Press release
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Millennium bcp

26 February 2025

Millennium bcp Earnings release as at 31 December 2024

A Solid and Efficient Bank

Profitability

- Group's net income of EUR 906.4 million in 2024, representing an increase of 5.9% when compared to 2023.
- In the activity in Portugal, net income amounted to EUR 786.4 million in 2024, corresponding to an increase of 8.5% compared with 2023.
- Bank Millennium net income stood at EUR 167.1 million in 2024, despite charges of EUR 750.2[1] million related with CHF mortgage loan portfolio (out of which EUR 459.8[2] million in provisions) and costs related to the extension of credit holidays (mortgage in Zlotys) which totalled EUR 26.2[3] million.
- Millennium bim net income stood at EUR 48.5 million in 2024, despite the provision resulting from the downgrade of Mozambican public debt.

Business model

- Solid capital ratios. CET1[4] ratio stood at 16.3% and total capital ratio[4] at 20.6%, including the effect of the share buyback programme amounting to EUR 200 million approved by the supervisor, corresponding respectively to an increase of 89 bp and 72 bp compared with last year, reflecting the strong capacity of organic capital generation.
- Liquidity indicators[5], well above regulatory requirements: LCR at 342%, NSFR at 181% and LtD at 66%.
- Group's total Customer funds grew 8.0% year on year to EUR 102.9 billion.
- Reduction in non-performing assets compared with December 2023: EUR 127 million in NPE, and EUR 52 million in foreclosed assets.
- Cost of risk of the Group stood at 32 bp in 2024, which compares with 42 bp in the previous year.
- Customer base grew 4%, highlighting the 10% increase in mobile Customers, which represented 71% of total active Customers at the end of December 2024.

[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] Before taxes and non-controlling interests. Reduction compared to 9M'24 due to the review of the estimated rate of adherence to the credit holidays. [4] Fully implemented ratio including unaudited net income of 2024 [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 Dec. 24	31 Dec. 23 (restated 2)	Chg. 24/23
BALANCE SHEET			
Total assets	102,144	94,371	8.2 %
Equity	8,193	7,290	12.4 %
Loans to customers (net)	55,707	55,218	0.9 %
Total customer funds	102,938	95,328	8.0 %
Balance sheet customer funds	85,334	79,215	7.7 %
Deposits and other resources from customers	84,042	77,928	7.8 %
Loans to customers (net) / Deposits and other resources from customers (3)	66.3 %	70.9 %	
Loans to customers (net) / Balance sheet customer funds	65.3 %	69.7 %	
RESULTS			
Net interest income	2,830.9	2,825.7	0.2 %
Net operating revenues	3,574.6	3,769.7	(5.2) %
Operating costs	1,307.2	1,162.6	12.4 %
Operating costs excluding specific items (4)	1,294.6	1,147.3	12.8 %
Results on modification	(68.5)	(19.4)	<-200%
Loan impairment charges (net of recoveries)	182.4	240.0	(24.0 %)
Other impairment and provisions	675.1	859.8	(21.5) %
Income taxes	341.3	537.4	(36.5) %
Net income	906.4	856.0	5.9 %
PROFITABILITY AND EFFICIENCY			
Net operating revenues / Average net assets (3)	3.6 %	4.1 %	
Return on average assets (ROA)	1.0 %	1.0 %	
Income before tax and non-controlling interests / Average net assets (3)	1.4 %	1.6 %	
Return on equity (ROE)	13.8 %	15.3 %	
Return on tangible equity (ROTE)	14.4 %	15.9 %	
Income before tax and non-controlling interests / Average equity (3)	18.2 %	23.8 %	
Net interest margin	3.04 %	3.36 %	
Cost to core income (4)	35.6 %	31.9 %	
Cost to income (3)	36.6 %	30.8 %	
Cost to income (3)(4)	36.2 %	31.6 %	
Cost to income - Activity in Portugal (3)(4)	33.7 %	29.5 %	
Staff costs / Net operating revenues (3)(4)	19.8 %	17.0 %	
CREDIT QUALITY			
Cost of risk (net of recoveries, in b.p.) (5)	32	42	
Non-Performing Exposures (loans to customers) / Loans to customers	3.2 %	3.4 %	
Total impairment (balance sheet) / NPE (loans to customers)	82.0 %	81.8 %	
Restructured loans / Loans to customers	2.7 %	3.0 %	
LIQUIDITY			
Liquidity Coverage Ratio (LCR)	342 %	276 %	
Net Stable Funding Ratio (NSFR)	181 %	167 %	
CAPITAL (6)			
Common equity tier I phased-in ratio	16.4 %	15.5 %	
Common equity tier I fully implemented ratio	16.3 %	15.4 %	
Total ratio fully implemented	20.6 %	19.9 %	
BRANCHES			
Activity in Portugal	398	399	(0.3 %)
International activity	801	807	(0.7 %)
EMPLOYEES			
Activity in Portugal	6,203	6,242	(0.6 %)
International activity (7)	9,461	9,446	0.2 %

Notes:

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

(2) On 1 January 2023, Millenniumbcp Ageas Grupo Segurador, S.G.P.S., S.A. (Mbcp Ageas), an entity 49.9% owned by the Group and accounted for under the equity method, adopted simultaneously IFRS9 - Financial Instruments and IFRS17 - Insurance Contracts. During the first half of 2024, Mbcp Ageas reviewed the transition adjustments relating to the adoption of those IFRS, which resulted in a reduction in the amount of the participation by EUR 9.1 million against reserves.

In 2024, the investments in Lusofundo – Fundo de Investimento Imobiliário Fechado, Fundo Especial de Investimento Imobiliário Fechado Eurofundo and Nexponor - Sociedade de Investimento Coletivo Imobiliário Fechado, S.A., were reclassified from "'Financial assets at fair value through profit or loss" to "Investments in associates". Consequently, the balances of these items were restated accordingly, in the total amount of EUR 34 million as at the end of 2023. Additionally, TIICC S.A.R.L. previously recognised under the item “Financial assets at fair value through other comprehensive income” was also reclassified to “Investments in associates” (EUR 4,000 as at the end of 2023). These accounting reclassifications also led to the reclassification of the respective results, from net trading income to equity accounted earnings, in the amount of EUR 1.6 million as at the end of 2023.

Following the change in off-balance sheet customer funds accounting criteria by the Polish subsidiary in 2024, the respective balances were restated, resulting in an increase of EUR 33 million with reference to the end of 2023.

(3) According to 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 12.6 million in 2024 and positive impact in the amount of EUR 123.9 million in 2023. In 2024, specific items recognised in staff costs in the activity in Portugal include: (i) costs with employment terminations, namely indemnities and early retirements; (ii) income recognised after an agreement related to liabilities with former directors of the Bank and (iii) a reversal of costs related to mortgage financing to former employees. In 2023, specific items include: income of EUR 139.1 million recognised in the international activity, related to the sale of 80% of the shares in Millennium Financial Services sp. z o.o. (EUR 127.9 million recognised in net trading income and EUR 11.2 million in other net operating income) and costs of EUR 15.3 million recognised as staff costs in the activity in Portugal [(i) costs related to the compensation for the temporary reduction in employee remunerations during 2014-2017, as distribution of part of the Bank's results obtained in 2022; (ii) costs with employment terminations, namely early retirements; (iii) costs with mortgage financing to former employees and (iv) income recognised after an agreement related to liabilities with former directors of the Bank].

(5) Includes the impact of certain impairments reversal in the second quarter of 2024 in the activity in Portugal, as well as the impact of the recovery associated with the out-of-court settlement in the subsidiary in Mozambique in 2023. Excluding these impacts, the cost of risk of the Group evolved from 48 b.p. to 40 b.p. in the last year.

(6) The capital ratios as at 31 December 2024 are estimated, including the positive cumulative net income and the estimated impact of the share buyback deduction.

(7) Of which, in Poland: 6,836 employees as at 31 December 2024 (corresponding to 6,714 FTE - full-time equivalent) and 6,872 employees as at 31 December 2023 (corresponding to 6,747 FTE - full-time equivalent).

PROFITABILITY ANALYSIS

NET INCOME

In 2024, the consolidated net income of Millennium bcp amounted to EUR 906.4 million, corresponding to a 5.9% growth compared to the EUR 856.0 million achieved in the previous year and to a return on equity (ROE) of the Group of 13.8%.

It should be noted that the results of the previous year had been influenced by the extraordinary gain, recorded in that year, in the amount of EUR 139.1[1] million resulting from the sale, by Bank Millennium, of 80% of the shares of Millennium Financial Services sp. z o.o., within the scope of the strategic partnership in the bancassurance business.

The growth of the net income of the Group compared to the previous year 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 2023, influenced by the impacts arising from the economic and financial situation of the country, namely by the sovereign debt rating downgrade.

The performance of net income of the Group compared to the previous year largely benefited from the reduction in impairments and provisions, mainly reflecting the lower additional provision charges booked by the Polish subsidiary to face the legal risk implicit in foreign exchange mortgage portfolio, with loans impairment charges also showing a favourable evolution. The increase in core income also contributed to the growth of net income of the Group compared to the previous year.

These positive impacts were, however, offset by the increase in both operating costs and costs associated with foreign exchange mortgage portfolio in the Polish subsidiary (excluding provisions). The recognition in 2024 of costs resulting from the extension of credit holidays, associated with mortgage loans denominated in Zlotys, also in the Polish subsidiary, contributed unfavourably to the evolution of net income of the Group as well. The performance of the Group also continued to be influenced by the costs associated with mandatory contributions, with the reduction recorded in the activity in Portugal being insufficient to offset the increase in the overall amount of contributions in the Polish subsidiary.

Thus, other impairments and provisions contributed decisively to the favourable performance of net income of the Group by decreasing from EUR 859.8 million to EUR 675.1 million in the last year, mainly reflecting the decrease of EUR 169.1 million in the additional provisions booked to face the legal risk implicit in foreign exchange mortgage portfolio in the Polish subsidiary (EUR -163.2 million, from EUR 623.0 million to EUR 459.8 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).

Although the amount of these provisions was significantly lower than the amount recognised in the previous year, the remaining costs associated with foreign exchange mortgage portfolio have increased last year, leading to a reduction of the overall cost amount of only EUR 29.5[1] million (from EUR 779.7 million, to EUR 750.2 million), and continue to penalise the results of the Group.

On the other hand, the favourable performance of net income of the Group also resulted from the reduction in loans impairment charges (net of recoveries), which, in consolidated terms, decreased EUR 57.6 million (-24.0%), totalling EUR 182.4 million at the end of 2024, benefiting from the reversal of impairments in the current year in the activity in Portugal.

Net income of the Group was also positively influenced by the EUR 42.0 million growth in core income, to EUR 3,639.4 million at the end of the current year (+1.2%), mainly due to the performance of net commissions, which grew EUR 36.9 million compared to the previous year, totalling EUR 808.5 million at the end of 2024. Net interest income of the Group, in turn, was in line (+0.2%) with the amount recorded in the previous year, rising to EUR 2,830.9 million at the end of 2024. This evolution was, however, due to different dynamics, since the impact of the increase in net interest

[1] Before taxes and non-controlling interests.

income of the international activity was almost entirely offset by the reduction in net interest income of the activity in Portugal.

The positive impacts mentioned above were offset by the increase in operating costs, mainly regarding international activity. In fact, despite the disciplined management of costs by the Group, operating costs were 12.4% above the EUR 1,162.6 million recorded a year earlier, amounting to EUR 1,307.2 million at the end of 2024. Both staff costs and other administrative costs were higher than in the previous year, in the activity in Portugal and mainly in the international activity. Amortisations and depreciations, although higher than in the previous year, reflecting the performance of the international activity, had a less significant impact on the evolution of operating costs.

The performance of net income of the Group continues to be also influenced by extraordinary effects associated with the Polish subsidiary, such as the recognition of the costs arising from the moratoriums program (credit holidays), which had no significant influence on the results of the previous year, totalling EUR 26.2 million in the current year.

The evolution of net income of the Group also includes the increase of EUR 22.4 million in the costs borne with mandatory contributions, reflecting on the one hand the increase of EUR 55.0 million recorded in the international activity (essentially in the Polish subsidiary) and on the other the reduction of EUR 32.6 million recorded in the activity in Portugal.

Finally, despite the insignificant impact on net income of the Group, it is worth mentioning the evolution of net income from discontinued operations, from a negative amount of EUR 2.9 million in 2023, mainly due to the final adjustment of the sale price of Banque Privée BCP (Suisse) S.A. ("Banque Privée"), under previously agreed conditions, to a positive amount of EUR 0.3 million in 2024.

In 2024, core operating profit of the Group amounted to EUR 2,332.2 million, standing 4.2% below the EUR 2,434.8 million achieved in the previous year, since the increase in operating costs was only partially offset by the increase in core income.

The previous analysis does not exclude the impact of specific items considered in each year. In 2024, specific items had a negative impact of EUR 12.6 million (before taxes and non-controlling interests), recognised in staff costs in the activity in Portugal, while in 2023 the impact was positive in the amount of EUR 123.9 million (before taxes and non-controlling interests), including income of EUR 139.1 million recognised in the international activity, related to the sale of 80% of the shares in Millennium Financial Services sp. z o.o. (EUR 127.9 million recognised as net trading income and EUR 11.2 million recognised as other net operating income) and costs of EUR 15.3 million recognised as staff costs in the activity in Portugal.

Excluding the impact of specific items in both years, core operating profit of the Group amounted to EUR 2,344.8 million, 4.3% below the EUR 2,450.1 million reached in the previous year.

In the activity in Portugal, net income of 2024 amounted to EUR 786.4 million, growing 8.5% from the EUR 724.9 million achieved in 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 2024, with the reversal of impairments and the improvement in the risk profile of the credit portfolio allowing a reduction of 42.5% (EUR -88.1 million) in loans impairment (net of recoveries), to EUR 119.4 million at the end of the year. Other impairments and provisions, in turn, showed a reduction of 28.8% (EUR -46.4 million), totalling EUR 114.4 million at the end of December 2024.

The income recognised from loan sales, in the current year, contrasting with the costs recorded in 2023, also positively influenced (EUR +36.5 million) the evolution of net income in the activity in Portugal.

The favourable evolution of net income of the activity in Portugal also benefits from the reduction of EUR 32.6 million in the costs associated with mandatory contributions borne by the Bank. This reduction was due, on the one hand, to the fact that no contribution to the Single Resolution Fund was collected in 2024 as the fund had reached its target level and, on the other, to the reduction of the Bank's liabilities that took place at the end of 2022, with an impact on the calculation of the amount of contributions in the current year.

Conversely, net income of the activity in Portugal was influenced by the evolution of core income, from EUR 2,026.9 million at the end of 2023 to EUR 1,923.6 million at the end of the current year, mainly reflecting the decrease of 9.0% (EUR -131.4 million) in net interest income, to EUR 1,335.3 million at the end of 2024. Net commissions, in turn, totalled EUR 588.3 million at the end of the current year, growing 5.0% (EUR +28.1 million) from 2023, reflecting the increase in commissions related to the bancassurance activity, arising from the update of the distribution fees paid by the insurance companies.

The performance of net income in the activity in Portugal was also influenced, albeit to a lesser extent, by the increase of 9.1% (EUR +56.4 million) recorded in operating costs, which totalled EUR 673.1 million at the end of 2024. The evolution of operating costs was due to the increase in both staff costs and other administrative costs, while amortisations and depreciations, in turn, remained in line with the amount recorded a year earlier.

The impact of the evolution of core income together with operating costs in the activity in Portugal resulted in a reduction of 11.3% in core operating profit, from EUR 1,410.3 million in 2023, to EUR 1,250.5 million in 2024.

Excluding the specific items mentioned above (negative impact of EUR 12.6 million in 2024 and EUR 15.3 million in 2023, both recognised in staff costs), core operating profit in the activity in Portugal decreased by 11.4% from EUR 1,425.5 million to EUR 1,263.2 million.

In the international activity, net income of 2024 amounted to EUR 119.9 million, 8.6% below the EUR 131.2 million recorded in the previous year. This evolution reflects the reduction in the results obtained by Millennium bim in Mozambique, which was largely offset by the improved results obtained by Bank Millennium in Poland compared to 2023.

In fact, net income of Bank Millennium reached EUR 167.1 million in 2024, showing a strong growth of 31.7% from the EUR 126.8 million recorded in the previous year, while Millennium bim's net income amounted to EUR 48.5 million at the end of 2024, significantly below (-53.9%) the amount recorded in 2023.

The performance of the Polish subsidiary was influenced, on one hand, by the reduction in the additional provisions booked to face the legal risk implicit in foreign exchange mortgage portfolio and by the increase in core income and, on the other, by the increase in the other costs associated with the portfolio of foreign exchange mortgage loans (excluding provisions), by the increase in operating costs and in mandatory contributions, and also by the recognition of the costs associated with the moratorium programme (credit holidays). Compared with the previous year, this performance was also influenced by the recognition, that year, of the extraordinary gain resulted from the sale of 80% of the shares of Millennium Financial Services sp. z o.o.

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. The comparison with net income recorded by the Mozambican subsidiary in the previous year was also influenced by the fact that in that year a positive impact resulting from the partial recovery of a credit in litigation, following an out-of-court settlement, was recorded, thus negatively influencing the evolution of loans impairment in 2024, compared to 2023. Although to a lesser extent, the evolution of net income of Millennium bim in Mozambique also reflects the increase in operating costs, with other net operating income and net trading income also performing less favourably than a year earlier. In contrast, core income contributed positively to the evolution of the results of the Mozambican subsidiary in the last year.

Despite its smaller relative weight within the scope of this analysis, it is worth mentioning 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, that went from EUR 2.7 million in 2023, to EUR 3.9 million in the current year.

Reflecting the aforementioned performance in each of the geographies, core operating profit of international activity grew by 5.6%, from EUR 1,024.6 million in 2023 to EUR 1,081.6 million in 2024, as the increase in core income more than offset the increase in operating costs.

NET INTEREST INCOME

In 2024, net interest income of the Group reached EUR 2,830.9 million, in line (+0.2%) with the amount posted in the previous year, with the reduction recorded in the activity in Portugal being offset by the increase in the international activity.

In fact, net interest income, in the activity in Portugal, totalled EUR 1,335.3 million in 2024, standing 9.0% below the EUR 1,466.6 million recorded in 2023. This performance reflects above all, the increase in cost of funding, partially offset by the higher income generated by both the customer loan portfolio and the securities portfolio.

Thus, the increase in costs associated with the remuneration of the deposit portfolio stands out, mainly due to the evolution of interest rates in the last year, but also influenced, albeit to a lesser extent, by the increase in the average balance of interest-bearing deposits compared to 2023.

Influenced not only by the increase in interest rates, but also by the impact of two issues of senior preferred debt securities, in the amount of EUR 500 million each, launched in September 2023 and October 2024, the costs incurred with issued debt and subordinated debt were also higher than a year earlier. Both issues, under the Bank's Euro Note Programme, increase the capacity to meet the requirements known as “MREL” (Minimum Requirements for Own Funds and Eligible Liabilities). On the other hand, the decision of the Bank to exercise, in October 2024, its option to early redeem in whole its EUR 350 million senior preferred issue had a favourable impact on the evolution of net interest income.

In the last year, the evolution of net interest income mainly benefited from the increased contribution of the income generated by the securities portfolio, with particular emphasis on the income generated by the sovereign debt portfolio, reflecting on the one hand, the evolution of interest rates and on the other, the increased size and turnover of the portfolio.

The income generated by the customer loan portfolio also increased compared to the previous year, reflecting the interest rates increase, despite the decrease in the average balance of the portfolio recorded this year.

Finally, it is worth mentioning the increase in net interest income due to the favourable impact of liquidity deposited at other credit institutions.

In the international activity, net interest income amounted to EUR 1,495.6 million at the end of 2024, showing a growth of 10.0% from the EUR 1,359.1 million accounted in 2023.

This evolution was mainly due to the performance of the Polish subsidiary, largely associated with the higher income generated by the securities portfolio. Despite its limited impact within the scope of this analysis, it is important to mention the performance of net interest income of the subsidiary in Mozambique, that despite being influenced by the significant increases in the local requirement for non-remunerated cash reserves to be maintained with the central bank, in February and May of 2023, and, also, the significant reduction in reference interest rates by the central bank, was slightly above the amount reached in 2023.

In consolidated terms, net interest margin went from 3.36% in 2023 to 3.04% in 2024, reflecting the performance of both the activity in Portugal and the international activity.

In fact, in the activity in Portugal, net interest margin evolved from 2.59% in 2023, to 2.21% in the current year, mainly influenced by the increase in interest rates underlying interest-bearing deposits.

Net interest margin in the international activity, in turn, evolved from 4.93% in 2023, to 4.56% in 2024, year in which the central bank of Poland kept interest rates unchanged, after the first cuts in September and October 2023. As mentioned above, the increase in the local requirement for non-remunerated cash reserves to be maintained with the central bank of Mozambique and the reduction in reference interest rates, in turn, also contributed unfavourably to this evolution.

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 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, evolved from EUR 64.5 million in 2023, to EUR 59.9 million at the end of 2024, mainly reflecting the performance of the activity in Portugal.

In fact, in the activity in Portugal, equity accounted earnings together with dividends from equity instruments reached EUR 53.6 million in the 2024, which compares to EUR 59.1 million in the previous year. This evolution was determined by equity accounted earnings that evolved from EUR 58.1 million in 2023, to EUR 53.4 million at the end of the current year, including, on one hand, the decrease in results from Millenniumbcp Ageas, largely influenced by the impact of the update of the distribution fees paid by the insurance company for the placement of insurance products through the Bank's distribution networks, and on the other, the higher income generated by the contribution of the shareholding in SIBS. Dividends from equity instruments, in turn, decreased from EUR 1.0 million at the end of 2023, to EUR 0.2 million in 2024.

In the international activity, equity accounted earnings together with the income of dividends from equity instruments totalled EUR 6.3 million in 2023, evolving favourably from the EUR 5.4 million in the previous year, mainly due to the appropriation of the results generated by Banco Millennium Atlântico in Angola that went from EUR 2.7 million in 2023 to EUR 3.9 million in 2024

NET COMMISSIONS

In 2024, net commissions totalled EUR 808.5 million, showing a growth of 4.8% compared to the EUR 771.7 million recorded in the previous year.

This evolution reflects the favourable performance of both the activity in Portugal and the international activity, in the first case mainly resulting from the increase of bancassurance activity commissions, due to the distribution fees update.

In consolidated terms, the favourable performance of net commissions was due to the growth of both banking commissions, that amounted to EUR 684.1 million at the end of the current year, standing EUR 20.8 million (+3.1%) above the amount recorded in the previous year, and market related commissions that totalled EUR 124.5 million, increasing EUR 16.0 million (+14.8%) from the amount recorded a year earlier.

NET COMMISSIONS

million EUR

	2024	2023	Chg. 24/23
BANKING COMMISSIONS	**684.1**	**663.2**	**3.1 %**
Cards and transfers	256.6	248.0	3.4 %
Credit and guarantees	125.2	128.8	(2.8 %)
Bancassurance	138.7	118.6	17.0 %
Management and maintenance of accounts	159.5	159.1	0.2 %
Other commissions	4.0	8.7	(53.7 %)
MARKET RELATED COMMISSIONS	**124.5**	**108.5**	**14.8 %**
Securities	42.9	36.3	18.1 %
Asset management and distribution	81.6	72.2	13.1 %
	808.5	**771.7**	**4.8 %**
Of which:			
Activity in Portugal	588.3	560.3	5.0 %
International activity	220.2	211.4	4.2 %

In the activity in Portugal, net commissions amounted to EUR 588.3 million at the end of 2024, corresponding to a growth of 5.0% from the EUR 560.3 million recorded in 2023.

Both banking commissions, which amounted to EUR 491.0 million at the end of 2024, and commissions related to markets, which totalled EUR 97.4 million at the same date, evolved favourably in the last year, showing increases of 4.2% (EUR +19.6 million) and 9.5% (EUR +8.5 million), respectively.

The performance of net commissions related to the banking business in the activity in Portugal was determined by the growth of commissions associated with the bancassurance activity, largely due to the update of the distribution fees paid by the insurance companies. Commissions associated with management and maintenance of accounts also performed favourably compared to the previous year, albeit more modestly. On the other hand, the performance of commissions related to banking business, in the activity in Portugal, was influenced by the reduction in commissions associated with credit and guarantees, reflecting, among other causes, the lower production in loans to companies and the legal restrictions imposed. 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), also stand below the amount reached in 2023, as well as the other banking commissions.

Regarding market-related commissions in the activity in Portugal, both commissions related to securities and commissions arising from asset management and distribution reached a higher level than at the end of 2023, with the growth of the former contributing more significantly to the performance of this item.

In the international activity, net commissions amounted to EUR 220.2 million at the end of the current year, increasing by 4.2% (EUR +8.8 million) from the amount recorded in the previous year. This evolution was determined by the performance of the Polish subsidiary, although in the subsidiary in Mozambique, net commissions also had a favourable performance compared to the previous year, but with a less significant impact on the evolution of this item.

Commissions related to banking business in the international activity totalled EUR 193.1 million at the end of 2024, increasing 0.7% (EUR +1.3 million) from the amount recorded in the previous year. This evolution resulted from different dynamics with regard to the several types of commissions comprised in these items, with the increase recorded in commissions related to cards and transfers being largely offset by the reduction recorded in other items. Of particular note is the reduction recorded in bancassurance commissions, reflecting the impact of the sale of 80% of the shares of Millennium Financial Services sp. z o.o., as part of the strategic partnership in this business area. Commissions related to credit and guarantees were also below the amount recorded in 2023, while commissions related to management and maintenance of accounts and other banking commissions, in the international activity, did not change significantly in the last year.

With regard to commissions related to financial markets, still in the international activity, there was a significant increase (+38.6%, EUR +7.5 million), to EUR 27.1 million at the end of 2024, determined by the increase of commissions associated with asset management and distribution, since the growth in commissions associated with securities, although relevant, had a small impact on the scope of this analysis.

NET TRADING INCOME

In 2024, net trading income amounted to EUR 5.0 million, well below the EUR 146.4 million achieved in the previous year. This performance was determined by the recognition, in the previous year, of the gains obtained by the Polish subsidiary with the sale of 80% of the shares of Millennium Financial Services sp. z o.o., which, as previously mentioned, totalled EUR 127.9 million under this heading.

In the activity in Portugal, net trading income evolved from EUR 14.4 million in 2023 to EUR 9.1 million at the end of 2024. Although its impact was offset by other effects, it is important to mention the income recognised in the current year from the sale of credits, in contrast with the costs recorded in 2023, resulting in an increase of EUR 36.5 million compared to the previous year.

In the international activity, the evolution of net trading income, from gains of EUR 131.9 million to a marginal cost of EUR 4.2 million at the end of the current year, was determined by the already mentioned gains obtained in 2023 with the sale of 80% of the shares of Millennium Financial Services sp. z o.o., considered as specific items. The performance of this item was also influenced by the increase in costs incurred by the Polish subsidiary in converting mortgage loans granted in Swiss francs, following the agreements with customers holding these loans, that in 2024 penalised net trading income in EUR 93.7 million compared to EUR 60.3 million recognised in 2023.

In the operation in Mozambique, net trading income did not change materially compared to 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 2024, other net operating income totalled a negative amount of EUR 129.6 million, that compares to the also negative amount of EUR 38.6 million recorded in the previous year. This evolution was mainly driven by the contribution of the Polish subsidiary, whose performance was strongly influenced by the increase in costs associated with foreign exchange mortgage loan portfolio recognised under this heading, and by the increase in costs with mandatory contributions to which the subsidiary was subject in the last year, which offset the impact of the favourable performance of the activity in Portugal.

In fact, in the activity in Portugal, other net operating income improved significantly, evolving from a negative amount of EUR 65.0 million in 2023 to an also negative amount of EUR 24.8 million at the end of 2024. In this evolution, the overall reduction in the costs with mandatory contributions stands out. The gains recognised with the sale of non-current assets held for sale were also higher compared to the amount recognised a year earlier, but with a less significant impact on the evolution of other net operating income in the activity in Portugal.

The overall amount of mandatory contributions went from EUR 72.6 million in 2023 to EUR 40.0 million in 2024, corresponding to a 44.9% reduction compared to the previous year. This evolution stems largely from the fact that the Single Resolution Board determined that in 2024, as the Single Resolution Fund had reached its target level, no ex-ante contributions would be levied, contrasting with EUR 17.7 million recorded in 2023. On the other hand, the liabilities reduction, after the repayment of the financing obtained from the European Central Bank (ECB) at the end of 2022, only produced its favourable impact in full on the cost with mandatory contributions this year, since both the contributions for the National Resolution Fund (NRF) and the cost incurred with the contribution on the banking sector and the additional solidarity contribution on the banking sector consider the average values of the balance sheet of the previous year to which the contribution relates, considering end-of-month observations.

Thus, despite the increase in the contribution rate (from 0.029% to 0.032%), the contribution to the NRF decreased by around 30%, from EUR 9.5 million to EUR 6.5 million, while the cost incurred with the contribution on the banking sector decreased from EUR 37.9 million to EUR 27.8 million. The additional solidarity contribution on the banking sector amounted to EUR 5.1 million, compared to EUR 6.9 million recorded in the previous year. The contribution to the deposit guarantee fund, in turn, despite being higher than a year before, stood at EUR 0.6 million, with a non-material impact in the scope of this analysis. Although the Management Committee of the Deposit Guarantee Fund ("Fundo de Garantia de Depósitos") has requested the settlement in 2024 of 50% of the irrevocable commitments assumed by the Bank, the total amount of which amounted to EUR 95 million, the settlement of that amount had no material impact on other net operating income in the current year, as it was covered by provisions booked for contingencies.

In the international activity, other net operating income evolved from an income of EUR 26.4 million recognised in 2023 to a negative amount of EUR 104.8 million at the end of 2024.

This performance of other net operating income was determined by the impacts associated to foreign exchange mortgage loan portfolio and by the increase in costs associated with mandatory contributions, both in the Polish subsidiary.

In fact, the impacts associated with foreign exchange mortgage loan portfolio, as far as this item is concerned, went from an income of EUR 15.8 million in 2023 to costs of EUR 48.2 million in 2024. This performance mainly reflects the increase 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., fell from EUR 52.3 million in 2023, to EUR 46.4 million in 2024, following the evolution of those provisions.

The costs associated with mandatory contributions borne by the Polish subsidiary, in turn, increased from EUR 13.2 million to EUR 68.1 million last year, mainly due to the special tax on the Polish banking sector, the payment of which had been suspended after the activation of the Bank Millennium Recovery Plan at the beginning of the second half of 2022. With the completion, last June, of the implementation of the aforementioned Recovery Plan, Bank Millennium was again subject to the payment of this tax, which in 2024 totalled EUR 54.0 million. The contribution to the resolution fund was also higher compared to the amount recognised in 2023, although with a less significant impact on the performance of this item (EUR 14.1 million in 2024 vs EUR 13.2 million in 2023). The contribution of Bank Millennium to the deposit guarantee fund remained suspended following the contribution to IPS (Institutional Protection Scheme) in 2022, with the Bank bearing costs with this fund only until the first quarter of that year, inclusive.

On the other hand, the evolution of other net operating income in the international activity was influenced by the fact that in the previous year a gain of EUR 11.2 million, considered as a specific item, was recognised, associated with the revaluation of the minority stake (20%) that Bank Millennium in Poland held following the sale of 80% of the shares of Millennium Financial Services sp. z o.o.

OPERATING COSTS

Operating costs totalled EUR 1,307.2 million at the end of 2024, standing 12.4% above the EUR 1,162.6 million recorded in the previous year, despite the disciplined management of costs followed by the Group. This evolution mainly reflects the performance of the international activity, namely the Polish subsidiary.

OPERATING COSTS

million Eur

	2024	2023	Chg. 24/23
Staff costs	722.0	631.8	14.3 %
Other administrative costs	440.5	393.2	12.0 %
Amortisations and depreciations	144.8	137.5	5.3 %
	1,307.2	**1,162.6**	**12.4 %**
Of which:			
Activity in Portugal	673.1	616.7	9.1 %
International activity	634.2	545.9	16.2 %

The amounts presented do not exclude the impact of specific items considered in each year in staff costs in the activity in Portugal. In both 2024 and 2023, the impact was negative in the amount of EUR 12.6 million and EUR 15.3 million, respectively.

Excluding specific items mentioned above, operating costs of the Group amounted to EUR 1,294.6 million, standing 12.8% above the EUR 1,147.3 million accounted in 2023. This performance was determined by the increase in both staff costs (+15.1%, EUR +92.8 million) and other administrative costs (+12.0%, EUR +47.2 million), in both cases more significant in the international activity. Amortisations and depreciations, in turn, though exceeding the amount recorded a year earlier (+5.3%, EUR +7.3 million), due to the performance of the international activity, were not very significant in the evolution of operating costs of the Group in the last year.

Excluding the specific items mentioned above and also excluding the positive impact of EUR 139.1 million, recognised in 2023, in the international activity, associated with the sale of 80% of the shares in Millennium Financial Services sp. z o.o. also considered specific items, cost to income ratio evolved from 31.6% to 36.2% and cost to core income from 31.9% to 35.6% in the last year.

Cost to income and cost to core income stated ratios evolved, respectively, from 30.8% to 36.6% and from 32.3% to 35.9%.

In the activity in Portugal, operating costs totalled EUR 673.1 million in 2024, standing 9.1% above the EUR 616.7 million posted in 2023. Excluding the specific items mentioned above, operating costs increased 9.8%, from EUR 601.4 million to EUR 660.4 million.

This evolution of operating costs in the activity in Portugal, not considering the effect of specific items, reflects the increases of 11.6% (EUR +39.5 million) and 10.1% (EUR +19.1 million) recorded in staff costs and other administrative costs, respectively. Amortisations and depreciations, in turn, remained stable compared to the amount recorded a year earlier.

Excluding the impact of specific items, cost to income ratio in the activity in Portugal evolved from 29.5% to 33.7%, while cost to core income ratio went from 29.7% to 34.3% in the last year. Cost to income and cost to core income stated ratios stood at 34.3% and 35.0% in 2024, levels that compare respectively with 30.3% and 30.4% in the previous year.

In the international activity, operating costs totalled EUR 634.2 million at the end of 2024, standing 16.2% above the EUR 545.9 million accounted in 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 2023.

In the Polish subsidiary, the increase in operating costs, in addition to the inflation levels over the previous years, also reflects the impact of the characteristics of the labour market in Poland, with very low unemployment rates and significant increases in the minimum wage.

The evolution of operating costs in the international activity was thus due to the increases of 19.3% (EUR +53.3 million) in staff costs, of 13.7% (EUR +28.1 million) in other administrative costs and of 10.7% (EUR +6.9 million) in amortisations and depreciations.

The cost to income ratio of the international activity evolved from 31.5% (34.2%, excluding the already mentioned positive impact of specific items) in 2023 to 39.3% in 2024, while cost to core income ratio in turn, went from 34.8% to 37.0% in the last year.

STAFF COSTS

In 2024, staff costs totalled EUR 722.0 million, standing 14.3% above the EUR 631.8 million accounted in the previous year. Both in the activity in Portugal and in the international activity, staff costs were higher than in the previous year.

These amounts include the impact of specific items[2] recognised in each year in the activity in Portugal. Excluding this impact, staff costs of the Group increased 15.1% from the EUR 616.6 million accounted for in the previous year, amounting to EUR 709.4 million, at the end of the current year.

In the activity in Portugal, stated staff costs amounted to EUR 391.7 million at the end of 2024, standing 10.4% above the EUR 354.8 million recorded in the previous year. Not considering the impact of the specific items, the increase was 11.6%, from EUR 339.6 million in 2023 to EUR 379.1 million at the end of 2024.

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 remained stable, standing at 6,203 employees at the end of 2024 (39 employees fewer than on 31 December 2023).

In the international activity, staff costs amounted to EUR 330.3 million at the end of 2024, standing 19.3% above the EUR 277.0 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, resulting both from levels of inflation, over the previous years and the currrent scenario of the Polish labour market, with very low unemployment rates in the country. In this period, there was a slight reduction in the total number of employees of this subsidiary, which in the last year went from 6,872 employees (6,747 FTE - full-time equivalent) at the end of 2023, to 6,836 employees (6,714 FTE - full-time equivalent) on 31 December 2024.

The operation in Mozambique, in turn, increased its headcount, from 2,574 employees on 31 December 2023 to 2,625 employees at the end of 2024, an increase that, together with the salary update, contributed to the growth in staff costs in the last year.

As of 31 December 2024, the headcount of the international activity consisted of 9,461 employees, which compares to 9,446 employees at the end of 2023.

[2] In 2024, specific items related to staff costs had a negative impact of EUR 12.6 million, including costs with employment terminations, namely indemnities and early retirements, income recognised after an agreement related to liabilities with former directors of the Bank and reversion of costs with mortgage financing to former employees. In 2023, the impact was also negative in the amount of EUR 15.3 million, including costs associated to the compensation for temporary reduction in employees remunerations in 2014-2017 as distribution of part of the Bank's results obtained in 2022 by the employees, costs with employment terminations, namely early retirements, costs with mortgage financing to former employees and an income recognised after an agreement related to liabilities with former directors of the Bank.

OTHER ADMINISTRATIVE COSTS

In 2024, notwithstanding the disciplined management of costs followed by the Group, other administrative costs were 12.0% above the EUR 393.2 million recorded in the previous year, totalling EUR 440.5 million at the end of the current year. This evolution reflects the increase in costs both in the activity in Portugal and in the international activity.

In the activity in Portugal, other administrative costs amounted to EUR 207.9 million, corresponding to an increase of 10.1% from the EUR 188.7 million recorded in 2023.

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 other specialised services, as for example data services costs. Cost associated to outsourcing and independent labour, particularly those related to banking operations, were also higher than a year before. The investment in technology and cybersecurity inevitably led to an increase in the respective costs, particularly maintenance of hardware and software, with an impact on information technology services and maintenance and related services. Among other costs with a less significant impact on the evolution of this item in the activity in Portugal, it is also worth mentioning the increase in costs with rents and leases, costs associated with advertising, communications (particularly data services), legal expenses and advisory services, in the latter case including support on regulatory matters.

Conversely, the reduction in costs with water, electricity and fuel, resulting from the reduction in energy prices and from an efficient management of these consumptions, stands out.

In the international activity, other administrative costs amounted to EUR 232.6 million in 2024, representing a 13.7% increase from the EUR 204.5 million posted in the previous year, largely reflecting the increase recorded in the Polish subsidiary.

The evolution of other administrative costs in the Polish subsidiary was influenced by the inflation in previous years, also reflecting the increase in legal advice costs associated with foreign exchange mortgage loan portfolio.

The Group maintains a process of optimisation of its branch network in order to efficiently serve the markets in which it is present. At the end of 2024, the activity in Portugal had a network of 398 branches, one less than at the end of 2023, while in the Polish subsidiary, the number of branches decreased from 612 branches at the end of 2023 to 606 branches on 31 December 2024. The subsidiary in Mozambique, in turn, ended 2024 with 195 branches, unchanged from the previous year.

AMORTISATIONS AND DEPRECIATIONS

Amortisations and depreciations amounted to EUR 144.8 million at the end of 2024, standing 5.3% above the amount recorded in 2023, reflecting the performance of the international activity, namely the Polish subsidiary.

In the activity in Portugal, amortisations and depreciations remained in line (+0.6%) with the amount recorded in 2023, totalling EUR 73.5 million at the end of the current year, despite the investment made in hardware and software, given the Bank's commitment to the digital transformation process.

In the international activity, amortisations and depreciations amounted to EUR 71.3 million in 2024, standing 10.7% above the EUR 64.4 million recorded in 2023, mainly reflecting, as already mentioned, the performance of the Polish subsidiary.

RESULTS ON MODIFICATION

In the fourth quarter of 2022, the Bank reviewed and reclassified the amount associated with costs arising from the moratorium program (credit holidays) in Poland, enacted in July of that year, which had been accounted for in other impairments and provisions, starting to recognise these costs as results on modification. Since then, this heading also started to include contractual modifications, namely those negotiated with customers with foreign exchange mortgage loans in the Polish subsidiary, in accordance with IFRS9.

In 2024, results on modification totalled a negative amount of EUR 68.5 million, which compares with an also negative amount of EUR 19.4 million recorded in the previous year.

This evolution reflects, on the one hand, the recognition, in 2024, of the costs arising from the aforementioned moratorium program (credit holidays) in the amount of EUR 26.2 million, which did not influence the results in the previous year, and, on the other, the increase in costs associated with contractual modifications negotiated with customers with foreign exchange mortgage loans, in the Polish subsidiary, which increased from EUR 11.5 million in 2023 to EUR 34.1 million in 2024.

Following the signing by the President of the Republic of Poland and announcement in the Journal of Laws of the Republic of Poland of an act of 12 April 2024 on changes to the act on support for mortgage borrowers who are in challenging financial situation and the act on crowdfunding for business ventures and assistance to borrowers, introducing, among others, an extension of credit holidays for Zloty mortgage borrowers by four more months in 2024, Bank Millennium estimated the preliminary impact of the implementation of this act on the results of the Group, recognising, in the first half of 2024 a cost with credit holidays in the amount of EUR 46.6 million. Subsequently, in the third and fourth quarters of the year, taking into account the participation of borrowers with mortgage eligible for credit holidays, Bank Millennium reduced the estimated cost to a final amount of EUR 26.2 million.

IMPAIRMENT FOR LOAN LOSSES

In 2024, impairment for loan losses (net of recoveries) totalled EUR 182.4 million, showing a reduction of 24.0% compared to the EUR 240.0 million accounted for in the previous year, mainly reflecting the favourable evolution recorded in the activity in Portugal, the impact of which was partially offset by the increase in the international activity.

In fact, loans impairment charges (net of recoveries), in the activity in Portugal, decreased 42.5% from the EUR 207.6 million recognised in 2023, totalling EUR 119.4 million in 2024. The lower level of provisioning, compared to the previous year, largely reflects the reversal of impairments in the second quarter of the current year, also benefiting from the improvement in the risk profile of the credit portfolio.

In the international activity, impairment charges (net of recoveries) stood significantly above the EUR 32.5 million recognised in 2023, standing at EUR 63.0 million at the end of 2024. This evolution mainly reflects the performance of the Mozambican subsidiary, but also, although to a lesser extent, the performance of the subsidiary in Poland.

The evolution of loans impairment in the subsidiary in Mozambique was influenced by the partial recovery in that same year of a credit in litigation, following an out-of-court settlement.

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 42 basis points observed in 2023, standing at 32 basis points in 2024. Excluding the previously mentioned impact, in 2023, of the recovery associated with the out-of-court settlement in the subsidiary in Mozambique, and also excluding the impact of certain impairments reversal in the activity in Portugal in the second quarter of the year, the cost of risk (net of recoveries) of the Group evolved from 48 basis points to 40 basis points in the last year.

In the activity in Portugal, strongly influenced by the aforementioned reversal of impairments in the current year, cost of risk (net of recoveries) decreased from 54 basis points to 31 basis points. Excluding this reversal, the cost of risk in the activity in Portugal also decreased, standing at 43 basis points in the current year.

The evolution of the cost of risk net of recoveries in the international activity, from 18 basis points to 33 basis points in the last year, was strongly influenced by the positive impact, in 2023, of the recovery associated with the aforementioned out-of-court settlement in the subsidiary in Mozambique. Excluding this impact, the cost of risk in the international activity, in 2023, stood at 37 basis points, thus implying a favourable evolution in the last year.

OTHER IMPAIRMENTS AND PROVISIONS

In 2024, other impairment and provisions totalled EUR 675.1 million, which represents a reduction of 21.5% from the EUR 859.8 million recorded in the previous year. This evolution was determined by the lower additional provision charges booked by the Polish subsidiary to face the legal risk of foreign exchange mortgage loans, which amounted to EUR 506.2 million in the current year vs EUR 675.3 million recognised in the previous year.

In the activity in Portugal, other impairments and provisions also contributed favourably to the performance of this heading in consolidated terms, as there was a reduction of 28.8% from the previous year, from EUR 160.8 million to EUR 114.4 million, mainly reflecting the reduction in provisions, namely for other risks and for guarantees and other commitments. The lower impairment to non-current assets held for sale, namely the foreclosed assets portfolio, also contributed to the favourable evolution of other impairment and provisions in the activity in Portugal.

Following the request, by the Management Committee of the Deposit Guarantee Fund, for the settlement of the irrevocable commitments assumed by the Bank, amounting to EUR 95 million, of which 50% had already been settled in 2024 through provisions booked for contingencies, the Bank increased these provisions in the current year so that the remaining amount was fully covered.

In the international activity, other impairment and provisions amounted to EUR 560.7 million at the end of 2024, standing 19.8% below the EUR 699.0 million recorded a year earlier, mainly reflecting the reduction of EUR 169.1 million in the provision booked by the Polish subsidiary to face the legal risk associated with foreign exchange mortgage loans, as already mentioned. 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 52.3 million in 2023 to EUR 46.4 million in 2024.

The performance of other impairments and provisions, in the international activity, was also influenced by the recognition, in the subsidiary in Mozambique, of EUR 34.9 million in impairments to face the impacts of the sovereign debt rating downgrade in that country.

INCOME TAX

Income tax (current and deferred) amounted to EUR 341.3 million in 2024, which compares to EUR 537.4 million posted in 2023.

These expenses include, in 2024, current tax of EUR 138.8 million (EUR 179.9 million in 2023) and deferred tax of EUR 202.5 million (EUR 357.5 million in 2023).

Current tax expenses in 2024 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 in the Polish subsidiary.

Expenses with the reduction of deferred tax assets in 2024 mainly result from the income of the period of the activity in Portugal, being positively influenced by the recognition of additional deferred tax assets related to fair value losses in venture capital funds, to credit impairment losses not deducted for taxation purposes in previous years, and negatively influenced by the reduction of income tax rate and by mandatory contributions to the banking sector.

The evolution of deferred tax assets was determined, 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 and for the correction of the respective balance resulting from the reduction of the income tax rate, and, regarding the Polish subsidiary, by the decision of the Supreme Administrative Court (NSA) from 6 December of 2023. In fact, NSA issued a judgment on the rules for recognising the effects in CIT of cancellations of mortgage loans indexed to foreign currencies and foreign currency loans (in particular in Swiss francs) adjudicated by common courts. According to the NSA, the Bank should recognise the tax consequences not by recognising the resulting losses as tax-deductible costs, but by adjusting the revenues from the above-mentioned loans (FX gains, interest, commissions and fees) previously taxed with CIT, taking into account the rules of limitation of tax liabilities.

As a result of the analysis of the NSA's judgment, the Bank recognised in 2024 a deferred tax asset in the amount of PLN 186.7 million (EUR 43.4 million) based on estimates of future adjustments of interest income, FX gains, commissions and fees earned on mortgage loans indexed to Swiss francs and foreign currency loans in this currency which are the subject of court disputes for their cancellation.

BALANCE SHEET

TOTAL ASSETS

Total assets of the consolidated balance sheet of Millennium bcp amounted to EUR 102,144 million as of 31 December 2024, showing an increase of 8.2% compared to the EUR 94,371 million recorded at the end of 2023, with this evolution being driven by the increases seen in assets in the international activity and in the activity in Portugal.

In the activity in Portugal, there was a 5.9% increase in total assets, compared to the EUR 62,716 million recorded on 31 December 2023, standing at EUR 66,445 million at the end of 2024. Regarding the evolution of balance sheet items, there was a significant increase in the securities portfolio (mainly in public debt portfolio), arising from the liquidity resulting from the increase in balance sheet customer funds and a less significant increase in deposits at central banks. Conversely, there were reductions in deferred taxes assets and other assets. Loans to customers (net of impairment) remained practically unchanged compared to the amount recorded at the end of the previous year.

In the international activity, total assets amounted to EUR 35,699 million as of 31 December 2024, showing a growth of 12.8% compared to the EUR 31,655 million posted at the end of the previous year. This evolution largely reflects the increase in the total assets of the Polish subsidiary, driven mainly by the increase recorded in the securities portfolio (mainly in local public debt) and also, to a lesser extent, by the rise in loans to customers (net of impairment). Additionally, total assets of the subsidiary in Mozambique also recorded an increase mainly due to the increase in deposits and loans and advances to central banks. The investment of the liquidity deriving from the increase in balance sheet customer funds also explains the most significant changes in the balance sheets reported by both subsidiaries.

LOANS TO CUSTOMERS

Consolidated loans to customers (gross) of Millennium bcp, as defined in the glossary, amounted to EUR 57,203 million as of 31 December 2024, showing a slight increase of 0.7% compared to the EUR 56,814 million figure achieved at the end of the previous year. This evolution reflects the increase recorded in the international activity and a slight reduction in the activity in Portugal.

In the activity in Portugal, loans to customers (gross) amounted to EUR 38,370 million as of 31 December 2024, 0.7% below the EUR 38,625 million recorded at the end of 2023. This slight reduction in the portfolio incorporates, on the one hand, a reduction in non-performing exposures (NPE) (EUR -134 million compared to the same date of the last year) and, on the other, a decrease in performing credit (EUR -121 million compared to the same date of the previous year).

Mortgage loans in the activity in Portugal stood at EUR 19,547 million on 31 December 2024, recording an increase of 4.2% compared to the same date in the previous year, due to a growing demand for this type of credit, as interest rates are on a downward trajectory.

Personal loans in the activity in Portugal also recorded an increase of 9.0% (EUR +209 million) compared to the figure recorded at the end of 2023, standing at EUR 2,533 million on 31 December 2024.

In turn, loans to companies in the activity in Portugal fell by 7.1% compared to the end of 2023, reaching EUR 16,291 million at the end of 2024, mainly due to lower demand, reduction of NPEs in this segment and repayment of Covid facilities, as the Bank had assumed a leading role in granting this financing during the pandemic.

In the international activity, loans to customers (gross) amounted to EUR 18,833 million as of 31 December 2024, 3.5% above the EUR 18,190 million recorded at the end of 2023. By geographies, there was a more significant growth in the

Polish subsidiary (driven by the increase of loans in local currency and the favourable evolution of the Zloty) and a smaller increase in the Mozambican subsidiary.

Mortgage loans in the international activity totalled EUR 9,187 million on 31 December 2024, remaining almost unchanged compared to the amount recorded at the end of the previous year (EUR 9,218 million as of 31 December 2023). By geographies, there was a stabilisation both in the Polish subsidiary (in this case the appreciation of the Zloty was offset by the reduction in mortgage loans in local currency) 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 366 million (31 December 2024: EUR 273 million; 31 December 2023: EUR 640 million), representing 1.5% of the total amount of loans to customers recorded on the balance sheet of Bank Millennium (3.6% on the same date of the previous year) and less than 1% of the consolidated loans to customers portfolio.

Personal loans in the international activity stood at EUR 4,915 million at the end of the current year, an increase of EUR 406 million compared to the figure recorded at the end of the previous year, driven mainly by the growth recorded in the Polish subsidiary, benefiting also by the positive contribution of the Mozambican subsidiary.

In turn, loans to companies in the international activity rose by 6.0% compared to the EUR 4,463 million on 31 December 2023, standing at EUR 4,731 million at the end of 2024. By geographies, there was an increase in the Polish subsidiary and a stabilisation in the Mozambican subsidiary.

LOANS TO CUSTOMERS (GROSS)

million EUR

	31 Dec. 24	31 Dec. 23	Chg. 24/23
INDIVIDUALS	**36,182**	**34,813**	**3.9 %**
Mortgage loans	28,734	27,981	2.7 %
Personal loans	7,448	6,833	9.0 %
COMPANIES	**21,021**	**22,001**	**(4.5 %)**
Services	7,185	7,528	(4.6 %)
Commerce	3,794	3,834	(1.1 %)
Construction	1,546	1,500	3.1 %
Others	8,496	9,139	(7.0 %)
	57,203	**56,814**	**0.7 %**
Of which:			
Activity in Portugal	38,370	38,625	(0.7 %)
International activity	18,833	18,190	3.5 %

[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.

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 1,825 million on 31 December 2024, showing a reduction of EUR 127 million compared to the end of 2023. In the activity in Portugal, the NPE stock totalled EUR 973 million at the end of 2024, with a reduction of EUR 134 million being recorded over the last year.

Regarding credit quality indicators, the NPL ratio for more than 90 days, on a consolidated basis, stood at 1.4% at the end of the current year, slightly above the ratio of 1.3% recorded at the end 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 December 2023 to 3.2% on 31 December 2024. In the activity in Portugal, the NPE ratio as a percentage of the total credit portfolio dropped from 2.9% at the end of 2023 to 2.5% at the end of 2024.

In consolidated terms, the ratio of total impairments to NPL by more than 90 days coverage evolved from 213.0% at the end of 2023 to 188.1% on 31 December 2024. The ratio between total impairment and the stock of NPE showed stability in consolidated terms (82.0% at the end of 2024 vis-à-vis 81.8% recorded on 31 December 2023) and a slight increase in the activity in Portugal (90.4% on 31 December 2024 vis-à-vis 89.3% on 31 December 2023). Additionally, on 31 December 2024, the ratio between specific NPE impairment and NPE stock stood at 54.0% in consolidated terms (52.7% on 31 December 2023) and 54.8% in the activity in Portugal (54.7% on 31 December 2023).

CREDIT QUALITY INDICATORS

	Group			Activity in Portugal		
	31 Dec. 24	31 Dec. 23	Chg. 24/23	31 Dec. 24	31 Dec. 23	Chg. 24/23
STOCK (M€)						
Loans to customers (gross)	57,203	56,814	0.7 %	38,370	38,625	(0.7 %)
Restructured loans	1,530	1,729	(11.5 %)	979	1,186	(17.5 %)
NPL > 90 days	795	750	6.1 %	373	360	3.8 %
NPE (Loans to customers)	1,825	1,952	(6.5 %)	973	1,107	(12.1 %)
Total loans impairment (Balance sheet)	1,497	1,596	(6.2 %)	880	989	(11.0 %)
Impairments allocated to NPE (Balance sheet)	985	1,028	(4.2 %)	533	606	(12.1 %)
RATIOS AS A PERCENTAGE OF LOANS TO CUSTOMERS						
Restructured loans / Loans to customers (gross)	2.7 %	3.0 %		2.6 %	3.1 %	
NPL > 90 days / Loans to customers (gross)	1.4 %	1.3 %		1.0 %	0.9 %	
NPE / Loans to customers (gross)	3.2 %	3.4 %		2.5 %	2.9 %	
NPE ratio - EBA (includes debt securities and off-balance exposures)	1.9 %	2.2 %		1.7 %	2.0 %	
COVERAGE BY IMPAIRMENTS						
Total impairment / NPL > 90 days	188.1 %	213.0 %		235.6 %	274.8 %	
Total impairment / NPE	82.0 %	81.8 %		90.4 %	89.3 %	
Impairments allocated to NPE / NPE	54.0 %	52.7 %		54.8 %	54.7 %	

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

CUSTOMER FUNDS

On 31 December 2024, the consolidated total customer funds, as defined in the glossary, amounted to EUR 102,938 million, representing an increase of EUR 7,611 million (+8.0%) compared to the EUR 95,328 million obtained on the same date of the previous year, benefiting from the growth in the activity in Portugal (EUR +3,868 million than on the same date of the previous year) and the increase in the international activity (EUR +3,742 million than on the same date of the previous year). The evolution of total customer funds reflects the good performance of the majority of areas, with emphasis on the increase in deposits and other resources from customers (EUR +6,114 million compared to 31 December 2023) in respect of balance sheet customers funds and in assets placed with customers (EUR +1,112 million compared to the end of the previous year) in respect of 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 85,334 million on 31 December 2024, showing an increase of EUR 6,118 million (+7.7%) compared to the EUR 79,215 million achieved at the end of the previous year. This favourable evolution is due to the dynamism recorded both in the activity in Portugal (EUR +3,088 million compared to the same date in the previous year) and in the international activity (EUR +3,030 million compared to the same date in the previous year).

As of 31 December 2024, consolidated off-balance sheet customer funds, which include assets under management, assets placed with customers and insurance products (savings and investment), amounted to EUR 17,605 million, representing an increase of EUR 1,492 million compared to the figure posted on the same date in the prior year. Off-balance sheet customer funds recorded increases both in the activity in Portugal and in the international activity (EUR +780 million and EUR +712 million compared to the same date in the previous year, respectively).

In the activity in Portugal, total customer funds reached EUR 70,540 million on 31 December 2024, compared with the EUR 66,672 million recorded at the end of the previous year (+5.8%), 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 55,539 million on 31 December 2024, compared with EUR 52,450 million recorded on the same date of the previous year, with this evolution being justified by the increase in deposits and other resources from customers (EUR +3,084 million compared to the end of the previous year), reflecting a higher level of savings by families and companies. Debt securities recorded a slight increase (+0.4%) compared to the amount observed in the same date of the previous year.

Off-balance sheet customer funds in the activity in Portugal recorded an increase of EUR 780 million compared to the end of the previous year, standing at EUR 15,002 million on 31 December 2024, with an increase in assets placed with customers, partially offset by the decrease observed in insurance products (savings and investment). Assets under management remained stable compared to the value recorded at the end of the previous year.

In the international activity, total customer funds increased by EUR 3,742 million (+13.1%) compared to the EUR 28,655 million recorded on 31 December 2023, standing at EUR 32,398 million at the end of 2024, driven by the good performance of the balance sheet customer funds due to the rise of deposits and other resources from customers and also to a lesser extent by the favourable evolution of the off-balance sheet customer funds. By geographies, good performances were recorded by the Polish and Mozambican subsidiaries, with a smaller increase being recorded in the latter case.

Balance sheet customer funds in the international activity, entirely composed of deposits and other resources from customers stood at EUR 29,795 million on 31 December 2024, EUR 3,030 million above the EUR 26,765 million recorded at the end of 2023, benefiting from the rising volumes of resources in the Polish operation (influenced mainly by the increase in resources in local currency and also 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 712 million compared to the end of the previous year, standing at EUR 2,603 million on 31 December 2024, driven mainly by the increase recorded in assets under management and also due to the smaller increase in assets placed with customers. Conversely, insurance products (savings and investment) recorded a decrease compared to the end of the previous year.

On 31 December 2024, balance sheet customer funds, on a consolidated basis, represented 82.9% of total customer funds (83.1% at the end of 2023), with deposits and other resources from customers representing 81.6% of total customer funds (percentage remained unchanged comparing to the one recorded at the end of 2023).

The loans to deposits ratio, which results from the quotient between loans to customers (net) and deposits and other resources from customers, stood at 66.3% as of 31 December 2024 (70.9% in the same date of the previous year). The aforementioned indicator, considering balance sheet customer funds, stood at 65.3% (69.7% in the same date of the previous year).

TOTAL CUSTOMER FUNDS

million EUR

	31 Dec. 24	31 Dec. 23 restated	Chg. 24/23
BALANCE SHEET CUSTOMER FUNDS	**85,334**	**79,215**	**7.7 %**
Deposits and other resources from customers	84,042	77,928	7.8 %
Debt securities	1,292	1,287	0.4 %
OFF-BALANCE SHEET CUSTOMER FUNDS	**17,605**	**16,112**	**9.3 %**
Assets under management	6,108	5,561	9.8 %
Assets placed with customers	7,025	5,913	18.8 %
Insurance products (savings and investment)	4,472	4,638	(3.6 %)
	102,938	**95,328**	**8.0 %**
Of which:			
Activity in Portugal	70,540	66,672	5.8 %
International activity	32,398	28,655	13.1 %

SECURITIES PORTFOLIO

The securities portfolio, as defined in the glossary, stood at EUR 34,210 million as of 31 December 2024, showing an increase of 25.0% compared to the EUR 27,375 million recorded on the same date of the previous year, representing 33.5% of total assets at the end of 2024 (29.0% at the end of 2023). This increase is essentially the result of the liquidity arising from the growth of balance sheet customer funds.

The portfolio allocated to the activity in Portugal increased from EUR 17,238 million at the end of 2023 to EUR 20,866 million existing on 31 December 2024, with this increase being explained by the increase in Belgium and Italian public debt, in part offset by the reduction in German, Portuguese and French public debt.

The securities portfolio allocated to the international activity showed an increase, rising from EUR 10,138 million at the end of the previous year to EUR 13,344 million on 31 December 2024, driven mainly by activity in the Polish subsidiary, following the reinforcement of investment in local public debt and also in public debt from other euro zone countries.

LIQUIDITY MANAGEMENT

Throughout 2024 there was a reinforcement of the liquidity positions of the Group's three operations, based on the significant growth of the respective customer deposit portfolios, with emphasis on the retail segment, with the Group's balance sheet customer funds growing by 7,7%.

The evolution described, combined with the stagnation or incipient growth of credit portfolios, resulted in a significant reinforcement of liquidity buffers discountable at central banks in each of the operations, resulting in an improvement in all liquidity risk indicators, both regulatory and internal, whether at a consolidated or local level. As a result, at the end of the year and on a consolidated basis, the regulatory liquidity coverage ratio (LCR: Liquidity Coverage Ratio) reached 342% on 31 December 2024 versus 276% on 31 December 2023, allowing the minimum regulatory requirement of 100% to be met by a wide margin.

From the perspective of structural liquidity, and as mentioned before, the Group continued to reinforce its stable funds base, characterised by the high weight of customer deposits in the funding structure, complemented by medium and long-term instruments, mainly made up of MREL (Minimum Requirements for Own Funds and Eligible Liabilities) issues. The regulatory stable funding ratio (NSFR: Net Stable Funding Ratio) reached 181% on 31 December 2024 versus 167% on the same date of the previous year, almost doubling the regulatory minimum of 100%. The ratio of loan to deposits evolved consistently towards greater conservatism, with a reduction from 71% to 66%.

Benefiting from four upgrades to its rating grade during 2024, BCP carried out the early redemption of two issuances replacing them by two operations in the same instrument, under advantageous cost conditions. Thus, the Bank issued EUR 400 million of Additional Tier 1 (AT1) perpetual debt in January, replacing an issue of equal amount, and in October issued senior preferred notes worth EUR 500 million, refinancing an issue of EUR 350 million.

The liquidity buffer available for discounting at the ECB stood at EUR 33.7 billion at the end of 2024, EUR 5.9 billion higher than a year earlier, due to the favourable evolution of the commercial gap from a liquidity perspective, the reinforcement of credit portfolios eligible for discount at the ECB and the cash flow generated by the activity. At the end of 2024, the liquidity buffer comprises a long position of EUR 2.8 billion with the ECB, higher than that observed a year earlier.

Throughout 2024, and in addition to strengthening its deposit base, Bank Millennium reinforced its liquidity position by placing on the market its inaugural issues of PLN 300 million of covered bonds in June (followed by a second one of PLN 500 million in November), and senior non-preferred green debt of EUR 500 million in September, the latter qualifying for MREL purposes.

Millennium bim continues to exhibit a resilient liquidity position, supported by a sizeable buffer discountable at the respective central bank, despite the strong increase in minimum reserve requirements in national and foreign currency imposed by the monetary authority in the first half of 2023.

CAPITAL

The estimated CET1 ratio as at 31 December 2024 stood at 16.4% and 16.3% phased-in and fully implemented, reflecting a change of +87 and +89 basis points, respectively, compared to the 15.5% and 15.4% phased-in and fully implemented ratios reported on the same date in 2023, comfortably above the minimum regulatory ratios defined within the scope of SREP (Supervisory Review and Evaluation Process) for the year 2024 (CET1 9.74%, T1 11.70% and Total 14.33%) and in line with the medium-term solvability targets.

In line with the 2025-2028 strategic plan, 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, already including the share buyback operation authorised by the supervisor (EUR 200 million), more than offset the impacts related to the provision for legal risks, associated with foreign currency loans, at Bank Millennium.

SOLVENCY RATIOS

million EUR

	31 Dec. 24		31 Dec. 23	
	FULLY	PHASED	FULLY	PHASED
Own funds				
Common Equity Tier 1 (CET1)	6,540	6,563	6,124	6,157
Tier 1	7,034	7,057	6,608	6,642
Total Capital	**8,267**	**8,266**	**7,903**	**7,906**
Risk weighted assets	**40,111**	**40,128**	**39,725**	**39,751**
Solvency ratios				
CET1	16.3 %	16.4 %	15.4 %	15.5 %
Tier 1	17.5 %	17.6 %	16.6 %	16.7 %
Total capital	20.6 %	20.6 %	19.9 %	19.9 %

Note: The capital ratios of December 2024 are estimated including the positive accumulated net income and the estimated impact of the share buyback deduction.

SIGNIFICANT EVENTS IN 2024

During 2024, in a context in which the risks associated with the international geopolitical situation have escalated and simultaneously there was a progressive normalisation in Portugal through the government action, with an impact on the decisions of companies and families, BCP stood out for its central role in proximity, trust and quality in the services provided to its Customers, continuing to decisively support families and companies.

On 13 December 2024, the Bank informed that Fitch Ratings upgraded BCP's long-term senior unsecured debt ratings from BBB- to BBB, following the upgrade of the long-term Issuer Default Rating (IDR) from BBB- to BBB and the Viability Rating (VR) from bbb- to bbb having maintained the Positive Outlook. The upward review of BCP`s rating by Fitch Ratings reflects a better assessment of the bank’s capitalisation and funding profile. Fitch within the scope of the review took also into consideration the upgrade of the Portuguese operating environment from bbb to bbb+ as it should result in better growth opportunities for BCP due to its strong domestic franchise. The Positive Outlook reflects Fitch view that BCP's business profile, profitability and internal capital generation should structurally improve if the Bank successfully executes its new strategic plan and resolves legacy risks related to Polish foreign-currency mortgage loans. Fitch Ratings also raised the ratings on BCP's Additional Tier 1 and Tier 2 instruments by one notch.

On 12 December 2024, the Bank informed that, under the context of the Supervisory Review and Evaluation Process (SREP), it has been notified of the decision of the European Central Bank (ECB) regarding minimum prudential requirements to be fulfilled on a consolidated basis from 1 January 2025. According to the information received, the Pillar 2 Requirement ("P2R") for BCP from 1 January 2025, is 2.25%, which represents a decrease of 25 b.p., reflecting a more favourable assessment from the Supervisor on the Bank's global risk. The decisions referred above establish the minimum own funds requirements determined based on the total value of risk-weighted assets (RWA) and which are CET1 9.56%, Tier 1 11.48% e Total 14.04%. Buffers include the capital conservation buffer (2.5%), the buffer for other systemically important institutions (O-SII: 1.0%) and the Sectoral Systemic Risk buffer of 0.29% (variable, corresponding to 4% on the amount of risk exposures on the retail portfolio of loans to individuals collateralised by residential properties located in Portugal, calculated in pursuant to paragraph 3 of article 92 of Regulation (EU) 575/2013, at the highest level of consolidation in Portugal, considering the applicable legal framework). In addition to these buffers, the counter-cyclical reserve to be applied in Poland from September 2025, in the size that will be applicable at the consolidated level, as well as the counter-cyclical reserve to be applied to exposures in Portugal from 1 January 2026 to be disclosed by the Bank of Portugal following the public consultation process which had a reference of 75 b.p.

On 19 November 2024, the Bank informed that Moody's rating agency on that day, upgraded the Bank's senior unsecured debt rating from Baa2 to Baa1 and affirmed deposits rating at A3, maintaining the rating assigned to deposits at the same level to that assigned to the Portuguese Republic. On the same date, Moody`s revised the Outlook on deposits from stable to positive. This upgrade of BCP's ratings by Moody's reflects the improvement in asset-risk indicators as a result of a successful derisking strategy implemented in Portugal in recent years, its higher capital levels and the group's improved bottom-line profitability, despite still being strained over the outlook period by sizable legal provisions associated to BCP's Polish subsidiary's legacy Swiss franc mortgage portfolio. In the scope of the review carried out by Moody's, it was simultaneously communicated, the upgrade of the Baseline Credit Assessment (BCA) and Adjusted BCA from Ba1 to Baa3, the junior senior debt rating to (P)Baa3, the dated subordinated debt to (P)Ba1. BCP's BCA also reflects the Bank's sound funding and liquidity position. Furthermore, the Outlook on the long-term senior unsecured debt was placed on Stable and the Outlook on deposits was changed to positive.

On 14 October 2024, the Bank informed that it has fixed the terms for a new issue of senior preferred debt securities eligible for MREL (Minimum Requirement for own funds and Eligible Liabilities), under its Euro Note Programme. The issue, in the amount of EUR 500 million, has a tenor of 5 years, with the option of early redemption by the Bank at the end of year 4, an issue price of 99.660% and an annual interest rate of 3.125% during the first 4 years (corresponding to a spread of 0.85% over the 4-year mid-swap rate). The interest rate for the 5th year was set at 3-month Euribor plus a 0.85% spread. The issue was placed among a very diversified base of institutional investors, with demand exceeding the transaction amount by more than 3 times. The high level of demand and the profile of the investors involved in the issuance allowed for the narrowing of the spread by 30 b.p. during the execution phase. The result also reflects the excellent market response to the recent upgrades of the Bank's rating.

On 8 October 2024, the Bank informed that it has decided to exercise its option to early redeem all of its EUR350,000,000 Senior Preferred Fixed to Floating Rate Notes due October 2025 (ISIN: PTBCPBOM0062), issued on 25 October 2022 under the EUR25,000,000,000 Euro Note Programme (the "Notes"), in accordance with condition 6(d) of the terms and conditions of the Notes and the final terms of the Notes. The early redemption of the Notes took place on the optional redemption date set out in the final terms of the Notes, 25 October 2024, at their outstanding principal amount together with accrued interest.

On 4 October 2024, the Bank informed that S&P Global upgraded BCP's senior unsecured debt ratings from BBB- to BBB, keeping the positive Outlook. This upgrade reflects easing industry risks in the system and BCP's improved credit risk profile, both in absolute and relative terms. BCP has halved its NPE stock since end-2019, while posting solid profitability, enhancing its capitalisation, and maintaining ample liquidity and a balanced funding profile. S&P anticipates that BCP will continue benefiting from a strong earnings capacity, keeping high levels of efficiency and solid levels of capitalisation. The positive outlook reflects that S&P could raise its long-term rating on BCP over the next 18-24 months if it keeps growing and sustainably preserving its capitalisation.

On 3 October 2024, the Bank informed that Morningstar DBRS rating agency upgraded the Bank's deposits ratings from BBB (high) to A (low) and the senior unsecured debt ratings from BBB to BBB (high). The upgrade to BCP's credit ratings by Morningstar DBRS's reflects the Bank's earnings and internal capital generation, improved capitalisation levels and asset quality, reflecting the progress in reducing non-performing exposures (NPEs). The stable trend reflects the expectation that risks to the outlook are balanced. The Bank's provisions will likely remain elevated although decreasing, reflecting the legal and financial risks linked to legacy CHF-indexed mortgages in the Polish subsidiary, which are expected to gradually subside. The trend also reflects Morningstar DBRS expectation that the Bank will maintain healthy profitability levels and solid capital buffers.

On 20 September 2024, the Bank informed that the Competition, Regulation and Supervision Court made public its ruling on case no. 225/15.4YUSTR-W regarding the challenge of the fine levied in September 2019 by the Portuguese Competition Authority on a group of banks, including BCP, for alleged violation of competition legislation. The fine imposed by the Court on BCP amounted to EUR 60 million. As far as it is concerned, BCP disagrees with the framing and assessment made by the Court of the evidence that was produced during the trial hearings, as well as the evidence that is a part of this process. BCP will appeal the decision, as the decision is not yet final. In any event, the Bank does not anticipate that this court ruling will have a materially relevant impact on the Bank's respective financial statements and equity. The Bank reiterates that its understanding is that the information shared during the relevant period (2002-2013) among the banking institutions named in this process had neither the purpose of affecting nor any adverse effect on competition among those institutions, and that in the course of this judgment it was not proven that the exchange of information resulted in any negative financial impact on the Bank's customers.

On 22 July 2024, the Bank informed that it has been notified by Banco de Portugal, as the national resolution authority, about the update of its minimum requirement for own funds and eligible liabilities ("MREL" or "Minimum Requirement for own funds and Eligible Liabilities") as decided by the Single Resolution Board.

The resolution strategy applied continues to be that of a multiple point of entry ("MPE" or "Multiple Point of Entry"). The MREL requirements to be met by BCP Group of Resolution (consisting of BCP, S.A., Banco ActivoBank, S.A. and all the subsidiary companies of BCP apart from Bank Millennium S.A. and Banco Internacional de Moçambique and their respective subsidiaries), with immediate application, is of:

- 25.17% of the total risk exposure amount ("TREA" or "Total Risk Exposure Amount") to which adds further a combined buffer requirement ("CBR" or "Combined Buffer Requirement") of 3.5%, thus corresponding to total requirements of 28.67%); and

- 6.67% of the leverage ratio exposure measure ("LRE" or "Leverage Ratio Exposure Measure").

Additionally, the Bank informed that is not subject to any subordination requirements.

In accordance with the regulations in force, MREL requirements could be annually updated by the competent authorities, and therefore these targets replace those previously set.

On that date, BCP reported that it complied with the established MREL requirements, both as a percentage of the TREA (including the CBR) and as a percentage of the LRE.

On 4 July 2024, the Fitch Ratings agency improved BCP's Outlook from Stable to Positive.

On 19 June 2024, the Executive Management Board of Bank Millennium S.A. informed that on that day it took a decision to complete the implementation of the Recovery Plan, notifying of the fact Polish Financial Supervision Authority and Bank Guarantee Fund. In the Bank's Executive Management Board's opinion, all key assumptions of the Recovery Plan have been achieved. In particular, all indicators defined in the Plan have reached adequate and safe levels, profitability and financial results of Bank Millennium S.A. Capital Group improved sustainably, capital ratios were restored to levels comfortably above required regulatory minimums while the Group and the Bank meet MREL requirements, including the combined buffer requirements. The Bank's Management Board also does not identify future circumstances that would justify further continuation of the Recovery Plan.

On 28 May 2024, BCP, in accordance with legal terms and taking into account the deliberation of the Annual General Meeting held on 22 May 2024, informed the Shareholders that, from 21 June 2024, the dividend would be paid relating to the 2023 financial year.

Banco Comercial Português concluded on 22 May 2024 with 64.10% of the share capital represented, the Annual General Meeting of Shareholders, with emphasis on the following resolutions: Election of the Board of the General Meeting for the 2024/2027 four-year period; Approval of the management report, the balance sheet and the individual and consolidated financial statements for the 2023 financial year, the Corporate Governance Report, that includes a chapter on the remuneration of the management and supervisory bodies, and the Sustainability Report; Approval of the proposal for the appropriation of profit regarding the 2023 financial year; Approval of a vote of trust and praise addressed to the Board of Directors, including to the Executive Committee and to the Audit Committee and each one of their members, as well as to the Chartered Accountant and its representative; Approval of the updating of the policy for the remuneration of Members of the Management and Supervisory Bodies; and Approval of the appointment of the Statutory Auditor and its alternate and the selection of the External Auditor for the four-year period 2024/2027.

On 22 May 2024, BCP informed that, at the General Shareholders' Meeting held on that date, it proceeded with the election of the Statutory Auditor, Effective and Alternate and the choice of the External Auditor for the four-year period 2024/2027, as follows:

> Effective Statutory Auditor: KPMG & Associados, Sociedade de Revisores Oficiais de Contas, S.A., legal entity no. 502161078, with registered office at Av. Fontes Pereira de Melo, no. 41, 15.° - Ed. FPM 41, 1069-006 Lisbon, registered with OROC under number 189 and registered with CMVM under number 20161489, represented by Miguel Pinto Douradinha Afonso (registered with OROC under number 1454 and registered with

CMVM under number 20161064), with professional address at Avenida Fontes Pereira de Melo, no. 41 15th Ed. FPM 41, 1069-006 Lisbon.

Alternate Statutory Auditor: Vítor Manuel da Cunha Ribeirinho (registered with OROC under number 1081 and registered with CMVM under number 20160693), with professional address at Avenida Fontes Pereira de Melo, n.º 41 15th Ed. FPM 41, 1069-006 Lisbon.

External Auditor: KPMG & Associados, Sociedade de Revisores Oficiais de Contas, S.A.

On 12 March 2024, S&P Global Ratings upgraded BCP's Outlook from Stable to Positive.

On 11 January 2024, BCP informed that it has set the conditions for a new issue of Additional Tier 1, in the amount of EUR 400 million, with the option of early repayment by Millennium bcp from the end of 5th year onwards with a coupon of 8.125% per year for the first 5.5 years, which will be refixed from that date every 5 years, with reference to the then prevailing 5-year mid-swap rate plus a spread of 5.78%. The operation, which generated strong market interest, followed a series of meetings involving more than 60 investors. Demand, in the final terms of the issue, reached an amount exceeding EUR 3 billion (more than 7 times the amount issued), with orders from more than 250 institutional investors.

On 11 January 2024, the EIB signs an agreement with Millennium bcp to provide EUR 400 million in new loans to Portuguese companies.

On 5 January 2024, BCP informed, under the terms and for the purposes of article 6 of CMVM Regulation No. 1/2023, that the Non-Executive Director Xiaoxu Gu (also known as Julia Gu) presented on that day its resignation to the position of non-executive member of the Board of Directors, effective from 29 February 2024. The Bank informed that it began the process of identifying and selecting a new non-executive member to join its Board of Directors in accordance with the applicable Bank's regulations.

On 1 January 2024, BCP informed that it has decided to exercise its option to early redeem all its Additional Tier 1 notes "Fixed Rate Reset Perpetual Temporary Write Down Additional Tier 1 Capital Notes" (ISIN: PTBCPFOM0043), issued on 31 January 2019, in accordance with Condition 9.2 of the terms and conditions of the Notes. The early redemption of the Notes took place on their first call date according with its terms and conditions, 31 January 2024, at their outstanding principal amount together with accrued interest.

AWARDS AND DISTINCTIONS

- Millennium bcp was distinguished as the "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.
- Millennium bcp distinguished, for the fifth consecutive year, with the "Consumer Choice" award in 2025, 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.
- In 2025, Millennium bcp renewed its status as leader in the 'Large Banks' and 'banking apps' categories, for the third consecutive year, for the Prémio Cinco Estrelas.
- Millennium bcp named "Bank of the Year 2024" by The Banker magazine, a Financial Times Group publication specialising in banking and the financial services sector. This assessment was based on the strategic initiatives, technology, new products/services and sustainability carried out by the bank in the last twelve months.
- The Director of Millennium bcp, Maria José Campos, was distinguished with the "Best Digital Leader" award at the Portugal Digital Awards and Millennium bcp with the "Best Banking Project" award with the Mortgage Hub service.
- Millennium bcp was distinguished as "Best Private Bank in Portugal" by The Banker and Professional Wealth Management magazines, two publications from the Financial Times Group specialised in banking and the financial services sector, within the scope of the Global Private Banking Awards 2024.
- Millennium bcp distinguished as "Best Bank for Sustainable Finance in Portugal" by Global Finance magazine.

- Millennium bcp's mortgage loan process was the winner in the “Best Consumer Experience” category of the Finovate Awards 2024, which distinguish companies/individuals that drive fintech innovation and bring new ideas to life.
- Millennium bcp has been named the Best Consumer Digital Bank in Portugal for the fourth consecutive year at the World’s Best Digital Bank Awards 2024, organised by Global Finance magazine. Across all subcategories of these awards, Millennium bcp is also the Portuguese bank with the most accolades, including Best Information Security and Fraud Management, Best User Experience (UX) Design and Best Social Media Marketing and Services.
- ActivoBank distinguished, for the seventh consecutive time, with the “Consumer Choice” award 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.
- ActivoBank was once again distinguished in 2025, for the second consecutive year, with the “Five Stars” award, in the “Digital Banking” category.
- Millennium bcp and ActivoBank were elected “Consumer Choice” in 2024. Millennium bcp was distinguished in the “Large Banks” and “Banking Apps” categories and ActivoBank in the “Digital Banking” category. It should be noted that Millennium bcp was distinguished as “Consumer's Choice” for the fourth consecutive year while ActivoBank has been in leadership for six years.
- Millennium bcp was distinguished with the 2024 Five Star Award in the Large Banks category.
- Millennium bcp considered the “Best Investment Bank in Portugal” in 2024 by Global Finance magazine.
- Millennium bcp was elected “Best Foreign Exchange Bank 2024 in Portugal” by Global Finance magazine.
- Millennium bcp considered as the “Best Bank (market leader) and with Best Service (best service) in the Trade Finance category in Portugal” by Euromoney magazine.
- Millennium bcp distinguished in the 13th Edition of the Euronext Lisbon Awards in the Local Market Member Category Equity and received in that same edition of the Euronext Lisbon Awards with two awards in the Growing Structured Finance category.
- Millennium bcp leads Inovadora COTEC for the 4th consecutive year.
- Millennium bcp won the APCC Best Contact Centers 2024 award in the category of Best Banking Contact Center in Portugal.
- Millennium bcp was distinguished in the ranking of Companies Committed to Youth, which aims to recognise the best companies in the Iberian Peninsula and Latin America that promote initiatives for the development of Young Talent. This initiative is the responsibility of the OIJ-International Youth Organisation and DCH-International Organisation for Human Capital Management.
- Millennium bcp is “The Best Bank for Sustainable Finance in Portugal” in 2025 according to Global Finance magazine.
- Millennium bcp and Bank Millennium are included in the "Europe's Climate Leaders 2024" ranking for the fourth consecutive time.
- Bank Millennium once again stood out in the “Newsweek’s Friendly Bank” ranking, for the second year in a row, winning in the “Traditional Banking” and “Remote Banking” categories. The Bank also appears at the top of Forbes magazine’s “Banks for Affluent Clients” and “Company-Friendly Bank” rankings.
- Bank Millennium won first place in the Mobile Bank ranking, a list of banks that best respond to the demands of Customers who prefer to use financial services via mobile devices, created by the website cashless.pl.
- Bank Millennium was once again included in the prestigious list of the most trustworthy companies in the world (“World’s Most Trustworthy Companies 2024”, by Newsweek and Statista).
- Bank Millennium was distinguished in several categories of the World’s Best Digital Bank Awards 2024, promoted by Global Finance magazine, including Best User Experience (UX) Design, Best Information Security and Fraud Management and Best in Transformation in Poland.
- Bank Millennium was considered the “Best Bank in Poland” in 2024 by Global Finance magazine.
- Bank Millennium was awarded Best Trade Finance Services in Poland by Global Finance magazine.
- Bank Millennium was distinguished as a Reliable Employer for the tenth consecutive time.

- Bank Millennium was awarded by the eleventh time as "Service Quality Star".
- Bank Millennium was distinguished in Global Finance's "The Innovators 2024" awards.
- Bank Millennium was included in the list of the 10 best banks in Europe in terms of Customer experience. It was ranked on the top 10 of the report "The European Banking CX Index", developed by market research company Forrester.
- Bank Millennium came in second place in the Multichannel Service Quality category in the Golden Banker 2024 ranking.
- Bank Millennium was distinguished by the Global Finance registry with the title "The Greatest innovation in Finance" in the Corporate Finance category.
- Bank Millennium achieved second place in the "Best Employers in Poland 2024" ranking, in the Banking and Financial Services category, by Forbes in collaboration with the company Statista.
- Bank Millennium stands out in the "ESG Responsible Management" ranking, having come in third place in the Governance section and in the TOP 10 of the general classification.
- The Millennium bim brand was considered by Mozambican consumers to be the best in the financial sector in the "Large Banks" category, within the scope of the first edition of the "Mozambican Consumer Choice" project, organised by Consumer Choice, in which Millennium bim was the only distinguished national bank.
- Millennium bim was distinguished as "Best Digital Bank" in Mozambique at the Euromoney Awards for Excellence 2024.

SUBSEQUENT EVENTS

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.

MACROECONOMIC ENVIRONMENT

According to the International Monetary Fund (IMF), global economic growth remained solid in 2024 (3.2%). However, this evolution reflects divergent performances among the main economies, with the strong expansion of the United States (US) economy (2.8%) contrasting with the weakness of the euro area, whose GDP grew by only 0.7%. In turn, China recorded a GDP growth rate of 5.0%, in line with the target set by local authorities. Regarding prices, 2024 was marked by a continued downward trajectory of inflation rates to levels closer to the targets of central banks. In this sense, global monetary policy became less restrictive, with the US Federal Reserve lowering its reference rate from 5.50% to 4.50%, and the European Central Bank reducing the deposit facility rate from 4.0% to 3.0%. In 2025, the IMF foresees a moderate acceleration in global GDP, from 3.2% to 3.3%, driven by the dynamism of the US economy, which is expected to grow by 2.7%. However, the risks to this projection are tilted to the downside, mainly steaming from increasing trade tensions, and heightened geopolitical uncertainty.

In financial markets, the year of 2024 was characterised by an environment of optimism, benefiting from the resilience of economic activity in the United States. Against this backdrop, the major global equity indices recorded significant valuations, with the S&P 500 index rising by more than 20% for the second consecutive year. In the sovereign debt market, it is worth noting the increase in US government debt securities in the last months of the year, which also spillover to their German counterparts, despite the weakness of the German economic situation. The more favourable global environment was reflected in the performance of the asset classes in emerging markets, albeit to a lesser extent, and in a reduction of the risk premia of corporate debt as well as of peripheral euro area countries. In contrast, the risk premia for French public debt increased due to political instability and the deterioration of public finances. The strength of the US economy and the widening interest rate differential against the euro area contributed to a strong appreciation of the US Dollar against the Euro. Regarding money market interest rates, expectations of less restrictive monetary policy in the euro area led to a downward trajectory for Euribor rates throughout 2024. Despite the positive performance of the Portuguese economy and of the international financial markets, the domestic stock index recorded a marginal decline in 2024 (-0.3%).

In Portugal, GDP grew by 1.9% in 2024, slightly above the forecasts of major domestic and international institutions. The positive performance of the Portuguese economy resulted from a strong contribution from private consumption, especially in the second half of the year, driven by an increase in households' real disposable income, in a context of decreasing inflation, lower financing costs, and a resilient labour market. The favourable performance of economic activity contributed to reinforce the downward trajectory of the public debt ratio as a percentage of GDP, which decreased from 97.9% in 2023 to 95.4% in 2024. In 2025, Banco de Portugal forecasts an acceleration of the Portuguese economy from 1.9% to 2.2%, driven by the expected implementation of the Recovery and Resilience Plan funds. Regarding the inflation rate, it is expected to decrease from 2.6% in 2024 to 2.1% in 2025.

In Poland, economic activity accelerated in 2024, from 0.2% to 2.9%, boosted by private consumption that benefited from improved consumer sentiment in a context of strong wage growth and lower inflation, which decreased from 11.6% to 3.7% over the year. In 2025, the recovery trajectory is expected to continue, driven by the inflows of European funds associated with the Next Generation EU (NGEU) program, with the IMF forecasting a GDP growth of 3.5%. The better performance of economic activity, along with the persistence of inflation above the monetary policy target (2.5%), led the central bank to maintain the reference interest rate at 5.75% throughout 2024. In the whole year, the Zloty appreciated against the Euro.

In Mozambique, economic activity is expected to have remained robust in 2024, with the IMF projecting a GDP growth rate of 4.3%. The downward trajectory of the inflation rate allowed the central bank to lower its reference interest rates throughout the year, with the MIMO interest rate reaching 12.75% in November 2024. Over the year, the Metical remained relatively stable. In 2025, the GDP growth rate is projected to remain at 4.3%, but the risks to this projection are tilted to the downside due to the uncertainty regarding the impact of the political tensions.

The Angolan economy is expected to continue its recovery trajectory, with the IMF projecting an acceleration of the GDP growth from 1.1% in 2023 to 2.4% in 2024, and a growth rate of 2.8% in 2025. Regarding the exchange rate, the Kwanza depreciated, particularly in the second half of the year.

CONSOLIDATED INDICATORS, ACTIVITY IN PORTUGAL AND INTERNATIONAL ACTIVITY

million EUR

	Group			Activity in Portugal			International activity		
	Dec. 24	Dec. 23 (restated)	Chg. 24/23	Dec. 24	Dec. 23 (restated)	Chg. 24/23	Dec. 24	Dec. 23 (restated)	Chg. 24/23
INCOME STATEMENT									
Net interest income	2,830.9	2,825.7	0.2 %	1,335.3	1,466.6	(9.0 %)	1,495.6	1,359.1	10.0 %
Dividends from equity instruments	1.0	1.8	(43.0 %)	0.2	1.0	(83.0 %)	0.8	0.8	11.4 %
Net fees and commission income	808.5	771.7	4.8 %	588.3	560.3	5.0 %	220.2	211.4	4.2 %
Net trading income	5.0	146.4	(96.6 %)	9.1	14.4	(36.7 %)	(4.2)	131.9	(103.1 %)
Other net operating income	(129.6)	(38.6)	<-200%	(24.8)	(65.0)	61.9 %	(104.8)	26.4	<-200%
Equity accounted earnings	58.9	62.7	(6.1 %)	53.4	58.1	(8.0 %)	5.5	4.7	17.5 %
Net operating revenues	**3,574.6**	**3,769.7**	**(5.2 %)**	**1,961.5**	**2,035.4**	**(3.6 %)**	**1,613.1**	**1,734.2**	**(7.0 %)**
Staff costs	722.0	631.8	14.3 %	391.7	354.8	10.4 %	330.3	277.0	19.3 %
Other administrative costs	440.5	393.2	12.0 %	207.9	188.7	10.1 %	232.6	204.5	13.7 %
Amortisations and depreciations	144.8	137.5	5.3 %	73.5	73.1	0.6 %	71.3	64.4	10.7 %
Operating costs	**1,307.2**	**1,162.6**	**12.4 %**	**673.1**	**616.7**	**9.1 %**	**634.2**	**545.9**	**16.2 %**
Operating costs excluding specific items	1,294.6	1,147.3	12.8 %	660.4	601.4	9.8 %	634.2	545.9	16.2 %
Profit before impairment and provisions	**2,267.4**	**2,607.1**	**(13.0 %)**	**1,288.5**	**1,418.7**	**(9.2 %)**	**978.9**	**1,188.4**	**(17.6 %)**
Results on modification	(68.5)	(19.4)	<-200%	0.0	0.0	0.0 %	(68.5)	(19.4)	<-200%
Loans impairment (net of recoveries)	182.4	240.0	(24.0 %)	119.4	207.6	(42.5 %)	63.0	32.5	93.9 %
Other impairment and provisions	675.1	859.8	(21.5 %)	114.4	160.8	(28.8 %)	560.7	699.0	(19.8 %)
Profit before income tax	**1,341.4**	**1,487.8**	**(9.8 %)**	**1,054.6**	**1,050.4**	**0.4 %**	**286.8**	**437.5**	**(34.4 %)**
Income taxes	**341.3**	**537.4**	**(36.5 %)**	**273.6**	**331.1**	**(17.4 %)**	**67.7**	**206.3**	**(67.2 %)**
Current	138.8	179.9	(22.8 %)	11.5	13.3	(13.5 %)	127.2	166.5	(23.6 %)
Deferred	202.5	357.5	(43.4 %)	262.1	317.8	(17.5 %)	(59.6)	39.7	<-200%
Income after income tax from continuing operations	**1,000.2**	**950.5**	**5.2 %**	**781.0**	**719.3**	**8.6 %**	**219.1**	**231.2**	**(5.2 %)**
Income arising from discontinued operations	0.3	(2.9)	111.3 %	0.0	0.0	100.0 %	0.3	(2.8)	111.3 %
Non-controlling interests	94.1	91.6	2.8 %	(5.4)	(5.6)	3.2 %	99.5	97.1	2.4 %
Net income	**906.4**	**856.0**	**5.9 %**	**786.4**	**724.9**	**8.5 %**	**119.9**	**131.2**	**(8.6 %)**
BALANCE SHEET AND ACTIVITY INDICATORS									
Total assets	102,144	94,371	8.2 %	66,445	62,716	5.9 %	35,699	31,655	12.8 %
Total customer funds	**102,938**	**95,328**	**8.0 %**	**70,540**	**66,672**	**5.8 %**	**32,398**	**28,655**	**13.1 %**
Balance sheet customer funds	**85,334**	**79,215**	**7.7 %**	**55,539**	**52,450**	**5.9 %**	**29,795**	**26,765**	**11.3 %**
Deposits and other resources from customers	84,042	77,928	7.8 %	54,247	51,163	6.0 %	29,795	26,765	11.3 %
Debt securities	1,292	1,287	0.4 %	1,292	1,287	0.4 %	0	0	**0.0 %**
Off-balance sheet customer funds	**17,605**	**16,112**	**9.3 %**	**15,002**	**14,222**	**5.5 %**	**2,603**	**1,891**	**37.7 %**
Assets under management	6,108	5,561	9.8 %	4,329	4,351	(0.5 %)	1,779	1,210	47.0 %
Assets placed with customers	7,025	5,913	18.8 %	6,417	5,516	16.3 %	608	397	53.0 %
Insurance products (savings and investment)	4,472	4,638	(3.6 %)	4,256	4,355	(2.3 %)	216	283	(23.6 %)
Loans to customers (gross)	**57,203**	**56,814**	**0.7 %**	**38,370**	**38,625**	**(0.7 %)**	**18,833**	**18,190**	**3.5 %**
Individuals	**36,182**	**34,813**	**3.9 %**	**22,079**	**21,087**	**4.7 %**	**14,103**	**13,727**	**2.7 %**
Mortgage	28,734	27,981	2.7 %	19,547	18,763	4.2 %	9,187	9,218	(0.3 %)
Personal Loans	7,448	6,833	9.0 %	2,533	2,324	9.0 %	4,915	4,509	9.0 %
Companies	**21,021**	**22,001**	**(4.5 %)**	**16,291**	**17,538**	**(7.1 %)**	**4,731**	**4,463**	**6.0 %**
CREDIT QUALITY									
Total impairment (balance sheet)	1,497	1,596	(6.2 %)	880	989	(11.0 %)	617	608	1.5 %
Total impairment (balance sheet) / Loans to customers	2.6 %	2.8 %		2.3 %	2.6 %		3.3 %	3.3 %	
NPE (Loans to customers)	1,825	1,952	(6.5 %)	973	1,107	(12.1 %)	852	845	0.8 %
NPE / Loans to customers	3.2 %	3.4 %		2.5 %	2.9 %		4.5 %	4.6 %	
Total impairment (balance sheet) / NPE	82.0 %	81.8 %		90.4 %	89.3 %		72.4 %	71.9 %	
Restructured loans	1,530	1,729	(11.5 %)	979	1,186	(17.5 %)	551	543	1.4 %
Restructured loans / Loans to customers	2.7 %	3.0 %		2.6 %	3.1 %		2.9 %	3.0 %	
Cost of risk (net of recoveries, in b.p.)	32	42		31	54		33	18	

BANCO COMERCIAL PORTUGUÊS

CONSOLIDATED INCOME STATEMENTS
FOR THE YEARS ENDED 31 DECEMBER 2024 AND 2023

thousand EUR

	2024	2023 (restated)
Interest and similar income	4,715,834	4,371,289
Interest and similar expense	(1,884,981)	(1,545,565)
NET INTEREST INCOME	**2,830,853**	**2,825,724**
Dividends from equity instruments	1,016	1,783
Net fees and commissions income	808,540	771,673
Gains/(losses) on financial operations at fair value through profit or loss	(55,172)	(4,991)
Foreign exchange gains/(losses)	41,594	17,469
Gains/(losses) on hedge accounting	5,775	21,808
Gains/(losses) arising from derecognition of financial assets and liabilities not measured at fair value through profit or loss	12,785	112,088
Other operating income / (losses)	(152,273)	(60,415)
TOTAL OPERATING INCOME	**3,493,118**	**3,685,139**
Staff costs	721,976	631,806
Other administrative costs	440,467	393,246
Amortisations and depreciations	144,800	137,499
TOTAL OPERATING EXPENSES	**1,307,243**	**1,162,551**
NET OPERATING INCOME BEFORE PROVISIONS AND IMPAIRMENTS	**2,185,875**	**2,522,588**
Results on modification	(68,516)	(19,426)
Impairment of financial assets at amortised cost	(215,197)	(247,992)
Impairment of financial assets at fair value through other comprehensive income	(10,213)	(1,322)
Impairment of other assets	(51,044)	(56,374)
Other provisions	(581,024)	(794,158)
NET OPERATING INCOME	**1,259,881**	**1,403,316**
Share of profit of associates accounted for using the equity method	58,888	62,707
Gains/(losses) on disposal of subsidiaries and other assets	22,643	21,809
NET INCOME BEFORE INCOME TAXES	**1,341,412**	**1,487,832**
Income taxes		
Current	(138,768)	(179,857)
Deferred	(202,483)	(357,514)
NET INCOME AFTER INCOME TAXES FROM CONTINUING OPERATIONS	**1,000,161**	**950,461**
Net income from discontinued or discontinuing operations	322	(2,852)
NET INCOME AFTER INCOME TAXES	**1,000,483**	**947,609**
Net income for the year attributable to:		
Bank's Shareholders	906,378	856,050
Non-controlling interests	94,105	91,559
NET INCOME FOR THE YEAR	**1,000,483**	**947,609**
Earnings per share (in Euros)		
Basic	0.058	0.054
Diluted	0.058	0.054

BANCO COMERCIAL PORTUGUÊS

CONSOLIDATED BALANCE SHEET
AS AT 31 DECEMBER 2024 AND 2023

thousand EUR

	2024	2023 (restated)
ASSETS		
Cash and deposits at Central Banks	5,589,030	4,545,526
Loans and advances to credit institutions repayable on demand	251,157	337,687
Financial assets at amortised cost		
Loans and advances to credit institutions	797,535	908,477
Loans and advances to customers	53,907,058	53,305,159
Debt securities	21,345,171	17,579,136
Financial assets at fair value through profit or loss		
Financial assets held for trading	1,763,402	822,904
Financial assets not held for trading mandatorily at fair value through profit or loss	355,211	433,603
Financial assets designated at fair value through profit or loss	33,894	32,004
Financial assets at fair value through other comprehensive income	12,898,966	10,834,287
Hedging derivatives	69,349	40,628
Investments in associates	429,423	380,822
Non-current assets held for sale	45,245	80,317
Investment property	24,183	39,100
Other tangible assets	619,146	606,447
Goodwill and intangible assets	275,970	223,105
Current tax assets	21,159	20,469
Deferred tax assets	2,253,457	2,554,331
Other assets	1,464,246	1,626,684
TOTAL ASSETS	**102,143,602**	**94,370,686**
LIABILITIES		
Financial liabilities at amortised cost		
Deposits from credit institutions and other funds	777,719	829,126
Deposits from customers and other funds	82,084,687	75,606,813
Non-subordinated debt securities issued	3,528,710	2,712,682
Subordinated debt	1,427,359	1,397,425
Financial liabilities at fair value through profit or loss		
Financial liabilities held for trading	179,627	207,387
Financial liabilities at fair value through profit or loss	3,248,857	3,608,487
Hedging derivatives	39,041	67,825
Provisions	1,085,858	753,103
Current tax liabilities	136,008	197,085
Deferred tax liabilities	7,434	8,795
Other liabilities	1,435,745	1,691,552
TOTAL LIABILITIES	**93,951,045**	**87,080,280**
EQUITY		
Share capital	3,000,000	3,000,000
Share premium	16,471	16,471
Other equity instruments	400,000	400,000
Legal and statutory reserves	384,402	316,375
Reserves and retained earnings	2,387,592	1,714,083
Net income for the year attributable to Bank's Shareholders	906,378	856,050
TOTAL EQUITY ATTRIBUTABLE TO BANK'S SHAREHOLDERS	**7,094,843**	**6,302,979**
Non-controlling interests	1,097,714	987,427
TOTAL EQUITY	**8,192,557**	**7,290,406**
TOTAL LIABILITIES AND EQUITY	**102,143,602**	**94,370,686**

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 loans 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”).

Loans impairment (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.

Loans impairment (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 amortisations and depreciations.

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/(loss) 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 figures presented do not constitute any form of commitment by BCP regarding future earnings.

The figures for 2024 were not audited.