



9:41  
←

**IT'S TIME TO GET  
THE ECONOMY  
MOVING**

**LET'S GO!**

+ →

Millennium  
bcp

∨

**EARNINGS  
PRESENTATION  
Q1 2021**

**Banco Comercial Português**

# Disclaimer

- | The information in this presentation has been prepared under the scope of the International Financial Reporting Standards ('IFRS') of BCP Group for the purposes of the preparation of the consolidated financial statements under Regulation (CE) 1606/2002, as amended.
- | The figures presented do not constitute any form of commitment by BCP in regard to future earnings.
- | Figures for the first three months of 2021 not audited.
- | The information in this presentation is for information purposes only, and should be read in conjunction with all other information made public by the BCP Group.

# AGENDA



Highlights

01

Group

02

Portugal

03

International  
operations

04

Key  
figures

05



01

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# Highlights

# Highlights: resilience of the business model



## Profitability

- **Net profit of 57.8 million**, including 112.8 million provisions for legal risk on CHF loans in Poland
- **Consolidated operating costs 9.2% down**, with **cost to core income of 47%**
- **Pre-provision profit up by 5.8%** to 329.5 million in the 1<sup>st</sup> quarter of 2021; **significant reinforcement of impairment and other provisions**, that totalled 242.8 million (+20.3%)



## Capital and liquidity

- **Total capital of 15.5%\*** and CET1 of **12.2%\***, above regulatory requirements of **13.31%** and of **8.83%**, respectively
- Strong liquidity, well in excess of regulatory requirements; **loans-to-deposits of 83%** and eligible assets for ECB funding of **23.0 billion**

GDP reduction in Q1'2021 (quarter-on-quarter): -3.3% in Portugal, -0.6% in the euro zone.

\*Fully implemented ratio including unaudited net income for the 1<sup>st</sup> quarter of 2021. CET1 of 12.0% as of March 31, 2020 and of 12.2% as of December 31, 2020.

# Highlights: resilience of the business model



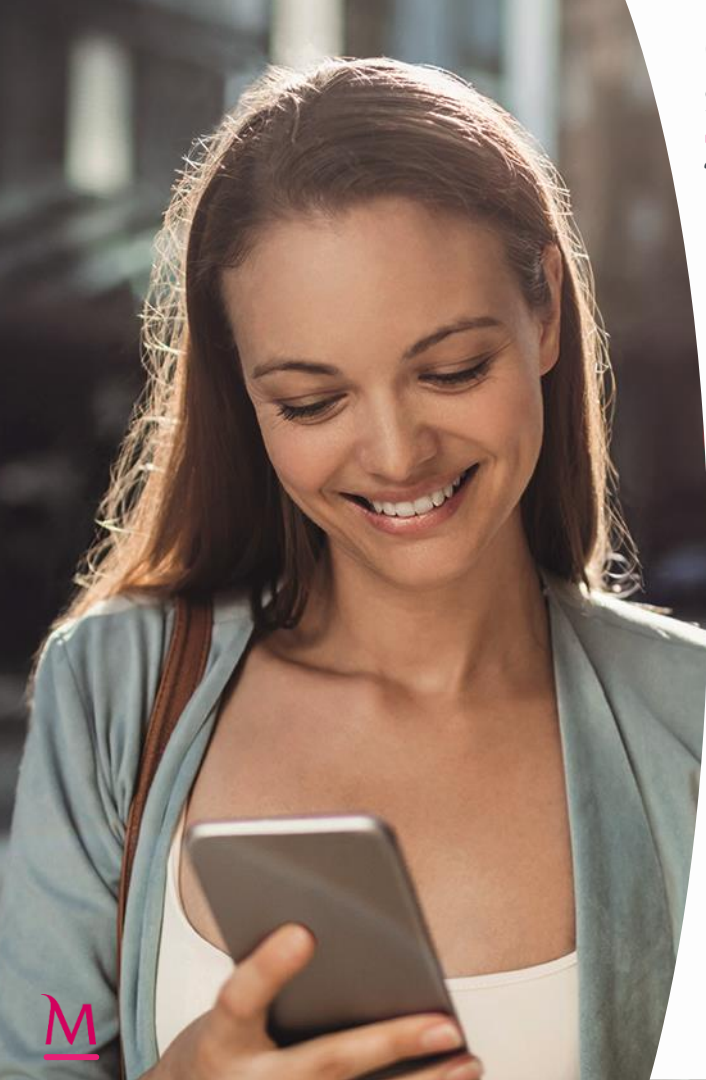
## Business activity

- Performing loans in Portugal up by **2.0 billion, +5.9%** from March 2020, with **performing loans to companies increasing 10.9%**; consolidated performing loans up by **2.5 billion, +4.9% from March 2020**
- Total Customer funds up by **7.1 billion, +8.9%** from March 2020 (**+9.9% in Portugal**) and by **2.6 billion** since the beginning of 2021



## Credit quality

- **NPEs down in an adverse environment:** -827 million from march 2020, -725 million of which in Portugal, and -195 million since the beginning of 2021 (-170 million in Portugal)
- Cost of risk of **79bp** for the Group and of **94bp** in Portugal; coverage of NPEs by LLRs of **65%** (+10pp from March 2020), with total coverage of **116%**, at the Group level

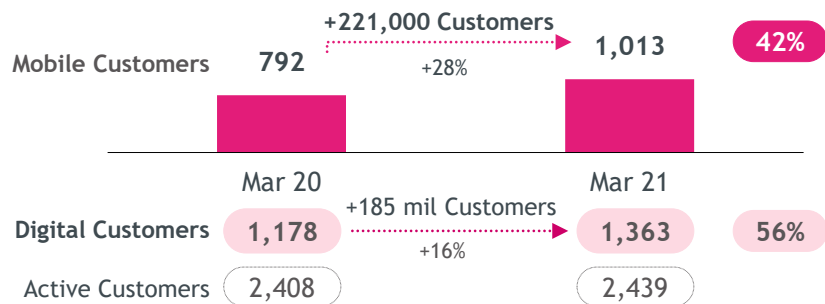
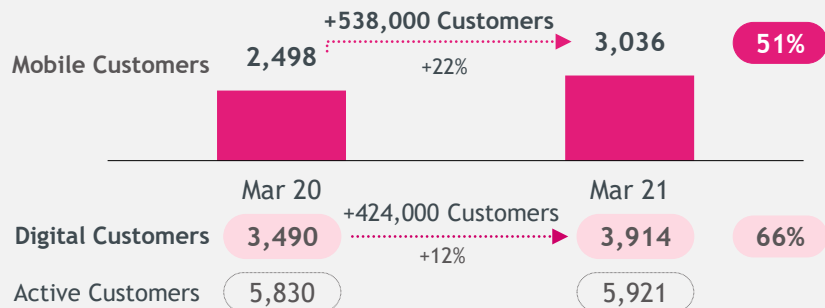


# Growing Customer base, mobile Customers standing out

\*000 Customers

As % of active Customers

## Group



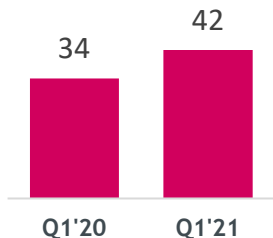
**Leading bank in Customer satisfaction with digital channels, in all items by Basef (5 largest banks, April 2021);** Closest to Customers, most innovating, clearest information; Bank most recommended by Customers: leader in overall satisfaction, in the quality of service and in product quality

Customer counting criteria used in the 2018-2021 Strategic Plan.

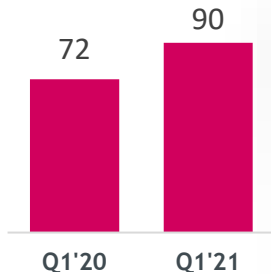
# Our digital capabilities are particularly appreciated in times of pandemic



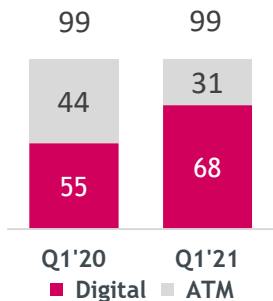
% Mobile Customers <sup>1</sup>



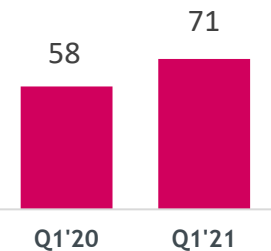
Digital Interactions #(mln) <sup>2</sup>



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



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



## Strong mobile growth Y/Y

(Jan-Mar 2021 vs. Jan-Mar 2020)

**+27%** Logins  
**+57%** Payments

**+86%** Transfers  
**+81%** Sales

**48%** of digital Customers are app-exclusive

**89%** of digital interactions are mobile

<sup>1</sup> Mobile active Customers that have used the app at least once over the last 3 months

<sup>2</sup> Interactions (Millennium website and app)

<sup>3</sup> Includes mobile, online and ATMs; excludes branches

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

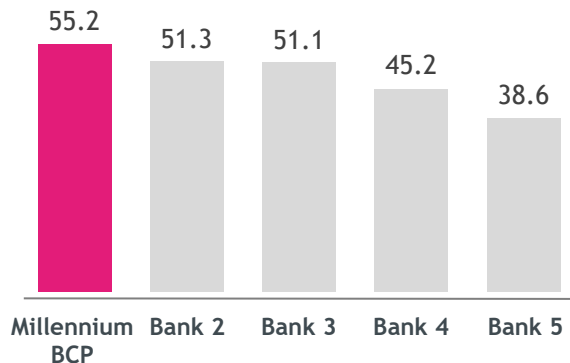


# Best Digital Bank and Leader in Customer Satisfaction in 2021

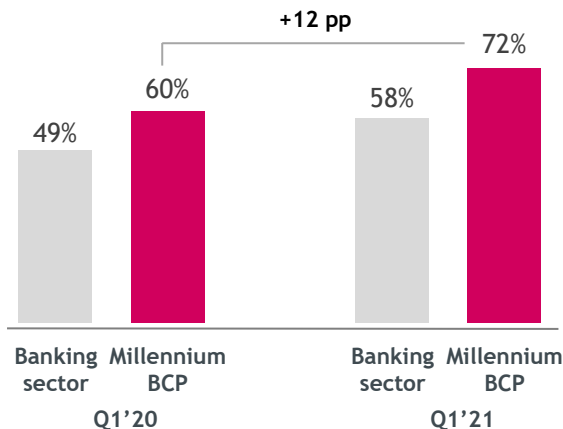


## Marktest

# 1 NPS<sup>1</sup> Digital Customers  
Mar. 2021, 5 largest Banks



'Best Digital Bank' (unaided nomination by Customers)<sup>2</sup>, 2021 (Q1 YTD)



Millennium App  
leads ratings

4.7



4.8



<sup>1</sup> Top recommendation index (NPS), digital channels: BASEF 5 largest banks, Mar. 2021

<sup>2</sup> Which bank do you choose as the 'Best Digital Bank'? (Unaided reply) | Sample: Banking sector, total number of banking Customers, aged> 15 years - 70 years, Portugal (N 2021 = 2,000 per quarter; 8,000 per year)

# Digital: More Innovation at the Service of Customers



40

NEW APP  
FEATURES IN  
2021

1.4 million active Customers

Customers aged >65 years  
increased 39% yoy

> 1.4 million logins per day

## StayOn - Communication ecosystem. Brings Digital, remote and physical together

**Notifications:** all push messages received by Customers

**Documents:** Accounts statements, receipts, tax Statements

**BancoMail:** exchange of messages with attachments

**Pending Operations:** contracts formalized remotely

**Mcontacto:** contact with Account Manager/Bank via Email, Chat and Video Call

## Constant innovation in investments

New investment area with easy access to funds and certificates, and financial literacy space

Purchase and sale of certificates

Investor Questionnaires

Improved checking of the Securities Portfolio

## 100% digital, 24x7 sales journeys

**Credit card:** request to increase limit with immediate decision and update

**Mortgages:** easier to request and linked to the update of personal data journey

**Personal Credit:** more support for customers with online personal credit restructuring

## Commitment to health protection

Following Médis Dental, the simulation and immediate subscription of Médis insurance is now available. 100% digital and with digital card



02

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**Group**

**Profitability**

# Net income of 57.8 million in the 1<sup>st</sup> quarter of 2021

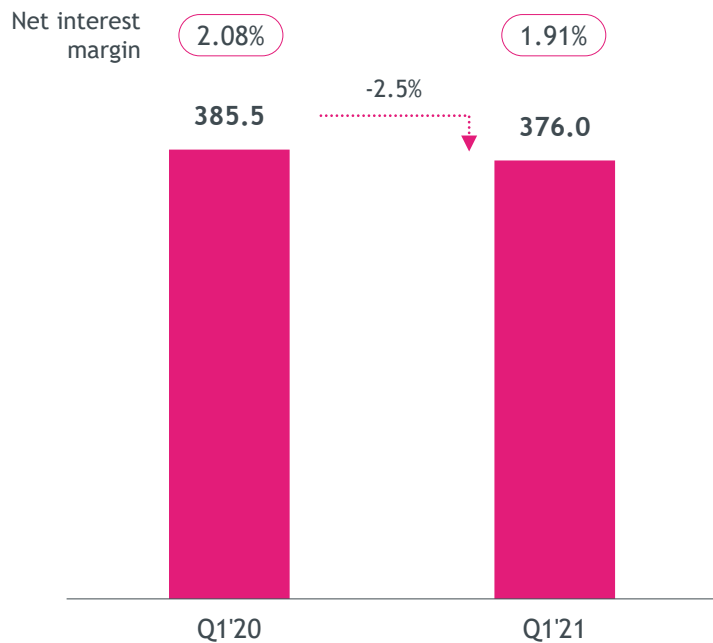
<i>(Million euros)</i>	Q1'20	Q1'21	YoY	Impact on earnings
Net interest income	385.5	376.0	-2.5%	-9.5
Commissions	179.8	177.9	-1.0%	-1.9
<b>Core income</b>	<b>565.3</b>	<b>554.0</b>	<b>-2.0%</b>	<b>-11.3</b>
<b>Operating costs</b>	<b>-285.7</b>	<b>-259.3</b>	<b>-9.2%</b>	<b>+26.4</b>
<i>Of which: non-recurring</i>	-9.5	-2.8	-70.4%	+6.7
<b>Core operating profit</b>	<b>279.6</b>	<b>294.6</b>	<b>+5.4%</b>	<b>+15.1</b>
Other income*	31.9	34.9	+9.3%	+3.0
<b>Operating net income</b>	<b>311.4</b>	<b>329.5</b>	<b>+5.8%</b>	<b>+18.1</b>
Impairment and other provisions	-201.8	-242.8	+20.3%	-41.0
<b>Net income before income tax</b>	<b>109.6</b>	<b>86.7</b>	<b>-20.9%</b>	<b>-23.0</b>
Income taxes, non-controlling interests and discontinued operations	-74.3	-28.9	-61.2%	+45.5
<b>Net income</b>	<b>35.3</b>	<b>57.8</b>	<b>+63.8%</b>	<b>+22.5</b>

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

# Net interest income

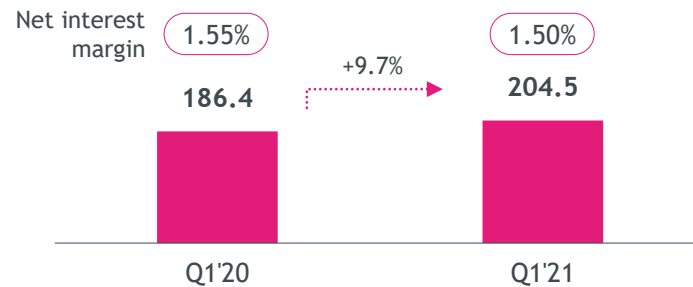
## Net interest income

(Consolidated, million euros)



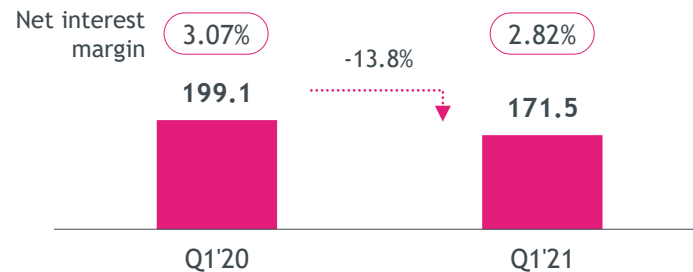
## Portugal

(Million euros)



## International operations

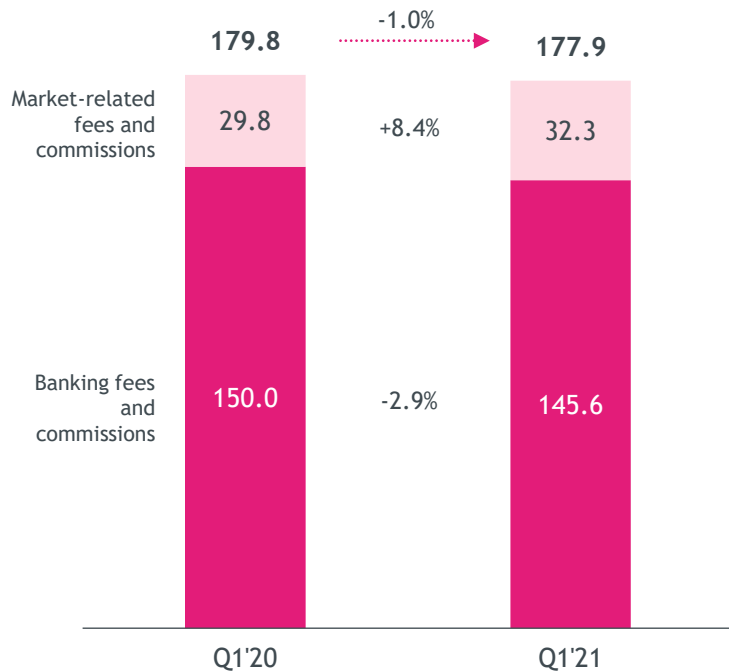
(Million euros)



# Stable commissions in an adverse environment

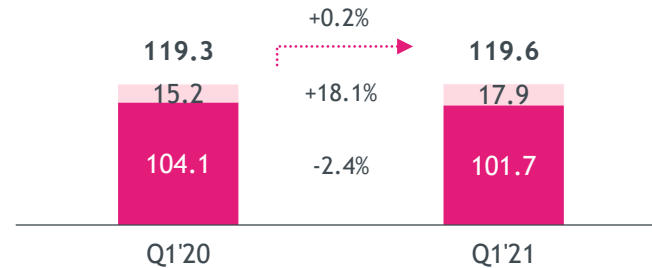
## Fees and commissions

(Consolidated, million euros)



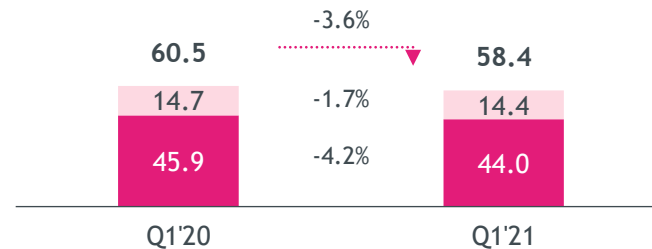
## Portugal

(Million euros)



## International operations

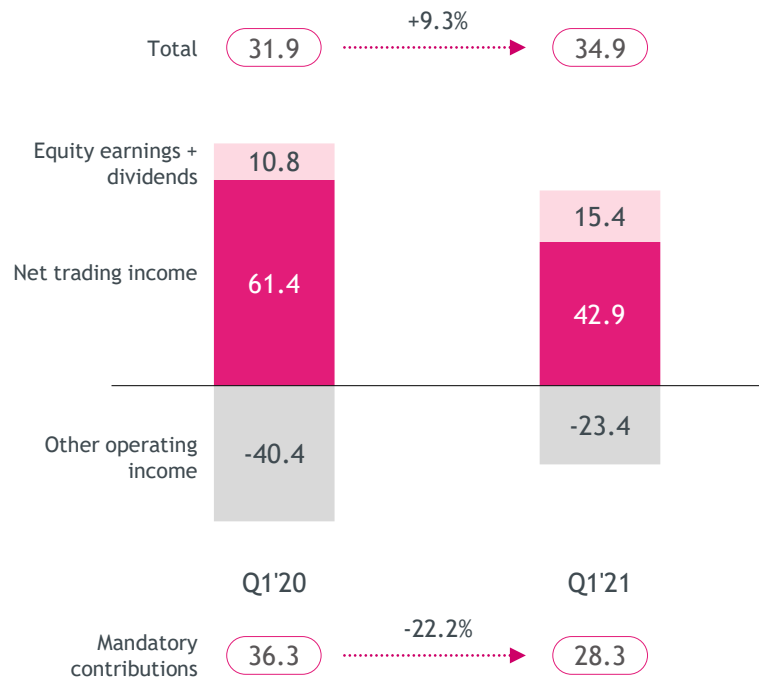
(Million euros)



# Other income

## Other income

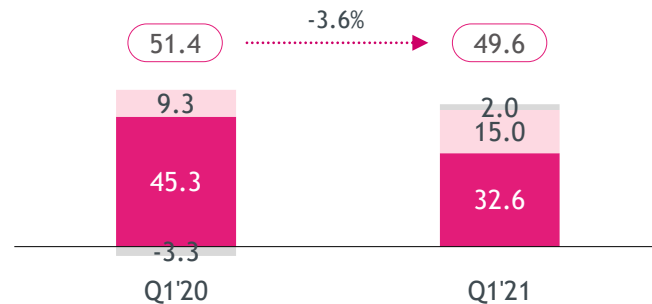
(Consolidated, million euros)



Q1'20: other operating income includes 5.1 million losses, net of intermediation fees, on the sale of real-estate and other assets; Q1'21: other operating income includes 1.0 million losses, net of intermediation fees, on the sale of real estate and other assets.

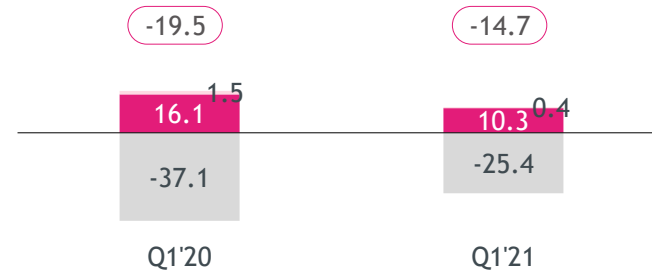
## Portugal

(Million euros)



## International operations

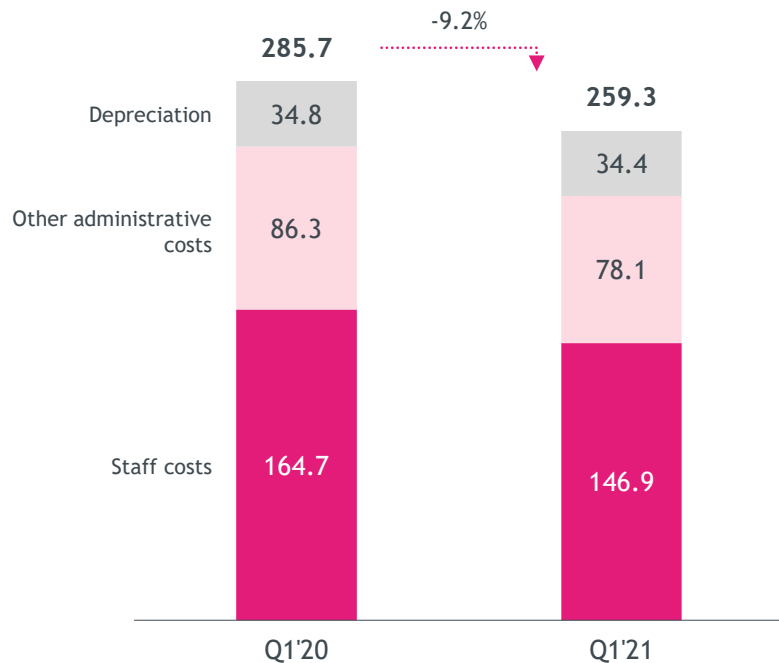
(Million euros)



# Operating costs decreased

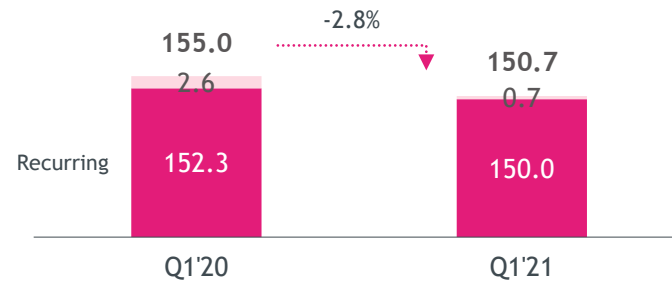
## Operating costs

(Consolidated, million euros)



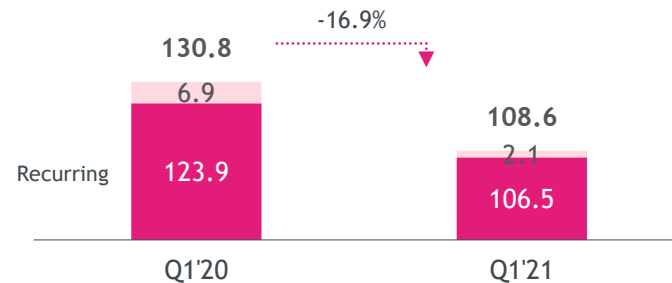
## Portugal

(Million euros)



## International operations

(Million euros)

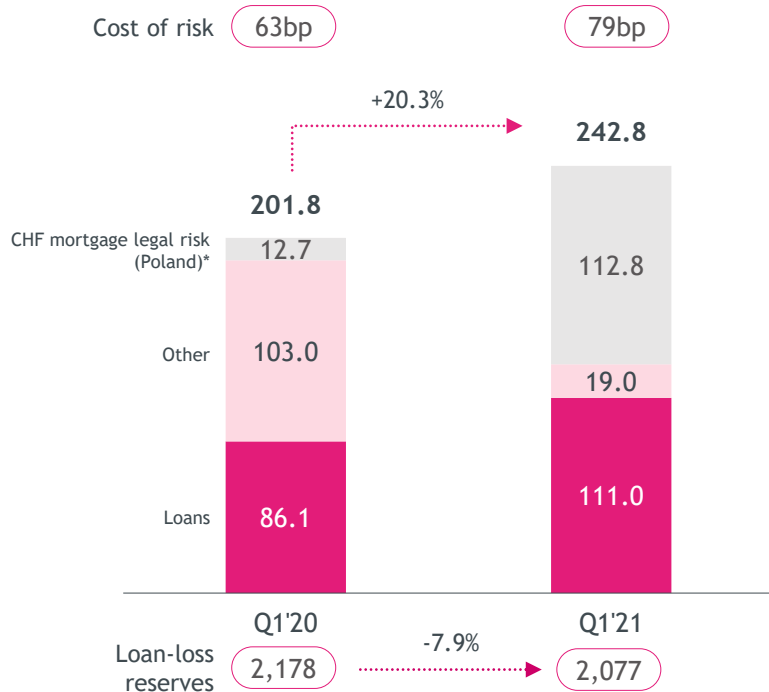




# Cost of risk and provisions

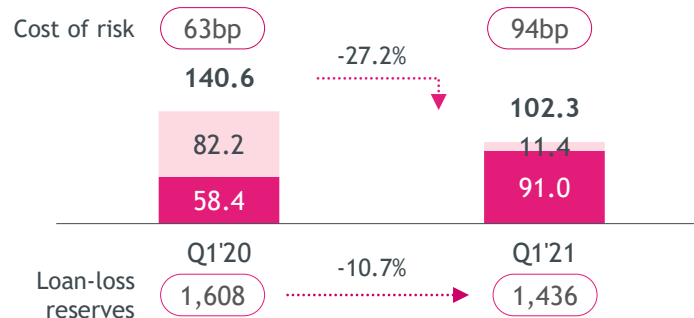
## Impairment and provision charges

(Consolidated, million euros)



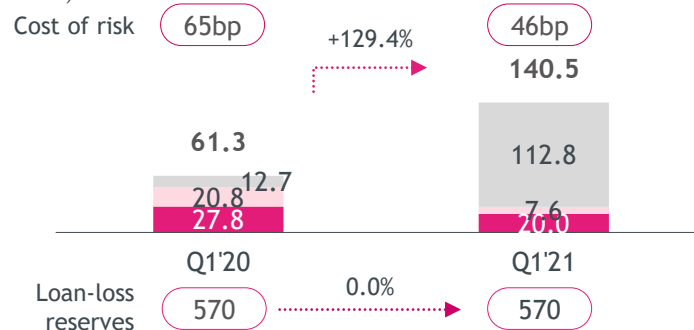
## Portugal

(Million euros)



## International operations

(Million euros)

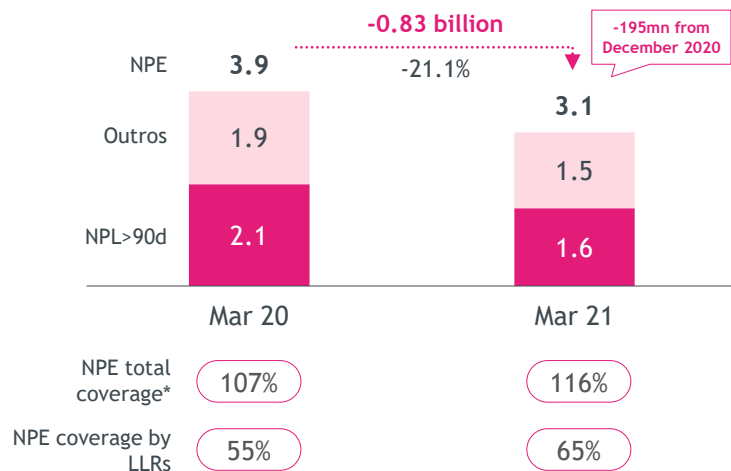


\*Does not include provisions for legal risk on CHF mortgages of Euro Bank (guaranteed by Société Générale): 4.6 million in the 1<sup>st</sup> quarter of 2021.

# Relevant reduction of NPEs under a complex context

## Credit quality

(Consolidated, billion euros)

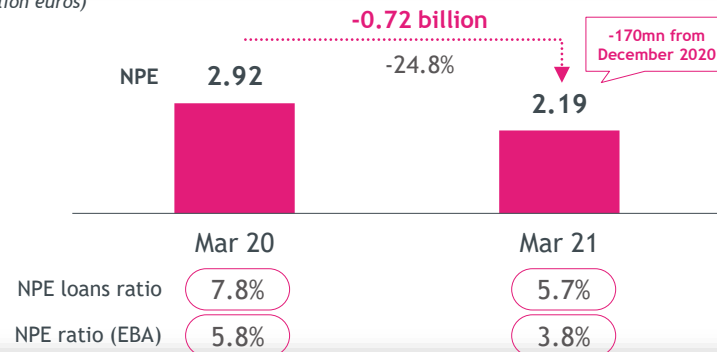


	Mar 20	Dec 20	Mar 21
NPL>90 days ratio	3.8%	3.1%	2.8%
NPE ratio inc. securities and off-BS (EBA)	5.2%	4.0%	3.6%
NPE ratio (loans only)	7.2%	5.9%	5.5%

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

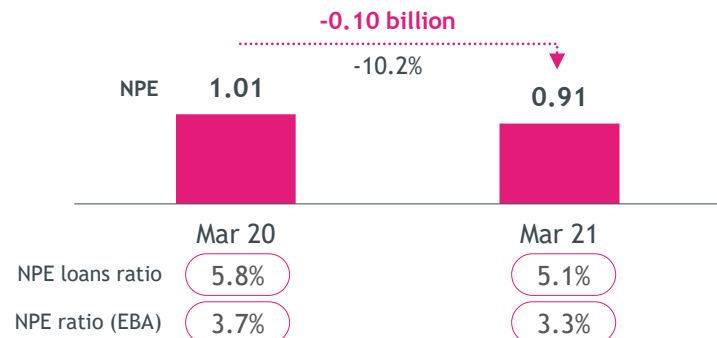
## Portugal

(Billion euros)



## International operations

(Billion euros)





02



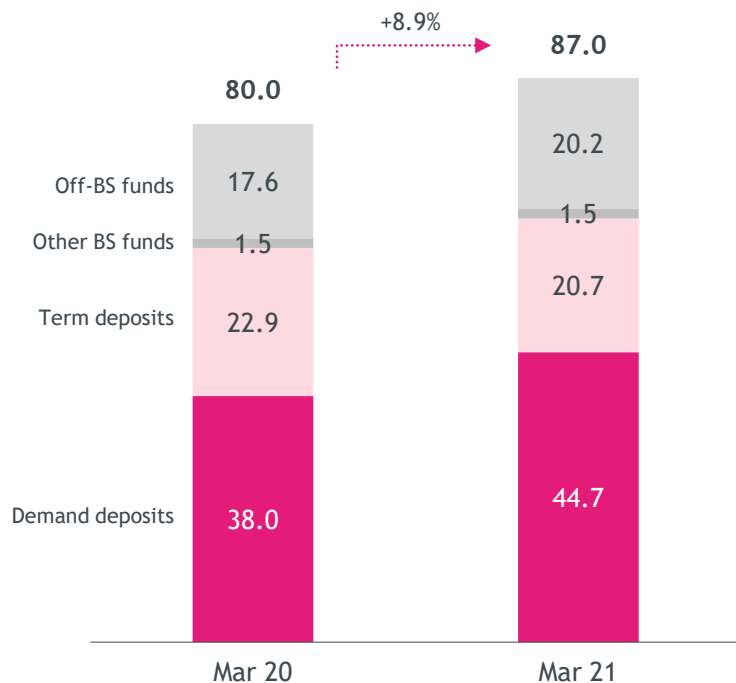
**Group**

**Business activity**

# Customer funds keep growing

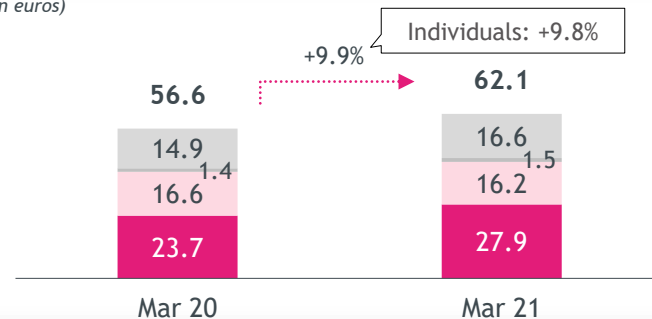
## Total Customers Funds\*

(Consolidated, billion euros)



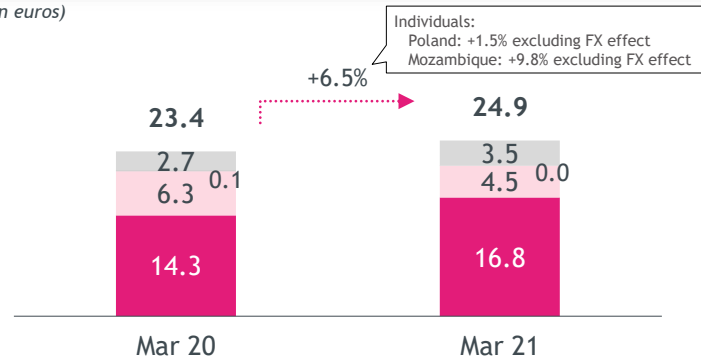
## Total Customers Funds\* Portugal

(Billion euros)



## Total Customers Funds\* international operations

(Billion euros)

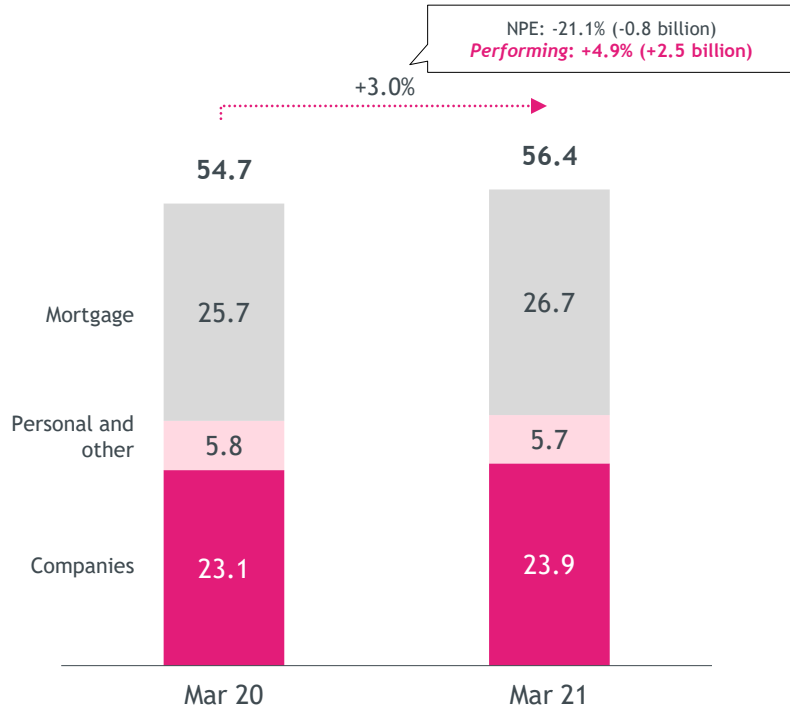


\*Deposits, debt securities, assets under management, assets placed with Customers and insurance products (savings and investments).

# Continued increase of the loan portfolio

## Loans to Customers (gross)

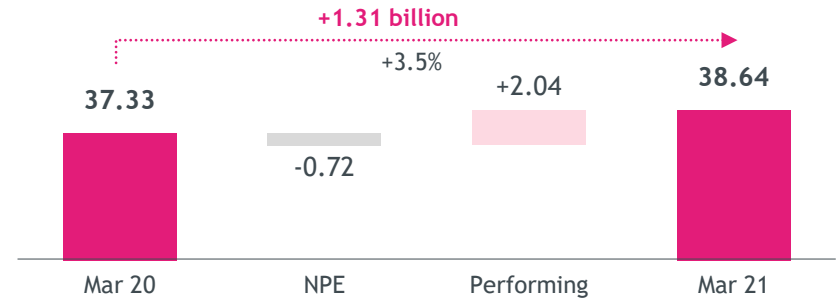
(Consolidated, billion euros)



NPE include loans to Customers only.

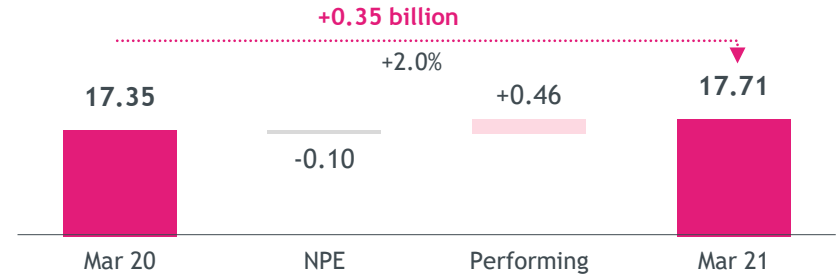
## Portugal

(Billion euros)



## International operations

(Billion euros)





02

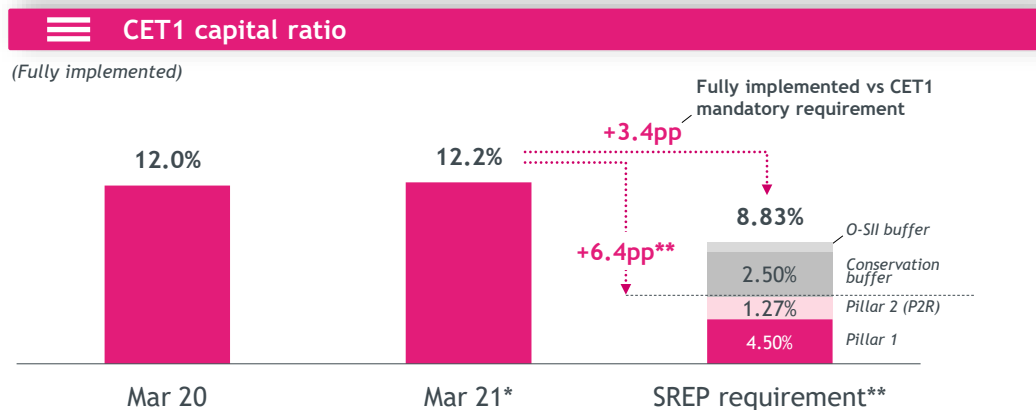
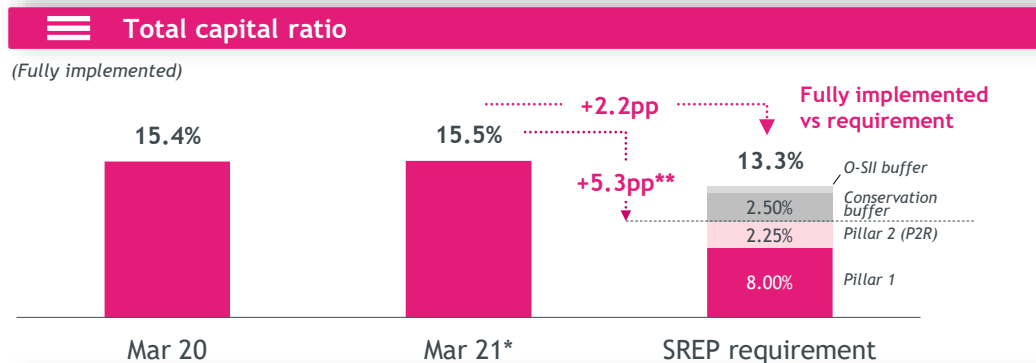
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**Group**

Capital and liquidity

# Capital above regulatory requirements



- **Total capital of 15.5%\*** (fully implemented) as of March 2021, above SREP requirements
- **Surplus of 2.2pp** between the total capital ratio and the SREP requirement not using the capital conservation and the O-SII buffers, and of 5.3pp if such buffers are used
- CET1 capital ratio of 12.2%\* (fully implemented) as of March 2021
- **MDA buffer at 1.0 billion** above the level at which there are restrictions on the maximum distributable amount of results, in accordance with banking regulation

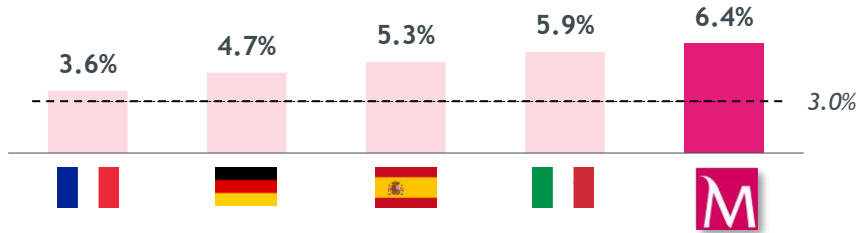
\*Including unaudited net income for the 1<sup>st</sup> quarter of 2021.

\*\*Minimum phased-in regulatory requirements from March 12, 2020.

# Capital at adequate levels

## Leverage ratio

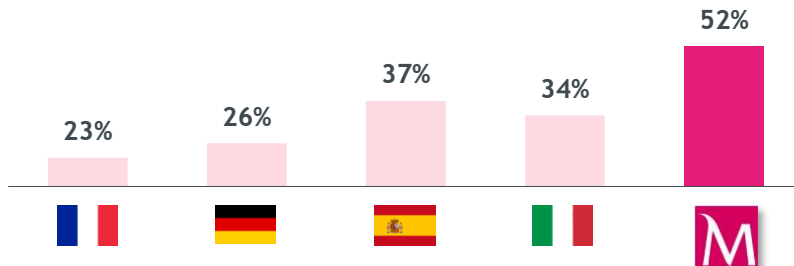
(Fully implemented, latest available data)



Leverage ratio at 6.4% as of March 2021, a comfortable and comparatively strong figure in European banking

## RWA density

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

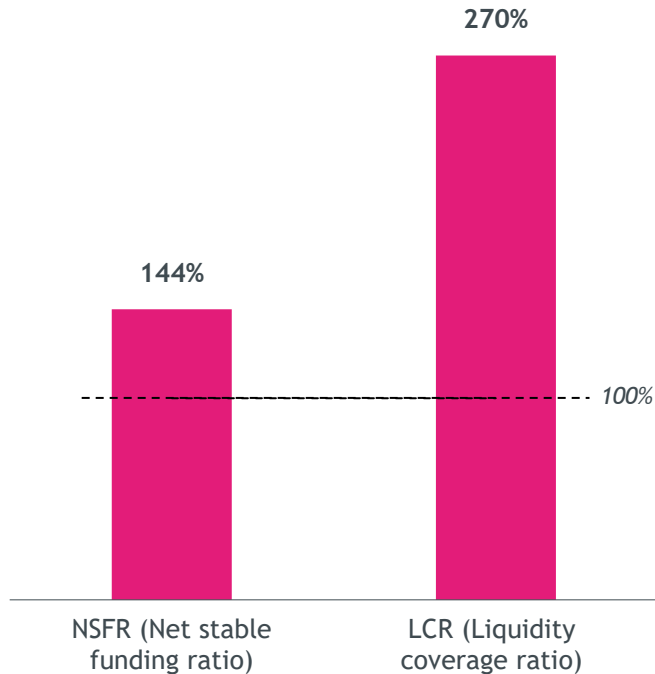


High RWA density (52% as of March 2021), compared to lower figures in most European banking markets



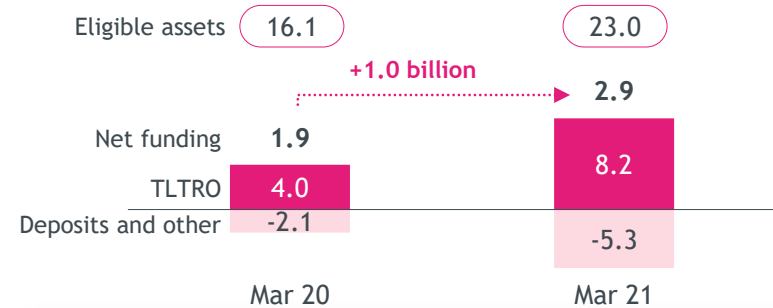
# Reinforced liquidity position

## Liquidity ratios (CRD/CRR)

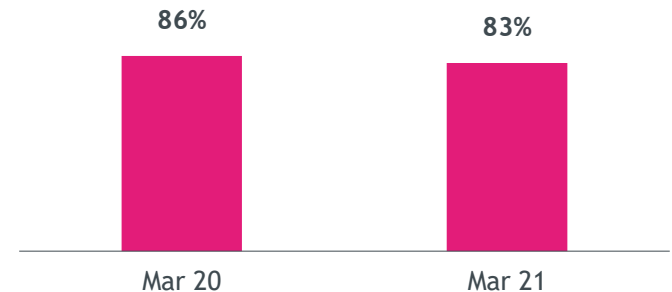


## ECB funding, net

(Billion euros)



## Net loans to deposits ratio





03



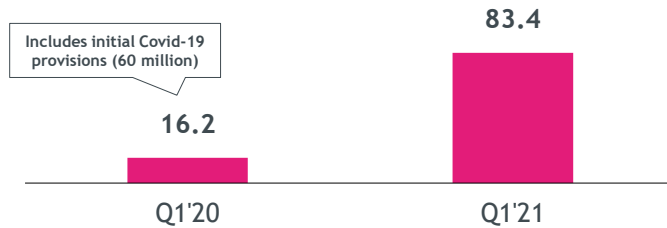
Portugal

# Improved profitability in Portugal



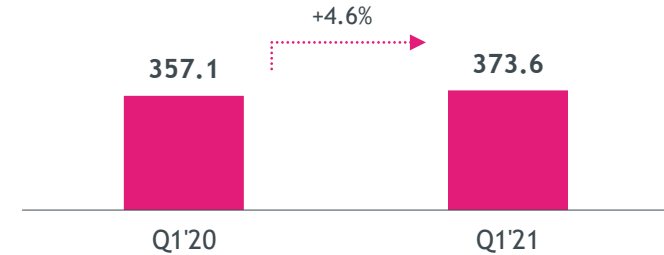
## Net income\*

(Million euros)



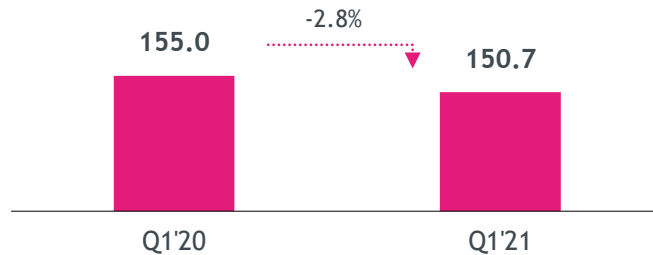
## Net operating revenue

(Million euros)



## Operating costs

(Million euros)



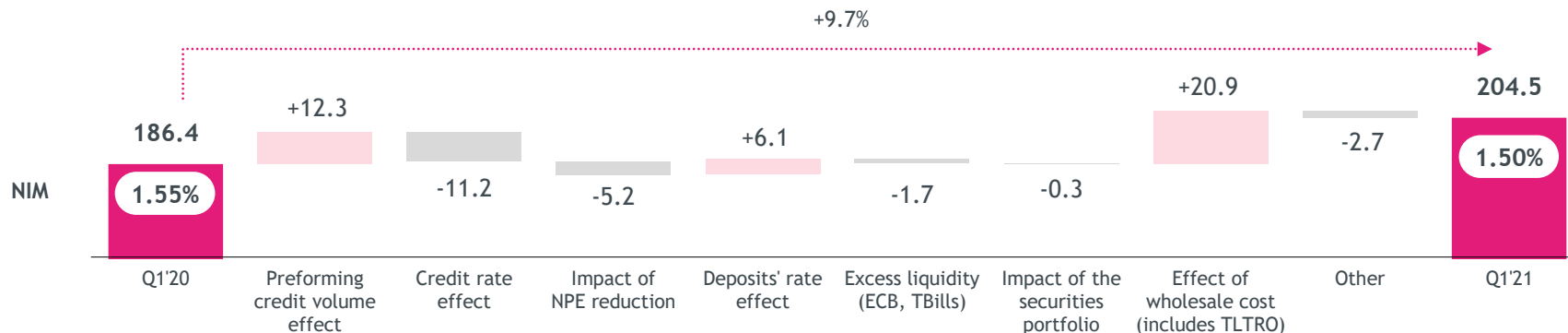
- Net income of 83.4 million in the 1<sup>st</sup> quarter of 2021
- Net income was boosted by an increased net interest income and by lower operating costs and other provisions

\*Net income from activity in Portugal does not include earnings from operations booked as discontinued or to be discontinued.

# Net interest income



(Million euros)



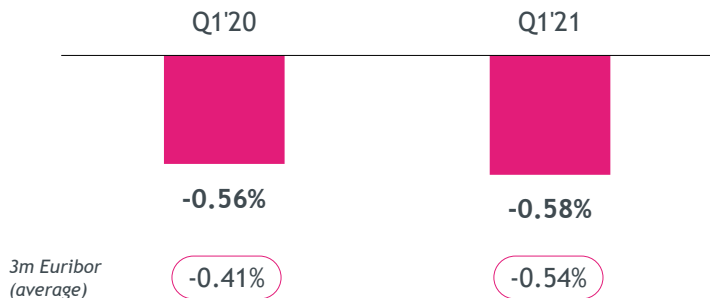
Net interest income stood at 204.5 million in the 1<sup>st</sup> quarter of 2021, 9.7% up from 186.4 million in the same period of 2020. The positive impacts of the lower wholesale funding cost, influenced by the TLTRO impact, and of the continued decline in the remuneration of time deposits, have more than compensated for the negative impacts: of the loan portfolio, with the favorable effect of a growing performing portfolio being more than offset by lower yields and by the reduction of NPEs.

# Continued effort to reduce the cost of deposits



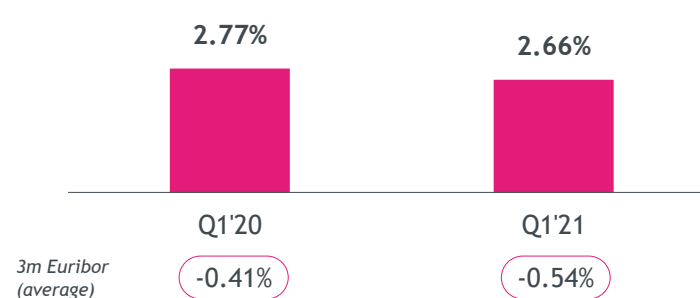
## ☰ Spread on the book of term deposits

(vs 3m Euribor)



## ☰ Spread on the performing loan book

(vs 3m Euribor)



## ☰ NIM



- Spread of the portfolio of term deposits of -0.58% in the 1<sup>st</sup> quarter of 2021 (-0.56% in the same period of 2020)
- Spread on the performing loan portfolio stood at 2.66% in the 1<sup>st</sup> quarter of 2021, compared to 2.77% in 2020
- NIM stood at 1.50%

# Commissions and other income



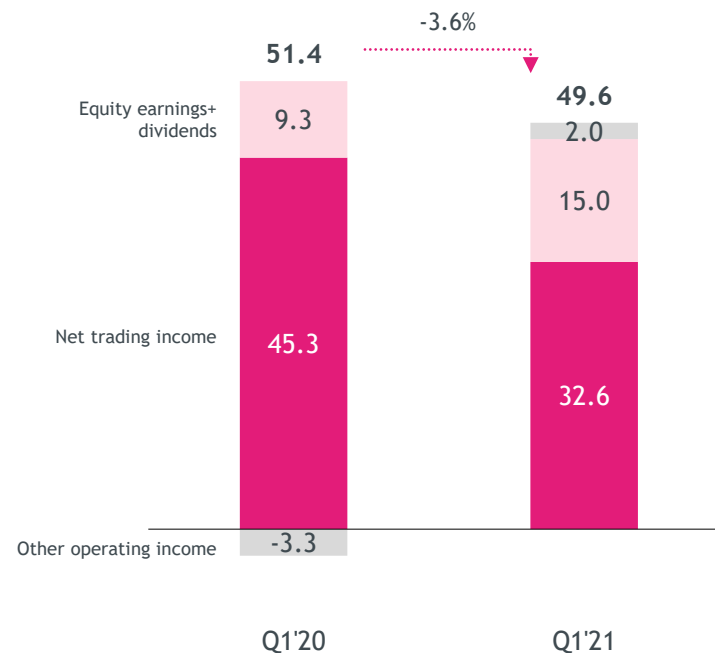
## ☰ Fees and commissions

(Million euros)

	Q1'20	Q1'21	YoY
<b>Banking fees and commissions</b>	<b>104.1</b>	<b>101.7</b>	<b>-2.4%</b>
Cards and transfers	25.6	23.6	-7.8%
Loans and guarantees	27.9	25.0	-10.4%
Bancassurance	21.8	21.8	+0.1%
Customer account related	26.8	29.3	+9.5%
Other fees and commissions	2.1	2.0	-5.2%
<b>Market related fees and commissions</b>	<b>15.2</b>	<b>17.9</b>	<b>+18.1%</b>
Securities operations	11.2	11.8	+5.2%
Asset management	3.9	6.1	+55.3%
<b>Total fees and commissions</b>	<b>119.3</b>	<b>119.6</b>	<b>+0.2%</b>

## ☰ Other income

(Million euros)



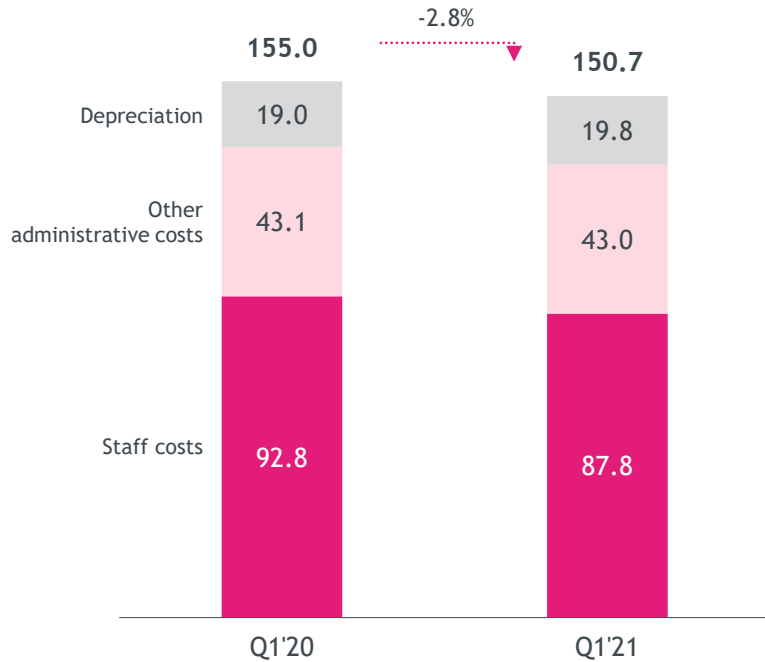
Q1'20: other operating income includes 4.9 million losses, net of intermediation fees, on the sale of real-estate and other assets; Q1'21: other operating income includes 1.2 million losses, net of intermediation fees, on the sale of real estate.

# Operating costs decreased

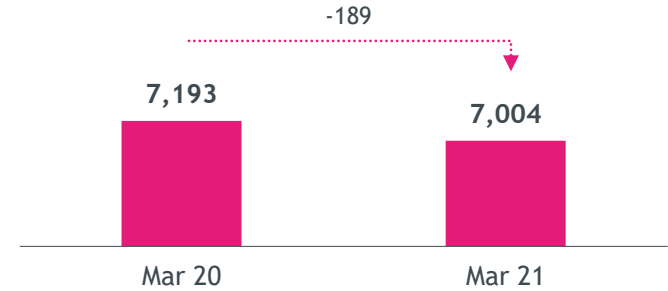


## Operating costs

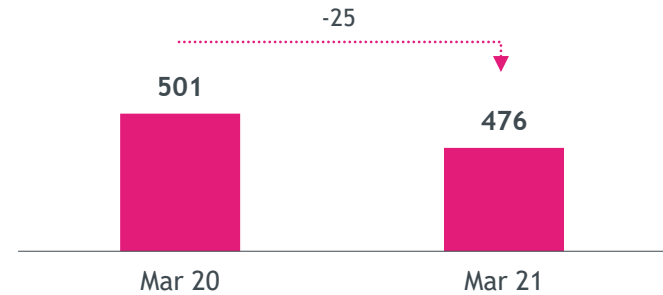
(Million euros)



## Employees



## Branches

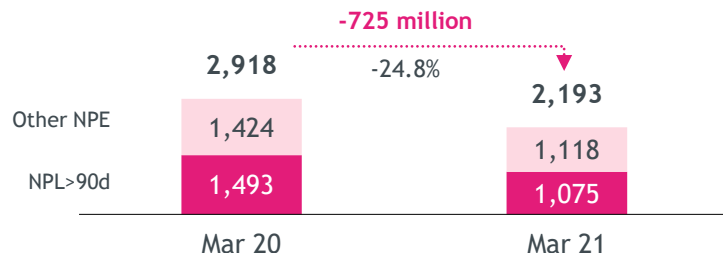


# Continued decrease of NPEs



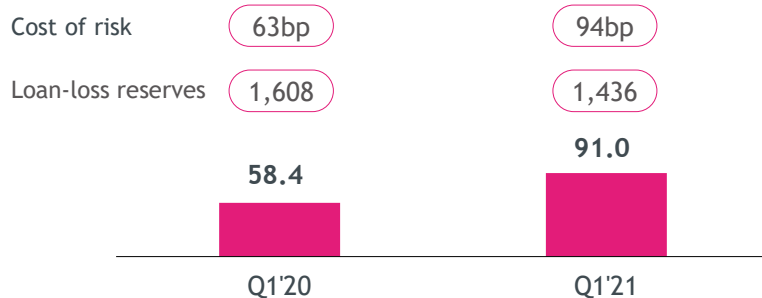
## Non-performing exposures (NPE)

(Million euros)



## Loan impairment (net of recoveries)

(Million euros)



NPE include loans to Customers only.

## NPE build-up

(Million euros)

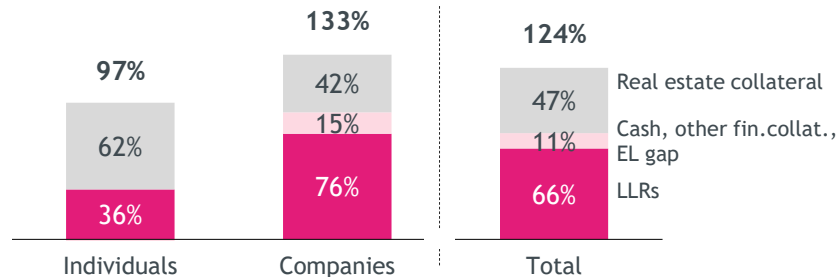
	Mar 21 vs.Mar 20	Mar 21 vs.Dec 20
Opening balance	2,918	2,363
Net outflows/inflows	4	16
Write-offs	-174	-49
Sales	-555	-137
<b>Ending balance</b>	<b>2,193</b>	<b>2,193</b>

- NPEs in Portugal total 2.2 billion at end-March 2021, 0.7 billion down from March 2020 and 0.2 billion down from end-2020
- The decrease from March 2020 results from write-offs of 0.2 billion and sales of 0.6 billion
- Net inflows reflect a prudent approach to the risk rating of credits impacted by the pandemic
- The decrease of NPEs from March 2020 is attributable to a 0.4 billion reduction of NPL>90d and to a 0.3 billion decrease of other NPEs
- Cost of risk of 94bp in the 1<sup>st</sup> quarter of 2021 (63bp in the 1<sup>st</sup> quarter of 2020), with a reinforcement of NPE coverage by loan-loss reserves to 66% from 55%, respectively

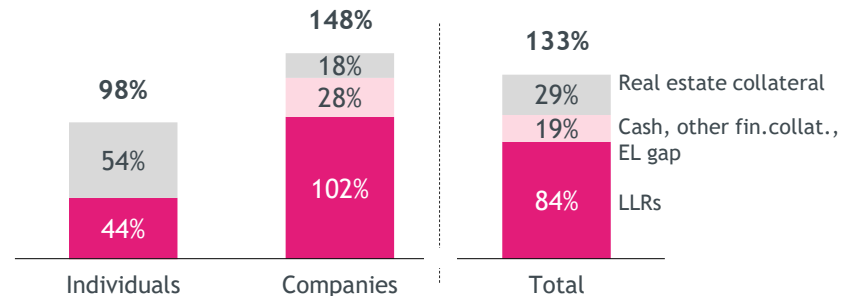




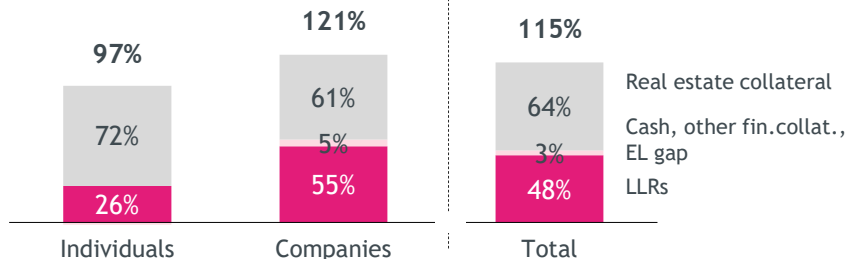
## NPE total coverage\*



## NPL>90d total coverage\*



## Other NPE total coverage\*



- Total coverage\*  $\geq 100\%$ , for both individuals and companies, and for both NPE categories (NPL>90d and other NPE)
- Coverage by loan-loss reserves is stronger in loans to companies, where real-estate collateral, usually more liquid and with a more predictable market value, accounts for a lower coverage than in loans to individuals: coverage by loan-losses was 76% for companies NPE as of March 2021, reaching 102% for companies NPL>90d (91% and 130%, respectively, if cash, financial collateral and expected loss gap are included)

NPE include loans to Customers only.

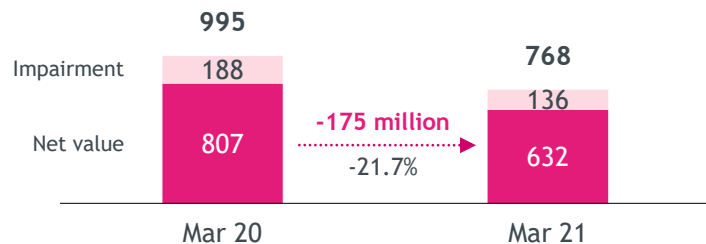
\*By loan-loss reserves, expected loss gap and collaterals.

# Foreclosed assets and corporate restructuring funds



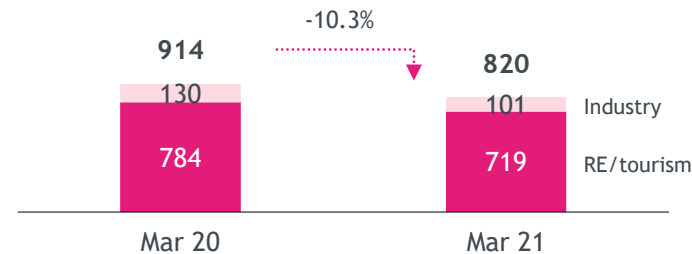
## Foreclosed assets

(Million euros)



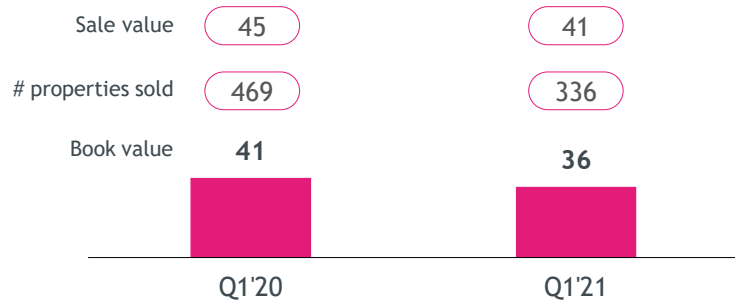
## Corporate restructuring funds

(Million euros)



## Sales of foreclosed assets

(Million euros)



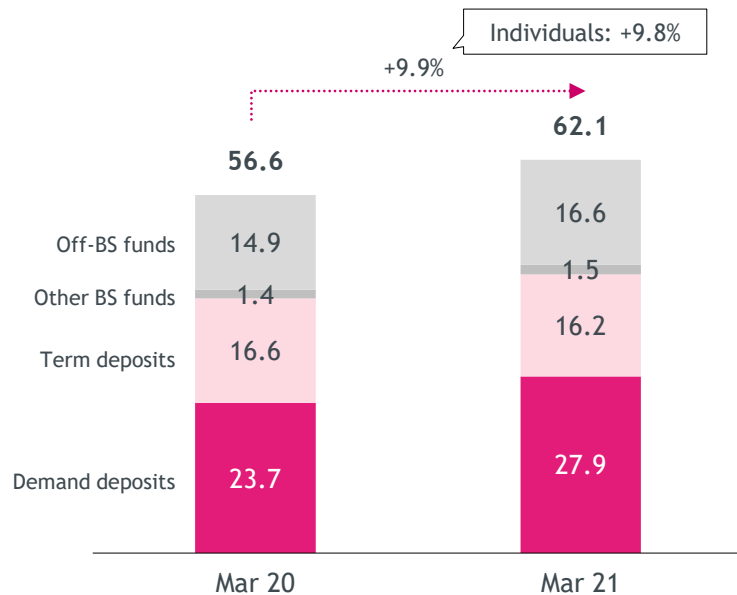
- Net foreclosed assets were down by 21.7% between March 2020 and March 2021. Valuation of foreclosed assets by independent providers exceeded book value by 31%
- 336 properties were sold during the 1<sup>st</sup> quarter of 2021 (469 properties in the 1<sup>st</sup> quarter of 2020), with sale values exceeding book value by 5 million
- Corporate restructuring funds decreased 10.3% to 820 million at end-March 2021. The original credit exposure on these funds totals 2,006 million, with total reserves (original credit, plus restructuring funds) corresponding to a 59% coverage

# Growing customer funds and loans to customers



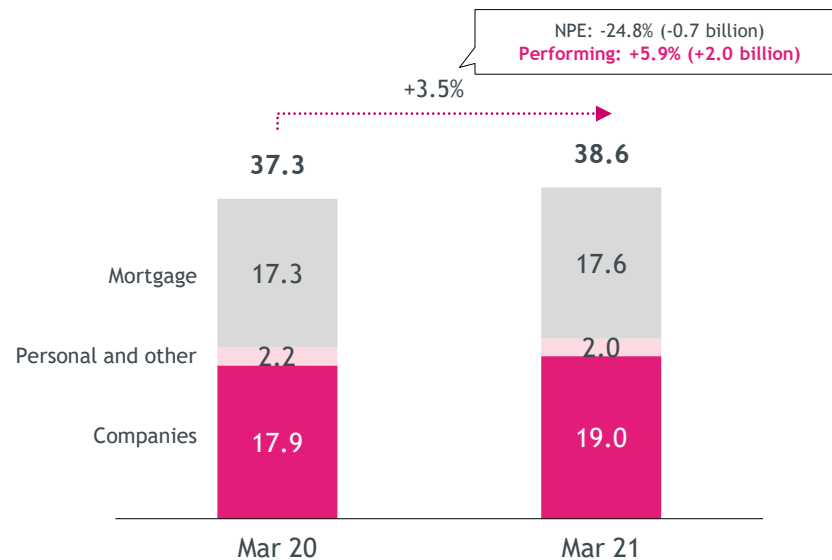
## Total Customers Funds\*

(Billion euros)



## Loans to Customers (gross)

(Billion euros)



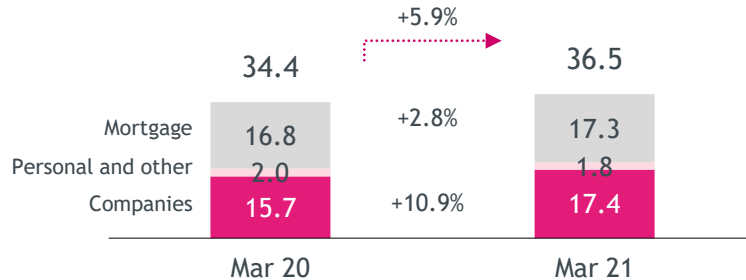
\*Deposits, debt securities, assets under management, assets placed with Customers and insurance products (savings and investments).

# Performing credit grows in Portugal



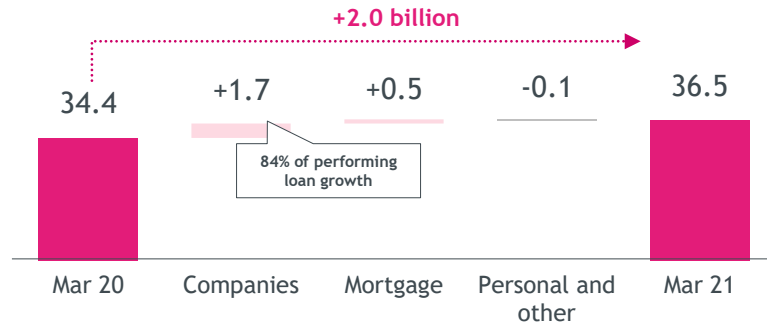
## Performing credit portfolio

(Billion euros)



## Breakdown of performing credit growth

(Billion euros)



- **Performing credit portfolio in Portugal up by 2.0 billion (+5.9%)** from March 2020
- **Strong support to companies**, which accounted for 84% of the total performing loan growth from March 2020
- ✓ Provision of **1.2 billion in European guarantees** to support small and medium-sized companies affected by the pandemic
- ✓ **Leading bank in Factoring and Confirming:** factoring invoicing of 1.8 billion in the 1<sup>st</sup> quarter of 2021 and **market share of 26%\***
- ✓ **Leading bank in Leasing:** 96 million new leasing business in the 1<sup>st</sup> quarter of 2021 and **market share of 20%\***

\*Data as of September 2020.

# Supporting companies and families to tackle the challenges of the pandemic

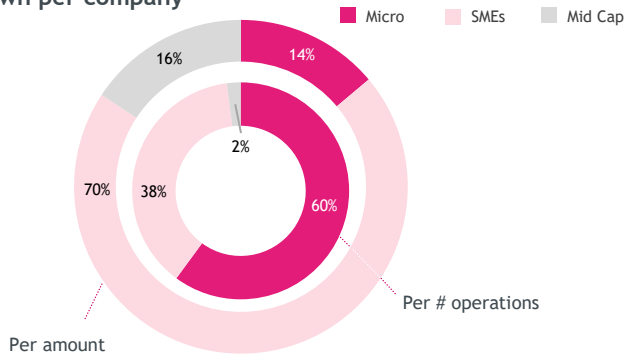


## Covid-19 credit lines

(Amount in million euros)

	# operations	Amount
Disbursed	19,161	2,498

### Breakdown per company size

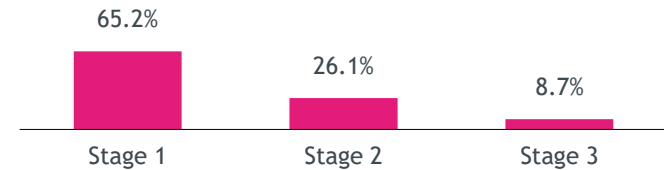


- At the forefront in supporting the economy: **the bank increased its presence, siding with companies**
- **Leadership in Covid-19 credit lines**
- **Extension of capital grace periods for State-guaranteed credit lines**, supporting companies' treasury

## Moratoriums

(Million euros)

Outstanding moratoriums	Reduction*	
	Amount	%
Families	3,421	-1,041 -23%
Companies	4,597	-550 -11%
<b>TOTAL</b>	<b>8,018</b>	<b>-1,591 -34%</b>



- **91%** of outstanding moratoriums are **performing**
- **Mortgages account for 96%** of the moratoriums granted to families
- **67%** of the loans with outstanding moratoriums are covered by mortgages (46% by residential mortgages and 21% by commercial mortgages)
- **New moratoriums totaled 252 million in the 1<sup>st</sup> quarter of 2021** (55% for families and 45% for companies)
- End of moratoriums in March 2021 **with no significant impact on overdue loans**

\* Includes cancelled, reimbursed and expired moratoriums.



04

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**International operations**

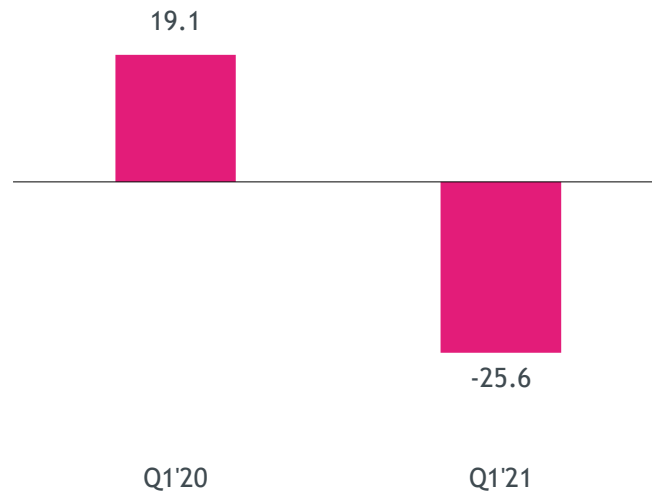
# Contribution from international operations to consolidated net income

(Million euros\*)

	Q1'20	Q1'21
Poland	4.0	-68.6
Mozambique	14.7	15.5
Other	5.9	-1.6
<b>Net income international operations</b>	<b>24.5</b>	<b>-54.7</b>
<b>Non-controlling int. (Poland+Mozambique)</b>	<b>-6.9</b>	<b>29.0</b>
<b>Exchange rate effect</b>	<b>1.4</b>	<b>--</b>
<b>Contribution from international op. (2)</b>	<b>19.1</b>	<b>-25.6</b>

## Contributo das operações internacionais

(Million euros\*)



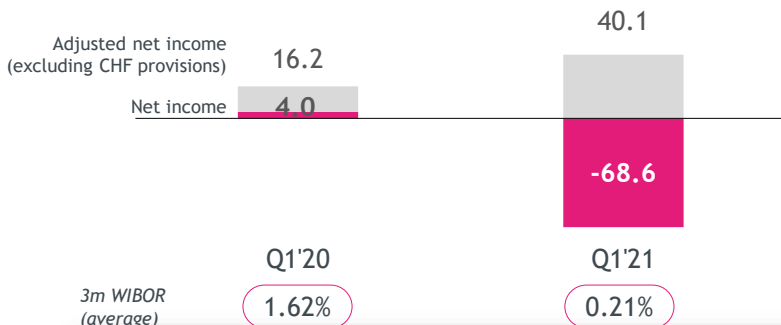
\*Subsidiaries' net income presented for 2020 at the same exchange rate as of 2021 for comparison purposes.

# Net earnings affected by provisions for legal risk on CHF loans



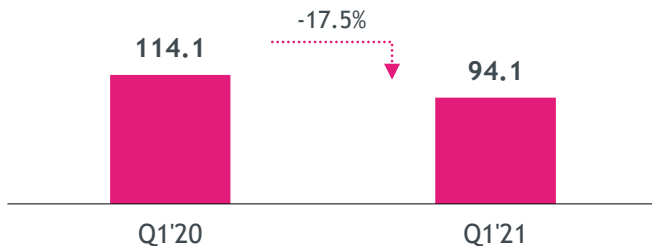
## Net income

(Million euros\*)



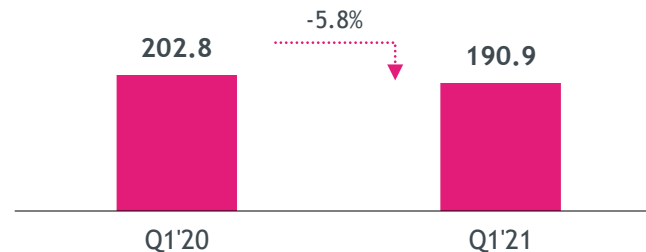
## Operating costs

(Million euros\*)



## Net operating revenue

(Million euros\*)



- Adjusted net income (excluding CHF provisions) up by 148.1%, despite the 1.4pp decrease of the 3m WIBOR
- Net losses of 68.6 million, affected by 112.8 million\*\* provisions for legal risk on CHF loans
- Continued implementation of measures to rationalise the workforce and to optimise geographic presence: reduction of 1,174 employees and 121 branches
- Strong franchise, as demonstrated by the increase of Customers funds by 7.4% and of loans to Customers by 4.7%
- CET1 ratio of 16.3%, with total capital of 19.4%
- Bank Millennium was distinguished by Global Finance as Best Bank in Poland

\*FX effect excluded. €/Zloty constant at March 2021 levels: Income Statement 4.54; Balance Sheet 4.64. | \*\*Pre-tax impact.

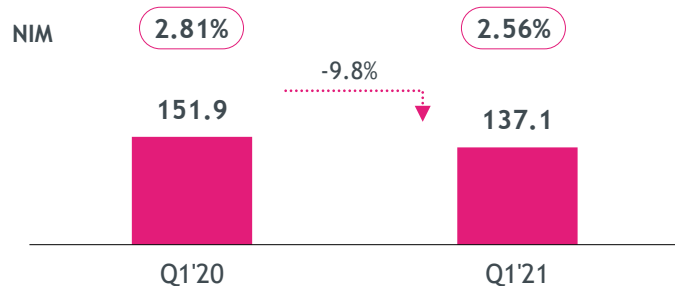


# Significant reduction of operating costs



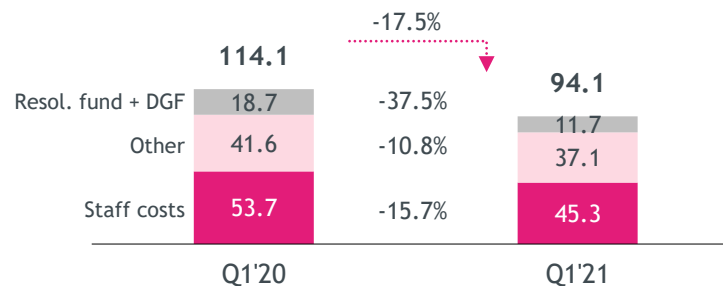
## Net interest income\*

(Million euros\*\*)



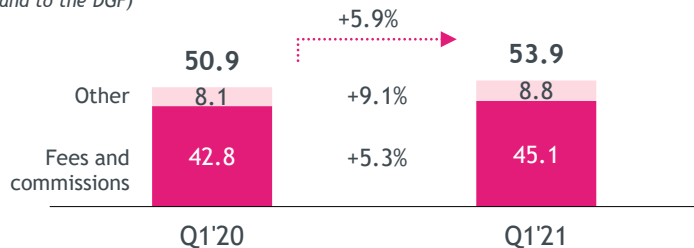
## Operating costs

(Million euros\*\*)



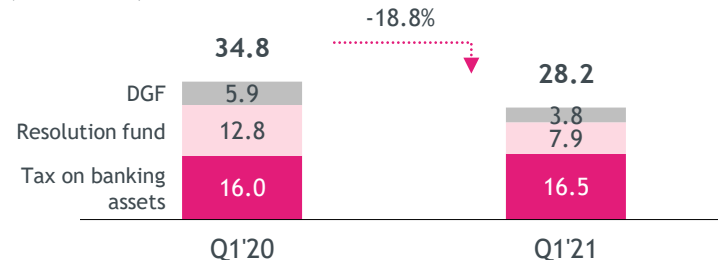
## Commissions and other income

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



## Mandatory contributions

(Million euros\*\*)

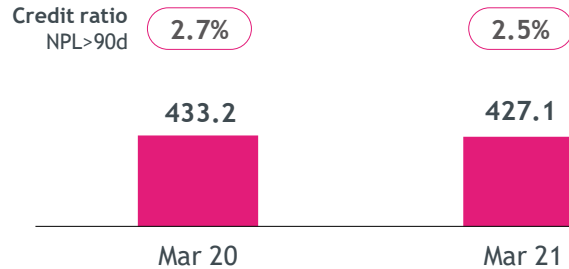


\*Pro forma data. Margin from derivative products, including those from hedging FX denominated loan portfolio, is included in net interest income, whereas in accounting terms, part of this margin (3.1 million in Q1'20 and 0.6 million in Q1'21) is presented in net trading income. | \*\*FX effect excluded. €/Zloty constant at March 2021 levels: Income Statement 4.54; Balance Sheet 4.64.



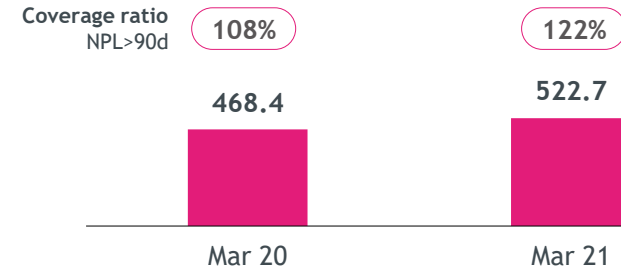
## NPL>90d

(Million euros\*)



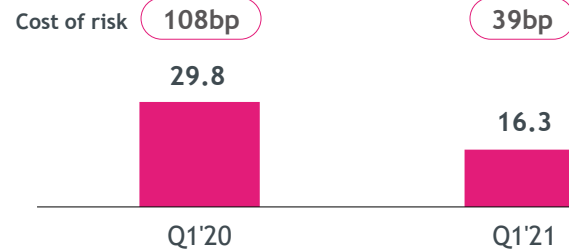
## Loan impairment (balanço)

(Million euros\*)



## Loan impairment (net of recoveries)

(Million euros\*)



- NPL>90d accounted for 2.5% of total credit as of March 2021 (2.7% as of March 2020)
- Coverage of NPL>90d by loan-loss reserves at 122% (108% as of March 2020)
- Cost of risk of 39bp, compared to 108bp in the 1<sup>st</sup> quarter of 2020

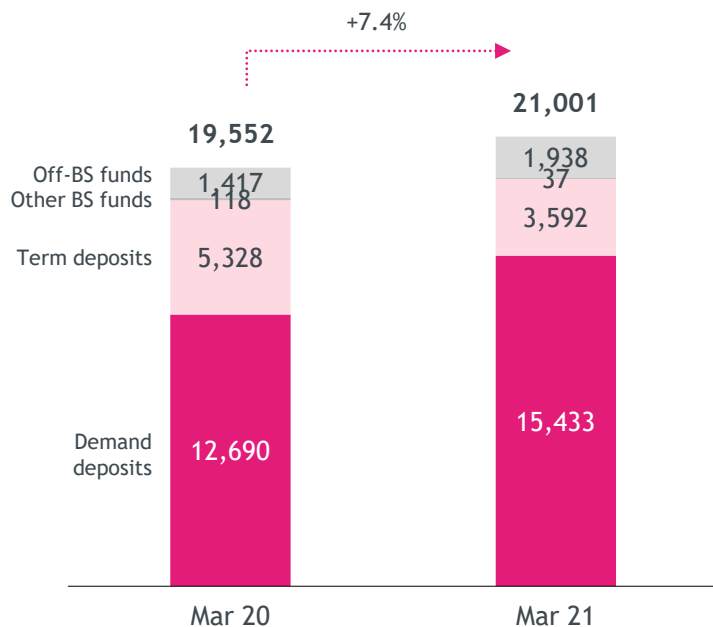
\*FX effect excluded. €/Zloty constant at March 2021 levels: Income Statement 4.54; Balance Sheet 4.64.

# Increased Customers funds and loans to Customers



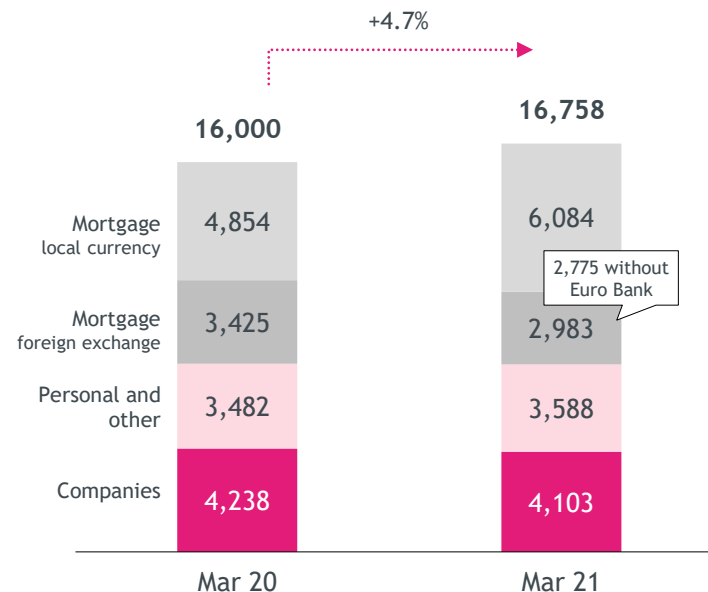
## Customers funds

(Million euros\*)



## Loans to Customers (gross)

(Million euros\*)

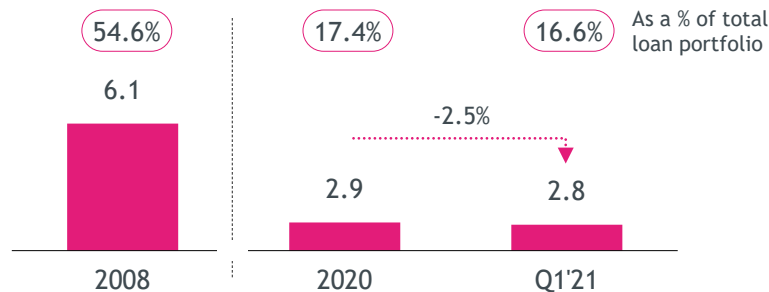


\*FX effect excluded. €/Zloty constant at March 2021 levels: Income Statement 4.54; Balance Sheet 4.64.



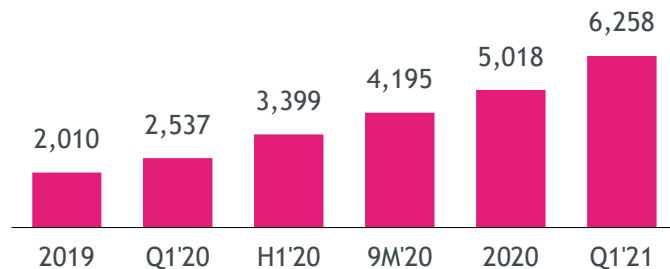
## CHF mortgage portfolio

(Billion euros\*)



## Individual lawsuits

(Number of cases)

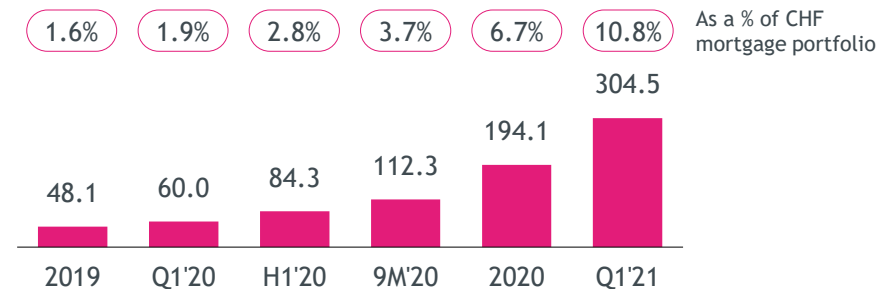


Excludes Euro Bank.

\*FX effect excluded. €/CHF constant at the December 2021 level: Balance Sheet 1.11.

## Cumulative provisions for legal risks

(Million euros\*)



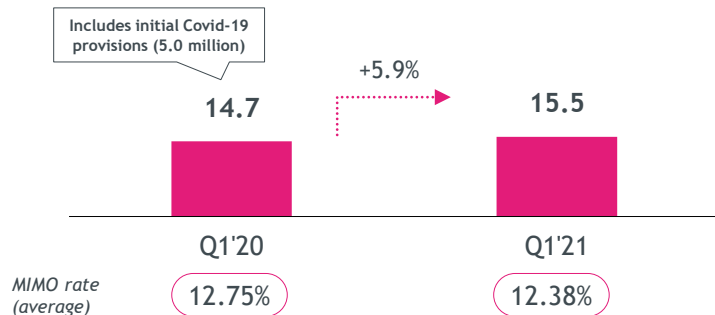
- Continuation of the reduction of the CHF mortgage portfolio, that stood at 2.8 billion as of March 2021 (16.6% of the loan portfolio), a 2.5% decrease from end-2020
- Cumulative provisions for legal risks on the FX mortgage portfolio stood at 304.5 million, following provision charges of 110.4 million in the 1<sup>st</sup> quarter of 2021
- 1,240 new individual lawsuits in the 1<sup>st</sup> quarter of 2021

# Net income reflects resilience in challenging environment



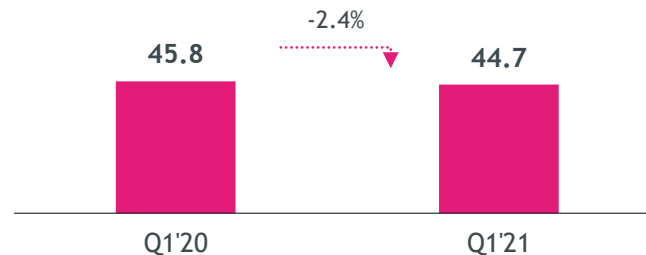
## Net income

(Million euros\*)



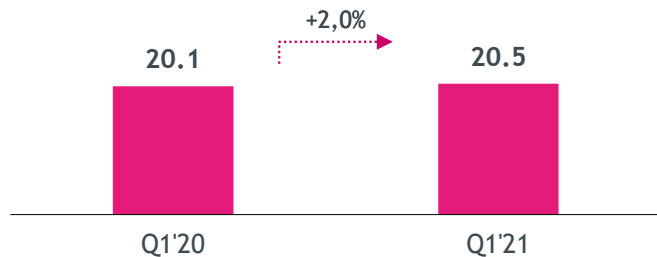
## Net operating revenue

(Million euros\*)



## Operating costs

(Million euros\*)



- Net income of 15.5 million in the 1<sup>st</sup> quarter of 2021
- Customer funds grew 13.9%; loans to Customers decreased by 9.2%
- Capital ratio of 45.1%

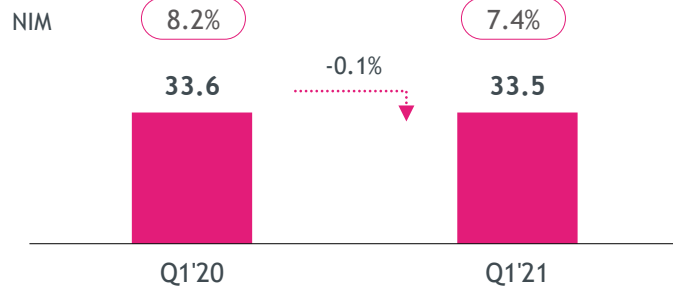
\*FX effect excluded. €/Metical constant at March 2021 levels: Income Statement 88.83; Balance Sheet 80.75.

# Stable net interest income



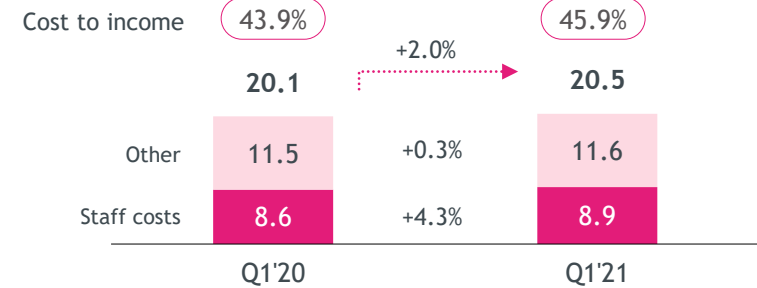
## Net interest income

(Million euros\*)



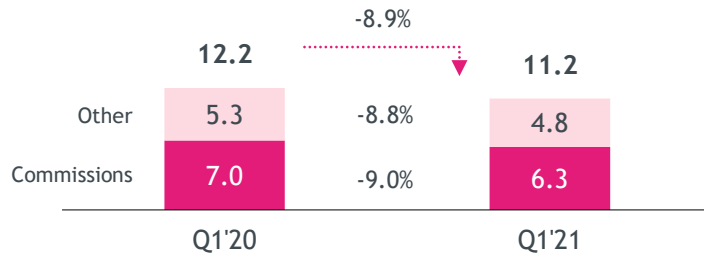
## Operating costs

(Million euros\*)

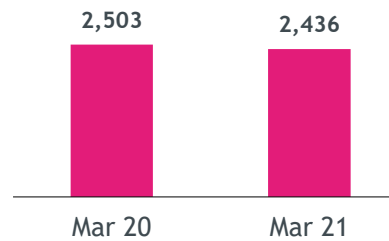


## Commissions and other income

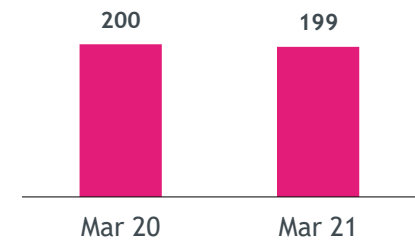
(Million euros\*)



## Employees\*\*



## Branches



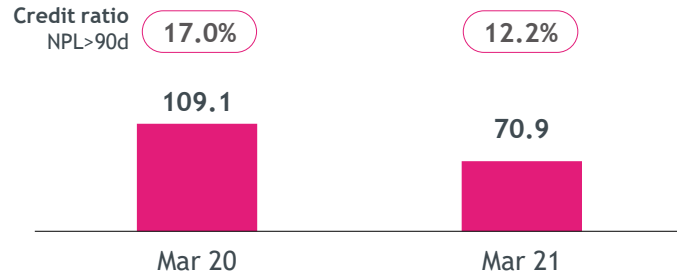
\*\*Excludes employees from SIM (insurance company)

FX effect excluded. €/Metical constant at March 2021 levels: Income Statement 88.83; Balance Sheet 80.75.



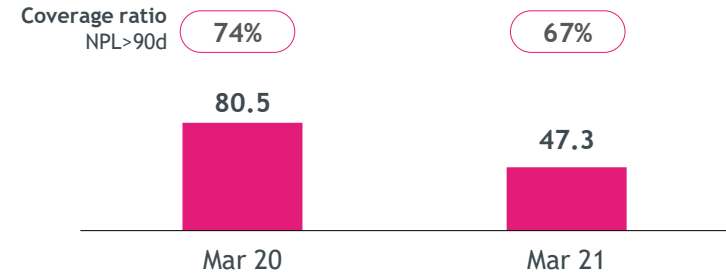
## NPL>90d

(Million euros\*)



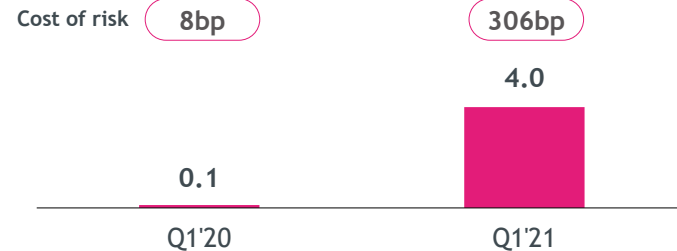
## Loan-loss reserves

(Million euros\*)



## Loan impairment (net of recoveries)

(Million euros\*)

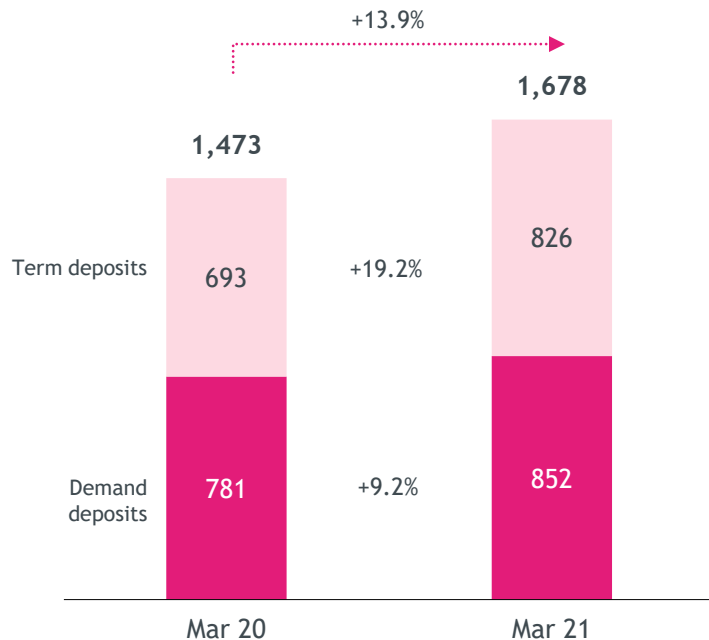


- NPL>90d ratio of 12.2% as of March 2021, with coverage by loan-loss reserves of 67% on the same date
- Cost of risk of 306bp in the 1<sup>st</sup> quarter of 2021 (8bp in the same period of 2020, resulting from the reversal of previous impairment charges)



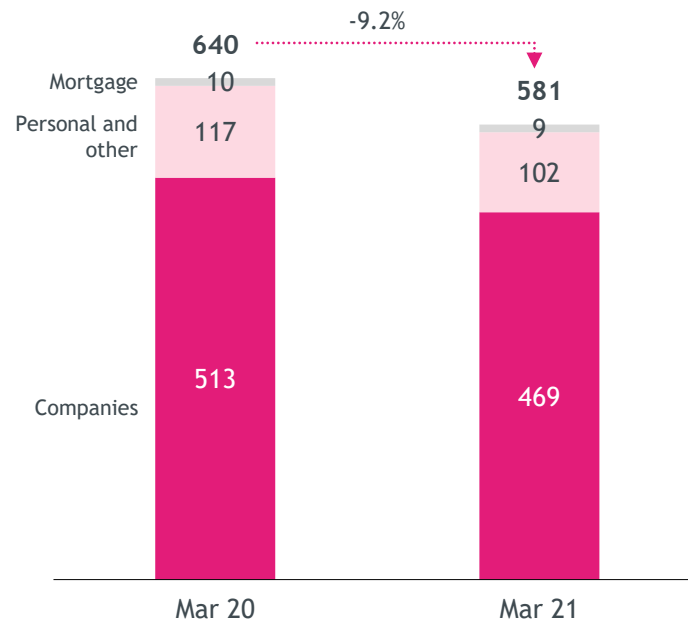
## Customers funds

(Million euros\*)



## Loans to Customers (gross)

(Million euros\*)










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**Key figures**

# Strategic Plan

	Q1'20	Q1'21		Steady state* (original plan)	
 <b>Franchise growth</b>	Active Customers	5.8 million	5.9 million	...	>6 million
	Digital Customers	60%	66%	...	>60%
	Mobile Customers	43%	51%	...	>45%
 <b>Value creation</b>	Cost to income	48%	44%	...	≈40%
	RoE	2.4%	4.0%	...	≈10%
	CET1	12.0%	12.2%	...	≈12%
	Loans-to-deposits	86%	83%	...	<100%
	Dividend payout	--	--	...	≈40%
 <b>Asset quality</b>	NPE stock	€3.9 billion	€3.1 billion	...	≈€3 billion Down ≈60% from 2017
	Cost of risk	63bp	79bp	...	<50bp

NPE include loans to Customers only.

\*To be achieved after the economic impact of the current pandemic.

# COMMITMENT TO PEOPLE AND SOCIETY



## Millennium bcp Foundation



### Eça de Queiroz/Millennium bcp Foundation literary award

Biannual literary award that distinguishes a fictional work written in Portuguese.



### Jerónimos Monastery

Support for the conservation and maintenance of the Jerónimos Monastery Cloister, using innovative methodologies, adjusted to the new environmental and sustainability paradigms.



**Start Up Programme** offers training in entrepreneurship to university students, providing them the opportunity to experience the management of their own company.



**PEDIPEDIA**, an online pediatric medical-surgical encyclopedia, free of charge. Supported by the Millennium bcp Foundation from day one, PEDIPEDIA already includes 900 articles and videos, prepared by more than 350 pediatric health specialists.

## Society



**Abem Programme:** the Solidary Medicines Network is a pioneering project launched by Associação Dignitude. It aims to allow access to prescription drugs for those who do not have the financial capacity to purchase them, with total anonymity.



Actions by Millennium bcp to **support refugees in the province of Cabo Delgado, in Mozambique** included the delivery of 1.000 kits with construction materials and food.



**Commitment to the effort to mitigate climate change:** in the last 5 years, **Millennium bcp reduced CO2 emissions by 58%** in its activity in Portugal

## Sustainability



In 2021, Millennium bcp returned to **“The Sustainability Yearbook”**, a reference publication by S&P in the area of Sustainability, which recognizes the responsible business practices that the Bank has adopted in its social, environmental and economic dimensions.



**Millennium bcp renews its participation in iGen - Forum of Organizations for Gender Equality** (biennium 2021/2022), promoted by CITE - Commission for Equality in Work and Employment, integrating the Task Force on “Gender Equality Measures”.



**Inclusion**, for the 2nd year in a row, in the **Bloomberg Gender-Equality Index 2021**. Millennium bcp is thus part of a small group of companies worldwide that stand out in the implementation of gender equality policies.

# Awards in 2021



**Millennium bcp:** Book Runner Equity and Local market in Equity awards



**Millennium bcp:** Best FX Provider 2021 in Portugal



**Millennium investment banking:** Europe M&A deal of the year for advisory services on the acquisition of a shareholding in Brisa



**Millennium bim:** Best FX Provider 2021 in Mozambique



**Millennium bim:** Best trade finance provider 2021 in Mozambique



**Bank Millennium:** Best Bank 2021 in Poland



**Bank Millennium:** 1<sup>st</sup> in the “Mortgage Loans” category, 2<sup>nd</sup> in “Corporate Social Responsibility” and 3<sup>rd</sup> in the “Best Quality in Multichannel Service” category



**Bank Millennium:** Model Bank award by Celent



**Bank Millennium:** ranked 2<sup>nd</sup> in “Poland’s Best Employer”, banking and financial services category



**Bank Millennium:** Climate Leaders Poland 2021 (best ranked bank, 2<sup>nd</sup> among all companies in reduction of greenhouse gases)



**Bank Millennium:** Best FX Provider 2021 in Poland



**Bank Millennium:** 1<sup>st</sup> in the “BANK Financial Monthly - Client’s Choice” ranking. Top ranked bank in the “Quality of Remote Services” and “Branches meeting Customers’ Expectation”



**Bank Millennium:** among the 10 most digitally advanced European banks in Bain & Company’s ranking



**Bank Millennium:** Best performing Polish company in the SRP Europe awards



**Millennium bcp**  
Consumer Choice 2021,  
“Large banks” category



**Millennium bcp**  
“PME Líder ’20” programme:  
largest number of awards among  
participating banks (3<sup>rd</sup> year in a  
row)



**Millennium bcp**  
Best bank for companies in  
Portugal



**ActivoBank**  
Consumer Choice 2021,  
“Digital banks” category

# Appendix



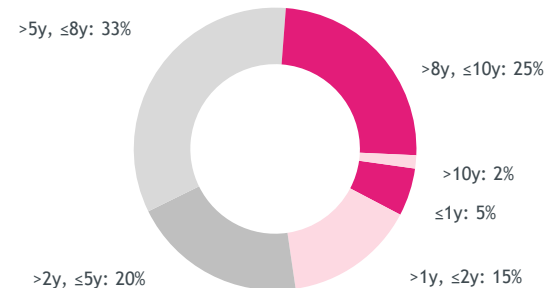
# Sovereign debt portfolio

## Sovereign debt portfolio

(Consolidated, million euros)

	Mar 20	Jun 20	Sep 20	Dec 20	Mar 21	YoY	QoQ
Portugal	6,802	8,253	8,057	7,742	8,420	+24%	+9%
T-bills and other	1,872	1,605	1,052	384	514	-73%	+34%
Bonds	4,930	6,648	7,004	7,358	7,906	+60%	+7%
Poland	4,820	5,869	5,463	4,066	4,303	-11%	+6%
Mozambique	269	280	302	350	431	+60%	+23%
Other	1,527	1,923	2,756	2,913	2,912	+91%	-0%
<b>Total</b>	<b>13,417</b>	<b>16,325</b>	<b>16,578</b>	<b>15,072</b>	<b>16,066</b>	<b>+20%</b>	<b>+7%</b>

## Sovereign debt maturity



- ✓ The sovereign debt portfolio totaled 16.1 billion, 12.8 billion of which maturing in more than 2 years
- ✓ The Portuguese sovereign debt portfolio totaled 8.4 billion, whereas the Polish and Mozambican portfolios amounted to 4.3 billion and to 0.4 billion, respectively; “other” includes Spanish and Italian sovereign debt (1.4 billion and 1.3 billion, respectively)

# Sovereign debt portfolio

(Million euros)

	Portugal	Poland	Mozambique	Other	Total
Trading book	508	35	0	3	547
≤ 1 year	508	4			512
> 1 year and ≤ 2 years		12			12
> 2 years and ≤ 5 years	0	14			14
> 5 years and ≤ 8 years		4			4
> 8 years and ≤ 10 years		1			1
> 10 years				3	3
Banking book*	7,912	4,268	431	2,909	15,519
≤ 1 year	25		76	266	367
> 1 year and ≤ 2 years	42	1,918	76	359	2,395
> 2 years and ≤ 5 years	140	2,120	183	764	3,207
> 5 years and ≤ 8 years	3,603	227	33	1,514	5,376
> 8 years and ≤ 10 years	3,925	2		7	3,934
> 10 years	176	1	62		240
Total	8,420	4,303	431	2,912	16,066
≤ 1 year	533	4	76	266	879
> 1 year and ≤ 2 years	42	1,930	76	359	2,407
> 2 years and ≤ 5 years	140	2,133	183	764	3,221
> 5 years and ≤ 8 years	3,603	231	33	1,514	5,381
> 8 years and ≤ 10 years	3,925	3		7	3,935
> 10 years	176	1	62	3	243

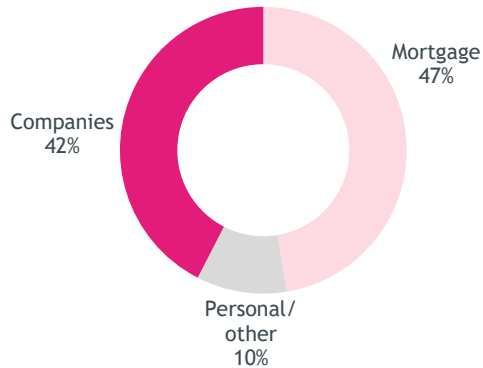
\*Includes financial assets at fair value through other comprehensive income (11,325 million) and financial assets at amortized cost (4,194 million).

# Diversified and collateralized portfolio

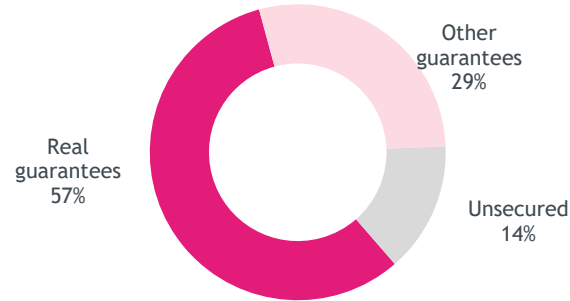
## Loan portfolio

(Consolidated)

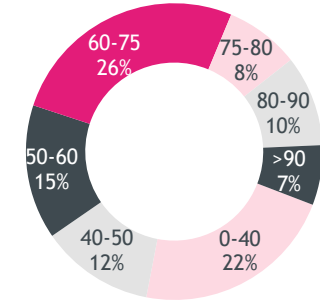
Breakdown



Loans per collateral



LTV of the mortgage portfolio in Portugal



### Loans

- Loans to companies accounted for 42% of the loan portfolio as of March 2021, including 6% to construction and real-estate sectors
- Mortgage accounted for 47% of the loan portfolio, with low delinquency levels and an average LTV of 60%
- 86% of the loan portfolio is collateralized

### Collaterals

- Real estate accounts for 93% of total collateral value
- 80% of the real estate collateral is residential



# Consolidated net income

<i>(Million euros)</i>	Q1'20	Q1'21	YoY	Impact on earnings
Net interest income	385.5	376.0	-2.5%	-9.5
Net fees and commissions	179.8	177.9	-1.0%	-1.9
Other income*	31.9	34.9	+9.3%	+3.0
<b>Net operating revenue</b>	<b>597.2</b>	<b>588.8</b>	<b>-1.4%</b>	<b>-8.4</b>
Staff costs	-164.7	-146.9	-10.8%	+17.8
Other administrative costs and depreciation	-121.1	-112.5	-7.1%	+8.6
<b>Operating costs</b>	<b>-285.7</b>	<b>-259.3</b>	<b>-9.2%</b>	<b>+26.4</b>
<b>Profit before impairment and provisions</b>	<b>311.4</b>	<b>329.5</b>	<b>+5.8%</b>	<b>+18.1</b>
Loans impairment (net of recoveries)	-86.1	-111.0	+28.8%	-24.9
Other impairment and provisions	-115.7	-131.8	+14.0%	-16.2
<b>Impairment and provisions</b>	<b>-201.8</b>	<b>-242.8</b>	<b>+20.3%</b>	<b>-41.0</b>
<b>Net income before income tax</b>	<b>109.6</b>	<b>86.7</b>	<b>-20.9%</b>	<b>-23.0</b>
Income taxes	-65.6	-57.6	-12.2%	+8.0
Non-controlling interests	-8.7	28.8	-431.0%	+37.4
Net income from discontinued or to be discontinued operations	0.0	0.0		0.0
<b>Net income</b>	<b>35.3</b>	<b>57.8</b>	<b>+63.8%</b>	<b>+22.5</b>

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

# Consolidated balance sheet

(Million euros)

	31 March 2021	31 March 2020
<b>ASSETS</b>		
Cash and deposits at Central Banks	6,506.6	3,334.8
Loans and advances to credit institutions repayable on demand	269.5	263.0
Financial assets at amortised cost		
Loans and advances to credit institutions	892.6	1,437.6
Loans and advances to customers	52,487.6	49,624.1
Debt instruments	6,281.2	6,064.9
Financial assets at fair value through profit or loss		
Financial assets held for trading	1,158.2	2,393.5
Financial assets not held for trading mandatorily at fair value through profit or loss	1,307.4	1,361.5
Financial assets designated at fair value through profit or loss	-	31.5
Financial assets at fair value through other comprehensive income	13,466.8	10,381.5
Hedging derivatives	106.5	100.3
Investments in associated companies	449.7	406.0
Non-current assets held for sale	991.7	1,248.1
Investment property	7.9	13.3
Other tangible assets	630.6	694.8
Goodwill and intangible assets	237.3	224.4
Current tax assets	12.4	29.8
Deferred tax assets	2,648.0	2,682.5
Other assets	1,112.1	1,207.6
<b>TOTAL ASSETS</b>	<b>88,565.9</b>	<b>81,499.1</b>

## LIABILITIES

	31 March 2021	31 March 2020
Financial liabilities at amortised cost		
Resources from credit institutions	9,186.2	6,718.8
Resources from customers	65,192.2	59,397.8
Non subordinated debt securities issued	1,817.9	1,554.2
Subordinated debt	1,278.7	1,516.9
Financial liabilities at fair value through profit or loss		
Financial liabilities held for trading	209.2	340.5
Financial liabilities at fair value through profit or loss	1,599.3	2,659.1
Hedging derivatives	222.9	366.2
Provisions	553.6	389.2
Current tax liabilities	10.4	9.5
Deferred tax liabilities	6.1	9.5
Other liabilities	1,193.6	1,287.9
<b>TOTAL LIABILITIES</b>	<b>81,270.1</b>	<b>74,249.8</b>

## EQUITY

Share capital	4,725.0	4,725.0
Share premium	16.5	16.5
Other equity instruments	400.0	400.0
Legal and statutory reserves	254.5	240.5
Treasury shares	-	(0.1)
Reserves and retained earnings	730.1	638.2
Net income for the period attributable to Bank's Shareholders	57.8	35.3
<b>TOTAL EQUITY ATTRIBUTABLE TO BANK'S SHAREHOLDERS</b>	<b>6,183.9</b>	<b>6,055.4</b>
Non-controlling interests	1,111.9	1,193.9
<b>TOTAL EQUITY</b>	<b>7,295.8</b>	<b>7,249.3</b>
<b>TOTAL LIABILITIES AND EQUITY</b>	<b>88,565.9</b>	<b>81,499.1</b>

# Consolidated income statement per quarter

(Million euros)

	1Q 20	2Q 20	3Q 20	4Q 20	1Q 21
<b>Net interest income</b>	<b>385.5</b>	<b>373.6</b>	<b>390.5</b>	<b>383.6</b>	<b>376.0</b>
Dividends from equity instruments	0.1	3.4	1.3	0.0	0.0
Net fees and commission income	179.8	165.4	172.9	184.6	177.9
Other operating income	-40.4	-79.1	-24.2	-11.8	-23.4
Net trading income	61.4	-21.8	65.2	48.0	42.9
Equity accounted earnings	10.8	32.1	11.3	13.5	15.4
<b>Banking income</b>	<b>597.2</b>	<b>473.6</b>	<b>617.0</b>	<b>617.8</b>	<b>588.8</b>
Staff costs	164.7	162.9	156.8	162.3	146.9
Income tax	86.3	78.8	79.7	90.7	78.1
Depreciation	34.8	34.4	34.1	33.9	34.4
<b>Operating costs</b>	<b>285.7</b>	<b>276.1</b>	<b>270.7</b>	<b>286.9</b>	<b>259.3</b>
<b>Profit bef. impairment and provisions</b>	<b>311.4</b>	<b>197.6</b>	<b>346.3</b>	<b>330.9</b>	<b>329.5</b>
Loans impairment (net of recoveries)	86.1	151.2	136.9	135.6	111.0
Other impairm. and provisions	115.7	-1.7	62.4	154.9	131.8
<b>Net income before income tax</b>	<b>109.6</b>	<b>48.0</b>	<b>147.0</b>	<b>40.3</b>	<b>86.7</b>
Income tax	65.6	-6.8	63.6	14.2	57.6
Non-controlling interests	8.7	14.1	13.1	-10.6	-28.8
<b>Net income (before disc. oper.)</b>	<b>35.3</b>	<b>40.7</b>	<b>70.3</b>	<b>36.7</b>	<b>57.8</b>
Net income arising from discount. operations	0.0	0.0	0.0	0.0	0.0
<b>Net income</b>	<b>35.3</b>	<b>40.7</b>	<b>70.3</b>	<b>36.7</b>	<b>57.8</b>

# Income statement

(Million euros)

For the 3-month period ended March 31<sup>st</sup>, 2020 and 2021

	Group			Portugal			Total			Bank Millennium (Poland)			Millennium bim (Moz.)			Other int. operations		
	Mar 20	Mar 21	Δ %	Mar 20	Mar 21	Δ %	Mar 20	Mar 21	Δ %	Mar 20	Mar 21	Δ %	Mar 20	Mar 21	Δ %	Mar 20	Mar 21	Δ %
Interest income	500	404	-19.3%	226	214	-5.4%	274	190	-30.7%	213	144	-32.6%	59	45	-23.8%	2	2	-28.9%
Interest expense	15	28	-75.6%	40	9	-76.3%	75	19	-75.2%	58	7	-87.6%	17	11	-34.1%	0	0	-13.2%
<b>Net interest income</b>	<b>385</b>	<b>376</b>	<b>-2.5%</b>	<b>186</b>	<b>204</b>	<b>9.7%</b>	<b>199</b>	<b>172</b>	<b>-13.8%</b>	<b>155</b>	<b>136</b>	<b>-12.1%</b>	<b>42</b>	<b>34</b>	<b>-19.5%</b>	<b>2</b>	<b>2</b>	<b>-29.2%</b>
Dividends from equity instruments	0	0	-46.4%	0	0	--	0	0	-46.4%	0	0	-46.4%	0	0	--	0	0	--
<b>Intermediation margin</b>	<b>386</b>	<b>376</b>	<b>-2.5%</b>	<b>186</b>	<b>204</b>	<b>9.7%</b>	<b>199</b>	<b>172</b>	<b>-13.8%</b>	<b>155</b>	<b>136</b>	<b>-12.1%</b>	<b>42</b>	<b>34</b>	<b>-19.5%</b>	<b>2</b>	<b>2</b>	<b>-29.2%</b>
Net fees and commission income	180	178	-1.0%	119	120	0.2%	61	58	-3.6%	45	45	0.9%	9	6	-26.6%	7	7	-4.0%
Other operating income	-40	-23	42.0%	-3	2	>100%	-37	-25	31.5%	-40	-27	33.7%	3	2	-27.2%	0	-1	<-100%
<b>Basic income</b>	<b>525</b>	<b>531</b>	<b>1.1%</b>	<b>302</b>	<b>326</b>	<b>7.8%</b>	<b>223</b>	<b>205</b>	<b>-8.1%</b>	<b>160</b>	<b>155</b>	<b>-3.1%</b>	<b>53</b>	<b>42</b>	<b>-21.1%</b>	<b>9</b>	<b>7</b>	<b>-20.5%</b>
Net trading income	61	43	-30.1%	45	33	-28.1%	16	10	-35.9%	12	7	-39.8%	3	2	-25.7%	1	1	-24.7%
Equity accounted earnings	11	5	42.2%	9	5	60.3%	1	0	-74.9%	0	0	--	0	0	--	1	0	-74.9%
<b>Banking income</b>	<b>597</b>	<b>589</b>	<b>-1.4%</b>	<b>357</b>	<b>374</b>	<b>4.6%</b>	<b>240</b>	<b>215</b>	<b>-10.4%</b>	<b>172</b>	<b>162</b>	<b>-5.6%</b>	<b>57</b>	<b>45</b>	<b>-21.3%</b>	<b>12</b>	<b>8</b>	<b>-27.6%</b>
Staff costs	165	147	-10.8%	93	88	-5.4%	72	59	-17.8%	56	45	-19.1%	11	9	-15.9%	5	5	-7.6%
Other administrative costs	86	78	-9.5%	43	43	-0.2%	43	35	-18.7%	30	25	-18.2%	11	9	-21.4%	2	1	-10.6%
Depreciation	35	34	-12%	19	20	4.4%	16	15	-8.0%	12	11	-7.5%	3	3	-11.2%	0	0	5.3%
<b>Operating costs</b>	<b>286</b>	<b>259</b>	<b>-9.2%</b>	<b>155</b>	<b>151</b>	<b>-2.8%</b>	<b>131</b>	<b>109</b>	<b>-16.9%</b>	<b>99</b>	<b>81</b>	<b>-17.4%</b>	<b>25</b>	<b>21</b>	<b>-17.8%</b>	<b>7</b>	<b>7</b>	<b>-7.7%</b>
<b>Profit bef. impairment and provisions</b>	<b>311</b>	<b>329</b>	<b>5.8%</b>	<b>202</b>	<b>223</b>	<b>10.3%</b>	<b>109</b>	<b>107</b>	<b>-2.5%</b>	<b>73</b>	<b>81</b>	<b>10.4%</b>	<b>32</b>	<b>24</b>	<b>-24.2%</b>	<b>5</b>	<b>2</b>	<b>-59.2%</b>
Loans impairment (net of recoveries)	86	111	28.8%	58	91	55.8%	28	20	-27.8%	27	16	-41.7%	0	4	>100%	0	0	<-100%
Other impairm. and provisions	116	132	14.0%	82	11	-86.2%	33	120	>100%	28	18	>100%	1	-1	<-100%	5	3	-36.0%
<b>Net income before income tax</b>	<b>110</b>	<b>87</b>	<b>-20.9%</b>	<b>62</b>	<b>121</b>	<b>96.0%</b>	<b>48</b>	<b>-34</b>	<b>&lt;-100%</b>	<b>18</b>	<b>-54</b>	<b>&lt;-100%</b>	<b>31</b>	<b>21</b>	<b>-30.7%</b>	<b>-1</b>	<b>-1</b>	<b>&lt;-100%</b>
Income tax	66	58	-12.2%	45	37	-18.5%	20	21	18%	14	15	6.5%	6	6	-8.0%	0	0	-12.7%
Non-controlling interests	9	-29	<-100%	0	0	>100%	9	-29	<-100%	0	0	--	0	0	-53.3%	9	-29	<-100%
<b>Net income (before disc. oper.)</b>	<b>35</b>	<b>58</b>	<b>63.8%</b>	<b>16</b>	<b>83</b>	<b>&gt;100%</b>	<b>19</b>	<b>-26</b>	<b>&lt;-100%</b>	<b>4</b>	<b>-69</b>	<b>&lt;-100%</b>	<b>24</b>	<b>16</b>	<b>-36.3%</b>	<b>-10</b>	<b>27</b>	<b>&gt;100%</b>
Net income arising from discont. operations	0	0	--															
<b>Net income</b>	<b>35</b>	<b>58</b>	<b>63.8%</b>															

# Glossário (1/2)

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

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

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

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

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

**Core 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 loans impairment (P&L) accounted in the period to loans to customers at amortized cost and debt instruments at amortized cost related to credit operations before impairment at the end of the period.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

# Glossário (2/2)

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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



## **INVESTOR RELATIONS DIVISION**

Bernardo Collaço, Head

### **EQUITY**

Luís Pedro Monteiro  
+351 21 1131 084

### **DEBT AND RATINGS**

Luís Morais  
+351 21 1131 337



**investors@millenniumbcp.pt**

Banco Comercial Português, S.A., a public company (sociedade aberta) having its registered office at Praça D. João I, 28, Oporto, registered at the Commercial Registry of Oporto, with the single commercial and tax identification number 501 525 882, LEI JU1U6S0DG9YLT7N8ZV32 and the share capital of EUR 4,725,000,000.00.