

DISCLOSURE OF FINANCIAL INFORMATION

31 December 2025





INDEX FOR DISCLOSURE OF FINANCIAL INFORMATION AT DECEMBER 31, 2025

AMCM's guidelines dated 28/03/2024 (Circular no. 004/B/2024-DSB/AMCM)

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ARTICLE 85 (1) OF FINANCIAL SYSTEM ACT OF MACAU (FSAM)

STATEMENT OF FINANCIAL POSITION

AS AT DECEMBER 31, 2025

MOP

ASSETS	December 31, 2025	December 31, 2024
Cash and balances and placements with banks and other financial institutions	11,379,123,492	10,870,015,719
Deposits with monetary authorities	716,218,312	702,357,030
Debt certificates issued by the Macau SAR Government	11,681,636,583	11,405,904,441
Derivatives financial assets	534,919	4,500,444
Investments in securities	5,393,485,492	4,130,642,561
Loans and advances	26,820,648,406	25,959,726,819
Property and equipment	1,802,772,550	1,862,111,789
Intangible assets	46,846,700	21,374,340
Other assets	93,707,778	128,974,248
TOTAL ASSETS	57,934,974,232	55,085,607,391
LIABILITIES AND EQUITY	December 31, 2025	December 31, 2024
Deposits and balances with banks and other financial institutions	549,747,784	365,132,785
Deposits from customers	36,070,824,682	34,106,228,807
Bank notes in circulation	12,403,887,910	11,600,651,360
Derivatives financial liabilities	2,078,932	1,654,842
Pension liabilities	38,572,406	37,900,817
Current tax payable	170,754,322	174,675,712
Deferred tax liabilities	41,707,794	45,309,546
Other liabilities	291,685,101	319,287,433
TOTAL LIABILITIES	49,569,258,931	46,650,841,302
Share capital	2,000,000,000	2,000,000,000
General regulatory reserves	314,170,035	314,170,035
Specific regulatory reserves	-	-
Other reserves and retained earnings	6,051,545,266	6,120,596,054
TOTAL EQUITY	8,365,715,301	8,434,766,089
TOTAL LIABILITIES AND EQUITY	57,934,974,232	55,085,607,391

ARTICLE 85 (1) OF FINANCIAL SYSTEM ACT OF MACAU (FSAM)

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE YEAR ENDED DECEMBER 31, 2025

MOP

	2025	2024
Interest income	1,241,584,226	1,540,299,584
Interest expense	(386,920,576)	(549,654,304)
NET INTEREST INCOME	854,663,650	990,645,280
Fees and commission income	204,699,414	191,175,738
Fees and commission expense	(111,721,419)	(100,251,830)
NET FEES AND COMMISSION INCOME	92,977,995	90,923,908
Net trading income	31,723,833	57,165,831
Other operating income	1,470,327	1,708,463
Operating expenses	(463,751,336)	(438,923,699)
OPERATING PROFIT BEFORE IMPAIRMENT	517,084,469	701,519,783
Net charge of impairment allowances	(29,991,999)	(35,424,794)
PROFIT BEFORE TAX	487,092,470	666,094,989
Income tax expense	(55,886,707)	(81,035,037)
PROFIT FOR THE YEAR	431,205,763	585,059,952
<i>Other comprehensive income that may be reclassified to profit or loss in subsequent periods:</i>		
- Debt investments at fair value through other comprehensive income	7,931,193	20,068,152
- Exchange differences on translation of foreign operation	18,665,934	(15,659,201)
<i>Other comprehensive income that will not be reclassified to profit or loss in subsequent periods:</i>		
- Equity investments designated at fair value through other comprehensive income	9,268,919	16,973,519
- Revaluation of land and buildings	(6,990,570)	(4,354,328)
- Remeasurement gain/(loss) on defined benefit plans	(2,578,070)	822,923
OTHER COMPREHENSIVE INCOME FOR THE YEAR, NET OF TAX	26,297,406	17,851,065
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	457,503,169	602,911,017

Head of Accounting

Evan Cheang

President of the Executive Committee

Carlos Manuel Sobral Cid da Costa Álvares

ARTICLE 85 (1) OF FINANCIAL SYSTEM ACT OF MACAU (FSAM)

STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED DECEMBER 31, 2025

MOP

	Share capital	Legal reserve	Regulatory reserve	Property revaluation reserve	Securities revaluation reserve	Defined benefit obligation reserve	Foreign currency translation reserve	Retained earnings	Total equity
At 31 December 2024 and 1 January 2025	2,000,000,000	1,277,006,391	314,170,035	1,466,282,530	83,312,521	(10,610,637)	(38,059,969)	3,342,665,218	8,434,766,089
Profit for the year	-	-	-	-	-	-	-	431,205,763	431,205,763
Other comprehensive income for the year:									
Changes in fair value of equity investments at fair value through other comprehensive income, net of tax	-	-	-	-	9,268,919	-	-	-	9,268,919
Changes in fair value of debt investments at fair value through other comprehensive income, net of tax	-	-	-	-	8,015,245	-	-	-	8,015,245
Net changes in allowances for expected credit losses of debt investments at fair value through other comprehensive income, net of tax	-	-	-	-	(84,052)	-	-	-	(84,052)
Change in reserve from revaluation of land and buildings	-	-	-	(4,646,381)	-	-	-	-	(4,646,381)
Deferred tax on revaluation of land and buildings	-	-	-	(2,344,189)	-	-	-	-	(2,344,189)
Change in defined benefit obligation reserve, net of tax	-	-	-	-	-	(2,578,070)	-	-	(2,578,070)
Reserve arising from foreign currency translation	-	-	-	-	-	-	18,665,934	-	18,665,934
Total comprehensive income for the year	-	-	-	(6,990,570)	17,200,112	2,578,070	18,665,934	431,205,763	457,503,169
Transfer to legal reserve	-	58,505,995	-	-	-	-	-	(58,505,995)	-
Dividend declared and paid	-	-	-	-	-	-	-	(526,553,957)	(526,553,957)
Disposal of land and buildings, net of tax	-	-	-	(21,907,406)	-	-	-	21,907,406	-
Transfer of excess depreciation	-	-	-	(24,353,631)	-	-	-	24,353,631	-
At 31 December 2025	2,000,000,000	1,335,512,386	314,170,035	1,413,030,923	100,512,633	(13,188,707)	(19,394,035)	3,235,072,066	8,365,715,301

ARTICLE 85 (1) OF FINANCIAL SYSTEM ACT OF MACAU (FSAM)

STATEMENT OF CHANGES IN EQUITY (Continued)

FOR THE YEAR ENDED DECEMBER 31, 2025

MOP

	Share capital	Legal reserve	Regulatory reserve	Property revaluation reserve	Securities revaluation reserve	Defined benefit obligation reserve	Foreign currency translation reserve	Retained earnings	Total equity
At 31 December 2023 and 1 January 2024	2,000,000,000	1,218,271,760	314,170,035	1,493,132,211	46,270,852	(11,433,560)	(22,400,768)	3,087,517,701	8,125,528,231
Profit for the year	-	-	-	-	-	-	-	585,059,952	585,059,952
Other comprehensive income for the year:									
Changes in fair value of equity investments at fair value through other comprehensive income, net of tax	-	-	-	-	16,973,518	-	-	-	16,973,518
Changes in fair value of debt investments at fair value through other comprehensive income, net of tax	-	-	-	-	20,220,744	-	-	-	20,220,744
Net changes in allowances for expected credit losses of debt investments at fair value through other comprehensive income, net of tax	-	-	-	-	(152,593)	-	-	-	(152,593)
Change in reserve from revaluation of land and buildings	-	-	-	(1,526,567)	-	-	-	-	(1,526,567)
Deferred tax on revaluation of land and buildings	-	-	-	(2,827,761)	-	-	-	-	(2,827,761)
Change in defined benefit obligation reserve, net of tax	-	-	-	-	-	822,923	-	-	822,923
Reserve arising from foreign currency translation	-	-	-	-	-	-	(15,659,201)	-	(15,659,201)
Total comprehensive income for the year	-	-	-	4,354,328	37,041,669	822,923	(15,659,201)	585,059,952	602,911,015
Transfer to legal reserve	-	58,734,631	-	-	-	-	-	(58,734,631)	-
Dividend declared and paid	-	-	-	-	-	-	-	(293,673,157)	(293,673,157)
Transfer of excess depreciation	-	-	-	(22,495,353)	-	-	-	22,495,353	-
At 31 December 2024	2,000,000,000	1,277,006,391	314,170,035	1,466,282,530	83,312,521	(10,610,637)	(38,059,969)	3,342,665,218	8,434,766,089

ARTICLE 85 (1) OF FINANCIAL SYSTEM ACT OF MACAU (FSAM)

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED DECEMBER 31, 2025

MOP

	2025	2024
OPERATING ACTIVITIES		
Profit before tax	487,092,470	666,094,989
Adjustments for:		
Depreciation	54,857,303	52,867,918
Amortisation	11,693,887	9,918,394
Net charge for impairment allowances	29,991,999	35,424,794
Interest income from investments in debt securities	(171,214,284)	(120,042,004)
Other interest income	(1,070,369,942)	(1,420,257,580)
Interest expense	386,920,576	549,654,304
Dividend income	(569,630)	(586,682)
Loss/(gain) on disposal of items of property and equipment, net	2,138,725	(28,701)
Loss on disposal/redemption of investments in debt securities, net	1,193,107	410,808
Loss/(gain) from derivative financial instruments, net	4,400,630	(4,501,899)
Exchange adjustments	(32,249,353)	(24,363,639)
	(296,114,512)	(255,409,298)
Changes in placements with banks and other financial institutions with original maturity more than three months	(2,666,309,112)	(114,224,433)
Changes in minimum reserves with the monetary authorities	(18,756,813)	219,698
Changes in debt certificates issued by the Macau SAR Government	(275,732,142)	(120,571,010)
Changes in loans and advances	(883,834,895)	(1,043,008,892)
Changes in other assets	35,266,470	(23,477,460)
Changes in deposits and balances with banks and other financial institutions	182,930,619	(49,496,343)
Changes in deposits from customers	1,991,631,940	125,689,925
Changes in bank notes in circulation	803,236,550	289,335,690
Changes in pension liabilities	(2,263,347)	(2,454,365)
Changes in other liabilities	(26,230,627)	(40,688,540)
Cash used in operations	(1,156,175,869)	(1,234,085,028)
Macau complementary tax paid	(66,976,832)	(71,221,058)
Chinese Mainland corporate income tax (paid)/refunded	(895,435)	329,971
Interest received	1,063,117,111	1,451,420,055
Interest paid	(412,272,261)	(586,740,893)
Net cash flows used in operating activities	(573,203,286)	(440,296,953)

ARTICLE 85 (1) OF FINANCIAL SYSTEM ACT OF MACAU (FSAM)

STATEMENT OF CASH FLOWS (Continued)

FOR THE YEAR ENDED DECEMBER 31, 2025

MOP

	2025	2024
INVESTING ACTIVITIES		
Interest received from investments in debt securities	147,135,926	122,400,895
Dividends received	569,630	586,682
Purchases of investments in securities	(4,271,730,952)	(3,334,931,689)
Proceeds from disposal and redemption of investments in securities	3,130,358,200	2,059,167,530
Purchases of items of property and equipment	(27,162,806)	(10,067,440)
Purchases of items of intangible assets	(37,129,984)	(5,300,712)
Proceeds from disposal of items of property and equipment	(2,138,725)	48,925
Net cash flows used in investing activities	(1,060,098,711)	(1,168,095,809)
FINANCING ACTIVITIES		
Dividend paid	(526,553,957)	(293,673,157)
Net cash flows used in financing activities	(526,553,957)	(293,673,157)
NET DECREASE IN CASH AND CASH EQUIVALENTS	(2,159,855,954)	(1,902,065,919)
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	8,668,794,063	10,570,859,982
CASH AND CASH EQUIVALENTS AT END OF YEAR	6,508,938,109	8,668,794,063
ANALYSIS OF BALANCES OF CASH AND CASH EQUIVALENTS		
Cash on hand and balances with banks and other financial institutions as stated in the statement of financial position	2,685,862,273	2,426,146,157
Deposit with monetary authorities	716,218,312	702,357,030
Placements with banks and other financial institutions with original maturity at or within three months	3,715,497,908	6,130,174,447
Less: Minimum reserves with the monetary authorities	(608,640,384)	(589,883,571)
Cash and cash equivalents as stated in the statement of cash flows	6,508,938,109	8,668,794,063

ARTICLE 85 (1) OF FINANCIAL SYSTEM ACT OF MACAU (FSAM)

SUMMARY OF THE MANAGEMENT REPORT

Banco Nacional Ultramarino, S.A. ('BNU' or 'the Bank') is a limited liability company incorporated in the Macau Special Administrative Region ('Macau SAR' or 'Macau') and holds a banking licence under the laws of the Macau SAR. The Bank's sole ultimate shareholder is Caixa Geral de Depósitos, S.A. ('CGD') a bank wholly owned by the Portuguese State. CGD is the largest bank in Portugal with a strong international presence, especially in the Community of Portuguese Speaking Countries ('CPLP'). BNU was established in 1902 and is a commercial bank, one of the two banks responsible for issuing Patacas in the Macau SAR.

The Bank conducts its main business in Macau and has a branch in the Guangdong-Macau In-depth Cooperation Zone in Hengqin, which serves as the main bridge for the Bank to participate in the development of the Greater Bay Area and expand its business. The Bank also has a representative office in Shanghai.

Taking advantage of the CGD Group's presence in the CPLP, the Bank continues to position itself as the preferred partner for companies from these countries wishing to do business with China. With the development and financial integration of the Guangdong, Hong Kong and Macau Greater Bay Area (the 'Greater Bay Area') and the advancement of the Guangdong-Macau In-depth Cooperation Zone in Hengqin, our Hengqin Branch will continue to proactively meet the financial needs of individual and corporate investors. The Hengqin Branch will also endeavour to enrich the ties between Mainland China, Macau and Portuguese-speaking countries by providing various financial supports to help build a diversified business environment in Macau and the Greater Bay Area.

BNU's Highlights

In 2025, against a backdrop of the evolving interest rate environment and complex market conditions, the Bank continued to maintain stable operations. The Bank recorded a profit after tax of MOP 431 million, showing a decrease of MOP 154 million (-26.3%) compared to 2024.

Net interest income for 2025 was MOP 855 million, a year-on-year decrease of MOP 138 million (- 13.9%), primarily driven by the changing interest rate landscape. However, this was partially offset by an increase in net fee and commission income, which reached MOP 93 million, representing an increase of MOP 2.05 million (+2.3%) compared to the previous year. This reflects enhanced customer engagement.

In 2025, the Bank's net impairment charge on loans and financial investments was MOP 30 million, a 15.3% reduction from the MOP 35.4 million recorded in 2024. This decrease reflects the Bank's prudent risk management and stable asset quality, supported by conservative credit policies and the maintenance of an adequate provisioning buffer throughout the year.

Operating expenses were MOP 464 million in 2025, a year-on-year increase of 5.7%. Through cost control and efficiency gains achieved by streamlining operational processes, the Bank effectively balanced increased investments in digital transformation, talent development, and brand enhancement. These investments align with the Bank's strategic priorities to elevate customer experience, enhance operational agility, and respond to the rapid pace of digitalization.

ARTICLE 85 (1) OF FINANCIAL SYSTEM ACT OF MACAU (FSAM)

SUMMARY OF THE MANAGEMENT REPORT

The Bank continues to expand its business scale. As of December 2025, the total loans reached MOP 26.8 billion, representing a year-on-year increase of 3.3%. Meanwhile, customer deposits rose to MOP 36.1 billion, an increase of 5.8% compared to the previous year. This highlights our stable funding base and strong customer relationships.

As the integration of the Guangdong-Hong Kong-Macao Greater Bay Area (GBA) and the Guangdong-Macao In-depth Cooperation Zone in Hengqin continues to deepen, the Bank's Hengqin Branch maintains its strategic role in serving individual and corporate investors from Macao and Hong Kong. The branch operating as a cross-border financial hub, supports economic cooperation between Mainland China, Macao, and Portuguese-speaking countries through tailored financial solutions, while fostering a diversified business ecosystem within the GBA. Reflecting our commitment to the strategy, the Bank officially inaugurated its Hengqin Macau New Neighbourhood Sub-Branch on 22 January 2026. This opening marks a significant milestone in our ongoing dedication to serving the community and supporting the deep integration between Hengqin and Macao.

Banco Nacional Ultramarino, S.A. maintains a robust capital and liquidity position, underpinned by disciplined financial management and a solid risk control framework. These pillars enable the Bank to navigate complex market environments with stability while continuing to support its customers, the community, and its stakeholders.

The Bank also continues to integrate ESG (Environmental, Social, and Governance) principles into its day-to-day operations, aiming to foster the creation of long-term, sustainable value for the community and the environment.

The Bank's performance in 2025 demonstrates its ability to navigate complex market conditions and shifting interest rate environments while steadily advancing its long-term strategic objectives. Through disciplined execution of business strategies and continued investment in innovation and sustainability, the Bank is confident in further strengthening its market competitiveness and making a meaningful contribution to regional economic development.

Banco Nacional Ultramarino, S.A. would like to express its deep gratitude to all its customers for their trust and support, to all its employees for their hard work and dedication, and to its shareholder, Caixa Geral de Depósitos, for its continued support and trust.

Banco Nacional Ultramarino, S.A. would also like to thank the Macau authorities, and in particular the Monetary Authority of Macau, for all their support and co-operation.

Carlos Manuel Sobral Cid da Costa Álvares
President of Executive Committee

ARTICLE 85 (1) OF FINANCIAL SYSTEM ACT OF MACAU (FSAM)

OPINION OF THE SUPERVISORY BOARD

Shareholders:

In accordance with the legislation and articles of association of Banco Nacional Ultramarino, S.A. ('the Bank'), the Supervisory Board must supervise the Bank's operations and management and issue an opinion on the financial statements and the proposal for the distribution of profits presented by the Board of Directors for the year ended 31 December 2025.

Throughout the year, the Supervisory Board monitored the Bank's activities and maintained regular contact with the Board of Directors, receiving from the latter, whenever requested, the appropriate co-operation and explanations in a timely manner. In addition, the Supervisory Board reviewed the Report of the Board of Directors for the financial year of 2025, the annual financial statements, the profit distribution proposal and the independent auditor's report issued by Ernst & Young on 30 March 2026, which confirms that the financial statements give a true and fair view of the Bank's financial situation.

Based on the review carried out, the Supervisory Board considers that the annual financial statements, the profit distribution proposal and the reports presented by the Board of Directors can be approved at the General Shareholders' Meeting.

Macau, 31 March 2026.

Chairman of the Supervisory Board

CSC & Associados – Sociedade de Auditores

Chui Sai Cheong, Certified Public Accountant

ARTICLE 85 (1) OF FINANCIAL SYSTEM ACT OF MACAU (FSAM)

REPORT OF THE INDEPENDENT AUDITOR ON THE SUMMARY FINANCIAL STATEMENTS

To the shareholders of Banco Nacional Ultramarino, S.A.

(Incorporated in Macau with limited liability by shares)

The accompanying summary financial statements of Banco Nacional Ultramarino, S.A. (the "Bank"), which comprise the statement of financial position as at 31 December 2025, the statement of profit or loss and comprehensive income for the year then ended, the statement of changes in equity and the statement of cash flows as at 31 December 2025 are derived from the audited financial statements of the Bank for the year ended 31 December 2025. We expressed an unmodified audit opinion on those financial statements in our independent auditor's report dated 30 March 2026.

The summary financial statements do not contain all the disclosures required by the Financial Reporting Standards set out by the Macau Special Administrative Region. Reading the summary financial statements, therefore, is not a substitute for reading the audited financial statements of the Bank.

Management's responsibility for the Summary Financial Statements

Management is responsible for the preparation of the summary financial statements in accordance with the Article 85(1) of Law No. 13/2023 Financial System Act.

Auditor's Responsibility

Our responsibility is to express an opinion on the summary financial statements based on our procedures, which were conducted in accordance with International Standard on Auditing (ISA) 810, "Engagements to Report on Summary Financial Statements", of the Auditing Standards of the Macau Special Administrative Region.

Opinion

In our opinion, the summary financial statements as derived from the audited financial statements of the Bank for the year ended 31 December 2025 are consistent, in all material respects, with those audited financial statements, in accordance with the Article 85(1) of Law No. 13/2023 Financial System Act.

CHAN Wai Certified Public Accountant

Ernst & Young

Macau, 30 March 2026

ARTICLE 85 (1) OF FINANCIAL SYSTEM ACT OF MACAU (FSAM)

LIST OF THE INSTITUTIONS WITH MORE THAN 5% INTERESTS

List of the companies where Banco Nacional Ultramarino, S.A. has equity holdings higher than 5% of the respective issued quoted capital or higher than 5% of the own resources, and respective percentage value:

- **None**

LIST OF THE SHAREHOLDERS WITH QUALIFYING HOLDINGS

According to the Financial System Act of Macau, a qualified holding is one which, either directly or indirectly, represents 10% or more of the share capital or voting rights, or any other form which confers the possibility to exercise a significant influence over the management of the institution.

Shareholders with a qualified holding:

- **Caixa Geral de Depósitos, S.A. ----- 99.425%**

ARTICLE 85 (1) OF FINANCIAL SYSTEM ACT OF MACAU (FSAM)

NAME OF THE MEMBERS OF THE BANK'S BOARD

Board of the General Meeting

• **Chairman:**

Joaquim Jorge Perestrelo Neto Valente

• **Vice-Chairman:**

Liu Chak Wan

Executive Committee

• **President:**

Carlos Manuel Sobral Cid da Costa Álvares

• **Members:**

Tou Kei San

leong Kim Man

Vítor Fernando Guerreiro do Rosário

José Rui da Cruz Lopes Gomes

Board of Directors:

• **Chairman:**

Caixa Geral De Depósitos, S.A.,
represented by José João Guilherme

• **Vice-Chairman:**

Carlos Manuel Sobral Cid da Costa Álvares

• **Members:**

Tou Kei San

Tse See Fan Paul

leong Kim Man

João Paulo Tudela Martins

Vítor Fernando Guerreiro do Rosário

Paula Cristina Cândido Geada

José Rui da Cruz Lopes Gomes

Supervisory Board:

• **Chairman:**

CSC & Associates, Certified Public Accountants
represented by Chui Sai Cheong

• **Members:**

Artur Jorge Teixeira Santos

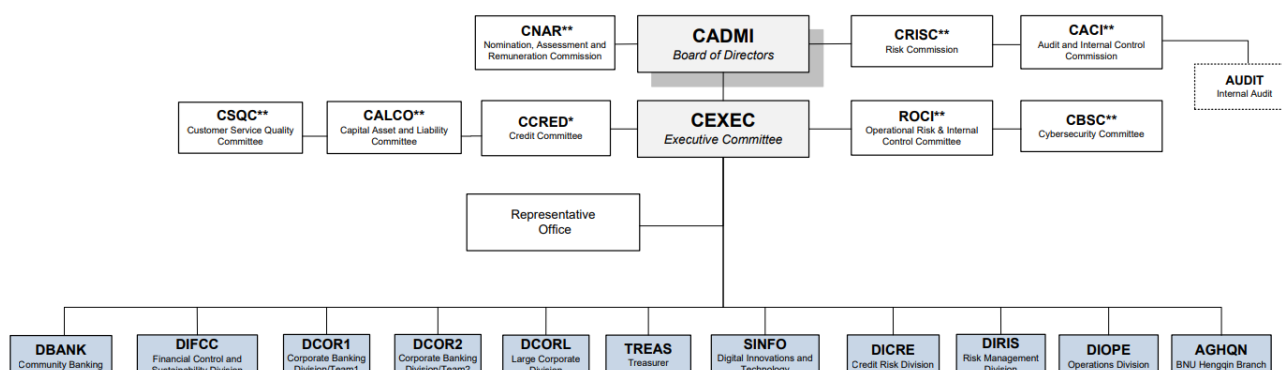
Cheang Kin Lap

Company Secretary:

Pedro Afonso Correia Branco

CORPORATE GOVERNANCE

I – Top Management



Ver: 14/02/2025

Organic Structure of Top Management

Top Management of BNU - Macau includes:

- Board of Directors;
- Executive Committee;
- Nomination, Assessment and Remuneration Commission;
- Audit and Internal Control Commission;
- Risk Commission;
- Capital Asset and Liability Committee;
- Cybersecurity Committee;
- Operational Risk and Internal Control Committee;
- Customer Service Quality Committee;
- Credit Committee.

(a) General Organic Structure of BNU - Macau

The general organic structure includes following divisions:

- Internal Audit;
- Community Banking;
- Corporate Banking Division/Team 1;
- Corporate Banking Division/Team 2;
- Large Corporate Division;
- Operations Division;
- Risk Management Division;
- Credit Risk Division;
- Finance Control and Sustainability Division;
- Treasury;
- Digital Innovations and Technology;
- BNU Hengqin Branch.

I.1. CADMI – Board of Directors (Conselho de Administração)

The Board of Directors is the ultimate administrative, management and decision-making body, being its responsibility to represent, manage, direct and supervise the Bank, as well as the performance of all the acts necessary to achieve its mission objectives.

The following are non-alienable duties of the Board of Directors:

- a) To approve the strategies, plans and general policies of the Bank, specially the annual and pluri-annual budget and Strategic Planning (including those related to sustainability);
- b) Approve the investment policy;
- c) Change or modify the Bank's structure comprising also sustainability's governance and control;
- d) Acquisitions of equity participations in a percentage over 20% of the acquired company's shareholders equity or when the acquisition price is in excess of 10 million Patacas; Previous to this, in case of acquisition of equity stakes or assets representing a branch of activity or business unit (and in additional to the approval circuits and delegation of powers already in place), BNU Macau will inform CGD's DGC and Restructuring Office (prior to the execution of the operation) in order to assure full compliance with the Commitment at stake;
- e) Acquisition of assets, tangibles or intangibles, or substantial third party services contracts, or others, in the name of the Bank. It is considered a substantial contract when it implies a payment in excess of 40 million Patacas or other specifically referred in the "BNU Board of Directors Regulations".
- f) Ensuring proper procedures to gather and assess relevant sustainability data for the scale.

The Board of Directors is formed by a number of members as specified by the General Assembly, within the limits set by the Bank's statutes. Any person or company, not necessarily shareholders, can be members of the board.

Currently, the Board of Directors is composed of 3 to 9 members whose composition comprises the following:

- * President – CGD nominated person
- * Vice-President – President of the BNU Executive Committee and
- * Seven members – four members of the BNU Executive Committee, two members of the CGD Executive Committee, and one independent person.

I.2. CEXEC – EXECUTIVE COMMITTEE (Comissão Executiva)

The Executive Committee is a Board of Directors specialized committee with executive functions for taking binding decisions for the Bank, according to the delegated powers.

Such power delegation may include all the powers of the Board of Directors except those that legally, statutorily or according to the "BNU Board of Directors Regulations" cannot be delegated.

The Executive Committee is formed by a number of members designated by the Board of Directors, not less than three, chaired by one of the vice-presidents of the Board of Directors.

Currently, the Executive Committee is formed by the following members:

- * President – Vice-President of the BNU Board of Directors;
- * Member – a member of the BNU Board of Directors primarily responsible for commercial activity.

- * Member – a member of the BNU Board of Directors primarily responsible for IT & e-banking operation.
- * Member – a member of the BNU Board of Directors primarily responsible for procurement, credit risk, treasury function and security.
- * Member – a member of the BNU Board of Directors primarily responsible for compliance, risk management and operational function.

I.2.1. PRESIDENTE OF EXECUTIVE COMMITTEE (Presidente da Comissão Executiva)

Without detriment of the duties specifically assigned to the Executive Committee, as a collegial body, the President of Executive Committee (*Presidente da Comissão Executiva*) shall:

- i. Summon and chair the meetings of the Executive Committee, setting up the respective agenda and ensure the execution of the decisions taken;
- ii. To coordinate the relationship between the Executive Committee and the Board of Directors and submit to this one the proposals of the Executive Committee;
- iii. Submit to the Board of Directors the Executive Committee proposal about the Bank's annual budget as well as the big investments;
- iv. Coordinate the relationship between the Executive Committee and the Board of Directors' delegated committees, attending the respective meetings whenever deemed convenient;
- v. Oversee the promotional activities of institutional nature;
- vi. Promote, organize, manage and chair representative and institutional events and assure the external representation on such events.
- vii. The Chief Executive Officer leads the Bank's sustainability strategy.

The President of Executive Committee, therefore assuming the role of Chief Executive Officer (CEO), has the primary responsibility over:

- AUDIT – Internal Audit*
- DICRE – Credit Risk Division
- MARKT – Marketing, Customer Engagement & Public Relations
- REHUM – People and Talent Development
- Representative Offices

*Only for the daily administration issues, the direct report is to CACI

I.2.2. MEMBER OF EXECUTIVE COMMITTEE (Vogal da Comissão Executiva)

The Member of Executive Committee (Vogal da Comissão Executiva), as Executive Director (ED), who assumes the principal function of commercial activity. The ED also acts as the Chief Commercial Officer (CCO) and has the primary responsibility over:

- AGHQN – BNU Hengqin Branch
- DBANK – Community Banking
- DCORL – Large Corporate Division
- DCOR1 – Corporate Banking Division/Team 1
- DCOR2 – Corporate Banking Division/Team 2
- TREAS – Treasury

The role of the CCO is to ensure the Bank's sales, marketing, and product strategies are aligned to drive day to day sales and revenue while on the long term commercial roadmap to expand the business through new markets, products and partnerships.

I.2.3. MEMBER OF EXECUTIVE COMMITTEE (Vogal da Comissão Executiva)

The Member of Executive Committee (Vogal da Comissão Executiva), as Executive Director (ED), who assumes the principal function of IT, e-banking and overall operation of the Bank. The ED also acts as the Chief Information and Operational Officer (CIOO) and has the primary responsibility over:

- BTEAM – Business System Analyst Team
- CRECA – Cards and Digital Payments
- DIOPE – Operations Division
- PHOBG – Digital Banking and Customer Service
- SINFO – Digital Innovations and Technology

The role of the CIOO is to ensure the Bank's technology infrastructure not only supports daily operations but also serves as a catalyst for future growth and digital transformation.

I.2.4. MEMBER OF EXECUTIVE COMMITTEE (Vogal da Comissão Executiva)

The Member of Executive Committee (Vogal da Comissão Executiva), as Executive Director (ED), who assumes the principal function of the Bank's finance matters, procurement, credit recovery and bank security matters. The ED also acts as the Chief Financial Officer (CFO), has the primary responsibility over:

- ARCRE – Credit Recovery Area
- DIFCC – Finance Control and Sustainability Division
- PECON – Sustainable Supplies and Facilities Management
- SECOF – Security & Safety Officer

The role of the CFO is to design, develop and implement financial strategic plans, credit recovery and security for the Bank in a cost-effective and time-efficient manner.

I.2.5. MEMBER OF EXECUTIVE COMMITTEE (Vogal da Comissão Executiva)

The Member of Executive Committee (Vogal da Comissão Executiva), as Executive Director (ED), who assumes the principal function of compliance and risk management. The ED also acts as the Chief Risk Officer (CRO), has the primary responsibility over:

- ARSCA – Archiving & Scanning Area
- DO – Data Office
- COMOOF – Compliance Office
- DIRIS – Risk Management Division
- ORGAP – Organization & Efficiency

The role of the CRO is to exercise control on compliance and risk management matters.

I.3. CACI – AUDIT AND INTERNAL CONTROL COMMISSION (Comissão de Auditoria e Controlo Interno)

1. Composition of the Commission

- 1.1. The Auditing and Internal Control Commission shall be composed of 3 (three) to 6 (six) Members, as set out by the Board of Directors.
- 1.2. The members of the Auditing and Internal Control Commission are appointed by the Board of Directors, from among Directors who are not members of the Executive Committee and members of the Supervisory Board.
- 1.3. The members of the Auditing and Internal Control Commission must have the appropriate professional qualifications and experience to carry out the respective duties.

2. Competences

- 2.1. Without prejudice to the legal powers attributed to the Supervisory Board and the responsibilities of the Risk Commission, it is incumbent upon the Auditing and Internal Control Commission to:
 - a) Monitor the activity of the BNU Executive Committee;
 - b) Ensure compliance with all legal and regulatory provisions, BNU by-laws and regulations issued by supervisory authorities, as well as internally instituted general policies, standards and practices;
 - c) Monitor (i) the process of preparation and disclosure of financial information, (ii) the appropriateness and compliance with the policies, criteria and accounting practices adopted by BNU, in accordance with the applicable accounting standard; (iii) the statutory audit and other work performed by the Statutory Auditor / External Auditor;
 - d) Evaluate and promote the effectiveness and efficiency of the Internal Audit Function, ensuring the direct functional reporting of this function;
 - e) Conduct a critical appraisal of the BNU Internal Control System, accompanying the complementary autonomous evaluations that are assigned to the Internal Audit Function, in accordance with the Macao Financial System Legal Framework, as well as Article 21.7 of Bank of Portugal Notice 5/2008 and ensuring that its effectiveness and completeness contribute to the effectiveness and efficiency of the Internal Control System;
 - f) Evaluate the independence of the Statutory Auditor Company, including the monitoring of the contracting of additional audit services to be provided by that company to BNU. Ensure the independence of the Statutory Auditors and the Entities within their Network, namely when they are providing additional non-audit services to BNU.
- 2.2. The powers conferred on the Auditing and Internal Control Commission cover the BNU.

- 2.3. In the performance of the competences referred to in section 2.1(b), it is incumbent upon the Auditing and Internal Control Commission to:
- a) Promote, at BNU, the pursuit of the fundamental objectives in matters of internal control and compliance and reputational risk management set by Monetary Authority of Macao, and, provided this does not violate any legal or regulatory rule, including any notices and directives issued by AMCM, which are in force or will be in force in RAEM, Bank of Portugal and European Central Bank in their supervisory directives applicable to credit institutions and financial companies;
 - b) Be aware of prudential reports relating to the non-consolidated and consolidated BNU's activity;
 - c) Be aware of all inspection actions carried out by Monetary Authority of Macao and other entities on RAEM in the strict exercise of their powers;
 - d) To take note of the annual reports provided for under the Macao Financial System Legal Framework, as well as the directives of the Monetary Authority of Macao, and in accordance with Articles 16/1/b), 17/1/f) and 22/1/c) of Bank of Portugal Notice 5/2008, to be prepared by Risk Management, Compliance and Internal Audit Functions and monitored by the Internal Control function;
 - e) To take note of the annual opinion(s) issued by the Supervisory Board on the adequacy and effectiveness of the internal control system and the opinion of the Statutory Auditor(s) on the internal control system underlying the process of preparing and disclosing financial information, pursuant to the above Notice;
 - f) To take note of the Compliance and Risk Management Functions activity plans after their approval by the Risk Commission.
- 2.4. In the performance of the competences referred to in section 2.1(c), it is incumbent upon the Auditing and Internal Control Commission to:
- (a) BNU financial statements, the individual and consolidated activity, and the opinions of the external auditor/statutory auditor on them;
 - (b) The reliability of the accounting information disclosed internally and externally;
 - (c) The calculation of income taxes;
 - (d) Following up on the activities and issuing an opinion on the external audit activity plans, to be reviewed and approved by the Supervisory Board.
- 2.5. In the performance of the competences referred to in section 2.1(d), the Auditing and Internal Control Commission shall have the primary responsibilities over the Internal Audit Department, with regard to the followings:
- a) Approving the internal audit activity plans, after the Supervisory Board issues its opinion on them and ensuring their follow-up;
 - b) Obtaining regular and updated information on the areas or subjects covered by the audits carried out by the Internal Audit Division;
 - c) Reviewing the activities carried out each semester by the Internal Audit Division;
 - d) Monitoring the evolution of the main processes under the responsibility of the Internal Audit Division, in particular those related to the adequacy and qualification of human resources and technological innovation;
 - e) Reviewing the conclusions of the respective audit actions and conveying to the Executive Committee and the Supervisory Board any recommendations it may deem appropriate regarding the matters audited;
 - f) Monitoring on its own recommendations to address deficiencies reported in the audit reports concerning the certification of the effectiveness of the internal control system.

- 2.6. In the performance of the competences referred to in section 2.1(f), the Auditing and Internal Control Commission also has the following responsibilities, concerning BNU:
- (a) Monitor and supervise the activity of the Statutory Auditor / External Auditor;
 - (b) Deliver an opinion to the Supervisory Board on the contracting of the Statutory Auditors and the Entities within its Network, of additional non-audit services to be provided to BNU and other CGD Group companies, to assure the independence and compliance with applicable laws and regulations to which the activity of Statutory Auditors is subject.
- 2.7. The Audit and Internal Control Commission shall immediately report to the Board of Directors any detected situations that it considers to be of high risk.
- 2.8. The Audit and Internal Control Commission shall establish internal communication procedures with the Board of Directors, the Executive Committee, the other Special Committees and the Supervisory Board.

3. Meetings

- 3.1. The Auditing and Internal Control Commission shall meet regularly, on a quarterly basis, as well as whenever convened by its Chairman or by any of its members.
- 3.2. The meetings of the Auditing and Internal Control Commission shall be convened at least 5 (five) days in advance, except in cases where the Auditing and Internal Control Commission needs to hold an emergency meeting to issue opinions on matters within its competence, with explicit mention of the matters on the agenda. The schedule of meetings, with date and time, approved at a meeting of the Audit and Internal Control Commission or communicated by the Chairman of the Committee is equivalent to the convening of the corresponding meetings.
- 3.3. Meetings can be convened through e-mail or by a simple verbal notification, including by telephone.
- 3.4. The agenda is determined by the Chairman of the Audit and Internal Control Commission, and any member of the Committee may request the inclusion of items on the agenda, which should be addressed to the Chairman as soon as possible before the date of the meeting and accompanied by their supporting elements.
- 3.5. Supporting documents necessary for the meetings shall be delivered to all members of the Audit and Internal Control Commission at least five (5) days prior to the meeting date, preferably, simultaneously with the convened call or, if this is not possible, in advance to allow its timely analysis by the members of the Audit and Internal Control Commission.
- 3.6. Except in cases where a different location is designated in the respective notice, meetings of the Auditing and Internal Control Commission shall be held at BNU's head office.
- 3.7. The meetings of the Auditing and Internal Control Commission may be held using telematic means, such as video-conference or conference call, provided that BNU ensures the authenticity of the representations and the security of the communications, and keeps a record of the contents and the respective participants.
- 3.8. The meetings of the Auditing and Internal Control Commission shall be presided by the Chairman, or in case he cannot attend, by a member of the committee elected by the other members.

- 3.9. The BNU Secretary (or his designee) shall support the functioning of the Auditing and Internal Control Commission and the holding of its meetings.
- 3.10. In addition to the members of the Audit and Internal Control Commission, can also may be present at their meetings, Directors or third parties, provided they are invited or authorized by the Chairman or his / her substitute at such meeting, due to the convenience of the subjects to be discussed.

4. Minutes

- 4.1. Minutes shall be kept of all meetings of the Audit and Internal Control Commission, which shall include the proposals presented, the discussions, comments and contributions made by its Members and all participants of the BNU Directorates and CGD Group companies during the resolutions adopted, expressly stating the respective justification/basic rationale and any explanations of vote made by the Members during the meeting.
- 4.2. It shall be incumbent upon the Secretary, or their appointee, to circulate the meeting minutes to all members of the Auditing and Internal Control Commission who attended the respective meetings, for analysis, approval and signature, in the shortest possible time after the respective meeting or at the immediately subsequent meeting.
- 4.3. All minutes of the meetings of the Auditing and Internal Control Commission shall be kept in hard copy, in the corresponding minutes book, and computerized copies of those minutes must also be extracted and archived in a secure and restricted-access file.
- 4.4. The minutes shall be drawn up in English, without prejudice to the possibility, where necessary, of preparing translations into other language.

5. Support Structures

- 5.1 The Audit and Internal Control Commission may propose to the Chairman of the Board of Directors, in accordance with the budgeted amount, the hiring of services of technicians and specialists that they deem necessary for the performance of their duties.
- 5.2 The Auditing and Internal Control Commission may appoint, when it deems necessary, one or more supporting elements with experience in the areas of their competence, to provide information and perform works with a view to substantiating its analyses and conclusions.

I.4. CRISC – RISK COMMISSION (Comissão de Risco)

1. Competences and functions:
 - a) Evaluate and promote the effectiveness of the Risk and Compliance Functions;
 - b) Monitor BNU's risk strategy and risk appetite, on an individual and consolidated basis;
 - c) Advise the Board of Directors on the Credit Institution's current and future risk strategy and overall risk strategy, taking into account all types of risks, financial and non-financial, in order to ensure that they are in harmony with the business strategy, objectives, culture and corporate values of the institution and CGD Group;

- d) Assist the Board of Directors in supervising the execution of BNU's risk strategy, on an individual and consolidated basis, by the top management;
- e) Supervise the consistency between all important products and services offered to customers, as well as the institution's business model and risk strategy, and submit to the Board of Directors remediation plans when from that analysis the referred conditions do not adequately reflect the risks;
- f) Analyse whether the conditions of the products and services offered to customers take into account BNU's business model and risk strategy, including on an individual and consolidated basis, and submit to the Board of Directors a remediation plan, when from that analysis the referred conditions do not adequately reflect the risks;
- g) Examine whether the incentives established in BNU remuneration policy, including on an individual and consolidated basis, take into account the risk, capital, liquidity and expectations regarding results;
- h) Monitor management policies of all risks related to the activity of BNU or CGD Group, financial and non-financial, namely the business and strategy, solvency, liquidity, interest rate, credit, market, pension fund, operational, IT, compliance and reputation risks;
- i) Advise the Board of Directors of BNU on the current and future generic policies of BNU or CGD Group, regarding the assumption, management, control, coverage and reduction of risk factors;
- j) Analyse specific risk categories, namely those of credit and those referring to the Macau Financial System Act, as well as those referring to the applicable Macao Monetary Authority directives, and also those referring to Articles 115-N to 115-V of the General Regime of Credit Institutions and Financial Companies (RGICSF), monitoring and assessing the risks of non-compliance with the obligations to which CGD is subject;
- k) Review the adequacy of resource allocation to risk management regulated in the Macau Financial System Act, as well as the applicable directives of the Macao Monetary Authority, and also in the Legal Framework of Credit Institutions and Financial Companies and other Portuguese and European legislation in force;
- l) Assess and promote the effectiveness and efficiency of the internal control processes at BNU and CGD Group, particularly through the evaluation of the recommendations of the FGR, the Compliance Function, the 1st line of defense, internal or external auditors, and of the regulator. Monitor the proper implementation of the measures adopted;
- m) Evaluate the processes, methodologies and asset valuation models as well external credit ratings and approving the most significant aspects of the credit rating as well risk estimation;
- n) Analyze a set of possible scenarios, which include the stress scenarios, to assess how the institution's risk profile reacts to external and internal events;
- o) Follow up the models in force to estimate the risk and to calculate the Own Funds;

- p) Provide comments on the appointment of external consultants that the Supervisory Board decides to hire to provide advisory or support services;
- q) Monitor the rating and scoring models;
- r) Evaluate the action plans prepared by the risk management and compliance functions in relation to all risks;
- s) Monitor the corporate policies regarding the management of all risks related with BNU's activities, on an individual and consolidated basis, financial and non-financial, namely liquidity, interest rate, foreign exchange, market, credit, operational and IT, without prejudice to the powers of the Supervisory Board in these matters; and,
- t) Perform any other functions assigned to the risk committee foreseen in the Macau Financial System Act, as well as in the applicable Macao Monetary Authority directives, and also in paragraph 1 of article 115-L of General Regime of Credit Institutions and Financial Companies, provided it does not violate any legal or regulatory rules, including any notices and directives issued by AMCM, which are in force or will be in force in the RAEM.
- u) The Risk Committee must consider sustainability factors into decision-making and monitoring, in accordance with the defined policies and strategies.

I.5. CALCO – Capital Asset and Liability Committee

CALCO is a body under the Executive Committee responsible for assessing and monitoring the process of integrated management of capital, assets and liabilities (ALM - Capital, Asset-Liability Management) which aims to proactively manage BNU's balance sheet and profitability.

Within the scope of the ALM process, the set of actions and procedures aimed at controlling the bank's risks and financial position is considered, prioritizing the health of the balance sheet and recognizing that obtaining an adequate return on the allocated capital implies management balance of the risk/return profile, in a context characterized by the uncertain behaviour of variables that critically affect financial performance. In this way, the main objective of the ALM process is to contribute to the balance of BNU /HENGQIN balance sheet and to the achievement of positive financial results, in a sustainable manner, maintaining a prudent management of the situation of liquidity, consumption of capital and control of risks financial commitments. Thus, the ALM process aims to achieve the following objectives:

- Centralized assessment and coordination of the financial and capital position, as well as the various financial and balance sheet risks of BNU/HENGQIN;
- Creation of conditions to ensure the consistency of BNU/HENGQIN financial strategy with the policies defined for other areas (e.g. credit, investment, fundraising);
- Compliance with existing and foreseeable regulatory obligations,

In the field of risk management, the ALM process focuses on balance sheet, market, liquidity and regulatory interest rate risks, and other types of risk (e.g. credit risk) may be taken into account as framing factors and operational risk.

1. Purpose and Main Goals of the Capital, Asset / Liability Committee

The purpose of the capital, asset and liabilities committee is to control the various risks assumed by the Bank in order to ensure a sound financial situation while allowing for the expansion of the Bank's activity on a sustainable way.

More specifically the CALCO processes and policy proposes aim to achieve the following main goals:

- a) To develop the asset/liability process and related procedures;
- b) To measure and manage the various risks facing the Bank on a consistent basis;
- c) To establish guidelines to meet various applicable regulatory rules and comply with requirements from supervisory bodies, namely in matters such as capital, solvability and liquidity;
- d) To form a consistent, centralized and integrated policy for the management of Bank's financial position and planning, taking into consideration the policies defined by all areas (investments, lending, operations, etc.);

The CALCO process is primarily focused on the following main risks:

- a) Balance sheet interest rate risk, i.e. the risk that changes in assets or liabilities interest rates will negatively affect the earnings stream of the Bank;
- b) Market risk (also called valuation or Price risk), i.e. the risks that changes in market prices (e.g. interest rates, exchange rates, assets valuation) will negatively affect the value of portfolio assets and liabilities, as well as that of capital;
- c) Liquidity risk, i.e., the risk that the financial flows generated by assets and liabilities are insufficient to satisfy commitments with depositors and other creditors, including an outlook on the mismatches between liabilities and assets, foreseeing the exercise of options in both cases (e.g. withdrawals or early reimbursements);
- d) Regulatory risk, i.e., the risk of not fulfilling liquidity related directives from the supervisory bodies and the resulting potential negative consequences.

Other Risks:

Other risks may be measured from time to time. However, their importance is also key to the Bank's continued operations, namely:

- a) Mismatch Risk - risk of adverse consequences from a change in interest rates that arise due to differences in the timing of when those interest rate changes affect the bank's assets and liabilities;
- b) Basis Risk - risk that the spread between instruments of similar maturities will change;

2. Duties of the Capital, Asset Liability Committee

The items cited below do not necessarily represent an all-inclusive list of Committee's duties, given the dynamic nature of its responsibilities. On a regular basis, Committee should:

- a) Hold a formal meeting at least once in two months. Informal meetings will be held on an as needed basis.
- b) Monitor and discuss the status and results of implemented asset/liability management strategies and tactics.
- c) Review the current and prospective liquidity positions and monitor alternative funding sources.

- d) Review measurement reports on various risks that can be measured with a reasonable degree of effort. Compare simulated exposures of these risks to policy limits. Discuss and report on the impact of major funding shifts and changes in overall investment and lending strategies.
- e) Review the current and prospective capital levels (risk-based as well as leverage capital) to determine sufficiency in relation to: expected growth, interest rate risk, price risk, and asset mix/quality.
- f) Maintaining and reviewing contingency plans to handle unexpected situation regarding liquidity.
- g) Review the current ICAAP and ILAAP of the bank.
- h) Developing scenarios on the evolution of the main variables determining balance sheet interest rate risk and market risk (e.g. interest rates, exchange rates) and establishing adequate action plans.
- i) Review outlook for interest rates and economy at both local and national levels.
- j) Develop alternate strategies and deemed appropriate, which take into account changes in:
 - Interest rate and exchange rate levels and trends,
 - Deposit and loan products and related markets,
 - Economic outlook and monetary and fiscal policy.
- k) Develop parameters for the pricing and maturity distributions of deposits, loans and investments.
- l) Report the results of the Liquidity Contingency Plan drill if any.
- m) Report the minutes each quarter to the Executive Committee.
- n) Hengqin to provide basic liquidity situation in the branch and whether the requirements from PBOC are met.

Also, Committee will ensure that it is aware of the overall financial performance of the Bank, therefore, will keep abreast of significant changes/trends in its financial results. In this regard it may:

- Review actual financial results net interest income and non-interest income) and asset/liability distribution versus budget.
- Measure performance against established standards and, if appropriate against peer group data.

3. Committee Members

The Committee will consist of the following members:

- a) The Chief Executive Officer that chairs the Committee. In his absence the Committee is chaired by the Chief Financial Officer (CFO)
- b) Chief Financial Officer (CFO)
- c) The Chief Risk Officer (CRO)
- d) Treasury (TREAS)
- e) Risk Management Division (DIRIS)
- f) Finance Control and Sustainability Division (DIFCC)
- g) Marketing, Customer Engagement & Public Relations (MARKT)
- h) Branch Hengqin Branch (AGHQN)
- i) CALCO Support Structure - DIFCC;

- j) Other Organs of the Bank whenever necessary can be invited to participate in the meetings.

4. Meeting Quorum

The Meeting Quorum should include:

- At least 2 CEXEC Members;
- Head (or Substitute) of the units mentioned in Point 3 above;
- May be involved, depending on the subjects under discussion, the heads of other structures of the Bank or the Group.

5. CALCO Support Structure - DIFCC

CALCO has a Support Structure that ensures adequate preparation of CALCO meetings, namely in what concerns the selection and treatment of information and indicators to be analyzed, and that also brings consistency and continuity to actions and initiatives that are to be developed within the scope of ALM process.

The CALCO Support Structure is responsible for collecting and analysing relevant information for CALCO, preparing report drafts to be submitted to the Executive Committee and monitoring the follow-up of CALCO deliberations, making regular status assessments.

Each member represented in CALCO is a privileged contact point on matters related to ALM, which coordinates its action with CALCO Support Structure.

6. Indicators to be Analyzed by CALCO on a Regular Basis

Indicators to be discussed at each CALCO meeting are collected by the Support Structure and distributed to participants at least three working days before the meeting date.

Framework of BNU Activity

- a) Economic and financial situation and outlook
- b) Monetary and credit aggregates evolution
- c) Projections for interest rates developments

Balance Sheet and Income Statement

- a) Deposits, credit and ratios evolution (e.g. credit-to-deposits ratios, overdue credit ratios)
- b) Income Statement evolution, operating income evolution (not aggregate), revenues by product and by units, ratios (e.g. ROA, ROE).

Liquidity

- a) Liquidity situation and wholesale funding
- b) Funding costs evolution with reference to benchmark
- c) Liquidity ratio, maturity gaps and other liquidity risk indicators

Market Risk and Portfolio Management

- a) Investment portfolio management and negotiation indicators (strategy, performance)
- b) Market risk indicators (e.g. VaR, BpV) and portfolio guidelines achievement
- c) Foreign exchange exposure indicators

Balance Sheet Interest Rate Risk

- a) Interest rate gaps and other balance sheet interest rate indicators.
- b) Stressed result of the Interest rate gaps in the balance sheet.

Capital and Compliance Indicators

- a) Capital ratios
- b) Other regulatory ratios and indicators, aggregate and separate.

I.6. CCRED – Credit Committee (Comité de Crédito)

The Credit Committee is a decision-making organ with the limits of competence for the approval of credit facilities, banking guarantees and all the other transactions that BNU is authorized to perform with its customers, either retail, corporate or group of corporate customers, under the local Banking Regulations. The power delegation for CC is defined in the Credit Regulations of BNU, approved by the Board of Directors.

The Chairman of the committee is the Executive member with credit risk responsibility. On his absence, the replacement is another Executive member, nominated by the Chairman.

Meeting members:

- Members of the Executive Committee (CEXEC) - minimum 2 member, including the Chairman;
- Credit Risk Division (DICRE)
- Corporate Banking Division Team 1 (DCOR1)
- Corporate Banking Division Team 2 (DCOR2)
- Large Corporate Division (DCORL)
- Community Banking (DBANK)
- Hengqin Branch (AGHQN)
- Credit Recovery Area (ARCRE)

The Head or Deputy of the unit members must be present in CC.

Whenever deemed necessary or convenient for the analysis of a specific transaction, other staff may be required to participate.

Deliberations:

The decisions need to be unanimous between the members, abstentions are not allowed.

Regarding, pricing, commissions, fees and other charges related, the Credit Risk Division (DICRE) would not vote.

The debates and deliberations have to be registered in a summarized and clear manner in the minutes, which shall be shared between the participants.

Frequency:

The Credit Committee shall meet on a weekly basis and ad-hoc meetings can be scheduled.

Powers delegation and procedures:

Are defined under the Credit Regulations of BNU.

I.7. CBSC – Cybersecurity Committee

1. Purpose and Main Goals of the Cybersecurity Committee

In consideration of the continuous popularity of Cybersecurity Attack in the world, it is necessary to monitor the coming threats in a preventive approach. The Cybersecurity Committee (CBSC) is established. While the CBSC has same objective as the Electronic Banking Security Committee (EBSC), it replaces the latter with a larger scope of topics and issues covered in an extent targeting specifically to the Cybersecurity related atmosphere.

CBSC aims to improve security control so as to ensure minimizing the risks to the lowest level while protecting the bank's interest from preventable losses.

It enhances CEXEC and Heads of Divisions / Departments' understanding and oversight of Cybersecurity affairs which might affect the Bank.

2. Functions and Tasks

The CBSC will take up the responsibilities of vulnerabilities and threats assessment, issues analysis and solution, policies defining and procedures implementation, together with documents and reports writing.

The span of functions and tasks of the CBSC should cover discussion, review of development progress, issue analysis, solution, policy and protection measures related to the following topics:

- Vulnerabilities and Threats
- Electronic Banking (including Electronic Plastic Card) Business
- Smart or Mobile Devices related issues (including New Payment Methodologies)
- Cybersecurity Attacks (including Phishing and Social Engineering)
- Cybersecurity Trends and Incidents in the world
- Other Cybersecurity related topics

3. Committee Membership

The committee includes the following members:

CEXEC Members

AUDIT (and System Audit)

COMOF

DBANK

MARKT

ORGAP

PECON

SINFO (and SECAD)

CRECA

PHOBG

DIRIS

AGHQN

Meeting Quorum:

- At least two CEXEC Members.
- Head (or Substitute) of the units mentioned above.
- Chairman – CEXEC Member who assumes the principal function of IT, e-banking and overall operation of the Bank In his absence, the Committee may be chaired by another Executive Director appointed by the Chairman.
- CGD Chief Information Security Officer (CISO) is invited to participate in the Meetings.

4. Meetings

The Cybersecurity Committee shall meet quarterly or as convened by CEXEC.

5. Minutes

It will be prepared minutes of the Cybersecurity Committee meetings, containing attendance (including respective position), the main issues discussed and the decisions taken.

1.8. ROCI – Operational Risk & Internal Control Committee (Risco Operacional & Controlo Interno)

1. Purpose and Main Goals of the Operational Risk & Internal Control Committee

The Operational Risk and Internal Control Committee is to coordinate, monitor, assess and debate issues related to operational risk management and internal control.

2. Functions and Tasks

The Committee is responsible for:

- Proposing the risk profile that the Bank must follow, the strategy and the risk management policies;
- Verifying the compliance with the risk management policies and strategies;
- Verifying if the global risk level is in accordance with the original established limit;
- Monitoring the results in all areas of the implemented methodology, including the loss data collection process, self-assessment of risks and controls and risk indicators;
- Checking the adequacy of the Internal Control System;
- Approving the proposed action plans in order to mitigate operational risk and strengthen the internal control system and reports this to the Board and to the Executive Committee.

3. Committee Membership

The committee includes the following members:

- CEXEC Members;
- ARCRE;
- DIRIS;
- COMOF;

- DBANK;
- DIFCC;
- DIOPE;
- REHUM;
- SINFO;
- TREAS.

4. Meeting Quorum

The Meeting Quorum should include:

- At least 2 CEXEC Members;
- The Chief Risk Officer (CRO) chairs the Committee. In his absence, the Committee may be chaired by another Executive Director appointed by the CRO;
- Head (or Substitute) of the units mentioned in Point 3 above;
- Also participates, as an observer, the Head of AUDIT;
- May be involved, depending on the subjects under discussion, the heads of other structures of the Bank or the Group.

5. Meeting

The Committee shall comply with the following:

- Should adopt a quarterly basis, or meet whenever the members of the Executive Committee deems it necessary;
- Invite CGD ROCI Committee to participate in a bi-yearly basis;
- Decisions subject to approval of the Board are submitted through an information;
- The meetings are supported by the Operational Risk and Internal Control Area, which is responsible for:
 - Preparing an agenda of issues to be addressed;
 - Calling the permanent members and other elements, according to the subjects;
 - Distributing documents by the participants to support the issues to be addressed within 24 hours prior to the meetings;
 - Preparing and distributing by the participants the documents related with the matters discussed and the minutes of the meeting.

I.9. CSQC – Customer Service Quality Committee

In order to better address customer needs and to achieve constructive results in the area of customer service quality, the «Customer Service Quality Committee» is held on a quarterly basis with the following participants:

- CEXEC members; The Chief Executive Officer (CEO) chairs the Committee. In his absence, the Committee may be chaired by another Executive Director appointed by the CEO;

- Heads of DIRIS, DBANK, PBANK, DIOPE, AOPER, DCORL, DCOR1, DCOR2, CRECA, ORGAP, SINFO, MARKT, REHUM, PHOBG, DICRE, AUDIT, DIFCC, PLANI, COMOF, ARSCA, AGHQN, PECON.

The “Customer Service Quality Committee” will plan, implement and monitor the necessary actions in order to achieve the target of “highest level of customer satisfaction and quality service”.

The Meeting Quorum of Customer Service Quality Committee should include:

- At least 2 CEXEC Members;
- Head (or Substitute) of the units mentioned in the previous point.

CSQC meeting minutes shall include clearly the meeting date, main issues discussed, decision made as well as the committee members attendance.

DIRIS to present to the Committee below:

1. To analyse information in CSCS;
2. To prepare a report which includes but not limited to:
 - i. Statistics on the volume and type of complaints/suggestions/compliments;
 - ii. The level of the complaint handling system meets the prescribed performance standards;
 - iii. The level of customer satisfaction with how complaints are handled;
 - iv. Most frequent motives and the measures adopted for handling / solving them;
 - v. Any repeated problems being identified and corrected.
3. To prepare the meeting minutes related to complaint assessments;
4. To coordinate and follow up of any identified task during the meeting.

ORGAP to present to the Committee below:

1. Error Reduction Analysis;
2. Turnaround Time of Card, Consumer Loan& Housing Loan;
3. Queuing System Statistics Analysis;
4. Central Archiving Statistics
5. Call Center Statistics
6. To prepare the meeting minutes related to aforementioned items 1-5

I.10. CNAR – Nomination, Assessment and Remuneration Commission (Comissão de Nomeações, Avaliação e Remunerações)

1. Object

This Regulation establishes the rules for the composition and appointment, powers, organization and functioning of the Nomination, Assessment and Remuneration Commission (“CNAR” or “Commission”) of Banco Nacional Ultramarino, S.A. (“BNU”), in addition to the legal and statutory provisions, with which its interpretation shall comply.

2. Composition and Appointment

- 2.1. The BNU's Nomination, Assessment and Remuneration Commission is composed of 3 (three) to 6 (six) Members.
- 2.2. Without prejudice to legal and regulatory norms, the Members of BNU's CNAR are appointed by resolution of the shareholders, who also designate its Chairman.
- 2.3. The Members of BNU's CNAR must have the professional qualifications and experience appropriate to the performance of their duties.

3. Powers

- 3.1. It is the responsibility of BNU's CNAR, with regard to matters of a corporate nature of the CGD Group that concern the nomination, assessment, and remuneration of BNU employees, including the members of the governing bodies:
 - a) Promote and monitor the preparation and implementation at BNU of corporate rules issued by CGD;
 - b) Perform the duties assigned to BNU's CNAR, or equivalent under the terms of item 3.1, p) below, in this entity's rules resulting from the transposition of CGD's corporate rules.
- 3.2. In particular and without limitation, it is the responsibility of BNU's CNAR, with regards to the management and supervisory bodies and holders of essential functions of BNU:
 - a) Identify and recommend candidates for positions in those bodies, assess their composition in terms of knowledge, skills, diversity and experience, prepare a description of the functions and qualifications for the positions in question and assess the time to be devoted to the performance of the function;
 - b) Within the framework of applicable legislation and existing sociocultural characteristics, seek to set a goal for the representation of men and women in those bodies and design a policy aimed at increasing the number of people of the under-represented gender, with a view to achieving the established goals;
 - c) Assess, at least on an annual basis, the structure, size, composition and performance of the bodies as a whole and make recommendations with a view to possible changes;
 - d) Assess, at least on an annual basis, the knowledge, skills, experience and performance of each one of the Members of the governing bodies, and communicate the respective results to them;
 - e) Monitor and issue an opinion on the nomination of holders of control functions (compliance, risk and internal audit) and other holders of essential functions of BNU;
 - f) Reassess, at least on an annual basis, the adequacy of the Members of the management and supervisory bodies and holders of essential functions of BNU;
 - g) Periodically review the management body's policy in terms of selection and nomination of top management and make recommendations to them;
 - h) Monitor the process for the selection and nomination of BNU's senior staff in order to have a base for recruiting future members of the governing bodies and Executive Directors;
 - i) Perform the other functions and powers assigned to them in the Adequacy Assessment Policies for the Selection of Members of the Management and Supervisory Bodies, of the holders of essential functions and of the Managers

of Branches established abroad and in the Succession Plan (collectively, "Adequacy and Succession Policy").

- 3.3. With regards to the management and supervisory bodies and holders of essential functions of BNU subsidiaries:
 - a) Support the BNU Board of Directors in filling vacancies in the management and supervisory bodies of BNU subsidiaries and in choosing the Directors to be appointed to the Executive Committee;
 - b) Issue an opinion on the composition of the management and supervisory bodies in terms of knowledge, skills, experience and diversity, as well as on the description of the functions and qualifications for the positions in question and the time to be dedicated to the performance of the function;
 - c) Monitor and issue an opinion on the nomination of holders of control functions (compliance, risk and internal audit) and other holders of essential functions of BNU;
 - d) Monitor the process of reassessing the adequacy and annual assessment of the performance of Members of the management and supervisory bodies and holders of essential functions of BNU subsidiaries;
 - e) Issue an annual report on the structure, size, composition and performance of the management and supervisory bodies and make recommendations with a view to possible changes;
 - f) Issue an annual report on the knowledge, skills, experience and performance of the Members of the management and supervisory bodies and of the bodies as a whole;
 - g) Monitor the process for the selection and appointment of BNU subsidiaries' senior staff in order to have a base for recruiting future members of the governing bodies and Executive Directors;
- 3.4. With regards to the remuneration and remuneration policies:
 - a) Present, on an annual basis, to the BNU General Meeting, the proposal for a remuneration policy, including discretionary pension benefits, concerning the Members of the management and supervisory bodies;
 - b) Promote and approve the review, on an annual basis, of the remuneration policy, including discretionary pension benefits for other BNU employees;
 - c) Ensure that the remuneration policy is applied and complied with regards to all BNU employees and all entities within the scope of prudential consolidation, including all branches;
 - d) Promote and approve the review, on an annual basis, of the remuneration policy, including discretionary pension benefits, of the Members of the management and supervisory bodies and other employees of each of BNU's branches;
 - e) Issue an opinion on the remuneration policy and practices and on the incentives created for the purposes of risk, capital and liquidity management, based, namely, on the examinations and other analyses carried out by the Risk Committee;
 - f) Prepare decisions on remuneration, including decisions with implications in terms of risk and risk management, which should be taken by the BNU Board of Directors or by the General Meeting;
 - g) Assess, on an annual basis, the remuneration policies, at the Bank and in the entities it owns, and adopt the adequate measures to ensure that they take due account of the rights and interests of the clients and do not create incentives for the latter's interests to be harmed;
 - h) Ensure the proposal, approval and timely application of a plan with corrective measures when periodic reviews reveal that the remuneration policies do not have the intended or foreseen effect or when recommendations are made for this purpose;

- i) Monitor the process of identifying employees whose professional activities have a significant impact on the Bank's risk profile, in individual and consolidated perimeter.
- 3.5. In particular, it is the responsibility of the BNU's CNAR:
- a) Provide support to the Board of Directors with regard to the design and review of BNU's remuneration policies, taking into account CGD's corresponding corporate policies;
 - b) Provide support to the Board of Directors in supervising remuneration processes, policies and practices and in monitoring compliance with BNU's remuneration policies;
 - c) Analyse, at least annually, the implementation of the Remuneration Policies, in order to check compliance with the remuneration policies and procedures adopted;
 - d) Check if the existing remuneration policies are up to date and, if necessary, make proposals for changes;
 - e) Analyse the appointment of external consultants that the Board of Directors decides to hire to provide advice or support in matters of remuneration;
 - f) Ensure the adequacy of public information and documentation and/or information delivered to shareholders on remuneration policies and practices;
 - g) Promote the assessment of the mechanisms and systems adopted to ensure that the remuneration system duly takes into account all types of risks, as well as liquidity and equity levels, and that the overall remuneration policy is consistent with and promotes a sound and effective risk management and is in line with the business strategy, objectives, corporate culture and values and the institution's long-term interest;
 - h) Assess the fulfilment of performance goals and the need for ex post risk adjustment, including the application of reduction ('malus') and clawback mechanisms;
 - i) Analyse possible scenarios to test how remuneration policies and practices react to external and internal events, as well as the criteria used to determine remuneration allocation and ex ante risk adjustment based on actual risk outcomes;
 - j) Directly supervise the remuneration of employees who perform control functions and make recommendations on the design of the remuneration package and the amounts of remuneration to be paid to senior staff who perform control functions;
 - k) Monitor and issue an opinion on the nomination of Bank employees with management status who report directly to the Board of Directors or any of its committees (including the Executive Committee).
 - l) Performing functions and powers assigned to the BNU's CNAR in a regulation, an internal BNU rule that is approved by the management body or by the BNU's General Meeting.
 - m) Take note of communications, namely from supervisory authorities, which respect to the scope of powers assigned to it.
 - n) Issue a declaration of compliance with the Remuneration Policy within the scope of the Report on the Internal Control System.
 - o) Issue the annual declaration on the remuneration policy for the members of the Board of Directors and of the Supervisory Body to be submitted for the approval of the General Meeting, in compliance with the applicable legislation and regulations;
 - p) Perform the other functions assigned to the BNU Committees currently referred to in the following BNU Policies and Regulations (in the wording in force at each time), which, for all purposes, are considered references to the BNU's CNAR:
 - i. Remuneration Policy for the members of BNU's management and supervisory bodies;
 - ii. Remuneration Policy for the BNU's Employees;

- iii. Adequacy Assessment Policy for the selection of members of the management and supervisory bodies and holders of essential functions of the BNU and respective Succession Plan.
 - q) Promote, monitor and ensure the completion of complete processes in matters within the competence of the BNU's CNAR, including the Opinion and (if applicable) the decision of the BNU's CNAR, to be made available in advance to shareholders when they relate to matters to be decided by them, notwithstanding the rights assigned by legal or regulatory rule to shareholders;
 - r) Coordinate with the CGD's CNAR the appropriate procedures for the corporatization of the rules and their corporate implementation.
- 3.6. The BNU's CNAR shall:
- a) Receive periodic reports, ad hoc information, communications and opinions from those responsible for the internal control functions, with regard to the institution's current risk profile, its risk culture and its risk limits, as well as any important breaches that may have occurred, with detailed information and recommendations on corrective measures adopted, to be adopted or suggested to correct these breaches;
 - b) Whenever necessary, ensure the appropriate involvement of internal control functions and other relevant functions and/or obtain advice from human resources, legal, strategic planning and other relevant functions, as well as from the Board of Directors' Committees responsible for Audit, Control and Risk matters in reviewing the remuneration policies of BNU and its subsidiaries, in order to ensure harmonization with the institution's risk management framework and strategy;
 - c) Acknowledge the assessment, on an individual and consolidated level, of the control functions and the respective holders;
 - d) Have access to all data and information necessary for the performance of their functions;
 - e) Periodically review and decide on the content, format and frequency of risk information that shall be communicated to them.
- 3.7. With the approval and entry into force of these Regulations, the CNAR, in addition to the powers referred to in the preceding paragraphs, shall also exercise all the powers and duties of the Remuneration Commission provided for in clause 39 of the BNU Bylaws, understanding all references in any document in force at BNU to the "Remuneration Commission" or "RECO" as being made to the CNAR.
4. Activity Plan and Reports
- 4.1. Each year, the BNU's CNAR shall approve the Activity Plan for the following year, which it will present to the Board of Directors by 15 (fifteen) December and, simultaneously, to the CGD's CNAR.
- 4.2. The BNU's CNAR shall prepare, on an annual basis, 1 (one) Activity Report, referring to the activity carried out during each calendar year, providing the Board of Directors and the CGD's CNAR with information on the Committee's activity.
- 4.3. The Activity Report shall include, namely, the assessment of the degree of compliance with the Activity Plan, main constraints and possible action measures, the activities referred to in item 8.1. below and must be presented to CGD's Board of Directors and CNAR by the end of the second month following the end of each calendar year.

5. Meetings

- 5.1. The BNU's CNAR shall meet ordinarily, at least on a quarterly basis and whenever called by the respective Chairman, or at the request of any of its Members. In any case, no more than 15 calendar days shall elapse between the date of receipt, by the BNU's CNAR, of a matter on which this Committee must pronounce itself, duly instructed, and the decision to convene a meeting of the BNU's CNAR.
- 5.2. The meetings of the BNU's CNAR shall be called at least 5 (five) days in advance, or less in advance, if necessary, provided that it is sufficient to allow the participation of all Committee Members, and the call may be made in writing, in any communication medium, and sent to the (electronic or otherwise) addresses indicated by the Committee Members, or by simple verbal communication from the Chairman. The scheduling of meetings, with date and time, approved at a meeting of the BNU's CNAR or communicated by the Chairman of the Committee, is equivalent to calling the corresponding meetings.
- 5.3. The notice of each meeting, to be held under the terms of the preceding number, shall be accompanied by information on the Agenda for the meeting, which will be made known to the Chairman of the CGD's CNAR.
- 5.4. The Agenda is established by the Chairman of the Committee and any Committee Member may request the inclusion of items in the Agenda, which request must be addressed to the Chairman, as early as possible in relation to the date of the meeting and accompanied by the respective supporting information.
- 5.5. The supporting documents relating to the several items on the agenda must be distributed to all members of the BNU's CNAR at least 5 (five) days in advance of the date of the meeting, preferably simultaneously with the call of the meeting, or, in case of impossibility, with the advance that allows its timely analysis by its Members.
- 5.6. The place of the BNU's CNAR meetings is its headquarters, unless another place is, duly justified, indicated in the notice, without prejudice, in any case, to holding the meeting or participating in the meeting with the use of telematic means, namely videoconference or telephone conference, and the BNU shall ensure the authenticity of the declarations and the security of communications, proceeding with the registration of their content and the respective participants.
- 5.7. The meetings of the BNU's CNAR shall be chaired by the respective Chairman, or, in their absence or impediment, by the Committee member elected for that purpose by the other members.
- 5.8. In addition to the Members of the BNU's CNAR, Directors, Company staff or third parties may be present at the respective meetings, provided they are invited or authorized by the Chairman or by whoever replaces them at that meeting, depending on the convenience in view of the matters to be analysed.

6. Resolutions

- 6.1. The CNAR cannot deliberate without the presence or representation of the majority of its Members.

- 6.2. The resolutions of the BNU's CNAR will be adopted by simple majority of the votes cast, with the Chairman, or whoever replaces him, having the casting vote in the event of a tie.

7. MINUTES

- 7.1. Minutes of all meetings of the BNU's CNAR will be drawn up, including the mentions provided for in the applicable rules, namely, the identification of the company, the place, date, time and duration of the meeting, the mention of the present Members and other participants in the meeting, the participation of all parties in the meeting, the proposals presented, the votes cast, the debates, comments and contributions made by its Members and by all participants of the BNU Departments and its subsidiaries during the course of the meeting, the resolutions adopted, with an express indication of the respective justification/fundamental reason and the vote declarations made by any Member during the meeting.
- 7.2. The drafts of the minutes shall be drawn up, approved and signed by the Members present at the meeting and by the person who acted as secretary, as soon as possible after the meeting or at the meeting immediately following.
- 7.3. All minutes of the BNU's CNAR meetings must be kept in the corresponding minutes book, in paper or electronic format, in accordance with the organization established for the Company, and a copy of each minutes must be filed in secure and restricted access digital format.
- 7.4. The minutes of the meetings of the BNU's CNAR will be drawn up in the same language used in the drafting of the minutes of the meetings of the Board of Directors.
8. Articulation with the Board of Directors, executive committee, special committees of the Board of Directors, with the Company's Board and with CGD's CNAR
- 8.1. Articulation between the BNU's CNAR and the Board of Directors, the Executive Committee, the other Special Committees of the Board of Directors, the BNU's Board and the CGD's CNAR shall be ensured by the Chairman of the BNU's CNAR, or by whomever they appoint.
- 8.2. Notwithstanding other established procedures, the BNU's CNAR, whenever deemed convenient, may request from those responsible for the several structural bodies of the BNU the information it deems necessary for the performance of its functions.

9. Support Structures

- 9.1. The BNU's CNAR may use any means it deems necessary, including recourse to external consultants, and use the necessary funds for this purpose.
- 9.2. The BNU's CNAR may appoint, when deemed necessary, one or more support elements, with experience acquired in the areas of their competence, to provide information and carry out work, with a view to substantiating the respective analyses and conclusions.

9.3. In any case, the human, operational and logistical means to support the functioning of the BNU's CNAR and the holding of its meetings shall be ensured.

10. Conflicts of Interest

The prevention and management of situations that are actual or potential conflicts of interest is applicable to the BNU's Global Policy on Prevention and Management of Conflicts of Interest in force.

11. Amendments

Amendments to these Regulations shall be approved by the BNU's Board of Directors, by a simple majority of its members.

12. Final Provisions

These Regulations, in the wording in force at each time, shall remain in force indefinitely and shall be published on the BNU's institutional website (www.bnu.com.mo)

Off-Balance-Sheet Exposures other than derivatives

as at December 31, 2025

MOP thousands

Contractual or notional amount of each material class of off-balance-sheet exposures	
(a) Credit substitutes	-
(b) Transaction-related contingencies	3,070,802
(c) Acceptances and other trade-related contingencies	2,722
(d) Note issuance facilities, revolving underwriting facilities and other similar facilities	-
(e) Forward asset purchases	-
(f) Unpaid portion of partly paid shares and other securities	-
(g) Forward forward deposits	-
(h) Asset sales with repurchase option	-
(i) Undrawn credit facilities and other commitments to extend credit	9,063,915
(j) Other off-balance-sheet items	-

DERIVATIVES TRANSACTIONS

as at December 31, 2025

CONTRACTUAL AMOUNT OR NOTIONAL AMOUNT

The following is a summary of the fair value and contractual notional amounts of each significant class of derivative financial instruments:

MOP thousands

Elements	Fair value (assets)	Fair value (liabilities)	Notional value
- Exchange rate contracts	534.9	(2,078.9)	1,823,323.7
- Interest rate contracts	-	-	-
- Equities contracts	-	-	-
- Commodities contracts	-	-	-
- Others	-	-	-

Credit risk weighted amounts of interest rate contracts and exchange rate contracts as calculated in accordance with Notice No. 011/2015-AMCM of 10/09/2015:

MOP thousands

Elements	Weighted exposure
- Exchange rate contracts	4,003.4
- Interest rate contracts	-

ACCOUNTING POLICIES

1. CORPORATE INFORMATION

Banco Nacional Ultramarino, S.A. (the "Bank") is a limited liability company by shares incorporated in Macau Special Administrative Region ("Macau SAR"), and is a licensed bank authorised under the laws of Macau SAR and regulated by rules issued by Autoridade Monetária de Macau ("AMCM"). The registered office of the Bank is located at Av. Almeida Ribeiro, No. 22, Macau.

The primary activities of the Bank are the provision of banking and related financial services in Macau under the regulations of the AMCM. The holding company (with a 99.425% direct ownership) and the ultimate holding company of the Bank is Caixa Geral de Depósitos, S.A., a state-owned bank incorporated in Portugal.

2.1. BASIS OF PREPARATION

These financial statements have been prepared in accordance with Macau Financial Reporting Standards set out by the Macau SAR under the Order of Secretary for Economy and Finance No. 44/2020 ("MFRSs").

These financial statements have been prepared under the historical cost convention, except for land and buildings, derivative financial instruments, certain debt investments and equity instruments all of which have been measured at fair value. These financial statements are presented in Macau Patacas ("MOP"), which is also the functional currency of the Bank. All values are rounded to the nearest MOP except when otherwise indicated.

ISSUED BUT NOT YET EFFECTIVE NEW MACAU FINANCIAL REPORTING STANDARDS

Pursuant to Article 7(1) of Law No. 20/2020, Regulations on the Profession and Practice of Accountants, the Accounting Standards of the Macau SAR (hereinafter referred to as the "New Macau Financial Reporting Standards"), was promulgated by the Professional Committee of Accountants on 19 December 2024 under Notice No. 2/2024/CPC. The New Macau Financial Reporting Standards shall be mandatorily applied to the preparation of financial statements for the financial years beginning on or after 1 January 2028. Early adoption of the New Macau Financial Reporting Standards is permitted for the financial years beginning on or after 1 January 2026.

The New Macau Financial Reporting Standards consists of the complete set of International Financial Reporting Standards ("IFRS") included in the 2021 edition of the Bound Volume of International Financial Reporting Standards issued by the International Accounting Standards Board. The New Macau Financial Reporting Standards includes new standards, such as IFRS 16 – *Leases*, IFRS 17 – *Insurance Contracts*, and amendments to existing standards.

The Bank has not applied the New Macau Financial Reporting Standards, which has been issued but are not yet effective, in these financial statements. The Bank intends to apply the New Macau Financial Reporting Standards when they become effective.

The Bank has not commenced an assessment of the impact of the New Macau Financial Reporting Standards and therefore is not yet in a position to state whether the New Macau Financial Reporting Standards would have a significant impact on its results of operations and financial position.

2.2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Revenue recognition

- Interest income

The effective interest rate method

Under IFRS 9, interest income is recorded using the Effective Interest Rate ("EIR") method for all financial assets measured at amortised cost, interest rate derivatives for which hedge accounting is applied and the related amortisation/recycling effect of hedge accounting. Interest income on interest bearing financial assets measured at fair value through other comprehensive income under IFRS 9 is also recorded using the EIR method. Interest expense is also calculated using the EIR method for all financial liabilities held at amortised cost. The EIR is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset or liability or, when appropriate, a shorter period, to the gross carrying amount of the financial asset.

The EIR (and therefore, the amortised cost of the financial asset) is calculated by taking into account transaction costs and any discount or premium on the acquisition of the financial asset, as well as fees and costs that are an integral part of the EIR. The Bank recognises interest income using a rate of return that represents the best estimate of a constant rate of return over the expected life of the loan. Hence, the EIR calculation also takes into account the effect of potentially different interest rates that may be charged at various stages of the financial asset's expected life, and other characteristics of the product life cycle (including prepayments, penalty interest and charges).

If expectations of fixed rate financial assets' or liabilities' cash flows are revised for reasons other than credit risk, then changes to future contractual cash flows are discounted at the original EIR with a consequential adjustment to the carrying amount. The difference from the previous carrying amount is booked as a positive or negative adjustment to the carrying amount of the financial asset or liability on the balance sheet with a corresponding increase or decrease in Interest revenue/expense calculated using the effective interest method.

For floating-rate financial instruments, periodic re-estimation of cash flows to reflect the movements in the market rates of interest also alters the effective interest rate, but when instruments were initially recognised at an amount equal to the principal, re-estimating the future interest payments does not significantly affect the carrying amount of the asset or the liability.

Presentation of net interest income

Paragraph 82(a) of IAS 1 requires interest revenue calculated using the effective interest rate (EIR) method to be presented separately on the face of the statement of profit or loss. This implies that interest revenue calculated using the EIR method is to be differentiated and presented separately from interest revenue calculated using other methods.

The Bank considers its net interest margin to be a key performance indicator; the measure includes both interest calculated using the effective interest method and interest recognised on a contractual basis on its financial assets/liabilities measured at fair value through profit or loss other than those held for trading.

Interest and similar income/expense

In its interest income/expense calculated using the effective interest method, the Bank only includes interest on those financial instruments. Interest income/expense on all trading financial assets/liabilities is recognised as a part of the fair value change in Net trading income.

The Bank calculates interest income on financial assets, other than those considered credit-impaired, by applying the EIR to the gross carrying amount of the financial asset. When a financial asset becomes credit-impaired (and is therefore regarded as 'Stage 3', the Bank calculates interest income by applying the EIR to the net amortised cost of the financial asset. If the financial asset cures and is no longer credit-impaired, the Bank reverts to calculating interest income on a gross basis.

For purchased or originated credit-impaired ("POCI") financial assets, the Bank calculates interest income by calculating the credit-adjusted EIR and applying that rate to the amortised cost of the financial asset. The credit-adjusted EIR is the interest rate that, at initial recognition, discounts the estimated future cash flows (including credit losses) to the amortised cost of the POCI financial asset.

- Fee and commission income

The Bank earns fee and commission income from a diverse range of financial services it provides to its customers. Fee and commission income is recognised at an amount that reflects the consideration to which the Bank expects to be entitled in exchange for providing the services.

The performance obligations, as well as the timing of their satisfaction, are identified, and determined, at the inception of the contract. The Bank's revenue contracts do not typically include multiple performance obligations.

When the Bank provides a service to its customers, consideration is invoiced and generally due immediately upon satisfaction of a service provided at a point in time or at the end of the contract period for a service provided over time.

The Bank has generally concluded that it is the principal in its revenue arrangements because it typically controls the services before transferring them to the customer.

Fee and commission income from services where performance obligations are satisfied over time

Performance obligations satisfied over time include asset management, custody and other services, where the customer simultaneously receives and consumes the benefits provided by the Bank's performance as the Bank performs.

The Bank's fee and commission income from services where performance obligations are satisfied over time, which includes agency service commission, custody fee, loan commitment fee, interchange fee and guarantee and bills commission.

Fee and commission income from providing services where performance obligations are satisfied at a point in time

Services provided where the Bank's performance obligations are satisfied at a point in time are recognised once control of the services is transferred to the customer. This is typically on completion of the underlying transaction or service or, for fees or components of fees that are linked to a certain performance, after fulfilling the corresponding performance criteria. These include fees and commissions arising from negotiating or participating in the negotiation of a transaction for a third party, such as the arrangement/participation or negotiation of the acquisition of shares or other securities, brokerage and underwriting fees.

The Bank typically has a single performance obligation with respect to these services, which is to successfully complete the transaction specified in the contract.

Contract balances

The following are recognised in the statement of financial position arising from revenue from contracts with customers:

- 'Fees and commissions receivables' included under 'Other assets', which represent the Bank's right to an amount of consideration that is unconditional (i.e., only the passage of time is required before payment of the consideration is due). These are measured at amortised cost and subject to the impairment provisions of IFRS 9.
- 'Unearned fees and commissions' included under 'Other liabilities', which represent the Bank's obligation to transfer services to a customer for which the Bank has received consideration (or an amount of consideration is due) from the customer. A liability for unearned fees and commissions is recognised when the payment is made or the payment is due (whichever is earlier). Unearned fees and commissions are recognised as revenue when (or as) the Bank performs.

- Net trading income

Net trading income includes all gains and losses from changes in fair value and the related interest income or expense and dividends, for financial assets and financial liabilities held for trading. This includes any ineffectiveness recorded on hedging transactions.

- Net gain/loss on disposal/redemption of investments in debt securities measured at amortised cost or fair value through other comprehensive income

Net gain/loss on disposal/redemption of investments in debt securities measured at amortised cost or fair value through other comprehensive income includes loss (or income) recognised on sale or derecognition of financial assets measured at amortised costs or fair value through other comprehensive income calculated as the difference between the book value (including impairment) and the proceeds received.

- Other operating income

Dividend income is recognised when the shareholders' right to receive payment has been established, it is probable that the economic benefits associated with the dividend will flow to the Bank and the amount of the dividend can be measured reliably.

Dividends

Dividends on ordinary shares are recognised as a liability and deducted from equity when they are approved by the Bank's shareholders. Interim dividends are deducted from equity when they are declared and are no longer at the discretion of the Bank. Dividends for the year that are approved after the reporting date are disclosed as an event after the reporting date.

Investments and other financial assets

- Initial recognition and measurement

Financial assets are classified, at initial recognition, as subsequently measured at amortised cost, fair value through other comprehensive income, and fair value through profit or loss.

The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Bank's business model for managing them. With the exception of trade receivables that do not contain a significant financing component or for which the Bank has applied the practical expedient of not adjusting the effect of a significant financing component, the Bank initially measures a financial asset at its fair value, plus in the case of a financial asset not at fair value through profit or loss, transaction costs. Trade receivables that do not contain a significant financing component or for which the Bank has applied the practical expedient are measured at the transaction price determined under IFRS 15 in accordance with the policies set out for "Revenue recognition" below.

In order for a financial asset to be classified and measured at amortised cost or fair value through other comprehensive income, it needs to give rise to cash flows that are solely payments of principal and interest ("SPPI") on the principal amount outstanding.

The Bank's business model for managing financial assets refers to how it manages its financial assets in order to generate cash flows. The business model determines whether cash flows will result from collecting contractual cash flows, selling the financial assets, or both.

All regular way purchases and sales of financial assets are recognised on the trade date, that is, the date that the Bank commits to purchase or sell the asset. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the period generally established by regulation or convention in the marketplace.

- Subsequent measurement

The subsequent measurement of financial assets depends on their classification as follows:

Financial assets at amortised cost (debt instruments)

The Bank measures financial assets at amortised cost if both of the following conditions are met:

- The financial asset is held within a business model with the objective to hold financial assets in order to collect contractual cash flows.

- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets at amortised cost are subsequently measured using the effective interest method and are subject to impairment. Gains and losses are recognised in the statement of profit or loss when the asset is derecognised, modified or impaired. Financial assets at amortised cost include cash and balances and placements with banks and other financial institutions; deposits with monetary authorities; debt certificates issued by the Macau SAR Government; loans and advances; investments in debt securities at amortised costs and financial assets included in other assets.

Financial assets at fair value through other comprehensive income (debt instruments)

The Bank measures investment in debt securities at fair value through other comprehensive income if both of the following conditions are met:

- The financial asset is held within a business model with the objective of both holding to collect contractual cash flows and selling.
- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

For investment in debt securities at fair value through other comprehensive income, interest income, foreign exchange revaluation and impairment losses or reversals are recognised in the statement of profit or loss and computed in the same manner as for financial assets measured at amortised cost. The remaining fair value changes are recognised in other comprehensive income. Upon derecognition, the cumulative fair value change recognised in other comprehensive income is recycled to the statement of profit or loss.

Financial assets designated at fair value through other comprehensive income (equity investments)

Upon initial recognition, the Bank can elect to classify irrevocably its equity investments as equity investments designated at fair value through other comprehensive income when they meet the definition of equity under IAS 32 Financial Instruments: Presentation and are not held for trading. The classification is determined on an instrument-by-instrument basis.

Gains and losses on these financial assets are never recycled to the statement of profit or loss. Dividends are recognised as other operating income in the statement of profit or loss when the right of payment has been established, it is probable that the economic benefits associated with the dividend will flow to the Bank and the amount of the dividend can be measured reliably, except when the Bank benefits from such proceeds as a recovery of part of the cost of the financial asset, in which case, such gains are recorded in other comprehensive income. Equity investments designated at fair value through other comprehensive income are not subject to impairment assessment.

Financial assets at fair value through profit or loss

Financial assets at fair value through profit or loss include financial assets held for trading, financial assets designated upon initial recognition at fair value through profit or loss, or financial assets mandatorily required to be measured at fair value. Financial assets are classified as held for trading if they are acquired for the purpose of selling or repurchasing in the near term. Derivatives, including separated embedded derivatives, are also classified as held for trading unless they are designated as effective hedging instruments. Financial assets with cash flows that are not solely payments of principal and interest are classified and measured at fair value through profit or loss, irrespective of the business model. Notwithstanding the criteria for debt instruments to be classified at amortised cost or at fair value through other comprehensive income, as described above, debt instruments may be designated at fair value through profit or loss on initial recognition if doing so eliminates, or significantly reduces, an accounting mismatch.

Financial assets at fair value through profit or loss are carried in the statement of financial position at fair value with net changes in fair value recognised in the statement of profit or loss.

This category includes derivative instruments and which the Bank had not irrevocably elected to classify at fair value through other comprehensive income.

- Reclassification of financial assets

If the Bank makes changes to its financial assets management business model, which is only expected to occur relatively infrequently and on an exceptional basis, all of the financial assets affected are reclassified in conformity with the requirements of IFRS 9 *Financial instruments* ("IFRS 9"). The reclassification is applied prospectively from the date upon which it becomes effective. Under IFRS 9, reclassifications of equity instruments for which the valuation option through other comprehensive income or for other financial assets and liabilities at fair value in the sphere of the fair value option have been included, are not permitted.

- Derecognition of financial assets

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognised (i.e., removed from the Bank's consolidated statement of financial position) when:

- the rights to receive cash flows from the asset have expired; or
- the Bank has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a "pass-through" arrangement; and either (a) the Bank has transferred substantially all the risks and rewards of the asset, or (b) the Bank has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Bank has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if, and to what extent, it has retained the risk and rewards of ownership of the asset. When it has neither transferred nor retained substantially all the risks and rewards of the asset nor transferred control of the asset, the Bank continues to recognise the transferred asset to the extent of the Bank's continuing involvement. In that case, the Bank also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Bank has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Bank could be required to repay.

Impairment of financial assets

The Bank recognises an allowance for expected credit losses ("ECLs") for all debt instruments not held at fair value through profit or loss. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Bank expects to receive, discounted at an approximation of the original effective interest rate. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

General approach

ECLs are recognised in two stages. For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12-months (a 12-month ECL). For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the exposure, irrespective of the timing of the default (a lifetime ECL).

At each reporting date, the Bank assesses whether the credit risk on a financial instrument has increased significantly since initial recognition. When making the assessment, the Bank compares the risk of a default occurring on the financial instrument as at the reporting date with the risk of a default occurring on the financial instrument as at the date of initial recognition and considers reasonable and supportable information that is available without undue cost or effort, including historical and forward-looking information.

For debt investments at fair value through other comprehensive income, the Bank applies the low credit risk simplification. At each reporting date, the Bank evaluates whether the debt investments are considered to have low credit risk using all reasonable and supportable information that is available without undue cost or effort. In making that evaluation, the Bank reassesses the external credit ratings of the debt investments. In addition, the Bank considers that there has been a significant increase in credit risk when contractual payments are more than 30 days past due.

The Bank considers a financial asset in default when contractual payments are 90 days past due. However, in certain cases, the Bank may also consider a financial asset to be in default when internal or external information indicates that the Bank is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Bank. A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

Debt investments at fair value through other comprehensive income and financial assets at amortised cost are subject to impairment under the general approach and they are classified within the following stages for measurement of ECLs except for trade receivables and contract assets which apply the simplified approach as detailed below.

Stage 1 – Financial instruments for which credit risk has not increased significantly since initial recognition and for which the loss allowance is measured at an amount equal to 12-month ECLs

Stage 2 – Financial instruments for which credit risk has increased significantly since initial recognition but that are not credit-impaired financial assets and for which the loss allowance is measured at an amount equal to lifetime ECLs

Stage 3 – Financial assets that are credit-impaired at the reporting date (but that are not purchased or originated credit-impaired) and for which the loss allowance is measured at an amount equal to lifetime ECLs

Simplified approach

For trade receivables and contract assets that do not contain a significant financing component or when the Bank applies the practical expedient of not adjusting the effect of a significant financing component, the Bank applies the simplified approach in calculating ECLs. Under the simplified approach, the Bank does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date. The Bank has established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.

For trade receivables and contract assets that contain a significant financing component and lease receivables, the Bank chooses as its accounting policy to adopt the simplified approach in calculating ECLs with policies as described above.

Provision for country risk

Amounts have been set aside as provision for cross border exposures and are maintained with reference to the requirements of AMCM.

Financial liabilities

- Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, payables, or as derivatives designated as hedging instruments in an effective hedge, as appropriate.

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

The Bank's financial liabilities include interest-bearing bank and other borrowings, other payables and derivative financial instruments.

- Subsequent measurement

The subsequent measurement of financial liabilities depends on their classification as follows:

Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss.

Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term. This category also includes derivative financial instruments entered into by the Bank that are not designated as hedging instruments in hedge relationships as defined by IFRS 9. Separated embedded derivatives are also classified as held for trading unless they are designated as effective hedging instruments. Gains or losses on liabilities held for trading are recognised in the statement of profit or loss. The net fair value gain or loss recognised in the statement of profit or loss does not include any interest charged on these financial liabilities.

Financial liabilities designated upon initial recognition as at fair value through profit or loss are designated at the initial date of recognition, and only if the criteria in IFRS 9 are satisfied. Gains or losses on liabilities designated at fair value through profit or loss are recognised in the statement of profit or loss, except for the gains or losses arising from the Bank's own credit risk which are presented in other comprehensive income with no subsequent reclassification to the statement of profit or loss. The net fair value gain or loss recognised in the statement of profit or loss does not include any interest charged on these financial liabilities.

Financial guarantee contracts

Financial guarantee contracts issued by the Bank are those contracts that require a payment to be made to reimburse the holder for a loss it incurs because the specified debtor fails to make a payment when due in accordance with the terms of a debt instrument. A financial guarantee contract is recognised initially as a liability at its fair value, adjusted for transaction costs that are directly attributable to the issuance of the guarantee. Subsequent to initial recognition, the Bank measures the financial guarantee contracts at the higher of: (i) the ECL allowance determined in accordance with the policy as set out in "Impairment of financial assets"; and (ii) the amount initially recognised less, when appropriate, the cumulative amount of income recognised.

Derivative financial instruments

The Bank uses derivative financial instruments, such as interest rate swaps, forward foreign exchange contracts and foreign exchange swap contracts, to hedge its foreign currency risk and interest rate risk, respectively. Such derivative financial instruments are initially recognised at fair value on the date on which a derivative contract is entered into and are subsequently remeasured at fair value. Derivatives are carried as assets when the fair value is positive and as liabilities when the fair value is negative.

Any gains or losses arising from changes in fair value of derivatives are taken directly to the statement of profit or loss, except for the effective portion of cash flow hedges, which is recognised in other comprehensive income and later reclassified to profit or loss when the hedged item affects profit or loss.

Property and equipment and depreciation

Property and equipment, other than construction in progress, are stated at cost or valuation less accumulated depreciation and any impairment losses. The cost of an item of property and equipment comprises its purchase price and any directly attributable costs of bringing the asset to its working condition and location for its intended use.

Expenditure incurred after items of property and equipment have been put into operation, such as repairs and maintenance, is normally charged to the statement of profit or loss in the period in which it is incurred. In situations where the recognition criteria are satisfied, the expenditure for a major inspection is capitalised in the carrying amount of the asset as a replacement. Where significant parts of property and equipment are required to be replaced at intervals, the Bank recognises such parts as individual assets with specific useful lives and depreciates them accordingly.

Land and buildings are measured at fair value less any subsequent accumulated depreciation and impairment losses.

Valuations are performed frequently enough to ensure that the fair value of a revalued asset does not differ materially from its carrying amount. Any revaluation surplus or deficit is dealt with as a movement in the asset revaluation reserve. If the total of this reserve is insufficient to cover a deficit, on an individual asset basis, the excess of the deficit is charged to the statement of profit or loss. Any subsequent revaluation surplus is credited to the statement of profit or loss to the extent of the deficit previously charged. On disposal of a revalued asset, the relevant portion of the asset revaluation reserve realised in respect of previous valuations is transferred to retained profits as a movement in reserves.

Based on the management's assessment of the relevancy and comparability of revaluation reserve balance, the Bank has transferred each year the difference between depreciation based on the revalued carrying amount of the asset charged to the statement of profit or loss and depreciation based on the asset's original cost from revaluation reserve to retained earnings. The change in accounting policy has been applied retrospectively, with the accumulated excess depreciation balance transferred from property revaluation reserve to retained earnings, as disclosed in the statement of changes in equity.

With the exception of freehold land, depreciation is calculated on a straight-line basis to write off the cost of each item of property and equipment to its residual value over its estimated useful life. The principal annual rates used for this purpose are as follows:

Freehold land	Not depreciated
Freehold buildings	2%
Leasehold land and buildings	Over the shorter of the lease terms and 2%
Freehold and leasehold improvements	2% to 33⅓%
Office equipment, furniture and fixtures	10% to 50%

Where parts of an item of property and equipment have different useful lives, the cost of that item is allocated on a reasonable basis among the parts and each part is depreciated separately. Residual values, useful lives and the depreciation method are reviewed, and adjusted if appropriate, at least at each financial year end.

An item of property and equipment including any significant part initially recognised is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss on disposal or retirement recognised in the statement of profit or loss in the year the asset is derecognised is the difference between the net sales proceeds and the carrying amount of the relevant asset.

Construction in progress represents a building under construction, which is stated at cost less any impairment losses, and is not depreciated. Cost comprises the direct costs of construction and capitalised borrowing costs on related borrowed funds during the period of construction. Construction in progress is reclassified to the appropriate category of property and equipment when completed and ready for use.

Intangible assets

Intangible assets comprises the costs of acquiring, developing or preparing software for use in the group's activities. When the requirements of IAS 38 *Intangible Assets* have been met, the direct internal costs incurred on software development are capitalised as intangible assets. These costs essentially comprise employee costs. Intangible assets are recognised at their acquisition cost, net of depreciation and accumulated impairment losses. Depreciation is recognised on a straight line basis across the assets' estimated useful lives, which is between 3 and 6 years. Software maintenance costs are recognised as a cost for the period in which they have been incurred.

Intangible assets acquired separately are measured on initial recognition at cost. The cost of intangible assets acquired in a business combination is the fair value at the date of acquisition. The useful lives of intangible assets are assessed to be either finite or indefinite. Intangible assets with finite lives are subsequently amortised over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at least at each financial year end.

Leases

The determination of whether an arrangement is, or contains, a lease is based on the substance of the arrangement and requires an assessment of whether the fulfilment of the arrangement is dependent on the use of a specific asset and whether the arrangement conveys a right to use the asset.

Finance leases, which transfer to the Bank substantially all the rewards and risks incidental to ownership of a leased item, are capitalised at the inception of the lease at the fair value of the leased item, or if lower, at the present value of the minimum lease payments. Lease payments are apportioned between the finance charges and reduction in the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are expensed through the statement of profit or loss. Capitalised leased assets are depreciated over the shorter of the lease terms and the estimated useful lives of the assets. All other leases are classified as operating leases.

Operating lease payments, net of any incentives received from the lessor, are recognised as an expense in the statement of profit or loss on a straight-line basis over the lease terms.

Lease payments which cannot be allocated reliably between the land and buildings elements are included in the cost of the land and buildings as a finance lease in property and equipment.

Foreign currencies

These financial statements are presented in MOP, which is the Bank's functional currency. Each entity of the Bank located outside of Macau determines its own functional currency and items included in the financial statements of each such entity are measured using that functional currency. Foreign currency transactions recorded by the Bank and its entities located outside of Macau are initially recorded using their respective functional currency rates prevailing at the dates of transactions. Monetary assets and liabilities are translated at the functional currency rates of exchange ruling at the end of the reporting period. Differences arising on settlement or translation of monetary items are recognised in the statement of profit or loss.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was measured. The gain or loss arising on translation of a non-monetary item measured at fair value is treated in line with the recognition of the gain or loss on change in fair value of the item.

In determining the exchange rate on initial recognition of the related asset, expense or income on the derecognition of a non-monetary asset or non-monetary liability relating to an advance consideration, the date of initial transaction is the date on which the Bank initially recognises the non-monetary asset or non-monetary liability arising from the advance consideration. If there are multiple payments or receipts in advance, the Bank determines the transaction date for each payment or receipt of the advance consideration.

The functional currencies of the branches outside of Macau are currencies other than MOP. As at the end of the reporting period, the assets and liabilities of the Hengqin branch is translated into MOP at the exchange rates prevailing at the end of the reporting period and the statements of profit or loss is translated into MOP at the monthly average exchange rates during the year. The resulting exchange difference is recognised in equity and accumulated in the translation reserve. On disposal of such branch, the component of equity relating to the branch is recognised in the statement of profit or loss.

Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the statement of financial position if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, or to realise the assets and settle the liabilities simultaneously.

Income tax

Income tax comprises current and deferred tax. Income tax relating to items recognised outside profit or loss is recognised outside profit or loss, either in other comprehensive income or directly in equity.

Current tax assets and liabilities for the current and prior periods are measured at the amount expected to be recovered from or paid to the taxation authority, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period, taking into consideration interpretations and practices prevailing in the countries in which the Bank operates.

Deferred tax is provided, using the liability method, on temporary differences at the end of the reporting period arising between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes. Tax rates enacted or substantively enacted by the end of the reporting period are used to determine the deferred tax.

Deferred tax liabilities are recognised for all taxable temporary differences while deferred tax assets are recognised for all deductible temporary differences, the carryforward of unused tax credits and any unused tax losses. Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, the carryforward of unused tax credits and unused tax losses can be utilised.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are reassessed at the end of each reporting period and are recognised to the extent that it has become probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

Deferred tax assets and deferred tax liabilities are offset if and only if the Bank has a legally enforceable right to set off current tax assets and current tax liabilities and the deferred taxes assets and 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 realise 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.

Employee benefits

Defined benefit plan

Remeasurements arising from defined benefit pension plans, comprising actuarial gains and losses, the effect of the asset ceiling (excluding amounts included in net interest on the net defined benefit liability) and the return on plan assets (excluding amounts included in net interest on the net defined benefit liability), are recognised immediately in the statement of financial position with a corresponding debit or credit to retained profits through other comprehensive income in the period in which they occur. Remeasurements are not reclassified to profit or loss in subsequent periods.

Past service costs are recognised in profit or loss at the earlier of:

- the date of the plan amendment or curtailment; and
- the date that the Bank recognises restructuring-related costs

Net interest is calculated by applying the discount rate to the net defined benefit liability or asset. The Bank recognises the following changes in the net defined benefit obligation under “interest expense” and “operating expenses” in the statement of profit or loss by function:

- service costs comprising current service costs, past-service costs, gains and losses on curtailments and non-routine settlements;
- net interest expense or income

No plan asset is recognised for the defined benefit plan.

Defined contribution plan

The Bank operates a defined contribution retirement benefits plan, which employees can choose to join on a voluntary basis. Contributions are made based on a percentage of the employees' basic salaries and are charged to the statement of profit or loss as they become payable. The assets of the plan are held separately from those of the Bank in an independently administered fund. The Bank's employer contributions vest fully with the employees when contributed into the defined contribution retirement benefit plan, except when there are employees who leave the plan prior to vesting fully in the contributions, the contributions payable by the Bank are reduced by the amount of forfeited contributions.

Other employee benefits

Social security scheme

The resident employees of the Bank are required to participate in a central social security scheme operated by the Macau SAR. The Bank is required to contribute a fixed amount of its payroll costs to the central social security scheme. The contributions are charged to the statement of profit or loss as they become payable in accordance with the rules of the central social security scheme.

Provisions

A provision is recognised when the Bank has a present obligation (legal or constructive) as a result of a past event, and it is probable that a future outflow of resources will be required to settle the obligation, provided that a reliable estimate can be made of the amount of the obligation. Provisions are measured at management's best estimate of the expenditure required to settle the obligation at the end of each reporting period, and are discounted to present value where the effect of the time value is material.

When the effect of discounting is material, the amount recognised for a provision is the present value at the end of the reporting period of the future expenditures expected to be required to settle the obligation. The increase in the discounted present value amount arising from the passage of time is included in finance costs in the statement of profit or loss.

Cash and cash equivalents

For the purposes of the cash flow statement, cash and cash equivalents, cash on hand, deposits with AMCM and balance with banks and other financial institutions, placements with banks and other financial institutions with original maturity at or within three months, and short term highly liquid investments that are readily convertible into known amounts of cash, are subject to an insignificant risk of changes in value, and have a short maturity of generally within three months when acquired, less bank overdrafts which are repayable on demand and form an integral part of the Bank's cash management.

Fair value measurement

The Bank measures its land and buildings, equity investments, certain debt investments and derivative financial instruments at fair value at the end of each reporting period. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either in the principal market for the asset or liability, or in the absence of a principal market, in the most advantageous market for the asset or liability. The principal or the most advantageous market must be accessible by the Bank. The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Bank uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

Level 1 – based on quoted prices (unadjusted) in active markets for identical assets or liabilities. This category includes debt and equity securities listed on exchange.

Level 2 – based on valuation techniques for which the lowest level input that is significant to the fair value measurement is observable, either directly or indirectly. This category includes majority of the OTC derivative contracts, debt securities and certificates of deposit with quote from pricing services vendors, issued structured deposits and other debt instruments.

Level 3 – based on valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable. This category includes properties with significant adjustments made to observable market inputs.

For assets and liabilities that are recognised in the financial statements on a recurring basis, the Bank determines whether transfers have occurred between levels in the hierarchy by reassessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

Impairment of non-financial assets

The Bank assesses at the end of each reporting period whether there is an indication that an asset may be impaired. If such an indication exists, the Bank makes an estimate of the asset's recoverable amount.

The recoverable amount of an asset is the higher of its fair value less costs of disposal and its value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. Where an asset does not generate cash inflows largely independent of those from other assets, the recoverable amount is determined for the smallest group of assets that generates cash inflows independently (i.e., a cash-generating unit). In testing a cash-generating unit for impairment, a portion of the carrying amount of a corporate asset (e.g., a headquarters building) is allocated to an individual cash-generating unit if it can be allocated on a reasonable and consistent basis or, otherwise, to the smallest group of cash-generating units.

An impairment loss is recognised in the statement of profit or loss whenever the carrying amount of an asset, or the cash-generating unit to which it belongs, exceeds its recoverable amount. The impairment loss is reversed if there has been a favourable change in the estimates used to determine the recoverable amount. A reversal of the impairment loss is limited to the asset's carrying amount that would have been determined had no impairment loss been recognised in prior years. The reversal of the impairment loss is credited to the statement of profit or loss in the year in which it arises.

Related party transaction

A party is considered to be related to the Bank if:

(a) the party is a person or a close member of that person's family and that person

- (i) has control or joint control over the Bank;
- (ii) has significant influence over the Bank; or
- (iii) is a member of the key management personnel of the Bank or of a parent of the Bank;

or

(b) the party is an entity where any of the following conditions applies:

- (i) the entity and the Bank are members of the same group;
- (ii) one entity is an associate or joint venture of the other entity (or of a parent, subsidiary or fellow subsidiary of the other entity);
- (iii) the entity and the Bank are joint ventures of the same third party;
- (iv) one entity is a joint venture of a third entity and the other entity is an associate of the third entity;
- (v) the entity is a post-employment benefit plan for the benefit of employees of either the Bank or an entity related to the Bank; (If the Bank is itself such a plan) and the sponsoring employers of the post-employment benefit plan;
- (vi) the entity is controlled or jointly controlled by a person identified in (a);
- (vii) person identified in (a)(i) has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity); and
- (viii) the entity, or any member of a group of which it is a part, provides key management personnel services to the Bank or to the parent of the Bank.

SIGNIFICANT ACCOUNTING ESTIMATES

The preparation of the Bank's financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and their accompanying disclosures, and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that could require a material adjustment to the carrying amounts of the assets or liabilities affected in the future.

Estimation uncertainty

The key assumptions concerning the future and other key sources of estimation uncertainty at the end of the reporting period, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below.

Impairment provisions on financial assets

The measurement of impairment losses under IFRS 9 across all categories of financial assets in scope requires judgement, in particular, the estimation of the amount and timing of future cash flows and collateral values when determining impairment losses and the assessment of a significant increase in credit risk.

These estimates are driven by a number of factors, changes in which can result in different levels of allowances. The Bank's ECL calculations are outputs of complex models with a number of underlying assumptions regarding the choice of variable inputs and their interdependencies. Elements of the ECL models that are considered accounting judgements and estimates include:

- The Bank's internal credit grading model, which assigns Probabilities of Default "PDs" to the individual grades
- The Bank's criteria for assessing if there has been a significant increase in credit risk and so allowances for financial assets should be measured on a lifetime expected credit losses "LTECL" basis and the qualitative assessment
- The segmentation of financial assets when their ECL is assessed on a collective basis
- Development of ECL models, including the various formulas and the choice of inputs
- Determination of associations between macroeconomic scenarios and, economic inputs, such as unemployment levels and collateral values, and the effect on PDs, Exposures at Default "EADs" and Losses Given Default "LGDs"
- Selection of forward-looking macroeconomic scenarios and their probability weightings, to derive the economic inputs into the ECL models

It has been the Bank's policy to regularly review its models in the context of actual loss experience and adjust when necessary.

Fair value of financial instruments

The fair value of financial instruments 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. When the fair values of financial assets and financial liabilities recorded in the statement of financial position cannot be derived from active markets, they are determined using a variety of valuation techniques that include the use of valuation models. The inputs to these models are taken from observable markets where possible, but where this is not feasible, estimation is required in establishing fair values. Judgements and estimates include considerations of liquidity and model inputs related to items such as credit risk (both own and counterparty), funding value adjustments, correlation and volatility.

Fair value of unlisted equity investments

The unlisted equity investments have been valued based on cost approach and market-based valuation technique. The valuation requires the Bank to determine the comparable public companies (peers) and select the price multiple. In addition, the Bank makes estimates about the discount for illiquidity and size differences. The Bank classifies the fair value of these investments as Level 3.

Estimate of future benefit payments of defined benefit scheme

The Bank's liabilities for its employees' post-employment and other long term benefits are measured on an actuarial basis. The actuarial evaluations incorporate, inter alia, financial and actuarial assumptions on mortality, disability, wages and pension growth, returns on assets used to hedge these liabilities and discount rates. The assumptions reflect the group's and its actuaries' best estimates of the future performance of the respective variables.

RELATED PARTY TRANSACTIONS

QUALITATIVE DISCLOSURE

POLICY FOR LENDING TO RELATED PARTIES

1. Overview

In order to monitor exposure to related parties and to address possible conflicts of interest, the Bank's Code of Practice on Lending to Related Parties ("the Code") requires that such lending subject to appropriate management oversight.

Any form or type of credit granted to members of management and supervisory bodies of BNU to their respective spouses, co-habiting partners, relatives and kin in the 1st degree or to companies or other collective entities that they control, directly or indirectly is subject to the rules reflected in the internal service order on Prohibitions and Limitations on Credit Granting to Management and Supervisory Bodies.

Related parties include entities, which are directly or indirectly controlled by CGD and BNU, member of the Board of Directors and Supervisory Board as well as employee of the bank, and person or a close member of that person's family. Related party transactions include any form of credit, loan or exposure and hereinafter referred as "credit" for purpose of this document.

2. Definition of Related Parties

2.1. Related parties include any person or any close family member (including spouse, co-habiting partners, children, parents, step-children, step parents, sons/daughters/parents-in-law) of that person who:

- a) has control or joint control over BNU;
- b) has significant influence over BNU;
- c) holds a qualifying holding in BNU;
- d) is a member of the board of directors or supervisory board of BNU or of CGD;
- e) is an employee of BNU and/or a member of the key management personnel, who have authority and responsibility for planning, directing, and controlling the activities of BNU or of CGD.

2.2. Related parties also include any entity if any of the following conditions applies:

- a) That entity and BNU are members of the same group (e.g. parent, subsidiary and fellow subsidiary);
- b) Holds a qualifying holding in BNU;
- c) Is an associate or joint venture of BNU;
- d) BNU is an associate or joint venture of that entity;

- e) That entity and BNU are both joint ventures of the same third party;
- f) That entity is a joint venture of a third entity and BNU is an associate of that third entity;
- g) BNU is a joint venture of a third entity and that entity is an associate of that third entity;
- h) That entity is controlled or jointly controlled by a person identified in 2.1;
- i) A person identified in 2.1.a has significant influence over that entity or is a member of the key management personnel of that entity (or of a parent of that entity);
- j) A person identified in 2.1.d is a member of the key management personnel of that entity (or of a parent of that entity)

3. Scope of Credits Covered by this Code

This Code applies to credits to related parties as further described below:

- i. a credit that is part of a remuneration package available to staff of BNU provided that the variation of terms have been approved by the Executive Committee;
- ii. a credit, or any variation of the terms of a credit to a related party, shall be subject to individual prior approval by the Executive Committee. Member of the Executive Committee with conflicts of interest shall be excluded from the approval process;
- iii. action in respect of management of a credit including but not limited to permitting interest roll-up, granting a grace period for payment, credit write-off in whole or in part, provisioning against a credit, decision to take or not to take enforcement action;

BNU shall not lend to a related party where to do so would result in the exposures of the Bank exceeding one or more of the following limits:

<u>Category of Credit</u>	<u>Maximum Limit</u>
To any member of the board of directors and supervisory board, and persons connected to them, including companies under his control or to which board of director or supervisory board they belong; (pursuant to the terms reflected in the internal service order on Prohibitions and Limitations on Credit Granting to Management and Supervisory Bodies);	Maximum Limit : 1% of Tier 1 capital
The aggregate exposures of above;	Maximum Limit : 10% of Tier 1 capital
To each employee*;	Maximum Limit : His or her total annual basic remuneration
To any person, individual or corporate which holds directly or indirectly 10% or more of the share capital or voting rights, or in any other form which confers the possibility to exercise a significant influence over the management of the bank, or to companies in which this person has direct or indirect control, and in the aggregate **;	Maximum Limit : 20% of Tier 1 capital

* With the exception that the credit is intended for home purchase by the respective beneficiary, collateralized by a real guarantee which has been evaluated by an independent value and registered in the name of the institution.

** The Bank should in accordance with Article 74 (3) of the Financial System Act of Macau (FSA) obtain approval from all the members of the Board of Directors and a favourable opinion from Supervisory Board of the Bank. All terms shall be notified to AMCM within 10 days counted from the date of the respective approval.

The above limits and definitions are exempt from, or not subject to, limit calculations for exposures assumed by the following entities:

- a) The Macau Special Administrative Region;
- b) The central administration or central bank of a country or territory pre-accepted by the Monetary Authority of Macau;
- c) Financial subsidiaries of credit institutions that are supervised on a consolidated basis;
- d) Credit facilities secured by express and irrevocable guarantees of the entities referred to in (a) and (b) above or guaranteed by securities issued by such entities;

- e) Credit facilities secured by cash deposits or certificates of deposit issued by the credit institution itself and deposited with the credit institution;
- f) Exposures for a period not exceeding twelve months with other credit institutions recognised by the Monetary Authority of Macau as having been properly supervised;
- g) Credit facilities guaranteed by discounting bills of exchange or other certificates, which must be documented and embody business activities exported from the Macau Special Administrative Region;
- h) Unused credit facility with an original term of less than or equal to one year, or unconditionally revocable at any time without prior notice.

RELATED PARTY TRANSACTIONS

QUANTITATIVE DISCLOSURE

(a) Balances and transactions with related entities, excluding management bodies during the year:

MOP thousands

	2025	2024
Cash and balances and placements with banks and other financial institutions		
- Balances with banks and other financial institutions	38,477.5	21,209.0
- Placements with banks and other financial institutions	489,982.5	845,962.0
Deposits and balances with banks and other financial institutions	(31,369.5)	(33,701.7)
Interest income	16,115.1	115,493.2
Interest expense	(58.4)	(30.1)
Fee and commission income	-	2,029.4

(b) Transactions and balances with key management personnel of the Bank:

MOP thousands

	2025	2024
Loans and advances	2,606.2	1,298.5
Deposits from customers	(127,866.6)	(107,022.0)
Interest income	29.8	102.2
Interest expense	(3,900.9)	(3,244.5)

(c) Compensation of key management personnel of the Bank:

MOP thousands

	2025	2024
Short-term employee benefits	15,800.5	15,193.0
Post-employment benefits	983.6	983.6

CAPITAL

QUALITATIVE DISCLOSURE

The Bank maintains an actively managed capital base to cover risks inherent in the business and is meeting the capital adequacy requirements of the local banking supervisor. The adequacy of the Bank's capital is monitored using, among other measures, the rules and ratios established by the Basel Committee on Banking Supervision (BIS rules/ratios) and adopted by AMCM in supervising the Bank. The Bank has complied in full with all its externally imposed capital requirements over the reported period.

The primary objectives of the Bank's capital management policy are to ensure that the Bank complies with externally imposed capital requirements and maintains healthy capital ratios in order to support its business and to maximise shareholder value.

The Bank manages its capital structure and makes adjustments to it according to changes in economic conditions and the risk characteristics of its activities. In order to maintain or adjust the capital structure, the Bank may adjust the amount of dividend payment to shareholders, return capital to shareholders or issue capital securities. No changes have been made to the objectives, policies and processes from the previous years. However, they are under constant review by the Board.

The Bank monitors capital using a leverage ratio, which is Tier 1 Capital/(Total assets + Off-balance sheet liabilities adjusted by the Credit Conversion Ratio). The Bank's policy is to keep the ratio between 5% and 6%.

CAPITAL

as at December 31, 2025

QUANTITATIVE DISCLOSURE

MOP thousands

Own funds & solvency ratio	
Common Equity Tier 1 (CET1) capital	
- Qualifying common shares	2,000,000.00
- Profits and losses brought forward from previous years	2,757,605.27
- OCI brought forward from previous years	1,500,924.44
- Interim OCI of current year	(19,963.63)
- Other disclosed reserves	1,649,682.42
Deduction:	
- Other intangible assets, net of associated DTLs	46,846.70
- Deferred tax assets ("DTAs"), net of associated DTLs	19,485.64
- Cumulative unrealized gains arising from the revaluation of land and buildings	1,413,030.92
- Regulatory reserves (including general and specific regulatory reserves)	314,170.04
Common Equity Tier 1 ("CET1") capital	6,094,715.20
Additional Tier 1 (AT1) capital	-
Tier 1 Capital	6,094,715.20
Tier 2 Capital	
Eligible accumulated provisions for expected credit loss (ECL) in stage 1 & 2 and general regulatory reserves required by the AMCM	331,449.44
Eligible cumulative unrealized gains arising from the revaluation of land and buildings (Capped at 45% of the total eligible cumulative unrealized gains arising from land and buildings)	635,863.91
Tier 2 Capital	967,313.35
Own funds	7,062,028.55
- Common Equity Tier 1 ("CET1") Capital Ratio	21.28%
- Tier 1 Capital Ratio	21.28%
- Capital Adequacy Ratio *	24.66%

* The approach of the CAR's calculation was in compliance with Notice No. 011/2015-AMCM dated 10 September 2015. Solvency ratio (i.e. Capital adequacy ratio) is the ratio of the Bank's own funds to its risk-weighted exposures (including credit risk, market risk and operational risk).

CAPITAL

as at December 31, 2025

QUANTITATIVE DISCLOSURE

Solvency ratio for the top consolidated group	
The top consolidated group:	
- Caixa Geral de Depósitos Group	21.27%
Its significant bank subsidiaries	
- Caixa - Banco de Investimento, S.A. <i>Portugal</i>	124.63%
- Banco Caixa Geral Brasil, S.A. <i>Brazil</i>	21.43%
- Banco Comercial do Atlântico, S.A. <i>Cape Verde</i>	30.03%
- Banco Comercial e de Investimentos, S.A. <i>Mozambique</i>	31.22%
- Banco Interatlântico, S.A. <i>Cape Verde</i>	18.23%
- Banco Caixa Geral Angola <i>Angola</i>	23.44%

CREDIT RISK

Qualitative disclosure of credit risk

Credit risk refers to the probability of having negative impacts on results or capital, arising from total and/or occasional default on the commitments entered into by customers, counterparties or third parties to the institution, under the terms of the relevant contract.

Credit risk is monitored by the Credit Risk Division and Risk Management Function being responsible for developing and presenting specific proposals regarding the set out and documentation of the necessary policies and procedures for the credit risk management in its various dimensions, as well as ensuring its effective implementation; coordinating the implementation of credit risk management strategies and policies at the bank's level; regularly assessing the adequacy and effectiveness of the different components of credit risk management and, whenever it detects opportunities for improvement, to propose the necessary changes.

The Bank's Risk Management Function is responsible for setting the methodologies and systems used in credit risk assessment, in credit impairment calculation, in establishing the capital adequacy requirements and in the follow up and general monitoring of the risk profile of the loan portfolio and the various operational stages of the credit cycle; ensuring the preparation of information relevant to the monitoring and control of the credit portfolio, as well as the Bank's risk profile, in accordance with guidelines introduced in the corporate policy for credit risk management.

The Bank has internal credit rating/scoring systems, duly adjusted to their credit portfolio. The credit rating assigned to each client takes into account all relevant and available information, particularly, information on financial statements (when applicable, to Corporate clients, considering the positioning of each company within the context of the corporate group at which it belongs), qualitative and behavioral information. Credit approval with delegation of competencies indexed to client/transaction risk level, ensuring higher risk transactions are approved by a higher level of accountability.

It is the responsibility of the Bank's Risk Management Function to ensure that there is an adequate and efficient credit risk management and monitoring process in the Bank, in a consistent manner, coordinated with the process implemented by the parent company.

Impairment assessment

On a monthly basis, the calculation of impairment provisions is carried out under the IFRS 9 through the Model and by Individual Impairment analysis that is also carried out on a regular basis. The concepts and procedures for their calculation are specified in a Policy.

Definition of default and cure

The Bank considers a financial instrument defaulted and therefore Stage 3 (credit-impaired) for ECL calculations in all cases when the borrower has operations with overdue loans with materiality limits for a consecutive period of more than 90 days.

As a part of a qualitative assessment of whether a customer is in default, the Bank also considers a variety of instances that may indicate unlikelihood to pay. When such events occur, the Bank carefully considers whether the event should result in treating the customer as defaulted and therefore assessed as Stage 3 for ECL calculations or whether Stage 2 is appropriate. Such events include:

- Declared solvency, application for insolvency by debtor or the bank;
- Customers with litigation operations;
- Customers with individual impairment;
- Internal rating of the borrower indicating default;
- Customers who are individually assessed for impairment and that the Institution considers that there is a reduced likelihood of payment without recourse to measures such as triggering collateral and these collaterals are central to the debtor's cash flow generation, regardless of the existence of any amount due or individual impairment is zero. This principle is also applicable to off-balance sheet exposures which, if used, would not be reimbursed without the execution of guaranteed collaterals and these collaterals would be central to the generation of cash flows from the debtor;
- A material decrease in the underlying collateral value in real estate projects;
- Forborne exposures, due to financial difficulties of the debtor;
- Credit Card in black list

It is the Bank's policy to consider a financial instrument as 'cured' and therefore re-classified out of Stage 3 when none of the default criteria have been presented for at least three consecutive months. The decision whether to classify an asset as Stage 2 or Stage 1 once cured depends on the updated status of the asset at the time of the cure. The Bank's criterion for 'cure' for ECL purposes is less stringent than the 24 months requirement for forbearance.

The Bank's internal rating and PD estimation process

The Bank's Risk Management Function operates its internal rating models. The Bank runs separate models for its key portfolios in which its customers are rated from 1 to 10 using internal grades. The models incorporate both qualitative and quantitative information and, in addition to information specific to the borrower, utilise supplemental external information that could affect the borrower's behaviour. These information sources are first used to determine the probability of defaults (PDs) within the Bank's Basel III framework. The internal credit grades are assigned based on these Basel III grades. PDs are then adjusted for IFRS 9 ECL calculations to incorporate forward looking information and the IFRS 9 Stage classification of the exposure. This is repeated for each economic scenario as appropriate.

Under IFRS 9, the credit impairment model measures expected credit losses (impairment) based on borrowers' credit quality and the level of collateral securing the exposure. Credit exposures are classified into the following macro stages:

Stage 1 – Performing exposures, where no significant increase in credit risk has been identified;

Stage 2 – Performing exposures with a significant increase in credit risk, including loans that have been restructured due to the borrower's financial difficulties but have not met the criteria for default;

Stage 3 – Defaulted exposures.

The key risk parameters used in the impairment model (such as 12 month and lifetime probabilities of default, loss given default, and related metrics) are reviewed annually and subject to backtesting. Point in time adjustments are applied to ensure these parameters appropriately reflect prevailing market conditions.

To capture forward looking information, macroeconomic scenarios are updated twice a year by CGD's economic research office, based on the latest macroeconomic forecasts available for GDP growth rate, inflation rate and unemployment rate at the end of each half year, including projections from institutions such as the International Monetary Fund and Central Banks. The impairment calculation incorporates three macroeconomic scenarios—favourable, central, and adverse—with scenario weights determined by the economic research office.

Exposure at default

The exposure at default (EAD) represents the gross carrying amount of the financial instruments subject to the impairment calculation, addressing both the client's ability to increase its exposure while approaching default and potential early repayments too. To calculate the EAD for a Stage 1 loan, the Bank assesses the possible default events within 12 months for the calculation of the 12mECL. However, if a Stage 1 loan that is expected to default in the 12 months from the balance sheet date and is also expected to cure and subsequently default again, then all linked default events are taken into account. For Stage 2, Stage 3 and POCI financial assets, the exposure at default is considered for events over the lifetime of the instruments. The Bank determines EADs by modelling the range of possible exposure outcomes at various points in time, corresponding to the multiple scenarios. The IFRS 9 PDs are then assigned to each economic scenario based on the outcome of Bank's models.

Loss given default

The Loss Given Default consists of an estimate of loss for a given facility after its classification in default. This parameter is used directly in the calculation of Expected Credit Loss (ECL) of facilities in Stages 1, 2 and 3. The LGD incorporates two components: "collateral" – which estimates recovery through execution of collateral; "cash" – which estimates recovery through other means (e.g. payments by the debtor, application of forbearance measures, credit cession). The methodology developed for LGD calculation estimates the LGD as function by time in default. The universe for LGD estimation consists of all the facilities which have been in default at any time in the historical data available. Since impairment calculation by collective analysis relies on the aggregation of facilities in homogeneous risk groups, risk factors are estimated according to that same segmentation.

Further recent data and forward-looking economic scenarios are used in order to determine the IFRS 9 LGD rate for each group of financial instruments. When assessing forward-looking information, the expectation is based on multiple scenarios. Examples of key inputs involve changes in, collateral values including property prices for mortgages, commodity prices, payment status or other factors that are indicative of losses in the group. The Bank estimates regulatory and IFRS 9 LGDs on a different basis. Under IFRS 9, LGD rates are estimated for the Stage 1, Stage 2, Stage 3 and POCI IFRS 9 segment of each asset class. The inputs for these LGD rates are estimated and, where possible, calibrated through back testing against recent recoveries. These are repeated for each economic scenario as appropriate.

Significant increase in credit risk

At each reporting date, the Bank shall assess whether the credit risk associated with a financial instrument has increased significantly since the initial recognition. In order to carry out such an assessment, the Bank compares the default risk on the financial instrument at the reporting date with the default risk on the financial instrument at the date of initial recognition through probability of default associated with the rating and additionally incorporates all reasonable information and sustainable indicators that are indicative of significant increases in credit risk since the initial recognition.

The Bank also applies a secondary qualitative method for triggering a significant increase in credit risk for an asset, such as moving a customer/facility to the watch list, or the account becoming forborne. In certain cases, the Bank may also consider that events trigger financial difficulties are a significant increase in credit risk as opposed to a default. Regardless of the change in credit grades, if contractual payments are more than 30 days past due, the credit risk is deemed to have increased significantly since initial recognition.

Financial assets measured on a collective basis

The Bank calculates ECLs either on a collective or an individual basis.

The individual impairment analysis is carried out for companies with individually significant exposures and results from an assessment according to the multiple dimensions of the clients' risk (activity sector, guarantees, economic and financial situation, the respective recoverability of the credits).

For the purpose of individually significant exposures, the selection of clients for individual analysis of impairment in the process performed at the Bank includes clients with the following criteria:

- All Stage 3 of corporate customers
- The large and unique exposures of the corporate customers classified as stage 1 and stage 2 with credit overdue up to 30 days or low internal rating

Asset classes where the Bank calculates ECL on a collective basis include:

- Credit to individual and corporate customers that are not necessary to allocate individual impairment
- Debt instruments
- Applications in Credit Institutions

Analysis of inputs to the ECL model under multiple economic scenarios

Expected losses are calculated as a result of future events, depending on their probability of occurrence. Accordingly, CGD Head Office establishes a set of macroeconomic scenarios that inform the calculation of impairment and allow adjustments to be made in accordance with the expected evolution of the economy. The methodology used to gauge the macroeconomic scenarios and their probability of occurrence is described in the methodological document for the preparation of macroeconomic scenarios.

The measurement of impairment losses under IFRS 9 across all categories of financial assets in scope requires judgement, in particular, the estimation of the amount and timing of future cash flows and collateral values when determining impairment losses and the assessment of a significant increase in credit risk. These estimates are driven by a number of factors, changes in which can result in different levels of allowances. The Bank's ECL calculations are outputs of complex models with a number of underlying assumptions regarding the choice of variable inputs and their interdependencies. Elements of the ECL models that are considered accounting judgements and estimates include:

- The Bank's internal credit grading model, which assigns Probabilities of Default "PDs" to the individual grades;
- The Bank's criteria for assessing if there has been a significant increase in credit risk and so allowances for financial assets should be measured on a lifetime expected credit losses "LTECL" basis and the qualitative assessment;
- The segmentation of financial assets when their ECL is assessed on a collective basis;
- Development of ECL models, including the various formulas and the choice of inputs;
- Determination of associations between macroeconomic scenarios and, economic inputs, such as unemployment levels and collateral values, and the effect on PDs, Exposures at Default "EADs" and Losses Given Default "LGDs";
- Selection of forward-looking macroeconomic scenarios and their probability weightings, to derive the economic inputs into the ECL models;
- As at 31 December 2025, the Bank has not applied any management overlay adjustments to its impairment model.

It has been the Bank's policy to regularly review its models in the context of actual loss experience and adjust when necessary.

CREDIT RISK

as at December 31, 2025

Geographic distribution of exposures

MOP thousands

Region	Loans and advances	Of which: Non-performing loans	Loans and advances ECL	Debt securities	Equity investment	Financial derivatives
Macau						
- Government or Public Sector	-	-	-	-	-	-
- Banks	-	-	-	-	-	-
- Others	22,621,713	434,017	290,762	1,369,887	2,200	-
Hong Kong						
- Government or Public Sector	-	-	-	-	-	-
- Banks	-	-	-	260,027	-	(360)
- Others	805,254	-	805	500,156	9,001	-
China						
- Government or Public Sector	-	-	-	11,499	-	-
- Banks	-	-	-	-	-	-
- Others	754,585	10,097	6,284	261,572	-	-
Portugal						
- Government or Public Sector	-	-	-	-	-	-
- Banks	-	-	-	-	-	-
- Others	89,045	-	1,705	-	-	-
Australia						
- Government or Public Sector	-	-	-	-	-	-
- Banks	-	-	-	1,084,714	-	-
- Others	978	-	-	-	-	-
Caymand Islands						
- Government or Public Sector	-	-	-	-	-	-
- Banks	-	-	-	-	-	-
- Others	1,206,754	-	1,215	274,773	-	-
Japan						
- Government or Public Sector	-	-	-	-	-	-
- Banks	-	-	-	627,093	-	-
- Others	-	-	-	-	-	-
United States						
- Government or Public Sector	-	-	-	-	-	-
- Banks	-	-	-	76,202	-	-
- Others	-	-	-	16,008	111,103	-
Singapore						
- Government or Public Sector	-	-	-	-	-	-
- Banks	-	-	-	-	-	(1,182)
- Others	181,873	-	162	-	-	-
Others						
- Government or Public Sector	-	-	-	-	-	-
- Banks	345,488	-	249	621,166	-	(2)
- Others	1,118,278	-	2,138	168,085	-	-
	27,123,968	444,114	303,320	5,271,182	122,304	(1,544)

CREDIT RISK

as at December 31, 2025

Industry distribution of exposures

MOP thousands

SECTORS	Loans and advances	Of which: Non-performing loans	ECL	Charge-offs
Agriculture and fisheries	322,530	-	410	-
Mining industries	-	-	-	-
Manufacturing industries	258,415	-	302	-
Electricity, gas and water	1,164,139	-	1,004	-
Construction and public works	931,308	21,442	8,041	1,771
Wholesale and retail trade	184,285	34,256	20,240	-
Restaurants, hotels and similar	2,445,638	315	1,632	-
Transport, warehouse and communications	346,347	350	1,049	-
Non-monetary financial institutions	505,128	-	617	-
Gaming	-	-	-	-
Exhibition and conference	-	-	-	-
Education	112,327	-	1,352	-
Information technology	29,858	-	1	-
Others industries	1,836,145	56,513	38,939	-
Personal loans	18,987,848	331,238	229,733	485
	27,123,968	444,114	303,320	2,256

CREDIT RISK

as at December 31, 2025

Ageing analysis of accounting past-due exposures

MOP thousands

Past due for	Past due loans & advances to non-bank customers		Collateral	ECL
More than 3 months but not more than 6 months	24,123	7.35%	30,927	6,516
More than 6 months but not more than 1 year	46,251	14.10%	73,264	25,822
More than 1 year	257,632	78.55%	240,129	164,980
TOTAL	328,006	100.00%	344,320	197,318

The Bank has no overdue loans and advances to banks and other financial assets.

CREDIT RISK

as at December 31, 2025

Credit quality analysis under regulatory asset classification

MOP thousands

	Outstanding Balance	Collateral	Stage 1 ECL	Stage 2 ECL	Stage 3 ECL	Total ECL
Loans and advances to banks						
Pass	345,488	-	249	-	-	249
Loans and advances to non-bank customers						
Pass	25,202,437	-	8,053	20,206	-	28,259
Special Mention	1,131,793	-	58	25,638	-	25,696
Substandard	33,818	49,181	-	239	8,466	8,705
Doubtful	32,486	42,159	1	65	18,115	18,181
Loss	377,946	454,516	-	-	222,230	222,230
Sub-total	26,778,480	545,856	8,112	46,148	248,811	303,071
Other financial assets						
Pass	13,487,481	-	9,476	4,387	-	13,863
Total	40,611,449	545,856	17,837	50,535	248,811	317,183

MARKET RISK

QUALITATIVE DISCLOSURE OF MARKET RISK

Market risk is the risk of negative impacts on the Bank's earnings and capitals, due to unfavorable movements in the price of securities held in BNU's own portfolio or in the market price of derivative instruments, which are caused by fluctuations in interest rates, credit spreads, exchange rates, stock quotes or commodity prices, including adverse movements in exchange rates and their impact on the foreign exchange positions.

The market risk metrics are monitored through the implementation of Value at Risk ("VaR"), Expected Shortfall ("ES") and Three Worst ("3W") during the investment holding period. Backtesting is a periodic comparison of the daily VaR using historical simulations with the actual profit/loss. This comparison determines the number of times in which the losses have surpassed the VaR value, assessing on the strength of the assumptions, quality and precision of the VaR model. The Bank has also implemented triggers of stop-loss mechanism in the Investment portfolio.

The Bank's risk management strategy for its Banking book is different for each of the following categories of market risk and is set out in the subsequent subsections of these financial statements, as follows:

- Interest Rate Risk – Banking Book
- Foreign Exchange Risk

Market risk limits are set and continuously reviewed by the Risk Management Division ("DIRIS"), which is ultimately subject to the approval from the Board of Directors. As a part of the established market risk management process, DIRIS is responsible for ensuring the Bank's compliance with the internal and regulatory market risk limits and evaluating the feasibility of the mitigation measures directly enforced by the first line of defence with regards to Market Risk Management including foreign exchange risk and interest rate risk. The market risk status is monitored by the Capital, Asset and Liability Committee ("CALCO"), Risk Commission ("CRISC") and Executive Directors ("CEXEC").

At operational level, market risk is primarily managed by the Bank's treasury department ("TREAS"), which is responsible for maintaining the money market, foreign exchange positions and derivatives transactions as well as managing the Bank's bonds portfolio, aligning with the Bank's internal and regulatory liquidity requirements.

MARKET RISK

as at December 31, 2025

QUANTITATIVE DISCLOSURE

The market risk capital requirements

MOP thousands

Items	Amount
- Interest rate risk	-
- Equity position risk	-
- Foreign exchange risk	6,297
- Commodity risk	-
Market Risk Capital Charges for all categories	6,297

INTEREST RATE RISK IN THE BANKING BOOK

QUALITATIVE DISCLOSURE OF INTEREST RATE RISK

Interest Rate Risk refers to the current or prospective risk to earnings and capital arising from adverse movements in interest rates.

In this regard, the Bank has established clear policies on the governance and framework of Interest Rate Risk Management in accordance with the rules of AMCM, which sets up the responsibilities and establishes the principles applicable to BNU's interest rate risk management, on an individual and on a consolidated basis. Besides this policy, corporate normative rules are issued to control interest rate risks within the Bank. The existing corporate normative rules are reviewed annually. In addition, interest rate changes are monitored on daily basis.

The Risk Appetite Statement was developed to present BNU's metrics in relation to Risk Limits, Tolerance Levels, Targets and Business Risk owners. For interest rate risk, the metrics are the Economic value of equity at risk (var. ± 200 bp) as % Tier 1 Capital and Impact on earnings of var. ± 200 bps proxied by the repricing gap as % of Tier 1 Capital. Several indicators are also taken into consideration such as Interest Rate Gap, Duration Gap (Basis Risk) and Sensitivity of the Economic Capital Value.

All the Assets, Liabilities and Off-Balance sheet Assets and Liabilities that are interest bearing are registered by time bands and the potential impact of a shock of an interest rate increase of 200b.p. in the own Funds and 50b.p. in the Profit and Loss accounts of the Bank is quantitatively evaluated. As per BNU's policies, the impacts of changes in interest rates are tested in the Bank on a monthly basis through the calculation of the Interest Rate Risk Return.

The impacts of 200b.p. changes in interest rates are also tested in the Bank on a quarterly basis through the calculation of the Interest Rate Risk Return as per the guidelines of AMCM.

A Non-Maturity Deposits ("NMDs") model has also been developed and implemented referenced to BCBS standards, determining the portion of deposits considered as stable and core with the percentage not sensitive to changes in market rates; and its distribution in the residual maturity time buckets.

The Risk Commission ("CRISC") oversees BNU compliance with the rules issued by the regulator and the prudential rules regularly. CRISC analyses and monitors the management, monitors the risks, and advices and assists the Board of Directors on the risk strategy and on the overall risk appetite.

The Capital, Asset and Liability Management Committee (CALCO, formerly known as the ALCO) is responsible for assessing and monitoring the process of integrated management of capital, assets and liabilities (ALM - Capital, Asset-Liability Management) which aims to proactively manage BNU's balance sheet and profitability. In the field of risk management, it focuses on balance sheet, market, liquidity and regulatory interest rate risks, and other types of risk (e.g. credit risk) may be taken into account as framing factors and operational risk.

All the limits of the bank are reviewed on annual basis according to the bank's strategy and risk appetite, current situation of the bank and the economic environment.

INTEREST RATE RISK IN THE BANKING BOOK

as at December 31, 2025

QUANTITATIVE DISCLOSURE

Interest Rate Exposures at a shock of 200 basis points

MOP thousands

Item	Time band	Long (a)	(Short) (b)	Long (c)	(Short) (d)	Total net long (short) (e)	Weighing factor (%)	Weighted position long (short) (f)
1	Within 1 day	13,600,110.53	(10,470,520.22)	-	-	3,129,590.31	-	-
2	>1 to <= 7 days	2,948,765.57	(174,107.78)	-	-	2,774,657.78	0.02	554.93
3	>7 days to <= 1 month	3,627,339.86	(1,484,982.40)	-	-	2,142,357.46	0.10	2,142.36
4	>1 to <= 3 months	1,921,808.32	(2,517,791.36)	-	-	(595,983.03)	0.32	(1,907.15)
5	>3 to <= 6 months	1,034,500.47	(1,840,711.32)	-	-	(806,210.85)	0.72	(5,804.72)
6	>6 months to <=1 year	921,341.94	(746,191.35)	-	-	175,150.60	1.43	2,504.65
7	>1 to <=2 years	161,513.58	(27,353.29)	-	-	134,160.29	2.77	3,716.24
8	>2 to <=3 years	139,928.00	(17.10)	-	-	139,910.90	4.49	6,282.00
9	>3 to <=4 years	100,981.14	-	-	-	100,981.14	6.14	6,200.24
10	>4 to <=5 years	93,596.88	-	-	-	93,596.88	7.71	7,216.32
11	>5 to <=7 years	31,519.74	-	-	-	31,519.74	10.15	3,199.25
12	>7 to <=10 years	3,402.74	-	-	-	3,402.74	13.26	451.20
13	>10 to <=15 years	-	-	-	-	-	17.84	-
14	>15 to <=20 years	4,475.00	-	-	-	4,475.00	22.43	1,003.74
15	Over 20 years	-	-	-	-	-	26.03	-
16	Weighted position for this currency							25,559.08
17.1	Weighted position of Hong Kong dollars							(4,856.13)
17.2	Weighted position of US dollars							48,009.86
18	Weighted position of all currencies (16(f)+17(f))							68,712.81
19	Own funds							7,062,028.55
20	Impact on economic value as % of own funds* (18(f) as % of 19(f))							0.97%

OPERATIONAL RISK

QUALITATIVE DISCLOSURE

The Bank's operational risk involves risks of negative impacts on results or capital arising from failures in the analysis, processing or settlement of operations, internal and external fraud, and failures in outsourcing activities or usage of subcontracted resources, internal inefficient decision-making processes, insufficient or inadequate human resources, or the inoperability of infrastructure.

With an objective to ensure that the operational risks are within the Bank's acceptable range established under the Risk Appetite Framework, the operational risk management policies are reviewed periodically, providing guidelines in risk mitigation measures as well as maintaining their adequacy and effectiveness.

Key Risk Indicators (KRI), which are the metrics used to regularly and proactively monitor the exposure to operational risk, identify the weaknesses and processes where risk exposures are increasing and ensure the timely establishment of further mitigation measures.

The Risk and Control

Self-Assessment aims to complement the information collected about the events occurred, characterising the operational risk profile of the processes and evaluating the effectiveness of controls, thereby determining the need to strengthen existing mitigation measures.

The assessment of the Business Impact Analysis (BIA) identifies the critical business assets, functions, resources, Recovery Point Objective (RPO) and Recovery Time Objective (RTO) to ensure that the critical business processes can be promptly recovered to an acceptable level. Business Recovery and Continuity Strategy is designated to address the actual actions, manpower and resources required to recover a critical business processes.

To promote Operational Risk Management culture in the Bank and enhance the staff's awareness towards operational risk, the Operational Risk Management and BCM training is conducted at the Bank on a yearly basis. The quality and effectiveness of Operational Risk Management is subject to the independent reviews by the Bank's second and third line of defence, including the Risk Management Division, Compliance Office, Data Office and Internal/External Audits, and operational risk status are monitored by the Bank's Operational Risk and Internal Control Committee, Risk Commission and Executive Directors.

FOREIGN EXCHANGE RISK

QUALITATIVE DISCLOSURE

The risk for potential losses in our foreign exchange position is due to fluctuations in the foreign exchange rates, which are analysed on a daily basis by calculating the VaR (Value –at -Risk) of the Currencies Positions, the global Foreign Exchange Position, monthly data from the internal system and by back-testing.

In this regard, the Bank has established clear policies on the governance and framework of foreign exchange risk management. The positions including the FX risk as well as Investment and Treasury portfolios of BNU, fixed income securities and derivatives are monitored in accordance with guidelines. The existing corporate normative are reviewed annually.

The Risk Appetite Statement was developed to present BNU's metrics in relation to Risk Limits, Tolerance Levels, Recovery Plan Trigger, Targets and Business Risk owners. For foreign exchange risk, the metrics are Total Absolute Net Value of Exposure to FX Risk and FX Position VaR.

The hedging of currency risk may be carried out on a basis of hedging transaction by transaction and/or by hedging open positions in each currency, which correspond to the balance of the position on the previous business day plus the values of the forecast currency position during the day.

Significant open positions in Foreign Exchange are ran and they are the HKD/MOP/USD/CNY positions. The HKD/MOP/USD positions taken by the Bank are considered low risk since the three currencies are pegged to each other and can only fluctuate within a tight range. The peg is considered of strategic importance by the government of Macau and it is central to its monetary policies. On the other hand, the CNY positions are mainly related to the placements with BNU Hengqin Branch and loans granted that were denominated in CNY.

There are established limits for foreign exchange in different currencies and limits are also frequently reviewed to ensure that these limits reflect the current banking economic environment and international standards.

The Risk Committee ("CRISC") oversees BNU compliance with the rules issued by the regulator and the prudential rules regularly. CRISC analyses and monitors the management and monitoring of the risks, advice and assists the Board of Directors on the risk strategy and on overall risk appetite.

The Capital, Asset and Liability Management Committee (CALCO, formerly known as the ALCO) monitors regularly the Bank's exposure to foreign exchange risk. The Committee will ensure that it is aware of the overall financial performance of the Bank, therefore, will keep abreast of significant changes/trends in its financial results.

FOREIGN EXCHANGE RISK

as at December 31, 2025

QUANTITATIVE DISCLOSURE

Total net long & total net short positions in foreign currencies

MOP thousands

Currency	Net Open Position excluding option contracts Long or Short	Net Position in Option contracts Long or Short	Net Open Position including option contracts Long or Short
1. Australian dollars	357	-	357
2. Canadian dollars	131	-	131
3. Chinese renminbi	73,243	-	73,243
4. Euro	(745)	-	(745)
5. Hong Kong dollars	4,149,406	-	4,149,406
6. Japanese yen	229	-	229
7. New Zealand dollars	214	-	214
8. Pound sterling	586	-	586
9. Singapore dollars	664	-	664
10. Swiss francs	551	-	551
11. US dollars	276,869	-	276,869
12. Foreign currencies not separately specified above, except gold	2,738	-	2,738
13. Macau patacas	-	-	(4,504,243)
14. MOP/HKD/USD Position# (in absolute value)			4,426,275
15. Gold	-	-	-
16. SUM OF NET LONG POSITIONS UNDER ITEMS 1-13			4,504,988
17. SUM OF NET SHORT POSITIONS UNDER ITEMS 1-13 (in absolute value)			4,504,988

FOREIGN EXCHANGE RISK

as at December 31, 2025

QUANTITATIVE DISCLOSURE

The net position (in absolute terms) in a particular foreign currency constitutes not less than 10% of the total net position in all foreign currencies:

MOP thousands

Currency	Spot assets	Spot Liabilities	Forward purchases	Forward sales	Net options position	Net long position
Hong Kong dollars	4,210,660	-	-	(61,254)	-	4,149,406

LIQUIDITY RISK

QUALITATIVE DISCLOSURE

Liquidity risk is defined as the risk that the Bank does not have sufficient liquid financial resources to meet obligations associated with financial liabilities. Liquidity risk arises because of the possibility that the Bank might be unable to meet its payment obligations due as a result of mismatches in the timing of the cash flows under both normal and stress circumstances. Such scenarios could occur when funding needed for illiquid asset positions is not available to the Bank on acceptable terms. To mitigate this risk, diversified funding sources has been arranged in addition to its core deposit base, and adopted a policy of assets management with liquidity in mind. The Bank has developed relevant internal control processes and liquidity contingency plans whereas liquidity coverage ratio ("LCR") are monitored on a daily basis.

The Risk Commission ("CRISC") is responsible for monitoring risks and ensuring that the Bank complies with the rules and requirements from the regulatory authority and is in line with the overall risk appetite and strategy of the Bank.

The Capital Asset and Liability Commission ("CALCO") is responsible for assessing and monitoring the asset and liability management ("ALM") process and managing the Bank's liquidity risk through review of liquidity contingency plan, monitor alternative funding sources, and oversee liquidity indicators including liquidity position, maturity gaps, and funding costs evolution.

The treasury department ("TREAS") of the bank is responsible for executing treasury activities in the framework of liquidity risk management. This incorporates an assessment of expected cash flows and the availability of high quality liquid assets ("HQLA") which could be used to secure additional funding.

All the limits of the bank are reviewed on annual basis according to the bank's strategy and risk appetite, current situation of the bank and the economic environment.

LIQUIDITY RISK

as at December 31, 2025

QUANTITATIVE DISCLOSURE

Maturity analysis on financial assets and liabilities

MOP thousands

Type of Accounts	TOTAL Repayable	On demand	Within 1 months (except those repayable on demand)	More than 1 month but not more than 3 months	More than 3 months but not more than 1 year	More than 1 year but not more than 3 years	More than 3 years	Within an indefinite period	Derivatives
		(a)	(b)	(c)	(d)	(e)	(f)	(g)	
FINANCIAL ASSETS									
Loans and advances	26,820,648	10,549	531,628	223,949	1,237,321	3,438,203	21,378,998	-	-
Cash and balances and placements with banks and other financial institutions	11,379,123	2,688,634	4,529,516	2,074,105	2,086,868	-	-	-	-
Deposits with monetary authorities	716,218	107,814	-	-	-	-	-	608,404	-
Certificates of deposit held	-	-	-	-	-	-	-	-	-
Securities issued by Macau SAR Government and / or AMCM	11,681,637	11,681,637	-	-	-	-	-	-	-
Other securities	5,393,485	124,363	133,909	344,033	3,152,095	1,253,943	385,142	-	-
Derivative financial instruments	535	-	-	-	-	-	-	-	535
Financial assets included in other assets	1,943,328	1,943,328	-	-	-	-	-	-	-
Total financial assets	57,934,974	16,556,325	5,195,053	2,642,087	6,476,284	4,692,146	21,764,140	608,404	535
FINANCIAL LIABILITIES									
Deposits and balances of banks and financial institutions	518,378	321,923	-	20,770	172,185	3,500	-	-	-
Deposits from public sector entities	5,315,427	3,903,365	10	189,397	1,222,655	-	-	-	-
Deposits from holding and associated companies	31,369	31,369	-	-	-	-	-	-	-
Deposits from non-bank customers	30,755,398	16,601,750	3,018,877	5,122,425	5,966,873	38,689	6,784	-	-
Certificates of deposits issued	-	-	-	-	-	-	-	-	-
Other securities issued	-	-	-	-	-	-	-	-	-
Derivative financial instruments	2,079	-	-	-	-	-	-	-	2,079
Bank notes in circulation	12,403,888	-	12,403,888	-	-	-	-	-	-
Financial liabilities included in other liabilities	542,720	542,720	-	-	-	-	-	-	-
Total financial liabilities	49,569,259	21,401,127	15,422,775	5,332,592	7,361,713	42,189	6,784	-	2,079

MOP thousands

- Average minimum weekly cash in hand	854,536
- Average weekly cash in hand	2,534,068
- Average month-end specified liquid assets	16,725,613
- Average month-end ratio of specified liquid assets to total basic liabilities	46.73%
- Average one-month liquidity ratio	60.35%
- Average three-months liquidity ratio	56.94%

BNU

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