidated financial statements in accordance with IAS 34 – Interim Financial Reporting as adopted by the European Union, and for the implementation and maintenance of an appropriate internal control system to enable the preparation of condensed interim consolidated financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' responsibilities

Our responsibility is to express a conclusion on the accompanying condensed interim consolidated financial statements. Our work was performed in accordance with the International Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" and further technical and ethical standards and guidelines issued by the Portuguese Institute of Statutory Auditors ("Ordem dos Revisores Oficiais de Contas"). These standards require that we conduct the review to conclude whether anything has come to our attention that causes us to believe that the condensed interim consolidated financial statements are not prepared in all material respects in accordance with the IAS 34 – Interim Financial Reporting as adopted by the European Union.

A limited review of condensed interim consolidated financial statements is a limited assurance engagement. The procedures that we have performed consist mainly of making inquiries and applying analytical procedures and subsequent assessment of the evidence obtained.

The procedures performed in a limited review are substantially less that those performed in an audit conducted in accordance with International Standards on Auditing (ISA). Accordingly, we do not express an audit opinion on these condensed interim consolidated financial statements.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying condensed interim consolidated financial statements of **Banco Comercial Português, S.A.** as at 30 June 2026, are not prepared, in all material respects, in accordance with the IAS 34 – Interim Financial Reporting as adopted by the European Union.

7 August 2026

SIGNED ON THE ORIGINAL

KPMG & Associados
Sociedade de Revisores Oficiais de Contas, S.A.
(nr. 189 and registered at CMVM with nr. 20161489)
represented by
Miguel Pinto Douradinha Afonso
(ROC nr. 1454 and registered at CMVM with the nr. 20161064)

2

H1 2026 Report & Accounts

www.millenniumbcp.pt

Banco Comercial Português, S.A.

Registered Office:
Praça D. João I, 28
4000-295 Porto

Share Capital:
EUR 3,000,000,000.00

Registered at the
Commercial Registry Office of Oporto
under the Single Registration and
Tax Identification Number 501 525 882

Investor Relations Division
Av. Professor Doutor Cavaco Silva
Edifício 1 Piso 0 Ala B
2744-002 Porto Salvo
Phone: (+351) 211 131 084
investors@millenniumbcp.pt

Communication Division
Av. Professor Doutor Cavaco Silva
Edifício 3 Piso 1 Ala C
2744-002 Porto Salvo
Phone: (+351) 211 131 243
comunicar@millenniumbcp.pt

Millennium
bcp