



Millennium  
bcp

# EARNINGS PRESENTATION

1H 2019

# 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 half of 2019 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

- Profitability
- Business activity
- Capital

02

Portugal

03

International  
operations

04

Key figures

05



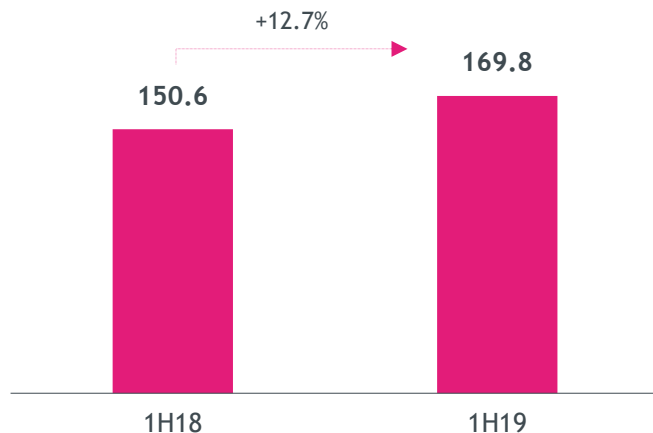
01

# Highlights

# Highlights

## Improved profitability

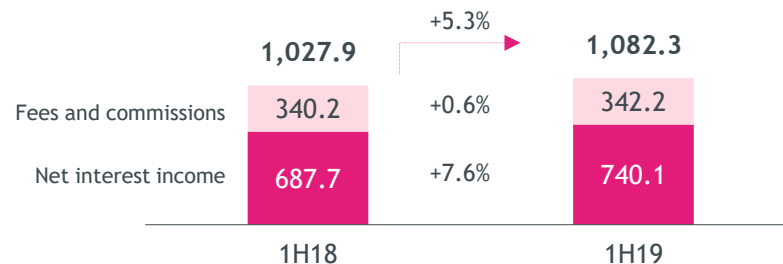
(Million euros)



**Improved profitability**, with net earnings of €169.8 million in the 1<sup>st</sup> half of 2019, on the back of **stronger core income** (+5.3%) and **lower impairment and provision charges** (-13.1%)

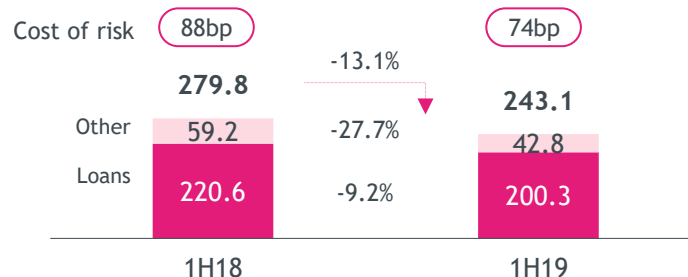
## Core income (net interest income + commissions)

(Million euros)



## Impairment and provisions

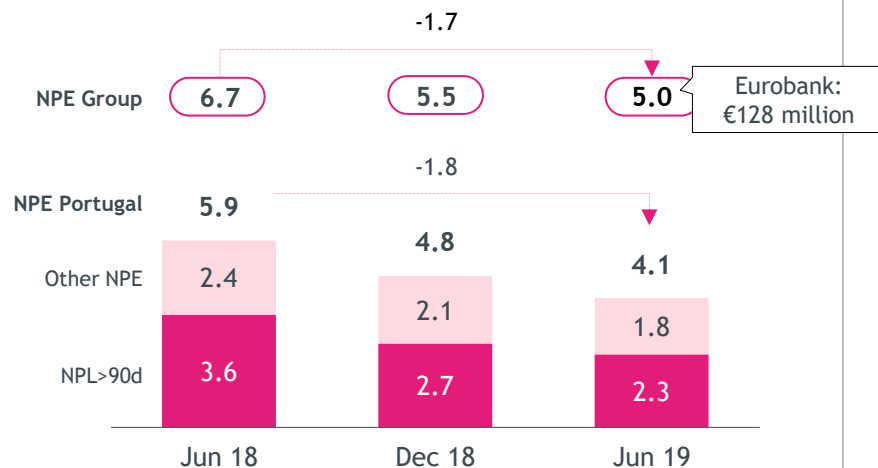
(Million euros)



# Highlights

## Improved asset quality

(Billion euros)

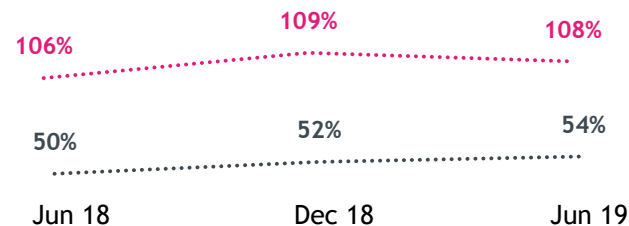


Significant decrease of NPE (-€1.7 billion from June 30, 2018) and of cost of risk (74bp in the 1<sup>st</sup> half of 2019)

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

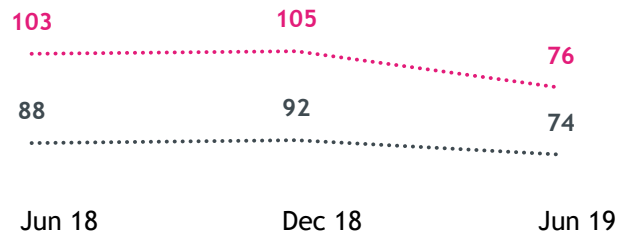
## Increased NPE coverage

● Total coverage\* ● Coverage by loan-loss reserves



## Lower cost of risk

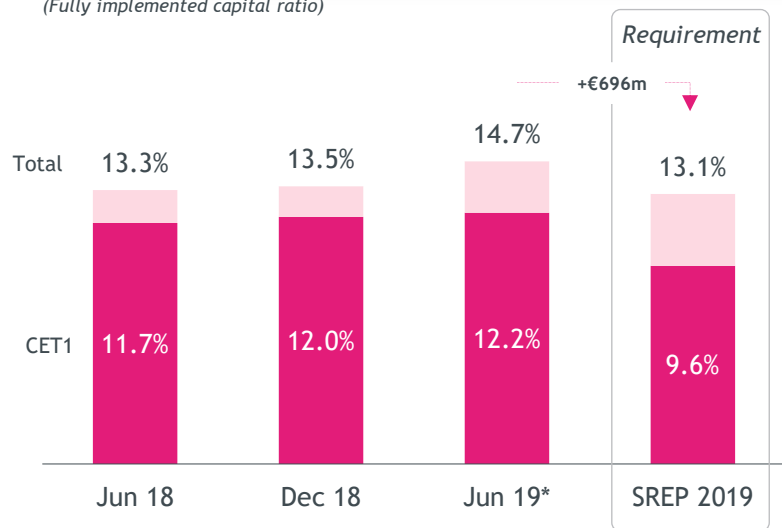
● Cost of risk PT, bp ● Cost of risk Group, bp



# Highlights

## Strong capital

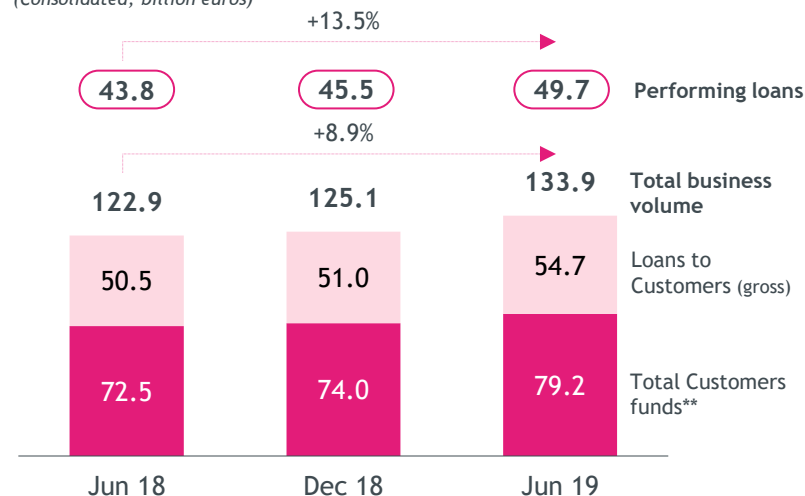
(Fully implemented capital ratio)



**Capital ratio of 14.7%\***, comfortably above SREP requirements. Organic capital generation and AT1 issue (Jan.19) more than compensate for impacts of Eurobank's acquisition and of the reduction of the pension fund discount rate

## Increasing business volumes

(Consolidated, billion euros)



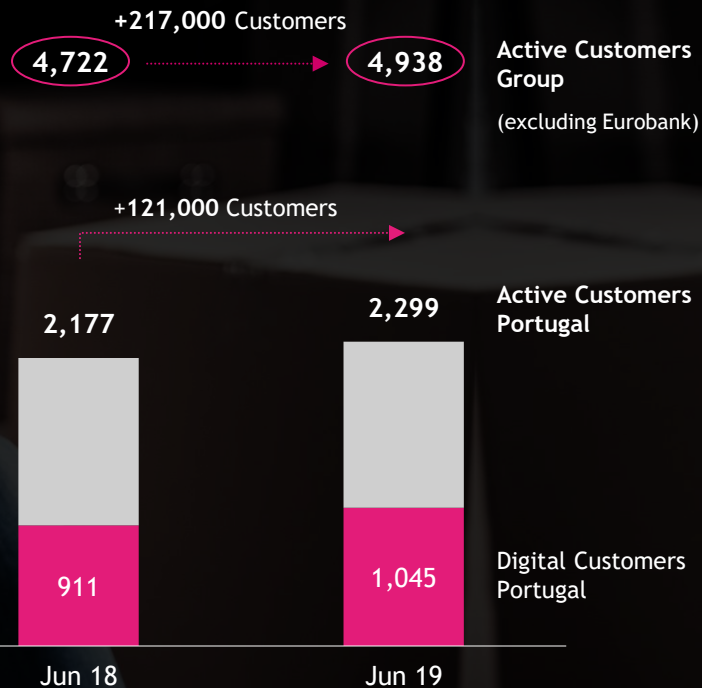
Increasing business volumes, with **performing loans up by €5.9 billion and total Customers funds up €6.8 billion** from June 30, 2018

\*Including unaudited earnings for the 1<sup>st</sup> half of 2019. Includes impact of IFRS16. | \*\*Deposits, debt securities, assets under management, assets placed with Customers and insurance products (savings and investments).



# Growing active Customer base\*

(\*'000 Customers)

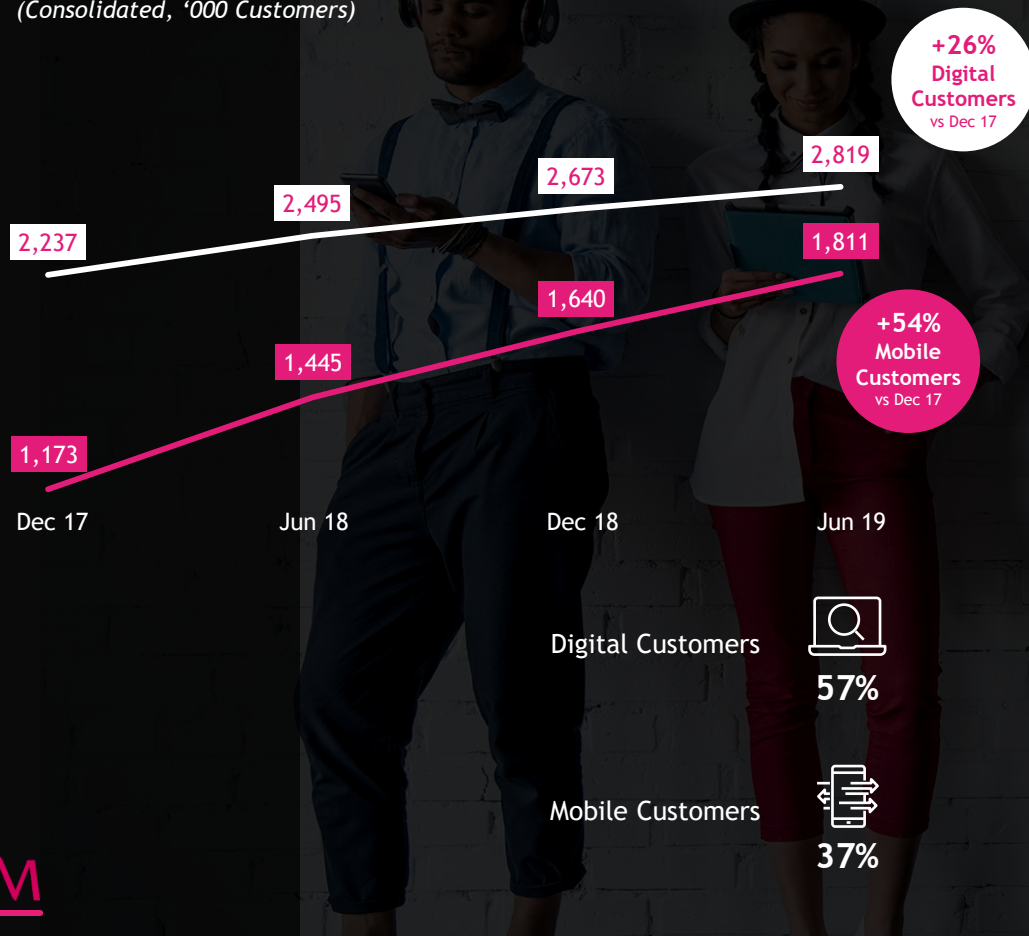


\*Customer counting criteria used in the 2021 Strategic Plan.



# Consistent performance on digital

(Consolidated, '000 Customers)



# Bringing technology to processes and business model, benefitting Customer relationship and the Bank's efficiency



## Customer journeys

- Transforming most relevant journeys
- Digital labs
- Advanced analytics
- More advanced and efficient propensity models



## User experience

- New apps (individuals and trading)
- New in-app credit processes
- Easier transfers and payments



## Operating transformation

- Robotics
- Artificial intelligence
- Text analytics



## Talent development

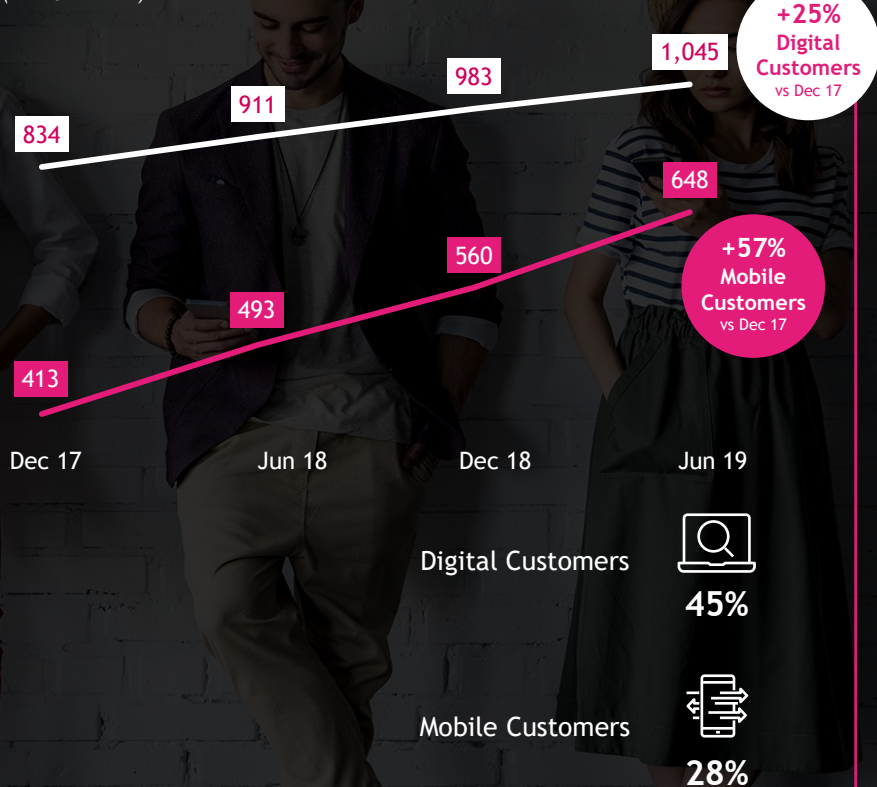
- Human-centered design
- Machine learning
- Automation and robotics



## IT/Digital platform adaptability

- Modular architecture and cloud
- Integration and connection with third party platforms
- Cybersecurity

('000 Customers)



# Highlights



Recent rating upgrades recognise the improvement of BCP's profitability, asset quality and business model

## DBRS

Senior debt : +1 notch to BBB (low), Stable Outlook  
Senior debt rating upgraded to *investment grade*



2017

2019

## Moody's

Senior debt: +3 notches, Stable Outlook  
Deposits rating upgraded to *investment grade*



2013

2019

## Standard & Poor's

Senior debt: +3 notches, Stable Outlook



2013

2019

## Fitch Ratings

Senior debt : +1 notch, Stable Outlook



2017

2019

- DBRS has upgraded senior debt to *investment grade* on June 3, whereas Moody's upgraded deposits to *investment grade* on July 24
- The senior debt rating was upgraded by 3 notches by both S&P and Moody's
- Excluding the effect of Government support removal due to changes in methodology, the intrinsic rate of BCP was upgraded by 4 notches by S&P, 6 notches by Moody's and 2 notches by Fitch



02

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Group

Profitability

# Net earnings of €169.8 million in 1<sup>st</sup> half of 2019

(million euros)	1H18	1H19	YoY	Impact on earnings
Net interest income	687.7	740.1	+7.6%	+52.4
Commissions	340.2	342.2	+0.6%	+2.0
<b>Core income</b>	<b>1,027.9</b>	<b>1,082.3</b>	<b>+5.3%</b>	<b>+54.4</b>
Operating costs excluding non-usual items	-492.8	-525.8	+6.7%	-33.0
<b>Core earnings</b>	<b>535.1</b>	<b>556.5</b>	<b>+4.0%</b>	<b>+21.4</b>
Non-usual staff costs	-8.0	-22.4	+180.3%	-14.4
Other income*	28.9	42.0	+45.2%	+13.1
<b>Operating net income</b>	<b>556.0</b>	<b>576.0</b>	<b>+3.6%</b>	<b>+20.1</b>
Impairment and provisions	-279.8	-243.1	-13.1%	+36.7
<b>Net income before income tax</b>	<b>276.2</b>	<b>332.9</b>	<b>+20.5%</b>	<b>+56.7</b>
Income taxes, non-controlling interests and discontinued operations	-125.5	-163.1	+30.0%	-37.6
<b>Net income</b>	<b>150.6</b>	<b>169.8</b>	<b>+12.7%</b>	<b>+19.1</b>

Gains on PT sovereign debt: €13.4m in 1H18, €55.4m in 1H19  
Impact of low interest rates on insurer: -€8.6m no 1H19

Compensation for temporary salary cuts: -€12.4m  
Restructuring costs: -€10.0m

IFRS 9 First day impairment Eurobank: -€18.8m in 1H19

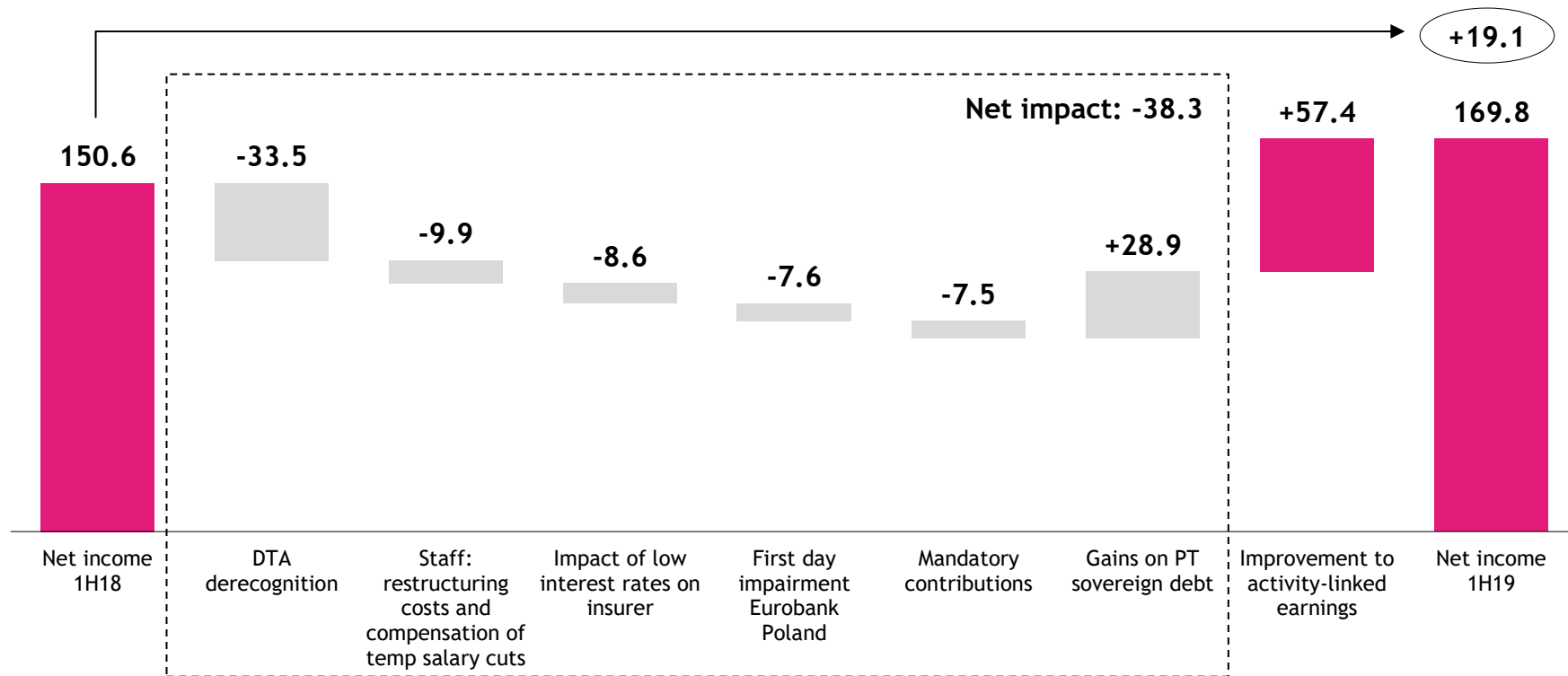
Includes DTA derecognition  
(-€33.5m)

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



# Net earnings of €169.8 million, a significant improvement when non-usual items are excluded

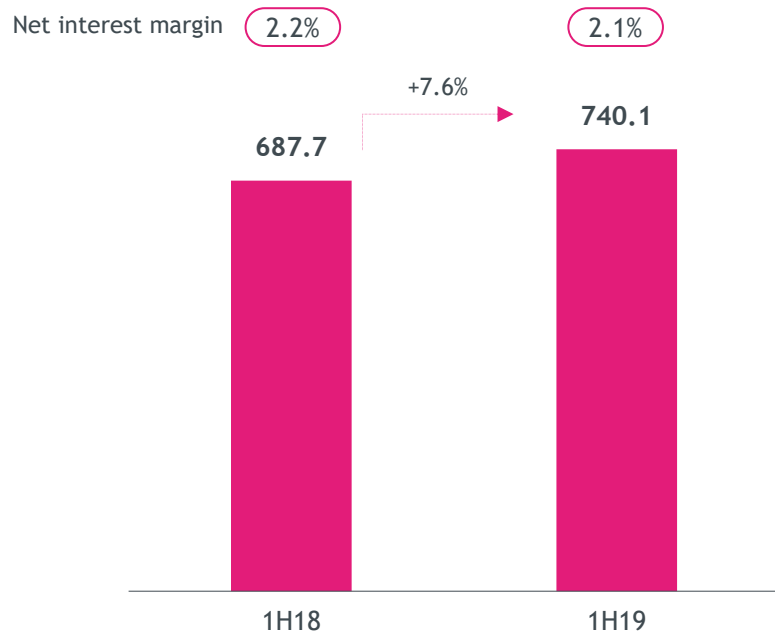
(Million euros)



# Net interest income increases in spite of an adverse environment

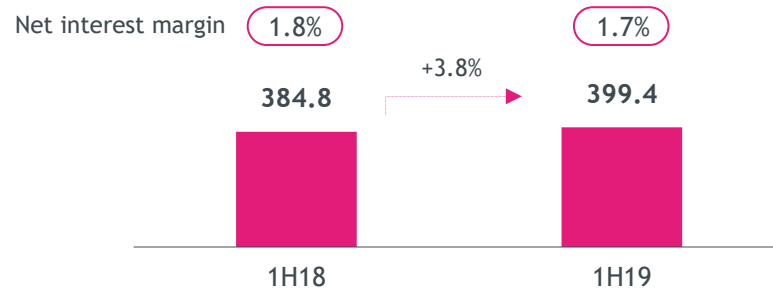
## Net Interest Income

(Consolidated, million euros)



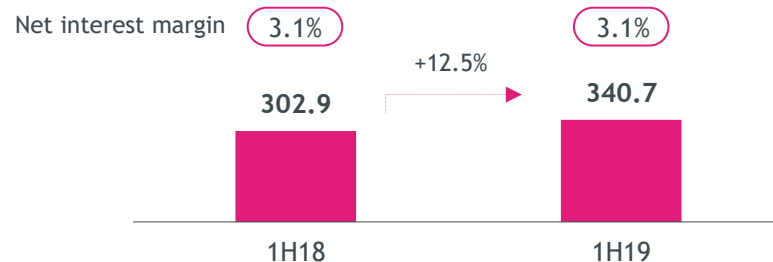
## Portugal

(Million euros)



## International operations

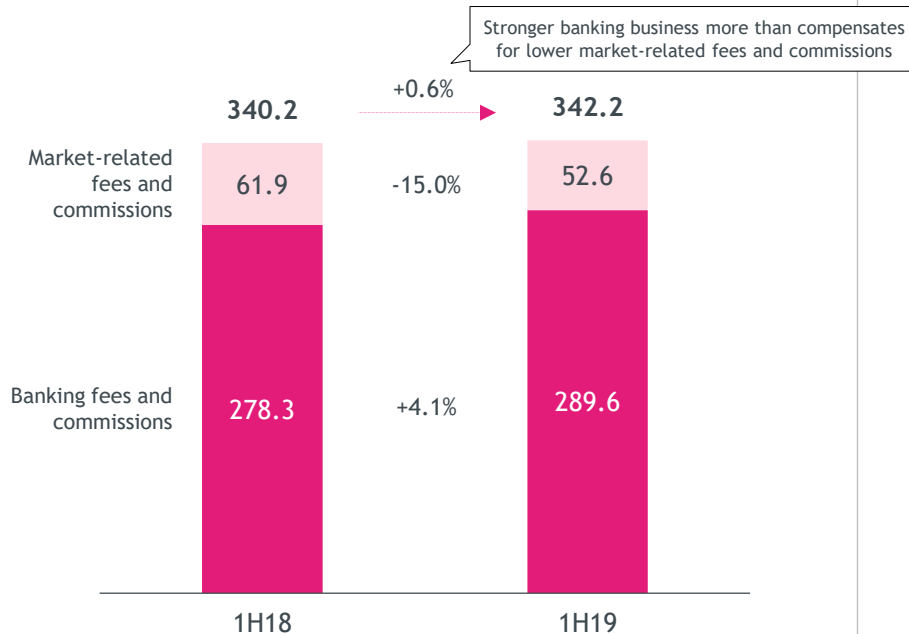
(Million euros)



# Stronger commissions, in spite of lower market-related fees

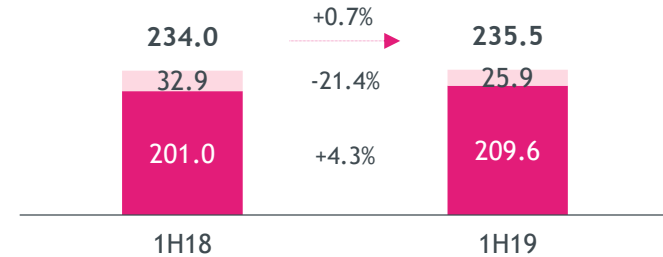
## Fees and commissions

(Consolidated, million euros)



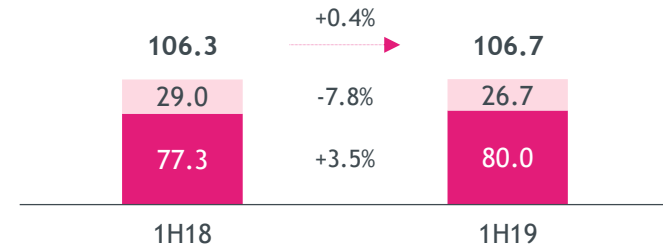
## Portugal

(Million euros)



## International operations

(Million euros)

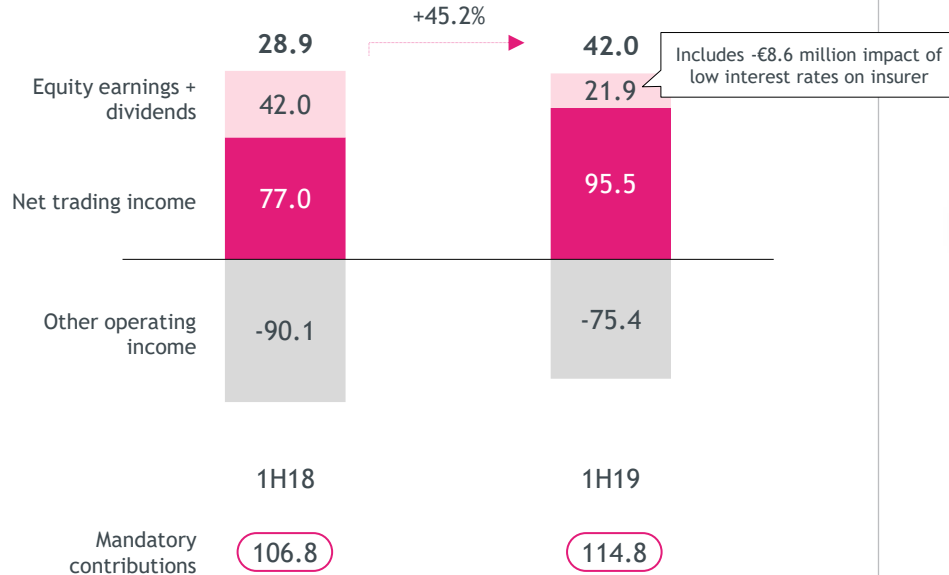




# Growing other income\*, in spite of higher mandatory contributions and of a low interest rate environment

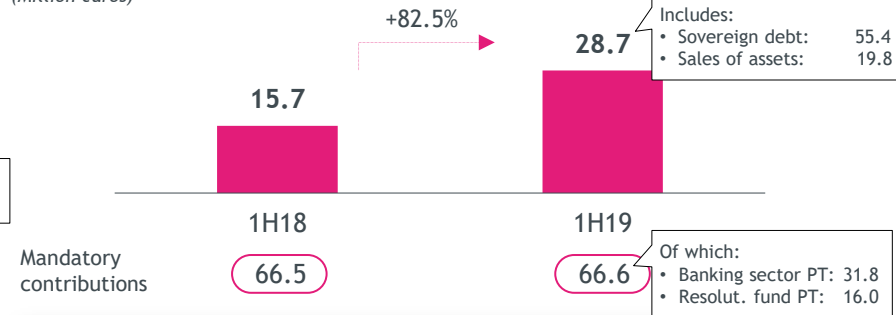
## Other income\*

(Consolidated, million euros)



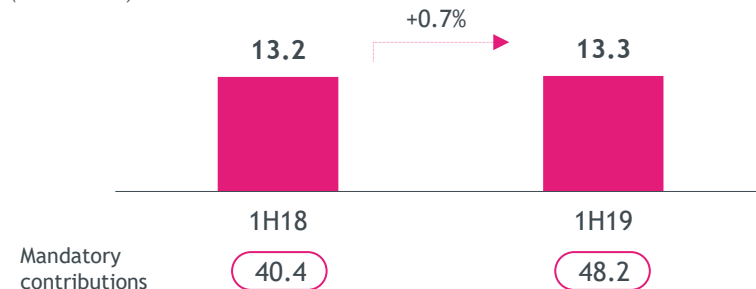
## Portugal

(Million euros)



## International operations

(Million euros)

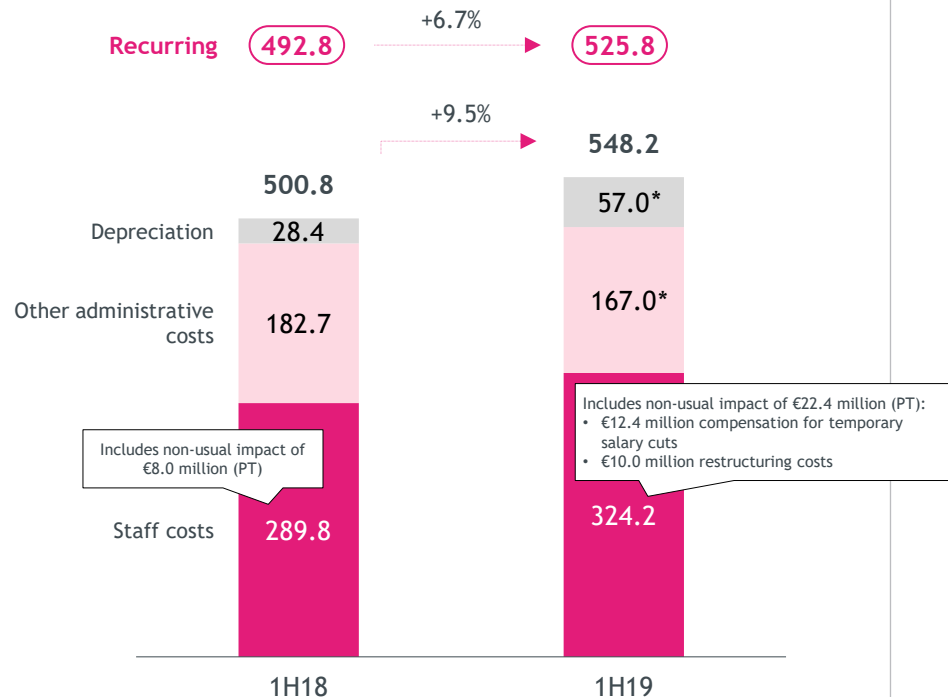


\*Includes dividends from equity instruments, other net operating income, net trading income and equity accounted earnings.

# Recurring operating costs reflect growth strategy

## Operating costs

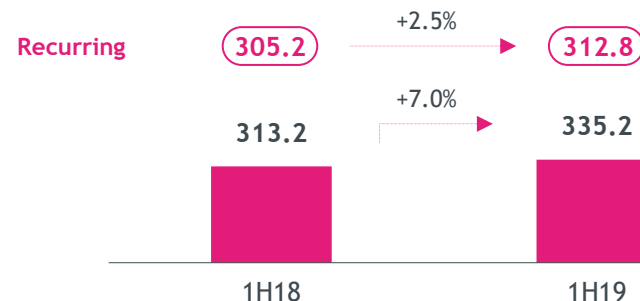
(Consolidated, million euros)



\*Includes impact of IFRS16.

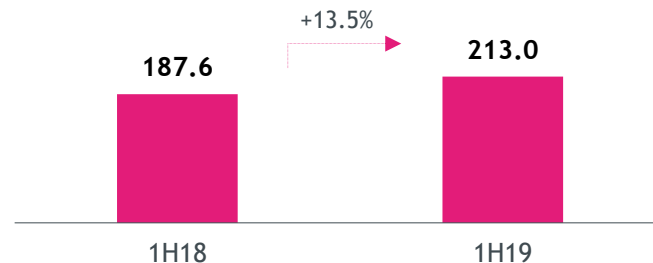
## Portugal

(Million euros)



## International operations

(Million euros)



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

## Cost to core income\*

Latest available information

vs. peers in Portugal



50%

51% including compensation for temporary salary cuts

Bank 1

50%

Bank 2

55%

Bank 3

61%

Bank 4

65%



54%

vs. Euro-zone banks



50%

51% including compensation for temporary salary cuts



55%



71%



96%

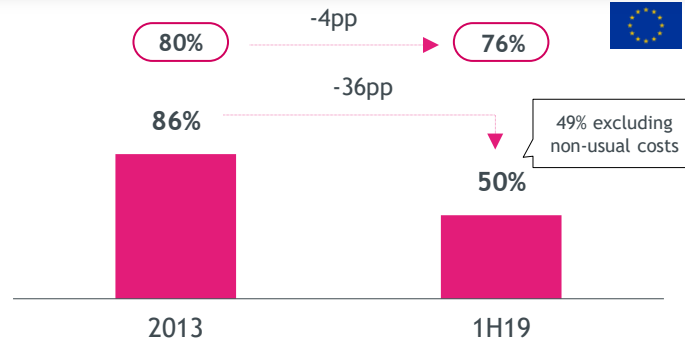


112%

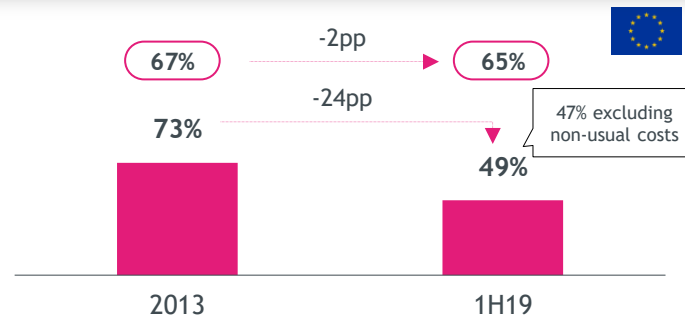


63%

## Cost to core income\*



## Cost to income

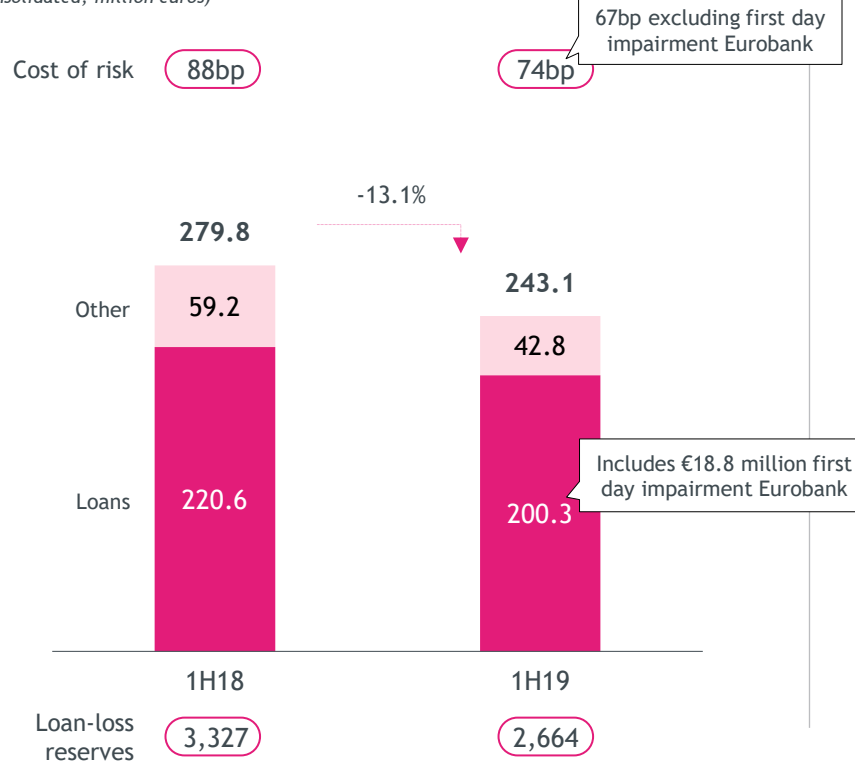


\*Core income = net interest income + net fees and commission income. Cost to core income excludes compensation for temporary salary cuts

# Cost of risk continues trending to normalisation

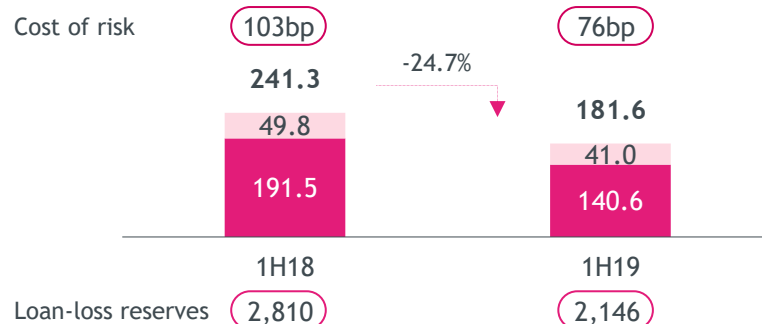
## Impairment and provision charges

(Consolidated, million euros)



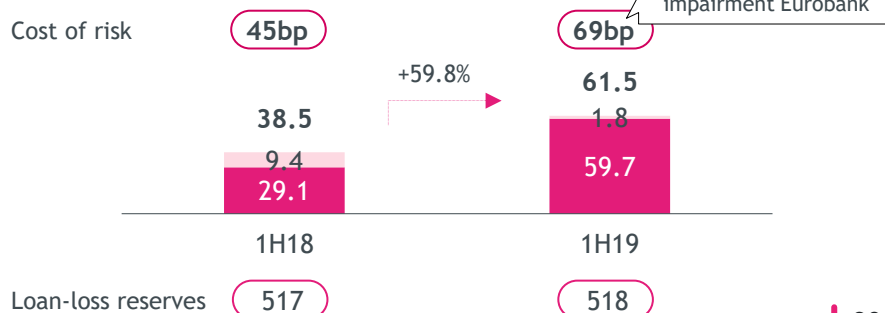
## Portugal

(Million euros)



## International operations

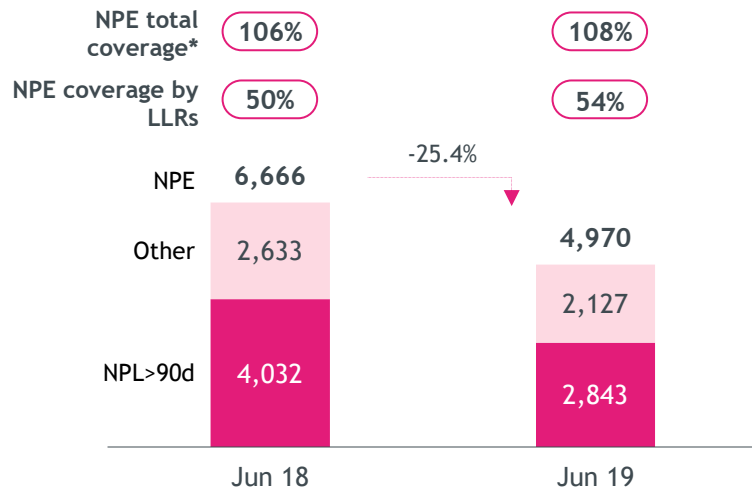
(Million euros)



# Lower NPE and strengthened coverage

## Qualidade do crédito

(Consolidated, million euros)

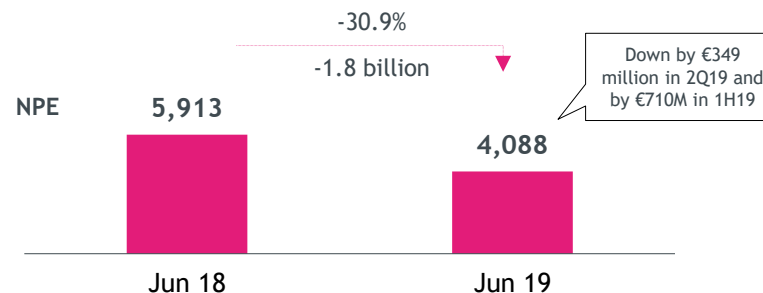


	Jun 18	Jun 19
NPL>90 days ratio	8.0%	5.2%
NPE ratio inc. securities and off-BS (EBA)	9.3%	6.4%
NPE ratio (loans only)	13.2%	9.1%

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

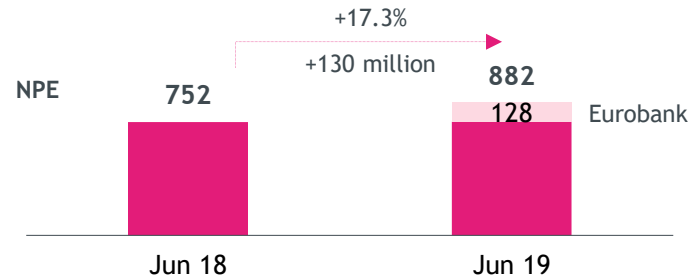
## Portugal

(Million euros)



## International operations

(Million euros)





02

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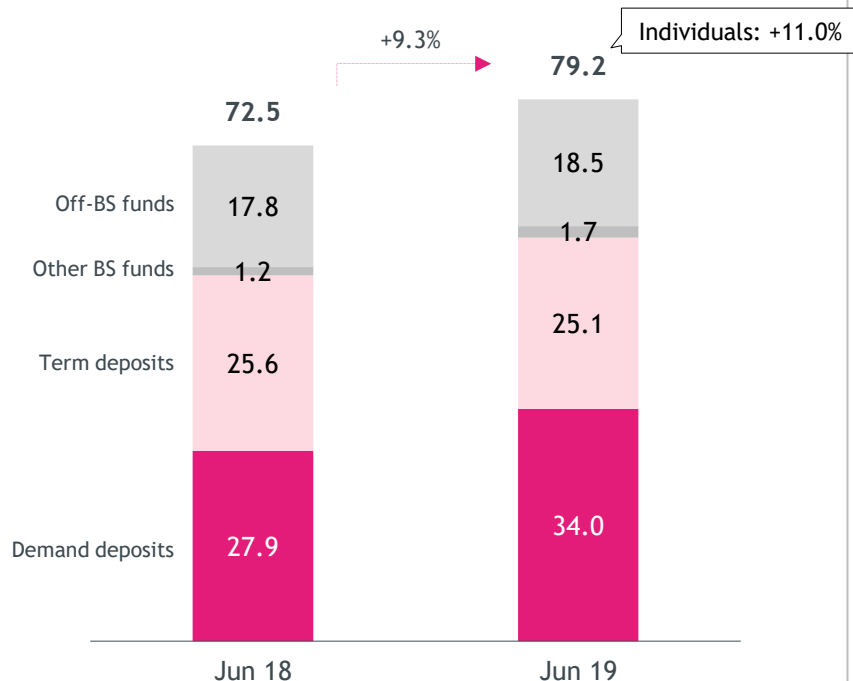
Group

Business activity

# Customer funds keep growing

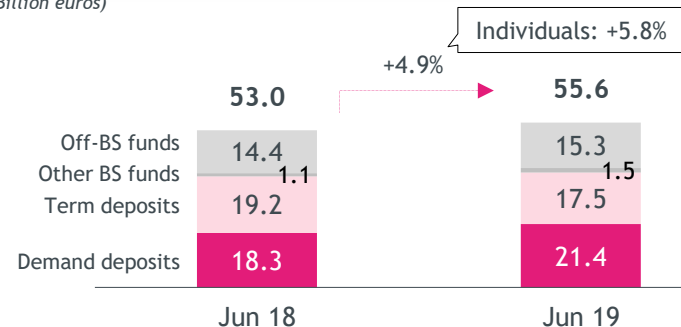
## Total Customers funds\*

(Consolidated, billion euros)



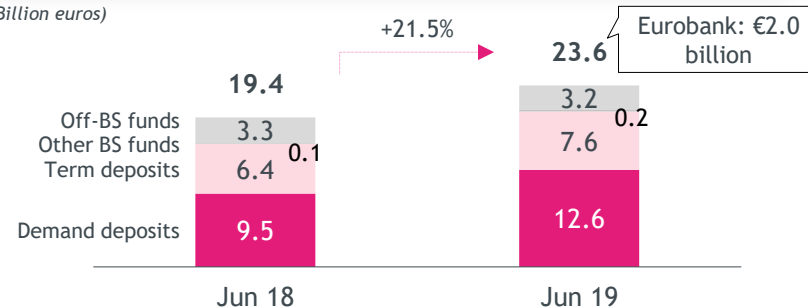
## Total Customers funds\* in Portugal

(Billion euros)



## Total Customer funds\* international operations

(Billion euros)

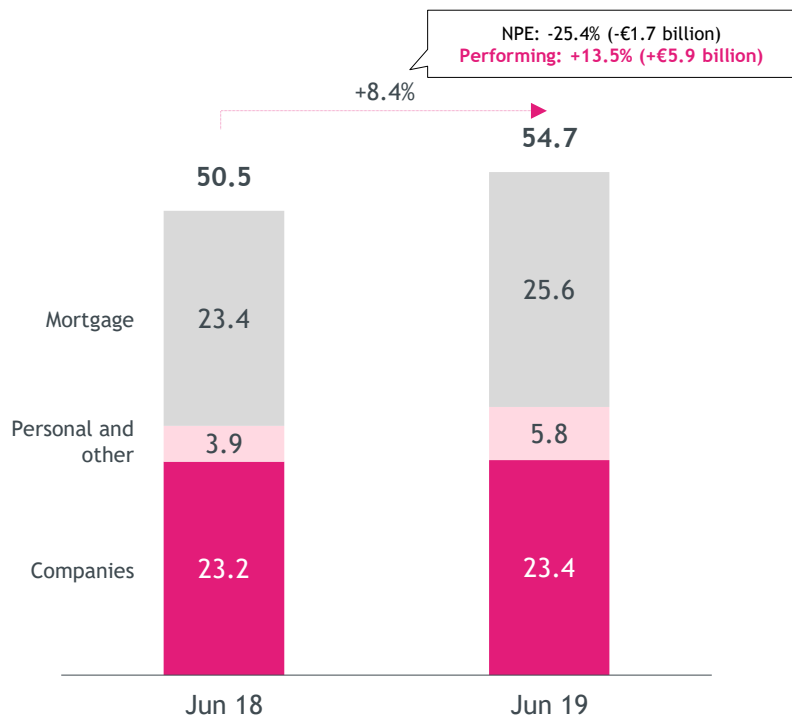


\*Deposits, debt securities, assets under management, assets placed with Customers and insurance products (savings and investments).

# Increasing loan portfolio

## Loans to Customers (gross)

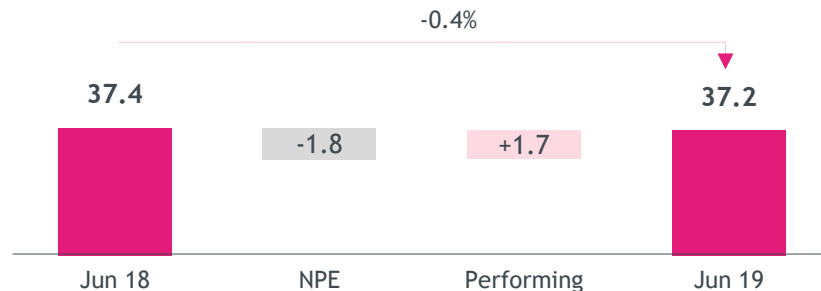
(Consolidated, billion euros)



NPE include loans to Customers only.

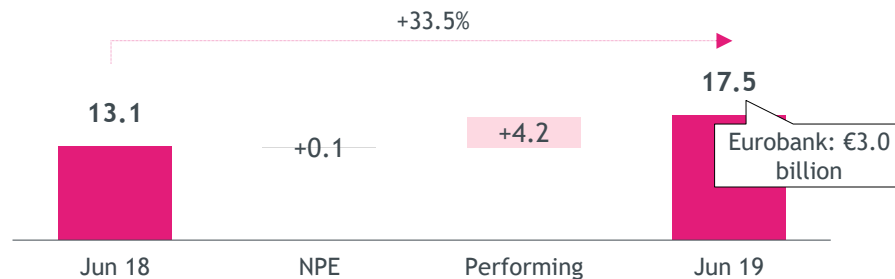
## Portugal

(Billion euros)



## International operations

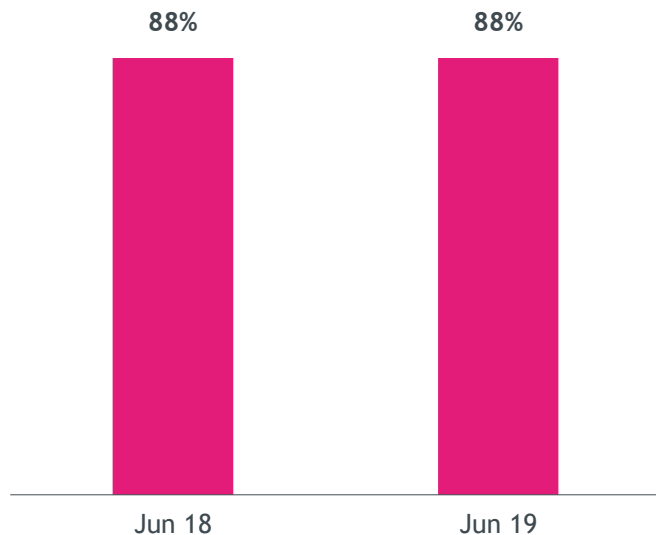
(Billion euros)





# Comfortable liquidity position

## Net loans to deposits ratio



## ECB funding

(Billion euros)

Eligible assets

15.6

16.4

3.1

2.0

Jun 18

Jun 19

## Liquidity ratios (CRD IV/CRR)

135%

214%

100%

NSFR (Net stable funding ratio)

LCR (Liquidity coverage ratio)



02

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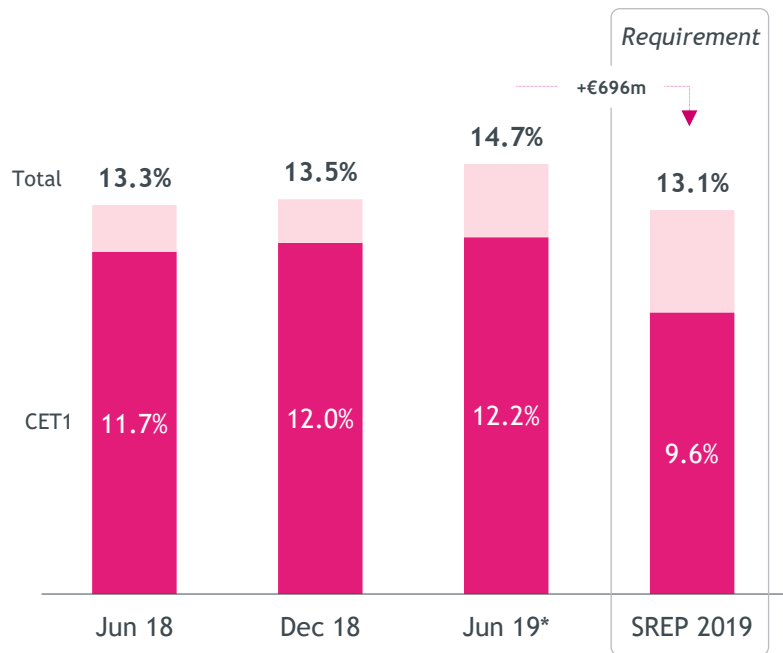
Group

Capital

# Capital levels adjusted to business model

## Capital ratio

(Fully implemented)



CET1 capital ratio of 12.2%\* (fully implemented) as of June 30, 2019



Increase from 11.7% as of June 30, 2018 and from 12.0% as of December 31, 2018 due to earnings and lower DTA deductions, partially offset by the impact of Eurobank's acquisition (-49bp) and of the decrease of the pension fund's discount rate (-41bp)



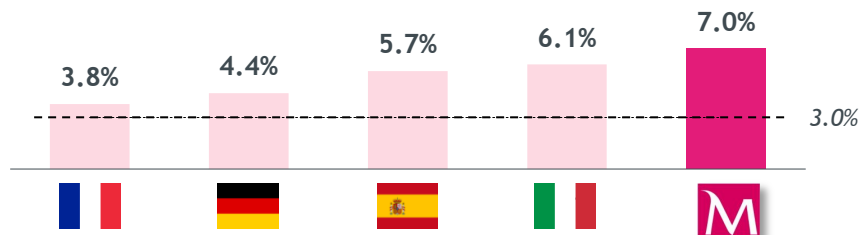
Total capital ratio of 14.7%\* (fully implemented) as of June 30, 2019, boosted by the AT1 issue completed in January 31, 2019, and comfortably above SREP requirements

\*Including unaudited earnings for the 1<sup>st</sup> half of 2019. Includes impact of IFRS16.

# Capital at adequate levels

## Leverage ratio

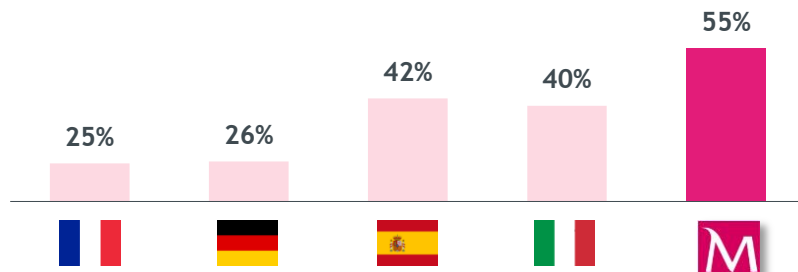
(Fully implemented, latest available data)



Leverage ratio at 7.0% as of June 30, 2019, a comfortable and comparatively strong figure in European banking

## RWA density

(RWAs as % of assets, latest available data)



High RWA density (55% as of June 30, 2019), comparing favourably to most European banking markets

# Pension fund

## Key figures

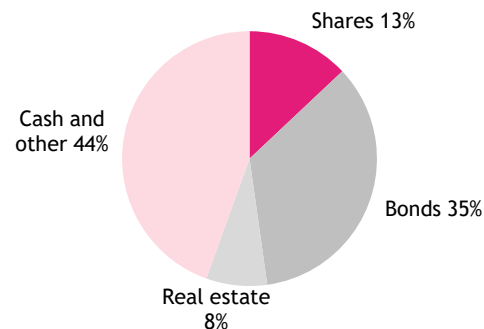
(Million euros)

	Dec 18	Jun 19
Pension liabilities	3,066	3,319
Pension fund	3,078	3,174
Liabilities' coverage	100%	96%
Fund's profitability	+0.2%	+4.7%
Actuarial differences*	(98)	(158)

## Assumptions

	Dec 18	Jun 19
Discount rate	2.10%	1.60%
Salary growth rate	0.25% until 2019	0.25% until 2019
	0.75% after 2019	0.75% after 2019
Pensions growth rate	0.00% until 2019	0.00% until 2019
	0.50% after 2019	0.50% after 2019
Projected rate of return of fund assets	2.10%	1.60%
Mortality Tables		
Men	Tv 88/90	Tv 88/90
Women	Tv 88/90-3 years	Tv 88/90-3 years

## Pension fund



- Discount rate and projected rate of return revised downwards to 1.60%, reflecting lower market rates
- Liability coverage of 96%
- Negative actuarial differences (-€158 million in the 1<sup>st</sup> half of 2019) as a result of changes to the fund's assumptions, partially compensated by the funds' profitability

\*Negative actuarial differences resulted from the performance of the fund below assumptions in 2018, and from changes to the fund's assumptions, partially compensated by the funds' profitability, in 2019.



03



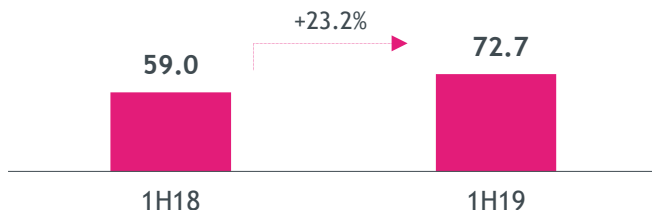
Portugal

# Increased net income



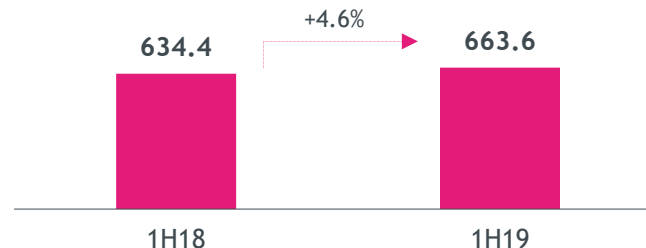
## Net income\*

(Million euros)



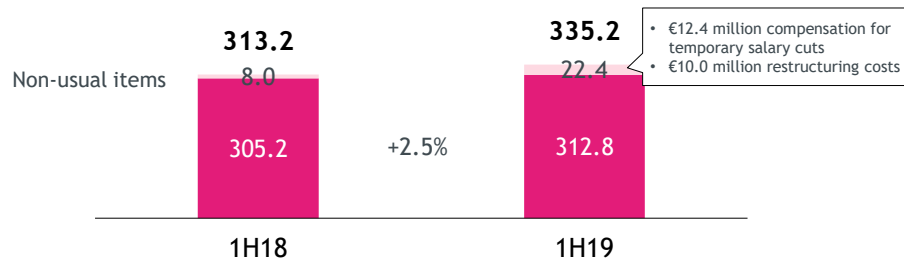
## Net operating revenue

(Million euros)



## Operating costs

(Million euros)



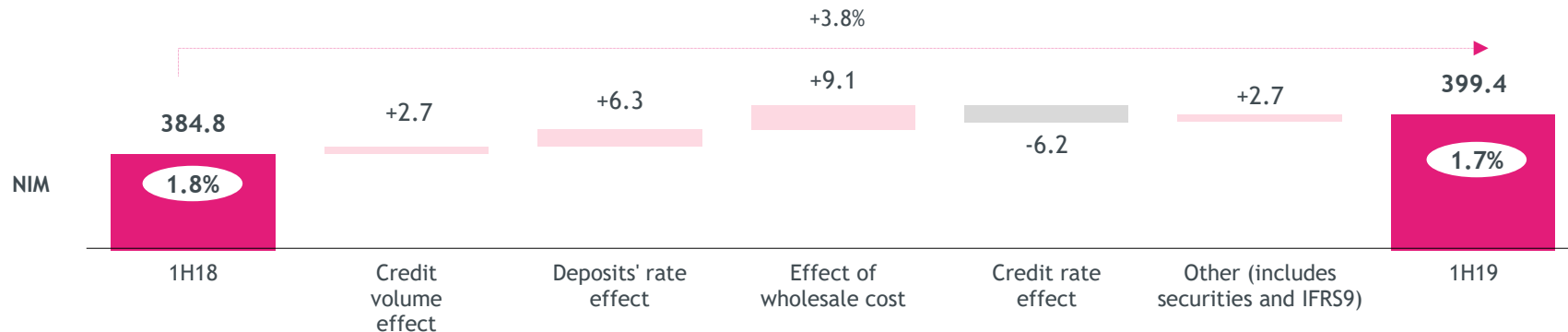
- Net earnings of €72.7 million in the 1st half of 2019, +23.2% compared to €59.0 million in the same period of the previous year
- Net earnings were driven by a significant reduction in credit-loss charges (-26.6%, with cost of risk decreasing to 76bp from 103bp), as well as by higher net operating revenue

\*Net income from activity in Portugal does not include earnings from operations booked as discontinued or to be discontinued.

# Net interest income



(Million euros)



- Net interest income stood at €399.4 million in the 1<sup>st</sup> half of 2019, comparing to €384.8 million in the same period of 2018. The negative effects of lower credit yields, reflecting the normalisation of the macro-economic environment was more than compensated by the favourable impacts of a lower wholesale funding cost, of the continued decline in the remuneration of time deposits and of a growing credit portfolio (as the expansion of the performing portfolio exceeded the decrease in NPE)
- Net interest income stood at €197.9 million in the 2<sup>nd</sup> quarter of 2019, comparing to €201.5 million in the 1<sup>st</sup> quarter. The positive impacts from a lower wholesale funding, from the declining remuneration of time deposits and from a growing credit portfolio were more than compensated by lower credit yields and by the unfavourable effect of a lower securities portfolio

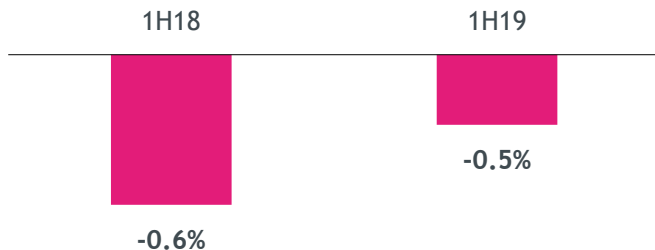


# Continued effort to reduce the cost of deposits



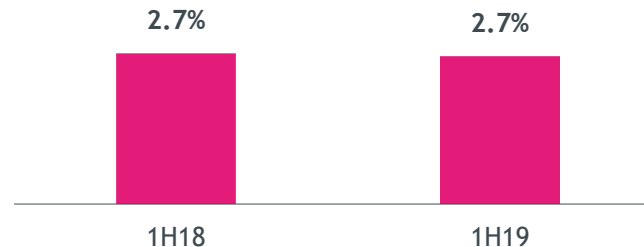
## ☰ Spread on the book of term deposits

(vs 3m Euribor)

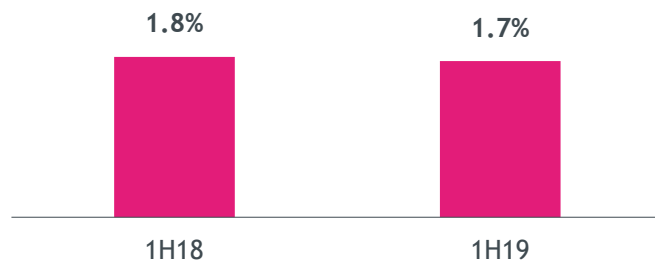


## ☰ Spread on the performing loan book

(vs 3m Euribor)



## ☰ NIM



- Continued improvement in the spread of the portfolio of term deposits: from -0.6% in 1<sup>st</sup> half of 2018 to -0.5% in the same period of 2019; front book priced at an average spread of -40bp in the 1<sup>st</sup> half of 2019, still below the current back book's
- Spread on the performing loan portfolio stood at 2.7% in the 1<sup>st</sup> half of 2019 (same spread as in the 1<sup>st</sup> half of 2018)
- NIM stood at 1.7%

# Commissions and other income\*



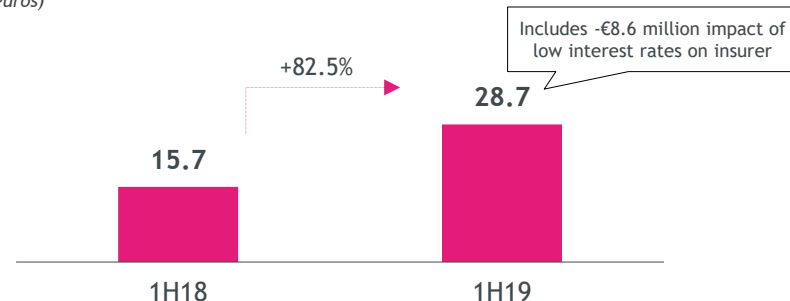
## Fees and commissions

(Million euros)

	1H18	1H19	YoY
<b>Banking fees and commissions</b>	<b>201.0</b>	<b>209.6</b>	<b>+4.3%</b>
Cards and transfers	53.1	52.8	-0.6%
Loans and guarantees	53.5	54.9	+2.6%
Bancassurance	40.7	43.4	+6.6%
Customer account related	46.9	50.9	+8.6%
Other fees and commissions	6.9	7.7	+12.2%
<b>Market related fees and commissions</b>	<b>32.9</b>	<b>25.9</b>	<b>-21.4%</b>
Securities operations	29.6	23.1	-21.8%
Asset management	3.3	2.8	-17.1%
<b>Total fees and commissions</b>	<b>234.0</b>	<b>235.5</b>	<b>+0.7%</b>

## Other income\*

(Million euros)



- Stable commissions in Portugal, despite the challenging context. Emphasis on income related to loans and guarantees, to bancassurance and to accounts standing out, more than compensating for lower market-related fees
- Increased other income due to sales of sovereign and corporate debt, lower losses on credit sales, as well as gains on foreclosed assets sales

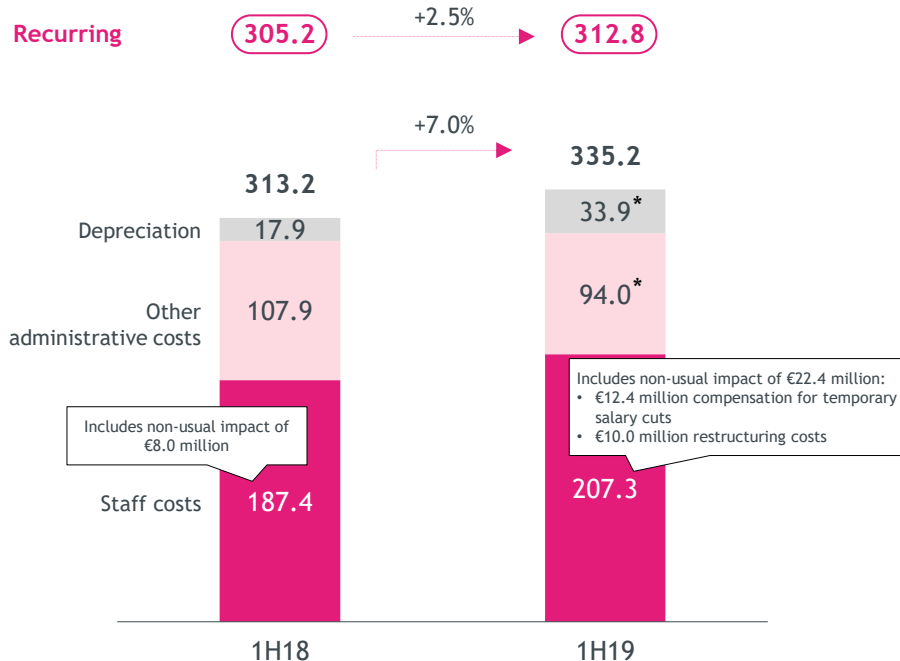
\*Includes dividends from equity instruments, other net operating income, net trading income and equity accounted earnings.

# Controlled recurring operating costs



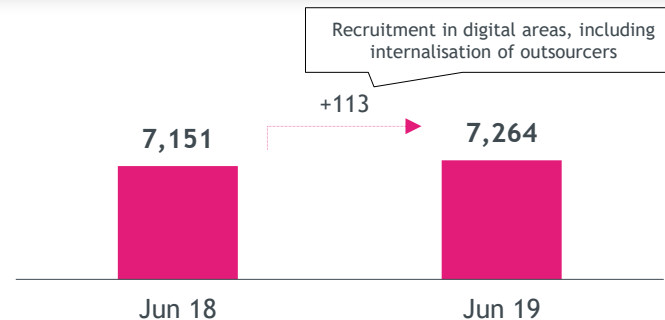
## Operating costs

(Million euros)

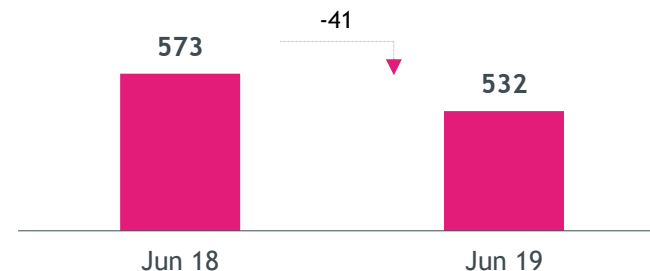


\*Includes impact of IFRS16.

## Employees



## Branches

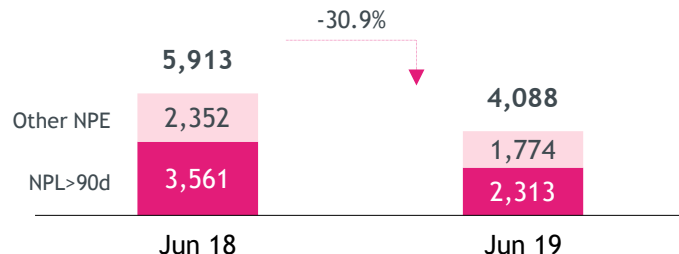


# Lower NPE, with reinforced coverage



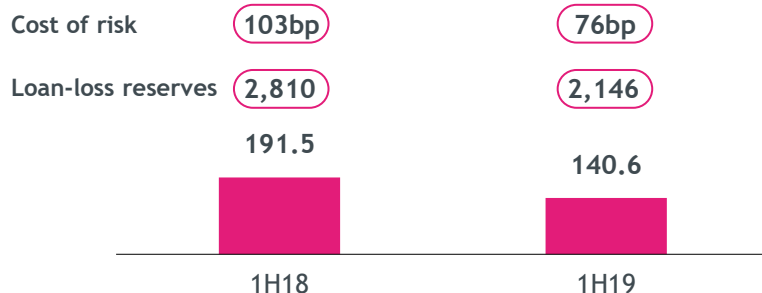
## Non-performing exposures (NPE)

(Million euros)



## Loan impairment (net of recoveries)

(Million euros)



NPE include loans to Customers only.

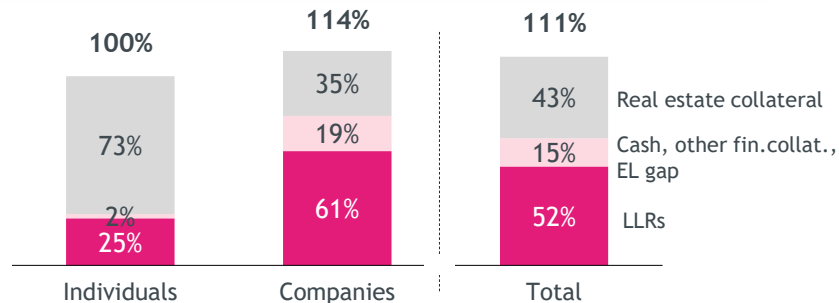
## NPE build-up

(EUR million)	Jun 19 vs. Jun 18	Jun 19 vs. Dec 18
Opening balance	5,913	4,797
Net exits	-627	-255
Write-offs	-601	-324
Sales	-598	-131
<b>Ending balance</b>	<b>4,088</b>	<b>4,088</b>

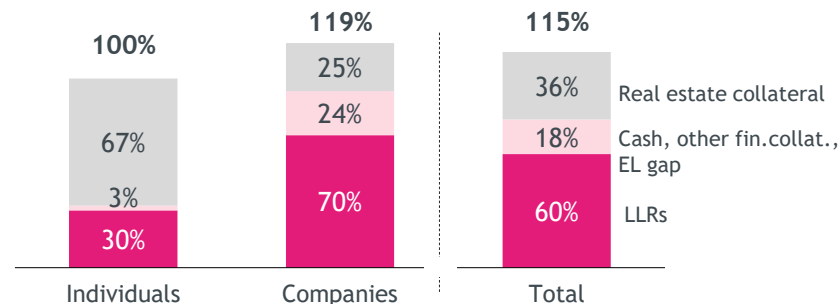
- NPE in Portugal down by €1.8 billion, from €5.9 billion as at June 30, 2018 to €4.1 billion as at the same date of 2019
- This decrease results from net outflows of €0.6 billion, sales of €0.6 billion and write-offs of €0.6 billion
- The decrease of NPE from June 30, 2018 is attributable to a €1.2 billion reduction of NPL>90d and to a €0.6 billion decrease of other NPE
- Significant NPE reduction in the 1<sup>st</sup> half of 2019, from €4.8 billion as at December 31, 2018 to €4.1 billion as at June 30, 2019
- Reduction of the cost of risk to 76bp in the 1<sup>st</sup> half of 2019 from 103bp in the same period of 2018, with a reinforcement of NPE coverage by loan-loss reserves to 53% from 48%, respectively



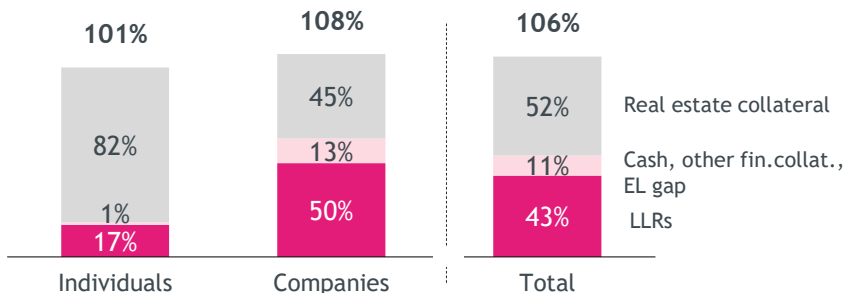
## NPE total coverage\*



## NPL>90d total coverage\*



## Other NPE total coverage\*



- Total coverage\*  $\geq 100\%$ , for both individuals and companies, and for both NPE categories (NPL>90d and other NPE)
- Coverage by loan-loss reserves 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 61% for companies NPE as at June 30, 2019, reaching 70% for companies NPL>90d (79% and 94%, respectively, if cash, financial collateral and expected loss gap are included)

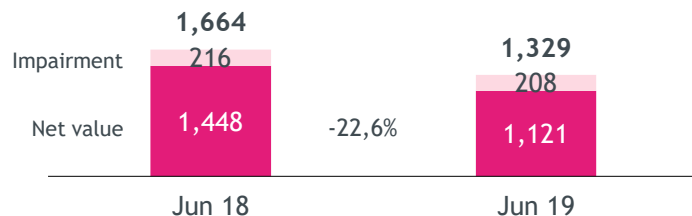
\*By loan-loss reserves, expected loss gap and collaterals.  
NPE include loans to Customers only.

# Foreclosed assets and corporate restructuring funds



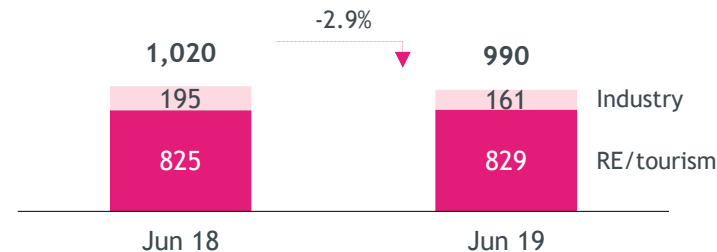
## Foreclosed assets

(Million euros)



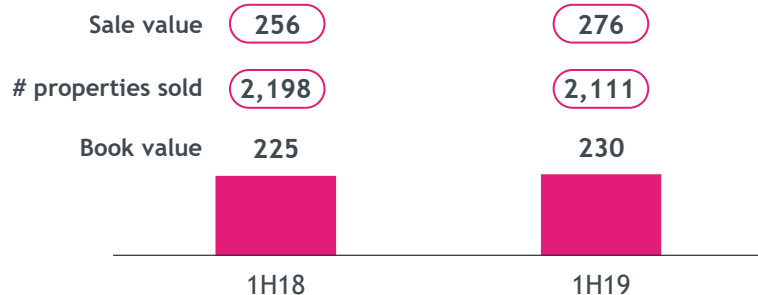
## Corporate restructuring funds

(Million euros)



## Sales of foreclosed assets

(Million euros)



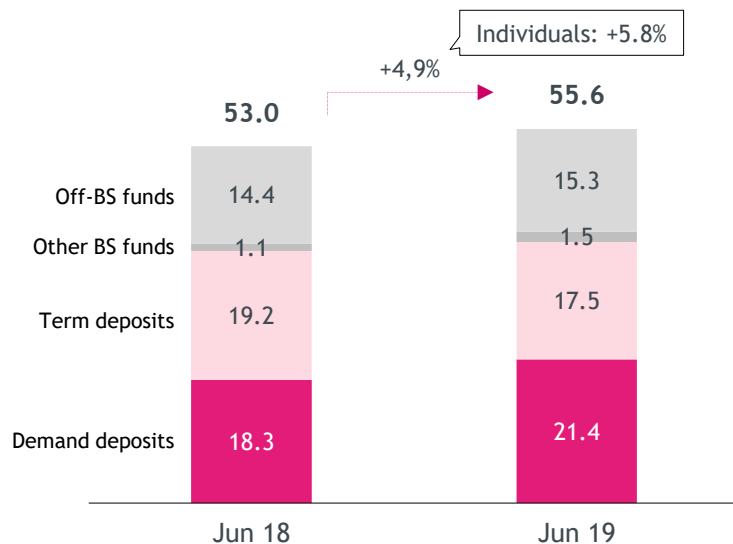
- Net foreclosed assets were down by 22.6% between June 30, 2018 and June 30, 2019. Valuation of foreclosed assets by independent providers exceeded book value by 26%
- 2,111 properties were sold during the 1<sup>st</sup> half of 2019 (2,198 properties in the same period of 2018), with capital gains increasing from €31 million to €46 million
- Corporate restructuring funds decreased 2.9% to €990 million at June 30, 2019. The original credit exposure on these funds totals €2,006 million, with total reserves (original credit, plus restructuring funds) corresponding to a 51% coverage

# Growing customer funds and loans to customers



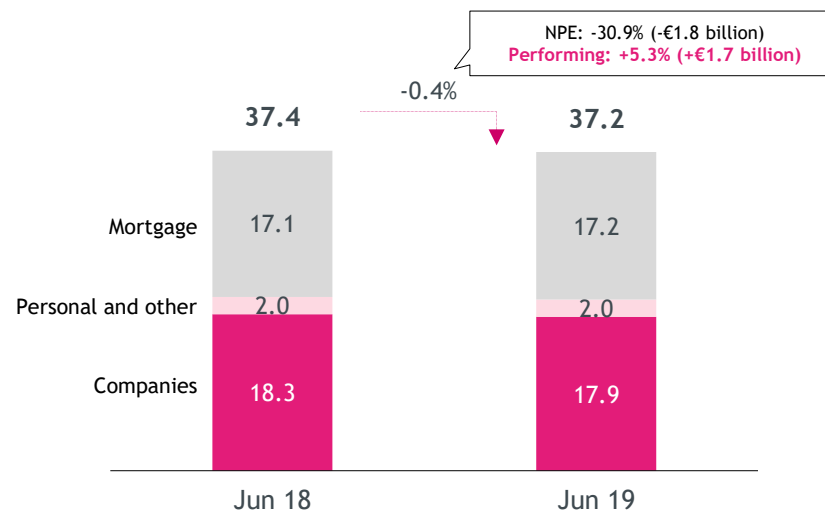
## Total Customers funds\*

(Billion euros)



## Loans to Customers (gross)

(Billion euros)



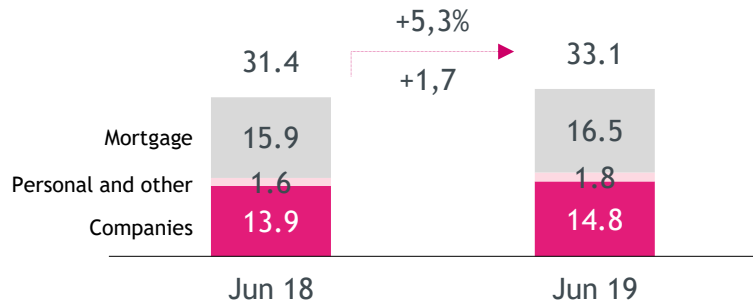
\*Deposits, debt securities, assets under management, assets placed with Customers and insurance products (savings and investments).

# Strong credit activity to companies in Portugal

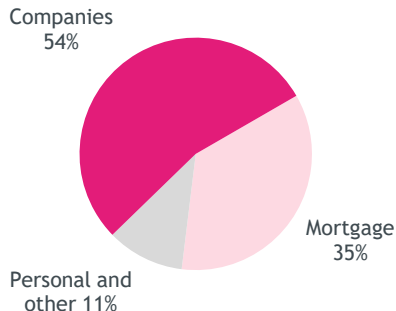


## Performing credit portfolio

(Billion euros)



## Breakdown of performing credit growth



- **Performing credit portfolio in Portugal up by €1.7 billion (+5.3%) from June 30, 2018**
- Millennium bcp reinforced its role as the **Bank of Portuguese Companies**:
  - **Strong performance of loans to companies**, up by €0.9 billion, with new leasing and factoring business, up by 24.1% and by 19.8% from June 30, 2018, respectively, being particularly outstanding
  - Millennium bcp was the **leader for the “PME Excelência’18” and “PME Líder’18” programmes**, with the largest number of submissions and awards among participating banks
  - **Main bank for Portuguese companies** (18.1% market share), closest to Customers, most appropriate products (BFin Data-E 2019)
  - **Most innovating and most used bank in NetBanking**, with a 26.9% market share (BFin Data-E 2019), with a strong focus on digital channels and on solutions that simplify managing companies





04

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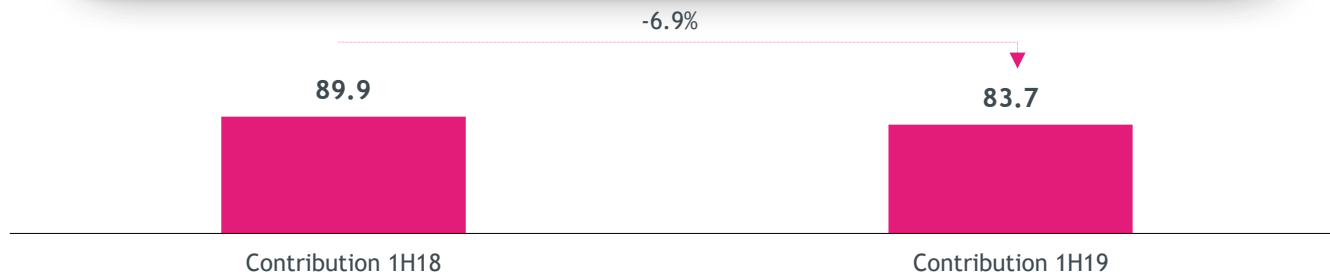


**International operations**

# Contribution from international operations to group earnings

(Million euros)

	1H18	1H19	Δ % local currency	Δ % euros
Poland	81.2	77.9	-4.1%	-5.4%
Mozambique	52.9	48.0	-9.3%	-6.1%
Angola*				
Before IAS 29 impact	6.5	7.0		
IAS 29 impact**	-2.0	-0.7		
Total Angola including IAS 29 impact	4.5	6.3		
Other	8.6	6.3		
<b>Net income</b>	<b>147.2</b>	<b>138.5</b>		
Non-controlling interests (Poland and Mozambique)	-58.2	-54.9		
Exchange rate effect	0.8	--		
<b>Contribution from international operations</b>	<b>89.9</b>	<b>83.7</b>		<b>-6.9%</b>



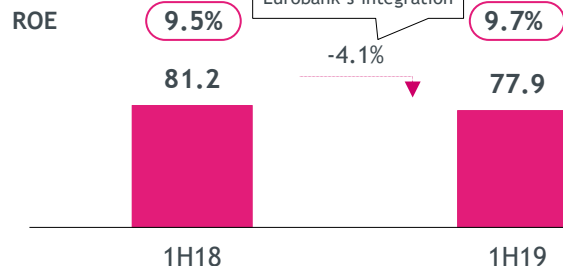
\*Contribution of the Angolan operation. | \*\*Goodwill impairment (-€4.8 million) and contribution revaluation (+€2.8 million) in the 1<sup>st</sup> half of 2018, Amortization of the effect of the application of IAS 29 calculated as at 31 December 2018 (-€0.7 million) in the 1<sup>st</sup> half of 2019. | Subsidiaries' net income presented for 2018 at the same exchange rate as of 2019 for comparison purposes.

# Net earnings affected by Eurobank's acquisition



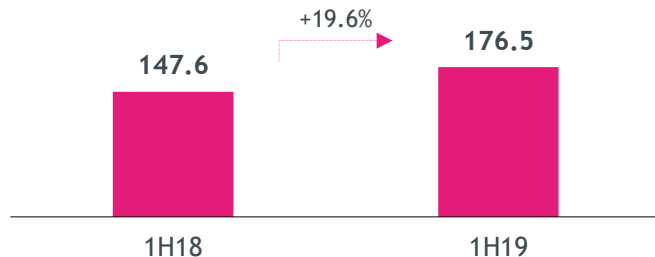
## Net income

(Million euros)



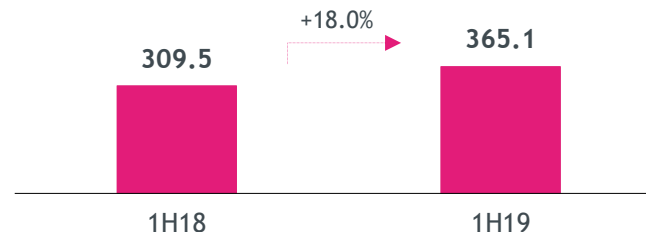
## Operating costs

(Million euros)



## Net operating revenue

(Million euros)



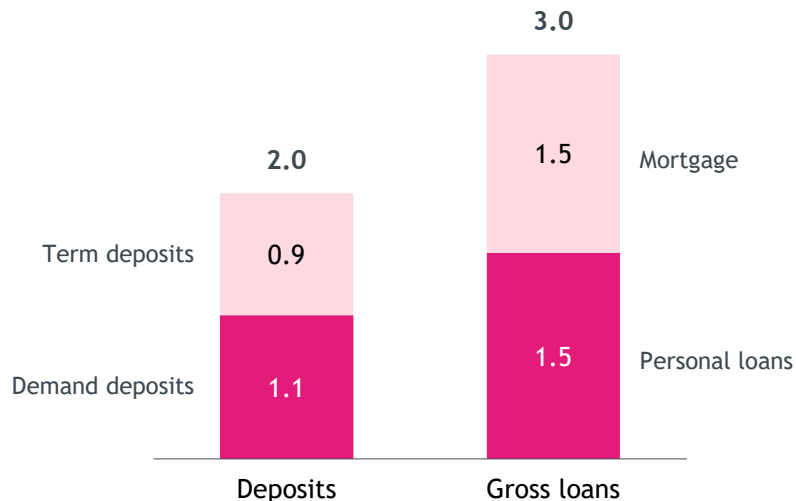
- Net earnings of €77.9 million, with ROE of 9.7%
- Net operating revenue up by 18.0%, driven by net interest income; operating costs impacted by a higher contribution to the resolution fund, by Eurobank's staff and integration costs, and by increased IT costs
- Business volumes impacted by Eurobank's acquisition: Customer funds up by 23.6%, while loans to Customers increased by 49.4%, excluding FX-denominated mortgage loans
- CET1 ratio of 16.9% as of June 30, 2019, with total capital of 20.1%
- Experience redesign and new app and site features strengthen Customer service (Autopay - automatic toll payment, and online access to Family 500+, the State family support programme)
- Best bank in Poland by Global Finance

# Successful completion of Eurobank's acquisition



## Eurobank's business volumes

(Billion euros)



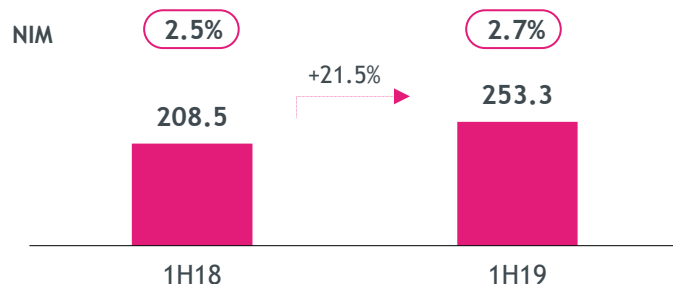
- Impact on business volumes:
  - **+3.0 billion in loans** (18% of Bank Millennium's loan portfolio)
  - **+2.0 billion in deposits** (11% of Bank Millennium's total deposits)
- Significant increase of physical presence outside main Polish cities
- Full merger (legal, single brand and migration of IT systems) expected until November 2019

# Increased net interest income



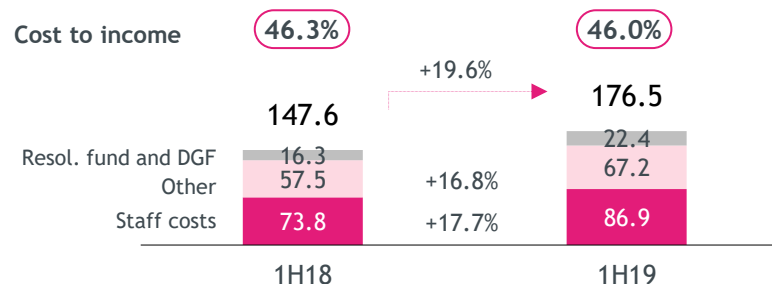
## Net interest income\*

(Million euros)



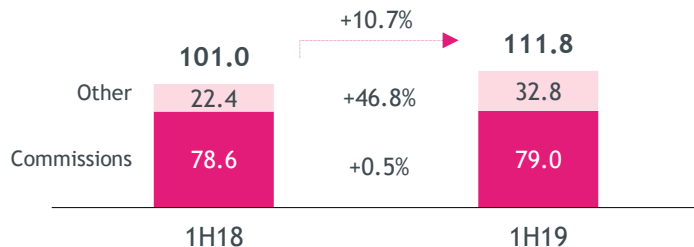
## Operating costs

(Million euros)



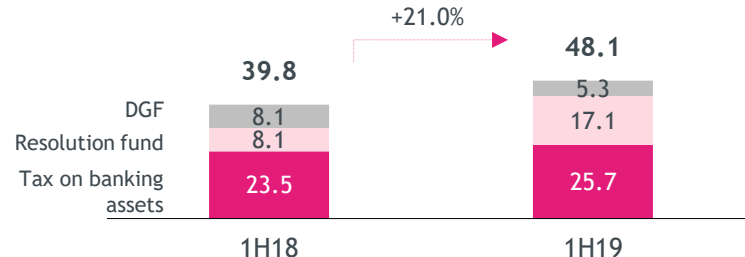
## Commissions and other income

(Million euros; does not include tax on assets and contributions to the resol. fund and to the DGF)



## Mandatory contributions

(Million euros)



\*Pro forma data. Margin from derivative products, including those from hedging FX denominated loan portfolio, is included in net interest income, whereas in accounting terms, part of this margin (€6.6 million in the 1<sup>st</sup> half of 2019 and €5.6 million in the 1<sup>st</sup> half of 2018) is presented in net trading income. FX effect excluded. €/Zloty constant at June 2019 levels: Income Statement 4.28250833; Balance Sheet 4.2465.



## NPL>90d

(Million euros)

Credit ratio  
NPL>90d

2,7%

2,4%

332.7

399.7

Jun 18

Jun 19

## Loan-loss reserves

(Million euros)

Coverage ratio  
NPL>90d

133%

110%

443.1

439.7

Jun 18

Jun 19

## Loan impairment (net of recoveries)

(Million euros)

Cost of risk

47bp

80bp

26.5

53.4

1H18

1H19

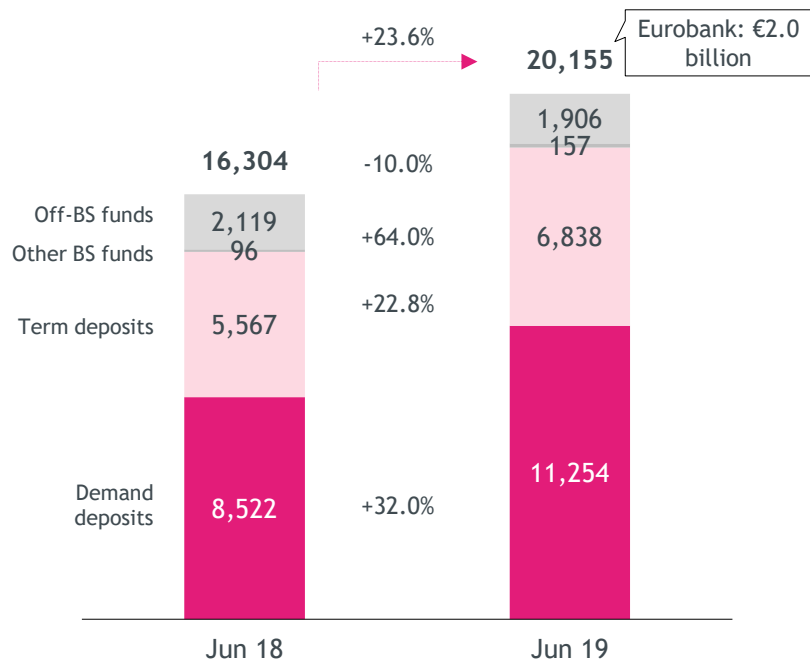
52bp excluding first day  
impairment Eurobank

- NPL>90d accounted for 2.4% of total credit as of June 20, 2019 (2.7% as of June 30, 2018)
- Coverage of NPL>90d by loan-loss reserves at 110% (133% as of June 30, 2018)
- Cost of risk of 80bp (47bp in the 1<sup>st</sup> half of 2018), 48bp if first day impairment of Eurobank is excluded



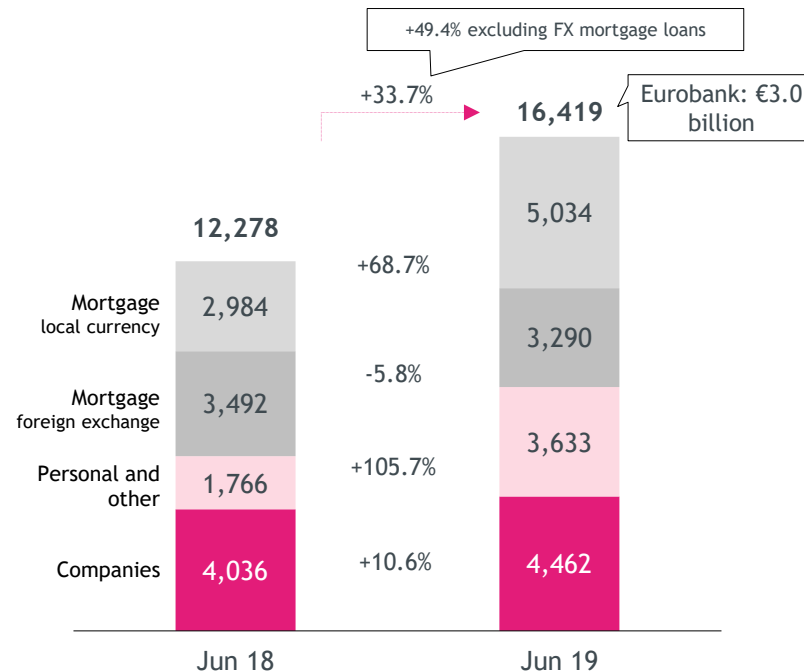
## Customer funds

(Million euros)



## Loans to Customers (gross)

(Million euros)

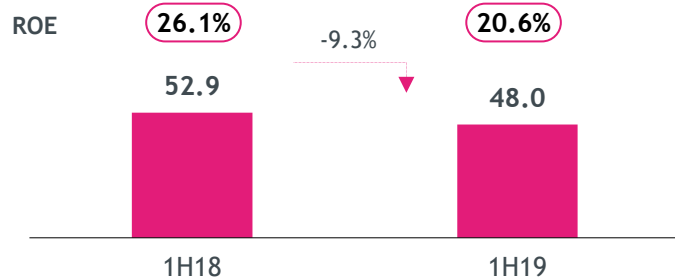


# Normalisation of interest rate environment leads to lower earnings...



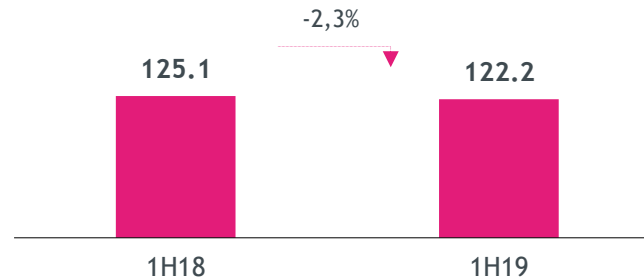
## Net income

(Million euros)



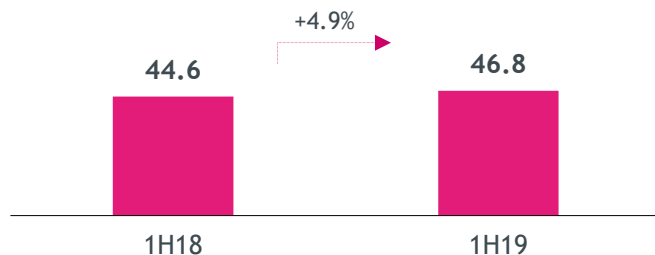
## Net operating revenue

(Million euros)



## Operating costs

(Million euros)



- Net earnings of €48.0 million, with ROE of 20.6%, reflecting lower net interest income as a consequence of the normalisation of interest rates
- Customer funds grew 3.8%, with loan portfolio down by 17.2% reflecting a conservative approach under a challenging environment
- Capital ratio of 41.3%
- New “WhatsIZI” solution for banking services through Whatsapp, also featuring reinforced security on the onboarding process
- Utilisation of robotics on the bank’s institutional facebook’s chat bot, allowing for easier interaction with Customers, providing also information on the bank’s range of products and services
- Best bank in Mozambique by *Global Finance*, for the 10<sup>th</sup> year in a row

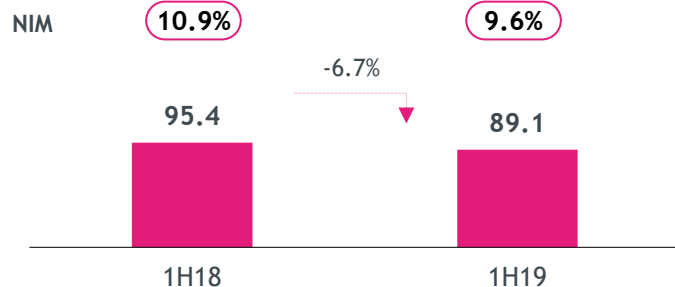


# ... reflecting lower net interest income



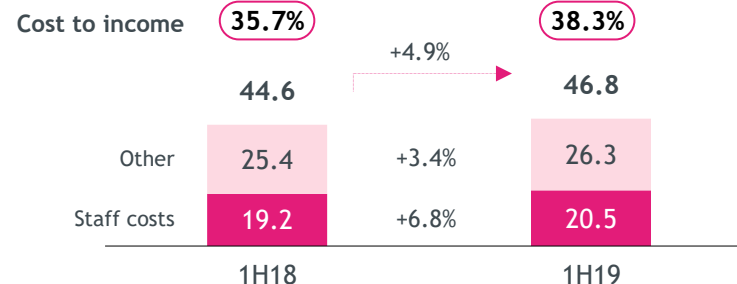
## Net interest income

(Million euros)



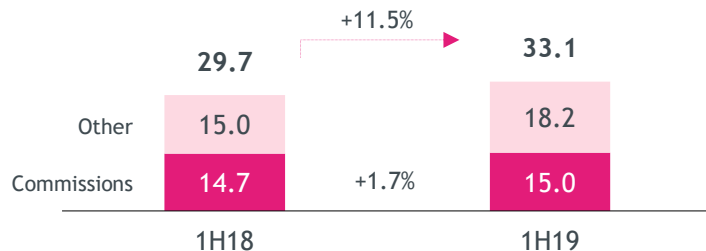
## Operating costs

(Million euros)

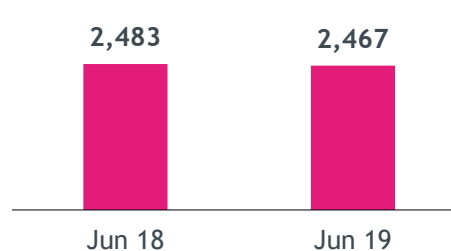


## Commissions and other income

(Million euros)

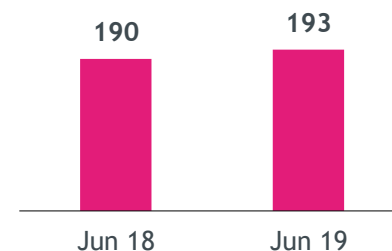


## Employees\*



\*Excludes employees from SIM (insurance company)

## Branches



FX effect excluded. €/Metical constant at June 2019 levels: Income Statement 70.92500000; Balance Sheet 70.7100.

# Credit quality performance influenced by challenging environment



## NPL>90d

(Million euros)

Credit ratio  
NPL>90d

15.9%

17.2%

142.1

127.4

Jun 18

Jun 19

## Loan-loss reserves

(Million euros)

Coverage ratio  
NPL>90d

55%

57%

78.1

72.4

Jun 18

Jun 19

## Net impairment (net of recoveries)

(Million euros)

Cost of risk

326bp

312bp

14.6

11.5

1H18

1H19

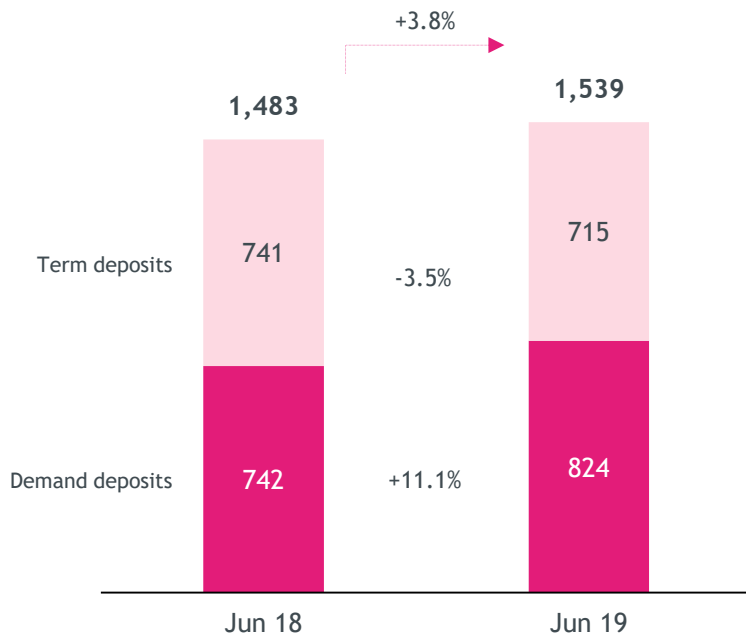
- NPL>90d ratio of 17.2% as of June 30, 2019, with coverage by loan-loss reserves of 57% on the same date
- Maintenance of a high provisioning effort, reflected in a cost of risk of 312bp (326bp in the 1<sup>st</sup> half of 2018)

# Business volumes reflect a conservative approach under a challenging environment



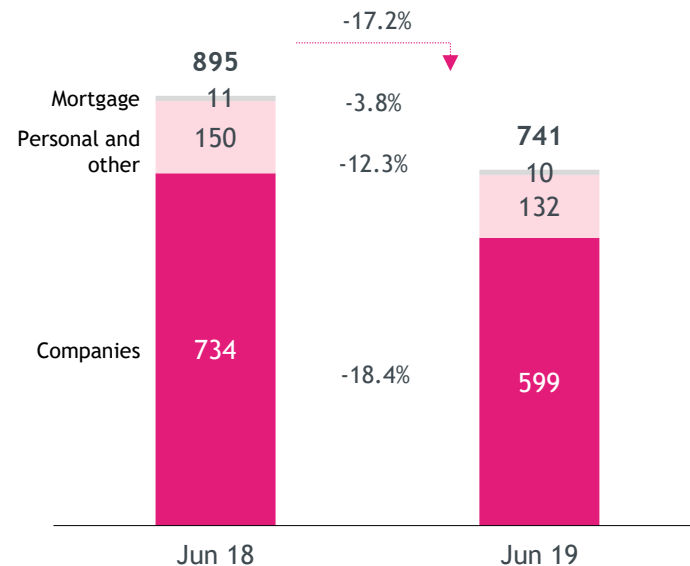
## Customer funds

(Million euros)



## Loans to Customers (gross)

(Million euros)





05



**Key figures**

# Strategic Plan 2021



## Franchise growth

	1H18	1H19	2021
Active Customers	4.7 million	4.9 million	>6 million



## Value creation

Digital Customers	53%	57%	>60%
Mobile Customers	31%	37%	>45%
Cost to income	47% (47% excl. non-usual costs)	49% (47% excl. non-usual costs)	≈40%
RoE	5.3%	5.7%	≈10%
CET1	11.7%	12.2%	≈12%
Loans-to-deposits	88%	88%	<100%



## Asset quality

Dividend payout	--	--	≈40%
NPE stock	€6.7 billion	€5.0 billion	≈€3 billion Down ≈60% from 2017
Cost of risk	88bp	74bp	<50bp

# Awards in 2019



**Millennium bcp:** Leadership in the “PME Excelência ’18” and “PME Líder ’18” programmes , with the largest number of submissions and awards among participating banks



**Millennium bcp:** Marketeer award, “Banking” category (3<sup>rd</sup> year in a row)



**Millennium bcp:** Closest to Customers, clearest information, most satisfied digital channels’ Customers, most recommended, best service (Basef Banca, June 2019)



**Millennium bcp:** Market leader in factoring, confirming and leasing, according to the Portuguese association of leasing and factoring companies



**Bank Millennium:** Best bank in Poland



**Millennium bim:** Best bank in Mozambique



**Millennium bim:** Best trade finance provider in Mozambique



**Millennium bim:** Global Finance Innovators 2019 award, “Payments” category for the “Millennium IZI” service



**Millennium bcp**  
Consumer choice 2019, “Large Banks” category



**Millennium bcp**  
Main bank for companies; most appropriate products; most innovating; closest to Customers



**Millennium bcp**  
Best investment bank in Portugal

# Appendix



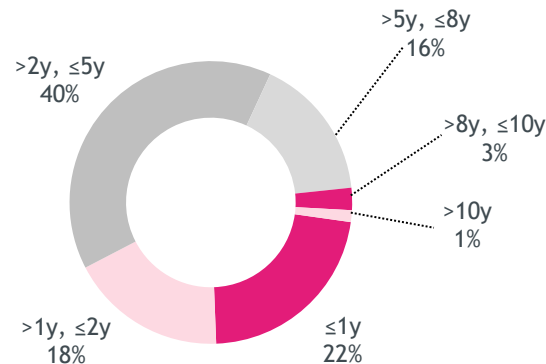
# Sovereign debt portfolio

## Sovereign debt portfolio

(Consolidated, million euros)

	Jun 18	Mar 19	Jun 19	YoY	QoQ
Portugal	5,938	7,375	7,229	+22%	-2%
T-bills and other	673	1,932	1,665	+147%	-14%
Bonds	5,265	5,443	5,564	+6%	+2%
Poland	3,936	5,385	4,328	+10%	-20%
Mozambique	626	263	290	-54%	+10%
Other	1,090	1,091	1,010	-7%	-7%
<b>Total</b>	<b>11,590</b>	<b>14,115</b>	<b>12,857</b>	<b>+11%</b>	<b>-9%</b>

## Sovereign debt maturity



- ✓ The sovereign debt portfolio totalled €12.9 billion, €10.2 billion of which maturing until 5 years
- ✓ The Portuguese sovereign debt portfolio totalled €7.2 billion, whereas the Polish and Mozambican portfolios amounted to €4.3 billion and to €0.3 billion, respectively; “other” includes Spanish and Italian sovereign debt (€0.5 billion each)



# Sovereign debt portfolio

	Portugal	Poland	Mozambique	Other	Total
<b>Trading book*</b>	<b>35</b>	<b>165</b>		<b>1</b>	<b>200</b>
≤ 1 year	32	9			40
> 1 year and ≤ 2 years	3	53			57
> 2 years and ≤ 5 years		66			66
> 5 years and ≤ 8 years		30			30
> 8 years and ≤ 10 years		1			1
> 10 years		5		1	6
<b>Banking book**</b>	<b>7,194</b>	<b>4,163</b>	<b>290</b>	<b>1,009</b>	<b>12,657</b>
≤ 1 year	1,696	694	44	377	2,811
> 1 year and ≤ 2 years	46	1,959	18	232	2,255
> 2 years and ≤ 5 years	3,276	1,270	121	349	5,016
> 5 years and ≤ 8 years	1,904	177			2,081
> 8 years and ≤ 10 years	178	60	37	51	327
> 10 years	94	3	70		167
<b>Total</b>	<b>7,229</b>	<b>4,328</b>	<b>290</b>	<b>1,010</b>	<b>12,857</b>
≤ 1 year	1,727	703	44	377	2,851
> 1 year and ≤ 2 years	50	2,012	18	232	2,312
> 2 years and ≤ 5 years	3,276	1,336	121	349	5,082
> 5 years and ≤ 8 years	1,904	207			2,111
> 8 years and ≤ 10 years	178	61	37	51	328
> 10 years	94	9	70	1	173

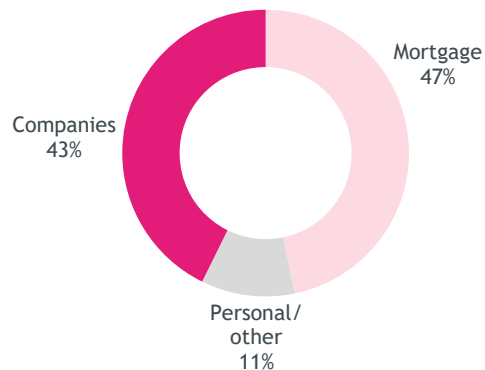
\*Includes financial assets held for trading at fair value through net income (€32 million).

\*\*Includes financial assets at fair value through other comprehensive income (€12,187 million) and financial assets at amortised cost (€470 million).

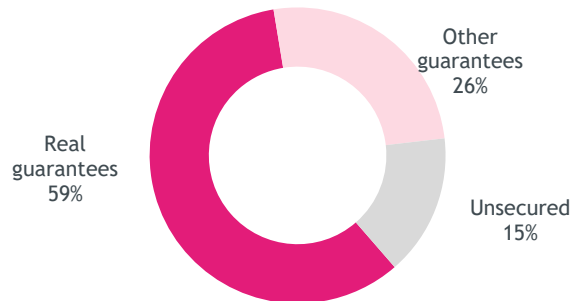
# Diversified and collateralised portfolio

## Loan portfolio

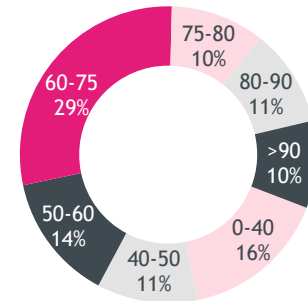
(Consolidated)



### Loans per collateral



### LTV of the mortgage portfolio in Portugal



### Loans

- Loans to companies accounted for 43% of the loan portfolio as at June 30, 2019, including 7% to construction and real-estate sectors
- Mortgage accounted for 47% of the loan portfolio, with low delinquency levels and an average LTV of 66%
- 88% of the loan portfolio is collateralised

### Collaterals

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

# Consolidated earnings

<i>(million euros)</i>	1H18	1H19	YoY	Impact on earnings
Net interest income	687.7	740.1	+7.6%	+52.4
Net fees and commissions	340.2	342.2	+0.6%	+2.0
Other income*	28.9	42.0	+45.2%	+13.1
<b>Net operating revenue</b>	<b>1,056.8</b>	<b>1,124.2</b>	<b>+6.4%</b>	<b>+67.4</b>
Staff costs	-289.8	-324.2	+11.9%	-34.5
Other administrative costs and depreciation	-211.0	-223.9	+6.1%	-12.9
<b>Operating costs</b>	<b>-500.8</b>	<b>-548.2</b>	<b>+9.5%</b>	<b>-47.4</b>
<b>Profit before impairment and provisions</b>	<b>556.0</b>	<b>576.0</b>	<b>+3.6%</b>	<b>+20.1</b>
Loans impairment (net of recoveries)	-220.6	-200.3	-9.2%	+20.3
Other impairment and provisions	-59.2	-42.8	-27.7%	+16.4
<b>Impairment and provisions</b>	<b>-279.8</b>	<b>-243.1</b>	<b>-13.1%</b>	<b>+36.7</b>
<b>Net income before income tax</b>	<b>276.2</b>	<b>332.9</b>	<b>+20.5%</b>	<b>+56.7</b>
Income taxes	-71.9	-121.1	+68.4%	-49.2
Non-controlling interests	-55.4	-55.5	+0.1%	-0.1
Net income from discontinued or to be discontinued operations	1.8	13.4		+11.7
<b>Net income</b>	<b>150.6</b>	<b>169.8</b>	<b>+12.7%</b>	<b>+19.1</b>

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

# Consolidated balance sheet

(Million euros)

	30 June 2019	30 June 2018
<b>ASSETS</b>		
Cash and deposits at Central Banks	3,586.1	2,165.8
Loans and advances to credit institutions repayable on demand	313.4	240.6
Financial assets at amortised cost		
Loans and advances to credit institutions	971.2	878.4
Loans and advances to customers	49,564.4	44,834.9
Debt instruments	3,378.1	3,103.2
Financial assets at fair value through profit or loss		
Financial assets held for trading	855.7	1,037.2
Financial assets not held for trading mandatorily at fair value through profit or loss	1,417.9	1,386.4
Financial assets designated at fair value through profit or loss	31.5	32.9
Financial assets at fair value through other comprehensive income	13,386.0	12,049.8
Assets with repurchase agreement	-	24.9
Hedging derivatives	207.3	95.7
Investments in associated companies	422.0	488.6
Non-current assets held for sale	1,582.7	2,101.5
Investment property	9.7	12.1
Other tangible assets	712.4	487.8
Goodwill and intangible assets	214.7	171.6
Current tax assets	52.5	27.0
Deferred tax assets	2,798.7	2,938.1
Other assets	1,369.1	1,023.8
<b>TOTAL ASSETS</b>	<b>80,873.2</b>	<b>73,100.2</b>

	30 June 2019	30 June 2018
<b>LIABILITIES</b>		
Financial liabilities at amortised cost		
Resources from credit institutions	7,231.5	6,985.8
Resources from customers	56,877.4	50,633.7
Non subordinated debt securities issued	1,771.8	1,706.3
Subordinated debt	1,302.0	1,151.7
Financial liabilities at fair value through profit or loss		
Financial liabilities held for trading	332.0	340.0
Financial liabilities at fair value through profit or loss	3,514.5	3,716.7
Hedging derivatives	278.9	192.2
Provisions	314.4	325.9
Current tax liabilities	9.2	7.3
Deferred tax liabilities	10.6	4.4
Other liabilities	1,665.8	1,149.2
<b>TOTAL LIABILITIES</b>	<b>73,308.1</b>	<b>66,213.2</b>
<b>EQUITY</b>		
Share capital	4,725.0	5,600.7
Share premium	16.5	16.5
Preference shares	-	59.9
Other equity instruments	402.9	2.9
Legal and statutory reserves	240.5	264.6
Treasury shares	(0.1)	(0.3)
Reserves and retained earnings	793.7	(292.6)
Net income for the period attributable to Bank's Shareholders	169.8	150.6
<b>TOTAL EQUITY ATTRIBUTABLE TO BANK'S SHAREHOLDERS</b>	<b>6,348.3</b>	<b>5,802.4</b>
Non-controlling interests	1,216.8	1,084.5
<b>TOTAL EQUITY</b>	<b>7,565.1</b>	<b>6,886.9</b>
<b>TOTAL LIABILITIES AND EQUITY</b>	<b>80,873.2</b>	<b>73,100.2</b>

# Consolidated income statement per quarter

(Million euros)

	2Q 18	3Q 18	4Q 18	1Q 19	2Q 19
<b>Net interest income</b>	<b>342.8</b>	<b>365.2</b>	<b>370.8</b>	<b>362.7</b>	<b>377.4</b>
Dividends from equity instruments	0.6	0.0	0.0	0.0	0.6
Net fees and commission income	172.4	169.9	174.0	166.6	175.6
Other operating income	-61.0	1.7	-1.0	-10.6	-64.8
Net trading income	42.6	12.6	-11.0	60.3	35.2
Equity accounted earnings	21.6	30.5	17.3	18.6	2.6
<b>Banking income</b>	<b>519.0</b>	<b>579.7</b>	<b>550.1</b>	<b>597.7</b>	<b>526.6</b>
Staff costs	147.5	145.8	157.2	152.2	172.0
Other administrative costs	93.1	93.1	100.9	80.5	86.5
Depreciation	14.2	14.5	14.8	26.8	30.1
<b>Operating costs</b>	<b>254.8</b>	<b>253.4</b>	<b>273.0</b>	<b>259.5</b>	<b>288.6</b>
<b>Profit bef. impairment and provisions</b>	<b>264.2</b>	<b>326.3</b>	<b>277.1</b>	<b>338.1</b>	<b>237.9</b>
Loans impairment (net of recoveries)	114.6	116.2	127.9	86.5	113.8
Other impairm. and provisions	35.3	33.0	44.2	17.4	25.4
<b>Net income before income tax</b>	<b>114.3</b>	<b>177.1</b>	<b>105.0</b>	<b>234.2</b>	<b>98.7</b>
Income tax	22.6	37.6	28.5	65.4	55.6
Non-controlling interests	28.5	30.5	31.9	28.4	27.1
<b>Net income (before disc. oper.)</b>	<b>63.3</b>	<b>109.0</b>	<b>44.5</b>	<b>140.4</b>	<b>16.0</b>
Net income arising from discont. operations	1.8	-2.2	-0.9	13.5	0.0
<b>Net income</b>	<b>65.1</b>	<b>106.8</b>	<b>43.6</b>	<b>153.8</b>	<b>15.9</b>

# Income statement

(Million euros)

For the 6-month periods ended June 30<sup>th</sup>, 2018 and 2019

	Group			Portugal			International operations											
							Total			Bank Millennium (Poland)			Millennium bim (Moz.)			Other int. operations		
	Jun 18	Jun 19	Δ %	Jun 18	Jun 19	Δ %	Jun 18	Jun 19	Δ %	Jun 18	Jun 19	Δ %	Jun 18	Jun 19	Δ %	Jun 18	Jun 19	Δ %
Interest income	936	953	1.8%	496	478	-3.5%	440	475	7.8%	292	347	18.9%	145	122	-15.7%	3	5	59.2%
Interest expense	248	213	-14.3%	111	79	-29.0%	137	134	-2.4%	86	101	16.4%	53	33	-37.1%	-2	0	>100%
<b>Net interest income</b>	<b>688</b>	<b>740</b>	<b>7.6%</b>	<b>385</b>	<b>399</b>	<b>3.8%</b>	<b>303</b>	<b>341</b>	<b>12.5%</b>	<b>206</b>	<b>247</b>	<b>20.0%</b>	<b>92</b>	<b>89</b>	<b>-3.4%</b>	<b>5</b>	<b>5</b>	<b>-4.3%</b>
Dividends from equity instruments	1	1	9.0%	0	0	-100.0%	1	1	22.0%	1	1	18.9%	0	0	914%	0	0	-100.0%
<b>Intermediation margin</b>	<b>688</b>	<b>741</b>	<b>7.6%</b>	<b>385</b>	<b>399</b>	<b>3.8%</b>	<b>303</b>	<b>341</b>	<b>12.5%</b>	<b>206</b>	<b>247</b>	<b>20.0%</b>	<b>92</b>	<b>89</b>	<b>-3.3%</b>	<b>5</b>	<b>5</b>	<b>-4.3%</b>
Net fees and commission income	340	342	0.6%	234	236	0.7%	106	107	0.4%	80	79	-0.9%	14	15	5.3%	12	13	2.8%
Other operating income	-90	-75	16.3%	-59	-40	32.5%	-31	-36	-14.0%	-42	-46	-11.3%	11	11	2.5%	0	0	12.3%
<b>Basic income</b>	<b>938</b>	<b>1,007</b>	<b>7.4%</b>	<b>560</b>	<b>595</b>	<b>6.3%</b>	<b>378</b>	<b>412</b>	<b>9.0%</b>	<b>244</b>	<b>280</b>	<b>14.7%</b>	<b>117</b>	<b>115</b>	<b>-1.8%</b>	<b>17</b>	<b>17</b>	<b>1.0%</b>
Net trading income	77	96	24.0%	46	53	16.8%	31	42	34.6%	26	33	27.3%	4	7	89.3%	2	2	22.7%
Equity accounted earnings	41	21	-48.8%	29	15	-48.0%	13	6	-50.5%	0	0	--	0	0	--	13	6	-50.5%
<b>Banking income</b>	<b>1,057</b>	<b>1,124</b>	<b>6.4%</b>	<b>634</b>	<b>664</b>	<b>4.6%</b>	<b>422</b>	<b>461</b>	<b>9.1%</b>	<b>270</b>	<b>313</b>	<b>15.9%</b>	<b>121</b>	<b>122</b>	<b>1.1%</b>	<b>32</b>	<b>26</b>	<b>-18.5%</b>
Staff costs	290	324	11.9%	187	207	10.7%	102	117	14.2%	75	87	16.1%	19	21	10.6%	9	9	4.9%
Other administrative costs	183	167	-8.6%	108	94	-12.9%	75	73	-2.3%	51	49	-4.0%	21	21	2.2%	3	3	-4.9%
Depreciation	28	57	>100%	18	34	89.2%	10	23	>100%	6	17	>100%	4	5	32.1%	0	1	>100%
<b>Operating costs</b>	<b>501</b>	<b>548</b>	<b>9.5%</b>	<b>313</b>	<b>335</b>	<b>7.0%</b>	<b>188</b>	<b>213</b>	<b>13.5%</b>	<b>132</b>	<b>153</b>	<b>15.7%</b>	<b>43</b>	<b>47</b>	<b>8.6%</b>	<b>12</b>	<b>13</b>	<b>6.8%</b>
<b>Profit bef. impairment and provisions</b>	<b>556</b>	<b>576</b>	<b>3.6%</b>	<b>321</b>	<b>328</b>	<b>2.2%</b>	<b>235</b>	<b>248</b>	<b>5.5%</b>	<b>138</b>	<b>160</b>	<b>16.0%</b>	<b>78</b>	<b>75</b>	<b>-3.1%</b>	<b>19</b>	<b>13</b>	<b>-34.8%</b>
Loans impairment (net of recoveries)	221	200	-9.2%	192	141	-26.6%	29	60	>100%	21	51	>100%	14	12	-18.1%	-6	-3	54.2%
Other impairm. and provisions	59	43	-27.7%	50	41	-17.6%	9	2	-80.6%	4	0	<-100%	-1	2	>100%	7	0	-100.0%
<b>Net income before income tax</b>	<b>276</b>	<b>333</b>	<b>20.5%</b>	<b>80</b>	<b>147</b>	<b>83.6%</b>	<b>196</b>	<b>186</b>	<b>-5.1%</b>	<b>113</b>	<b>109</b>	<b>-3.8%</b>	<b>64</b>	<b>62</b>	<b>-3.9%</b>	<b>18</b>	<b>15</b>	<b>-17.6%</b>
Income tax	72	121	68.4%	25	74	>100%	47	47	-0.1%	31	31	0.5%	13	14	4.1%	3	2	-27.0%
Non-controlling interests	55	55	0.0%	-4	0	917%	60	56	-6.4%	0	0	--	0	0	7.9%	59	55	-6.5%
<b>Net income (before disc. oper.)</b>	<b>149</b>	<b>156</b>	<b>5.0%</b>	<b>59</b>	<b>73</b>	<b>23.2%</b>	<b>90</b>	<b>84</b>	<b>-6.9%</b>	<b>82</b>	<b>78</b>	<b>-5.4%</b>	<b>51</b>	<b>48</b>	<b>-6.1%</b>	<b>-44</b>	<b>-42</b>	<b>3.1%</b>
Net income arising from disc. operations	2	13	>100%															
<b>Net income</b>	<b>151</b>	<b>170</b>	<b>12.7%</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.

**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 amortised cost and debt instruments at amortised 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 amortised cost and financial liabilities measured at fair value through profit or loss (debt securities and certificates).

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

**Deposits and other resources from customers** - resources from customers at amortised cost and customer deposits at fair value through profit or loss.

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

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

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

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

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

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

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

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

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

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

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

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

# Glossary (2/2)

- Net trading income** - results from financial operations at fair value through profit or loss, results from foreign exchange, results from hedge accounting operations, results from derecognition of financial assets and financial liabilities measured at amortised cost and results from derecognition of financial assets measured at fair value through other comprehensive.
- Non-performing exposures (NPE)** - non-performing loans and advances to customers (loans to customers at amortised cost and loans to customers at fair value through profit or loss) more than 90 days past-due or unlikely to be paid without collateral realisation, if they recognised as defaulted or impaired.
- Non-performing loans (NPL)** - overdue loans (loans to customers at amortised cost, debt instruments at amortised cost associated to credit operations and loans to customers at fair value through profit or loss) more than 90 days past due including the non-overdue remaining principal of loans, i.e. portion in arrears, plus non-overdue remaining principal.
- Off-balance sheet customer funds** - assets 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) of financial assets at amortised cost for loans and advances of credit institutions, impairment of financial assets (at fair value through other comprehensive income and at amortised cost not associated with credit operations), other assets impairment, in particular provision charges related to assets received as payment in kind not fully covered by collateral, investments in associated companies and goodwill of subsidiaries and other provisions.
- Other net income** - dividends from equity instruments, net commissions, net trading income, other net operating income and equity accounted earnings.
- Other net operating income** - net gains from insurance activity, other operating income/(loss) and gains/(losses) arising from sales of subsidiaries and other assets.
- Overdue loans** - total outstanding amount of past due loans to customers (loans to customers at amortised cost, debt instruments at amortised cost associated to credit operations and loans to customers at fair value through profit or loss), including principal and interests.
- Overdue loans by more than 90 days** - total outstanding amount of past due loans to customers by more than 90 days (loans to customers at amortised cost, debt instruments at amortised cost associated to credit operations and loans to customers at fair value through profit or loss), including principal and interests.
- Resources from credit institutions** - resources and other financing from Central Banks and resources from other credit institutions.
- Return on average assets (Instruction from the Bank of Portugal no. 16/2004)** - net income (before tax) divided by the average total assets (weighted average of the average of monthly net assets in the period).
- Return on average assets (ROA)** - net income (before minority interests) divided by the average total assets (weighted average of the average of monthly net assets in the period).
- Return on equity (Instruction from the Bank of Portugal no. 16/2004)** - net income (before tax) divided by the average attributable equity + non-controlling interests (weighted average of the average of monthly equity in the period).
- Return on equity (ROE)** - net income (after minority interests) divided by the average attributable equity, deducted from preference shares and other capital instruments (weighted average of the average of monthly equity in the period).
- Securities portfolio** - debt instruments at amortised cost not associated with credit operations (net of impairment), financial assets at fair value through profit or loss (excluding the ones related to loans to customers 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.





## **INVESTOR RELATIONS DIVISION**

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### **DEBT AND RATINGS**

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