Millennium bcp

EARNINGS PRESENTATION

2018

AGILE

MODERN

PERSONAL

SIMPLE

SUSTAINABLE

Disclaimer

- The information in this presentation has been prepared under the scope of the International Financial Reporting Standards ('IFRS') of BCP Group for the purposes of the preparation of the consolidated financial statements under Regulation (CE) 1606/2002, as amended.
- The figures presented do not constitute any form of commitment by BCP in regard to future earnings.
- Figures for 2018 not audited.
- The information in this presentation is for information purposes only, and should be read in conjunction with all other information made public by the BCP Group.

Agenda

- Highlights
- Group
  - Profitability
  - Business activity
  - Capital
- Portugal
- International operations
- Key figures

Highlights

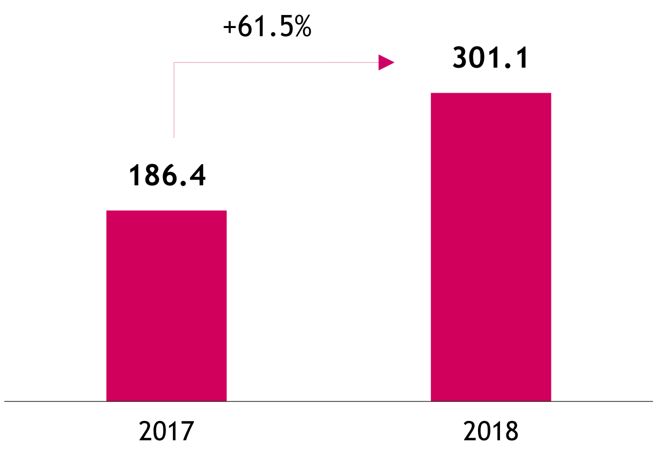
1 Improved profitability, with net earnings of €301.1 million in 2018

2 Capital ratio reinforced to 14.5%**, boosted by AT1 issue in January 2019, and comfortably above SREP requirements

The Executive Committee proposed the Board of Directors to approve a proposal for a dividend distribution corresponding to a 10% pay-out, to be submitted to the AGM

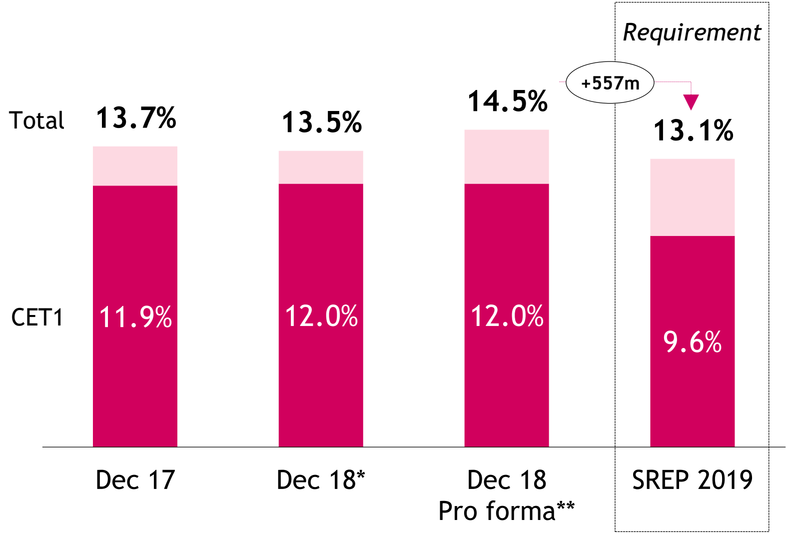
1 Improved profitability

(Consolidated net earnings, million euros)



2 Strengthened capital

(Fully implemented capital ratio)



*Including non-audited earnings for 2018.
**Including non-audited earnings for 2018 and AT1 issued in January 31, 2019 (€400 million).

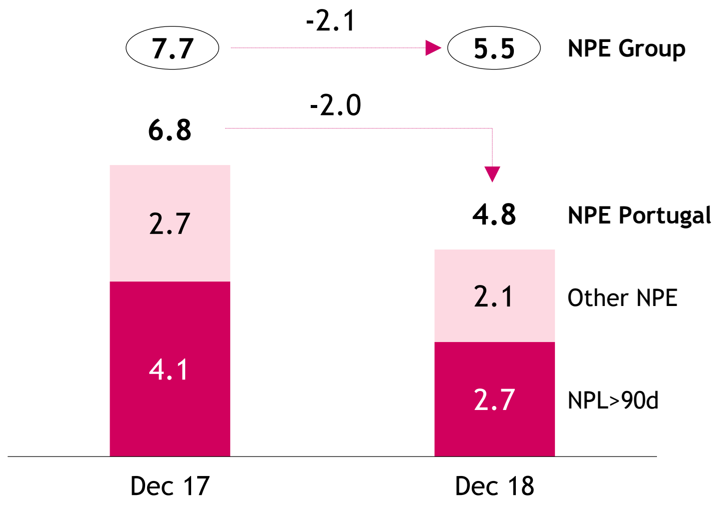
Highlights

3 Improved credit quality, with NPEs decreasing by €2.1 billion from December 31, 2017

4 NPE coverage by loan-loss reserves increases to 52%, total* coverage rises to 109%

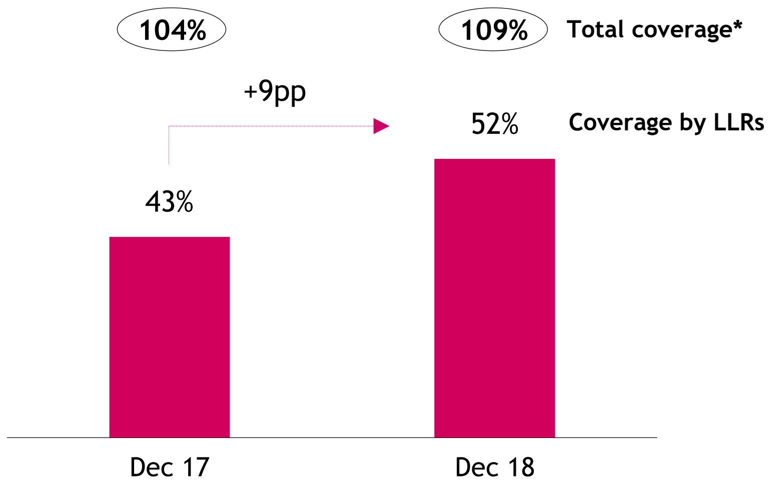
3 Improved asset quality

(Non-performing exposures, billion euros)



4 Increased NPE coverage

(As a % of non-performing exposures)



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

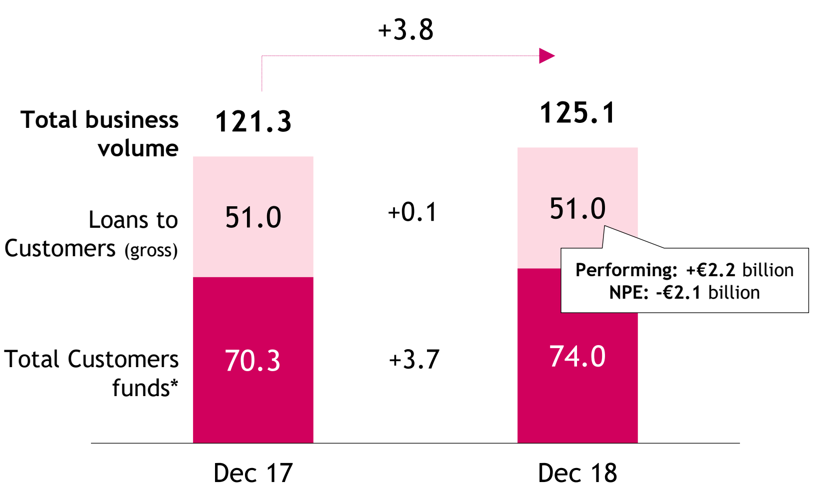
Highlights

5 Increasing business volumes, with performing loans up by €2.2 billion and total Customers funds up €3.7 billion from end-2017

6 +351,000 active Customers from December 31, 2017

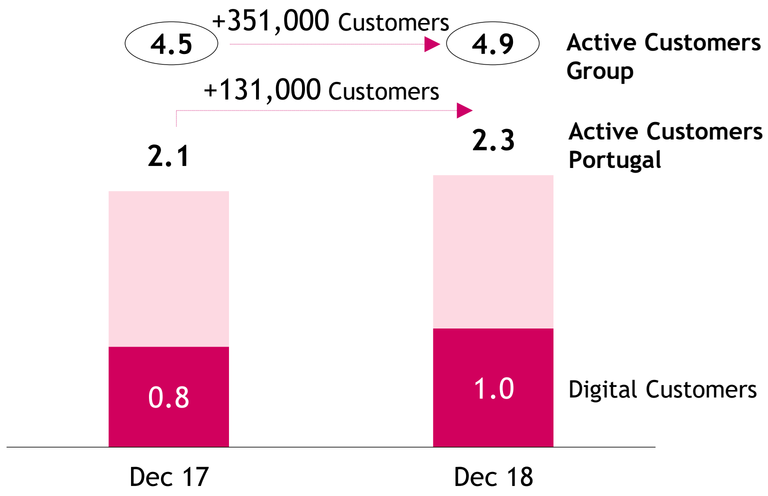
5 Increasing business volumes

(Consolidated, billion euros)



6 Growing Customer base

(Million Customers)



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

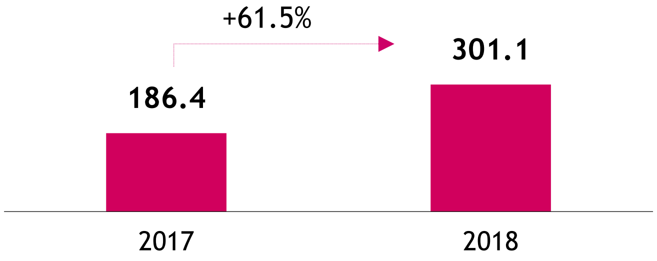
Agenda

- Highlights
- Group
  - Profitability
  - Business activity
  - Capital
- Portugal
- International operations
- Key figures

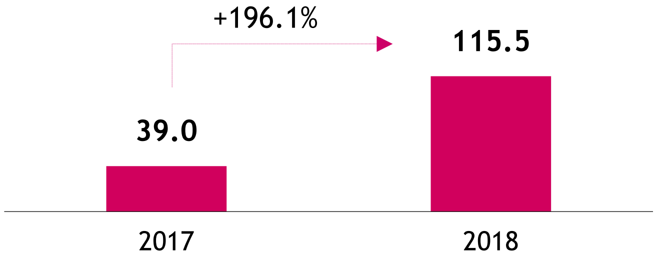
Improved profitability across geographies

(Million euros)

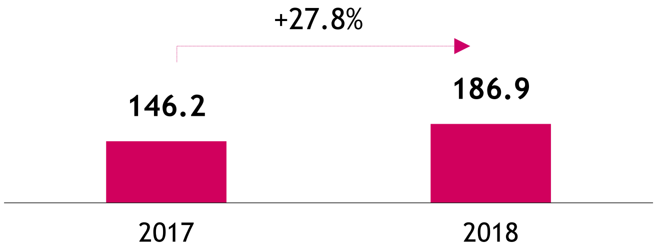
Consolidated net earnings*



Net earnings from domestic activity



Net earnings from international operations



- **Net earnings of €301.1 million** in 2018, a **61.5% increase** from €186.4 million in 2017
- **Earnings from domestic activity tripled**: €115.5 million in 2018, compared to €39.0 million in 2017
- **Earnings from international activity increased 27.8%**, to €186.9 million in 2018 from €146.2 million in 2017

*Includes earnings from domestic activity, from international operations and from discontinued operations (€1.2 million in 2017 and -€1.3 million in 2018).

Profit of €301.1 million in 2018

(million euros)	2017	2018	YoY	Impact on earnings
Net interest income	1,391.3	1,423.6	+2.3%	+32.4
Commissions	666.7	684.0	+2.6%	+17.3
Core income	**2,058.0**	**2,107.7**	**+2.4%**	**+49.7**
Other income*	139.5	78.9	-43.5%	-60.6
Operating costs	-954.2	-1,027.2	+7.7%	-73.0
Of which: recurring	**-968.4**	**-1,000.5**	**+3.3%**	**-32.1**
Of which: non-usual items (staff costs)	14.2	-26.7		-40.9
Operating net income	**1,243.3**	**1,159.3**	**-6.8%**	**-84.0**
Impairment and provisions	-924.8	-601.1	-35.0%	+323.7
Net income before income tax	**318.5**	**558.2**	**+75.3%**	**+239.7**
Income taxes, non-controlling interests and discotinued operations	-132.1	-257.1	+94.7%	-125.0
Net income	**186.4**	**301.1**	**+61.5%**	**+114.7**

- Credit sales: -€40.2 million (-€9.2 million in 2017, -€49.4 million in 2018)
- Reversal of salary cuts in Portugal: -€7.5 million in 2018
- Non-usual staff costs: -€40.9 million (€14.2 million income in 2017, €26.7 million expense in 2018)

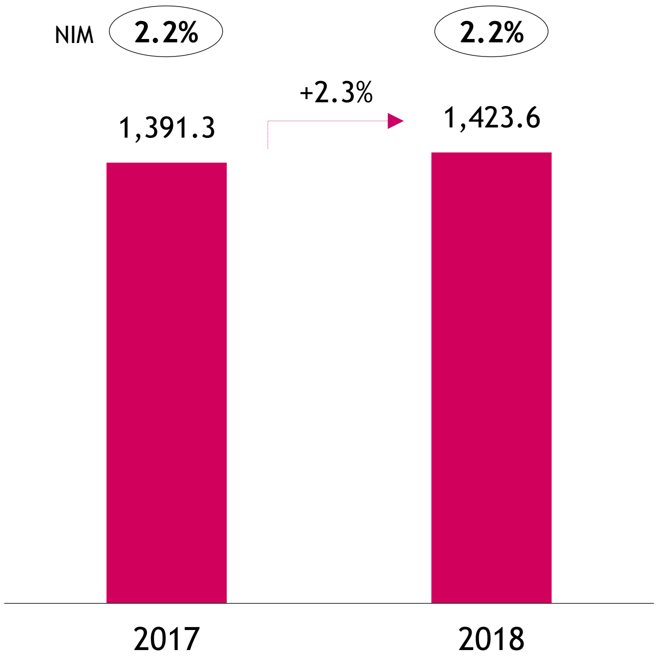
*Includes dividends from equity instruments, other net operating income, net trading income and equity accounted earnings.

Sound performance of net interest income

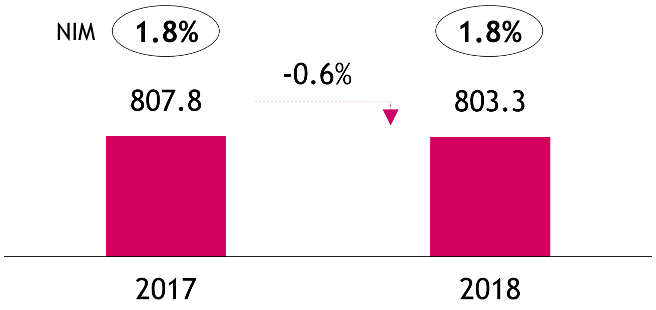
(Million euros)

Net interest income

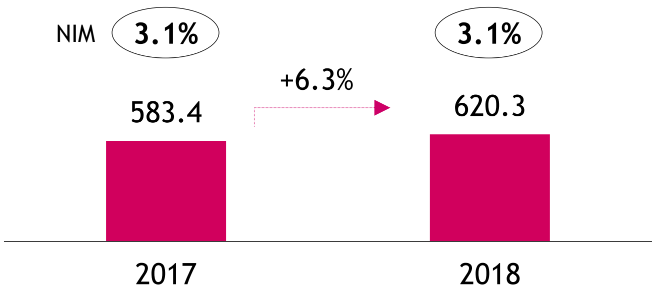
Consolidated



Portugal



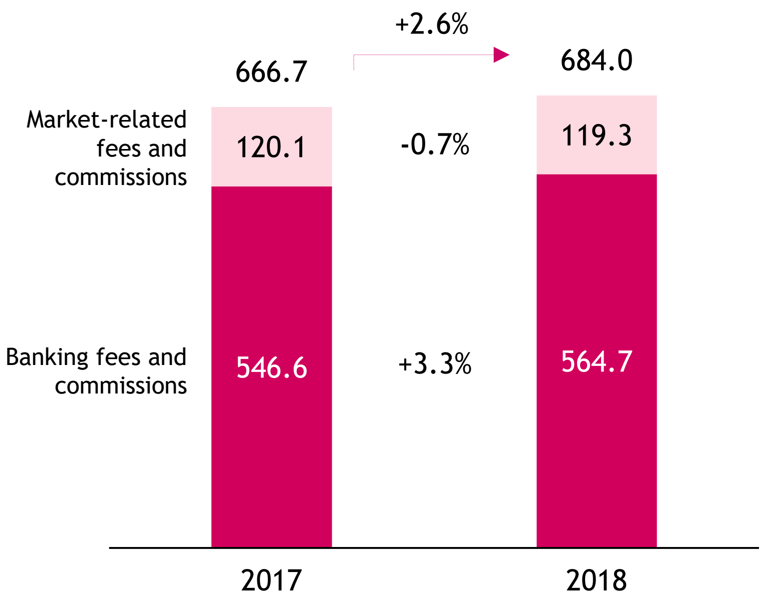
International operations



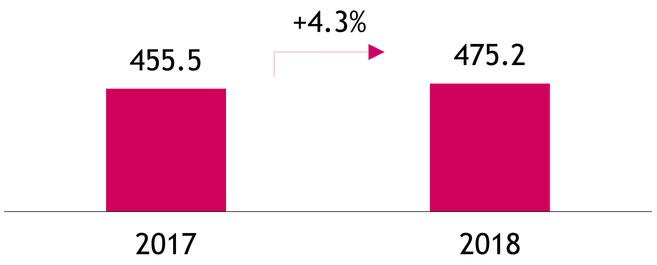
Commissions boosted by increased business volumes

(Million euros)

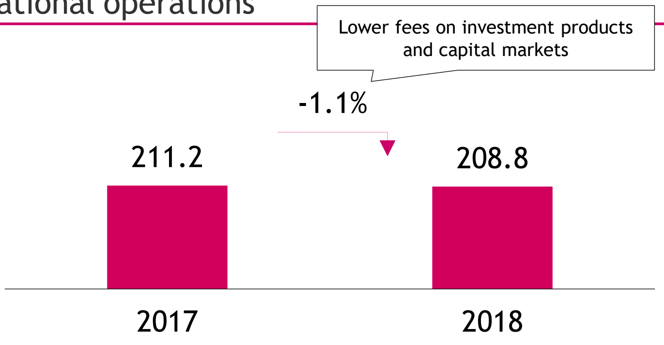
Fees and commissions — Consolidated



Portugal



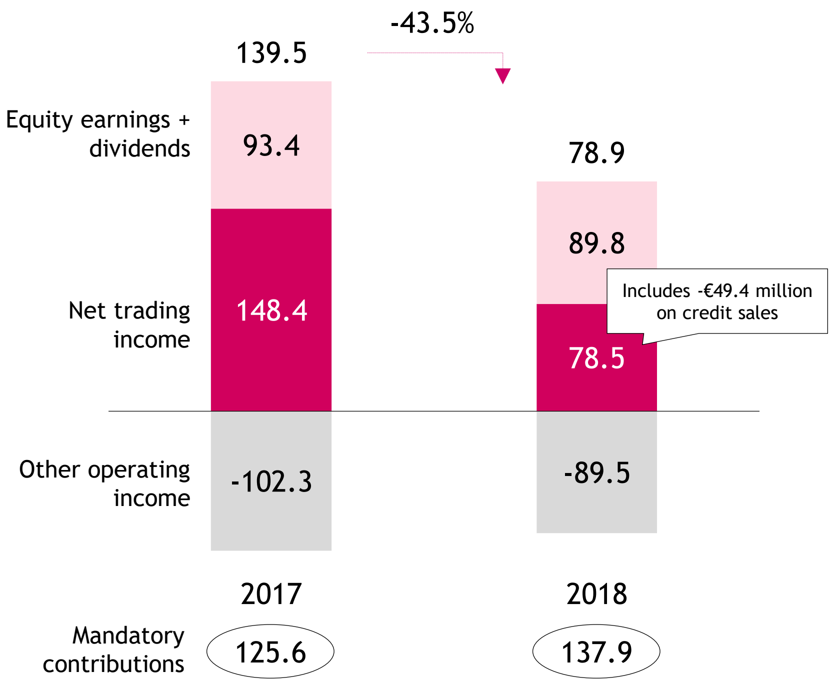
International operations



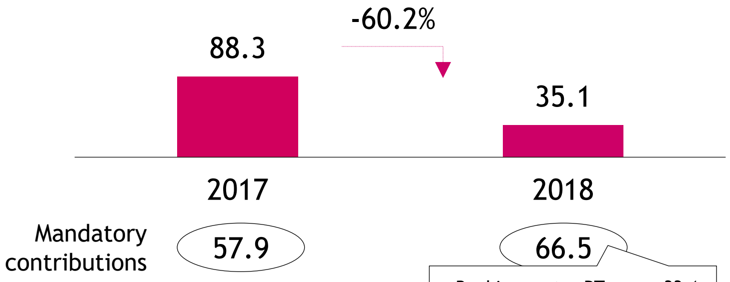
Other income* influenced by credit sales

(Million euros)

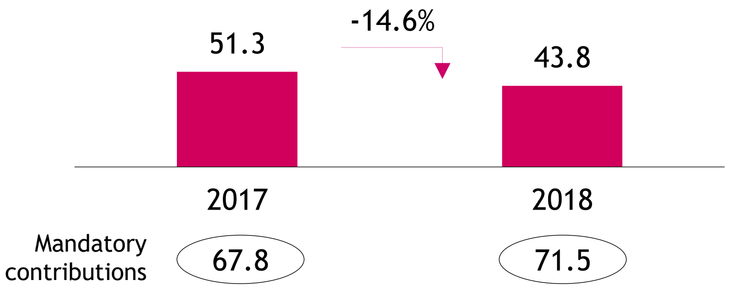
Other income* — Consolidated



Portugal



International operations

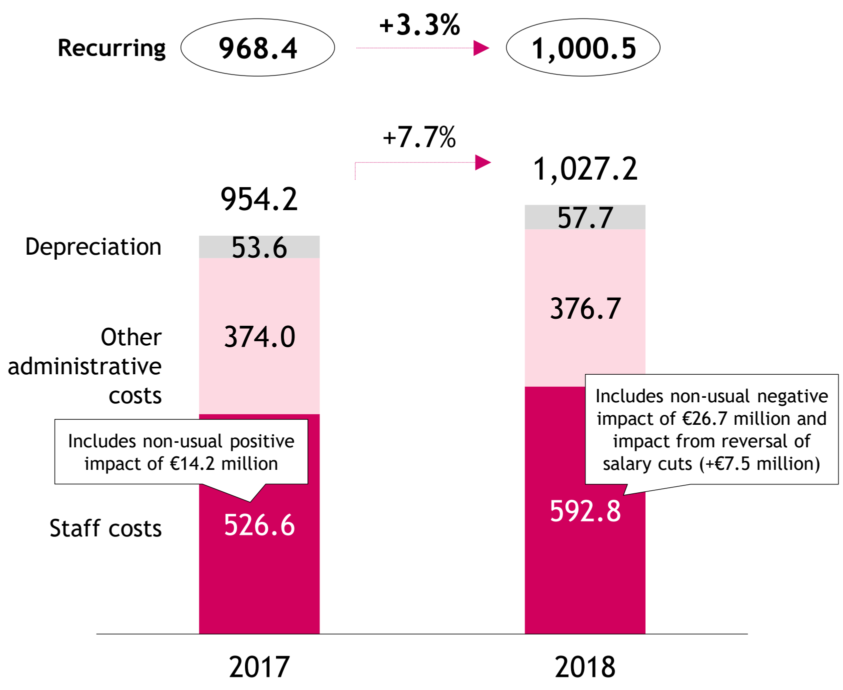


*Includes dividends from equity instruments, other net operating income, net trading income and equity accounted earnings.

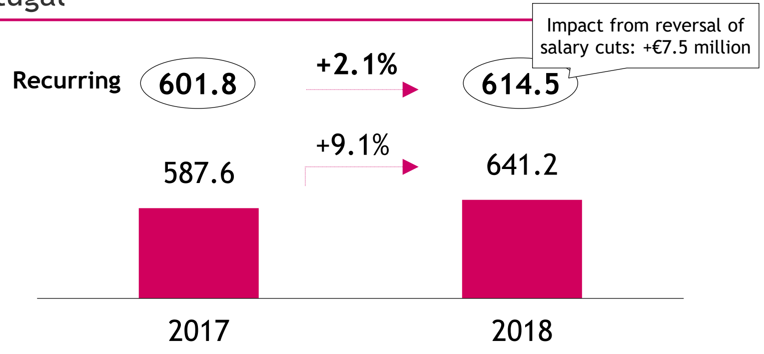
Recurring operating costs under control, in spite of the impact from the reversal of salary cuts

(*Million euros*)

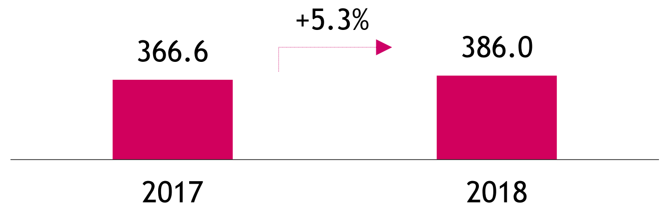
Operating costs — Consolidated



Portugal



International operations

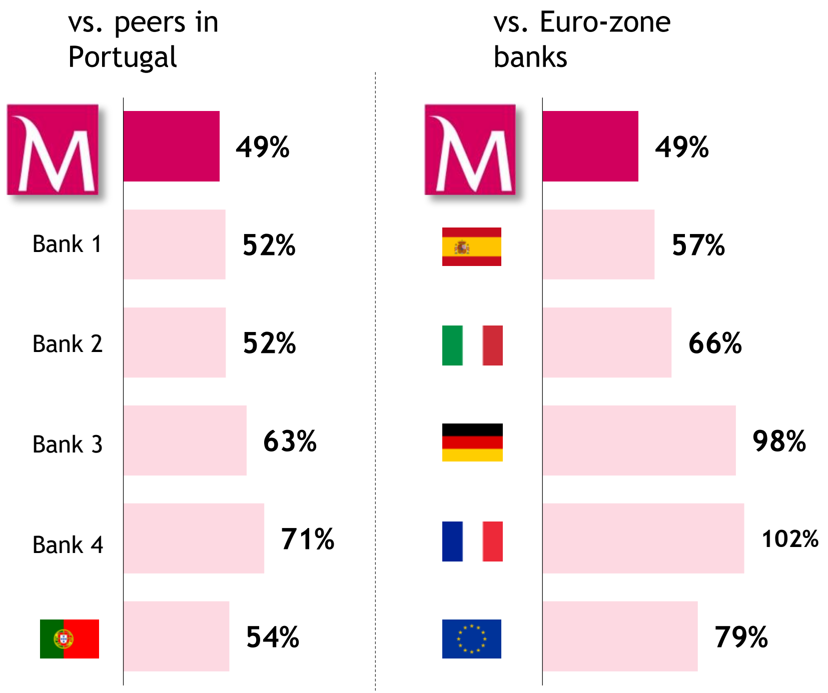


*Core income = net interest income + net fees and commission income.

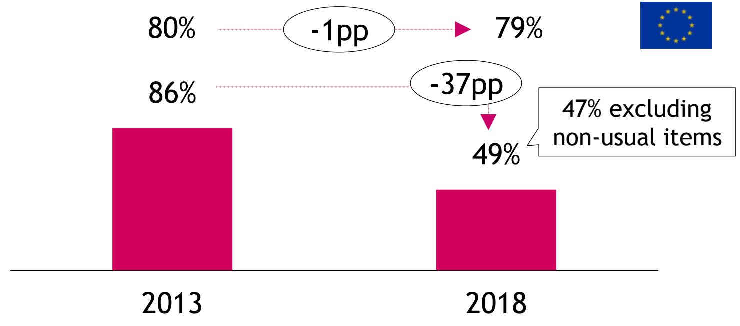
Millennium bcp: one of the most efficient banks in the Eurozone

Cost to core income*

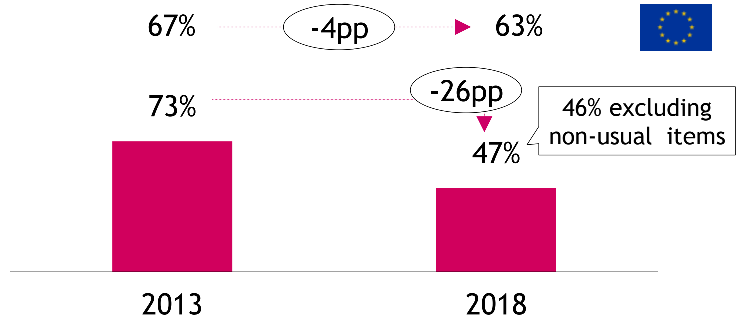
Latest available information



Cost to core income*



Cost to income

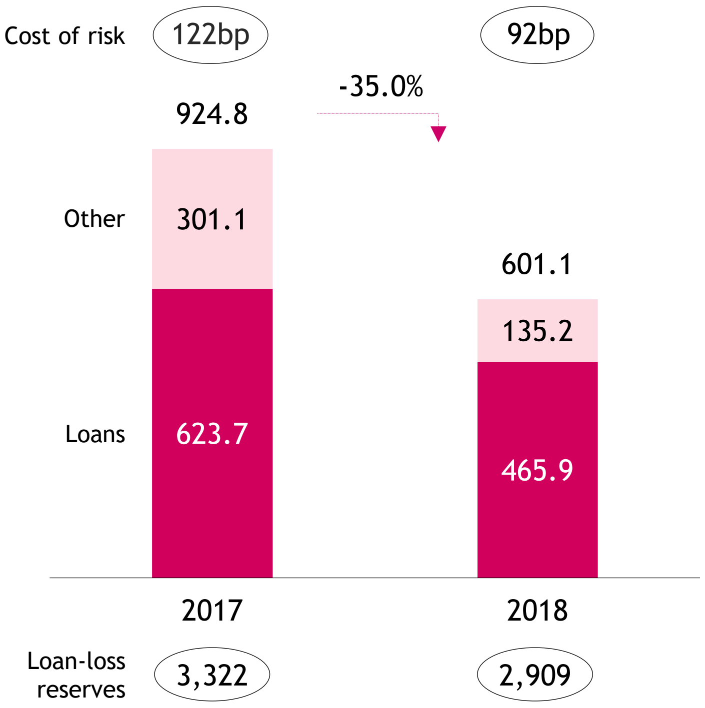


*Core income = net interest income + net fees and commission income.

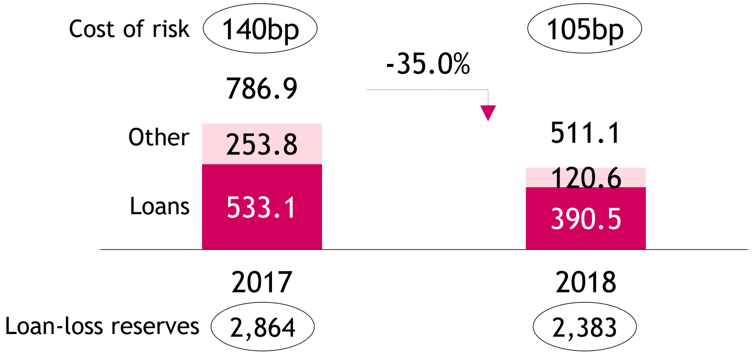
Cost of risk keeps a favourable trend

(Million euros)

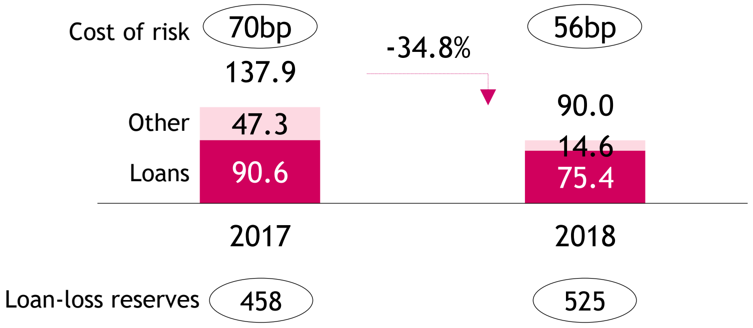
Impairment and provision charges — Consolidated



Portugal



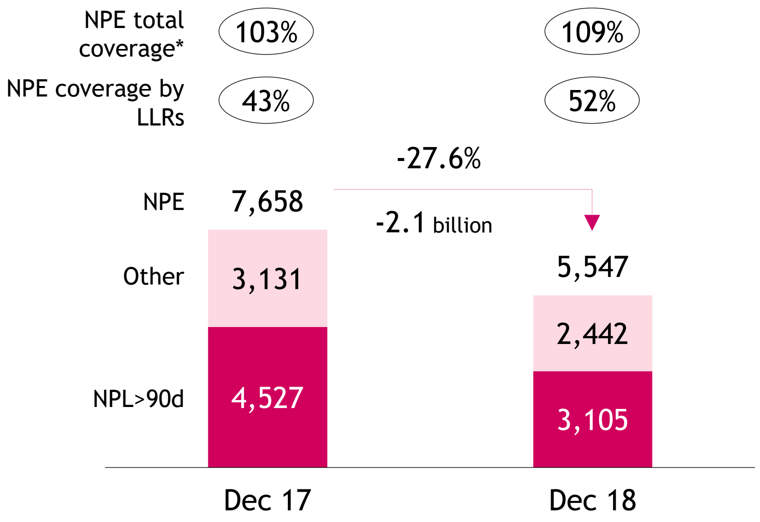
International operations



Relevant NPE reduction and strengthened coverage

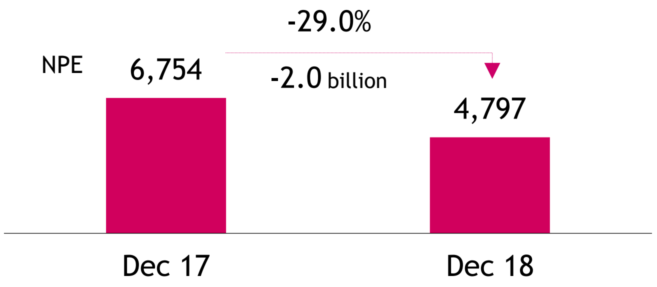
(*Million euros*)

Credit quality — Consolidated

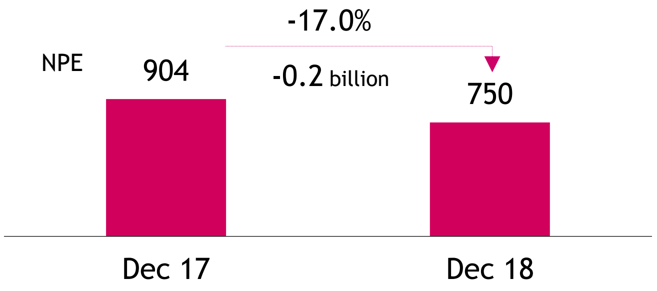


	Dec 17	Dec 18
NPL>90 days ratio	8.9%	6.1%
NPE ratio inc. securities and off-BS (EBA)	11.1%	7.6%
NPE ratio	15.0%	10.9%

Portugal



International operations



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

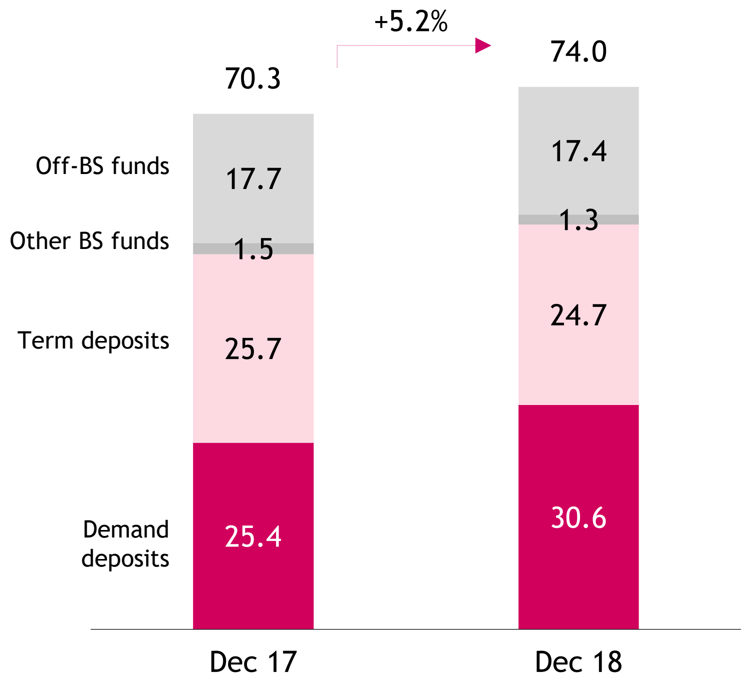
Agenda

- Highlights
- Group
  - Profitability
  - Business activity
  - Capital
- Portugal
- International operations
- Key figures

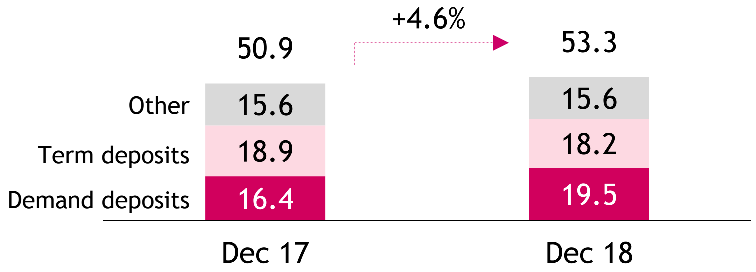
Strong business dynamics results in growing Customer funds

(*Billion euros*)

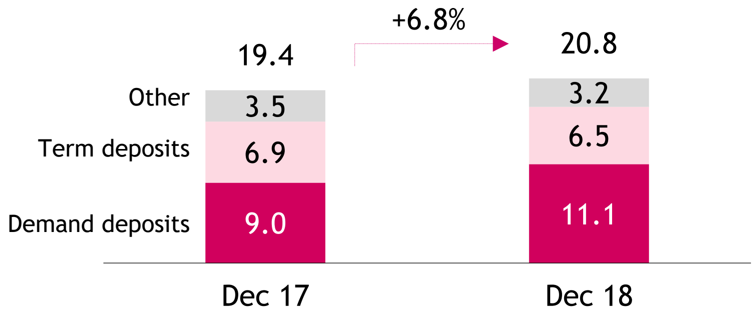
Total Customers funds* Consolidated



Total Customers funds* in Portugal



Total Customer funds* international operations

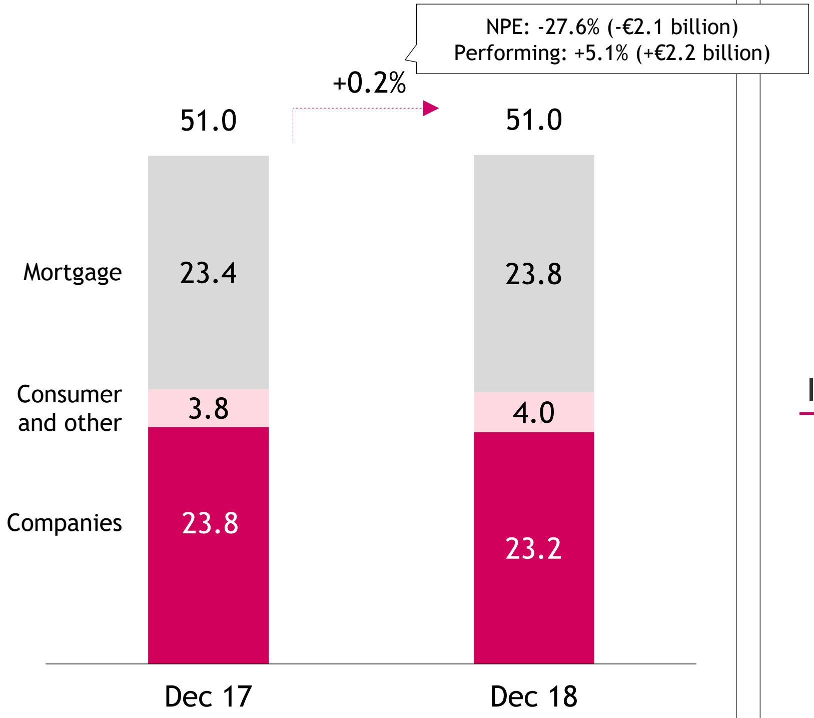


*Deposits, debt securities, assets under management, assets placed with Customers and insurance products (savings and investments).

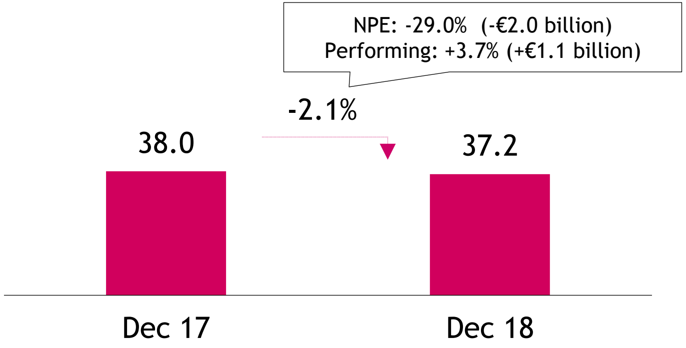
Strong business dynamics, with increasing performing loan portfolio

(Billion euros)

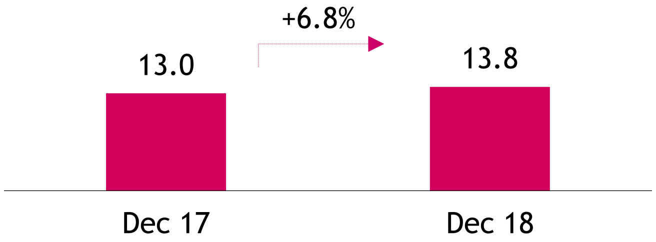
Loans to Customers (gross) — Consolidated



Portugal

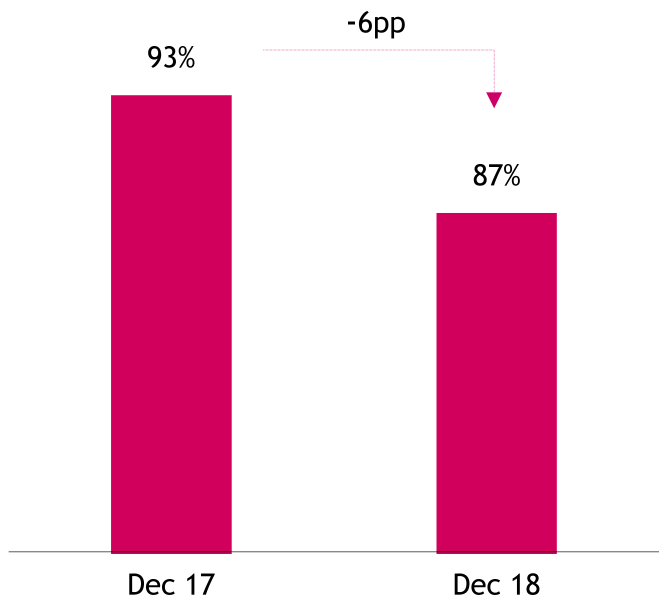


International operations



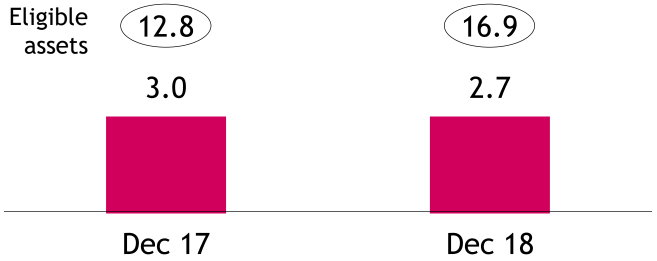
Comfortable liquidity position

Net loans to deposits ratio

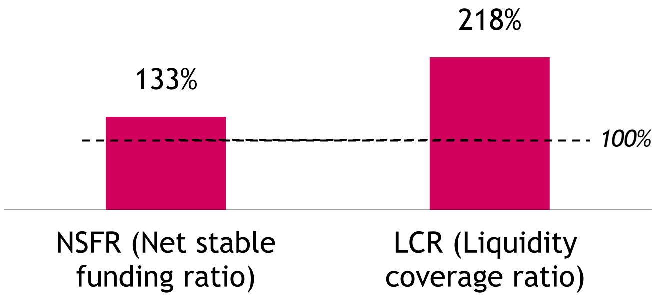


ECB funding

(Billion euros)



Liquidity ratios (CRD IV/CRR)



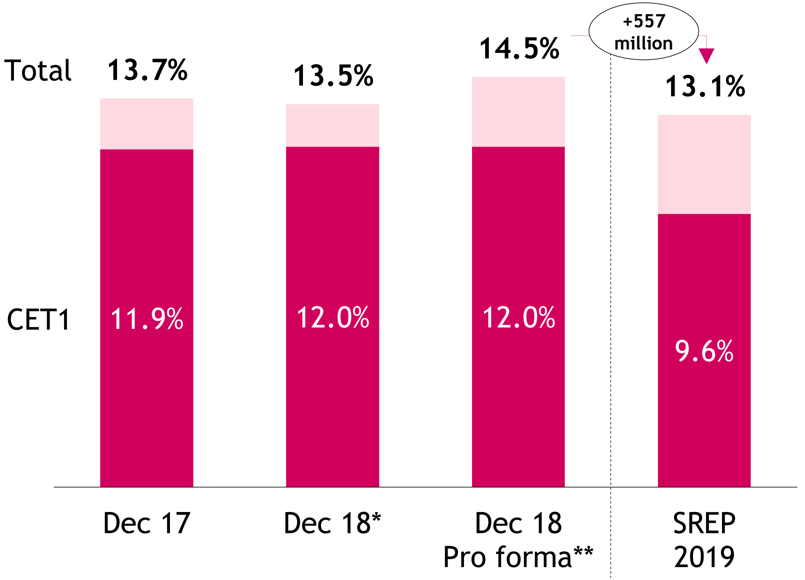
Agenda

- Highlights
- Group
  - Profitability
  - Business activity
  - Capital
- Portugal
- International operations
- Key figures

Strengthened capital

Capital ratio

Fully implemented



- **CET1 capital ratio of 12.0%*** (fully implemented) as of December 31, 2018
- **Increase from 11.9% as of December 31, 2017** due to earnings for the year, partially offset by the impact of the IFRS9 adoption, by negative FX effects and by increased risk-weighted assets
- **Increase from 11.8% as of September 30** due to earnings for the quarter and to lower deductions on DTAs and on significant investments
- **Total capital ratio of 13.5%*** (fully implemented) as of December 31, 2018
- **AT1 issue**, completed in January 31, 2019, **to strengthen total capital to 14.5%****
- **ECB decision on 2019 SREP requirements**: minimum CET1 of 9.6%, including Pillar 1 of 4.5% and Pillar 2 of 2.25% (unchanged from 2018), and buffers of 2.875% (capital conservation: 2.5%; other systemically important institutions: 0.375%); minimum total capital requirement of 13.1%

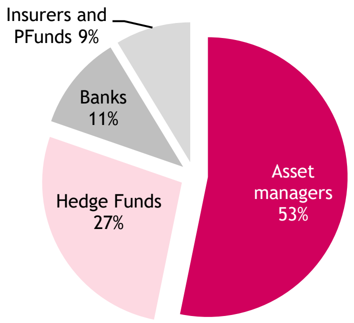
*Including non-audited earnings for 2018.
**Including non-audited earnings for 2018 and AT1 issued in January 31, 2019 (€400 million).

Successful AT1 issue

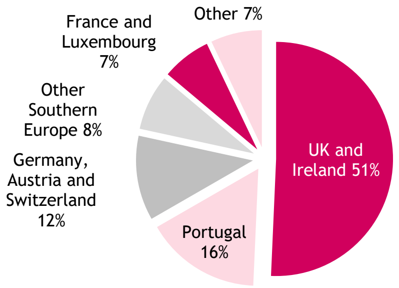
AT1 issue

Issuer:	Banco Comercial Português, S.A.
Rating (M/S/F/D):	Caa1/CCC+/B-/B low
Amount:	€400 million
Issue date:	31 January 2019
Optional redemption:	By initiative of the issuer from 31 January 2024 onwards, subject to regulatory approval
Coupon:	9.25% per year until 31 January 2024, quarterly payment of interest; 5-year mid-swap rate + 941bp after that date
Listing:	Euronext Dublin
Demand:	1.6x Issue amount

Breakdown by type of investor



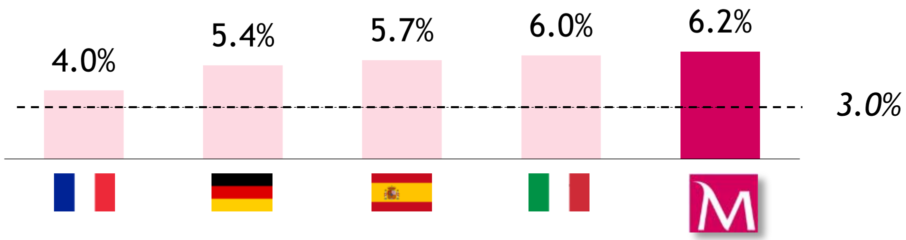
Geographical breakdown



Capital at adequate levels

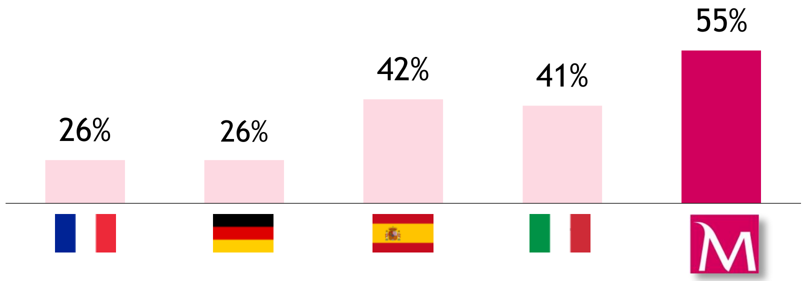
Leverage ratio

Fully implemented, latest available data



RWA density

RWAs as % of assets, latest available data



- Leverage ratio at 6.2% as of December 31, 2018, a comfortable and comparatively strong figure in European banking
- High RWA density (55% at year-end 2018), comparing favourably to most European banking markets

Pension fund

Key figures

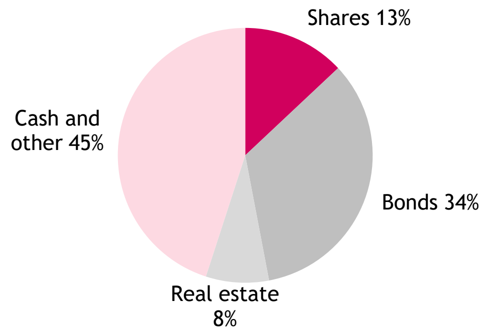
(Million euros)

	Dec 17	Dec 18
Pension liabilities	3,050	3,066
Pension fund	3,166	3,078
Liabilities' coverage	104%	100%
Fund's profitability	+4.2%	+0.2%
Actuarial differences	+29	(98)

Assumptions

	Dec 17	Dez 18
Discount rate	2.10%	2.10%
Salary growth rate	0.25% until 2019	0.25% until 2019
	0.75% after 2019	0.75% after 2019
Pensions growth rate	0.00% until 2019	0.00% until 2019
	0.50% after 2019	0.50% after 2019
Projected rate of return of fund assets	2.10%	2.10%
Mortality Tables		
Men	Tv 88/90	Tv 88/90
Women	Tv 88/90-3 years	Tv 88/90-3 years

Pension fund



- Assumptions unchanged from December 31, 2017
- Liability coverage at 100%
- Negative actuarial differences in 2018 (-€98 million), mainly reflecting the performance of the fund below assumptions

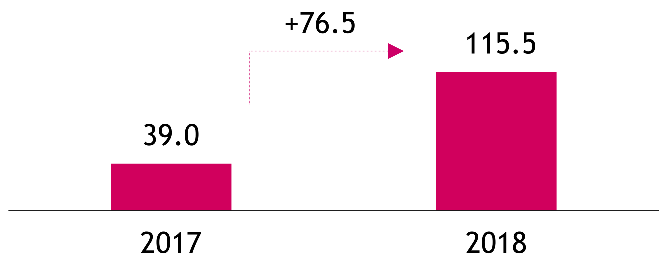
Agenda

- Highlights
- Group
  - Profitability
  - Business activity
  - Capital
- Portugal
- International operations
- Key figures

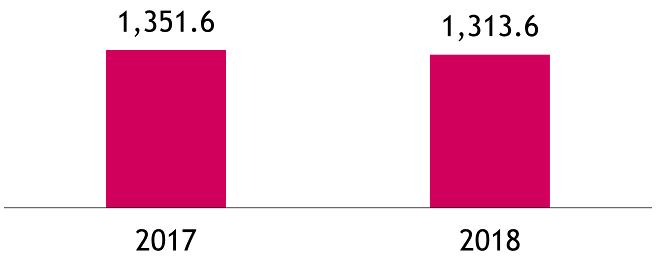
Increased net income

(Million euros)

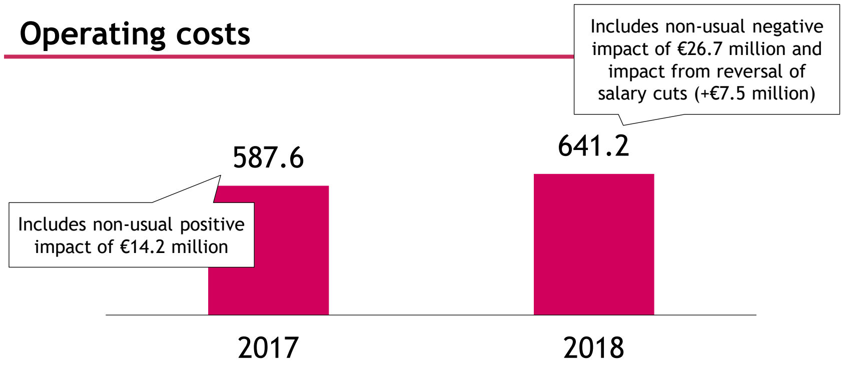
Net income



Banking income



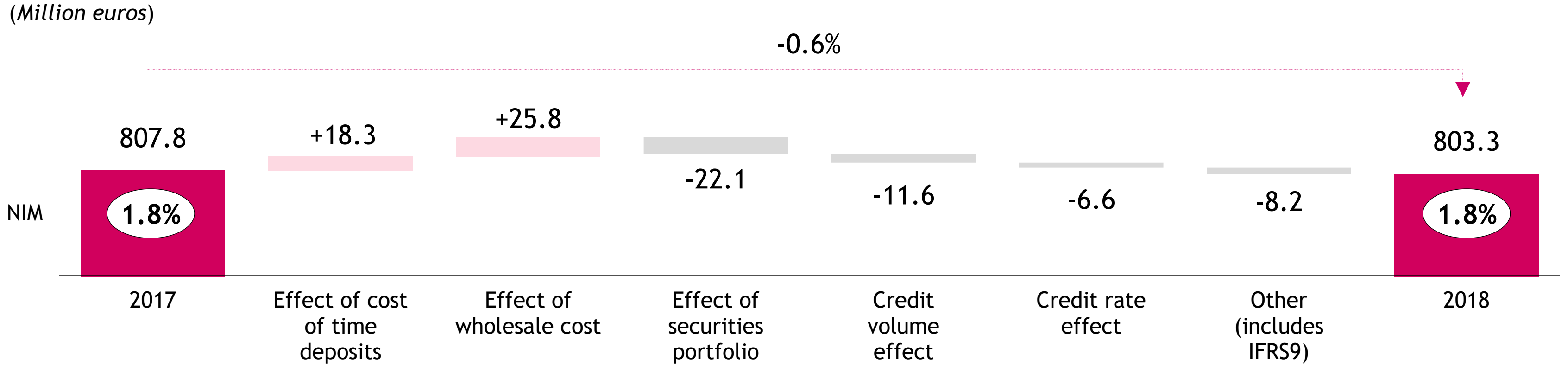
Operating costs



- Net earnings of €115.5 in 2018, +€76.5 million compared to €39.0 million in 2017
- Net earnings were driven by a significant reduction in credit-loss charges (-26.7%, with cost of risk decreasing to 105bp from 140bp), as well as by lower other impairment and provisions (-52.5%)

Net interest income

Net interest income

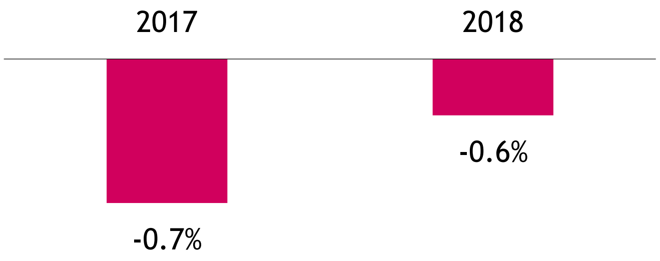


- Net interest income stood at €803.3 million in 2018, comparing to €807.8 million in 2017. The favourable impacts of a lower wholesale funding cost and of the continued decline in the remuneration of time deposits were more than offset by the negative effects of the securities portfolio (increased balance yielding lower interest, reflecting lower sovereign yields from the end 2017); of lower average credit volumes, largely reflecting the emphasis on the reduction of NPEs (unlikely to pay); of lower credit yields, reflecting the normalisation of the macro-economic environment; and of the impact of IFRS9 adoption
- Net interest income stood at €207.5 million in the 4th quarter of 2018, comparing to €211.1 million in the 3rd quarter. The positive impacts from a lower wholesale funding, from the declining remuneration of time deposits and from a growing credit portfolio (reflected in a positive volume effect for the second quarter in a row) were more than offset by a lower contribution from recoveries of overdue interest

Continued effort to reduce the cost of deposits

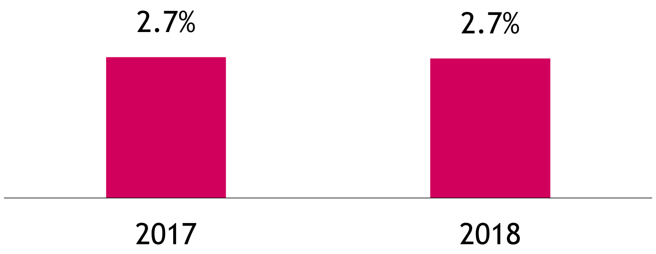
Spread on the book of term deposits

(vs 3m Euribor)

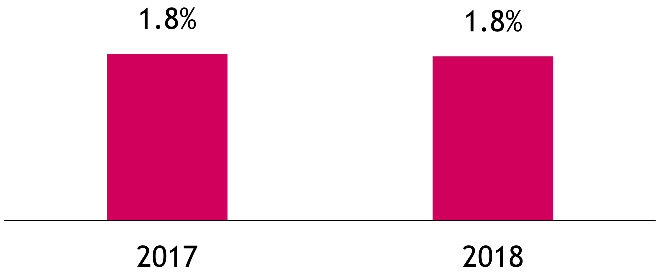


Spread on the performing loan book

(vs 3m Euribor)



NIM



- Continued improvement in the spread of the portfolio of term deposits: from -0.7% in 2017 to -0.6% in 2018; front book for 2018 priced at an average spread of -45bp, still below the current back book's
- Spread on the performing loan portfolio stood at 2.7% in 2018 (same spread as in 2017)
- NIM stood at 1.8%

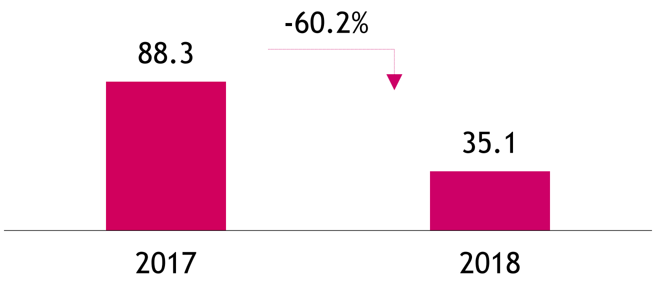
Commissions and other income*

(Million euros)

Fees and commissions

	2017	2018	YoY
Banking fees and commissions	**392.2**	**411.0**	**+4.8%**
Cards and transfers	104.9	111.3	+6.0%
Loans and guarantees	104.6	108.9	+4.2%
Bancassurance	78.1	81.2	+3.9%
Customer account related	92.5	94.8	+2.5%
Other fees and commissions	12.1	14.8	+22.6%
Market related fees and commissions	**63.4**	**64.2**	**+1.3%**
Securities operations	56.7	58.0	+2.2%
Asset management	6.6	6.3	-5.6%
Total fees and commissions	**455.5**	**475.2**	**+4.3%**

Other income*

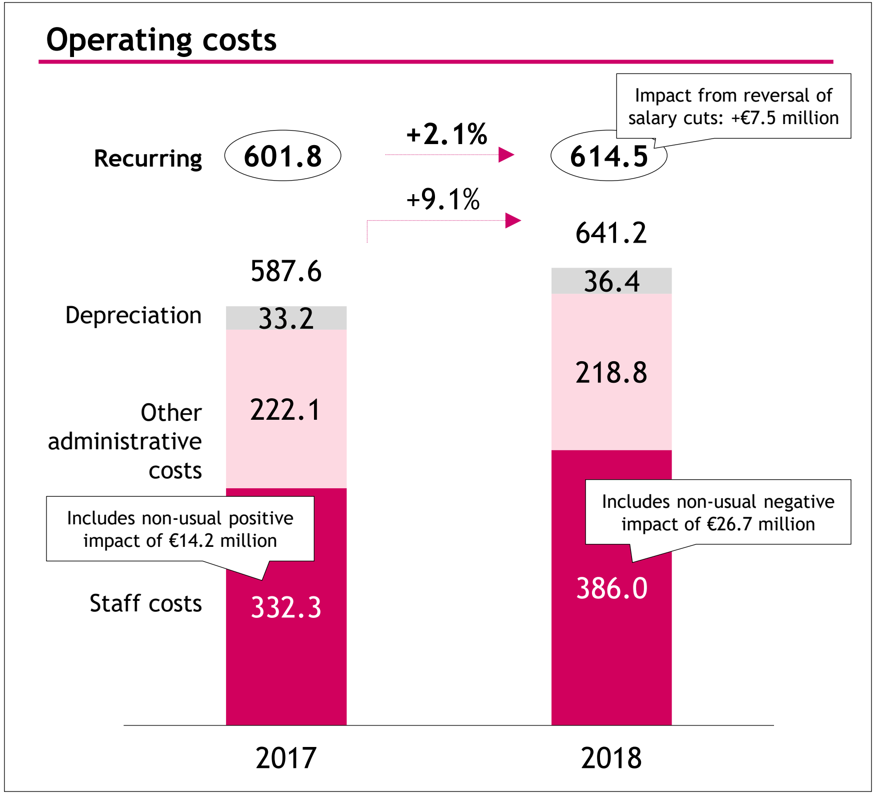


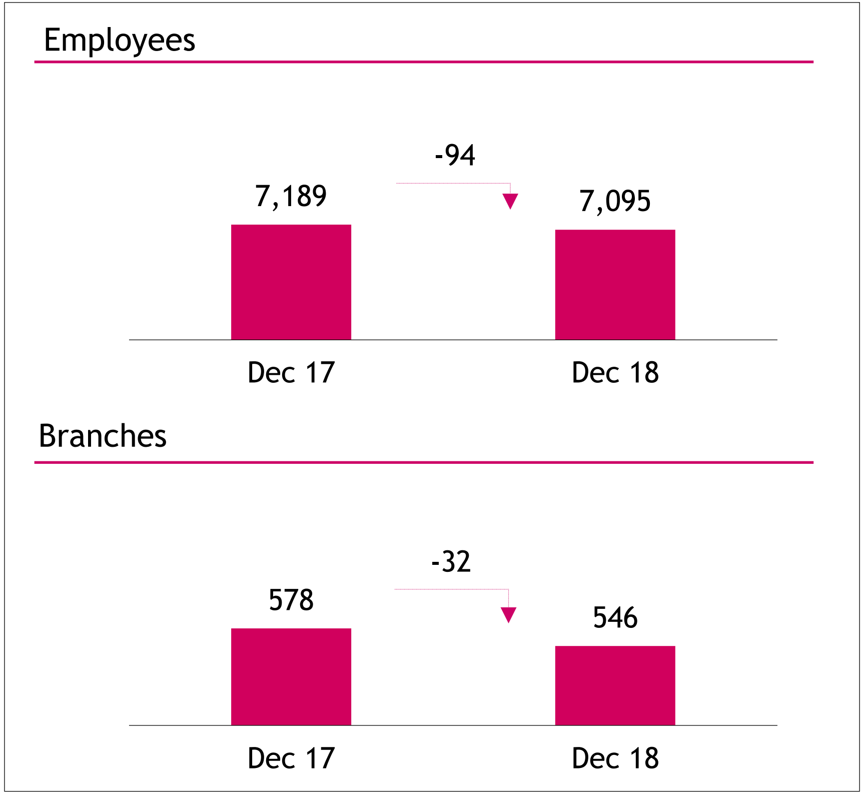
- Growing commissions in Portugal, with income related to cards and transfers, to loans and guarantees, to bancassurance, to accounts and to investment banking standing out
- Decreased other income due to lower trading income (which includes -€49.4 million in sales of credit in 2018, compared to -€9.4 million in 2017) and to higher mandatory contributions (+€8.6 million)

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

Operating costs

(*Million euros*)

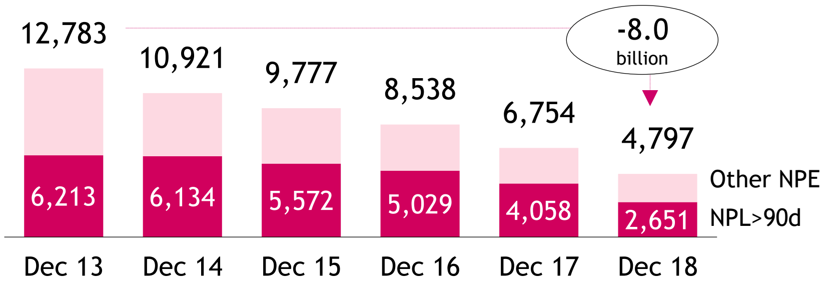




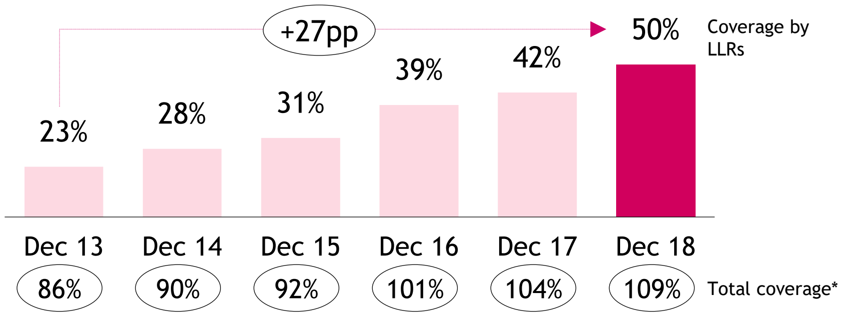
Very strong pace of NPE reduction since 2013

(*Million euros*)

Non-performing exposures (NPE)



NPE coverage



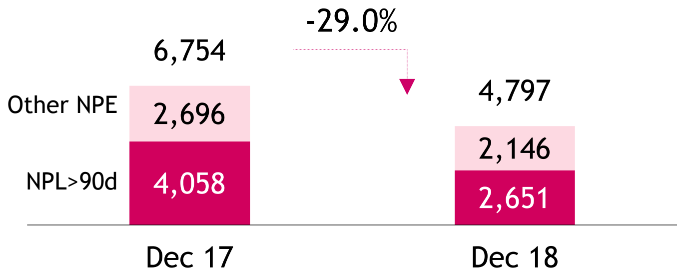
- **NPE in Portugal down** to €4.8 billion as of December 31, 2018, **a €2.0 billion reduction from year-end 2017**
- This decrease is attributable to a **€1.4 billion NPL> 90d reduction and to a €0.6 billion reduction of other NPE**
- **NPE total coverage* of 109%,** broken down as follows:
  - coverage by loan-loss reserves of 50%
  - coverage by real estate collateral of 44%
  - coverage by financial collateral of 15%
  - coverage by expected loss gap of 1%
- **NPE net from loan-loss reserves were down to €2.4 billion as of December 31, 2018 from €9.8 billion at year-end 2013**

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

Lower NPEs, with reinforced coverage

(Million euros)

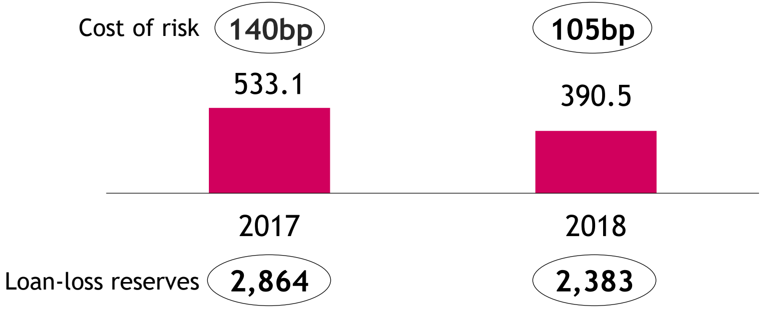
Non-performing exposures (NPEs)



NPE build-up

	Dec 18 vs.Dec 17	Dec 18 vs.Sep 18
Opening balance	6,754	5,546
+/- Net exits	-779	-281
- Write-offs	-448	-146
- Sales	-730	-322
Ending balance	**4,797**	**4,797**

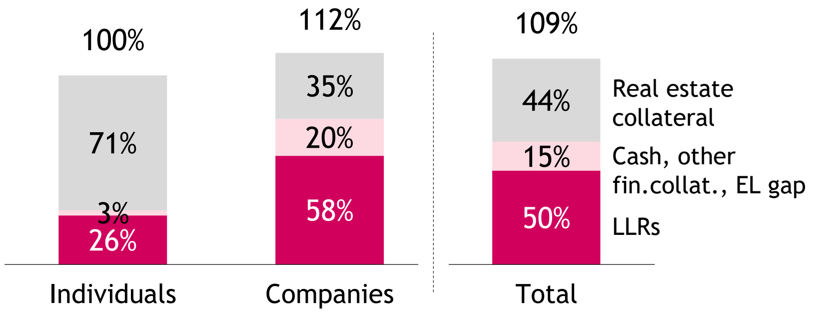
Loan impairment (net of recoveries)



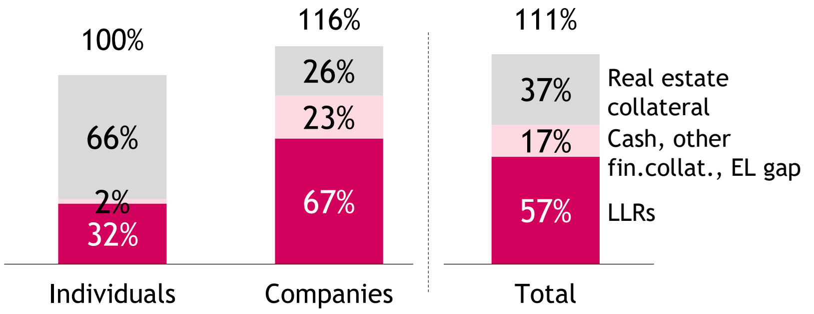
- NPE in Portugal down by €2.0 billion, from €6.8 billion as at December 31, 2017 to €4.8 billion as at the same date of 2018
- This decrease results from net outflows of €0.8 billion, sales of €0.7 billion and write-offs of €0.4 billion
- The decrease of NPE from December 31, 2017 is attributable to a €1.4 billion reduction of NPL>90d and to a €0.6 billion decrease of other NPE
- Significant NPE reduction in the quarter, from €5.5 billion as at September 30 to €4.8 billion as at December 31, 2018
- Reduction of the cost of risk to 105bp in 2018 from 140bp in 2017, with a reinforcement of NPE coverage by loan-loss reserves to 50% from 42%, respectively

NPE coverage

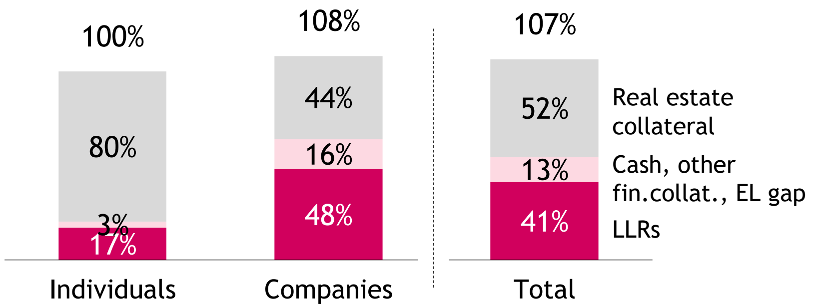
NPE total coverage*



NPL>90d total coverage*



Other NPE total coverage*



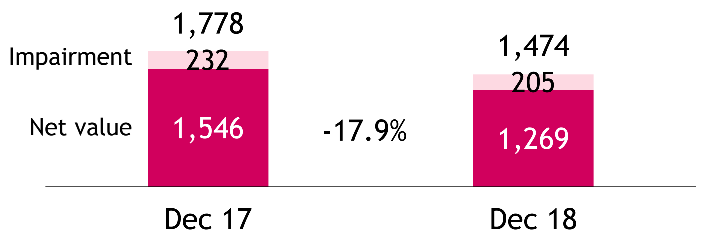
- Total coverage* ≥100%, for both individuals and companies, and for both NPE categories (NPL>90d and other NPE)
- Coverage by loan-loss reserves is stronger in loans to companies, where real-estate collateral, usually more liquid and with a more predictable market value, accounts for a lower coverage than in loans to individuals: coverage by loan-losses was 58% for companies NPE as at December 31, 2018, reaching 67% for companies NPL>90d (78% and 90%, respectively, if cash, financial collateral and expected loss gap are included)

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

Foreclosed assets and corporate restructuring funds

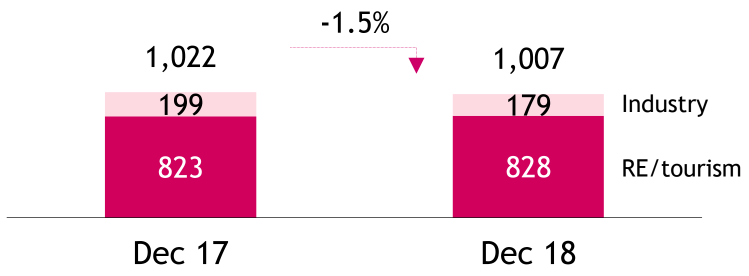
Foreclosed assets

(Million euros)



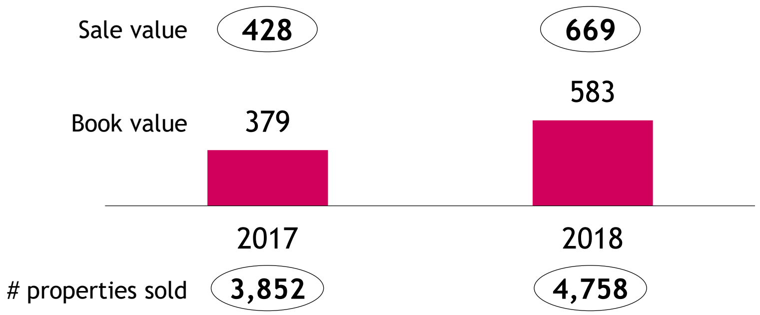
Corporate restructuring funds

(Million euros)



Sales of foreclosed assets

(Million euros)

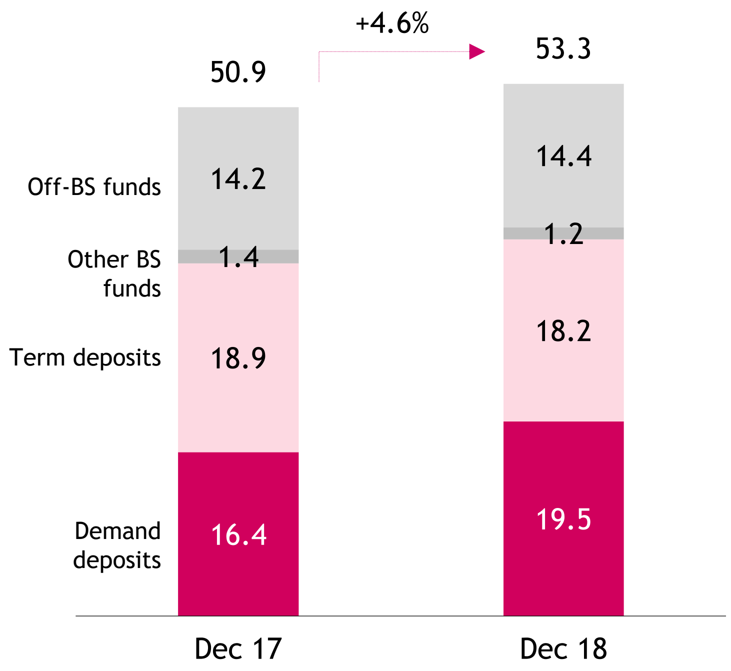


- Net foreclosed assets were down by 17.9% between December 31, 2017 and year-end 2018. Valuation of foreclosed assets by independent providers exceeded book value by 27%
- 4,758 properties were sold during 2018, up from 3,852 properties in 2017, with capital gains increasing from €49 million in 2017 to €86 million in 2018
- Corporate restructuring funds decreased 1.5% to €1,007 million at year-end 2018. The original credit exposure on these funds totals €2,006 million, with total reserves (original credit, plus restructuring funds) corresponding to a 50% coverage

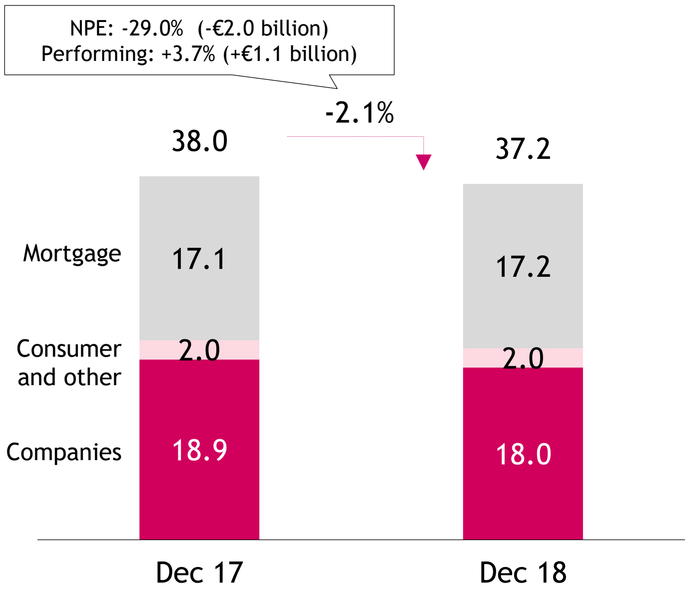
Strong business dynamics leads to increased Customer funds and performing credit portfolio

(*Billion euros*)

Total Customers funds*



Loans to Customers (gross)

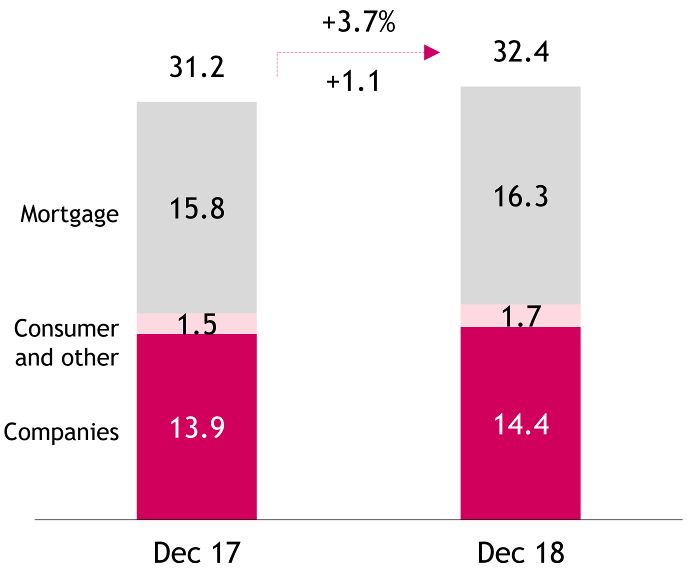


*Deposits, debt securities, assets under management, assets placed with Customers and insurance products (savings and investments).

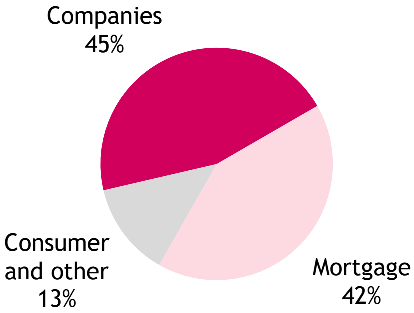
Credit now growing in Portugal

Performing credit portfolio

(*Billion euros*)



Breakdown of performing credit growth



- **Performing credit portfolio in Portugal expands by €1.1 billion (+3.7%) from December 31, 2017**
- **Strong performance of loans to companies**, was up by €0.5 million, equivalent to 45% of the increase of the performing credit portfolio in Portugal from December 31, 2017, with new leasing and factoring business, up by 72.9% and by 21.8%, respectively, being particularly outstanding

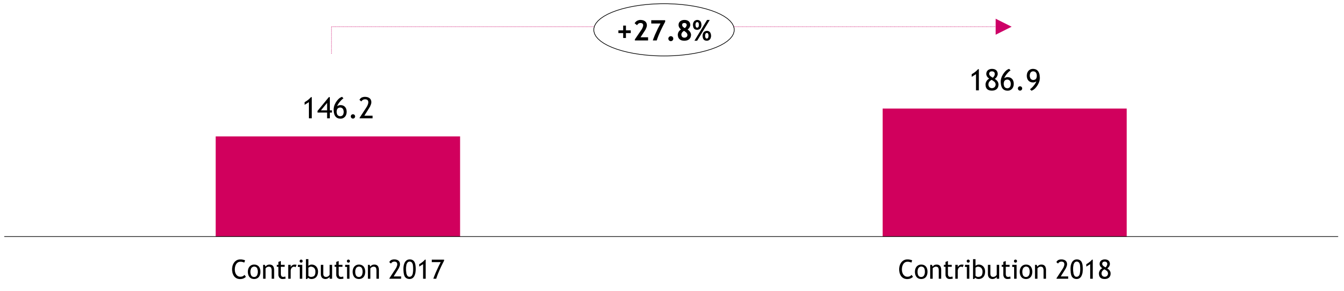
Agenda

- Highlights
- Group
  - Profitability
  - Business activity
  - Capital
- Portugal
- International operations
- Key figures

Positive contribution from international operations

(*Million euros*)

	2017	2018	Δ % local currency	Δ % euros	ROE	Capital ratio*
Poland	159.8	178.4	+11.7%	+11.3%	9.6%	23.8%
Mozambique	85.1	94.1	+10.5%	+10.5%	22.2%	39.0%
Angola**						
Before IAS 29 impact	18.1	20.7				
IAS 29 impact***	-18.1	0.8				
Total Angola including IAS 29 impact	0.1	21.4				
Other	8.8	13.3				
Net income	**253.8**	**307.2**				
Non-controlling interests (Poland and Mozambique)	-108.1	-120.4				
Exchange rate effect (Poland and Mozambique)	0.5	--				
Contribution from international operations	**146.2**	**186.9**		**+27.8%**		

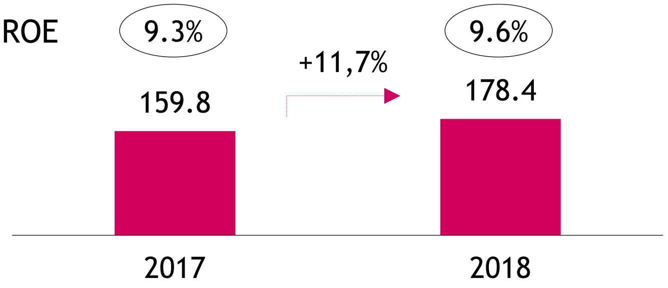


*Including earnings for the year.
**Contribution of the Angolan operation.
***Includes goodwill impairment (-€12.6 million) and contribution revaluation (+€13.4 million).
Subsidiaries' net income presented for 2017 at the same exchange rate as of 2018 for comparison purposes.

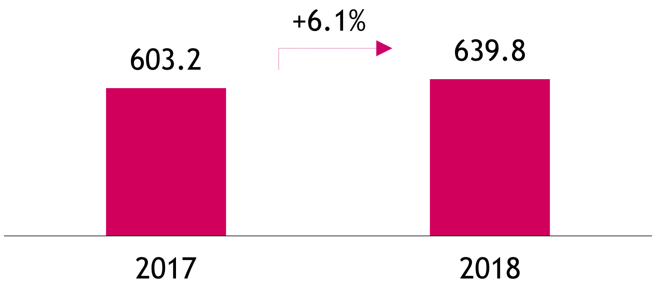
Growing net income

(Million euros)

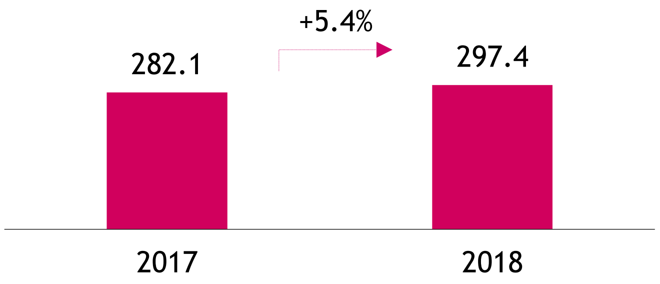
Net income



Banking income



Operating costs



Eurobank acquisition (2Q19) strengthens geographic presence outside main cities, reinforces market share in non-mortgage retail loans and results in a 26% earnings accretion after synergies are materialised

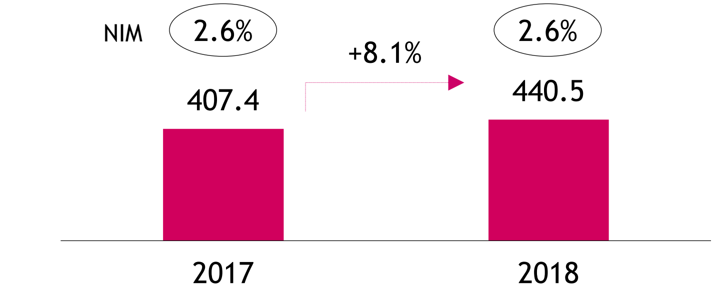
- Highest ever annual net earnings in the Bank's history: €178.4 million (+11.7%), with ROE of 9.6%
- Increasing banking income (+6.1%), driven by net interest income
- Customer funds up by 12.2%, while loans to Customers increased by 17.7%, excluding FX-denominated mortgage loans
- CET1 ratio of 21.9% as of December 31, 2018, with total capital of 23.8%, both including 2018 earnings
- Tier 2 issue of 830 million zlotys, completed in January 30, 2019, to reinforce total capital by 230bp

FX effect excluded. €/Zloty constant at December 2018 levels: Income Statement 4.26348333; Balance Sheet 4.2966. | *Pro forma data. Margin from derivative products, including those from hedging FX denominated loan portfolio, is included in net interest income, whereas in accounting terms, part of this margin (€14.2 million in 2018 and €9.5 million in 2017) is presented in net trading income.

Increased net interest income

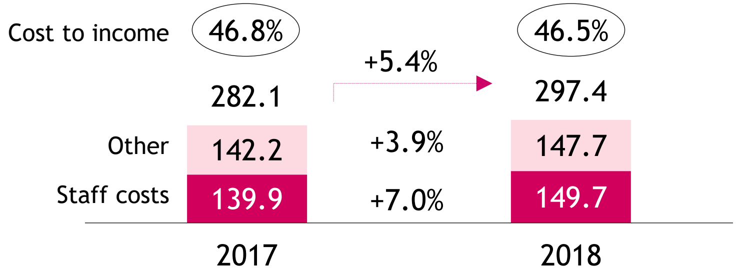
(Million euros)

Net interest income*



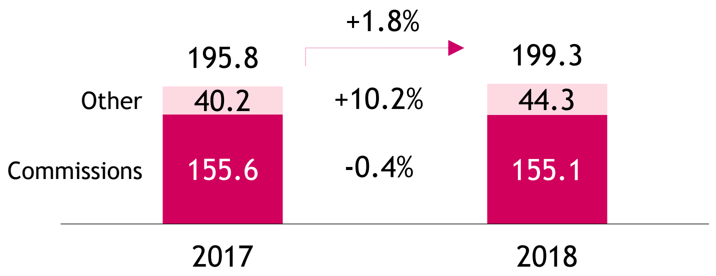
Operating costs

(Includes contribution to the resolution fund and to the DGF)

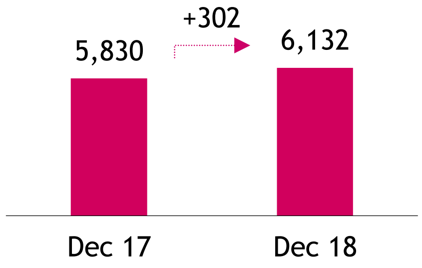


Commissions and other income

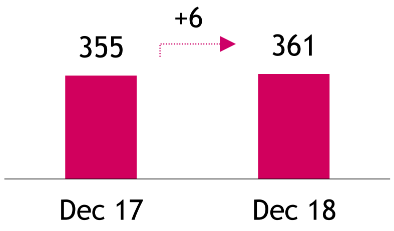
(Does not include tax on assets and contributions to the resol. fund and to the DGF)



Employees



Branches



*Pro forma data. Margin from derivative products, including those from hedging FX denominated loan portfolio, is included in net interest income, whereas in accounting terms, part of this margin (€14.2 million in 2018 and €9.5 million in 2017) is presented in net trading income. FX effect excluded. €/Zloty constant at December 2018 levels: Income Statement 4.26348333; Balance Sheet 4.2966.

Credit quality

(*Million euros*)

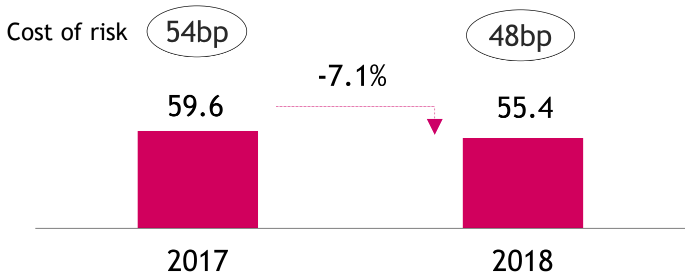
NPL>90d

Credit ratio	Dec 17	Dec 18
NPL>90d	2.8%	2.5%

Loan-loss reserves

Coverage ratio	Dec 17	Dec 18
NPL>90d	109%	133%

Loan impairment (net of recoveries)



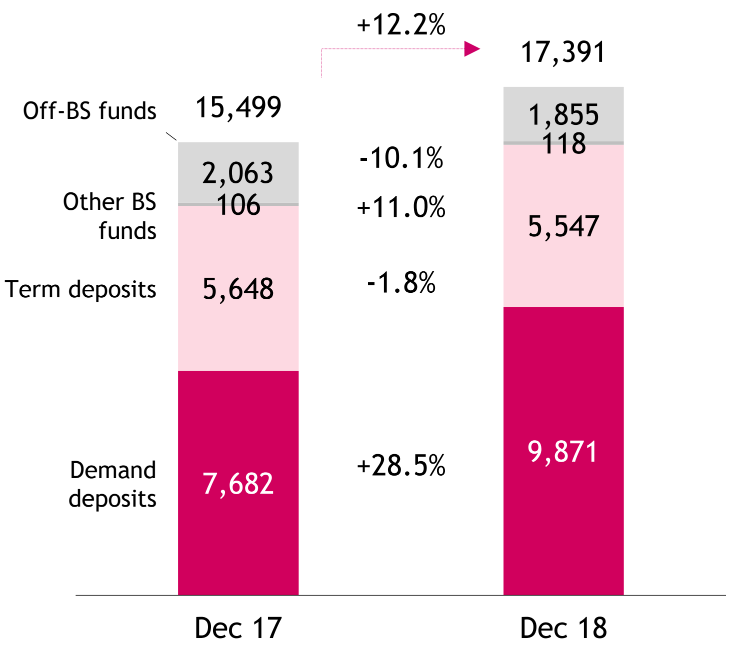
- NPL>90d accounted for 2.5% of total credit as of December 31, 2018 (2.8% as of December 31, 2017)
- Coverage of NPL>90d by loan-loss reserves at 133% (109% as of December 31, 2017)
- Decrease in the cost of risk to 48bp (54bp in 2017)

FX effect excluded. €/Zloty constant at December 2018 levels: Income Statement 4.26348333; Balance Sheet 4.2966.

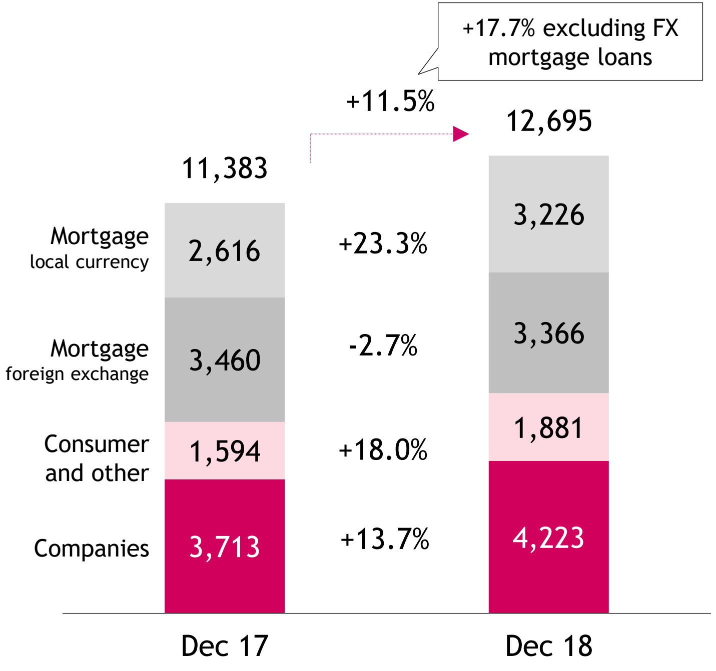
Growing volumes

(*Million euros*)

Customer funds



Loans to Customers (gross)

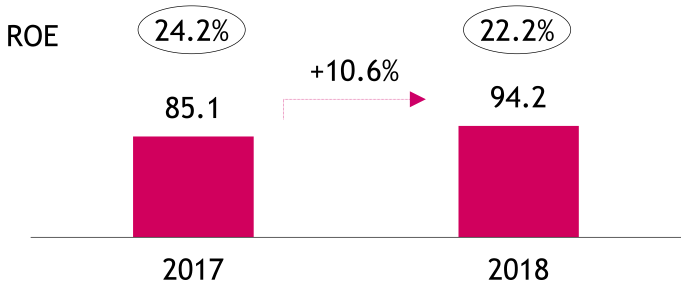


FX effect excluded. €/Zloty constant at December 2018 levels: Income Statement 4.26348333; Balance Sheet 4.2966.

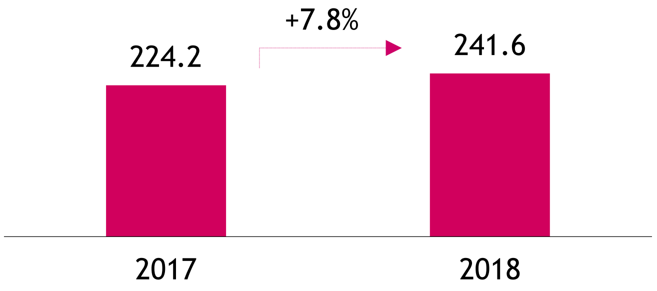
Growing net income

(Million euros)

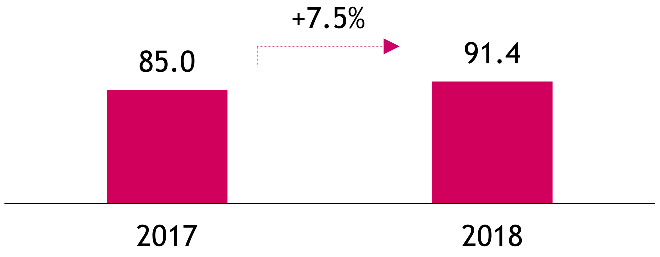
Net income



Banking income



Operating costs



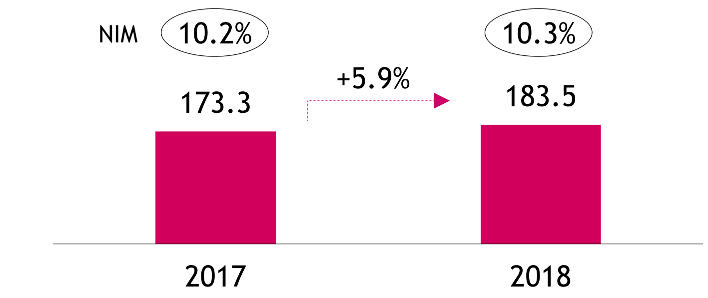
- Net earnings of €94.2 million (+10.6%), with ROE of 22.2%
- Increasing banking income (+7.8%), driven by higher net interest income and other income
- Customer funds grew 11.1%, loan portfolio down by 16.8% reflecting a conservative approach under a challenging environment
- Capital ratio of 39.0%

FX effect excluded. €/Metical constant at December 2018 levels: Income Statement 71.64625000; Balance Sheet 70.5000.

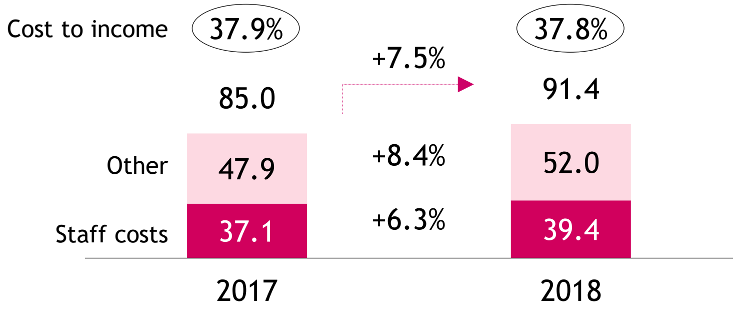
Growing income partially offset by the increase in operating costs

(Million euros)

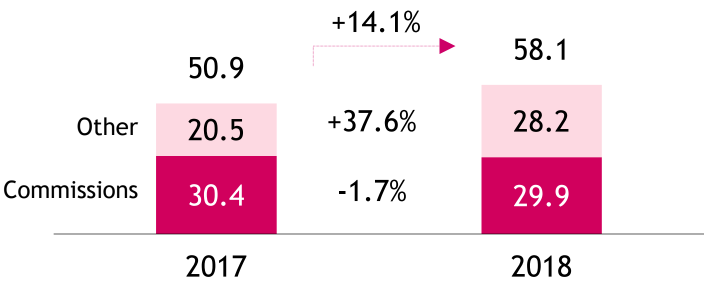
Net interest income



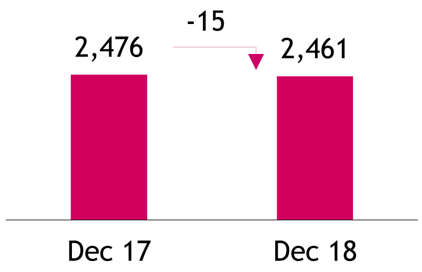
Operating costs



Commissions and other income

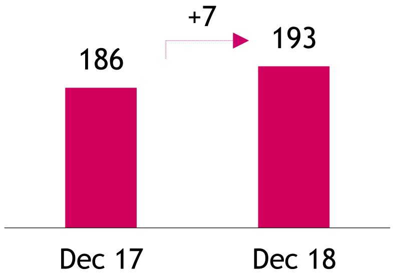


Employees*



*Excludes employees from SIM (insurance company)

Branches



FX effect excluded. €/Metical constant at December 2018 levels: Income Statement 71.64625000; Balance Sheet 70.5000.

Credit quality performance influenced by challenging environment

(*Million euros*)

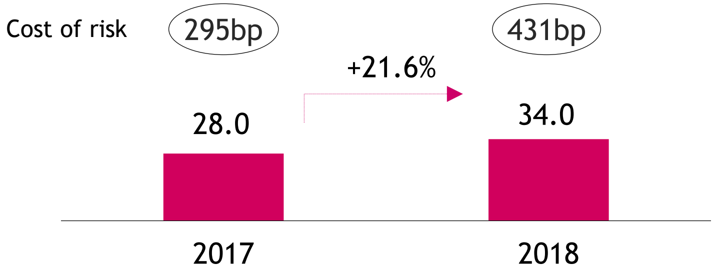
NPL>90d

Credit ratio	Dec 17	Dec 18
NPL>90d	14.3%	16.4%

Loan-loss reserves

Coverage ratio	Dec 17	Dec 18
NPL>90d	68%	69%

Loan impairment (net of recoveries)



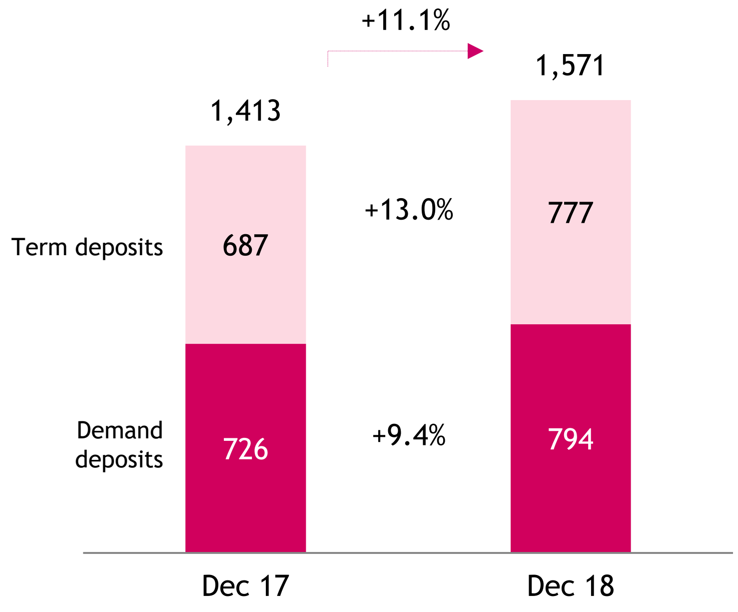
- NPL>90d ratio of 16.4% as of December 31, 2018, with coverage by loan-loss reserves of 69% on the same date
- Maintenance of a high provisioning effort, reflected in a cost of risk of 431bp (295bp in 2017)

FX effect excluded. €/Metical constant at December 2018 levels: Income Statement 71.64625000; Balance Sheet 70.5000.

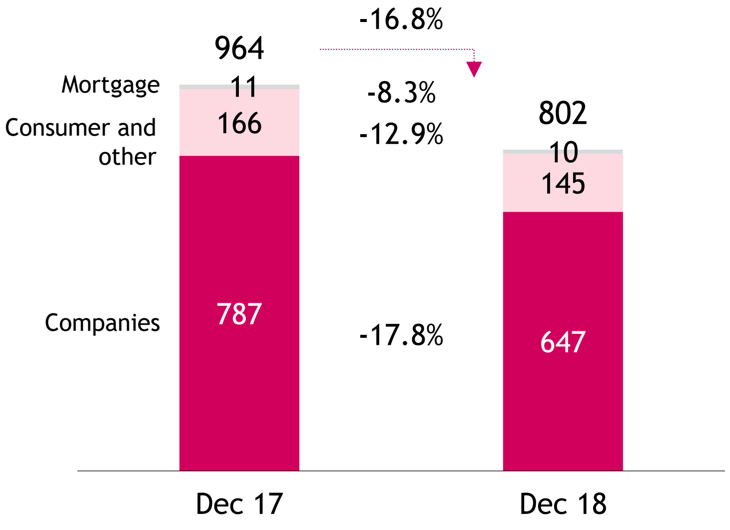
Business volumes reflect a conservative approach under a challenging environment

(Million euros)

Customer funds



Loans to Customers (gross)



FX effect excluded. €/Metical constant at December 2018 levels: Income Statement 71.64625000; Balance Sheet 70.5000.

Agenda

- Highlights
- Group
  - Profitability
  - Business activity
  - Capital
- Portugal
- International operations
- Key figures

Key figures

Consolidated

		2017	2018	2021
Franchise growth	Active Customers	4.5 million	4.9 million	>6 million
	Digital Customers	49%	55%	>60%
	Mobile Customers	26%	34%	>45%
Value creation	Cost to Income	43% (44% excluding non-usual items)	47% (46% excluding non-usual items)	≈40%
	RoE	3.3%	5.2%	≈10%
	CET1	11.9%	12.0%*	≈12%
	Loans to Deposits	93%	87%	<100%
	Dividend Payout	--	10% Executive Committee proposal	≈40%
Asset quality	NPE stock	€7.7 billion	€5.5 billion	≈€3 billion down by ≈60% from 2017
	Cost of risk	122 bp	92 bp	<50 bp

*Including non-audited earnings for 2018.

Awards in 2018

Millennium bcp: Best Consumer Digital Bank in Portugal; Best Online Deposit, Credit and Investment Product Offerings in Western Europe; Best Information Security and Fraud Management in Western Europe for both individuals and companies banking sites

Millennium bim: Best Digital Bank in Mozambique

Millennium bim: Best Trade Finance Provider in Mozambique

Millennium bim: Best bank in Mozambique

Bank Millennium: #1 in Mobile Banking, #2 in Bank for Mr. Kowalski (traditional banking) and #3 in Internet Banking and in Mortgage Banking (Newsweek's Friendly Bank 2018)

Millennium bcp: Marketeer award, "Banking" category

Millennium bcp: the new Millennium Teller Machine (MTM) was considered one of the Best ATM/Self-Service Experiences in the world. Only European bank distinguished

ActivoBank: Best Commercial Bank in Portugal

ActivoBank: brand with best reputation, "online banking" category (*Marktest Reputation Index*)

ActivoBank: Consumer Choice 2019, "Digital Banks" category

Millennium bcp: Best Private Bank in Portugal

ActivoBank: Best financial services site/app

Millennium bcp: Most satisfied Customers with digital channels (CSI Banca, 2nd wave); highest satisfaction overall, most satisfied with account manager, most satisfied with digital channels (Basef Banca, December 2018)

Millennium bcp: Most digital bank, best overall image, highest loyal Customers percentage, most attractive to non-Customers

Millennium bcp
Consumer Choice 2019, "Large Banks" category

Barómetro Financeiro 2018

Millennium bcp
Best Bank for Companies; Most Appropriate Products; Most Innovating; Most Efficient; Closest to Customers

Millennium bcp
Best investment bank in Portugal

Appendix

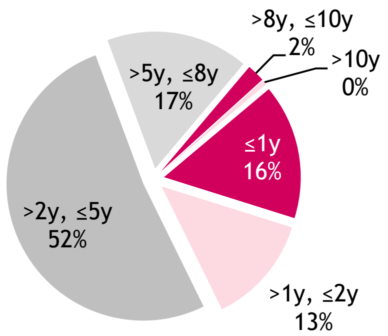
Sovereign debt portfolio

Sovereign debt portfolio

(*Million euros*)

	Dec 17	Sep 18	Dec 18	YoY	QoQ
Portugal	3,636	6,335	6,609	+82%	+4%
T-bills and other	585	971	853	+46%	-12%
Bonds	3,051	5,364	5,755	+89%	+7%
Poland	3,160	4,047	4,925	+56%	+22%
Mozambique	491	656	698	+42%	+6%
Other	553	522	859	+55%	+64%
Total	**7,841**	**11,560**	**13,091**	**+67%**	**+13%**

Sovereign debt maturity



- The sovereign debt portfolio totalled €13.1 billion, €10.5 billion of which maturing until 5 years
- The Portuguese sovereign debt portfolio totalled €6.6 billion, whereas the Polish and Mozambican portfolios amounted to €4.9 billion and to €0.7 billion, respectively; “other” includes Spanish sovereign debt of €0.6 billion and US sovereign debt of €0.2 billion

Sovereign debt portfolio

(Million euros)

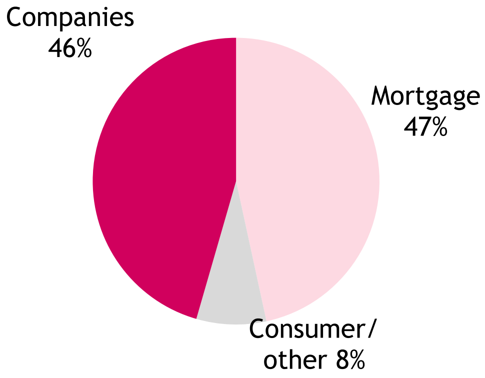
	Portugal	Poland	Mozambique	Other	Total
Trading book*	**37**	**161**		**0**	**198**
≤ 1 year		3			3
> 1 year and ≤ 2 years	33	8			41
> 2 years and ≤ 5 years	2	115			118
> 5 years and ≤ 8 years	1	33			34
> 8 years and ≤ 10 years		3			3
> 10 years					0
Banking book**	**6,572**	**4,764**	**698**	**858**	**12,892**
≤ 1 year	854	51	504	676	2,085
> 1 year and ≤ 2 years	19	1,573	22	31	1,646
> 2 years and ≤ 5 years	3,594	2,877	65	103	6,638
> 5 years and ≤ 8 years	1,924	249			2,173
> 8 years and ≤ 10 years	176	13	37	49	275
> 10 years	5	1	70		76
Total	**6,609**	**4,925**	**698**	**859**	**13,091**
≤ 1 year	854	54	504	676	2,088
> 1 year and ≤ 2 years	53	1,580	22	31	1,687
> 2 years and ≤ 5 years	3,596	2,992	65	103	6,755
> 5 years and ≤ 8 years	1,925	282			2,207
> 8 years and ≤ 10 years	176	16	37	49	278
> 10 years	5	1	70		76

*Includes financial assets held for trading at fair value through net income (€33 million).
**Includes financial assets at fair value through other comprehensive income (€12,131 million) and financial assets at amortised cost (€761 million).

Diversified and collateralised portfolio

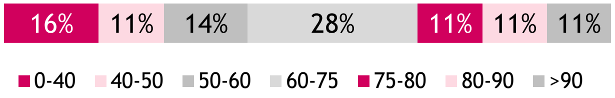
Loan portfolio

Consolidated



Loans per collateral

LTV of the mortgage portfolio in Portugal



Loans

- Loans to companies accounted for 46% of the loan portfolio as at December 31, 2018, including 7% to construction and real-estate sectors
- Mortgage accounted for 47% of the loan portfolio, with low delinquency levels and an average LTV of 66%
- 87% of the loan portfolio is collateralised

Collaterals

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

Consolidated earnings

(million euros)	2017	2018	YoY	Impact on earnings
Net interest income	1,391.3	1,423.6	+2.3%	+32.4
Net fees and commissions	666.7	684.0	+2.6%	+17.3
Other income*	139.5	78.9	-43.5%	-60.6
Banking income	**2,197.5**	**2,186.5**	**-0.5%**	**-11.0**
Staff costs	-526.6	-592.8	+12.6%	-66.2
Other administrative costs and depreciation	-427.6	-434.4	+1.6%	-6.8
Operating costs	**-954.2**	**-1,027.2**	**+7.7%**	**-73.0**
Operating net income (before impairment and provisions)	**1,243.3**	**1,159.3**	**-6.8%**	**-84.0**
Loans impairment (net of recoveries)	-623.7	-465.9	-25.3%	+157.8
Other impairment and provisions	-301.1	-135.2	-55.1%	+165.9
Impairment and provisions	**-924.8**	**-601.1**	**-35.0%**	**+323.7**
Net income before income tax	**318.5**	**558.2**	**+75.3%**	**+239.7**
Income taxes	-30.2	-138.0	+357.6%	-107.9
Non-controlling interests	-103.2	-117.8	+14.2%	-14.6
Net income from discontinued or to be discontinued operations	1.2	-1.3	-207.6%	-2.5
Net income	**186.4**	**301.1**	**+61.5%**	**+114.7**

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

Consolidated balance sheet

(Million euros)

	31 December 2018	31 December 2017
ASSETS		
Cash and deposits at Central Banks	2,753.8	2,167.9
Loans and advances to credit institutions repayable on demand	326.7	295.5
Financial assets at amortised cost		
Loans and advances to credit institutions	890.0	1,065.6
Loans and advances to customers	45,560.9	45,626.0
Debt instruments	3,375.0	2,007.5
Financial assets at fair value through profit or loss		
Financial assets held for trading	870.5	897.7
Financial assets not held for trading mandatorily at fair value through profit or loss	1,404.7	-
Financial assets designated at fair value through profit or loss	33.0	142.3
Financial assets at fair value through other comprehensive income	13,845.6	-
Financial assets available for sale	-	11,471.8
Financial assets held to maturity	-	411.8
Assets with repurchase agreement	58.3	-
Hedging derivatives	123.1	234.3
Investments in associated companies	405.1	571.4
Non-current assets held for sale	1,868.5	2,164.6
Investment property	11.1	12.4
Other tangible assets	461.3	490.4
Goodwill and intangible assets	174.4	164.4
Current tax assets	32.7	25.9
Deferred tax assets	2,916.6	3,137.8
Other assets	811.8	1,052.0
TOTAL ASSETS	75,923.0	71,939.5

	31 December 2018	31 December 2017
LIABILITIES		
Financial liabilities at amortised cost		
Resources from credit institutions	7,752.8	7,487.4
Resources from customers	52,664.7	48,285.4
Non subordinated debt securities issued	1,686.1	2,066.5
Subordinated debt	1,072.1	1,169.1
Financial liabilities at fair value through profit or loss		
Financial liabilities held for trading	327.0	399.1
Financial liabilities at fair value through profit or loss	3,603.6	3,843.6
Hedging derivatives	177.9	177.3
Provisions	350.8	324.2
Current tax liabilities	18.5	12.6
Deferred tax liabilities	5.5	6.0
Other liabilities	1,300.1	988.5
TOTAL LIABILITIES	68,959.1	64,759.7
EQUITY		
Share capital	4,725.0	5,600.7
Share premium	16.5	16.5
Preference shares	-	59.9
Other equity instruments	2.9	2.9
Legal and statutory reserves	264.6	252.8
Treasury shares	(0.1)	(0.3)
Reserves and retained earnings	470.5	(38.1)
Net income for the period attributable to Bank's Shareholders	301.1	186.4
TOTAL EQUITY ATTRIBUTABLE TO BANK'S SHAREHOLDERS	5,780.5	6,080.8
Non-controlling interests	1,183.4	1,098.9
TOTAL EQUITY	6,963.9	7,179.7
	75,923.0	71,939.5

Consolidated income statement
Per quarter

(Million euros)

	4Q 17	1Q 18	2Q 18	3Q 18	4Q 18
Net interest income	**368.1**	**344.8**	**342.8**	**365.2**	**370.8**
Dividends from equity instruments	0.1	0.1	0.6	0.0	0.0
Net fees and commission income	172.1	167.8	172.4	169.9	174.0
Other operating income	-5.2	-29.1	-61.0	1.7	-1.0
Net trading income	33.4	34.4	42.6	12.6	-11.0
Equity accounted earnings	34.8	19.8	21.6	30.5	17.3
Banking income	**603.2**	**537.8**	**519.0**	**579.7**	**550.1**
Staff costs	146.5	142.3	147.5	145.8	157.2
Other administrative costs	99.3	89.5	93.1	93.1	100.9
Depreciation	13.9	14.2	14.2	14.5	14.8
Operating costs	**259.6**	**246.0**	**254.8**	**253.4**	**273.0**
Operating net income bef. imp.	**343.6**	**291.8**	**264.2**	**326.3**	**277.1**
Loans impairment (net of recoveries)	165.1	106.1	114.8	116.3	128.8
Other impairm. and provisions	131.2	23.9	35.1	32.9	43.3
Net income before income tax	**47.3**	**161.8**	**114.3**	**177.1**	**105.0**
Income tax	-33.0	49.3	22.6	37.6	28.5
Non-controlling interests	27.1	26.9	28.5	30.5	31.9
Net income (before disc. oper.)	**53.1**	**85.6**	**63.3**	**109.0**	**44.5**
Net income arising from discont. operations	0.0	0.0	1.8	-2.2	-0.9
Net income	**53.1**	**85.6**	**65.1**	**106.8**	**43.6**

Income statement (Portugal and International Operations)

For the 12-month period ended December 31st, 2017 and 2018

(Million euros)

	Group			Portugal			International operations: Total			Bank Millennium (Poland)			Millennium bim (Moz.)			Other int. operations		
	Dec 17	Dec 18	Δ %	Dec 17	Dec 18	Δ %	Dec 17	Dec 18	Δ %	Dec 17	Dec 18	Δ %	Dec 17	Dec 18	Δ %	Dec 17	Dec 18	Δ %
Interest income	1,914	1,890	-1.3%	1,054	991	-6.0%	860	899	4.5%	564	601	6.5%	289	285	-1.3%	6	13	94.1%
Interest expense	523	466	-10.9%	247	188	-23.9%	276	278	0.8%	165	175	5.7%	116	102	-12.1%	-5	2	>100%
Net interest income	**1,391**	**1,424**	**2.3%**	**808**	**803**	**-0.6%**	**583**	**620**	**6.3%**	**399**	**426**	**6.8%**	**173**	**184**	**5.9%**	**11**	**10**	**-6.3%**
Dividends from equity instruments	2	1	-63.7%	1	0	<-100%	1	1	0.4%	1	1	-0.7%	0	0	39.6%	0	0	-29.0%
Intermediation margin	**1,393**	**1,424**	**2.2%**	**809**	**803**	**-0.7%**	**584**	**621**	**6.3%**	**400**	**427**	**6.8%**	**173**	**184**	**6.0%**	**11**	**11**	**-6.3%**
Net fees and commission income	667	684	2.6%	456	475	4.3%	211	209	-1.1%	156	155	-0.7%	30	30	-1.6%	25	24	-3.3%
Other operating income	-102	-89	12.5%	-50	-32	35.5%	-52	-57	-9.6%	-61	-75	-22.7%	10	19	93.2%	0	0	-11.2%
Basic income	**1,957**	**2,019**	**3.1%**	**1,214**	**1,246**	**2.6%**	**743**	**773**	**4.0%**	**494**	**507**	**2.5%**	**213**	**232**	**8.8%**	**35**	**34**	**-4.5%**
Net trading income	148	79	-47.1%	85	12	-85.6%	63	66	5.2%	51	53	3.8%	11	10	-12.1%	1	4	>100%
Equity accounted earnings	92	89	-2.7%	52	55	6.4%	40	34	-14.5%	0	0	--	0	0	--	40	34	-14.5%
Banking income	**2,197**	**2,187**	**-0.5%**	**1,352**	**1,314**	**-2.8%**	**846**	**873**	**3.2%**	**545**	**560**	**2.6%**	**224**	**242**	**7.8%**	**76**	**72**	**-6.2%**
Staff costs	527	593	12.6%	332	386	16.2%	194	207	6.4%	140	150	6.7%	37	39	6.3%	17	18	4.8%
Other administrative costs	374	377	0.7%	222	219	-1.5%	152	158	3.9%	105	108	2.2%	40	44	8.5%	6	7	3.2%
Depreciation	54	58	7.8%	33	36	9.7%	20	21	4.7%	12	13	2.1%	8	8	8.2%	0	0	40.8%
Operating costs	954	1,027	7.7%	588	641	9.1%	367	386	5.3%	258	270	4.6%	85	91	7.5%	23	25	4.6%
Operating net income bef. imp.	**1,243**	**1,159**	**-6.8%**	**764**	**672**	**-12.0%**	**479**	**487**	**1.6%**	**287**	**289**	**0.8%**	**139**	**150**	**8.0%**	**53**	**47**	**-10.9%**
Loans impairment (net of recoveries)	624	466	-25.3%	533	391	-26.7%	91	75	-16.8%	61	46	-23.9%	28	34	21.7%	2	-5	<-100%
Other impairm. and provisions	301	135	-55.1%	254	121	-52.5%	47	15	-69.2%	9	3	-67.2%	-1	-1	27.3%	40	13	-68.2%
Net income before income tax	**318**	**558**	**75.3%**	**-23**	**161**	**>100%**	**341**	**397**	**16.3%**	**218**	**240**	**10.4%**	**112**	**117**	**4.2%**	**11**	**39**	**>100%**
Income tax	30	138	>100%	-56	50	>100%	86	88	1.8%	57	62	7.9%	27	22	-16.6%	2	4	67.8%
Non-controlling interests	103	118	14.2%	-6	-5	23.8%	109	122	12.1%	0	0	--	1	1	15.8%	108	121	12.1%
Net income (before disc. oper.)	**185**	**302**	**63.3%**	**39**	**116**	**>100%**	**146**	**187**	**27.8%**	**160**	**178**	**11.3%**	**85**	**94**	**10.5%**	**-99**	**-86**	**13.7%**
Net income arising from discont. operations	1	-1	<-100%															
Net income	**186**	**301**	**61.5%**															

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.

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 loan impairment charges for loans to customers at amortised cost and debt instruments at amortised cost related to credit operations (net of recoveries) accounted in the period to loans to customers at amortised cost and debt instruments at amortised cost related to credit operations before impairment.

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 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 – resources from customers 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 and, until 2017, financial assets available for sale.

Equity accounted earnings - results appropriated by the Group related to the consolidation of entities where, despite having a significant 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 of financial assets at amortised cost for loans and advances of credit institutions, for loans to customers (net of recoveries - principal and accrual) 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) – loans to customers (net) divided by deposits and other resources from customers.

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

Net commissions - net fees and commissions income.

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

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

Glossary (2/2)

Net trading income – results from financial operations at fair value through profit or loss, results from foreign exchange, results from hedge accounting operations, results from derecognition of financial assets and financial liabilities measured at amortised cost, results from derecognition of financial assets measured at fair value through other comprehensive income and results from financial assets available for sale (till 2017).

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

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

Off-balance sheet customer funds – assets from customers 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 of financial assets (at fair value through other comprehensive income, at amortised cost not associated with credit operations and available for sale, in this case till 2017), other assets impairment, in particular provision charges related to assets received as payment in kind not fully covered by collateral, 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 amortised cost, debt instruments at amortised 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 amortised cost, debt instruments at amortised cost associated to credit operations and loans to customers at fair value through profit or loss), including principal and interests.

Resources from credit institutions – resources and other financing from Central Banks and resources from other credit institutions.

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

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

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

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

Securities portfolio - debt instruments at 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), financial assets at fair value through other comprehensive income (net of impairment), assets with repurchase agreement, financial assets available for sale and financial assets held to maturity (in the latter two cases until 2017).

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.

INVESTOR RELATIONS DIVISION
Rui Coimbra, Head

EQUITY
Luís Pedro Monteiro and Paula Dantas Henriques
+351 21 1131 084

DEBT AND RATINGS
Luís Morais
+351 21 1131 337

investors@millenniumbcp.pt

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