

Millennium  
bcp



# EARNINGS PRESENTATION Q1 2022

Banco Comercial Português, S.A.

# Disclaimer

- | The information in this presentation has been prepared under the scope of the International Financial Reporting Standards ('IFRS') of BCP Group for the purposes of the preparation of the consolidated financial statements under Regulation (CE) 1606/2002, as amended.
- | The figures presented do not constitute any form of commitment by BCP in regard to future earnings.
- | Figures for 2022 not audited.
- | During 2021, BCP Group sold the entire share capital of Banque Privée BCP (Suisse) S.A. and 70% of the share capital of Seguradora Internacional de Moçambique, S.A. ("SIM"). As defined in IFRS 5, the contribution of these entities to the consolidated net income of the Group is reflected as income arising from discontinued operations, and the historical information has been restated since January 2020 to ensure its comparability.
- | Due to changes in the accounting policies of Bank Millennium (Poland), the previously published financial statements were restated from 1 January 2020 for comparability.
- | The information in this presentation is for information purposes only, and should be read in conjunction with all other information made public by the BCP Group.

# AGENDA



Highlights

01

Group

02

Portugal

03

International  
operations

04



01

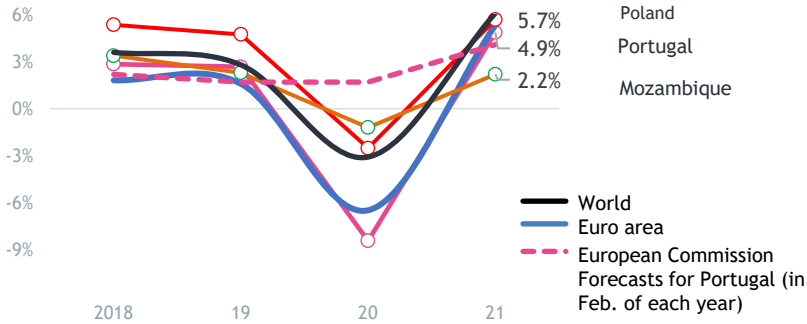
—



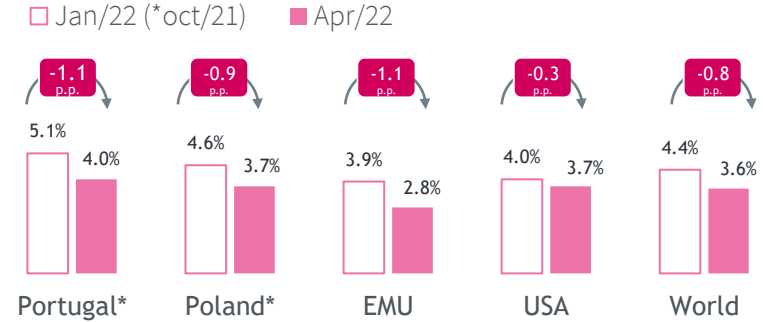
# Highlights

# Macroeconomic scenario marked by uncertainty

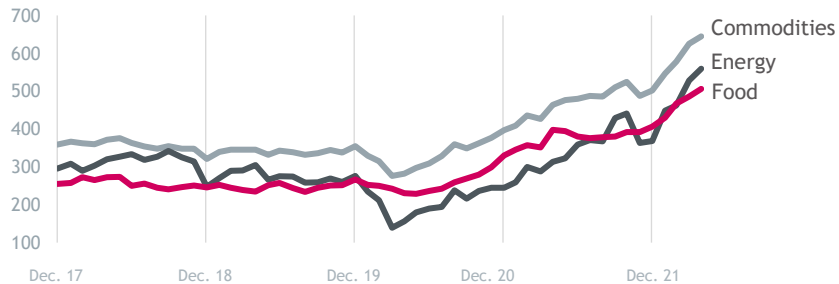
Real GDP Evolution 2018-2021  
Year on year change (IMF)



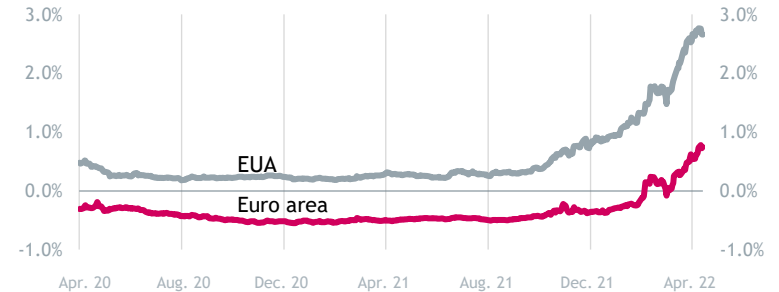
2022 real GDP growth projection review  
IMF



Bloomberg price index



Evolution of 2-year swap rates



# Highlights: Robust business model



## Profitability

- **Net profit of 112.9 million (+95.2%)**, including 123.3\* million of costs related with Bank Millennium's CHF loan portfolio. Excluding costs associated with CHF loans, **net profit would amount to 174.6 million (+52.6%)**
- **Net profit of 107.6 million in Portugal**, corresponding to an increase of 29% from the 1<sup>st</sup> quarter of 2021
- **Profit before impairment and provisions up by 36.8% in the group** and 26.2% in Portugal
- **Impairment and other provisions, totalled 254.0 million**. Loan's impairment down 19.1% (-21.1 million) from 1<sup>st</sup> quarter of 2021



## Capital and liquidity

- **Total capital\*\* of 15.5%** and **CET1\*\* of 11.5%**, (on a pro forma\*\*\* basis, total capital of 16.2% and CET1 of 12.0% subject to the already requested approval for the application of article 352 (2) of the CRR) above regulatory requirements of **13.75% and of 9.16%**, respectively.
- Strong liquidity, well in excess of regulatory requirements, and **eligible assets for ECB funding of 23.9 billion**

\* Before non-controlling interests and includes provisions for legal risks, costs with out-of-court settlements and legal advice.

\*\* Fully implemented ratio including unaudited net income for 1<sup>st</sup> quarter of 2022

\*\*\* Subject to ECB authorization

# Highlights: Robust business model



## Business activity

- **Consolidated performing loans up by 3.1 billion**, +5.8% from March 2021; **performing loans in Portugal up by 2.1 billion**, +5.7% from March 2021
- **Total Customer funds up by 6.5 billion**, +7.7% from March 2021 (+7.2% in Portugal)
- **On-balance-sheet Customers funds up by 10.9%** to 73.5 billion for the Group, resulting from 10.9% increase in Portugal and 11.0% in the international activity



## Credit quality

- **NPEs down in an adverse environment: -421 million** from March 2021. In Portugal, the decrease was **405 million** in the same period (91 million from last year end)
- **Cost of risk of 62bp for the Group and of 68bp in Portugal** which compares with 80bp and 94bp in the first quarter of 2021, respectively
- **Coverage of NPEs by LLRs of 68 %** (+3pp from March 2021), with **total coverage of 121%** at the Group level

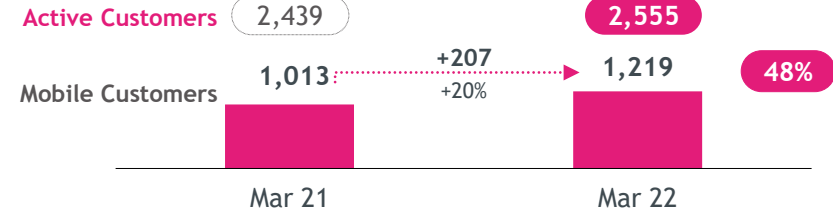
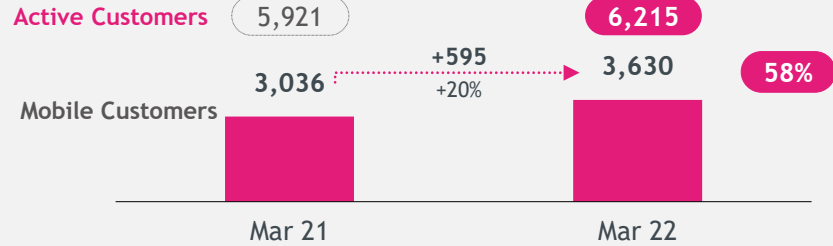


# Growing Customer base, mobile Customers standing out

'000 Customers

As % of active Customers

## Group



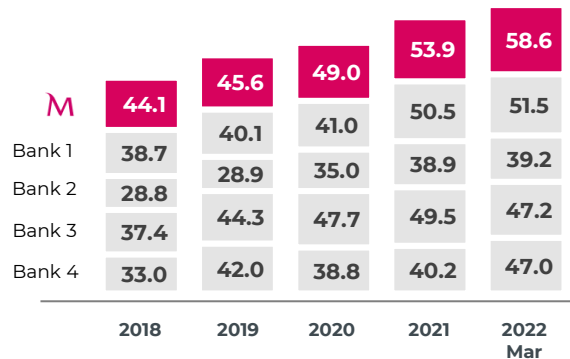


# Our capabilities in digital are widely recognised and recommended

## Marktest

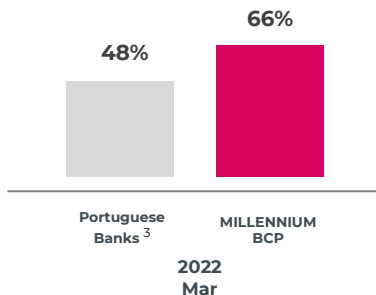
Digital Channels Satisfaction

#1 NPS<sup>1</sup> Digital Customers  
2018 – 2022 (Mar.),  
5 largest banks



## “Best Digital Bank”

Unaided nomination by Customers<sup>2</sup>,  
1 T 2022



App Millennium  
leads ratings



4.8



4.8



4.7



<sup>1</sup> Digital channels satisfaction (NPS), 5 maiores Bancos, Source: BASEF 5 largest banks 2021

<sup>2</sup> Which bank do you choose as the ‘Best Digital Bank’? (Unaided reply) | Sample: Banking sector, total number of banking Customers, aged > 15 years - 70 years, Portugal (N 2022 = 2,000 per quarter; 8,000 per year)

<sup>3</sup> Banking Sector - Corresponds to the Simple Average of the scores obtained from 6 Banks : NB, BPI, Caixa, Millennium bcp, Santander and Montepio

Awards are the exclusive responsibility of the of the attributing entity

The “Product of the Year” award is based on a consumer survey of product innovation. Appraising entity - Product of the Year Portugal Lda.

# Innovation focused on customer needs translates into accelerated growth in Mobile usage and sales



## Strong mobile growth Y/Y

(Number of operations, jan-mar 2022 vs jan-mar 2021)

**+30%**

Transactions

**+124%**

Transfers  
P2P

**+25%**

National  
Transfers

**+8%**

Payments

**+46%**

Sales

**+160%**

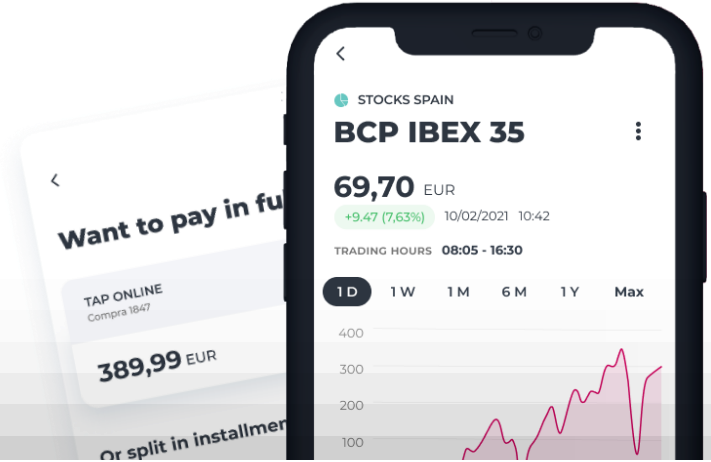
Cards

**+250%**

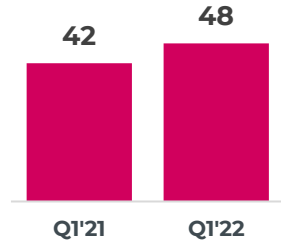
Personal loans

**+32%**

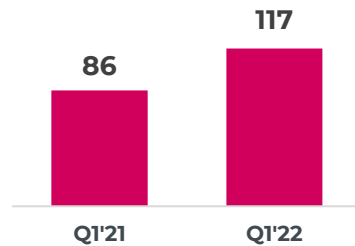
Savings



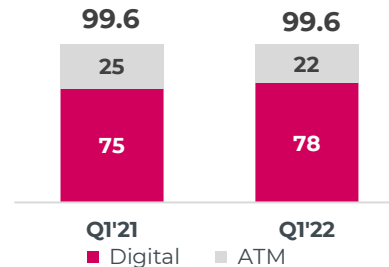
% Mobile Customers<sup>1</sup>



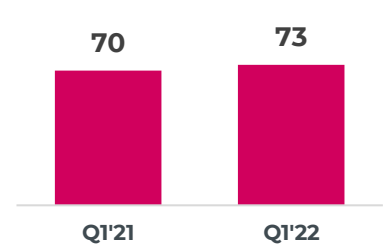
# Digital Interactions (mio)<sup>2</sup>



% Digital Transactions (#)<sup>3</sup>



% Digital Sales (#)<sup>4</sup>



<sup>1</sup> Customers definition according to 2024 Strategic Plan

<sup>2</sup> Interactions (Millennium website and app), individuals includes AB

<sup>3</sup> Includes mobile, online and ATMs, excludes branches and contact center that counts for 0,4% of total transactions

<sup>4</sup> Digital sales (Millennium website and app) in number of operations



02

—



**Group**

**Profitability**

# Net income of 112.9 million the 1<sup>st</sup> quarter of 2022

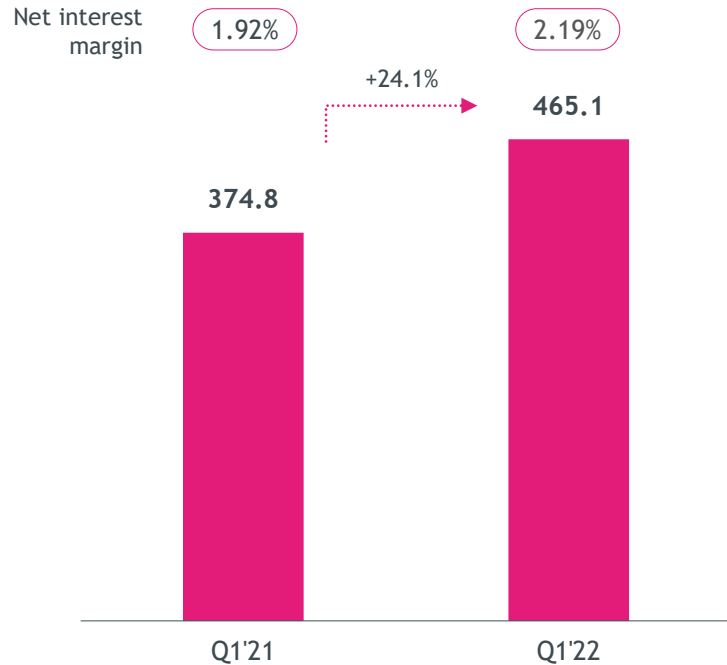
(Million euros)	Q1'21	Q1'22	YoY	Impact on earnings
Net interest income	374.8	465.1	+24.1%	+90.3
Commissions	171.1	192.8	+12.7%	+21.7
<b>Core income</b>	<b>545.9</b>	<b>657.9</b>	<b>+20.5%</b>	<b>+112.0</b>
<b>Operating costs</b>	<b>-252.1</b>	<b>-255.0</b>	<b>+1.1%</b>	<b>-2.9</b>
<b>Core operating profit</b>	<b>293.8</b>	<b>402.9</b>	<b>+37.2%</b>	<b>+109.2</b>
Other income*	32.0	42.8	+33.6%	+10.8
<b>Operating net income</b>	<b>325.8</b>	<b>445.7</b>	<b>+36.8%</b>	<b>+119.9</b>
Impairment and other provisions	-242.7	-254.0	+4.6%	-11.3
<i>Of which: legal risk on CHF mortgages (Poland)**</i>	-112.8	-97.4	-13.7%	+15.4
<b>Net income before income tax</b>	<b>83.1</b>	<b>191.8</b>	<b>+130.8%</b>	<b>+108.7</b>
Income taxes***, non-controlling interests and discontinued operations	-25.3	-78.9	+212.3%	-53.6
<b>Net income</b>	<b>57.8</b>	<b>112.9</b>	<b>+95.2%</b>	<b>+55.1</b>
<b>Net income excluding costs related with CHF loan portfolio (Poland)****</b>	<b>114.4</b>	<b>174.6</b>	<b>+52.6%</b>	<b>+60.2</b>

\*Dividends from equity instruments, other net operating income, net trading income and equity accounted earnings. | \*\*Does not include provisions for legal risk on CHF mortgages of Euro Bank (guaranteed by Société Générale): 10.4 million in Q1'22 and 4.6 million in Q1'21. | \*\*\*Includes impact of provisions for legal risk on CHF mortgages in Poland and of mandatory contributions (non-tax-deductible amounts in Q1'22: 36.2 and 28.2 in Q1'22). | \*\*\*\*Impacts related mainly with provisions for legal risks, costs with out-of-court settlements and legal advice of 61.8 millions in Q1'22 and 56.6 millions in Q1'21, net of non-controlling interests.

# Net interest income

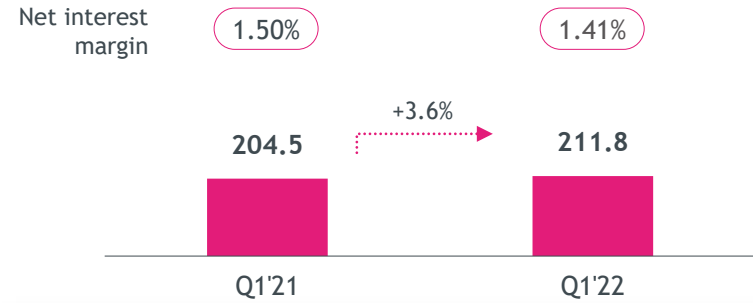
## Net interest income

(Consolidated, million euros)



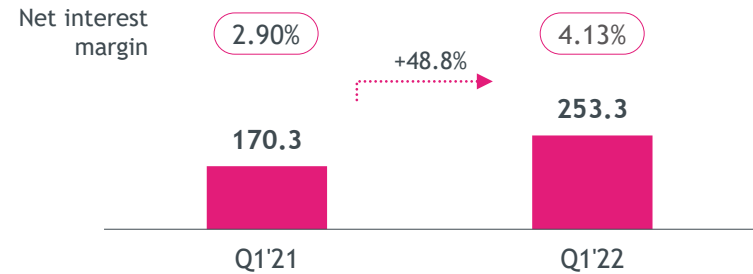
## Portugal

(Million euros)



## International operations

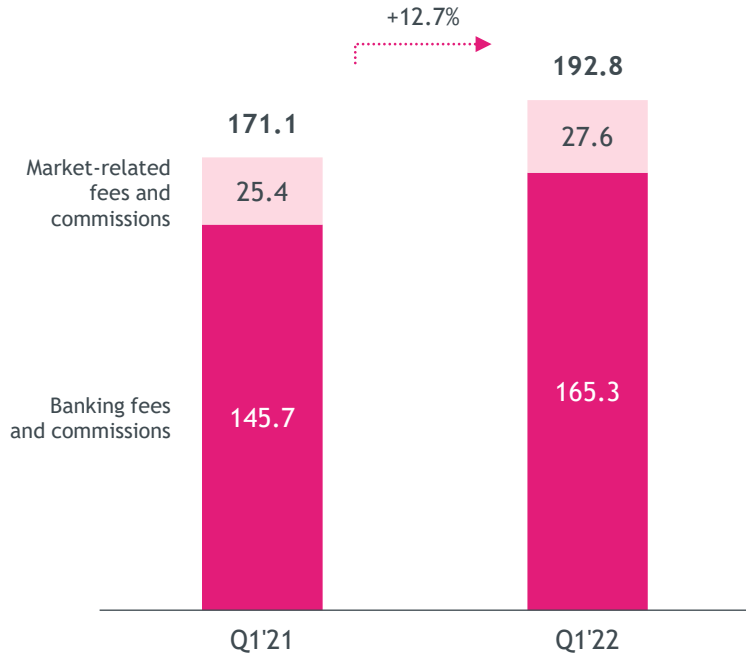
(Million euros)



# Fees and commissions

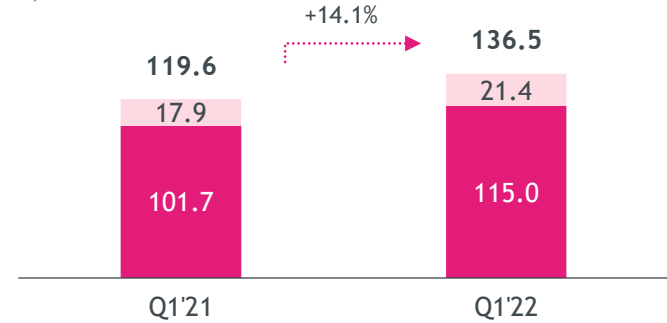
## Fees and commissions

(Consolidated, million euros)



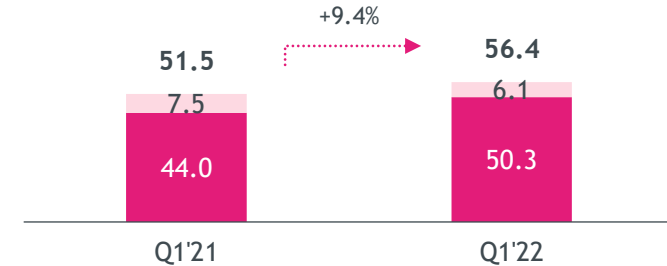
## Portugal

(Million euros)



## International operations

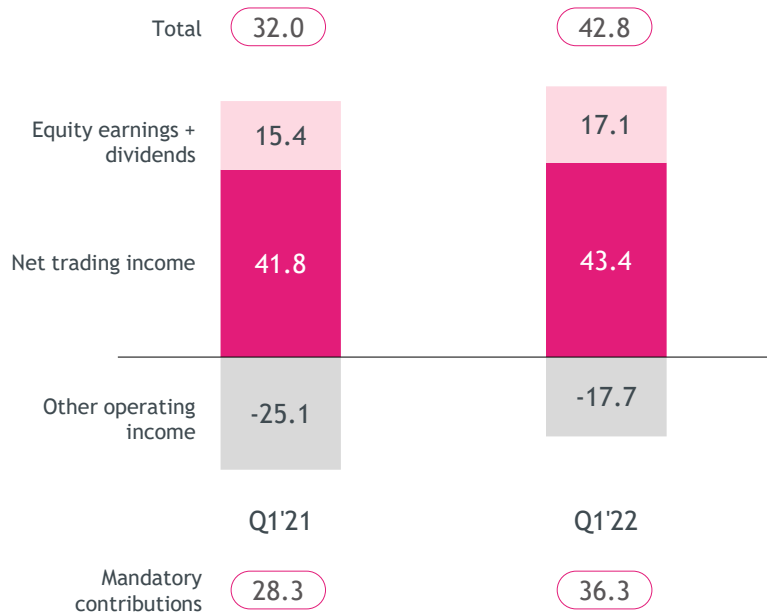
(Million euros)



# Other income

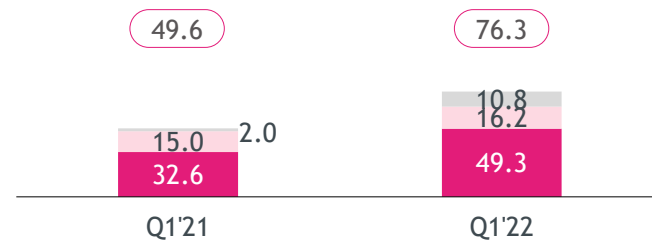
## Other income

(Consolidated, million euros)



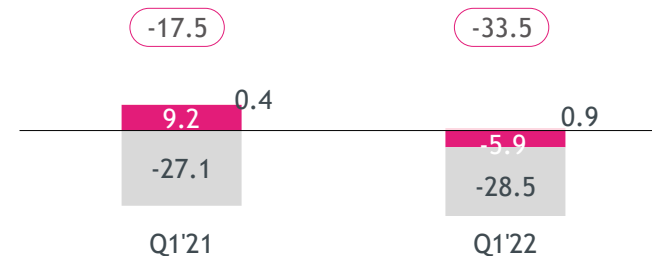
## Portugal

(Million euros)



## International operations

(Million euros)

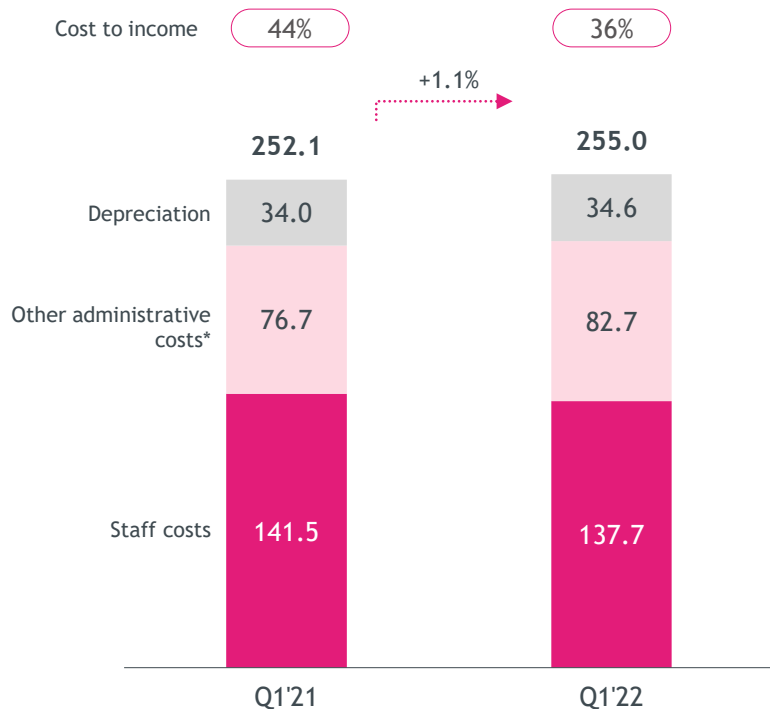


1Q'21: other operating income includes +4.6 million compensation for provisions for legal risk on CHF mortgages of Euro Bank (guaranteed by Société Générale); net trading income include -3.7 million of out-of-court settlements with customers related with CHF loans portfolio.  
 1Q'22: other operating income includes +10.4 million compensation for provisions for legal risk on CHF mortgages of Euro Bank (guaranteed by Société Générale); net trading income include -25.9 million of out-of-court settlements with customers related with CHF loans portfolio.

# Operating costs

## Operating costs

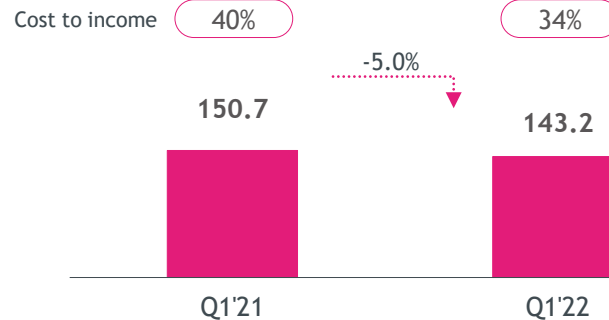
(Consolidated, million euros)



\*Includes 2.6 million of legal advice costs related with CHF loans in 1Q'22 and 1.5 million in 1Q'21.

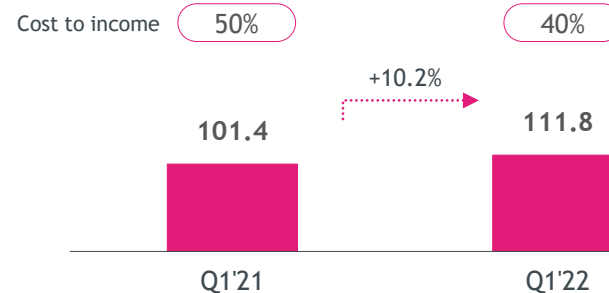
## Portugal

(Million euros)



## International operations\*

(Million euros)

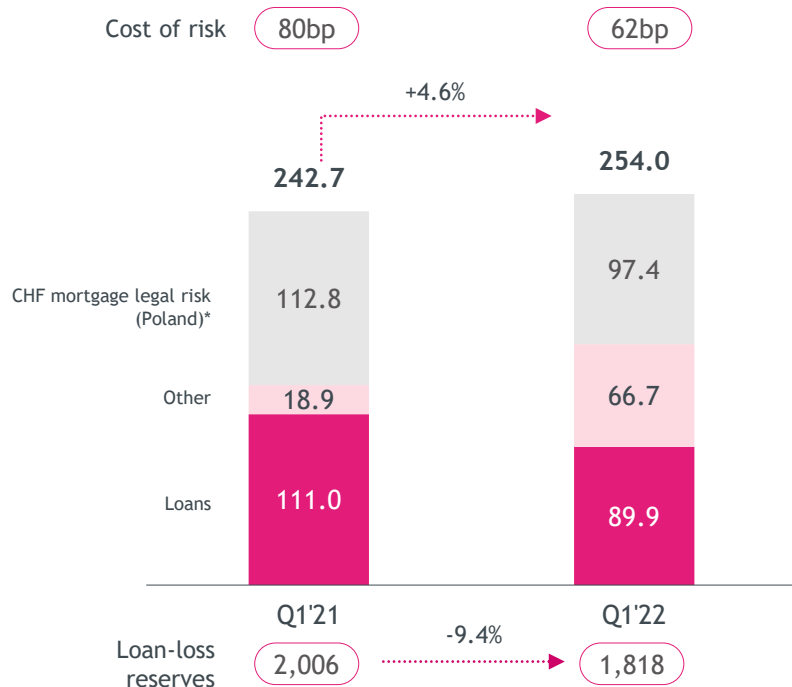




# Cost of risk and provisions

## Impairment and provision charges

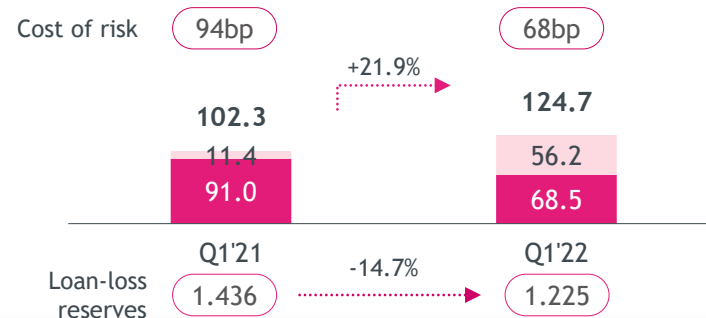
(Consolidated, million euros)



\*Does not include provisions for legal risk on CHF mortgages of Euro Bank (guaranteed by Société Générale): 10.4 million in 1Q'22 and 4.6 million in 1Q'21.

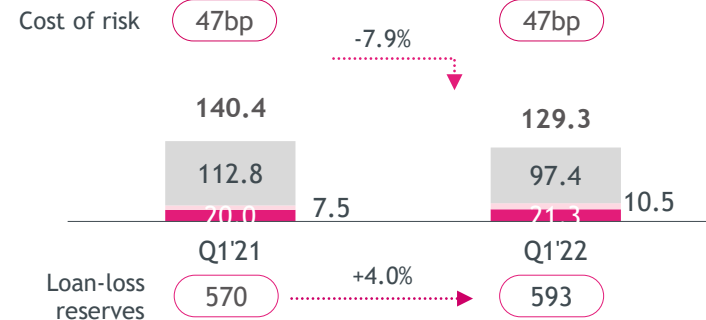
## Portugal

(Million euros)



## International operations

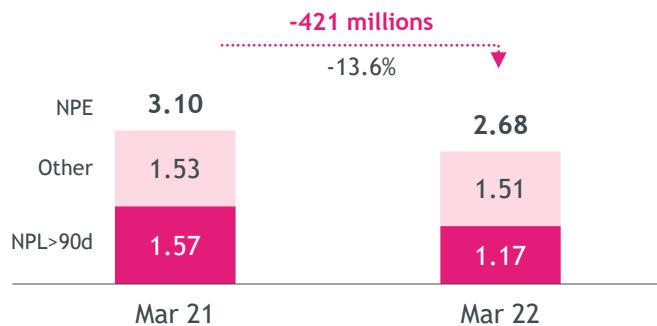
(Million euros)



# Relevant reduction of NPEs under a complex context

## Credit quality

(Consolidated, billion euros)



NPE total coverage\* **115%** (Mar 21) **121%** (Mar 22)

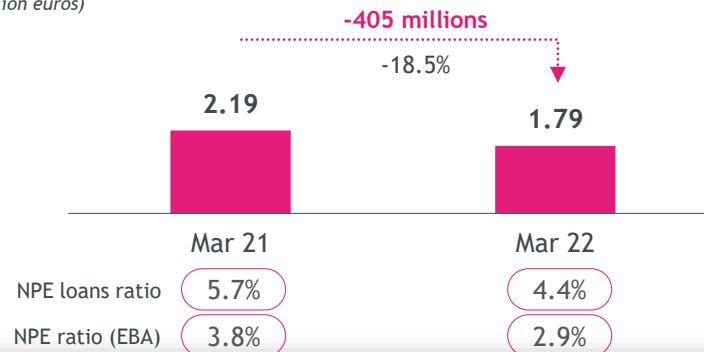
NPE coverage by LLRs **65%** (Mar 21) **68%** (Mar 22)

	Mar 21	Dec 21	Mar 22
NPL>90 days ratio	2.8%	2.1%	2.0%
NPE ratio inc. securities and off-BS (EBA)	3.6%	3.2%	3.0%
NPE ratio (loans only)	5.5%	4.7%	4.6%

\*By loan-loss reserves and collaterals.  
NPE include loans to Customers only, except if otherwise indicated.

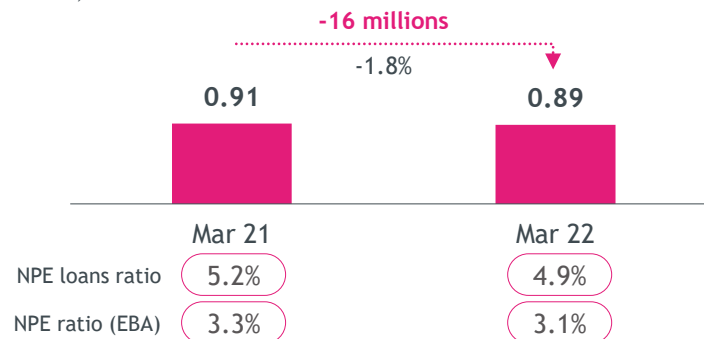
## Portugal

(Billion euros)



## International operations

(Billion euros)





02

—



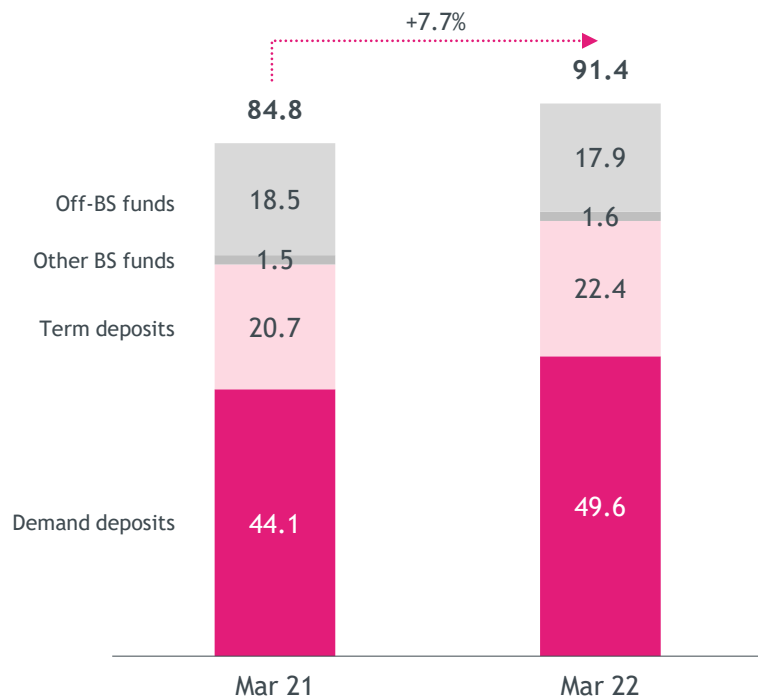
**Group**

**Business activity**

# Customer funds keep growing

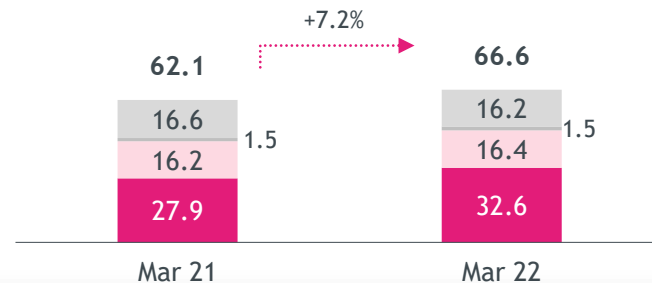
## Total Customers Funds\*

(Consolidated, billion euros)



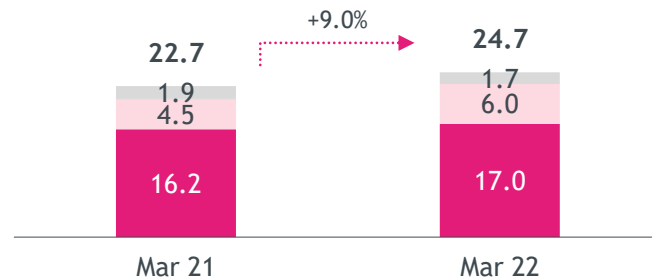
## Total Customers Funds\* Portugal

(Billion euros)



## Total Customers Funds\* international operations

(Billion euros)

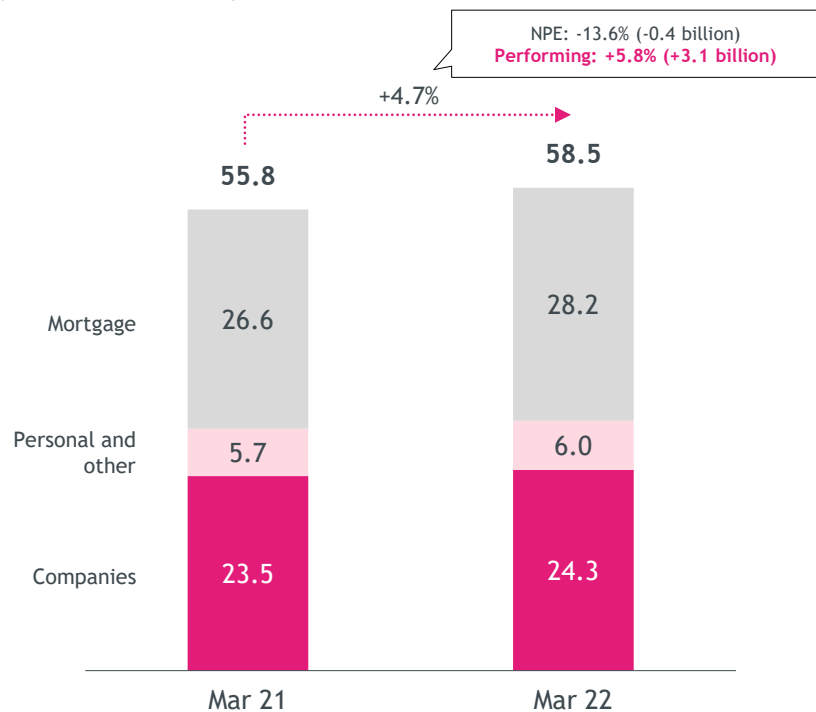


\*Deposits, debt securities, assets under management, assets placed with Customers and insurance products (savings and investments). Customer funds on a proforma basis due to Banque Privée sale

# Relevant increase of the loan portfolio

## Loans to Customers (gross)

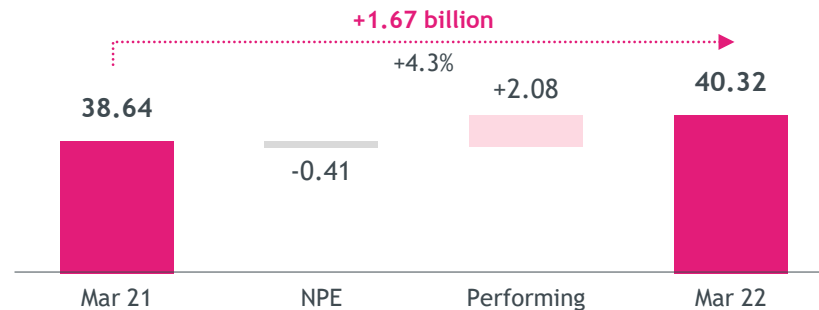
(Consolidated, billion euros)



NPE include loans to Customers only.  
 Loans to Customers on a proforma basis due to Banque Privée sale.

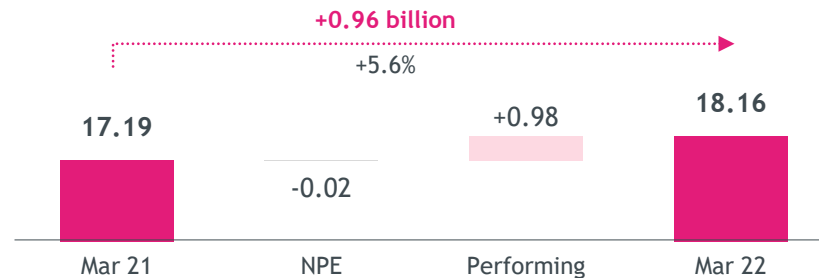
## Portugal

(Billion euros)



## International operations

(Billion euros)





02

—



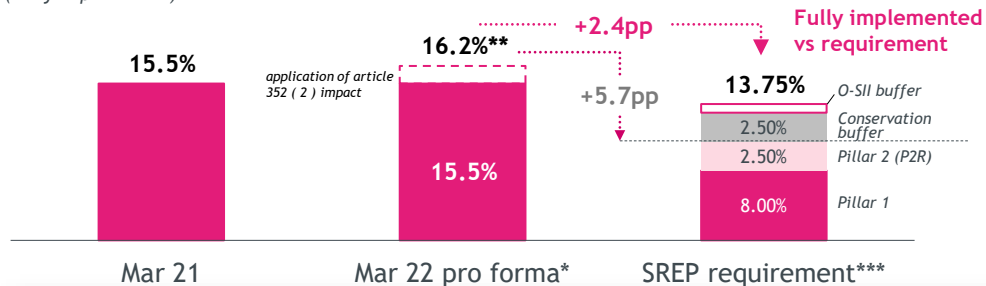
**Group**

Capital and liquidity

# Capital above regulatory requirements

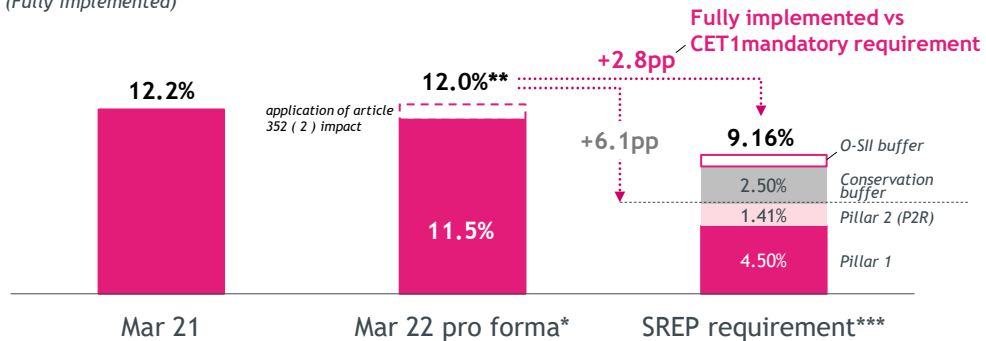
## Total capital ratio

(Fully implemented)



## CET1 capital ratio

(Fully implemented)



- Total capital ratio of 15.5% and CET1 capital ratio of 11.5% (fully implemented) as of March 2022, above SREP requirements
- Total capital ratio pro forma of 16.2% and CET1 capital ratio pro forma of 12.0% subject to the already requested approval for the application of article 352 (2) CRR (Capital Requirements Regulation) that excludes from capital requirements the structural FX positions held to hedge the capital ratios
- Surplus of 2.4pp between the total capital ratio and the SREP requirement not using the capital conservation and the O-SII buffers, and of 5.7pp if such buffers are used
- MDA buffer pro forma at 1.1 billion above the level at which there are restrictions on the maximum distributable amount of results, in accordance with banking regulation

\*Including unaudited net income for the 1st quarter of 2022.

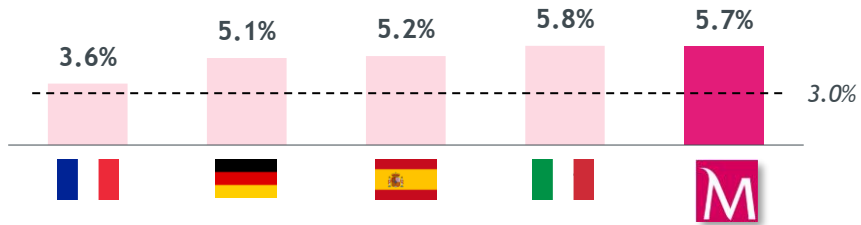
\*\*Subject to ECB authorization

\*\*\*Minimum phased-in regulatory requirements from March 1, 2022.

# Capital at adequate levels

## Leverage ratio

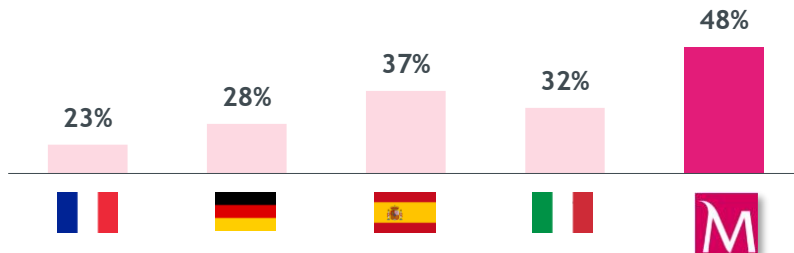
(Fully implemented, latest available data)



Leverage ratio at 5.7% as of March 2022, a comfortable and comparatively strong figure in European banking

## RWA density

(RWAs as a % of assets, latest available data)

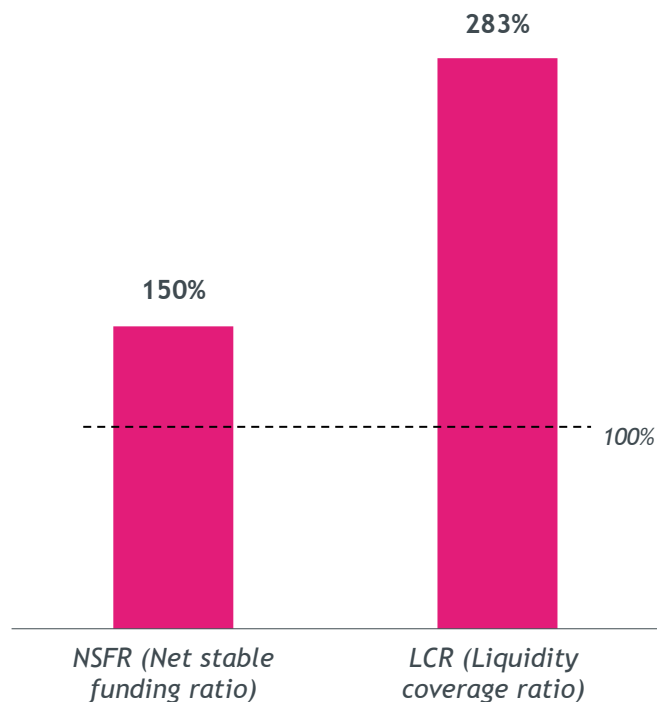


High RWA density (48% as of March 2022), compared to lower figures in most European banking markets



# Reinforced liquidity position

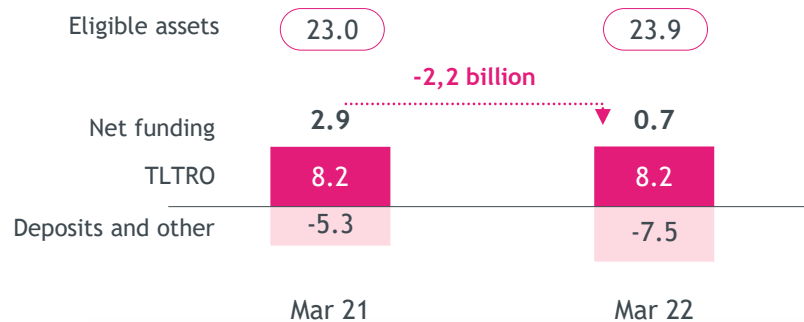
## Liquidity ratios (CRD/CRR)



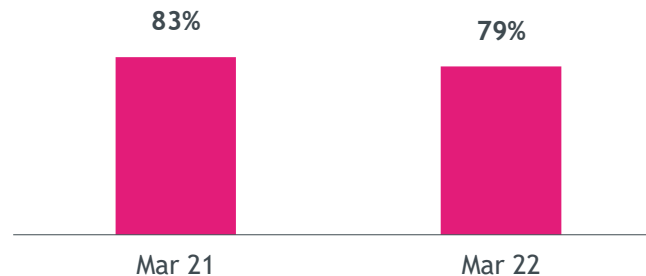
Loans to Customers and Customer funds on a proforma basis due to Banque Privée sale

## ECB funding, net

(Billion euros)



## Net loans to deposits ratio





03

—



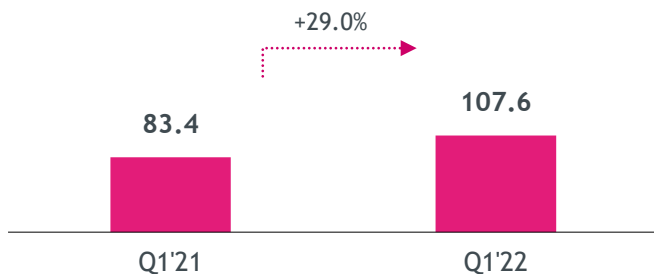
Portugal

# Resilient profitability in Portugal



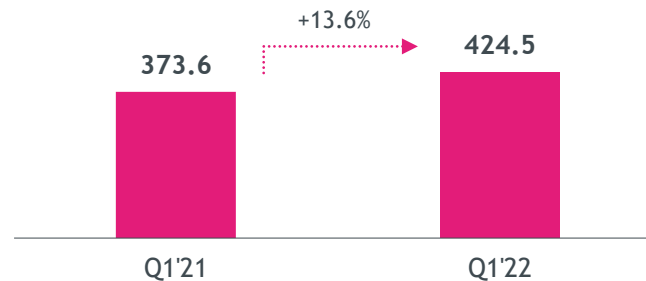
## Net income

(Million euros)



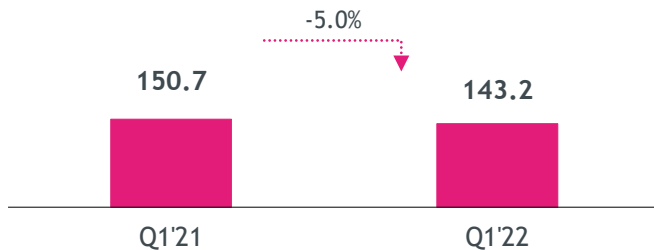
## Net operating revenue

(Million euros)



## Operating costs

(Million euros)

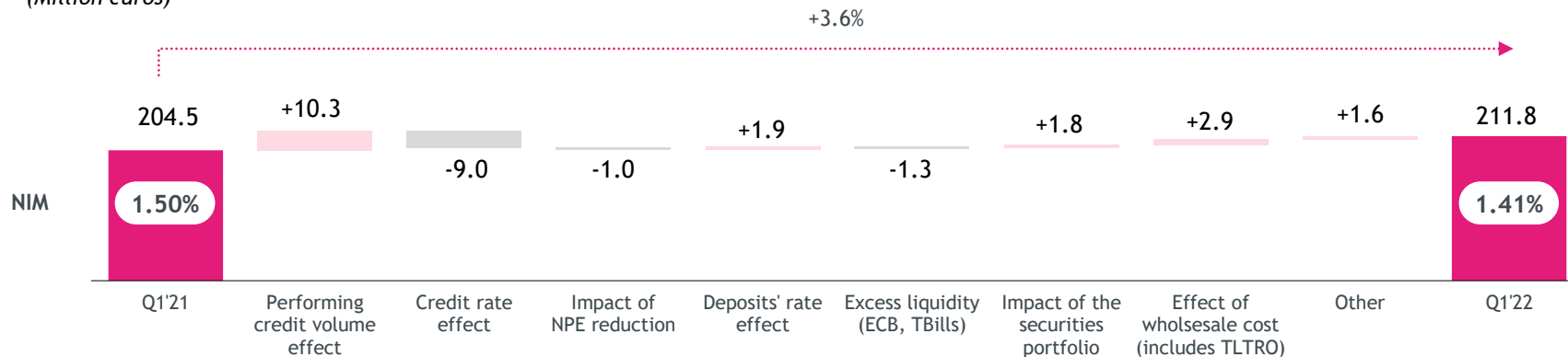


- Net income of 107.6 million in 1st quarter of 2022, an increase of 29.0% from 1st quarter of 2021
- Net income was driven by stronger net operating income and lower operating costs

# Net interest income



(Million euros)



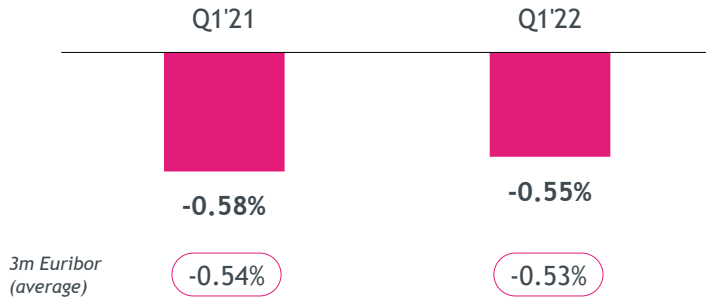
Net interest income stood at 211.8 million in the 1<sup>st</sup> quarter of 2022, up 3.6% (+7.3 million) from 204.5 million in the same period of 2021. The positive impacts of the growing performing portfolio, lower wholesale funding cost, the continued decline in the remuneration of time deposits and higher yields of the securities portfolio, have more than compensated for the negative impacts of the loan portfolio (price effect), excess liquidity and reduction of NPEs.

# Stabilization of the cost of deposits



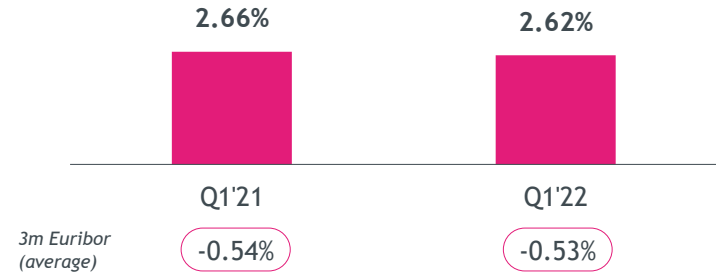
## ☰ Spread on the book of term deposits

(vs 3m Euribor)



## ☰ Spread on the performing loan book

(vs 3m Euribor)



## ☰ NIM



- Spread of the portfolio of term deposits of -0.55% in the 1<sup>st</sup> quarter of 2022 (-0.58% in the same period of 2021); Customer rate down to 0.02% in 1<sup>st</sup> quarter 2022 from 0.03% in 1<sup>st</sup> quarter 2021
- Spread on the performing loan portfolio stood at 2.62% in 1<sup>st</sup> quarter of 2022, compared to 2.66% same period last year
- NIM stood at 1.41%

# Commissions and other income



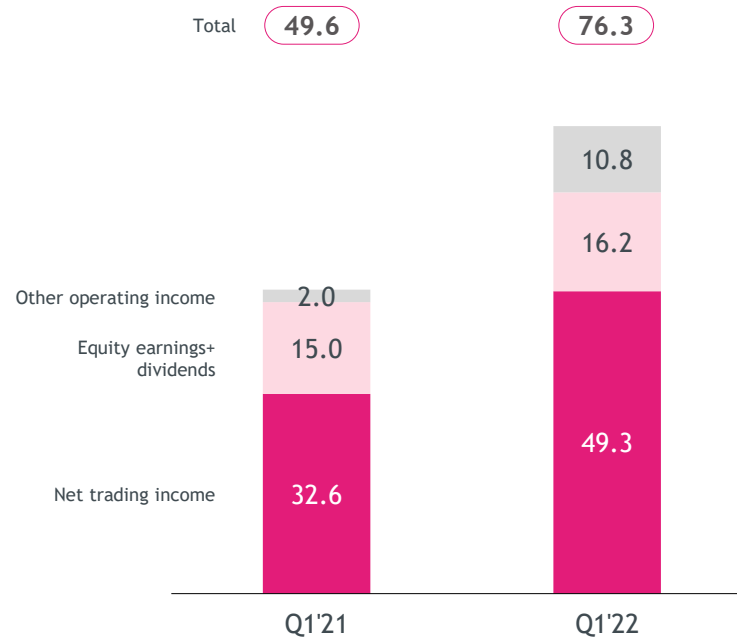
## Commissions

(Million euros)

	Q1'21	Q1'22	YoY
<b>Banking fees and commissions</b>	<b>101.7</b>	<b>115.0</b>	<b>+13.1%</b>
Cards and transfers	23.6	30.8	+31.0%
Loans and guarantees	25.0	27.8	+11.3%
Bancassurance	21.8	22.1	+1.2%
Customer account related	29.3	32.1	+9.3%
Other fees and commissions	2.0	2.3	+12.0%
<b>Market related fees and commissions</b>	<b>17.9</b>	<b>21.4</b>	<b>+19.7%</b>
Securities operations	6.8	8.3	+22.8%
Asset management	11.1	13.1	+17.8%
<b>Total fees and commissions</b>	<b>119.6</b>	<b>136.5</b>	<b>+14.1%</b>

## Other income

(Million euros)

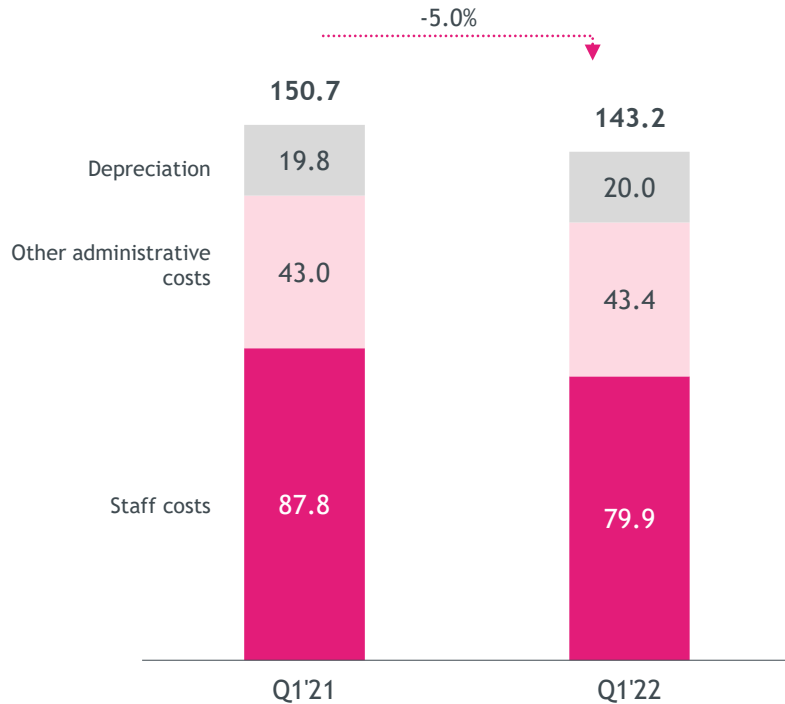


# Operating costs

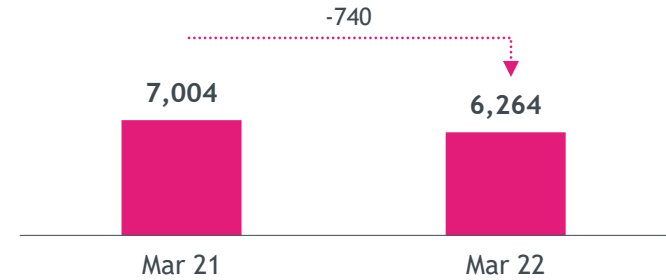


## Operating costs

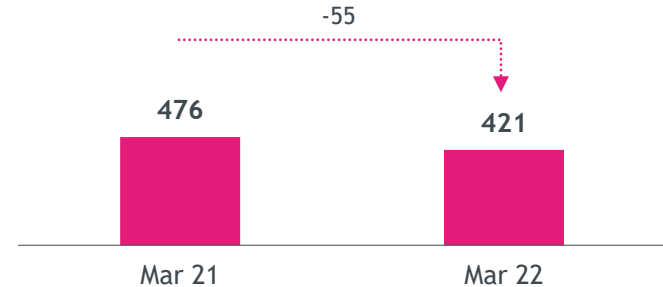
(Million euros)



## Employees



## Branches

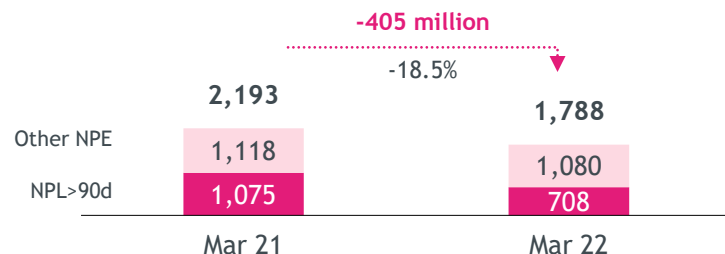


# Continued decrease of NPEs



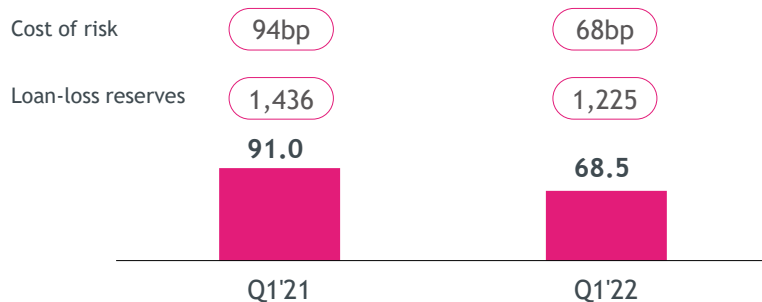
## Non-performing exposures (NPE)

(Million euros)



## Loan impairment (net of recoveries)

(Million euros)



NPE include loans to Customers only.

## NPE build-up

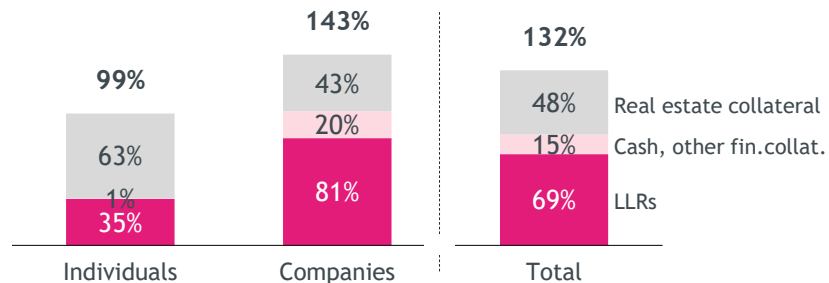
(Million euros)	Mar 22 vs. Mar 21	Mar 22 vs. Dec 21
Opening balance	2,193	1,878
Net outflows/inflows	172	85
Write-offs	-348	-93
Sales	-230	-81
<b>Ending balance</b>	<b>1,788</b>	<b>1,788</b>

- NPEs in Portugal total 1,788 million at end-March 2022, a decrease of 405 million from March 2021 and 90 million down from end-2021
- The decrease from March 2021 results from net inflows of 172 million, write-offs of 348 million and sales of 230 million
- The decrease of NPEs from March 2021 is attributable to a 367 million reduction of NPL>90d
- Cost of risk of 68bp in 1<sup>st</sup> quarter 2022 (94bp in same period of 2021), with a reinforcement of NPE coverage by loan-loss reserves from 66% to 69%, respectively

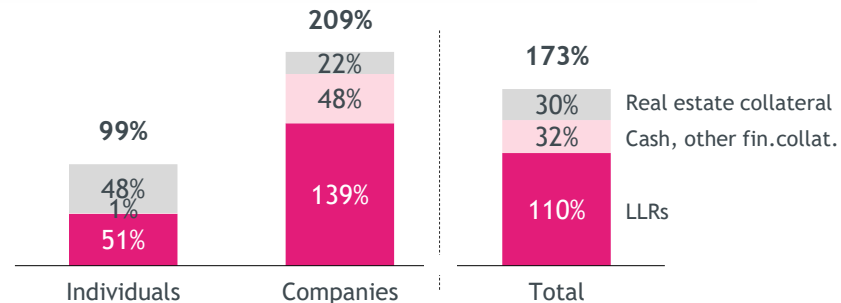




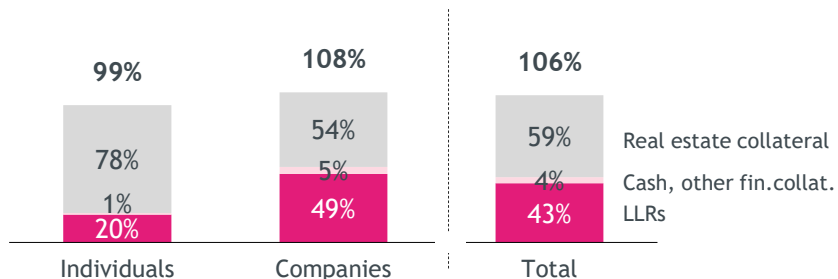
## NPE total coverage\*



## NPL>90d total coverage\*



## Other NPE total coverage\*



- Total coverage\*  $\geq 100\%$  for both NPE categories (NPL>90d and other NPE)
- Coverage by loan-loss reserves is stronger in loans to companies, where real-estate collateral, usually more liquid and with a more predictable market value, accounts for a lower coverage than in loans to individuals: coverage by loan-losses was 81% for companies NPE as of March 2022, reaching 139% for companies NPL>90d (101% and 188%, respectively, if cash and financial collateral are included)

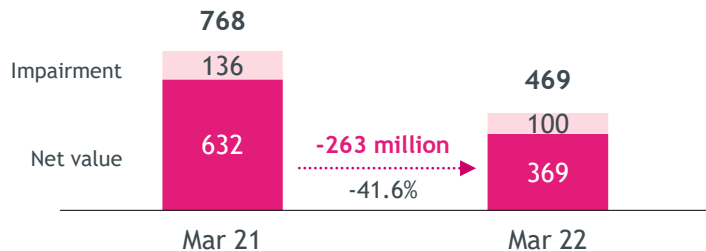
NPE include loans to Customers only.  
\*By loan-loss reserves and collaterals.

# Foreclosed assets and corporate restructuring funds



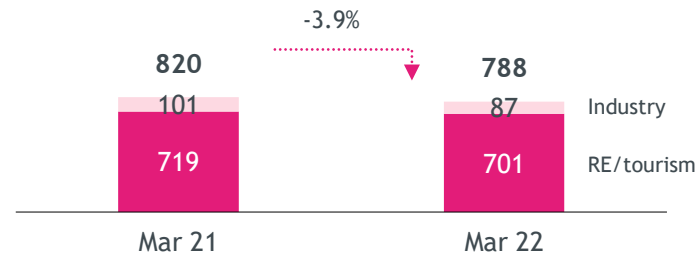
## Foreclosed assets

(Million euros)



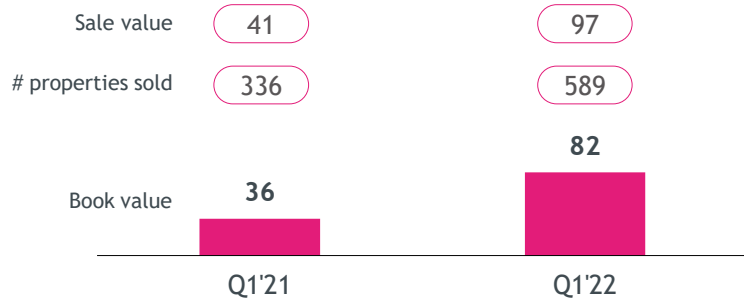
## Corporate restructuring funds

(Million euros)



## Sales of foreclosed assets

(Million euros)



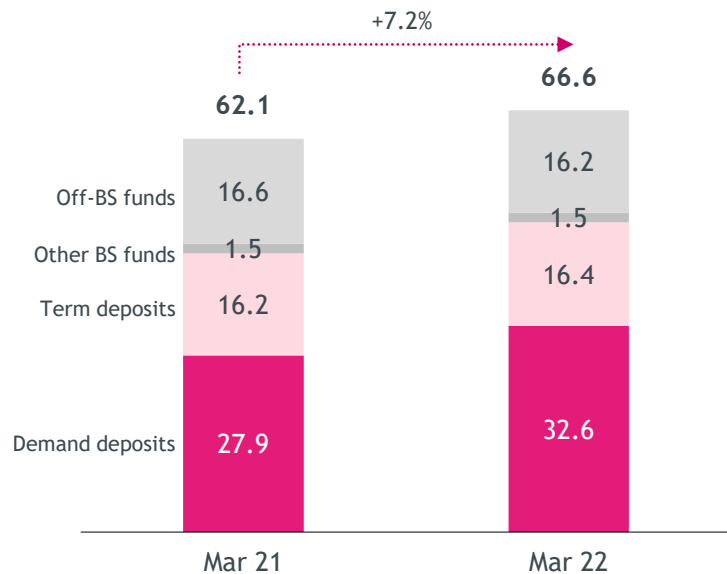
- Net foreclosed assets were down by 41.6% between March 2021 and March 2022 and 17.7% from December 2021. Valuation of foreclosed assets by independent providers exceeded book value by 31%
- 589 properties were sold during the 1<sup>st</sup> quarter of 2022 (336 properties in same period of 2021), with sale values exceeding book value by 15 million
- Corporate restructuring funds decreased 3.9% to 788 million at end-March 2022. The original credit exposure on these funds totals 2,006 million, with total reserves (original credit, plus restructuring funds) corresponding to a 61% coverage

# Growing customer funds and loans to customers



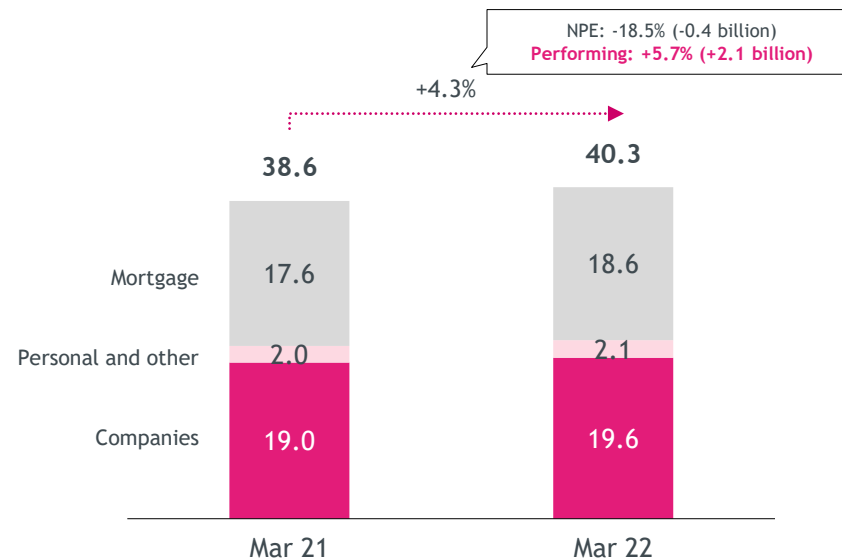
## Total Customers Funds\*

(Billion euros)



## Loans to Customers (gross)

(Billion euros)



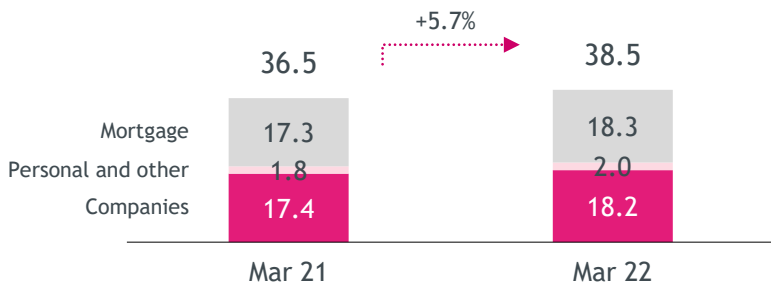
\*Deposits, debt securities, assets under management, assets placed with Customers and insurance products (savings and investments).

# Performing credit grows in Portugal



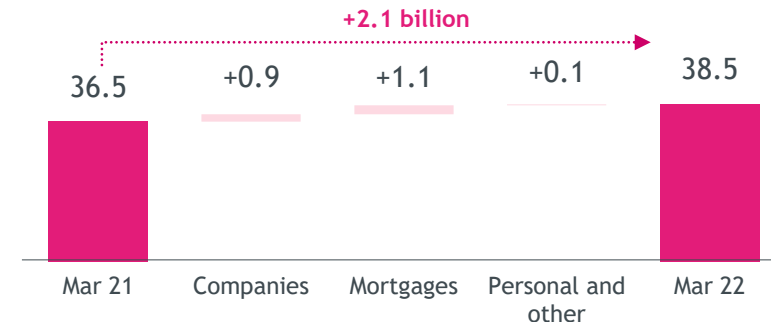
## Performing credit portfolio

(Billion euros)



## Breakdown of performing credit growth

(Billion euros)



\*Data as of March 2022.

- **Performing credit portfolio in Portugal up by 2.1 billion (+5.7%)** from March 2021, supported in growth in mortgage loans and loans to companies
- **Mortgage loans up by 1.1 billion** from March 2021 (6.1%)
- **Strong support to companies**, +881 million of performing loan growth from March 2021 (+5.1%)
  - ✓ Credit lines **with European guarantees** to support the economy with more than **3.3 billion**
  - ✓ **Leadership in PME Líder 21 programme** for 4th year in a row being the 1st bank to surpass the 3,400 awards assigned
  - ✓ **Leadership in the Inovadora COTEC 2022 programme**, with more than 470 applications and 57% market share
  - ✓ **Best bank for companies; Main bank for companies; closest to Customers (DataE 2021)**
  - ✓ **Leading bank in Factoring and Confirming:** factoring invoicing of 2.5 billion in the 1<sup>st</sup> quarter of 2022 and market share of 26%\*
  - ✓ **Leading bank in Leasing:** 155 million new leasing business the 1<sup>st</sup> quarter of 2022 and market share of 29%\*
  - ✓ **19% market share** (up to September 2021) **in the placement of loans with State guarantees**, in partnership with Banco Português de Fomento (BPF)



04

—



**International operations**

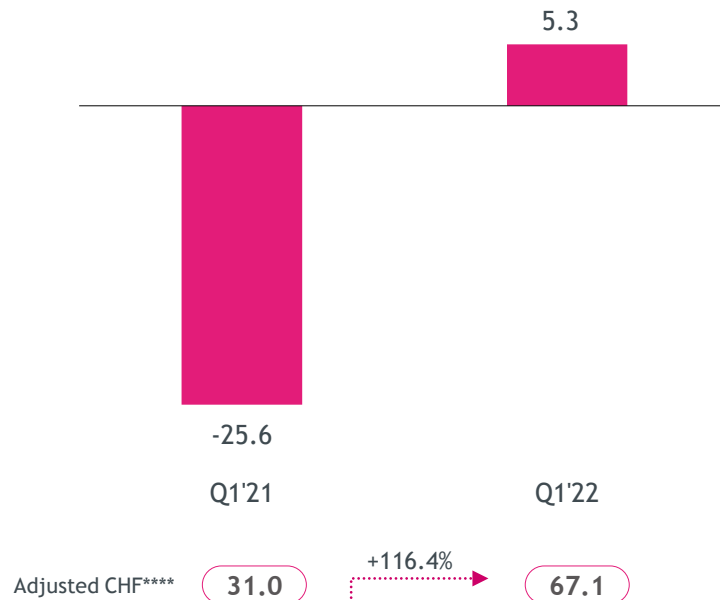
# Contribution from international operations to consolidated net income

(Million euros\*)

	Q1'21	Q1'22
Poland	-67.2	-26.4
Mozambique**	17.9	24.3
Other	-4.5	0.9
<b>Net income international operations</b>	<b>-53.9</b>	<b>-1.2</b>
Discontinued Operations***	3.3	1.4
Non-controlling int. (Poland+Mozambique)	27.1	5.1
Exchange rate effect	-2.2	--
<b>Contribution from international operations</b>	<b>-25.6</b>	<b>5.3</b>
<b>Contribution excluding costs related with CHF loan portfolio (Poland)****</b>	<b>31.0</b>	<b>67.1</b>

## Contribution from international operations

(Million euros\*)



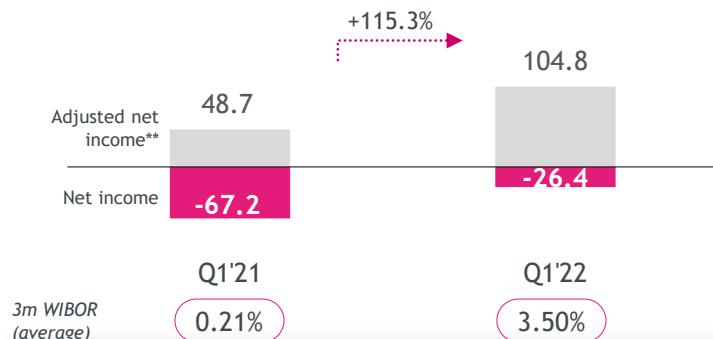
\*Subsidiaries' net income presented for Q1'21 at the same exchange rate as of Q1'22 for comparison purposes. | \*\*Not including results arising from discontinued operations | \*\*\*Includes the sale of 100% of Banque Privée's capital, in Switzerland, and of 70% of SIM, in Mozambique, by Millennium bim | \*\*\*\*Impacts related mainly with provisions for legal risks, costs with out-of-court settlements and legal advice of 61.8 millions in Q1'22 and 56.6 millions in Q1'21, net of non-controlling interests.

# Net earnings affected by costs related with CHF loans



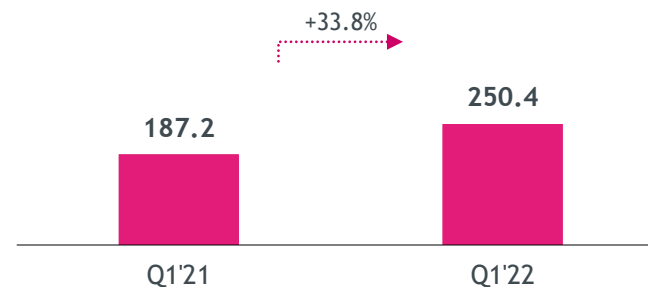
## Net income

(Million euros\*)



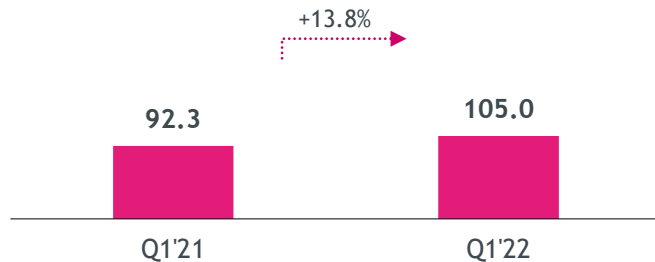
## Net operating revenue

(Million euros\*)



## Operating costs

(Million euros\*)



- Adjusted net income\*\* up by 115.3%
- Net losses of 26.4 million, affected by 123.3\*\*\* million costs related with CHF loans portfolio
- Net operating revenue influenced by results in net interest income and net trading income
- Continued implementation of measures to rationalise the workforce and to optimise geographic presence: reduction of 396 employees and 32 branches
- Strong franchise, as demonstrated by the increase of Customers funds by 8.0% and of loans to Customers by 5.4%
- CET1 ratio of 12.9% with total capital of 16.0%

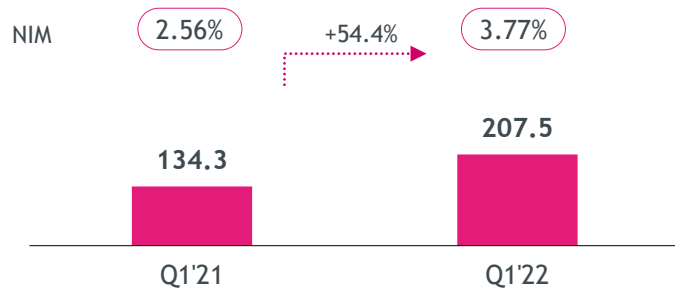
\*FX effect excluded. €/Zloty constant at March 2022 levels: Income Statement 4.63; Balance Sheet 4.64. | \*\*Excludes provisions for legal risks, costs with out-of-court settlements and legal advice related with CHF loans, linear distribution of the DGF resolution fund fee and in 2021 material revaluation of financial investments (VISA). | \*\*\* Before non-controlling interests including provisions for legal risks, costs with out-of-court settlements and legal advice related with CHF loans in Poland.

# Net interest income increase



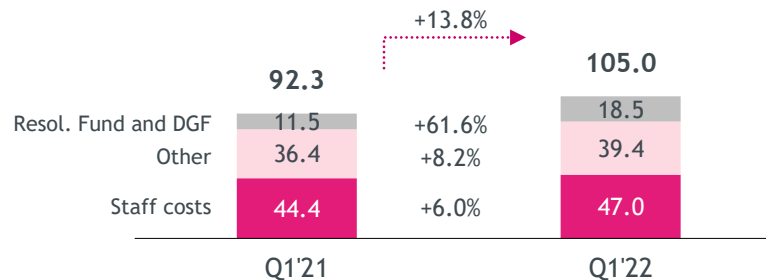
## Net interest income\*

(Million euros\*)



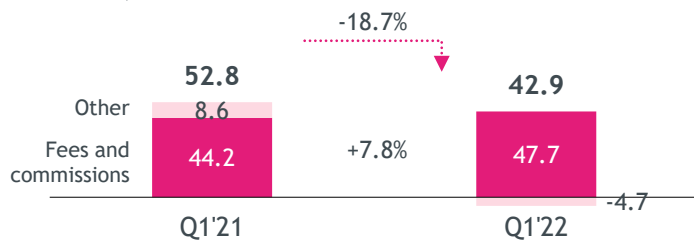
## Operating costs

(Million euros\*)



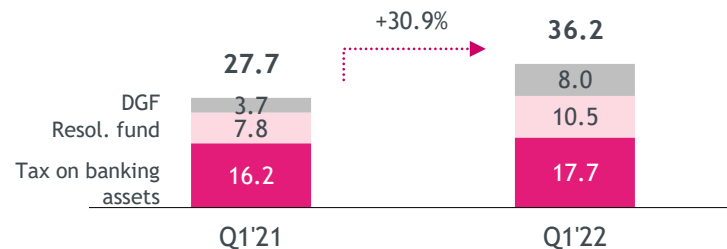
## Commissions and other income

(Million euros\*\*; does not include tax on assets and contribution to the resolution fund and to the DGF)



## Mandatory contributions

(Million euros\*)



\*FX effect excluded. €/Zloty constant at March 2022 levels: Income Statement 4.63; Balance Sheet 4.64.





## NPL>90d

(Million euros\*)

Credit ratio  
NPL>90d

2.6%

2.2%

427.4

390.7

Mar 21

Mar 22

## Loan impairment (net of recoveries)

(Million euros\*)

Cost of risk

39bp

40bp

15.9

17.4

Q1'21

Q1'22

## Loan-loss reserves

(Million euros\*)

Coverage ratio  
NPL>90d

122%

137%

523.0

534.9

Mar 21

Mar 22

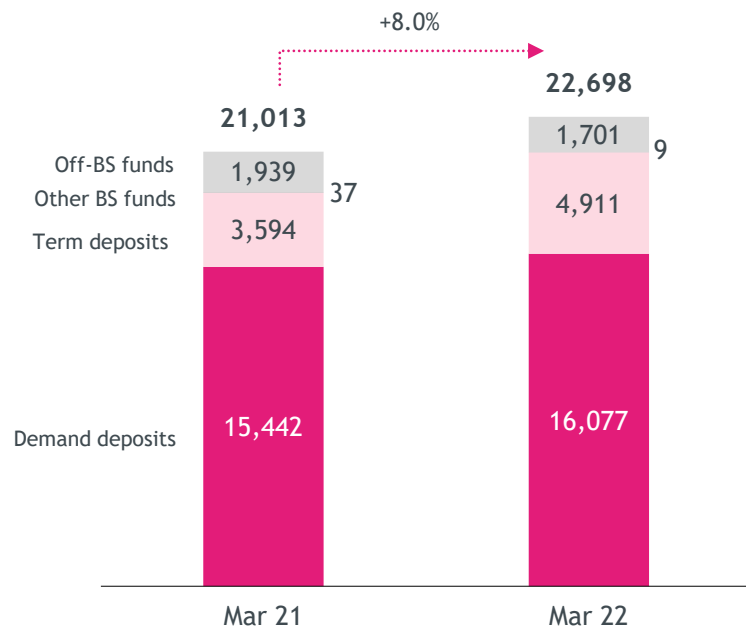
- NPL>90d accounted for 2.2% of total credit as of March 2022 (2.6% as of March 2021)
- Coverage of NPL>90d by loan-loss reserves at 137% (122% as of March 2021)
- Cost of risk of 40bp, compared to 39bp in the 1<sup>st</sup> quarter of 2021

# Increased Customers funds and loans to Customers



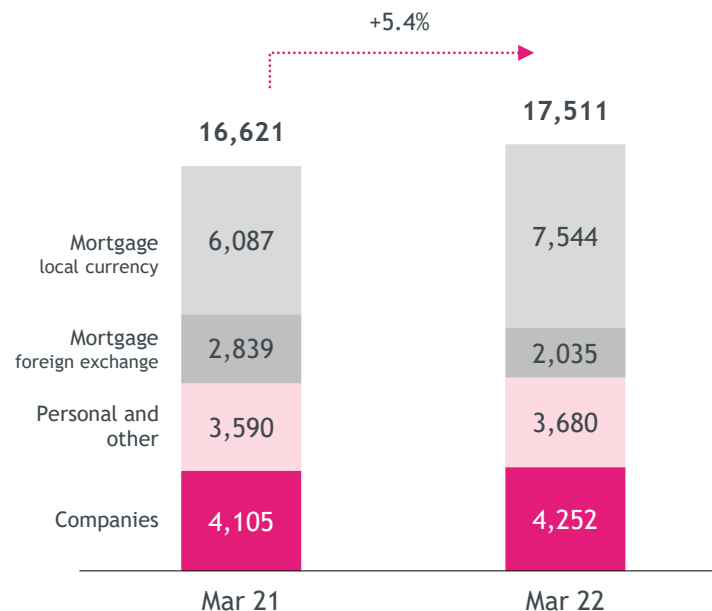
## Customers funds

(Million euros\*)



## Loans to Customers (gross)

(Million euros\*)

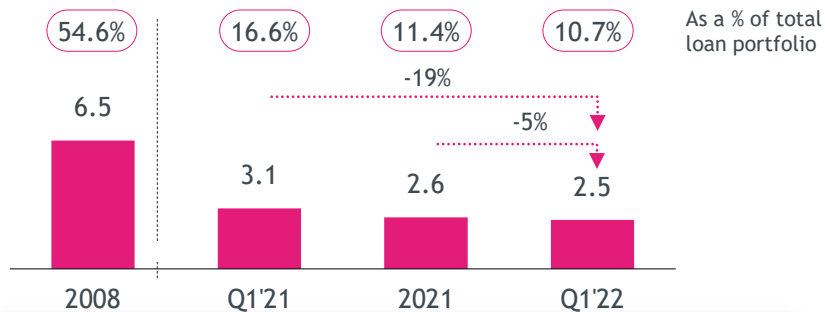


\*FX effect excluded. €/Zloty constant at March 2022 levels: Income Statement 4.63; Balance Sheet 4.64.



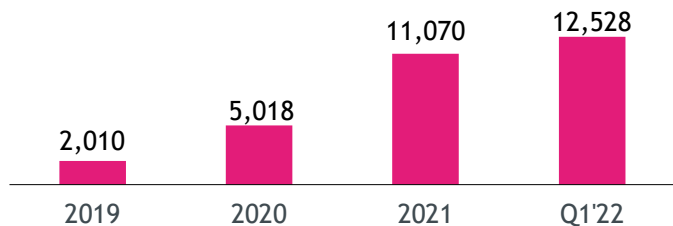
## CHF mortgage portfolio

(Billion euros\*)



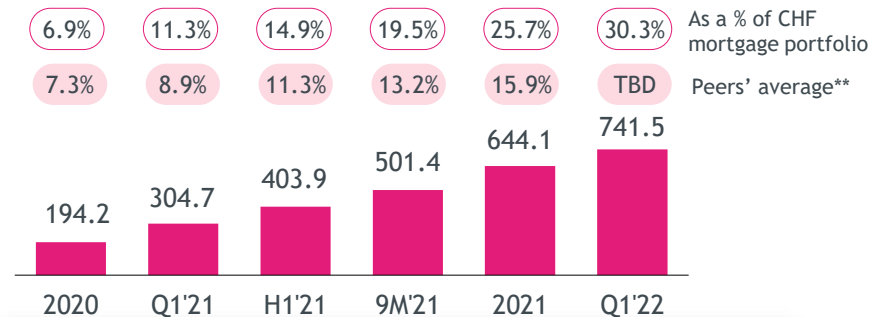
## Individual lawsuits

(Number of cases)



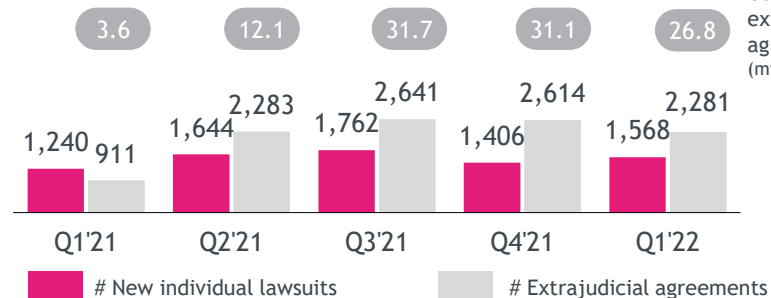
## Cumulative provisions for legal risks

(Million euros\*)



## New individual lawsuits and extrajudicial agreements

Cost of extrajudicial agreements\* (million euros)

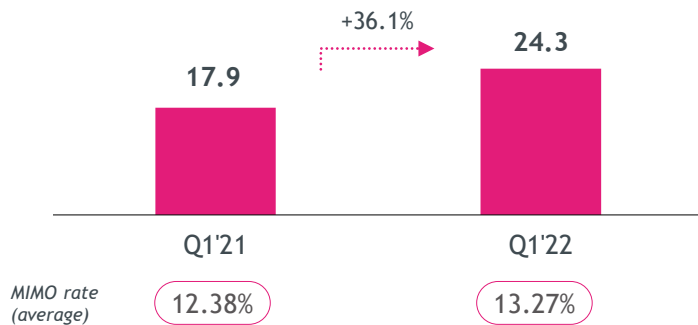


# Net income reflects resilience in challenging environment



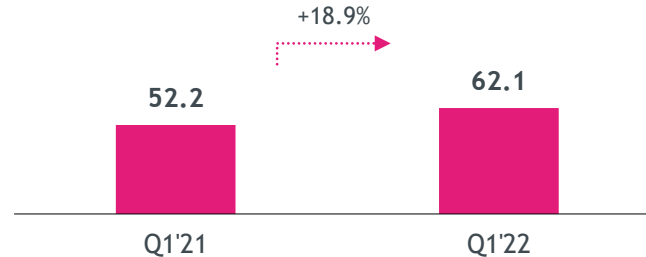
## Net income\*\*

(Million euros\*)



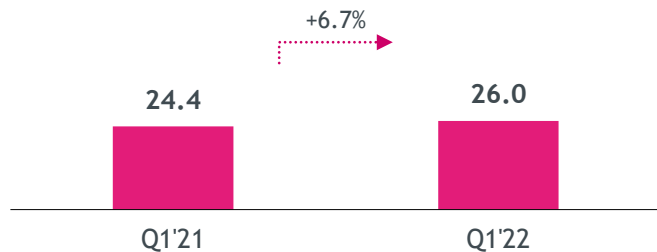
## Net operating revenue

(Million euros\*)



## Operating costs

(Million euros\*)



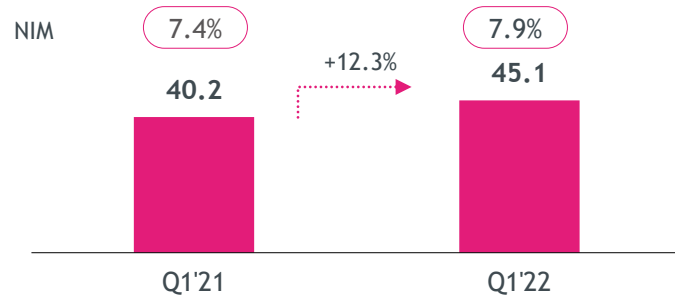
- Net income of 24.3 million in 1<sup>st</sup> quarter of 2022, +36.1% on a comparable basis
- Customer funds increased by 6.3%; loans to Customers decreased by 3.0%
- Capital ratio of 38.5%

# Significant growth in net interest income and commissions



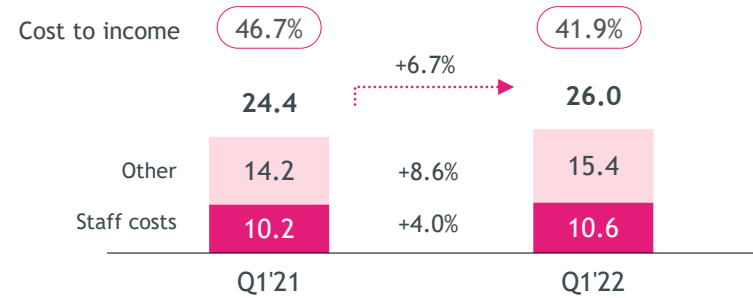
## Net Interest income

(Million euros\*)



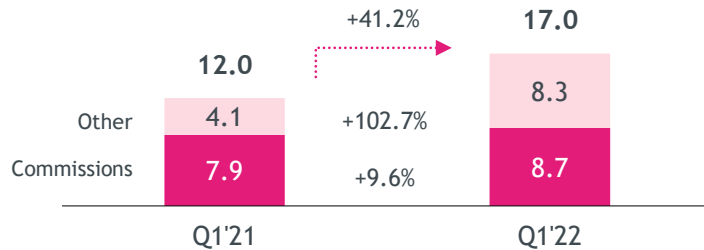
## Operating costs

(Million euros\*)

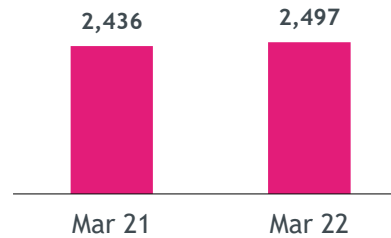


## Commissions and other income

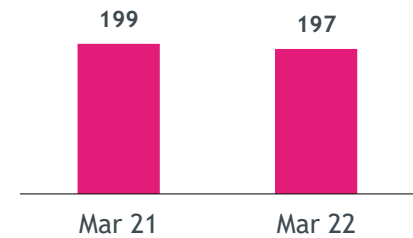
(Million euros\*)



## Employees\*\*



## Branches



\*FX effect excluded. €/Metical constant at March 2022 levels: Income Statement 71.78; Balance Sheet 71.16.

\*\*Excludes employees from SIM (insurance company).



## NPL>90d

(Million euros\*)

Credit ratio  
NPL>90d

12.2%

10.9%

80.5

69.7

Mar 21

Mar 22

## Loan-loss reserves

(Million euros\*)

Coverage ratio  
NPL>90d

67%

83%

53.6

58.0

Mar 21

Mar 22

## Loan impairment (net of recoveries)

(Million euros\*)

Cost of risk

306bp

203bp

5.0

3.2

Q1'21

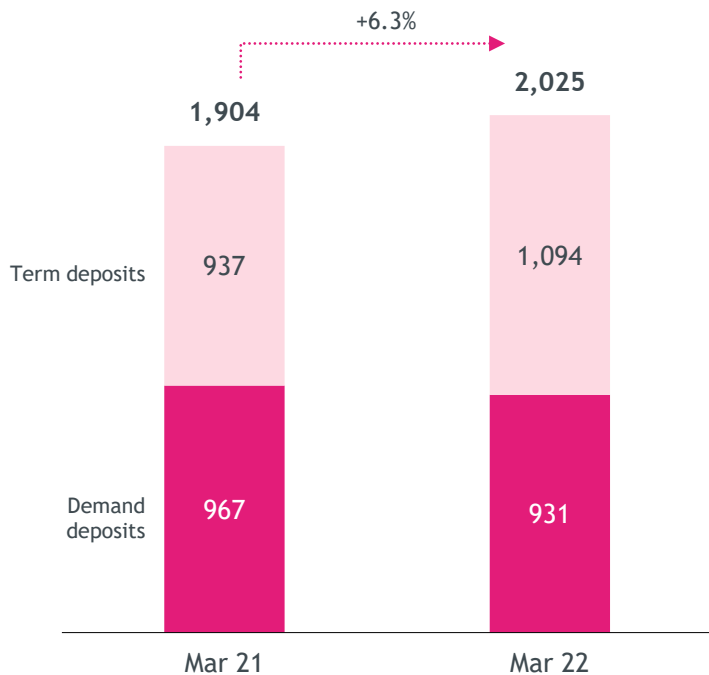
Q1'22

- NPL>90d ratio of 10.9% as of March 2022, with coverage by loan-loss reserves of 83% on the same date
- Cost of risk of 203bp in the 1<sup>st</sup> quarter of 2022 (306 bp in same period of 2021)



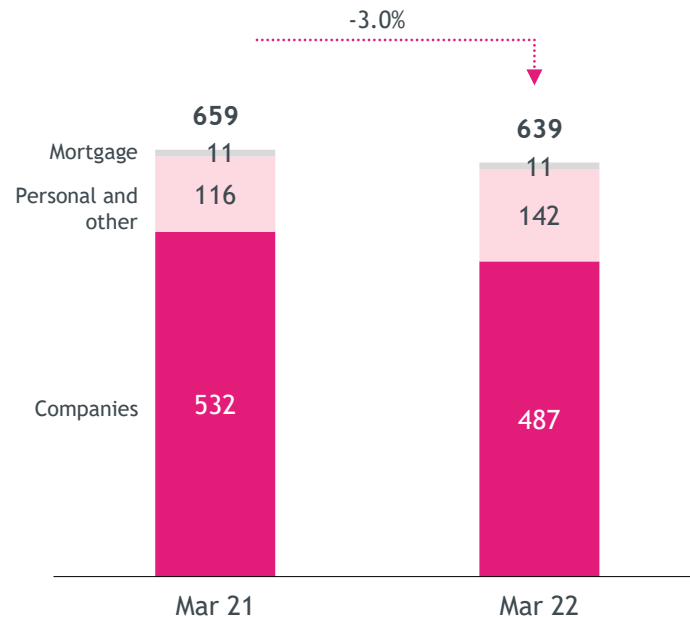
## Customers funds

(Million euros\*)



## Loans to Customers (gross)

(Million euros\*)



\*FX effect excluded. €/Metical constant at March 2022 levels: Income Statement 71.78; Balance Sheet 71.16.



05

—



**Key figures**



# Strategic Plan: Excelling 24

	Q1'22	2024
C/I ratio	36%	≈40%
Cost of risk	62 bp	≈ 50 bp
RoE	8.2%	≈ 10%
CET1 ratio	11.5% (12.0% pro forma*)	>12.5%
NPE ratio	4.6%	≈4%
Share of mobile Customers	58%	>65%
Growth of high engagement Customers** (vs 2020)	+5%	+12%
Average ESG rating***	70%	>80%

\* Pro forma (subject to ECB authorization) considering the already requested approval (ECB) for the application of article 352 (2) CRR (Capital Requirements Regulation) that excludes from capital requirements the structural FX positions held to hedge the capital ratios

\*\*Active Customers with card transactions in the previous 90 days or funds > €100 (>MZM 1,000 in Mozambique)

\*\*\*Average of Top 3 indices (DJSI, CDP and MSCI) | NPE include loans to Customers only.

# COMMITMENT TO PEOPLE AND SOCIETY



## Millennium bcp Foundation



**“Museu dos Coches”:** Restoration of the Royal House ride cart, used by members of the Royal Family in the reign of D. Maria I.



**Millennium Gallery:** exhibition “In the Dream of the Man Who Dreamed, the Dreamed Awake”, in partnership with UmbigoLAB, curated by Master’s students in Curatorial Studies at the College of Arts of the University of Coimbra. Exhibition from January 27<sup>th</sup> to March 27<sup>th</sup>.



**“Tremor” Festival - Azores:** between April 5<sup>th</sup> and 9<sup>th</sup>, the “Tremor” festival returned to S. Miguel with the support of the Tremor Todo-o-Terreno Foundation - Millennium bcp Foundation (secret bike routes in S. Miguel guided by a soundtrack) and the realization of Artistic Residencies.



**Junior Achievement Portugal:** XV do Start Up Programme National Competition - The 1st prize attributed to University of Minho students who presented a solidarity webpage that unites petlovers who want to help the animal cause.

## Society



In 2022, all the electricity spent by the Bank in Portugal was 100% green, in a mix of energy produced by the TagusPark photovoltaic plant and energy acquired with a certificate of renewable origin.



Millennium bcp volunteers once again participate in face-to-face actions, supporting the regular food collection campaign promoted by the Food Bank at national level.



As part of the Christmas solidarity campaign, Millennium bcp and the Millennium bcp Foundation deliver 1,500 goods to the ACREITAR Association and 20,000 euros to the burns Unit of the Hospital de Dona Estefânia.



**Dona Estefânia Hospital Burns Unit:** supporting renovation works and acquisition of medical equipment. The donation is part of the “Millennium Solidarity 2021” campaign

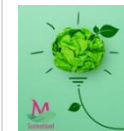
## Sustainability



Millennium bcp supports, in Portugal and Poland, refugees caused by the war in Ukraine with social and integration support as well as temporary preferential conditions as Customers.



Millennium bcp and NOS contract another Commercial Paper Program, in the amount of 100 million euros and with a term of five years, with conditions linked to compliance with environmental indicators (CO2 emissions).



In 2022, the Group BCP once again included in S&P’s “The Sustainability Yearbook”, remaining among the 700 most sustainable companies in the world.

# Awards in 2022



**Millennium bcp:** Best Foreign Exchange Provider in Portugal



**Millennium bcp:** "Best Investment Banking 2022 in Portugal"



**ActivoBank:** distinguished as Powerful Brand 21/22 in the "Online Banking" category, in recognition of the progress in the areas of Sustainability and Technological Innovation



**Millennium bcp:** Integrates for 3rd consecutive year the Bloomberg Gender-Equality Index



**Millennium bcp:** Prizes Growing Structured Finance and Local Market Member in Equity



**Bank Millennium:** 1st place in the Summary of macroeconomic forecasts for 2021, by the Refinitiv ranking



**Bank Millennium:** Bank's teams and Employees distinguished by the Polish National Sales Awards, for Customer Service and Sales



**Bank Millennium:** Recognized as Best Bank in Poland



**Millennium bim:** Recognized as Best Bank in Mozambique



**Millennium bcp**  
Consumer Choice 2022,  
"Large banks" category



**ActivoBank**  
Consumer Choice 2022,  
"Digital banks" category



**Millennium bcp**  
Leadership in the PME Líder 21 program for the 4th consecutive year, being the 1st bank to surpass the 3,400 awards assigned

# Appendix



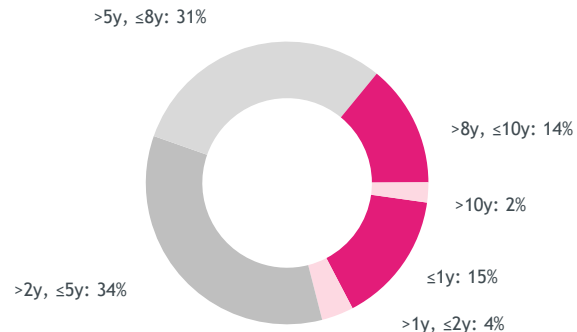
# Sovereign debt portfolio

## Sovereign debt portfolio

(Consolidated, million euros)

	Mar 21	Jun 21	Set 21	Dez 21	Mar 21	YoY	QoQ
Portugal	8,420	9,152	8,069	8,013	8,561	+2%	+7%
BTs e outros	514	1,129	497	426	849	+65%	+99%
Obrigações	7,906	8,023	7,572	7,587	7,712	-2%	+2%
Polónia	4,303	4,235	4,042	3,844	3,908	-9%	+2%
Moçambique	431	462	494	412	424	-2%	+3%
Outros	2,912	4,977	4,981	5,435	3,689	+27%	-32%
<b>Total</b>	<b>16,066</b>	<b>18,827</b>	<b>17,585</b>	<b>17,704</b>	<b>16,582</b>	<b>+3%</b>	<b>-6%</b>

## Sovereign debt maturity



- ✓ The sovereign debt portfolio totalled 16.6 billion, 13.5 billion of which maturing in more than 2 years
- ✓ The Portuguese sovereign debt portfolio totalled 8.6 billion, the Polish and Mozambican portfolios amounted to 3.9 billion and to 0.4 billion, respectively; “other” includes sovereign debt from France (1.4 billion), Spain (0.8 billion), Belgium (0.5 billion), Ireland (0.5 billion), Italy (0.3 billion), and USA (0.2 billion)

# Sovereign debt portfolio detail

(Million euros)

	Portugal	Poland	Mozambique	Other	Total
<b>Trading book</b>	<b>863</b>	<b>22</b>	<b>0</b>	<b>0</b>	<b>885</b>
≤ 1 year	848	4			851
> 1 year and ≤ 2 years	4	0			4
> 2 years and ≤ 5 years	8	14		0	22
> 5 years and ≤ 8 years	1	3			5
> 8 years and ≤ 10 years	1	1			1
> 10 years	1			0	1
<b>Banking book*</b>	<b>7,698</b>	<b>3,886</b>	<b>424</b>	<b>3,689</b>	<b>15,698</b>
≤ 1 year	136	1,421	85	13	1,655
> 1 year and ≤ 2 years	46	547	7	3	604
> 2 years and ≤ 5 years	2,744	1,717	224	993	5,679
> 5 years and ≤ 8 years	4,081	181	37	762	5,061
> 8 years and ≤ 10 years	401	2		1,917	2,319
> 10 years	290	19	71		379
<b>Total</b>	<b>8,561</b>	<b>3,908</b>	<b>424</b>	<b>3,689</b>	<b>16,582</b>
≤ 1 year	984	1,424	85	13	2,507
> 1 year and ≤ 2 years	50	548	7	3	608
> 2 years and ≤ 5 years	2,753	1,731	224	993	5,701
> 5 years and ≤ 8 years	4,082	184	37	762	5,065
> 8 years and ≤ 10 years	401	2		1,917	2,321
> 10 years	291	19	71	0	380

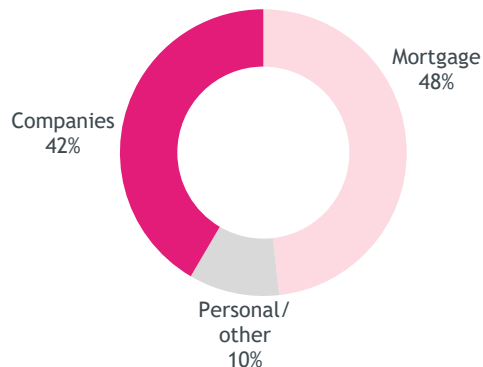
\*Includes financial assets at fair value through other comprehensive income (8,652 million) and financial assets at amortised cost (7,045 million).

# Diversified and collateralised portfolio

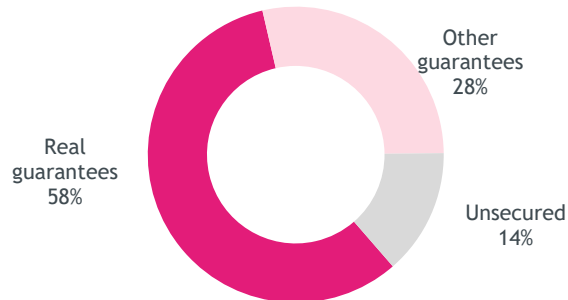
## Loan portfolio

(Consolidated)

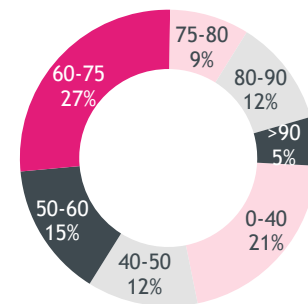
Breakdown



Loans per collateral



LTV of the mortgage portfolio in Portugal



- Loans to companies accounted for 42% of the loan portfolio as of March 2022, including 6% to construction and real-estate sectors
- Mortgage accounted for 48% of the loan portfolio, with low delinquency levels and an average LTV of 60%
- 86% of the loan portfolio is collateralised

# Consolidated net income

<i>(Million euros)</i>	Q1'21	Q1'22	YoY	Impact on earnings
Net interest income	374.8	465.1	+24.1%	+90.3
Net fees and commissions	171.1	192.8	+12.7%	+21.7
Other income*	32.0	42.8	+33.6%	+10.8
<b>Net operating revenue</b>	<b>577.9</b>	<b>700.7</b>	<b>+21.2%</b>	<b>+122.8</b>
Staff costs	-141.5	-137.7	-2.6%	+3.7
Other administrative costs and depreciation	-110.7	-117.3	+6.0%	-6.6
<b>Operating costs</b>	<b>-252.1</b>	<b>-255.0</b>	<b>+1.1%</b>	<b>-2.9</b>
<b>Profit before impairment and provisions</b>	<b>325.8</b>	<b>445.7</b>	<b>+36.8%</b>	<b>+119.9</b>
Loans impairment (net of recoveries)	-111.0	-89.9	-19.1%	+21.1
Other impairment and provisions	-131.7	-164.1	+24.6%	-32.4
<b>Impairment and provisions</b>	<b>-242.7</b>	<b>-254.0</b>	<b>+4.6%</b>	<b>-11.3</b>
<b>Net income before income tax</b>	<b>83.1</b>	<b>191.8</b>	<b>+130.8%</b>	<b>+108.7</b>
Income taxes	-56.9	-85.5	+50.2%	-28.6
Net income from discontinued or to be discontinued operations	2.9	1.4	-52.0%	-1.5
Non-controlling interests	28.8	5.2	-82.0%	-23.6
<b>Net income</b>	<b>57.8</b>	<b>112.9</b>	<b>+95.2%</b>	<b>+55.1</b>

\*Includes dividends from equity instruments, other net operating income, net trading income and equity accounted earnings.



# Consolidated balance sheet

(Million euros)

	31 March 2022	31 March 2021 (restated)
<b>ASSETS</b>		
Cash and deposits at Central Banks	9,829.6	6,506.6
Loans and advances to credit institutions repayable on demand	290.0	269.5
Financial assets at amortised cost		
Loans and advances to credit institutions	816.9	892.6
Loans and advances to customers	55,120.9	52,342.1
Debt instruments	9,181.1	6,281.2
Financial assets at fair value through profit or loss		
Financial assets held for trading	1,364.3	1,158.2
Financial assets not held for trading mandatorily at fair value through profit or loss	957.5	1,307.4
Financial assets designated at fair value through profit or loss	-	-
Financial assets at fair value through other comprehensive income	10,438.3	13,466.8
Hedging derivatives	455.8	106.5
Investments in associated companies	457.3	449.7
Non-current assets held for sale	700.3	991.7
Investment property	3.0	7.9
Other tangible assets	595.7	630.6
Goodwill and intangible assets	253.0	237.3
Current tax assets	20.2	12.4
Deferred tax assets	2,863.0	2,648.0
Other assets	2,214.5	1,112.1
<b>TOTAL ASSETS</b>	<b>95,561.3</b>	<b>88,420.4</b>

	31 March 2022	31 March 2021 (restated)
<b>LIABILITIES</b>		
Financial liabilities at amortised cost		
Resources from credit institutions	8,979.7	9,186.2
Resources from customers	71,944.0	65,192.2
Non subordinated debt securities issued	2,158.7	1,817.9
Subordinated debt	1,363.4	1,278.7
Financial liabilities at fair value through profit or loss		
Financial liabilities held for trading	170.1	209.2
Financial liabilities at fair value through profit or loss	1,520.6	1,599.3
Hedging derivatives	1,040.2	222.9
Provisions	521.7	408.0
Current tax liabilities	8.2	10.4
Deferred tax liabilities	15.7	6.1
Other liabilities	1,269.2	1,193.6
<b>TOTAL LIABILITIES</b>	<b>88,991.5</b>	<b>81,124.6</b>
<b>EQUITY</b>		
Share capital	4,725.0	4,725.0
Share premium	16.5	16.5
Other equity instruments	400.0	400.0
Legal and statutory reserves	259.5	254.5
Treasury shares	-	-
Reserves and retained earnings	186.1	730.1
Net income for the period attributable to Bank's Shareholders	112.9	57.8
<b>TOTAL EQUITY ATTRIBUTABLE TO BANK'S SHAREHOLDERS</b>	<b>5,700.0</b>	<b>6,183.9</b>
Non-controlling interests	869.8	1,111.9
<b>TOTAL EQUITY</b>	<b>6,569.8</b>	<b>7,295.8</b>
<b>TOTAL LIABILITIES AND EQUITY</b>	<b>95,561.3</b>	<b>88,420.4</b>

# Consolidated income statement per quarter

(Million euros)

	1Q 21	2Q 21	3Q 21	4Q 21	1Q 22
<b>Net interest income</b>	<b>374.8</b>	<b>391.0</b>	<b>399.2</b>	<b>423.6</b>	<b>465.1</b>
Dividends from equity instruments	0.0	0.7	0.2	0.1	0.9
Net fees and commission income	171.1	181.8	181.9	192.9	192.8
Other operating income	-25.1	-87.2	-4.5	-9.5	-17.7
Net trading income	41.8	38.5	-8.8	15.0	43.4
Equity accounted earnings	15.4	13.9	12.8	14.8	16.2
<b>Banking income</b>	<b>577.9</b>	<b>538.7</b>	<b>580.9</b>	<b>636.9</b>	<b>700.7</b>
Staff costs	141.5	231.3	143.4	138.1	137.7
Other administrative costs	76.7	72.3	81.4	93.8	82.7
Depreciation	34.0	34.3	34.4	34.4	34.6
<b>Operating costs</b>	<b>252.1</b>	<b>338.0</b>	<b>259.2</b>	<b>266.3</b>	<b>255.0</b>
<b>Profit bef. impairment and provisions</b>	<b>325.8</b>	<b>200.8</b>	<b>321.7</b>	<b>370.5</b>	<b>445.7</b>
Loans impairment (net of recoveries)	111.0	45.9	107.1	84.9	89.9
Other impairm. and provisions	131.7	173.1	157.3	250.1	164.1
<b>Net income before income tax</b>	<b>83.1</b>	<b>-18.3</b>	<b>57.3</b>	<b>35.6</b>	<b>191.8</b>
Income tax	56.9	45.0	39.6	62.2	85.5
<b>Net income (before disc. oper.)</b>	<b>26.2</b>	<b>-63.3</b>	<b>17.8</b>	<b>-26.6</b>	<b>106.3</b>
Net income arising from discount. operations	2.9	3.5	3.2	61.3	1.4
Non-controlling interests	-28.8	-14.2	-26.3	-43.8	-5.2
<b>Net income</b>	<b>57.8</b>	<b>-45.5</b>	<b>47.2</b>	<b>78.6</b>	<b>112.9</b>

# Income statement

(Million euros)

For the 3-month periods ended March 31<sup>th</sup>, 2021 and 2022

	Group			Portugal			International operations											
							Total			Bank Millennium (Poland)			Millennium bim (M oz.)			Other int. operations		
	Mar 21	Mar 22	Δ %	Mar 21	Mar 22	Δ %	Mar 21	Mar 22	Δ %	Mar 21	Mar 22	Δ %	Mar 21	Mar 22	Δ %	Mar 21	Mar 22	Δ %
Interest income	403	514	27.4%	214	217	15%	189	297	56.6%	144	232	60.7%	44	64	44.4%	1	1	-3.0%
Interest expense	29	49	71.1%	9	5	-42.3%	19	43	>100%	7	24	>100%	12	19	59.3%	0	0	--
<b>Net interest income</b>	<b>375</b>	<b>465</b>	<b>24.1%</b>	<b>204</b>	<b>212</b>	<b>3.6%</b>	<b>170</b>	<b>253</b>	<b>48.8%</b>	<b>137</b>	<b>207</b>	<b>51.4%</b>	<b>32</b>	<b>45</b>	<b>38.9%</b>	<b>1</b>	<b>1</b>	<b>-3.0%</b>
Dividends from equity instruments	0	1	>100%	0	1	--	0	0	>100%	0	0	>100%	0	0	--	0	0	--
<b>Intermediation margin</b>	<b>375</b>	<b>466</b>	<b>24.3%</b>	<b>204</b>	<b>213</b>	<b>4.0%</b>	<b>170</b>	<b>253</b>	<b>48.8%</b>	<b>137</b>	<b>208</b>	<b>51.4%</b>	<b>32</b>	<b>45</b>	<b>38.9%</b>	<b>1</b>	<b>1</b>	<b>-3.0%</b>
Net fees and commission income	171	193	12.7%	120	136	14.1%	52	56	9.4%	45	48	5.7%	6	9	35.6%	0	0	-7.3%
Other operating income	-25	-18	29.6%	2	11	>100%	-27	-28	-4.9%	-27	-30	-11.0%	1	1	>100%	-1	0	96.8%
<b>Basic income</b>	<b>521</b>	<b>641</b>	<b>23.1%</b>	<b>326</b>	<b>360</b>	<b>10.4%</b>	<b>195</b>	<b>281</b>	<b>44.5%</b>	<b>156</b>	<b>226</b>	<b>45.0%</b>	<b>39</b>	<b>55</b>	<b>39.3%</b>	<b>0</b>	<b>1</b>	<b>&gt;100%</b>
Net trading income	42	43	3.9%	33	49	51.3%	9	-6	<-100%	6	-13	<-100%	3	7	>100%	0	0	>100%
Equity accounted earnings	15	16	5.6%	15	15	2.3%	0	1	>100%	0	0	--	0	0	--	0	0	12.9%
<b>Banking income</b>	<b>578</b>	<b>701</b>	<b>21.2%</b>	<b>374</b>	<b>424</b>	<b>13.6%</b>	<b>204</b>	<b>276</b>	<b>35.2%</b>	<b>162</b>	<b>213</b>	<b>31.5%</b>	<b>42</b>	<b>62</b>	<b>47.2%</b>	<b>0</b>	<b>1</b>	<b>&gt;100%</b>
Staff costs	141	138	-2.6%	88	80	-9.0%	54	58	7.8%	45	47	3.9%	8	11	28.7%	0	0	49.6%
Other administrative costs	77	83	7.8%	43	43	0.7%	34	39	16.9%	25	27	9.8%	9	12	37.9%	0	0	-29.2%
Depreciation	34	35	1.8%	20	20	0.7%	14	15	3.4%	11	11	-1.7%	3	3	23.6%	0	0	-9.1%
<b>Operating costs</b>	<b>252</b>	<b>255</b>	<b>1.1%</b>	<b>151</b>	<b>143</b>	<b>-5.0%</b>	<b>101</b>	<b>112</b>	<b>10.2%</b>	<b>81</b>	<b>86</b>	<b>4.9%</b>	<b>20</b>	<b>26</b>	<b>32.0%</b>	<b>0</b>	<b>0</b>	<b>12.4%</b>
<b>Profit bef. impairment and provisions</b>	<b>326</b>	<b>446</b>	<b>36.8%</b>	<b>223</b>	<b>281</b>	<b>26.2%</b>	<b>103</b>	<b>164</b>	<b>59.9%</b>	<b>81</b>	<b>128</b>	<b>58.4%</b>	<b>22</b>	<b>36</b>	<b>60.5%</b>	<b>0</b>	<b>1</b>	<b>&gt;100%</b>
Loans impairment (net of recoveries)	111	90	-19.1%	91	69	-24.7%	20	21	6.5%	16	18	13.2%	4	3	-20.2%	0	0	--
Other impairm. and provisions	132	164	24.6%	11	56	>100%	120	108	-10.3%	118	107	-9.4%	-1	1	>100%	3	0	-100.0%
<b>Net income before income tax</b>	<b>83</b>	<b>192</b>	<b>&gt;100%</b>	<b>121</b>	<b>157</b>	<b>29.8%</b>	<b>-38</b>	<b>35</b>	<b>&gt;100%</b>	<b>-54</b>	<b>2</b>	<b>&gt;100%</b>	<b>20</b>	<b>32</b>	<b>63.5%</b>	<b>-3</b>	<b>1</b>	<b>&gt;100%</b>
Income tax	57	85	50.2%	37	49	32.6%	20	36	82.8%	15	28	94.8%	5	8	49.9%	0	0	--
<b>Net income (before disc. oper.)</b>	<b>26</b>	<b>106</b>	<b>&gt;100%</b>	<b>84</b>	<b>107</b>	<b>28.5%</b>	<b>-57</b>	<b>-1</b>	<b>97.9%</b>	<b>-69</b>	<b>-26</b>	<b>61.5%</b>	<b>14</b>	<b>24</b>	<b>68.4%</b>	<b>-3</b>	<b>1</b>	<b>&gt;100%</b>
Net income arising from disc. operations	3	1	-52.0%	0	0	--	3	1	-52.0%				1	0	-100.0%			
Non-controlling interests	-29	-5	82.0%	0	0	<-100%	-29	-5	82.5%	0	0	--	0	0	-100.0%	-29	-5	82.5%
<b>Net income</b>	<b>58</b>	<b>113</b>	<b>95.2%</b>	<b>83</b>	<b>108</b>	<b>29.0%</b>	<b>-26</b>	<b>5</b>	<b>&gt;100%</b>	<b>-69</b>	<b>-26</b>	<b>61.5%</b>	<b>16</b>	<b>24</b>	<b>56.5%</b>	<b>26</b>	<b>6</b>	<b>-76.8%</b>

# Glossary (1/2)

**Assets placed with customers** - amounts held by customers in the context of the placement of third-party products that contribute to the recognition of commissions.

**Balance sheet customer funds** - deposits and other resources from customers and debt securities placed with customers.

**Business Volumes** - corresponds to the sum of total customer funds and loans to customers (gross).

**Commercial gap** - loans to customers (gross) minus on-balance sheet customer funds.

**Core income** - net interest income plus net fees and commissions income.

**Core net income** - net interest income plus net fees and commissions income deducted from operating costs.

**Cost of risk, net (expressed in basis points)** - ratio of loans impairment (P&L) accounted in the period to loans to customers at amortized cost and debt instruments at amortized cost related to credit operations before impairment at the end of the period.

**Cost to core income** - operating costs divided by core income.

**Cost to income** - operating costs divided by net operating revenues.

**Coverage of non-performing exposures by impairments** - loans impairments (balance sheet) divided by the stock of NPE.

**Coverage of non-performing loans by impairments** - loans impairments (balance sheet) divided by the stock of NPL.

**Coverage of overdue loans by impairments** - loans impairments (balance sheet) divided by overdue loans.

**Coverage of overdue loans by more than 90 days by impairments** - loans impairments (balance sheet) divided by overdue loans by more than 90 days.

**Debt instruments** - non-subordinated debt instruments at amortized cost and financial liabilities measured at fair value through profit or loss (debt securities and certificates).

**Debt securities placed with customers** - debt securities issued by the Bank and placed with customers.

**Deposits and other resources from customers** - resources from customers at amortized cost and customer deposits at fair value through profit or loss.

**Dividends from equity instruments** - dividends received from investments classified as financial assets at fair value through other comprehensive income and from financial assets held for trading.

**Equity accounted earnings** - results appropriated by the Group related to the consolidation of entities where, despite having some influence, the Group does not control the financial and operational policies.

**Insurance products** - includes unit linked saving products and retirement saving plans (“PPR”, “PPE” and “PPR/E”).

**Loans impairment (balance sheet)** - balance sheet impairment related to loans to customers at amortized cost, balance sheet impairment associated with debt instruments at amortized cost related to credit operations and fair value adjustments related to loans to customers at fair value through profit or loss.

**Loans impairment (P&L)** - impairment (net of reversals and net of recoveries - principal and accrual) of financial assets at amortized cost for loans to customers and for debt instruments related to credit operations.

**Loans to customers (gross)** - loans to customers at amortized cost before impairment, debt instruments at amortized cost associated to credit operations before impairment and loans to customers at fair value through profit or loss before fair value adjustments.

**Loans to customers (net)** - loans to customers at amortized cost net of impairment, debt instruments at amortized cost associated to credit operations net of impairment and balance sheet amount of loans to customers at fair value through profit or loss.

**Loan to Deposits ratio (LTD)** - loans to customers (net) divided by deposits and other resources from customers.

**Loan to value ratio (LTV)** - mortgage amount divided by the appraised value of property.

**Net commissions** - net fees and commissions income.

**Net interest margin (NIM)** - net interest income for the period as a percentage of average interest earning assets.

**Net operating revenues** - net interest income, dividends from equity instruments, net commissions, net trading income, other net operating income and equity accounted earnings.

# Glossary (2/2)

**Net trading income** - results from financial operations at fair value through profit or loss, results from foreign exchange, results from hedge accounting operations, results from derecognition of financial assets and financial liabilities measured at amortized cost and results from derecognition of financial assets measured at fair value through other comprehensive income.

**Non-performing exposures (NPE)** - non-performing loans and advances to customers (loans to customers at amortized cost and loans to customers at fair value through profit or loss) more than 90 days past-due or unlikely to be paid without collateral realization, if they recognized as defaulted or impaired.

**Non-performing loans (NPL)** - overdue loans (loans to customers at amortized cost and loans to customers at fair value through profit or loss) more than 90 days past due including the non-overdue remaining principal of loans, i.e. portion in arrears, plus non-overdue remaining principal.

**Off-balance sheet customer funds** - assets under management, assets placed with customers and insurance products (savings and investment) subscribed by customers.

**Operating costs** - staff costs, other administrative costs and depreciation.

**Other impairment and provisions** - impairment (net of reversals) for loans and advances of credit institutions classified at amortized cost, impairment for financial assets (classified at fair value through other comprehensive income and at amortized cost not associated with credit operations), impairment for other assets, namely assets received as payment in kind, investments in associated companies and goodwill of subsidiaries and other provisions.

**Other net income** - dividends from equity instruments, net commissions, net trading income, other net operating income and equity accounted earnings.

**Other net operating income** - other operating income/(loss) and gains/(losses) arising from sales of subsidiaries and other assets.

**Overdue loans** - total outstanding amount of past due loans to customers (loans to customers at amortized cost, debt instruments at amortized cost associated to credit operations and loans to customers at fair value through profit or loss), including principal and interests.

**Overdue loans by more than 90 days** - total outstanding amount of past due loans to customers by more than 90 days (loans to customers at amortized cost, debt instruments at amortized cost associated to credit operations and loans to customers at fair value through profit or loss), including principal and interests.

**Profit before impairment and provisions** - net operating revenues deducted from operating costs.

**Resources from credit institutions** - resources and other financing from Central Banks and resources from other credit institutions.

**Return on average assets (Instruction from the Bank of Portugal no. 16/2004)** - net income (before tax) divided by the average total assets (weighted average of the average of monthly net assets in the period).

**Return on average assets (ROA)** - net income (before minority interests) divided by the average total assets (weighted average of the average of monthly net assets in the period).

**Return on equity (Instruction from the Bank of Portugal no. 16/2004)** - net income (before tax) divided by the average attributable equity + non-controlling interests (weighted average of the average of monthly equity in the period).

**Return on equity (ROE)** - net income (after minority interests) divided by the average attributable equity, deducted from preference shares and other capital instruments (weighted average of the average of monthly equity in the period).

**Securities portfolio** - debt instruments at amortized cost not associated with credit operations (net of impairment), financial assets at fair value through profit or loss (excluding the ones related to loans to customers and trading derivatives), financial assets at fair value through other comprehensive income and assets with repurchase agreement.

**Spread** - increase (in percentage points) to the index used by the Bank in loans granting or fund raising.

**Total customer funds** - balance sheet customer funds and off-balance sheet customer fund.

**Total customer funds** - balance sheet customer funds and off-balance sheet customer funds.

# Millennium

---

bcp

**INVESTOR RELATIONS DIVISION**  
Bernardo Collaço, Head

**EQUITY**  
Alexandre Moita  
+351 211 131 321

**DEBT AND RATINGS**  
Luís Morais  
+351 211 131 337



**[investors@millenniumbcp.pt](mailto:investors@millenniumbcp.pt)**