Press release

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Millennium bcp

21 May 2025

Millennium bcp Earnings release as at 31 March 2025

A Solid and Efficient Bank

Profitability

- **Group's net income** of **EUR 243.5 million** in the first quarter of 2025, corresponding to an **increase** of **3.9%** when compared to the first quarter of 2024, reaching a **ROE** of **13.9%** in March 2025.
- In the **activity** in **Portugal**, **net income** amounted to **EUR 218.9 million** in the first quarter of 2025, corresponding to an **increase** of **7.6%** compared to the first quarter of 2024.
- **Bank Millennium net income** stood at **EUR 42.8 million** in the first quarter of 2025, despite **charges** of **EUR 130.8**[1] **million** related with **CHF mortgage loan portfolio** (of which **EUR 98.1**[2] **million** in **provisions**).

Business model

- **Solid capital ratios**. **CET1**[3] **ratio** stood at **15.9%** and **total capital ratio**[3] at **20.0%**, incorporating the effects resulting from CRR3[4].
- **Liquidity indicators**[5], **well above regulatory requirements**: **LCR** at **354%**, **NSFR** at **180%** and **LtD** at **67%**. Eligible assets available to discount at ECB of EUR 31.4 billion.
- **Group's total Customer funds grew 6.1%** to **EUR 104.6 billion** and **Loans to customers increase 2.2%** to **EUR 58.1 billion** compared to March 2024.
- **Relevant reduction** in **non-performing assets** compared to March 2024: reduction of **EUR 232 million** in **NPE**, **EUR 43 million** in **foreclosed assets** and **EUR 39 million in corporate restructuring funds**.
- **Cost of risk** of the **Group** stood at **38 bp** in the first quarter of 2025, which compares with 52 bp in the same period of the previous year. In **Portugal**, **cost of risk** stood at **34 bp** which compares with 48 bp in the same period of last year.
- **Customer base surpasses 7 million**, highlighting the **9% increase** in **mobile Customers**, which **represented 72%** of total active Customers at the end of March 2025.

[1] Before taxes and non-controlling interests. Includes provisions for legal risk, costs with out-of-court settlements and legal advice [2] Does not include provisions for legal risk on CHF mortgages of Euro Bank (guaranteed by a third party) [3] Fully implemented ratio including 25% of the unaudited net income of Q1'25 [4] Capital Requirement Regulation 3 (CRR3), with an impact of ~50bp [5] Liquidity Coverage Ratio (LCR); Net Stable Funding Ratio (NSFR); Loans to Deposits Ratio (LtD).

BANCO COMERCIAL PORTUGUÊS, S.A.
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FINANCIAL HIGHLIGHTS (1)

million EUR

	31 Mar. 25	31 Mar. 24 (restated [2])	Chg. 25/24
BALANCE SHEET			
Total assets	104,294	97,797	6.6 %
Equity	8,549	7,572	12.9 %
Loans to customers (net)	56,680	55,229	2.6 %
Total customer funds	104,562	98,555	6.1 %
Balance sheet customer funds	86,415	82,147	5.2 %
Deposits and other resources from customers	85,096	80,809	5.3 %
Loans to customers (net) / Deposits and other resources from customers (3)	66.6 %	68.3 %	
Loans to customers (net) / Balance sheet customer funds	65.6 %	67.2 %	
RESULTS			
Net interest income	721.1	696.2	3.6 %
Net operating revenues	909.1	868.5	4.7 %
Operating costs	339.7	307.8	10.4 %
Operating costs excluding specific items (4)	339.6	308.7	10.0 %
Results on modification	(4.2)	(7.2)	42.3 %
Loan impairment charges (net of recoveries)	55.8	73.5	(24.1 %)
Other impairment and provisions	131.2	145.2	(9.6 %)
Income tax	112.2	78.1	43.7 %
Net income	243.5	234.3	3.9 %
PROFITABILITY AND EFFICIENCY			
Net operating revenues / Average net assets (3)	3.6 %	3.6 %	
Return on average assets (ROA)	1.0 %	1.1 %	
Income before tax and non-controlling interests / Average net assets (3)	1.5 %	1.4 %	
Return on equity (ROE)	13.9 %	15.0 %	
Return on tangible equity (ROTE)	14.5 %	15.6 %	
Income before tax and non-controlling interests / Average equity (3)	19.2 %	19.1 %	
Net interest margin	3.00 %	3.12 %	
Cost-to-core income (4)	36.8 %	34.6 %	
Cost-to-income (3)	37.4 %	35.4 %	
Cost-to-income (3)(4)	37.4 %	35.5 %	
Cost-to-income - Activity in Portugal (3)(4)	33.9 %	31.6 %	
Staff costs / Net operating revenues (3)(4)	20.7 %	19.2 %	
CREDIT QUALITY			
Cost of risk (net of recoveries, in b.p.)	38	52	
Non-Performing Exposures (loans to customers) / Loans to customers	3.0 %	3.4 %	
Total impairment (balance sheet) / NPE (loans to customers)	82.4 %	81.7 %	
Restructured loans / Loans to customers	2.4 %	3.1 %	
LIQUIDITY			
Liquidity Coverage Ratio (LCR)	354 %	299 %	
Net Stable Funding Ratio (NSFR)	180 %	172 %	
CAPITAL (5)			
Common equity tier I phased-in ratio	16.0 %	16.0 %	
Common equity tier I fully implemented ratio	15.9 %	16.0 %	
Total ratio fully implemented	20.0 %	20.5 %	
BRANCHES			
Activity in Portugal	397	399	(0.5 %)
International activity	800	806	(0.7 %)
EMPLOYEES			
Activity in Portugal	6,229	6,269	(0.6 %)
International activity (6)	9,487	9,432	0.6 %

Notes:

(1) Some indicators are presented according to management criteria of the Group, with concepts described and detailed in the glossary.

(2) In the fourth quarter of 2024, a reclassification between the item "'Financial assets at fair value through profit or loss" and "Investments in associates" was made. The historical amounts of such items considered for the purposes of this analysis are presented considering this reclassification with the purpose of ensuring their comparability, differing, therefore, from the disclosed accounting values (EUR 6 million in March 2024).

Following the change in off-balance sheet customer funds assessment criteria by the Polish subsidiary in the fourth quarter of 2024, the respective balances were restated, resulting in an increase of EUR 13 million with reference to the end of March 2024.

In the first quarter of 2025, the Bank recognised as other net operating income the costs associated with property valuation related to mortgage loans, recognised as credit and guarantees commissions and as other administrative costs in previous periods. The historical amounts of such items considered for the purposes of this analysis have been reclassified with the purpose of ensuring their comparability, differing, therefore, from the disclosed accounting amounts. The impact of these reclassifications in the first quarter of 2024 was EUR -1.1 million in other net operating income, offset by net commissions (EUR +0.9 million) and other administrative costs (EUR -0.3 million).

(3) According to the Instruction from the Banco de Portugal no. 16/2004, as the currently existing version.

(4) Excludes the impact of specific items: negative impact of EUR 0.1 million in the first quarter of 2025 and positive impact in the amount of EUR 1.0 million in the first quarter of 2024. In both periods specific items were recognised in staff costs in the activity in Portugal including costs with employment terminations, namely indemnities. In the first quarter of 2024, specific items also include income recognised after an agreement related to liabilities with former directors of the Bank.

(5) The capital ratios as at 31 March 2025 are estimated, including 25% of the unaudited net income of the period.

(6) Of which, in Poland: 6,847 employees as at 31 March 2025 (corresponding to 6,726 FTE - full-time equivalent) and 6,861 employees as at 31 March 2024 (corresponding to 6,731 FTE - full-time equivalent).

PROFITABILITY ANALYSIS

NET INCOME

In the first quarter of 2025, the consolidated net income of Millennium bcp amounted to EUR 243.5 million, corresponding to a 3.9% growth compared to the EUR 234.3 million achieved in the same period of the previous year and to a return on equity (ROE) of the Group of 13.9%.

The growth of the net income of the Group compared to the first quarter of 2024 was determined by the favourable performance of both the activity in Portugal and the Polish subsidiary, with the results of Millennium bim in Mozambique being lower than those achieved in the first three months of 2024, influenced by the impacts arising from the sovereign debt rating downgrade.

The performance of net income of the Group compared to the previous year largely benefited from the increase in net trading income and in core income, as well as from the reduction in impairments and provisions. The results on modification and equity accounted earnings also evolved favourably in this period, although less expressively.

On the other hand, the increase in operating costs and the performance of other net operating income contributed unfavourably to the evolution of net income of the Group compared to the same period of the previous year.

The increase in net trading income, from a negative amount of EUR 2.9 million in the first quarter of 2024 to EUR 29.5 million in the same period of the current year, was due to the contribution of both the activity in Portugal and the international activity, in the latter case, due to the reduction in costs incurred by the Polish subsidiary in converting mortgage loans granted in Swiss francs, following the agreements with customers holding these loans.

Core income, in turn, totalled EUR 922.5 million in the first quarter of 2025 showing a 3.2% (EUR +29.0 million) growth from the first quarter of 2024, mainly due to the increase of 3.6% (EUR +24.8 million) in net interest income. This increase in net interest income to EUR 721.1 million in the first quarter of 2025 was due to the performance of the international activity, the impact of which was partially offset by the reduction in the activity in Portugal. On the other hand, net commissions increased by 2.1% (EUR +4.2 million) in the same period, totalling EUR 201.4 million in the first quarter of 2025, mainly reflecting the performance of the activity in Portugal.

The favourable performance of net income of the Group was also the result of the reduction in loan impairments charges (net of recoveries), which, in consolidated terms, decreased EUR 17.8 million (-24.1%), totalling EUR 55.8 million at the end of March 2025, benefiting from the improvement in both the activity in Portugal and the international activity.

Other impairments and provisions also contributed to the favourable performance of net income of the Group by decreasing 9.6% (EUR -14.0 million) to EUR 131.2 million in the first quarter of the current year, mainly reflecting the performance of the activity in Portugal. In the international activity, the decrease of EUR 20.8 million in the additional provisions booked to face the legal risk implicit in foreign exchange mortgage portfolio in the Polish subsidiary (EUR -19.3 million, from EUR 117.4 million to EUR 98.1 million, excluding the amount related to loans originated by Euro Bank S.A., to be reimbursed by a third party recognised in other net operating income) was offset by the impairments recognised in the subsidiary in Mozambique, to face the impacts of the sovereign debt rating downgrade in that country.

The evolution of the net income of the Group was also favourably influenced by the increase in results on modification (EUR +3.1 million) and in equity accounted earnings (EUR +3.0 million).

The positive impacts mentioned above were partially offset by the increase in operating costs both in the activity in Portugal and in the international activity. In fact, despite the disciplined management of costs by the Group, operating costs in consolidated terms were 10.4% (EUR +31.9 million) above the amount recorded a year earlier, amounting to EUR 339.7 million at the end of the first quarter of 2025. Staff costs, other administrative costs and amortisation and depreciation were higher than in the previous year, with staff costs recording the most significant increase both in the activity in Portugal and in the international activity.

Finally, it should be noted that other net operating income evolved from a negative amount of EUR 32.5 million in the first quarter of 2024 to an also negative amount of EUR 56.3 million in the first quarter of 2025 (EUR -23.8 million), reflecting the performance of both the activity in Portugal and mainly the activity of the Polish subsidiary. The increase of EUR 31.5 million recorded in the mandatory contributions borne by the Polish subsidiary was decisive for this evolution, although its impact was partially offset by the favourable impact associated with foreign exchange mortgage portfolio regarding this item (EUR +17.7 million).

Overall, the impact[1] associated with the portfolio of foreign exchange mortgage portfolio evolved from a cost of EUR 190.9 million to a cost of EUR 130.8 million (EUR -60.1 million), continuing to strongly influence the results of the Group.

In the first quarter of 2025, core operating profit of the Group amounted to EUR 582.8 million, standing 0.5% below the EUR 585.7 million achieved in the same period of the previous year, since the increase in core income was not sufficient to offset the increase in operating costs.

The previous analysis does not exclude the impact of specific items considered in each period. In the first three months of 2025, specific items had a negative impact[1] of EUR 0.1 million, recognised in staff costs in the activity in Portugal, while in the first quarter of 2024 the impact[1] was positive in the amount of EUR 1.0 million. In both periods, specific items were recognised in staff costs in the activity in Portugal including costs with employment terminations, namely indemnities. In the first quarter of 2024, specific items also include an income recognised after an agreement related to liabilities with former directors of the Bank.

Excluding the impact of specific items in both periods, core operating profit of the Group amounted to EUR 582.9 million, in line (-0.3%) with the amount reached in the first quarter of the previous year.

In the activity in Portugal, net income of the first quarter of 2025 amounted to EUR 218.9 million, growing 7.6% from the EUR 203.5 million achieved in the same period of the previous year.

The favourable performance of net income in the activity in Portugal was largely influenced by the reduction in impairments and provisions in the last year, with the improvement in the risk profile of the credit portfolio allowing a reduction of 27.5% (EUR -12.7 million) in loan impairments (net of recoveries), to EUR 33.5 million at the end of March 2025. Other impairments and provisions, in turn, showed a reduction of 71.7% (EUR -12.6 million), totalling EUR 5.0 million at the same date.

The increases in net trading income (EUR +17.6 million) and, to a smaller extent, in equity accounted earnings (EUR +3.3 million), also positively influenced the evolution of net income in the activity in Portugal.

Conversely, net income of the activity in Portugal was influenced by the increase of 9.3% (EUR +14.4 million) recorded in operating costs, which totalled EUR 168.6 million in the first quarter of 2025. The evolution of operating costs was mainly due to the increase in staff costs, with other administrative costs and amortisation and depreciation also above the amount recorded in the first quarter of 2024, although with a less significant impact on the evolution from the first quarter of the previous year.

The performance of net income of the activity in Portugal was also influenced by the evolution of other net operating income, from a positive amount of EUR 5.8 million in the first quarter of 2024 to a negative amount of EUR 2.0 million in the first quarter of 2025, as well as by the reduction in core income, from EUR 481.3 million to EUR 473.6 million in the same period. The evolution of core income was mainly due to the performance of net interest income, which decreased by 3.9% (EUR -13.2 million) to EUR 325.8 million at the end of March 2025. Net commissions, in turn, totalled EUR 147.8 million in the first quarter of the current year, growing 3.9% (EUR +5.5 million) from the same period of the previous year, mainly reflecting the increase in commissions related to the bancassurance activity, arising from the update of the distribution fees paid by the insurance companies.

The impact of the evolution of core income together with operating costs in the activity in Portugal resulted in a reduction of 6.7% in core operating profit, from EUR 327.0 million in the first three months of 2024, to EUR 305.0 million in the same period of the current year.

[1] Before taxes and non-controlling interests.

Excluding the specific items mentioned above (negative impact of EUR 0.1 million in first three months of 2025 and a positive impact of EUR 1.0 million in the first three months of 2024, both recognised in staff costs), core operating profit in the activity in Portugal decreased by 6.4% from EUR 326.1 million to EUR 305.1 million.

In the international activity, net income of the first quarter of 2025 amounted to EUR 24.5 million, 20.2% below the EUR 30.8 million recorded in the same period of the previous year. This evolution reflects the reduction in the results obtained by Millennium bim in Mozambique, which impact was largely offset by the improved results obtained by Bank Millennium in Poland compared to the first quarter of 2024.

In fact, net income of Bank Millennium reached EUR 42.8 million in the first quarter of 2025, showing a strong growth of 44.0% from the EUR 29.7 million recorded in the same period of the previous year, while Millennium bim's net income amounted to EUR 3.7 million at the end of the first quarter of 2025, significantly below (-83.8%) the amount recorded a year before.

The performance of the Polish subsidiary was mainly influenced, on one hand, by the increase in core income (driven by net interest margin) an by the reduction of the overall amount of costs associated with the portfolio of foreign exchange mortgage loans and, on the other, by the increase in operating costs and in mandatory contributions.

The performance of Millennium bim in Mozambique, in turn, was strongly influenced, as already mentioned, by the impacts arising from the situation of the country, namely the downgrade of the sovereign debt rating, which resulted in a significant increase in the recognition of impairment of financial assets. Although to a lesser extent, the evolution of net income of Millennium bim in Mozambique also reflects, among other less significant changes, the increase in operating costs. Core income, in turn, contributed positively to the evolution of the results of the Mozambican subsidiary in the last year, mainly benefiting from net interest income increase, driven by the decrease in the local requirement for non-remunerated cash reserves to be maintained with the central bank, in January 2025.

The contribution of the Angolan operation to the results of the international activity, through the appropriation of the results of Banco Millennium Atlântico recognised in equity accounted earnings, did not change significantly in absolut terms, totalling EUR 0.7 million in the first quarter of the current year.

Reflecting the aforementioned performance in each of the geographies, core operating profit of international activity grew by 7.4%, from EUR 258.7 million in the first quarter of 2024 to EUR 277.8 million in the first quarter of 2025, as the increase in core income more than offset the increase in operating costs.

NET INTEREST INCOME

In the first three months of 2025, net interest income of the Group reached EUR 721.1 million, growing 3.6% from the EUR 696.2 million posted in the same period of the previous year, with the reduction recorded in the activity in Portugal being more than offset by the increase in the international activity.

In fact, net interest income, in the activity in Portugal, totalled EUR 325.8 million in the first quarter of 2025, standing 3.9% below the EUR 339.1 million recorded in the first quarter of 2024. This performance reflects, above all, the lower income generated by the customer loan portfolio and the securities portfolio, partially offset by the decreased cost of funding.

The reduction in the income generated by the customer loan portfolio, compared to the first quarter of the previous year, reflects above all the interest rates decrease, partially offset by the slight increase in the average balance of the portfolio. The income generated by liquidity deposited in the Banco de Portugal, in turn, was also lower compared to that recorded a year earlier, although its impact on the evolution of net interest income was more modest.

On the other hand, costs associated with the remuneration of the deposit portfolio decreased from the first quarter of 2024, reflecting the evolution of interest rates in the last year. Although the average balance of interest-bearing deposits increased in this period, its impact was not significant in this evolution.

In addition, the increase in income generated by the securities portfolio also contributed favourably to the evolution of net interest income, with the increased contribution of income generated by the sovereign debt portfolio, due, on the one hand, to the evolution of interest rates and, on the other, to the positive impact resulting from the increased size and turnover of the portfolio.

Also influenced by the decrease in interest rates, the costs incurred with issued debt and subordinated debt were also lower than the amount recorded in the first quarter of the previous year. In addition, the decision of the Bank to exercise, in October 2024, its option to early redeem in whole its EUR 350 million senior preferred issue replacing it in the same month with another issue of senior preferred debt securities in the amount of EUR 500 million, under the Bank's Euro Note Programme, aiming to comply with the requirements known as "MREL" (Minimum Requirements for Own Funds and Eligible Liabilities), with a more favourable rate, also contributed to this evolution.

In the international activity, net interest income amounted to EUR 395.2 million at the end of the first quarter of 2025, showing a growth of 10.7% from the EUR 357.2 million accounted in the first quarter of 2024.

This evolution benefited from the favourable performance of both the Polish and the Mozambican subsidiaries despite the less significant impact of the latter. The increase in net interest income in the Polish subsidiary was largely due to the higher income generated by the securities portfolio. The performance of the subsidiary in Mozambique benefited from the reduction in the local requirement for non-remunerated cash reserves to be maintained with the central bank, in January 2025.

In consolidated terms, net interest margin went from 3.12% in the first three months of 2024 to 3.00% in the first quarter of 2025, mainly reflecting the performance of the activity in Portugal.

In fact, in the activity in Portugal, net interest margin evolved from 2.34% in the first quarter of 2024, to 2.12% in the same period of the current year.

Net interest margin in the international activity, in turn, remained at a similar level to that recorded in the first three months of 2024 (4.55% vs 4.57%), as the central bank of Poland kept interest rates unchanged during this period. In Mozambique, the central bank has continued the cycle of interest rate reductions started in 2024 and, in January 2025, reduced the local requirement for non-remunerated cash reserves to be maintained with the central bank of Mozambique, in this case with a favourable impact on the evolution of the Mozambican subsidiary net interest income.

Both in the activity in Portugal and in the international activity, the increase in liquidity invested in public debt securities, resulting from the growth of customer deposits, although contributing positively to net interest income, is reflected in a reduction in net interest margin compared to the same period of the previous year.

EQUITY ACCOUNTED EARNINGS AND DIVIDENDS FROM EQUITY INSTRUMENTS

Equity accounted earnings together with dividends from equity instruments, which comprise dividends and equity income received from investments classified as financial assets at fair value through other comprehensive income and as financial assets held for trading, increased from EUR 10.5 million in the first quarter of 2024, to EUR 13.5 million at the end of the first quarter of 2025, mainly reflecting the performance of equity accounted earnings in the activity in Portugal.

In fact, in the activity in Portugal, no amount related to dividends from equity instruments was recorded either in the first quarter of the current year or in the previous year, while equity accounted earnings, in turn, increased from EUR 9.1 million to EUR 12.4 million in the period under analysis. This evolution reflects the higher income generated by the contribution of the shareholding in Millenniumbcp Agea, as well as in Unicre and SIBS.

In the international activity, equity accounted earnings together with the income of dividends from equity instruments totalled EUR 1.1 million in the first quarter of 2025, that compares to EUR 1.3 million in the same period of the previous year, mainly due to the appropriation of the results generated by Banco Millennium Atlântico in Angola and by Fidelidade Moçambique - Companhia de Seguros S.A. in Mozambique.

NET COMMISSIONS

In the first three months of 2025, net commissions totalled EUR 201.4 million, growing 2.1% compared to the EUR 197.3 million recorded in the same period of the previous year.

This evolution was mainly due to the performance of the activity in Portugal, largely reflecting the growth of bancassurance activity commissions, mainly due to the distribution fees update. On the other hand, in the international activity, net commissions decreased compared to the amount posted a year earlier, although with a smaller expression.

In consolidated terms, the favourable performance of net commissions was due to the growth of both banking commissions, that amounted to EUR 170.5 million in the first quarter of 2025, standing EUR 2.9 million (+1.8%) above the amount recorded in the same period of the previous year, and market related commissions that totalled EUR 30.9 million, increasing EUR 1.2 million (+4.1%) from the amount recorded a year earlier.

NET COMMISSIONS

million EUR

	3M25	3M24 (restated)	Chg. 25/24
BANKING COMMISSIONS	**170.5**	**167.5**	**1.8 %**
Cards and transfers	61.4	63.0	(2.5 %)
Credit and guarantees	33.1	32.5	1.7 %
Bancassurance	33.4	30.3	10.5 %
Management and maintenance of accounts	41.1	39.8	3.3 %
Other commissions	1.5	2.1	(26.7 %)
MARKET RELATED COMMISSIONS	**30.9**	**29.7**	**4.1 %**
Securities operations	9.2	10.9	(15.4%)
Asset management and distribution	21.7	18.8	15.4 %
	201.4	**197.3**	**2.1 %**
Of which:			
Activity in Portugal	147.8	142.2	3.9 %
International activity	53.6	55.0	(2.5 %)

In the activity in Portugal, net commissions amounted to EUR 147.8 million at the end of March 2025, corresponding to a growth of 3.9% from the EUR 142.2 million recorded in the first three months of 2024.

Net commissions related to the banking business, which amounted to EUR 125.0 million in the first quarter of 2025 were the main responsible for this evolution, with a growth of 5.5% (EUR +6.5 million), determined by the increase in commissions associated with the bancassurance activity, due to the increase of the activity and mainly from the update of the distribution fees paid by the insurance companies.

Commissions associated with management and maintenance of accounts and with credit and guarantees also performed favourably compared to the first quarter of the previous year. On the other hand, the performance of commissions related to banking business, in the activity in Portugal, was influenced by the reduction in commissions related to cards and transfers which include amounts charged for transactions carried out with cards and the respective payment networks, for bank transfers and for the use of points of sale (POS), with other banking commissions also standing below the amount reached in the first quarter of 2024, albeit to a lesser extent.

Commissions related to markets, in the activity in Portugal, in turn, totalled EUR 22.7 million, corresponding to a reduction of 4.2% (EUR -1.0 million), from the first quarter of 2024.

This performance was due to commissions related to securities operations, with commissions arising from asset management and distribution reaching a higher level than at the end of the first quarter of 2024.

In the international activity, net commissions amounted to EUR 53.6 million in the first quarter of 2025, standing 2.5% (EUR -1.4 million) below the amount recorded in the same period of the previous year. This evolution was determined by the performance of the Polish subsidiary, partially offset by the increase in the subsidiary in Mozambique.

Commissions related to banking business in the international activity totalled EUR 45.4 million in the first quarter of 2025, standing 7.3% (EUR -3.6 million) below the amount recorded in the same period of the previous year. The reduction recorded in bancassurance commissions in the Polish subsidiary largely contributed to this evolution. Commissions related to credit and guarantees were also below the amount recorded in the first quarter of 2024, as well as commissions related to management and maintenance of accounts and other banking commissions, despite the less material impact on the evolution of net commissions. On the other hand, commissions related to cards and transfers were higher than in the first quarter of 2024, thus contributing favourably to the evolution of net commissions in the international activity.

With regard to commissions related to financial markets, still in the international activity, there was a significant increase (+37.1%, EUR +2.2 million), to EUR 8.2 million at the end of the first quarter of 2025, determined by the increase of commissions associated with asset management and distribution, since the growth in commissions associated with securities operations, although relevant, had a less relevant impact on the scope of this analysis.

NET TRADING INCOME

Net trading income recorded a significant improvement by evolving from a cost of EUR 2.9 million in the first quarter of 2024 to an income of EUR 29.5 million in the same period of the current year.

In the activity in Portugal, net trading income evolved from a cost of EUR 4.3 million in the first three months of 2024 to a gain of EUR 13.3 million at the end of the first quarter of 2025.

In the international activity, net trading income also showed a favourable evolution increasing the gains of EUR 1.4 million recorded in the first quarter of 2024 to EUR 16.2 million in the first quarter of the current year.

The performance of this item was influenced by the lower impact of costs incurred by the Polish subsidiary in converting mortgage loans granted in Swiss francs, following the agreements with customers holding these loans, that evolved from EUR 22.7 million in the first quarter of 2024 to EUR 5.3 million in the first quarter of 2025, due to the use of provisions booked to face these costs in this quarter.

In the operation in Mozambique, net trading income did not change materially compared to the same period of the previous year.

OTHER NET OPERATING INCOME

Other net operating income includes, among others, the costs associated with the resolution and the deposit guarantee funds as well as with the other mandatory contributions, both in the activity in Portugal and in the international activity.

In the first three months of 2025, other net operating income totalled a negative amount of EUR 56.3 million, that compares to the also negative amount of EUR 32.5 million recorded in the same period of the previous year, mainly reflecting the performance of the Polish subsidiary.

In the activity in Portugal, other net operating income evolved from an income of EUR 5.8 million in the first quarter of 2024 to a negative amount of EUR 2.0 million in the first quarter of 2025. None of the periods includes any material amount related to mandatory contributions, which normally occur in the second quarter of the year.

In the international activity, other net operating income evolved from a negative amount of EUR 38.3 million in the first quarter of 2024 to an also negative amount of EUR 54.3 million at the end of March 2025. This performance was determined by the increase in costs associated with mandatory contributions in the Polish subsidiary, partially offset by the decrease in costs associated with foreign exchange mortgage loan portfolio recognised under this heading by this subsidiary.

In fact, costs associated with mandatory contributions borne by the Polish subsidiary, evolved from EUR 14.6 million to EUR 46.1 million last year, mainly due to the special tax on the Polish banking sector that totalled EUR 23.6 million, while no payment was made in the first quarter of 2024, as this tax had been suspended following the activation of the Bank Millennium Recovery Plan at the beginning of the second half of 2022. With the completion of the implementation of the aforementioned Recovery Plan in June 2024, Bank Millennium was again subject to the payment of this tax, which at the end of 2024 reached EUR 54.0 million.

The contribution of Bank Millennium to the deposit guarantee fund, which had been suspended following the contribution to IPS (Institutional Protection Scheme) in 2022, reached EUR 4.4 million in the first quarter of 2025, thus contributing to the overall amount of the mandatory contributions compared to the first quarter of 2024. The contribution to the resolution fund by the Polish subsidiary was also higher compared to the amount recognised in the first three months of 2024 (EUR 18.2 million vs EUR 14.6 million).

On the other hand, the impacts associated with foreign exchange mortgage loan portfolio, as far as this item is concerned, evolved favourably from a cost of EUR 21.1 million in the first three months of 2024 to a cost of EUR 3.4 million in the first three months of 2025. This performance mainly reflects the reduction in court costs related to the counterclaims filed by Bank Millennium for reimbursement of the amounts owed by customers. On the other hand, the income to be reimbursed from a third party, as compensation for costs incurred with the booking of provisions to address the legal risk implicit in foreign exchange mortgage loans, following the indemnity clauses and contractual guarantees provided for in the acquisition contract of Euro Bank S.A., decreased from EUR 9.6 million in the first three months of 2024, to EUR 8.1 million in the first three months of 2025, mirroring the evolution of those provisions.

OPERATING COSTS

Despite the disciplined management of costs followed by the Group, operating costs stood 10.4% above the EUR 307.8 million recorded in the same period of the previous year, totalling EUR 339.7 million in the first quarter of 2025. In the activity in Portugal and in the Polish and Mozambican subsidiaries alike, operating costs were higher than those recorded a year earlier.

OPERATING COSTS

million EUR

	3M25	3M24 (restated)	Chg. 25/24
Staff costs	188.1	165.7	13.5 %
Other administrative costs	113.0	106.7	6.0 %
Amortisation and depreciation	38.6	35.4	9.0 %
	339.7	**307.8**	**10.4 %**
Of which:			
Activity in Portugal	168.6	154.3	9.3 %
International activity	171.1	153.5	11.5 %

The amounts presented do not exclude the impact of specific items considered in each period in staff costs in the activity in Portugal. In the first quarter of 2025, the impact was negative in the amount of EUR 0.1 million while in the first quarter of 2024, the impact was positive in the amount of EUR 1.0 million.

Excluding the specific items mentioned above, operating costs of the Group amounted to EUR 339.6 million, standing 10.0% above the EUR 308.7 million accounted in the first quarter of 2024. This performance was determined by the increase in staff costs (+12.8%, EUR +21.3 million), also reflecting, albeit to a lesser extent, the increase in other administrative costs (+6.0%, EUR +6.4 million) and in amortisation and depreciation (+9.0%, EUR +3.2 million). Both in the activity in Portugal and in the international activity operating costs were higher than in the first quarter of 2024.

Cost-to-income and cost-to-core income ratios, excluding the specific items, evolved from 35.5% to 37.4% and from 34.6% to 36.8%, respectively in the last year.

Cost-to-income and cost-to-core income stated ratios, in turn, evolved, respectively, from 35.4% to 37.4% and from 34.4% to 36.8%.

In the activity in Portugal, operating costs totalled EUR 168.6 million in the first quarter of 2025, standing 9.3% above the EUR 154.3 million posted in the same period of the previous year. Excluding the specific items mentioned above, operating costs increased 8.6% (from EUR 155.2 million to EUR 168.5 million).

The evolution of operating costs in the activity in Portugal, not considering the effect of specific items, was driven by the increases of 11.1% (EUR +9.6 million) recorded in staff costs, of 4.2% (EUR +2.1 million) in other administrative costs and of 8.4% (EUR +1.5 million) in amortisation and depreciation.

Excluding the impact of specific items, cost-to-income ratio in the activity in Portugal evolved from 31.6% to 33.9%, while cost-to-core income ratio went from 32.3% to 35.6% in the last year. Cost-to-income and cost-to-core income stated ratios stood at 33.9% and 35.6% in the first quarter of 2025, levels that compare respectively with 31.4% and 32.1% in the same period of the previous year.

In the international activity, operating costs totalled EUR 171.1 million at the end of the first quarter of 2025, standing 11.5% above the EUR 153.5 million accounted in the same period of the previous year. This evolution was mainly due to the performance of the Polish subsidiary, although in the subsidiary in Mozambique operating costs were also higher than those recorded in the first quarter of 2024.

The evolution of operating costs in the international activity was due to the increases of 14.7% (EUR +11.7 million) in staff costs, of 7.5% (EUR +4.3 million) in other administrative costs and of 9.7% (EUR +1.6 million) in amortisation and depreciation.

The cost-to-income ratio of the international activity evolved from 40.8% in the first quarter of 2024 to 41.5% in the first quarter of 2025, while cost-to-core income ratio in turn, went from 37.2% to 38.1% in the same period.

STAFF COSTS

In the first quarter of 2025, staff costs totalled EUR 188.1 million, standing 13.5% above the EUR 165.7 million accounted in the same period of the previous year. Both in the activity in Portugal and in the international activity, staff costs were higher than a year before.

In the activity in Portugal, stated staff costs amounted to EUR 96.9 million at the end of the first quarter of 2025, standing 12.4% above the EUR 86.2 million recorded in the same period of the previous year. Not considering the impact[2] of the specific items, the increase was 11.1%, from EUR 87.1 million to EUR 96.8 million.

Despite the hiring of new employees with specific skills, namely on digital, new technologies and internal control areas, the number of employees in the activity in Portugal stood at 6,229 employees at the end of March 2025, 40 employees less than on 31 March 2024.

In the international activity, staff costs amounted to EUR 91.2 million at the end of the first quarter of 2025, standing 14.7% above the EUR 79.5 million recorded a year before. The Polish subsidiary was mainly responsible for this evolution, although the subsidiary in Mozambique also contributed to the increase in staff costs compared to the previous year, albeit to a lesser extent.

In the Polish subsidiary, the evolution of staff costs continued to be determined by the strong pressure on basic wages and by the current scenario of the Polish labour market, with very low unemployment rates in the country. In this period, the total number of employees of this subsidiary remained stable, evolving from 6,861 employees (6,731 FTE - full-time equivalent) at the end of March 2024, to 6,847 employees (6,726 FTE - full-time equivalent) on 31 March 2025.

[2] In the first quarter of 2025, specific items related to staff costs had a negative impact of EUR 0.1 million (costs with employment terminations, namely indemnities). In the first quarter of 2024, the impact was positive in the amount of EUR 1.0 million, including costs with employment terminations, namely indemnities and an income recognised after an agreement related to liabilities with former directors of the Bank.

The operation in Mozambique, in turn, increased its headcount in 69 employees, having 2,640 employees at the end of March 2025, an increase that, together with the salary update, contributed to the growth in staff costs in the last year.

As of 31 March 2025, the headcount of the international activity consisted of 9,487 employees, which compares to 9,432 employees at the end of March 2024.

OTHER ADMINISTRATIVE COSTS

Notwithstanding the disciplined management of costs followed by the Group, other administrative costs were 6.0% above the EUR 106.7 million recorded in the first quarter of the previous year, totalling EUR 113.0 million in the first quarter of 2025. This evolution reflects the increase in costs both in the activity in Portugal and mainly in the international activity.

In the activity in Portugal, other administrative costs amounted to EUR 51.9 million, corresponding to an increase of 4.2% from the EUR 49.8 million recorded in the first three months of 2024.

Despite the implementation of a series of recurrent measures to optimise the cost structure of the Bank, this performance largely reflects the increase in costs associated with advisory services, including support on regulatory matters. Costs associated to outsourcing and independent labour, particularly those related to banking operations, were also higher than a year before as well as costs with water, electricity and fuel and costs with information technology services, among other costs with a less significant impact on the evolution of this item. Conversely, costs associated with legal expenses, other supplies and services and other specialised services represent the main reductions compared to the first quarter of 2024.

In the international activity, other administrative costs amounted to EUR 61.2 million in the first three months of 2025, representing a 7.5% increase from the EUR 56.9 million posted in the previous year, reflecting the increases recorded in both the Polish and the Mozambican subsidiaries.

The Group maintains a process of optimisation of its branch network in order to efficiently serve the markets in which it is present. On 31 March 2025, the activity in Portugal had a network of 397 branches, two less than at the end of March 2024, while in the Polish subsidiary, the number of branches decreased from 611 branches at the end of March 2024 to 605 branches on 31 March 2025. The subsidiary in Mozambique, in turn, ended the first quarter of 2025 with 195 branches, unchanged from the first quarter of the previous year.

AMORTISATION AND DEPRECIATION

Amortisation and depreciation amounted to EUR 38.6 million at the end of March 2025, standing 9.0% above the EUR 35.4 million recorded in the first quarter of 2024.

In the activity in Portugal, the increase in amortisation and depreciation was of 8.4%, from EUR 18.3 million in the first quarter of 2024, to EUR 19.9 million at the end of the first quarter of 2025, reflecting the investment made in hardware and software, given the Bank's commitment to the digital transformation process.

In the international activity, amortisation and depreciation amounted to EUR 18.7 million in the first three months of 2025, standing 9.7% above the EUR 17.1 million recorded in the same period of the previous year, reflecting the performance of both the Polish subsidiary and the Mozambican subsidiary.

RESULTS ON MODIFICATION

In the first quarter of 2025, results on modification totalled a negative amount of EUR 4.2 million, which compares with an also negative amount of EUR 7.2 million recorded in the same period of the previous year. In both periods, the amounts are associated with contractual modifications in accordance with IFRS9 in the Polish subsidiary, namely those negotiated with customers with foreign exchange mortgage loans.

IMPAIRMENT FOR LOAN LOSSES

In the first quarter of 2025, impairment for loan losses (net of recoveries) totalled EUR 55.8 million, showing a reduction of 24.1% compared to the EUR 73.5 million accounted for in the same period of the previous year, driven by the favourable evolution recorded both in the activity in Portugal and the international activity.

In fact, loan impairment charges (net of recoveries), in the activity in Portugal, decreased 27.5% from the EUR 46.2 million recognised in the first quarter of 2024, totalling EUR 33.5 million in the first quarter of 2025. The lower level of provisioning, compared to the same period of the previous year, reflects the improvement in the risk profile of the credit portfolio.

In the international activity, impairment charges (net of recoveries) stood 18.5% below the EUR 27.4 million recognised in the first quarter of 2024, standing at EUR 22.3 million at the end of March 2025. This evolution mainly reflects the performance of the Polish subsidiary, partially offset by the increase recorded in the Mozambican subsidiary.

The evolution of impairment charges (net of recoveries), in consolidated terms, allowed the cost of risk of the Group (net of recoveries) to record a significant improvement in relation to the 52 basis points observed in the first quarter of 2024, standing at 38 basis points in the first quarter of 2025.

In both the activity in Portugal and the international activity, cost of risk (net of recoveries) decreased compared to the first quarter of 2024, from 48 basis points to 34 basis points and from 59 basis points to 46 basis points, respectively.

OTHER IMPAIRMENTS AND PROVISIONS

In the first three months of 2025, other impairment and provisions totalled EUR 131.2 million, standing 9.6% below the amount recognised in the same period of the previous year, with this evolution being determined by the favourable performance of the activity in Portugal. In the international activity, the reduction recorded by the Polish subsidiary was offset by the increase in other impairment and provisions in the subsidiary in Mozambique, that includes the impacts arising from the sovereign debt rating downgrade in that country.

In the activity in Portugal, other impairments and provisions showed a significant reduction (-71.7%), evolving from EUR 17.5 million in the first quarter of 2024 to EUR 5.0 million at the end of March 2025, mainly reflecting the reduction in provisions.

In the international activity, other impairment and provisions amounted to EUR 126.3 million at the end of March 2025, standing 1.1% below the EUR 127.7 million recorded a year earlier. Although this change was not very significant, it is due to different dynamics with regard to the Polish and the Mozambican subsidiaries, as mentioned above.

Thus, in the Polish subsidiary, there was a reduction in other impairments and provisions, mainly reflecting the lower additional provision charges booked to face the legal risk of foreign exchange mortgage loans which amounted to EUR 106.2 million in the first quarter of the current year vs EUR 127.0 million recognised in the same period of the previous year (EUR -20.8 million). On the other hand, the income, reflected in the heading of other net operating income, corresponding to the amount receivable from a third party, following the indemnity clauses and contractual guarantees provided for in the acquisition contract of Euro Bank S.A., evolved from EUR 9.6 million in the first quarter of 2024 to EUR 8.1 million in the first quarter of 2025.

In the subsidiary in Mozambique, the increase in other impairments and provisions was mainly influenced by the recognition of impairments to face the impacts of the sovereign debt rating downgrade in that country.

INCOME TAX

Income tax (current and deferred) amounted to EUR 112.2 million in the first quarter of 2025, which compares to EUR 78.1 million posted in the same period of the previous year.

These expenses include, in the first three months of 2025, current tax of EUR 3.1 million (EUR 27.4 million in the first three months of 2024) and deferred tax of EUR 109.2 million (EUR 50.8 million in the same period of 2024).

Current tax expenses in the first quarter of 2024 and in the first quarter of 2025 were influenced by provisions for legal risks related to the portfolio of foreign currency mortgage loans and by mandatory contributions to the banking sector, both non-deductible for tax purposes at the level of the Polish subsidiary and by the autonomous taxation of interest on public debt in the Mozambican subsidiary. In the first quarter of 2025, current taxes were still positively influenced by the correction of the 2024 tax estimate of the Polish subsidiary, against the reduction of the respective deferred tax assets, with no impact on net income.

Expenses with the reduction of deferred tax assets in the first quarter of 2025 mainly result from the income of the period of the activity in Portugal and the effect described above at the level of the Polish subsidiary.

The evolution of deferred tax assets was influenced, in Portugal, by the reduction of deferred tax assets covered by Special Framework applicable to Deferred Tax Assets ("REAID") given the evolution of the taxable income.

BALANCE SHEET

TOTAL ASSETS

Total assets of the consolidated balance sheet of Millennium bcp amounted to EUR 104,294 million as of 31 March 2025, showing a growth of 6.6% compared to the EUR 97,797 million recorded at the end of the first quarter of 2024, with this evolution being driven by the increases in assets observed in the international activity and in the activity in Portugal (EUR +3,540 million and EUR +2,957 million, respectively).

In the activity in Portugal, total assets stood at EUR 67,210 million at the end of the first quarter of 2025, representing an increase of 4.6% compared to the EUR 64,253 million recorded on 31 March 2024. Regarding the evolution of balance sheet items, there was a significant increase in the securities portfolio (primarily in sovereign debt portfolio), explained mainly by the application of surplus liquidity resulting from the increase in balance sheet customer funds. Additionally, there were also increases, although less significant, in loans to customers (net of impairment) and in loans and advances to credit institutions. Conversely, there were reductions in deposits at central banks, in deferred taxes assets and in other assets.

In the international activity, total assets amounted to EUR 37,084 million as of 31 March 2025, showing a growth of 10.6% compared to the EUR 33,544 million recorded at the end of the first quarter of the previous year. This evolution largely reflects the increase in the total assets of the Polish subsidiary, driven primarily by the growth recorded in the securities portfolio (mostly in local sovereign debt), mainly due to the investment of the liquidity surplus generated by the increase in balance sheet customer funds, and also, to a lesser extent, by the reinforcement of the customer loan portfolio (net of impairment). Additionally, total assets of the subsidiary in Mozambique also recorded an increase driven by the rise in loans and advances to credit institutions, partially offset by the decrease in deposits at central banks, following the reduction of the minimum reserve requirements applied by the central bank of Mozambique.

LOANS TO CUSTOMERS

Consolidated loans to customers (gross) of Millennium bcp, as defined in the glossary, amounted to EUR 58,096 million as of 31 March 2025, representing an increase of 2.2% compared to the EUR 56,822 million recorded at the end of the first quarter of the previous year, with this evolution being driven by the increases recorded in the international activity and in the activity in Portugal (EUR +774 million and EUR +500 million, respectively).

In the activity in Portugal, loans to customers (gross) amounted to EUR 38,909 million as of 31 March 2025, 1.3% higher than the EUR 38,409 million recorded at the end of the first quarter of 2024, driven by the momentum of loans to individuals. This increase incorporates, on the one hand, a rise in performing credit (EUR +746 million compared to the same date in the previous year) and a reduction in non-performing exposures (NPE) (EUR -246 million compared to the same date in the previous year).

Mortgage loans in the activity in Portugal stood at EUR 20,015 million on 31 March 2025, recording an increase of 6.2% compared to the same date in the previous year (31 March 2024: EUR 18,844 million), due to a growing demand, as interest rates are on a downward trajectory.

Personal loans in the activity in Portugal also recorded an increase of 7.6% (EUR +181 million) compared to the figure recorded at the end of the first quarter of 2024, standing at EUR 2,555 million on 31 March 2025, in a context of improving consumer sentiment throughout 2024.

In turn, loans to companies in the activity in Portugal amounted to EUR 16,340 million at the end of the first quarter of 2025, decreasing by 5.0% compared to the figure recorded at the end of first quarter of 2024, mainly due to the repayment of Covid facilities, as the Bank had assumed a leading role in granting this financing during the pandemic and to the reduction of NPE in this segment.

In the international activity, loans to customers (gross) amounted to EUR 19,187 million as of 31 March 2025, 4.2% higher than the EUR 18,413 million recorded at the end of first quarter of 2024, driven mainly by the momentum of personal loans and loans to companies. By geographies, there was a more significant growth in the Polish subsidiary (amplified by the favourable evolution of the Zloty) and a smaller increase in the Mozambican subsidiary.

Mortgage loans in the international activity totalled EUR 9,200 million on 31 March 2025, remaining almost unchanged compared to the amount recorded at the end of the first quarter of the previous year (-0.6%). By geographies, there was a stabilisation both in the Polish subsidiary (in this case the reduction in mortgage loans in local currency was offset by the impact of the appreciation of the Zloty) and in the Mozambican subsidiary.

The amount of the mortgage loans portfolio in foreign currency in the Polish subsidiary deducted from the portion concerning Euro Bank S.A.[3] decreased by EUR 268 million (31 March 2025: EUR 253 million; 31 March 2024: EUR 522 million), representing 1.4% of the total amount of loans to customers recorded on the balance sheet of Bank Millennium (2.9% on the same date in the previous year) and less than 1% of the consolidated loans to customers portfolio.

Personal loans in the international activity stood at EUR 5,019 million at the end of the first quarter of the current year, recording an increase of EUR 448 million compared to the amount recorded at the end of the first quarter of the previous year, driven mainly by the growth recorded in the Polish subsidiary, while also benefiting from the positive contribution of the Mozambican subsidiary.

In turn, loans to companies in the international activity rose by 8.4% compared to the EUR 4,584 million on 31 March 2024, standing at EUR 4,968 million at the end of the first quarter of 2025. This growth was driven by the positive evolution observed in the Polish subsidiary, although partially offset by the reduction recorded in the Mozambican subsidiary.

LOANS TO CUSTOMERS (GROSS)

million EUR

	31 Mar. 25	31 Mar. 24	Chg. 25/24
INDIVIDUALS	**36,789**	**35,046**	**5.0 %**
Mortgage loans	29,214	28,100	4.0 %
Personal loans	7,574	6,945	9.1 %
COMPANIES	**21,307**	**21,776**	**(2.2 %)**
Services	7,810	7,323	6.7 %
Commerce	3,773	3,847	(1.9 %)
Construction	1,359	1,553	(12.5 %)
Others	8,364	9,053	(7.6 %)
	58,096	**56,822**	**2.2 %**
Of which:			
Activity in Portugal	38,909	38,409	1.3 %
International activity	19,187	18,413	4.2 %

QUALITY OF CREDIT PORTFOLIO

The quality of the credit portfolio continues to benefit from the focus on selectivity and monitoring of the credit risk control processes, as well as from the initiatives carried out by the commercial and credit recovery areas over the recent years, in order to recover non-performing loans.

The NPE stock, in consolidated terms, decreased to EUR 1,718 million as of 31 March 2025, representing a reduction of EUR 232 million compared to the end of the first quarter of 2024. In the activity in Portugal, the NPE stock totalled EUR 841 million at the end of the first quarter of 2025, with a reduction of EUR 246 million compared to the amount recorded at the end of the first quarter of the previous year.

The NPL ratio for more than 90 days, on a consolidated basis, stood at 1.4% at the end of the first quarter of 2025, which compares to the ratio of 1.3% recorded at the end of the first quarter of the previous year. In turn, NPE ratio in percentage of the total credit portfolio, on a consolidated basis, decreased from 3.4% on 31 March 2024 to 3.0%

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

on 31 March 2025. In the activity in Portugal, the NPE ratio as a percentage of the total credit portfolio dropped from 2.8% at the end of first quarter of 2024 to 2.2% at the end of the first quarter of 2025.

In consolidated terms, the ratio of total impairments to NPL by more than 90 days coverage evolved from 211.1% at the end of first quarter of 2024 to 168.2% as of 31 March 2025. The ratio between total impairment and the stock of NPE showed stability in consolidated terms (82.4% as of 31 March 2025 vis-à-vis 81.7% as of 31 March 2024) and an increase in the activity in Portugal (92.0% on 31 March 2025 vis-à-vis 88.6% on 31 March 2024). On 31 March 2025, the ratio between specific NPE impairment and NPE stock stood at 52.9% in consolidated terms (53.1% on 31 March 2024) and 52.0% in the activity in Portugal (53.9% on 31 March 2024).

CREDIT QUALITY

	Group			Activity in Portugal		
	31 Mar. 25	31 Mar. 24	Chg. 25/24	31 Mar. 25	31 Mar. 24	Chg. 25/24
STOCK (M€)						
Loans to customers (gross)	58,096	56,822	2.2 %	38,909	38,409	1.3 %
Restructured loans	1,396	1,771	(21.2 %)	837	1,218	(31.3 %)
NPL > 90 days	842	755	11.6 %	408	348	17.4 %
NPE (Loans to customers)	1,718	1,950	(11.9 %)	841	1,087	(22.6 %)
Total loan impairments (Balance sheet)	1,416	1,593	(11.1 %)	774	963	(19.6 %)
Impairments allocated to NPE (Balance sheet)	909	1,036	(12.3 %)	437	586	(25.3 %)
RATIOS AS A PERCENTAGE OF LOANS TO CUSTOMERS						
Restructured loans / Loans to customers (gross)	2.4 %	3.1 %		2.2 %	3.2 %	
NPL > 90 days / Loans to customers (gross)	1.4 %	1.3 %		1.0 %	0.9 %	
NPE / Loans to customers (gross)	3.0 %	3.4 %		2.2 %	2.8 %	
NPE ratio - EBA (includes debt securities and off-balance exposures)	1.8 %	2.1 %		1.5 %	2.0 %	
COVERAGE BY IMPAIRMENTS						
Total impairment / NPL > 90 days	168.2 %	211.1 %		189.6 %	276.9 %	
Total impairment / NPE	82.4 %	81.7 %		92.0 %	88.6 %	
Impairments allocated to NPE / NPE	52.9 %	53.1 %		52.0 %	53.9 %	

Note: NPE include loans to customers only, as defined in the glossary.

CUSTOMER FUNDS

On 31 March 2025, the consolidated total customer funds, as defined in the glossary, amounted to EUR 104,562 million, representing an increase of EUR 6,007 million (+6.1%) compared to the EUR 98,555 million on the same date in the previous year, benefiting from the growth both in the international activity and in the activity in Portugal (EUR +3,077 million and EUR +2,930 million than on the same date in the previous year, respectively). The evolution of total customer funds reflects the good performance of the majority of items, with emphasis on the increase in deposits and other resources from customers (EUR +4,288 million compared to 31 March 2024) in balance sheet customers funds and in assets placed with customers and assets under management (EUR +1,135 million and EUR +518 million compared to the end of the first quarter of last year, respectively) in off-balance sheet customer funds.

Consolidated balance sheet customer funds, which comprise deposits and other resources from customers and debt securities placed with customers, amounted to EUR 86,415 million as of 31 March 2025, representing an increase of EUR 4,267 million (+5.2%) compared to the EUR 82,147 million achieved at the end of the first quarter of the previous year. This favourable evolution is due to the dynamism recorded both in the international activity (EUR +2,305 million compared to the same date in the previous year) and in the activity in Portugal (EUR +1,962 million compared to the same date in the previous year).

As of 31 March 2025, consolidated off-balance sheet customer funds, which include assets under management, assets placed with customers and insurance products (savings and investment), amounted to EUR 18,148 million, representing an increase of EUR 1,740 million compared to the figure posted on the same date in the previous year. Off-balance sheet customer funds recorded increases both in the activity in Portugal and in the international activity (EUR +967 million and EUR +772 million compared to the same date in the previous year, respectively).

In the activity in Portugal, total customer funds reached EUR 70,906 million on 31 March 2025, compared with the EUR 67,977 million recorded on the same date in the previous year (+4.3%), with this evolution being mainly justified by the increase in deposits and other resources from customers in respect of balance sheet customer funds and by the increase in assets placed with customers in respect of off-balance sheet customer funds.

Balance sheet customer funds in the activity in Portugal reached EUR 55,603 million on 31 March 2025, compared with EUR 53,640 million recorded on the same date in the previous year. This evolution is justified by the increase in deposits and other resources from customers (EUR +1,982 million compared to the end of the first quarter of the previous year), reflecting mainly a higher level of savings by households.

Off-balance sheet customer funds in the activity in Portugal increased by EUR 967 million compared to the same date in the previous year, standing at EUR 15,304 million on 31 March 2025, driven by the more significant increase in assets placed with customers and a less significant increase in insurance products (savings and investment). Conversely, assets under management recorded a slight reduction compared to the amount recorded at the end of the first quarter of the previous year.

In the international activity, total customer funds increased by EUR 3,077 million (+10.1%) compared to the amount recorded as of 31 March 2024, standing at EUR 33,656 million at the end of the first quarter of 2025. This increase was driven mainly by the good performance of the balance sheet customer funds, supported by the rise of deposits and other resources from customers and also by the favourable evolution of the off-balance sheet customer funds. By geographies, the Polish and Mozambican subsidiaries delivered a positive performance, with the latter recording a less significant increase.

Balance sheet customer funds in the international activity, entirely composed of deposits and other resources from customers stood at EUR 30,812 million on 31 March 2025, recording an increase of EUR 2,305 million compared to the same date in the previous year (31 March 2024: EUR 28,507 million), benefiting from the rising volumes of resources in the Polish operation (with the increase in resources in local currency amplified by the appreciation of the Zloty). The subsidiary in Mozambique also recorded an increase, but on a smaller scale.

Off-balance sheet customer funds in the international activity increased by EUR 772 million compared to the end of the first quarter of the previous year, standing at EUR 2,844 million on 31 March 2025, driven mainly by the increase recorded in assets under management and also by the smaller increase in assets placed with customers. Conversely, insurance products (savings and investment) recorded a decrease compared to the same date in the previous year.

On 31 March 2025, balance sheet customer funds, on a consolidated basis, represented 82.6% of total customer funds, with deposits and other resources from customers representing 81.4% of total customer funds. Both percentages remained practically unchanged compared to those recorded on the same date in the previous year.

The loans to deposits ratio, which results from the quotient between loans to customers (net) and deposits and other resources from customers, stood at 66.6% on 31 March 2025 (68.3% in the same date in the previous year). The aforementioned indicator considering balance sheet customer funds stood at 65.6% (67.2% in the same date in the previous year).

TOTAL CUSTOMER FUNDS

million EUR

	31 Mar. 25	31 Mar. 24 (restated)	Chg. 25/24
BALANCE SHEET CUSTOMER FUNDS	**86,415**	**82,147**	**5.2 %**
Deposits and other resources from customers	85,096	80,809	5.3 %
Debt securities	1,318	1,339	(1.5 %)
OFF-BALANCE SHEET CUSTOMER FUNDS	**18,148**	**16,408**	**10.6 %**
Assets under management	6,240	5,722	9.1 %
Assets placed with customers	7,288	6,154	18.4 %
Insurance products (savings and investment)	4,620	4,533	1.9 %
	104,562	**98,555**	**6.1 %**
Of which:			
Activity in Portugal	70,906	67,977	4.3 %
International activity	33,656	30,579	10.1 %

SECURITIES PORTFOLIO

The securities portfolio, as defined in the glossary, stood at EUR 37,073 million as of 31 March 2025, showing an increase of 19.2% compared to the EUR 31,097 million recorded on the same date in the previous year, representing 35.5% of total assets at the end of the first quarter of 2025 (31.8% at the end of the first quarter of 2024). This increase is essentially the result of the liquidity arising from the growth of balance sheet customer funds.

The securities portfolio allocated to the activity in Portugal evolved from EUR 19,209 million on 31 March 2024 to EUR 22,520 million on 31 March 2025. This growth was driven by the reinforcement of the sovereign debt portfolio of the European Union, Italy and Spain, partially offset by the reduction of the Portuguese, German and French sovereign debt.

The securities portfolio allocated to the international activity evolved from EUR 11,889 million on 31 March 2024 to EUR 14,552 million on 31 March 2025, driven mainly by activity in the Polish subsidiary, following the reinforcement of investment in local public debt and also in sovereign debt portfolio from other euro zone countries.

LIQUIDITY MANAGEMENT

Until March 2025, the Group's balance sheet customer funds grew by 5.2% compared to the amount recorded a year earlier (vs. a growth of 7.7% in 2024). This evolution was mainly due to the growth of Bank Millennium's deposits, since in the activity in Portugal growth slowed in the same period.

The strengthening of the deposit portfolio, combined with the relative stability of the consolidated credit portfolio, the two new issues under the MREL (Minimum Requirements for Own Funds and Eligible Liabilities) carried out by BCP and Bank Millennium, the covered bond issues by Bank Millennium and the Group's overall profitability resulted in the strengthening of the consolidated liquidity position compared to the previous year, reflected in the evolution of regulatory indicators.

As of 31 March 2025, the regulatory Liquidity Coverage Ratio (LCR) stood on a consolidated basis at 354%, reflecting an improvement compared to the 342% recorded on 31 December 2024. On a year-on-year basis, the LCR increased significantly from 299% as of 31 March 2024, which had already marked a positive evolution from 276% at the end of 2023. These coverage levels continue to ensure a comfortable buffer well above the minimum regulatory requirement of 100%.

From a structural liquidity perspective, the Group continued to strengthen its stable funding base, characterised by a high proportion of customer deposits in its funding structure, complemented by medium and long-term instruments, mostly consisting of MREL (Minimum Requirements for Own Funds and Eligible Liabilities) issuances. As of 31 March 2025, the regulatory Net Stable Funding Ratio (NSFR) reached 180%, reflecting a stronger ASF (Available Stable Funding) position relative to RSF (Required Stable Funding), despite a slight decline compared to the 181% recorded at year-end 2024, and a solid increase from 172% as of 31 March 2024. This threshold, in turn, already represented a favourable evolution compared to the 167% recorded at the end of 2023. The levels achieved remain largely above the regulatory minimum of 100%, highlighting the Group's robust structural liquidity position.

The loan-to-deposit ratio continued its conservative trend, standing at 67% as of 31 March 2025, slightly below the 68% recorded on 31 March 2024, and further down from 71% at the end of 2023, confirming the Group's prudent approach to balance sheet management.

BCP extended the length of its wholesale financing structure by issuing senior preferred debt in the amount of EUR 500 million in October 2024, the main objective of which was to refinance, under favourable price conditions, a EUR 350 million issue of the same instrument.

In compliance with its Liquidity Plan, the Bank returned to the market in March 2025, with the issuance of EUR 500 million of subordinated debt (T2), which refinanced, with a significantly lower spread, an issue of EUR 450 million of subordinated debt repaid early and also offset the reduction of the stock of eligible T2 debt as a result of the partial repurchase of another issue through a Liability Management operation, also carried out in March.

The liquidity buffer available for discount at the ECB stood at EUR 32.0 billion as of 31 March 2025, EUR 2.7 billion higher than that observed a year earlier, mainly due to the favourable evolution of the commercial gap from a liquidity perspective and the cash flow generated by the activity, with the consequent reinforcement of the portfolio of securities eligible for discount at the ECB.

Throughout 2024, and in addition to increasing its deposit base, Bank Millennium strengthened its liquidity position by placing on the market its inaugural issues of covered bonds (in the amount of PLN 300 million in June, followed by a second of PLN 500 million in November) and senior non-preferred green debt in September, with a nominal value of EUR 500 million, which qualifies for MREL purposes. In March 2025, Bank Millennium returned to the market to successfully place another PLN 800 million covered bonds, thus doubling the volume issued in this instrument compared to the end of 2024.

Millennium bim maintained a robust liquidity position in the first quarter of 2025, in which a significant increase in the deposit base allowed the reinforcement of the discountable buffer at its central bank, which also benefited from the reduction in the mandatory minimum reserve requirements in national and foreign currency imposed by its central bank.

CAPITAL

The estimated CET1 ratio as at 31 March 2025 stood at 16.0% and 15.9% phased-in and fully implemented, reflecting a change of +2 and -12 basis points, respectively, compared to the 16.0% phased-in and fully implemented ratios reported on the same date of 2024, comfortably above the minimum regulatory ratios defined within the scope of SREP (Supervisory Review and Evaluation Process) for March 2025 (CET1 9.57%, T1 11.49% and Total 14.06%) and in line with the 2025-2028 strategic plan.

March 2025 estimated ratios already include an estimate of the impacts of the new CRR3 regulation for Operational and Credit Risk.

The organic growth of capital, due to the good performance of the recurring activity in Portugal and the careful and proactive management of capital, which includes the remuneration of shareholders, more than offset the impacts related to the provision for legal risks, associated with foreign currency loans, at Bank Millennium. The introduction of CRR3 led to a significant increase in risk-weighted assets to cover operational risk.

SOLVENCY RATIOS

million EUR

	31 Mar. 25		31 Mar. 24	
	FULLY	PHASED	FULLY	PHASED
Own funds				
Common Equity Tier 1 (CET1)	6,560	6,560	6,264	6,275
Tier 1	7,043	7,043	6,752	6,762
Total Capital	**8,248**	**8,248**	**8,029**	**8,031**
Risk weighted assets	**41,293**	**40,879**	**39,134**	**39,146**
Solvency ratios				
CET1	15.9 %	16.0 %	16.0 %	16.0 %
Tier 1	17.1 %	17.2 %	17.3 %	17.3 %
Total capital	20.0 %	20.2 %	20.5 %	20.5 %

Note: The capital ratios as at 31 March 2025 are estimated, including 25% of the unaudited net income of the period.

According with the transitional provisions in force, the capital ratios, not including the results of the first quarter, are as follows:

SOLVENCY RATIOS

million EUR

	31 mar. 25	31 mar. 24
	PHASED	PHASED
Own funds		
Common Equity Tier 1 (CET1)	6,506	6,164
Tier 1	6,989	6,652
Total Capital	**8,194**	**7,920**
Risk weighted assets	**40,879**	**39,146**
Solvency ratios		
CET1	15.9 %	15.7 %
Tier 1	17.1 %	17.0 %
Total capital	20.0 %	20.2 %

SIGNIFICANT EVENTS IN THE FIRST QUARTER OF 2025

In the first quarter of 2025, in a context of worsening of international geopolitical risks and in which, simultaneously, political instability was witnessed in Portugal, with the calling of early elections, BCP stood out for its role in supporting companies and families, for its policy of proximity, trust and for the quality of services provided to its Customers.

On 22 January 2025, the Bank informed that its Board of Directors, in accordance with the law and the Bank's regulations on Succession Planning, approved on that date the co-optation of Esmeralda da Silva Santos Dourado as independent non-executive director of the Bank, thus filling the vacancy on the Board of Directors for the four-year period 2022-2025. The co-optation was resolved following obtaining authorisation from the European Central Bank to exercise her functions and will be submitted for ratification at the Bank's next General Meeting.

On 10 March 2025, the Bank informed about decision to early redeem in full the EUR 450 million Subordinated Fixed Rate Reset Notes due 27 March 2030 bond issue.

On 12 March 2025, the Bank informed that S&P Global upgraded BCP's senior unsecured debt ratings from BBB to BBB+, changing the Outlook to Stable.

On 13 March 2025, the Bank informed about the decision to launch a tender offer on a T2 Notes issue due December 2027. The Offer is conditional on the successful completion of the issuance of a new series of Subordinated Fixed Rate Reset Notes to be issued off the Banks' Euro Note Programme, subject to market conditions in amount of at least EUR 450 million.

On 13 March 2025, the Bank informed that has fixed the terms for a new issue of subordinated Tier 2 Notes under its Euro Note Programme. The issue, in the amount of EUR 500 million, will have a tenor of 12 years, with the option of early redemption by the Bank in the last three months of year 7, an annual interest rate of 4.75% during the first 7 years (corresponding to a spread of 2.150% (the "Spread") over the 7-year mid-swap rate). The interest rate for the last 5 years will be determined on the basis of the then applicable 5-year mid-swap rate plus the Spread. The issue was placed among a diversified base of reference institutional investors after a speedy and successful execution.

On 21 March 2025, the Bank informed that the results of the offer to holders of the outstanding EUR 166.3 million of its EUR 300 million 4.50% T2 Subordinated Fixed Rate Reset Notes due December 2027 (ISIN: PTBCPWOM0034) were determined on 20 March 2025, and that it received valid offers to sell from the holders of Notes in a total nominal amount of EUR 79.5 million, all of which it has accepted to purchase.

AWARDS AND DISTINCTIONS

Millennium bcp received several distinctions in the first quarter of 2025:

- "Consumer Choice" award in 2025 for the fifth consecutive year in the "Large Banks" category. Leadership in attributes such as "innovation" or "loyalty" contributed to this distinction. Among the strengths highlighted by consumers who participated in the study, in-person and online service and digital efficiency stand out.
- Renewed its status as leader in the 'Large Banks' and 'banking apps' categories, for the third consecutive year, for the Prémio Cinco Estrelas.
- "Best Investment Bank in Portugal" for the seventh consecutive year, within the scope of the World's Best Investment Banks Awards attributed by Global Finance magazine.
- "The Best Bank for Sustainable Finance in Portugal" in 2025 according to Global Finance magazine.
- Millennium bcp is included in the "Europe's Climate Leaders 2024" ranking for the fourth consecutive time.
- Distinguished at the Euronext Lisbon Awards 2025 in the categories of: Equity Champion (listed company with the highest total return), Local Market Member - Equity (member with the highest value traded on Euronext Lisbon in this category), Market Member - Bonds (member with the highest value traded on Euronext Lisbon in this category), Structured Finance - Warrants and Certificates (member that generated the greatest growth in the securities identified in this category).
- Distinguished as the Best Distributor of Structured Products in Portugal by Structured Retail Products, an institution of the Euromoney Group.

- The "Nunca o zero valeu tanto" mortgage loans campaign was awarded Gold in the "Banking, Finance and Insurance" category at the M&P Comunicação awards promoted by the newspaper Meios & Publicidade.

ActivoBank also received several distinctions in in the first quarter of 2025:

- “Consumer Choice” award for the seventh consecutive time in the “Digital Bank” category in 2025. The independent evaluations, which result from consumer opinion, once again highlighted the Bank's recognition among the public and loyalty of its Customers.
- “Five Stars” award for the second consecutive year, in the “Digital Banking” category.

Bank Millennium was also distinguished in in the first quarter of 2025:

- Bank Millennium is included in the "Europe's Climate Leaders 2024" ranking for the fourth consecutive time.
- Bank Millennium has been distinguished for the second consecutive year as Top Employer Polska in 2025 by the Top Employers Institute and for the 11th consecutive time as Reliable Employer.

SUBSEQUENT EVENTS

On 1 April 2025, the Bank informed that, on that day and at its request, ceased the assignment of rating by Morningstar DBRS to the Covered Bonds issued by BCP. BCP’s covered bonds maintain the ratings currently assigned by Moody’s and Fitch Ratings, respectively, of ‘Aaa’ and ‘AAA’.

On 8 April 2025, the Bank informed that a share buyback programme in the total amount of EUR 200 million, equivalent to approximately 2,683% of BCP’s market capitalisation[4] was approved. The objective of the Buy-Back Programme, for the purposes of Article 5(2)(a) of Regulation (EU) No. 596/2014, is the cancellation of treasury shares acquired under its scope and it will be implemented in accordance with the provisions of Regulation (EU) No. 596/2014, as supplemented by Delegated Regulation (EU) No. 2016/1052, taking into consideration the terms and conditions described, and also being conditional to: (i) the limits set out in the resolution adopted under item 6 of the Agenda of the General Meeting held on 22 May 2024, as duly disclosed to the market; (ii) the terms and conditions of any future authorisations for the acquisition of treasury shares that may be approved by the General Meeting of Shareholders of BCP; and (iii) the terms and conditions of any share capital reduction that may be resolved for these purposes by the General Meeting of Shareholders. On 14 April 2025, the Bank started trading own shares in the context of the Share Buy-Back Programme approved by the Bank in accordance with the terms and conditions described in the announcement regarding the start of trading under the Buy-Back Programme disclosed by BCP on 8 April 2025.

MACROECONOMIC ENVIRONMENT

In its most recent projection exercise, the International Monetary Fund (IMF) has revised downwardly its projection for global economic growth in 2025 from 3.3% to 2.8%. This revision reflects the broad deterioration of projections for advanced economies, particularly the economic situation in the United States, whose growth forecast was downgraded by 0.9 percentage points to 1.8%. For 2026, the IMF envisions a recovery scenario, with the global economy expected to grow by 3.0%. However, IMF highlights the underlying uncertainty due to the risks associated with worsening geopolitical tensions and the consequent adverse impact on international trade and business confidence.

In the first four months of the year, global financial markets exhibited significant corrections, with considerable volatility in the major equity indices of developed markets, following various proposals for foreign policy measures put forward by the United States and subsequent reactions from trading partners. These actions increased barriers to global trade, potentially disrupting established production chains, contrasting with existing practices in prior decades. This context may partly explain the evolution of Gross Domestic Product (GDP) in the first quarter of the year in some of the world's leading economies - declining activity in the United States and a recovery in the euro area - which can be attributed to a preventive hoarding effect in anticipation of the expected increase in the prices of goods imported by the United States due to the tariff’s effects.

[4] With reference to the closing price registered in the regulated market Euronext Lisbon on 8 April 2025.

The consequent deterioration in confidence levels and the rise in risk aversion fostered some preference for safe-haven investments, but also a reduction in exposure to financial assets denominated in dollars, as evidenced by the depreciation of the US Dollar in effective terms and the increase in US sovereign bond yields during this period. However, in the beginning of the second quarter, the prospect of negotiations on the proposed measures and the possibility of a less adverse outcome facilitated some reversal of these movements and a recovery in riskier assets.

In the euro area, the downward trajectory of inflation, strengthened by lower wage pressures, favourable energy price developments, and the appreciation of the euro, enabled the European Central Bank (ECB) to lower the deposit rate to 2.25% in April, with expectations of further reductions in the ECB's reference rates by the end of the semester, with the 3-month Euribor rate decreasing by 56 basis points over the quarter. The announcement of economic stimulus measures, supported by increased public spending by Germany and other member states, led to a sudden and significant rise in euro area sovereign bond yields, although this movement proved temporary in light of renewed concerns over the sustainability of the ongoing economic recovery. The downward trend in the risk premia of the Euro Area peripherical countries was interrupted by the rise in risk aversion.

In the first quarter of 2025, the Portuguese GDP, in real terms, showed a quarter-on-quarter decrease of 0.5%, following the strong growth recorded in the previous quarter (1.4%), and a 1.6% year-on-year increase. The slowdown in the Portuguese economy during the first quarter reflects a deceleration in domestic demand and a negative contribution from net exports. For 2025, the IMF has revised downwardly its projection for the growth of the Portuguese economy from 2.3% to 2.0%, although this remains higher than the projected growth for the euro area (0.8%). The unemployment rate was broadly stable during the first quarter, remaining below full employment (according to Banco de Portugal estimates). The inflation rate decreased in the first quarter from 2.8% to 2.3%, due to base effects related to the end of VAT exemptions on essential food items. The disinflationary trend is expected to benefit in the coming months from the correction of energy prices in international markets.

In Poland, economic growth is expected to remain robust in 2025. The IMF forecasts GDP growth at around 3.2%, driven by investment projects supported by European funds throughout the year and consumption, which is anticipated to benefit from an increase in real disposable income and historically low unemployment rates. In the first quarter of 2025, the inflation rate rose to 4.9%, which prompted the National Bank of Poland to maintain the reference interest rate at 5.75%. However, the expectation of wage moderation and the reduction in energy prices in international markets, with inflation approaching the 2.5% target over the medium term, has contributed lately to the expectation of an interest rate cut of between 25 and 50 basis points. On the exchange rate front, the Złoty appreciated slightly against the euro in the first quarter of 2025, despite some temporary pressure.

The IMF forecasts a recovery for the Mozambican economy in 2025, from 1.9% to 2.5%, driven by activity related to large gas projects and the normalisation of the country's situation following the social tensions experienced at the end of 2024. The price level accelerated in the first quarter of the year, although underlying inflation remained stable. The Central Bank of Mozambique reduced the reference interest rate from 12.25% to 11.75% in March, and the Metical remained relatively stable, though facing challenges in the management of foreign exchange reserves.

In Angola, the IMF anticipates a slowdown in GDP growth from 4.4% to 2.4% in 2025. In the first quarter of the year, the central bank maintained its reference interest rate at 19.50% and the Kwanza depreciated against the euro.

CONSOLIDATED INDICATORS, ACTIVITY IN PORTUGAL AND INTERNATIONAL ACTIVITY

million EUR

	Group			Activity in Portugal			International activity		
	Mar. 25	Mar. 24 (restated)	Chg. 25/24	Mar. 25	Mar. 24 (restated)	Chg. 25/24	Mar. 25	Mar. 24 (restated)	Chg. 25/24
INCOME STATEMENT									
Net interest income	721.1	696.2	3.6 %	325.8	339.1	(3.9 %)	395.2	357.2	10.7 %
Dividends from equity instruments	0.0	0.0	(42.2 %)	0.0	0.0	0.0 %	0.0	0.0	(42.2 %)
Net fees and commissions income	201.4	197.3	2.1 %	147.8	142.2	3.9 %	53.6	55.0	(2.5 %)
Net trading income	29.5	(2.9)	>200%	13.3	(4.3)	>200%	16.2	1.4	>200%
Other net operating income	(56.3)	(32.5)	(73.2 %)	(2.0)	5.8	(135.3 %)	(54.3)	(38.3)	(41.9 %)
Equity accounted earnings	13.4	10.4	29.1 %	12.4	9.1	35.8 %	1.0	1.3	(19.0 %)
Net operating revenues	**909.1**	**868.5**	**4.7 %**	**497.3**	**491.9**	**1.1 %**	**411.8**	**376.7**	**9.3 %**
Staff costs	188.1	165.7	13.5 %	96.9	86.2	12.4 %	91.2	79.5	14.7 %
Other administrative costs	113.0	106.7	6.0 %	51.9	49.8	4.2 %	61.2	56.9	7.5 %
Amortisation and depreciation	38.6	35.4	9.0 %	19.9	18.3	8.4 %	18.7	17.1	9.7 %
Operating costs	**339.7**	**307.8**	**10.4 %**	**168.6**	**154.3**	**9.3 %**	**171.1**	**153.5**	**11.5 %**
Operating costs excluding specific items	339.6	308.7	10.0 %	168.5	155.2	8.6 %	171.1	153.5	11.5 %
Profit before impairment and provisions	**569.4**	**560.7**	**1.5 %**	**328.7**	**337.6**	**(2.6 %)**	**240.8**	**223.2**	**7.9 %**
Results on modification	(4.2)	(7.2)	42.3 %	0.0	0.0	0.0 %	(4.2)	(7.2)	42.3 %
Loan impairments (net of recoveries)	55.8	73.5	(24.1 %)	33.5	46.2	(27.5 %)	22.3	27.4	(18.5 %)
Other impairment and provisions	131.2	145.2	(9.6 %)	5.0	17.5	(71.7 %)	126.3	127.7	(1.1 %)
Profit before income tax	**378.2**	**334.8**	**13.0 %**	**290.2**	**273.9**	**6.0 %**	**88.0**	**60.9**	**44.6 %**
Income tax	**112.2**	**78.1**	**43.7 %**	**71.3**	**70.4**	**1.4 %**	**40.9**	**7.8**	**>200%**
Current	3.1	27.4	(88.8 %)	2.4	6.6	(63.4 %)	0.6	20.7	(96.9 %)
Deferred	109.2	50.8	115.0 %	68.9	63.7	8.1 %	40.3	(13.0)	>200%
Net income after income tax from continuing operations	**266.0**	**256.6**	**3.7 %**	**218.9**	**203.5**	**7.6 %**	**47.1**	**53.1**	**(11.3 %)**
Net income from discontinued operations	0.0	0.0	0.0 %	0.0	0.0	0.0 %	0.0	0.0	0.0 %
Non-controlling interests	22.5	22.3	1.0 %	0.0	0.0	44.8 %	22.6	22.4	0.9 %
Net income	**243.5**	**234.3**	**3.9 %**	**218.9**	**203.5**	**7.6 %**	**24.5**	**30.8**	**(20.2 %)**
BALANCE SHEET AND ACTIVITY INDICATORS									
Total assets	104,294	97,797	6.6 %	67,210	64,253	4.6 %	37,084	33,544	10.6 %
Total customer funds	**104,562**	**98,555**	**6.1 %**	**70,906**	**67,977**	**4.3 %**	**33,656**	**30,579**	**10.1 %**
Balance sheet customer funds	**86,415**	**82,147**	**5.2 %**	**55,603**	**53,640**	**3.7 %**	**30,812**	**28,507**	**8.1 %**
Deposits and other resources from customers	85,096	80,809	5.3 %	54,284	52,302	3.8 %	30,812	28,507	8.1 %
Debt securities	1,318	1,339	(1.5 %)	1,318	1,339	(1.5 %)	0	0	0.0 %
Off-balance sheet customer funds	**18,148**	**16,408**	**10.6 %**	**15,304**	**14,336**	**6.7 %**	**2,844**	**2,072**	**37.3 %**
Assets under management	6,240	5,722	9.1 %	4,286	4,357	(1.6 %)	1,953	1,365	43.2 %
Assets placed with customers	7,288	6,154	18.4 %	6,592	5,695	15.8 %	696	459	51.8 %
Insurance products (savings and investment)	4,620	4,533	1.9 %	4,425	4,284	3.3 %	194	249	(21.8 %)
Loans to customers (gross)	**58,096**	**56,822**	**2.2 %**	**38,909**	**38,409**	**1.3 %**	**19,187**	**18,413**	**4.2 %**
Individuals	**36,789**	**35,046**	**5.0 %**	**22,570**	**21,217**	**6.4 %**	**14,219**	**13,829**	**2.8 %**
Mortgage	29,214	28,100	4.0 %	20,015	18,844	6.2 %	9,200	9,257	(0.6 %)
Personal Loans	7,574	6,945	9.1 %	2,555	2,374	7.6 %	5,019	4,572	9.8 %
Companies	**21,307**	**21,776**	**(2.2 %)**	**16,340**	**17,192**	**(5.0 %)**	**4,968**	**4,584**	**8.4 %**
CREDIT QUALITY									
Total impairment (balance sheet)	1,416	1,593	(11.1 %)	774	963	(19.6 %)	642	630	1.9 %
Total impairment (balance sheet) / Loans to customers	2.4 %	2.8 %		2.0 %	2.5 %		3.3 %	3.4 %	
NPE (Loans to customers)	1,718	1,950	(11.9 %)	841	1,087	(22.6 %)	876	862	1.6 %
NPE / Loans to customers	3.0 %	3.4 %		2.2 %	2.8 %		4.6 %	4.7 %	
Total impairment (balance sheet) / NPE	82.4 %	81.7 %		92.0 %	88.6 %		73.3 %	73.0 %	
Restructured loans	1,396	1,771	(21.2 %)	837	1,218	(31.3 %)	559	553	1.0 %
Restructured loans / Loans to customers	2.4 %	3.1 %		2.2 %	3.2 %		2.9 %	3.0 %	
Cost of risk (net of recoveries, in b.p.)	38	52		34	48		46	59	

BANCO COMERCIAL PORTUGUÊS

INTERIM CONDENSED CONSOLIDATED INCOME STATEMENTS

FOR THE THREE MONTHS PERIODS ENDED 31 MARCH 2025 AND 2024

thousand EUR

	31 March 2025	31 March 2024
Interest and similar income	1,135,339	1,166,009
Interest and similar expense	(414,282)	(469,772)
NET INTEREST INCOME	**721,057**	**696,237**
Dividends from equity instruments	20	35
Net fees and commissions income	201,429	196,407
Gains/(losses) on financial operations at fair value through profit or loss	33,771	(6,779)
Foreign exchange gains/(losses)	2,645	9,833
Gains/(losses) on hedge accounting	1,958	(7,409)
Gains/(losses) arising from derecognition of financial assets and liabilities not measured at fair value through profit or loss	(8,850)	1,456
Other operating income / (expenses)	(59,063)	(31,515)
TOTAL OPERATING INCOME	**892,967**	**858,265**
Staff costs	188,087	165,707
Other administrative costs	113,038	106,956
Amortisations and depreciations	38,595	35,411
TOTAL OPERATING EXPENSES	**339,720**	**308,074**
NET OPERATING INCOME BEFORE PROVISIONS AND IMPAIRMENTS	**553,247**	**550,191**
Results on modification	(4,179)	(7,240)
Impairment of financial assets at amortised cost	(76,107)	(73,039)
Impairment of financial assets at fair value through other comprehensive income	(2,444)	(1,437)
Impairment of other assets	(4,004)	(5,681)
Other provisions	(104,447)	(138,588)
NET OPERATING INCOME	**362,066**	**324,206**
Share of profit of associates accounted for using the equity method	13,450	10,415
Gains/(losses) on disposal of subsidiaries and other assets	2,727	139
NET INCOME BEFORE INCOME TAXES	**378,243**	**334,760**
Income taxes		
Current	(3,070)	(27,366)
Deferred	(109,173)	(50,767)
NET INCOME AFTER INCOME TAXES	**266,000**	**256,627**
Net income for the period attributable to:		
Bank's Shareholders	243,452	234,309
Non-controlling interests	22,548	22,318
NET INCOME FOR THE PERIOD	**266,000**	**256,627**
Earnings per share (in Euros)		
Basic	0.063	0.061
Diluted	0.063	0.061

BANCO COMERCIAL PORTUGUÊS

INTERIM CONDENSED CONSOLIDATED BALANCE SHEET

AS AT 31 MARCH 2025 AND 2024 AND 31 DECEMBER 2024

thousand EUR

	31 March 2025	31 December 2024	31 March 2024 (restated)
ASSETS			
Cash and deposits at Central Banks	3,159,350	5,589,030	4,108,736
Loans and advances to credit institutions repayable on demand	326,753	251,157	195,279
Financial assets at amortised cost			
Loans and advances to credit institutions	1,282,203	797,535	846,515
Loans and advances to customers	54,638,175	53,907,058	53,483,511
Debt securities	24,053,647	21,345,171	18,205,388
Financial assets at fair value through profit or loss			
Financial assets held for trading	1,473,196	1,763,402	1,610,067
Financial assets not held for trading mandatorily at fair value through profit or loss	343,792	355,211	445,912
Financial assets designated at fair value through profit or loss	36,991	33,894	32,956
Financial assets at fair value through other comprehensive income	13,583,537	12,898,966	13,002,748
Hedging derivatives	70,733	69,349	45,189
Investments in associates	447,180	429,423	394,846
Non-current assets held for sale	43,717	45,245	74,761
Investment property	21,382	24,183	39,646
Other tangible assets	603,377	619,146	604,856
Goodwill and intangible assets	276,496	275,970	224,024
Current tax assets	24,831	21,159	21,271
Deferred tax assets	2,113,518	2,253,457	2,485,943
Other assets	1,795,379	1,464,246	1,975,643
TOTAL ASSETS	**104,294,257**	**102,143,602**	**97,797,291**
LIABILITIES			
Financial liabilities at amortised cost			
Deposits from credit institutions and other funds	876,090	777,719	1,015,315
Deposits from customers and other funds	83,353,842	82,084,687	78,687,238
Non-subordinated debt securities issued	3,743,851	3,528,710	2,724,669
Subordinated debt	1,395,376	1,427,359	1,381,415
Financial liabilities at fair value through profit or loss			
Financial liabilities held for trading	219,390	179,627	226,769
Financial liabilities designated at fair value through profit or loss	3,060,694	3,248,857	3,459,922
Hedging derivatives	24,694	39,041	40,227
Provisions	1,166,508	1,085,858	845,144
Current tax liabilities	83,337	136,008	87,924
Deferred tax liabilities	4,315	7,434	4,619
Other liabilities	1,817,057	1,435,745	1,751,901
TOTAL LIABILITIES	**95,745,154**	**93,951,045**	**90,225,143**
EQUITY			
Share capital	3,000,000	3,000,000	3,000,000
Share premium	16,471	16,471	16,471
Other equity instruments	400,000	400,000	400,000
Legal and statutory reserves	384,402	384,402	316,375
Reserves and retained earnings	3,366,995	2,387,592	2,607,113
Net income for the period attributable to Bank's Shareholders	243,452	906,378	234,309
Non-controlling interests	1,137,783	1,097,714	997,880
TOTAL EQUITY	**8,549,103**	**8,192,557**	**7,572,148**
TOTAL LIABILITIES AND EQUITY	**104,294,257**	**102,143,602**	**97,797,291**

GLOSSARY

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

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

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

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

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

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

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

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

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

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

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

Deposits and other resources from customers – deposits from customers and other funds at amortised cost 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”).

Loan impairments (balance sheet) – balance sheet impairment related to loans to customers at amortised cost, balance sheet impairment associated with debt instruments at amortised cost related to credit operations and fair value adjustments related to loans to customers at fair value through profit or loss.

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

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

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

Loan to Deposits ratio (LTD) (Instruction from Banco de Portugal no. 16/2004) – loans to customers (net) divided by deposits and other resources from customers.

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

Net commissions - net fees and commissions income.

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

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

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

Non-performing exposures (NPE) – non-performing loans and advances to customers (includes loans to customers at amortised cost, loans to customers at fair value through profit or loss and, from 2023, debt instruments at amortised cost associated to credit operations before impairment) more than 90 days past-due or unlikely to be paid without collateral realisation, if they recognised as defaulted or impaired.

Non-performing loans (NPL) – overdue loans (includes loans to customers at amortised cost, loans to customers at fair value through profit or loss and, from 2023, debt instruments at amortised cost associated to credit operations before impairment) more than 90 days past due including the non-overdue remaining principal of loans.

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

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

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

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

Other net operating income – other operating income/(expenses) and gains/(losses) arising from sales of subsidiaries and other assets.

Performing loans - loans to customers (gross) deducted from Non-performing exposures (NPE).

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

Return on average assets (Instruction from Banco de Portugal no. 16/2004) – net income (before tax and non-controlling interests) 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 Banco de 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) deducted from Coupons on AT1 (if they exist), divided by the average equity (weighted average of the average of monthly equity in the period), with Equity = Equity - preference shares - other capital instruments - non-controlling interests.

Return on tangible equity (ROTE) – net income (after minority interests) deducted from Coupons on AT1 and from goodwill impairment (if they exist), divided by the average equity, deducted from goodwill and intangible assets (weighted average of the average of monthly equity in the period), with Equity = Equity - preference shares - other capital instruments - non-controlling interests.

Securities portfolio - debt instruments at amortised cost not associated with credit operations (net of impairment), financial assets at fair value through profit or loss (excluding the ones related to 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 funds.

Disclaimer

The financial information in this presentation has been prepared under the scope of the International Financial Reporting Standards ("IFRS") of the BCP Group for the purposes of the preparation of the consolidated financial statements under Regulation (CE) 1606/2002, as the currently existing version.

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.

The interim condensed consolidated financial statements, for the three months ended on 31 March 2025, were prepared in terms of recognition and measurement in accordance with the IAS 34 - Interim Financial Reporting adopted by the EU.

The figures presented do not constitute any form of commitment by BCP regarding future earnings.

The figures for the first three months of 2025 and 2024 were not audited.