



Report and Consolidated Accounts | 2025



Banco Finantia

**Banco Finantia
KEY FIGURES**
IFRS ⁽¹⁾

Euro million	31.12.2025	31.12.2024	Change
BALANCE SHEET			
Total assets	2,736.2	2,482.6	+ 10 %
Fixed-income and Loan portfolios	2,520.2	2,213.6	+ 14 %
Customers' deposits	1,321.1	1,070.9	+ 23 %
Shareholders' equity	514.0	484.4	+ 6 %
Assets under supervision ⁽²⁾	1,863.5	1,516.2	+ 23 %
INCOME STATEMENT			
Net interest income, net of hedging	51.5	46.3	+ 11 %
Operating income	71.2	65.5	+ 9 %
Profit before tax	39.0	36.4	+ 7 %
Net profit	29.4	25.3	+ 16 %
PROFITABILITY, in %			
Return on equity (ROE) ⁽³⁾	7.8	7.8	+ 0.0 pp
Return on assets (ROA) ⁽³⁾	1.5	1.5	+ 0.0 pp
CAPITAL ADEQUACY (BIS IV, fully loaded), in %			
CET1 ratio ⁽⁴⁾	22.7	22.7	+ 0.0 pp
Total capital ratio ⁽⁴⁾	22.7	22.7	+ 0.0 pp
LIQUIDITY AND FUNDING INDICATORS, in %			
Liquidity coverage ratio (LCR) ⁽⁵⁾	1,264	2,233	- 968.9 pp
Net stable funding ratio (NSFR) ⁽⁴⁾⁽⁶⁾	121	123	- 1.3 pp
Leverage ratio ⁽⁴⁾⁽⁷⁾	17	18	- 1.0 pp
EFFICIENCY / ASSET QUALITY			
Cost-to-Income (%)	39.6	39.5	+ 0.1 pp
NPE ratio (%) ⁽⁸⁾	0.60	1.19	- 0.6 pp
NPE ratio, net of impairment (%) ⁽⁹⁾	0.42	0.64	- 0.2 pp
DATA PER SHARE (Euro)			
Net profit	0.20	0.17	+ 0.03 cts
Book value	3.43	3.23	+ 0.20 cts
Weighted average no. shares outstanding (million)	150	150	n.a.
Year-end no. shares outstanding (million)	150	150	n.a.

⁽¹⁾ International Financial Reporting Standards

⁽²⁾ Customers' deposits and custody of assets

⁽³⁾ Amounts before tax

⁽⁴⁾ Estimated ratio deducted of dividend proposal

⁽⁵⁾ High quality unencumbered liquid assets (HQLA) / Total net cash outflows over a 30-calendar day stress period (average)

⁽⁶⁾ Available stable funding / Required stable funding

⁽⁷⁾ Common Equity Tier I / On-balance and off-balance sheet assets (exposure measure according to Basel III for 2024 and Basel IV for 2025)

⁽⁸⁾ NPE ratio: non-performing exposures over total assets

⁽⁹⁾ NPE ratio net of impairment: non-performing exposures net of impairment over total assets

Banco Finantia in Brief



Banco Finantia is an independent bank, with broad national and international experience of over 38 years in the areas of investment and private banking.

Banco Finantia has always presented a solid financial structure with capital ratios higher than the sector average. The stability and sustainability of its business model have earned the trust of customers and counterparties over the years.

The Bank operates in two important niche markets:

Corporate & Investment Banking – fixed-income products and capital market transactions for companies and investors; loans and financial restructurings; and financial advisory services focusing on Mergers and Acquisitions.

Private Banking – quality personalized services for affluent and wealthy customers.

Banco Finantia has as its main operating units a bank in Portugal with a branch in Spain and subsidiaries in the United Kingdom, the USA and Malta.

Banco Finantia's performance, its success, the quality and the professional competence of its team have been recognized over the years through several international awards.

Awards



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Management Report | 2025

1 Macroeconomic Framework

1.1 World Economy

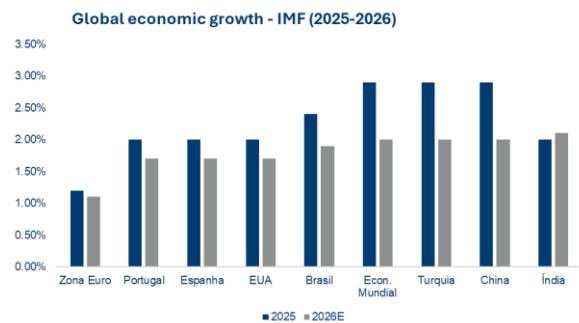
The year 2025 was marked by profound transformations in the international economic and political context. The Trump Administration brought significant changes to global trade, notably substantial increases in tariffs applied to multiple trading partners. At the same time, there was an accelerated adoption of Artificial Intelligence (AI) technologies, contributing to significant growth in investment in data centres and semiconductors. The international environment also saw a reduction in confidence in the US Dollar, which depreciated 13% against the Euro, as well as the largest annual appreciation of gold since 1979 (+65%).

In terms of monetary policy, the major central banks adopted non-restrictive measures. The European Central Bank reduced its policy rate from 3% to 2% throughout the year, while the Federal Reserve reduced the Fed Funds range from 4.25%–4.50% to 3.50%–3.75%. The combination of the accommodative monetary policy, the economic potential of AI and the increased European investment in defence supported the growth of risk assets, especially in Europe. However, the uncertainty associated with rising tariffs and increased geopolitical tensions have generated some volatility in financial markets.

According to the IMF, global growth in 2025 is expected to be 3.2%, slightly below the 3.3% recorded in 2024. In advanced economies, growth is estimated at 1.6%, and in developing countries at 4.2%. The USA is estimated to have grown by 2.0%, the

Eurozone by 1.2% and the UK by 1.3%. China is expected to have grown by 4.8%, India by 6.6%, Brazil by 2.4% and Turkey by 3.5%.

For 2026, and before the Iran conflict, the IMF anticipated relatively stable global growth, around 3.1%. In the USA, growth is projected at 2.1%; in the Eurozone, 1.1%; in the UK, 1.3%; in China, 4.2%; in India, 6.2%; in Brazil, 1.9%; and in Turkey, 3.7%.



Source: IMF – World Economic Outlook

1.2 Iberian Peninsula

It is estimated that in 2025 the growth of the Portuguese GDP was 2.0%. The projection for 2026, before the Iran conflict is 2.3%. Investment, exports and private consumption are expected to be the main positive contributors to growth in 2026. Inflation is estimated to have reached 2.4% in 2025 and is projected to decrease to 2.1% in 2026. Public debt (as a percentage of GDP) at the end of 2025 is estimated at around 90.2%, having fallen from 96.9% at the end of 2024, and is expected to continue falling in 2026. The unemployment rate of 6.1% in 2025 is expected to remain almost unchanged in 2026. Private consumption is projected to grow by 2.7% in 2026 (3.4% in 2025), and investment is projected to grow by 5.5% (3.6% in 2025). It is estimated that the

current account had a positive balance of 1.1% of GDP in 2025, and the expectation is of 0.7% for 2026.

The Spanish economy is estimated to have grown by 2.9% in 2025. The projection for 2026 is 2%. Inflation in 2025 is estimated at 2.4%, and in 2026 it is anticipated at 2%. Public debt (as a percentage of GDP) is estimated at 100.4% at the end of 2025, and the unemployment rate at 10.8%, with a slight decrease to 10.7% projected for 2026.

2 Operating Activities

Despite geopolitical tensions and decreased world trade in 2025, the cuts in key interest rates and the resilience of the USA economy and of most emerging economies contributed to the maintenance of global growth and the positive performance of capital markets, both stocks and bonds.

Banco Finantia's strategic posture remained conservative, consolidating its position in the markets where it operates.

The bonds and loans portfolio increased about 14%, maintaining a positive performance, accompanying market developments and benefiting from the increased credit quality of the assets held. Despite the increase in this portfolio, the Bank maintained a solid capital ratio (22.7%, identical to that of 31/12/2024) and a comfortable liquidity buffer.

The Capital Markets area doubled its volume of intermediation transactions and improved the performance of the trading portfolio when compared to the previous year.

In the activity with Corporate customers, the fixed-income area maintained an active presence in the primary markets, participating in numerous Eurobond issues, Capital Call Facilities and syndicated loans in the Portuguese and international markets and in *Pagarés* in the Spanish market.

In the financial advisory area, the activity focused on the M&A and valuation of businesses, with work in several sectors and in cross-border operations supporting international investors in acquisitions in Portugal.

Finally, Private Banking successfully continued its policy of product diversification, increasing securities in customer portfolios, increasing commissions, and achieving growth in deposits. The Bank's reputation for stability and conservative wealth management has had a positive impact among customers of this area.

2.1 Capital Markets

In a context of uncertainty, the trading activity of the Capital Markets Department once again demonstrated resilience, regardless of economic cycle or market conditions. Significant growth in bond intermediation stands out, supported by the adoption of electronic platforms that enhance market liquidity and transparency, factors that allowed for a traded volume of Euro 9.5 thousand million, more than doubling the turnover of the previous year.

In the primary markets, the Bank continued to consolidate its participation as a placement entity in commercial paper and *Pagarés* programs for Portuguese and Spanish companies. During 2025, more than Euro 290 million of these instruments were placed, an increase of 14% over the previous year.

The Bank also participated as a placement entity in a bond issue aimed at retail investors, which was complemented by two additional placements directed at institutional investors. The Portuguese capital market continues to register low levels of debt issuance, considering the high levels of bank credit provided to domestic companies.

Regarding the bond portfolio, there is greater diversification and an annual increase of approximately Euro 200 million to Euro 2,097 million. Its contribution to results has increased compared to 2024.

2.2 Corporate Banking

Banco Finantia recorded an increase in the volume and number of transactions in the loan portfolio. The Bank maintained the focus of its operations in the geographies where it has operated for decades, with emphasis on the consolidation of its operations in Portugal and Spain.

In Portugal, the Bank remained active in a segment in which it was a pioneer – bridge financing for venture capital funds, having: (i) granted a total of approximately € 17.5 million in financing under Capital Call Lending Facilities, and (ii) renewed for a further three years. a Capital Call Lending Facility in the amount of € 15 million, celebrated with a Portuguese venture capital fund.

In the international market, the Bank participated in more than a dozen syndicated loans totalling over Euro 200 million. Of these transactions, the Bank acted as Arranger in a primary transaction related to a Euro 200 million facility and participated as Lender in several primary market transactions totalling approximately Euro 200 million. Two transactions stand out: i) the transaction with a financial institution in Paraguay, aimed at strengthening sustainable financing for the agricultural sector and ii) a transaction within the scope of a Blue Loan, in Brazil, supporting the sustainable use and protection of water resources. The Bank significantly increased the use of Credit Risk Insurance (“CRI”) for credit risk mitigation purposes.

Banco Finantia ended the year with a loan portfolio with a balance sheet value of

approximately € 423 million and has a robust pipeline of transactions for 2026.

2.3 Corporate Finance

The Corporate Finance area continued to strengthen its strategic positioning in financial advisory transactions – mergers and acquisitions, in particular, in cross-border transactions, valuations and restructurings.

The Bank’s global geographic coverage, strengthened by its partnerships for business development in its key operational markets (Portugal and Spain) and globally in the Terra Alliance network, has materialized in increased opportunities and transactions. Banco Finantia maintained its participation in the Steering Committee of Terra Alliance, an international mergers & acquisitions network that covers more than 40 countries and has 15 member entities.

The Bank played a key role in several transactions as exclusive financial advisor to national and international investors in valuation, acquisition or disposal of leading companies in Portugal, namely to:

















- > a Portuguese public entity in updating the financial valuation of TAP, as well as of the healthcare area integrated into the same business group;
- > the shareholders of a Portuguese energy efficiency company in the sale of 100% of the company's share capital, to a leading private equity entity in Portugal;
- > a leading European group in advanced oncology care in the acquisition process of a leading Portuguese entity in the areas of nuclear medicine and radiotherapy, recognized for its strong focus on innovation and high clinical quality;

- > one of the leading private equity operators in Portugal in the acquisition of a majority stake in a leading national company in the area of precision thin sheet metalworking.

The Bank continued to foster its relationships with national and international investment funds, venture capital funds and asset managers with a view to advising these entities on future investments/divestments.

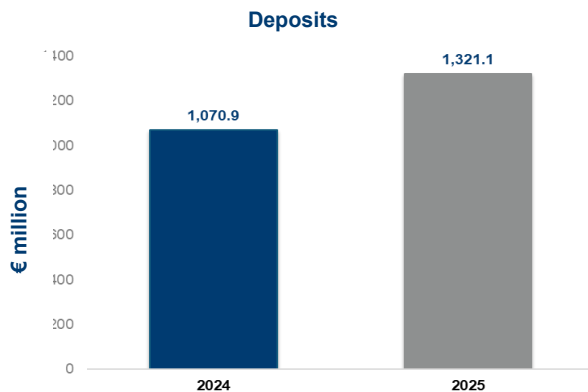
The focus on international activity is essential for the development of this business area and, as such, the Bank will, during 2026, continue to strengthen its team and its business partnerships with the objective of widening its geographical coverage and the range of activities.

Examples of transactions

<p>Banco Finantia</p>  <p>MOTAENGIL</p> <p>Exchange Offer / Sustainability-Linked Bond 2025-2030</p> <p>Placement Entity</p> <p>EUR 123,499,500</p>	<p>Banco Finantia</p>  <p>FINCANTIERI The sea group</p> <p>Fincantieri Schuldschein Loan Agreement July 2025</p> <p>Lender</p> <p>EUR 116,000,000</p>	<p>Banco Finantia</p>  <p>UZBENHEFTEGAZ</p> <p>JSC Uzbekneftegaz Facility Agreement March 2025</p> <p>Lender</p> <p>USD 80,000,000</p>	<p>Banco Finantia</p>  <p>Aegea</p> <p>Aegea Credit Agreement March 2025</p> <p>Lender</p> <p>USD 600,000,000</p>
<p>Banco Finantia</p>  <p>Amethyst HEALTHCARE</p> <p>Acquisition of</p>  <p>JÚLIO TEIXEIRA, S.A.</p> <p>Financial Advisor</p>	<p>Banco Finantia</p>  <p>ENERGIE ENERGIE SOLUTIONS</p> <p>Disposal to</p>  <p>Horizon Equity Partners</p> <p>Financial Advisor</p>	<p>Banco Finantia</p>  <p>sunenergy Liquidez do sol</p>  <p>sorigué</p> <p>Financial advisor to SunEnergy on the disposal of a 70% stake to Sorigué</p>	<p>Banco Finantia</p>  <p>EQUISTONE</p>  <p>GARDENGATE</p> <p>Financial advisor to Equistone on the acquisition of Gardengate from Crest Capital Partners</p>
<p>Banco Finantia</p>  <p>GRUPO VISABEIRA</p> <p>Commercial Paper</p> <p>Lead Manager & Arranger</p> <p>EUR 5,000,000</p>	<p>Banco Finantia</p>  <p>Talgo</p> <p>Commercial Paper (Pagarés)</p> <p>Dealer</p> <p>EUR 150,000,000</p>	<p>Banco Finantia</p>  <p>Agrobank</p> <p>Agrobank Term Loan Facility December 2025</p> <p>Arranger</p> <p>USD 235,000,000</p>	<p>Banco Finantia</p>  <p>ppc</p> <p>Public Power Corporation Facility Agreement December 2025</p> <p>Lender</p> <p>EUR 450,000,000</p>
<p>Banco Finantia</p>  <p>SUDAMERIS</p> <p>Banco Sudameris, FMO A/B Syndicated Senior Unsecured Term Loan Facility, September 2025</p> <p>Lender</p> <p>EUR 370,000,000</p>	<p>Banco Finantia</p>  <p>Cunext GROUP</p> <p>Commercial Paper (Pagarés)</p> <p>Dealer</p> <p>EUR 50,000,000</p>	<p>Banco Finantia</p>  <p>Bi BANCO INDUSTRIAL</p> <p>Banco Industrial DPR Funding Series 2025 – 1B Purchase Agreement em Setembro de 2025</p> <p>Lender</p> <p>USD 1,000,000,000</p>	<p>Banco Finantia</p>  <p>CSG CZECHOSLOVAK GROUP</p> <p>Czechoslovak Group Senior Term Loan Facility May 2025</p> <p>Lender</p> <p>EUR 350,000,000</p>

2.4 Private Banking

Banco Finantia recorded an increase of 20.2% in the financial year in customers' resources in this segment, with increases of 19.5% in deposits and 25.4% in assets under management. Commissions earned increased 16.8% compared to 2024.



This evolution reflected the institution's strategic focus on this business area and was based, namely, on the gradual improvement of customer service and on the strengthening of the Bank's commercial capacity. This strategy includes the increase in the digital marketing in the markets where the Bank is present and on the consolidation of the presence and recognition of Finantia Private brand.

Several factors supported this evolution:

- > The investment made in increasing the recognition of the "Finantia Private" brand and of our products and services;
- > The segmentation of the customer base, differentiating customers with greater knowledge, higher net worth, higher level of sophistication and a more risk-prone profile (Premium segment) from more conservative or merely depositor customers;
- > The change of the organic model and the identification of specialized Managers for

each segment, based on the profile, know-how and level of specialization of the various Bankers;

- > An experienced and qualified commercial team, focused on providing a high-quality service and capable of offering customers a personalized offer tailored to their needs;
- > An incentive model directly linked to the individual performance of each Manager, appraised through various indicators and the achievement of specific objectives, consistent with the Bank's strategic guidelines;
- > The permanent emphasis on the training of the commercial team in the regulatory, technical and behavioural dimensions;
- > The improvement of the order execution service and of the 'Investment Consultancy' service, aligned with the risk profiles of customers and with their preferences in terms of sustainability;
- > The definition of remuneration solutions of financial instruments that are appropriate to customers' needs, competitive against other institutions and products;
- > The partnership established with the platform Allfunds that expands the range of Funds available to customers to a universe of more than 150'000 funds;
- > The strengthening of investment in the brand and in communication, supported by: i) consolidation of brand positioning through various campaigns for new products, ii) development of the Bank's new institutional website and iii) increased presence on social networks with more frequent and specialized content;

- > The continuous evolution of digital channel features, resulting in increased customer interaction with the Bank through the App and Homebanking, as well as of the automation and simplification of processes.

In 2026, the Bank will pursue a strategic investment in the Private Banking activity, with the aim of increasing the customers' deposits base and increasing the asset management activity, which will boost operating income with lower capital requirements. In this context, the aim is to maintain the high growth rate of customer resources, both of securities and deposits, improving the service quality and broadening the product range available. In short, to consolidate the image and reputation of a solid bank, focused on the excellence and discretion which have characterized us over the years.

3 Supporting activities

3.1 Treasury

In 2025, the Treasury Department continued to execute the defined strategy, based on four fundamental pillars:



Complying with the principles of prudence, comfortable margins were maintained within the regulatory and internal limits, ensuring the efficient operation of business areas.

The financing structure recorded a strengthening of the deposits base, which came to represent 59.5% of liabilities, compared to 53.6% in 2024. In contrast, collateralized financing (Repos) decreased from 40.9% to 36.2% of liabilities.

In the Repos segment, an increase in longer-term financing was observed, which evolved from 23% to 32% over the total of these operations.

Regarding liquidity ratios, the LCR (Liquidity Coverage Ratio), a short-term indicator, was 2,633% in December, with the 2025 average at 1,264% (vs. 2,233% in 2024). The NSFR (Net Stable Funding Ratio), a long-term indicator, reached 121.3%, in line with the 2024 level (122.6%). Both ratios remain comfortably above the regulatory minimums (100%).

In the context of interest rate risk management, hedge operations were carried out targeting medium- and long-term horizons, with the aim of mitigating the impact of the normalization of the slopes of interest rate curves in EUR and USD. The average life of the new transactions carried out during the year was 7.8 years, with 37% denominated in EUR and 63% in USD, allowing for a high level of coverage, compliance with existing regulatory limits and mitigation of risks associated with rate volatility, considering the aforementioned macroeconomic context.

Regarding currency risk, and considering that the Bank maintained its strategy of only having exposure to assets denominated in EUR and USD, and of mitigating the risk associated with the exchange rate volatility of the EUR / USD pair, the Treasury Department executed several dozen transactions during the year, using exchange rate hedging instruments both in the spot market and through derivative instruments.

Regarding the relationship with financial counterparties, the Treasury Department successfully opened new lines of activity, in line with a diversification strategy both in interest rate and currency market transactions, and in collateralized financing.

The above strategy allowed the Bank to maintain a solid position in terms of liquidity, funding stability and financial risk hedging, ensuring compliance with regulatory and internal requirements, and strengthening resilience to adverse scenarios.

3.2 Operations

2025 was marked by the implementation of the immediate transfers project, the implementation of the VOP (Verification of Payee) feature within the scope of SEPA Transfers and the migration of SWIFT communication processes to the new ISO 20022 standard.

In terms of transaction processing volume, it was again a demanding year, a consequence of the increased activity, especially in commercial paper / *Pagarés* placement operations, in tradable loans in the primary and secondary markets, in fixed-income capital market transactions and in Private Banking transactions.

Focusing on strengthening the quality and robustness of operational processes, several initiatives were developed, including the following projects:

- > development of new operational processes supported by digital means in the scope of customer account opening and data updating;
- > centralization of the investment fund subscription platform and related operations;
- > redesign of the recording and maintenance process for data on traded securities;
- > review of the overall scheme of the information systems that support the Bank's activity (transversal project with the direct participation of the Operations Department).

Looking ahead to 2026, we highlight the following:

- > the periodic review of operational processes supporting activity in the scope of Corporate & Investment Banking to ensure the maintenance of high levels of security, effectiveness and efficiency;
- > the continuation of the project to review the overall scheme of information systems that support the Bank's activity.

The Operations Department will continue to focus on mitigating operational risk and on the continuous training of employees, in line with market standards and the strategy and objectives defined by the Bank.

3.3 Applicational Development and Support

The 2025 financial year was marked by a set of structuring projects that strengthen the organization's ability to meet market demands, improve customer experience and ensure rigorous compliance with regulatory standards. These projects reflect the Bank's strategic vision of innovation, resilience and operational efficiency.

In the context of service modernization, we completed the implementation of the instant transfers project, providing customers with the possibility of carrying out transactions in real time. This evolution represents a significant milestone in the digital transformation of financial services, ensuring greater convenience, agility and security in transactions. In 2025, the possibility of opening accounts digitally was also made available and the project to market funds in Portugal through the platform Allfunds was initiated. The implementation of these projects strengthens the Bank's competitiveness and reinforces the offer of

products and solutions for Private Banking customers.

Regarding Digital Operational Resilience with a focus on mitigating technological risks, a database was created and designed to ensure greater control, visibility and integrity of technological assets and their interdependencies. In this context, updates were also made to the Bank's core applications, contributing to more effective infrastructure management and to strengthening the resilience of critical services.

In 2025, the last milestone of the project initiated in 2021 on data quality was completed. It aimed at establishing the basis for compliance with the principles BCBS239, regarding the organization, governance, architecture and quality control of data.

Finally, we have started the "Nazaré Project". Its main objective is to define and design the scope of the information systems that will support the Bank's activity in the next decade. This is a strategic initiative that aims to ensure that the technological infrastructure is aligned with the organization's needs in the medium and long term, both in terms of Private Banking and Corporate and Investment Banking.

In the first phase of this project, an analysis of the main functional requirements of all areas of the Bank has been carried out and different alternatives available on the market were studied, with the aim of identifying the most appropriate and competitive solutions. A modular architecture design was also developed, which will allow greater flexibility and scalability in the integration of the new systems.

In 2026, the planning and initial implementation of solutions related to the needs of the Investment Banking activity is anticipated.

3.4 Systems and Telecommunications

With the intention of strengthening business areas, several initiatives were carried out in Information and Communication Technology (“ICT”) infrastructures, with the objective of maximizing the availability, integrity and confidentiality of information. Compliance, business continuity and information security remain strategic priorities.

Prevention, detection and correction actions have been implemented, encompassing continuous monitoring and the adoption of measures to: reduce external risks and threats; identification and mitigation of technical and operational gaps; rapid incident response and prevention of intrusion attempts; as well as employee training and awareness, and proactive updating and maintenance of ICT infrastructures.

In addition, documentation was revised, and internal procedures were updated, in order to ensure compliance with the legislative package DORA, reinforcing the Bank's ability to respond to regulatory demands and to promote continuous process improvement.

Regarding the Business Continuity Plan, it was reviewed to ensure alignment with the requirements of the legislative package DORA, and to integrate ESG criteria. In addition to these actions, infrastructure was implemented and preparatory measures were undertaken to begin the migration project of the Disaster Recovery Centre from Porto to Madrid.

An Artificial Intelligence assistant (Microsoft Copilot) was also implemented in the Group, a measure that contributes to strengthening operational efficiency, to improving the quality of work performed and to stimulating innovation.

3.5 Human Resources

Banco Finantia recognizes that sustainable success depends on the ability to attract, develop and retain talent in an environment that promotes continuous learning, innovation and collaboration.

In 2025, this commitment was reinforced through initiatives that drew employees closer to the Bank's strategy, valued diversity and enhanced skills to meet the challenges of digital transformation and the evolution of the financial sector.

As of 31 December 2025, the Bank, including its international offices, employed a total of 250 employees, of which 188 were in Portugal, 47 in the Spanish Branch and the remainder in other geographies (UK, USA and Malta).

The average age was 45 years and approximately 74% had higher academic qualifications (bachelor's, honour's or master's degrees).

The average seniority was 12 years, with more than 97% of employees having permanent employment contracts.

Regarding gender distribution, 62% were male and 38% were female. By staff level, 38% corresponded to senior-management, 52% to middle-management, and 10% to administrative staff.

Throughout the year, the Bank strengthened its presence at job fairs and academic initiatives, aiming to attract young talent and specialized profiles, diversify the recruitment pipeline and promote its value proposition. Additionally, it developed a series of workshops dedicated to Employer Branding, aimed at leaders with recruitment and selection responsibilities.

Internal mobility has been expanded, promoting talent retention and knowledge sharing. At the same time, the KOP (Know Our People) program was developed, with the goal of ensuring proximity and fostering a constructive and continuous dialogue with employees.

Investment in employee training was reinforced through initiatives aligned with the development of critical behavioural competencies and the challenges of digital transformation. Training programs in leadership, communication, digital operational resilience and digital transformation were promoted. Investments in certifications and postgraduate studies were maintained, notably CFA, PAD, MBA and technical specializations, consolidating fundamental competencies for the business and for the personal and professional development of employees.

In Portugal, the volume of training reached 9,655 hours, corresponding to an average of 51 hours per employee.

In the scope of artificial intelligence, the Bank promoted workshops, specific training programs and work groups to ensure that employees acquire practical knowledge and ethical principles. These initiatives reinforced digital literacy and fostered the integration of AI into internal processes, enhancing efficiency and innovation.

The Mentoring program was expanded with the aim of promoting knowledge sharing and supporting the professional development of employees. This initiative reinforced integration, continuous learning and career advancement, consolidating the commitment to enrich people capacities.

The harmonization of Human Resources policies and procedures between the headquarters in Portugal and the other offices was maintained, notably the Spanish

Branch, ensuring consistency, efficiency and the sharing of best practices.

The initiatives developed in 2025 reinforced the Bank's ambition to establish itself as an institution where people have the opportunity to grow, innovate and build sustainable careers.

4 Risk Management

The Bank's risk management model is based on an integrated set of processes, periodically reviewed, and documented. The model is focused on providing an appropriate understanding of the nature and magnitude of the risks underlying the Bank's activities, allowing for an adequate implementation of the respective strategy and attainment of the goals established.

This management is based on processes implemented to identify, assess, monitor, and control all the risks inherent in the financial and non-financial activities, existing or potential. These processes are supported by clearly defined policies and procedures aimed at ensuring that the established goals are attained and that the necessary actions are taken to adequately respond to the risks and eventual deviations.

The process of risk identification is based on matrices, which incorporate, among others, the mapping of the processes, of the risk factors and of the controls associated with the activity. These risk matrices serve as a basis for the identification, assessment, monitoring, and control processes of the various types of risk.

These processes follow the principles recognized at international and national levels, in line with Notice no. 03/2020 and Instruction no. 18/2020 of the Bank of Portugal, with the Guidelines on Internal Governance issued by the European Banking Authority (EBA/GL/2021/05), with Directive (EU) 2019/878 (CRD V), with Regulation (EU) 2019/876 (CRR II) and with Regulation (EU) 2024/1623 (CRR III).

The Bank's risk management model covers all products, activities, processes, and systems, taking into consideration all the risks inherent in its activities and considering

its size, nature, complexity, as well as the nature and magnitude of the risks assumed.

The Bank recognizes that within the scope of its risk management model, the definition and evaluation of adequate capital levels to support the risk profile are essential elements for the implementation of a sustainable business strategy. Thus, the planning of the internal capital evolution and the maintenance of appropriate levels of capital in relation to the economic capital requirements (ascertained in the internal capital adequacy assessment process - ICAAP) are crucial to ensure the continuous adequacy of the risk profile to the Bank's strategic objectives.

It also recognizes the importance of integrating the risk management model into its culture and its decision-making process. The risk management model has the active involvement of the entire Bank, including the management body, the supervisory body, the executive directors, the intermediate management bodies, and the Risk Department.

It is the responsibility of the Board of Directors ("BoD") to prepare and maintain an internal control system that is adequate and efficient, through the approval and periodic review of the governance, the strategies and the policies related to the risk management model, and to regularly monitor the activity of the risk management function. The BoD is also responsible for the approval of the Risk Appetite Framework ("RAF");

The Executive Committee ("EC") is, by delegation of the BoD, responsible for ensuring the implementation and maintenance of an adequate and effective internal control system. This is based on governance, strategy and policies approved by the BoD related to the risk management model to manage and control financial and non-financial risks. The EC monitors, on a

regular basis, compliance with risk tolerance levels and risk management policies and procedures, assessing their effectiveness and continuous adequacy to the Bank's activity, in order to enable the detection and correction of any weaknesses;

The Audit Committee, in exercising its functions of Risk Committee, is responsible for monitoring the risks of the Bank.

The Risk Department is responsible, with total independence, for the management of all the risks of the Bank. Inter alia it : (a) guarantees the effective application of the risk management model, through a continuous monitoring of its adequacy and effectiveness, as well as the adoption of measures to correct any weaknesses; (b) provides advice to all management and supervisory bodies; (c) leads the work involving the updating of risk matrices and the performance of the risk assessment; (d) prepares and presents periodic reports related to risk management; (e) participates in the business and capital planning; (f) performs stress tests; (g) is responsible for the ICAAP and ILAAP processes and actively engages in the preparation of the RAF; (h) realizes an independent review of the ICAAP and ILAAP methodologies and results; and (i) promotes the integration of the risk principles in the Bank's daily activities.

In summary, the risk management model ensures:

An adequate identification, assessment, monitoring, and control of all the material risks to which the Bank is exposed, as well as their mitigation;

The adequacy of the internal capital and the liquidity to the risk profile, business model, and strategic planning; and

The integration of the risk management process in the Bank's culture and in its decision-making process.

The Risk Profile covers all the risks the Bank is exposed to, both financial and non-financial, considering their materiality, the applicable legislation and the activity developed.

To do this, the Bank considers the risk categories described below:

Credit Risk

Credit risk arises from the possibility of a counterpart defaulting or the credit quality of a given financial instrument deteriorating. The Bank's objective is to maintain a high-quality asset portfolio, based on a prudent credit policy and a judicious analysis of all credit proposals. The Bank also has a constant objective to diversify its risky assets, as a form of mitigating credit concentration risk.

Market Risk

Market risk arises from the probability of negative impacts on income or capital, resulting from unfavourable movements in the valuations of financial instruments in the portfolio, caused by fluctuations in interest rates and credit spreads and by migrations in credit quality ratings.

For the financial instruments (securities and loans) recognized at fair value, that make up the portfolio classified as Hold to Collect and Sell, this risk encompasses the two components mentioned above: i) the risk inherent in changes in the reference interest rate, ii) the risk inherent in credit spread fluctuations, and iii) the risk of migration.

For financial instruments classified in the Hold to Collect portfolio, as well as for interest rate derivatives, market risk results from negative impacts of changes in

reference interest rates on economic value and results.

The Bank's strategy entails the adoption of measures to control and mitigate the market risk, namely through the contracting of interest rate risk hedging instruments (e.g., IRS), thus reducing the potential for a negative impact. The Bank may also adopt control measures through the monitoring of securities' spreads and the analysis of historical price series, allowing for the timely management of this risk.

Currency Risk

Currency risk is characterized by the probability of the occurrence of a negative impact due to unfavourable fluctuations in foreign exchange rates and adverse changes in the foreign currency price of instruments.

It is the Bank's policy to transact only in assets and liabilities denominated in EUR and USD (the positions in other currencies are sporadic and immaterial).

The Bank's strategy is to minimize the currency risk associated with its assets and liabilities. Hence, currency risk is regularly hedged to ensure that the exposure to this risk falls within pre-established limits, with said exposure - both the spot and in the forward positions – being monitored daily.

Liquidity and Financing Risk

Liquidity and financing risk is defined as the possibility of a financial institution being unable to meet its obligations as they fall due, because of the inability, on a timely manner, to liquidate assets, obtain funding or refinance liabilities.

The Bank recognizes that within the scope of its risk management model, the definition and assessment of adequate liquidity levels to support the risk profile are essential

elements for the implementation of a sustainable business strategy. The planning of the evolution of liquidity and the maintenance of its appropriate levels in relation to the limits defined in the RAF (determined within the scope of the internal liquidity adequacy assessment process - ILAAP) are crucial to guarantee the continuous adequacy of the risk profile to the Bank's strategic objectives.

The Bank's objective is to guarantee a stable and robust liquidity position, through the holding of liquid assets, control of the liquidity gaps and maintenance of a buffer that permit responding to financial outflows, both under contractual and stress situations.

The management of this risk is carried out in order to maintain liquidity levels within pre-defined limits, through: (i) cash flow management, including the daily calculation of the financial flows and the treasury balances over an extended time horizon, permitting the maintenance of a liquidity buffer in both normal conditions as well as under unfavourable conditions; (ii) balance sheet management, with the daily calculation of liquidity metrics; and (iii) the maintenance and monitoring of liquidity buffers, permitting the maintenance of the main control indicators of this risk within the Bank's pre-defined limits.

The Treasury Department is responsible for the daily cash flow management and the evolution of the various components of the Bank's balance sheet. The Risk Department is responsible for monitoring and accompanying this risk.

The metrics used to measure liquidity risk in the scope of balance sheet management include the prudential ratios LCR (Liquidity Coverage Ratio), NSFR (Net Stable Funding Ratio), as well as an extensive set of internal ratios related to: liquidity mismatches; concentration of main counterparts;

distribution of the reimbursement flows of the main liabilities; collateral of the repos transactions; liquidity characteristics of assets; and immediate liquidity.

Non-Financial Risks

Non-financial risks include the following: Business Model / Strategy Risk, Environmental, Social and Governance (“ESG”) Risk, Internal Governance Risk, Operational Risk (including Model and ICT and Security Risks), Compliance Risk, Money Laundering and Terrorist Financing Risk, and Reputational Risk. In general terms, these risks consist of the probability of the occurrence of negative impacts on the results or on the capital arising essentially from: (i) for business model / strategy risk - inadequate plans and strategic decisions; (ii) for ESG risk - environmental, social and corporate governance factors; (iii) for internal governance - maladjustments and weaknesses in the internal governance system, in the organizational structure and in the corresponding delimitation of responsibilities; (iv) for operational risk - operational failures, inadequacy of information and technology systems or models and cybersecurity weaknesses; (v) for compliance risk - non-compliance with legal, regulatory and code of conduct duties; (vi) for money laundering and terrorist financing risk - non-compliance with legal, regulatory and code of conduct duties related to the prevention of AML / CFT; and (vii) for reputational risk - a negative perception of the Group's public image, whether justified or not, by customers, suppliers, financial analysts, employees, investors, supervisory authorities and other regulatory bodies, the press or the general public.

The management of non-financial risks has been gaining an increasing relevance. In this context, advanced tools and methods have been developed, focused on the identification, assessment, monitoring, and

control of these types of risks. Among others, these tools include risk matrices and controls, heat-maps, and spider-charts, with inputs derived from an extensive and comprehensive process of self-assessment. This process serves as a basis for the definition of specific action plans for non-financial risks.

In addition to the maintenance of risk metrics, the Bank maintains an organized process for monitoring and acting on the various categories of non-financial risks, as well as recording the resulting information in a risk events database. This database includes, among others, the recording of: (i) events; (ii) eventual associated losses; and (iii) corrective and/or mitigating measures implemented.

In 2025, improvements were introduced in the mapping of the non-financial risk factors, optimizing its structure to permit a more efficient control over this type of risk.

For ICAAP, although there is no historical record of material losses, the Bank has been using the Basic Indicator Approach (BIA) methodology to quantify operational risk. It has also developed internal methodologies to quantify compliance, reputational and strategy risks.

Throughout 2025, several training actions were carried out in the area of non-financial risks, with particular emphasis on specific initiatives in areas such as Digital Transformation (AI), Operational Resilience and Crisis Management, Information Security, ICT Risks and Climate and Environmental Risks, also covering the requirements arising from the Corporate Sustainability Reporting Directive.. For 2026, the Bank will continue to prioritize training as one of the risk mitigation instruments, with a particular focus on ESG risks, digital transformation and cybersecurity.

Climate and environmental risks are becoming increasingly important for the banking activity. Given the distinct characteristics from the traditional risk factors to which the banking system is exposed, and due to the uncertainty and the time horizon in which they may materialize, these risks require special attention from the banking system. In this sense, in 2025, continuity was given to the implementation of the action plan on sustainability, including the review of RAF indicators and limits, updating of the physical risks map, continuity policy and contingency plan, as well as the review of the sustainability strategic documents and policy, in coordination with the areas involved. For 2026, the completion of the transition plan is planned, along with a more comprehensive integration of the ESG component into ICAAP / ILAAP, the updating of policies and improvement of disclosure processes.

At the ICT and Security Risks level, new risk and performance indicators were introduced, and control and monitoring procedures were improved to strengthen the tracking of this risk. A new tool was also implemented, and an external incident monitoring service (SOC) was contracted as a way to mitigate this risk.

In 2025, the Bank continued Project DORA, which allowed the Bank to have a set of policies and procedures fully aligned and compliant with the requirements established in the applicable regulations.

The Bank has purchased a new platform for the new GRC (Governance, Risk and Compliance), a structuring investment that will significantly strengthen the efficiency and robustness of the mechanisms for monitoring Non-Financial Risks. The project, already underway, will be implemented in 2026.

Finally, and to ensure continuous improvement in the risk management model,

the Bank increased the resources allocated to the risk function throughout 2025 and strengthened competencies through generic and specific training actions. In this context, the risk area's staff was strengthened, resorting to external hires and internal employees with knowledge and experience accumulated at the Bank and with a profile suitable for the function.

5 Financial Overview

5.1 Consolidated Results

In 2025, the Bank's consolidated net profit reached € 29.4 million, compared to € 25.3 million in 2024.

The financial margin, net of hedging, rose to € 51.5 million (€ 46.3 million in 2024). This result reflects, primarily, the impact of the increase in the investment portfolio.

The result of financial operations, commissions and other income in 2025 amounted to € 19.7 million, a value slightly above the amount of € 19.2 million, recorded in 2024.

The impairment and provisions caption increased slightly from € 3.2 million to € 4.0 million in 2025, but with a decrease in the cost of risk (24 basis points vs 25 basis points in 2024), confirming the trend of a gradual improvement in credit risk and in the quality of assets acquired throughout the year.

Operating expenses amounted to € 28.2 million (€ 25.9 million in 2024), an increase of 9% year-on-year. The Cost-to-Income ratio remained about the same level(40%).

The summary of the consolidated income statement for financial years 2025 and 2024, is as follows:

€ million	IFRS	
CONSOLIDATED INCOME STATEMENT	31.12.2025	31.12.2024
Net interest income	48.2	28.5
Interest rate & FX hedging	3.3	17.8
Net interest income, net of hedging	51.5	46.3
Financial transactions, commissions and other income	19.7	19.2
Operating income	71.2	65.5
Impairments and provisions	(4.0)	(3.2)
Operating expenses	(28.2)	(25.9)
Profit before tax	39.0	36.4
Net profit	29.4	25.3

5.2 Consolidated Balance Sheet

The Bank's balance sheet recorded an increase of 10% when compared with the previous year:

€ million	IFRS	
	31.12.2025	31.12.2024
CONSOLIDATED BALANCE SHEET		
Assets		
Cash and banks	123.1	160.8
Fixed-income and loan portfolio	2,520.2	2,213.6
Other assets	92.9	108.2
Total assets	2,736.2	2,482.6
Liabilities		
Customers' deposits	1,321.1	1,070.9
MM takings and Repos	862.9	878.1
Other liabilities	38.2	49.2
Total liabilities	2,222.2	1,998.2
Total shareholders' equity	514.0	484.4
Total liabilities and shareholders' equity	2,736.2	2,482.6

The value of the securities and loans portfolio on 31/12/2025 was 14% above that of the previous year-end. Non-performing loans stood at reduced levels and are duly provisioned for. At the end of financial year 2025, the NPE (problematic loans) ratio amounted to 0.6%, vs. 1.2% in 2024.

Total Customers' deposits on 31/12/2025 were € 1,321 million, 23% more than the € 1,071 million recorded at the end of 2024. During the same period, the financial assets under administration recorded a 23% growth.

Equity amounted to € 514 million, reflecting the positive evolution in comprehensive income for the financial year.

The earnings per share increased from € 3.23 to € 3.43.

5.3 Regulatory Capital

The Bank's solvency ratios are calculated in accordance with the prudential framework established by Regulation (EU) no. 575/2013 (CRR) and by Directive 2013/36/EU (CRD IV), both issued by the European Parliament and Council, of 26 June 2013 ("Basel III").

The Bank maintains solid financial ratios and above sector average, with the CET1 and total capital ratios reaching 22.7% at the end of 2025, thus signalling the Bank's robust solvency position.

The CET1 ratio as at 31 December 2025, deducts a dividend distribution in the approximate amount of € 22 million, as per

proposal to be submitted to the annual Shareholders' General Meeting.

Risk Weighted Assets ("RWA") reached € 2,153 million as at 31 December 2025, which compares with € 2,034 million at the end of 2024. This evolution reflects an improvement in the balance sheet's risk density, with the respective indicator falling from 82% to 79%, reflecting a more selective balance sheet growth strategy. The improvement is even more significant considering that it occurred in the context of regulatory solvency changes as established in CRD6 / CRR3 based on the Basel IV methodology, in force from 1 January 2025, which impacted the calculation of RWA, namely through the increased requirements for operational risk coverage.

5.4 Economic Capital

The Bank uses an internal capital adequacy self-assessment process, complementing the regulatory perspective, to ensure that all the risks are assessed and that the internal capital is adequate vis-à-vis its risk profile, in line with the guidance of Pillar 2 of Basel III and Instruction no. 3/2019 of Banco de Portugal.

Both the risks and the available financial resources (Risk Taking Capacity "RTC") are assessed from an economic perspective and estimated on a going concern basis to ensure that the Bank has the capacity to always settle all its liabilities, including the customers' deposits (Due to customers), on a timely basis.

To quantify the risks, the Bank has developed various models to calculate the economic capital requirements that estimate the potential maximum loss in the period of one year. These models cover the various types of material risks to which the Bank is exposed and are described in the Risk Management Section.

In addition to the calculation of the economic capital requirements, the material risks are subject to stress tests, in situations of extreme severity but with a low probability of occurrence. They have the objective of assessing the adequacy of internal capital in severe adverse scenarios, introducing a prospective risk profile analysis and allowing testing of the strategy's sustainability and the institution's resilience under adverse conditions.

The analysis of the capital adequacy is carried out monthly. At the end of each year, it is complemented with a prospective analysis of the capital requirements, associated with the respective risks, and of the financial resources available, over a three-year time, considering the Bank's funding and capital plan.

The ICAAP results are continuously monitored and permit concluding that the Bank's capital continues to be adequate to cover incurred or potential risks from both the regulatory and economic perspectives.

5.5 Regulatory Developments

Following the publication of Regulation (EU) 2024/1623, effective from 1 January 2025, the final Basel III reforms were formally adopted. Although some decisions are still subject to review on certain issues, these reforms essentially aim to contribute to strengthening liquidity and financial stability criteria. The main changes include strengthening the requirements for credit, market and operational risks, integrating ESG risks into prudential supervision and introducing the output floor, which establishes a minimum capital limit based on internal models. To align implementation dates and ensure a level playing field internationally, EU authorities have proposed postponing the starting date of the new trading book rules by one year.

In the field of ESG risks, it is noteworthy that, following the approval of the Omnibus legislative package by the European Union

in December 2025, the thresholds / deadlines of the CSRD and CSDDD directives have been redefined. The Bank will continue to align its strategy and risk management with regulatory developments.

In the scope of Information and Communication Technology (ICT) Risks, with the entry into force of the DORA Regulation (Regulation (EU) 2022/2554) and Directive (EU) 2022/2556, both relating to the digital operational resilience of the financial sector, applicable since 17 January 2025, the year was marked by the implementation of a new framework for the digital resilience of financial institutions.

Bank of Portugal Notice no. 3/2020 was amended by Notice no. 2/2025, which regulates organizational culture and internal governance and control systems and defines the minimum standards on which the organizational culture of institutions should be based upon. Among others, it establishes changes in the reporting of the Self-Assessment Report, enables the outsourcing of operational tasks and makes the organizational model of internal control functions more flexible.

5.6 Treasury Stock (Own Shares)

During the 2025 financial year there were no transactions involving own shares. As of 31 December 2025, the Bank held 86 own shares.

6 Social Responsibility, Cultural Patronage and Education

In 2025, the Bank reinforced its commitment to the community and to sustainable progress. Faced with a dynamic scenario, marked by global challenges and significant changes in society, an active role was maintained in social, cultural and educational initiatives.

6.1 Social Responsibility

The main institutions supported were:

ACADEMIA DOS CHAMPS

(academiasdoschamps.org) – is a non-profit entity founded in 2009, as a social integration project aimed at children and young people. The main objective is to demonstrate, through the practice of tennis, the benefits of viewing sport as a philosophy of life. Much more than a simple project of occupying leisure time, it aims to provide students with a real and concrete possibility of overcoming their own limits, opening their horizons to new, better, and more structured life prospects.

APSA - Associação Portuguesa do Síndrome de Asperger (www.apsa.pt) – is a non-profit entity set up in 2003 by a group of parents with the mission of supporting the personal and social development of children and youths with this neuro-behavioural disorder with a genetic origin. APSA has been operating the *Casa Grande* project in Lisbon, since 2016. This is a unique, innovative, and differentiated space that empowers young people with Asperger's Syndrome for autonomy, employability, and social and community inclusion. In 2025, the Bank was part of the *Vidas com Sentido* initiative, a program that seeks to respond to the difficulties faced by young people with Asperger Syndrome, especially in the transition to active life, promoting a community integration program.

CAPITI (www.capiti.pt) – is a non-profit entity created in 2016 aimed at ensuring the access of children and young people from poor families to health services in neurodevelopment and to facilitate their integration in the family, school, and society. CAPITI provides these families with services for the early identification and access to intervention and diagnosis throughout childhood and adolescence, through a

regular monitoring with exams in child development.

APOIO à VIDA (www.apoioavida.pt) – is an organization that supports pregnant women, their partners, and their families when they face psychological, social, or family difficulties. The Association helps, shelters, and empowers women of all ages and social conditions.

6.2 Cultural Patronage

In terms of culture, we continue to engage, as patrons, with some leading institutions in Portugal, in particular:

PALÁCIO NACIONAL DA AJUDA – Banco Finantia is a patron of the Palace since 1997, having financed the full restoration of the *Sala do Corpo Diplomático* (Diplomatic Corps Room) and the re-acquisition of various decorative pieces which were previously the property of the Palace collection.

FUNDAÇÃO DE SERRALVES – being a founding member since 1995, the Bank has sponsored various cultural and social programs.

6.3 Education

ISEG – the Bank continued its collaboration with ISEG – Instituto Superior de Economia e Gestão (Economics and Management) of the University of Lisbon, attributing an award to the best first-year student of the master’s degree in “International Economics and European Studies”.

FUNDAÇÃO ECONÓMICAS – the Bank is also a partner of Fundação Económicas – Fundação para o Desenvolvimento das Ciências Económicas, Financeiras e Empresariais (Foundation for the Development of the Economic, Financial and

Business Sciences) that grants scholarships to needy students.



7 Outlook

Prospects for 2026 are that the global GDP growth will remain at around 3.1%.

These prospects reflect a high degree of uncertainty. On the one hand, uncertainty regarding the policies the Trump administration will follow, be it in terms of tariffs or the approach to different scenarios with geopolitical impact. On the other hand, uncertainty of a financial nature, in particular the monetary policy of the main central banks, in particular the Fed.

In this context, the Bank will continue to assume a prudent stance, prioritizing the protection of the interests of its customers, shareholders, and employees.

In terms of business lines, the Bank will adapt its strategic orientation considering the evolution of events, focusing on optimizing fixed-income and capital market activities, financial advisory services, and Private Banking activities.

In terms of asset portfolio, both of bonds and loans, the Bank will maintain a gradual growth, continuing to apply a judicious selection of risks and maintaining a strong geographical and sectoral diversification.

The capital markets area plans to reinforce its teams in order to increase its sales and distribution and market-making activities as well as to strengthen its role in the primary market. These measures aim to increase income but also to strengthen its capacity to fund companies and satisfy investor demand while consuming less capital.

Financial advisory services will continue to be focused on cross-border transactions, supporting foreign investment in Portugal and Spain as well as the internationalization of Iberian companies.

Private Banking should continue to grow, with the increase in the number of customers and the widening and diversification of its range of products and services with an emphasis on investment consultancy and execution services. This will allow the Bank to offer customers more investment alternatives and to improve fee income.

8 Appropriation of Results

The Board of Directors proposes a dividend of 14.7 cents per share, that is, the distribution of about 75% of the consolidated net profit for the financial year.

After deducting the proposed dividend, Banco Finantia will present a CET 1 ratio of 22.7% with reference to 31 December 2025 (identical to that of 31/12/2024), remaining within internal policies and regulatory guidelines issued for the banking sector, with solvency ratios sufficiently robust for the development of its activities.

9 Final Remarks

The Board of Directors extends its thanks to all those that supported its activities in 2025 - customers, shareholders, corporate bodies, auditors and authorities for the loyalty and trust placed on us, and to the employees for the dedicated and competent contribution, indispensable for the good functioning of the institution.

Lisbon, 25 March 2026

The Board of Directors

Manuel Sebastião

David Guerreiro

José Monteiro Braz

Carla Rebelo

Sandra Guerreiro

Duarte Correia de Sá

Isabel Cotta

Ricardo Caldeira

Maria Helena Loureiro

Banco Finantia

Financial Statements 2025

(CONSOLIDATED ACCOUNTS)

Consolidated Financial Statements

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- 07** Consolidated Statement of Cash Flows
- 08** Notes to the Consolidated Financial Statements

Banco Finantia

Consolidated Statement of Financial Position as at 31 December 2025 and 2024

<i>EUR thousand</i>	Notes	2025	2024
ASSETS			
Cash and deposits with central banks and other demand deposits	5	79,168	66,377
Financial assets at fair value through profit or loss	6	18,139	20,272
Financial assets at fair value through other comprehensive income	6	1,699,864	1,350,867
Financial assets at amortized cost	6	854,566	940,576
Hedging derivatives	7	50,936	74,203
Investment properties		491	503
Other tangible assets	8	13,774	13,916
Intangible assets	9	504	658
Current tax assets	10	3,259	478
Deferred tax assets	10	3,181	7,577
Other assets	11	12,309	7,179
TOTAL ASSETS		2,736,191	2,482,606
LIABILITIES			
Financial liabilities held for trading	12	3,002	30,942
Financial liabilities at amortized cost	13	2,183,988	1,948,990
Hedging derivatives	7	12,327	4,536
Current tax liabilities	10	4,663	2,795
Deferred tax liabilities	10	5,166	1,034
Provisions	14	603	594
Other liabilities	14	12,483	9,287
TOTAL LIABILITIES		2,222,232	1,998,178
SHAREHOLDERS' EQUITY			
Share capital	15	150,000	150,000
Share premium	15	12,849	12,849
Other accumulated comprehensive income	16	14,310	(3,896)
Other reserves and retained earnings	16	307,391	300,153
Net profit for the year attributable to shareholders of the Bank		29,409	25,322
TOTAL SHAREHOLDERS' EQUITY		513,959	484,428
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		2,736,191	2,482,606

The attached Explanatory notes form an integral part of these Financial Statements

The Certified Accountant

The Board of Directors

Banco Finantia

Consolidated Income Statement for the financial years ended 31 December 2025 and 2024

<i>EUR thousand</i>	Notes	2025	2024
Interest and similar income, using the effective interest rate	17	121,838	107,044
Other interest income	17	16,537	28,602
Interest expense and similar charges, using the effective interest rate	17	(73,537)	(79,280)
Other interest expenses	17	(112)	(44)
NET INTEREST INCOME		64,726	56,322
Fee and commission income	18	1,922	2,027
Fee and commission expense	18	(539)	(588)
Gains or losses from derecognition of financial assets not measured at fair value through profit or loss	19	13,188	13,733
Gains or losses from exchange operations	19	(12,027)	(9,533)
Other gains or losses from financial operations	19	3,354	4,094
Other net operating income / (expense)		598	(512)
OPERATING INCOME		71,222	65,543
Staff costs	20	(16,588)	(14,772)
Other administrative expenses	21	(10,139)	(9,626)
Depreciation and amortization expenses	8, 9	(1,458)	(1,493)
TOTAL OPERATING EXPENSES		(28,185)	(25,891)
OPERATING INCOME BEFORE PROVISIONS AND IMPAIRMENT		43,037	39,652
Provisions / (Reversal of provisions)	14, 22	(11)	(33)
Impairment / (Reversal of impairment) of financial instruments	22	(4,042)	(3,229)
Impairment / (Reversal of impairment) of non-financial instruments	22	18	29
PROFIT BEFORE TAX		39,002	36,419
Current income tax	10	(7,915)	(9,884)
Deferred income tax	10	(1,678)	(1,213)
NET PROFIT FOR THE YEAR		29,409	25,322
Attributable to:			
Shareholders of the Bank		29,409	25,322

The attached Explanatory notes form an integral part of these Financial Statements

Banco Finantia

Consolidated Statement of Comprehensive Income for the financial years ended 31 December 2025 and 2024

<i>EUR thousand</i>	Notes	2025	2024
NET PROFIT FOR THE YEAR		29,409	25,322
Items that may be reclassified to profit or loss			
Debt instruments at fair value through other comprehensive income	16	28,250	28,917
Foreign exchange rate changes in foreign operational units	7	(22,415)	10,228
Net investment hedging in the foreign operational units (effective part)	7	19,203	(9,493)
Income taxes related to items that may be reclassified to profit or loss	16	(6,832)	(7,457)
OTHER COMPREHENSIVE INCOME FOR THE YEAR		18,206	22,195
COMPREHENSIVE INCOME FOR THE YEAR		47,615	47,517
Attributable to:			
Shareholders of the Bank		47,615	47,517

The attached Explanatory notes form an integral part of these Financial Statements

Banco Finantia

Consolidated Statement of Changes in Equity for the financial years ended 31 December 2025 and 2024

<i>EUR thousand</i>	Share capital	Share premium	Other accumulated comprehensive income	Other reserves and Retained earnings	Net profit attributable to shareholders	Total Shareholders' Equity
Balance as at 1 January 2024	150,000	12,849	(26,091)	301,800	10,352	448,910
Appropriation of results (Note 16)	-	-	-	10,352	(10,352)	-
Comprehensive income for the year (Note 16)	-	-	22,195	-	25,322	47,517
Distribution of dividends (Note 16)	-	-	-	(12,000)	-	(12,000)
Other reserves	-	-	-	1	-	1
	-	-	22,195	(1,647)	14,970	35,518
Balance as at 31 December 2024	150,000	12,849	(3,896)	300,153	25,322	484,428
Appropriation of results (Note 16)	-	-	-	25,322	(25,322)	-
Comprehensive income for the year (Note 16)	-	-	18,206	-	29,409	47,615
Distribution of dividends (Note 16)	-	-	-	(18,000)	-	(18,000)
Other reserves	-	-	-	(84)	-	(84)
	-	-	18,206	7,238	4,087	29,531
Balance as at 31 December 2025	150,000	12,849	14,310	307,391	29,409	513,959

The attached Explanatory notes form an integral part of these Financial Statements

Banco Finantia

Consolidated Statement of Cash Flows for the financial years ended 31 December 2025 and 2024

<i>EUR thousand</i>	Notes	2025	2024
Cash flows arising from operating activities			
Interest and similar income received		117,163	104,128
Interest expense and similar charges paid		(78,286)	(71,500)
Fee and commission income received		1,922	2,027
Fee and commission expense paid		(539)	(588)
Recovery of loans previously written-off		3,879	3,367
Cash payments to staff and suppliers		(25,901)	(24,532)
		18,238	12,902
<i>Change in operating assets:</i>			
Deposits with central banks		(2,645)	(1,838)
Financial assets		(257,701)	(254,397)
Due from banks		16,095	(19,607)
Other operating assets		(1,965)	(243)
<i>Change in operating liabilities:</i>			
Derivative financial instruments		12,643	83,194
Due to banks		(2,833)	(47,137)
Customers' deposits		251,287	163,423
Repos operations		(8,819)	108,278
Other operating liabilities		16	927
Net cash flows from operating activities before taxes		24,317	45,502
Income taxes		(8,828)	(4,704)
		15,489	40,798
Cash flows arising from investing activities			
Acquisition of tangible and intangible assets	8, 9	(1,588)	(2,855)
Disposal of tangible and intangible assets	8, 9	395	92
		(1,193)	(2,763)
Cash flows arising from financing activities			
Dividends paid on ordinary shares	16	(18,000)	(12,000)
Net cash flows from financing activities		(18,000)	(12,000)
Effect of foreign exchange rate changes on cash and cash equivalents		(10,829)	(7,599)
Net changes in cash and cash equivalents		(14,533)	18,436
Cash and cash equivalents at the beginning of the year	25	124,690	106,254
Cash and cash equivalents at the end of the year	25	110,157	124,690
		(14,533)	18,436

The attached Explanatory notes form an integral part of these Financial Statements

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1. Bases of presentation

Banco Finantia and its subsidiaries (the “Group”) have as their main object the accomplishment of all the operations and the provision of all the services permitted to Banking Institutions, having specialized itself on capital markets, money markets, advisory services (including mergers and acquisitions), credit operations and private banking activities.

Banco Finantia is a privately-owned bank with registered office in Portugal, at Rua General Firmino Miguel, no. 5, in Lisbon, which resulted from the transformation, in October 1992, of Finantia – Sociedade de Investimentos, S.A., which began its activity in July 1987. For such effect, the Bank has all the necessary permits from the Portuguese authorities, central banks, and all other regulatory agencies operating in Portugal and in the other countries where the Bank operates through its branches and international subsidiaries, including its branch in Spain. Its subsidiaries have offices in Portugal, Spain, UK, USA, Malta, and the Netherlands.

The consolidated financial statements of the Bank are prepared on a going concern basis in accordance with International Financial Reporting Standards (“IFRS”), issued by the International Accounting Standards Board (“IASB”), as adopted for use in the European Union (“EU”) in force as at 1 January 2025, as established in Regulation (EC) no. 1606/2002 of the European Parliament and Council, of 19 July, and in Banco de Portugal Notice no. 5/2015, of 7 December.

During 2025, as described in Note 3, the Group adopted the amendments to existing standards issued by the IASB and endorsed by the EU with mandatory application in this financial year, having

opted not to early adopt those not mandatory in 2025. The accounting policies were applied consistently in all the entities of the Group and are consistent with those used in the preparation of the financial statements of the previous financial year.

These financial statements are stated in thousands of Euro (“€ thousand”) rounded to the nearest thousand, except where otherwise mentioned.

The preparation of financial statements in accordance with IFRS requires the use of accounting estimates and assumptions. The areas involving a greater level of judgement or complexity are analysed in Note 4.

These financial statements were approved for issue by the Board of Directors on 25 March 2026 and will be submitted to approval by the Shareholders’ General Meeting, which has the power to alter them. The Board of Directors believes these will be approved without significant changes.

Banco Finantia only has qualified shareholders with stakes exceeding 10% (see Note 26), there being no controlling relationship.

The Group adopted, whenever applicable, a financial statement structure convergent with the guidelines of the Implementing Regulation (EU) 2021/451, of 20 March 2021.

2. Material accounting policies

2.1 Bases of consolidation

These consolidated financial statements reflect the assets, liabilities, results and comprehensive income of Banco Finantia and its subsidiaries (the "Group").

All Group companies have consistently applied the accounting policies.

Investments (financial shareholdings) in subsidiaries

Subsidiaries are all entities (including structured entities) over which the Group exercises control. According to the requirements of IFRS 10 - Consolidated Financial Statements - the Group exercises control when it is exposed to or has rights over the variable returns of an entity, as a result of its involvement with the entity, and has the ability of affecting those variable returns due to its power to affect the relevant activities of the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Group until the date that control ceases.

The accumulated losses of a subsidiary are proportionally attributable to non-controlling interests, which might imply the recognition of negative non-controlling interests.

In a business combination achieved in stages (step acquisition) where control is obtained, any previously held non-controlling interest is remeasured to fair value and the resulting gain or loss recognized in the income statement when determining the respective goodwill. At the time of a partial sale, which results in a loss of control of a subsidiary, any remaining non-controlling interest retained is remeasured to fair value at the date the control is lost, and the resulting gain or loss is recognized in the income statement. The amount of the initial recognition of the remaining investments corresponds to the amount determined on the prior revaluation.

Any amounts previously recognized in other comprehensive income regarding ex-subsidiaries are reclassified to profit or loss, as if the Group has sold or liquidated the respective assets and liabilities.

The Group structure is presented in Note 30.

Investments (financial shareholdings) in foreign subsidiaries and associates – translation of balances and transactions in foreign currency

The financial statements of each of the Group's subsidiaries and associates are prepared according to the currency used in the economic environment in which they operate (denominated "presentation currency"). In the consolidated financial statements of the Group, the results and financial position of each subsidiary are stated in Euro, which is Banco Finantia Group's presentation currency.

In the consolidated financial statements, the assets and liabilities of entities with a presentation currency different from the Euro are translated using the closing rate, while income and expenses are translated at the average rate for the year. The foreign exchange variations resulting under this method, are recognized in the caption "Other reserves" in shareholders' equity, with the respective balance being transferred to the income statement on the partial or total disposal of the Group entity, provided such disposal results in the loss of control over same.

Balances and transactions eliminated on consolidation

Inter-company balances and transactions, including any unrealized gains and losses on transactions between Group companies, are eliminated in preparing the consolidated financial statements, unless unrealized losses provide evidence of an impairment loss that should be recognized in the consolidated financial statements.

Unrealized gains on transactions between the Company and its associates are eliminated to the extent of the Group's interest in the associates. Unrealized losses are also eliminated unless the transactions provide evidence of impairment.

2.2. Financial instruments

2.2.1. Financial assets

2.2.1.1. Classification, initial recognition and subsequent measurement

The Group classifies all financial assets, for measurement purposes, in one of the following categories:

- 1) Financial assets at amortized cost;
- 2) Financial assets at fair value through other comprehensive income (FVOCI); and
- 3) Financial assets at fair value through profit or loss.

To determine the classification and subsequent measurement, all financial assets, other than equity instruments and derivatives, are analysed based:

- a) on the entity's business model to manage financial assets; and
- b) on the contractual characteristics in terms of cash flows of the financial asset (SPPI – “Solely Payments of Principal and Interest”).

Business model

According to IFRS 9, the business model reflects the way an entity manages its financial assets to achieve its business objectives, whether through the receipt of contractual cash flows, the sale of financial assets or both.

The standard identifies the following business models:

- i) “Hold to collect” (HTC) – (Financial assets at amortized cost): a business model whereby financial assets are managed to collect all contractual cash flows.
- ii) “Hold to collect and sell” (HTCS) – (Financial assets at fair value through other comprehensive income): the objectives of the business model are achieved either by collecting contractual cash flows and/or by selling said financial instruments.
- iii) “Trading” – (Financial assets at fair value through profit or loss): this business model caters for the remaining financial instruments that are managed in a fair value perspective or that are not included in the previous categories.

Business model evaluation for the management of financial assets

The evaluation of the business model is determined so that it reflects the manner in which a set of financial assets are managed to achieve a business objective, not being, therefore, determined on an individual basis according to a specific asset, but rather for a set of assets, taking into account the frequency, value, timing of sales in previous years, the reasons for such sales and expectations regarding future sales. Sales may be compatible with the purpose of holding financial assets to collect contractual cash flows when same are made near the maturity date of the financial assets and the sales proceeds approach the value of the collection of the remaining contractual cash flows. Sales motivated by increased credit risk or to manage concentration risk, among others, may also, according to IFRS 9, be compatible with the model of holding assets to receive contractual cash flows (HTC). The Group considers that sales of financial instruments may occur as long as they are infrequent or of insignificant value, i.e., whenever the number of such sales is annually equal to or less than 10% of the monthly average of the number of securities classified under the HTC business model throughout the year and their total amount does not exceed 10% of the total nominal value of the instruments classified in this business model.

Evaluation of the characteristics of the cash flows of financial assets (SPPI)

For the instruments to be allocated to the “Hold to collect” or “Hold to collect and sell” business models, the contractual terms of the financial asset shall have to give rise, at defined dates, to cash which represents only principal repayments and interest payments on the outstanding principal, denominated the SPPI test.

Principal and interest are as follows:

- 1) Principal - Corresponds to the fair value of the asset on the initial recognition. This value may vary over time depending on whether amounts are transferred by the instrument holder;
- 2) Interest - interest shall consider the following aspects: (i) time value of money and credit risk; (ii) other types of credit risk (e.g., liquidity risk); (iii) other associated costs; and (iv) a profit margin.

Regardless of the underlying business model, in the event the instrument does not meet the SPPI criteria mentioned above, it may not be classified at amortized cost or at fair value through other comprehensive income.

Thus, the Group assesses the compliance with the SPPI criteria in respect of the financial instruments acquired, originated and/or modified. In this assessment, consideration is given to the contractual terms applicable as at the date of the respective acquisition, origination and/or modification.

A prepayment is consistent with the SPPI criterion if:

- i) the financial asset is acquired or originated with a discount premium in relation to the contractual nominal value; (ii) the prepayment represents substantially the nominal amount of the contract plus accrued but unpaid contractual interest (this may include reasonable compensation for prepayment); and iii) the fair value of the prepayment is materially insignificant on the initial recognition.

2.2.1.1.1. Financial assets at amortized cost (HTC)

Classification

A financial asset is classified in the category of “financial assets at amortized cost” if it meets all the following conditions:

- i) the asset is held in a business model which main purpose is the holding to collect its contractual cash flows (HTC); and
- ii) its contractual cash flows comply with the SPPI requirements.

This category includes due by banks, loans and advances to customers, loans and debt instruments managed based on the HTC business model and that meet the SPPI conditions.

Initial recognition and subsequent measurement

Due by banks and loans and advances to customers are recognized on the date the funds are made available to the counterparty (“settlement date”). Debt instruments are recognized on the trade date.

Financial assets at amortized cost are initially recognized at fair value, plus transaction costs, and subsequently measured at amortized cost. In addition, these financial assets are subject, as from their initial recognition to the determination of

expected credit losses (Note 6), which are recognized against the caption “Impairment / (Reversal of impairment) of financial assets at amortized cost”. Interest, premiums or discounts on financial assets at amortized cost are recognized under the caption “Interest Income” based on the effective rate method and in accordance with the criteria described in Note 2.3.

2.2.1.1.2. Financial assets at fair value through other comprehensive income (FVOCI)

Classification

A financial asset is classified in the category of “financial assets at fair value through other comprehensive income” if it meets all the following conditions:

- i) the asset is held in a business model which purpose is the collection of its contractual cash flows and/or the sale of that financial asset; and
- ii) its contractual cash flows comply with the SPPI requirements.

This category includes debt instruments as well as loans and advances to customers, managed based on the HTCS business model and that meet the SPPI conditions.

Initial recognition and subsequent measurement

Debt instruments are recognized on the trade date.

Financial assets at fair value through other comprehensive income are initially recognized at fair value, plus transaction costs, and subsequently measured at fair value. Changes in the fair value of these financial assets are recorded 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 caption of the income statement designated “Gains or losses from derecognition of financial assets at fair value through other comprehensive income”.

Debt instruments at fair value through other comprehensive income are also subject, as from their initial recognition to the determination of expected credit losses (Note 6). Expected credit losses are recognized in the income statement, in the caption “Impairment / (Reversal of impairment) of financial assets at fair value through other comprehensive income”, against other

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comprehensive income and do not reduce the carrying amount of the financial asset in the balance sheet.

Interest, premiums or discounts of financial assets at fair value through other comprehensive income are recognized in the caption “Interest and similar income” based on the effective rate method and in accordance with the criteria described in Note 2.3.

2.2.1.1.3. Financial assets at fair value through profit or loss

Classification

A financial asset is classified in the category of “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 does not comply with the SPPI conditions to be measured at amortized cost, or at fair value through other comprehensive income.

The Group classified financial assets at fair value through profit or loss in the following captions:

- i) “financial assets held for trading”: financial assets classified under this heading are acquired with the purpose of being sold in the short term; at the time of the initial recognition they are included in a portfolio of financial assets identified and jointly managed for which there is evidence of recent actions with the objective of obtaining gains in the short term, that is, derivative instruments that have not been designated as hedging instruments;
- ii) “financial assets not held for trading mandatorily at fair value through profit or loss”: financial assets classified under this caption are instruments which contractual cash flows do not correspond solely to the repayments of principal and payments of interest on the principal outstanding (SPPI).

Initial recognition and subsequent measurement

Financial assets at fair value through profit or loss are initially recognized at their fair value, with the costs or income associated with the transactions being recognized immediately in the income statement at the initial moment. Subsequent changes in fair value are recognized in the income statement under “Gains or losses from financial assets and liabilities held for trading” (Note 19).

Interest, premiums or discounts of financial assets at fair value through profit or loss are recognized in the

income statement in the caption “Interest and similar income” in accordance with the criteria described in Note 2.3. Dividends are recognized in income when the right to receive them is attributed.

Trading derivatives with a positive fair value are recognized under “Financial assets at fair value through profit or loss” and trading derivatives with a negative fair value are recognized under “Financial liabilities held for trading”.

The Group may, at initial recognition, irrevocably record a financial asset as measured at fair value through profit or loss, if it considers that, in doing so, it eliminates or significantly reduces an incoherence in the measurement or recognition that would otherwise result from the measurement of assets or liabilities or the recognition of gains and losses on same on different bases.

2.2.1.2. Reclassification between categories of financial assets

Financial assets are reclassified to other categories only if the business model used in their management changes. According to IFRS 9, changes in the business model should be infrequent. However, if they occur, all financial assets affected are reclassified prospectively at the date of reclassification, and no gains, losses (including impairment losses) or previously recognized interest are restated.

Between 1 January 2024 and 31 December 2025, no reclassifications were made between financial asset categories.

2.2.1.3. Modification and derecognition of financial assets

The Group derecognizes a financial asset when the contractual rights to the cash flows resulting from the instrument expire or it substantially transfers all the risks and rewards of ownership of the financial asset in accordance with the derecognition requirements set forth in IFRS 9.

Financial assets written off

The Group writes off a financial asset in the period in which it is considered irrecoverable in whole or in part, with the gross carrying amount of a financial asset being reduced by the amount of such write-off and coming to represent the estimated recovery amount.

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Financial instruments are recorded in off-balance sheet captions when they are written off from the balance sheet. The recordings in off-balance sheet captions remain until the definitive extinction of the liabilities of each credit operation, through settlement or formal cessation of the right to receive under applicable legal and contractual terms (i.e., debt pardons, court judgments or assignment of overdue credits on a definitive basis), without prejudice to maintaining all extra-accounting records relating to clients with credit operations recorded on the balance sheet.

Financial instruments written off from assets and recorded in off-balance sheet captions are maintained at the amount to which the Group is entitled, under legal and contractual terms, regardless of collection expectations.

Any recoveries subsequent to the write-off of financial instruments are recorded as a reversal of the impairment value.

2.2.1.4. Financial assets purchased or originated with credit impairment

Financial assets purchased or originated with credit impairment (POCI) represent assets which credit losses have already occurred before they were acquired or originated by the Group. It is understood that an asset is impaired if one or more events that have occurred have a negative impact on the estimated future cash flows of the asset.

On initial recognition, the POCI have no associated impairment, because the expected credit losses over the lifetime are incorporated in their fair value, with the calculation of the effective rate being adjusted by the credit risk. In this context, on the initial recognition of this type of asset, the gross book value of the POCI (acquisition cost) is equal to its carrying value before being recognized as POCI, that is, the difference between the initial balance and the total discounted cash flows.

Securities considered as POCI are measured at amortized cost and the respective interest, calculated by the effective interest rate adjusted by the credit risk, is recognized in the income statement in the caption "Interest and similar income".

The expected losses for POCI assets are always measured as expected losses over the lifetime of the instrument. However, the amount recognized as a

loss for these assets is not the estimated loss over the life of the instrument, but rather the absolute changes compared to the expected losses for the instrument's useful life initially estimated. Favourable changes are recognized as impairment gains, even if those gains are greater than the amount previously recognized in the income statement as an impairment loss.

Financial assets considered as POCI are considered "impaired", being monitored and analysed individually to monitor if the expected cash flows correspond to those initially defined.

2.2.1.5. Impairment of financial assets

2.2.1.5.1. Financial instruments subject to impairment losses

The requirements of IFRS 9 determine that the recognition of expected losses, whether assessed on an individual or collective basis, consider all reasonable, reliable and reasoned information that is available on each reporting date, including information in a forward-looking perspective.

The Group recognizes impairment losses for financial assets measured at amortized cost and at fair value through other comprehensive income, as well as for other exposures that have an associated credit risk, such as bank guarantees and irrevocable commitments (Note 2.17).

Impairment losses on financial assets measured at amortized cost reduce the balance sheet value of those assets against the income statement caption: "Impairment / (Reversal of impairment) of financial instruments" (Note 22).

Impairment losses on financial assets at fair value through other comprehensive income do not decrease the balance sheet value of these assets which remain at fair value. Instead, the expected credit losses of these assets are recognized in the income statement, in the caption "Impairment or reversal of impairment", against the caption "Other accumulated comprehensive income" in shareholders' equity.

Impairment losses on exposures associated with credit commitments and bank guarantees (Note 14) are recognized in liabilities in the caption "Provisions and other liabilities" against the caption "Impairment and Provisions" in the income statement.

2.2.1.5.2. Impairment model

IFRS 9 has an underlying prospective expected credit loss model (ECL), which considers the expected losses throughout the life of the financial instruments.

The ECL corresponds to the weighted average of the credit losses, using as weighting factor the probability of occurrence of default events. A credit loss is the difference between the cash flows due to an entity in accordance with the agreed contract, and the cash flows that the entity expects to receive, discounted at the original effective interest rate. To calculate expected cash flows, consideration should be given to amounts that may be generated by collateral or any other risk mitigant.

Impairment is measured as:

1) 12 month expected credit losses – expected losses resulting from possible default events of the financial instrument in the 12 months following the reporting date. It does not represent the loss of expected cash flows over the next 12 months, instead it is the effect of any credit loss on an asset weighted by the likelihood that such loss will occur in the next 12 months;

2) Lifetime expected credit losses – expected losses that may occur from a default event over the life of a financial instrument. As the expected credit losses consider the amounts and the payment periods, the credit loss also occurs when there is a considerable delay in payments, even when the entity estimates the full receipt of the amounts. The ECL over the lifetime of the instrument represents the expected credit losses that result from all possible default events over the life of the financial instrument. The lifetime of the instrument is understood as the maximum contractual period during which the Group is exposed to the credit risk related to that operation.

According to IFRS 9, the transition from 12 month expected credit losses to lifetime expected credit losses is based on the concept of a significant increase in credit risk (SICR, Note 2.2.1.5.3.) for the remaining life of the asset when compared with the credit risk at the time of its acquisition / origination.

In this context, the determination of impairment is based on the classification of the instruments into 3 stages, considering the changes in the credit risk of

the financial asset since its initial recognition. The stages are defined as follows:

1) Stage 1: all operations for which there is no significant increase in credit risk since their initial recognition or that have a low credit risk at the reporting date are classified in this stage. For these assets, 12 month expected credit losses are recognized, and interest receivable is calculated on the gross book value of the asset using the effective rate method;

2) Stage 2: all operations in which there is a significant increase in credit risk since their initial recognition but do not, at the reporting date, evidence impairment (Note 2.2.1.5.4) are classified in this stage. For these assets, the credit loss recognized is that expected over the lifetime of the instrument, and the interest receivable is calculated on the gross book value of the asset using the effective interest rate method;

3) Stage 3: includes instruments that present evidence of impairment at the reporting date (Note 2.2.1.5.4). For these assets, the credit loss recognized is that expected over the lifetime of the asset and the interest receivable is calculated on the gross book value net of the provision for credit, using the effective rate method.

The Group applies curing periods for financial instruments in respect of which the criteria that materialize a significant increase in credit risk are no longer met, which lead to their classification in Stage 2, namely a curing period of at least 3 months for its classification back to Stage 1.

In the case of instruments classified in Stage 3, they can only be transferred to Stage 2 if the following conditions are met: i) the debtor is compliant for a minimum period of 3 months; ii) there is no indication that the debtor is unable to fulfil his / her / its responsibilities; and iii) the debtor does not present any amount overdue for more than 90 days. Except for rare and duly justified exceptions, direct transfers to Stage 1 of financial instruments classified in Stage 3 are not contemplated. In the case of customers with restructured credit operations due to financial difficulties classified in Stage 3, the transfer to Stage 2 can only occur upon fulfilment of the following conditions: i) the debtor has no delinquency exceeding 30 days for at least one year from the restructuring date; and ii) is fully compliant with the

terms defined in the restructuring process (absence of overdue amounts).

2.2.1.5.3. Significant increase in credit risk (SICR)

The significant increase in credit risk (SICR) is determined according to a set of both quantitative and qualitative criteria.

Several approaches may be used to assess whether there has been a significant increase in credit risk, but the following elements should always be considered:

- 1) The change in the risk of non-compliance since the initial recognition;
- 2) The expected life of the instrument; and
- 3) Adequate support information that is available at no cost or significant effort, which may affect credit risk.

The main criteria used by the Group to assess whether there is a significant increase in credit risk are based, among others, on the following indications: i) the existence of arrears in the payment of principal and/or interest in excess of 30 days; ii) a negative evolution of the external rating attributed to the issuer, based on the limits established internally based on a rating migration matrix; iii) significant negative fair value changes in portfolio instruments observed in the market; iv) the existence of depreciative market information; v) potential breach of covenants; and vi) restructuring or operational reorganization processes.

Whenever any of the referred indications are identified, an analysis process is triggered internally, to determine the causes and the impacts of the indication identified, to conclude as to whether there is a significant increase in credit risk that requires the preparation of an individual impairment analysis.

The credit risk of a financial instrument is assessed without considering its collateral; this means that a financial instrument may not be considered as having a low credit risk simply because this is mitigated by its collateral. The collateral is only considered for the calculation of its recoverable amount.

2.2.1.5.4. Definition of default and of impairment

All instruments that show a default (delay) of more than 90 days in the payment of principal or interest, regardless of the amount owed, are considered in default. In addition, the following events are considered indicators of default (objective signs of impairment), among others:

- a) customers declared insolvent;
- b) customers subject to recovery through a judicial process;
- c) customers with operations restructured due to financial difficulties;
- d) customers that register recidivism of operations restructured due to financial difficulties within a period of 24 months as from the de-marking of the default, resulting from the previous restructuring. If no default resulted from the previous restructuring, the 24 months count from the restructuring prior to that;
- e) customers with significant delays in payments to other creditors;
- f) customers with breach of some of the contractual covenants.
- g) the customer was evaluated, and it is considered that there is a low probability of full compliance with the respective credit obligations without the execution of the guarantees, regardless of the existence of any past due amount or of the number of days in arrears.

2.2.1.5.5. Measurement of expected credit losses (ECL)

All financial instruments subject to impairment losses (Note 2.2.1.5.1) are considered under the expected credit loss measurement model (ECL).

The ECL model considers as inputs: i) information for the construction of future cash flows; ii) information regarding the stage of the instrument (Note 2.2.1.5.2); and iii) forward-looking and point-in-time information.

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The future cash flows as well as the “Exposure at Default” (EAD) of each financial instrument are calculated based on contractual and financial information, namely, maturity date, coupon periodicity, coupon rate and amortized cost.

The EAD represents the expected exposure if the exposure enters default. The Group derives the EAD values from the counterparty's current exposure and from potential changes to its current value as a result of contractual conditions, including amortizations and prepayments.

The expected forward-looking and point-in-time loss is determined based on the market-based curve spreads considered for each instrument, which have subjacent a set of possible scenarios considered by the market participants. The methodology developed by the Group is based on the construction of the temporal structure of the “Probability of Default” (PD) implicit in the market curves, in this manner incorporating forward-looking and point-in-time information, given that it reflects the current economic environment as well as future market expectations. This information is made available by entity or segmented based on currency, economic sector and rating. If a specific curve is not available for the instrument, a generic curve is assigned according to the asset segment analysed.

The “Loss Given Default” (LGD) rate corresponds to the percentage of debt that will not be recovered in the event of customer default. The calculation of the LGD is made based on internal historical and market information, considering the cash flows associated with the contracts from the moment of default until their settlement or until there are no relevant recovery expectations.

The Group has IT tools that support the calculation and management of the parameters considered in the ECL model for almost the entire credit portfolio and for the main risk segments. These tools are integrated in the monitoring and risk management process and are developed and calibrated according to the experience and strategy adopted.

Estimates of expected credit losses - Individual analysis (bond and loan portfolio)

All instruments that are classified as Stage 1 with potential signs of impairment are subject to individual analysis so as to determine whether or not there is a significant increase in credit risk and,

consequently, whether the instrument should be transferred to Stage 2 or Stage 3.

Instruments classified in Stage 2 and Stage 3 are monitored regularly through individual impairment analyses with a minimum annual (Stage 2) and half-yearly (Stage 3) periodicity.

Other credit operations - Estimates of expected credit losses - Collective analysis

Operations that are not subject to an individual impairment analysis are grouped considering their risk characteristics and subject to a collective impairment analysis.

The Group has a specialized credit portfolio, which results from the company Sofinloc's activity and is related to car loans, operating and finance lease agreements. The granting of this type of credit was discontinued in 2012-2013 and this is currently a residual portfolio in which most of the contracts are past due.

This portfolio is recorded in the caption “Financial assets at amortized cost - Other credit operations” (Note 6).

The 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 signs of impairment at the reporting date: the difference between the gross accounting value and the present value of the estimated cash flows.

The main inputs used to measure the expected credit losses on a collective basis 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 from other relevant historical data, considering market information including the specific yield curves of the entities or, in their absence, general curves considering factors such as the rating, currency, economic sector and country risk of the entity analysed.

2.2.2. Financial liabilities

An instrument is classified as a financial liability when there is a contractual obligation for its settlement to be made through the delivery of money or another financial asset, regardless of its legal form.

A financial liability (or a part of a financial liability) is removed from the balance sheet when, and only when, it is extinguished - that is, when the obligation specified in the agreement is satisfied or cancelled or expires. Reclassifications of financial liabilities are not permitted.

At the time of their initial recognition, financial liabilities are classified into one of the following categories: i) Financial liabilities held for trading or ii) Financial liabilities at amortized cost.

2.2.2.1. Financial liabilities held for trading

In this caption are classified the liabilities issued with the objective of repurchase in the short term, those that are part of a portfolio of identified financial instruments and for which there is evidence of a recent pattern of short-term profit taking or those that fall within the definition of derivative (except in the case of a derivative classified as a hedge).

Derivative financial liabilities and short positions are recognized at fair value on the balance sheet. Gains and losses arising on changes in the fair value of these instruments are recognized directly in the income statement in financial operations.

2.2.2.2. Financial liabilities at amortized cost

Non-derivative financial liabilities are classified under this caption, and include "securities sold under repurchase agreements", "due to banks", "customers' deposits" and "debt instruments".

These liabilities are (i) initially recorded at their fair value, plus transaction costs incurred and (ii) subsequently measured at amortized cost, based on the effective rate method.

Interest on financial liabilities at amortized cost is recognized in the caption "Interest expense and similar charges", based on the effective interest rate method.

2.2.3. Derivative financial instruments and hedge accounting

The Group applies the provisions of IFRS 9 in relation to hedge accounting requirements in order to promote greater alignment of the requirements

inherent in the application of hedge accounting with its risk management.

The Group designates derivatives and other financial instruments to hedge interest rate risk and foreign exchange risk arising from financing and investing activities. Derivatives that do not qualify for hedge accounting are recorded as financial assets or liabilities held for trading, under the caption "Financial assets / liabilities at fair value through profit or loss" (Note 2.2.1.1.3).

Derivative financial instruments are recognized on the trade date at their fair value. Subsequently, the fair value of derivative financial instruments is revalued on a regular basis, and gains or losses are recorded directly in results for the period in financial operations, except in respect of hedging derivatives.

The fair value of derivative financial instruments corresponds to their market value, when available, or is determined based on valuation techniques, including discounted cash flows and option valuation models, as appropriate.

Hedge accounting

The derivative financial instruments used for hedging purposes are classified as hedging instruments provided that they cumulatively meet the following conditions:

- (i) Existence of an economic relationship between the hedged element and the hedging instrument;
- (ii) The effects inherent in the evolution of credit risk do not dominate the changes in value resulting from this relationship; and
- (iii) Establishment of a hedging ratio between hedged and hedging items that is equivalent to that actually applied by the institution in the management of the economic hedges that are intended to be replicated.

At the inception of the hedging relationship, the Group prepares formal documentation regarding the hedging relationship and the risk management objective and strategy for effecting the hedge. This documentation included the identification of the hedging instrument, the hedged item, the nature of the risk to be hedged and the method of assessing the hedging relationship, in particular whether it satisfies the hedge effectiveness requirements (including the analysis of the sources of hedge ineffectiveness and the determination of the hedge ratio).

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The application of hedge accounting is optional; however, it may not be discontinued while the requirements for its application continue to be verified.

The use of derivatives is framed in the Group's risk management strategy and objectives, namely:

- *Fair value hedge*

In a fair value hedge, the balance sheet value of that asset or liability, determined based on the respective accounting policy, is adjusted to reflect the change in its fair value attributable to the hedged risk. Changes in the fair value of hedging derivatives are recognized in the income statement, together with the changes in the fair value of the hedged assets or liabilities attributable to the hedged risk, in the caption "Gains or losses from hedge accounting" (Note 19).

Fair value hedges consist of contracting interest rate derivatives, in which a fixed rate is paid and a variable reference rate is received, and which are used to prevent changes in the fair value of fixed rate debt instruments, measured at amortized cost or fair value through other comprehensive income, related to changes in the market interest rate, with the objective of preventing exposure to variations in the market interest rate.

The hedging relationship is structured by defining a portion, or all, of a fixed-rate debt instrument, measured at amortized cost or fair value through other comprehensive income, which will be hedged by a portion of a specific interest rate derivative (micro hedge).

The Group continually assesses whether hedging relationships meet hedging effectiveness requirements. At a minimum, an ongoing assessment is performed at each reporting date or upon a significant change in circumstances affecting the coverage effectiveness requirements, whichever occurs first.

The Group performs prospective effectiveness tests to assess whether the hedging relationship satisfies the hedge effectiveness requirements and retrospective effectiveness tests to measure the effectiveness of these same hedging relationships, demonstrating that changes in the fair value of the hedged element attributable to the hedged risk are covered by changes in the fair value of the hedging instrument.

Even if a fair value hedge meets the established hedge effectiveness requirements, it may not be perfectly effective. Any ineffectiveness is recognized in the income statement for the current period,

namely under the caption "Gains or losses from hedge accounting". The ineffectiveness of fair value hedging may result from differences between the terms and conditions of the hedged element and the hedging instrument, such as indexes, coupon dates, index reset dates and maturity dates.

When a hedging instrument terminates or is early-terminated, or when the hedging no longer meets the criteria required for hedge accounting or the effect of the credit risk dominates the fair value changes, the derivative financial instrument is transferred to the trading book and hedge accounting is discontinued prospectively, with the hedged assets and liabilities ceasing to be adjusted for changes in their fair value.

Accumulated gains or losses from changes in the fair value of the hedged element attributable to the hedged risk up to the date of discontinuation of the hedge are amortized through profit or loss over the remaining term of the hedged element.

When the hedged element is sold or settled, all accumulated gains and losses from changes in fair value attributable to the hedged risk are recognized in profit or loss for the year, under "Gains or losses from derecognition of financial assets at fair value through other comprehensive income" or under "Gains or losses from derecognition of financial assets at amortized cost" (Note 19), and the derivative financial instrument is transferred to the trading portfolio.

- *Net investment hedging in a foreign operational unit*

When a derivative (or a non-derivative financial liability) is designated as a hedging instrument in the hedging of a net investment in a foreign operational unit, the effective portion of the fair value variation is recognized directly in equity, in foreign exchange reserves (other comprehensive income).

Any non-effective part of this relationship is recognized in profit or loss. The gain or loss resulting from the hedging instrument related to the effective portion of the hedge that has been recognized in other comprehensive income (foreign exchange reserves) is reclassified from equity to the income statement as a reclassification adjustment on the full or partial disposal of the foreign operational unit, provided this results in the loss of control of same.

2.3. Interest recognition

Interest income and expense are recognized in the income statement under interest and similar income or interest expense and similar charges for all

financial instruments measured at amortized cost, at fair value through other comprehensive income and at fair value through profit or loss (except for derivative financial instruments), using the effective rate method.

The effective rate is the rate that exactly discounts estimated future cash payments or receipts over the expected life of the financial instrument or, when appropriate, a shorter period, to the net carrying amount of the financial asset or financial liability.

When calculating the effective rate, the Group estimates cash flows considering all contractual terms of the financial instrument (for example, prepayment options) but does not consider future credit losses. The calculation includes all fees paid or received between parties that are an integral part of the effective rate, transaction costs and all other premiums or discounts directly related to the transaction, except for financial assets and liabilities at fair value through profit or loss.

Interest income recognized in profit or loss associated with instruments classified in Stage 1 or 2 is calculated by applying the effective rate of each contract on its gross balance sheet value. The gross balance sheet value of an instrument is its amortized cost, before deducting the respective impairment. For financial assets in Stage 3, interest is recognized in the income statement based on its net balance sheet value (net of impairment). The interest recognition is always made prospectively, and for financial assets that enter Stage 3, interest is recognized on the amortized cost (net of impairment) in subsequent periods. When financial assets in Stage 3 are “cured”, that is, when the necessary conditions are met so that the financial asset is no longer considered to be impaired, the recovered overdue interest is recognized as an impairment reversal instead of interest.

For financial instruments originated or acquired with credit impairment (POCI), the effective rate is adjusted by the credit risk, that is, it reflects the expected credit losses considered in the determination of the future cash flows.

For derivative financial instruments, except those classified as hedging instruments of interest rate risk and credit related derivatives, the interest component of the changes in their fair value is not separated out and is classified under financial assets and liabilities at fair value through profit or loss. For hedging derivatives of interest rate risk and credit related derivatives, the interest component of the changes in their fair value is recognized under the captions “Interest income” or “Interest expense”.

2.4. Dividend income

Dividend income is recognized when the right to receive its payment is established.

2.5. Fee and commission income and expenses

Fee and commission income and expenses are recognized as follows: (i) fees and commissions that are earned or incurred on the execution of a significant act, such as loan syndication fees, are recognized in profit or loss when the significant act has been completed; (ii) fees and commissions earned or incurred over the period during which services are provided are recognized in profit or loss in the period the services are provided; and (iii) fees and commissions that are an integral part of the effective interest rate of a financial instrument are recognized in profit or loss using the effective interest rate method.

2.6. Foreign currency transactions

Foreign currency transactions are translated into the functional currency using the foreign exchange rates prevailing on the dates of the transactions.

Monetary assets and liabilities denominated in foreign currencies are translated into Euro at the foreign exchange rates ruling at the balance sheet date. Foreign exchange variations arising on this translation are recognized in the income statement.

Non-monetary assets and liabilities that are measured in terms of historical cost in foreign currency are translated using the exchange rate as at the date of the transaction. Non-monetary assets and liabilities denominated in foreign currency that are stated at fair value are translated into Euro at the foreign exchange rates ruling on the dates the fair value was determined.

Exchange differences related to hedging of investments in foreign operational units or other items recognized in other comprehensive income are also recognized in other comprehensive income.

2.7. Earnings per share

Basic earnings per share are calculated by dividing the net profit attributable to the shareholders of the holding company by the weighted average number of ordinary shares outstanding, excluding the average number of ordinary shares purchased by the Group and held as treasury stock.

For the diluted earnings per share, the weighted average number of ordinary shares outstanding is adjusted to reflect the impact of all potential dilutive ordinary shares, such as convertible debt and share

options granted to employees. The dilutive effect translates into a decrease in earnings per share, resulting from the assumption that the convertible instruments are converted and that options granted are exercised.

The weighted average number of ordinary shares outstanding during the period and for all periods presented is adjusted for events, other than the conversion of potential ordinary shares, which have altered the number of ordinary shares outstanding without the corresponding changes in resources.

2.8. Fair value of financial instruments

IFRS 13 defines fair value as the price that would be received on the sale of an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. A fair value measurement assumes that the asset or liability is exchanged in an orderly transaction between market participants to sell the asset or transfer the liability at the measurement date under current market conditions and assumes that the transaction to sell the asset or transfer the liability takes place either: (a) in the principal market for the asset or liability; or (b) in the absence of a principal market, in the most advantageous market for the asset or liability. Also, according to IFRS 13, an entity shall measure the fair value of an asset or a liability using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interests. Therefore, fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction in the principal (or most advantageous) market at the measurement date under current market conditions (i.e. an exit price) regardless of whether that price is directly observable or estimated using another valuation technique.

On this basis, the fair value of a financial instrument is the amount at which the instrument could be exchanged in an ordered transaction between knowledgeable, willing parties, other than in a forced or liquidation sale.

IFRS 13 stipulates that an entity must classify fair value measurements based on a fair value hierarchy that reflects the significance of the inputs used in the measurement, considering whether those inputs are observable or unobservable. The Group has classified the financial instruments on its balance sheet at fair value in accordance with the hierarchy presented in Note 29.

Fair value of financial instruments in the bonds and loans and advances portfolio

Fair value is obtained based on quoted market prices or prices of financial intermediaries in active markets, corresponding to the current purchase price (bid-price), when available. In its absence, or when it is verified that the available prices are not representative of ordered transactions in an active market, the fair value is based on observable market data considered relevant, namely, but not exclusively: rates, prices, yield curves, volatilities, spreads, correlations or another source of information considered adequate to assess current market conditions or, in their absence and/or impossibility, using valuation techniques. These valuation techniques include discounted future cash flow methodologies considering available observable market data, customized to reflect the particularities and circumstances of the instrument, and maximizing the use of observable and representative data of current market conditions, as well as assumptions that other market participants would use in the valuation of assets.

These valuation techniques are limited to the use of relevant observable data, excluding the use of unobservable market data, so the need for fair value adjustments by model risk, market uncertainty or others that mitigate the uncertainty in the definition of fair value and that ensure that the valuation methodology provides representative estimates of fair value, is low or non-existent.

The definition of the circumstances and criteria that identify the need to resort to the use of alternative valuation techniques, namely due to the lack of orderly transactions in the market representing the fair value of financial instruments, is based on a framework for the daily monitoring of market conditions, including, among others, metrics for assessing liquidity and market depth.

Fair value of derivative financial instruments

Fair value is based on market quotations when available and, in their absence, is determined based on the use of prices of recent, similar transactions carried out under market conditions or based on valuation techniques, namely discounted future cash flow methodologies considering market conditions, the effect of time, the yield curve and volatility factors, when applicable.

For the derivative financial instruments, the credit and counterparty risks (DVA and CVA) are also analysed and, if material, are considered in the determination of the fair value of those instruments. As at 31 December 2025 and 2024, since the DVA

and the CVA presented immaterial amounts, they were not considered in the fair value of these instruments.

2.9. Offsetting financial instruments

Financial assets and liabilities are offset, and the net amount reported in the balance sheet when there is a legally enforceable right to offset the recognized amounts and there is an intention to settle on a net basis or realize the asset and settle the liability simultaneously. This legally enforceable right may not be dependent on any future event and should be enforceable in the regular activity of the Finantia Group, as well as in the event of default, bankruptcy or insolvency of the Group or the counterparty.

2.10. Purchase / sale operations under resale / repurchase agreements

Purchase operations under resale agreements ("reverse repos")

Securities purchased under resale agreements ("reverse repos") at a fixed price or at the purchase price plus a lender's return are not recognized in the balance sheet, with the purchase price paid being recorded as financial assets at amortized cost – due from banks or loans and advances to customers, as appropriate. The difference between the purchase and the resale price is treated as interest and accrued over the life of the agreements using the effective rate method and recognized in the income statement in the caption "Interest and similar income".

Securities sold under repurchase agreements ("repos")

Securities sold under repurchase agreements ("repos") at a fixed price or at the sales price plus a lender's return are not derecognized from the balance sheet. The corresponding liability is included in financial liabilities at amortized cost – securities sold under repurchase agreements ("repos"). The difference between the sale and the repurchase price is treated as interest and accrued over the life of the agreements using the effective rate method and recognized in the income statement in the caption "Interest expense and similar charges".

Securities lent under lending agreements are not derecognized from the balance sheet, being classified and measured in accordance with the accounting policy described in Note 2.2.1. Securities borrowed under borrowing agreements are not recognized in the balance sheet.

Securities received or given in guarantee in purchase operations under resale agreements ("reverse repos") and in sales operations under repurchase agreements ("repos") are disclosed as off-balance sheet items.

2.11. Tangible assets and investment properties

The Group's tangible assets are stated at cost less accumulated depreciation and impairment losses, if any. Additions and subsequent expenditures are added to the asset's carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group. All other repairs and maintenance costs are charged to the income statement during the financial period in which they are incurred.

Depreciation is calculated on the straight-line method at the following rates which reflect their estimated useful lives, and are reviewed at each reporting date:

Buildings:	50 years
Furniture and equipment:	5 to 10 years
IT equipment:	3 to 4 years
Furnishings:	10 years
Motor vehicles:	3 to 6 years
Other assets:	4 to 10 years

For low-value IT assets a useful life of 1 year is estimated.

Land is not depreciated.

When there is an indication that an asset may be impaired, its recoverable amount is estimated, and an impairment loss is recognized when the carrying value of the asset exceeds its recoverable amount. Impairment losses are recognized in the income statement, being reversed in future years, when the reasons that caused the initial recognition cease to exist. In that situation, the new depreciated amount shall not be greater than the one that would result if impairment losses had not been recognized on the asset, considering the depreciation the asset would have undergone.

The recoverable amount is determined as the higher of its net selling price and value in use, which is based on the net present value of the future cash flows arising from the continued use and ultimate disposal of the asset at the end of its useful life.

Gains and losses on the sale of tangible assets are recognized under the caption "Other net operating income / (expense)" determined by the difference

between the realizable value and the carrying amount of the asset.

Buildings classified as investment properties relate to rented buildings owned by the Group, which are measured and depreciated similarly to the tangible assets.

2.12. Leases

In accordance with the provisions set out in IFRS 16, the Group chose not to apply this standard to short-term lease agreements (less than or equal to 12 months) and to lease agreements in which the underlying asset has a reduced value, considering the amount of Euro 5 thousand for this purpose. In addition, the Group also exercised the option foreseen of not applying this standard to leases of intangible assets (IAS 38).

Costs incurred in the process of dismantling and removing installed assets on third party property are considered as part of the initial cost of the respective asset, when the amount is significant and reliably measurable.

IFRS 16 implies the recognition in the Group's financial statements of:

a) in the income statement: i) the interest cost related to lease liabilities in the caption "Other interest and similar expense"; ii) the cost of the amounts relating to short-term lease agreements and lease agreements of low-value assets in the caption "Other administrative expenses"; and iii) the depreciation cost of assets under right of use in the caption "Depreciation and amortization expenses".

b) in the balance sheet: i) the assets under right of use in the caption "Other tangible assets" and ii) the lease liabilities in the caption "Other liabilities".

c) in the statement of cash flows: i) the amounts related to short-term lease agreements and lease agreements of low-value assets in the caption "Cash flows from operating activities - Cash payments to staff and suppliers" and ii) the amounts related to payments of the principal of the lease liability in the caption "Change in operating liabilities - Other operating liabilities".

Definition of lease

The Group assesses whether a contract is or contains a lease in accordance with the requirements set out in IFRS 16 - Leases, namely and based on the following definition: a contract is, or contains, a lease if it includes the right to control the use of an identified asset for a certain period, in exchange for compensation.

Lessee

The Group recognizes for all leases, except for short-term leases (less than or equal to 12 months) or leases in which the underlying asset has a reduced in value:

i) an asset under right of use, initially measured at cost, considering the net present value of the lease liability, plus payments made (fixed or variable) less any lease incentives received, penalties for termination, as well as any direct costs of dismantling or restoration, when there is an obligation to bear them. Subsequently, the asset is amortized on a straight-line basis in accordance with the respective contractual term and subject to impairment tests (IAS 36).

ii) a lease liability, initially measured at the present value of the future cash flows of the lease not yet realized on that date, using as the discount rate, the interest rate that the lessee would obtain on contracting, with a similar term and guarantee, the funds necessary to obtain an asset of equivalent value to the asset under right of use in a similar economic context. Subsequently, the liability is increased by the accrued interest and reduced by lease payments made, and is revalued (with the corresponding adjustment to the related asset under right of use) when there is a change in future payments due to negotiations, changes in the index or in the rate in the event of a new assessment of the contract options.

Given the impossibility of easily determining the interest rate implicit in the lease, lease payments are discounted according to the lessee's incremental financing interest rate, which is the Group's average financing rate.

The booking date of the asset under right-of-use and the lease liability corresponds to the effective date of the contract.

Lessor

When the Bank acts as lessor, it determines, at the beginning of the agreement, whether it is a finance or an operating lease.

To classify each lease, the Bank globally assesses whether the lease transfers substantially all the risks and rewards inherent in the ownership of the underlying asset. If this is the case, the lease is a finance lease, if not, it is an operating lease. As part of this assessment, the Bank considers some indicators such as whether the lease comprises the largest part of the asset's economic life.

2.13. Equity instruments

An instrument is classified as an equity instrument when it does not contain a contractual obligation to deliver cash or another financial asset, regardless of its legal form, and evidences a residual interest in the assets of an entity after deducting all its liabilities.

Transaction costs directly attributable to the issue of equity instruments are recognized under equity as a deduction from the proceeds. Consideration paid or received related to acquisitions or sales of equity instruments are recognized in equity, net of transaction costs.

Distributions to holders of an equity instrument are debited directly against equity as dividends, when declared.

2.14. Treasury stock (Own shares)

On the acquisition of treasury stock, the consideration paid is deducted from equity, not being subject to revaluation. When such shares are subsequently sold, any gain or loss, including the respective taxes, are recognized directly in equity, not affecting the profit or loss for the financial year.

2.15. Income tax

Income tax for the period comprises current tax and deferred tax. Income tax is recognized in the income statement except to the extent that it relates to items recognized directly in equity, in which case it is recognized in equity.

Current tax is the tax expected to be paid on the taxable income for the year, calculated using tax rates and rules enacted or substantively enacted at the balance sheet date in each jurisdiction.

Deferred tax is determined using the balance sheet liability method, on the timing differences between the carrying amounts of assets and liabilities for financial reporting purposes and their respective tax bases, using tax rates enacted or substantively enacted at the balance sheet date in each jurisdiction and that are expected to apply when the related deferred tax asset is realized, or the deferred tax liability is settled.

Deferred tax assets and liabilities correspond to the amount of tax recoverable / payable in future periods resulting from timing differences between the carrying amount of an asset or liability in the balance sheet and its tax base.

Deferred tax assets are recognized to the extent it is probable that future taxable income will be available

against which the deductible timing differences may be utilized.

Deferred tax assets and liabilities are not recognized for taxable timing differences associated with investments in subsidiaries and associates when the Group controls the timing difference reversals, and it is not probable that these will reverse in the future.

Deferred tax liabilities are recognized for all timing differences, except for goodwill not deductible for tax purposes, resulting from the initial recognition of assets and liabilities that do not affect either the accounting or the tax profit.

The Group applies the provisions of Interpretation 23 of the International Financial Reporting Interpretations Committee (IFRIC 23) regarding uncertainty about the income tax treatments to be adopted. This uncertainty is reflected in the amount of income taxes recorded, through the definition of the best estimate of the expenditure required to settle the obligation, resulting from the weighting of all possible results controlled by the Bank and their associated probabilities.

2.16. Cash and cash equivalents

For the purposes of the statement of cash flows, cash and cash equivalents comprise balances recorded in the statement of financial position with less than three months' maturity from the date of acquisition / contracting with an insignificant risk of change in fair value, including cash and deposits with banks. Cash and cash equivalents exclude restricted balances with central banks and collateral deposits.

2.17. Financial guarantee contracts and irrevocable commitments

Financial bank guarantee contracts and irrevocable commitments are initially recognized in the financial statements at fair value on the date the contract is issued.

Subsequent to initial recognition, the Group's liabilities under such guarantees are measured at the higher of the initial measurement, less amortizations, calculated so as to recognize in the income statement the fee income earned over the period, and the best estimate of the expenditure required to settle any financial obligation arising as a result of the guarantees at the balance sheet date. Any increase in the liability relating to guarantees provided is taken to the income statement.

Any liability remaining is recognized in the income statement when the guarantee is derecognized.

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2.18. Provisions

Provisions are recognized when (i) the Group has a present obligation, legal or constructive, (ii) it is probable that its payment will be required and (iii) when a reliable estimate of the amount of that obligation can be made.

2.19. Contingent assets and liabilities

Contingent assets and liabilities are not recognized in the financial statements, being disclosed whenever the possibility of an outflow or inflow of resources embodying economic benefits is not remote (as per IAS 37).

3. Changes in accounting policies

3.1. Voluntary changes in accounting policies

During the period there were no voluntary accounting policy changes, when compared with those used in the preparation of the financial information related to the previous period, presented as comparatives.

3.2. New standards and interpretations applicable in the financial year with effects on the policies and disclosures adopted by the Group

On 1 January 2025, the Group applied the following issues, revisions, amendments and improvements of accounting standards and interpretations:

a) Amendments to IAS 21 - The effects of changes in exchange rates: Lack of interchangeability

This amendment adds requirements for determining whether a currency can be exchanged for another currency (interchangeability) and defines how to determine the spot exchange rate to be used when it is not possible to exchange a currency for an extended period.

This change also requires the disclosure of information that allows an understanding of how the currency that cannot be exchanged for another currency affects, or is expected to affect, the entity's financial performance, financial position and cash flows, in addition to the spot exchange rate used at the reporting date and how it was determined.

This amendment is applied retrospectively without restatement of the comparative, and the transposition of financial information should be recorded in retained earnings (if a foreign currency is converted to a functional currency) or in foreign exchange reserves (if a functional currency is converted to a presentation currency).

These changes did not have a material impact on the Group's consolidated financial statements.

3.3. New standards and Interpretations applicable in future financial years already endorsed by the European Union

The Group did not proceed with the early application of any of these standards in the financial statements in the twelve-month period ended on 31 December

2025. The Group is analysing the potential impact of adopting these standards.

a) Amendments to IFRS 9 and IFRS 7 – Classification and measurement of financial instruments (to be applied to financial years beginning on or after 1 January 2026)

The amendments made relate to: i) clarification of the concept of recognition and derecognition dates for some financial assets and liabilities, introducing a new exception for financial liabilities settled through an electronic payment system; ii) clarification and exemplification of when a financial asset meets the criterion that contractual cash flows correspond to “only the payment of principal and interest” (“SPPI”), such as: 1) financial assets whose interest component corresponds to that of a basic loan (contingent cash flows or those associated with ESG targets); 2) assets with “non-recourse” characteristics; and 3) contractually associated financial assets; iii) new disclosure requirements for instruments with contractual terms that may alter cash flows in terms of period and amount; and iv) new disclosures required for equity instruments designated at fair value through other comprehensive income.

These amendments apply on the date they become effective without restatement of the comparative.

b) Amendments to IFRS 9 and IFRS 7 – Contracts negotiated with reference to electricity generated from renewable sources (to be applied to financial years beginning on or after 1 January 2026)

The amendments are intended to improve the reporting of the financial effects of contracts negotiated that are based on the production of electricity from renewable sources, subject to variability in the amount generated due to the fact that it is dependent on uncontrollable natural conditions.

These amendments aim to: i) clarify the application of the “own use” exemption requirements of IFRS 9; ii) allow the application of hedge accounting when the contracts for the purchase of electricity dependent on nature are designated as hedging instruments; and iii) add new disclosure requirements to IFRS 7 for a better understanding of

the impact of these contracts on the entity's financial performance and cash flows.

The "own use" exemption is applied retrospectively without restating the comparative periods; the hedging designation can only be applied prospectively to new hedging relationships designated on or after the date of first application.

c) Annual improvements to IFRS (Volume 11) (to be applied to financial years beginning on or after 1 January 2026)

The annual IFRS improvement cycles aim to clarify application issues or correct inconsistencies in the standards. This volume of improvements affects the following standards: IFRS 1, IFRS 7, IFRS 9, IFRS 10 and IAS 7.

d) IFRS 18 – Presentation and disclosure in financial statements (to be applied to financial years beginning on or after 1 January 2027)

While maintaining many of the principles existing in IAS 1, IFRS 18 focuses on defining a framework for the income statement, composed of mandatory categories and subtotals. To this end, it is fundamental to identify the existence of some specific material business activities.

Specific subtotals and totals will be required, with the main change being the mandatory inclusion of the subtotals "Operating profit" and "Profit before financing and taxes" in the income statement.

This standard also includes new requirements for the disclosure of management performance measures, including reconciliation with the subtotals defined in IFRS 18.

This standard provides additional guidance on the principles of aggregation and disaggregation of information contained in financial statements and their respective notes, based on their shared characteristics. This standard is applied retrospectively.

3.4. New standards and interpretations issued by the IASB but not yet endorsed by the European Union

These standard, interpretations, amendments and revisions with mandatory application in future economic periods, have not yet been endorsed by the European Union and, as such, have not been applied by the Group in the twelve-month period

ended 31 December 2025. The Group is analysing the potential impact of adopting these standards.

a) Amendment to IAS 21 – Translation to a hyperinflationary presentation currency (to be applied to financial years beginning on or after 1 January 2027)

This amendment is still subject to endorsement by the European Union. This amendment specifies the currency translation procedures for an entity whose presentation currency is that of a hyperinflationary economy.

The entity applies the amendments if: i) its functional currency is that of a non-hyperinflationary economy and it is translating its results and financial position into the presentation currency of a hyperinflationary economy; or ii) it is translating into the currency of a hyperinflationary economy the results and financial position of a foreign operation whose functional currency is that of a non-hyperinflationary economy. In these cases, the results and financial position should be translated into the presentation currency by translating all amounts (i.e., assets, liabilities, equity items, income and expenses) at the spot exchange rate at the reporting date.

Comparatives are also converted at the same exchange rate, except for the conversion of foreign transactions, whose comparatives must be restated using the general price index, as provided for in IAS 29.

b) IFRS 19 – Subsidiaries not subject to public reporting of financial information: Disclosures (to be applied to financial years beginning on or after 1 January 2027)

This new standard is still subject to endorsement by the European Union. IFRS 19 is a voluntary standard that allows eligible subsidiaries to use IFRS with reduced disclosure requirements.

IFRS 19 is a standard that deals only with disclosures and is applied in conjunction with the requirements of other IFRS for recognition, measurement and presentation purposes. A subsidiary is considered eligible if (i) it is not subject to the obligation to provide financial information; and (ii) the parent company prepares consolidated financial statements for public disclosure, in accordance with IFRS.

IFRS 19 may be applied by eligible subsidiaries in the preparation of their own consolidated, separate

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or individual financial statements. Full presentation of comparative information is mandatory unless an exemption applies.

c) Amendment to IFRS 19 – Amendment to disclosure requirements (to be applied to financial years beginning on or after 1 January 2027)

This amendment is still subject to endorsement by the European Union. This amendment aims to reduce disclosure requirements for amendments to standards and new standards issued between February 2021 and May 2024, namely: IFRS 18: Presentation and disclosure in financial statements;

Amendments to IAS 7 – Supplier financing arrangements; IAS 12 – International tax reform – Pillar 2 model rules; Amendments to IAS 21 – Effects of changes in exchange rates: Lack of interchangeability.

Full presentation of comparative information is mandatory unless an exemption applies.

4. Main estimates and judgments used in the preparation of the financial statements

The IFRS establish a series of accounting treatments and requires the Board of Directors to make judgments and the necessary estimates in order to decide which accounting treatment is most appropriate. The main estimates and judgments used by the Group in the application of accounting principles are presented in this note, with the objective of improving the understanding of their application and the manner in which they affect the results reported by the Group and their disclosure.

Considering that in some situations there are alternatives to the accounting treatment adopted by the Board of Directors, the results reported by the Group could be different if a different treatment were chosen.

The Board of Directors considers that its choices are appropriate and that the financial statements present adequately the financial position of the Group and the result of its operations in all materially relevant aspects.

The analysis made below is presented only for a better understanding of the financial statements and is not intended to suggest that other alternatives or estimates may be more appropriate.

Classification and measurement of financial instruments

The classification and measurement of financial assets depend on an analysis of the business model associated with the financial asset and the results of the analysis of the characteristics of the contractual cash flows, to conclude whether they correspond only to payments of principal and interest on the outstanding principal (SPPI test).

The business model takes into consideration how groups of financial assets are managed together to achieve a specific business objective. This evaluation requires judgment, since several aspects of a subjective nature must be considered, among others, such as: i) the way in which the performance of the assets is evaluated; ii) the risks that affect the performance of the assets and the way these risks are managed; and iii) the form of remuneration of asset managers.

In this context, the Group monitors financial assets measured at amortized cost that are derecognized before maturity, to understand the reasons associated with their sale, and to determine whether these are consistent with the objective of the business model defined for these assets. This monitoring is an integral part of the monitoring

process of the financial assets that remain in the portfolio, to determine if the model is adequate and, if not, if there was a change in the business model and, consequently, a prospective change in the classification of these financial assets.

Impairment of financial assets at amortized cost and at fair value through other comprehensive income

Significant increase in credit risk (SICR)

Impairment losses correspond to the expected losses in a 12-month time horizon 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 financial instrument, for assets in Stage 2 and 3. An asset is classified as Stage 2 whenever there is a significant increase in its credit risk since its initial recognition. In assessing the existence of a significant increase in credit risk, the Group considers qualitative and quantitative, reasonable, and sustainable information (Note 2.2.1.5.3).

Definition, weighting 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 driver impacts the remaining drivers.

Probability of default

The probability of default is a determining factor in the measurement of expected credit losses. The probability of default corresponds to an estimate in a given time period, which is calculated on the basis of historical data, market information, assumptions and expectations about future conditions.

The 12-month default probability calculation is estimated considering the credit spread derived from the specific yield curves of the entities or, in their absence, from generic curves considering factors such as rating, currency, economic sector and country of risk of the entity under analysis. As at 31 December 2025, the estimated average 12-month default probabilities for the following classes of instruments are: i) sovereigns classified as investment grade, 0.1% and non-investment grade, 0.33%; ii) corporates classified as investment grade, 0.33% and non-investment grade, 0.89%.

Loss given default

This corresponds to an estimate of the loss in a default scenario. It is based on the difference between the contractual cash flows and those expected to be received, either through the cash flows generated by the customer's business or the credit collateral, if any. The calculation of the expected loss given default is based on, among other aspects, the different recovery scenarios, historical information, the costs involved in the recovery process and the valuation estimates of collaterals associated with credit operations.

Alternative methodologies and the use of different assumptions and estimates may result in a different level of recognized impairment losses, with a consequent impact on the results of the Group.

Fair value of financial instruments

IFRS 13 establishes that financial instruments should be valued at fair value. Fair value is based on market prices or, in the absence thereof, on prices of recent transactions, similar and carried out under market conditions and on valuation techniques, which have underlying methodologies involving the discounting of future cash flows considering the market conditions, the time value, the yield curve and volatility factors, where applicable (see Notes 2.8 and 29).

These methodologies may require the use of assumptions or judgments in the estimate of fair value, as well as the definition of the circumstances and criteria that identify the need to resort to the use of valuation techniques, namely due to the lack of orderly operations on the market representing the fair value of the financial instruments in question.

Consequently, the use of different methodologies, assumptions, or judgments in the application of a particular model, may lead to financial results different from those reported.

Income tax

The Group is subject to the payment of income tax on profits in several jurisdictions. The determination of the total amount of income tax on profits requires certain interpretations and estimates. There are several transactions and calculations for which the determination of the final amount of tax payable is uncertain during the normal business cycle.

Other interpretations and estimates could result in a different level of taxation on income, current and deferred, recognized in the period. The Portuguese Tax Authorities are entitled to review the calculation

of the taxable income of the Company and its subsidiaries based in Portugal for a period of four years. In this way, it is possible that corrections to the taxable income may occur, mainly resulting from differences in the interpretation of tax legislation. However, it is the Board of Directors' belief that there will be no significant corrections to the income taxes recorded in the financial statements.

Going concern

The Board of Directors has assessed the Group's ability to continue as a going concern and is confident that it has the resources to continue its business for the foreseeable future.

In addition, the Board of Directors is not aware of any material uncertainties that may cast significant doubts on the Group's ability to continue as a going concern.

On that basis, the financial statements have been prepared on a going concern basis.

Provisions and contingent liabilities

The Bank and its subsidiaries operate in a regulatory and legal environment which, by its nature, has a marked degree of litigation risk inherent in its operations. On that basis, it is involved in legal and arbitration proceedings, arising from the normal course of its business.

When the Group can reliably measure the outflow of resources that incorporate economic benefits in relation to a specific case and considers those outflows to be probable, it records a provision for that purpose. When the outflow probability is considered remote, or probable but a reliable estimate cannot be made, a contingent liability is disclosed.

However, when the Group considers that the disclosure of these estimates on a case-by-case basis would jeopardize their outcome, no detailed and specific disclosures of the underlying situations are made.

Given the subjectivity and uncertainty in determining the probability and amount of the losses, the Group considers several factors, including legal advice, the stage of the proceedings and the historical evidence of similar incidents. Significant judgment is required in the determination of these estimates.

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5. Cash and deposits with central banks and other demand deposits

<i>EUR thousand</i>	31.12.2025	31.12.2024
Cash	30	68
Deposits and applications with central banks		
Banco de Portugal	66,821	56,811
Bank of Spain	5,295	4,207
	<u>72,116</u>	<u>61,018</u>
Deposits with banks in Portugal		
Demand deposits	4,898	5,189
	<u>4,898</u>	<u>5,189</u>
Deposits with banks abroad		
Demand deposits	2,124	102
	<u>2,124</u>	<u>102</u>
	<u>79,168</u>	<u>66,377</u>

The caption “Deposits and applications with central banks” includes the amount of € 11,158 thousand (2024: € 8,513 thousand) to comply with the legal requirements to maintain minimum cash reserves of the European System of Central Banks (ESCB).

These deposits earn interest at the average rates for the main refinancing operations of the European System of Central Banks (ESCB) prevailing during the deposit period considered. During financial year 2025, this rate varied between 2% and 3% (2024: 3% and 4%).

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6. Financial assets

The financial assets held by the Group, classified by category, may be analysed as follows:

<i>EUR thousand</i>	31.12.2025	31.12.2024
Financial assets at fair value through other comprehensive income	1,699,864	1,350,867
Financial assets at amortized cost	854,566	940,576
Financial assets at fair value through profit or loss	18,139	20,272
	2,572,569	2,311,715

Financial instruments classified as other assets and derivative financial instruments that are designated in a hedging relationship, as per Note 2.2.3, are presented separately in Notes 12 and 7, respectively.

The financial assets held by the Group, classified by instrument type, may be analysed as follows:

<i>EUR thousand</i>	31.12.2025	31.12.2024
Debt instruments	2,096,853	1,902,389
Loans	423,321	306,261
Due from banks	43,933	84,707
Trading derivatives (Note 7)	7,894	245
Equity instruments	568	1,703
Purchase operations under resale agreements ("reverse repos")	-	9,670
Commercial paper	-	4,979
Other loan operations	-	1,761
	2,572,569	2,311,715

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As at 31 December 2025 and 2024, the movement in debt instruments and loans may be analysed as follows:

<i>EUR thousand</i>	Debt instruments	Loans
Balance as at 1 January 2024	1,677,375	245,340
Additions	923,582	235,599
Disposals / Maturities	(680,676)	(110,783)
Partial amortizations / Early redemptions / Repayments	(80,973)	(67,545)
Foreign exchange variation	43,085	2,764
Interest	5,740	397
Fair value hedging	(2,539)	-
Impairment	699	214
Fair value change	16,096	275
Balance as at 31 December 2024	1,902,389	306,261
Additions	995,522	182,132
Disposals / Maturities	(642,452)	(14,224)
Partial amortizations / Early redemptions / Repayments	(94,415)	(39,988)
Foreign exchange variation	(107,987)	(11,813)
Interest	5,652	143
Fair value hedging	13,189	-
Impairment	(1,515)	438
Fair value change	26,470	372
Balance as at 31 December 2025	2,096,853	423,321

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The balance of financial assets by category, net of impairment, may be analysed as follows:

<i>EUR thousand</i>	31.12.2025	31.12.2024
Financial assets at fair value through profit or loss		
Financial assets not held for trading mandatorily at fair value through profit or loss		
Equity instruments		
Corporates	568	1,703
	<u>568</u>	<u>1,703</u>
Financial assets held for trading		
Debt instruments		
Public entities	2,239	4,796
Banks	3,044	4,461
Corporates	4,394	9,067
Risk-management derivatives (Note 7)	7,894	245
	<u>17,571</u>	<u>18,569</u>
	<u>18,139</u>	<u>20,272</u>
Financial assets at fair value through other comprehensive income		
Debt instruments		
Public entities	480,078	439,342
Banks	202,407	111,377
Corporates	988,616	761,383
Loans		
Public entities	28,763	29,260
Banks	-	9,505
Corporates	-	-
	<u>1,699,864</u>	<u>1,350,867</u>
Financial assets at amortized cost		
Debt instruments		
Public entities	32,704	84,736
Banks	10,954	43,015
Corporates	372,416	444,212
Loans		
Public entities	38,311	34,623
Banks	36,445	26,978
Corporates	319,802	205,895
Due from banks	43,933	84,707
Purchase operations under resale agreements ("reverse repos")	-	9,670
Commercial paper	-	4,979
Other credit operations	-	1,761
	<u>854,566</u>	<u>940,576</u>
	<u>2,572,569</u>	<u>2,311,715</u>

During 2025, interest income from debt instruments at fair value through profit or loss amounted to € - thousand (2024: € 41 thousand).

During 2025, interest income from the financial assets held for trading portfolio amounted to € 483 thousand (2024: € 727 thousand).

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The caption “Financial assets at amortized cost” may be analysed as follows:

31.12.2025				
<i>EUR thousand</i>	Amortized cost ⁽¹⁾	Fair value hedging	Impairment	Total
Financial assets at amortized cost				
Debt instruments				
Public entities	32,291	471	58	32,704
Banks	12,035	(1,034)	46	10,954
Corporates	384,975	(8,778)	3,781	372,416
Loans				
Public entities	38,387	-	75	38,311
Banks	36,494	-	49	36,445
Corporates	320,696	-	893	319,802
Due from banks	43,935		2	43,933
	868,812	(9,341)	4,906	854,566

(1) Amortized cost includes accrued interest

31.12.2024				
<i>EUR thousand</i>	Amortized cost ⁽¹⁾	Fair value hedging	Impairment	Total
Financial assets at amortized cost				
Debt instruments				
Public entities	84,377	456	97	84,736
Banks	44,783	(1,657)	110	43,015
Corporates	467,308	(20,958)	2,138	444,212
Loans				
Public entities	34,774	-	151	34,623
Banks	27,028	-	50	26,978
Corporates	206,736	-	841	205,895
Due from banks	84,710		3	84,707
Purchase operations under resale agreements (“reverse repos”)	9,670		-	9,670
Commercial paper	4,982		3	4,979
Other credit operations	1,761		-	1,761
	966,128	(22,159)	3,393	940,576

(1) Amortized cost includes accrued interest

During 2025, interest income, using the effective interest method, from the financial assets at amortized cost amounted to € 42,573 thousand (2024: € 46,558 thousand).

As at 31 December 2025, the caption “Financial assets at amortized cost” includes debt instruments in the amount € 233,548 thousand (2024: € 320,749 thousand) given as collateral in sale operations under repurchase agreements (Note 24).

As at 31 December 2025, the caption “Due from banks” includes deposits given as collateral in sale operations under repurchase agreements, and interest rate and exchange rate derivatives in the amount € 1,785 thousand (2024: € 27,550 thousand).

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The caption “Financial assets at fair value through other comprehensive income” may be analysed as follows:

31.12.2025					
<i>EUR thousand</i>	Amortised cost ⁽¹⁾	Fair value reserve	Fair value hedging	Impairment	Total
Financial assets at fair value through other comprehensive income					
Debt instruments					
Public entities	478,403	(11,680)	13,355	414	480,078
Banks	198,819	3,547	41	219	202,407
Corporates	981,247	7,157	213	7,106	988,616
Loans					
Public entities	28,438	325	-	70	28,763
Banks	-	-	-	-	-
Corporates	-	-	-	-	-
	1,686,906	(651)	13,609	7,809	1,699,864

(1) Amortized cost includes accrued interest

31.12.2024					
<i>EUR thousand</i>	Amortised cost ⁽¹⁾	Fair value reserve	Fair value hedging	Impairment	Total
Financial assets at fair value through other comprehensive income					
Debt instruments					
Public entities	448,729	(34,648)	25,262	628	439,342
Banks	116,215	(6,560)	1,722	6,148	111,377
Corporates	769,884	(22,989)	14,487	9,597	761,383
Loans					
Public entities	29,245	15	-	58	29,260
Banks	10,769	(1,264)	-	1,046	9,505
Corporates	-	-	-	-	-
	1,374,842	(65,446)	41,471	17,477	1,350,867

(1) Amortized cost includes accrued interest

During 2025, interest income, using the effective interest rate method, from the financial assets at fair value through other comprehensive income portfolio amounted to € 77,654 thousand (2024: € 58,859 thousand).

This portfolio includes the amount of € 733,655 thousand (2024: € 635,578 thousand) related to debt instruments given as collateral by the Group in sales operations under repurchase agreements (Note 24).

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As at 31 December 2025 and 2024, the financial assets subject to the impairment requirements foreseen in IFRS 9, analysed by stage, may be presented as follows:

31.12.2025

<i>EUR thousand</i>	Financial assets at fair value through other comprehensive income				Financial assets at amortized cost			
	Not yet due	Overdue	Impairment	Carrying value	Not yet due	Overdue	Impairment	Carrying value
Stage 1								
Debt instruments and commercial paper	1,667,353	-	(4,201)	1,663,152	407,083	-	(1,455)	405,628
Loans and other applications	28,833	-	(70)	28,763	439,511	-	(1,019)	438,492
Other credit operations	-	-	-	-	-	-	-	-
	1,696,186	-	(4,271)	1,691,915	846,594	-	(2,474)	844,120
Stage 2								
Debt instruments and commercial paper	7,393	-	(1,108)	6,285	1,608	-	(102)	1,506
Loans and other applications	-	-	-	-	-	-	-	-
Other credit operations	-	-	-	-	-	-	-	-
	7,393	-	(1,108)	6,285	1,608	-	(102)	1,506
Stage 3								
Debt instruments and commercial paper	4,094	-	(2,430)	1,664	-	4,272	(2,330)	1,942
Loans and other applications	-	-	-	-	-	-	-	-
Other credit operations	-	-	-	-	-	-	-	-
	4,094	-	(2,430)	1,664	-	4,272	(2,330)	1,942
POCI								
Debt instruments and commercial paper	-	-	-	-	6,998	-	-	6,998
Loans and other applications	-	-	-	-	-	-	-	-
Other credit operations	-	-	-	-	-	-	-	-
	-	-	-	-	6,998	-	-	6,998
	1,707,673	-	(7,809)	1,699,864	855,200	4,272	(4,906)	854,566

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31.12.2024

<i>EUR thousand</i>	Financial assets at fair value through other comprehensive income				Financial assets at amortized cost			
	Not yet due	Overdue	Impairment	Carrying value	Not yet due	Overdue	Impairment	Carrying value
Stage 1								
Debt instruments and commercial paper	1,297,893	-	(3,852)	1,294,041	569,680	-	(2,202)	567,478
Loans and other applications	38,546	-	(67)	38,479	367,900	-	(1,048)	366,852
Other credit operations	-	-	-	-	-	-	-	-
	1,336,439	-	(3,919)	1,332,520	937,580	-	(3,250)	934,330
Stage 2								
Debt instruments and commercial paper	9,263	-	(358)	8,905	1,754	-	(143)	1,611
Loans and other applications	-	-	-	-	-	-	-	-
Other credit operations	-	-	-	-	-	-	-	-
	9,263	-	(358)	8,905	1,754	-	(143)	1,611
Stage 3								
Debt instruments and commercial paper	18,571	2,747	(12,163)	9,155	-	-	-	-
Loans and other applications	1,037	287	(1,037)	287	-	-	-	-
Other credit operations	-	-	-	-	-	1,761	-	1,761
	19,608	3,034	(13,200)	9,442	-	1,761	-	1,761
POCI								
Debt instruments and commercial paper	-	-	-	-	2,875	-	-	2,875
Loans and other applications	-	-	-	-	-	-	-	-
Other credit operations	-	-	-	-	-	-	-	-
	-	-	-	-	2,875	-	-	2,875
	1,365,310	3,034	(17,477)	1,350,867	942,208	1,761	(3,393)	940,576

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The movements in the impairment due to expected losses in financial assets during the 2025 and 2024 financial years were as follows:

<i>EUR thousand</i>	Stage 1	Stage 2	Stage 3	POCI	Total
Balance as at 1 January 2024	6,364	2,513	32,693	-	41,571
Financial assets originated or acquired	2,928	-	-	-	2,928
Financial assets derecognized	(1,167)	(2,805)	-	-	(3,972)
Net changes in credit risk	(1,248)	1,153	3,890	477	4,273
Allocations, net of reversals (Note 22)	513	(1,652)	3,890	477	3,229
Decrease due to write-offs	-	(429)	(28,098)	-	(28,527)
Loan recoveries	-	-	3,367	-	3,367
Foreign exchange and other variations	292	68	1,347	(477)	1,230
Balance as at 31 December 2024	7,169	501	13,200	-	20,870
Financial assets originated or acquired	1,750	-	-	-	1,750
Financial assets derecognized	(1,206)	(3,647)	-	-	(4,853)
Net changes in credit risk	(404)	4,439	2,733	376	7,145
Allocations, net of reversals (Note 22)	141	792	2,733	376	4,042
Decrease due to write-offs	-	-	(14,543)	-	(14,543)
Loan recoveries	-	-	3,879	-	3,879
Foreign exchange and other variations	(565)	(83)	(509)	(376)	(1,533)
Balance as at 31 December 2025	6,745	1,210	4,760	-	12,715

As at 31 December 2025 and 2024, the caption “Allocations, net of reversals” is net of loan recoveries in the amount of € 3,879 thousand and € 3,367 thousand, respectively.

The movements in the caption “Financial assets” classified in Stage 3 during the 2025 and 2024 financial years were as follows:

<i>EUR thousand</i>	Exposure	Impairment
Movement in Stage 3		
Balance as at 1 January 2024	52,898	32,693
Financial assets derecognized	(14,618)	-
Net changes in credit risk	11,165	3,890
Decrease due to write-offs	(28,098)	(28,098)
Loan recoveries	-	3,367
Foreign exchange and other variations	3,055	1,347
Balance as at 31 December 2024	24,402	13,200
Financial assets derecognized	(24,042)	-
Net changes in credit risk	21,963	2,733
Decrease due to write-offs	(14,543)	(14,543)
Loan recoveries	-	3,879
Foreign exchange and other variations	585	(509)
Balance as at 31 December 2025	8,366	4,760

As at 31 December 2025 and 2024, the contractual value of the assets derecognized during the year and for which the Group continues its recovery efforts totals € 8,118 thousand and € 7,584 thousand, respectively.

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As at 31 December 2025 and 2024, the movement in the exposure of financial assets subject to the impairment requirements set out in IFRS 9 is presented as follows:

<i>EUR thousand</i>	Stage 1	Stage 2	Stage 3	POCI	Total
Balance as at 1 January 2024	1,925,731	36,580	52,898	1,767	2,016,976
Transfer from Stage 1 to Stage 2	(1,754)	1,754	-	-	-
Transfer from Stage 1 to Stage 3	(7,835)	-	7,835	-	-
Transfer from Stage 2 to Stage 1	9,433	(9,433)	-	-	-
Transfer from Stage 2 to Stage 3	-	-	-	-	-
Transfer from Stage 3 to Stage 1	-	-	-	-	-
Transfer from Stage 3 to Stage 2	-	-	-	-	-
Write-offs	-	(429)	(28,098)	-	(28,527)
Changes and derecognitions of financial assets	348,442	(17,454)	(8,234)	1,108	323,862
Balance as at 31 December 2024	2,274,018	11,017	24,402	2,875	2,312,313
Transfer from Stage 1 to Stage 2	(7,393)	7,393	-	-	-
Transfer from Stage 1 to Stage 3	(7,987)	-	7,987	-	-
Transfer from Stage 2 to Stage 1	-	-	-	-	-
Transfer from Stage 2 to Stage 3	-	-	-	-	-
Transfer from Stage 3 to Stage 1	-	-	-	-	-
Transfer from Stage 3 to Stage 2	-	-	-	-	-
Write-offs	-	-	(14,543)	-	(14,543)
Changes and derecognitions of financial assets	284,142	(9,410)	(9,480)	4,123	254,832
Balance as at 31 December 2025	2,542,780	9,001	8,366	6,998	2,567,145

As at 31 December 2025 and 2024, the movement in the impairment of financial assets subject to the impairment requirements set out in IFRS 9 is presented as follows:

<i>EUR thousand</i>	Stage 1	Stage 2	Stage 3	POCI	Total
Impairment as at 1 January 2024	(6,364)	(2,513)	(32,693)	-	(41,570)
Transfer to Stage 1	(278)	278	-	-	-
Transfer to Stage 2	143	(143)	-	-	-
Transfer to Stage 3	1,427	-	(1,427)	-	-
Changes due to credit risk changes	(44)	(1,288)	(5,830)	(477)	(7,640)
Write-offs	-	429	28,098	-	28,527
Changes and derecognitions of financial assets	(2,053)	2,737	(1,348)	477	(187)
Impairment as at 31 December 2024	(7,169)	(501)	(13,200)	-	(20,870)
Transfer to Stage 1	-	-	-	-	-
Transfer to Stage 2	1,108	(1,108)	-	-	-
Transfer to Stage 3	4,002	-	(4,002)	-	-
Changes due to credit risk changes	(4,706)	(3,331)	(2,611)	(376)	(11,024)
Write-offs	-	-	14,543	-	14,543
Changes and derecognitions of financial assets	20	3,730	509	376	4,636
Impairment as at 31 December 2025	(6,745)	(1,210)	(4,760)	-	(12,715)

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The caption “Other credit operations” refers to the specialized financing (previously denominated “car finance”) that was carried out by the subsidiary Sofinloc. This activity was discontinued in 2012-2013 when the origination of new contracts practically came to an end and the portfolio entered run-off.

Thus, this activity is, at present, restricted to the management of a non-performing assets portfolio, and may be analysed as follows:

<i>EUR thousand</i>	31.12.2025	31.12.2024
Performing credit	-	-
Overdue credit up to 90 days	-	-
Overdue credit between 90 days and up to 24 months	-	4
	<u>-</u>	<u>4</u>
Recoverable amount of credit overdue more than 24 months	-	1,757
	<u>-</u>	<u>1,761</u>

The recoverable amount of overdue credit over 24 months corresponds to the amount, net of impairment, of credit agreements that have been in default for over 24 months, and reflects the future cash flows which, considering the respective expected losses, are still recoverable, based on the historical analysis and the Group's recovery management process.

As at 31 December 2025, the amount of credit presented is net of write-offs in the accumulated amount of € 81,470 thousand (2024: € 93,617 thousand).

Interest income from other credit operations includes interest received on overdue credit, which are reflected in loan recoveries (Note 22).

7. Derivative financial instruments and hedge accounting

The Group enters derivative financial instrument transactions with the objective of hedging and managing the financial risks inherent in its activity, managing own positions based on expectations of market evolution, satisfying its customers' needs or hedging structural positions.

The fair value and notional value of derivative instruments in the portfolio are set out in the following table:

<i>EUR thousand</i>	31.12.2025			31.12.2024		
	Notional value	Fair value		Notional value	Fair value	
		Assets	Liabilities		Assets	Liabilities
Derivative instruments						
Interest rate derivatives	1,329,301	52,049	12,749	1,092,417	74,448	4,674
Foreign currency derivatives	686,468	6,781	1,430	572,336	-	29,018
	2,015,769	58,830	14,180	1,664,753	74,448	33,693
Of which subject to hedge accounting						
Interest rate derivatives	1,292,155	50,936	12,327	1,083,584	74,203	4,536
Of which for risk management (Notes 6 & 12)						
Interest rate derivatives	37,146	1,113	422	8,833	245	138
Foreign currency derivatives	686,468	6,781	1,430	572,336	-	29,018
	723,614	7,894	1,853	581,169	245	29,156
	2,015,769	58,830	14,180	1,664,753	74,448	33,693

Foreign currency derivative: represents a contract between two parties and consists in the swap of currencies at a determined forward foreign exchange rate. It is an agreement for cash flow exchange, in which one of the parts agrees to pay interest on the principal in one currency, in exchange of receiving interest on the principal in another currency. At the end of the operation, the principal in foreign currency is paid and the principal in domestic currency is received. The purpose of these operations is the hedging and management of the liquidity risk in foreign currency inherent in future receipts and payments in foreign currency, through the elimination of the uncertainty of the future value of a certain foreign exchange rate.

Interest rate derivative: in conceptual terms this can be seen as a contract between two parties that agree to swap between them, for a nominal amount and period, an interest rate differential. Involving only one currency, it consists of the exchange of fixed cash flows for variable cash flows and vice-versa. It is mainly directed at the hedging and management of the interest rate risk related to the income on a deposit or the cost of a loan that a certain entity intends to realize at a certain time in the future.

Hedge accounting

The accounting treatment of hedging transactions varies according to the nature of the hedged instrument and whether the hedge qualifies as such for accounting purposes in accordance with Note 2.2.3. When hedge accounting is discontinued, and despite the hedging relations being maintained from a financial perspective, the respective hedging instruments are reclassified to financial assets and liabilities held for trading.

Fair value hedges of interest rate risk – fixed-income securities

The interest rate risk management objective and strategy are defined in the risk management policy, and risk limits and tolerances are set out in the Group's Risk Appetite Framework (RAF).

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Fair value hedges of interest rate risk consist of contracting interest rate derivatives, in which a fixed rate is paid and a variable reference rate is received (Euribor and SOFR for derivatives denominated in EUR and USD, respectively), which are used to cover changes in the fair value of fixed-rate debt instruments, measured at amortized cost or fair value through other comprehensive income, related to variations in the market interest rate, with the objective of covering exposure to changes in the market interest rate.

The application of fair value hedge accounting allows the Group to reduce the fair value changes of its fixed-rate debt instruments and treat them as if they were floating rate instruments indexed to their respective reference rates, namely EUR6M for EUR-denominated hedging relationships and SOFR for USD-denominated hedging relationships.

Credit risk on fixed-rate debt instruments designated as the hedged element is not included as part of the hedging relationship, nor is foreign exchange revaluation risk. These risks do not directly affect the risk covered by this hedge.

The impacts of the hedging relationship established between the hedged element (fixed-rate debt instruments) and the hedging element (interest rate derivatives) are presented in the following table:

EUR thousand	31.12.2025						
	Hedged element			Hedging element			
	Book value	Fair value adjust. of hedged element (A)	Fair value change (B)	Notional value (D)	Book value	Fair value change (C)	Ineffectiveness (B) + (C)
Financial assets at fair value through other comprehensive income	1,513,884	(13,609)	13,839	1,009,520	24,218	(14,308)	(469)
Financial assets at amortized cost	385,080	(9,341)	9,900	282,635	14,392	(10,715)	(815)
	1,898,964	(22,950)	23,739	1,292,155	38,609	(25,023)	(1,284)

EUR thousand	31.12.2024						
	Hedged element			Hedging element			
	Book value	Fair value adjust. of hedged element (A)	Fair value change (B)	Notional value (D)	Book value	Fair value change (C)	Ineffectiveness (B) + (C)
Financial assets at fair value through other comprehensive income	1,097,012	(41,471)	(4,618)	730,405	42,147	4,648	30
Financial assets at amortized cost	474,192	(22,159)	(3,814)	353,180	27,520	3,787	(27)
	1,571,204	(63,630)	(8,433)	1,083,584	69,667	8,436	3

- (A) The cumulative change in fair value of the hedged element attributable to the hedged risk is recognized in the statement of financial position in "Other accumulated comprehensive income" if the financial asset is classified at fair value through other comprehensive income or in "Financial assets at amortized cost", if it is classified at amortized cost. This accumulated change includes the amount of € (3,718) thousand (2024: € (10,961) thousand) relating to discontinued hedging relationships.
- (B) Change in the fair value of the hedged element used to calculate hedge ineffectiveness, recognized in the income statement under the caption "Gains or losses from hedge accounting" (Note 19).
- (C) Change in the fair value of the hedging element, excluding accrued interest and early termination, in the amount of € (6,034) thousand (2024: € (24,359) thousand), used in the calculation of hedge ineffectiveness, recognized in the income statement under the caption "Gains or losses from hedge accounting" (Note 19).

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(D) As at 31 December 2025, the maturity of the notional value of the Group's hedging elements used in the fair value hedging relationship for interest rate risk occurs in maturities of 1 to 5 years and more than 5 years, in the amounts of € 490,768 thousand and € 801,387 thousand (2024: € 276,096 thousand and € 807,488 thousand), respectively. As at 31 December 2025, the weighted average fixed leg rate of the Group's hedging elements used in the fair value hedging relationship for interest rate risk is 2.4% (2024: 2.2%).

Hedging of net investment in foreign operational unit

The foreign exchange risk management objective and strategy are defined in the risk management policy, and risk limits and tolerances are set out in the Group's Risk Appetite Framework (RAF).

During 2025 and 2024, the Group used foreign currency financial liabilities, denominated in USD, to hedge in 100% the foreign currency translation risk of its net investment in foreign subsidiaries. As at 31 December 2025 and 2024, the hedged investments held by the Group in foreign subsidiaries and the financial liabilities used to hedge these investments may be analysed as follows:

<i>EUR thousand</i>	31.12.2025				
	Hedged element		Hedging element		Ineffective- ness (A) + (B)
	Book value	Fair value change (A)	Book value (E)	Fair value change (B)	
Financial shareholding in Finantia UK Ltd (C).	146,581	(19,203)	(146,581)	19,203	-
	146,581	(19,203)	(146,581)	19,203	-

<i>EUR thousand</i>	31.12.2024				
	Hedged element		Hedging element		Ineffective- ness (A) + (B)
	Book value	Fair value change (A)	Book value (E)	Fair value change (B)	
Financial shareholding in Finantia UK Ltd.	165,784	8,669	(165,784)	(8,669)	-
Financial shareholding in Finantia Holdings B.V.	-	824	-	(824)	-
	165,784	9,493	(165,784)	(9,493)	-

(A) Change in fair value of the hedged element attributable to the hedged risk (changes in the spot rate) used in calculating hedge ineffectiveness, recognized in the statement of financial position in "Other accumulated comprehensive income".

(B) Change in fair value of the hedging instrument (changes in the spot rate) used in calculating hedge ineffectiveness, recognized in the statement of financial position in "Other accumulated comprehensive income".

(C) Financial liabilities in USD, designated as hedging elements, have a residual maturity of up to 3 years and will be renewed until the total or partial sale of the investments occurs.

(D) In December 2024, Finantia Holdings reimbursed supplementary capital contributions to Banco Finantia, which included the amount of US\$ 18,004 thousand, allocated to hedging net investment in foreign currency.

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8. Other tangible assets

<i>EUR thousand</i>	Buildings	Office equipment	IT equipment	Motor vehicles	Assets under right of use	Fixed assets in progress	Other assets	31.12.2025	31.12.2024
Acquisition cost:									
Opening balance	23,881	6,048	2,239	2,767	1,882	16	955	37,788	36,670
Additions	-	47	270	629	338	207	-	1,491	2,431
Disposals / Write-offs	-	(2,170)	(251)	(532)	(554)	-	(46)	(3,553)	(1,289)
Fx var. / Transfers	(25)	(37)	(8)	-	(47)	(4)	(24)	(145)	(24)
Closing balance	23,856	3,888	2,250	2,864	1,619	219	885	35,581	37,788
Accumulated depreciation:									
Opening balance	12,605	5,711	2,133	1,906	572	-	945	23,872	23,718
Depreciation charge	323	89	116	443	223	-	3	1,197	1,274
Disposals / Write-offs	(15)	(2,151)	(234)	(516)	(197)	-	(46)	(3,159)	(1,198)
Fx var. / Transfers	(25)	(33)	(8)	-	(17)	-	(20)	(103)	78
Closing balance	12,888	3,616	2,007	1,833	581	-	882	21,807	23,872
Carrying value	10,967	273	243	1,032	1,037	219	3	13,774	13,916

<i>EUR thousand</i>	Buildings	Office equipment	IT equipment	Motor vehicles	Assets under right of use	Fixed assets in progress	Other assets	31.12.2024	31.12.2023
Acquisition cost:									
Opening balance	22,924	6,341	2,108	2,569	1,688	51	989	36,670	35,491
Additions	687	195	139	449	945	16	-	2,431	1,114
Disposals / Write-offs	(2)	(295)	(7)	(251)	(734)	-	-	(1,289)	(525)
Fx var. / Transfers	272	(193)	(1)	-	(17)	(51)	(34)	(24)	590
Closing balance	23,881	6,048	2,239	2,767	1,882	16	955	37,788	36,670
Accumulated depreciation:									
Opening balance	12,258	5,853	2,057	1,663	980	-	907	23,718	22,874
Depreciation charge	322	147	83	423	294	-	5	1,274	1,235
Disposals / Write-offs	(2)	(292)	(7)	(162)	(734)	-	(1)	(1,198)	(517)
Fx var. / Transfers	27	3	-	(18)	32	-	34	78	125
Closing balance	12,605	5,711	2,133	1,906	572	-	945	23,872	23,718
Carrying value	11,276	337	106	861	1,310	16	10	13,916	12,952

The caption "Assets under right of use", arises from the application of IFRS 16 and corresponds to buildings, depreciated according to the respective term of the lease agreement, as per the accounting policy referred to in Note 2.12.

9. Intangible assets

<i>EUR thousand</i>	Software	Other intangible assets	Work in progress	31.12.2025	31.12.2024
Acquisition cost:					
Opening balance	6,374	397	90	6,861	6,689
Additions	81	-	18	99	424
Disposals / Write-offs	(564)	-	-	(564)	(128)
Fx var. / Transfers	(50)	-	(27)	(77)	(125)
Closing balance	5,841	397	81	6,319	6,861
Accumulated amortization:					
Opening balance	5,806	397	-	6,203	6,123
Amortization charge	249	-	-	249	207
Disposals / Write-offs	(561)	-	-	(561)	(128)
Fx var. / Transfers	(77)	-	-	(77)	1
Closing balance	5,418	397	-	5,815	6,203
Carrying value	423	-	81	504	658

<i>EUR thousand</i>	Software	Other intangible assets	Work in progress	31.12.2024	31.12.2023
Acquisition cost:					
Opening balance	6,167	397	126	6,689	6,533
Additions	334	-	90	424	256
Disposals / Write-offs	(128)	-	-	(128)	-
Fx var. / Transfers	1	-	(126)	(125)	(100)
Closing balance	6,374	397	90	6,861	6,689
Accumulated amortization:					
Opening balance	5,726	397	-	6,123	5,894
Amortization charge	207	-	-	207	230
Disposals / Write-offs	(128)	-	-	(128)	-
Fx var. / Transfers	1	-	-	1	-
Closing balance	5,806	397	-	6,203	6,123
Carrying value	568	-	90	658	566

As at 31 December 2025 and 2024, the captions “Other intangible assets” and “Work in progress” include software licenses and other expenditure incurred with software implementation and development.

During 2025 and 2024, there were no intangible assets generated internally.

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10. Taxes

Income tax recognized in the income statement in 2025 and 2024 may be analysed as follows:

<i>EUR thousand</i>	31.12.2025	31.12.2024
Current tax		
Current tax on profit for the year	(10,367)	(9,927)
Current tax related to prior years	2,451	43
	(7,915)	(9,884)
Deferred tax		
Origination and reversal of timing differences	(652)	790
Tax losses carried forward	(1,026)	(2,003)
	(1,678)	(1,213)
Total income tax recognized in results	(9,593)	(11,097)

The current tax assets and liabilities recognized on the balance sheet in 2025 and 2024 may be analysed as follows:

<i>EUR thousand</i>	31.12.2025	31.12.2024
Current tax assets		
IRC to be reimbursed	832	410
IRC – advance payments	2,427	68
	3,259	478
Current tax liabilities		
IRC payable	(4,663)	(2,795)
	(4,663)	(2,795)

The deferred tax assets and liabilities recognized on the balance sheet in 2025 and 2024 may be analysed as follows:

<i>EUR thousand</i>	31.12.2025			31.12.2024		
	Assets	Liabilities	Net	Assets	Liabilities	Net
Financial assets at fair value through other comprehensive income	168	(5,637)	(5,469)	2,820	(1,457)	1,363
Impairment / Provisions	1,224	(32)	1,192	3,463	(477)	2,986
Tax losses carried forward	629	-	629	1,673	-	1,673
Other	10,265	(8,602)	1,663	15,051	(14,530)	521
Deferred tax assets / (liabilities)	12,286	(14,271)	(1,985)	23,007	(16,464)	6,543
Offset of deferred tax assets / liabilities	(9,105)	9,105	-	(15,430)	15,430	-
Net deferred tax assets / (liabilities)	3,181	(5,166)	(1,985)	7,577	(1,034)	6,543

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The movement in deferred tax assets in 2025 and 2024 is as follows:

<i>EUR thousand</i>	31.12.2025	31.12.2024
Balance as at 1 January	7,577	15,202
Recognized in results	(1,551)	(1,501)
Recognized in results – through rate change	179	(81)
Recognized in reserves	(2,666)	(6,018)
Recognized in reserves – through rate change	-	(26)
Balance as at 31 December	3,181	7,577

The movement in deferred tax liabilities in 2025 and 2024 is as follows:

<i>EUR thousand</i>	31.12.2025	31.12.2024
Balance as at 1 January	(1,034)	-
Recognized in results	48	(11,481)
Recognized in results – through rate change	-	-
Recognized in reserves	(4,346)	10,447
Recognized in reserves – through rate change	166	-
Balance as at 31 December	(5,166)	(1,034)

As at 31 December 2025 and 2024, deferred tax assets for tax losses carried forward, originated entirely in Portugal, by year of origination, can be analysed as follows:

<i>EUR thousand</i>	31.12.2025	31.12.2024
2016	40	187
2017	91	107
2018	-	-
2019	88	103
2020	18	34
2021	-	-
2022	270	1,099
2023	122	143
	629	1,673

The Group offsets, as established in IAS 12, paragraph 74, the deferred tax assets and liabilities if, and only if: (i) it has a legally enforceable right to set off current tax assets against current tax liabilities; and (ii) the deferred tax assets and the deferred tax liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities which intend either to settle current tax liabilities and assets on a net basis, or to realize the assets and settle the liabilities simultaneously, in each future period in which significant amounts of deferred tax liabilities or assets are expected to be settled or recovered.

At the end of each reporting period, the Group reassesses unrecognized deferred tax assets and recognizes a previously unrecognized deferred tax asset to the extent that it becomes probable that future taxable income will allow the deferred tax asset to be recovered. In this context, deferred tax assets are only recognized when it is probable that taxable income will be available against which deductible timing differences can be used. As at 31 December 2025 and 2024, there are no deferred tax assets associated with tax losses carried forward not recognized in the financial statements.

Law no. 64/2025, of 7 November, establishes a regime for the progressive reduction of general corporate income tax rates, setting them at 19% for tax periods beginning on or after 1 January 2026, 18% for periods beginning on or after 1 January 2027, and 17% for periods beginning on or after 1 January 2028. Following this legislative change, the Bank reviewed its deferred tax assets and liabilities, updating the rate considered from 21.5% in 2024 to 18.5% in 2025.

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The recoverability assessment of deferred tax assets is realized annually. As at 31 December 2025, this assessment was carried out considering the inexistence of a time limit on the use of tax losses and the preliminary version of the projections for the period 2026-2028, with the Group's expectation being the generation of future taxable income that will allow for their use.

During financial year ended 31 December 2025, income taxes recognized in reserves related to financial assets at fair value through other comprehensive income (Note 16) amount to € (6,832) thousand (2024: € (7,457) thousand).

The current tax for the 2025 financial year was determined based on the nominal corporate income tax rate of 20%, in accordance with Law no. 45 A/2024, of 31 December. In the 2024 financial year, the current tax was calculated by applying the nominal corporate income tax rate of 21%, in accordance with the legislation in force then.

Regarding the jurisdictions where the main subsidiaries of Banco Finantia – Finantia UK and Finantia Malta are incorporated – the applicable income tax rates were, respectively, 25% in the United Kingdom and 35% in Malta, with no changes to these rates occurring in these financial years.

The reconciliation of the effective income tax rate may be analysed as follows:

<i>EUR thousand</i>	31.12.2025		31.12.2024	
	%	Amount	%	Amount
Profit before income tax		39,002		36,419
Statutory income tax rate	26.5%		25.5%	
Income tax calculated based on the statutory income tax rate		10,336		9,287
Tax losses		218		165
Tax benefits		(100)		(188)
Autonomous taxation		61		82
Differences in the statutory tax rate of the subsidiaries		272		889
Equity changes		121		13
International double taxation tax credit		52		(1,276)
Non-taxable dividends		(2,358)		-
Branch taxes		419		1,249
Non-deductible impairment		(39)		(233)
Consolidation adjustments in financial instruments		648		839
Other		(36)		270
Income tax recognized in profit or loss		9,593		11,097
Effective tax rate	24.6%		30.5%	
Current tax		7,915		9,884
Deferred tax		1,678		1,213
Tax under reconciliation		9,593		11,097

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11. Other assets

<i>EUR thousand</i>	31.12.2025	31.12.2024
Operations pending financial settlement	7,065	2,825
Debtors and other applications	2,685	2,276
Other operations awaiting regularization	2,278	1,906
Accrued income	281	172
	12,309	7,179

The caption "Operations pending financial settlement" refer to outstanding operations resulting from the Group's day-to-day activity (Note 14).

As at 31 December 2025, the caption "Debtors and other applications" includes the amount of € 106 thousand (2024: € 102 thousand) related to the net amount on the balance sheet of tax litigation pending a decision and for which the value added tax in dispute had been paid under the Special State Debt Reduction Programme (PERES). This caption also includes the amount of € 1,742 thousand (2024: € 1,874 thousand) related to the value-added tax (VAT) tax credit recovery process.

As at 31 December 2025, the caption "Other operations awaiting regularization" includes the amount of € 1,140 thousand (2024: € 1,174 thousand) corresponding to expenses with deferred charges. It also includes the amount of € 590 thousand (2024: € 417 thousand) corresponding to insurance premiums paid.

12. Financial liabilities held for trading

This caption may be analysed as follows:

<i>EUR thousand</i>	31.12.2025	31.12.2024
Risk-management derivatives (Note 7)	1,853	29,156
Short sales	1,149	1,786
	3,002	30,942

13. Financial liabilities at amortized cost

This caption may be analysed as follows:

<i>EUR thousand</i>	31.12.2025	31.12.2024
Customers' deposits		
Time deposits	1,269,177	1,033,652
Demand deposits	51,949	37,235
	<u>1,321,126</u>	<u>1,070,887</u>
Sales operations under repurchase agreements (repos)		
Banks	603,859	628,924
Other financial companies	200,758	188,080
	<u>804,617</u>	<u>817,004</u>
Other financial liabilities at amortized cost		
Money market operations	58,245	61,099
Other deposits	-	-
	<u>58,245</u>	<u>61,099</u>
	<u>2,183,988</u>	<u>1,948,990</u>

The sales operations under repurchase agreements (repos) are collateralized with debt instruments as referred in Note 6.

14. Provisions and other liabilities

The caption "Provisions" may be analysed as follows:

<i>EUR thousand</i>	31.12.2025	31.12.2024
Bank guarantees and irrevocable commitments	14	19
Other provisions	589	575
	<u>603</u>	<u>594</u>

The movement occurring in the caption "Provisions" during the 2025 financial year was as follows:

<i>EUR thousand</i>	Bank guarantees and commitments	Other provisions	Total
Balance as at 1 January 2025	19	575	594
Allocations, net of reversals (see Note 22)	(3)	14	11
Foreign exchange and other variations	(2)	-	(2)
Decrease due to write-offs	-	-	-
Balance as at 31 December 2025	<u>14</u>	<u>589</u>	<u>603</u>

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The movement occurring in the caption “Provisions” during the 2024 financial year was as follows:

<i>EUR thousand</i>	Bank guarantees and commitments	Other provisions	Total
Balance as at 1 January 2024	1	560	561
Allocations, net of reversals (see Note 22)	18	15	33
Foreign exchange and other variations	-	-	-
Decrease due to write-offs	-	-	-
Balance as at 31 December 2024	19	575	594

The caption “Other provisions” refers to provisions for other risks and charges to cater for tax contingencies arising in the scope of the Group’s activity.

The caption “Other liabilities” may be analysed as follows:

<i>EUR thousand</i>	31.12.2025	31.12.2024
Other liabilities awaiting regularization	5,191	2,836
Accrued expenses	4,819	3,993
Amounts owed to the public sector	1,112	1,032
Lease liabilities	828	1,007
Creditors of specialized finance operations	534	419
	12,483	9,287

The caption “Other liabilities awaiting regularization” includes the amount of € 4,600 thousand (2024: € 2,246 thousand) related to transactions pending financial settlement, arising in the Group’s day-to-day activity (Note 11).

As at 31 December 2025, the caption “Accrued expenses” includes accruals in the amount of € 2,972 thousand (2024: € 2,151 thousand) corresponding to staff costs and the amount of € 1,774 thousand (2024: € 1,795 thousand) corresponding to other administrative expenses.

As at 31 December 2025 and 2024, the caption “Lease liabilities” corresponds to the amount of the lease liabilities recognized in the scope of the application of IFRS 16, as described in the accounting policy (Note 2.12).

As at 31 December 2025 and 2024, the Group had various leasehold agreements. The minimum future payments related to operating leasehold agreements, by maturity, are as follows:

<i>EUR thousand</i>	31.12.2025	31.12.2024
Up to 1 year	248	256
1 to 5 years	580	751
	828	1,007

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15. Share capital and share premium

As at 31 December 2025 and 2024, the Bank's share capital amounts to € 150 million and is represented by 150,000,000 ordinary shares with voting rights, a nominal value of € 1 each and is fully paid up.

The caption "Share premium" in the amount of € 12,849,132 relates to the premiums paid by the shareholders in share capital increases realized.

As at 31 December 2025, the Group held 86 own shares (treasury stock) with a nominal value of € 1 each (2024: € 86). The acquisition cost of these shares was € 86.

During 2025 and 2024, there were no movements in treasury stock.

16. Other accumulated comprehensive income, retained earnings and other reserves

The caption "Other accumulated comprehensive income, retained earnings and other reserves" may be analysed as follows:

<i>EUR thousand</i>	31.12.2025	31.12.2024
Other accumulated comprehensive income	14,310	(3,896)
Retained earnings	1,004	(3,748)
Other reserves	306,387	303,901
	321,701	296,257

The caption "Other accumulated comprehensive income" represents the unrealized gains and losses arising on the financial instruments classified according to the "hold to collect and sell" (HTCS) business model, at fair value through other comprehensive income, net of impairment losses recognized in the income statement in the financial year / previous financial years.

The caption "Other reserves" includes the legal reserve. According to Article 97 of the General Regime for Banks and Financial Companies, Banco Finantia must appropriate at least 10% of its net profit each year to a legal reserve until the amount of the reserve equals the greater of the amount of the share capital or the sum of the free reserves and the retained earnings. In accordance with Article 296 of the Portuguese Commercial Companies Code, the legal reserve may only be used to cover accumulated losses or to increase share capital.

The remaining Group companies with registered offices in Portugal must transfer to a legal reserve at least 5% of their annual net profit until this reserve is equal to 20% of their issued share capital.

During 2025, the Group paid out dividends in the amount of € 18,000 thousand, corresponding to 12 cents per share through the appropriation of the net profit of 2024 (2024: payment of a dividend of € 12,000 thousand, corresponding to 8 cents per share, through the appropriation of the net profit of 2023 and the use of free reserves).

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The movements occurring in these captions in 2025 and 2024 were as follows:

<i>EUR thousand</i>	Other accumulated comprehensive income			Retained earnings and other reserves		Total
	Financial assets at fair value through other comprehensive income	Hedging of net investment in foreign currency	Subtotal	Retained earnings	Other reserves	
Balance as at 31 December 2024	(6,289)	2,394	(3,896)	(3,748)	303,901	296,257
Changes in fair value	28,250	-	28,250	-	-	28,250
Hedging of net investment in foreign currency	-	(3,212)	(3,212)	-	-	(3,212)
Deferred taxes (Note 10)	(6,832)	-	(6,832)	-	-	(6,832)
Distribution of dividends	-	-	-	(18,000)	-	(18,000)
Other movements	-	-	-	(2,570)	2,486	(84)
Constitution / (Transfer) of reserves	-	-	-	25,322	-	25,322
Balance as at 31 December 2025	15,129	(818)	14,310	1,004	306,387	321,453

<i>EUR thousand</i>	Other accumulated comprehensive income			Retained earnings and other reserves		Total
	Financial assets at fair value through other comprehensive income	Hedging of net investment in foreign currency	Subtotal	Retained earnings	Other reserves	
Balance as at 31 December 2023	(27,749)	1,659	(26,091)	(3,748)	305,548	275,709
Changes in fair value	28,917	-	28,917	-	-	28,917
Hedging of net investment in foreign currency	-	735	735	-	-	735
Deferred taxes (Note 10)	(7,457)	-	(7,457)	-	-	(7,457)
Distribution of dividends	-	-	-	(9,317)	(2,683)	(12,000)
Other movements	-	-	-	(1,035)	1,036	1
Constitution / (Transfer) of reserves	-	-	-	10,352	-	10,352
Balance as at 31 December 2024	(6,289)	2,394	(3,896)	(3,748)	303,901	296,257

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The caption “Fair value reserve - financial assets at fair value through comprehensive income”, may be analysed as follows:

<i>EUR thousand</i>	31.12.2025	31.12.2024
Acquisition cost	1,686,906	1,374,842
Fair value of financial assets (Note 6)	1,699,864	1,350,867
Fair value reserve, net of impairment	6,989	(49,123)
Hedging reserve	13,609	41,471
Deferred taxes (Note 10)	(5,470)	1,363
	15,129	(6,289)

The movement in the fair value reserve - financial assets at fair value through other comprehensive income may be analysed as follows:

<i>EUR thousand</i>	31.12.2025	31.12.2024
Balance at the beginning of the financial year	(6,289)	(27,749)
Change in fair value	64,197	47,235
Disposals in the period (Note 19)	(11,378)	(8,422)
Reclassification to impairment	(8,684)	(13,491)
Fair value hedges	(15,886)	3,595
Deferred taxes recognized in reserves in the period (Note 10)	(6,832)	(7,457)
Balance at the end of the financial year	15,129	(6,289)

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17. Net interest income

<i>EUR thousand</i>	31.12.2025	31.12.2024
Interest and similar income, using the effective interest rate method		
Debt instruments	99,502	83,932
Loans and other amounts receivables	21,208	21,485
Other interest and similar income	1,128	1,627
	121,838	107,044
Other interest income		
Debt instruments	-	768
Hedging derivatives	16,537	27,834
	16,537	28,602
	138,375	135,646
Interest and similar expense, using the effective interest rate method		
Sale operations under repurchase agreement	(39,609)	(45,289)
Customers' deposits	(32,402)	(30,905)
Other interest and similar expense	(1,526)	(3,086)
	(73,537)	(79,280)
Other interest expense		
Other interest and similar expense	(112)	(44)
	(112)	(44)
	(73,649)	(79,324)
	64,726	56,322

During 2025, the total interest recognized in the income statement in respect of impaired financial assets is € 1,116 thousand (2024: € 743 thousand) (Note 22).

18. Net fee and commission income

<i>EUR thousand</i>	31.12.2025	31.12.2024
Fee and commission income		
From banking activity	1,907	2,012
From specialized finance activity	15	15
	1,922	2,027
Fee and commission expense		
On third-party banking services	(532)	(577)
On specialized finance activity	(7)	(11)
	(539)	(588)
	1,383	1,439

19. Net results from financial operations

As at 31 December 2025 and 2024, this caption may be analysed as follows:

<i>EUR thousand</i>	31.12.2025	31.12.2024
Gains or losses from derecognition of financial assets not measured at fair value through profit or loss		
Gains or losses from derecognition of financial assets at fair value through other comprehensive income (Note 16)	11,378	8,422
Gains or losses from derecognition of financial assets at amortized cost	1,810	5,311
	13,188	13,733
Gains or losses from foreign exchange operations	(12,027)	(9,533)
Other gains or losses from financial operations		
Gains or losses from hedge accounting	1,215	2,912
Gains or losses from financial assets and liabilities held for trading	2,989	1,383
Gains or losses from financial assets and liabilities at fair value through profit or loss	(1,115)	(345)
Other gains or losses from financial operations	265	144
	3,354	4,094
	4,515	8,294

The gains or losses from derecognition of financial assets at fair value through other comprehensive income include the effect of the derecognition of the hedged assets in the amount of € 11,977 thousand (2024: € 16,036 thousand).

The gains or losses from derecognition of financial assets at amortized cost include the effect of the derecognition of hedged assets in the amount of € 48 thousand (2024: € 836 thousand). The sales fall within the “Hold to Collect” business model, given that they were infrequent or insignificant, or motivated by a significant increase in the credit risk of financial assets.

Gains or losses from foreign exchange operations include the effect of the time value of the foreign exchange derivatives for risk management (Note 7), amounting to € 13,564 thousand (2024: € 10,066 thousand).

Gains or losses from hedge accounting include: (i) changes in the fair value of the hedging instrument and the hedged element attributable to the hedged risk (Note 7) and (ii) the amortization of discontinued hedging relationships in the amount of € 2,499 thousand (2024: € 2,908 thousand).

The gains or losses from financial assets and liabilities held for trading include: (i) the effect of the purchases and sales and change in fair value of the debt instrument of the trading portfolio and (ii) the results of the derivative financial instruments. As at 31 December 2025, it includes the amount of € 550 thousand (2024: € 68 thousand), related to operations with interest rate derivatives, of which € 363 thousand (2024: € 67 thousand) relating to interest received.

20. Staff costs

<i>EUR thousand</i>	31.12.2025	31.12.2024
Remuneration	12,989	11,672
Mandatory social charges	2,778	2,474
Other charges	821	626
	16,588	14,772

As at 31 December 2025 and 2024, the remuneration, including respective mandatory social charges, paid to the Group's management and supervisory bodies amounted to € 983 thousand and € 1,103 thousand, respectively.

As at 31 December 2025 and 2024, remuneration and other short-term benefits attributed to the Group's key personnel with management functions amount to € 2,979 thousand and € 2,835 thousand, respectively.

The number of employees, by category, may be analysed as follows:

	31.12.2025	31.12.2024
Senior management	96	94
Middle management	129	133
Professional staff	24	23
	249	250

The Group is subject to the General Regime of the Social Security System in Portugal or to the equivalent system in the subsidiaries located abroad and, therefore, has no obligations for the payment of pensions or pension complements to its employees.

21. Other administrative expenses

<i>EUR thousand</i>	31.12.2025	31.12.2024
Specialized services	5,541	4,853
Maintenance services	1,728	1,706
Communication	521	453
Contributions	500	940
Travel and accommodation	479	469
Rentals and hires	159	168
Other	1,211	1,037
	10,139	9,626

The caption "Contributions" includes, among others, mandatory contributions to the Resolution Fund, the Single Resolution Fund, and the Deposits Guarantee Fund, the ECB Annual supervisory fee and the banking sector contribution (Portugal).

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As at 31 December 2025, the caption “Specialized Services” includes, among others, legal costs incurred in the amount of € 592 thousand (2024: € 533 thousand), retainers and fees in the amount of € 409 thousand (2024: € 339 thousand), IT and data services in the amount of € 2, 681 thousand (2024: € 2,240 thousand), as well as studies and consultancy contracted during the financial year that amounted to € 747 thousand (2024: € 582 thousand). In addition, this caption includes costs incurred with external consultants and auditors in the amount of € 858 thousand (2024: € 938 thousand).

22. Impairment and provisions

As at 31 December 2025 and 2024, the amounts of impairment and provisions recognized in the income statement may be analysed as follows:

<i>EUR thousand</i>	31.12.2025	31.12.2024
Financial assets at fair value through other comprehensive income	4,213	6,418
Financial assets at amortized cost	(171)	(3,189)
Impairment / (Reversal of impairment) of financial instruments (Note 6)	4,042	3,229
Impairment / (Reversal of impairment) of non-financial assets	(18)	(29)
Impairment / (Reversal of impairment)	4,024	3,200
Provisions or reversal of provisions (Note 14)	11	33
	4,035	3,233

As at 31 December 2025, the total credit recoveries of the caption “Financial assets at amortized cost” amounted to € 3,879 thousand (2024: € 3,367 thousand).

During 2025, the total amount of interest recognized in the income statement from impaired financial assets is € 1,116 thousand (2024: € 743 thousand) (Note 17).

23. Earnings per share

Basic earnings per share

<i>EUR thousands, except number of shares</i>	31.12.2025	31.12.2024
Net profit attributable to the shareholders of the Bank	29,409	25,322
Weighted average number of ordinary shares outstanding (thousand)	150,000	150,000
Basic earnings per share (in Euro)	0.196	0.169
Number of ordinary shares outstanding at year-end (thousand)	150,000	150,000

Diluted earnings per share

The diluted earnings per share do not differ from the basic earnings per share since the Group does not have any potential ordinary shares with a dilutive effect as at 31 December 2025 and 2024.

24. Off-balance sheet items

<i>EUR thousand</i>	31.12.2025	31.12.2024
Guarantees issued		
Assets given in guarantee	986,849	984,536
Guarantees and endorsements issued (Note 27)	922	934
	987,771	985,470
Guarantees received		
Assets received in guarantee ("reverse repos")	-	10,107
Financial guarantees	115,348	51,485
	115,348	61,592
Other possible assets		
Irrevocable credit lines	1,500	1,500
	1,500	1,500
Other possible liabilities (Note 27)		
Revocable credit lines	17,010	20,980
Other contingent liabilities	36,647	15,189
	53,657	36,169
Responsibilities for services rendered		
Deposit and custodianship of items	542,345	445,274
	542,345	445,274
Other off-balance sheet accounts		
Written-off assets	96,511	129,743
	96,511	129,743

As at 31 December 2025 and 2024, the amounts of € 53,957 thousand and € 41,102 thousand, respectively, relate to guarantees provided and other commitments, with the provisions recorded to cover these guarantees and commitments being calculated using criteria similar to those applied for the determination of impairment of financial assets valued at amortized cost and at fair value through other comprehensive income, and being recorded in the caption "Provisions" of the consolidated balance sheet (see Note 14). As at 31 December 2025, impairment was derecognized (Stage 1) for credit risk in the amount of € 3 thousand (2024: impairment was recognized in the amount of € 18 thousand) (Note 14).

The caption "Assets given in guarantee" includes the nominal amount of securities sold under repurchase agreements and includes operations with central banks, including operations with securities issued by Group companies and with securities received in the scope of purchase operations under resale agreements ("reverse repos"). The balance sheet amount of the securities included in these operations amounted, as at 31 December 2025, to € 967,203 thousand (2024: € 956,327 thousand).

As part of the purchase operations under resale agreements ("reverse repos"), the Group receives securities as collateral that it can sell or give as collateral. The balance sheet amount of the securities included in these operations amounted, as at 31 December 2024, to € 9,628 thousand.

The notional value of derivative financial instruments is presented in Note 7.

25. Cash and cash equivalents

For purposes of the presentation of the statement of cash flows, the caption “Cash and cash equivalents” comprises the following balances, with maturities under 3 months:

<i>EUR thousand</i>	31.12.2025	31.12.2024
Cash (Note 5)	30	68
Demand deposits and deposits with central banks (Note 5)	60,958	52,505
Deposits with other banks in Portugal (Note 5)	4,898	5,189
Deposits with other banks abroad (Note 5)	2,124	102
Due from banks	42,147	66,826
	110,157	124,690

“Due from banks” considered as cash and cash equivalents relates only to balances with maturities under 3 months, amounted to € 42,147 thousand (2024: € 66,826 thousand) and excluded collateral deposits in the amount of € 1,785 thousand (2024: € 27,550 thousand) and, as at 31 December 2024, included purchase operations with resale agreement in the amount of € 9,670 thousand. The amount of the Demand deposits with central banks excludes the minimum cash reserves in the amount of € 11,158 thousand (2024: € 8,513 thousand) (Note 5).

26. Balances and transactions with related parties

The Group realizes transactions, in its normal course of business, with other Group companies and other related parties. Group companies are identified in Note 30 and the respective balances and transactions are eliminated in the consolidation process.

The main shareholders of Banco Finantia as at 31 December 2025 and 2024, are analysed as follows:

Shareholder	Registered office	Direct shareholding %	Effective shareholding %
Finantipar, S.A.	Portugal	39.58	39.58
Arendelle, S.A.	Portugal	16.56	16.56
Natixis, S.A.	France	11.25	11.25
Erste Abwicklungsanstalt	Germany	10.39	10.39

The management and supervisory bodies are also considered related parties and are disclosed in the Management Report.

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The balances and transactions with related parties as at 31 December 2025 and 2024, may be analysed as follows:

<i>EUR thousand</i>	31.12.2025	31.12.2024
Financial liabilities at amortized cost		
Finantipar, S.A.	172	473
Other related parties	2,266	103
Other liabilities		
Other related parties	17	-
Interest expense and similar charges		
Other related parties	23	3
Deposit and custodianship of items		
Finantipar, S.A.	31,980	22,200
Arendelle, SA	24,840	24,840
Other related parties	3,139	3,308

Transactions with related parties are realized under normal market conditions.

As at 31 December 2025 and 2024, the other related parties correspond to small shareholders of Banco Finantia (with a shareholding of less than 10%).

The caption "Deposit and custodianship of items" refers to securities' custodianship services provided by Banco Finantia.

The fees of PricewaterhouseCoopers & Associados – SROC, Lda., and companies of its network, including abroad, for the 2025 financial year total € 636 thousand, of which € 511 thousand relate to the Audit and legal review of accounts and € 125 thousand relate to other assurance services.

The amount of the remuneration paid to the Group's management and supervisory bodies is disclosed in the Corporate Governance Report.

27. Risk management activity

The overall risk management of the Banco Finantia Group is the responsibility of the Board of Directors, with the implementation and maintenance of the risk management model of the Executive Committee, composed of 4 executive directors. The Executive Committee also monitors the overall risks to which the Group is exposed, including the control over the limits and tolerances of the "Risk Appetite Framework" (RAF).

The Risk Department in the Group is responsible for the management of all Group risks and forms part of the Risk Management Function. In this context, the Risk Department (i) ensures the effective application of the risk management model by continuously monitoring its adequacy and effectiveness, as well as the measures taken to correct any weaknesses, (ii) provides advice to the Management, Executive, Middle-management and Supervisory bodies, (iii) prepares and updates the risk matrices and evaluates risks, (iv) prepares and presents periodic reports on risk management, (v) actively participates in the business and capital planning, and carries out stress tests, (vi) leads the preparation of the Internal Capital Adequacy Assessment Process (ICAAP) and the Internal Liquidity Adequacy Assessment Process (ILAAP), (vii) carries out the independent validation of the methodologies and results of the ICAAP and ILAAP, (viii) actively participates in the preparation of the RAF and (ix) promotes the integration of the risk principles into the Group's daily activities.

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The risk profile of the Group is determined by the analysis of risk matrices and subsequent justification of the materiality of the risks, considering the applicable legislation on the risk management system and the activity developed by the Group.

To do this, the Group considers the following risk categories: credit, market - on the banking portfolio (IRRBB & CSRBB), currency, market - on the trading portfolio, liquidity, business model / strategy, ESG, internal governance, operational, compliance, money laundering and the financing of terrorism and reputational risks.

In the scope of ICAAP¹, the Group allocates capital to the above risk categories. As at 31 December 2025, the Group presented an own capital utilization ratio for economic capital requirements of 70.9% (58.8% as at 31 December 2024).

All risk categories contributing to the Group's risk profile are analysed, discussed and monitored monthly by the Executive Committee.

Credit risk

Credit risk arises not only from the possibility of a counterparty defaulting but also from the decline in the credit quality of a certain financial instrument. The Group's objective is to maintain a high-quality asset portfolio, based on a prudent credit policy and a careful analysis of all credit proposals. The Group also has a constant concern to diversify its own portfolio, as a form of mitigating the credit concentration risk.

The Group's maximum gross exposure to the credit risk of its assets and off-balance sheet items subject to impairment, may be analysed as follows:

<i>EUR thousand</i>	31.12.2025	31.12.2024
Deposits and applications with central banks	57,613	-
Debt instruments	2,098,800	1,902,783
Loans	424,410	308,408
Due from banks	42,407	88,695
Purchase operations under resale agreements ("reverse repos")	-	9,670
	2,623,230	2,309,555
Financial guarantees and other contingent liabilities	53,807	41,102
	53,807	41,102

¹ Unaudited information

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The Group's exposure to credit risk by instrument, rating level and stage of impairment as at 31 December 2025 and 2024 can be analysed as follows:

<i>EUR thousand</i>	31.12.2025									
Credit quality levels	Exposure					Impairment				
	Stage 1	Stage 2	Stage 3	POCI	Total	Stage 1	Stage 2	Stage 3	POCI	Total
Higher level	481,640	-	-	-	481,640	336	-	-	-	336
Average level	2,080,155	7,393	-	-	2,087,548	5,826	1,108	-	-	6,934
Lower level	90,878	1,607	-	-	92,485	598	101	-	-	699
	2,652,673	9,000	-	-	2,661,674	6,760	1,209	-	-	7,969
"Non-Performing"	-	-	8,365	6,998	15,363	-	-	4,759	-	4,759
	2,652,673	9,000	8,365	6,998	2,677,037	6,760	1,209	4,759	-	12,728

<i>EUR thousand</i>	31.12.2024									
Credit quality levels	Exposure					Impairment				
	Stage 1	Stage 2	Stage 3	POCI	Total	Stage 1	Stage 2	Stage 3	POCI	Total
Higher level	387,845	-	-	-	387,845	190	-	-	-	190
Average level	1,815,985	9,263	-	1,310	1,826,559	5,376	358	-	-	5,734
Lower level	110,294	1,754	-	-	112,047	1,619	143	-	-	1,762
	2,314,124	11,017	-	1,310	2,326,451	7,185	501	-	-	7,686
"Non-Performing"	-	-	22,641	1,565	24,206	-	-	13,200	-	13,200
	2,314,124	11,017	22,641	2,875	2,350,657	7,185	501	13,200	-	20,886

Considering the Group's exposure, by external rating, as at 31 December 2025, 79% (2024: 80%) of the total exposure of the Group relates to OECD countries and supranational entities or "investment grade (non-OECD)", with the remaining exposure spread over more than twenty countries:

<i>EUR thousand</i>	31.12.2025		31.12.2024	
OECD countries	1,591,484	58%	1,465,030	59%
Investment grade (non-OECD) countries	560,753	21%	528,071	21%
Other countries	583,954	21%	489,505	20%
	2,736,191	100%	2,482,606	100%

As previously mentioned, the Group developed an expected credit loss model (ECL), considering the requirements of IFRS 9, where the ECL corresponds to the weighted average of credit losses, using as weighting factor the probability of the occurrence of default events.

A credit loss is the difference between the cash flows that are due to an entity in accordance with the agreed contract, and the cash flows that the entity expects to receive, discounted at the original effective interest rate. To calculate the expected cash flows, consideration should be given to amounts that may be generated by collateral or any other risk mitigant.

Impairment can be measured as: (i) 12 months expected credit losses: corresponding to the expected losses resulting from possible default events of the financial instrument in the 12 months following the reporting date and (ii) Lifetime expected credit losses: corresponding to the expected losses that may occur from a default event over the entire lifetime of a financial instrument.

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The method of calculating impairment is based on the classification of the instruments into three stages, considering the changes in the credit risk of the financial asset since its initial recognition, as follows:

- 1) Stage 1: where the ECL is recognized for 12 months;
- 2) Stage 2: where the ECL is recognized over the lifetime of the assets; and
- 3) Stage 3: where ECL is recognized over the lifetime of the asset, with its respective PD being 100%.

The model is, thus, sensitive to its main risk parameters, PD and LGD, translated by the credit spread, and for a change of +/- 10% in the credit spread the impact on the total value of the impairment would be circa € 0.8 million, of which circa +/- € 0.7 million in Stage 1 and +/- € 0.1 million in Stage 2.

Offsetting financial assets and financial liabilities

The Group receives and gives collateral in the form of cash or securities in respect of over-the-counter derivatives, sale operations under repurchase agreements (“repos”) and purchase operations under resale agreements (“reverse repos”).

This collateral is subject to the rules and regulations of these markets and is based on industry standard bilateral contracts, as published respectively by the ISDA - International Swaps and Derivatives Association (Master Agreement and Credit Support Annex) or the ICMA - International Capital Market Association (GMRA). These contracts also operate as netting agreements whereby, in the event of a contractual termination for non-compliance, only the net amount of all transactions entered under the contract may be demanded, thus allowing for the offsetting of debit positions in a transaction with credit positions in other transactions.

As at 31 December 2025, financial assets and liabilities subject to offsetting agreements, regardless of being offset or not, may be analysed as follows:

<i>EUR thousand</i>	Gross amounts of recognized financial assets / liabilities	Net amounts of recognized financial assets / liabilities presented in the balance sheet	Related amounts not offset in the balance sheet		Net amount
			Financial instruments received / (given) as collateral	Cash collateral received / (given)	
Financial assets					
Derivatives	58,830	58,830	-	46,527	12,303
Reverse repos	-	-	-	-	-
Total	58,830	58,830	-	46,527	12,303
Financial liabilities					
Derivatives	14,180	14,180	-	-	14,180
Repos	804,617	804,617	(967,203)	7,386	(155,200)
Total	818,797	818,797	(967,203)	7,386	(141,020)

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As at 31 December 2024, financial assets and liabilities subject to offsetting agreements, regardless of being offset or not, may be analysed as follows:

<i>EUR thousand</i>	Gross amounts of recognized financial assets / liabilities	Net amounts of recognized financial assets / liabilities presented in the balance sheet	Related amounts not offset in the balance sheet		Net amount
			Financial instruments received / (given) as collateral	Cash collateral received / (given)	
Financial assets					
Derivatives	74,448	74,448	-	57,695	16,753
Reverse repos	9,670	9,670	-	-	9,670
Total	84,118	84,118	-	57,695	26,423
Financial liabilities					
Derivatives	33,693	33,693	-	(13,590)	20,103
Repos	817,004	817,004	(956,327)	(13,335)	(152,658)
Total	850,697	850,697	(956,327)	(26,925)	(132,555)

As at 31 December 2025 and 2024, there are no financial assets or liabilities offset in the balance sheet.

The gross amounts of financial assets and financial liabilities and their net amounts disclosed in the above tables have been measured on the balance sheet on the following bases: derivatives - fair value, repos and reverse repos - amortized cost. The corresponding financial instruments received / given as collateral are presented at fair value.

Interest rate risk

The interest rate risk stems from the probability of negative impacts caused by unfavourable changes in interest rates due to the existence of maturity mismatches between assets and liabilities.

The Group adopted the strategy of minimizing the interest rate risk associated with its fixed-rate assets using hedging instruments for this type of risk, thereby maintaining a balanced structure between assets and liabilities in terms of the fixed-interest rate mismatch.

The Group monitors the distribution of its fixed-rate assets across temporal buckets, net of the corresponding fixed-rate liabilities and the hedging instruments used.

Considering the nature and characteristics of the Group's business, as well as the processes implemented for the monitoring and mitigation of interest rate risk, the Group also analyses the behaviour of VaR ("Value at Risk") related to interest rate risk. VaR² is calculated using the historical simulation approach, based on a one-year rate history, a one-day holding period, and a confidence interval of 99%. This model is validated with back tests. For 2025, the average daily VaR for interest rate risk was € 4.62 million (€ 4.77 million in 2024), which corresponds to 0.9% (2024: 1.0%) of Tier I own funds.

²Unaudited information
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The sensitivity analysis for interest rate risk may be analysed by applying the following shocks, in accordance with Delegated Regulation 856/2024³:

As at 31 December 2025

Interest rate scenarios	Parallel increase 200 pb	Parallel drop 200 pb	Short Rate Shock Up	Short Rate Shock Down	Steeper Shock	Flattener Shock
Impact ⁽¹⁾	(52,822)	(9,162)	(10,152)	8,915	(22,050)	11,042

(1) The worst value between the economic value or financial margin perspectives is considered

As at 31 December 2024

Interest rate scenarios	Parallel increase 200 pb	Parallel drop 200 pb	Short Rate Shock Up	Short Rate Shock Down	Steeper Shock	Flattener Shock
Impact ⁽²⁾	(46,902)	(7,098)	(12,123)	11,039	(16,149)	6,321

(2) The worst value between the economic value or financial margin perspectives is considered

The classification of on- and off-balance sheet asset and liability captions by repricing intervals, following the recommendations of Basel III (Pillar 2) and Instruction no. 10/2024 of Banco de Portugal, may be analysed as follows:

EUR thousand

31 December 2025	Up to 3 months	3 to 6 months	6 to 12 months	1 to 5 years	More than 5 years
Assets	1,011,047	382,943	35,528	549,398	916,188
Cash and deposits with central banks and other banks	79,588	-	-	-	-
Financial assets at fair value through other comprehensive income	201,959	133,863	31,145	694,891	897,570
Financial assets at amortized cost	101,530	67,297	15,658	349,340	451,232
Hedging derivatives	627,970	181,783	(11,275)	(494,833)	(432,613)
Liabilities	(325,754)	(420,463)	(805,166)	(316,310)	(451,268)
Financial liabilities at amortized cost	(778,665)	(472,410)	(796,351)	(144,022)	(13,468)
Hedging derivatives	452,910	51,947	(8,815)	(172,288)	(437,800)
Off-balance sheet items	8,691	842	-	8,931	(468)
Gap	693,983	(36,678)	(769,638)	242,020	464,453

³ Unaudited information

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EUR thousand

31 December 2024	Up to 3 months	3 to 6 months	6 to 12 months	1 to 5 years	More than 5 years
Assets	1,102,336	265,706	98,572	536,041	594,850
Cash and deposits with central banks and other banks	67,735	-	-	-	-
Financial assets at fair value through other comprehensive income	173,202	83,370	67,773	531,776	748,938
Financial assets at amortized cost	120,596	58,048	47,189	370,263	521,468
Hedging derivatives	740,803	124,288	(16,390)	(365,998)	(675,556)
Liabilities	(575,250)	(363,512)	(664,538)	(208,136)	(216,487)
Financial liabilities at amortized cost	(722,200)	(428,649)	(660,611)	(148,206)	(11,524)
Hedging derivatives	146,950	65,138	(3,927)	(59,930)	(204,963)
Off-balance sheet items	8,445	1,356	-	-	(369)
Gap	535,531	(96,450)	(565,967)	327,905	377,994

Currency risk

Currency risk is characterized by the probability of negative impacts due to unfavourable changes in foreign exchange rates and adverse variations in the price of foreign currency instruments.

It is Group policy to deal only in assets and liabilities denominated in EUR and USD (positions in other currencies are sporadic and insignificant).

The Group adopted the strategy of minimizing currency risk associated with its assets and liabilities. Hence, currency risk is regularly hedged in order to ensure a comfortable foreign currency exposure margin considering the pre-established limits, with said exposure being monitored on a daily basis, for both the spot and the forward positions.

For 2025, based on the methodology described above, the average daily VaR⁴ for currency risk was € 2.56 million (€ 2.06 million in 2024), which corresponds to about 0.5% (2024: 0.4%) of Tier I own funds. Due to the fact that the exposure to exchange rate risk is practically fully covered by FX swaps, the sensitivity analysis for exchange rate risk reveals a very low sensitivity to exchange rate changes (the shock of 30% in the EUR/USD exchange rate on 31.12.2025 results in an impact of only 0.8% of own funds).

⁴ Unaudited information
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The breakdown of assets and liabilities denominated in currencies other than the Euro may be analysed as follows:

<i>EUR thousand</i>	31.12.2025	
	USD	Other currencies
Assets		
Cash and deposits with central banks and other demand deposits	2,486	1,696
Debt instruments	1,336,806	-
Loans	139,179	-
Due from banks	42,147	-
Purchase operations under resale agreements (“reverse repos”)	-	-
Derivative instruments (Note 7)	22,300	-
Other assets	2,286	222
Total assets	1,545,205	1,918
Liabilities		
Short sales	808	-
Derivative instruments (Note 7)	11,023	-
Customers’ deposits	31,245	-
Sales operations under repurchase agreements (“repos”)	804,617	-
Foreign currency derivatives	686,468	-
Other liabilities	1,795	3,069
Total liabilities	1,535,955	3,069
Net regulatory position	9,249	(1,151)
Fair value reserve	18,521	-
Net accounting position	(9,271)	(1,151)
<i>EUR thousand</i>	31.12.2024	
	USD	Other currencies
Total assets	1,425,698	904
Total liabilities	1,421,884	2,350
Net regulatory position	3,814	(1,446)
Fair value reserve	4,395	-
Net accounting position	(581)	(1,446)

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Liquidity risk

Liquidity risk is defined as the possibility of an institution being unable to meet its obligations as they come due, because of an inability to liquidate assets, obtain funding or refinance liabilities under appropriate conditions.

The Group's objective in liquidity risk management is to ensure a stable and robust liquidity position based on liquid assets, controlling liquidity gaps and including a liquidity buffer to respond to increased contractual outflows and to stressful situations.

Liquidity risk management is carried out so as to maintain liquidity levels within predefined limits, according to two distinct parameters: i) the cash flow management, through a control system of the financial flows that allows for the daily calculation of the treasury balances over an extended time horizon and the maintenance of an excess of liquidity that ensures the normal functioning even under unfavourable conditions; ii) the management of the balance sheet, with the daily calculation of liquidity metrics, and iii) maintenance and accompanying of the liquidity buffers, allowing for the maintenance of the main liquidity indicators within the limits pre-defined by the Group.

The Treasury Department controls the management of the Group's cash flow in EUR and USD and balance sheet management daily. The Risk Department is responsible for periodic analyses related to the management of the Group's balance sheet, preparing a monthly report for the Executive Committee.

The metrics used to measure liquidity risk in the scope of the balance sheet management include, among others, the prudential ratios Liquidity Coverage Ratio (LCR) and Net Stable Funding Ratio (NSFR), as well as a broad set of internal ratios related to liquidity mismatches, concentration of major counterparties, distribution of the repayment flows of the main liabilities, collateral of repos operations, asset liquidity and immediate liquidity characteristics.

The Bank's conservative policy in terms of liquidity management is based on maintaining a significant volume of highly liquid assets (HQLA) eligible for prudential ratios and thus maintaining a high level of liquidity to ensure the maintenance of LCR and NSFR ratios appropriate to the activities carried out and mitigating potential risks arising from a possible liquidity crisis in the financial markets. Cash flows due by the Group related to non-derivative financial liabilities and the assets held for liquidity risk management are undiscounted and include principal and interest as contractually determined, adjusted based on the respective behavioural maturities. These flows are presented in the tables below.

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As at 31 December de 2025, undiscounted cash flows⁵ may be analysed as follows:

<i>EUR thousand</i>	Up to 3 months	3 to 12 months	1 to 5 years	More than 5 years	Total
Liabilities					
Due to banks	55,137	-	-	-	55,137
Customers' deposits	375,157	814,592	150,271	-	1,340,020
Sales operations under repurchase agreements ("repos")	53,970	517,139	256,613	-	827,722
Short sales	-	-	536	574	1,110
Guarantees and endorsements provided	922	-	-	-	922
Revocable credit lines	-	-	17,010	-	17,010
Liabilities by contractual maturity dates	485,186	1,331,731	424,430	574	2,241,921
Assets					
Deposits with banks	77,396	-	-	-	77,396
Due from banks	42,309	-	-	-	42,309
Debt instruments	42,041	99,655	1,217,656	1,462,018	2,821,370
Loans	13,753	90,468	361,071	33,293	498,585
Purchase operations under repurchase agreements ("reverse repos")	-	-	-	-	-
Assets held for liquidity risk management	175,499	190,123	1,578,728	1,495,311	3,439,661

⁵ Unaudited information
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As at 31 December de 2024, they may be analysed as follows:

<i>EUR thousand</i>	Up to 3 months	3 to 12 months	1 to 5 years	More than 5 years	Total
Liabilities					
Due to banks	11,868	-	-	-	11,868
Customers' deposits	227,721	703,434	159,886	-	1,091,041
Sales operations under repurchase agreements ("repos")	97,309	503,892	230,429	-	831,630
Short sales	-	-	-	1,667	1,667
Guarantees and endorsements provided	934	-	-	-	934
Revocable credit lines	-	-	20,980	-	20,980
Liabilities by contractual maturity dates	337,832	1,207,326	411,295	1,667	1,958,120
Assets					
Deposits with banks	66,624	-	-	-	66,624
Due from banks	38,758	-	-	-	38,758
Debt instruments	40,722	233,856	971,367	1,348,217	2,594,162
Loans	22,322	62,379	232,387	63,968	381,056
Purchase operations under repurchase agreements ("reverse repos")	9,670	-	-	-	9,670
Assets held for liquidity risk management	178,096	296,235	1,203,754	1,412,185	3,090,270

The amounts presented do not include any outflows that may occur before the dates considered within the timeframes indicated in the cash flow tables recorded in the Group's IT systems. Behavioural analyses of the potential impacts of anticipated cash flows on the bank's liquidity capacity do not indicate any significant influence of these anticipated cash flows, especially regarding the early withdrawal of deposits, which could result in materially relevant benefits or losses.

For derivative financial instruments, the undiscounted contractual cash flows may be analysed as follows:

As at 31 December de 2025:

<i>EUR thousand</i>	Up to 3 months	3 to 12 months	1 to 5 years	More than 5 years	Total
Assets' cash flows	270,767	466,487	163,151	51,801	952,205
Liabilities' cash flows	257,708	468,747	161,370	111,454	999,280

As at 31 December de 2024:

<i>EUR thousand</i>	Up to 3 months	3 to 12 months	1 to 5 years	More than 5 years	Total
Assets' cash flows	231,162	352,225	155,998	58,222	797,607
Liabilities' cash flows	238,679	357,414	93,208	53,434	742,735

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Non-financial risks

Non-financial risks for the Group include business model/ strategy, ESG, internal governance, operational, compliance, money laundering and terrorism financing and reputational risks. These risks consist of the probability of negative impacts on results or capital, essentially arising from: (i) for business model / strategy risk, inadequate strategic plans and decisions; (ii) for ESG risk, an adverse manifestation of environmental, social, or governmental factors; (iii) for internal governance risk, inadequacies and weaknesses in the internal governance system, in the organizational structure and in the corresponding delimitation of responsibilities, related to risk management; (iv) for operational risk, failures of internal processes, people or systems, or of external events, including legal risks; (v) for compliance risk, of legal or regulatory sanctions and/or material financial losses arising from non-compliance with laws, regulations, rules, internal governance standards and codes of conduct applicable to the banking activity, except for matters relating to the prevention of money laundering and terrorism financing; (vi) for the risk of money laundering and terrorism financing, of incurring in legal or regulatory sanctions and/or material financial losses, resulting from non-compliance with laws, regulations, rules, internal governance standards and codes of conduct applicable to the banking activity in the scope of the prevention and combatting of money laundering and the financing of terrorism and (vii) for reputational risk, the negative perception of the Group's public image.

The management of non-financial risks has been gaining increasing relevance in the Group. In this context, the Group relies on advanced tools and methods focused on the identification, evaluation, monitoring and control of these types of risks. Among others, these tools include risk matrices and controls, heat-maps and radar-charts, which inputs derive from an extensive and comprehensive self-assessment process. This process serves as a basis for the definition of dedicated action plans on non-financial risks.

In addition to the maintenance of risk matrices, which cover the various non-financial risk categories, the Group also maintains records that result in a database of Operational and Reputational Risk events. This database includes, among others, the registration of (i) events, (ii) any associated losses and (iii) corrective and/or mitigation measures implemented.

In the scope of ICAAP, although there is no historical record whatsoever of material losses, the Group uses the Business Indicator Component (BIC) methodology to quantify operational risk and internally developed methodologies to quantify business model / strategy, compliance, money laundering and financing of terrorism and reputational risks.

Regarding ESG risks, the work necessary to strengthen the integration of these factors into the governance and into risk management, in line with supervisory expectations, was deepened in 2025. During the year, indicators were reviewed and RAF limits were established, and policies, manuals, internal procedures and training actions were updated, ensuring a consistent and transversal integration of ESG and climate risks into the Group's processes. The implemented ESG due diligence procedure includes exclusion criteria, dispute analysis and continuous monitoring of the ESG profile of counterparties, as well as monitoring of key indicators and defined decarbonization objectives, ensuring their continuous integration into internal decision-making and risk management processes. The materiality analysis of ESG risks was updated, integrating qualitative and quantitative assessments, internal and external metrics and stress tests with NGFS climate scenarios, which allowed the identification of sectors and counterparties most exposed to transition and physical risks. This analysis highlighted areas with greater climate sensitivity. The prospective exercises incorporate, in their assessment, the impacts on credit impairment and the fair value of investments, reflecting the adjustments considered in the quantitative materiality. The results did not reveal additional capital or liquidity needs.

During 2025, the DORA project was continued, addressing operational digital resilience.

28. Capital management

The Group's capital management and control is performed in a comprehensive manner with the objective of guaranteeing the institution's solvency, complying with regulatory requirements and maximizing profitability, being determined by the strategic goals and by the risk appetite defined by the Board of Directors.

Accordingly, some objectives were defined in terms of capital management for the Group:

- > Establish a capital planning appropriate for the actual and future needs (to help the business develop), complying with the regulatory requirements and associated risks;
- > Ensure that, under stress scenarios, the Group maintains enough capital to accommodate the needs resulting from a risk increase;
- > Optimize capital allocation, from a regulatory and an economic capital perspective, considering the Group's risk appetite, the expected growth and the strategic goals.

The main capital ratios of the Group in 2025 and 2024 are presented in the Management Report.

Minimum own funds requirements ("Pillar 1 requirements") include a common equity tier 1 ratio ("CET 1") of 4.5%, a Level 1 own funds ratio ("Tier 1") of 6% and a total own capital ratio ("Total capital") of 8%, as defined in Article 92 of Regulation (EU) no. 575/2013 of the European Parliament and Council, of 26 June ("CRR").

Additionally, as from 2020 and in accordance with Notice no. 6/2016 of Banco de Portugal, a capital conservation buffer was implemented of 2.5%.

The risk weighted assets are measured using the standard method. This measurement considers the nature of the assets and the respective counterparts and also the existence of associated collateral and guarantees.

During 2025 and 2024, the Group and the entities in its consolidation perimeter complied with all the regulatory capital requirements to which they are subject.

29. Fair value of financial assets and liabilities

Fair value hierarchy

IFRS requires that an entity classify fair value measurements using a fair value hierarchy that reflects the significance of the inputs used in the measurement, considering whether the inputs are observable or not. On that basis, the Group's assets and liabilities are measured in accordance with the following levels:

Quoted market prices (Level 1) – in this category are included prices quoted on official markets and those disclosed by market providers for the respective assets / liabilities when the market is considered active;

Valuation techniques based on observable market inputs (Level 2) – this category includes a part of the securities portfolio which valuation is obtained through quotes published by independent entities but in respect of which the markets are not considered official or have a lower level of liquidity. It also includes other financial instruments which valuations are based on prices / quotations on active markets for similar assets or liabilities and financial instruments valued based on internal valuation models, including discounted cash flow models, which involve the use of estimates and require judgments which vary according to the complexity of the products being valued, namely derivative financial instruments. Notwithstanding, the Group uses as inputs in its models, observable market data, such as interest rate curves, credit spreads, volatility and market indexes; and

Valuation techniques based on non-observable market inputs (Level 3) – consists of the use of internal valuation models or quotations provided by third parties but which imply the use of non-observable market information.

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The Group's fair value hierarchy for assets and liabilities measured at fair value may be analysed as follows:

<i>EUR thousand</i>	Notes	31.12.2025			31.12.2024		
		Level 1	Level 2	Level 3	Level 1	Level 2	Level 3
Assets							
Financial assets at fair value through other comprehensive income	6	1,254,319	445,545	-	928,809	419,168	2,890
Financial assets not held for trading mandatorily at fair value through profit or loss	6	-	-	568	-	-	1,703
Financial assets held for trading	6	9,043	635	-	13,369	4,955	-
Derivative financial instruments	7	-	58,830	-	-	74,448	-
Liabilities							
Derivative financial instruments	7	-	14,180	-	-	33,693	-
Short sales	12	-	1,149	-	-	1,786	-

The fair value of financial instruments traded on active markets is based on quoted market prices at the balance sheet date. A market is regarded as active if prices / quotations are readily and regularly available with transparency, and those prices / quotations represent actual and regular market transactions occurring on an arm's length basis. The fair value of financial instruments that are not traded on an active market is determined using valuation techniques. These valuation techniques maximize the use of observable market data where it is available and rely as little as possible on entity specific estimates. If the significant inputs required to determine the fair value of an instrument are observable, the instrument is included in Level 2.

The fair value of interest rate derivatives is calculated as the present value of the estimated future cash flows based on observable yield curves, considering counterparty credit risk.

Disregarding own credit risk, the fair value of interest rate derivatives amounts to € 52,049 thousand and € 12,749 thousand, respectively (2024: € 74,448 thousand and € 4,674 thousand, respectively). As at 31 December 2025 and 2024, the fair value of the derivatives was not adjusted for counterparty credit risk, given the collateral deposits as at those dates and/or the ratings of each counterparty.

The fair value of foreign currency derivatives is determined using forward exchange rates as at the balance sheet date, with the resulting value discounted back to its present value.

If one or more of the significant inputs is not based on observable market data, the instrument is included in Level 3.

As at 31 December 2025 and 2024, the Group classified in Level 3 of the fair value hierarchy, financial instruments associated with impaired exposures, involved in restructuring legal proceedings due to financial difficulties or which present operational liquidation restrictions, for which it was not possible to determine the respective fair value based on observable market prices representative of transactions carried out on the market.

As at 31 December 2025, these instruments correspond to equity instruments associated with exposures resulting from restructuring processes. Fair value was determined using valuation techniques based on expected future cash flows, discounted at rates representative of the risk of the respective exposures, using unobservable assumptions, namely estimates of recovery rates, the expected timing of receipts and information from external sources, with additional prudential adjustments having been applied, reflecting the lack of a defined schedule for distributions to creditors. The fair value of these instruments depends on the aforementioned unobservable assumptions, and their value may vary depending on reasonably possible changes to them.

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The movement in financial assets at fair value through other comprehensive income (“FVTOCI”) and financial assets not held for trading mandatory at fair value through profit or loss (“FVTPL”) during financial years 2025 and 2024 is presented as follows:

<i>EUR thousand</i>	FVTOCI	FVTPL
Movement in Level 3		
Balance as at 1 January 2024	9,390	361
Entries to Level 3	2,021	1,703
Changes in fair value	(48)	-
Disposals	(6,916)	(361)
Exits from Level 3	(1,556)	-
Balance as at 31 December 2024	2,890	1,703
Entries to Level 3	-	568
Changes in fair value	-	-
Disposals	(2,890)	(1,703)
Exits from Level 3	-	-
Balance as at 31 December 2025	-	568

The main assumptions and inputs used, during financial years 2025 and 2024, in the valuation models are presented as follows:

Interest rate curves

The short-term rates presented reflect benchmark interest rates for the money market and for the long term the figures represent interest rate derivatives’ quotations for the respective periods:

	31.12.2025		31.12.2024	
	EUR	USD	EUR	USD
Overnight	2.046	3.685	3.038	4.389
1 month	2.046	3.681	3.037	4.389
3 months	2.043	3.642	2.802	4.354
6 months	2.034	3.564	2.505	4.274
1 year	2.030	3.387	2.223	4.146
3 years	2.220	3.288	2.088	4.005
5 years	2.416	3.413	2.156	3.974
7 years	2.585	3.562	2.229	3.982
10 years	2.805	3.774	2.331	4.002
15 years	3.071	4.066	2.454	4.056
20 years	3.188	4.203	2.422	4.029
30 years	3.199	4.148	2.222	3.767

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Foreign exchange rates

The foreign exchange rates (European Central Bank) as at the balance sheet date for the main currencies used in valuing the Group's financial instruments in foreign currency may be analysed as follows:

Exchange rate	31.12.2025	31.12.2024
EUR/USD	1.1750	1.0389
EUR/GBP	0.8726	0.82918
EUR/CHF	0.9314	0.9412
USD/BRL ^(a)	5.4778	6.1847

^(a) Calculated in accordance with the EUR/USD and EUR/BRL exchange rates

The Group uses in its valuation models the spot rate observed on the market at the time of the valuation.

Financial instruments not measured at fair value

The table below summarizes the carrying amounts and fair values of financial assets and liabilities presented in the Group's balance sheet at amortized cost:

EUR thousand	Notes	31.12.2025				31.12.2024			
		Carrying amount	Fair value			Carrying amount	Fair value		
			Level 1	Level 2	Level 3		Level 1	Level 2	Level 3
Assets									
Cash and banks	5	79,168	79,168	-	-	66,377	66,377	-	-
Financial assets at amortized cost	6	854,566	316,714	547,243	-	940,576	485,988	459,648	1,064
Liabilities									
Due to banks	13	58,246	58,246	-	-	61,099	61,099	-	-
Customers' deposits	13	1,321,125	1,321,125	-	-	1,070,887	1,070,887	-	-
Repurchase agreements	13	804,617	804,617	-	-	817,004	817,004	-	-

As at 31 December 2025 and 2024, the caption "Financial assets at amortized cost" includes financial assets in a situation of impairment, involved in judicial restructuring proceedings due to financial difficulties or acquired or originated with credit impairment (POCI) in the amount of € 6,998 thousand (2024: € 2,875 thousand), which respective fair value amounted to € 6,696 thousand (2024: € 1,064 thousand), classified in Level 2 and Level 3, respectively.

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The movement in the fair value of financial assets at amortized cost during financial years 2025 and 2024 is presented as follows:

<i>EUR thousand</i>	Financial assets at amortized cost
Movement – Level 3	
Balance as at 1 January 2024	5,096
Entries to Level 3	-
Changes in fair value	(336)
Disposals	(3,696)
Exits from Level 3	-
Balance as at 31 December 2024	1,064
Entries to Level 3	-
Changes in fair value	-
Disposals	(1,064)
Exits from Level 3	-
Balance as at 31 December 2025	-

Fair value is based on market prices, whenever these are available. The main methods and assumptions used in estimating the fair values of financial assets and liabilities accounted for at amortized cost, are analysed as follows:

- Cash and banks: considering the short-term nature of these financial instruments, their carrying amount is a reasonable estimate of their fair value.
- Financial assets at amortized cost: for debt instruments and loans, fair value was estimated based on market prices / quotations. For Due from banks, reverse repos and commercial paper, due to their short-term nature, their balance sheet value is deemed to be a reasonable estimate of their respective fair value. For other credit operations: for the specialized financing portfolio, it is considered that, due to its indefinite duration nature, its balance sheet value is a reasonable estimate of its fair value.
- Due to banks and repurchase agreements: for repurchase agreements and Due to banks, due to their short-term nature, their carrying amount is deemed to be a reasonable estimate of their respective fair value.
- Customers' deposits: the fair value of these financial instruments is based on the discounted expected future cash flows (principal and interest), considering that instalments are paid on the contractually defined dates. Considering that the applicable interest rates are variable and that the period to maturity is substantially lower than one year, there are no significant differences between the fair value and the carrying amount.

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30. Group structure

As at 31 December 2025 and 2024, the Group structure may be analysed as follows:

Subsidiary	Year of incorporation	Year of acquisition	Registered office	Activity	% Shareholding	Consolidation method
Banco Finantia, S.A.	1987	1987	Portugal	Banking	-	-
Finantia UK Limited	1993	1997	United Kingdom	Finance	100	Full
Finantia Malta Ltd.	2004	2004	Malta	Finance	100	Full
Finantia USA Inc.	1995	1997	USA	Broker-Dealer	100	Full
Finantia Holdings BV	2004	2004	Netherlands	Shareholdings' management	100	Full
Sofinloc Unipessoal, Lda.	1983	1992	Portugal	Administrative services and company support	100	Full
Finantia Corporate, Lda.	1989	1989	Portugal	Advisory services	100	Full
Esprin - Española de Promociones, S.L.	2000	2001	Spain	Advisory services and shareholding company	100	Full

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As at 31 December 2025 and 2024, the Accounts of the Group's companies are presented below:

Subsidiary	2025			2024		
	Total Assets	Total shareholders' Equity	Net profit for the financial year	Total Assets	Total shareholders' Equity	Net profit for the financial year
Banco Finantia, S.A.	1,857,657	447,053	25,092	1,633,528	431,637	24,220
Finantia UK Limited	1,311,996	191,280	23,217	1,207,161	187,158	16,522
Finantia Malta Ltd.	552,034	33,750	6,483	529,333	29,146	6,487
Finantia USA Inc.	5,411	2,726	152	3,453	2,918	146
Finantia Holdings BV	17,619	17,517	2,099	39,383	39,371	22,415
Sofinloc Unipessoal, Lda.	26,046	25,239	494	26,353	24,666	478
Finantia Corporate, Lda.	2,908	2,821	889	3,439	3,434	34
Esprin - Española de Promociones, S.L.	42,421	41,960	2,314	43,288	42,276	1,339

31. IBOR Reform

On 30 June 2023, the final date for the Libor USD transition occurred.

As at 31 December 2025 and 2024, all hedging relationships carried out by the Group are at fair value ("fair value hedges").

As at 31 December 2025, the Group holds financial assets at amortized cost and "Due to banks" indexed to the €ster reference rate, respectively in the amount of € 1,733 thousand (2024: € 27,479 thousand) and € 55,646 thousand (2024: € 58,245 thousand).

As at 31 December 2025, the Group has financial assets at amortized cost and repos operations indexed to the SOFR reference rate, respectively in the amounts of € 113,087 thousand (2024: € 131,041 thousand) and € 303,570 thousand (2024: € 290,694 thousand). As at 31 December 2024, the Group also had financial assets at fair value through other comprehensive income indexed to the SOFR reference rate in the amount of € 287 thousand.

32. Subsequent events

Between 31 December 2025, and the date of authorization for the issuance of these consolidated financial statements, the following events were identified, which, under IAS 10 – Events after the reporting period, are classified as non-adjustable.

In mid-February 2026, a debt instrument (bond) held by the Group, classified as investment grade (“BBB”) by major external rating agencies as at 31 December 2025 and integrated into the HTCS business model, measured as a financial asset at fair value through other comprehensive income, was subject to a downgrade of its credit rating to “CCC”. As at 31 December 2025, this instrument is recognized at fair market value in the amount of € 12,380 thousand. Following the downgrade that occurred in February 2026, estimated impairment losses in the amount of € 2,959 thousand were recognized. We confirm that the monitoring of the evolution of this exposure is within the Group’s scope activities established in the risk monitoring and management system.

At the end of February 2026, in the matter of international geopolitical concerns, the emergence of a conflict between the United States and Israel with Iran merits mention. The high uncertainty associated with the unfolding of events could potentially have repercussions on the Group's activity, particularly in the event of widespread asset devaluations in international financial markets and volatility, although these are not yet known at this time. We confirm that the Group will pay close attention to the evolution of these events and market conditions, with a view to adopting the necessary management measures and minimizing any negative impacts. As at the reference date of 31 December 2025, the Group does not have any direct or indirect exposure to Iran.

These events resulted from conditions that arose after the reporting date, and there is no evidence of them as at 31 December 2025. Under IAS 10 – Events after the reporting period, these events are classified as non-adjustable. In this context, no adjustment was made to the amounts recognized in the financial statements at the reporting date.

Translation Note

The present Financial Statements and Management Report 2025 are a free translation of the original documents issued in the Portuguese language. In the event of discrepancies or misinterpretations, the original versions shall prevail.



Statutory Audit Report

(Free translation from a report originally issued in Portuguese language. In case of doubt the Portuguese version will always prevail)

Report on the audit of the consolidated financial statements

Opinion

We have audited the accompanying consolidated financial statements of Banco Finantia, S.A. (the Group), which comprise the consolidated statement of financial position as at 31 December 2025 (which shows total assets of Euros 2.736.191 thousand and total shareholders' equity of Euros 513.959 thousand including a net profit attributable to shareholders of the Bank of Euros 29.409 thousand), the consolidated income statement, the consolidated statement of comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including material accounting policy information.

In our opinion, the accompanying consolidated financial statements present fairly in all material respects, the consolidated financial position of Banco Finantia S.A. as at 31 December 2025, and their consolidated financial performance and their consolidated cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRS), as adopted by the European Union.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) and other technical and ethical standards and recommendations issued by the Institute of Statutory Auditors. Our responsibilities under those standards are described in the "Auditor's responsibilities for the audit of the consolidated financial statements" section below. In accordance with the law we are independent of the entities that are included in the Group and we have fulfilled our other ethical responsibilities in accordance with the ethics code of the Institute of Statutory Auditors.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the consolidated financial statements of the current year. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

PricewaterhouseCoopers & Associados – Sociedade de Revisores Oficiais de Contas, Lda.

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PricewaterhouseCoopers & Associados – Sociedade de Revisores Oficiais de Contas, Lda. pertence à rede de entidades que são membros da PricewaterhouseCoopers International Limited, cada uma das quais é uma entidade legal autónoma e independente.

Receção: Palácio Sottomayor, Avenida Fontes Pereira de Melo, nº16, 1050-121 Lisboa, Portugal

Impairment losses on financial assets at amortised cost and financial assets at fair value through other comprehensive income – debt securities and loans and advances to customers - and provisions for guarantees and other commitments *(notes 2.2.1, 6, 14 and 24 attached to the consolidated financial statements of the Bank)*

The significant expression of the balances related to loans and advances to customers and debt securities measured at amortised cost and at fair value through other comprehensive income as well as off-balance sheet exposures represented by guarantees and other commitments, together with the corresponding impairment losses and provisions, whose determination requires the processing of a significant volume of data and the application of complex assumptions and judgments by the Group's management, justify that these constituted a key audit matter for the purpose of our audit.

As at 31 December 2025, the gross carrying amount of loans and advances to customers amounts to Euros 424.015 thousand (of which Euros 395.577 thousand relate to loans and advances to customers measured at amortized cost and Euros 28.438 thousand measured at fair value through other comprehensive income) and the gross carrying amount of debt securities amounts to Euros 2.087.770 thousand (of which Euros 429.301 thousand relate to debt securities measured at amortized cost and Euros 1.658.469 thousand measured at fair value through other comprehensive income) with corresponding impairment losses of Euros 12.713 thousand. The off-balance sheet exposures represented by guarantees and other commitments amounts to Euros 53.957 thousand, with related provisions recognized as at that date of Euros 14 thousand.

In accordance with IFRS 9 – Financial Instruments and the accounting policy disclosed in note 2.2.1 of the Group's consolidated financial statements as at 31 December 2025, for its most significant exposures, evaluated in terms of the total amount of responsibilities within the Group and the possible existence of triggers of default, the Group applies a loss quantification process, which includes and

The audit procedures performed included the identification, understanding and evaluation of policies and procedures established by the Group for impairment losses quantification of the loans and advances to customers and debt securities and provisions for guarantees and other commitments, as well of the key controls related to the approval, recording and monitoring of credit risk, and to the timely identification, measurement and recognition of impairment losses and provisions.

On a sample basis, we reviewed a selection of customers included by the Group in the individual analysis perimeter as at 31 December 2025 in order to: (i) reviewing the conclusions and results obtained by the Group in its individual staging analysis and impairment quantification analysis; and (ii) perform our own judgment over the existence of significant increase in credit risk or default situations, the customer's economic and financial condition, the predictability of expected future cash flows from their businesses, and the recoverability prospects of the loans.

For the exposures whose impairment is determined through the collective model, and with the involvement of internal specialists where considered necessary, we developed specific procedures in order to (i) review the application of the criteria used by the Group to identify significant increases in credit risk or default events, and (ii) evaluate the extent to which the assumptions considered by management address all the requirements set out in IFRS 9, by comparing them with the information on the performance and recoveries related to loans and advances to customers as well as debt securities measured at amortized cost and fair value through other comprehensive income, as well as the forward-looking information.

Key Audit Matter

individual assessment comprising (i) a staging analysis; and (ii) an impairment quantification. In the latter, the amount of impairment is determined through a detailed analysis of the economic and financial position of each customer, having as consideration (i) the estimated cash flows that may be generated in the future for the fulfilment of their responsibilities (going concern approach); and/or (ii) the valuation of the collateral received in the scope of the loans granted, whenever recovery is expected via collateral enforcement, foreclosure, and/or sale (gone concern approach).

For exposures not subject to individual impairment assessment, the Group develops collective models to determine expected impairment losses, based on (i) a set of triggers to identify significant increases in credit risk or default events, (ii) historical default and recovery data provided by external suppliers, namely rating agencies, and (iii) other market-based information, such as credit spreads, yield curves and ratings.

In this context, any changes in the assumptions or methodologies, or in the information provided by external suppliers used by the Group in the analysis and quantification of impairment losses of loans and advances to customers and debt securities portfolios, as well as provisions for guarantees and other commitments, as well as different recovering strategies, may have an effect on the recovery flows estimation and on the timing of their receipt and may have a material impact on the impairment losses amount and provisions recognised in each reporting date.

Summary of the Audit Approach

Our audit procedures also included the review of the disclosures regarding loans and advances to customers and debt securities at amortised cost and at fair value through other comprehensive income, off-balance sheet exposures and corresponding impairment losses and provisions, presented on the Group's accompanying notes to the consolidated financial statements, considering the applicable accounting standards.

Fair value of financial instruments measured at fair value not quoted in an active market – level 2 and 3 of the fair value hierarchy (*notes 2.8 and 2.9 attached to the consolidated financial statements of the Bank*)

Due to its relevance in the context of the Bank's consolidated financial statements and the associated level of judgment, the fair value measurement of financial instruments not quoted in an active market classified as level 2 and 3 of the fair value hierarchy

The audit procedures developed include the identification and understanding of key controls established by the Group underlying the fair value methodologies adopted and the selection and determination of the main assumptions used in the calculation of fair value for the financial instruments

Key Audit Matter

was considered a relevant matter for the purpose of our audit.

As disclosed in note 29 to the Bank's consolidated financial statements at 31 December 2025, the net balance sheet amounts at that date of financial assets measured using (i) generally accepted valuation models whose inputs are mostly observable in the market (level 2 of the fair value hierarchy), or (ii) valuation techniques that use unobservable market inputs (level 3 of the fair value hierarchy) amounted to Euros 489,681 thousand and Euros 568 thousand, respectively, including the hedge accounting adjustments. As at 31 December 2025, the financial instruments are mainly comprised of derivatives, debt securities and loans and advances to customers.

For these financial instruments classified within levels 2 and 3 of the fair value hierarchy, the Group determines fair value using (i) prices obtained from independent counterparties; (ii) prices observed in comparable and recent market transactions; (iii) discounted cash flow models; and/or (iv) other methodologies considering the nature of the investment and the market context of the instruments, which usually involve a high level of judgment in defining the assumptions and inputs to be used.

In this context, changes in the assumptions and valuation techniques used by the Group may give rise to material impacts on the determination of the fair value of the financial instruments recognised in the Bank's consolidated financial statements.

Summary of the Audit Approach

not quoted in an active market and classified as level 2 and 3 of the fair value hierarchy.

Based on the procedures performed for a sample of a financial instruments not quoted in an active market and classified within level 2 and 3 of the fair value hierarchy, including valuation adjustments arising from the application of hedge accounting, the following procedures are highlighted: (i) obtaining an understanding of the Bank's governance processes relating to the review and approval of the key assumptions and valuation models used, as well as the analysis of internal documentation supporting the decision-making process; and (ii) understanding the methodologies, key assumptions and data used by the Bank, and assessing their reasonableness in the circumstances, having compared the observable data subject with market information collected from external and independent sources, whenever available.

Our audit procedures also included a review of the disclosures relating to financial instruments not quoted in an active market and classified as level 2 or 3 of the fair value hierarchy, as set out in the accompanying notes to the Bank's consolidated financial statements, with due consideration of the applicable accounting standards.

Responsibilities of management and supervisory board for the consolidated financial statements

Management is responsible for:

- a) the preparation of the consolidated financial statements, which present fairly the consolidated financial position, the consolidated financial performance and the cash flows of the Group in accordance with International Financial Reporting Standards (IFRS), as adopted by the European Union;
- b) the preparation of the consolidated Management Report in accordance with the applicable law and regulations;
- c) the creation and maintenance of an appropriate system of internal control to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error;

- d) the adoption of appropriate accounting policies and criteria; and
- e) the assessment of the Group's ability to continue as a going concern, disclosing, as applicable, events or conditions that may cast significant doubt on the Group's ability to continue its activities.

The supervisory board is responsible for overseeing the process of preparation and disclosure of the Group's financial information.

Auditor's responsibilities for the audit of the consolidated financial statements

Our responsibility is to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- a) identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;
- b) obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control;
- c) evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management;
- d) conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern;
- e) evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation;

- f) plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the Group as a basis for forming an opinion on the consolidated financial statements. We are responsible for the direction, supervision and review of the audit work performed for purposes of the Group audit. We remain solely responsible for our audit opinion;
- g) communicate with those charged with governance, including the supervisory board, regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit;
- h) of the matters we have communicated to those charged with governance, including the supervisory board, we determine which one's were the most important in the audit of the consolidated financial statements of the current year, these being the key audit matters. We describe these matters in our report, except when the law or regulation prohibits their public disclosure; and
- i) confirm to the supervisory board that we comply with relevant ethical requirements regarding independence and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence and, where applicable, actions taken to eliminate threats or safeguards applied.

Our responsibility also includes verifying that the information included in the consolidated Management Report is consistent with the consolidated financial statements.

Report on other legal and regulatory requirements

Consolidated Management Report

In compliance with paragraph 3 e) of article No. 451 of the Portuguese Company Law, it is our opinion that the consolidated Management Report has been prepared in accordance with applicable requirements of the law and regulation, that the information included in the consolidated Management report is consistent with the audited consolidated financial statements and, taking into account the knowledge and assessment about the Group, no material misstatements were identified.

Additional information required in article No. 10 of the Regulation (EU) 537/2014

In accordance with article No. 10 of Regulation (EU) 537/2014 of the European Parliament and of the Council, of April 16, 2014, and in addition to the key audit matters referred to above, we also provide the following information:

- a) We were first appointed auditors of Banco Finantia, S.A. in the Shareholders' General Meeting of 30 May 2025 for the period from 2025 to 2027.
- b) The management has confirmed to us it has no knowledge of any allegation of fraud or suspicions of fraud with material effect in the financial statements. We have maintained professional scepticism throughout the audit and determined overall responses to address the risk of material misstatement due to fraud in the consolidated financial statements. Based on the work performed, we have not identified any material misstatement in the consolidated financial statements due to fraud.
- c) We confirm that our audit opinion is consistent with the additional report that was prepared by us and issued to the Group's supervisory board as of this date.

d) We declare that we did not provide any prohibited non-audit services referred to in paragraph 1 of article No. 5 of Regulation (EU) 537/2014 of the European Parliament and of the Council, of April 16, 2014 and that we remain independent of the Group in conducting our audit.

31 March 2026

PricewaterhouseCoopers & Associados
- Sociedade de Revisores Oficiais de Contas, Lda.
represented by:

[Original in Portuguese signed by]

João Ricardo Amorim Gravito, ROC No. 1917
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