

H1 2024

Banco Comercial  
Português, S.A.

**Earnings  
Presentation**



Millennium  
bcp

# 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 six months of 2023 and 2024 were not audited.
- | The information in this presentation is for information purposes only and should be read in conjunction with all other information made public by the BCP Group.

# AGENDA

Highlights  
01

Group  
02

Portugal  
03

International  
operations  
04



# Highlights

# A Solid and Efficient Bank

## Profitability

- **Net income of 485.3 million in the first half of 2024**, 14.7% above first half of 2023
- **Group's core operating profit stood at 1,174.1 million**
- **In Portugal, net income amounted to 411 million in the first half of 2024**, corresponding to an increase of 16.2% compared to the same period of 2023
- **Bank Millennium net income stood at 82.8 million in the first half of 2024**, despite charges of 376<sup>1</sup> million related with CHF mortgage loan portfolio (out of which 237.8<sup>2</sup> million in provisions) and costs related to the extension of credit holidays (PLN mortgage) which totaled 46.6<sup>3</sup> million.
- **Millennium bim net income stood at 46.8 million** in the first half of the year

## Business Model

- **Solid capital ratios. CET1<sup>4</sup> stood at 16.2% and total capital ratio<sup>4</sup> at 20.6%**, corresponding respectively to an increase of 219bp and 225bp compared with the same period of last year, reflecting the strong capacity of organic capital generation
- **Liquidity indicators well above regulatory requirements. LCR<sup>5</sup> at 296%, NSFR<sup>5</sup> at 175%** and LtD<sup>5</sup> at 67%. Eligible assets available to discount at ECB of 28.9 billion
- **Group's total Customer funds grew 8.9% year on year to 100.6 billion**
- **Reduction in non-performing assets** compared to June 2023: 176 million in NPEs and 59 million in foreclosed assets
- **Cost of risk stood at Group level stood at 34bp in the first half of 2024**, which compares with 50bp in the same period of last year
- **Customer base grew 4.1%**, highlighting the 11% increase in mobile Customers, which represented 70% of the total active customers at the end of June 2024

<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.

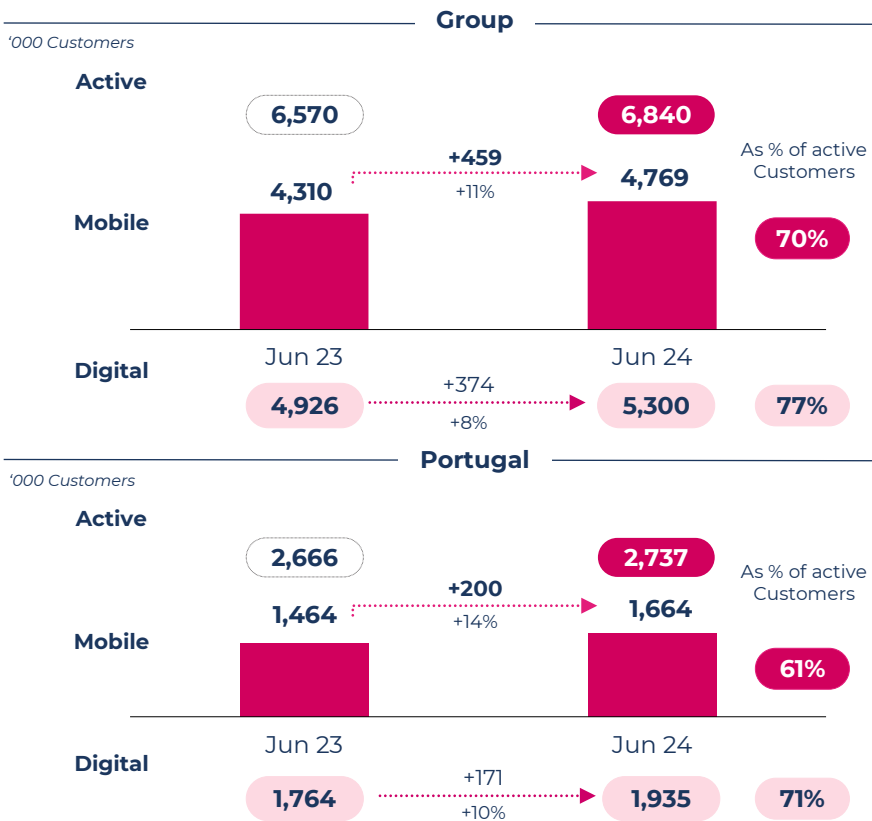
<sup>3</sup> Before taxes and non-controlling interests.

<sup>4</sup> Fully implemented ratio including unaudited net income for H1'24.

<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



**Customer Recognition**

**DATAE**  
Barómetro Financeiro 2023

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

These awards are the exclusive responsibility of the attributing entities.

Customer counting criteria used in the Strategic Plan.



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

## Strong mobile growth Y/Y

(Number of operations, Jan-Jun 2024 vs Jan-Jun 2023)

**+26%**  
Transactions<sup>1</sup>

**+39%**  
P2P Transfers

**+31%**  
National Transfers

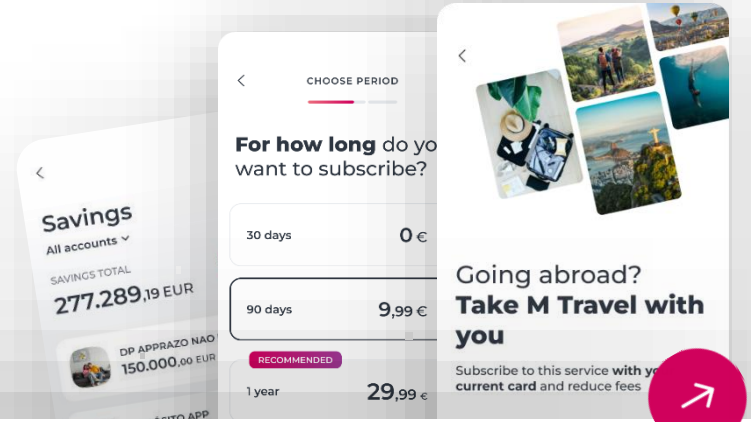
**+10%**  
Payments

**+49%**  
Sales

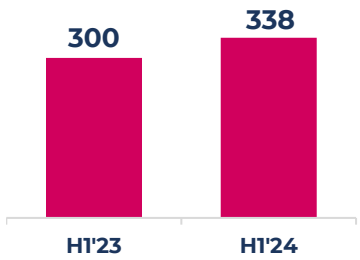
**+33%**  
Cards

**+18%**  
Personal loans (#)

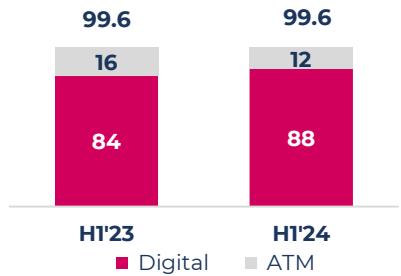
**+53%**  
Savings



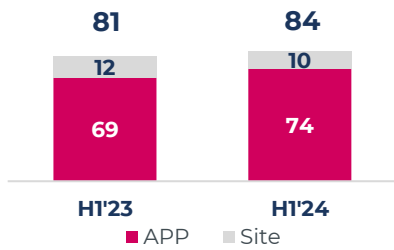
# Digital Interactions (mio)<sup>2</sup>



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

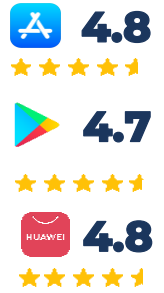


% Digital Sales (#)<sup>4</sup>



**#1 NPS<sup>5</sup> Digital Customers**  
Mar 2024  
5 largest Banks

App Millennium  
**leads ratings**



<sup>1</sup> Includes P2P transfers in Millennium app  
<sup>2</sup> Interactions (Millennium website and app), individuals includes AB  
<sup>3</sup> Includes mobile, online and ATMs, excludes branches and contact center that counts for 0.4% of total transactions  
<sup>4</sup> Digital sales (Millennium website and app) in number of operations  
<sup>5</sup> Digital channels satisfaction (NPS), 5 largest banks, Source: BASEF-Markttest





# Net income of 485.3 million in the first half of 2024

(Million euros)	H1'23	H1'24	%	Δ
Net interest income	1,374.4	1,397.5	+1.7%	+23.2
Commissions	387.0	396.0	+2.3%	+9.0
<b>Core income</b>	<b>1,761.4</b>	<b>1,793.6</b>	<b>+1.8%</b>	<b>+32.2</b>
Operating costs	-561.5	-619.4	+10.3%	-57.9
<b>Core operating profit</b>	<b>1,199.9</b>	<b>1,174.1</b>	<b>-2.1%</b>	<b>-25.8</b>
Other income <sup>1</sup>	82.9	-43.4	-	-126.3
<i>Of which: sale of 80% of Millennium Financial Services</i>	127.0	-	-	-127.0
<b>Operating net income</b>	<b>1,282.8</b>	<b>1,130.7</b>	<b>-11.9%</b>	<b>-152.1</b>
Results on modification <sup>2</sup>	-11.6	-61.0	-	-49.4
Impairment and other provisions	-548.5	-389.9	-28.9%	+158.6
<i>Of which: Loans impairment</i>	-145.5	-97.0	-33.3%	+48.5
<i>Of which: legal risk on CHF mortgages (Poland) <sup>3</sup></i>	-331.6	-237.8	-28.3%	+93.8
<b>Income before tax</b>	<b>722.7</b>	<b>679.9</b>	<b>-5.9%</b>	<b>-42.9</b>
Income taxes, non-controlling interests and discontinued operations	-299.5	-194.6	-35.0%	+104.9
<b>Net income</b>	<b>423.2</b>	<b>485.3</b>	<b>+14.7%</b>	<b>+62.0</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 and costs related with the extension of the credit holidays (PLN mortgage) | <sup>3</sup>Does not include provisions for legal risks on CHF mortgages of Euro Bank (guaranteed by Société Générale).





02

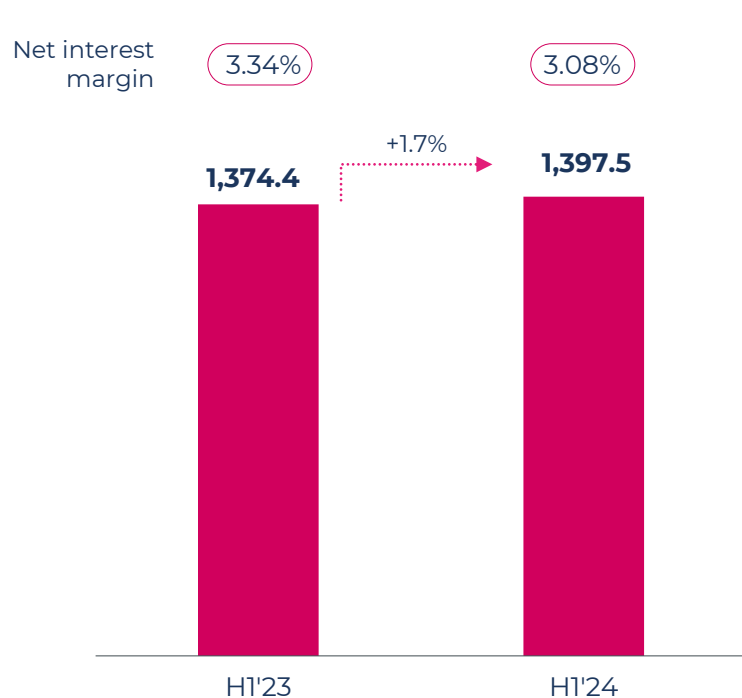
# Group

## Profitability

# Net interest income

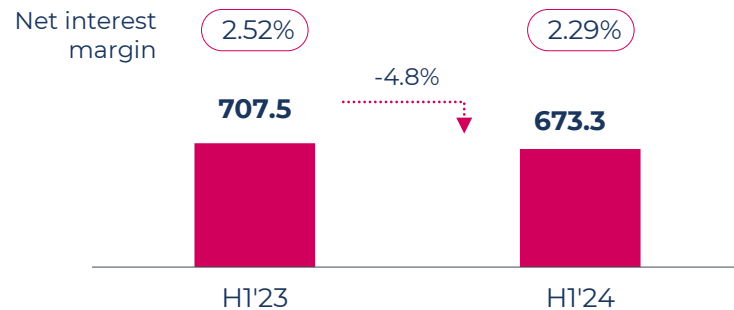
## Group

(Consolidated, million euros)



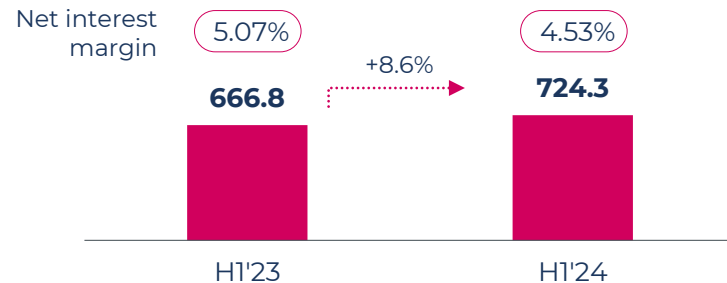
## Portugal

(Million euros)



## International operations

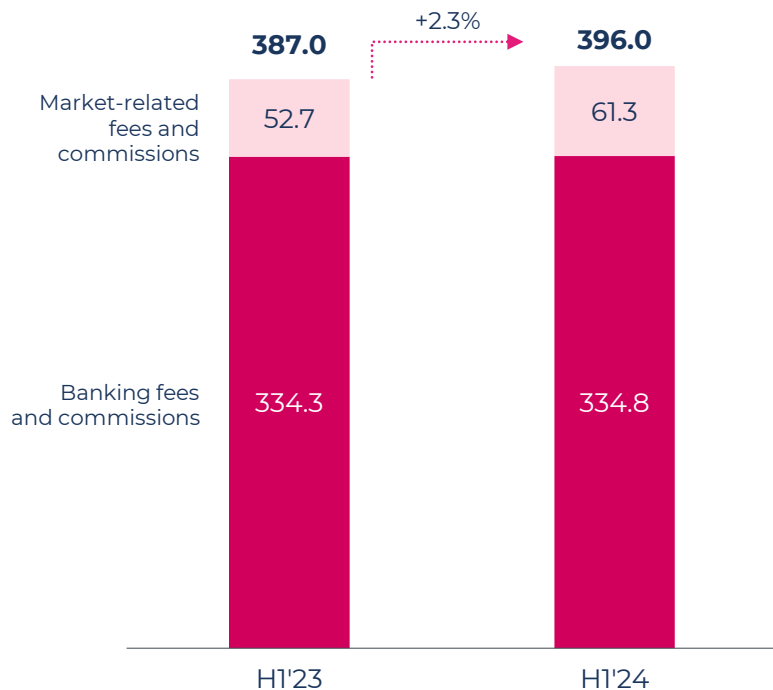
(Million euros)



# Fees and commissions

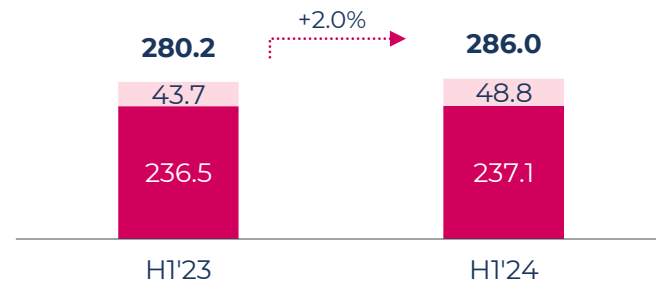
## ≡ Group

(Consolidated, million euros)



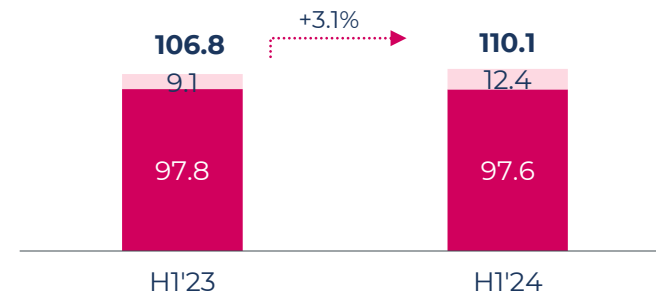
## ≡ Portugal

(Million euros)



## ≡ International operations

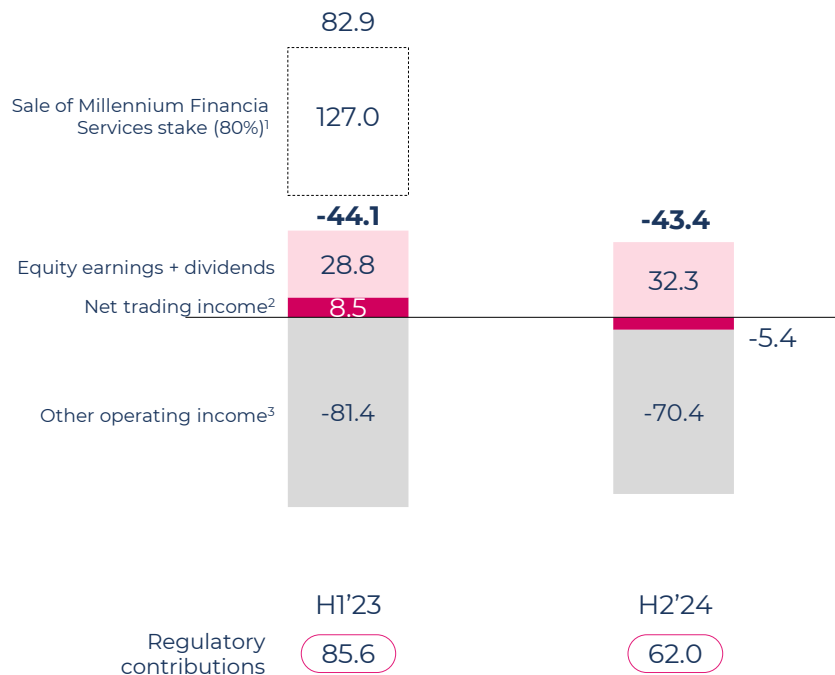
(Million euros)



# Other income

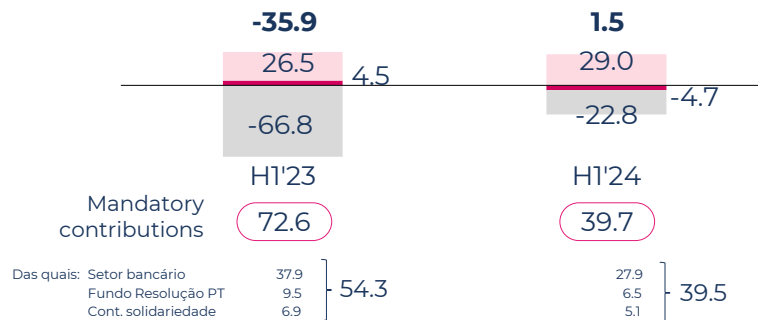
## Group

(Consolidated, million euros)



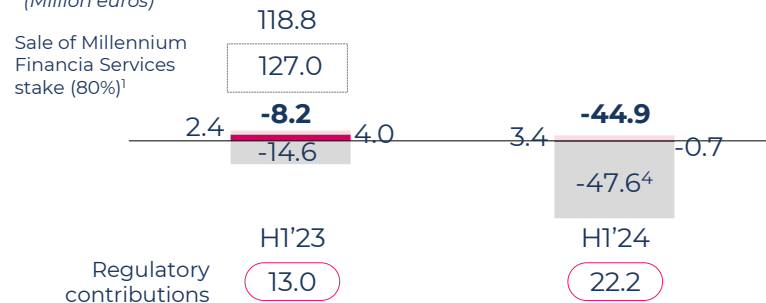
## Portugal

(Million euros)



## International operations

(Million euros)

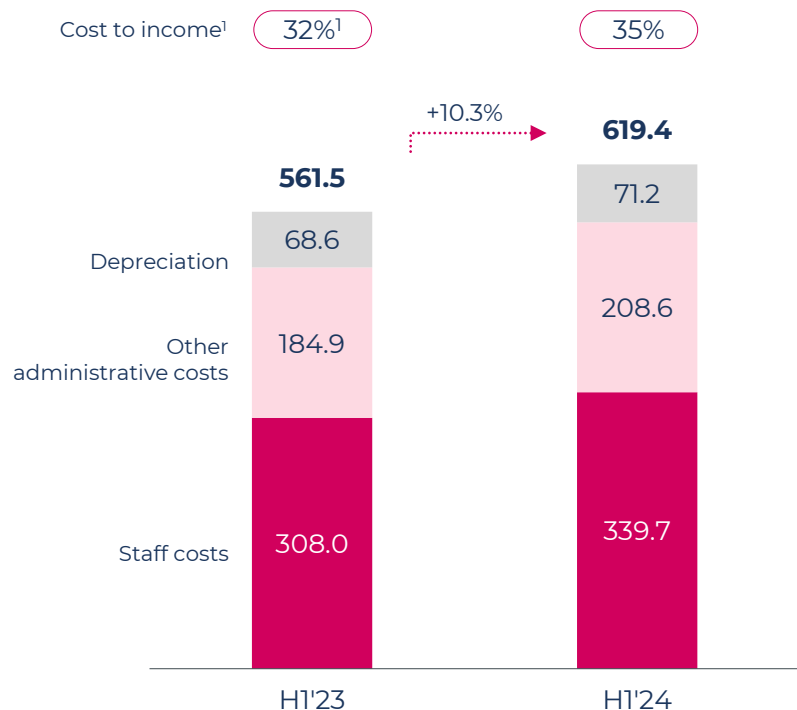


<sup>1</sup> Positive one-off effect of 127 million (117.8 million booked in net trading income and 9.2 million booked in other operating income) related with the sale of Millennium Financial Services stake (80%) in Q1'23 as a result of the strategic partnership in the bancassurance business. <sup>2</sup> Net trading income includes -24.6 million in H1'23 and -46.4 million in H1'24 of costs related to out-of-court settlements with Customers related with CHF loan portfolio. <sup>3</sup> Other operating income includes +18.4 million in H1'23 and +22.8 million in H1'24 related with the compensation for provisions for legal risk on CHF mortgages of Euro Bank (guaranteed by Société Générale). <sup>4</sup> Includes charges related with negotiation costs and legal procedures of CHF loans.

# Operating costs

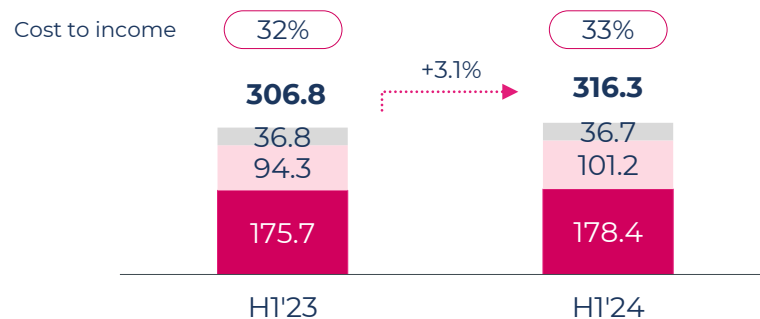
## Group

(Consolidated, million euros)



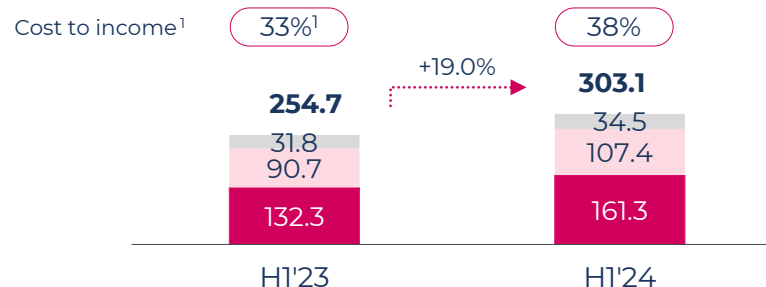
## Portugal

(Million euros)



## International operations

(Million euros)

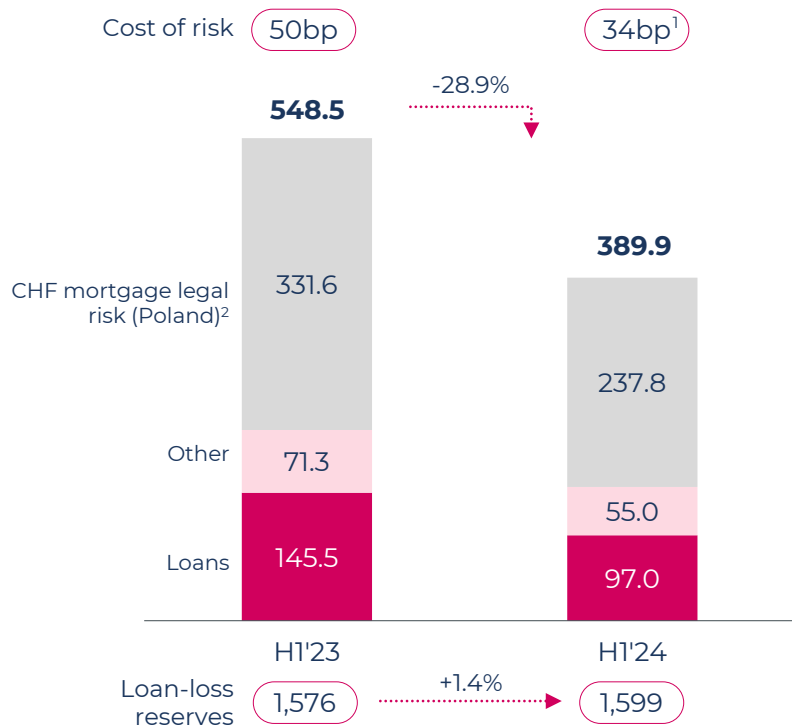


<sup>1</sup> Adjusted cost to income : without the positive one-off effect related with the sale of 80% of Millennium Financial Services stake (international operations) in Q1'23

# Cost of risk and provisions

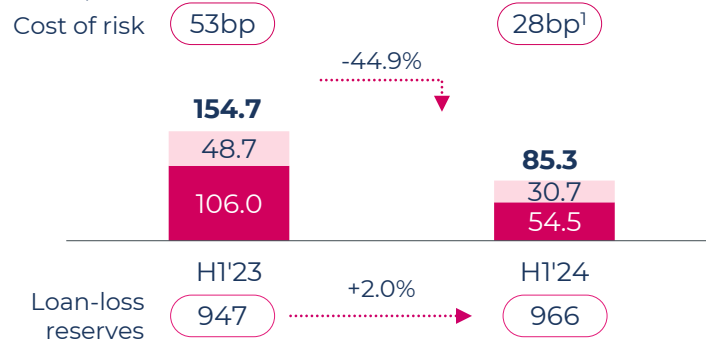
## Group

(Consolidated, million euros)



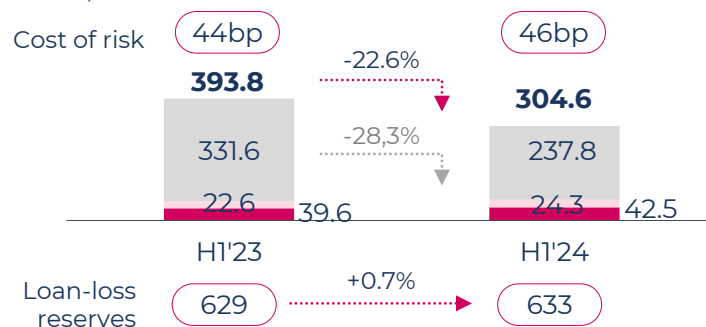
## Portugal

(Million euros)



## International operations

(Million euros)

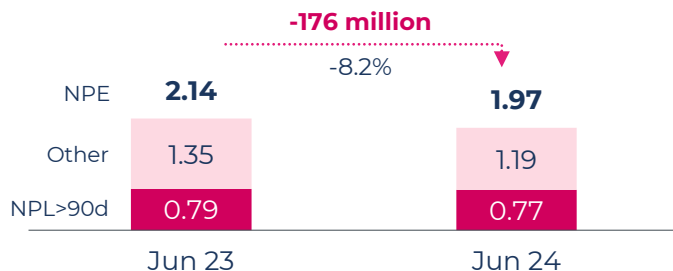


<sup>1</sup> Includes an impairment reversal occurred in Q2'24, without this effect cost of risk would stand at 50bp at the group level and 52bp for Portugal  
<sup>2</sup> Does not include provisions for legal risks on CHF mortgages of Euro Bank (guaranteed by Société Générale): 18.4 million in H1'23 and 22.8 million in H1'24.

# Continued decrease of NPEs

## Group

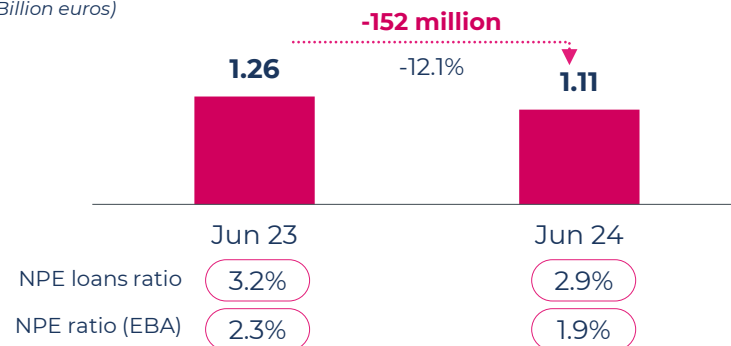
(Consolidated, billion euros)



	Jun 23	Jun 24
(Total impairment + collaterals)/ NPE	117.6%	121.6%
Total impairment / NPE	73.6%	81.4%
Impairments allocated to NPE / NPE	49.2%	54.2%
NPL>90 days ratio	1.4%	1.4%
NPE ratio (loans only)	3.7%	3.4%
NPE ratio inc. securities and off-BS (EBA)	2.5%	2.1%

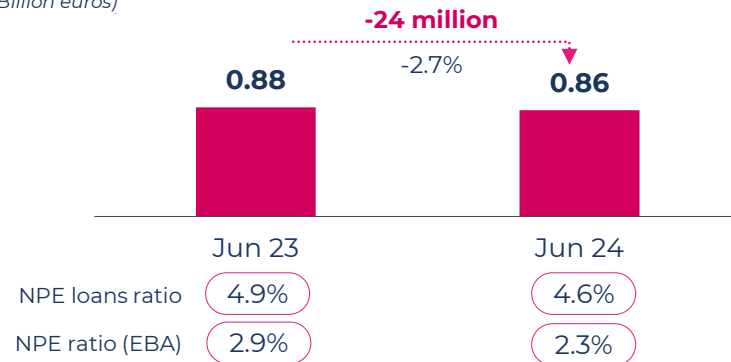
## Portugal

(Billion euros)



## International operations

(Billion euros)



NPE include loans to Customers only.





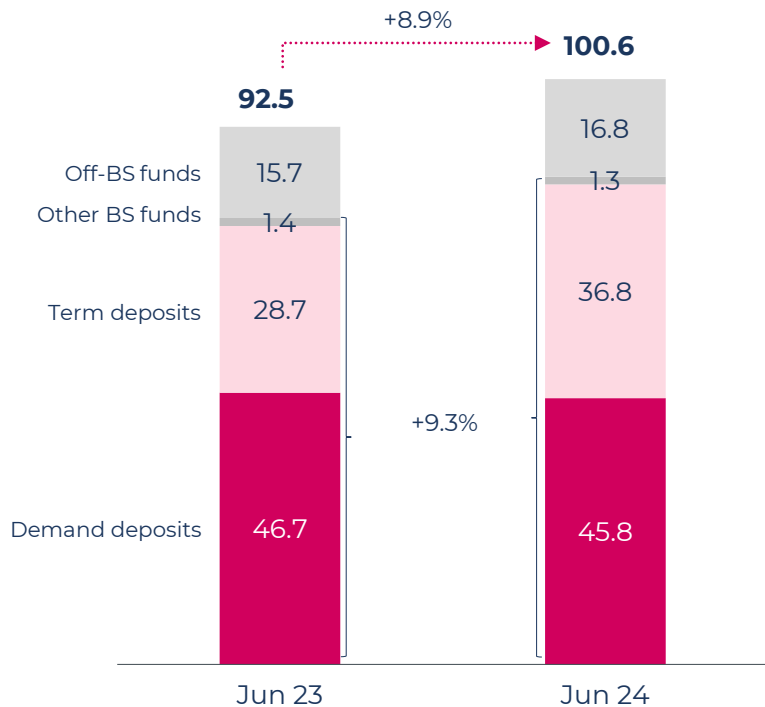
# Group

Business activity

# Customer funds

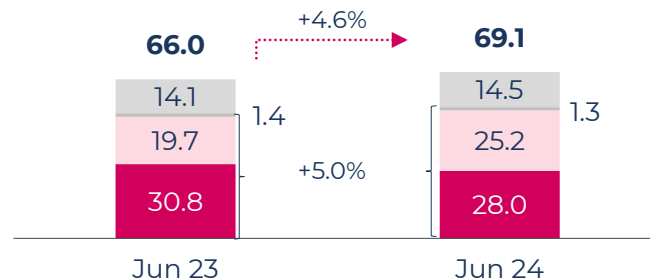
## Group

(Consolidated, billion euros)



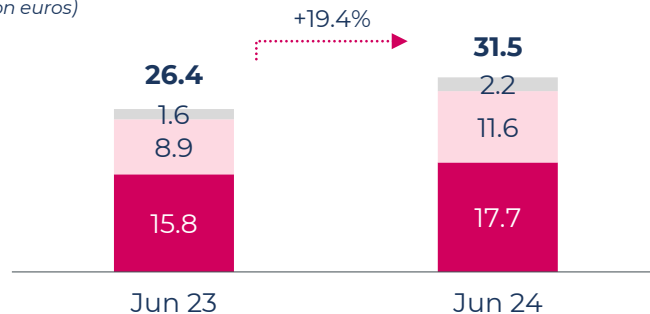
## Portugal

(Billion euros)



## International operations

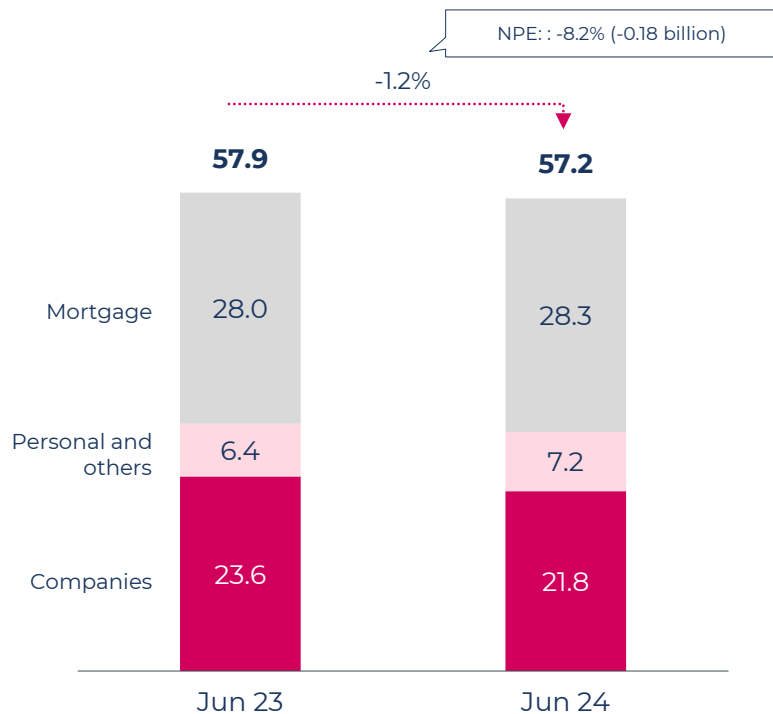
(Billion euros)



# Loan portfolio

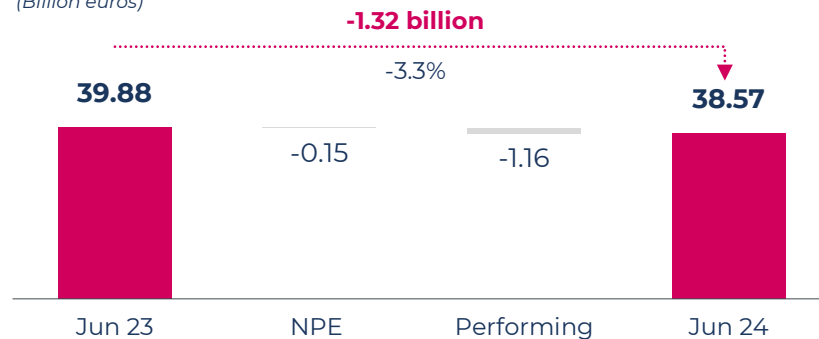
## Group

(Consolidated, billion euros)



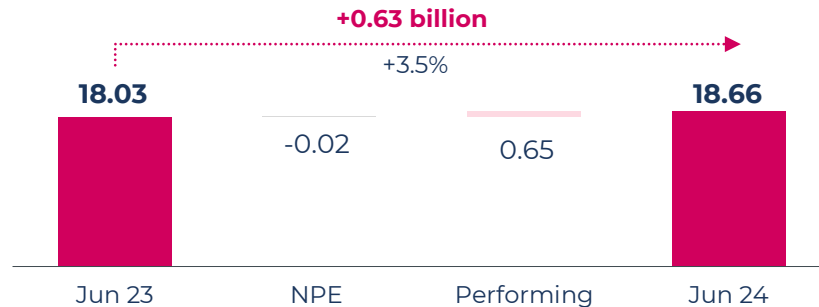
## Portugal

(Billion euros)



## International operations

(Billion euros)





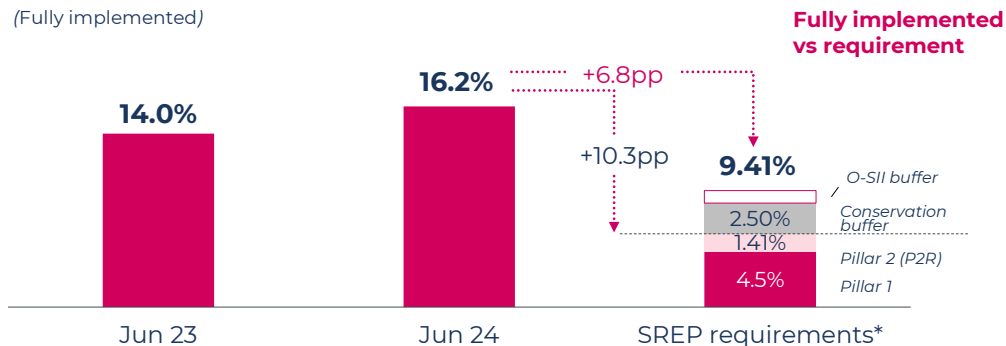
# Group

Capital and liquidity

# Solid capital ratios

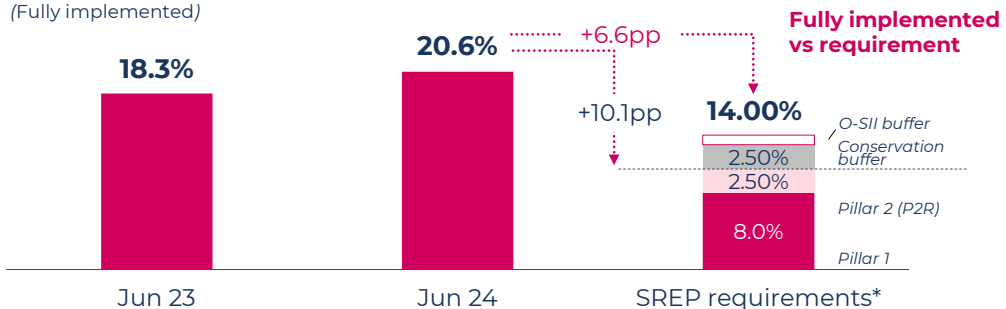
## Common equity tier 1 (CET1)

(Fully implemented)



## Total capital ratio

(Fully implemented)



- **CET1 capital ratio of 16.2% and total capital ratio of 20.6%**, corresponding respectively to an increase of 219bp and 225bp compared to the same period last year, reflecting the strong capacity for organic capital generation
- **Capital ratios comfortably above SREP requirements even considering the reserve for sectoral systemic risk notified by the BdP\*\*** which aims to reinforce the resilience of the banking sector of a potential deterioration in economic conditions and/or unexpected significant correction in residential property prices. With reference to June 2024, this reserve on a proforma basis results in an estimated increase in capital requirements of **29bp, from October 2024.**
- Surplus of 6.8pp between CET1 ratio and the SREP requirements not including the capital conservation and the O-SII buffers, and of 10.3pp if including such buffers (6.6pp and 10.1pp respectively, for the total capital ratio)
- Buffers for which there are limitations to results distribution: 679bp to CET1, 605bp to T1 and 659bp to total capital

Including unaudited net income for H1'24.

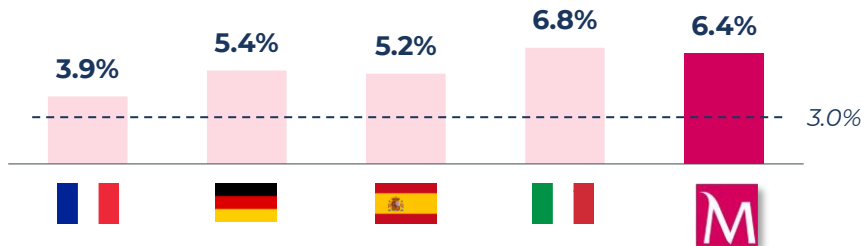
\*Minimum prudential requirements since March, 2024.

\*\*The Banco of Portugal's decision translates into the requirement to comply with a reserve for sectoral systemic risk of 4% on the amount of risk exposures on the retail portfolio of loans to individuals collateralized by residential properties located in Portugal, calculated in pursuant to paragraph 3 of article 92 of Regulation (EU) 575/2013, from October 1, 2024, onwards, at the highest level of consolidation in Portugal, considering the applicable legal framework

# Stronger capital position

## Leverage ratio

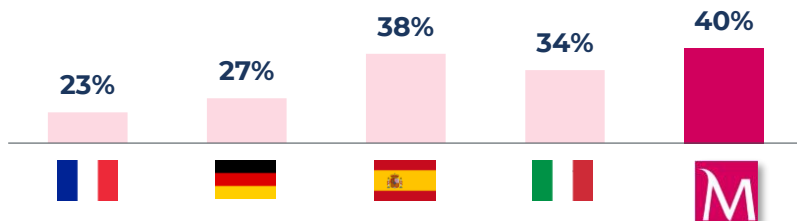
(Fully implemented, latest available data)



Leverage ratio in comfortable levels (6.4% as of June 2024) higher when comparing to European banks

## RWA density

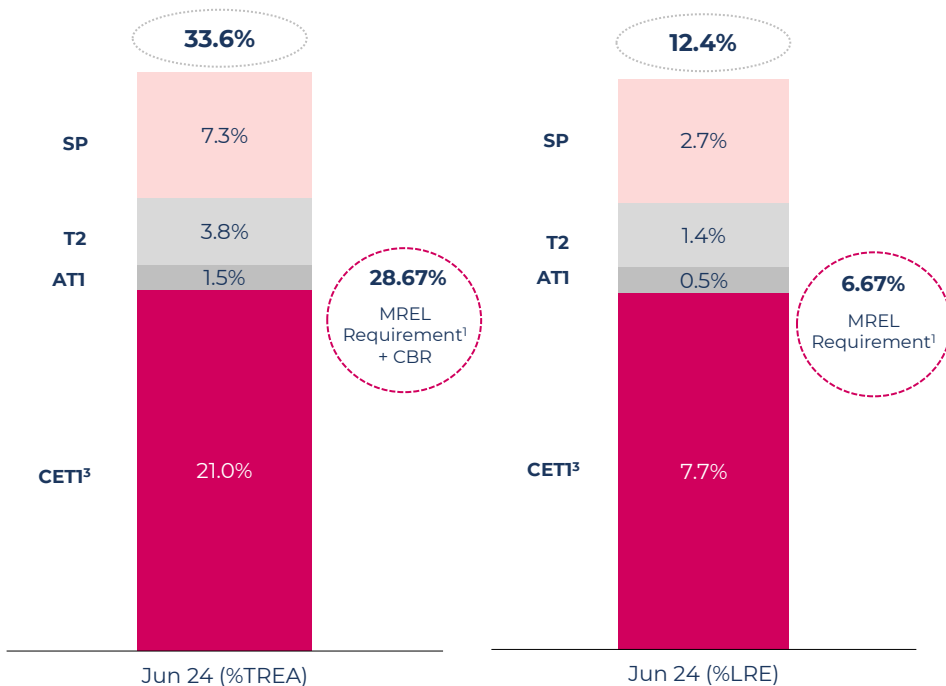
(RWAs as a % of assets, latest available data)



RWAs density in very conservative values (40% as of June 2024) comparing favourably with the values registered by most of the European markets

# MREL requirements and Funding Plan

## MREL position (BCP Resolution Group - 30 Jun 2024)\*



- **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 June 30, 2024, BCP complied with new MREL requirement, including CBR, applicable since July, 2024 (with a buffer of 5% of TREA, amounting to c. EUR 1,300 million)**
- **Funding Plan** execution
  - Exercise of the option for early repayment of the entire ATI issue, issued on January 31, 2019, with a coupon of 9.25%, on January 31, 2024
  - 400 million of ATI on January 11, 2024, with a coupon of 8.125% during the first 5.5 years
  - Benchmark issue of Senior Preferred Notes in the **2nd half of 2024**

MREL - Minimum Requirement for own funds and Eligible Liabilities | TREA – Total Risk Exposure Amount; LRE - Leverage Ratio Exposure; CBR - Combined Buffer Requirements

\*Preliminary data

<sup>1</sup> Requirements covered by the 2023 Resolution Planning Cycle, applicable since July 2024. 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 were set minimum requirements of MREL - TREA of 18.03% and MREL - TEM of 5.91% from 18 June 2024.

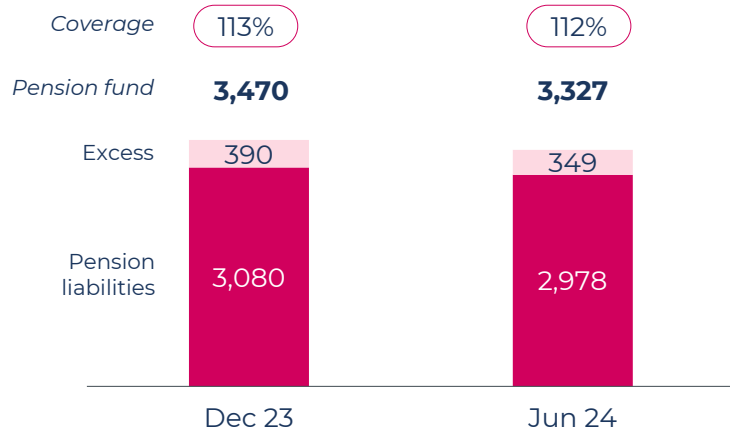
<sup>3</sup> Including unaudited net income for H1 2024.



# Pension fund

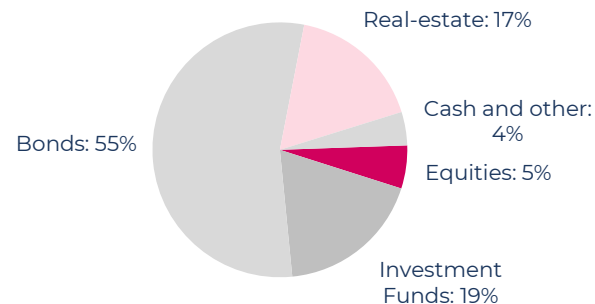
## ☰ Pension fund coverage

(Million euros)



Pension fund	Dec 23	Jun 24
Fund's profitability	+7.1%	-1.8%
Effect of actuarial differences in liabilities* (includes discount rate)	-11.6%	+5.1%

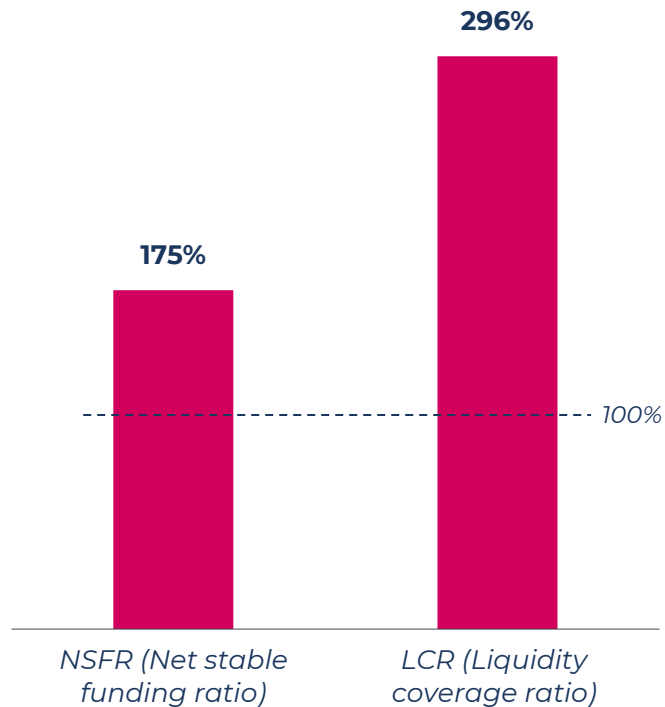
## ☰ Structure of pension fund



- Discount rate revised to 3.81%
- Liabilities covered at 112%
- The level of coverage of pension fund liabilities by assets provides room to absorb adverse impacts in the pension fund of up to 349 million with no impact on capital ratios

# Robust liquidity position

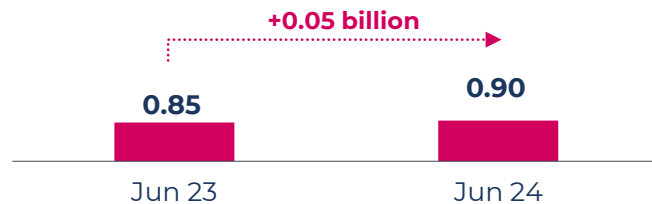
## ☰ Liquidity ratios (CRD/CRR)



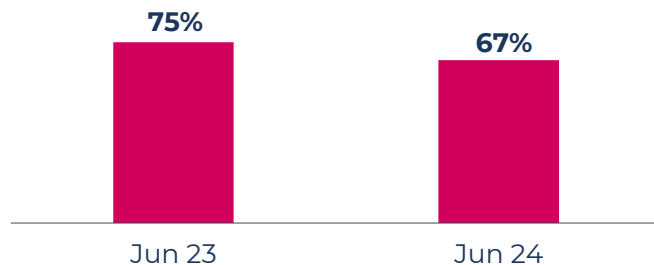
## ☰ Liquidity excess in ECB

(Billion euros)

Eligible assets 24.2 28.9



## ☰ Net loans to deposits ratio





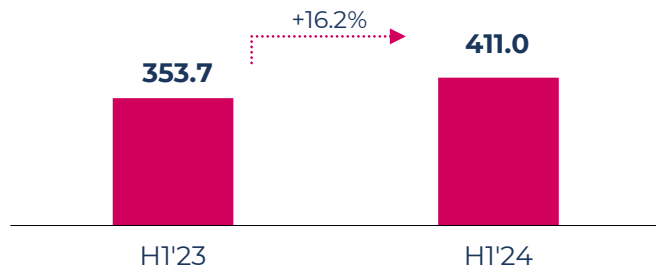
**Portugal**

# Profitability in Portugal



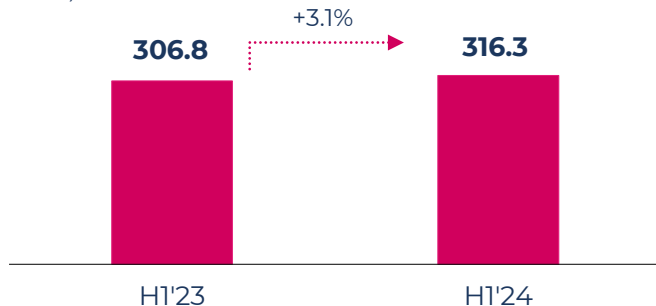
## Net income

(Million euros)



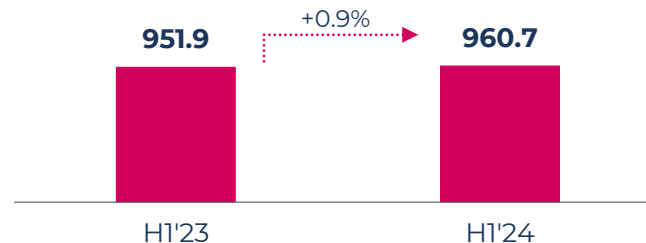
## Operating Costs

(Million euros)



## Net operating revenue

(Million euros)

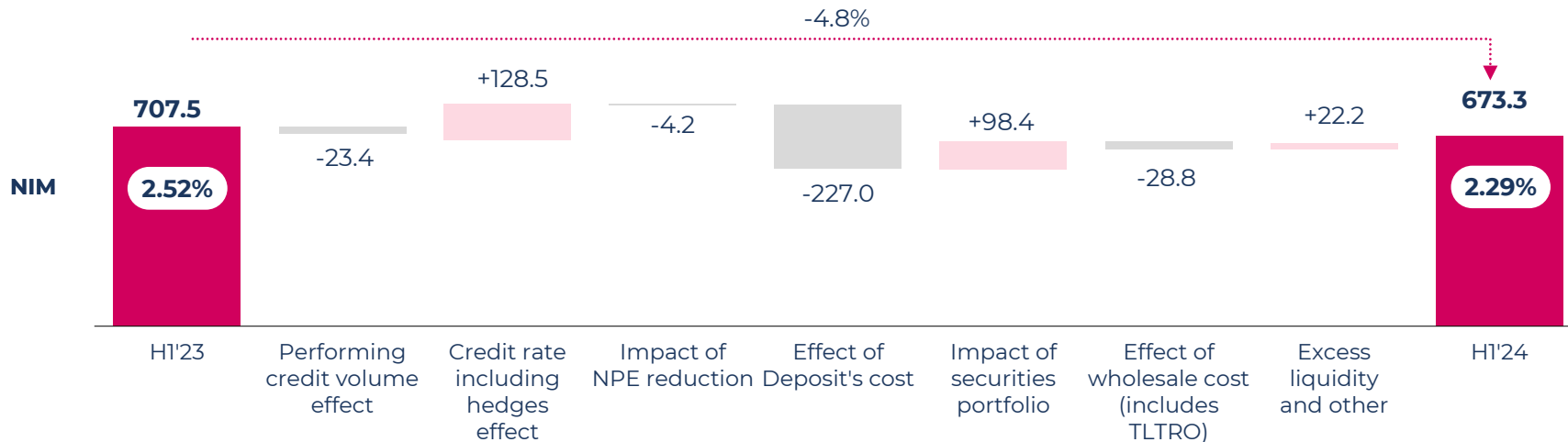


- Net income reached 411 million in H1'24 representing an increase of 16.2% from H1'23
- Net income was driven by the reduction of mandatory contributions, lower impairments and provisions (impairment reversal) and by the strict management of operating costs



# Net interest income

(Million euros)



The normalization of interest rates had a negative impact in the cost of deposits and the wholesale funding, despite the positive effect of the repricing of the loan book and the higher yield from the securities portfolio

# Commissions and other income



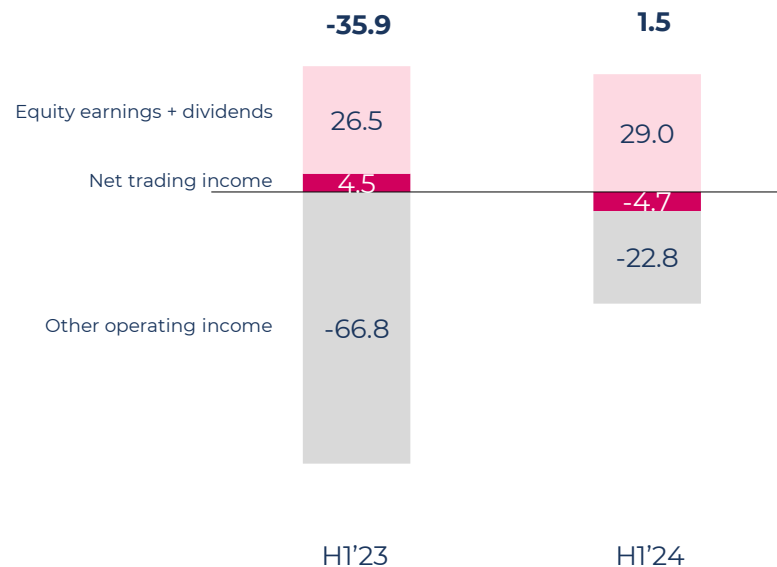
## Commissions

(Million euros)

	H1'23	H1'24	YoY
<b>Banking fees and commissions</b>	<b>236.5</b>	<b>237.1</b>	<b>+0.3%</b>
Cards and transfers	78.6	82.5	+5.0%
Loans and guarantees	40.9	38.6	-5.7%
Bancassurance	43.3	43.5	+0.4%
Customer account related	71.4	71.3	-0.2%
Other fees and commissions	2.4	1.3	-45.5%
<b>Market related fees and commissions</b>	<b>43.7</b>	<b>48.8</b>	<b>+11.7%</b>
Securities operations	17.9	22.2	+23.9%
Asset management and distribution	25.8	26.6	+3.2%
<b>Total fees and commissions</b>	<b>280.2</b>	<b>286.0</b>	<b>+2.0%</b>

## Other income

(Million euros)

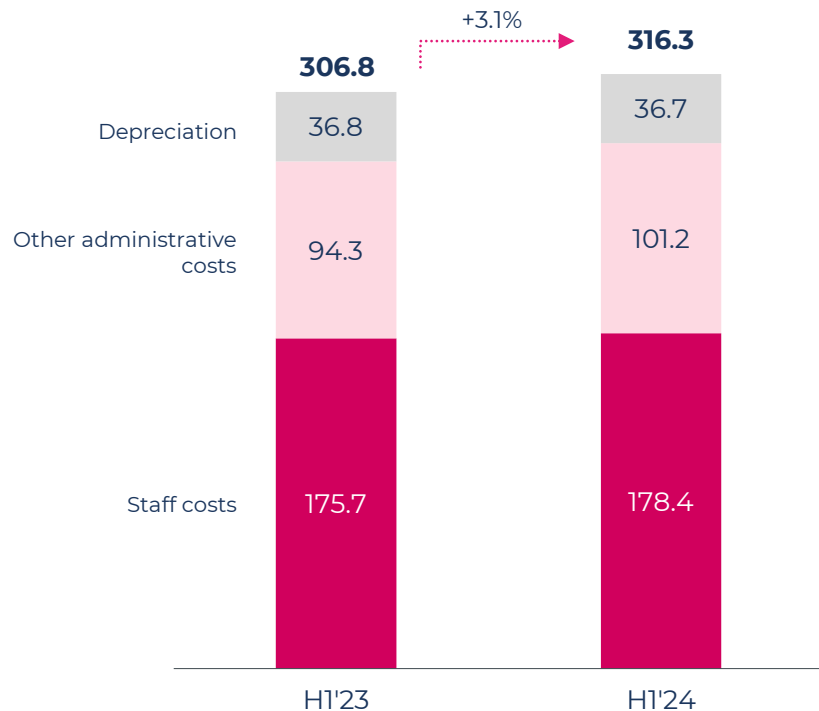


# Operating costs

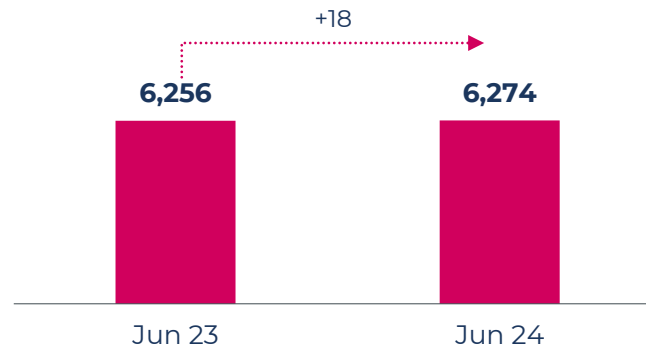


## Operating Costs

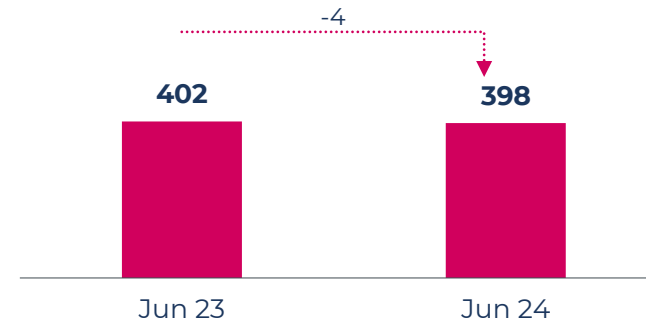
(Million euros)



## Employees



## Branches



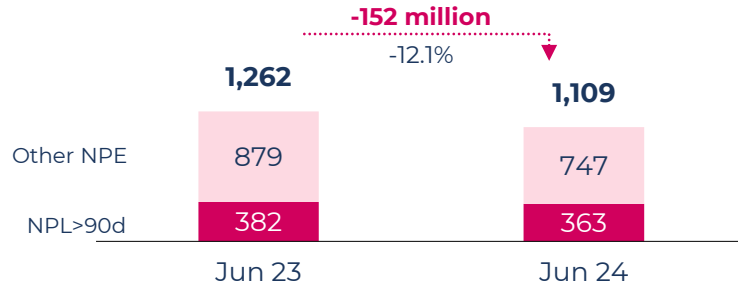




# NPEs decrease

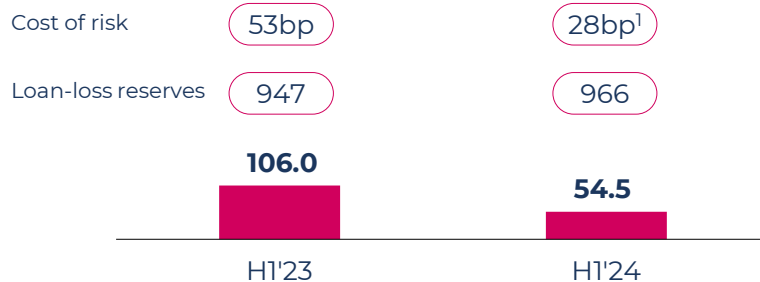
## Non-performing exposures (NPE)

(Million euros)



## Loan impairment (net of recoveries)

(Million euros)



## NPE build-up

(Million euros)

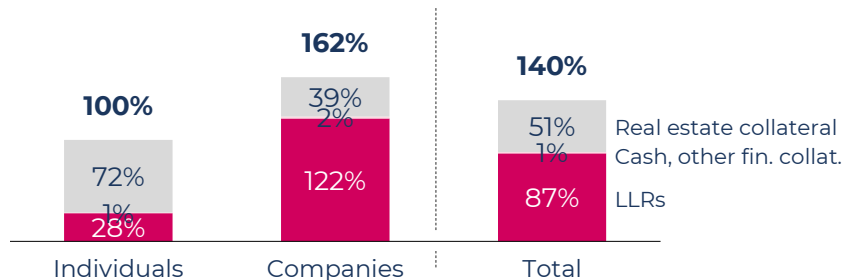
(Million euros)	Jun 24 vs. Jun 23	Jun 24 vs. Dez 23
Opening balance	1,262	1,107
Net outflows/inflows	106	140
Write-offs	-95	-81
Sales	-163	-56
<b>Ending balance</b>	<b>1,109</b>	<b>1,109</b>

- NPEs in Portugal total 1,109 millions at the end of June 2024, a decrease of 152 millions from June 2023
- The decrease from June 2023 results from sales of 163 millions, write-offs of 95 millions and net inflows of 106 million
- The decrease of NPEs from June 2023 is attributable mainly to a reduction of 133 million of other NPE
- Cost of risk of 28bp in June 2024, 53bp in June 2023, with a NPE coverage by loan-loss reserves of 87% and 75%, respectively

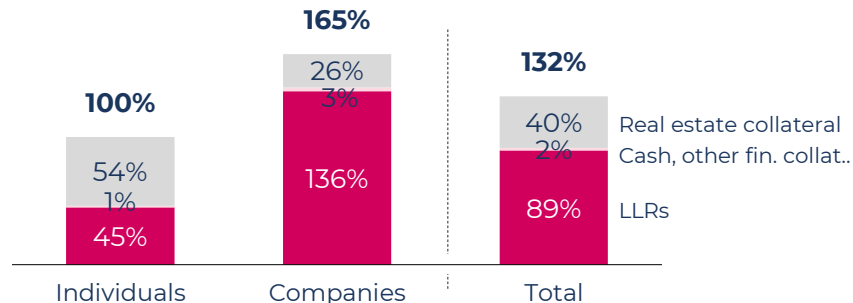


# NPE coverage

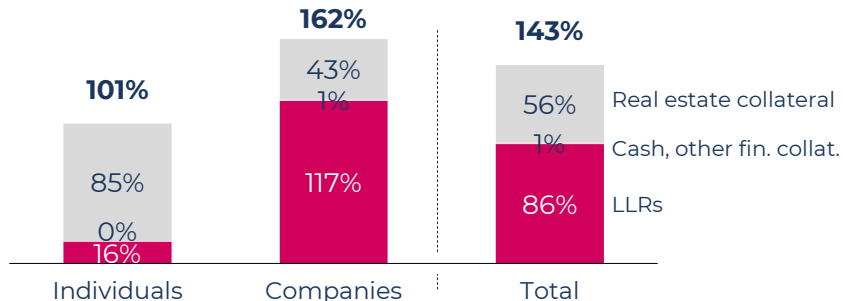
## ≡ NPE total coverage\*



## ≡ 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 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 122% for companies NPE as of June 2024, reaching 136% for companies NPL>90d

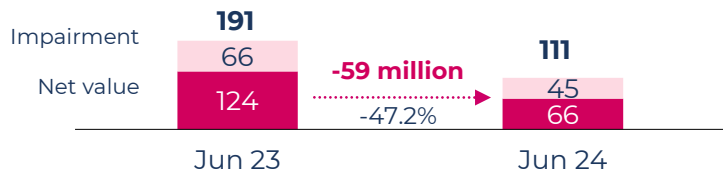
NPE include loans to Customers only.  
\*By loan-loss reserves and collaterals.



# Foreclosed assets and corporate restructuring funds

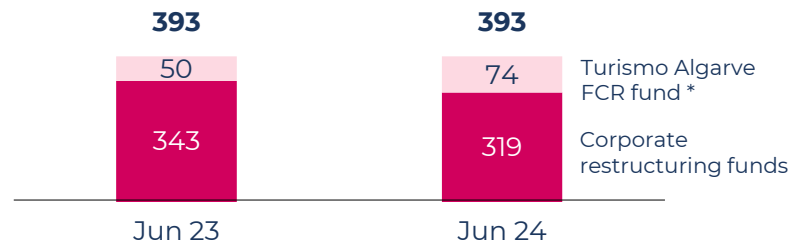
## Foreclosed assets

(Million euros)



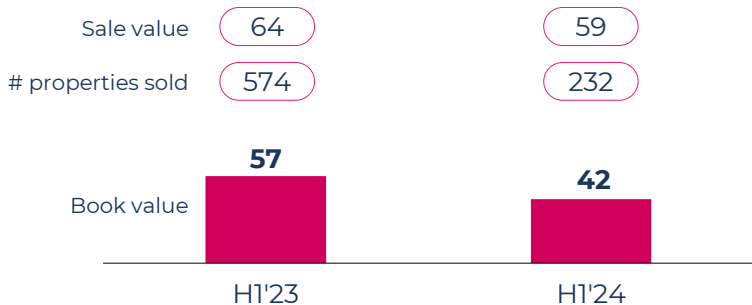
## Corporate restructuring funds

(Million euros)



## Sales of foreclosed assets

(Million euros)



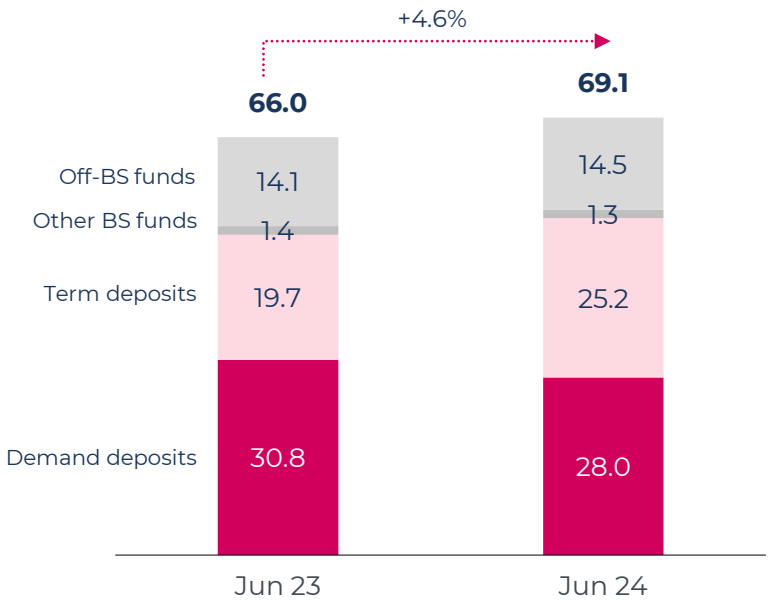
- Net foreclosed assets were down by 47.2% between June 2023 and June 2024.
- 59 properties were sold during the H1'24 (64 properties in H1'23), with sale values exceeding book value by 17 million
- Restructuring funds amount to 393 million in June 2024



# Customer funds and loans to Customers

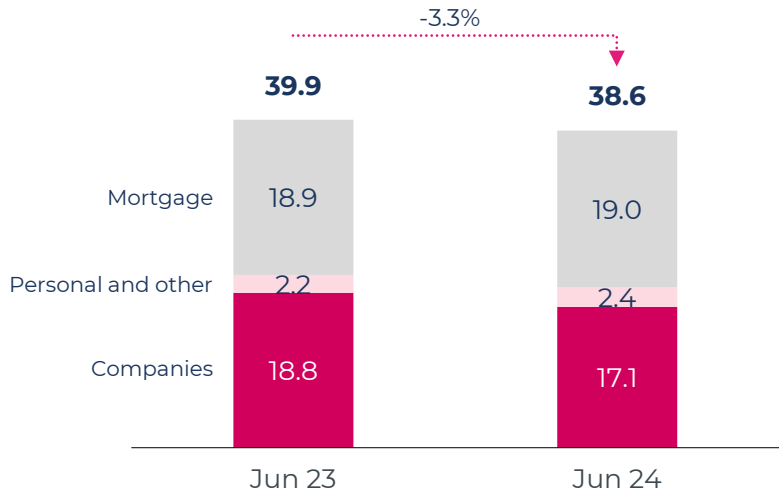
## ☰ Total Customers Funds\*

(Billion euros)



## ☰ Loans to Customers (gross)

(Billion euros)



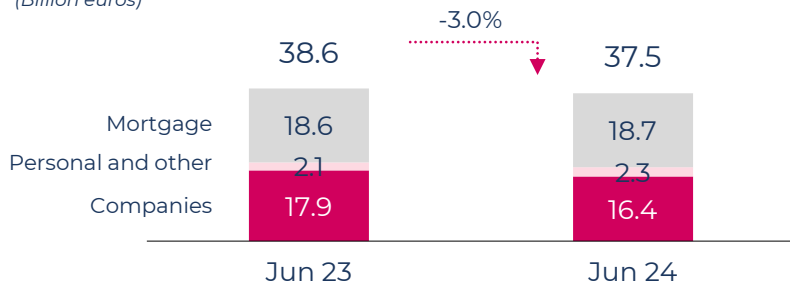
\*Deposits, debt securities, assets under management, assets placed with Customers and insurance products (savings and investments).



# Performing loans in Portugal

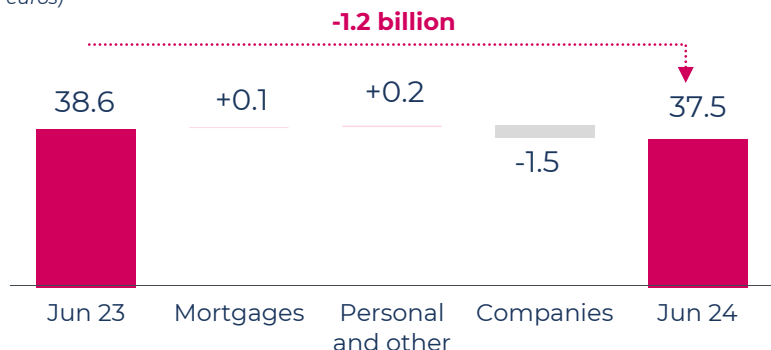
## Performing loans portfolio <sup>1</sup>

(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 6th consecutive year with a 33% market share
- ✓ **Leadership in Inovadora COTEC** programme for the 4th consecutive year, with a market share of 49%
- ✓ **Leading Bank in Satisfaction:** Best Bank for companies, Main Bank, Most innovative Bank, Most efficient Bank and Bank with the Most Appropriate Products according to DATAE 2024
- ✓ **Leading Bank in Factoring and Confirming,** with factoring invoicing of 4.8 billion up until June 2024 and a market share of 23%\*
- ✓ **Leading Bank in International Business:** Leadership in Trade Finance, with a market share of 26.0%\*\*
- ✓ **Leading Bank in Leasing,** with 396 millions of new leasing business in H1'24 and market share of 23%\*
- ✓ **Leading Bank in EIF/EIB:** #1 Commercial bank of the EIB in Portugal and **#1 Commercial Bank of the EIF in Europe**
- ✓ **Leading Bank in BPF INVEST EU guarantees** with 30% market share
- ✓ **Distinct digital offer:** Digital Account Opening, availability of M2030 for European Funds, iziBizi for ERP/Accounting and digital subscription of business products

These awards are the exclusive responsibility of the attributing entities.

<sup>1</sup> Performing loans in Portugal records an inflection in Q2'24. 136 million quarter on quarter (0,4%)

\*Source: ALF (March 2024).

\*\*Source: SWIFT messages market share (June 2024)



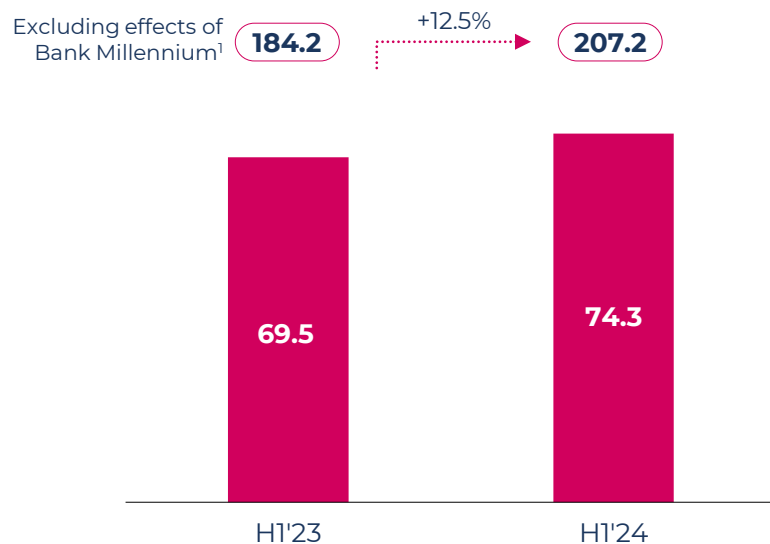
04

**International operations**

# Contribution from international operations

## ☰ Contribution from international operations

(Million euros)



(Million euros<sup>2</sup>)

	H1'23	H1'24
Poland	83.0	82.8
Mozambique	48.9	46.8
Other	-3.0	1.6
<b>Net income international operations</b>	<b>128.9</b>	<b>131.1</b>
Non-controlling int. (Poland+Mozambique)	-56.5	-56.9
Exchange rate effect	-2.8	--
<b>Contribution from international operations</b>	<b>69.5</b>	<b>74.3</b>

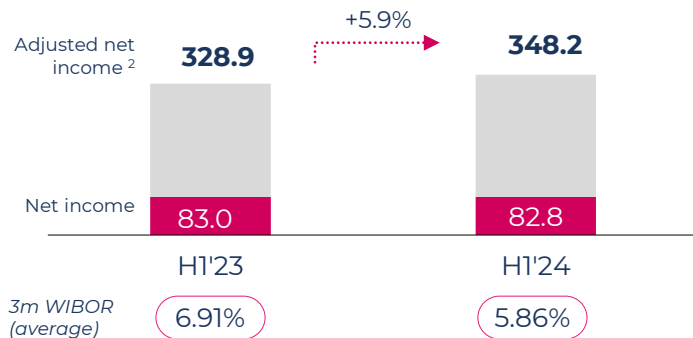
<sup>1</sup>Excludes FX mortgage legal risk provisions, as well as costs of litigations and settlements with Clients, profit from the sale of 80 stake in Millennium Financial Services (127 million), extension of the credit holidays (PLN mortgage), linear distribution of BFG resolution fund fee and hypothetical bank tax until May 2024 | <sup>2</sup>Subsidiaries' net income presented for H1'23 reflect the same exchange rate as of H1'24 for comparison purposes.

# Bank Millennium with resilient net income



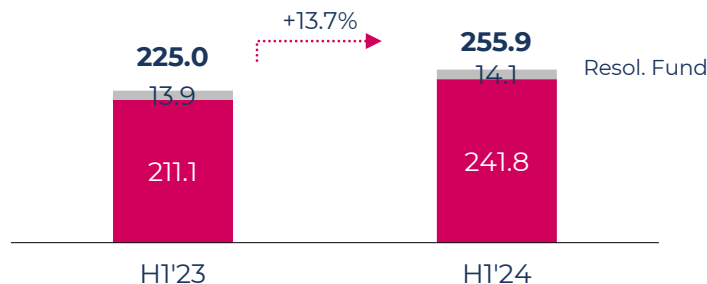
## Net income

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



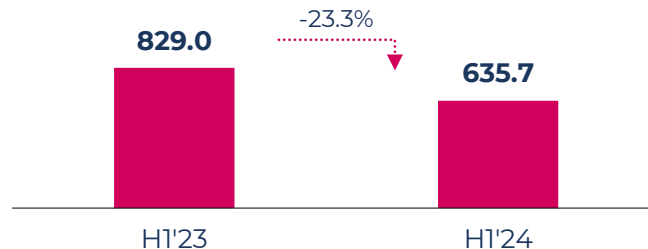
## Operating Costs

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



## Net operating revenue

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



- Recovery plan concluded
- Net income of 82.8 million in H1'24 which compares with 83 million in the same period of last year (-0,3%)
- Net income influenced by charges associated with the CHF mortgage loan portfolio (376 million out of which 237.8 million in provisions<sup>3</sup>) costs related to the extension of credit holidays (PLN mortgage) which totaled 46.6 million
- Adjusted<sup>2</sup> net income up by 5.9% (19.4 million) compared with the same period of last year
- Core operating profit growth supported by the 5.3% increase in net interest margin
- CET1 ratio (=TI) of 14.3% and total capital ratio of 17.1%, above the minimum requirements of 8.1% (9.9% for TI) and 12.2% respectively

<sup>1</sup> FX effect excluded. €/Zloty constant at June 2024 levels: Income Statement 4.31; Balance Sheet 4.31.

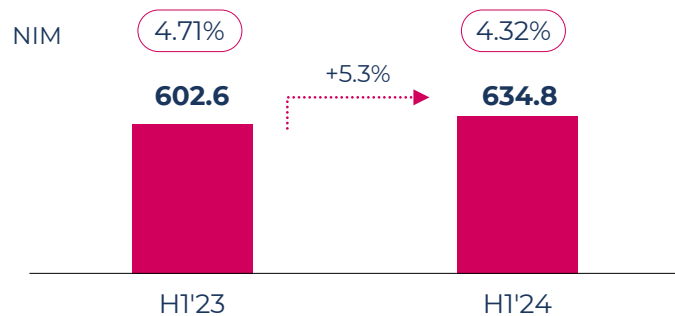
<sup>2</sup> Excludes FX mortgage legal risk provisions, as well as costs of litigations and settlements with Clients, profit from the sale of 80 stake in Millennium Financial Services, extension of the credit holidays (PLN mortgage), linear distribution of BFG resolution fund fee and hypothetical bank tax until May 2024. <sup>3</sup> Does not include provisions for legal risk on CHF mortgages of Euro Bank (guaranteed by Société Générale). Before taxes and non-controlling interests.



# Net interest income increase

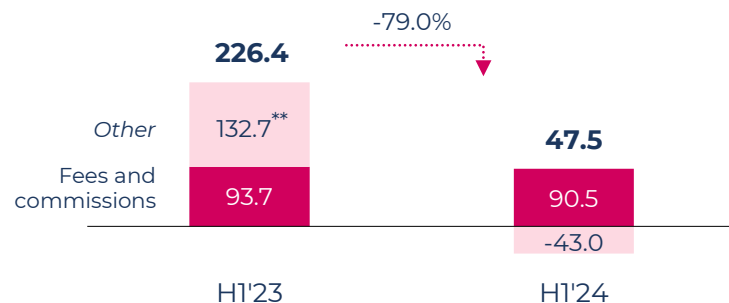
## Net interest income

(Million euros\*)



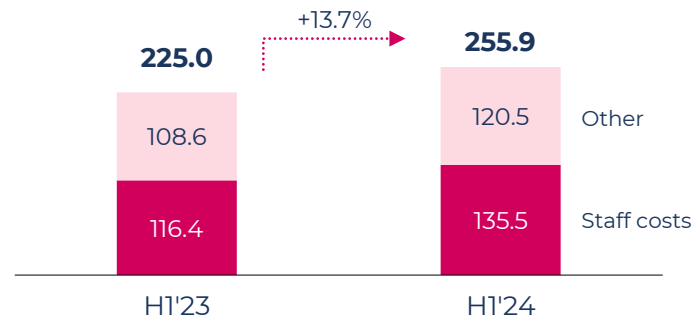
## Commissions and other income

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



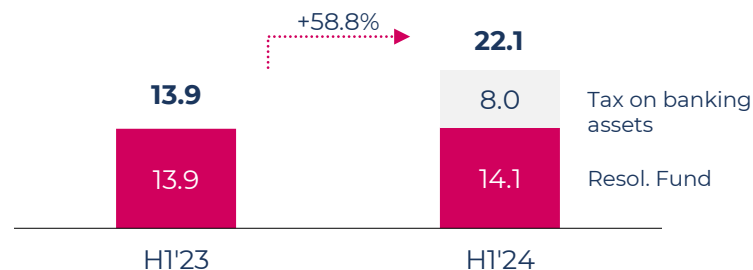
## Operating costs

(Million euros\*)



## Contributions

(Million euros\*)

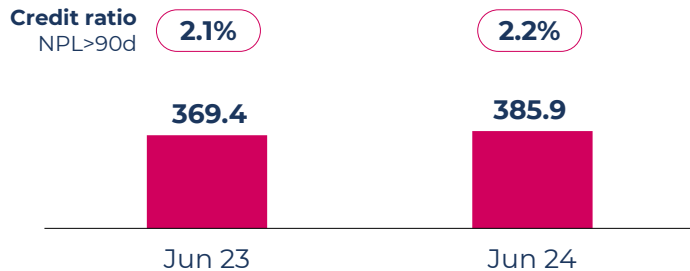


\*FX effect excluded, €/Zloty constant at June 2024 levels; Income Statement 4.31; Balance Sheet 4.31  
 \*\*Includes a profit of 127 million from the sale of 80% stake in Millennium Financial Services

# Credit quality

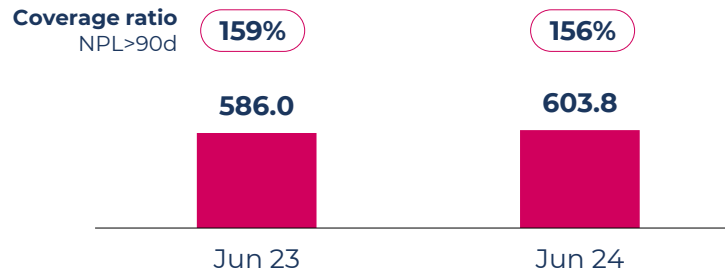
## ☰ NPL>90d

(Million euros\*)



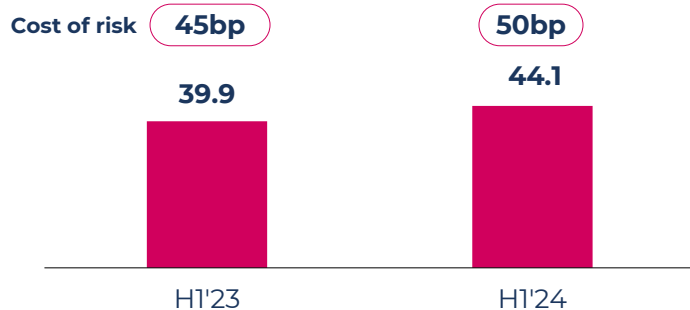
## ☰ Loan-loss reserves

(Million euros\*)



## ☰ Loan impairment (net of recoveries)

(Million euros\*)



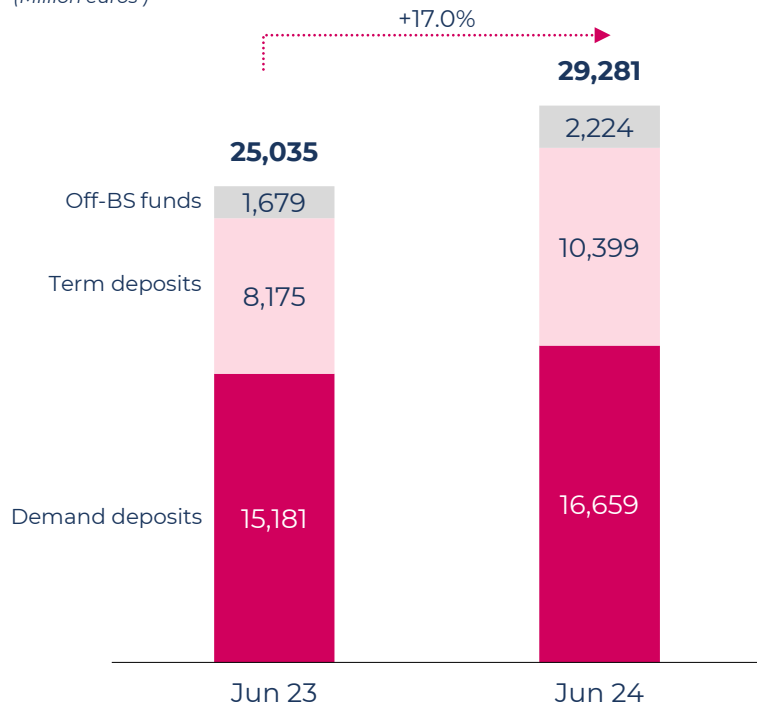
- NPL>90d accounted for 2.2% of total credit as of June 2024 (2.1% as of June 2023)
- Coverage of NPL>90d by loan-loss reserves at 156% as of June 2024 (159% as of June 2023)
- Cost of risk at 50bp

# Customers funds and loans to Customers



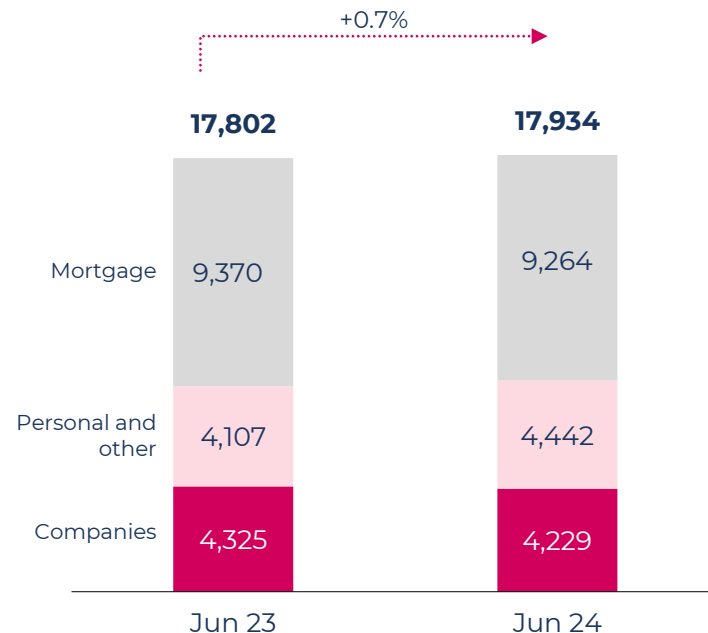
## Customers funds

(Million euros\*)



## Loans to Customers (gross)

(Million euros\*)



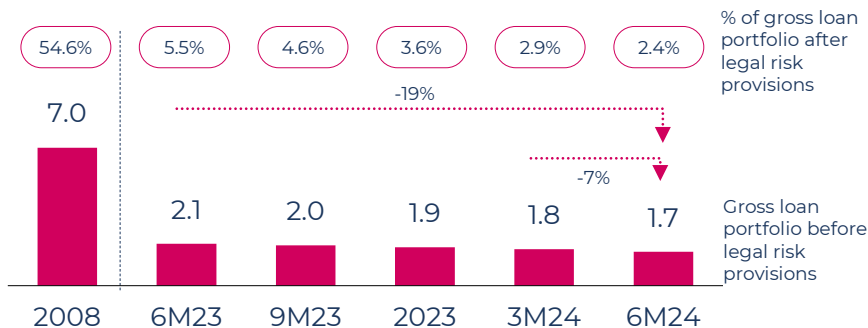
\*FX effect excluded. €/Zloty constant at June 2024 levels: Income Statement 4.31; Balance Sheet 4.31.

# CHF mortgages



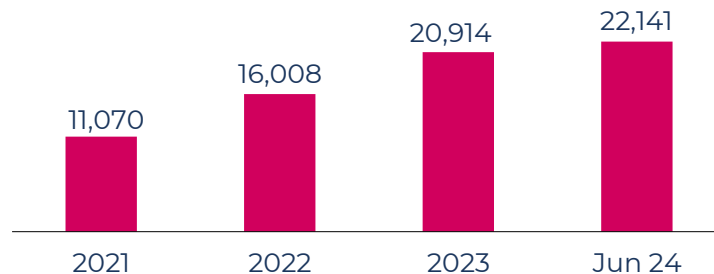
## CHF mortgage portfolio

(Billion euros\*)



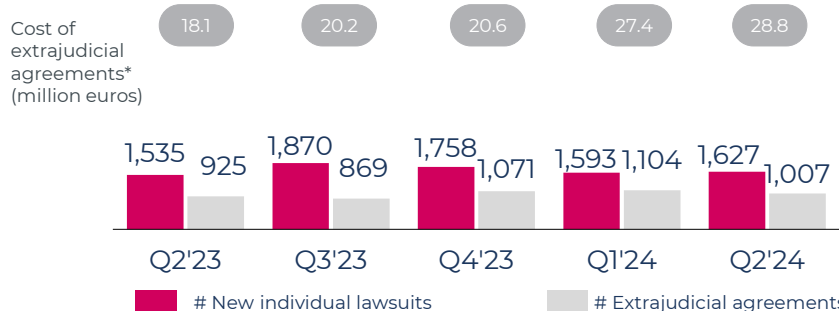
## Individual lawsuits

(Million euros\*)

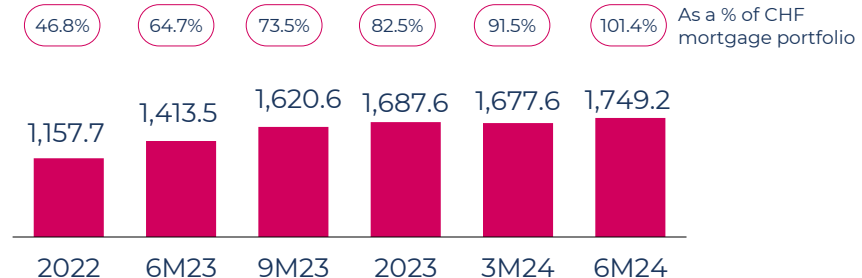


## New individual lawsuits and extrajudicial agreements\*\*

(Number of cases)



## Cumulative provisions for legal risks\*\*\*



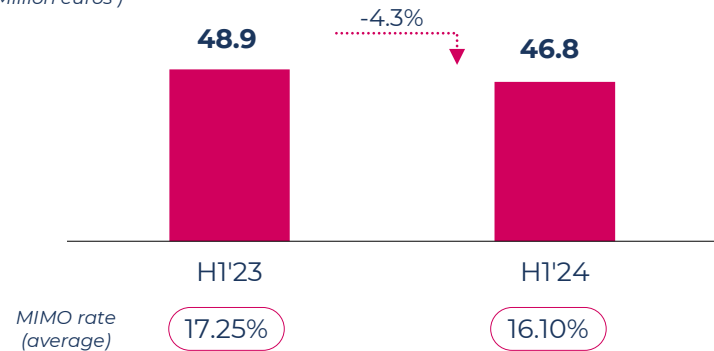
Excludes Euro Bank. | \*FX effect excluded. €/Zloty constant at June 2024 levels; Income Statement 4.31; Balance Sheet 4.31. | \*\*Out of court settlements mainly booked in Net trading income | \*\*\*Actual outstanding B/S provisions differ from the sum of P&L charges due to FX movements and utilizations among others |



# Net income reflects Millennium bim's robustness in challenging environment

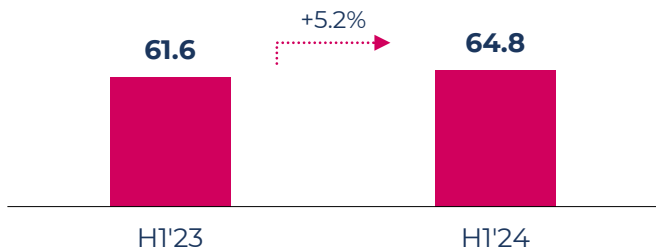
## Net income

(Million euros\*)



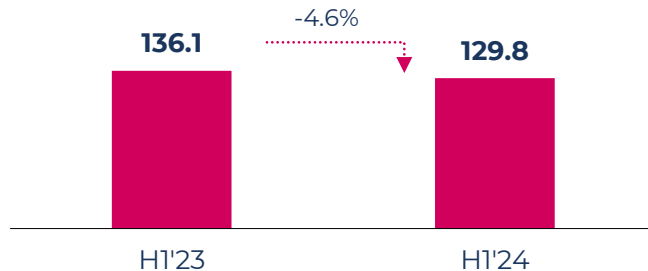
## Operating costs

(Million euros\*)



## Net operating revenue

(Million euros\*)



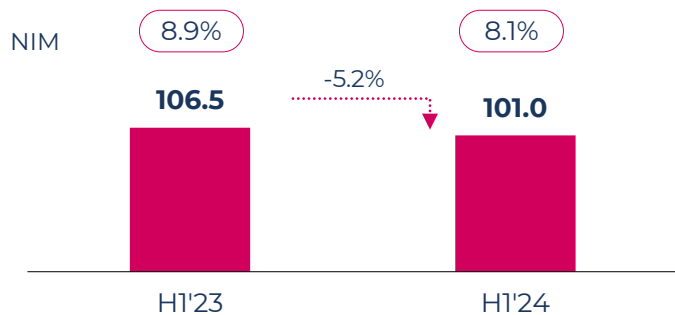
- Net income of 46.8 million in the first six months of the year, a reduction of 4.3% compared to the same period last year, reflecting the decrease in net interest income due to the reduction in interest rates and the increase in mandatory reserves
- Customer funds increased 10.2%
- Loans to Customers (gross) decreased by 8.7%
- Capital ratio of 37.5%



# Net interest income reflects the interest rate environment

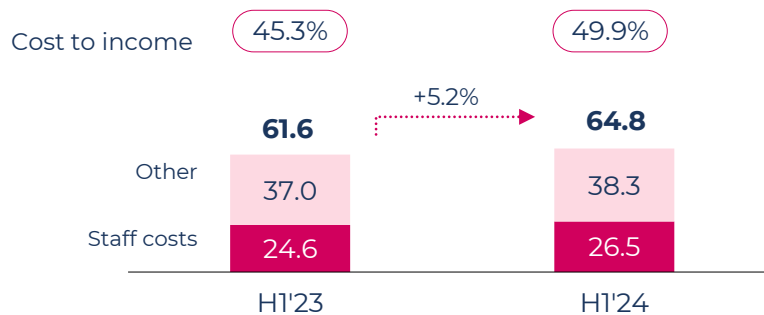
## Net interest income

(Million euros\*)



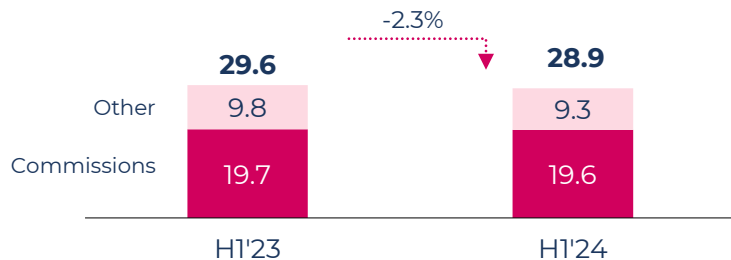
## Operating costs

(Million euros\*)

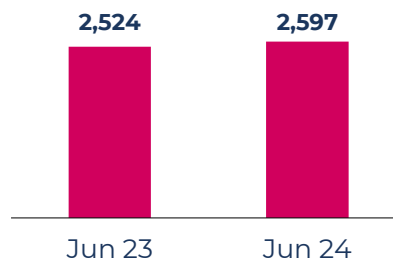


## Commissions and other income

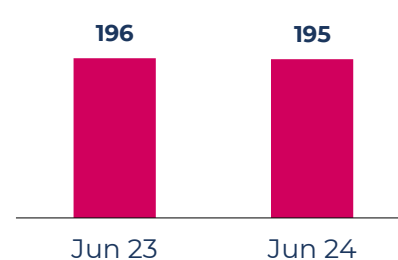
(Million euros\*)



## Employees



## Branches

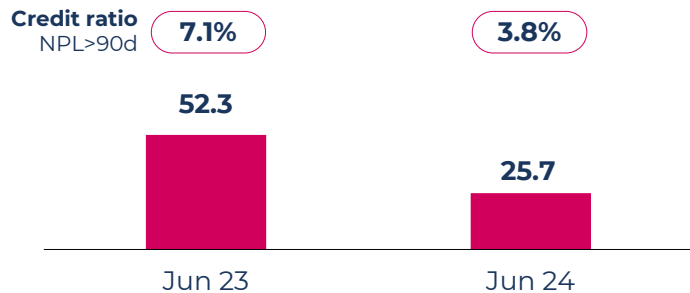




# Credit quality

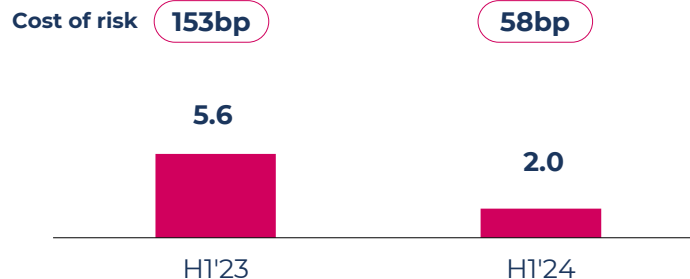
## ≡ NPL>90d

(Million euros\*)



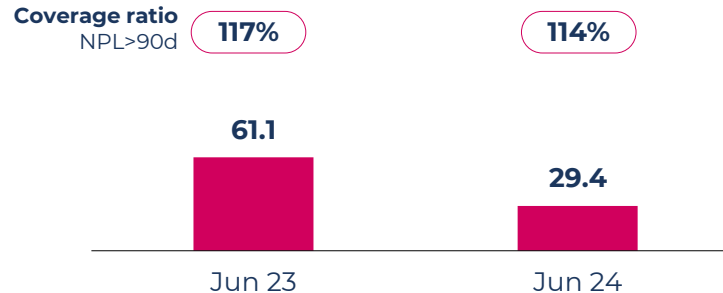
## ≡ Loan impairment (net of recoveries)

(Million euros\*)



## ≡ Loan-loss reserves

(Million euros\*)



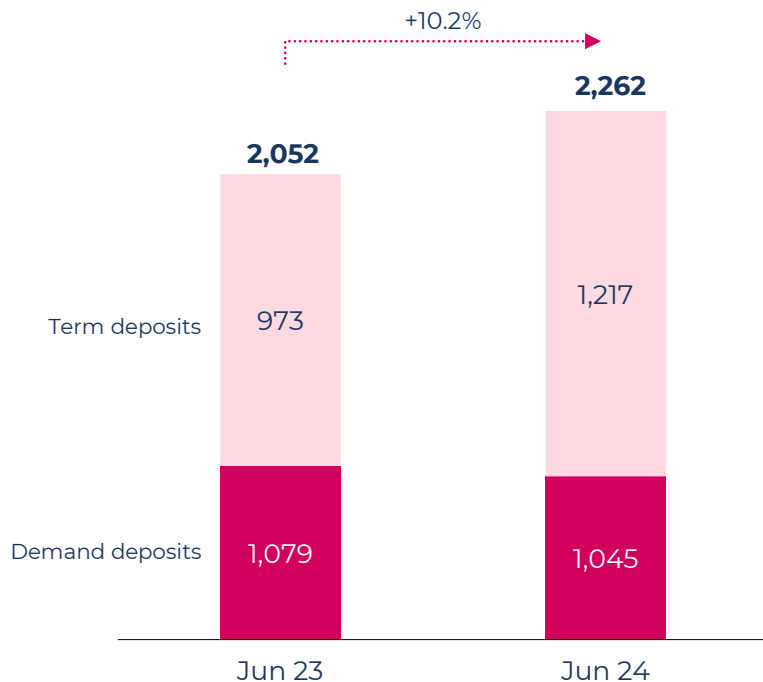
- NPL>90d ratio of 3.8% as of June 2024, with coverage by loan-loss reserves of 114% on the same date
- Cost of risk of 58bp in H1'24, 153bp in same period of 2023



# Business volumes

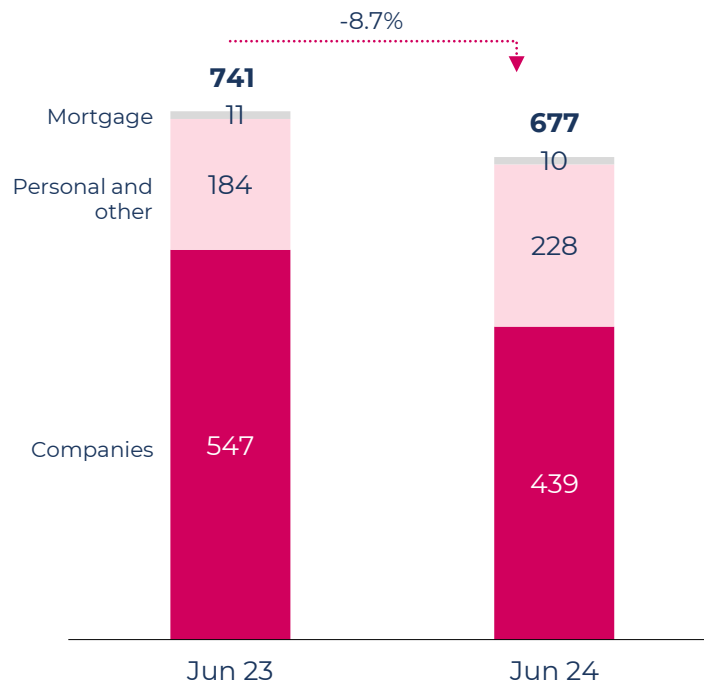
## Customers funds

(Million euros\*)



## Loans to Customers (gross)

(Million euros\*)







05

**Key figures**

# Strategic Plan: Excelling 24



	HI'24		2024
<b>C/I ratio</b>	35%	✓	≈40%
<b>Cost of risk <sup>1</sup></b>	34 bp	✓	≈50 bp
<b>RoE</b>	15.4%	✓	≈10%
<b>CETI ratio <sup>2</sup></b>	16.2%	✓	>12.5%
<b>NPE ratio</b>	3.4%	✓	≈4%
<b>Share of mobile Customers</b>	70%	✓	>65%
<b>Growth of high engagement Customers <sup>3</sup> (vs 2020)</b>	+15.9%	✓	+12%
<b>Average ESG rating <sup>4</sup></b>	67%		>80%

<sup>1</sup>Includes an impairment reversal . Without this effect the cost of risk would stand at 50pb

<sup>2</sup>Fully implemented ratio including unaudited net income for 1S24 | <sup>3</sup>Active Customers with card transactions in the previous 90 days or funds > €100 (>MZM 1,000 in Mozambique)

<sup>4</sup>Average of Top 3 indices (DJSI, CDP and MSCI) | NPE include loans to Customers only.

# COMMITMENT TO PEOPLE AND SOCIETY

## Millennium bcp Foundation



**Câmara Municipal de Elvas - FARRA:** Network Art Festival in the Alentejo Region - The Millennium bcp Foundation presents the Exhibition “Encanto e Folia”: 4 Centuries of Enchantment in the Millennium bcp Collection



**Soares dos Reis National Museum:** Launch of the catalog raisonné, in digital format, of the work of Aurélia de Souza (1866-1922)



**Ukrainian Hub - Amarelo Azul:** 3<sup>rd</sup> edition of the training and mentoring program aimed at helping Ukrainian women refugees in Portugal to create their own business and a source of income for themselves and their families



**Vitor Córdon Studios – Território VII Program:** dedicated to young dancers (14-18 years old), coming from dance schools across the country, with the participation of choreographers of international relevance

## Society



**Millennium Festival ao Largo returns, in its 16th edition, to promote culture in the city of Lisbon,** through democratic and inclusive access to selected classical music and dance performances



**In 2024, Millennium bcp will once again join the “PORTUGAL CHAMA” campaign** Portuguese government initiative that aims to prevent and reduce rural fires and raise public awareness of risky behavior



**Millennium bcp renews,** through Communication on Progress 2024, **its commitment to the United Nations Global Compact** and its 10 Principles within the scope of Human Rights, Working Conditions, Environmental Protection and Anti-Corruption



**In May, Millennium bcp Volunteers return to the Banco Alimentar central warehouses** supporting the regular national food collection campaign

## Sustainability



**Millennium bcp distinguished in the Ranking of Companies Committed to Youth,** an initiative of the International Youth Organization and the International Organization for Human Capital Management



**Millennium bcp renews Commitment Agreement with iGen - Forum of Organizations for Equality,** in a testimony of its commitment to values of diversity, inclusion, pluralism and equality



**Millennium bcp and Cleanwatts sign an agreement for energy management in the Bank's buildings,** in a partnership that also includes the integration of 28 branches into Renewable Energy Communities (CER)



**Millennium bcp and FENAREG (National Federation of Irrigators of Portugal) organize colloquium,** in the 40th Edition of Ovibeja, on a decisive topic for the national agricultural sector: water

# EXTERNAL RECOGNITION



**Millennium bcp** : APCC Contact Centers 2024 Best Banking Contact Center in Portugal



**Millennium bcp** : Distinguished in the ranking of “Companies Committed to Youth”



**Millennium bcp** : Market Leader - Trade Finance for the 1<sup>st</sup> time



**Bank Millennium**: Distinguished in several categories of the Golden Bank ranking



**Bank Millennium**: “The Innovators 2024” companies App



**Bank Millennium**: Awarded with the “Service Quality Star”



**Bank Millennium**: 3<sup>rd</sup> place in “ESG Responsible Management Ranking”



**Bank Millennium**: 3<sup>rd</sup> place in the “Customer Relationship” category in the Stars of Banking 2024 study



**Bank Millennium**: For the 10<sup>th</sup> consecutive time, was distinguished with the title *Reliable Employer*



**Bank Millennium**: Best remote account opening



**Bank Millennium**: title of Top Employer Polska 2024



**Millennium bim**: Consumer’s Choice, in the “Large Banks” category for



**Millennium bim**: Best Foreign Exchange Provider in Mozambique



**Millennium bcp**: 2024 Consumer’s Choice, in the “Large Banks” category for the 4<sup>th</sup> consecutive year



**ActivoBank**: 2024 Consumer’s Choice, in the “Digital Bank” category for the 6<sup>th</sup> time



**Millennium bcp**: Winner in the “Large Banks” category



**ActivoBank**: Winner in the “Digital Banking” category



**Millennium bcp**: Leadership in the “Inovadora COTEC” programme for the 4<sup>th</sup> consecutive year



06

# Appendix

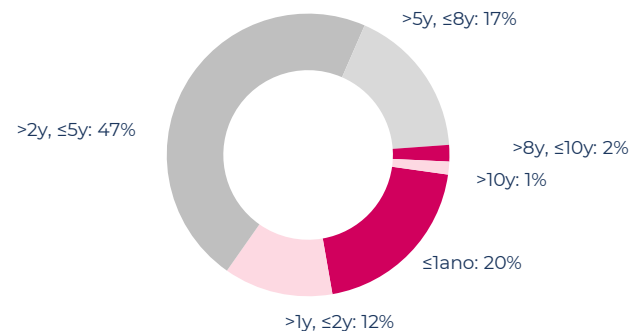
# Sovereign debt portfolio

## ☰ Sovereign debt portfolio

(Consolidated, million euros)

	Jun 23	Sep 23	Dec 23	Mar 24	Jun 24	YoY	QoQ
Portugal	6,534	6,188	5,656	6,357	7,109	+9%	+12%
T-bills and other	421	109	104	721	1,466	>100%	>100%
Bonds	6,113	6,079	5,552	5,635	5,642	-8%	+0%
Poland	3,461	3,881	4,949	6,507	6,824	+97%	+5%
Mozambique	530	533	544	552	536	+1%	-3%
Other	9,216	8,963	10,944	11,908	12,819	+39%	+8%
<b>Total</b>	<b>19,741</b>	<b>19,564</b>	<b>22,093</b>	<b>25,323</b>	<b>27,288</b>	<b>+38%</b>	<b>+8%</b>

## ☰ Sovereign debt maturity



- ✓ The sovereign debt portfolio totalled 27.3 billion, 18.4 billion of which maturing in more than 2 years
- ✓ The Portuguese sovereign debt portfolio totalled 7.1 billion, Polish amounted to 6.8 billion and Mozambican amounted to 0.5 billion; “other” includes, among other, sovereign debt from France (3.8 billion), Spain (3.1 billion), Italian (0.9 billion) Belgium (3.0 billion), Germany (0.8 billion) and Ireland (0.5 billion)

# Sovereign debt portfolio breakdown

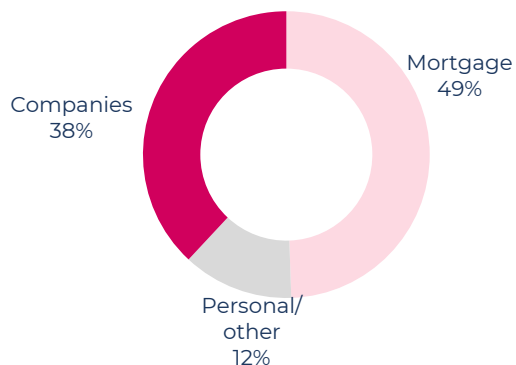
<i>Million euros</i>	Portugal	Poland	Mozambique	Other	Total
Trading book	<b>1,524</b>	<b>39</b>	<b>0</b>	<b>268</b>	<b>1,832</b>
≤ 1 year	1,469	1		268	1,738
> 1 year and ≤ 2 years	37	3			39
> 2 years and ≤ 5 years	5	16			21
> 5 years and ≤ 8 years	4	9			13
> 8 years and ≤ 10 years	1	8			9
> 10 years	9	3		0	12
Banking book*	<b>5,584</b>	<b>6,785</b>	<b>536</b>	<b>12,551</b>	<b>25,457</b>
≤ 1 year	28	1,310	157	2,229	3,725
> 1 year and ≤ 2 years	1,648	556	43	1,123	3,371
> 2 years and ≤ 5 years	2,829	4,141	229	5,555	12,753
> 5 years and ≤ 8 years	643	536	37	3,495	4,711
> 8 years and ≤ 10 years	46	242	70	149	507
> 10 years	390				390
Total	<b>7,109</b>	<b>6,824</b>	<b>536</b>	<b>12,819</b>	<b>27,288</b>
≤ 1 year	1,498	1,311	157	2,497	5,463
> 1 year and ≤ 2 years	1,685	559	43	1,123	3,410
> 2 years and ≤ 5 years	2,834	4,156	229	5,555	12,774
> 5 years and ≤ 8 years	647	545	37	3,495	4,723
> 8 years and ≤ 10 years	47	250	70	149	516
> 10 years	399	3		0	402

\*Includes financial assets at fair value through other comprehensive income (9,341 million) and financial assets at amortized cost (16,116 million).

# Diversified and collateralised portfolio

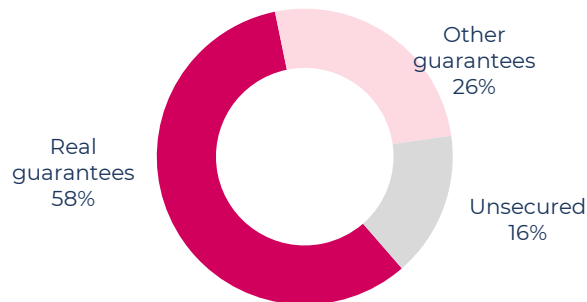
## Breakdown

(Consolidated)



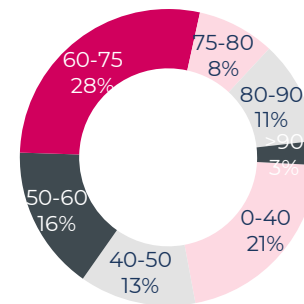
## Loans per collateral

(Consolidated)



## LTV of the mortgage portfolio

(Portugal)



- ✓ Loans to companies accounted for 38% of the loan portfolio, including 7% to construction and real-estate sectors, as of June 2024
- ✓ Mortgage accounted for 49% of the loan portfolio, with low delinquency levels and an average LTV of 60%
- ✓ 84% of the loan portfolio is collateralised



# Consolidated net income

<i>(Million euros)</i>	HT'23	HT'24	YoY	Impact on earnings
Net interest income	1,374.4	1,397.5	+1.7%	+23.2
Net fees and commissions	387.0	396.0	+2.3%	+9.0
Other income*	82.9	-43.4	-	-126.3
<b>Net operating revenue</b>	<b>1,844.3</b>	<b>1,750.2</b>	<b>-5.1%</b>	<b>-94.1</b>
Staff costs	-308.0	-339.7	+10.3%	-31.8
Other administrative costs and depreciation	-253.5	-279.7	+10.3%	-26.2
<b>Operating costs</b>	<b>-561.5</b>	<b>-619.4</b>	<b>+10.3%</b>	<b>-57.9</b>
<b>Profit before impairment and provisions</b>	<b>1,282.8</b>	<b>1,130.7</b>	<b>-11.9%</b>	<b>-152.1</b>
Results on modification	-11.6	-61.0	-	-49.4
Loans impairment (net of recoveries)	-145.5	-97.0	-33.3%	+48.5
Other impairment and provisions	-402.9	-292.9	-27.3%	+110.0
<b>Results of modification, Impairment and provisions</b>	<b>-560.1</b>	<b>-450.9</b>	<b>-19.5%</b>	<b>+109.2</b>
<b>Income before tax</b>	<b>722.7</b>	<b>679.9</b>	<b>-5.9%</b>	<b>-42.9</b>
Income taxes	-246.0	-137.8	-44.0%	+108.2
Non-controlling interests	-53.5	-56.8	+6.2%	-3.3
<b>Net income</b>	<b>423.2</b>	<b>485.3</b>	<b>+14.7%</b>	<b>+62.0</b>

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

# Consolidated balance sheet

(Million euros)

	30 June 2024	30 June 2023 (restated)*
<b>ASSETS</b>		
Cash and deposits at Central Banks	3,710.4	3,884.3
Loans and advances to credit institutions repayable on demand	265.9	238.9
Financial assets at amortised cost		
Loans and advances to credit institutions	848.0	570.6
Loans and advances to customers	53,669.9	54,396.7
Debt instruments	19,224.6	16,247.1
Financial assets at fair value through profit or loss		
Financial assets held for trading	2,258.0	1,482.9
Financial assets not held for trading mandatorily at fair value through	389.7	476.6
Financial assets designated at fair value through profit or loss	34.1	22.0
Financial assets at fair value through other comprehensive income	13,787.9	7,452.9
Hedging derivatives	63.0	45.6
Investments in associated companies	438.3	332.4
Non-current assets held for sale	53.2	155.0
Investment property	40.1	14.8
Other tangible assets	595.8	604.4
Goodwill and intangible assets	231.7	188.2
Current tax assets	22.1	12.8
Deferred tax assets	2,462.1	2,849.5
Other assets	1,603.5	1,966.5
<b>TOTAL ASSETS</b>	<b>99,698.0</b>	<b>90,941.0</b>

	30 June 2024	30 June 2023 (restated)*
<b>LIABILITIES</b>		
Financial liabilities at amortised cost		
Resources from credit institutions	1,161.0	2,094.8
Resources from customers	80,539.6	73,680.3
Non subordinated debt securities issued	2,788.1	1,486.5
Subordinated debt	1,386.1	1,349.8
Financial liabilities at fair value through profit or loss		
Financial liabilities held for trading	193.1	274.8
Financial liabilities at fair value through profit or loss	3,333.6	3,052.7
Hedging derivatives	36.7	103.4
Provisions	963.2	636.3
Current tax liabilities	114.5	162.6
Deferred tax liabilities	5.8	8.7
Other liabilities	1,549.2	1,523.2
<b>TOTAL LIABILITIES</b>	<b>92,070.9</b>	<b>84,373.1</b>
<b>EQUITY</b>		
Share capital	3,000.0	3,000.0
Share premium	16.5	16.5
Other equity instruments	400.0	400.0
Legal and statutory reserves	384.4	316.4
Treasury shares	-	-
Reserves and retained earnings	2,302.2	1,512.3
Net income for the period attributable to Bank's Shareholders	485.3	423.2
Non-controlling interests	1,038.7	899.5
<b>TOTAL EQUITY</b>	<b>7,627.1</b>	<b>6,567.9</b>
<b>TOTAL LIABILITIES AND EQUITY</b>	<b>99,698.0</b>	<b>90,941.0</b>

\*On 1 January 2023, Millenniumbcp Ageas Grupo Segurador, S.G.P.S., S.A. (Mbcsp Ageas), an entity 49% owned by the Group and accounted for under the equity method, adopted simultaneously IFRS9 - Financial Instruments and IFRS17 - Insurance Contracts. During the first half of 2024, Mbcsp Ageas reviewed the transition adjustments relating to the adoption of those IFRS, which resulted in a reduction in the amount of the participation by 9.1 million euros against reserves. The participations in Lusofundo - Fundo de Investimento Imobiliário Fechado (42.5%) and Fundo Especial de Investimento Imobiliário Eurofundo (35.1%), received at the end of 2022 as part of the sale process designated as project Crow (sale of hospitality assets and of all the units in two corporate restructuring funds), were reclassified to investments in associated companies with reference to the end of that year. The book value of the participation units in these two entities on 30 June 2024 totalled 26.9 million euros (28.5 million euros on 30 June 2023), with the contribution of these entities to equity accounted earnings being 0.8 million euros in the first half of 2024 (-1.8 million euros in the first half of 2023, previously recognized in net trading income).

# Consolidated income statement per quarter

	Quarterly				
	2Q 23	3Q 23	4Q 23	1Q 24	2Q 24
<i>(Million euros)</i>					
<b>Net interest income</b>	<b>709.8</b>	<b>743.1</b>	<b>708.3</b>	<b>696.2</b>	<b>701.3</b>
Dividends from equity instruments	1.1	0.0	0.6	0.0	0.8
Net fees and commission income	191.6	191.4	193.2	196.4	199.6
Other operating income	-65.8	15.7	17.9	-31.4	-39.0
Net trading income	-5.4	-19.9	40.5	-2.9	-2.5
Equity accounted earnings	12.8	18.0	16.5	10.4	21.1
<b>Banking income</b>	<b>844.2</b>	<b>948.3</b>	<b>977.0</b>	<b>868.8</b>	<b>881.4</b>
Staff costs	163.6	160.0	163.8	165.7	174.0
Other administrative costs	94.7	98.5	109.8	107.0	101.6
Depreciation	34.7	34.6	34.3	35.4	35.8
<b>Operating costs</b>	<b>293.0</b>	<b>293.1</b>	<b>307.9</b>	<b>308.1</b>	<b>311.4</b>
<b>Profit bef. impairment and provisions</b>	<b>551.2</b>	<b>655.2</b>	<b>669.1</b>	<b>560.7</b>	<b>570.0</b>
Results on modification	-5.6	-3.2	-4.6	-7.2	-53.7
Loans impairment (net of recoveries)	65.1	65.9	28.6	73.5	23.5
Other impairm. and provisions	165.2	199.5	257.4	145.2	147.7
<b>Net income before income tax</b>	<b>315.2</b>	<b>386.6</b>	<b>378.5</b>	<b>334.8</b>	<b>345.1</b>
Income tax	89.8	141.4	150.0	78.1	59.6
<b>Net income (before disc. oper.)</b>	<b>225.5</b>	<b>245.2</b>	<b>228.5</b>	<b>256.6</b>	<b>285.5</b>
Net income arising from discont. operation	0.0	0.0	-2.8	0.0	0.0
Non-controlling interests	18.4	17.8	20.3	22.3	34.5
<b>Net income</b>	<b>207.1</b>	<b>227.5</b>	<b>205.3</b>	<b>234.3</b>	<b>251.0</b>

# Consolidated income statement

(Million euros)

For the 6-month periods ended June 30<sup>th</sup>, 2023 and 2024

	Group			Portugal			International operations											
							Total			Bank Millennium (Poland)			Millennium bim (M oz.)			Other int. operations		
	Jun 23	Jun 24	Δ %	Jun 23	Jun 24	Δ %	Jun 23	Jun 24	Δ %	Jun 23	Jun 24	Δ %	Jun 23	Jun 24	Δ %	Jun 23	Jun 24	Δ %
Interest income	2,039	2,387	17.1%	986	1,235	25.3%	1,053	1,153	9.5%	899	1,003	11.6%	154	149	-2.8%	0	0	--
Interest expense	664	990	49.0%	278	561	>100%	386	429	10.9%	338	380	12.4%	48	48	10%	0	0	--
<b>Net interest income</b>	<b>1,374</b>	<b>1,398</b>	<b>1.7%</b>	<b>708</b>	<b>673</b>	<b>-4.8%</b>	<b>667</b>	<b>724</b>	<b>8.6%</b>	<b>561</b>	<b>623</b>	<b>11.1%</b>	<b>106</b>	<b>101</b>	<b>-4.6%</b>	<b>0</b>	<b>0</b>	<b>--</b>
Dividends from equity instruments	1	1	-33.1%	0	0	-100.0%	1	1	16.4%	1	1	16.4%	0	0	--	0	0	--
<b>Intermediation margin</b>	<b>1,376</b>	<b>1,398</b>	<b>1.7%</b>	<b>708</b>	<b>673</b>	<b>-4.9%</b>	<b>668</b>	<b>725</b>	<b>8.6%</b>	<b>562</b>	<b>624</b>	<b>11.1%</b>	<b>106</b>	<b>101</b>	<b>-4.6%</b>	<b>0</b>	<b>0</b>	<b>--</b>
Net fees and commission income	387	396	2.3%	280	286	2.0%	107	110	3.1%	87	90	3.7%	20	20	0.1%	0	0	--
Other operating income	-72	-70	2.5%	-67	-23	65.9%	-5	-48	<-100%	-7	-48	<-100%	1	1	-43.0%	0	0	<-100%
<b>Basic income</b>	<b>1,690</b>	<b>1,724</b>	<b>2.0%</b>	<b>921</b>	<b>936</b>	<b>1.6%</b>	<b>769</b>	<b>788</b>	<b>2.4%</b>	<b>642</b>	<b>666</b>	<b>3.7%</b>	<b>127</b>	<b>121</b>	<b>-4.2%</b>	<b>0</b>	<b>0</b>	<b>&lt;-100%</b>
Net trading income	126	-5	<-100%	4	-5	<-100%	122	-1	<-100%	114	-8	<-100%	8	8	0.6%	0	0	-64.4%
Equity accounted earnings	28	32	14.1%	26	29	11.6%	2	3	51.6%	0	0	--	1	1	3.8%	1	2	>100%
<b>Banking income</b>	<b>1,844</b>	<b>1,750</b>	<b>-5.1%</b>	<b>952</b>	<b>961</b>	<b>0.9%</b>	<b>892</b>	<b>789</b>	<b>-11.5%</b>	<b>757</b>	<b>658</b>	<b>-13.0%</b>	<b>135</b>	<b>130</b>	<b>-3.9%</b>	<b>1</b>	<b>2</b>	<b>&gt;100%</b>
Staff costs	308	340	10.3%	176	178	1.6%	132	161	21.9%	108	135	24.9%	24	27	8.5%	0	0	-100.0%
Other administrative costs	185	209	12.8%	94	101	7.3%	91	107	18.5%	63	78	24.2%	28	29	5.4%	0	0	--
Depreciation	69	71	3.7%	37	37	-0.4%	32	34	8.5%	23	25	11.5%	9	9	0.9%	0	0	--
<b>Operating costs</b>	<b>562</b>	<b>619</b>	<b>10.3%</b>	<b>307</b>	<b>316</b>	<b>3.1%</b>	<b>255</b>	<b>303</b>	<b>19.0%</b>	<b>194</b>	<b>238</b>	<b>23.1%</b>	<b>61</b>	<b>65</b>	<b>6.0%</b>	<b>0</b>	<b>0</b>	<b>-100.0%</b>
<b>Profit bef. impairment and provisions</b>	<b>1,283</b>	<b>1,131</b>	<b>-11.9%</b>	<b>645</b>	<b>644</b>	<b>-0.1%</b>	<b>638</b>	<b>486</b>	<b>-23.7%</b>	<b>563</b>	<b>420</b>	<b>-25.5%</b>	<b>74</b>	<b>65</b>	<b>-12.1%</b>	<b>1</b>	<b>2</b>	<b>&gt;100%</b>
Results on modification	-12	-61	<-100%	0	0	--	-12	-61	<-100%	-12	-61	<-100%	0	0	--	0	0	--
Loans impairment (net of recoveries)	146	97	-33.3%	106	55	-48.5%	40	42	7.3%	34	41	19.2%	6	2	-64.9%	0	0	100.0%
Other impair. and provisions	403	293	-27.3%	49	31	-36.9%	354	262	-26.0%	350	261	-25.4%	1	1	43.0%	3	0	<-100%
<b>Net income before income tax</b>	<b>723</b>	<b>680</b>	<b>-5.9%</b>	<b>490</b>	<b>559</b>	<b>14.0%</b>	<b>232</b>	<b>121</b>	<b>-48.1%</b>	<b>167</b>	<b>57</b>	<b>-65.8%</b>	<b>68</b>	<b>62</b>	<b>-8.4%</b>	<b>-3</b>	<b>2</b>	<b>&gt;100%</b>
Income tax	246	138	-44.0%	137	148	8.4%	109	-10	<-100%	90	-26	<-100%	19	15	-20.6%	0	0	-11.1%
<b>Net income (before disc. oper.)</b>	<b>477</b>	<b>542</b>	<b>13.7%</b>	<b>354</b>	<b>411</b>	<b>16.2%</b>	<b>123</b>	<b>131</b>	<b>6.5%</b>	<b>77</b>	<b>83</b>	<b>7.1%</b>	<b>48</b>	<b>47</b>	<b>-3.6%</b>	<b>-3</b>	<b>2</b>	<b>&gt;100%</b>
Net income arising from disc. operations	0	0	100.0%	0	0	100.0%	0	0	--	0	0	--	0	0	--	0	0	--
Non-controlling interests	53	57	6.2%	0	0	12.4%	54	57	6.2%	0	0	--	0	0	--	54	57	6.2%
<b>Net income</b>	<b>423</b>	<b>485</b>	<b>14.7%</b>	<b>354</b>	<b>411</b>	<b>16.2%</b>	<b>70</b>	<b>74</b>	<b>6.8%</b>	<b>77</b>	<b>83</b>	<b>7.1%</b>	<b>48</b>	<b>47</b>	<b>-3.6%</b>	<b>-56</b>	<b>-55</b>	<b>1.7%</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.

**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.



**INVESTOR RELATIONS DIVISION**  
Bernardo Collaço, Head

**EQUITY**

Alexandre Moita  
+351 211 131 321

**DEBT AND RATINGS**

Luís Morais  
+351 211 131 337



**[investors@millenniumbcp.pt](mailto:investors@millenniumbcp.pt)**