

May 8, 2019

Banco Comercial Português, S.A. informs about Bank Millennium (Poland) results in 1Q 2019

Banco Comercial Português, S.A. hereby informs that Bank Millennium in Poland, in which it has a 50.1% holding and whose accounts are fully consolidated at BCP group level, released today its results for 1Q 2019. Main highlights are as follows:

“Improved profitability

- Net profit of 1Q 2019 reached 160 million PLN (37.3 million EUR), +3% versus 1Q 2018
- ROE at 10.3% (9.1%, adjusted for one-offs*), +0.6 p.p. versus 1Q 2018, with an equal quarterly distribution of Banking Guarantee Fund (BGF) fees and influenced by a strong equity increase y/y (+10%)
- Cost/income at 44.6% (46.1%, excluding extraordinary items), i.e. -1.3 p.p. versus 1Q 2018

Fast pace in interest income growth; costs negatively influenced by BGF annual fees

- Net interest income grew 14.6% y/y, flat q/q
- Net Commissions Income grew 1.0% q/q, decreasing 5.4% y/y due to adverse market conditions
- Operating costs grew by 9.0% y/y, excluding BGF contributions

High asset quality and liquidity

- Impaired loans (stage 3) ratio at 4.4% with coverage by loan-loss reserves at 73%
- Cost of Risk** at 55 b.p. (annualised)
- Loans to deposits ratio at 81%

Very high capital ratios after retention of 2018 profits and T2 issue

- Group's Total Capital Ratio (TCR) at 25.6%, and CET1 ratio at 21.5% after incorporating full 2018 year profits
- 830 million PLN subordinated bonds issued in January improved T2 capital
- Moody's rating agency upgraded the Bank's rating to Baa1

(*) without non usual items, i.e., with an equal accrual through the year of BGF resolution fee and without net impact of PLN 24 million from extraordinary tax asset recovery.

(**) Total net provisions to average net loans"

End of announcement**Banco Comercial Português, S.A.**