

**EARNINGS
PRESENTATION
9M 2021**



Banco Comercial Português

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.
- | Figures for the first 9 months of 2021 not audited.
- | Due to changes in the accounting policies of Bank Millennium (Poland), the previously published financial statements were restated from 1 January 2020 for comparability.
- | 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



01

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Highlights

Highlights: resilience of the business model



Profitability

- **Net profit of 59.5 million**, including 313.5 million provisions for legal risk on CHF loans in Poland and 56.2 million mandatory contributions for the banking sector in Portugal
- Excluding 87.6 million of headcount adjustment costs in Portugal, **the Group's core operating profit was 938.7 million, +8.3% from 9M20**
- **Core income up by 3.1%**, with increases of 1.3% in net interest income and of 7.2% in commissions, boosted by the 9.3% growth of market-related fees; **recurring operating costs down by 2.7%**
- **Impairment and other provisions, totalled 726.1 million (+31.9%)**



Capital and liquidity

- **Total capital of 15.2% (pro forma of 15.3%*)** and CET1 of 11.8% (pro forma of 12.0%*), above regulatory requirements of 13.31% and of 8.83%, respectively
- Strong liquidity, well in excess of regulatory requirements, and **eligible assets for ECB funding of 25.2 billion**

*Fully implemented ratio including expected impact of ongoing sale of operation and unaudited net income for 9M21.

Highlights: resilience of the business model



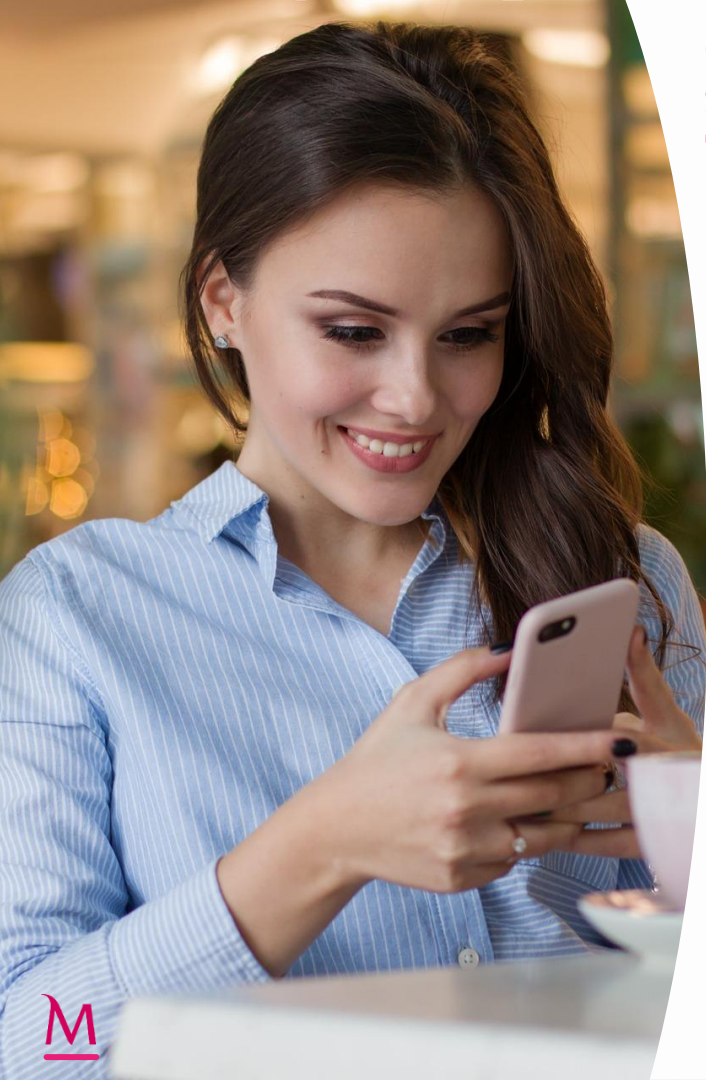
Business activity

- **Consolidated performing loans up by 3.1 billion**, +5.8% from September 2020; **performing loans in Portugal up by 2.2 billion**, +6.2% from September 2020, with **companies accounting for 56% of the performing loans' growth**
- **Total Customer funds up by 7.3 billion**, +8.7% from September 2020 (+9.6% in Portugal) and by 6.1 billion since the beginning of 2021
- **Off-balance-sheet Customers funds up by 10.1%** to 20.7 billion for the Group, resulting from a 1.2 billion increase in Portugal and a growth of 0.7 billion in the international activity



Credit quality

- **NPEs down in an adverse environment: -831 million** yoy and -463 million since the beginning of 2021. In Portugal, the reduction was **-771 million** yoy and -433 million since the beginning of 2021
- **Cost of risk of 60bp for the Group** (69bp excluding one-off reversals) **and of 68bp in Portugal** (79bp excluding one-off reversals); **coverage of NPEs by LLRs of 68%** (+6pp from September 2020), with **total coverage of 120%** at the Group level

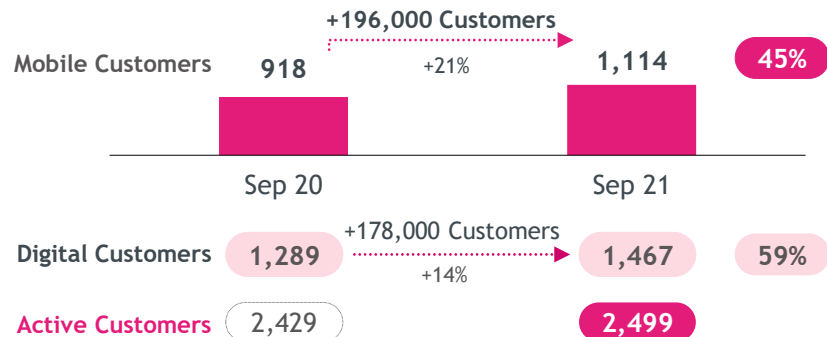
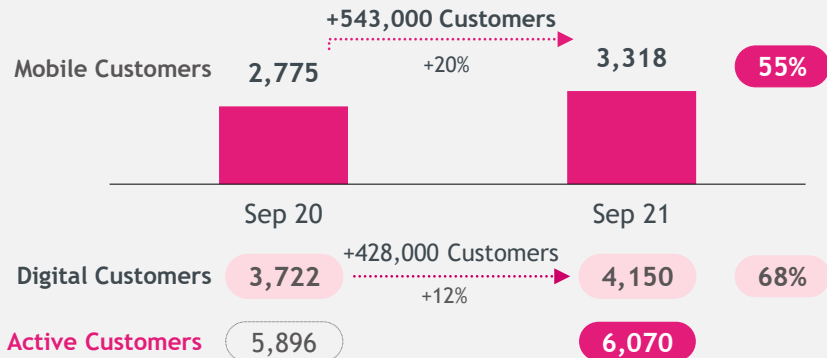


Growing Customer base, mobile Customers standing out

'000 Customers

As % of active Customers

Group



Growth in mobile demonstrates the capacity for innovation and adaptation



Strong mobile growth Y/Y

(Number of operations, Jan-Sep 2021 vs. Jan-Sep 2020)

+40%

Transactions

+109%

Transfers
P2P

+44%

National
Transfers

+39%

Payments

+57%

Sales

+327%

Cards

+118%

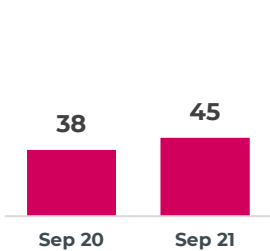
Personal loans

+54%

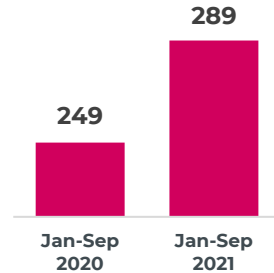
Savings



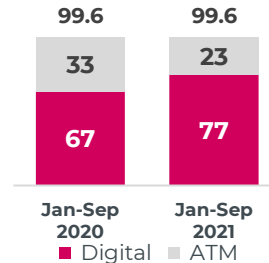
% Mobile Customers¹



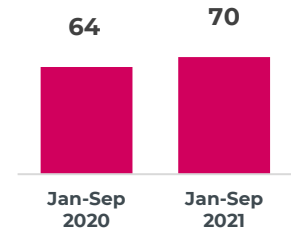
Digital Interactions (mio)²



% Digital Transactions (#)³



% Digital Sales (#)⁴

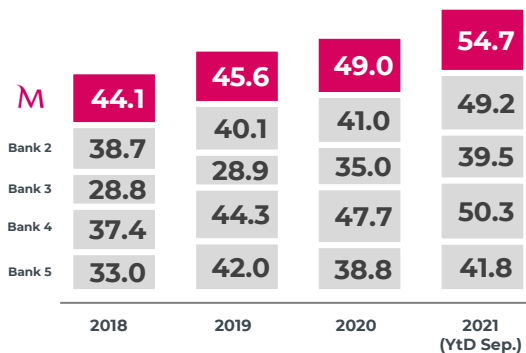


1 Customer counting criteria used in the 2024 Strategic Plan
 2 Interactions (Millennium website and app)
 3 Includes mobile, online and ATMs, excludes branches
 4 Digital sales (Millennium website and app) in number of operations

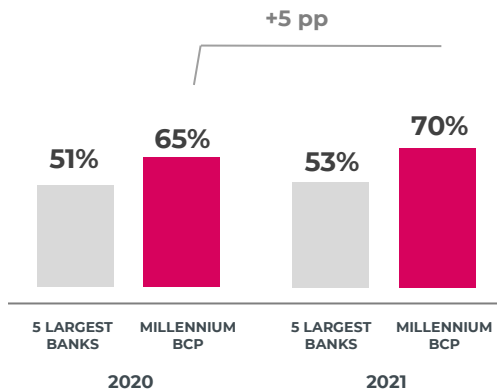
Best Digital Bank and Leader in Customer Satisfaction in 2021

Marktest

#1 NPS¹ Digital Customers
2018 - 2021, 5 largest banks



“Best Digital Bank”
Unaided nomination by Customers²,
Q3'21 YtD



App Millennium
leads ratings



¹ Top recommendation index (NPS), digital channels: BASEF 5 largest banks, Sep. 2021

² Which bank do you choose as the ‘Best Digital Bank?’ (Unaided reply) | Sample: Banking sector, total number of banking Customers, aged> 15 years - 70 years, Portugal (N 2021 = 2,000 per quarter; 8,000 per year)

Incorporation of ESG dimensions into the operations and the business model



100% green

Electricity consumption in Portugal

Exclusion or conditioning of financing to projects within the categories and/or sectors of activity alien to the responsible financing principles of Millennium bcp

Origination and placement of green debt issues in the corporate segment

social bonds 500M€
ESG initial issue

Diversity and Equal Opportunities Policy

Gender Equality policy

Millennium bcp Foundation social action

Inclusion of ESG into the Corporate Governance model

Board of Directors

Committee for Corporate Governance, Ethics and Professional Conduct

Executive Committee

Committee for Sustainability

Sustainability Division

ESG criteria in the Executive Committee evaluation

Execution of the Sustainability Master Plan

Code of Conduct and Corporate Policies

Anti-corruption and anti-bribery

Main scores



A



A- Leadership



69%

Bloomberg

78%

REFINITIV



77%



02

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Group

Profitability

Net income of 59.5 million in the first nine months of 2021

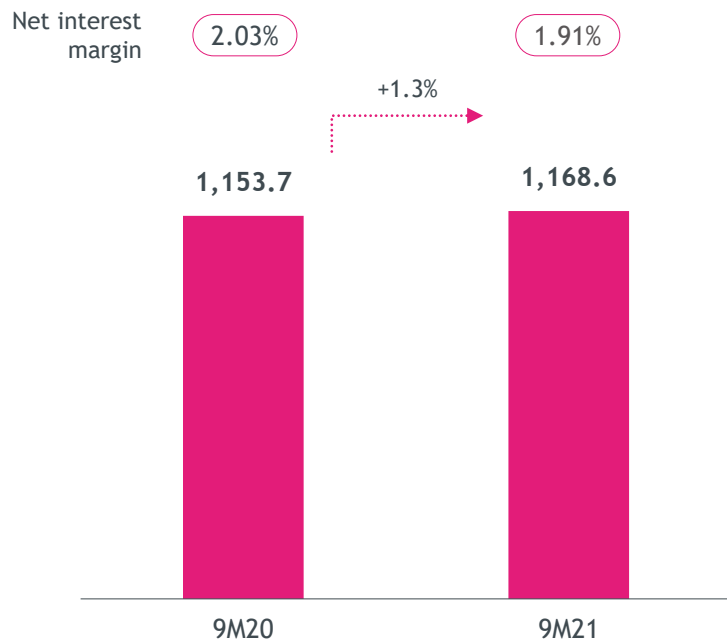
(Million euros)	9M20	9M21	YoY	Impact on earnings
Net interest income	1,153.7	1,168.6	+1.3%	+15.0
Commissions	498.2	534.2	+7.2%	+36.1
Core income	1,651.8	1,702.8	+3.1%	+51.0
Operating costs	-812.7	-851.7	+4.8%	-39.0
<i>Of which: recurring</i>	-785.2	-764.1	-2.7%	+21.0
Recurrent core operating profit	866.7	938.7	+8.3%	+72.1
Other income*	10.9	3.6	-67.3%	-7.3
Operating net income	850.0	854.7	+0.6%	+4.7
Impairment and other provisions	-550.6	-726.1	+31.9%	-175.4
<i>Of which: legal risk on CHF mortgages (Poland)**</i>	-67.2	-313.5	+366.2%	-246.3
Net income before income tax	299.4	128.6	-57.0%	-170.8
Income taxes***, non-controlling interests and discontinued operations	-153.1	-69.1	-54.8%	+83.9
Net income	146.3	59.5	-59.3%	-86.8
Net income excluding provisions for legal risk on CHF mortgages (Poland)**	180.0	215.3	+19.6%	+35.4

*Dividends from equity instruments, other net operating income, net trading income and equity accounted earnings. | **Does not include provisions for legal risk on CHF mortgages of Euro Bank (guaranteed by Société Générale): 32.8 million in 9M'21. | ***Includes impact of provisions for legal risk on CHF mortgages in Poland (amount not considered tax deductible in 9M'21: 300.8 million) and of mandatory contributions (non-tax-deductible amounts in 9M'21: 39.3 million in Portugal and 72.9 million in Poland).

Net interest income

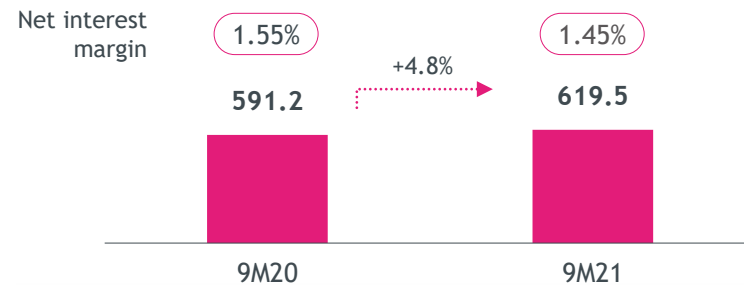
Net interest income

(Consolidated, million euros)



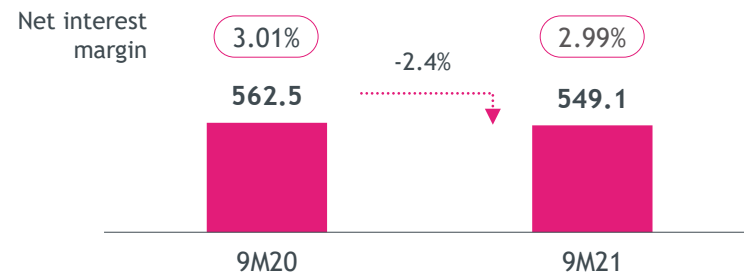
Portugal

(Million euros)



International operations

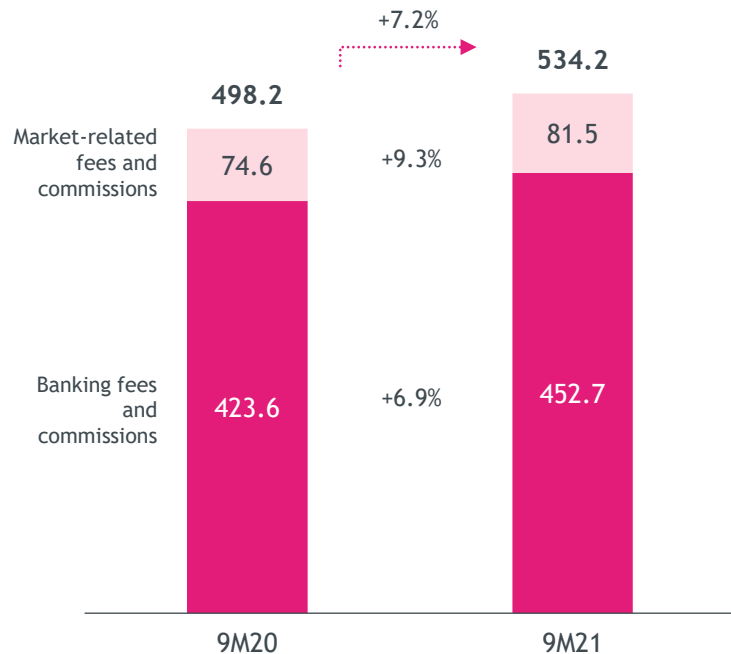
(Million euros)



Fees and commissions

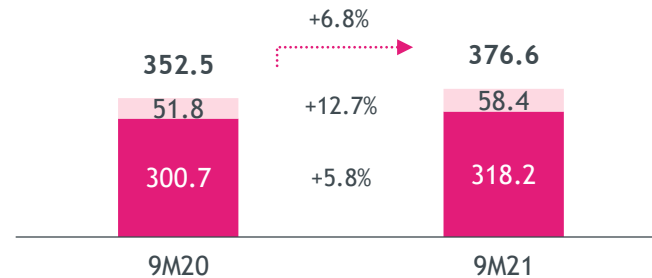
Fees and commissions

(Consolidated, million euros)



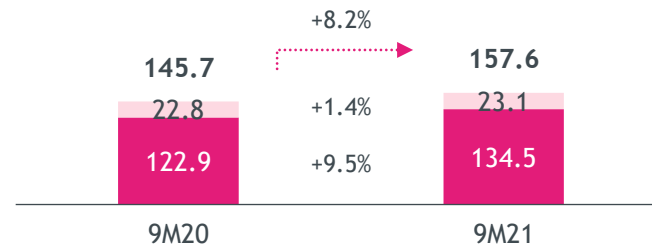
Portugal

(Million euros)



International operations

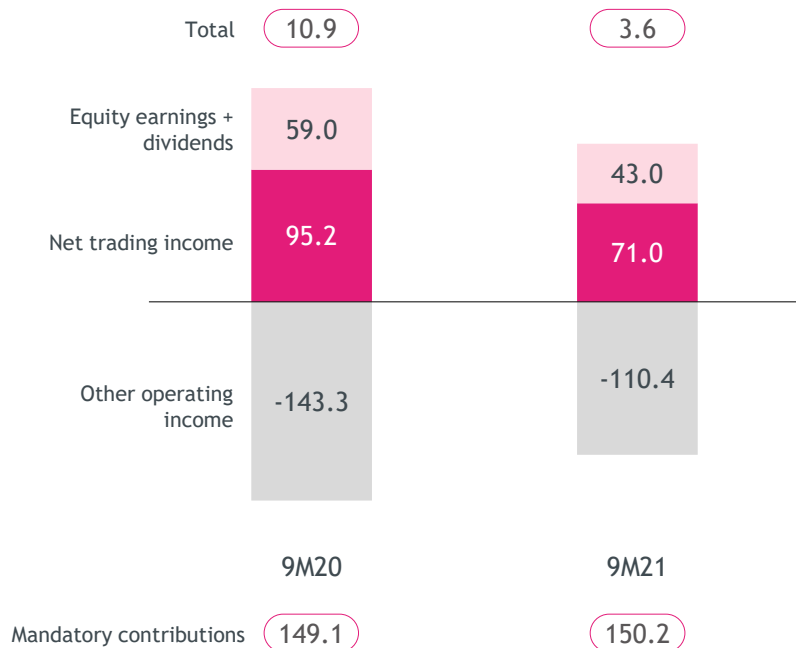
(Million euros)



Other income

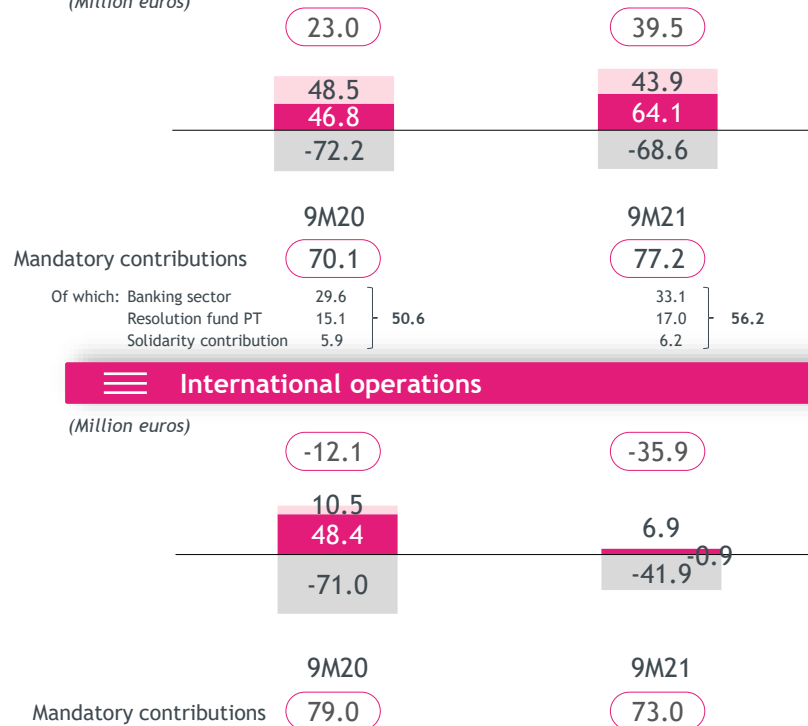
Other income

(Consolidated, million euros)



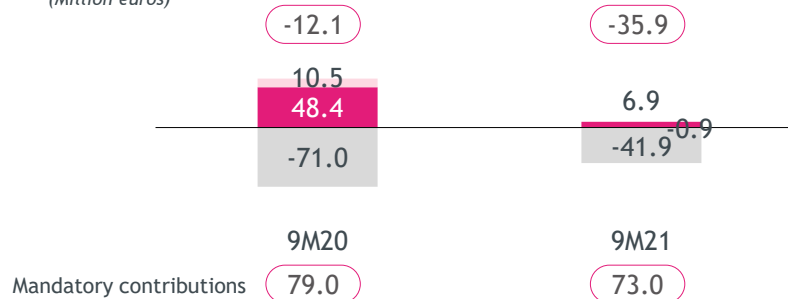
Portugal

(Million euros)



International operations

(Million euros)

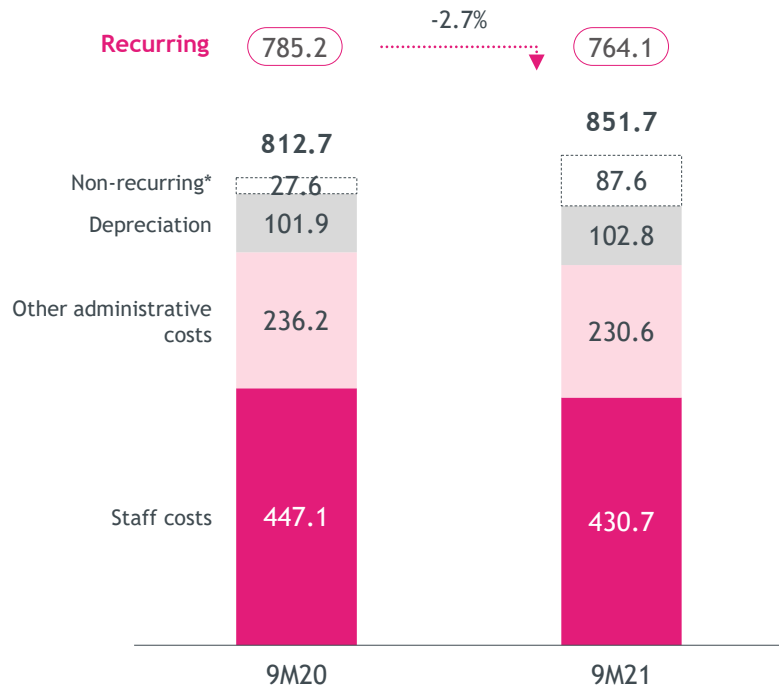


9M'20: other operating income includes 4.3 million losses, net of intermediation fees, on the sale of real-estate and other assets; 9M'21: other operating income includes 4.3 million gains, net of intermediation fees, on the sale of real estate and other assets; +32.8 million compensation for provisions for legal risk on CHF mortgages of Euro Bank (guaranteed by Société Générale).

Operating costs

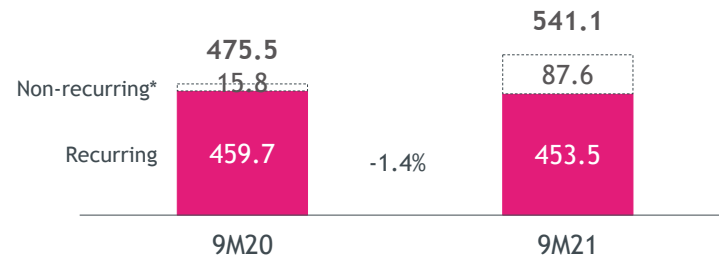
Operating costs

(Consolidated, million euros)



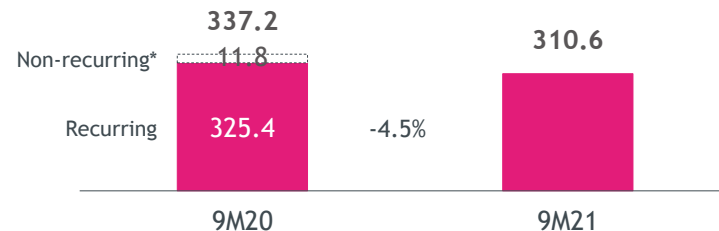
Portugal

(Million euros)



International operations

(Million euros)

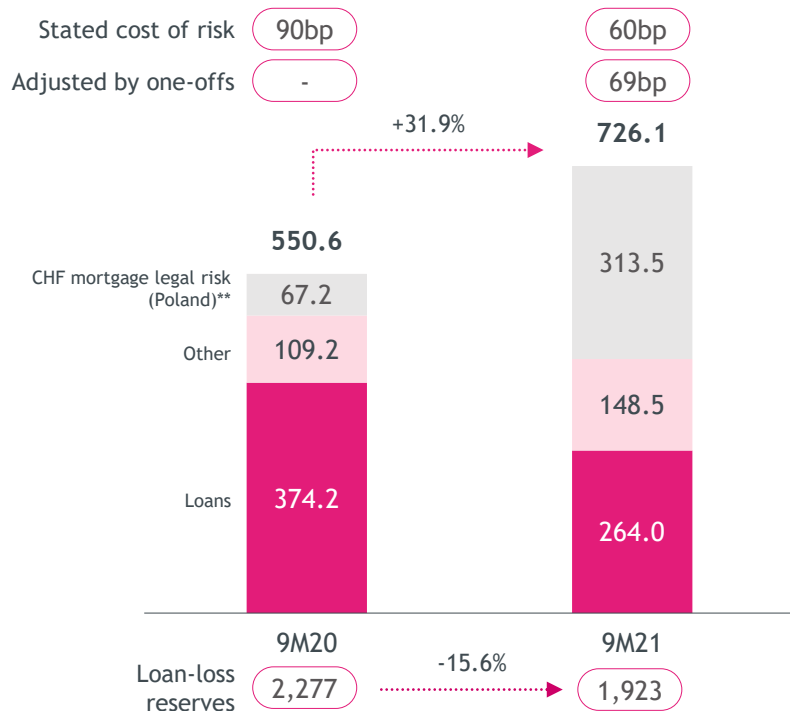


*9M'20: compensation of 5.8 million for temporary salary cuts in Portugal, headcount adjustment costs of 10.0 million in Portugal, Euro Bank integration costs of 11.8 million (international operations); 9M'21: headcount adjustment costs of 87.6 million in Portugal.

Cost of risk and provisions

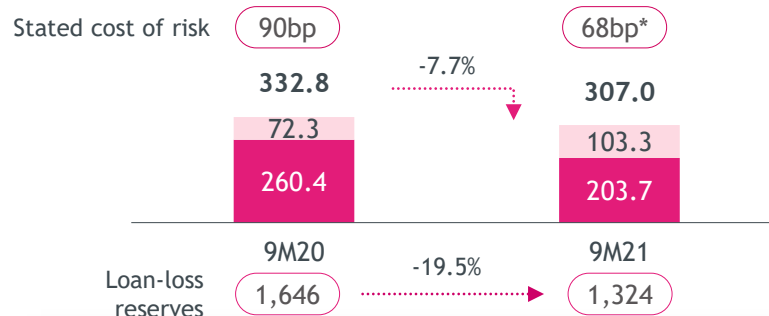
Impairment and provision charges

(Consolidated, million euros)



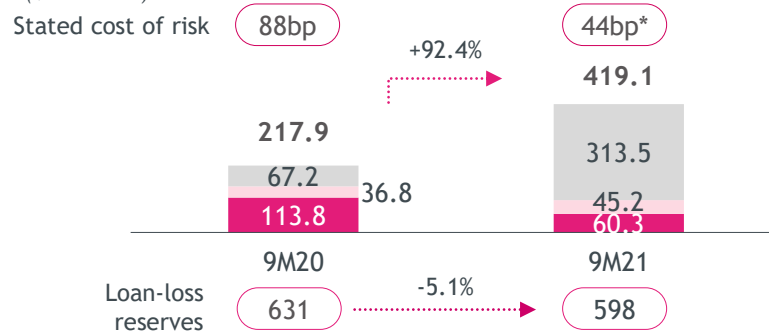
Portugal

(Million euros)



International operations

(Million euros)

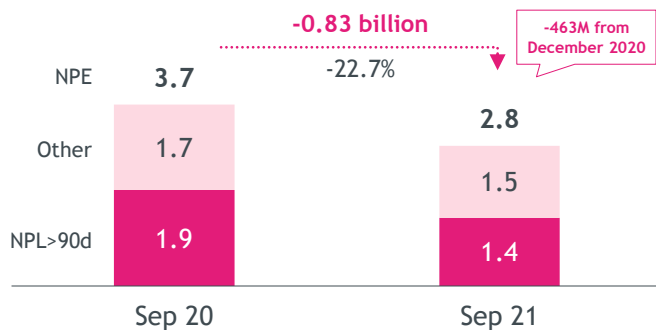


*Cost of risk adjusted by one-off reversals of 79bp in Portugal and of 47bp in the international operations. | **Does not include provisions for legal risk on CHF mortgages of Euro Bank (guaranteed by Société Générale): 32.8 million in 9M'21.

Relevant reduction of NPEs under a complex context

Credit quality

(Consolidated, billion euros)



NPE total coverage* 112%

120%

NPE coverage by LLRs 62%

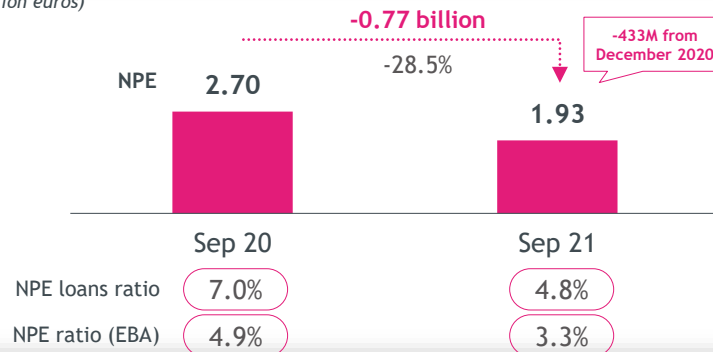
68%

	Sep 20	Dec 20	Sep 21
NPL>90 days ratio	3.5%	3.2%	2.4%
NPE ratio inc. securities and off-BS (EBA)	4.5%	4.0%	3.3%
NPE ratio (loans only)	6.5%	5.9%	4.9%

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

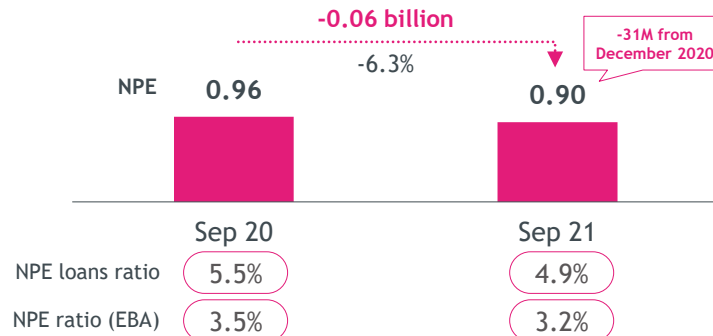
Portugal

(Billion euros)



International operations

(Billion euros)





02

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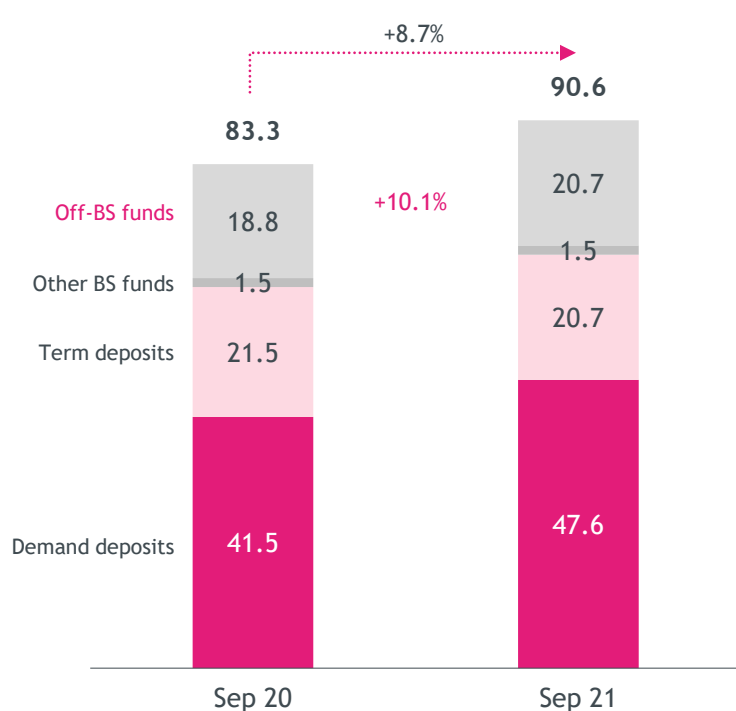
Group

Business activity

Customer funds keep growing

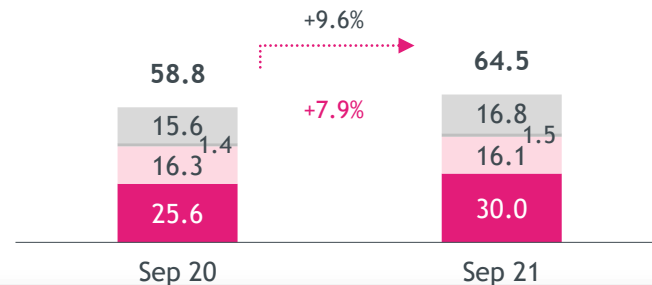
Total Customers Funds*

(Consolidated, billion euros)



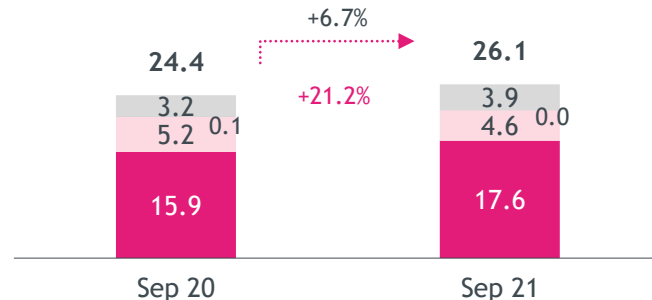
Total Customers Funds* Portugal

(Billion euros)



Total Customers Funds* international operations

(Billion euros)

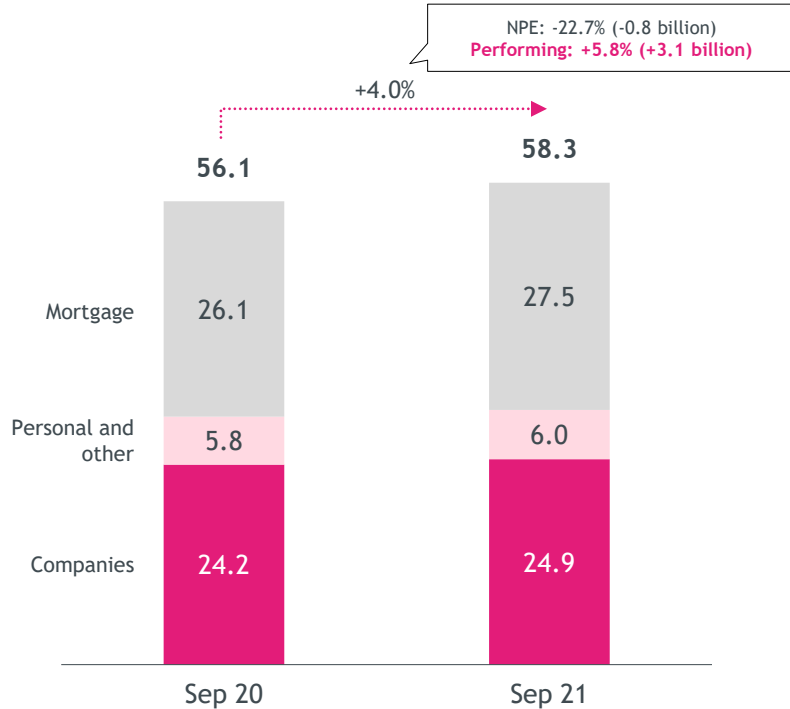


*Deposits, debt securities, assets under management, assets placed with Customers and insurance products (savings and investments).

Continued increase of the loan portfolio

Loans to Customers (gross)

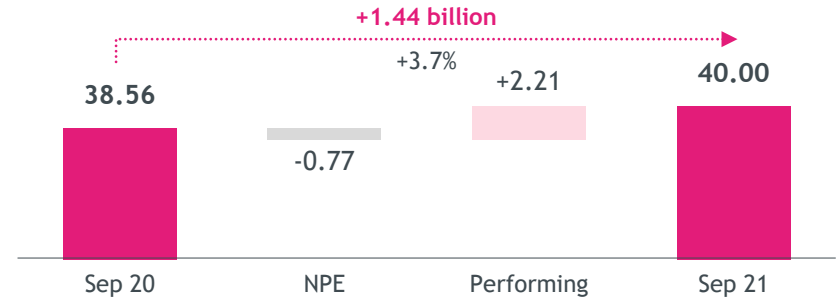
(Consolidated, billion euros)



NPE include loans to Customers only.

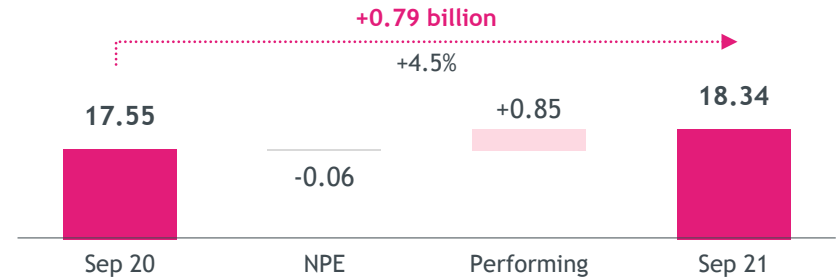
Portugal

(Billion euros)



International operations

(Billion euros)





02

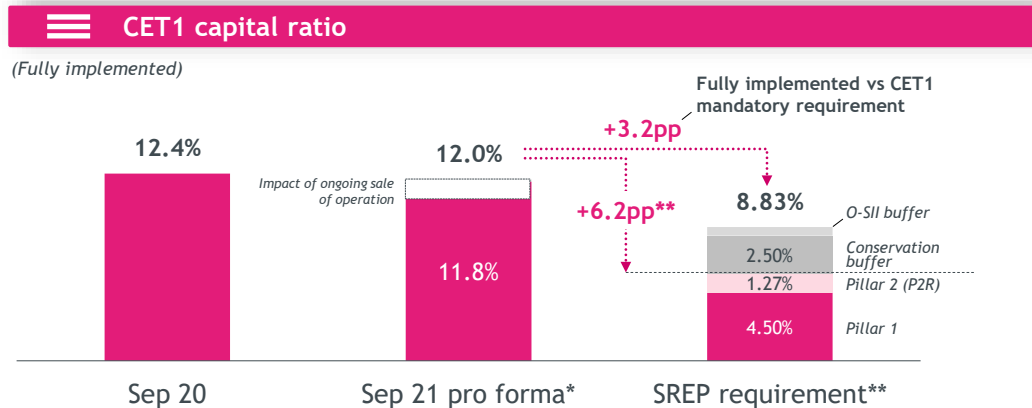
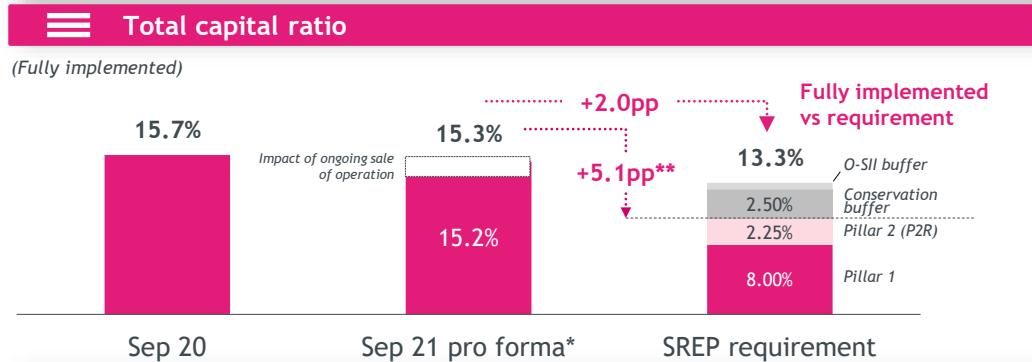
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Group

Capital and liquidity

Capital above regulatory requirements



- **Total capital of 15.3%*** (fully implemented) as of September 2021, above SREP requirements
- **Surplus of 2.0pp** between the total capital ratio and the SREP requirement not using the capital conservation and the O-SII buffers, and of 5.1pp if such buffers are used
- **CET1 capital ratio of 12.0%*** (fully implemented) as of September 2021
- MDA buffer at 0.9 billion above the level at which there are restrictions on the maximum distributable amount of results, in accordance with banking regulation

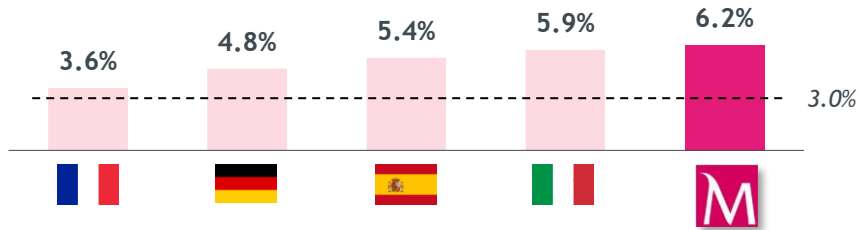
*Including expected impact of ongoing sale of operation and unaudited net income for the first 9 months of 2021.

**Minimum phased-in regulatory requirements from March 12, 2020.

Capital at adequate levels

Leverage ratio

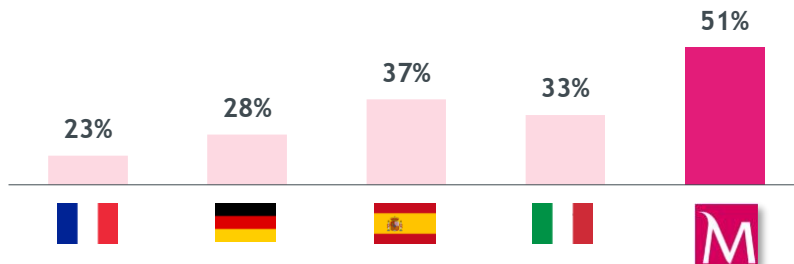
(Fully implemented, latest available data)



Leverage ratio at 6.2% as of September 2021, a comfortable and comparatively strong figure in European banking

RWA density

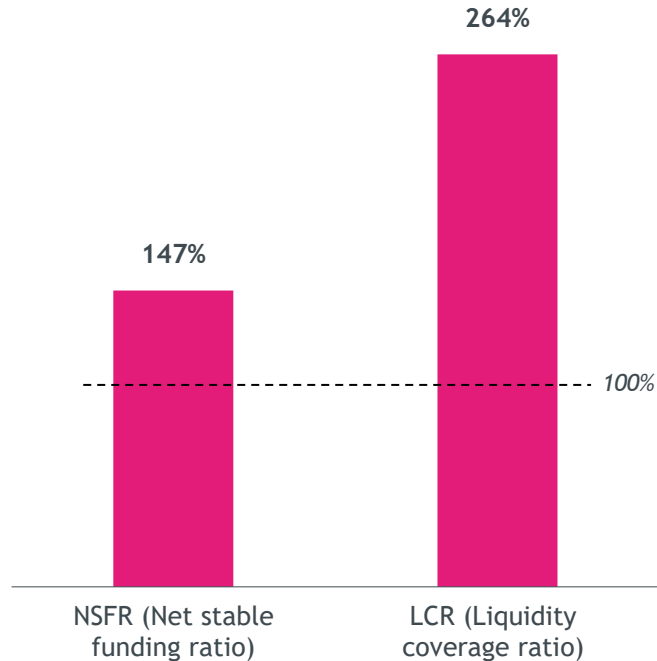
(RWAs as a % of assets, latest available data)



High RWA density (51% as of September 2021), compared to lower figures in most European banking markets

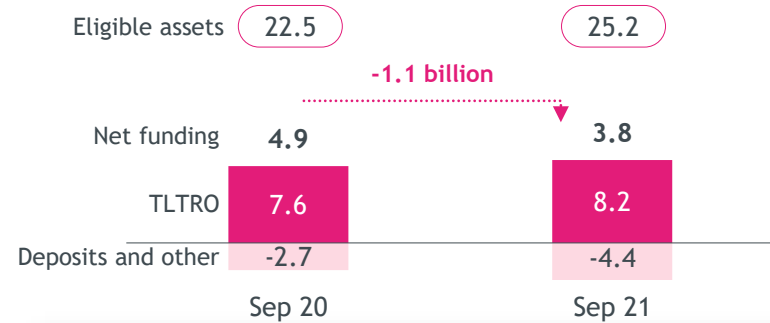
Reinforced liquidity position

Liquidity ratios (CRD/CRR)

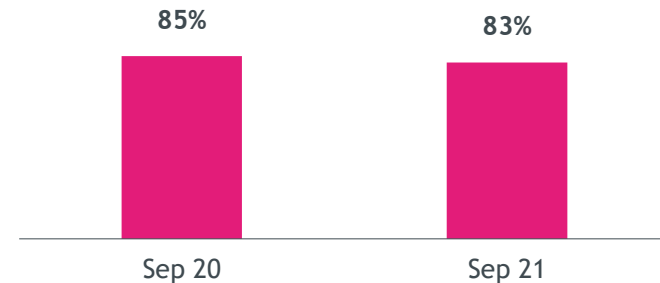


ECB funding, net

(Billion euros)



Net loans to deposits ratio





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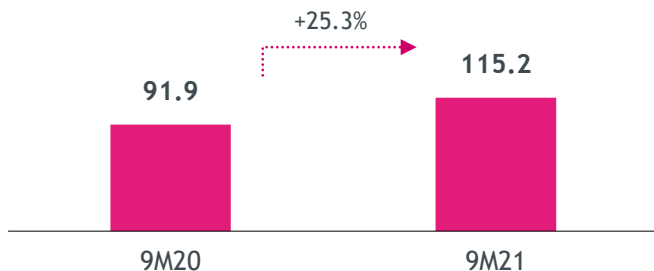
Portugal

Resilient profitability in Portugal



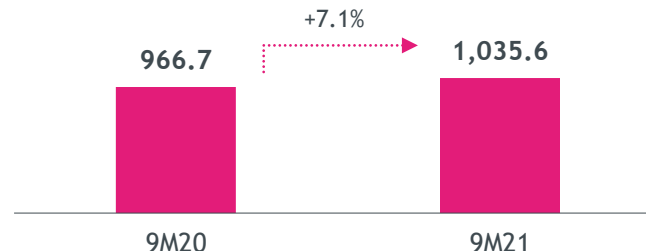
Net income

(Million euros)



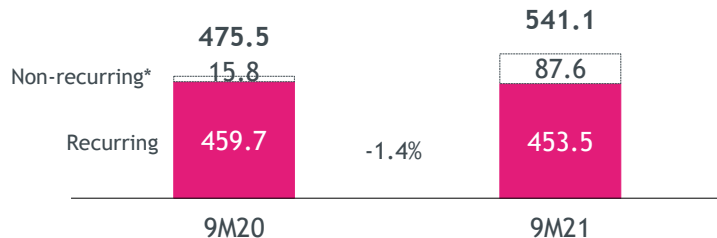
Net operating revenue

(Million euros)



Operating costs

(Million euros)



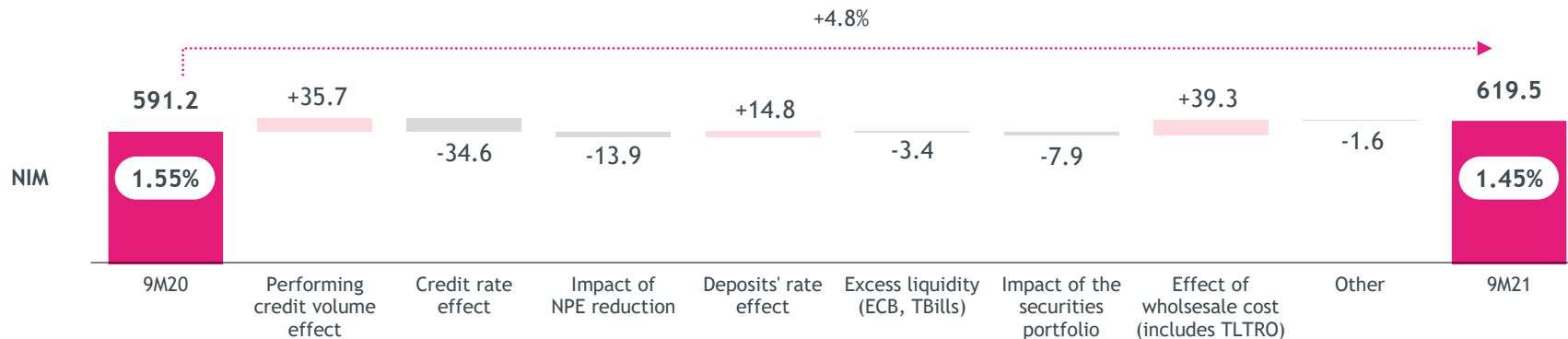
- Net income of 115.2 million in the first 9 months of 2021
- Net income was driven by stronger core income and by headcount adjustment costs

*9M'20: compensation of 5.8 million for temporary salary cuts and headcount adjustment costs of 10.0 million; 9M'21: headcount adjustment costs.

Net interest income



(Million euros)



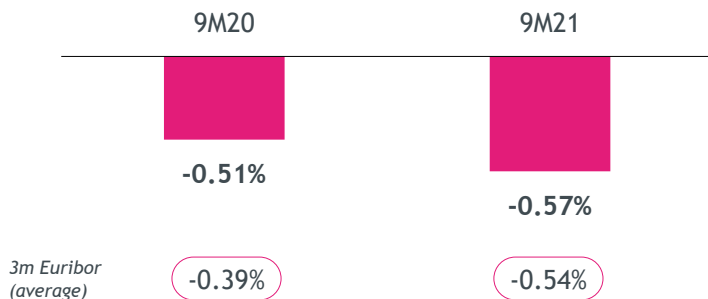
Net interest income stood at 619.5 million in the first 9 months of 2021, up 4.8% (+28.3 million) from 591.2 million in the same period of 2020. The positive impacts of the growing performing portfolio, lower wholesale funding cost (influenced by the TLTRO impact) and of the continued decline in the remuneration of time deposits, have more than compensated for the negative impacts of the loan portfolio (influenced by the negative evolution of Euribor), reduction of NPEs, excess liquidity and lower yields of the securities portfolio.

Continued reduction of the cost of deposits



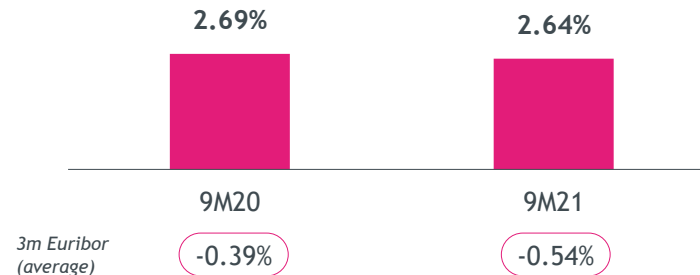
☰ Spread on the book of term deposits

(vs 3m Euribor)



☰ Spread on the performing loan book

(vs 3m Euribor)



☰ NIM



- Spread of the portfolio of term deposits of -0.57% in the first 9 months of 2021 (-0.51% in the same period of 2020); Customer rate down to 0.02% in the first 9 months of 2021 from 0.11% in the same period of 2020
- Spread on the performing loan portfolio stood at 2.64% in the first 9 months of 2021, compared to 2.69% in the same period of 2020
- NIM stood at 1.45%

Commissions and other income



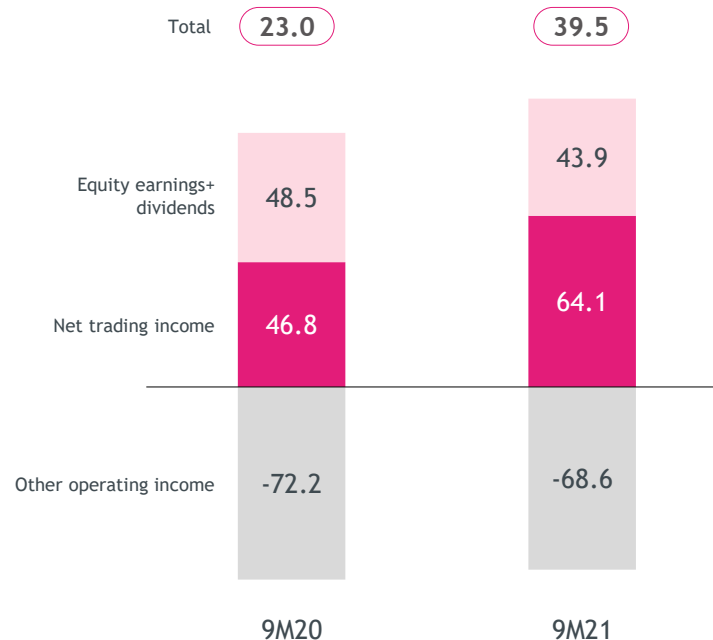
Commissions

(Million euros)

	9M20	9M21	YoY
Banking fees and commissions	300.7	318.2	+5.8%
Cards and transfers	73.1	80.3	+9.9%
Loans and guarantees	76.2	78.7	+3.3%
Bancassurance	62.7	63.9	+1.9%
Customer account related	83.3	89.1	+7.0%
Other fees and commissions	5.3	6.1	+15.7%
Market related fees and commissions	51.8	58.4	+12.7%
Securities operations	39.0	39.7	+1.7%
Asset management	12.8	18.8	+46.4%
Total fees and commissions	352.5	376.6	+6.8%

Other income

(Million euros)



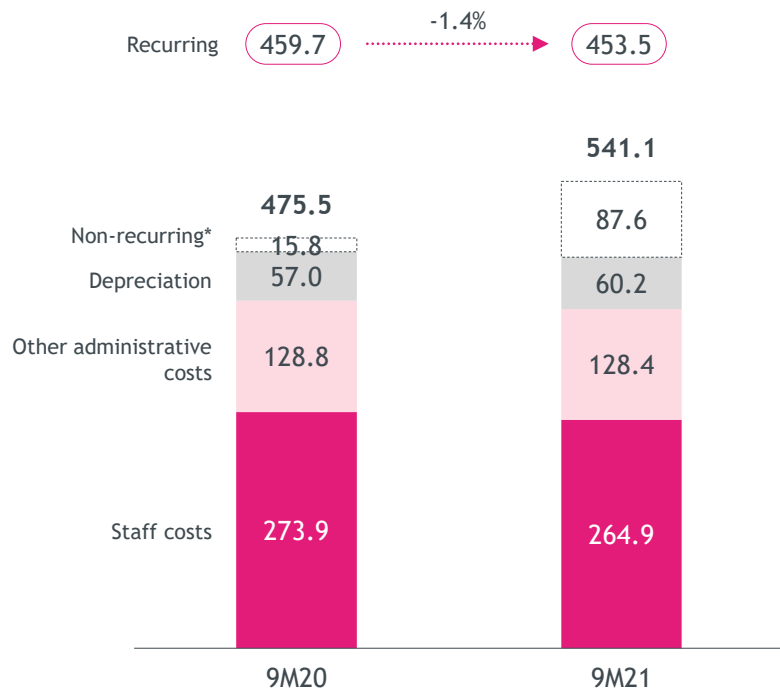
9M'20: other operating income includes 6.0 million losses, net of intermediation fees, on the sale of real-estate and other assets; 9M'21: other operating income includes 4.1 million gains, net of intermediation fees, on the sale of real estate and other assets.

Operating costs

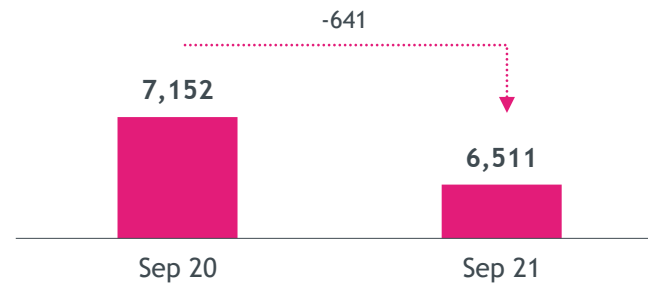


Operating costs

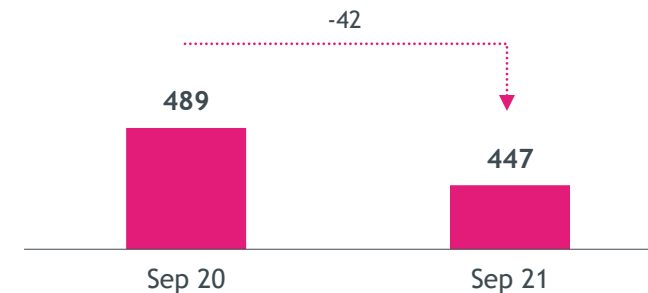
(Million euros)



Employees



Branches



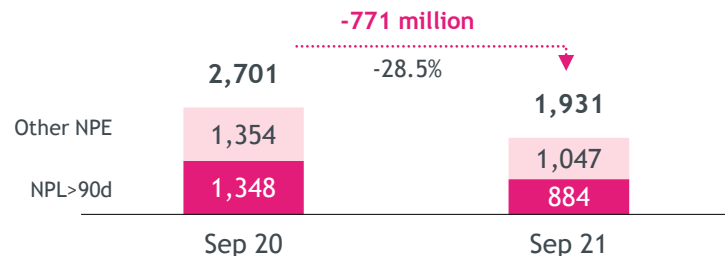
*9M'20: compensation of 5.8 million for temporary salary cuts and headcount adjustment costs of 10.0 million; 9M'21: headcount adjustment costs.

Continued decrease of NPEs



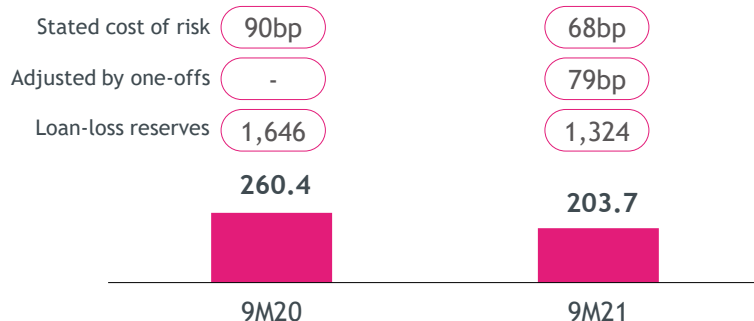
Non-performing exposures (NPE)

(Million euros)



Loan impairment (net of recoveries)

(Million euros)



NPE include loans to Customers only.

NPE build-up

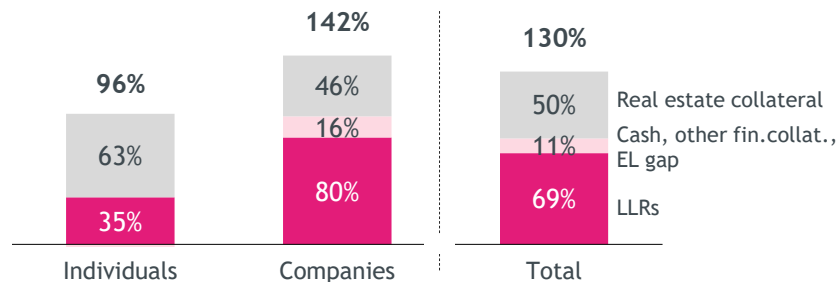
(Million euros)	Sep 21 vs. Sep 20	Sep 21 vs. Dec 20
Opening balance	2,701	2,363
Net outflows/inflows	13	13
Write-offs	-228	-208
Sales	-555	-238
Ending balance	1,931	1,931

- NPEs in Portugal total 1.9 billion at end-September 2021, 0.8 billion down from September 2020 and 0.4 billion down from end-2020
- The decrease from September 2020 results from net inflows of 0.01 billion, write-offs of 0.2 billion and sales of 0.6 billion
- The decrease of NPEs from September 2020 is attributable to a 0.5 billion reduction of NPL>90d and to a 0.3 billion decrease of other NPEs
- Cost of risk of 68bp in the first 9 months of 2021 (90bp in the first 9 months of 2020), with a reinforcement of NPE coverage by loan-loss reserves to 69% from 61%, respectively

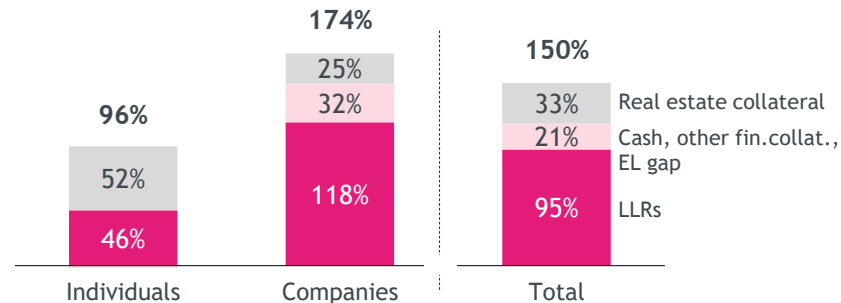
NPE coverage



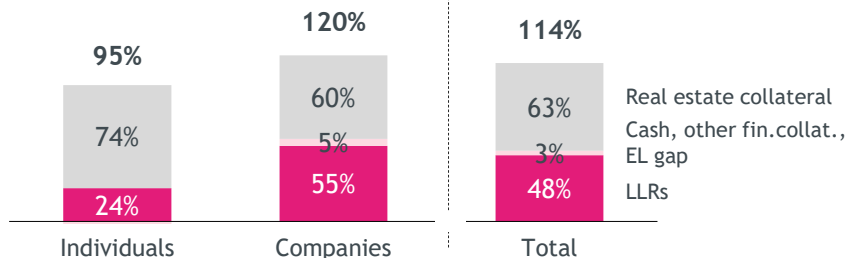
NPE total coverage*



NPL>90d total coverage*



Other NPE total coverage*



- Total coverage* \geq 100% 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 80% for companies NPE as of September 2021, reaching 118% for companies NPL>90d (96% and 150%, respectively, if cash, financial collateral and expected loss gap are included)

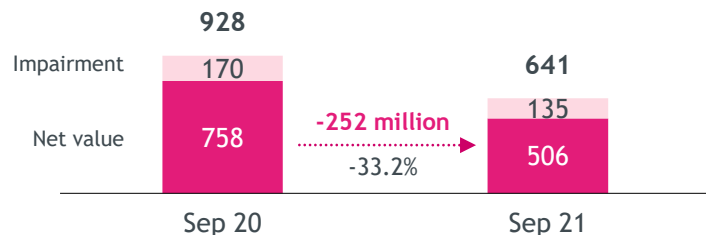
NPE include loans to Customers only.
*By loan-loss reserves, expected loss gap and collaterals.

Foreclosed assets and corporate restructuring funds



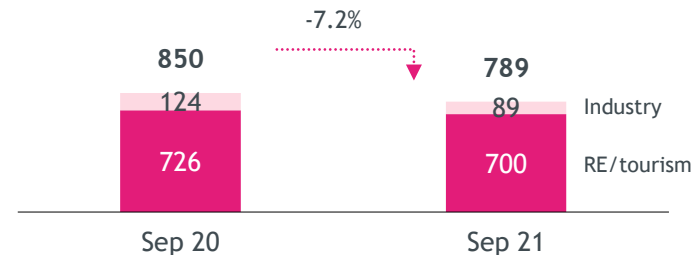
Foreclosed assets

(Million euros)



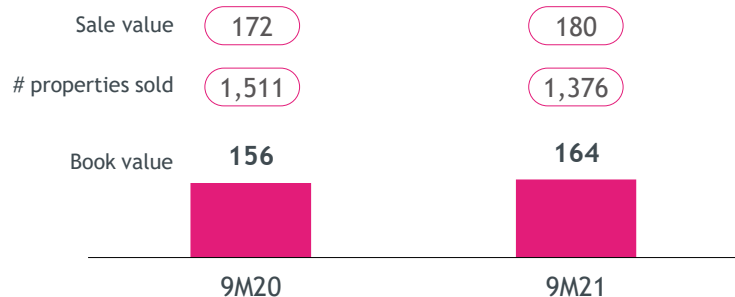
Corporate restructuring funds

(Million euros)



Sales of foreclosed assets

(Million euros)



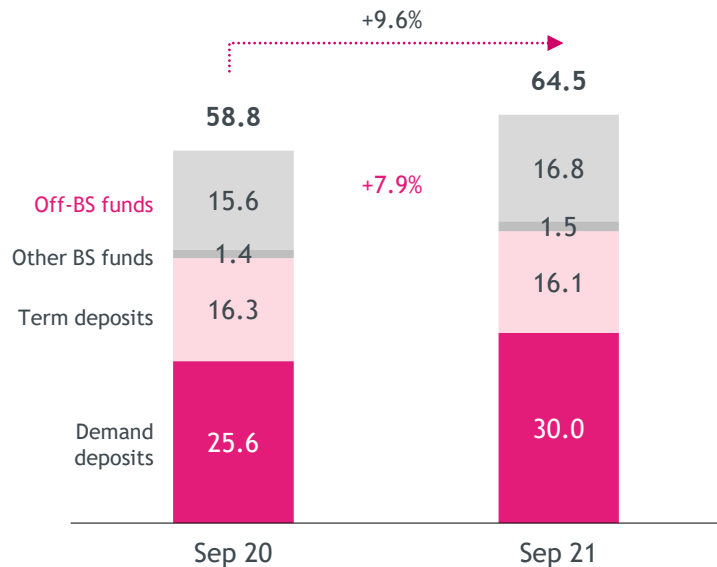
- Net foreclosed assets were down by 33.2% between September 2020 and September 2021. Valuation of foreclosed assets by independent providers exceeded book value by 31%
- 1,376 properties were sold during the first 9 months of 2021 (1,511 properties in the first 9 months of 2020), with sale values exceeding book values by 16 million
- Corporate restructuring funds decreased 7.2% to 789 million at end-September 2021. The original credit exposure on these funds totals 2,006 million, with total reserves (original credit, plus restructuring funds) corresponding to a 61% coverage

Growing customer funds and loans to customers



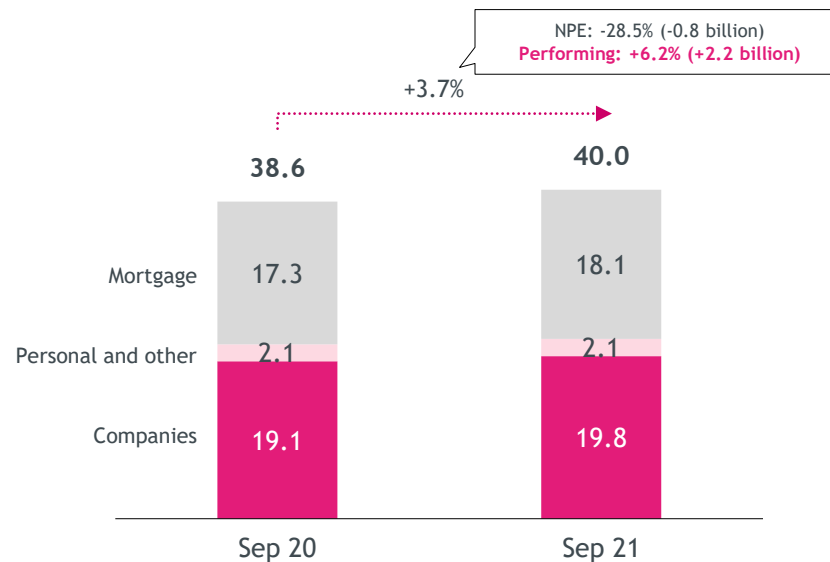
Total Customers Funds*

(Billion euros)



Loans to Customers (gross)

(Billion euros)



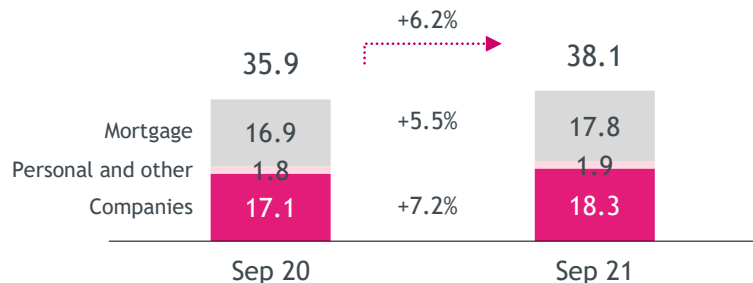
*Deposits, debt securities, assets under management, assets placed with Customers and insurance products (savings and investments).

Performing credit grows in Portugal



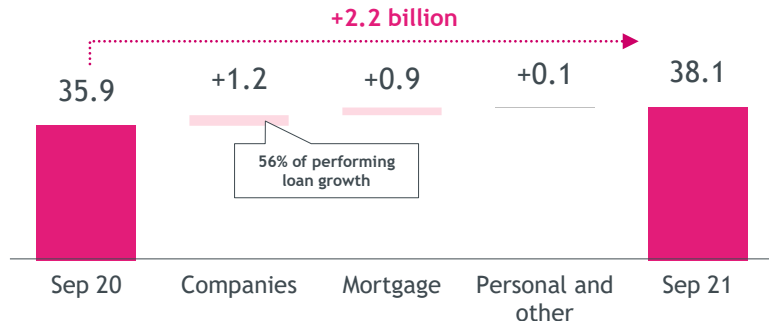
Performing credit portfolio

(Billion euros)



Breakdown of performing credit growth

(Billion euros)



- **Performing credit portfolio in Portugal up by 2.2 billion (+6.2%)** from September 2020
- **Strong support to companies**, which accounted for 56% of the total performing loan growth from September 2020
- ✓ Credit lines to support the economy of **2.9 billion with European guarantees, including the 1.7 billion reinforcement celebrated in October**, to support small and medium-sized companies affected by the pandemic
- ✓ **Main bank for companies (DataE 2020)**; most appropriate products; most efficient; best; closest to **Customers**
- ✓ **19% market share** (up to August 2021) **in the placement of loans with State guarantees**, in partnership with Banco Português de Fomento (BPF)
- ✓ **Leading bank in Factoring and Confirming**: factoring invoicing of 6.1 billion in the first 9 months of 2021 and market share of 27%*
- ✓ **Leading bank in Leasing**: 348 million new leasing business in the first 9 months of 2021 and market share of 19%*

*Data as of February 2021.



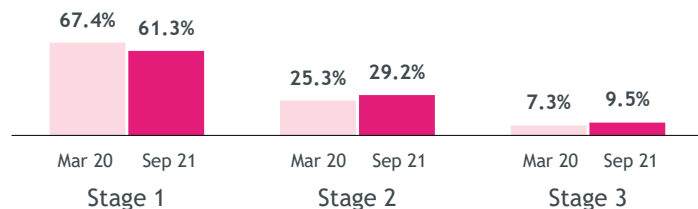
Moratoriums to expire from September

(Million euros)

	Moratoriums expired in September	Moratoriums to expire after September
Families	3,096	106
Companies	3,115	624
TOTAL	6,211	730

Breakdown by stages

(Moratoriums expired in September and to expire after September)



- **90% of outstanding moratoriums in September are performing**
- **After September, there will be 730 million in active moratoriums** (106 million to families, mortgages represent 98%; and 624 million to companies)

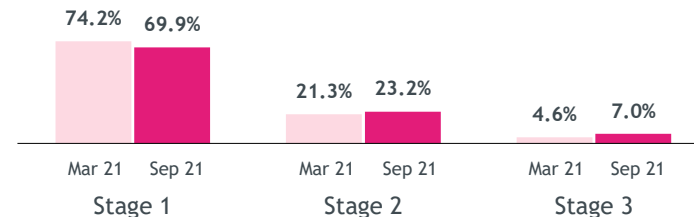
Data as of September 2021.

Evolution of moratoriums expired between March and June 2021

(Private moratoria; million euros)

	Amount	%
Personal	291	46%
Mortgage	339	54%
TOTAL	630	

Breakdown by stages



- Behavior of the expired moratoriums portfolio reflects prudent approach
- **Breakdown by stages aligned with pre-expiration levels**



04

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International operations

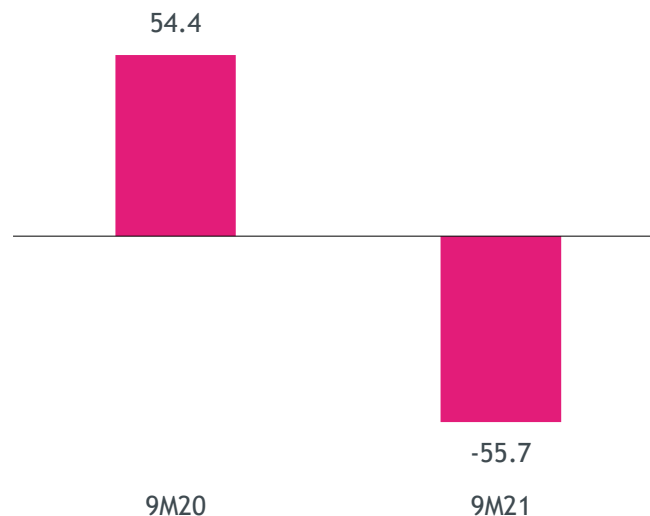
Contribution from international operations to consolidated net income

(Million euros*)

	9M20	9M21
Poland	29.0	-181.2
Mozambique	59.3	61.3
Other	-0.2	-5.9
Net income international operations	88.1	-125.7
Non-controlling int. (Poland+Mozambique)	-34.2	70.0
Exchange rate effect	0.5	--
Contribution from international operations	54.4	-55.7

Contribution from international operations

(Million euros*)



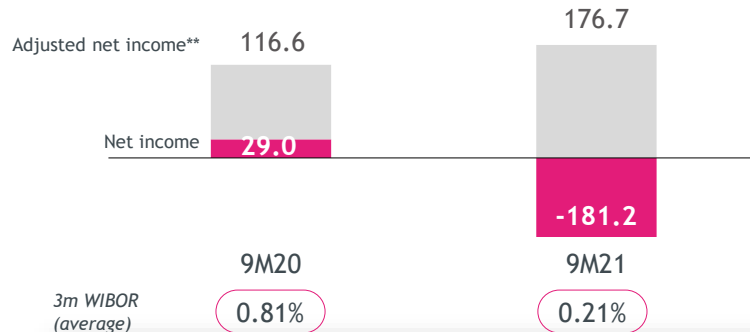
*Subsidiaries' net income presented for 2020 at the same exchange rate as of 2021 for comparison purposes.

Net earnings affected by provisions for legal risk on CHF loans



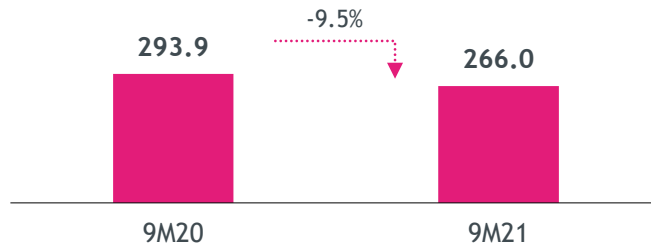
Net income

(Million euros*)



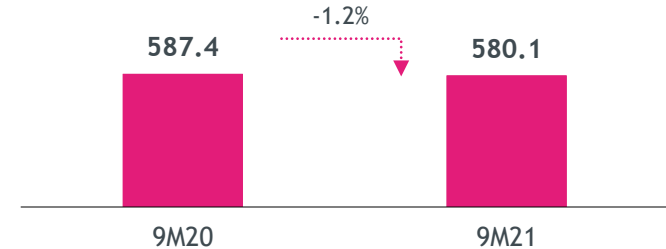
Operating costs

(Million euros*)



Net operating revenue

(Million euros*)



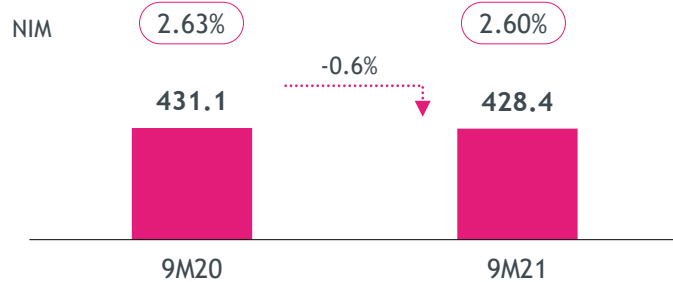
- Adjusted net income** up by 51.5%, despite the 0.6pp decrease of the 3m WIBOR
- Net losses of 181.2 million, affected by 311.1 million provisions for legal risk on CHF loans
- Continued implementation of measures to rationalise the workforce and to optimise geographic presence: reduction of 811 employees and 61 branches
- Strong franchise, as demonstrated by the increase of Customers funds by 6.0% and of loans to Customers by 6.4%
- CET1 ratio of 15.1% with total capital of 18.2%

Significant reduction of operating costs



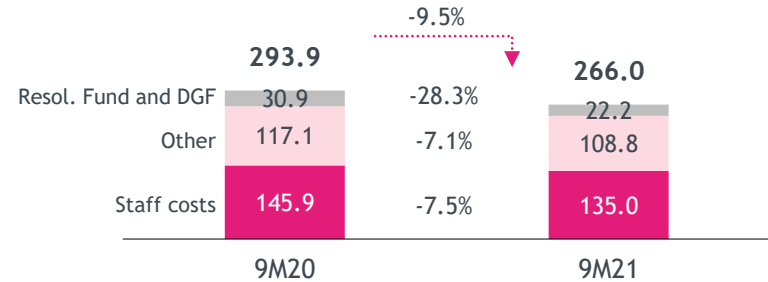
Net Interest income

(Million euros*)



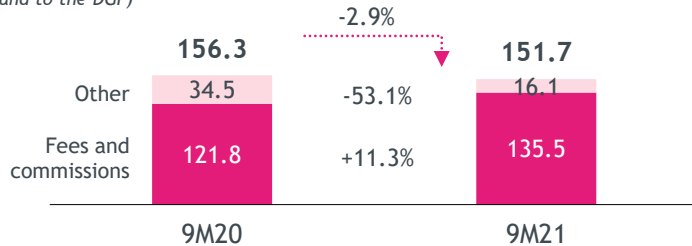
Operating costs

(Million euros*)



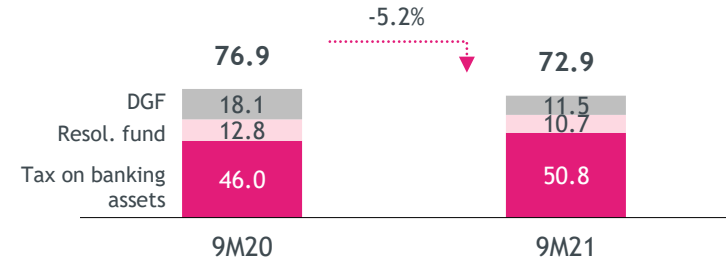
Commissions and other income

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



Mandatory contributions

(Million euros*)

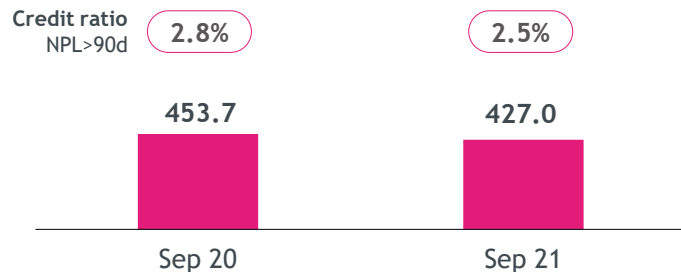


*FX effect excluded. €/Zloty constant at September 2021 levels: Income Statement 4.54; Balance Sheet 4.60.



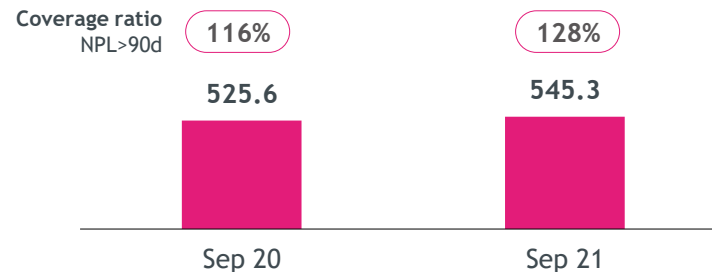
NPL>90d

(Million euros*)



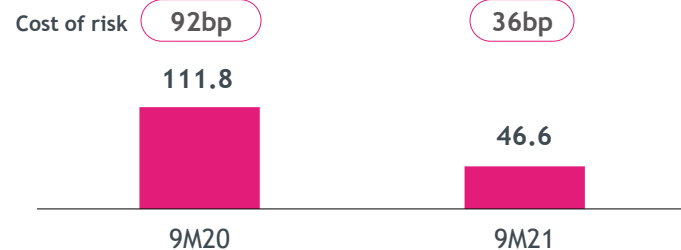
Loan-loss reserves

(Million euros*)



Loan impairment (net of recoveries)

(Million euros*)



- NPL>90d accounted for 2.5% of total credit as of September 2021 (2.8% as of September 2020)
- Coverage of NPL>90d by loan-loss reserves at 128% (116% as of September 2020)
- Cost of risk of 36bp, compared to 92bp in the first 9 months of 2020, which included Covid-19 provisions

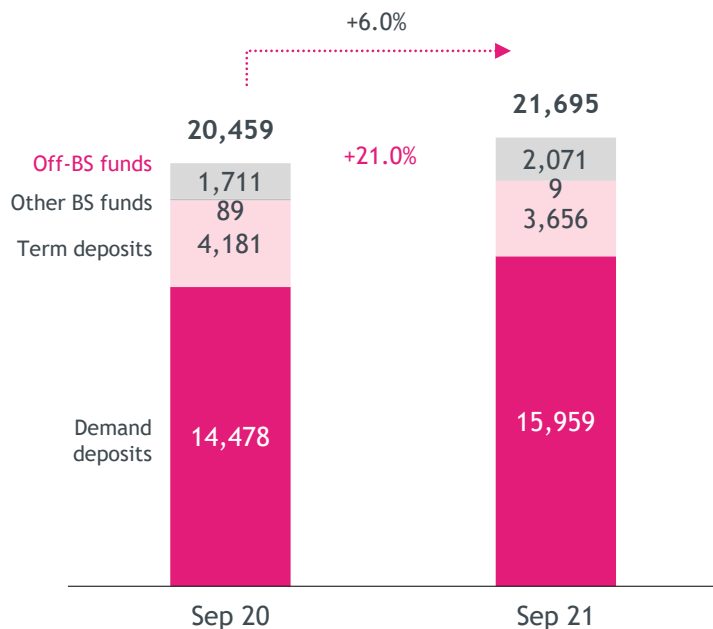
*FX effect excluded. €/Zloty constant at September 2021 levels: Income Statement 4.54; Balance Sheet 4.60.

Increased Customers funds and loans to Customers



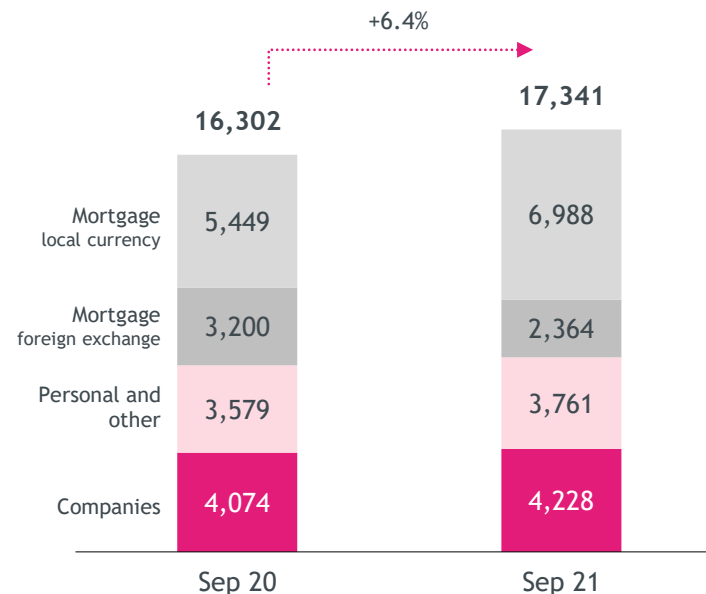
Customers funds

(Million euros*)



Loans to Customers (gross)

(Million euros*)

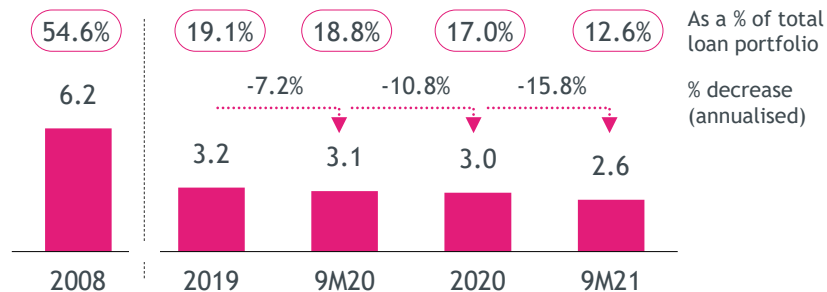


*FX effect excluded. €/Zloty constant at September 2021 levels: Income Statement 4.54; Balance Sheet 4.60.



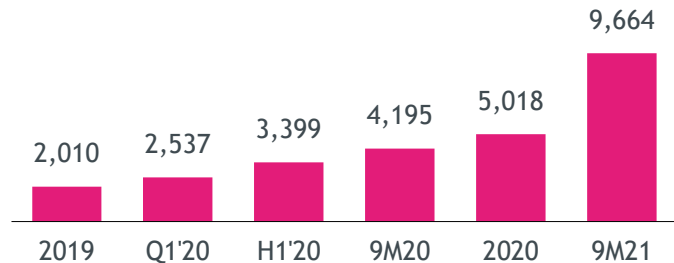
CHF mortgage portfolio

(Billion euros*)



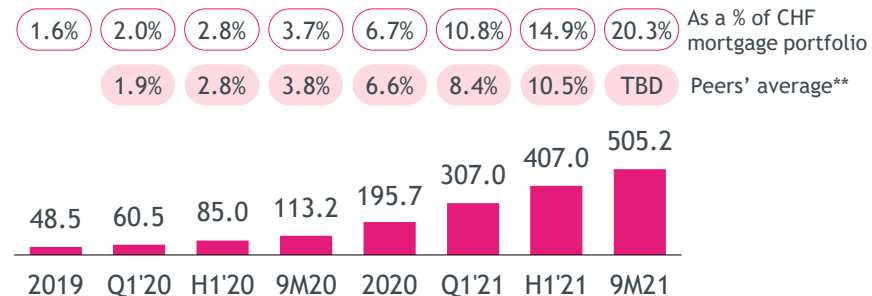
Individual lawsuits

(Number of cases)



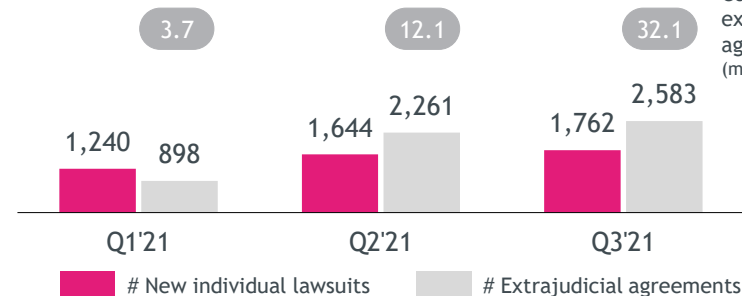
Cumulative provisions for legal risks

(Million euros*)



New individual lawsuits and extrajudicial agreements

Cost of extrajudicial agreements (million euros)



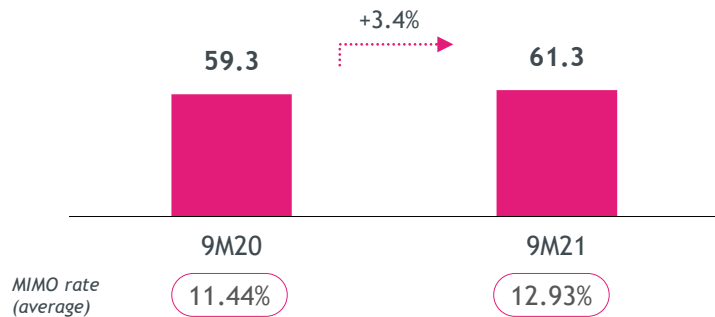
*Excludes Euro Bank. | *FX effect excluded. €/CHF constant at September 2021 levels: Balance Sheet 1.08. €/Zloty constant at September 2021 levels: Income Statement 4.54; Balance Sheet 4.60. | **Average for 9 largest banks listed in the Warsaw Stock Exchange, excluding PKO's Q4'20 provisions for conversion.

Net income reflects resilience in challenging environment



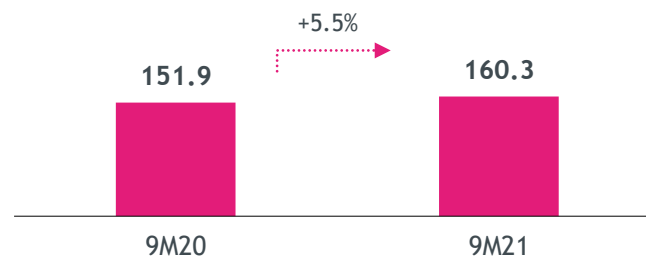
Net income

(Million euros*)



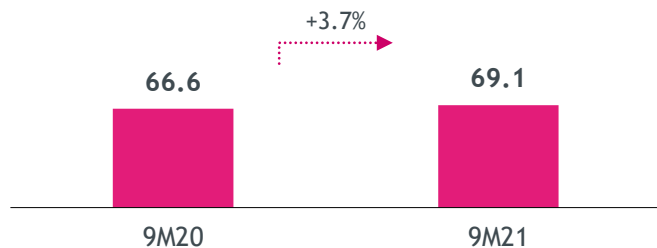
Net operating revenue

(Million euros*)



Operating costs

(Million euros*)



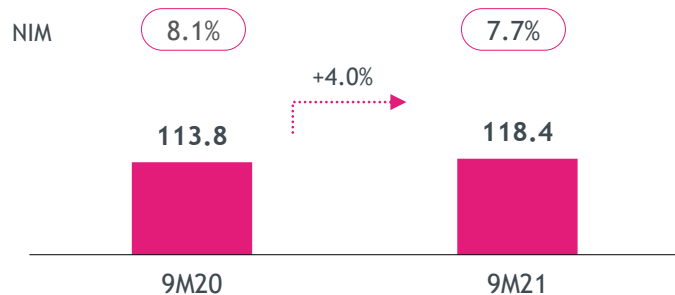
- Net income of 61.3 million in the first 9 months of 2021
- Customer funds grew 7.5%; loans to Customers decreased by 14.8%
- Capital ratio of 48.7%

Increased net interest income and commissions



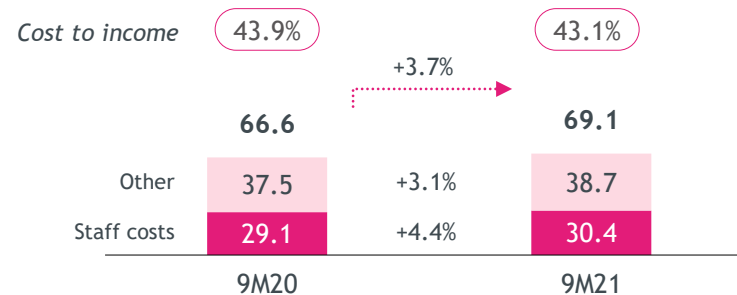
Net Interest income

(Million euros*)



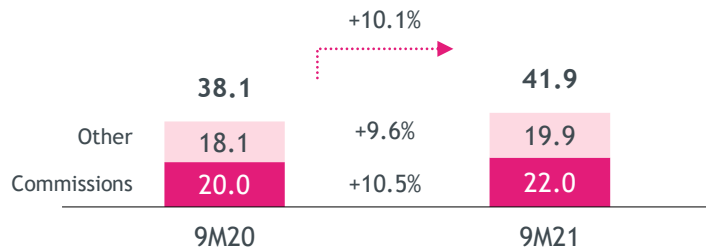
Operating costs

(Million euros*)

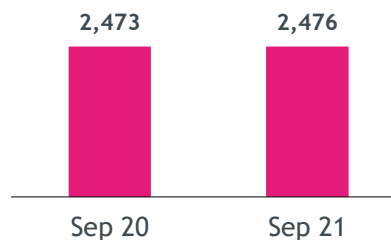


Commissions and other income

(Million euros*)

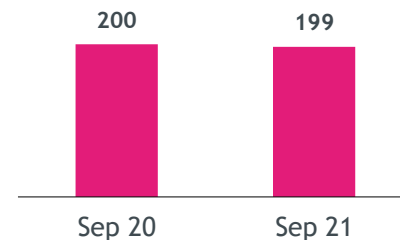


Employees**



**Excludes employees from SIM (insurance company)

Branches



*FX effect excluded. €/Metical constant at September 2021 levels: Income Statement 79.47; Balance Sheet 74.29.



NPL>90d

(Million euros*)

Credit ratio
NPL>90d

20.3%

11.1%

148.6

69.6

Sep 20

Sep 21

Loan-loss reserves

(Million euros*)

Coverage ratio
NPL>90d

71%

76%

105.8

52.8

Sep 20

Sep 21

Loan impairment (net of recoveries)

(Million euros*)

Cost of risk

197bp

141bp

10.1

6.2

9M20

9M21

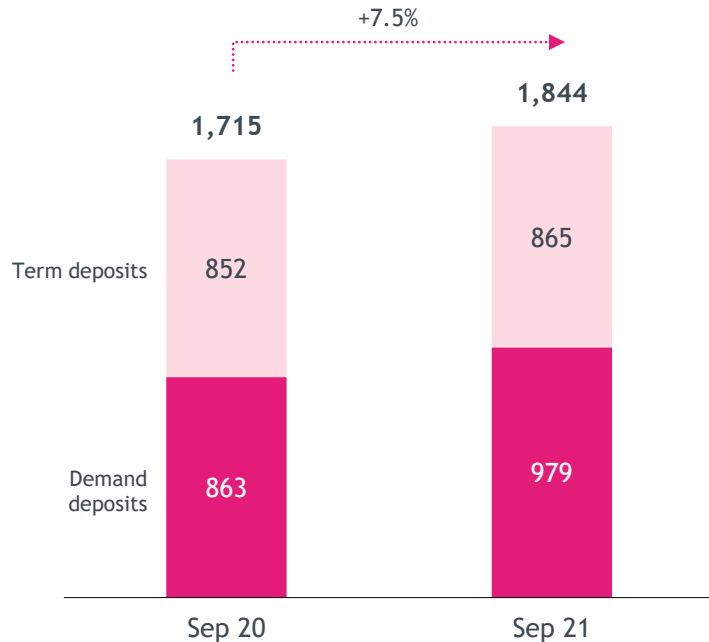
- NPL>90d ratio of 11.1% as of September 2021, with coverage by loan-loss reserves of 76% on the same date
- Cost of risk of 141bp in the first 9 months of 2021 (197bp in the same period of 2020)

*FX effect excluded. €/Metical constant at September 2021 levels: Income Statement 79.47; Balance Sheet 74.29.



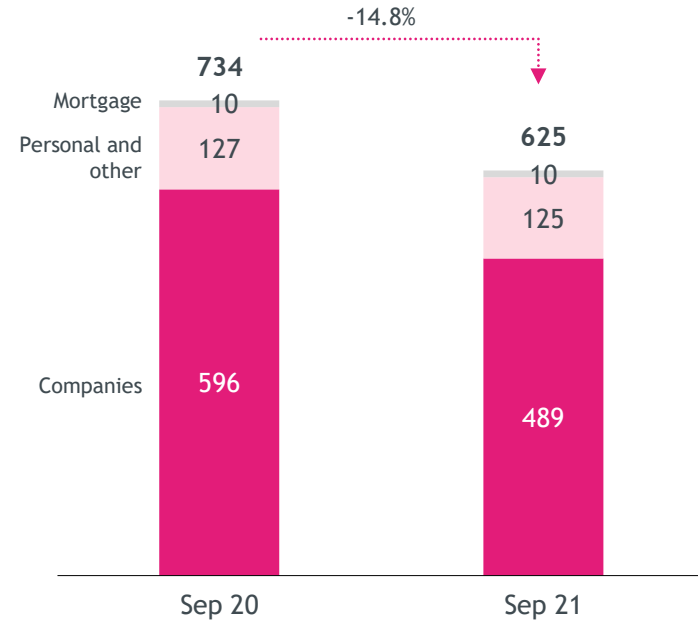
Customers funds

(Million euros*)



Loans to Customers (gross)

(Million euros*)



*FX effect excluded. €/Metical constant at September 2021 levels: Income Statement 79.47; Balance Sheet 74.29.



05

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Key figures

Strategic Plan: Excelling 24

	9M 2021	2024
C/I ratio	50% (45% excluding non-usual costs)	≈40%
Cost of risk	60 bp (69 bp excluding one-off reversals)	≈ 50 bp
RoE	1.4%	≈ 10%
CET1 ratio	11.8% (12.0% pro forma*)	>12.5%
NPE ratio	4.9%	≈ 4%
Share of mobile Customers	55%	>65%
Growth of high engagement Customers** (vs 2020)	+3%	+12%
Average ESG rating***	75%	>80%

*Including expected impact of ongoing sale of operation and unaudited net income for the first 9 months of 2021. | **Active Customers with card transactions in the previous 90 days or funds > €100 (>MZN 1,000 in Mozambique) |

***Average of Top 3 indices (DJSI, CDP and MSCI) | NPE include loans to Customers only.

COMMITMENT TO PEOPLE AND SOCIETY

Millennium bcp Foundation



Santa Clara church: Built in the 1st half of the 15th century, within the city walls of Porto, it is one of the most beautiful examples of Johannine baroque. After a recovery and restoration intervention, which has been ongoing since 2014, it reopens in October 2021.



Tremor festival: A musical experience in the center of the Atlantic (Azores - São Miguel), which combines music, territory and the arts. The Millennium bcp Foundation is a patron of artistic residencies. It took place from the 7th to the 11th of September.



Eça de Queiroz Foundation literary award/Millennium bcp Foundation: aims to encourage the production of literary works in Portuguese. Frederico Pedreira was this year's winner, with the work "A Lição do Sonâmbulo".



Pédipédia: free online pediatric medical-surgical encyclopedia. It is presented in two complementary versions, one for health professionals and other for parents and caregivers of children and young people.

Society



Millennium bcp subscribes manifesto "Rumo à COP26" promoted by BCSD Portugal, joining an appeal from more than 80 national companies to accelerate the process of decarbonisation of the economy and to comply with the Paris Agreement.



Millennium bcp concludes its participation in the 2021 edition of the **Portugal Chama** and **Raposa Chama national campaign** (for younger people), materializing its commitment to the prevention of forest fires and risky behavior.



Millennium bcp Literacy Program for the senior population. The objective is to transmit to the target population a set of basic notions that will allow them to carry out a set of essential banking operations through online channels.



Palácio Nacional da Ajuda: restoration of the Royal Family Dining Room Cup and the Queen's Kitchen for the musealization of the most representative collections of objects related to the "table arts", which include ceramic, jewelry and textile items.

Sustainability



Millennium bcp carries out its first issue of senior debt with a **Social function**, in the amount of 500 million, in line with its ESG (Environmental, Social and Governance) business strategy and its 2021 Sustainability Master Plan (PDS).



Millennium bcp launches a **Sustainability Course** directed to all the Bank's Employees in Portugal, adjusting internal skills to a new reality arising from the accelerated growth of Sustainable Finance and the applicable regulatory framework.



Millennium bcp integrates the **Steering Committee of the WEP** (Women's Empowerment Principles) of the Portuguese Network of the United Nations Global Compact, integrating the national effort to promote gender equality and opportunities.



Millennium bcp obtains an **"A-" classification** on the **Refinitiv ESG Combined Score**, an evaluation of the performance of Sustainability, another recognition of the Bank's work in this area and which places it in the top 3 of Portuguese companies.

Awards in 2021



Millennium bcp: “PME Lider’20” programme: largest number of awards among participating banks (3rd year in a row)



Millennium bcp: Main bank for companies; most appropriate products; most efficient; best; closest to Customers



Millennium bcp: Best bank for companies in Portugal and Best digital bank Portugal (Brand Score Q3’21)



Millennium bcp: Book Runner Equity and Local market in Equity awards



Millennium bcp: Leader of the 1st edition of the “Inovadora COTEC” program



Millennium bcp: Best Consumer Social Media Marketing and Services, Best in Consumer lending, Best Corporate/Institutional Information Security and Fraud Management in Western Europe, in 2021. Best FX Provider 2021 in Portugal



Millennium investment banking: Europe M&A deal of the year for advisory services on the acquisition of a shareholding in Brisa



Millennium bim: Best Bank 2021 in Mozambique



Millennium bim: The Innovators 2021 award, “outstanding innovations in payments” category for the Pay IZI solution



Millennium bim: Best Digital Bank, Best FX Provider e Best trade finance provider 2021 in Mozambique



Bank Millennium: Best Bank, Best Digital Bank e Best FX Provider 2021 in Polónia



Bank Millennium: The Innovators 2021 award, “outstanding innovations in reatil banking” category, for the Open Banking Services solution



Bank Millennium: ranked 2nd in Poland’s Best Employer ranking, banking and financial services category



Bank Millennium: Climate Leaders Poland 2021 (best ranked bank, 2nd among all companies in reduction of greenhouse gases)



Bank Millennium: CSR golden leaf award



Bank Millennium: ranked 3rd in the Best 200 Polish Brands ranking, prepared by the Forbes magazine (best ranked bank)



Bank Millennium: 1st in the “Mortgage Loans” category, 2nd in “Corporate Social Responsibility” and 3rd in the “Best Quality in Multichannel Service” category



Bank Millennium: among the 10 most digitally advanced European banks in Bain & Company’s ranking



Millennium bcp
Consumer Choice 2021,
“Large banks” category



Millennium bcp
Best ranked company in Portugal
in The World’s Best Employers
2021 ranking



Millennium bcp
Best Consumer Digital Bank in
Portugal



Millennium bcp
Part of Europe’s Climate Leaders
2021 ranking



ActivoBank
Consumer Choice 2021,
“Digital banks” category

Appendix



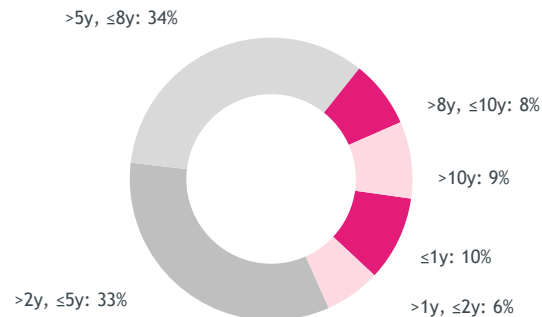
Sovereign debt portfolio

Sovereign debt portfolio

(Consolidated, million euros)

	Sep 20	Dec 20	Mar 21	Jun 21	Sep 21	YoY	QoQ
Portugal	8,057	7,742	8,420	9,152	8,069	+0%	-12%
T-bills and other	1,052	384	514	1,129	497	-53%	-56%
Bonds	7,004	7,358	7,906	8,023	7,572	+8%	-6%
Poland	5,463	4,066	4,303	4,235	4,042	-26%	-5%
Mozambique	302	350	431	462	494	+64%	+7%
Other	2,756	2,913	2,912	4,977	4,981	+81%	+0%
Total	16,578	15,072	16,066	18,827	17,585	+6%	-7%

Sovereign debt maturity



- ✓ The sovereign debt portfolio totalled 17.6 billion, 14.8 billion of which maturing in more than 2 years
- ✓ The Portuguese sovereign debt portfolio totalled 8.1 billion, whereas the Polish and Mozambican portfolios amounted to 4.0 billion and to 0.5 billion, respectively; “other” includes sovereign debt from Spain (1.6 billion), Italy (1.1 billion), France (1.0 billion), Belgium (0.5 billion), Ireland (0.5 billion) and USA (0.2 billion)

Sovereign debt portfolio

(Million euros)

	Portugal	Poland	Mozambique	Other	Total
Trading book	497	33	0	13	543
≤ 1 year	491	6			497
> 1 year and ≤ 2 years		3			3
> 2 years and ≤ 5 years	6	12			18
> 5 years and ≤ 8 years		8		1	9
> 8 years and ≤ 10 years		3		10	13
> 10 years		1		2	3
Banking book*	7,572	4,009	494	4,967	17,042
≤ 1 year	31	1,044	118	20	1,213
> 1 year and ≤ 2 years	66	998	57	1	1,122
> 2 years and ≤ 5 years	2,252	1,812	215	1,594	5,873
> 5 years and ≤ 8 years	4,407	153	36	1,354	5,949
> 8 years and ≤ 10 years	524	2		816	1,342
> 10 years	292	1	68	1,183	1,544
Total	8,069	4,042	494	4,981	17,585
≤ 1 year	522	1,049	118	20	1,709
> 1 year and ≤ 2 years	66	1,001	57	1	1,125
> 2 years and ≤ 5 years	2,259	1,824	215	1,594	5,891
> 5 years and ≤ 8 years	4,407	161	36	1,354	5,958
> 8 years and ≤ 10 years	524	5		826	1,355
> 10 years	292	2	68	1,185	1,547

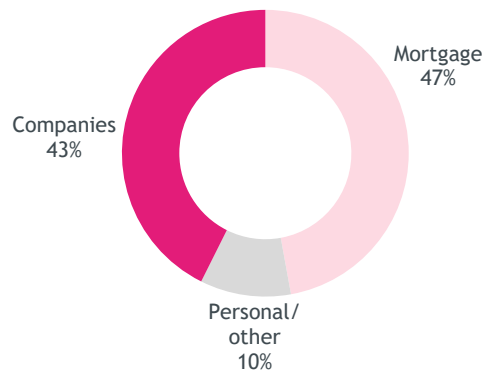
*Includes financial assets at fair value through other comprehensive income (10,779 million) and financial assets at amortised cost (6,263 million).

Diversified and collateralised portfolio

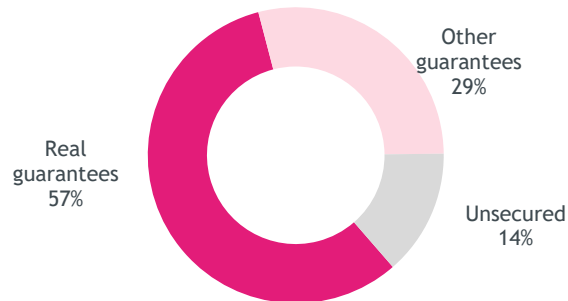
Loan portfolio

(Consolidated)

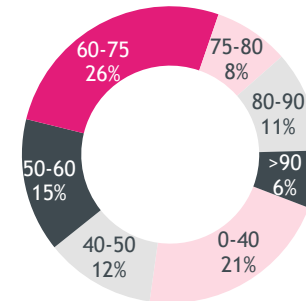
Breakdown



Loans per collateral



LTV of the mortgage portfolio in Portugal



Loans

- Loans to companies accounted for 43% of the loan portfolio as of September 2021, including 6% to construction and real-estate sectors
- Mortgage accounted for 47% of the loan portfolio, with low delinquency levels and an average LTV of 60%
- 86% 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 net income

<i>(Million euros)</i>	9M20	9M21	YoY	Impact on earnings
Net interest income	1,153.7	1,168.6	+1.3%	+15.0
Net fees and commissions	498.2	534.2	+7.2%	+36.1
Other income*	10.9	3.6	-67.3%	-7.3
Net operating revenue	1,662.7	1,706.4	+2.6%	+43.7
Staff costs	-469.9	-518.3	+10.3%	-48.4
Other administrative costs and depreciation	-342.8	-333.4	-2.7%	+9.4
Operating costs	-812.7	-851.7	+4.8%	-39.0
Profit before impairment and provisions	850.0	854.7	+0.6%	+4.7
Loans impairment (net of recoveries)	-374.2	-264.0	-29.4%	+110.2
Other impairment and provisions	-176.4	-462.0	+161.9%	-285.6
Impairment and provisions	-550.6	-726.1	+31.9%	-175.4
Net income before income tax	299.4	128.6	-57.0%	-170.8
Income taxes	-121.6	-143.1	+17.7%	-21.5
Non-controlling interests	-35.9	69.3		+105.2
Net income from discontinued or to be discontinued operations	4.5	4.7	+5.8%	+0.3
Net income	146.3	59.5	-59.3%	-86.8

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

Consolidated balance sheet

(Million euros)

	30 September 2021	30 September 2020 (restated)
ASSETS		
Cash and deposits at Central Banks	5,557.4	3,843.8
Loans and advances to credit institutions repayable on demand	411.8	239.0
Financial assets at amortised cost		
Loans and advances to credit institutions	664.2	845.1
Loans and advances to customers	54,900.9	51,592.6
Debt instruments	8,364.2	6,167.1
Financial assets at fair value through profit or loss		
Financial assets held for trading	1,063.9	1,782.6
Financial assets not held for trading mandatorily at fair value through profit or loss	1,011.6	1,326.3
Financial assets designated at fair value through profit or loss	-	-
Financial assets at fair value through other comprehensive income	13,156.7	13,289.3
Hedging derivatives	86.6	138.8
Investments in associated companies	458.3	429.0
Non-current assets held for sale	850.8	1,181.4
Investment property	5.7	12.6
Other tangible assets	603.5	647.3
Goodwill and intangible assets	242.8	235.9
Current tax assets	13.7	11.5
Deferred tax assets	2,651.9	2,624.9
Other assets	1,419.0	1,612.7
TOTAL ASSETS	91,463.0	85,980.0

LIABILITIES

	30 September 2021	30 September 2020 (restated)
Financial liabilities at amortised cost		
Resources from credit institutions	9,072.0	9,071.7
Resources from customers	68,320.7	62,419.1
Non subordinated debt securities issued	1,745.6	1,420.0
Subordinated debt	1,205.4	1,419.5
Financial liabilities at fair value through profit or loss		
Financial liabilities held for trading	368.4	350.6
Financial liabilities at fair value through profit or loss	1,508.7	1,883.0
Hedging derivatives	238.0	260.5
Provisions	473.8	319.4
Current tax liabilities	8.5	12.0
Deferred tax liabilities	9.4	9.5
Other liabilities	1,154.3	1,335.5
TOTAL LIABILITIES	84,104.8	78,500.6
EQUITY		
Share capital	4,725.0	4,725.0
Share premium	16.5	16.5
Other equity instruments	400.0	400.0
Legal and statutory reserves	259.5	254.5
Treasury shares	-	(0.7)
Reserves and retained earnings	829.0	742.6
Net income for the period attributable to Bank's Shareholders	59.5	146.3
TOTAL EQUITY ATTRIBUTABLE TO BANK'S SHAREHOLDERS	6,289.4	6,284.1
Non-controlling interests	1,068.7	1,195.3
TOTAL EQUITY	7,358.1	7,479.3
TOTAL LIABILITIES AND EQUITY	91,463.0	85,980.0

Consolidated income statement per quarter

(Million euros)

	Quarterly				
	3Q 20	4Q 20	1Q 21	2Q 21	3Q 21
Net interest income	390.7	383.4	375.8	392.4	400.4
Dividends from equity instruments	1.3	0.0	0.0	0.7	0.2
Net fees and commission income	166.7	177.7	171.1	181.5	181.7
Other operating income	-24.1	-11.7	-23.3	-84.6	-2.5
Net trading income	63.5	46.1	41.5	38.2	-8.7
Equity accounted earnings	11.3	13.5	15.4	13.9	12.8
Banking income	609.3	609.0	580.4	542.2	583.8
Staff costs	152.2	157.9	142.2	232.1	144.1
Other administrative costs	78.3	89.6	76.8	72.4	81.4
Depreciation	33.7	33.6	34.0	34.3	34.5
Operating costs	264.2	281.0	252.9	338.8	260.0
Profit bef. impairment and provisions	345.1	328.0	327.5	203.3	323.8
Loans impairment (net of recoveries)	136.9	135.7	111.0	45.9	107.1
Other impairm. and provisions	62.4	154.9	131.8	173.1	157.1
Net income before income tax	145.8	37.3	84.7	-15.7	59.6
Income tax	63.4	13.8	57.3	45.6	40.2
Non-controlling interests	13.1	-10.6	-28.8	-14.2	-26.3
Net income (before disc. oper.)	69.4	34.1	56.1	-47.1	45.7
Net income arising from discont. operations	1.0	2.6	1.7	1.6	1.5
Net income	70.3	36.7	57.8	-45.5	47.2

Income statement

(Million euros)

For the 9-month periods ended September 30th, 2020 and 2021

	Group			Portugal			International operations											
							Total			Bank Millennium (Poland)			Millennium bim (Moz.)			Other int. operations		
	Sep 20	Sep 21	Δ %	Sep 20	Sep 21	Δ %	Sep 20	Sep 21	Δ %	Sep 20	Sep 21	Δ %	Sep 20	Sep 21	Δ %	Sep 20	Sep 21	Δ %
Interest income	1396	1255	-10,1%	675	643	-4,8%	721	612	-15,0%	556	448	-19,4%	162	162	-0,3%	2	2	-18%
Interest expense	242	87	-64,2%	84	24	-72,0%	158	63	-60,1%	114	20	-82,5%	44	43	-2,7%	0	0	>100%
Net interest income	1.154	1.169	1,3%	591	619	4,8%	562	549	-2,4%	442	428	-3,2%	118	118	0,6%	2	2	-1,8%
Dividends from equity instruments	5	1	-81,7%	4	0	-97,1%	1	1	-5,4%	1	1	-5,4%	0	0	--	0	0	--
Intermediation margin	1.158	1.169	1,0%	595	620	4,1%	563	550	-2,4%	443	429	-3,2%	118	118	0,6%	2	2	-1,8%
Net fees and commission income	498	534	7,2%	353	377	6,8%	146	158	8,2%	125	136	8,4%	21	22	6,8%	0	0	45,3%
Other operating income	-143	-110	22,9%	-72	-69	5,1%	-71	-42	41,1%	-79	-49	38,0%	8	8	-2,6%	-1	-1	<-100%
Basic income	1.513	1.593	5,3%	875	928	6,0%	638	666	4,3%	489	516	5,4%	147	149	1,3%	2	1	-32,3%
Net trading income	95	71	-25,4%	47	64	37,1%	48	7	-85,8%	38	-5	<-100%	10	12	13,1%	0	0	90,7%
Equity accounted earnings	54	42	-22,3%	45	44	-1,6%	10	-2	<-100%	0	0	--	0	0	--	10	-2	<-100%
Banking income	1.663	1.706	2,6%	967	1.036	7,1%	696	671	-3,6%	528	511	-3,1%	157	160	2,1%	11	0	<-100%
Staff costs	470	518	10,3%	290	353	21,7%	180	166	-8,0%	150	135	-9,8%	30	30	0,9%	0	0	-7,9%
Other administrative costs	241	231	-4,1%	129	128	-0,3%	112	102	-8,5%	82	73	-11,3%	29	29	-0,7%	0	0	-23,7%
Depreciation	102	103	0,5%	57	60	5,5%	45	43	-5,7%	36	33	-7,5%	9	9	1,1%	0	0	-23,1%
Operating costs	813	852	4,8%	476	541	13,8%	337	311	-7,9%	268	241	-10,0%	69	69	0,3%	1	1	-15,9%
Profit bef. impairment and provisions	850	855	0,6%	491	495	0,7%	359	360	0,4%	260	270	3,9%	88	91	3,5%	11	-1	<-100%
Loans impairment (net of recoveries)	374	264	-29,4%	260	204	-21,8%	114	60	-47,0%	103	54	-47,6%	10	6	-41,2%	0	0	100,0%
Other impairm. and provisions	176	462	>100%	72	103	42,8%	104	359	>100%	86	347	>100%	2	3	65,8%	17	10	-42,9%
Net income before income tax	299	129	-57,0%	158	188	18,4%	141	-59	<-100%	71	-131	<-100%	76	82	8,4%	-6	-11	-79,1%
Income tax	122	143	17,7%	66	72	8,4%	55	71	28,8%	41	50	23,0%	14	21	45,4%	0	0	-100,0%
Non-controlling interests	36	-69	<-100%	0	0	>100%	36	-70	<-100%	0	0	--	1	0	-23,9%	35	-70	<-100%
Net income (before disc. oper.)	142	55	-61,4%	92	115	25,3%	50	-60	<-100%	30	-181	<-100%	61	61	0,0%	-41	59	>100%
Net income arising from disc. operations	4	5	5,8%	0	0	--	4	5	5,8%									
Net income	146	59	-59,3%	92	115	25,3%	54	-56	<-100%									

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 liabilities measured at amortized cost and results from derecognition of financial assets measured at fair value through other comprehensive income.

Non-performing exposures (NPE) - non-performing loans and advances to customers (loans to customers at amortized 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 realization, if they recognized as defaulted or impaired.

Non-performing loans (NPL) - overdue loans (loans to customers at amortized cost 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 under management, assets placed with customers and insurance products (savings and investment) subscribed by customers.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Total customer funds - balance sheet customer funds and off-balance sheet customer fund.

Total customer funds - balance sheet customer funds and off-balance sheet customer funds.

Millennium

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