

# Earnings Presentation

Banco Comercial  
Português, S.A.

**9M 2023**

# Disclaimer

- | The information in this presentation has been prepared under the scope of the International Financial Reporting Standards ('IFRS') of BCP Group for the purposes of the preparation of the consolidated financial statements under Regulation (CE) 1606/2002, as amended.
- | The figures presented do not constitute any form of commitment by BCP in regard to future earnings.
- | The figures for the first nine months of 2023 and 2022 were not audited.
- | In the fourth quarter of 2022, the Bank proceeded to the restatement of the amount related to potential costs resulting from credit holidays policy in Poland, enacted in July 2022, previously booked in other impairments and provisions. These costs are now booked in results on modification item. This item also started to include contractual modifications, in accordance with IFRS9, namely those negotiated with Customers holding foreign exchange mortgage loans. The amounts regarding 2022 quarters were restated.
- | 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 Group owns 49% of Millenniumbcp Ageas Grupo Segurador, S.G.P.S., S.A. (Mbcp Ageas), accounted for under the equity method, as Investments in associated companies. On 1 January 2023 Millenniumbcp Ageas adopted simultaneously IFRS9 - Financial Instruments and IFRS17 - Insurance Contracts. Taking into account that the initial adoption of IFRS 17 and IFRS 9 requires comparative information, Millenniumbcp Ageas Grupo Segurador made the transition exercise on 1 January 2022. The impacts resulting from this implementation by Mbcp Ageas led to the restatement of the accounts of the Group referring to 2022.

# AGENDA



Highlights

01

Group

02

Portugal

03

International  
operations

04



01

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# Highlights

# Highlights: A Bank prepared for the future



## Profitability

- **Net income of 650.7 million in 9M23**
- **Group's core operating profit increase 38.2% to 1,841.3 million, supported by the increase of 27.2% on core income and by the strict management of operating costs, which grew 8.5% compared to 9M22**
  - **Effects related with Bank Millennium: 589.6<sup>1</sup> million of costs related with CHF mortgage loan portfolio**, out of which 482.5<sup>2</sup> million related with provisions, resulting from the application of more conservative adjustments to the provisioning model after the European Court of Justice ruling; **Results benefited, in Q1'23, from 127<sup>3</sup> million related with the sale of Millennium Financial Services stake (80%)** as a result of the strategic partnership in the bancassurance business
  - **Net profit of 556.8 million in Portugal in 9M23**



## Business model

- **Substantial strengthening of capital ratios. CET1<sup>4</sup> ratio stood at 14.9% and total capital ratio<sup>4</sup> at 19.4%**, representing an increase of 357bp and 431bp compared with the same period of last year, reflecting the strong capacity to generate organic capital
- **Liquidity indicators, well above regulatory requirements: LCR<sup>5</sup> at 244%, NSFR<sup>5</sup> at 160% and LtD<sup>5</sup> at 73%**. Eligible assets available to discount at ECB of 24.4 billion
- **Group's on-balance sheet Customer funds grew 2.3% year on year to 76.9 billion**
- **Significant decrease of non-performing assets** compared with September 2022: 398 million in NPEs, 149 million in foreclosed assets and 404 million in restructuring funds
- **Despite the challenging environment, the cost of risk stood at 50bp at the group and 53bp in Portugal**, which compares with 55bp and 57bp in 9M22 respectively
- **Continued growth of the Customer base**, highlighting the increase in mobile Customers, which represent 66% of total Customers
- **Investment grade by the 4 rating agencies:** The consecutive upgrade revisions reflect BCP's normalisation path

<sup>1</sup> Includes provisions for legal risk, costs with out-of-court settlements and legal advice (before taxes and non-controlling interests) Does not include provisions for legal risk on CHF mortgages of Euro Bank (guaranteed by Société Générale)

<sup>2</sup> Does not include provisions for legal risk on CHF mortgages of Euro Bank (guaranteed by Société Générale). Before taxes and non-controlling interests

<sup>3</sup> Before taxes and non-controlling interests

<sup>4</sup> Fully implemented ratio including unaudited net income for 9M23

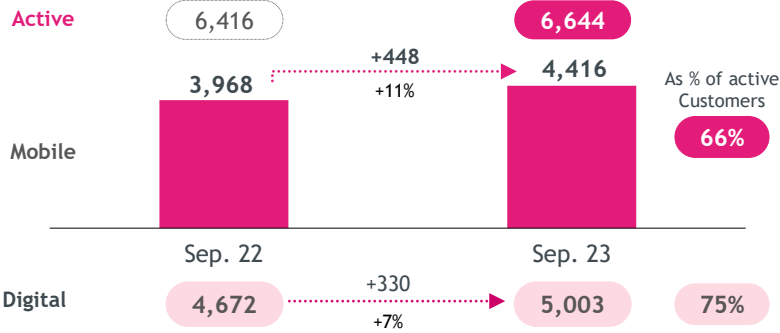
<sup>5</sup> Liquidity Coverage Ratio (LCR); Net Stable Funding Ratio (NSFR); Loans to Deposits Ratio (LtD)



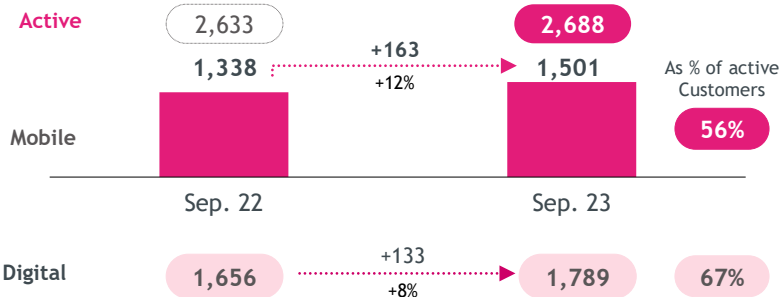
# Customer base growth

Based on the quality of the Teams and distinctive digital skills

'000 Customers



## Portugal



## Customer recognition



## DATAE

Barómetro Financeiro 2023

Melhor Banco para Empresas  
Banco Principal  
Banco Mais Inovador  
Banco Mais Eficiente  
Produtos Mais Adequados



"Melhor Banco Digital"  
Unaided reply by Customers<sup>1</sup>

Customer counting criteria used in the Strategic Plan.

<sup>1</sup> Which bank do you choose as the 'Best Digital Bank'? (Unaided reply) | Sample: Banking sector, total number of banking Customers, aged > 15 years - 70 years, Portugal (N 2022 = 2,000 per quarter; 8,000 per year)

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

## Strong mobile growth Y/Y

(Number of operations, Jan-Set 2023 vs Jan-Set 2022)

**+29%**

Transactions<sup>1</sup>

**+61%**

P2P Transfers

**+18%**

National Transfers

**+14%**

Payments

**+27%**

Sales

**+17%**

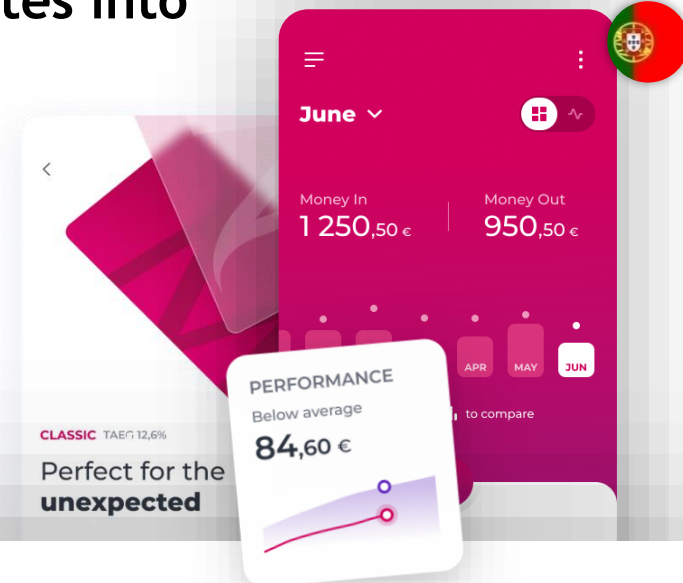
Cards

**+8%**

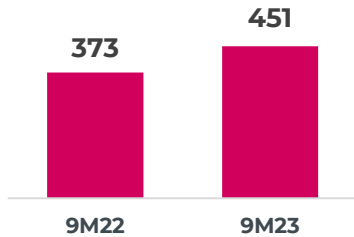
Personal loans

**+30%**

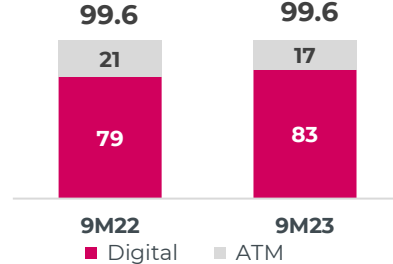
Savings



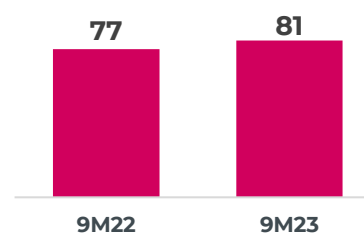
# Digital Interactions (mio)<sup>2</sup>



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



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



App  
Millennium  
leads  
ratings

**4.8**



**4.9**



**4.6**



1 Includes P2P transfers in Millennium app  
 2 Interactions (Millennium website and app), individuals includes AB  
 3 Includes mobile, online and ATMs, excludes branches and contact center that counts for 0.4% of total transactions  
 4 Digital sales (Millennium website and app) in number of operations

# Net income of 650.7 million in the first nine months of 2023

(Million euros)	9M22	9M23	%	Δ
Net interest income	1,545.8	2,117.5	+37.0%	+571.6
Commissions	573.8	578.5	+0.8%	+4.7
<b>Core income</b>	<b>2,119.6</b>	<b>2,695.9</b>	<b>+27.2%</b>	<b>+576.3</b>
<b>Operating costs</b>	<b>-787.4</b>	<b>-854.6</b>	<b>+8.5%</b>	<b>-67.2</b>
<b>Core operating profit</b>	<b>1,332.2</b>	<b>1,841.3</b>	<b>+38.2%</b>	<b>+509.1</b>
Other income <sup>1</sup>	-55.0	96.7		+151.7
<i>Of which: sale of 80% of Millennium Financial Services</i>	-	127.0		+127.0
<i>Of which: Regulatory contributions</i>	-209.8	-85.8	-59.1%	+124.0
<b>Operating net income</b>	<b>1,277.2</b>	<b>1,938.0</b>	<b>+51.7%</b>	<b>+660.8</b>
Results on modification <sup>2</sup>	-318.6	-14.8		+303.8
Impairment and other provisions	-773.6	-813.9	+5.2%	-40.3
<i>Of which: Loans impairment</i>	-241.2	-211.4	-12.3%	+29.8
<i>Of which: legal risk on CHF mortgages (Poland) <sup>3</sup></i>	-292.4	-482.5	+65.0%	-190.1
<i>Of which: Bank Millennium goodwill</i>	-102.3	-		+102.3
<b>Net income before income tax</b>	<b>185.0</b>	<b>1,109.3</b>	<b>+499.6%</b>	<b>+924.3</b>
Income taxes, non-controlling interests and discontinued operations	-95.2	-458.6	+381.8%	-363.4
<b>Net income</b>	<b>89.8</b>	<b>650.7</b>	<b>+624.4%</b>	<b>+560.9</b>

<sup>1</sup> Dividends from equity instruments, other net operating income, net trading income and equity accounted earnings. | <sup>2</sup> Includes the result of contract changes from the renegotiation of CHF mortgages loans (previously booked on other Income) as well as the cost with PLN mortgage loans moratoria booked by Bank Millennium in 2022. | <sup>3</sup> Does not include provisions for legal risks on CHF mortgages of Euro Bank (guaranteed by Société Générale). Includes more conservative adjustments to provisioning model following the European Court of Justice decision in July 2023.





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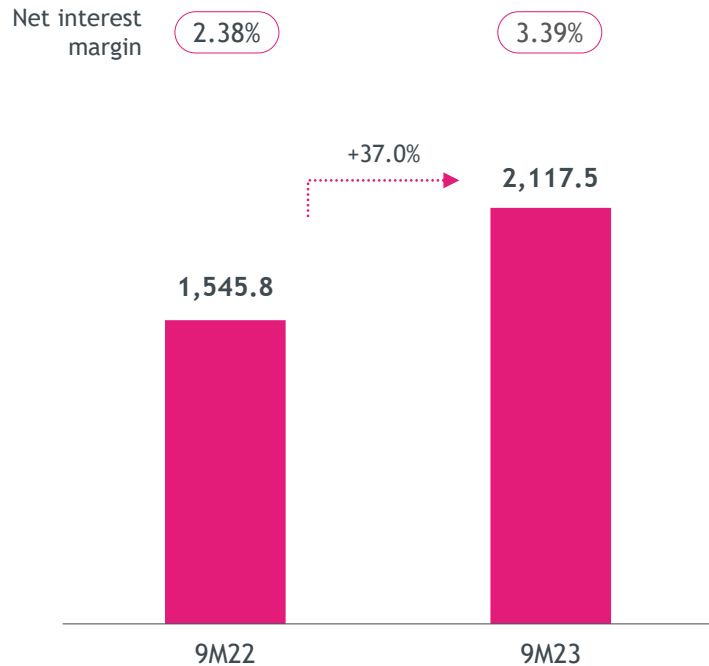
**Group**

**Profitability**

# Net interest income

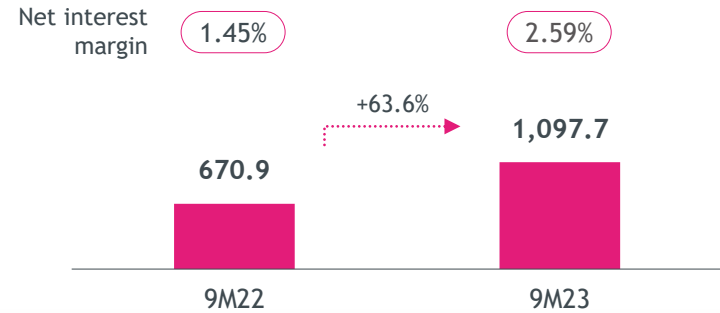
## Net interest income

(Consolidated, million euros)



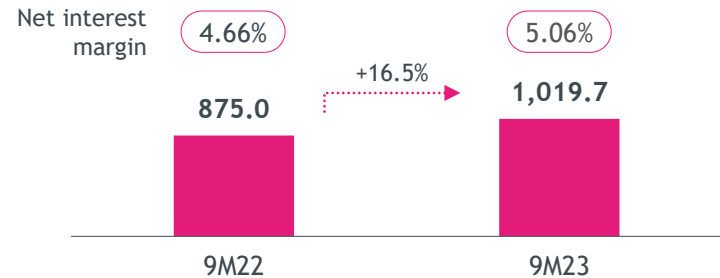
## Portugal

(Million euros)



## International operations

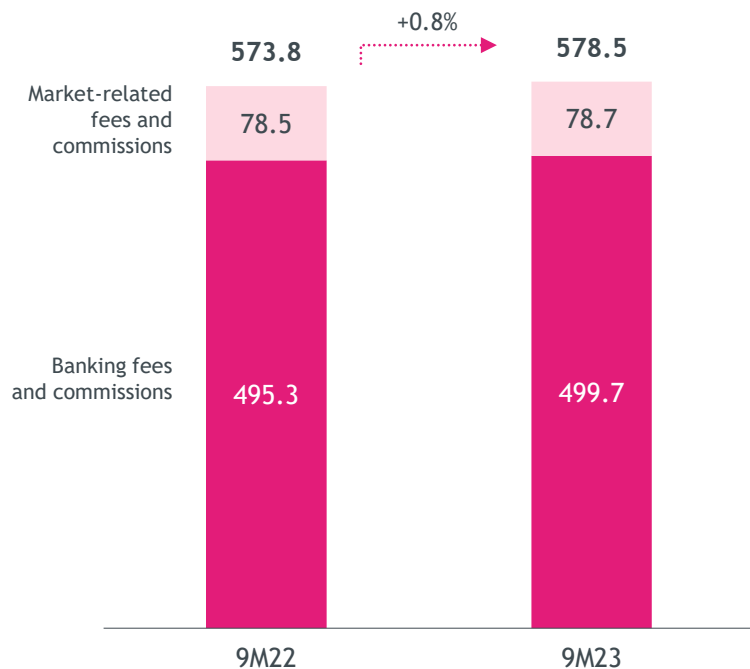
(Million euros)



# Fees and commissions

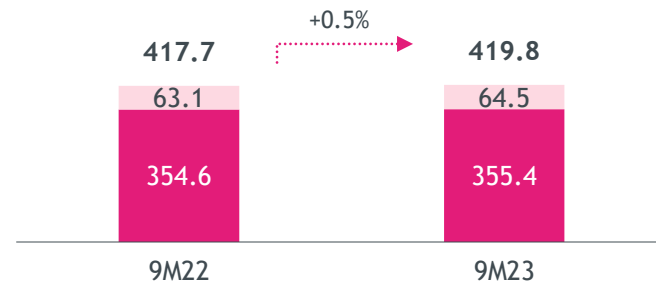
## Fees and commissions

(Consolidated, million euros)



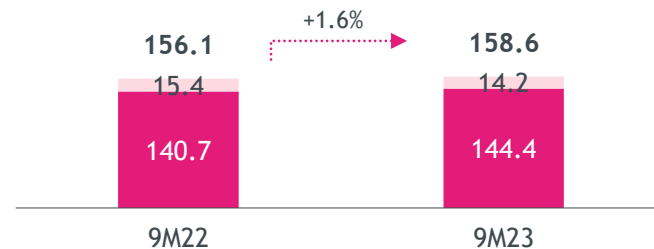
## Portugal

(Million euros)



## International operations

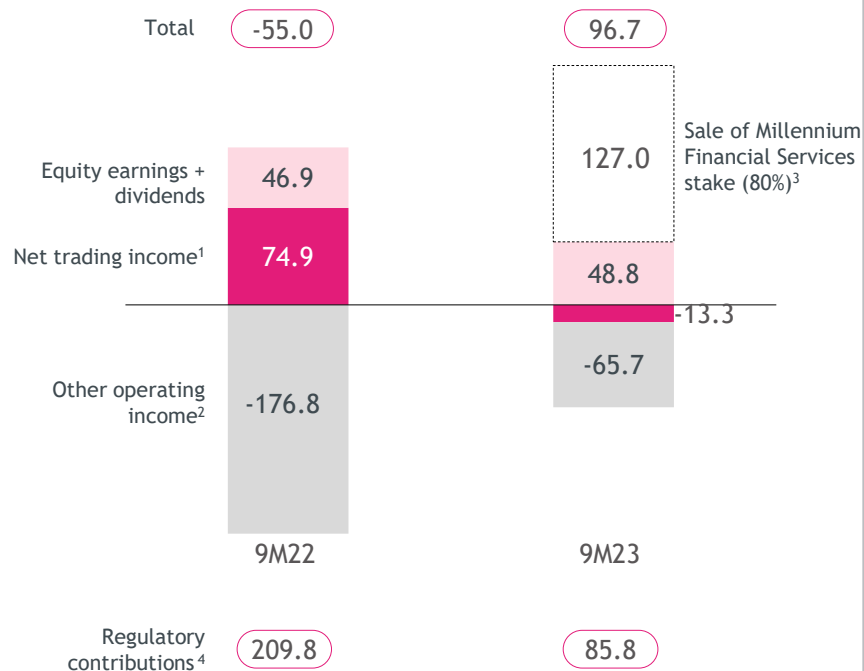
(Million euros)



# Other income

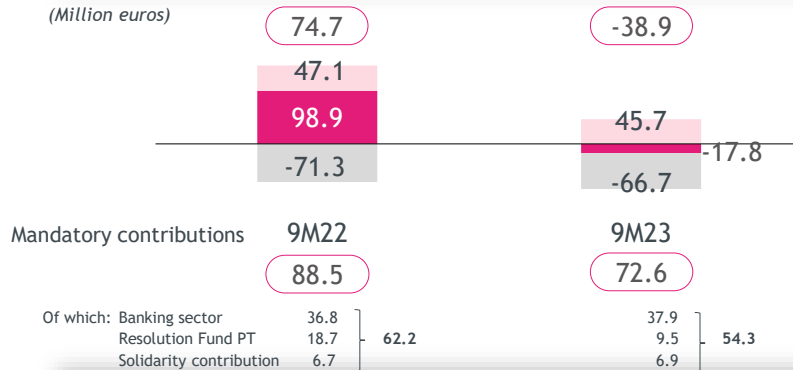
## Other income

(Consolidated, million euros)

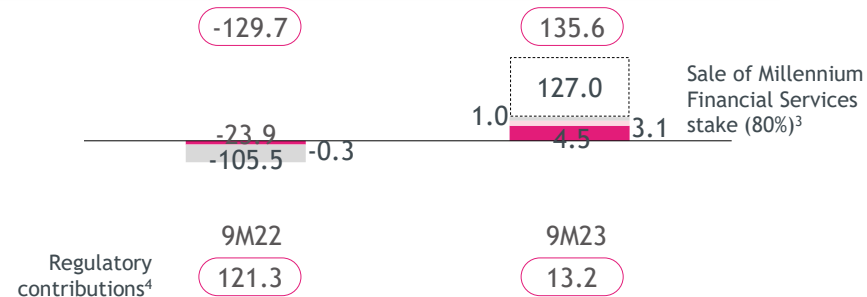


## Portugal

(Million euros)



## International operations



<sup>1</sup> Net trading income includes -69.9 million in 9M22 and -42.8 million in 9M23 of costs related to out-of-court settlements with Customers related with CHF loans portfolio.

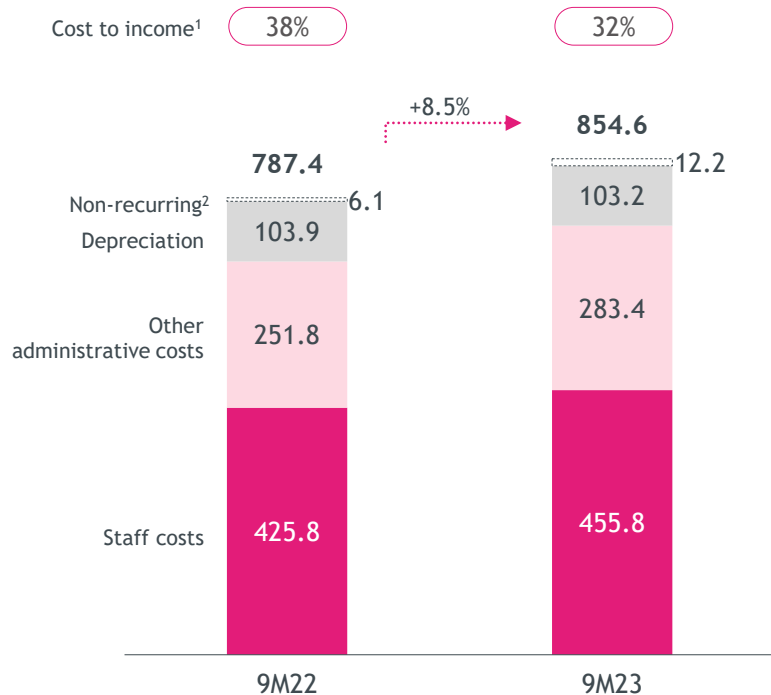
<sup>2</sup> Other operating income includes +31.4 million in 9M22 and +34 million in 9M23 related with the compensation for provisions for legal risk on CHF mortgages of Euro Bank (guaranteed by Société Générale).

<sup>3</sup> Positive one-off effect of 127 million in Q1'23 (117.8 million booked in net trading income and 9.2 million booked in other operating income) related with the sale of Millennium Financial Services stake (80%) as a result of the strategic partnership in the bancassurance business. <sup>4</sup> Includes 59.1 million in 9M22 related with the IPS contribution.

# Operating costs

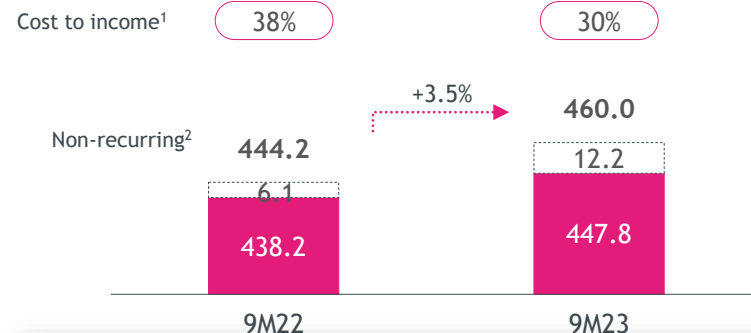
## Operating costs

(Consolidated, million euros)



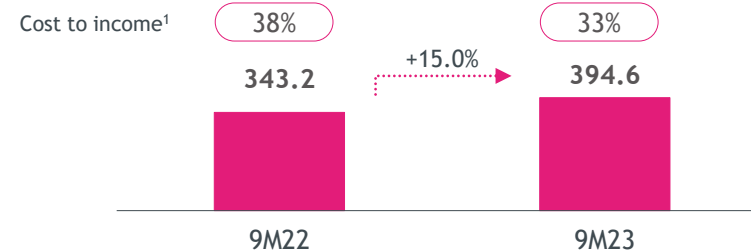
## Portugal

(Million euros)



## International operations

(Million euros)

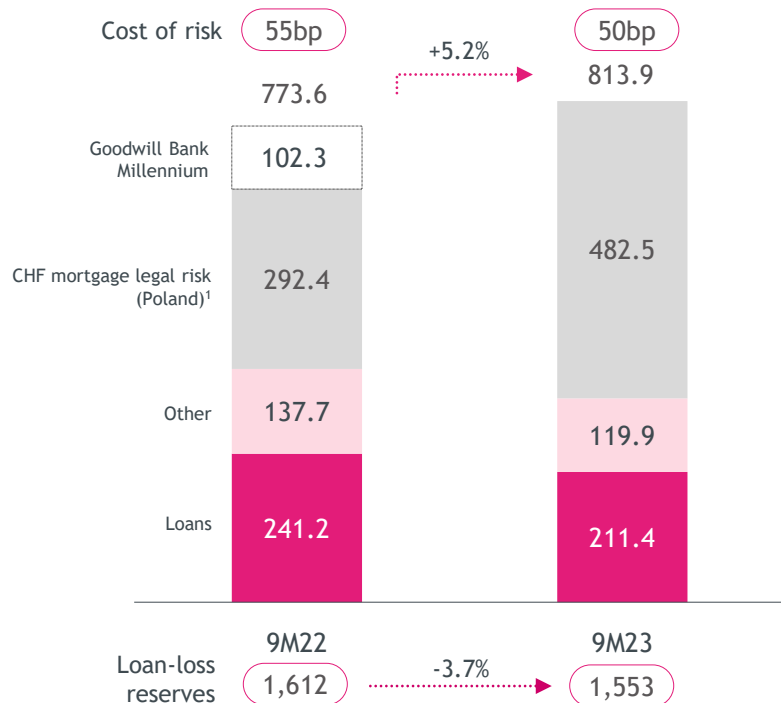


<sup>1</sup>Adjusted cost to income: without the positive one-off effect related with the sale of 80% of Millennium Financial Services stake (international operations) and without costs mainly related with the compensation for the temporary reduction of remuneration in the period 2014/2017 in Portugal. In international operations these effects only have impact in 2023. | <sup>2</sup> Includes mainly costs related with the compensation for the temporary reduction of remuneration in the period 2014/2017.

# Cost of risk and provisions

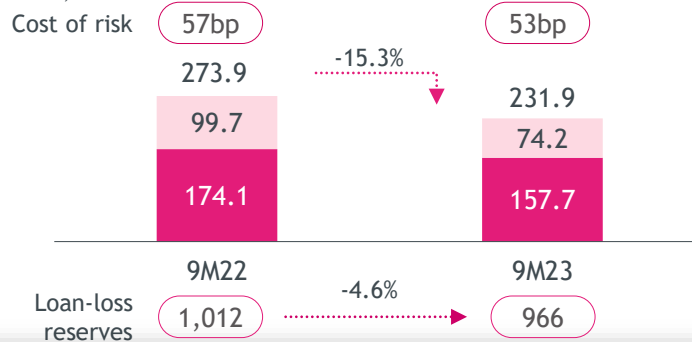
## Impairment and provision charges

(Consolidated, million euros)



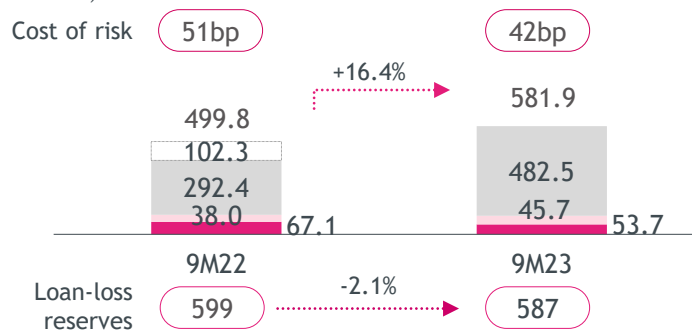
## Portugal

(Million euros)



## International operations

(Million de euros)

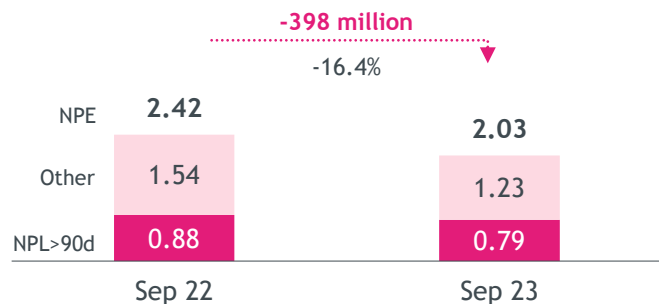


<sup>1</sup> Does not include provisions for legal risk on CHF mortgages of Euro Bank (guaranteed by Société Générale): 31.4 million in 9M22 and 34 million in 9M23. Includes the application of more conservative adjustments to the provisioning model following the ECJ decision in July 2023.

# Relevant reduction of NPEs

## Credit quality

(Consolidated, billion euros)

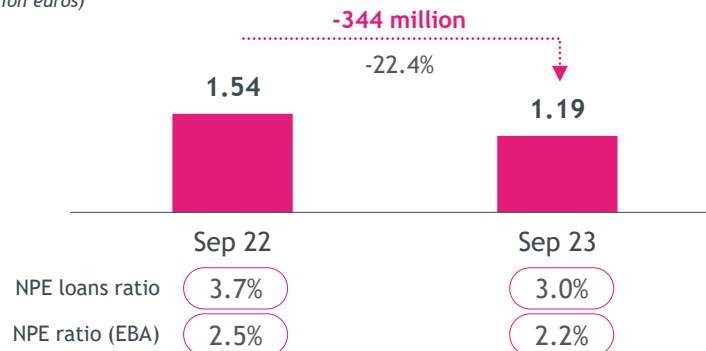


	Sep 22	Sep 23
NPE total coverage*	114.0%	120.2%
NPE coverage by LLRs	66.5%	76.6%
NPE specific coverage	48.3%	51.1%
NPL>90 days ratio	1.5%	1.4%
NPE ratio (loans only)	4.1%	3.6%
NPE ratio inc. securities and off-BS (EBA)	2.7%	2.3%

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

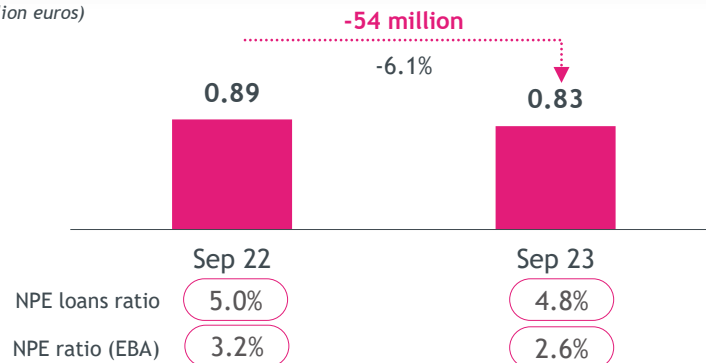
## Portugal

(Billion euros)



## International operations

(Billion euros)





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**Group**

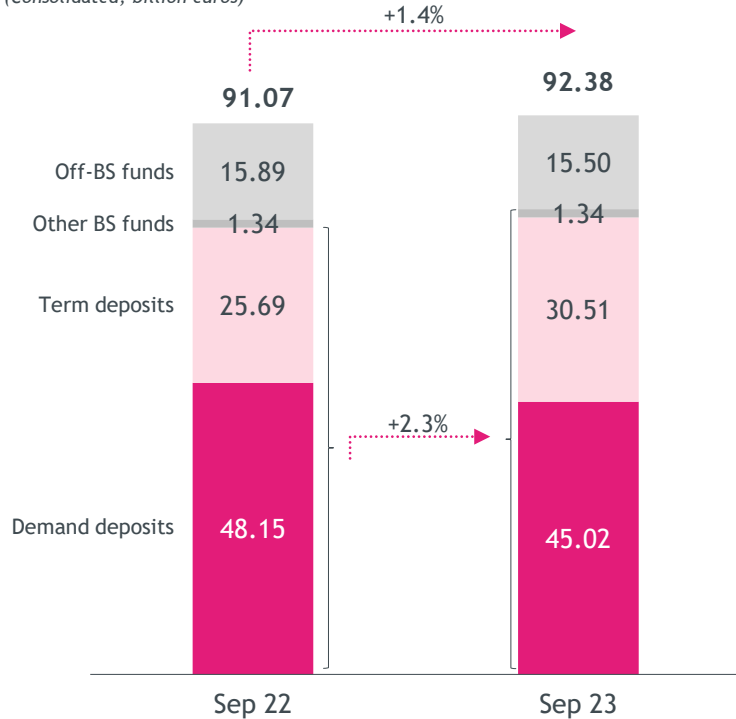
**Business activity**



# Customer funds

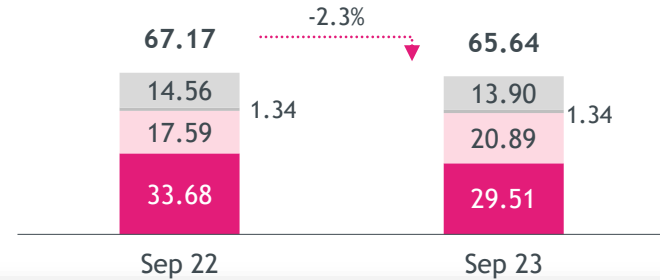
## Total Customers Funds\*

(Consolidated, billion euros)



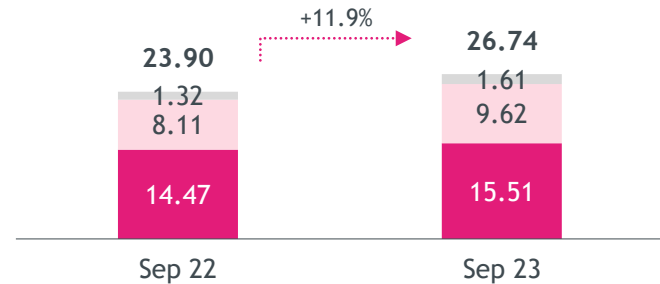
## Total Customers Funds\* Portugal

(Billion euros)



## Total Customers Funds\* international operations

(Billion euros)

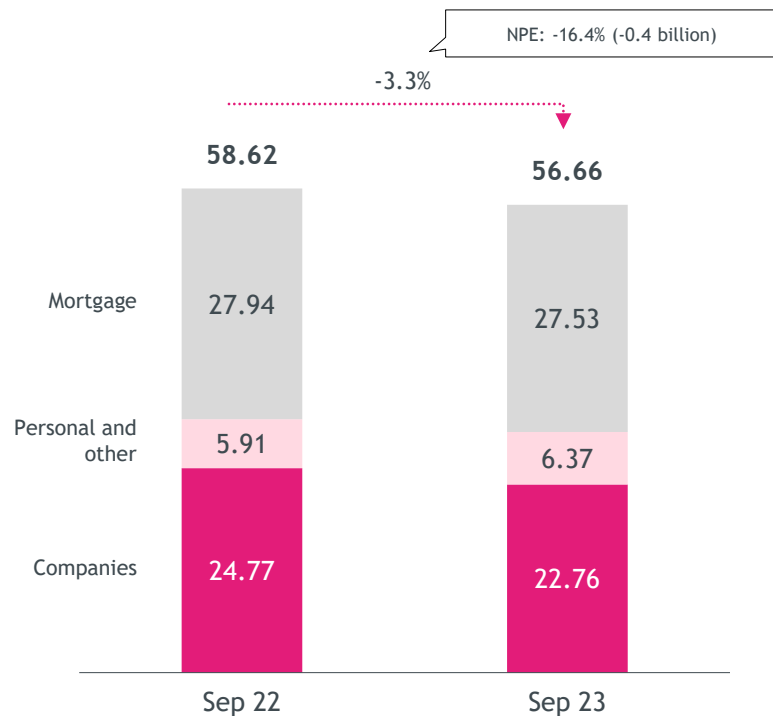


\*Deposits, debt securities, assets under management, assets placed with Customers and insurance products (savings and investments).

# Loan portfolio

## Loans to Customers (gross)

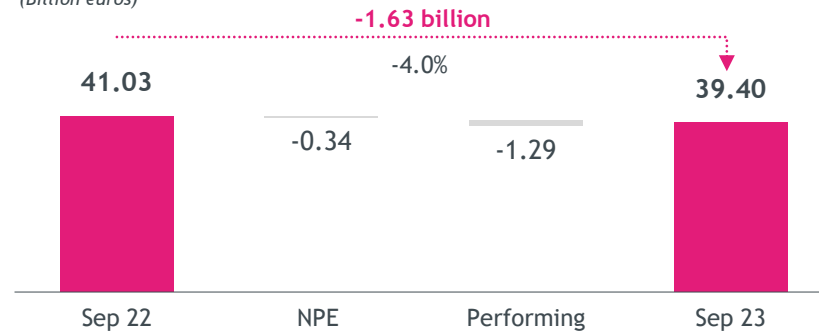
(Consolidated, billion euros)



NPE include loans to Customers only, except if otherwise indicated.

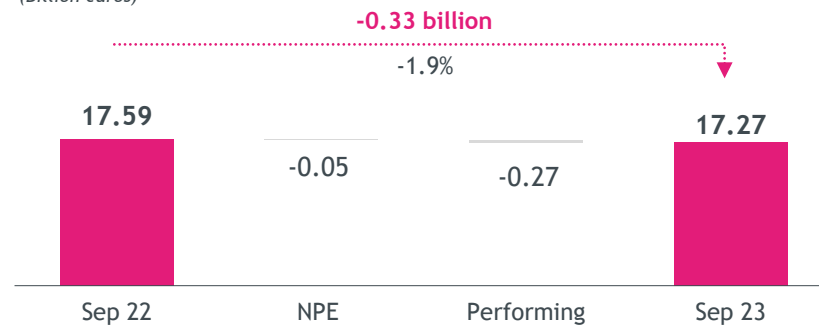
## Portugal

(Billion euros)



## International operations

(Billion euros)





02

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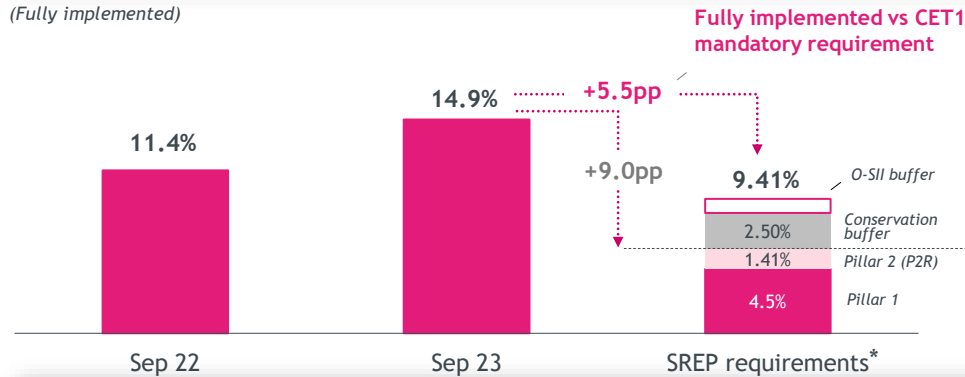
**Group**

**Capital and liquidity**

# Robust capital ratios

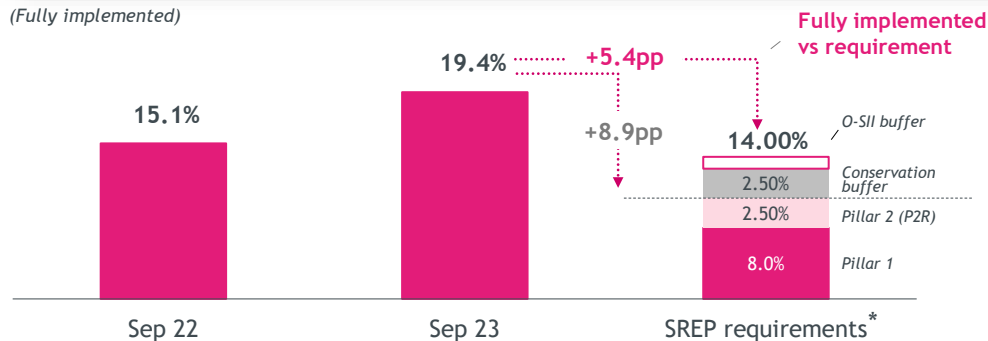
## Common equity tier 1 (CET1)

(Fully implemented)



## Total capital ratio

(Fully implemented)



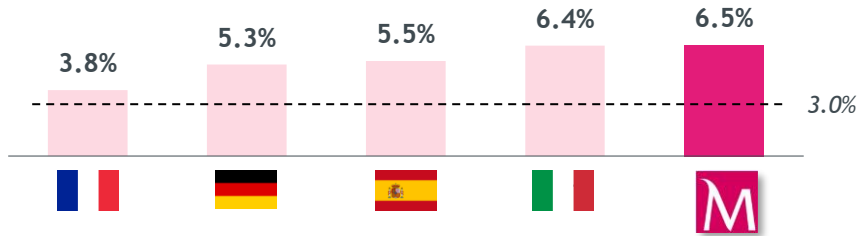
- **Significant strengthening of capital ratios.** CET1 ratio stood at 14.9% and total capital ratio at 19.4%, representing an increase of 357bp and 431bp compared with the same period of last year, reflecting the strong capacity to generate organic capital
- **Surplus of 5.4pp between the total capital ratio and the SREP requirements without the capital conservation and the O-SII buffers, and of 8.9pp if such buffers are considered**
- **Buffers for which there are limitations to results distribution: 554bp to CET1, 481bp to T1 and 545bp to total capital**

Including unaudited net income for 9M23. Includes the implementation of CRR (Capital Requirements Regulation) 352 (2) following the ECB approval in March 2023.  
 \*Minimum prudential requirements since January 1, 2023.

# Stronger capital position

## Leverage ratio

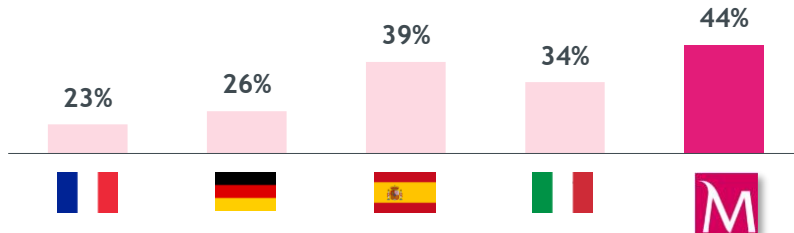
(Fully implemented, latest available data)



Leverage ratio in comfortable levels (6.5% as of September 2023) higher when comparing to European banks

## RWA density

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

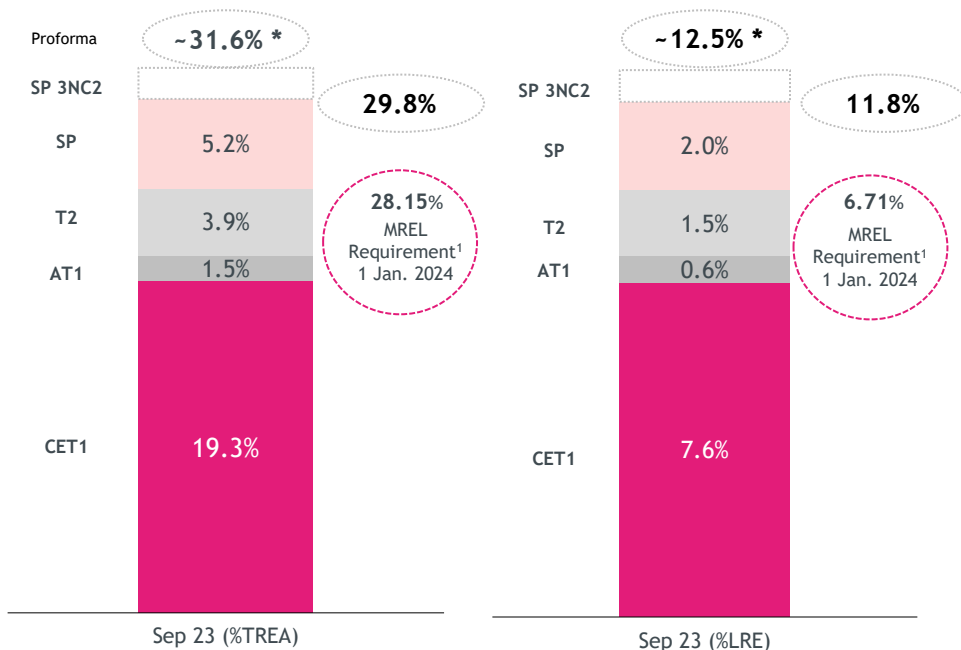


RWAs density in conservative values (44% as of September 2023), comparing favourably with the values registered by most of the European markets

# MREL requirements and execution of the Funding Plan

(Million euros)

## MREL position (BCP Resolution Group - 30 Sep 2023)



- **Resolution strategy: MPE (Multi Point of Entry)<sup>2</sup>.**
- BCP Resolution Group : Perimeter centred in Portugal
- **Preferred Resolution Measure:** Bail-in
- **No subordination requirements have been applied** to the BCP Resolution Group
- **As of September 30, 2023, BCP complied with MREL requirement applicable from January 1, 2024 (with a buffer of 3.5%, if considered the SP issue with settlement on October 2)**
- **Funding Plan** execution
  - 500 million SP on 5 February 2021 6NC5
  - 500 million Social SP on 29 September 2021 6.5NC5.5
  - 300 million Subordinated on 10 November 2021 10.5NC5.5
  - 350 million SP on 25 October 2022 3NC2
  - Exchange offer on 5 December 2022 on the Issue of T2 due December 27 (issue of 133.7 million of Subordinated debt 10.25NC5.25)
  - 500 million SP on 2 October 2023 3NC2

MREL - Minimum Requirement for own funds and Eligible Liabilities | TREA - Total Risk Exposure Amount; LRE - Leverage Ratio Exposure.

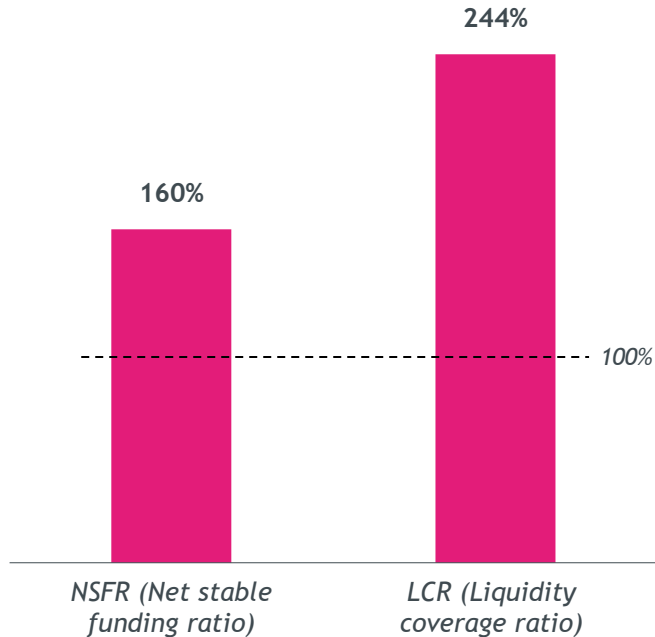
\*Preliminary data, including unaudited net income for 9M23 and issue of 500 million SP 3NC2 on 2 October 2023.

<sup>1</sup> Requirements covered by the 2022 Resolution Planning Cycle. MREL requirements are subject to periodic review by the SRB and changes in the regulatory framework.

<sup>2</sup> In addition to the resolution perimeter centered in Portugal, BIM in Mozambique and Bank Millennium in Poland were established as additional groups. With regard to Mozambique, as European rules do not apply, no minimum MREL requirement has been set. With regard to Bank Millennium the reference date of 31 December 2023 was set, minimum requirements of MREL - TREA of 18.89% and MREL - TEM of 5.91%.

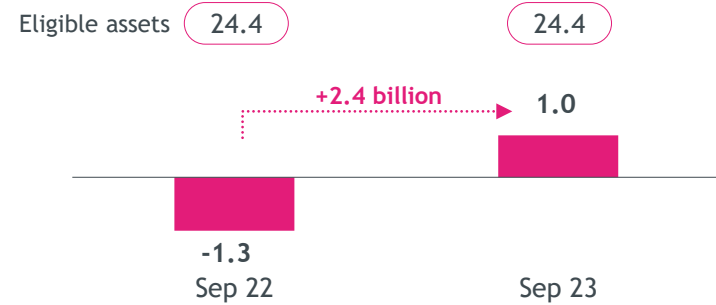
# Robust liquidity position

## Liquidity ratios (CRD/CRR)

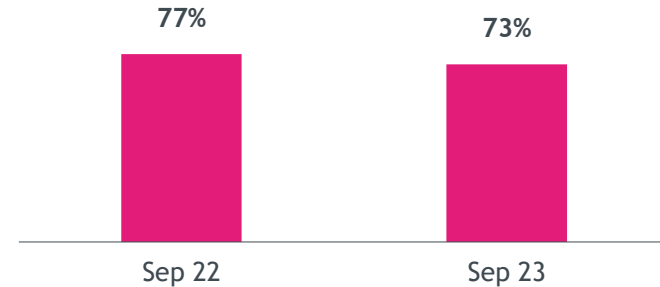


## Liquidity excess in ECB

(Billion euros)



## Net loans to deposits ratio





03



Portugal

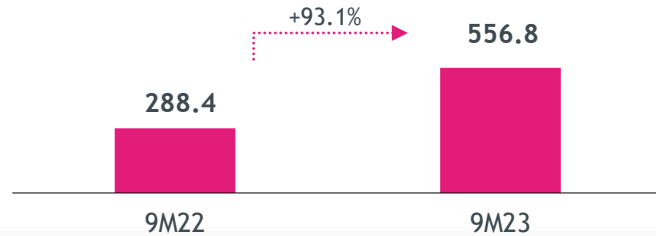


# Profitability in Portugal



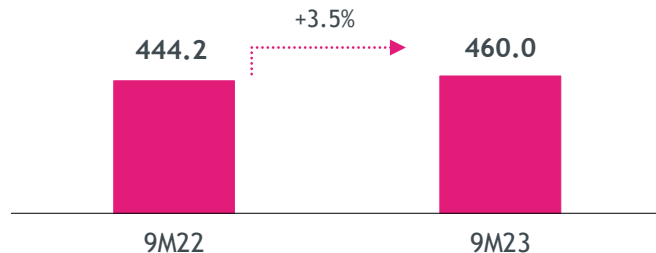
## Net income

(Million euros)



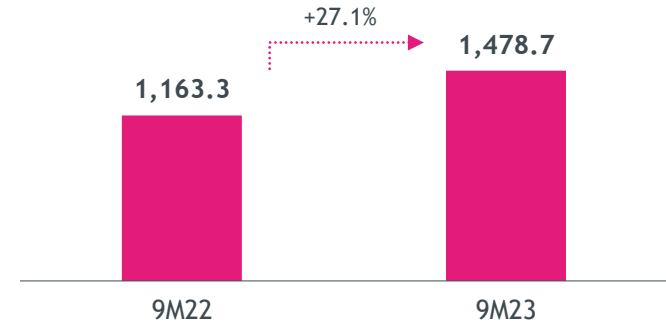
## Operating costs

(Million euros)



## Net operating revenue

(Million euros)

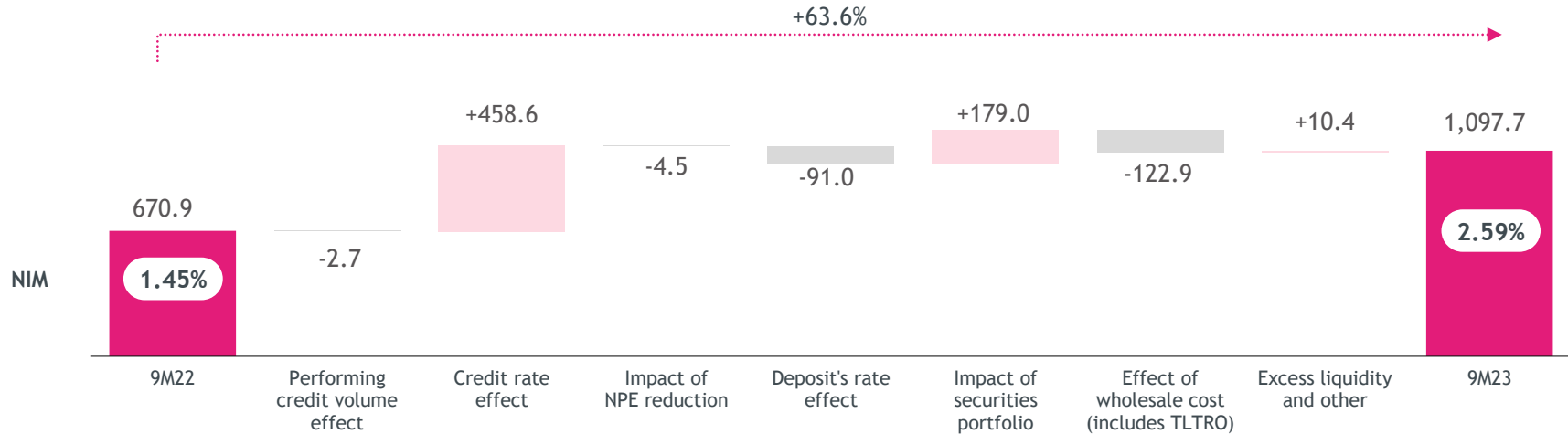


- Net income of 556.8 million in 9M23 an increase of 93.1% from last year same period
- Net income was driven by the increase in net interest margin, strict management of operating costs and loans impairment decrease

# Net interest income



(Million euros)



The normalization of interest rate provided a positive effect on the repricing of the loan book that together with the higher yield from securities portfolio, more than compensated the negative effects related with cost of deposits and the wholesale funding, resulting in a net interest income increase of 63.6% (+426.9 million) year-on-year

# Commissions and other income



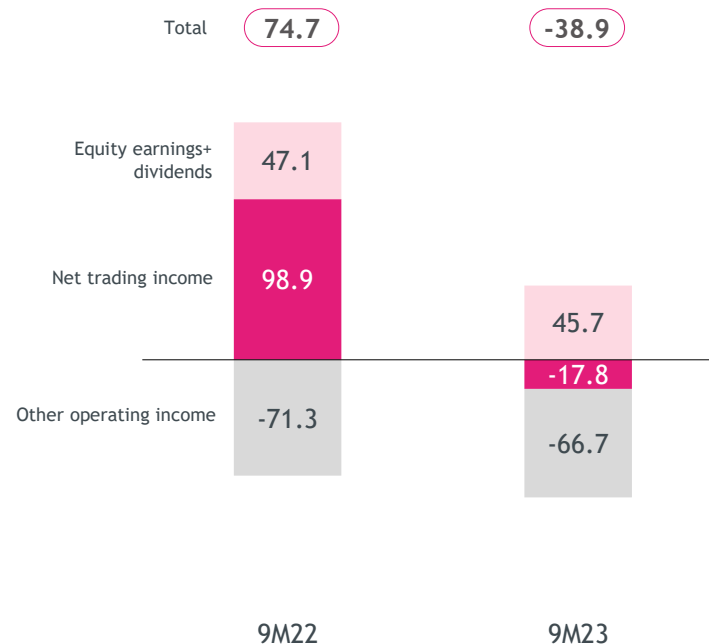
## Commissions

(Million euros)

	9M22	9M23	YoY
<b>Banking fees and commissions</b>	<b>354.6</b>	<b>355.4</b>	<b>+0.2%</b>
Cards and transfers	110.7	120.9	+9.2%
Loans and guarantees	71.8	60.2	-16.1%
Bancassurance	64.1	64.0	-0.1%
Customer account related	104.5	106.8	+2.2%
Other fees and commissions	3.5	3.4	-2.1%
<b>Market related fees and commissions</b>	<b>63.1</b>	<b>64.5</b>	<b>+2.1%</b>
Securities operations	25.4	25.3	-0.5%
Asset management and distribution	37.7	39.2	+3.9%
<b>Total fees and commissions</b>	<b>417.7</b>	<b>419.8</b>	<b>+0.5%</b>

## Other income

(Million euros)

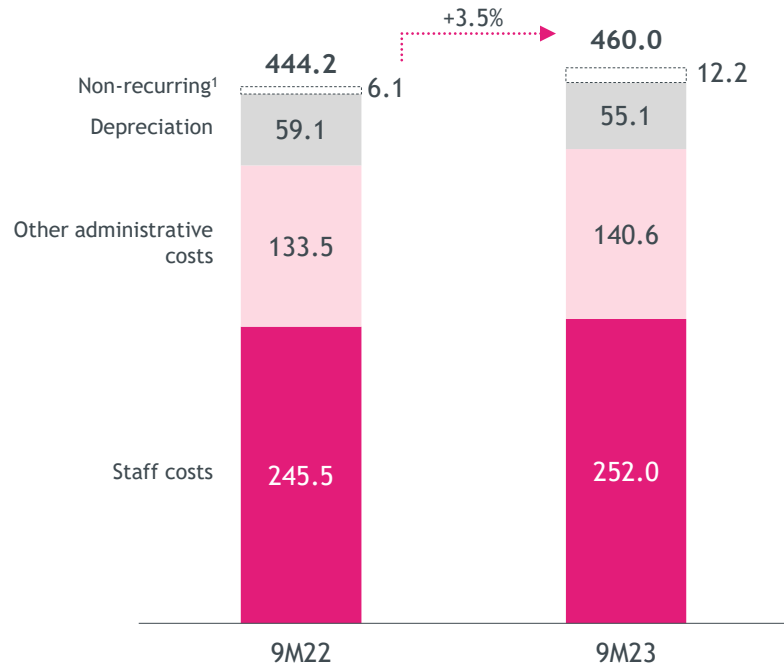


# Operating costs

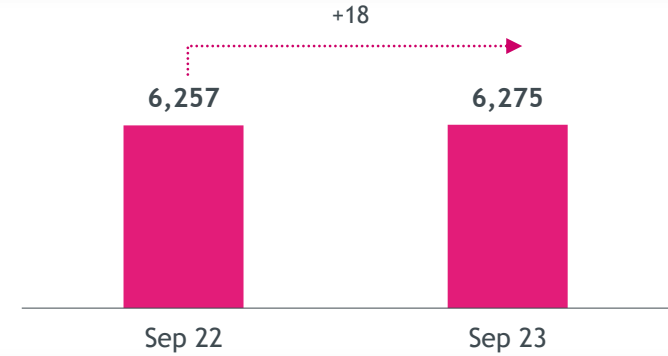


## Operating costs

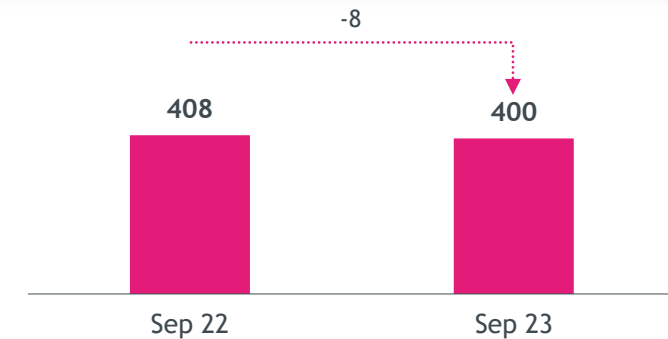
(Million euros)



## Employees



## Branches



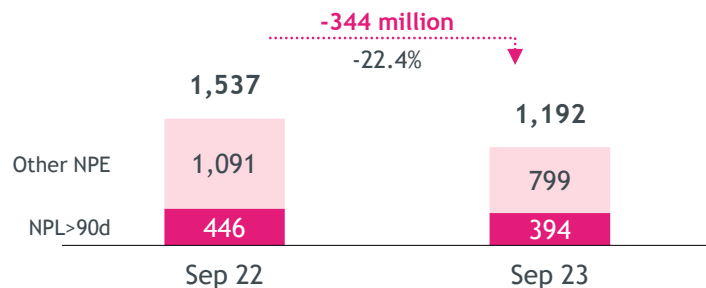
<sup>1</sup> Includes mainly costs related with the compensation for the temporary reduction of remuneration in the period 2014/2017

# Continued decrease of NPEs



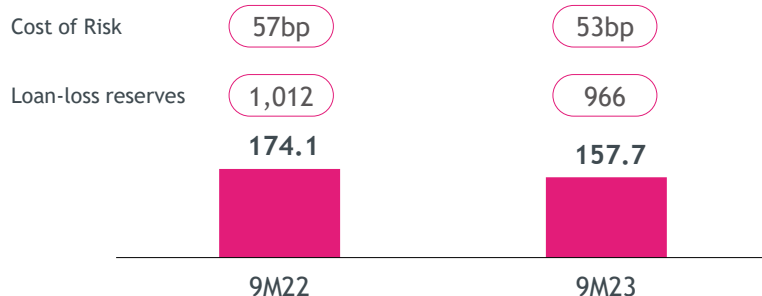
## Non-performing exposures (NPE)

(Million euros)



## Loan impairment (net of recoveries)

(Million euros)



NPE include loans to Customers only.

## NPE build-up

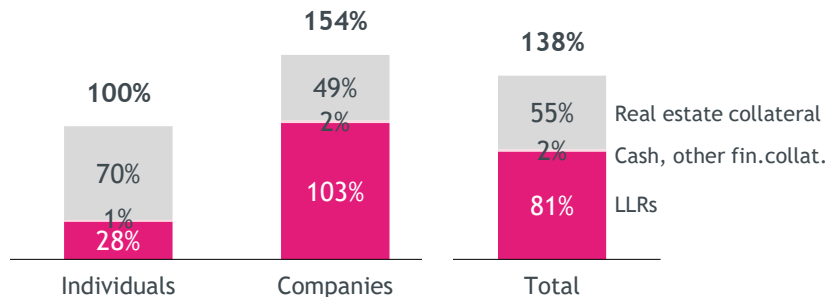
(Million euros)	Sep 23 vs. Sep 22	Sep 23 vs. Dec 22
Opening balance	1,537	1,361
Net outflows/inflows	9	6
Write-offs	-175	-103
Sales	-179	-72
<b>Ending balance</b>	<b>1,192</b>	<b>1,192</b>

- NPEs in Portugal total 1,192 million at end of September 2023, a decrease of 344 million from September 2022
- The decrease from September 2022 results from net inflows of 9 million, write-offs of 175 million and sales of 179 million
- The decrease of NPEs from September 2022 is attributable, mainly, to a 292 million reduction of other NPE
- Cost of risk of 53bp in 9M23 (57bp in 9M22), with a NPE coverage by loan-loss reserves of 81% and 66%, respectively

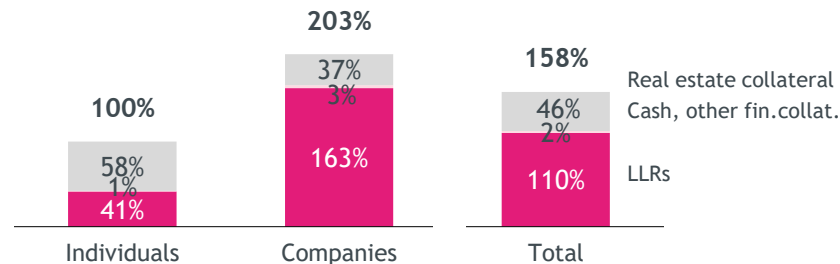
# NPE coverage



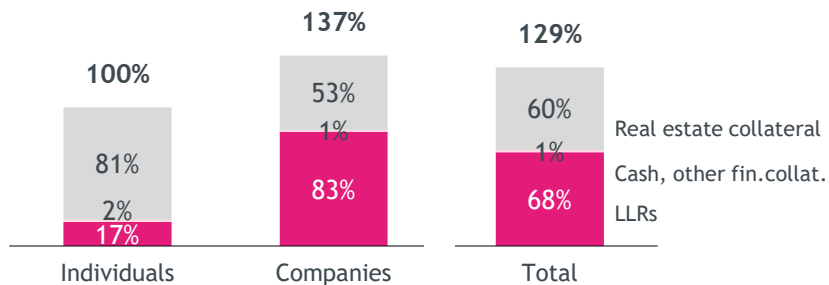
## NPE total coverage\*



## NPL>90d total coverage\*



## Other NPE total coverage\*



- Total coverage\*  $\geq 100\%$ , for both individuals and companies, and for both NPE categories (NPL>90d and other NPE)
- Coverage by loan-loss reserves are stronger in loans to companies, where real-estate collateral, usually more liquid and with a more predictable market value, accounts for a lower coverage than in loans to individuals: coverage by loan-losses was 103% for companies NPE as of September 2023, reaching 163% for companies NPL>90d

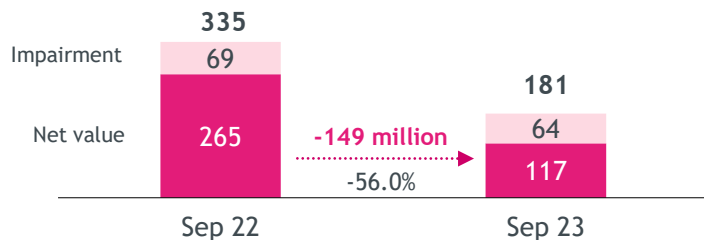
NPE include loans to Customers only.  
\*By loan-loss reserves and collaterals.

# Foreclosed assets and corporate restructuring funds



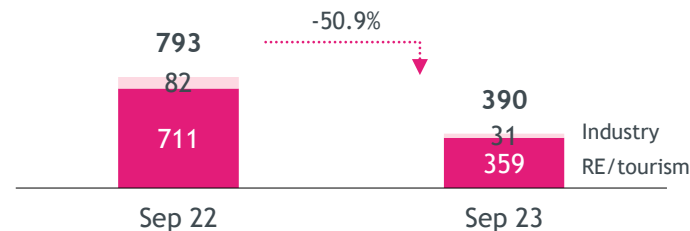
## Foreclosed assets

(Million euros)



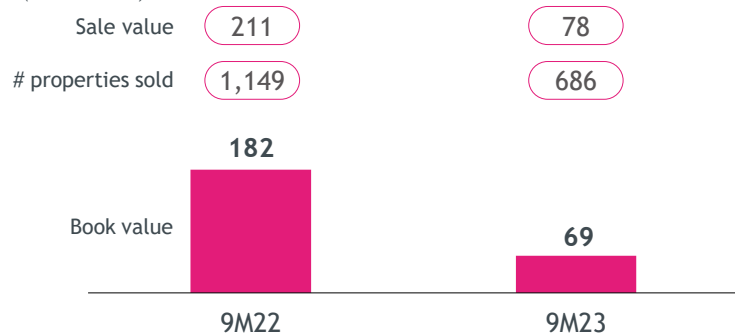
## Corporate restructuring funds

(Million euros)



## Sales of foreclosed assets

(Million euros)



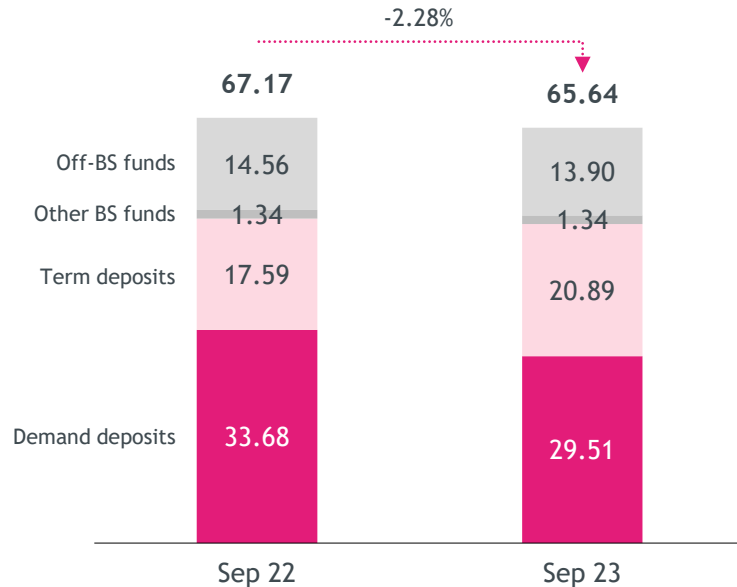
- Net foreclosed assets were down by 56.0% between September 2022 and September 2023. Valuation of foreclosed assets by independent providers exceeded book value by 56%
- 686 properties were sold during the 9M23 (1,149 properties in the same period of 2022), with sale values exceeding book value by 9 million
- Significant reduction of restructuring funds with the conclusion of project Crow in Q4'22

# Customer funds and loans to Customers



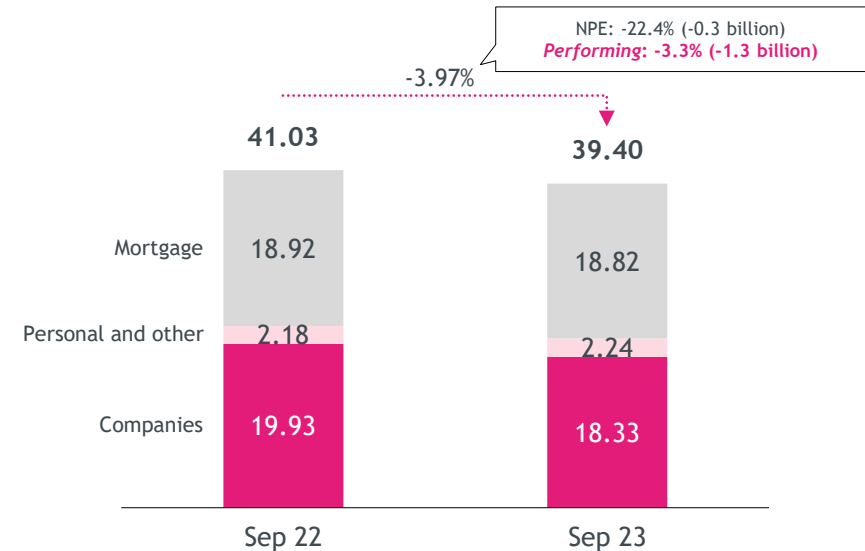
## Total Customers Funds\*

(Billion euros)



## Loans to Customers (gross)

(Billion euros)



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

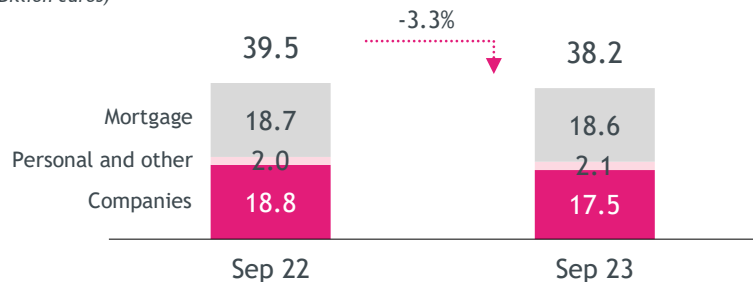


# Performing loans in Portugal



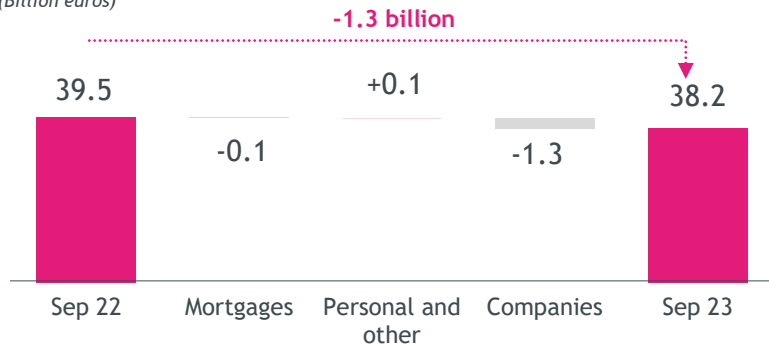
## Performing loans portfolio

(Billion euros)



## Evolution of performing loans

(Billion euros)



### The Bank maintains a prominent position in the corporate segment:

- ✓ **Leadership in PME Leader programme for the 5<sup>th</sup> consecutive year with a 31% market share**, supporting more than 3,200 companies to achieve this award in 2022 and leadership of PME Leader 2023 programme with 4,300 applications submitted (33% market share)
- ✓ **Leadership in the Inovadora COTEC programme for the 3<sup>rd</sup> consecutive year**, supporting more than 420 companies to submit their application for this important business distinction, which represents a market share of 54%
- ✓ **Best Bank for companies**, Most innovative Bank, Most efficient Bank and with More Adequate Products (Data-E 2023)
- ✓ **Most Productive Bank** and most profitable in all business segments with +24% than the national financial system average (FINALTA Empresas, McKinsey 2023)
- ✓ **Leading Bank in Factoring and Confirming**, with factoring invoicing of 7.4 billion euros until September 2023 and **market share of 24%\***
- ✓ **Leading Bank in Leasing**, with 437 million euros of new leasing business until September 2023 and **market share of 22%\***
- ✓ **Leading Bank in Trade Finance**, with a **26%\*\* market share** until June 2023
- ✓ **Leading in the placement of loans with State Guarantees for the 3<sup>rd</sup> consecutive year, with 17% of market share**, in partnership with Banco Português de Fomento (BPF) and Mutual Guarantee Companies
- ✓ **Leadership in the placement of European Investment Fund Guarantees**, with the execution of the largest European FEI EGF deal

\*Source: ALF (March 2023).

\*\*Source: SWIFT messages market share (September 2023).



04

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**International operations**

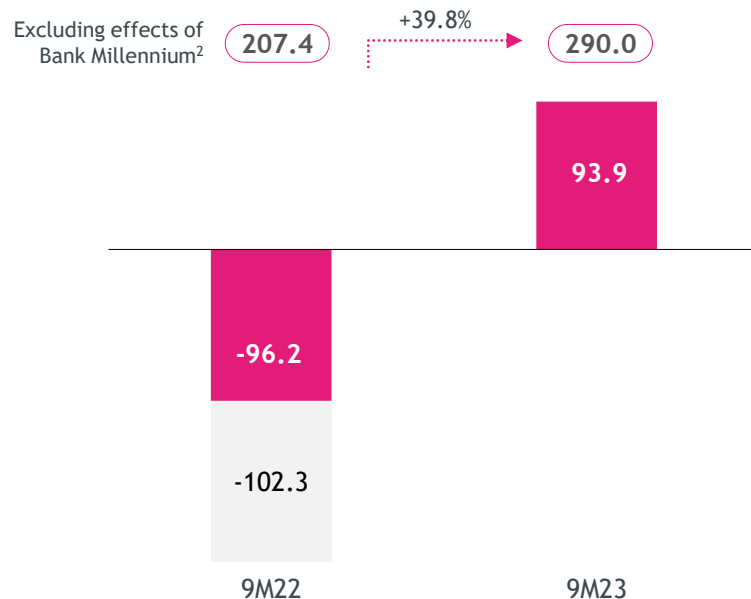
# Contribution from operations to consolidated net income

(Million euros\*)

	9M22	9M23
Poland	-276.1	100.7
Mozambique	69.0	67.2
Other	-6.1	-2.5
<b>Net income international operations</b>	<b>-213.2</b>	<b>165.4</b>
Discontinued Operations <sup>1</sup>	1.5	0.0
Non-controlling int. (Poland+Mozambique)	114.8	-71.5
Exchange rate effect	0.7	--
<b>Contribution from international operations</b>	<b>-96.2</b>	<b>93.9</b>
<b>Bank Millennium goodwill impairment</b>	<b>-102.3</b>	<b>--</b>

## Contribution from international operations

(Million euros)



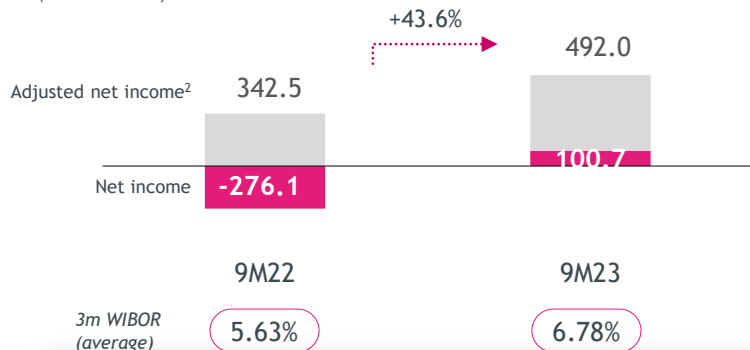
\*Subsidiaries' net income presented for 9M22 the same exchange rate as of 9M23 for comparison purposes. <sup>1</sup>Includes the results from the discontinued operations namely, the sale of Banque Privée's capital and the sale of SIM by Millennium bim. <sup>2</sup>Excludes FX-mortgage legal risk provisions, costs of litigations and settlements with Clients, credit holidays related with PLN mortgage moratoria, profit from the sale of 80% stake in Millennium Financial Services, linear distribution of BFG resolution fund fee and hypothetical bank tax. Not including in 9M22 Bank Millennium impairment.

# Positive evolution of net income



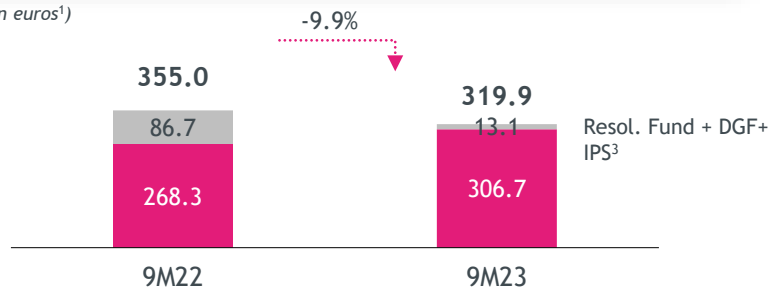
## Net income

(Million euros<sup>1</sup>)



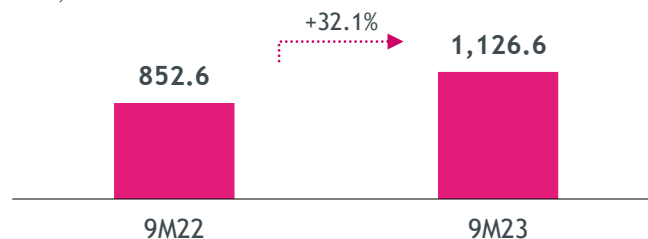
## Operating costs

(Million euros<sup>1</sup>)



## Net operating revenue

(Million euros<sup>1</sup>)



- Net income of 100.7 million in 9M23 which compares with -276.1 million in 9M22
- Bank Millennium delivers a positive net income for the 4<sup>th</sup> consecutive quarter
- Net income influenced by costs related with CHF mortgage loan portfolio (which include the impact of the application of a more conservative adjustments to the provisioning model for legal risks), by the positive one-off effect related with the sale of Millennium Financial Services stake (80%), by the contribution to the Institutional Protection Scheme in H1'22 and by the cost related with credit moratoria in Q3'22
- Adjusted<sup>2</sup> net income up by 43.6% (+149.5 million) compared with the same period of last year
- Net operating revenue growth influenced by 16.4% increase in net interest income and the sale of the 80% stake in Millennium Financial Services
- CET1 ratio of 13.5% and total capital ratio of 16.6%, above the minimum requirements (8.3% and 12.7% respectively)

<sup>1</sup> FX effect excluded. €/Zloty constant at September 2023 levels: Income Statement 4.58; Balance Sheet 4.62.

<sup>2</sup> Excludes FX-mortgage legal risk provisions, costs of litigations and settlements with Clients, credit holidays related with PLN mortgage moratoria, profit from the sale of 80% stake in Millennium Financial Services, linear distribution of BFG resolution fund fee and hypothetical bank tax.

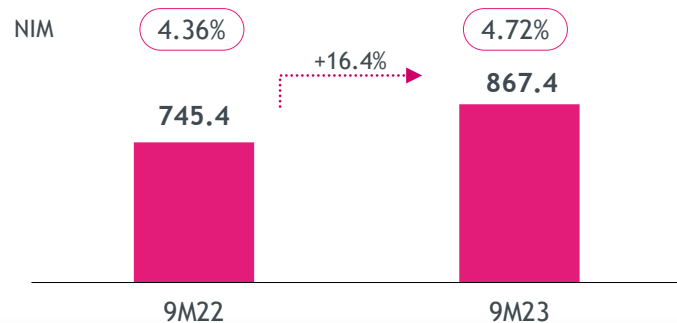
<sup>3</sup> Institutional Protection Scheme

# Net interest income increase significantly



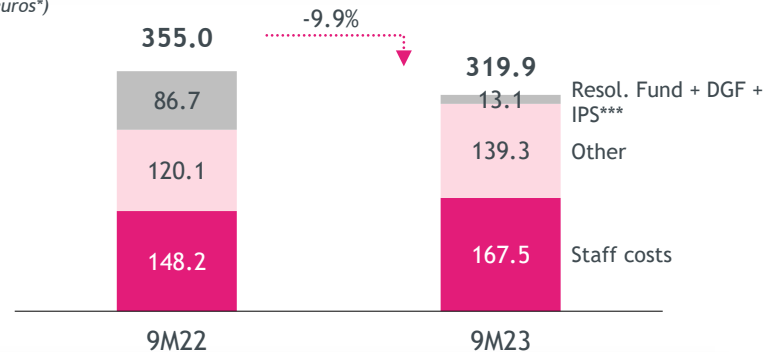
## Net interest income

(Million euros\*)



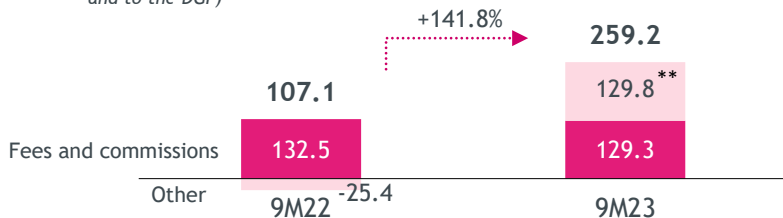
## Operating costs

(Million euros\*)



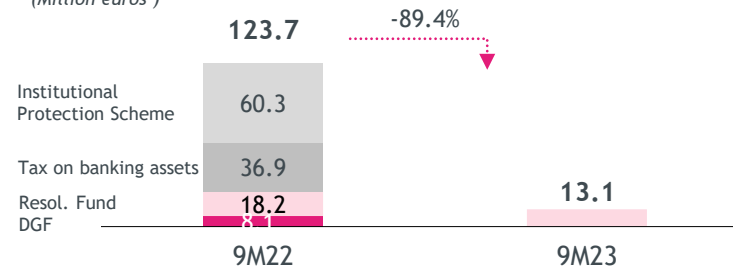
## Commissions and other income

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



## Contributions

(Million euros\*)



\*FX effect excluded. €/Zloty constant at September 2023 levels: Income Statement 4.58; Balance Sheet 4.62.

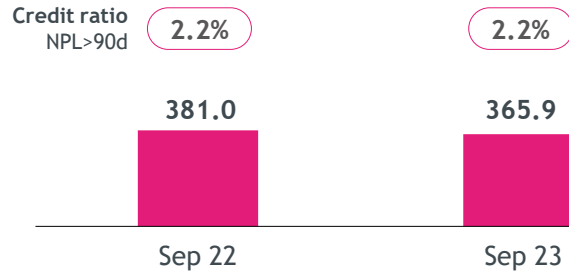
\*\*Includes a profit of 127 million from the sale of 80% stake in Millennium Financial Services

\*\*\*Institutional Protection Scheme



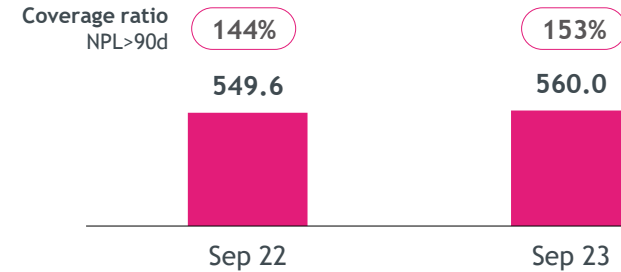
## NPL>90d

(Million euros\*)



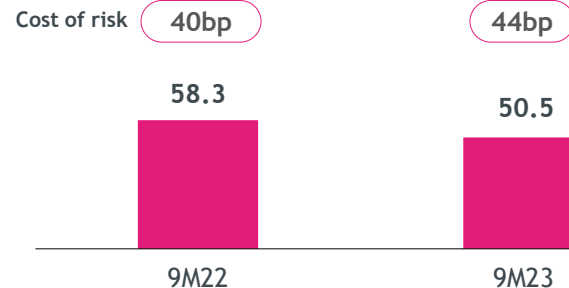
## Loan-loss reserves

(Million euros\*)



## Loan impairment (net of recoveries)

(Million euros\*)



- NPL>90d accounted for 2.2% of total credit as of September 2023 (2.2% as of September 2022)
- Coverage of NPL>90d by loan-loss reserves at 153% (144% as of September 2022)
- Cost of risk of 44bp, compared to 40bp in 9M22

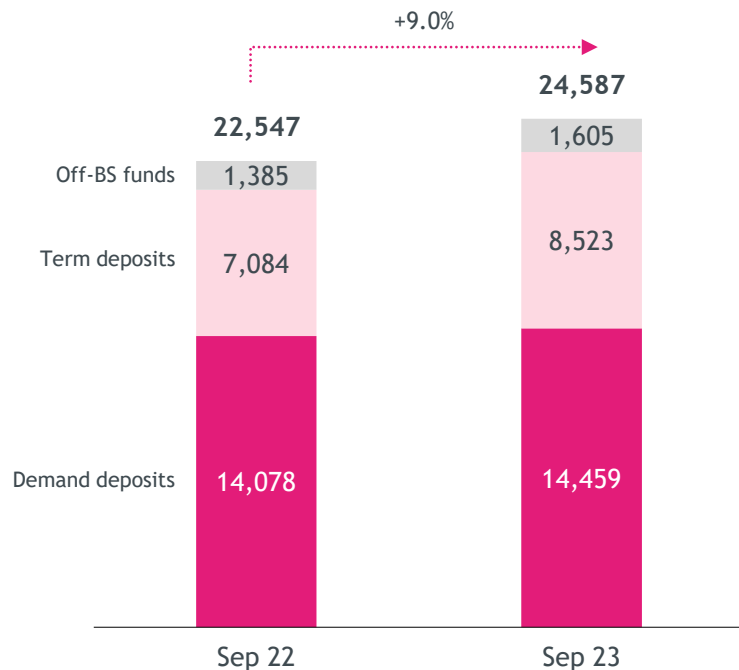
\*FX effect excluded. €/Zloty constant at September 2023 levels: Income Statement 4.58; Balance Sheet 4.62.

# Customers funds and loans to Customers



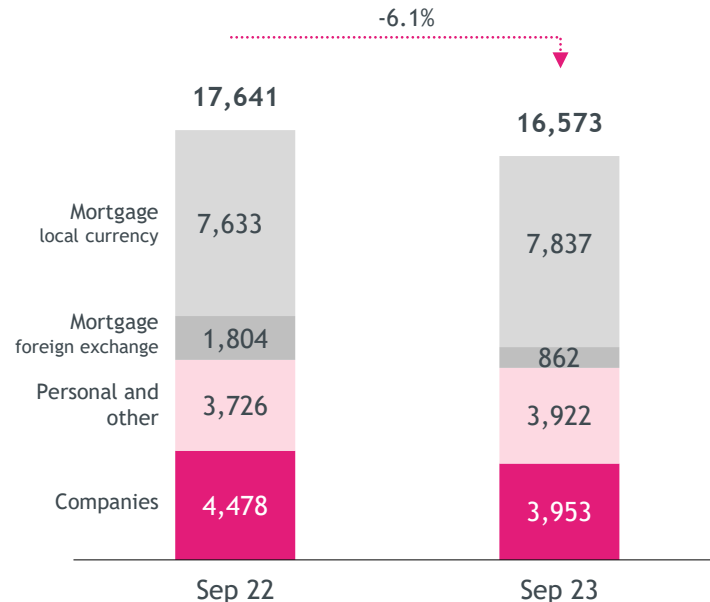
## Customers funds

(Million euros\*)



## Loans to Customers (gross)

(Million euros\*)

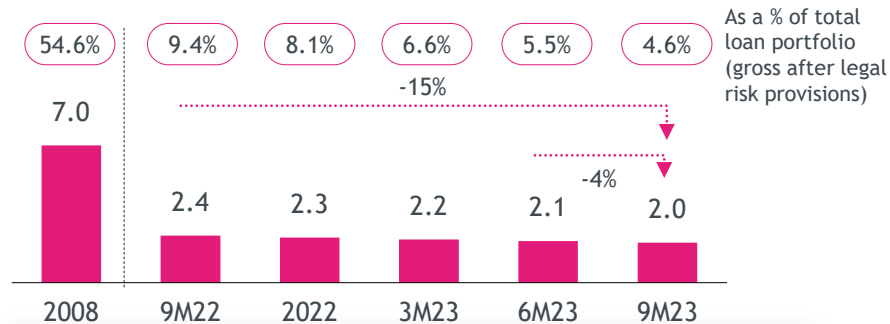


\*FX effect excluded. €/Zloty constant at September 2023 levels: Income Statement 4.58; Balance Sheet 4.62.



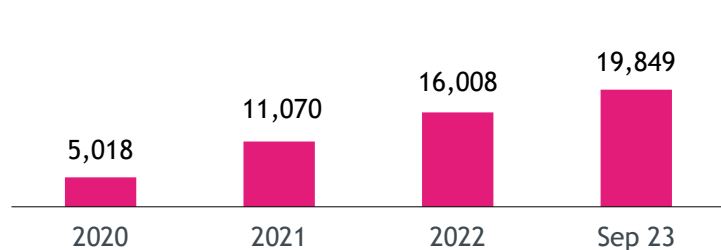
## CHF mortgage portfolio (gross w/o legal risk provisions)

(Billion euros\*)



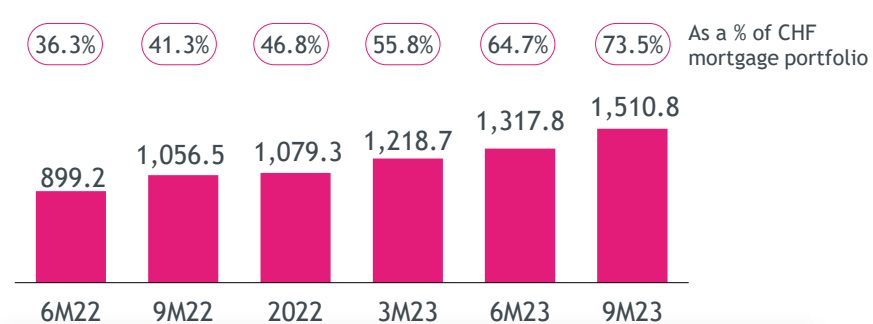
## Individual lawsuits

(Number of cases)

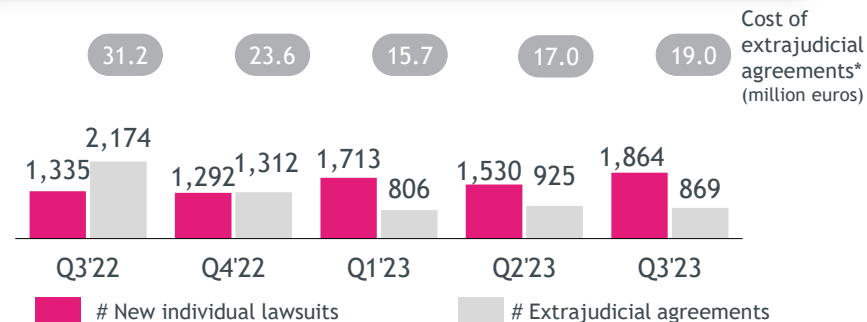


## Cumulative provisions for legal risks\*\*

(Million euros\*)



## New individual lawsuits and extrajudicial agreements\*\*\*



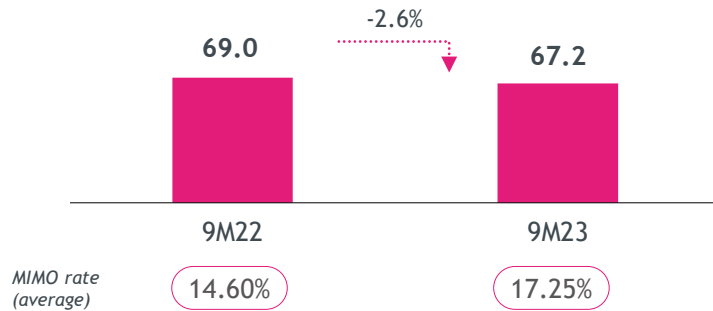


# Net income reflects resilience in challenging environment



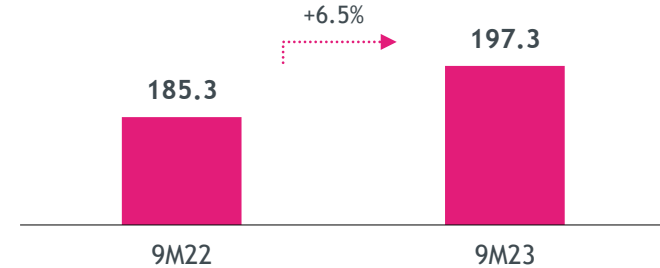
## Net income

(Million euros\*)



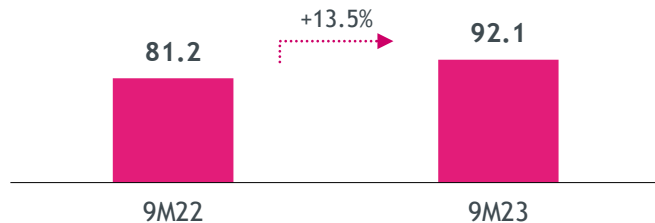
## Net operating revenue

(Million euros\*)



## Operating Costs

(Million euros\*)



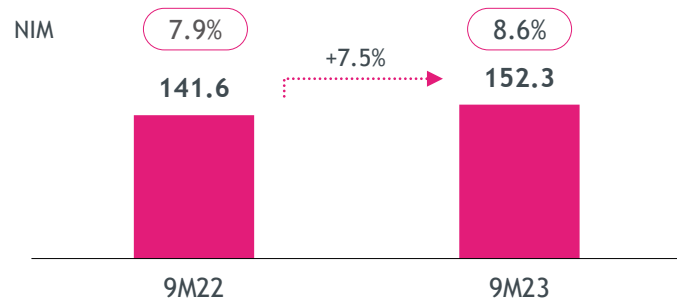
- Net income of 67.2 million in 9M23, a 2.6% reduction when compared with same period of last year
- Loans to Customers decreased by 0.8%; Customer funds decreased by 2.0%
- Capital ratio of 34.0%

# Increased net interest income



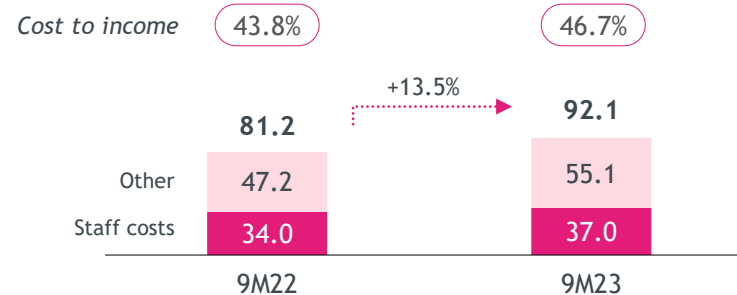
## Net Interest income

(Million euros\*)



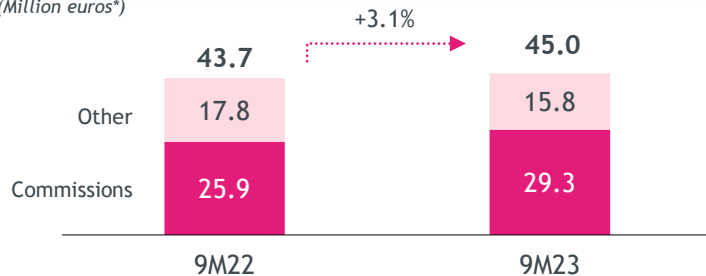
## Operating costs

(Million euros\*)

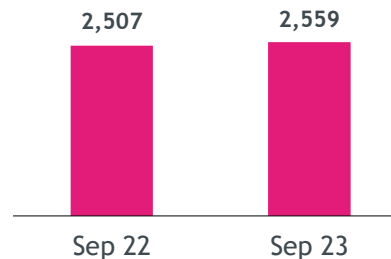


## Commissions and other income

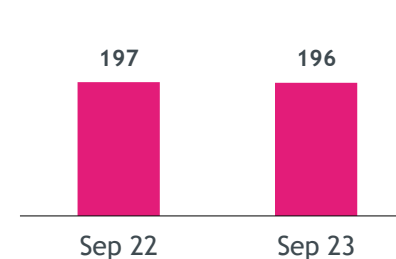
(Million euros\*)



## Employees



## Branches



\*FX effect excluded. €/Metical constant at September 2023 levels: Income Statement 69.42; Balance Sheet 67.53



## NPL>90d

(Million euros\*)

Credit ratio  
NPL>90d

9.7%

4.9%

67.5

33.7

Sep 22

Sep 23

## Loan-loss reserves

(Million euros\*)

Coverage ratio  
NPL>90d

103%

79%

69.5

26.8

Sep 22

Sep 23

## Loan impairment (net of recoveries)

(Million euros\*)

Cost of risk

181bp

167bp

9.2

8.4

9M22

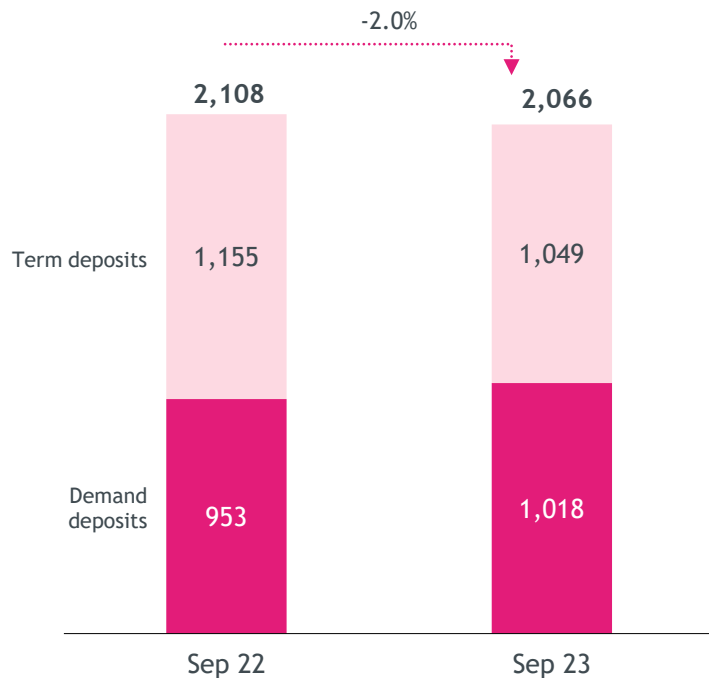
9M23

- NPL>90d ratio of 4.9% as of September 2023, with coverage of 79% on the same date
- Cost of risk of 167bp in 9M23 (181bp in the same period of 2022)



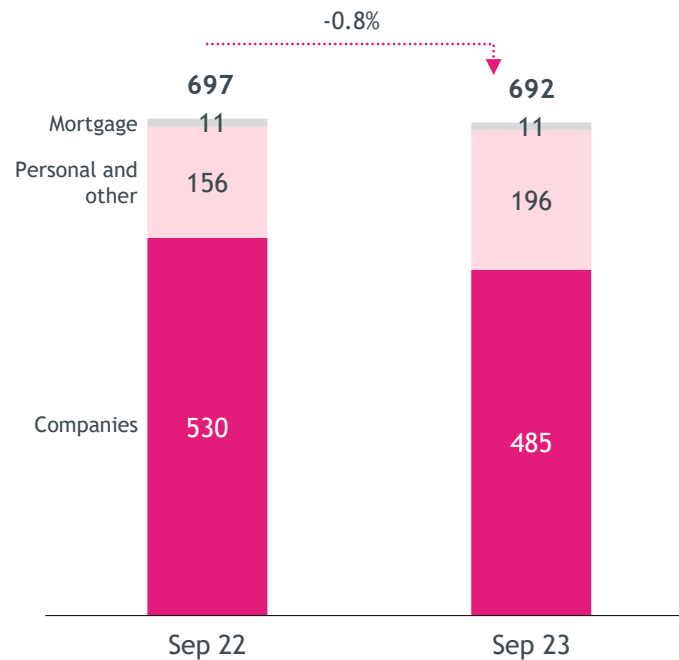
## Customers funds

(Million euros\*)



## Loans to Customers (gross)

(Million euros\*)



\*FX effect excluded. €/Metical constant at September 2023 levels: Income Statement 69.42; Balance Sheet 67.53



05

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**Key figures**



# Strategic Plan: Excelling 24

	9M23		2024
C/I ratio	32%*	✓	≈ 40%
Cost of risk	50 bp	✓	≈ 50 bp
RoE	16.7%	✓	≈ 10%
CET1 ratio	14.9%	✓	>12.5%
NPE ratio	3.6%	✓	≈ 4%
Share of mobile Customers	66%	✓	>65%
Growth of high engagement Customers** (vs 2020)	+12.6%	✓	+12%
Average ESG rating***	69%		>80%

\*Adjusted cost to income: without the positive one-off effect related with the sale of 80% of Millennium Financial Services stake (international operations) and without the charge regarding mainly the compensation for the temporary reduction of remuneration in the period 2014/2017 in Portugal. | \*\*Active Customers with card transactions in the previous 90 days or funds > €100 (->MZM 1,000 in Mozambique) | \*\*\*Average of Top 3 indices (DJSI, CDP and MSCI) | NPE include loans to Customers only.

# COMMITMENT TO PEOPLE AND SOCIETY



## Millennium bcp Foundation



**National Museum Soares dos Reis: Portrete de la animo exhibition**, which presents portraits and self-portraits that are part of the Treger Saint Silvestre Collection, one of the most important and extensive Brut Art collections in the world.



**Francisco de Lacerda/Fundação Millennium bcp 2023 Composer Prize:** attributed to the “Ecos de Trovas” play by the composer Luis Neto da Costa. The work was presented by the Lisbon Metropolitan Orchestra at the end of the “Encontro Sonoros Atlânticos Francisco de Lacerda 3rd edition”.



**VERÃO CLÁSSICO 2023 Festival:** initiative that presents, annually in Lisbon, concerts and masterclasses. In this 9th edition, between July 17th and 29th, it presented major musical repertoire works from the 18th to 21st centuries.



**AR&PA - Iberian Biennial Cultural Heritage:** Initiative that aims to bring ordinary citizens to Cultural Heritage and attract future professionals to the sector. It celebrates 10 years of existence in Portugal with this Edition in Angra do Heroísmo, from October 12th to 15th.

## Society



Millennium Volunteers with Bipp/SEMEAR, in another presential proximity action and involvement in supporting inclusion and employability of people with intellectual difficulties.



Millennium Volunteers support ENTRAJUDA, digitally, on the “Visitas Virtuais” action within the “Conhecer +” program, helping to improve the allocation and distribution of goods by the beneficiary institutions.



Millennium bcp is a signatory of the “Pacto Mais e Melhores Empregos para os Jovens”, on a commitment with recent graduates and working conditions maintaining the Bank as reference in valuing its professionals.



Millennium bcp supports Centro Hospitalar do Oeste (CHOeste), through the donation of IT equipment, furniture and various office supplies, in a contribution to improve its working conditions.

## Sustainability



Millennium bcp is, according to Global Finance magazine, “Best Bank for Sustainable Finance in Portugal” in 2023, recognizing the leadership in financing projects that fights climate change and improve people’s quality of life.



Millennium bcp creates a bicycle parking lot (BIKE Park) on Taguspark, promoting smooth and sustainable mobility for its workers.



Millennium bcp sees its green financing highlighted as “boa prática” in the 2nd “Observatório das ODS nas Empresas Portuguesas” Report, from the Center for Responsible Business & Leadership at Católica Lisbon School.



BCP Group is part of Carbon Disclosure Project “Supplier Engagement” for the 1st time, in recognition of the work carried out with its suppliers in promoting climate/environmental action in the supply chain.

# Awards



**Millennium bcp:** “Best Digital Bank 2023” in Portugal



**App Millennium:** “2023 Product of the Year”, on the “Banking App” category



**Bank Millennium:** Second place on the Forbes “Poland’s Best Employers 2023” ranking, on Banks and Financial Services category



**Millennium bcp:** “Best Investment Banking 2023” in Portugal



**Millennium bcp**  
Main Bank of Companies by the DATA E 2023 study



**Bank Millennium:** Distinguished with the CSR Golden Leaf Award for corporate social responsibility practices



**Millennium bcp:** Distinguished at the 12<sup>th</sup> edition of Euronext Lisbon Awards with “Local Market Member in Equity” award



**Millennium bcp:** Number 1 bank for Innovative Companies supporting 421 companies to achieve the COTEC Innovative Status



**Bank Millennium:** 1st place in categories of Best Distributor in Poland and Best Distributor in Eastern Europe in an international competition for the structured products industry



**Millennium bcp** integrates, for 4<sup>th</sup> consecutive year, the Bloomberg Gender-Equality Index



**Bank Millennium:** “Best Digital Bank 2023” in Poland



**Bank Millennium:** 1<sup>st</sup> place in the Summary of macroeconomic forecasts for 2022, from the Refinitiv ranking



**Millennium bcp:** winner on “Banca e Finanças” category, for the 5<sup>th</sup> time



**Bank Millennium** highlighted on the Polish Contact Center Awards 2023



**Millennium bim:** “Best Consumer Digital Bank 2023” in Mozambique



**Millennium bcp:** Winner on “Grandes Bancos” and “Apps Bancárias” categories



**Bank Millennium:** “Best Bank” in Poland



**Millennium bim:** “The Best Consumer Digital Bank for Innovation and Transformation in Africa for 2023”



**Millennium bcp:** Consumer Choice 2023, on the “Large Banks” category for 3<sup>rd</sup> consecutive year



**Bank Millennium:** Distinguished with the “Golden Bank 2023” title



**Millennium bim:** “Best Digital Bank 2023”



**ActivoBank:** Consumer Choice 2023, on the “Digital Bank” category for the 5<sup>th</sup> time



**Bank Millennium:** Awarded with the “Service Quality Star”, being the Millennium brand recommended by consumers



**Millennium bim:** “Best Bank” in Mozambique; “Best Private Bank” in Mozambique





# Appendix



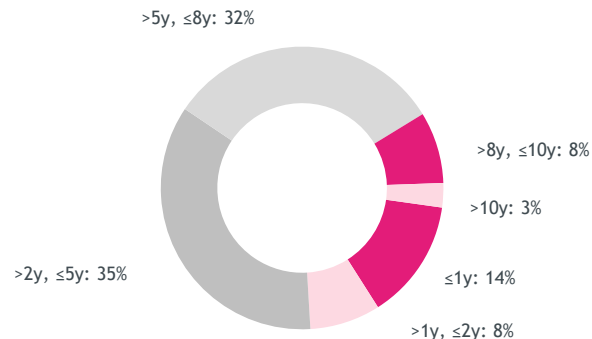
# Sovereign debt portfolio

## Sovereign debt portfolio

(Consolidated, million euros)

	Sep 22	Dec 22	Mar 23	Jun 23	Sep 23	YoY	QoQ
Portugal	6,882	6,295	6,908	6,534	6,188	-10%	-5%
T-bills and other	461	310	810	421	109	-76%	-74%
Bonds	6,421	5,985	6,098	6,113	6,079	-5%	-1%
Poland	3,185	3,320	3,204	3,461	3,881	+22%	+12%
Mozambique	464	526	527	530	533	+15%	+0%
Other	5,897	6,390	8,206	9,216	8,963	+52%	-3%
<b>Total</b>	<b>16,427</b>	<b>16,531</b>	<b>18,844</b>	<b>19,741</b>	<b>19,564</b>	<b>+19%</b>	<b>-1%</b>

## Sovereign debt maturity



- ✓ The sovereign debt portfolio totalled 19.6 billion, 15.3 billion of which maturing in more than 2 years
- ✓ The Portuguese sovereign debt portfolio totalled 6.2 billion, the Polish and Mozambican portfolios amounted to 3.9 billion and to 0.5 billion, respectively; “other” includes, among other, sovereign debt from France (3.4 billion), Spain (2.6 billion), Belgium (1.6 billion), Germany (0.5 billion), Ireland (0.5 billion) and Austria (0.4 billion)

# Sovereign debt portfolio

(Million euros)

	Portugal	Poland	Mozambique	Other	Total
Trading book	188	51	0	413	652
≤ 1 year	135	1		408	543
> 1 year and ≤ 2 years	4	2			6
> 2 years and ≤ 5 years	39	4		5	48
> 5 years and ≤ 8 years	6	7			12
> 8 years and ≤ 10 years	2	2			4
> 10 years	3	35		1	38
Banking book*	6,000	3,830	533	8,550	18,912
≤ 1 year	1	583	78	1,486	2,149
> 1 year and ≤ 2 years	36	1,185	152	203	1,576
> 2 years and ≤ 5 years	3,893	1,505	230	1,243	6,871
> 5 years and ≤ 8 years	1,560	208		4,446	6,213
> 8 years and ≤ 10 years	217	136	72	1,172	1,597
> 10 years	293	213			506
Total	6,188	3,881	533	8,963	19,564
≤ 1 year	136	584	78	1,894	2,692
> 1 year and ≤ 2 years	39	1,187	152	203	1,582
> 2 years and ≤ 5 years	3,932	1,509	230	1,248	6,919
> 5 years and ≤ 8 years	1,566	214		4,446	6,226
> 8 years and ≤ 10 years	219	139	72	1,172	1,601
> 10 years	296	248		1	544

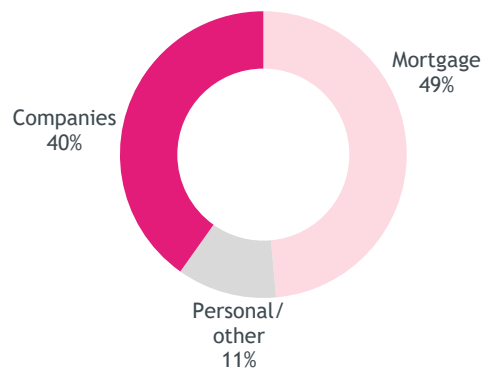
\*Includes financial assets at fair value through other comprehensive income (4,805 million) and financial assets at amortized cost (14,107 million).

# Diversified and collateralised portfolio

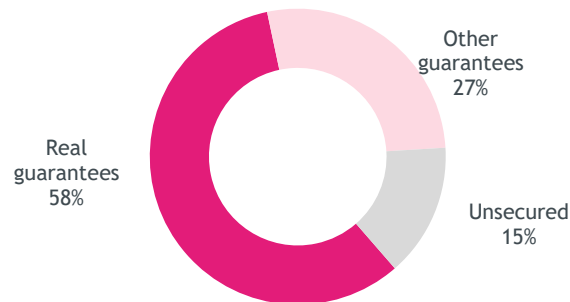
## Loan portfolio

(Consolidated)

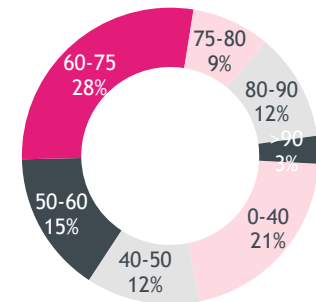
### Breakdown



### Loans per collateral



### LTV of the mortgage portfolio in Portugal



- Loans to companies accounted for 40% of the loan portfolio as of September 2023, including 6% to construction and real-estate sectors
- Mortgage accounted for 49% of the loan portfolio, with low delinquency levels and an average LTV of 60%
- 85% of the loan portfolio is collateralised

# Consolidated net income

<i>(Million euros)</i>	9M22	9M23	YoY	Impact on earnings
Net interest income	1,545.8	2,117.5	+37.0%	+571.6
Net fees and commissions	573.8	578.5	+0.8%	+4.7
Other income*	-55.0	96.7		+151.7
<b>Net operating revenue</b>	<b>2,064.7</b>	<b>2,792.7</b>	<b>+35.3%</b>	<b>+728.0</b>
Staff costs	-431.8	-468.0	+8.4%	-36.2
Other administrative costs and depreciation	-355.6	-386.6	+8.7%	-31.0
<b>Operating costs</b>	<b>-787.4</b>	<b>-854.6</b>	<b>+8.5%</b>	<b>-67.2</b>
<b>Profit before impairment and provisions</b>	<b>1,277.2</b>	<b>1,938.0</b>	<b>+51.7%</b>	<b>+660.8</b>
Results on modification	-318.6	-14.8		+303.8
Loans impairment (net of recoveries)	-241.2	-211.4	-12.3%	+29.8
Other impairment and provisions	-532.4	-602.4	+13.2%	-70.0
<b>Results of modification, Impairment and provisions</b>	<b>-1,092.2</b>	<b>-828.7</b>	<b>-24.1%</b>	<b>+263.5</b>
<b>Net income before income tax</b>	<b>185.0</b>	<b>1,109.3</b>	<b>+499.6%</b>	<b>+924.3</b>
Income taxes	-208.6	-387.4	+85.7%	-178.7
Net income from discontinued or to be discontinued operations	1.5	0.0	-100.6%	-1.5
Non-controlling interests	112.0	-71.2	-163.6%	-183.2
<b>Net income</b>	<b>89.8</b>	<b>650.7</b>	<b>+624.4%</b>	<b>+560.9</b>

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

# Consolidated balance sheet

(Million euros)

	30 September 2023	30 September 2022 (restated)
<b>ASSETS</b>		
Cash and deposits at Central Banks	3,525.8	3,122.9
Loans and advances to credit institutions repayable on demand	188.0	346.0
Financial assets at amortised cost		
Loans and advances to credit institutions	1,116.1	7,751.5
Loans and advances to customers	52,921.3	54,902.2
Debt instruments	17,036.1	12,585.8
Financial assets at fair value through profit or loss		
Financial assets held for trading	1,098.5	1,047.7
Financial assets not held for trading mandatorily at fair value through profit or loss	492.1	914.9
Financial assets designated at fair value through profit or loss	30.7	-
Financial assets at fair value through other comprehensive income	8,673.9	7,574.1
Hedging derivatives	82.1	799.5
Investments in associated companies	335.3	398.7
Non-current assets held for sale	81.6	605.9
Investment property	15.1	12.2
Other tangible assets	596.2	575.0
Goodwill and intangible assets	197.2	157.4
Current tax assets	9.7	12.9
Deferred tax assets	2,723.4	2,970.1
Other assets	2,046.0	3,358.4
<b>TOTAL ASSETS</b>	<b>91,169.2</b>	<b>97,135.3</b>

	30 September 2023	30 September 2022 (restated)
<b>LIABILITIES</b>		
Financial liabilities at amortised cost		
Resources from credit institutions	1,240.2	8,967.3
Resources from customers	73,373.8	73,842.8
Non subordinated debt securities issued	2,056.9	1,091.6
Subordinated debt	1,354.5	1,331.9
Financial liabilities at fair value through profit or loss		
Financial liabilities held for trading	269.0	246.7
Financial liabilities at fair value through profit or loss	3,502.6	1,331.5
Hedging derivatives	137.3	2,258.2
Provisions	662.0	567.2
Current tax liabilities	173.5	8.5
Deferred tax liabilities	9.0	11.2
Other liabilities	1,542.5	1,641.5
<b>TOTAL LIABILITIES</b>	<b>84,321.3</b>	<b>91,298.5</b>
<b>EQUITY</b>		
Share capital	3,000.0	4,725.0
Share premium	16.5	16.5
Other equity instruments	400.0	400.0
Legal and statutory reserves	316.4	268.5
Treasury shares	-	-
Reserves and retained earnings	1,551.1	(368.0)
Net income for the period attributable to Bank's Shareholders	650.7	89.8
<b>TOTAL EQUITY ATTRIBUTABLE TO BANK'S SHAREHOLDERS</b>	<b>5,934.7</b>	<b>5,131.9</b>
Non-controlling interests	913.2	704.9
<b>TOTAL EQUITY</b>	<b>6,847.9</b>	<b>5,836.8</b>
<b>TOTAL LIABILITIES AND EQUITY</b>	<b>91,169.2</b>	<b>97,135.3</b>

# Consolidated income statement per quarter

(Million euros)

	Quarterly				
	3Q 22	4Q 22	1Q 23	2Q 23	3Q 23
<b>Net interest income</b>	<b>560.7</b>	<b>603.9</b>	<b>664.6</b>	<b>709.8</b>	<b>743.1</b>
Dividends from equity instruments	-3.6	0.8	0.0	1.1	0.0
Net fees and commission income	186.2	198.1	195.4	191.6	191.4
Other operating income	-1.5	-6.2	-6.4	-65.8	15.7
Net trading income	32.7	-25.0	131.6	-7.1	-20.1
Equity accounted earnings	17.2	21.0	14.9	14.5	18.2
<b>Banking income</b>	<b>791.7</b>	<b>792.7</b>	<b>1,000.1</b>	<b>844.2</b>	<b>948.3</b>
Staff costs	147.7	149.0	144.3	163.6	160.0
Other administrative costs	89.2	101.2	90.3	94.7	98.5
Depreciation	34.4	35.4	33.9	34.7	34.6
<b>Operating costs</b>	<b>271.2</b>	<b>285.6</b>	<b>268.5</b>	<b>293.0</b>	<b>293.1</b>
<b>Profit bef. impairment and provisions</b>	<b>520.5</b>	<b>507.1</b>	<b>731.6</b>	<b>551.2</b>	<b>655.2</b>
Results on modification	-316.7	8.7	-5.9	-5.6	-3.2
Loans impairment (net of recoveries)	61.7	59.4	80.4	65.1	65.9
Other impairm. and provisions	160.5	223.1	237.7	165.2	199.5
<b>Net income before income tax</b>	<b>-18.5</b>	<b>233.3</b>	<b>407.5</b>	<b>315.2</b>	<b>386.6</b>
Income tax	52.9	95.7	156.2	89.8	141.4
<b>Net income (before disc. oper.)</b>	<b>-71.4</b>	<b>137.6</b>	<b>251.3</b>	<b>225.5</b>	<b>245.2</b>
Net income arising from scont. operations	0.0	4.1	0.0	0.0	0.0
Non-controlling interests	-99.0	34.1	35.1	18.4	17.8
<b>Net income</b>	<b>27.6</b>	<b>107.6</b>	<b>216.1</b>	<b>207.1</b>	<b>227.5</b>

# Income statement

(Million euros)

For the 9-month periods ended September 30<sup>th</sup>, 2022 and 2023

	Group			Portugal			International operations											
							Total			Bank Millennium (Poland)			Millennium bim (M oz.)			Other int. operations		
	Sep 22	Sep 23	Δ %	Sep 22	Sep 23	Δ %	Sep 22	Sep 23	Δ %	Sep 22	Sep 23	Δ %	Sep 22	Sep 23	Δ %	Sep 22	Sep 23	Δ %
Interest income	1,878	3,191	69.9%	713	1,587	>100%	1,165	1,604	37.6%	954	1,381	44.8%	210	223	6.0%	1	0	<-100%
Interest expense	332	1,073	>100%	42	489	>100%	290	584	>100%	224	514	>100%	66	70	6.0%	0	0	<-100%
<b>Net interest income</b>	<b>1,546</b>	<b>2,117</b>	<b>37.0%</b>	<b>671</b>	<b>1,098</b>	<b>63.6%</b>	<b>875</b>	<b>1,020</b>	<b>16.5%</b>	<b>730</b>	<b>867</b>	<b>18.8%</b>	<b>144</b>	<b>152</b>	<b>6.0%</b>	<b>1</b>	<b>0</b>	<b>&lt;-100%</b>
Dividends from equity instruments	9	1	-86.9%	9	0	-94.1%	1	1	-19%	1	1	-19%	0	0	--	0	0	--
<b>Intermediation margin</b>	<b>1,555</b>	<b>2,119</b>	<b>36.2%</b>	<b>679</b>	<b>1,098</b>	<b>61.7%</b>	<b>876</b>	<b>1,020</b>	<b>16.5%</b>	<b>731</b>	<b>868</b>	<b>18.8%</b>	<b>144</b>	<b>152</b>	<b>6.0%</b>	<b>1</b>	<b>0</b>	<b>&lt;-100%</b>
Net fees and commission income	574	578	0.8%	418	420	0.5%	156	159	1.6%	130	129	-0.4%	26	29	11.4%	0	0	-100.0%
Other operating income	-177	-56	68.0%	-71	-67	6.4%	-105	10	>100%	-107	8	>100%	2	2	7.3%	0	0	>100%
<b>Basic income</b>	<b>1,952</b>	<b>2,641</b>	<b>35.3%</b>	<b>1,026</b>	<b>1,451</b>	<b>41.5%</b>	<b>926</b>	<b>1,189</b>	<b>28.4%</b>	<b>753</b>	<b>1,006</b>	<b>33.5%</b>	<b>172</b>	<b>184</b>	<b>6.8%</b>	<b>1</b>	<b>0</b>	<b>&lt;-100%</b>
Net trading income	75	104	39.4%	99	18	<-100%	-24	122	>100%	-39	110	>100%	15	12	-16.5%	0	0	-100.0%
Equity accounted earnings	38	48	26.5%	39	45	17.1%	-1	2	>100%	0	0	--	1	1	-0.6%	-2	1	>100%
<b>Banking income</b>	<b>2,065</b>	<b>2,793</b>	<b>35.3%</b>	<b>1,163</b>	<b>1,479</b>	<b>27.1%</b>	<b>901</b>	<b>1,314</b>	<b>45.8%</b>	<b>715</b>	<b>1,116</b>	<b>56.1%</b>	<b>188</b>	<b>197</b>	<b>4.9%</b>	<b>-1</b>	<b>1</b>	<b>&gt;100%</b>
Staff costs	432	468	8.4%	252	264	5.0%	180	204	13.0%	145	167	14.9%	34	37	7.5%	1	0	-100.0%
Other administrative costs	252	283	12.6%	134	141	5.3%	118	143	20.8%	81	101	24.4%	37	42	13.5%	0	0	-100.0%
Depreciation	104	103	-0.6%	59	55	-6.8%	45	48	7.6%	33	35	3.5%	11	13	19.8%	0	0	<-100%
<b>Operating costs</b>	<b>787</b>	<b>855</b>	<b>8.5%</b>	<b>444</b>	<b>460</b>	<b>3.5%</b>	<b>343</b>	<b>395</b>	<b>15.0%</b>	<b>260</b>	<b>303</b>	<b>16.4%</b>	<b>82</b>	<b>92</b>	<b>11.8%</b>	<b>1</b>	<b>0</b>	<b>&lt;-100%</b>
<b>Profit bef. impairment and provisions</b>	<b>1,277</b>	<b>1,938</b>	<b>51.7%</b>	<b>719</b>	<b>1,019</b>	<b>41.7%</b>	<b>558</b>	<b>919</b>	<b>64.7%</b>	<b>455</b>	<b>813</b>	<b>78.8%</b>	<b>106</b>	<b>105</b>	<b>-0.5%</b>	<b>-2</b>	<b>1</b>	<b>&gt;100%</b>
Results on modification	-319	-15	95.3%	0	0	--	-319	-15	95.3%	-319	-15	95.3%	0	0	--	0	0	--
Loans impairment (net of recoveries)	241	211	-12.3%	174	158	-9.4%	67	54	-19.9%	58	45	-21.6%	9	8	-9.7%	0	0	15.4%
Other impairm. and provisions	532	602	13.2%	100	74	-25.6%	433	528	22.1%	323	522	61.5%	1	3	>100%	109	3	-96.8%
<b>Net income before income tax</b>	<b>185</b>	<b>1,109</b>	<b>&gt;100%</b>	<b>445</b>	<b>787</b>	<b>76.7%</b>	<b>-260</b>	<b>323</b>	<b>&gt;100%</b>	<b>-245</b>	<b>231</b>	<b>&gt;100%</b>	<b>96</b>	<b>94</b>	<b>-1.7%</b>	<b>-111</b>	<b>-2</b>	<b>97.8%</b>
Income tax	209	387	85.7%	157	230	46.5%	51	157	>100%	26	130	>100%	26	27	4.2%	0	0	--
<b>Net income (before disc. oper.)</b>	<b>-24</b>	<b>722</b>	<b>&gt;100%</b>	<b>288</b>	<b>557</b>	<b>93.2%</b>	<b>-312</b>	<b>165</b>	<b>&gt;100%</b>	<b>-270</b>	<b>101</b>	<b>&gt;100%</b>	<b>70</b>	<b>67</b>	<b>-3.9%</b>	<b>-111</b>	<b>-2</b>	<b>97.8%</b>
Net income arising from discont. operations	1	0	<-100%	0	0	--	1	0	-100.0%	0	0	--	0	0	-100.0%	0	0	--
Non-controlling interests	-112	71	>100%	0	0	27.8%	-112	71	>100%	0	0	--	0	0	--	-112	71	>100%
<b>Net income</b>	<b>90</b>	<b>651</b>	<b>&gt;100%</b>	<b>288</b>	<b>557</b>	<b>93.1%</b>	<b>-199</b>	<b>94</b>	<b>&gt;100%</b>	<b>-270</b>	<b>101</b>	<b>&gt;100%</b>	<b>70</b>	<b>67</b>	<b>-4.0%</b>	<b>1</b>	<b>-74</b>	<b>&lt;-100%</b>



# Glossary (1/2)

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

**Balance sheet Customer funds** - deposits and other resources from Customers and debt securities placed with Customers.

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

**Commercial gap** - loans to Customers (gross) minus on-balance sheet Customer funds.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

# Glossary (2/2)

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

**NPE Specific coverage** - NPE impairments (balance sheet) divided by the stock of NPE.

**NPE total coverage** - Impairments (balance sheet) and NPE collaterals divided by the stock of NPE.

**NPE total specific coverage** - NPE impairments (balance sheet) and NPE collaterals divided by the stock of NPE.

**Non-performing loans (NPL)** - overdue loans (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, i.e. portion in arrears, plus non-overdue remaining principal.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

# Millennium

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