



Millennium
bcp

JULY 2020

Banco Comercial Português

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 2020 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

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Highlights

Five priorities that guide our actions in 2020 - main highlights

Protect Employees

- Continued and proactive testing of Employees for early detection of infection, usage of protective equipment, reinforcement of disinfection and adaptation of facilities and internal circuits
- Implementation of a prudent plan for the phased return of Employees to the workplace in safe conditions; remote work models adapted to post-pandemic phase

Defend the quality of the balance sheet, liquidity and solvency of the Bank

- Millennium bcp has a solid position to face the economic shock:
 - Strong capital, above regulatory requirements
 - Strong liquidity and ample collateral pool
- Diversified loan portfolio, with reduced exposure to the most vulnerable sectors and business lines

Support the economy, families, businesses and institutions

- Operating capacity maintained at 100%. Branches stayed, and still are, open.
- Companies: more than €2.5 billion in financing approved under the Covid-19 lines (38.0% of the total amount made available), with disbursements in excess of €2.2 billion; over 26,000 moratoriums implemented
- Families: More than 97,000 moratoriums implemented

Strengthen social support to the most vulnerable

- Support to the NHS and contribution to the EU's initiative for the development of a vaccine for Covid-19
- Support to the Food Bank's Emergency Network
- Support to institutions that assist the communities in which we operate

Adapt business models and processes to the new normal

- Active promotion of remote channels, facilitating access to Customers and minimizing the need for face-to-face interactions
- Improvement of the decision and risk management model, strengthening of the mechanisms for monitoring and controlling exposures to the most vulnerable sectors of activity
- Expressive gains in speed, scalability and flexibility in back-office processes, through the application of intelligent automation technologies including robotization and deep learning models

Net income for the 1st half of 2020

- Net profit of €76.0 million, influenced by the Covid-19 context
- Core income up by 2.0%
- Fully implemented CET1 capital ratio of 12.1%, above regulatory requirements of 8.83%
- Strong liquidity, well in excess of regulatory requirements; eligible assets for ECB funding of €21.5 billion
- Relevant reinforcement of impairment in the 1H2020, in the amount of €108.8 million, already reflecting the negative economic performance as a result of the pandemic

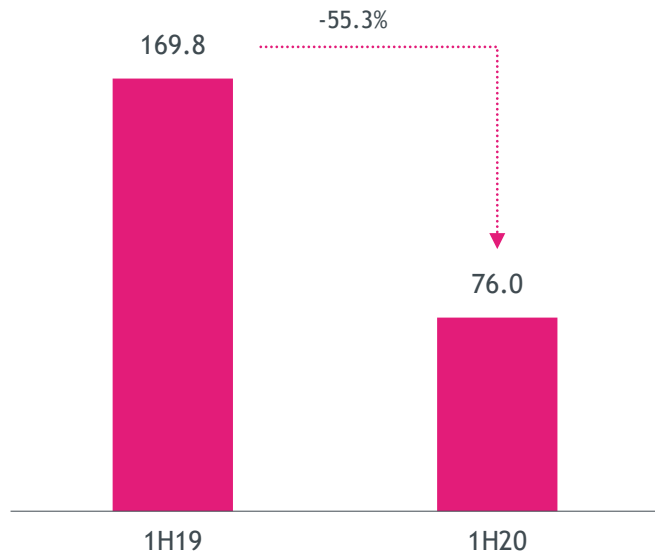
Business activity

- Growing business volumes: performing loans increased to €52.1 billion (+4.7%); total Customers funds reach €83.2 billion (+5.0%)
- Leadership in Covid-19 credit lines, with more than 13,000 operations approved by SGMs (38% market share)
- More than 120,000 moratoriums approved
- Expansion of the mobile Customer base standing out: +36% to 2.5 million Customers
- Digital channels grow strongly. Transfers and service payments increase 20% in the second quarter, with sales reaching 35% of the total

Net income of 1H 2020 influenced by the Covid-19 context

Net income

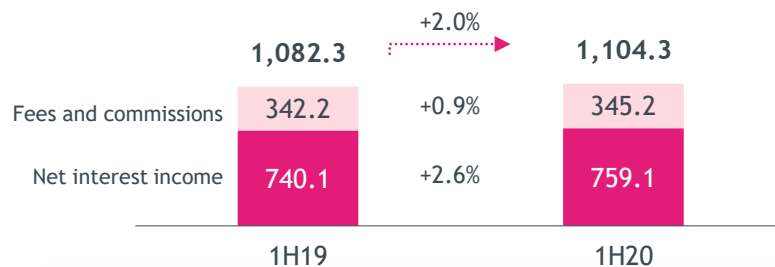
(Million euros)



+15.2% from net income of €35.3 million in Q1'2020.

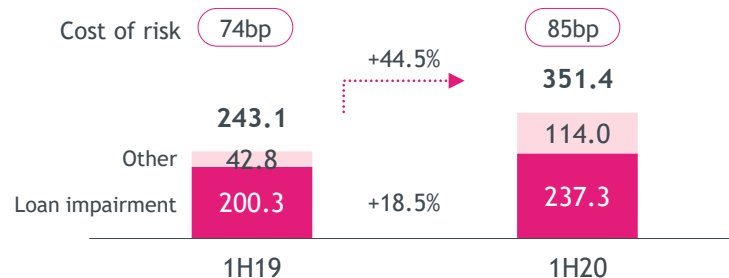
Core income (net interest income + commissions)

(Million euros)



Impairment and provisions

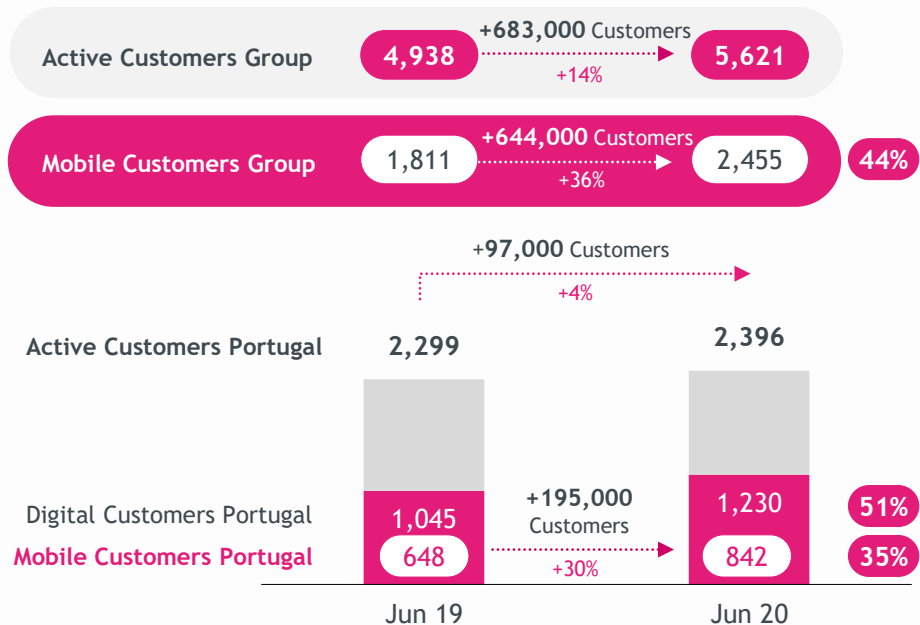
(Million euros)





Growing Customer base, mobile Customers standing out

'000 Customers



Leading bank in Customer satisfaction with digital channels, in all assessed items; clearest information; **Bank most recommended by Customers:** leader in overall satisfaction, in product quality and in satisfaction with account manager
 Basef 5 largest banks, June 2020

Customer counting criteria used in the Strategic Plan.

Digital: Leading bank in Customer Satisfaction and Accelerated Growth



Strong mobile growth Y/Y

(Jan-Jun 2020 vs. Jan - Jun 2019)

+69%
Logins

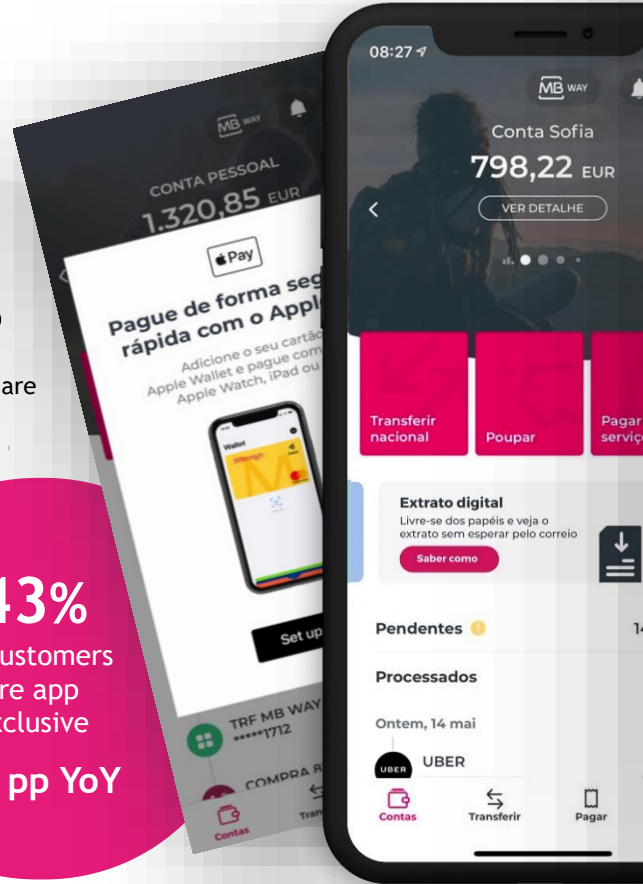
+79%
Payments

+96%
Transfers

+70%
Sales

87%
of digital interactions are mobile

43%
of Customers are app exclusive
+ 10 pp YoY



4.7 rating
on Google Play Store



Marktest

Leading bank in Customer satisfaction with digital channels, in all items assessed¹

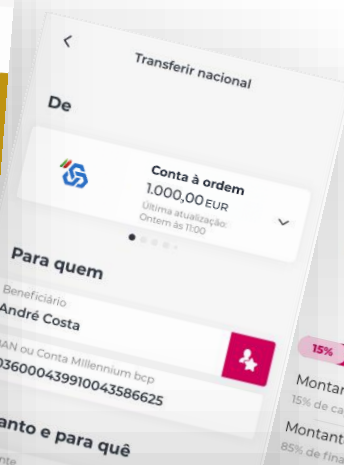
Best recommendation score (NPS), digital channels²



Best digital bank in 2020³

¹ Base5 5 largest banks, June 2020 ² CSI, 1st wave 2020, 5 largest banks
³ BrandScore research, July 2020

Digital: Innovation at the service of Customers



Simplified registration: access codes via app

+ 1.2 k Customers/day

Simplified day-to-day management

- Apple Pay
- 100% digital card application
- Card activation and management
- MB Way - Money request and bill split
- Biometrics in transfers/payments/MB Net

Innovative, digital-exclusive, products

- On/off travel insurance
- Personal credit life insurance and simulation assistant

Reinvented experience for in-app funds' subscription

Focus on open banking

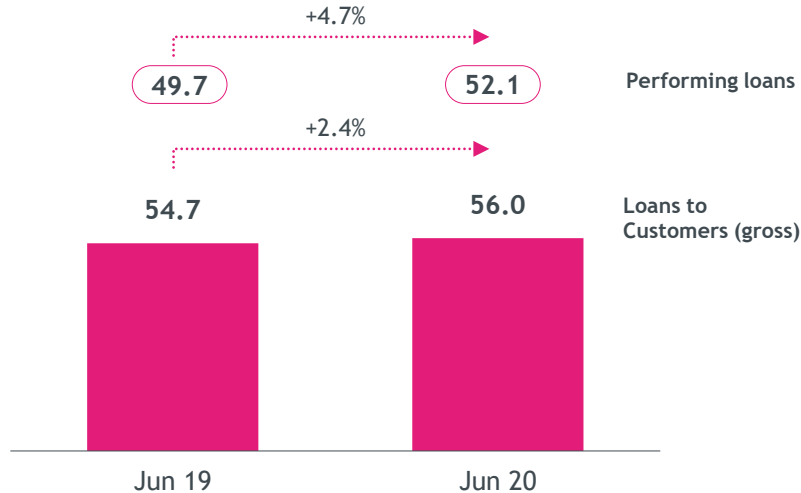
- Money transfers from other banks' accounts now possible on the Millennium app
- Partnership with Transferwise for faster international transfers (Activo Bank)

Increasing business volumes



Increasing performing loans portfolio

(Consolidated, billion euros)

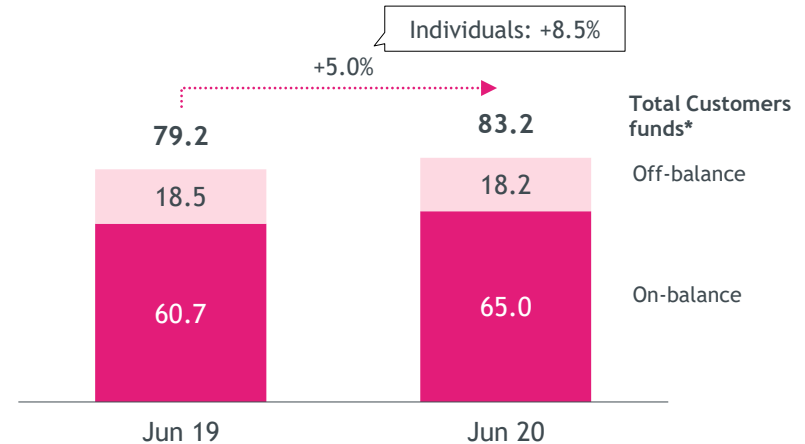


Performing loans up by €2.4 billion from June 30, 2019 and by €1.5 billion from end-2019



Increasing total Customers funds

(Consolidated, billion euros)



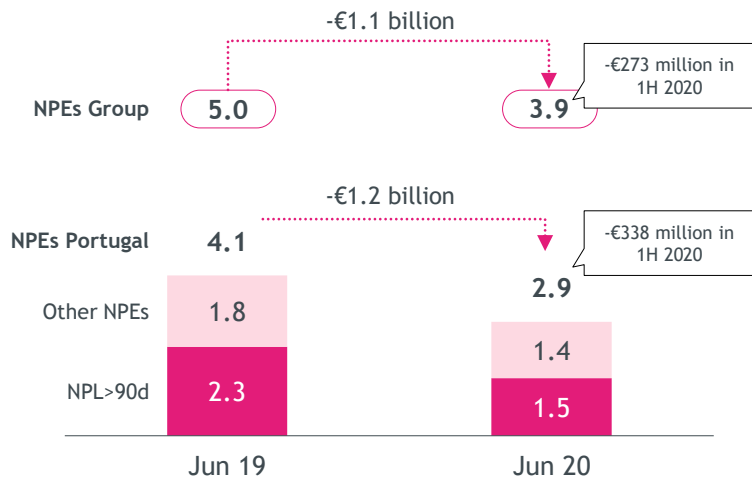
Total Customer funds up by €4.0 billion from June 30, 2019 and by €1.5 billion from end-2019

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

Credit quality

Credit quality

(Billion euros)



Decrease of NPEs (-€1.2 billion from June 30, 2019); strong coverage

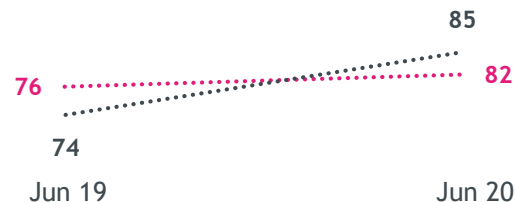
NPE coverage

● Total coverage* ● Coverage by loan-loss reserves



Cost of risk

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



NPE include loans to Customers only.

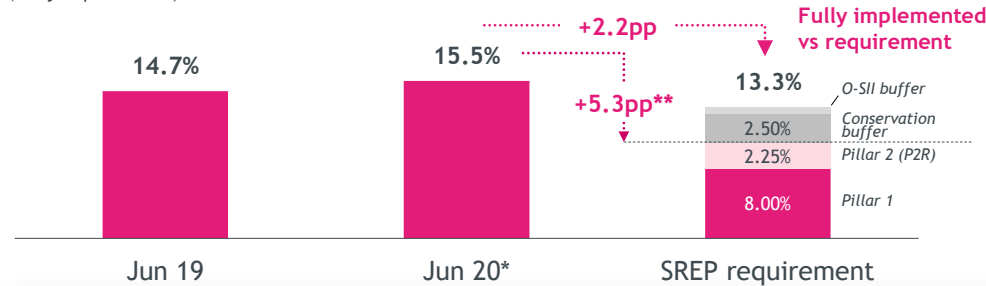
NPE decreased €9.4 million in Portugal in Q2 2020.

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

Capital above regulatory requirements

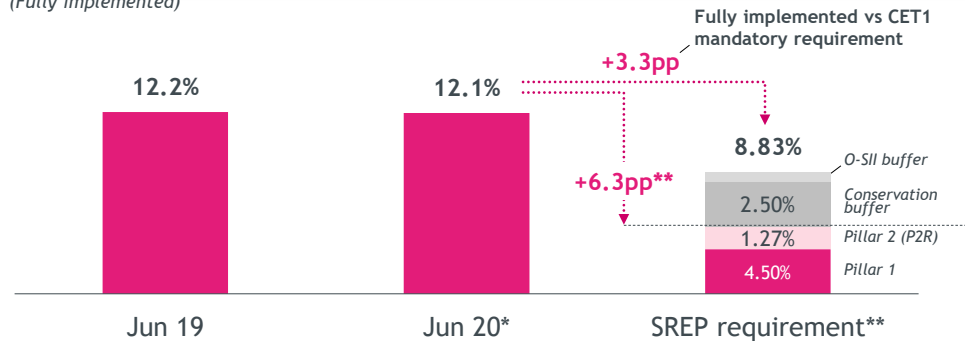
Total capital ratio

(Fully implemented)



CET1 capital ratio

(Fully implemented)



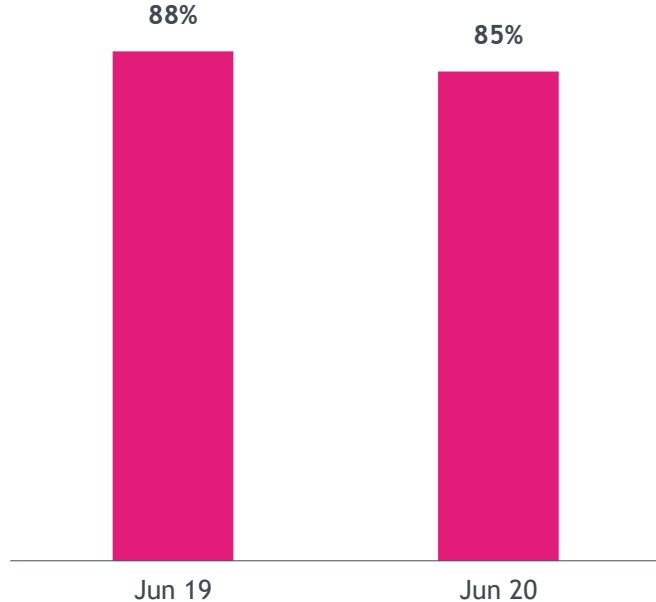
- **Capital ratio of 15.5%***, comfortably above regulatory requirements
- **MDA buffer at €1.0 billion** above the level at which there are restrictions on the maximum distributable amount of results, in accordance with banking regulation

- **CET1 ratio of 12.1%***, comfortably above regulatory requirements
- **Difference between the fully implemented ratio and the requirement that has to be fulfilled with CET1 capital of €1.5 billion not considering the capital conservation and the O-SII buffers, €2.2 billion if such buffers are considered**

*Including unaudited net income for 1H 2020. | **Minimum phased-in regulatory requirements from March 12, 2020. CET1 capital ratio of 12.2% as at December 31, 2019 and of 12.0% as at March 31, 2020.

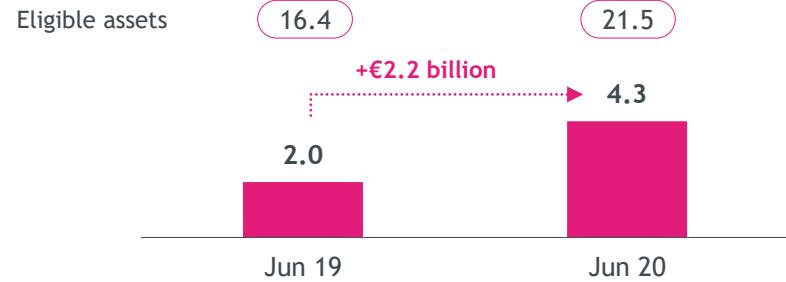
Reinforced liquidity position

Net loans to deposits ratio

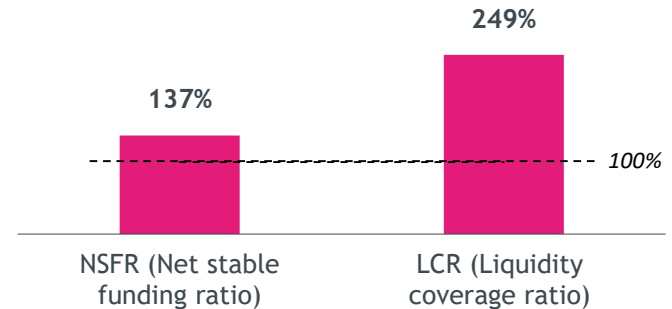


ECB funding, net

(Billion euros)



Liquidity ratios (CRD/CRR)





02

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Group

Profitability

Net earnings of €76.0 million in the 1st half of 2020

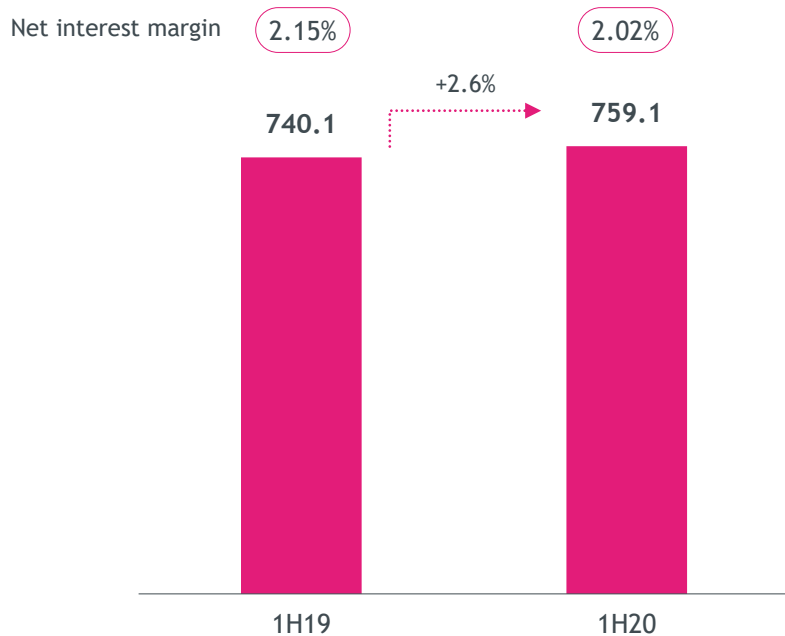
<i>(Million euros)</i>	1H19	1H20	YoY	Impact on earnings
Net interest income	740.1	759.1	+2.6%	+19.0
Commissions	342.2	345.2	+0.9%	+3.0
Core income	1,082.3	1,104.3	+2.0%	+22.0
Operating costs excluding non-usual items	-519.7	-540.7	+4.0%	-21.0
Core earnings	562.6	563.6	+0.2%	+1.0
Non-usual operating costs	-27.0	-21.1	-22.0%	+5.9
Compensation for temporary salary cuts, restructuring costs, Euro Bank integration				
Other income*	40.5	-33.4	-182.6%	-73.9
Operating net income	576.0	509.0	-11.6%	-67.0
Impairment and other provisions	-243.1	-351.4	+44.5%	-108.2
Net income before income tax	332.9	157.7	-52.6%	
Income taxes, non-controlling interests and discontinued operations	-163.1	-81.7	-49.9%	
Net income	169.8	76.0	-55.3%	

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

Net interest income increases

Net interest income

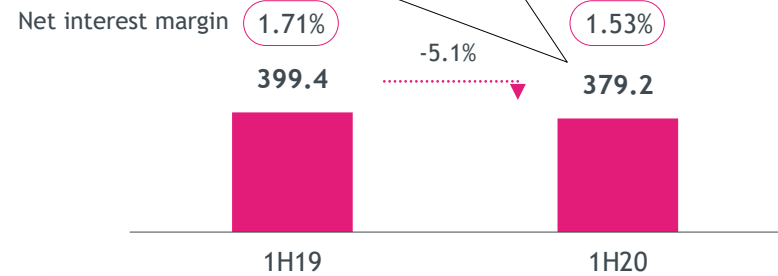
(Consolidated, million euros)



Portugal

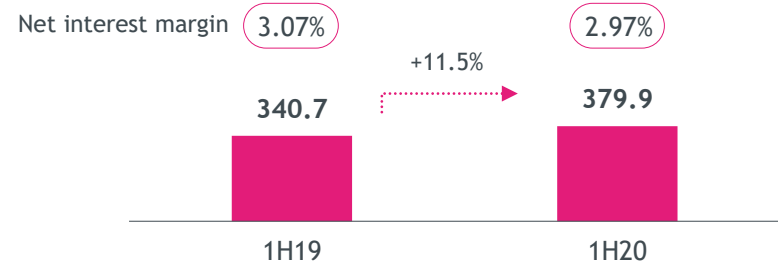
(Million euros)

- Excess liquidity and lower yields on the securities portfolio penalised net interest income by more than €21 million
- Q2 increases 3.5% from Q1



International operations

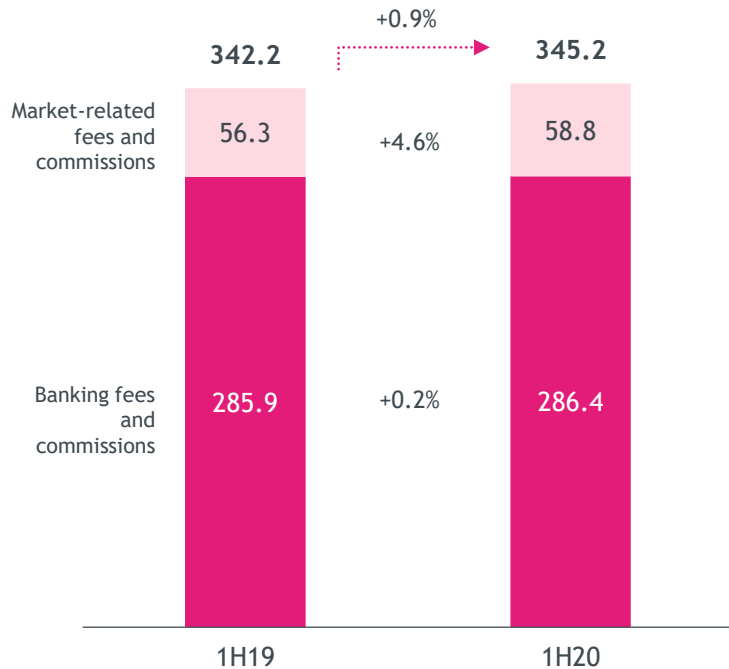
(Million euros)



Stable commissions in an adverse environment

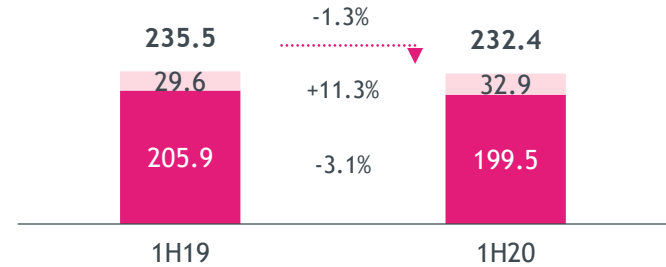
Fees and commissions

(Consolidated, million euros)



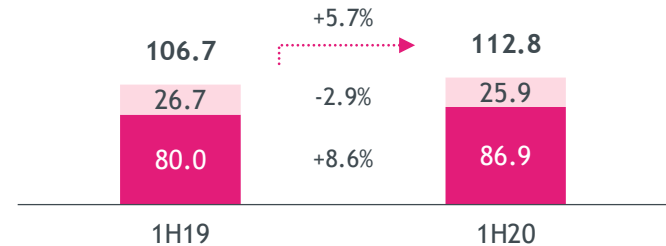
Portugal

(Million euros)



International operations

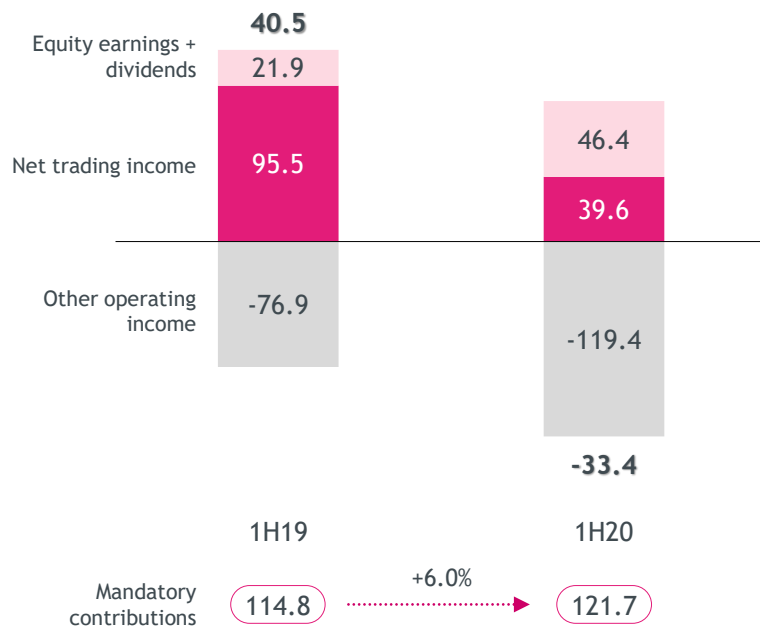
(Million euros)



Other income influenced by specific items

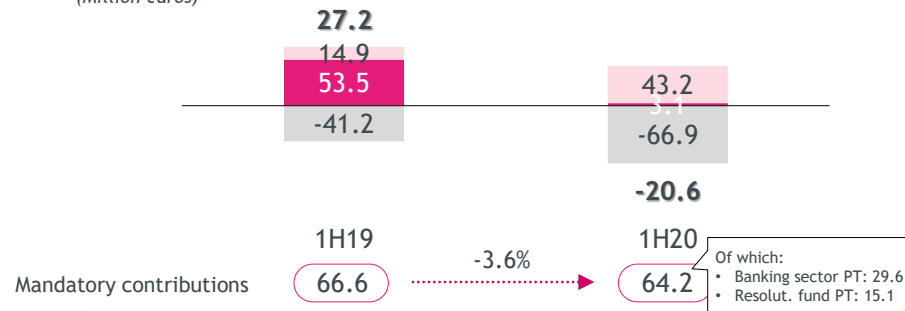
Other income

(Consolidated, million euros)



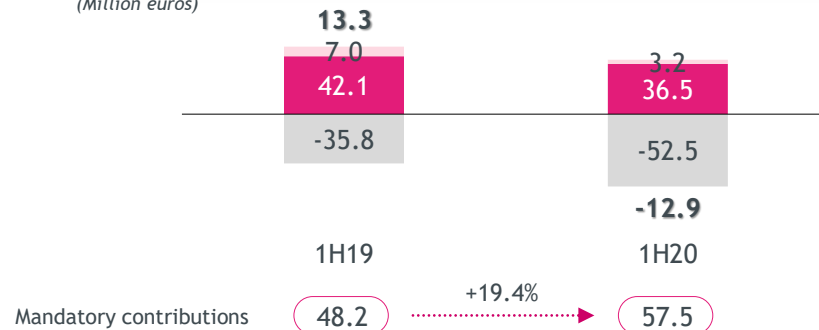
Portugal

(Million euros)



International operations

(Million euros)

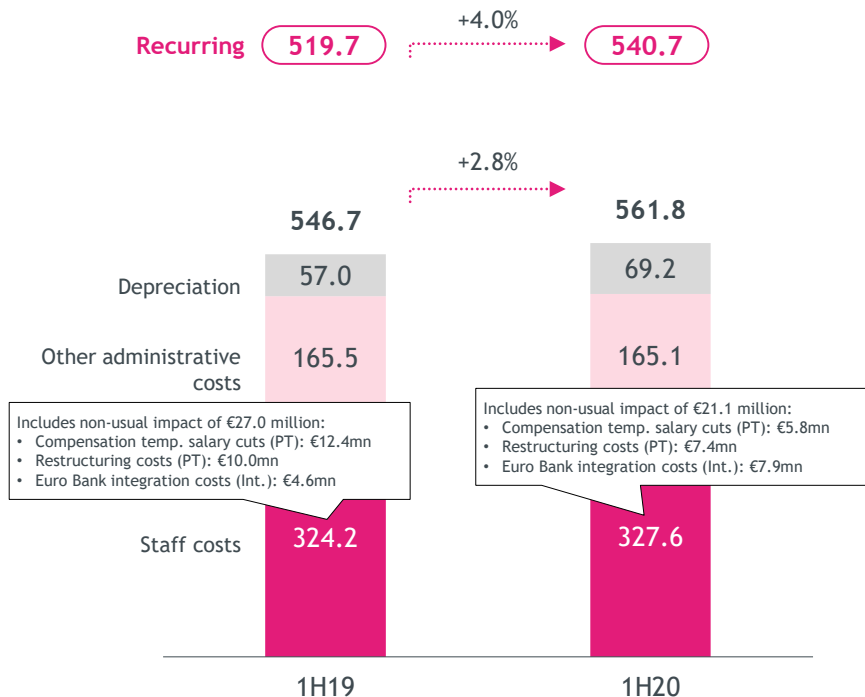


1H19: other operating income includes gains of €21.0 million on the sale of real-estate in Portugal and of €5.3 mainly related to the sale of securities in Mozambique; 1H20: equity earnings include reversal of the liability adequacy test provision on insurer (+€17.8 million, Portugal), and net trading income include the impact of the devaluation of the corporate restructuring funds (-€67.5 million, Portugal).

Recurring operating costs under control

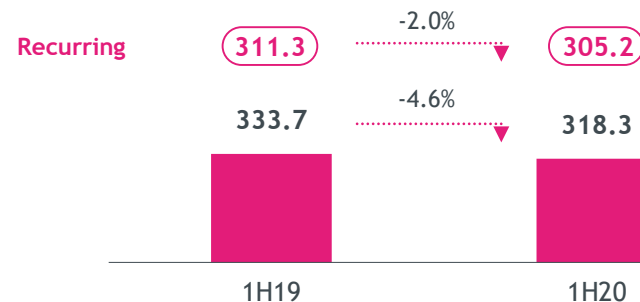
Operating costs

(Consolidated, million euros)



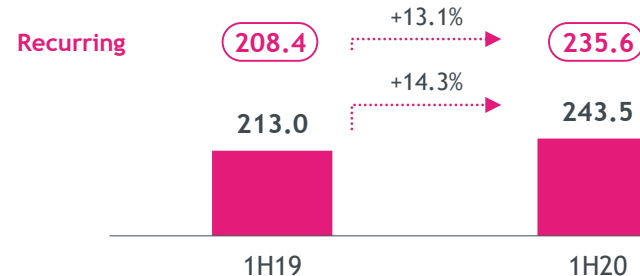
Portugal

(Million euros)



International operations

(Million euros)



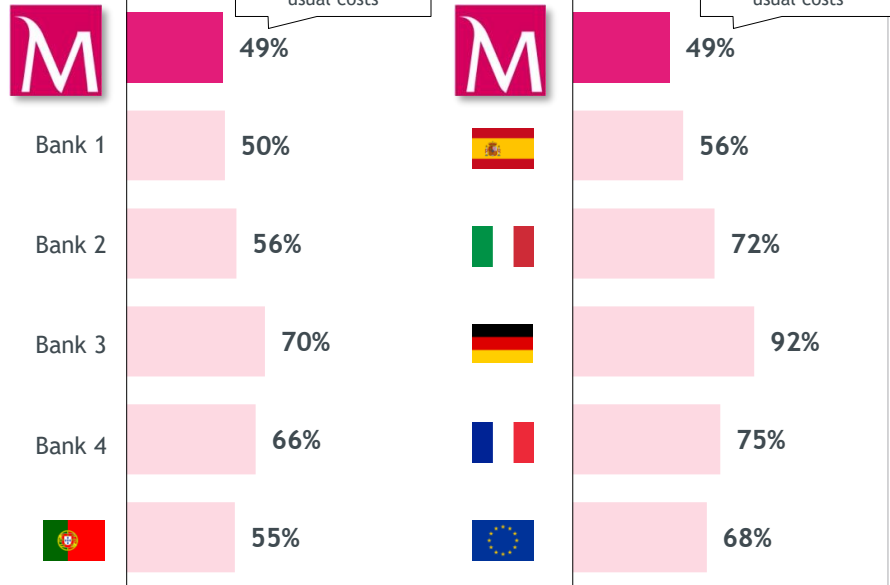
Millennium bcp: one of the most efficient banks in the Eurozone

Cost to core income*

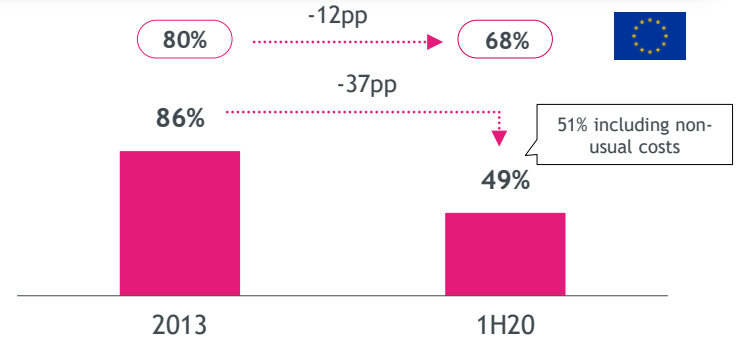
Latest available data

vs. peers in Portugal

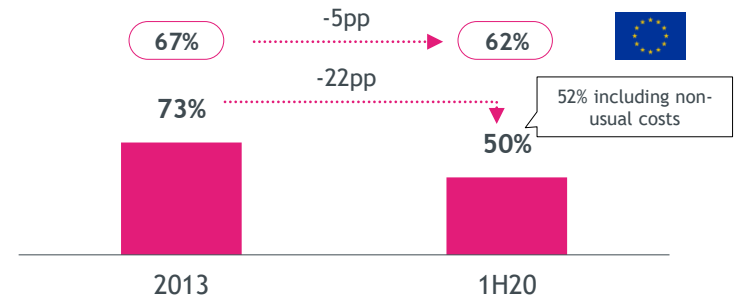
vs. Eurozone banks



Cost to core income*



Cost to income

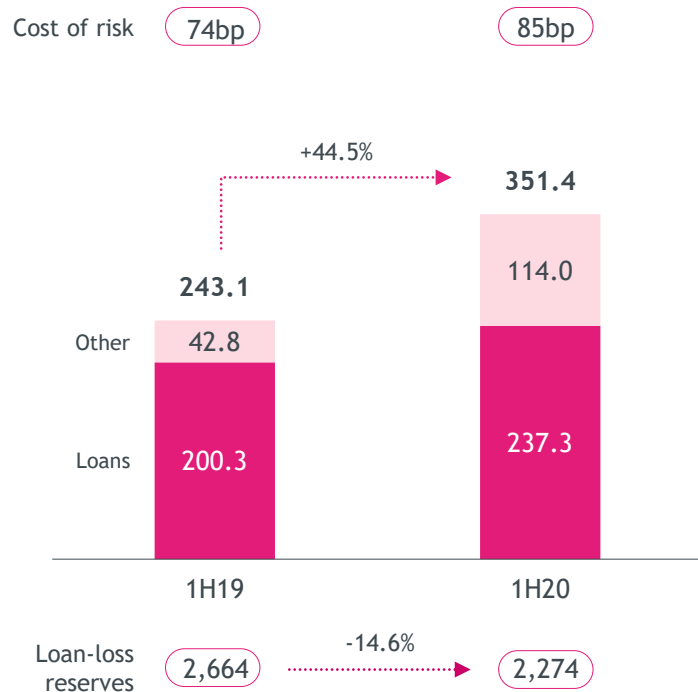


*Core income = net interest income + net fees and commission income.

Cost of risk and provisions

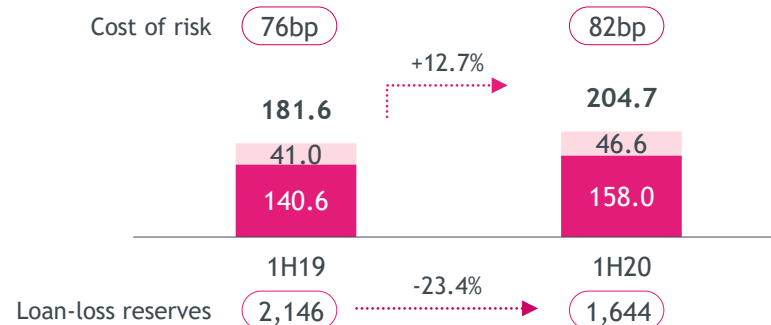
Impairment and provision charges

(Consolidated, million euros)



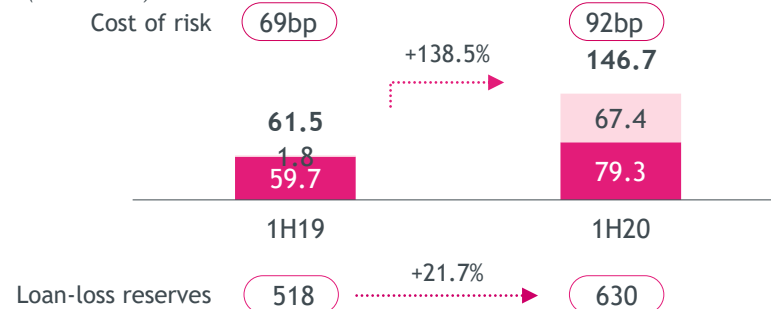
Portugal

(Million euros)



International operations

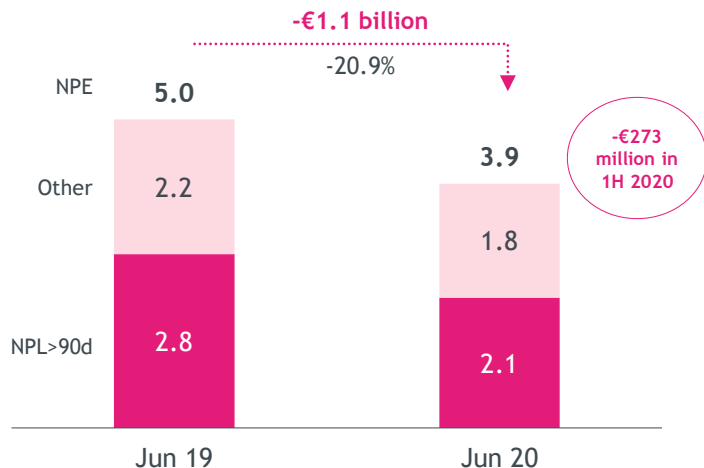
(Million euros)



Credit quality

Credit quality

(Consolidated, billion euros)

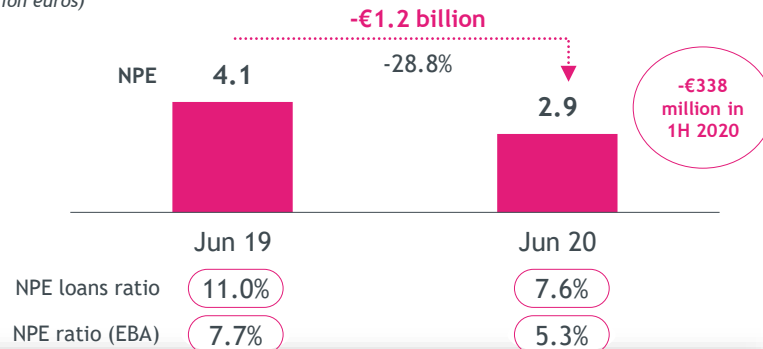


	Jun 19	Dec 19	Jun 20
NPL>90 days ratio	5.1%	4.1%	3.7%
NPE ratio inc. securities and off-BS (EBA)	6.4%	5.3%	4.8%
NPE ratio (loans only)	9.1%	7.7%	7.0%

NPE include loans to Customers only, except if otherwise indicated.

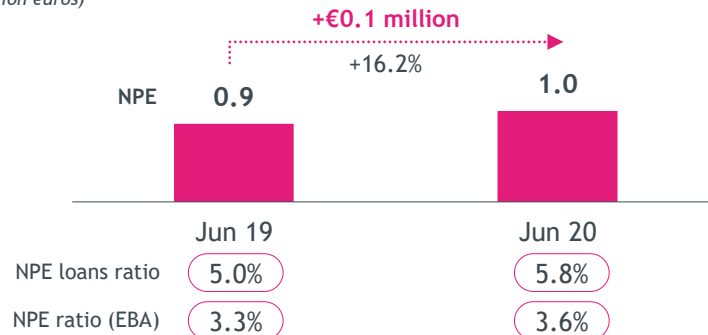
Portugal

(Billion euros)



International operations

(Billion euros)





02



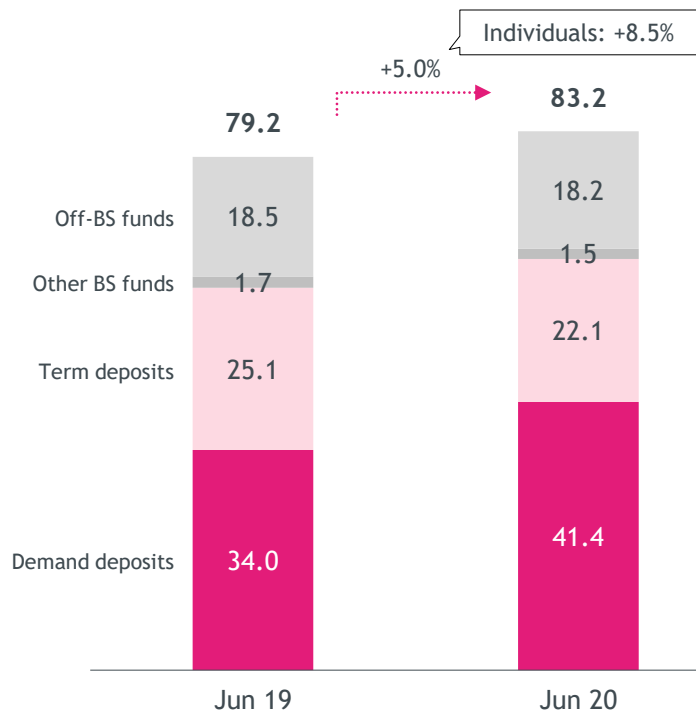
Group

Business activity

Customer funds keep growing

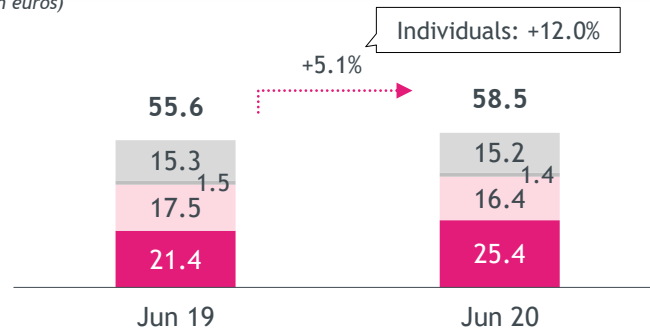
Total Customers funds*

(Consolidated, billion euros)



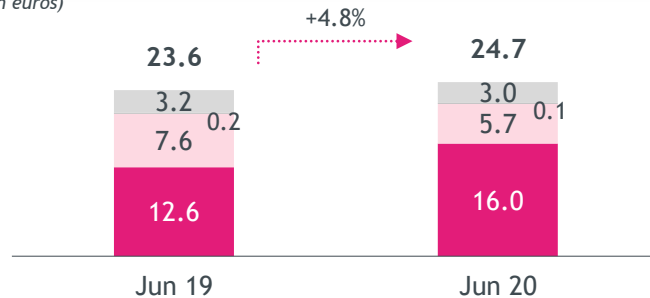
Total Customers funds* Portugal

(Billion euros)



Total Customers funds* op. internacionais

(Billion euros)

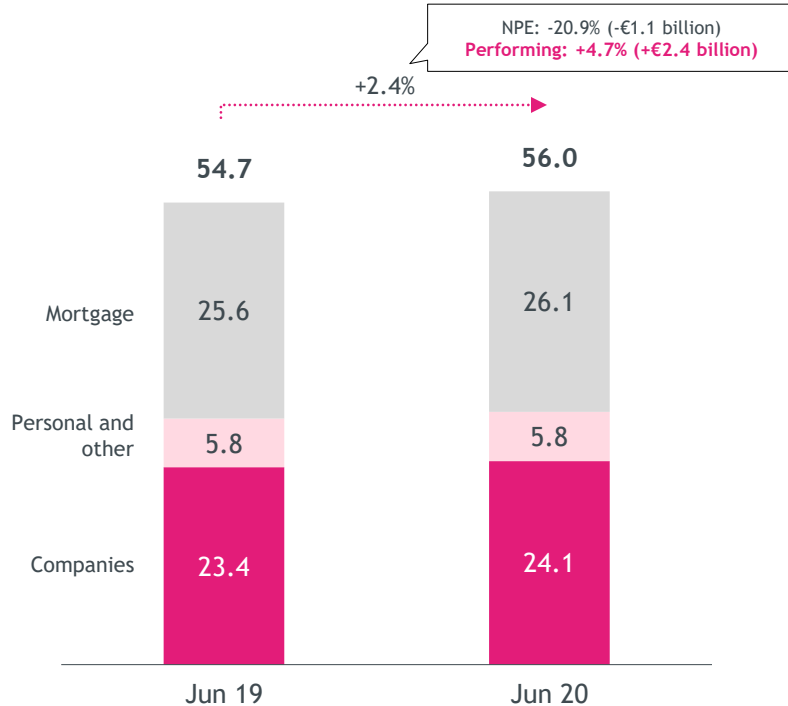


*Deposits, debt securities, assets under management, assets placed with Customers and insurance products (savings and investments).

Continued increase on the performing loan portfolio

Loans to Customers (gross)

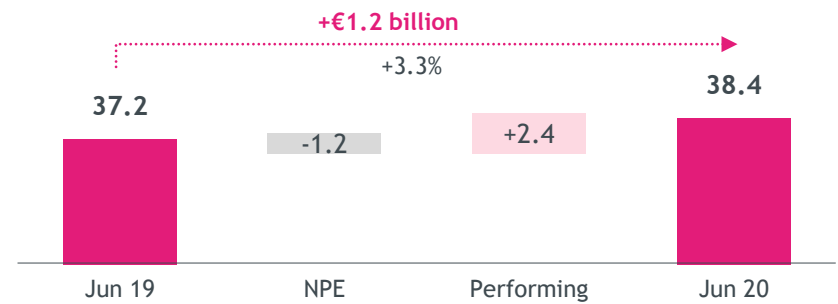
(Consolidated, billion euros)



NPE include loans to Customers only.

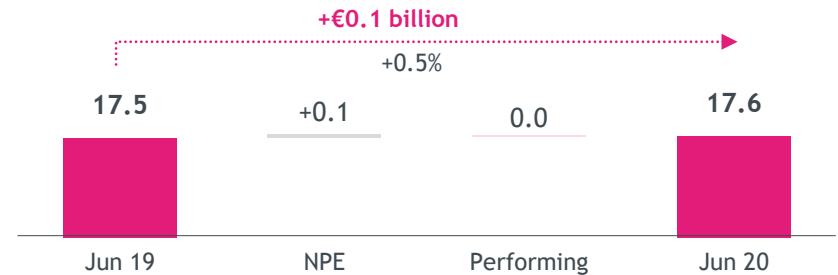
Portugal

(Billion euros)



International operations

(Billion euros)





02

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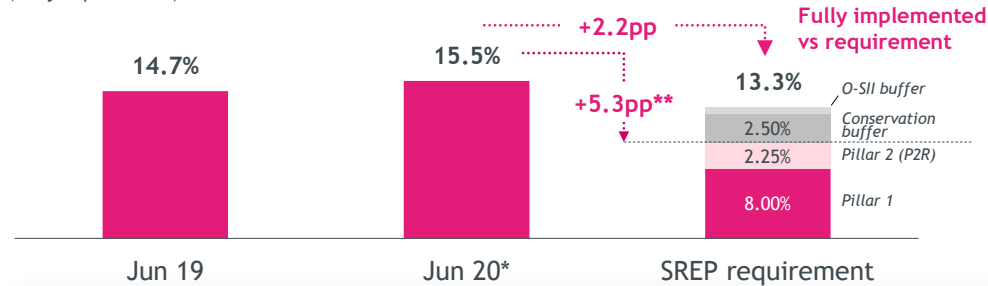
Group

Capital

Capital levels adjusted to business model

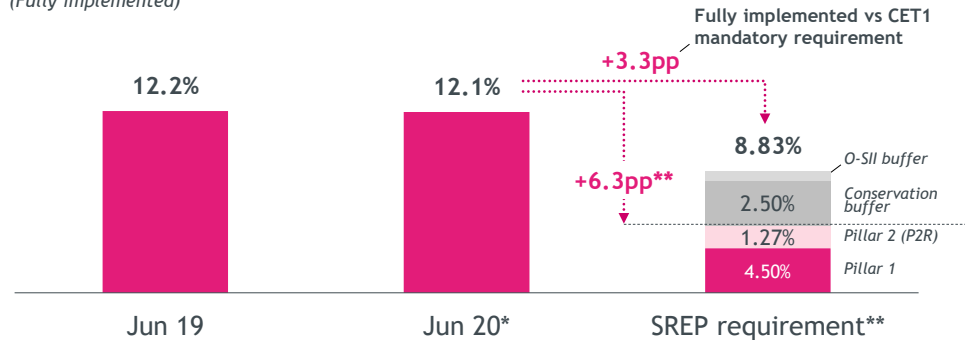
Total capital ratio

(Fully implemented)



CET1 capital ratio

(Fully implemented)



*Including unaudited net income for 1H 2020.

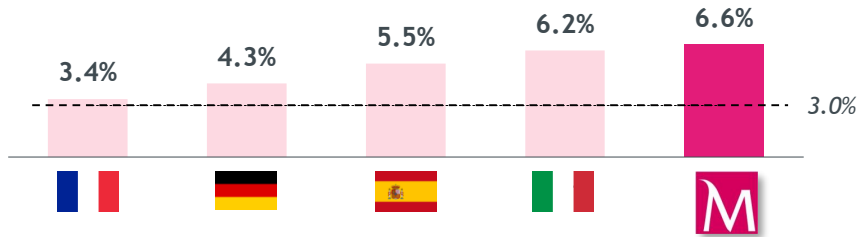
**Minimum phased-in regulatory requirements from March 12, 2020.

- Total capital ratio of 15.5%* (fully implemented) as of June 30, 2020, boosted by the T2 issue completed in September 2019, and comfortably above SREP requirements
- Surplus of 2.2pp between the total capital ratio and the SREP requirement not using the capital conservation and the O-SII buffers, and of 5.3pp if such buffers are used
- CET1 capital ratio of 12.1%* (fully implemented) as of June 30, 2020
- Organic capital generation was more than offset by the negative impact of the pension fund

Capital at adequate levels

Leverage ratio

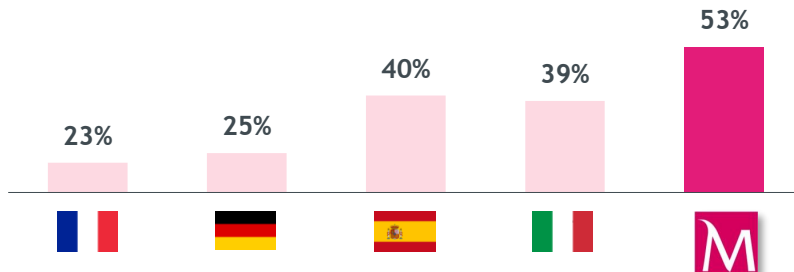
(Fully implemented, latest available data)



Leverage ratio at 6.6% as of June 30, 2020, a comfortable and comparatively strong figure in European banking

RWA density

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



High RWA density (53% as of June 30, 2020), comparing favourably to most European banking markets

Pension fund

Key figures

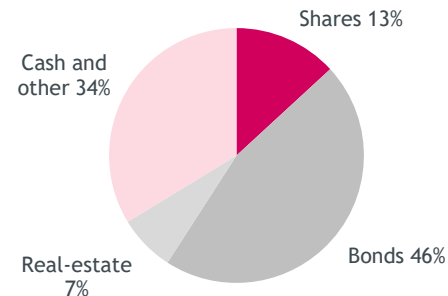
(Million euros)

	Dec 19	Jun 20
Pension liabilities	3,490	3,391
Pension fund	3,501	3,423
Liabilities' coverage	100%	101%
Fund's profitability	+8.1%	-0.2%

Assumptions

	Dec 19	Jun 20
Discount rate	1.40%	1.55%
Salary growth rate	0.75%	0.75%
Pensions growth rate	0.50%	0.50%
Projected rate of return of fund assets	1.40%	1.55%
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 upwards to 1.55%, reflecting higher market rates
- Liabilities fully covered (101%)



03



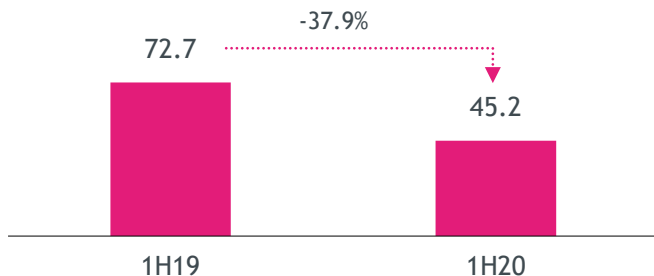
Portugal

Net income affected by the Covid-19 context



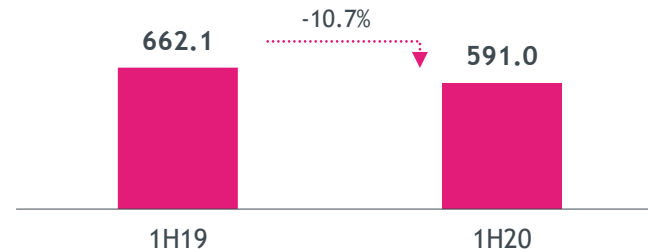
Net income*

(Million euros)



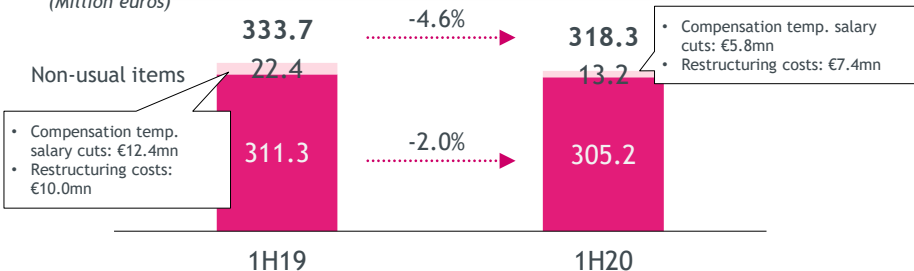
Net operating revenue

(Million euros)



Operating costs

(Million euros)



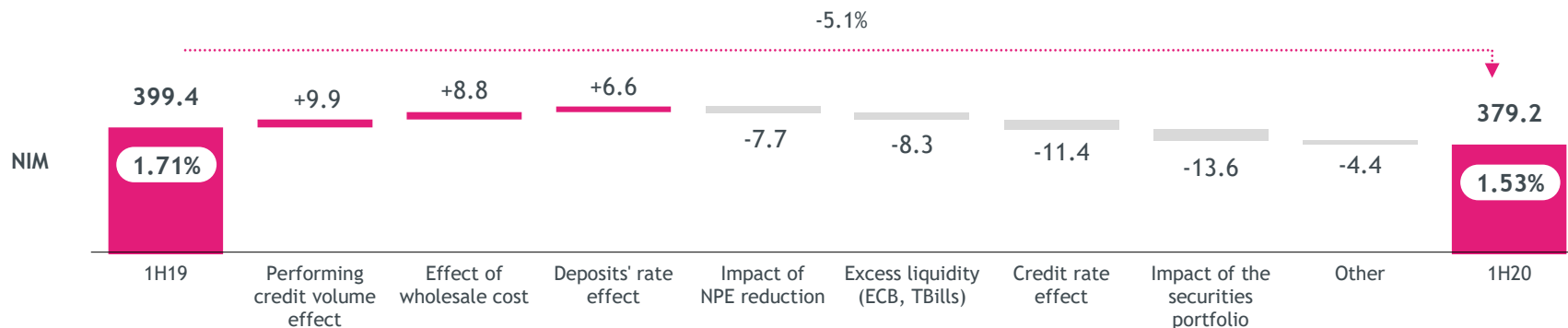
- Net earnings of €45.2 million in the 1st half of 2020, compared to €72.7 million in the same period of the previous year
- Net earnings were affected by lower net interest income, commissions and other net operating income (due to the devaluation of the corporate restructuring funds), and by higher impairment charges that more than offset lower operating costs

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

Net interest income



(Million euros)



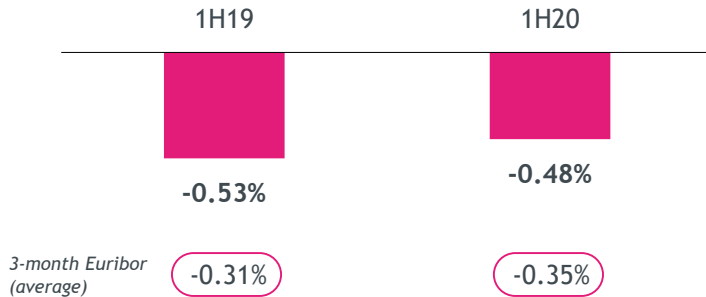
Net interest income stood at €379.2 million in the 1st half of 2020, comparing to €399.4 million in the same period of 2019. The positive impacts of a growing loan portfolio (as the growth of the performing loan compensated the reduction of NPEs), of the lower wholesale funding cost and of the continued decline in the remuneration of time deposits did not compensate for the negative effects of the NPE reduction, of the application of the liquidity surplus (negative yields on the amounts applied at the ECB and in Treasury Bills), of lower credit yields and of the securities portfolio, reflecting a lower yield on the balances applied in securities other than Treasury Bills.

Continued effort to reduce the cost of deposits



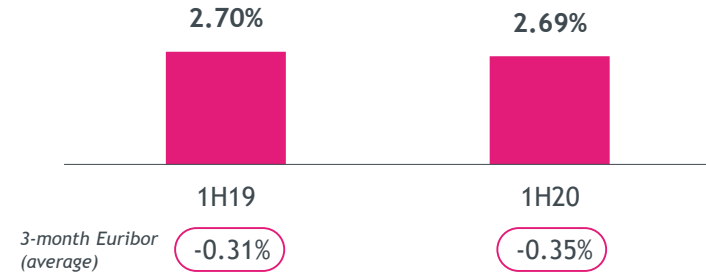
☰ Spread on the book of term deposits

(vs 3m Euribor)

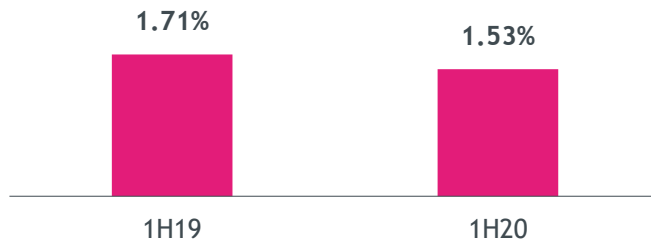


☰ Spread on the performing loan book

(vs 3m Euribor)



☰ NIM



- Spread of the portfolio of term deposits of -0.48% in the 1st half of 2020 (-0.53% in the same period of 2019); front book priced at an average spread of -37bp in the 1st half months of 2020, still below the current back book's
- Spread on the performing loan portfolio stood at 2.69% in the 1st half of 2020, compared to 2.70% in the 1st half of 2019
- NIM stood at 1.53%

Commissions and other income



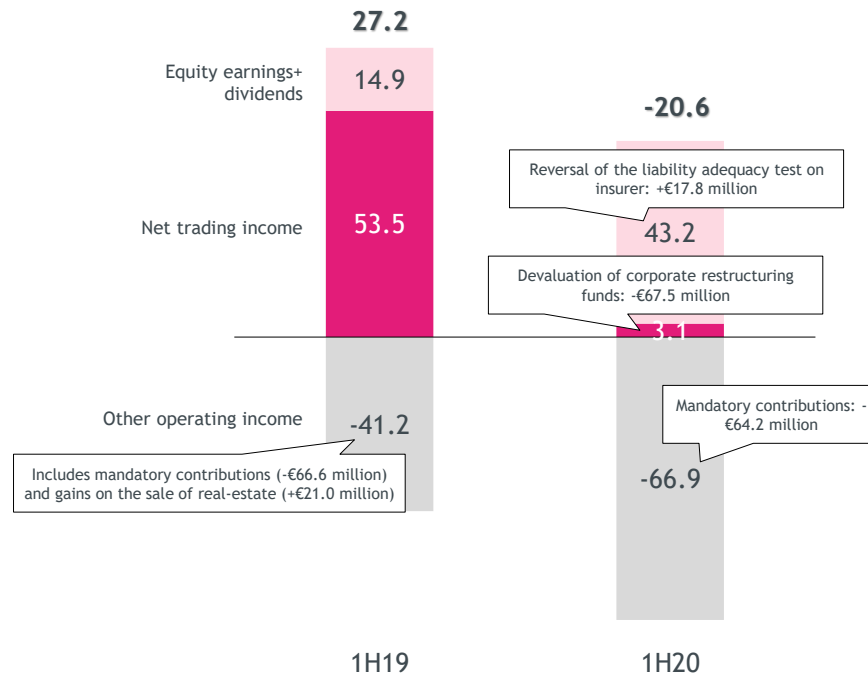
Fees and commissions

(Million euros)

	1H19	1H20	YoY
Banking fees and commissions	205.9	199.5	-3.1%
Cards and transfers	52.8	46.6	-11.7%
Loans and guarantees	54.9	51.5	-6.1%
Bancassurance	43.4	42.1	-2.9%
Customer account related	50.9	55.5	+9.1%
Other fees and commissions	4.0	3.8	-6.0%
Market related fees and commissions	29.6	32.9	+11.3%
Securities operations	23.1	25.1	+8.7%
Asset management	6.5	7.8	+20.5%
Total fees and commissions	235.5	232.4	-1.3%

Other income

(Million euros)

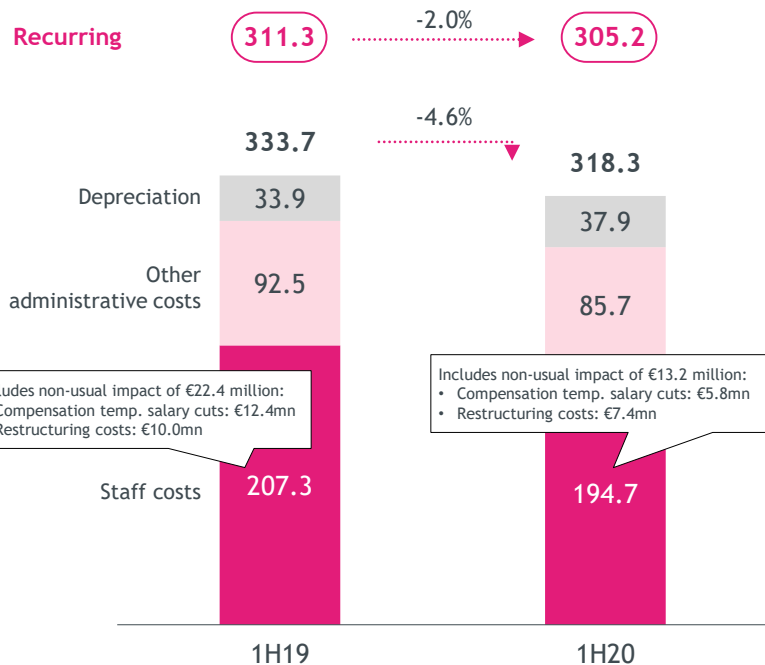


Recurring operating costs under control

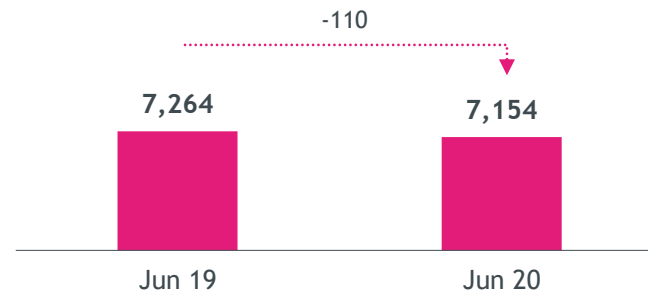


Operating costs

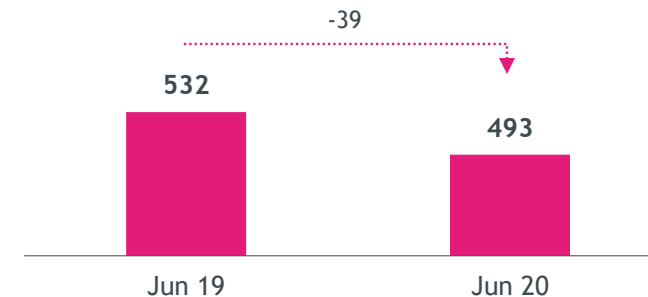
(Million euros)



Employees



Branches

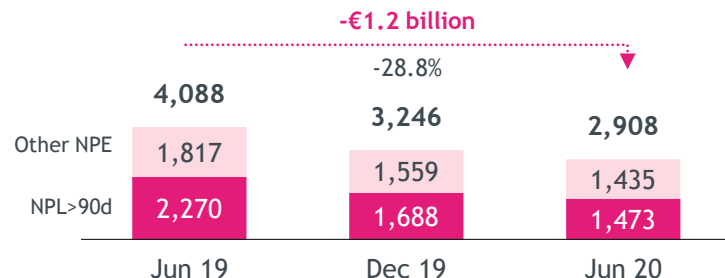


Continued decrease of NPEs



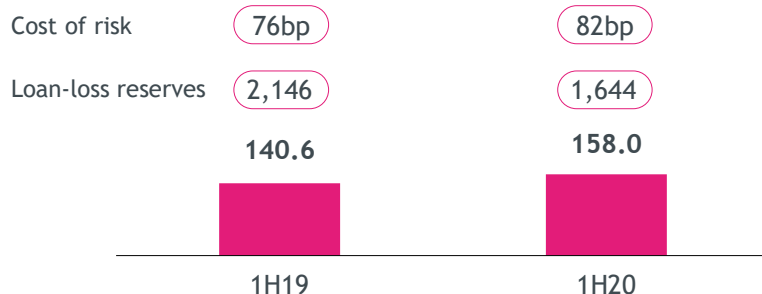
Non-performing exposures (NPE)

(Million euros)



Loan impairment (net of recoveries)

(Million euros)



NPE include loans to Customers only.

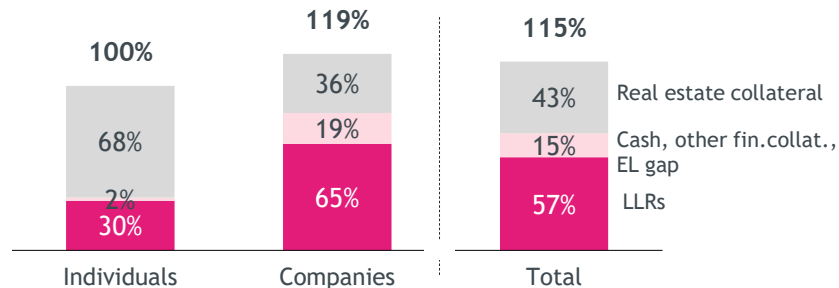
NPE build-up

(Million euros)	Jun 20 vs. Jun 19	Jun 20 vs. Dec 19
Opening balance	4,088	3,246
Net exits	-166	131
Write-offs	-287	-85
Sales	-726	-383
Ending balance	2,908	2,908

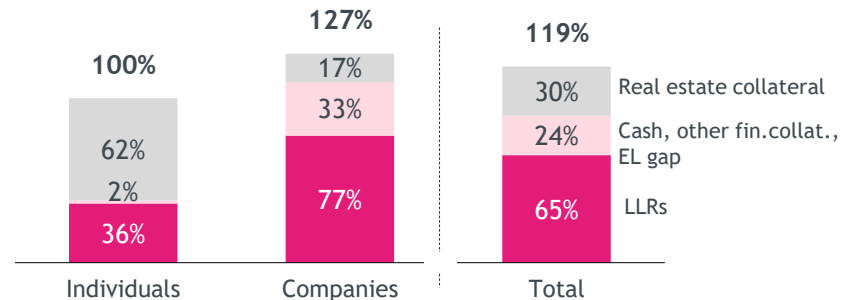
- NPEs in Portugal down by €1.2 billion, from €4.1 billion as at June 30, 2019 to €2.9 billion as at the same date of 2020
- This decrease results from net outflows of €0.2 billion, write-offs of €0.3 billion and sales of €0.7 billion
- The decrease of NPEs from June 30, 2019 is attributable to a €0.8 billion reduction of NPL>90d and to a €0.4 billion decrease of other NPEs
- Cost of risk of 82bp in the 1st half of 2020 (76bp in the same period of 2019), with a reinforcement of NPE coverage by loan-loss reserves to 57% from 52%, respectively



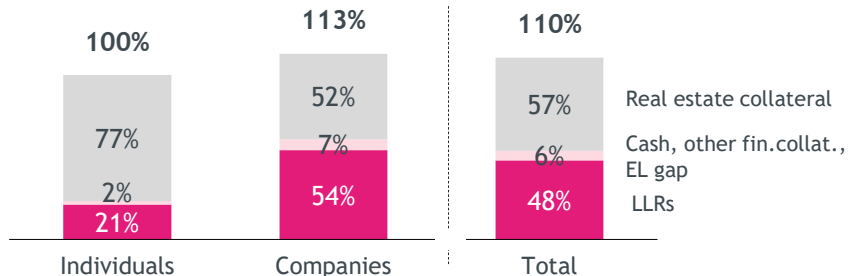
NPE total coverage*



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 65% for companies NPE as at June 30, 2020, reaching 77% for companies NPL>90d (84% and 110%, respectively, if cash, financial collateral and expected loss gap are included)

NPE include loans to Customers only.

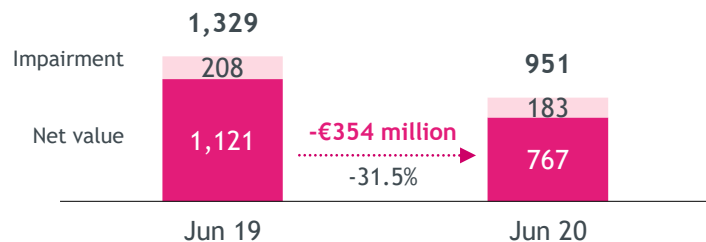
*By loan-loss reserves, expected loss gap and collaterals.

Foreclosed assets and corporate restructuring funds



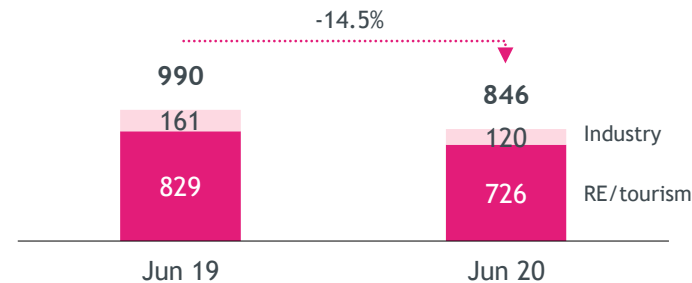
Foreclosed assets

(Million euros)



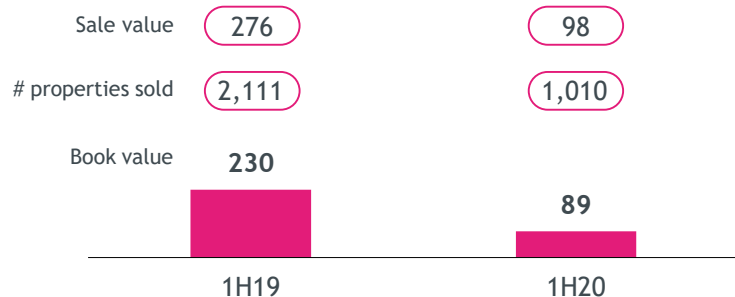
Corporate restructuring funds

(Million euros)



Sales of foreclosed assets

(Million euros)



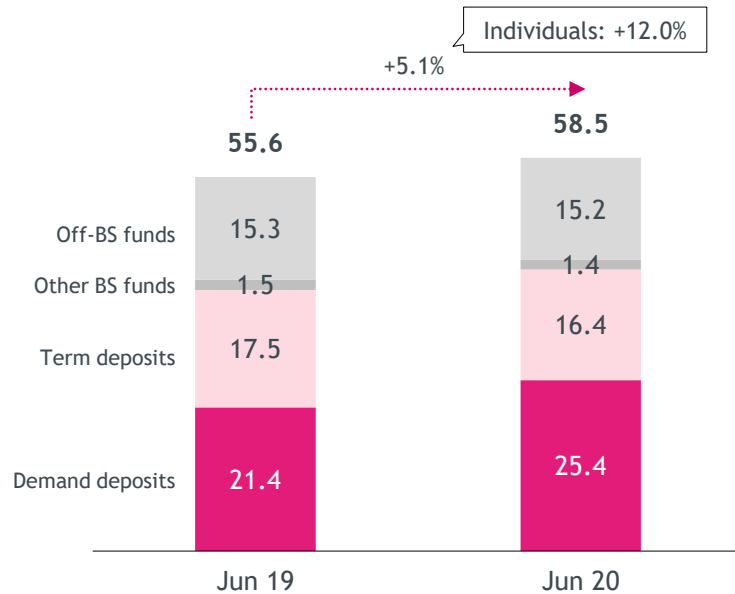
- Net foreclosed assets were down by 31.5% between June 30, 2019 and June 30, 2020. Valuation of foreclosed assets by independent providers exceeded book value by 27%
- 1,010 properties were sold during the 1st half of 2020 (2,111 properties in the same period of 2019), with sale values exceeding book values by €9 million
- Corporate restructuring funds decreased 14.5% to €846 million at June 30, 2020. The original credit exposure on these funds totals €2,006 million, with total reserves (original credit, plus restructuring funds) corresponding to a 58% coverage

Growing Customer funds and performing loans to Customers



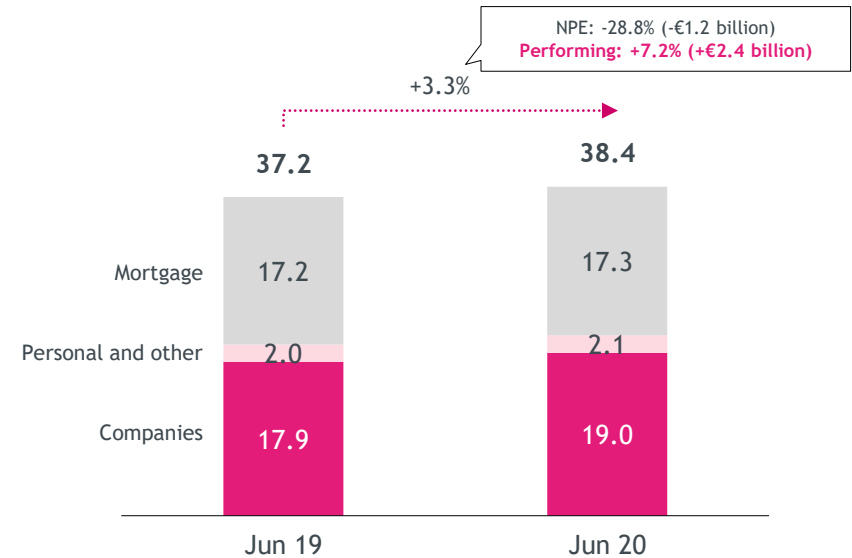
Total Customers funds*

(Billion euros)



Loans to Customers (gross)

(Billion euros)



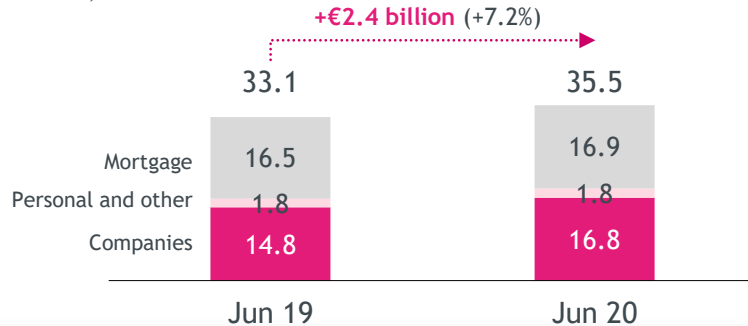
*Deposits, debt securities, assets under management, assets placed with Customers and insurance products (savings and investments).

Credit grows in Portugal

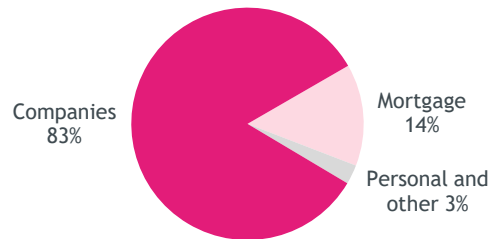


Performing credit portfolio

(Billion euros)



Breakdown of performing credit growth



- **Performing credit portfolio in Portugal up by €2.4 billion (+7.2%)** from June 30, 2019 and by €2.0 billion in the 1st half of 2020
- **Strong support to companies**, which accounted for 83% of the total performing loan growth from June 30, 2019
- **Leading bank in specialised credit, with factoring invoicing amounting to €3.944 million** in the 1st half of 2020 and **new leasing business of €244 million** in the same period of the previous year

Supporting companies and families to tackle the challenges of the pandemic

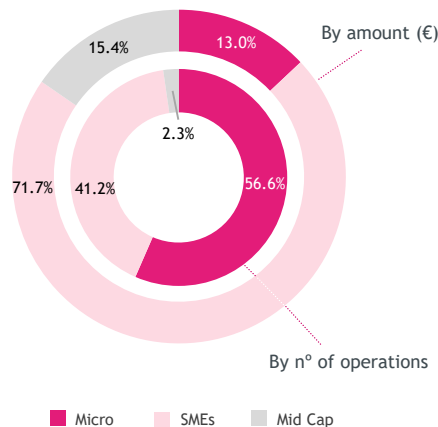


☰ Credit lines to companies

(Operations' amounts in euro billion)

	N.º of operations	Amount
Made available to Customers	13,809	2.2

Breakdown per size



- At the forefront in supporting the economy: **the bank increased its presence, siding with companies during the pandemic**
- **Market leadership in Covid-19 lines: 38%** of the available amount

☰ Approved moratoria

(Operations' amounts in euro billion)

HOUSEHOLDS	N.º of operations	Amount
Total	97,419	4.1
Public	57,727	3.4
APB	39,692	0.7

Mortgages: 92%

COMPANIES	N.º of operations	Amount
Public	26,905	4.7

- **Households:** more than 97,000 moratoriums approved, totalling more than €4 billion
- **92%** of the approved moratoriums for individuals are related to **mortgages**
- **Companies:** more than 26,000 moratoriums for individuals, for a total amount of more than €4.7 billion



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International operations

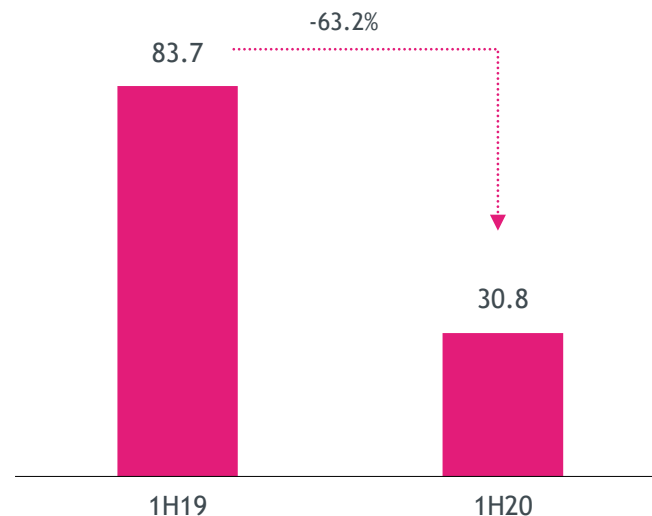
Contribution from international operations to consolidated net income

	1H19	1H20	Δ % local currency	Δ % euros
Poland	75.4	16.2	-78.5%	-79.2%
<i>Poland, comparable*</i>	96.6	89.1	-7.7%	-10.7%
Mozambique	46.1	42.5	-7.9%	-11.4%
Contribution of the Angolan operation**	3.9	-10.3		
Other	6.5	4.7		
Net income international operations	131.9	53.0		
Non-controlling int. (Poland+Mozambique)	-53.0	-22.2		
Exchange rate effect	4.7	--		
Contribution from international op. (2)	83.7	30.8		-63.2%



Contribution from international operations

(Million euros)



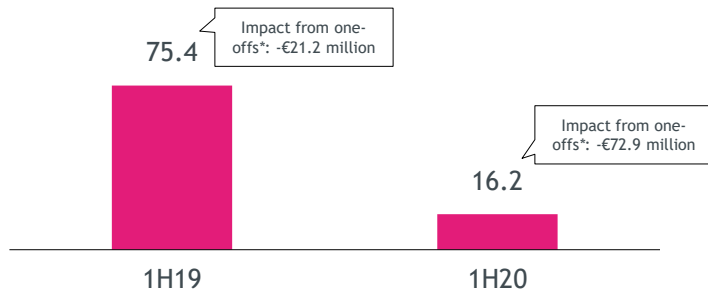
*One-offs excluded (1H 2020: Euro Bank integration costs, provisions for FX mortgage legal risk, Covid-19 provisions, provisions for the return of commissions on loans repaid earlier by Customers and linear distribution of BFG resolution fund fee; 1H 2019: Euro Bank integration costs, release of tax asset provision, addition impairment on Euro Bank's merger and linear distribution of BFG resolution fund fee). | **Based on the latest available information (May 2020 and provisions for June 2020). | Subsidiaries' net income presented for 2019 at the same exchange rate as of 2020 for comparison purposes.

Net earnings affected by provisions, mandatory contributions and Euro Bank's acquisition



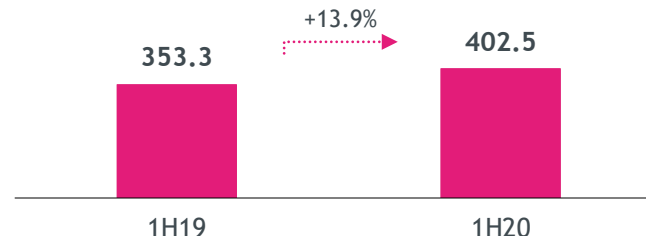
Net income

(Million euros)



Net operating revenue

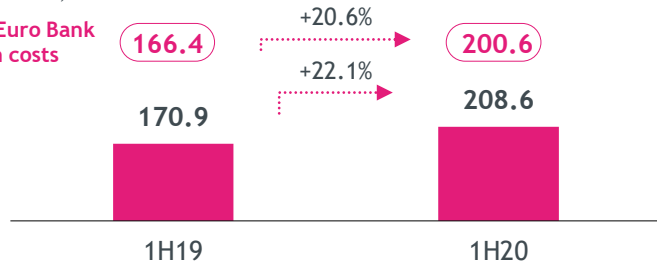
(Million euros)



Operating costs

(Million euros)

Excluding Euro Bank integration costs



- Net income of €16.2 million, affected by one-off provisions (including €38.0 million for legal risk on CHF loans) and by Euro Bank's integration
- Euro Bank's integration: synergies of €14.0 million more than compensate integration costs of €8.0 million in 1H 2020
- Customers funds up by 9.7%; loans to Customer increased by 5.9%
- CET1 ratio of 17.0%, with total capital of 20.0%; ROE of 2.2% (8.7% excluding one-offs*)



☰ Impact of the integration of Euro Bank

(Million euros)	Q1'19	Q2'19	Q3'19	Q4'19	Total 2019	Q1'20	Q2'20	Total 1H20
Euro Bank integration costs	-0.5	-4.0	-10.0	-11.8	-26.3	-6.8	-1.2	-8.0
Additional impairment Euro Bank	0.0	-18.2	-1.8	0.0	-20.0	0.0	0.0	0.0
Pre-tax costs	-0.5	-22.2	-11.8	-11.8	-46.3	-6.8	-1.2	-8.0
Pre-tax synergies	0.0	0.0	0.0	+5.3	+5.3	+5.3	+8.7	+14.0
Total impact, net of taxes	-0.4	-18.0	-9.6	-5.3	-33.2	-1.2	6.1	4.9

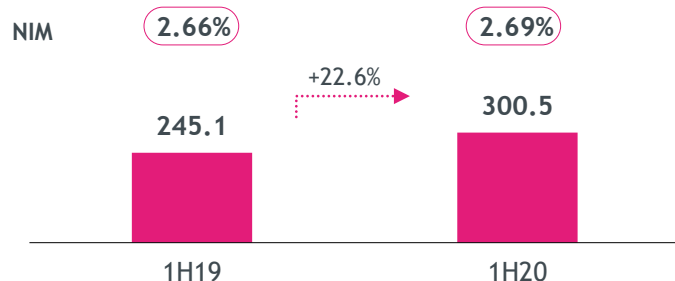
- Integration costs and capex incurred up to June 30, 2020 account for **77% of the overall plan**
- Integration costs of €8.0 million in the 1st half of 2020, €5.4 million of which related to staff
- **Synergies totalled €14.0 million** in the 1st half of 2020, and are expected to total **€35.2 million for 2020 as a whole**

Increased net interest income



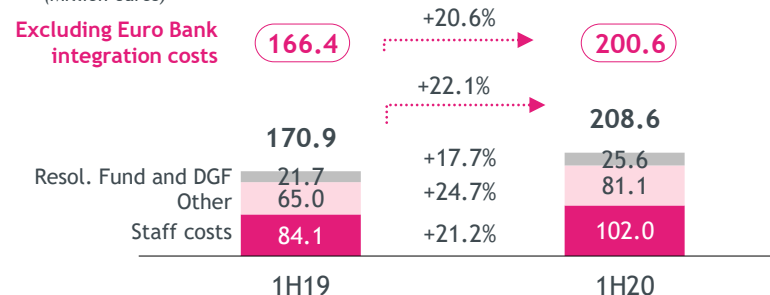
Net interest income*

(Million euros)



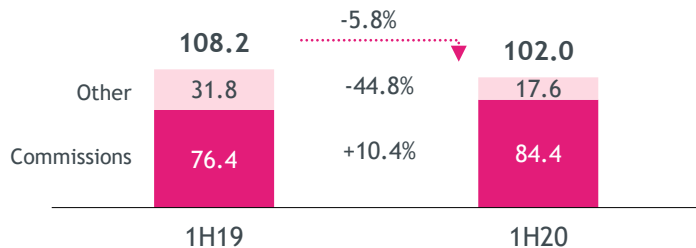
Operating costs

(Million euros)



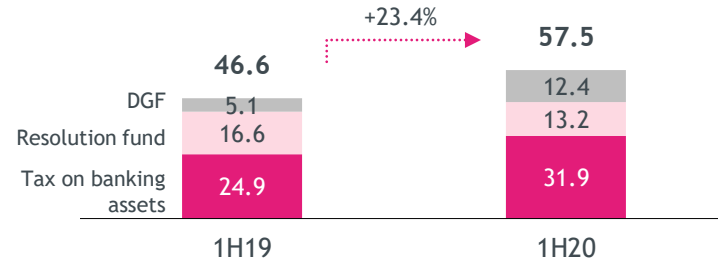
Commissions and other income

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



Mandatory contributions

(Million euros)

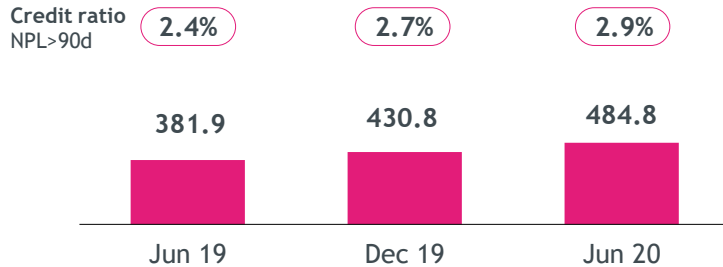


*Pro forma data. Margin from derivative products, including those from hedging FX denominated loan portfolio, is included in net interest income, whereas in accounting terms, part of this margin (€6.0 million in the 1st half of 2020 and €6.4 million in the 1st half of 2019) is presented in net trading income. FX effect excluded. €/Zloty constant at June 2020 levels: Income Statement 4.43; Balance Sheet 4.44.



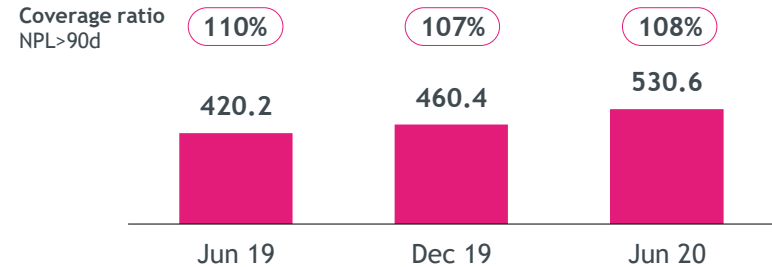
NPL>90d

(Million euros)



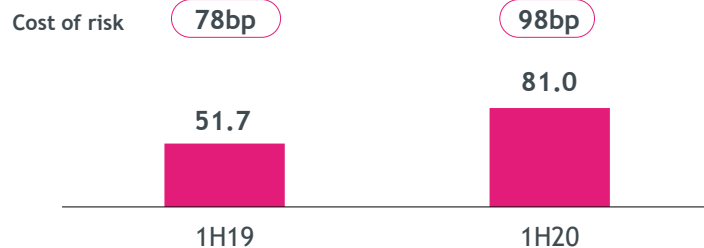
Loan-loss reserves

(Million euros)



Loan impairment (net of recoveries)

(Million euros)



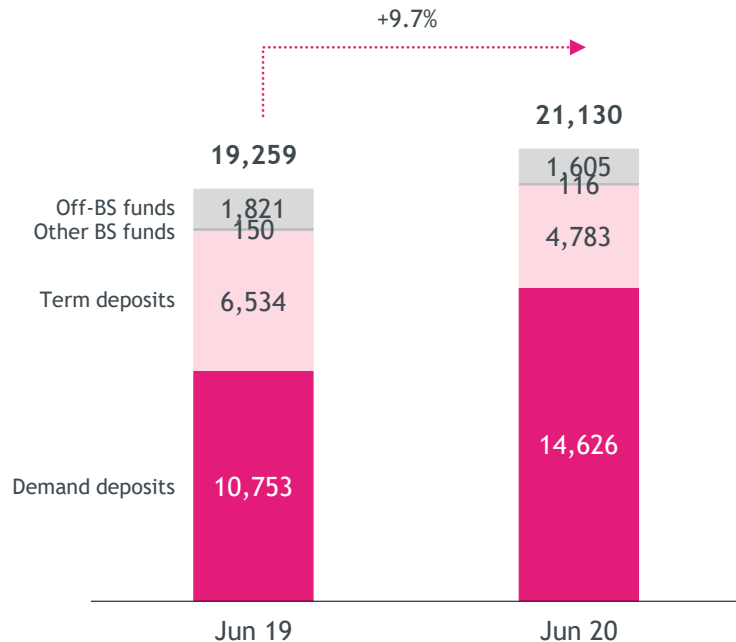
- NPL>90d accounted for 2.9% of total credit as of June 30, 2020 (2.4% as of June 30, 2019)
- Coverage of NPL>90d by loan-loss reserves at 108% (110% as of June 30, 2019)
- Cost of risk of 98bp, compared to 78bp in the 1st half of 2019

Growing volumes



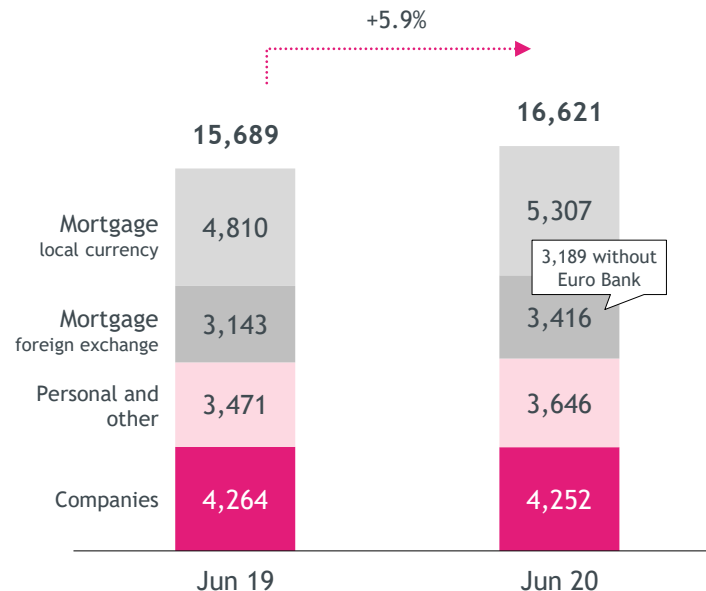
Customers funds

(Million euros)



Loans to Customers (gross)

(Million euros)

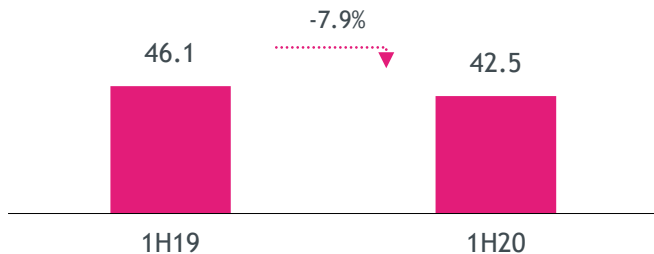


Net income impacted by provisions and by the normalisation of the interest rate environment



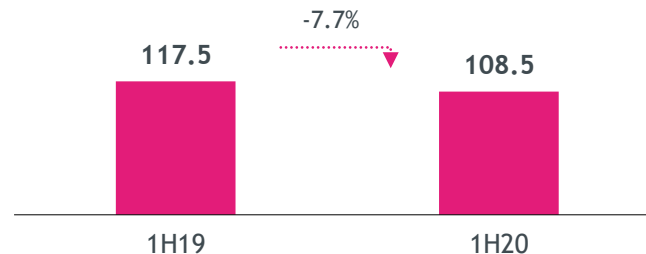
Net income

(Million euros)



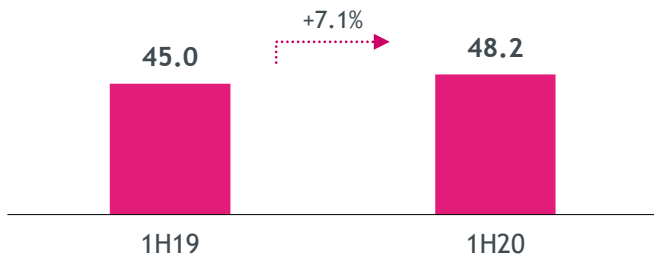
Net operating revenue

(Million euros)



Operating costs

(Million euros)



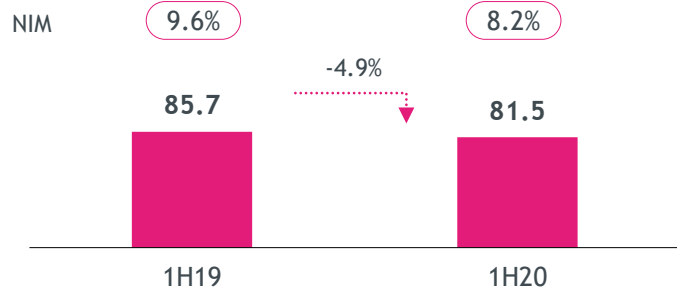
- Net income of €42.5 million
- Customer funds grew 13.4%; a conservative approach, given the challenging environment, resulted in a limited growth rate of loans to Customers (+1.3%)
- Capital ratio of 41.8%, with ROE of 17.6%

Net interest income impacted by the normalisation of the interest rate environment



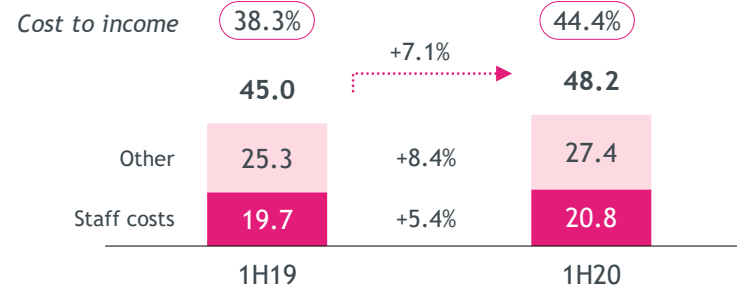
Net interest income

(Million euros)



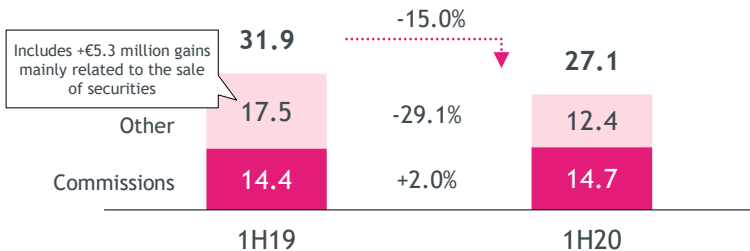
Operating costs

(Million euros)

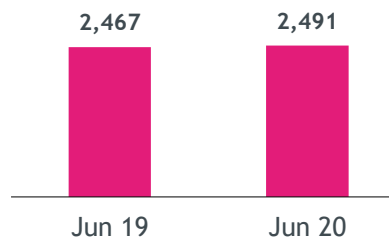


Commissions and other income

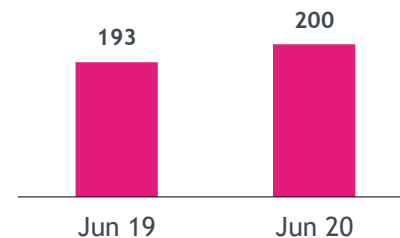
(Million euros)



Employees*



Branches



*Excludes employees from SIM (insurance company)

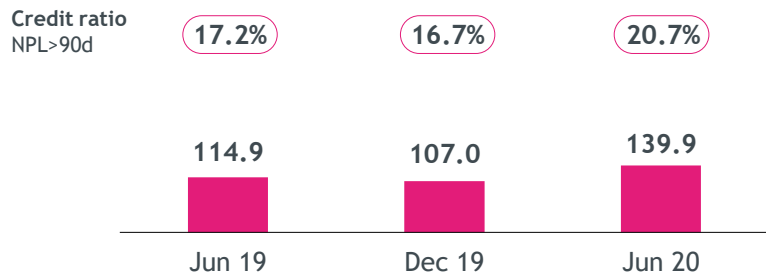
FX effect excluded. €/Metical constant at June 2020 levels: Income Statement 73.74; Balance Sheet 78.41.

Credit quality performance influenced by challenging environment



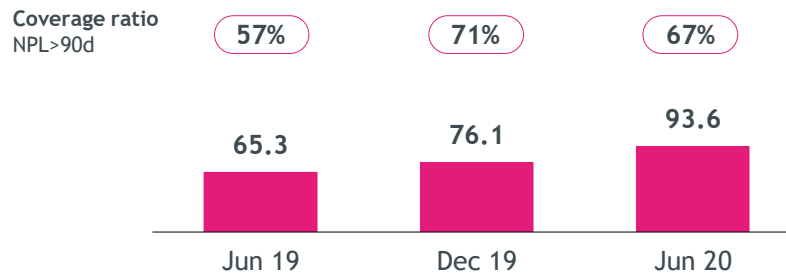
NPL>90d

(Million euros)



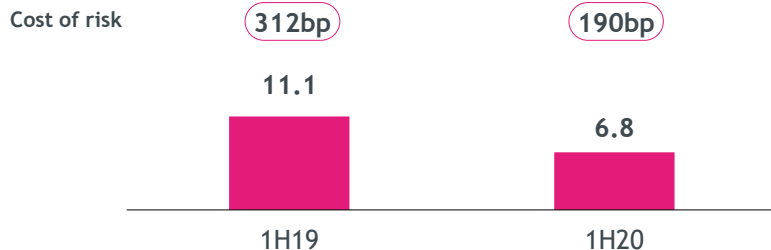
Loan-loss reserves

(Million euros)



Loan impairment (net of recoveries)

(Million euros)

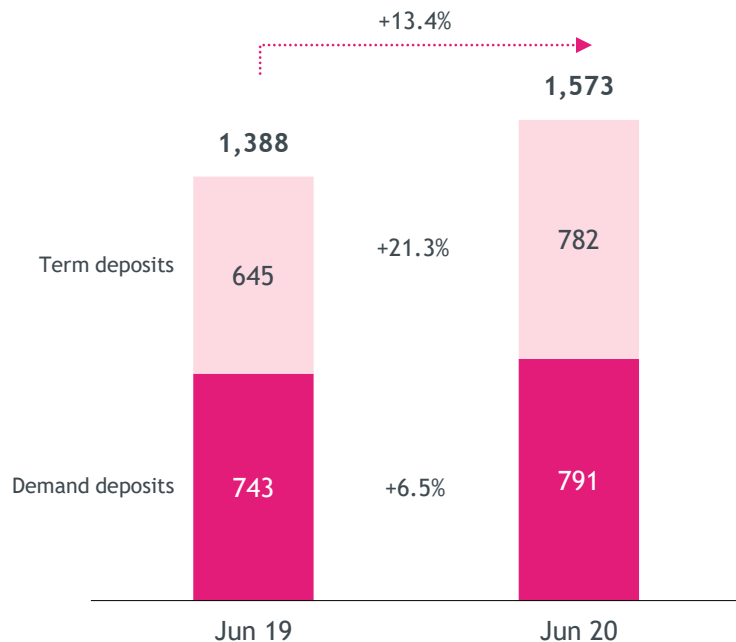


- NPL>90d ratio of 20.7% as of June 30, 2020, with coverage by loan-loss reserves of 67% on the same date
- Lower provisioning effort, reflected in a cost of risk of 190bp (312bp in the 1st half of 2019)



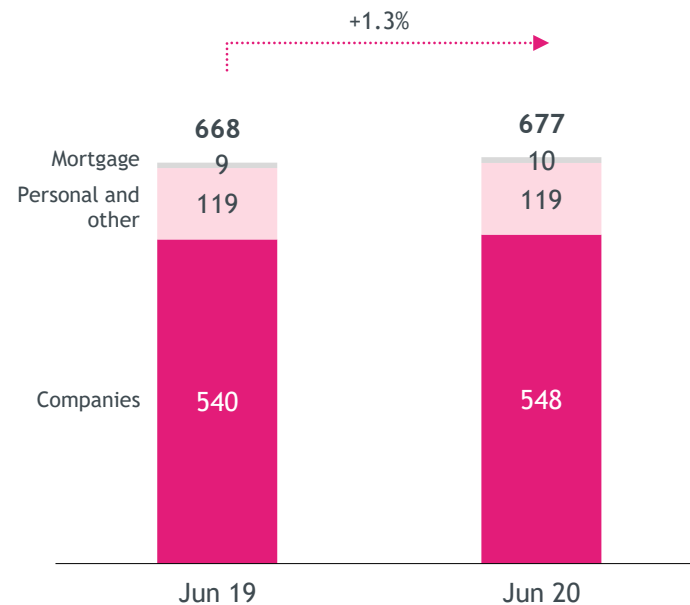
Customers funds

(Million euros)



Loans to Customers (gross)

(Million euros)








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Key figures

Strategic Plan

		1H19	1H20		Steady state* (original plan)
 Franchise growth	Active Customers	4.9 million	5.6 million	...	>6 million
	Digital Customers	57%	61%	...	>60%
	Mobile Customers	37%	44%	...	>45%
 Value creation	Cost to income	49% <small>(46% excluding non-usual costs)</small>	52% <small>(50% excluding non-usual costs)</small>	...	≈40%
	RoE	5.7%	2.6%	...	≈10%
	CET1	12.2%	12.1%	...	≈12%
	Loans-to-deposits	88%	85%	...	<100%
	Dividend payout	10%		...	≈40%
 Asset quality	NPE stock	€5.0 billion	€3.9 billion	...	≈€3 billion <small>Down ≈60% from 2017</small>
	Cost of risk	74bp	85bp	...	<50bp

NPE include loans to Customers only.

*To be achieved after the economic impact of the current pandemic.

COMMITMENT TO PEOPLE AND SOCIETY

Mbcp Foundation



Manuel Amado Exhibition - Painting without Alibi, at the Arpad Szenes-Vieira da Silva Foundation: inaugural session, with the presence of the President of the Republic.

MNAC

National Museum of Contemporary Art - restoration of the museum wing for temporary exhibitions based on the Bank and the Museum's painting collection.



Restoration of the **Throne Room**, at the Ajuda National Palace and of the **São Vicente Panels**, at the National Museum of Ancient Art.



Food Bank's Emergency Network - extraordinary support in the context of the pandemic.

Society



Millennium Festival ao Largo - this year at the National Palace of Ajuda, complying with security rules while taking the best of classical music and ballet to the public.



SNS
SERVIÇO NACIONAL DE SAÚDE

Actions to support the NHS: construction of the Lisbon Contingency Structure, “United for Survival” campaign, conversion of Curry Cabral Hospital and donation of 100 ventilators through APB.



Millennium bcp Club supports social institutions through the donation of personal protection equipment.



Contribution to the EU initiative at the international donors conference to find a vaccine for Covid-19, as part of the Portuguese contribution.



Dignitude Association - Support to the Covid-19 emergency “Abem” project to ensure that everybody’s access to medicines

Sustainability



Millennium bcp subscribes to the BCSO Portugal's manifesto “Taking advantage of the crisis to launch a new sustainable development paradigm”.



“Vamos todos ser Dinis”, a partnership with AMI inclusive of a campaign to promote the bank’s digital account statement, with the objective of participating in the reforestation effort of the Leiria pine yard.



Environmental Performance: in the last 5 years, we have reduced greenhouse gas emissions by 35%, electricity consumption by 26% and total energy by 34%.



Millennium bcp is part of the **Bloomberg Gender-Equality Index** and of the **Ethibel Sustainability Index (ESI) Excellence Europe**

Awards in 2020



Millennium bcp: Clearest information; most recommended bank; leader in Customer satisfaction, in product quality and in satisfaction with account manager; leader in Customer satisfaction with digital channels, in all assessed items (Basef Banca, June 2020)



Millennium bcp: Marketeer award, “Banking” category (4th year in a row)



ActivoBank: “5 estrelas 2020” award, “Digital Banking” category



ActivoBank: Best commercial bank, Best consumer digital bank and Best mobile banking app in Portugal



Millennium bim: Best bank in Mozambique (11th year in a row)



Millennium bim: Best trade finance provider in Mozambique



Millennium bim: Best private bank in Mozambique



Millennium bim: Most Innovative Banking Services in Mozambique



Bank Millennium: now part of the WIG-ESG index of the Warsaw Stock Exchange for socially responsible companies, ranking 4th



Bank Millennium: Most recommended bank and leader in Customer satisfaction (“Customer satisfaction monitor of retail banks ARC Rynek i Opinia”)



Bank Millennium: Best trade finance provider in Poland



Bank Millennium: Best online banking, best mobile banking and best remote account opening process in Poland (“Institutions of the year 2020” ranking)



Bank Millennium: CSR Golden Leaf Award of the “Polytika” magazine for the implementation of the strictest corporate social responsibility standards



Bank Millennium: 6th in the Responsible Companies ranking, 3rd in Banking, Finance and Insurance



Bank Millennium: 1st in the “Growth Star” category, 2nd in the “Customer Relationship” category and 3rd for overall achievement in the main category and in the “Star of Innovation” category (“Stars of Banking” Dziennik Gazetę Prawną/PwC)



Bank Millennium: winner in the “digital” and in the “people’s choice” categories of the “TOP CDR Technologically Responsible Company” award



Bank Millennium: 1st in the “Fin-Tech Innovation” category for the Autopay service, and 2nd in the “Mortgage Loan” category



Millennium bcp

Main bank for companies; most appropriate products; most efficient; closest to Customers



ActivoBank

Consumer choice 2020, “Digital banks” category

Appendix



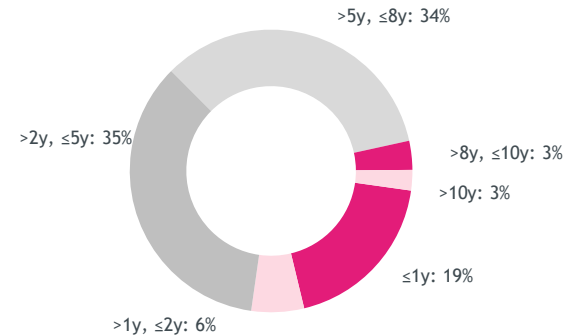
Sovereign debt portfolio

Sovereign debt portfolio

(Consolidated, million euros)

	Jun 19	Sep 19	Dec 19	Mar 20	Jun 20	YoY	QoQ
Portugal	7,229	7,413	6,520	6,802	8,253	+14%	+21%
T-bills and other	1,665	1,536	1,923	1,872	1,605	-4%	-14%
Bonds	5,564	5,876	4,597	4,930	6,648	+19%	+35%
Poland	4,328	4,645	5,077	4,820	5,869	+36%	+22%
Mozambique	290	320	257	269	280	-4%	+4%
Other	1,010	940	571	1,527	1,923	+90%	+26%
Total	12,857	13,317	12,426	13,417	16,325	+27%	+22%

Sovereign debt maturity



- ✓ The sovereign debt portfolio totalled €16.3 billion, €9.8 billion of which maturing until 5 years
- ✓ The Portuguese sovereign debt portfolio totalled €8.3 billion, whereas the Polish and Mozambican portfolios amounted to €5.9 billion and to €0.3 billion, respectively; “other” includes Italian and Spanish sovereign debt (€0.8 billion and €1.0 billion, respectively)

Sovereign debt portfolio

	Portugal	Poland	Mozambique	Other	Total
Trading book	1,590	76	0	51	1,716
≤ 1 year	1,590	26		50	1,666
> 1 year and ≤ 2 years		8			8
> 2 years and ≤ 5 years		19			19
> 5 years and ≤ 8 years		11			11
> 8 years and ≤ 10 years		12			12
> 10 years					
Banking book*	6,663	5,793	280	1,873	14,609
≤ 1 year	65	1,347	16	10	1,438
> 1 year and ≤ 2 years	56	814	105		976
> 2 years and ≤ 5 years	1,450	3,428	64	793	5,736
> 5 years and ≤ 8 years	4,290	156	33	1,070	5,549
> 8 years and ≤ 10 years	513	17			529
> 10 years	289	31	62		382
Total	8,253	5,869	280	1,923	16,325
≤ 1 year	1,654	1,373	16	60	3,104
> 1 year and ≤ 2 years	57	822	105		984
> 2 years and ≤ 5 years	1,451	3,447	64	793	5,755
> 5 years and ≤ 8 years	4,290	167	33	1,070	5,560
> 8 years and ≤ 10 years	513	28			541
> 10 years	289	31	62		382

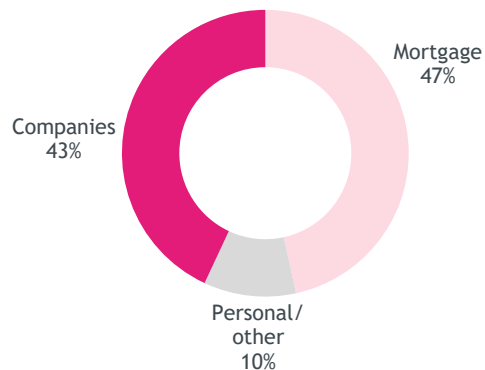
*Includes financial assets at fair value through other comprehensive income (€11,699 million) and financial assets at amortised cost (€2,910 million).

Diversified and collateralised portfolio

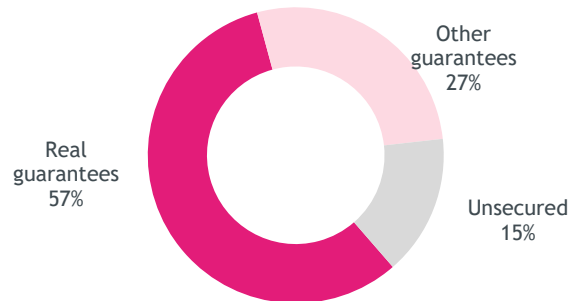
Loan portfolio

(Consolidated)

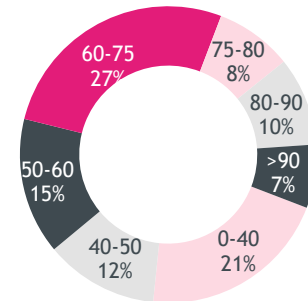
Breakdown



Loans per collateral



LTV of the mortgage portfolio in Portugal



Loans

- Loans to companies accounted for 43% of the loan portfolio as at June 30, 2020, 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%
- 85% of the loan portfolio is collateralised

Collaterals

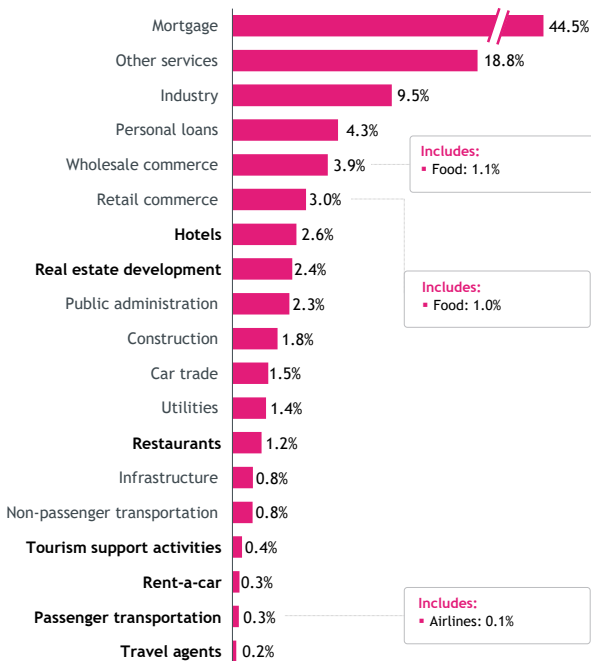
- Real estate accounts for 93% of total collateral value
- 80% of the real estate collateral is residential

Diversified loan portfolio, with reduced exposure to the most vulnerable sectors



Diversified loan portfolio

(EAD as a % of performing credit portfolio)



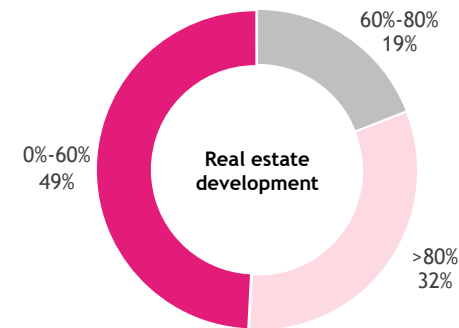
Sectors more sensitive to Covid-19

(EAD of the performing credit portfolio, million euros)

Exposures to sectors more sensitive to the pandemic

Sector	Exposure
Hotels	938
Real estate development	878
Restaurant	427
Tourism support activities	140
Rent-a-car	99
Passenger transportation	91
Travel agents	55
Total	2,628
% of Total	7.3%

Loan-to-value



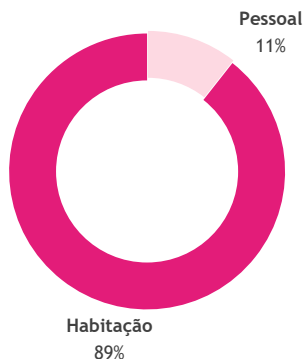
Diversified portfolio, especially when compared to the previous crisis. The most vulnerable sectors represent **7.3%** of the portfolio; approximately half of the portfolio of real-estate development loans with LTV below **60%**

Mortgage loan portfolio with low LTVs and controlled cost of risk, even in adverse contexts

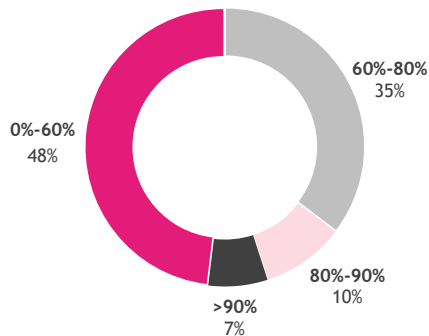


Mortgage loan portfolio

Weight of mortgages in the portfolio of loans to individuals



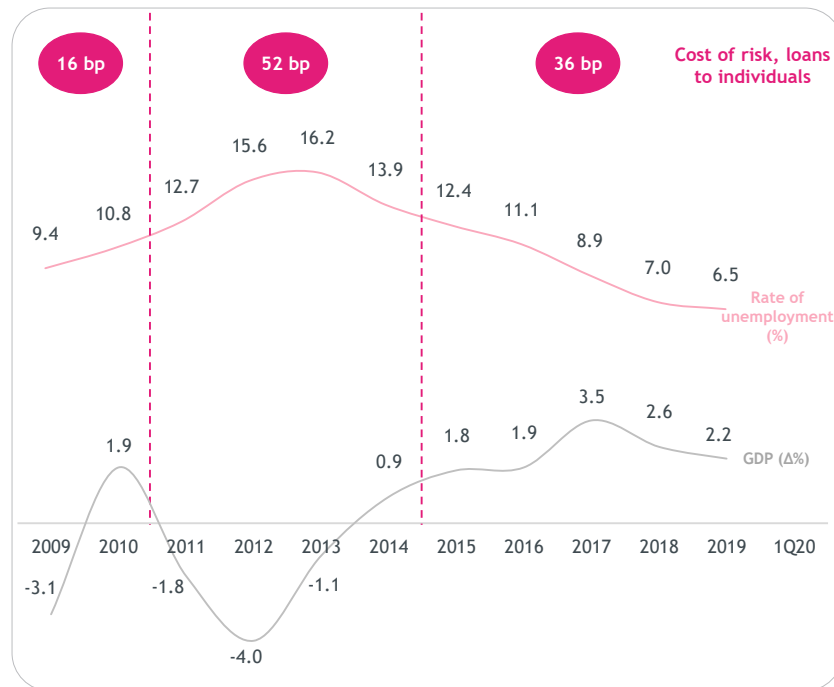
LTV of the mortgage portfolio



- Almost half of the mortgage portfolio has LTVs <60% and 93% with LTVs <90%. Even in adverse contexts, the cost of private risk remained low.
- The cost of risk of the individual loans portfolio is **very resilient to the deterioration of the macroeconomic environment**.

Cost of risk of loans to individuals

(Annual average cost of risk - loans to individuals)

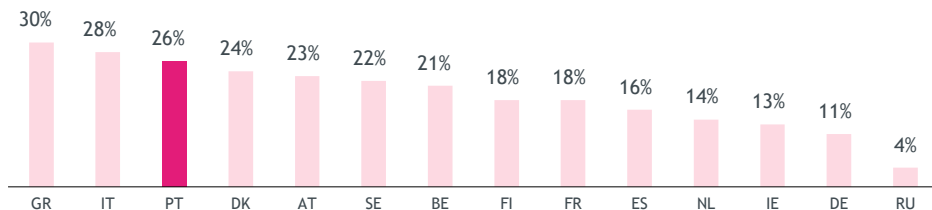


Diversified exposure to SMEs and reduced weight in unsecured credit to individuals are positive factors in the European context



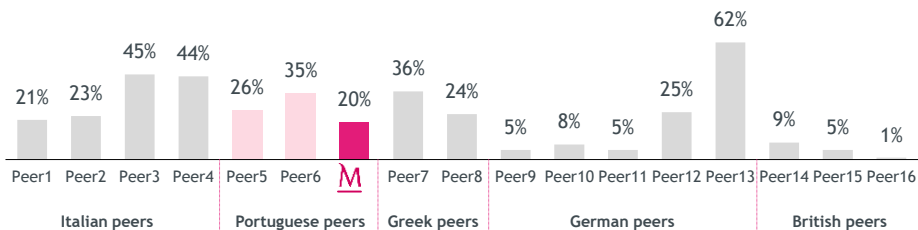
Portuguese financial system exposure to SMEs

Exposure to SMEs per banking industry



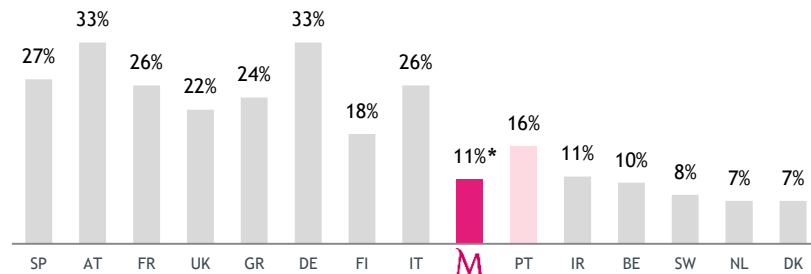
■ SMEs exposure/ Total private sector exposure

SMEs exposure/ Total private sector exposure: per peer



Weight of unsecured exposures to individuals

Unsecured exposure to individuals/ Total exposure to individuals



- 20% of the Bank's total exposure to the private sector are SMEs, a limited exposure to one of the most affected components of the Portuguese business sector, the majority of which works exclusively for the domestic market.
- 16% of total exposure to individuals, in Portugal, is unsecured. In the specific of Millennium bcp, this value is lower than 11%*.
- In the current environment, the reduced exposure to unsecured credit is a prominent favourable factor in the Portuguese banking sector.

Consolidated net income

<i>(Million euros)</i>	1H19	1H20	YoY	Impact on edrnings
Net interest income	740.1	759.1	+2.6%	+19.0
Net fees and commissions	342.2	345.2	+0.9%	+3.0
Other income*	40.5	-33.4	-182.6%	-73.9
Net operating revenue	1,122.7	1,070.8	-4.6%	-51.9
Staff costs	-324.2	-327.6	+1.0%	-3.3
Other administrative costs and depreciation	-222.5	-234.2	+5.3%	-11.8
Operating costs	-546.7	-561.8	+2.8%	-15.1
Profit before impairment and provisions	576.0	509.0	-11.6%	-67.0
Loans impairment (net of recoveries)	-200.3	-237.3	+18.5%	-37.0
Other impairment and provisions	-42.8	-114.0	+166.2%	-71.2
Impairment and provisions	-243.1	-351.4	+44.5%	-108.2
Net income before income tax	332.9	157.7	-52.6%	-175.2
Income taxes	-121.1	-58.9	-51.4%	+62.2
Non-controlling interests	-55.5	-22.8	-58.8%	+32.6
Net income from discontinued or to be discontinued operations	13.4	0.0		-13.4
Net income	169.8	76.0	-55.3%	-93.8

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

Consolidated balance sheet

(Million euros)

	30 June 2020	30 June 2019
ASSETS		
Cash and deposits at Central Banks	4,302.6	3,586.1
Loans and advances to credit institutions repayable on demand	350.2	313.4
Financial assets at amortised cost		
Loans and advances to credit institutions	1,086.0	971.2
Loans and advances to customers	51,248.3	49,564.4
Debt instruments	5,742.5	3,378.1
Financial assets at fair value through profit or loss		
Financial assets held for trading	2,335.7	855.7
Financial assets not held for trading mandatorily at fair value through profit or loss	1,305.4	1,417.9
Financial assets designated at fair value through profit or loss	-	31.5
Financial assets at fair value through other comprehensive income	13,285.4	13,386.0
Hedging derivatives	133.6	207.3
Investments in associated companies	429.6	422.0
Non-current assets held for sale	1,201.7	1,582.7
Investment property	13.2	9.7
Other tangible assets	671.5	712.4
Goodwill and intangible assets	238.1	214.7
Current tax assets	21.0	52.5
Deferred tax assets	2,662.0	2,798.7
Other assets	1,529.7	1,369.1
TOTAL ASSETS	86,556.4	80,873.2

LIABILITIES

	30 June 2020	30 June 2019
Financial liabilities at amortised cost		
Resources from credit institutions	9,055.2	7,231.5
Resources from customers	62,475.2	56,877.4
Non subordinated debt securities issued	1,475.8	1,771.8
Subordinated debt	1,440.4	1,302.0
Financial liabilities at fair value through profit or loss		
Financial liabilities held for trading	411.2	332.0
Financial liabilities at fair value through profit or loss	2,287.7	3,514.5
Hedging derivatives	265.4	278.9
Provisions	345.9	314.4
Current tax liabilities	5.7	9.2
Deferred tax liabilities	6.6	10.6
Other liabilities	1,337.7	1,665.8
TOTAL LIABILITIES	79,106.7	73,308.1
EQUITY		
Share capital	4,725.0	4,725.0
Share premium	16.5	16.5
Other equity instruments	400.0	402.9
Legal and statutory reserves	254.5	240.5
Treasury shares	(0.1)	(0.1)
Reserves and retained earnings	760.8	793.7
Net income for the period attributable to Bank's Shareholders	76.0	169.8
TOTAL EQUITY ATTRIBUTABLE TO BANK'S SHAREHOLDERS	6,232.7	6,348.3
Non-controlling interests	1,217.0	1,216.8
TOTAL EQUITY	7,449.7	7,565.1
TOTAL LIABILITIES AND EQUITY	86,556.4	80,873.2

Consolidated income statement per quarter

(Million euros)

	2Q 19	3Q 19	4Q 19	1Q 20	2Q 20
Net interest income	377.4	412.9	395.6	385.5	373.6
Dividends from equity instruments	0.6	0.1	0.1	0.1	3.4
Net fees and commission income	175.6	176.9	184.4	179.8	165.4
Other operating income	-65.5	-13.3	-13.8	-40.4	-79.1
Net trading income	35.2	23.6	24.2	61.4	-21.8
Equity accounted earnings	2.6	17.8	4.0	10.8	32.1
Banking income	525.9	617.9	594.4	597.2	473.6
Staff costs	172.0	163.8	180.2	164.7	162.9
Other administrative costs	85.9	101.6	106.0	86.3	78.8
Depreciation	30.1	32.9	35.0	34.8	34.4
Operating costs	288.0	298.2	321.2	285.7	276.1
Profit bef. impairment and provisions	237.9	319.6	273.2	311.4	197.6
Loans impairment (net of recoveries)	113.8	98.7	91.2	86.1	151.2
Other impairm. and provisions	25.4	35.2	73.4	115.7	-1.7
Net income before income tax	98.7	185.7	108.7	109.6	48.0
Income tax	55.6	52.9	65.2	65.6	-6.8
Non-controlling interests	27.1	32.2	11.8	8.7	14.1
Net income (before disc. oper.)	16.0	100.5	31.7	35.3	40.7
Net income arising from discount. operations	0.0	0.0	0.0	0.0	0.0
Net income	15.9	100.5	31.7	35.3	40.7

Income statement

(Million euros)

For the 6-month periods ended June 30th, 2019 and 2020

	Group			Portugal			Total			Bank Millennium (Poland)			Millennium bim (Moz.)			Other int. operations		
	Jun 19	Jun 20	Δ %	Jun 19	Jun 20	Δ %	Jun 19	Jun 20	Δ %	Jun 19	Jun 20	Δ %	Jun 19	Jun 20	Δ %	Jun 19	Jun 20	Δ %
Interest income	953	961	0.9%	478	451	-5.7%	475	510	7.5%	347	393	13.0%	122	114	-7.2%	5	4	-20.3%
Interest expense	213	202	-5.0%	79	72	-8.7%	134	130	-2.8%	101	98	-2.6%	33	32	-3.5%	0	0	-27.1%
Net interest income	740	759	2.6%	399	379	-5.1%	341	380	11.5%	247	295	19.4%	89	81	-8.5%	5	4	-20.2%
Dividends from equity instruments	1	3	>100%	0	3	>100%	1	1	9.3%	1	1	17.9%	0	0	-100.0%	0	0	--
Intermediation margin	741	763	2.9%	399	382	-4.4%	341	381	11.5%	247	295	19.4%	89	81	-8.6%	5	4	-20.2%
Net fees and commission income	342	345	0.9%	236	232	-13%	107	113	5.7%	79	84	6.9%	15	15	-19%	13	14	7.5%
Other operating income	-77	-19	-55.3%	-41	-67	-62.5%	-36	-53	-46.9%	-46	-58	-25.6%	11	6	-43.9%	0	0	-30.1%
Basic income	1,006	988	-1.8%	594	547	-7.8%	412	441	6.9%	280	321	14.8%	115	102	-11.1%	17	17	-0.6%
Net trading income	96	40	-58.5%	53	3	-94.2%	42	36	-13.3%	33	28	-13.2%	7	6	-12.8%	2	2	-15.9%
Equity accounted earnings	21	43	>100%	15	40	>100%	6	2	-61.2%	0	0	--	0	0	--	6	2	-61.2%
Banking income	1,123	1,071	-4.6%	662	591	-10.7%	461	480	4.2%	313	350	11.9%	122	109	-11.2%	26	22	-16.7%
Staff costs	324	328	10%	207	195	-6.1%	117	133	13.7%	87	102	17.3%	21	21	14%	9	10	6.7%
Other administrative costs	166	165	-0.3%	92	86	-7.3%	73	79	8.6%	49	55	12.9%	21	21	0.5%	3	3	-3.3%
Depreciation	57	69	215%	34	38	118%	23	31	35.7%	17	24	42.1%	5	6	19.3%	1	1	4.3%
Operating costs	547	562	2.8%	334	318	-4.6%	213	243	14.3%	153	161	18.7%	47	48	3.0%	13	14	4.2%
Profit bef. impairment and provisions	576	509	-11.6%	328	273	-17.0%	248	236	-4.6%	160	168	5.4%	75	60	-20.0%	13	8	-38.7%
Loans impairment (net of recoveries)	200	237	18.5%	141	158	12.4%	60	79	32.9%	51	72	42.8%	12	7	-40.7%	-3	0	99.6%
Other impairment and provisions	43	114	>100%	41	47	13.8%	2	67	>100%	0	54	>100%	2	1	-60.8%	0	13	>100%
Net income before income tax	333	158	-52.6%	147	68	-53.6%	186	90	-51.8%	109	42	-61.5%	62	53	-14.8%	15	-5	<-100%
Income tax	121	59	-51.4%	74	23	-69.6%	47	36	-22.4%	31	26	-17.2%	14	10	-27.2%	2	1	-70.3%
Non-controlling interests	55	23	-58.8%	0	0	>100%	56	23	-59.5%	0	0	--	0	0	-8.8%	55	22	-59.9%
Net income (before disc. oper.)	156	76	-51.4%	73	45	-37.9%	84	31	-63.2%	78	16	-79.2%	48	42	-11.4%	-42	-28	33.9%
Net income arising from discount operations	13	0	-100.0%															
Net income	170	76	-55.3%															

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 investments).) 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.

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.



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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.