Millennium bcp

EARNINGS PRESENTATION H1 2022

Banco Comercial Português, S.A.

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 2022 not audited.

- During 2021, BCP Group sold the entire share capital of Banque Privée BCP (Suisse) S.A. and 70% of the share capital of Seguradora Internacional de Moçambique, S.A. ("SIM"). As defined in IFRS 5, the contribution of these entities to the consolidated net income of the Group is reflected as income arising from discontinued operations, and the historical information has been restated since January 2020 to ensure its comparability.

- Due to changes in the accounting policies of Bank Millennium (Poland), the previously published financial statements were restated from 1 January 2020 for comparability.

- The information in this presentation is for information purposes only, and should be read in conjunction with all other information made public by the BCP Group.

AGENDA

01 Highlights

02 Group

03 Portugal

04 International operations

01

Highlights

Highlights: Robust business model

Profitability

- **Net profit of 74.5 million** which compares to 12.3 million in June 2021, influenced by:
  - **Increase of 22.7% in Group's core income and strict management of operating costs (+1.5%)**
  - Mandatory contributions for the banking sector in Portugal of 62.2 million
  - Extraordinary effects related with Bank Millennium including 257.8[1] million of costs related with CHF mortgage loan portfolio, contribution of 54.3 million for the Institutional Protection Scheme (IPS)[2] and booking of Bank Millennium goodwill impairment of 102.3 million
- **Group's profit before impairment and provisions up by 45.7% compared to** the 1st half of 2021
- **Net Profit of 174.5 million in Portugal.** Excluding specific items, on a comparable basis, it corresponds to an increase of 63.1% in relation to the 1st half of 2021

Capital and liquidity

- **Total capital ratio[3] of 15.3%** and **CET1 ratio[3] of 11.3%,** (on a pro forma[4] basis, total capital ratio of 15.9% and CET1 ratio of 11.8% subject to the already requested approval for the application of article 352 (2) of the CRR) above regulatory requirements of **13.75% and of 9.16%,** respectively.
- Strong liquidity, well in excess of regulatory requirements, and **eligible assets for ECB funding of 25.2 billion**

[1] Before taxes and non-controlling interests and includes provisions for legal risks, costs with out-of-court settlements and legal advice.
[2] New Polish fund aimed to guarantee the stability of the financial system, ensuring the liquidity and solvency of member banks (Before non-controlling interests).
[3] Fully implemented ratio including unaudited net income for 1st half of 2022.
[4] Subject to ECB authorization.

Highlights: Robust business model

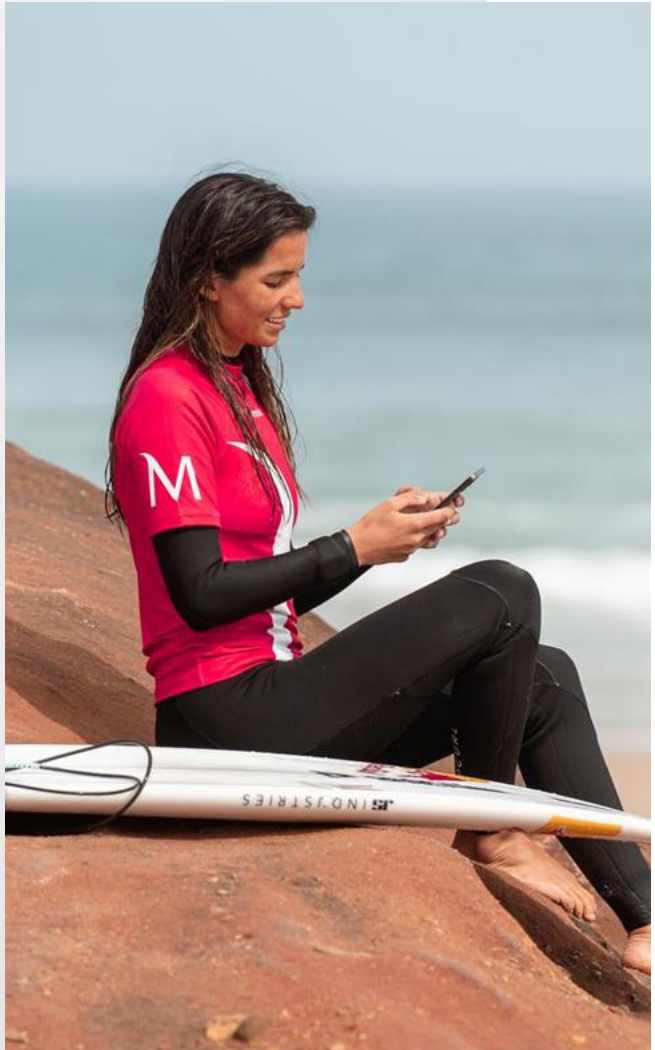
Business activity

- **Consolidated performing loans up by 1.6 billion**, +3.0% since June 2021; **performing loans in Portugal up by 1.5 billion**, +4.1% from June 2021
- **Total Customer funds up by 3.2 billion**, +3.6% from June 2021 (+4.6% in Portugal)
- **On-balance-sheet Customers funds up by 8.1%** to 74.5 billion for the Group, resulting from 9.9% increase in Portugal

Credit quality

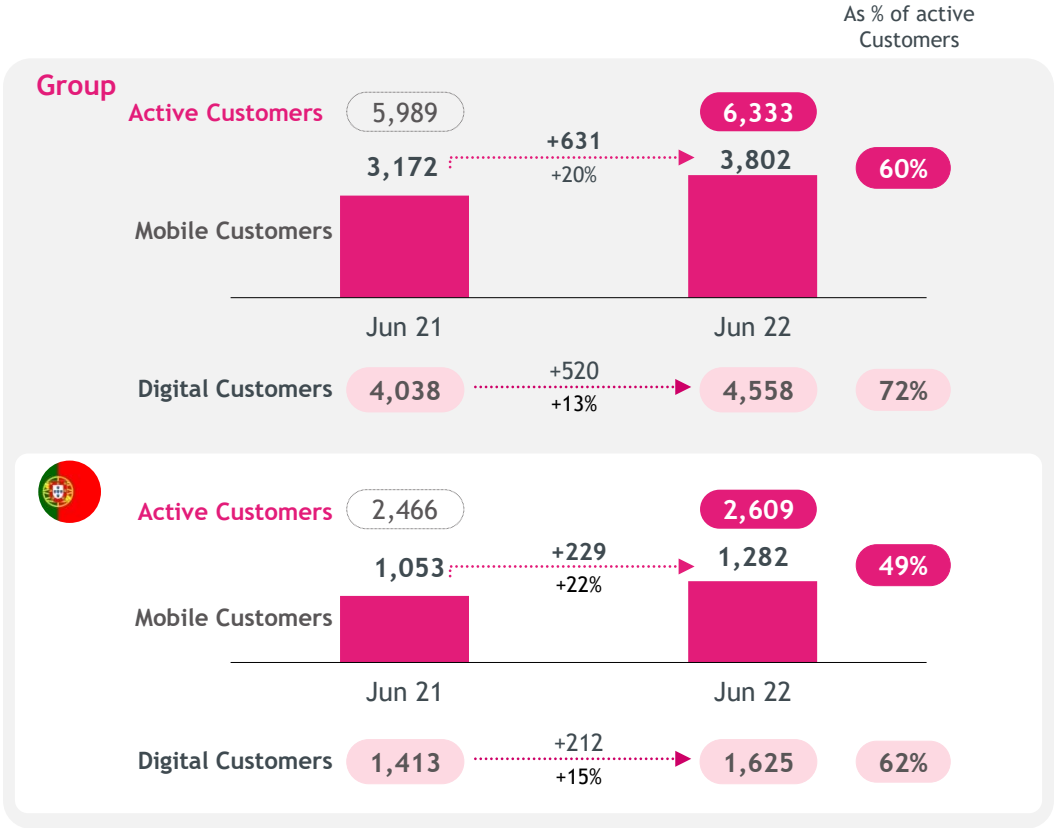
- **NPEs[1] down in an adverse environment: -501 million** from June 2021. In Portugal, the decrease was **460 million** in the same period (243 million from last year end and 153 million from 1St quarter 2022)
- **Cost of risk of 61bp for the Group and of 69bp in Portugal** which compares to 68bp[2] and 81bp[2] in the first half of 2021, respectively
- **Coverage of NPEs by LLRs of 65%**, with **total coverage of 113%** at the Group level

Change in loans to Customers and Customer funds on a proforma basis due to Banque Privée sale.
[1] NPE include loans to Customers only.
[2] Cost of risk adjusted by one-offs as presented in H1'21 results. Stated cost of risk in June de 2021 of 55bp for the Group and 64pb in Portugal



Growing Customer base, mobile Customers standing out

'000 Customers



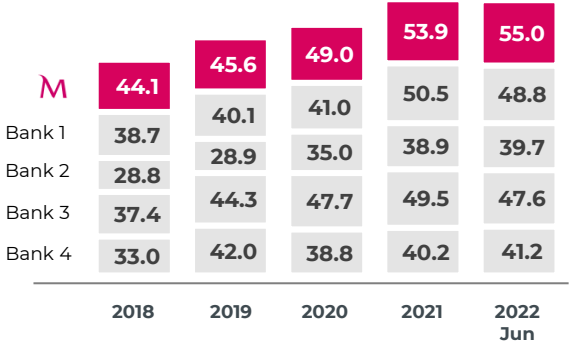
Customer counting criteria used in the Strategic Plan.

Our capabilities in digital are widely recognised and recommended

ELEITO PRODUTO DO ANO 2022
INOVAÇÃO PREMIADA POR CONSUMIDORES

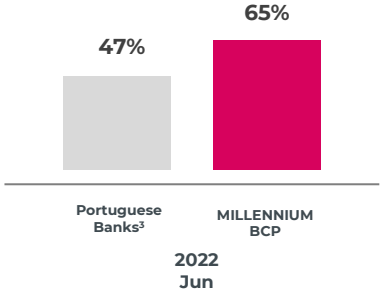
Marktest
Digital Channels Satisfaction

#1 NPS[1] Digital Customers
2018 – 2022 (Jun.),
5 largest banks



2021 BRAND SCORE PORTUGAL BY SCOPEN Melhor Banco Digital Millennium bcp

"Best Digital Bank"
Unaided nomination by Customers[2], (Jun.)



App Millennium **leads ratings**

4.8

4.8

HUAWEI 4.7

1 Digital channels satisfaction (NPS), 5 largest banks, Source: BASEF-Marktest
2 Which bank do you choose as the 'Best Digital Bank'? (Unaided reply) | Sample: Banking sector, total number of banking Customers, aged> 15 years - 70 years, Portugal (N 2022 = 2,000 per quarter; 8,000 per year))
3 Banking Sector - Corresponds to the Simple Average of the scores obtained from 6 Banks : NB, BPI, Caixa, Millennium BCP, Santander and Montepio
Awards are the exclusive responsibility of the of the attributing entity
The "Product of the Year" award is based on a consumer survey of product innovation. Appraising entity - Product of the Year Portugal Lda.

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

Strong mobile growth Y/Y

(Number of operations, jan-jun 2022 vs jan–jun 2021)

+27% **Transactions**

+69% Transfers P2P

+26% National Transfers

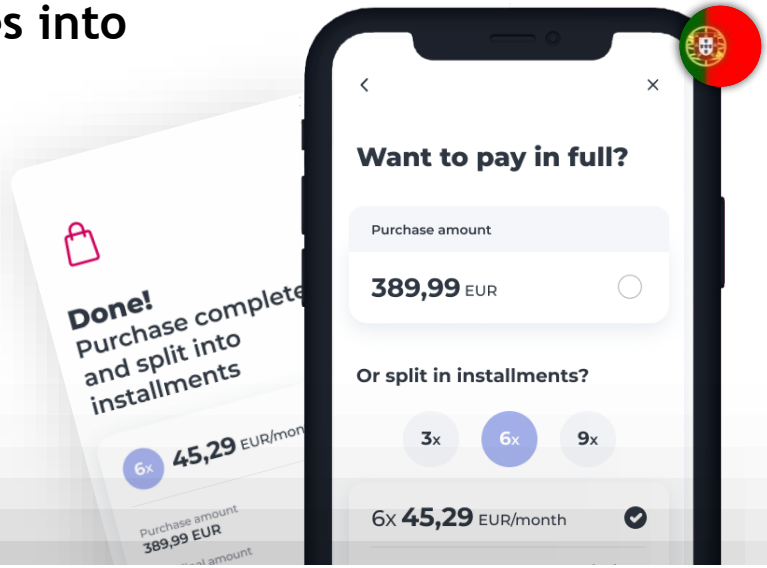
+11% Payments

+46% **Sales**

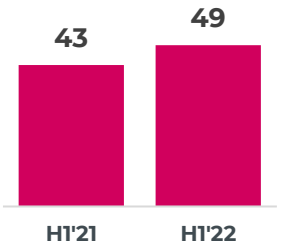
+124% Cards

+161% Personal loans

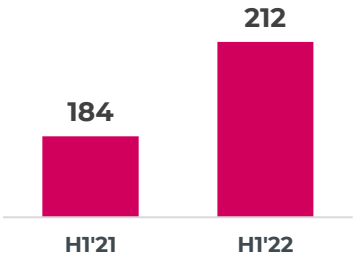
+35% Savings



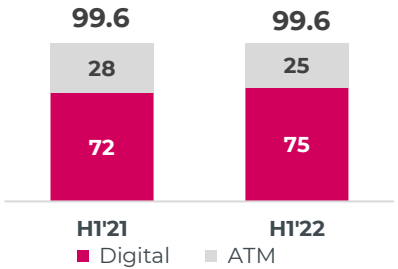
% Mobile Customers[1]



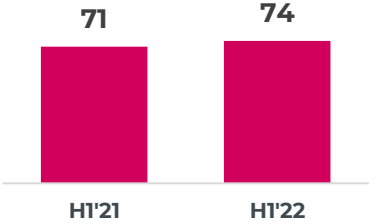
 # Digital Interactions (mio)[2]



% Digital Transactions (#)[3]



%Digital Sales (#)[4]



1 Customers definition according to 2024 Strategic Plan
2 Interactions (Millennium website and app), individuals includes AB
3 Includes mobile, online and ATMs, excludes branches and contact center that counts for 0,4% of total transactions
4 Digital sales (Millennium website and app) in number of operations

02

Group

Profitability

Net income of 74.5 million in the 1st half of 2022

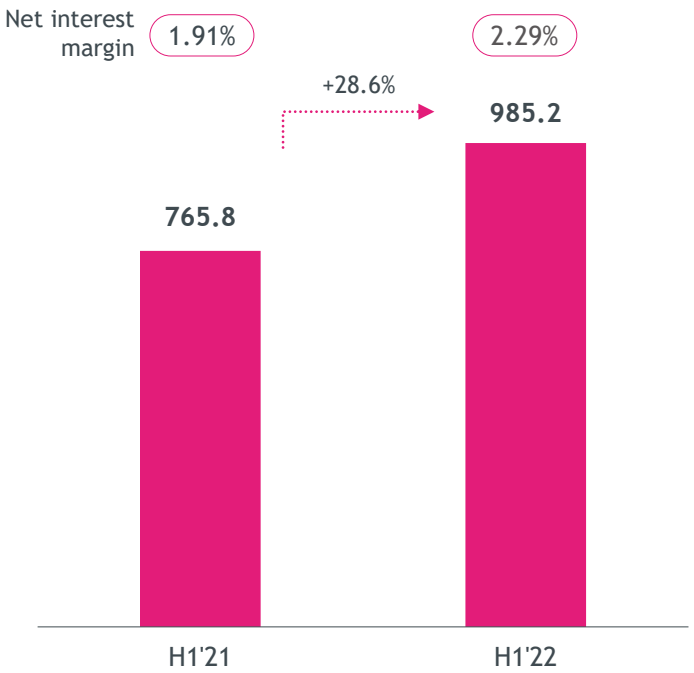
(Million euros)	H1'21	H1'22	YoY	Impact on earnings
Net interest income	765.8	985.2	+28.6%	+219.4
Commissions	352.9	387.6	+9.8%	+34.6
Core income	**1,118.7**	**1,372.7**	**+22.7%**	**+254.0**
Operating costs recurring[1]	**-502.9**	**-510.5**	**+1.5%**	**-7.6**
Recurring core operating profit	**615.8**	**862.2**	**+40.0%**	**+246.4**
Operating costs non-recurring	-87.2	-5.7	-93.5%	+81.5
Other income[2]	-2.1	-89.3		-87.3
Of which: regulatory contributions including IPS	-129.1	-205.3	+59.1%	-76.3
Operating net income	**526.6**	**767.2**	**+45.7%**	**+240.7**
Impairment and other provisions	-461.7	-551.4	+19.4%	-89.6
Of which: legal risk on CHF mortgages (Poland) [3]	*-214.2*	*-198.1*	*-7.5%*	*+16.1*
Of which: Bank Millennium goodwill	-	*-102.3*	-	*-102.3*
Net income before income tax	**64.8**	**215.8**	**+233.0%**	**+151.0**
Income taxes[4], non-controlling interests and discontinued operations	-52.5	-141.3	+169.0%	-88.8
Net income	**12.3**	**74.5**	**+507.4%**	**+62.2**
Net income excluding costs related with CHF loan portfolio[5]	**126.5**	**200.9**	**+58.8%**	**+74.4**
ROE	0.43%	2.81%		

[1]H1'22: Excludes mainly compensation of 5.7 million for the temporary reduction of remuneration in the period 2014/2017. H1'21: Excludes mainly headcount adjustment costs of 87.2 million. [2]Dividends from equity instruments, other net operating income, net trading income and equity accounted earnings.| [3]Does not include provisions for legal risk on CHF mortgages of Euro Bank (guaranteed by Société Générale): 20.7 million in H1'22 and 16.4 million in H1'21. |[4]Includes impact of provisions for legal risk on CHF mortgages in Poland and of mandatory contributions (non-tax-deductible amounts in H1'22: 62.4 and 51.8 in H1'21).|[5]Excludes impacts with provisions for legal risks, costs with out-of-court settlements and legal advice of 126.4 millions in H1'22 and 114.2 millions in H1'21, net of non-controlling interests.

Net interest income

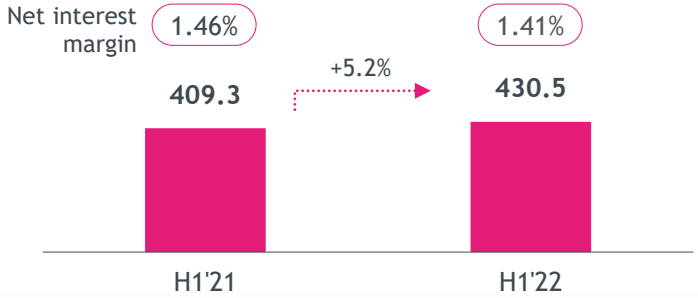
Net interest income

(Consolidated, million euros)



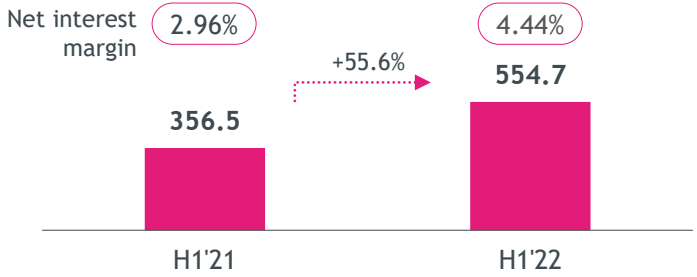
Portugal

(Million euros)



International operations

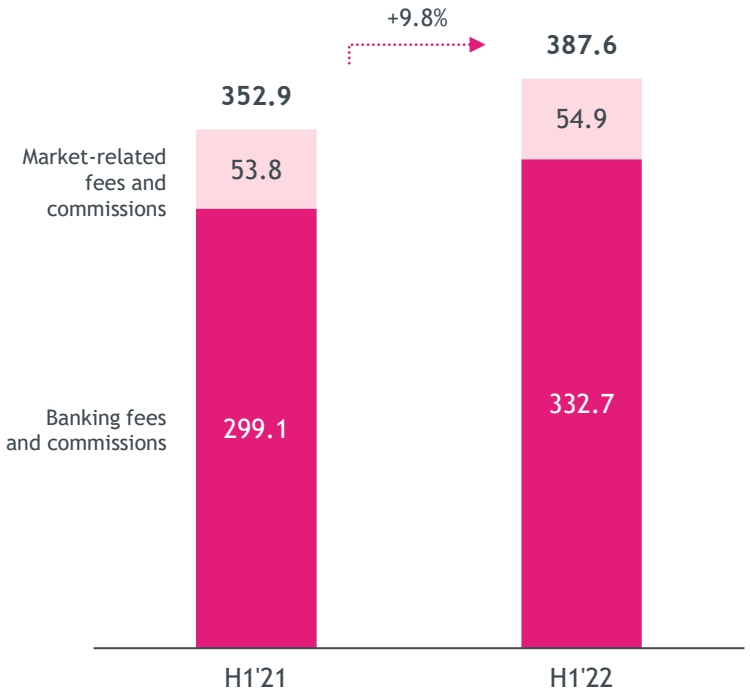
(Million euros)



Fees and commissions

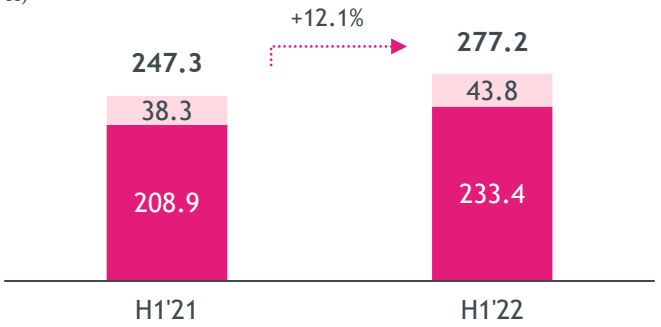
Fees and commissions

(Consolidated, million euros)



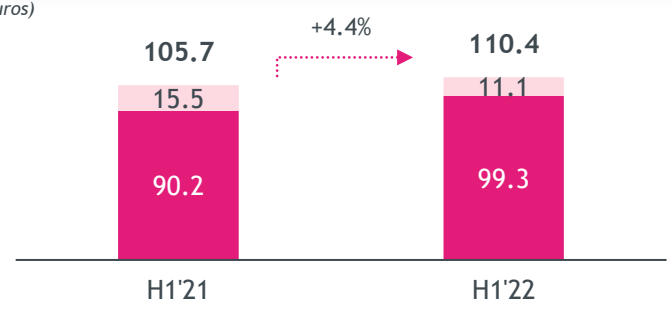
Portugal

(Million euros)



International operations

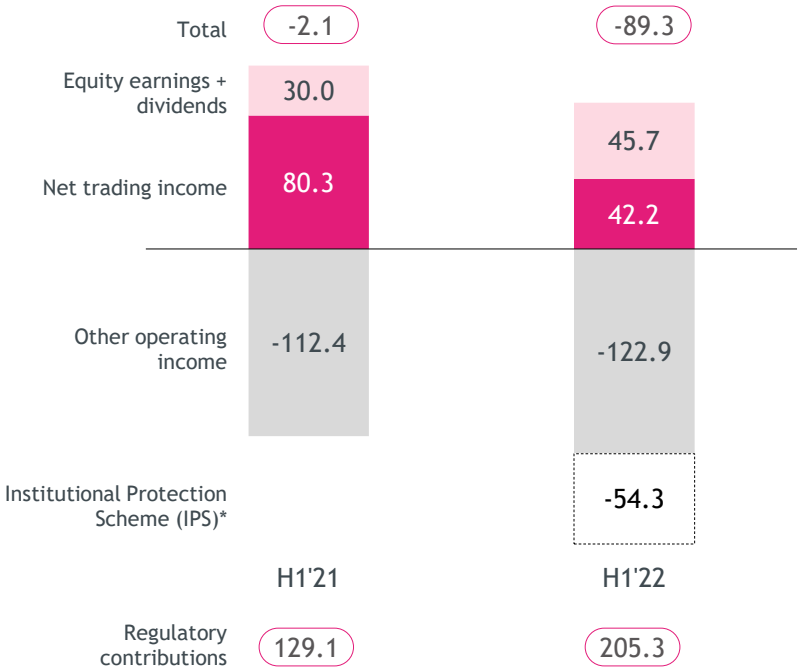
(Million euros)



Other income

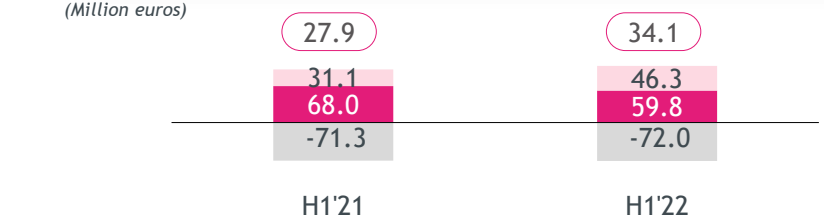
Other income

(Consolidated, million euros)



Portugal

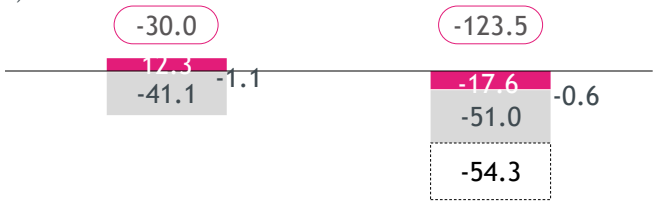
(Million euros)



		H1'21		H1'22	
Mandatory contributions		77.2		88.5	
Of which:	Banking sector	33.1	56.2	36.8	62.2
	Resolution Fund PT	17.0		18.7	
	Solidarity contribution	6.2		6.7	

International operations

(Million euros)



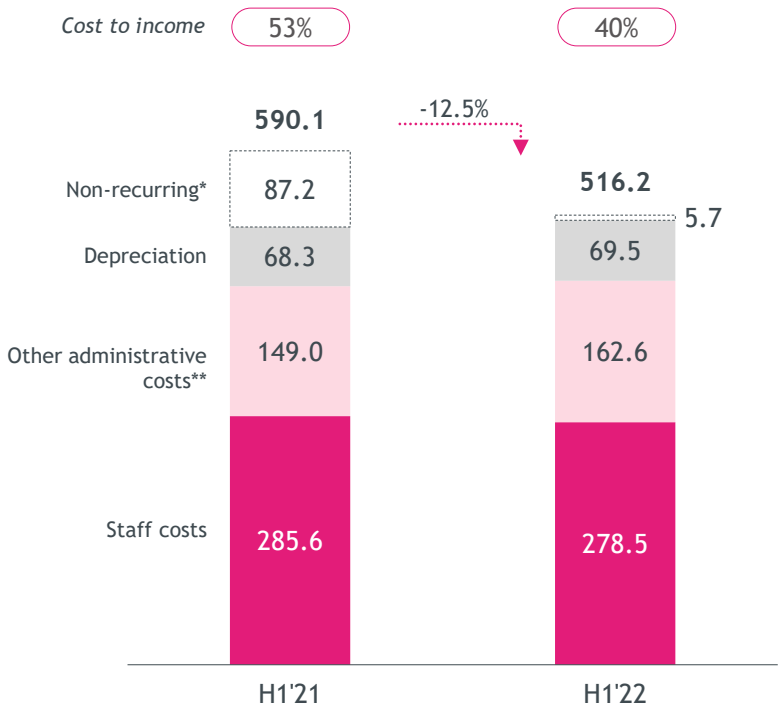
	H1'21	H1'22
Contributions	51.8	116.8

Other operating income includes +16.4 million compensation for provisions for legal risk on CHF mortgages of Euro Bank (guaranteed by Société Générale) in H1'21 and +20.7 million in H1'22; Net trading income include -15.6 million of out-of-court settlements with customers related with CHF loans portfolio in H1'21 and -49.3 million in H1'22.
*New Polish fund aimed to guarantee the stability of the financial system, ensuring the liquidity and solvency of member banks

Operating costs

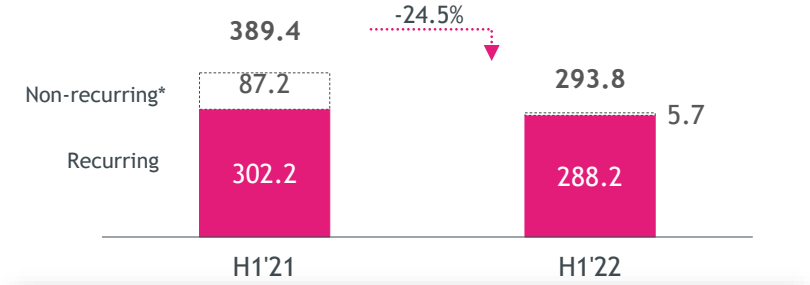
Operating costs

(Consolidated, million euros)



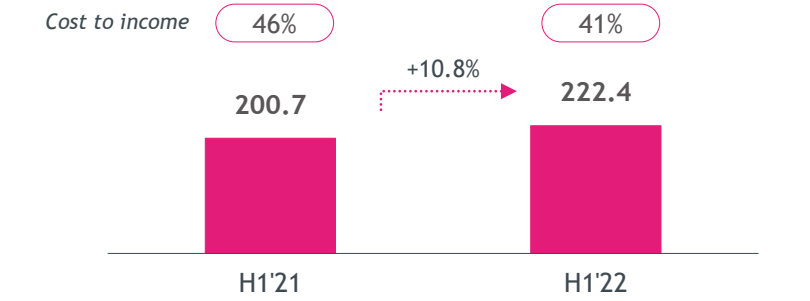
Portugal

(Million euros)



International operations**

(Million euros)

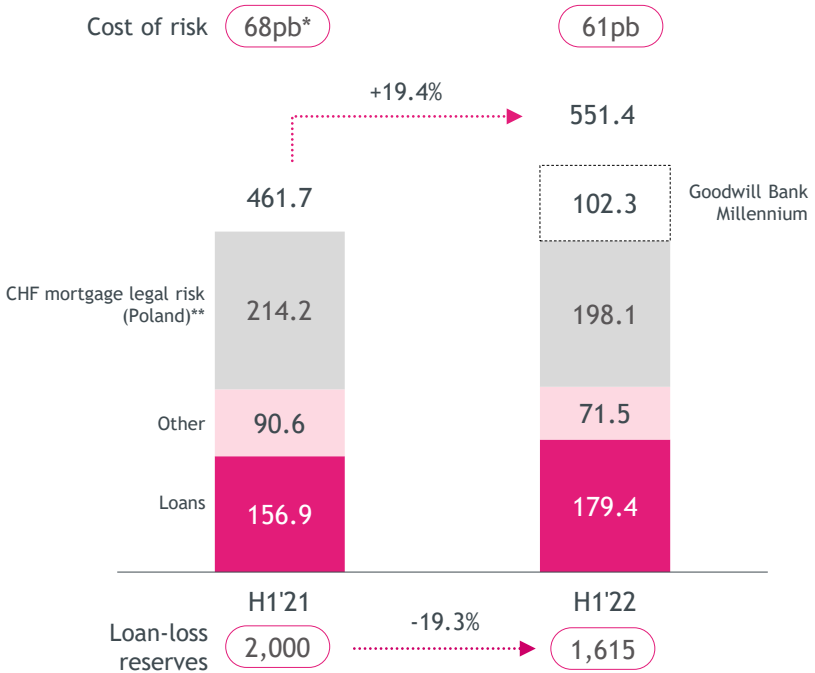


*H1'21: Includes mainly headcount adjustment costs. H1'22: Includes mainly compensation for the temporary reduction of remuneration in the period 2014/2017.
**Includes 5.5 million of legal advice costs related with CHF loans in H1'22 and 3,7 million in H1'21.

Cost of risk and provisions

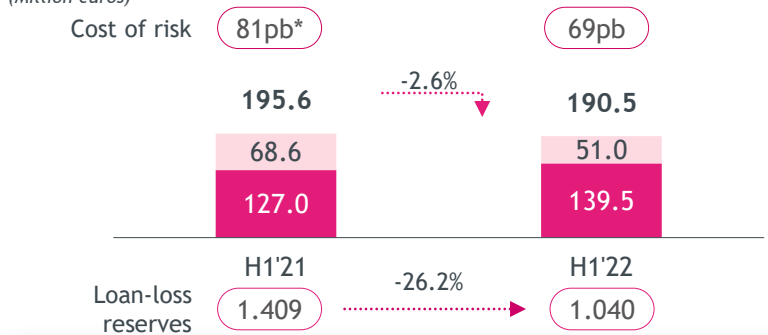
Impairment and provision charges

(Consolidated, million euros)



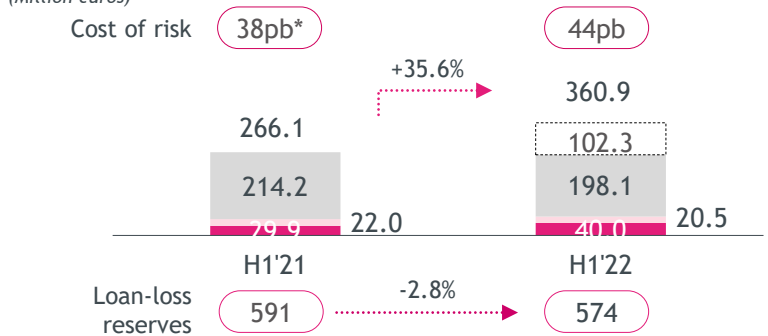
Portugal

(Million euros)



International operations

(Million euros)

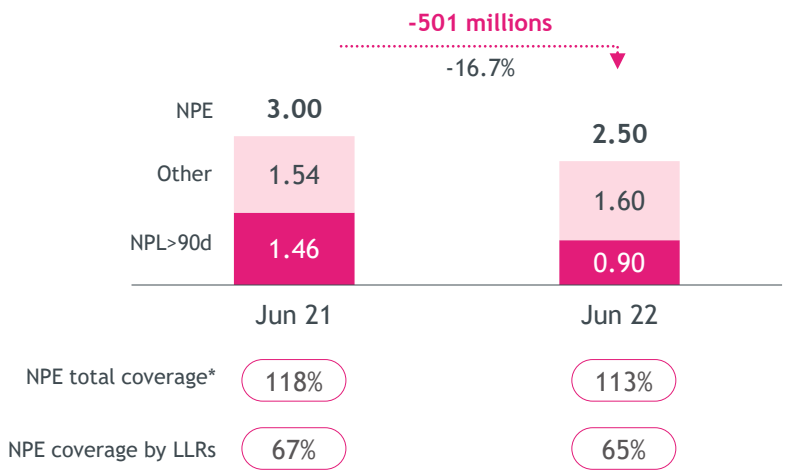


* Cost of risk adjusted by one-offs. Stated cost of risk in June 2021 of 55bp in the Group, 64bp in Portugal and 33bp in international operations.
**Does not include provisions for legal risk on CHF mortgages of Euro Bank (guaranteed by Société Générale): 20.7 million in H1'22 and 16.4 million in H1'21.

Relevant reduction of NPEs under a complex context

Credit quality

(Consolidated, billion euros)

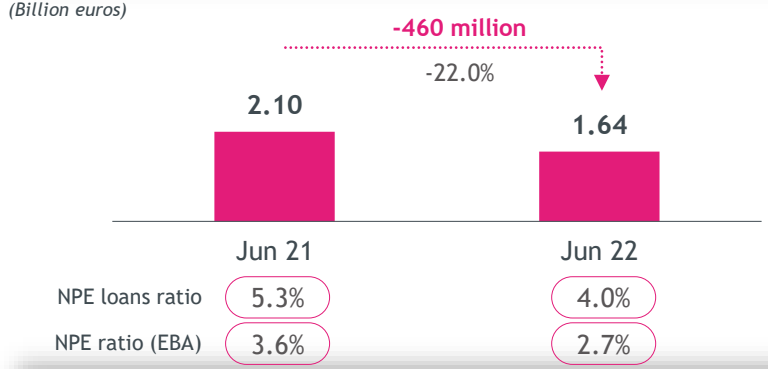


	Jun 21	Dec 21	Jun 22
NPL>90 days ratio	2.5%	2.1%	1.5%
NPE ratio inc. securities and off-BS (EBA)	3.5%	3.2%	2.8%
NPE ratio (loans only)	5.2%	4.7%	4.3%

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

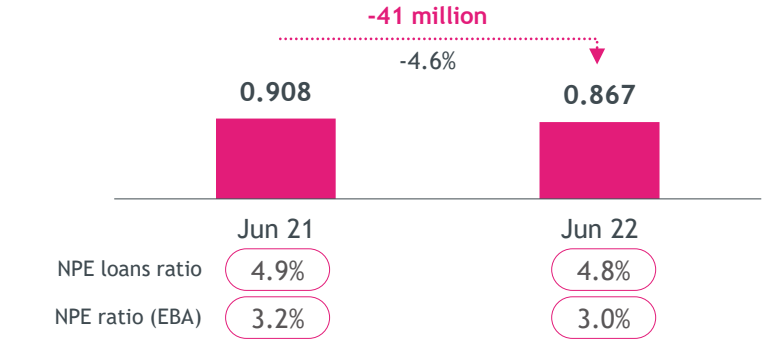
Portugal

(Billion euros)



International operations

(Billion euros)



02

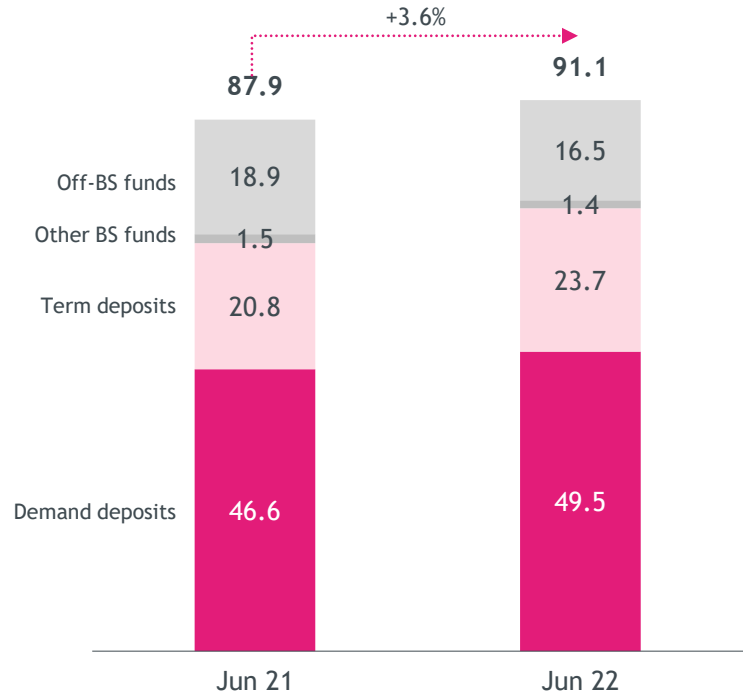
Group

Business activity

Customer funds maintain growth trend

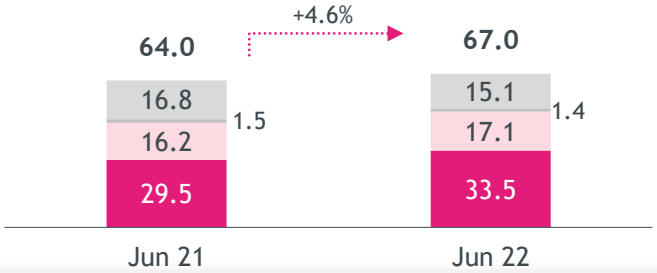
Total Customers Funds*

(Consolidated, billion euros)



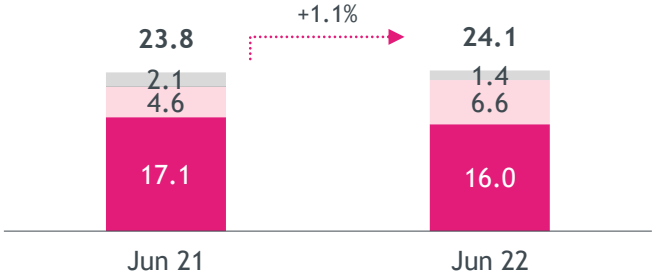
Total Customers Funds* Portugal

(Billion euros)



Total Customers Funds* international operations

(Billion euros)

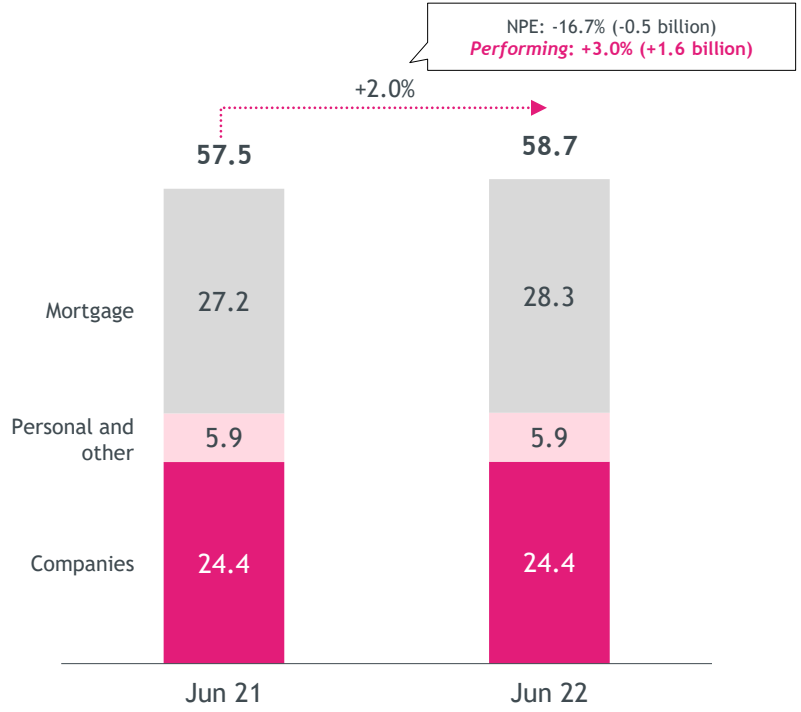


*Deposits, debt securities, assets under management, assets placed with Customers and insurance products (savings and investments).
Customer funds on a proforma basis due to Banque Privée sale

Relevant increase of the loan portfolio

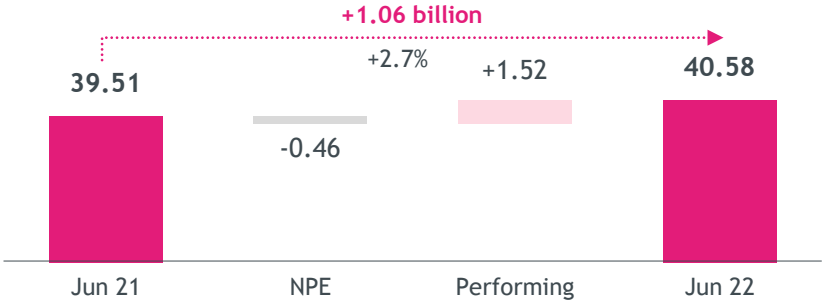
Loans to Customers (gross)

(Consolidated, billion euros)



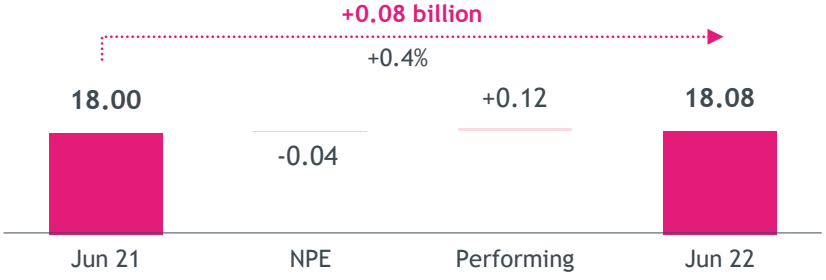
Portugal

(Billion euros)



International operations

(Billion euros)



NPE include loans to Customers only..
Loans to Customers on a proforma basis due to Banque Privée sale.

02

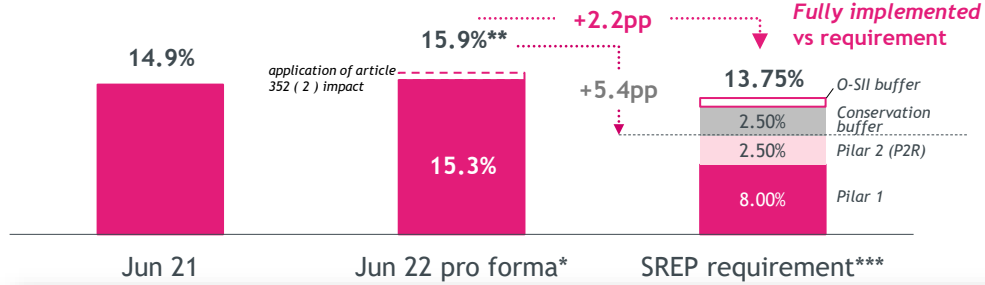
Group

Capital and liquidity

Capital above regulatory requirements

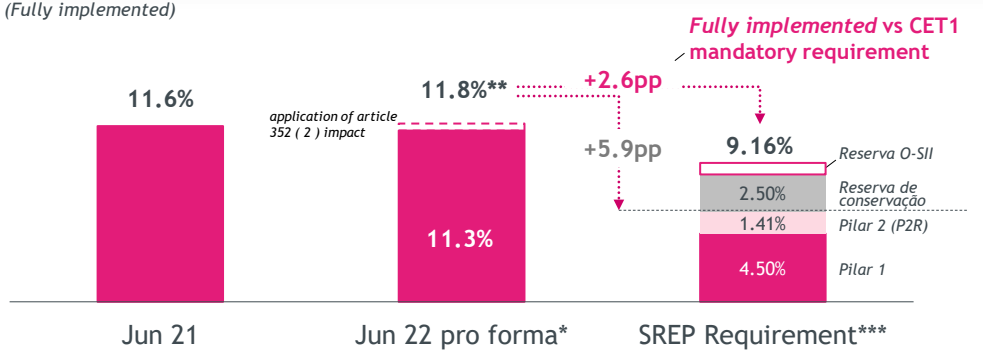
Total capital ratio

(Fully implemented)



CET1 capital ratio

(Fully implemented)



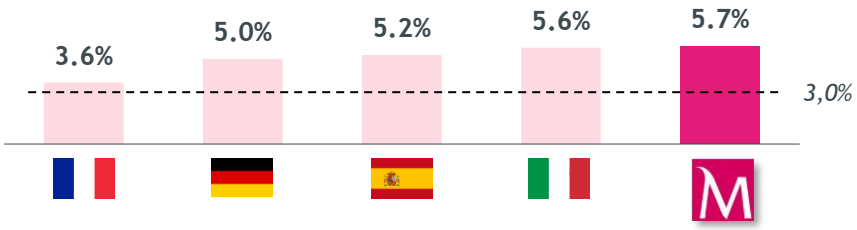
- **Total capital ratio of 15.3% and CET1 capital ratio of 11.3%** (fully implemented) as of June 2022, above SREP requirements
- **Total capital ratio pro forma of 15.9% and CET1 capital ratio pro forma of 11.8%** subject to the already requested approval for the application of article 352 (2) CRR (Capital Requirements Regulation) that excludes from capital requirements the structural FX positions held to hedge the capital ratios
- **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 5.4pp if such buffers are used**
- Buffers (considering pro forma ratios) from which there are limitations to distributions stood as end of June at: 1.2 billion for CET1, 0.8 billion for T1 and 1.0 billion for total capital

*Including unaudited net income for 1st half of 2022.
**Subject to ECB authorization
***Minimum phased-in regulatory requirements from March 1, 2022.

Capital at adequate levels

Leverage ratio

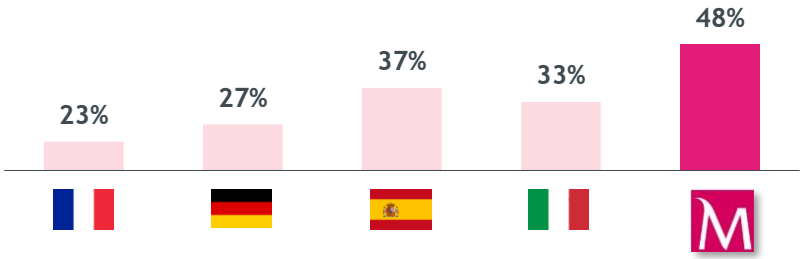
(Fully implemented, latest available data)



Leverage ratio at 5.7% as of June 2022, a comfortable and comparatively strong figure in European banking

RWA density

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



High RWA density (48% as of June 2022), compared to lower figures in most European banking markets

Pension fund

Key figures

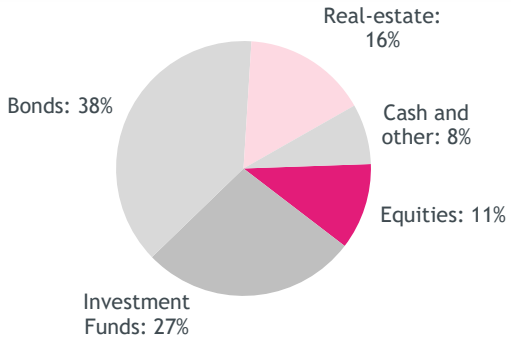
(Million euros)

	Dec 21	Jun 22
Pension liabilities	3,498	2,737
Pension fund	3,700	3,421
Liabilities' coverage	106%	125%
Fund's profitability	+1.9%	-5.9%

Assumptions

	Dec 21	Jun 22
Discount rate	1.35%	3.30%
Salary growth rate	0.75%	2.25% year 2023; 0.75% following years
Pensions growth rate	0.50%	2% year 2023; 0.5% following years
Projected rate of return of fund assets	1.35%	3.30%
Mortality Tables		
Men	TV 88/90	TV 88/90
Women	Tv 88/90-3 years	Tv 88/90-3 years

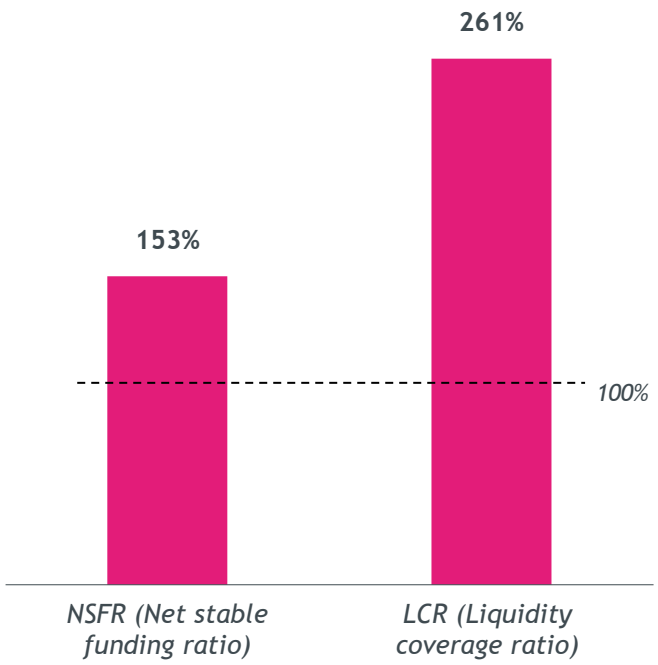
Pension Fund



- Discount rate and projected rate of return revised upwards to 3.30%, mainly reflecting higher market rates registered on 2022
- Liabilities fully covered (125%)
- The level of coverage of pension fund liabilities by assets provides room to absorb adverse impacts in the pension fund of up to 684 million with no impact on capital ratios

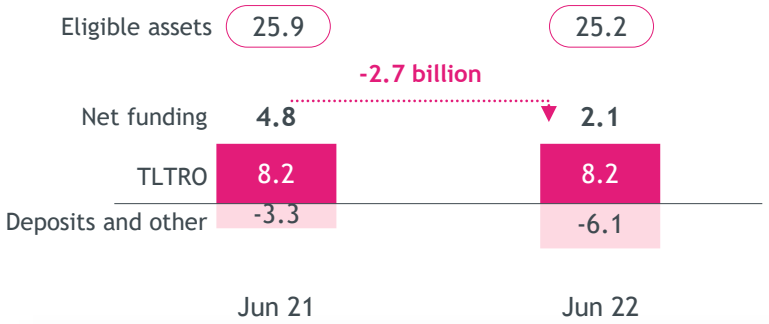
Reinforced liquidity position

Liquidity ratios (CRD/CRR)

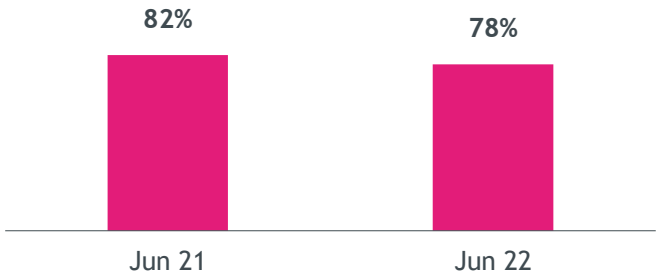


ECB funding, net

(Billion euros)



Net loans to deposits ratio



Change in loans to Customers and Customer funds on a proforma basis due to Banque Privée sale.

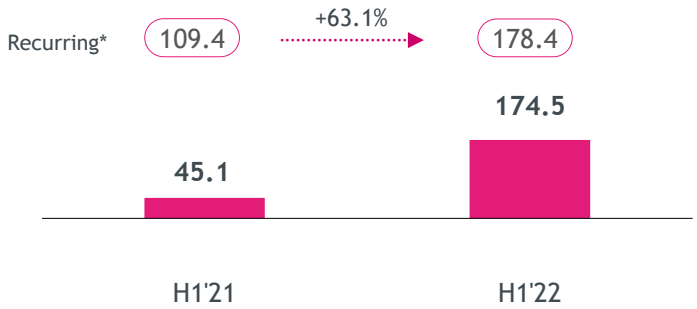
03

Portugal

Resilient profitability in Portugal

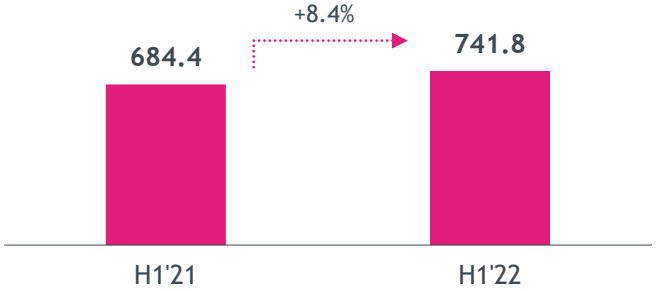
Net income

(Million euros)



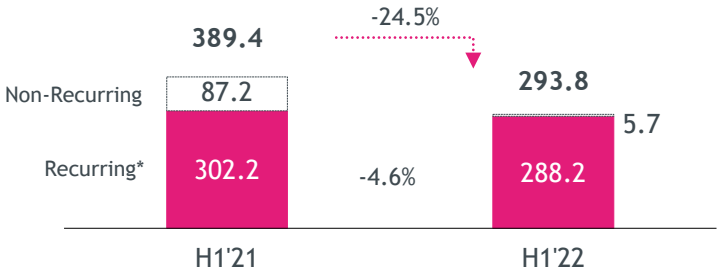
Net operating revenue

(Million euros)



Operating costs

(Million euros)

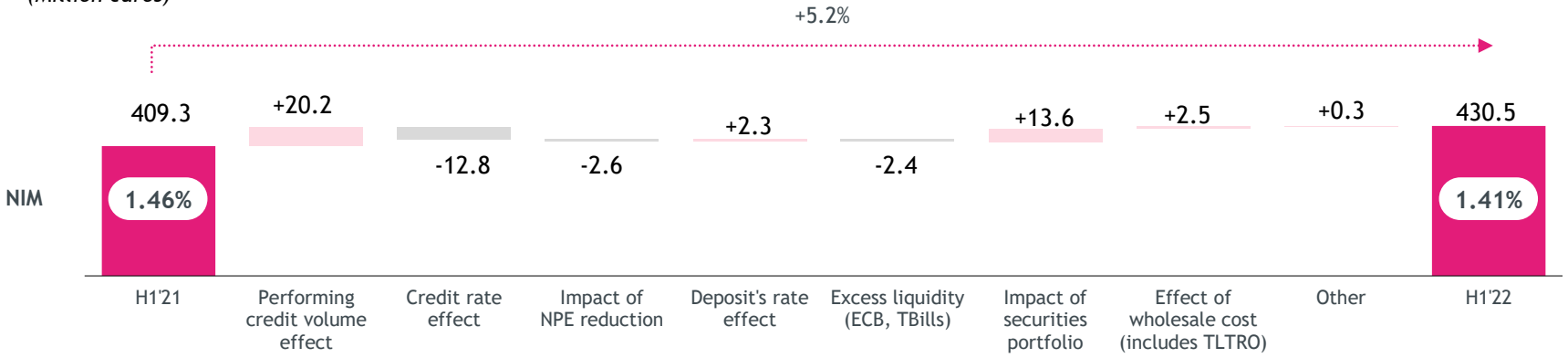


- Net income of 174.5 million in 1st half of 2022. On a comparable basis net income amounted to 178.4 million, an increase of 63.1% compared to 1st half of 2021
- Net income was driven by stronger net operating income, lower operating costs, compensation for temporary salary cuts and headcount adjustment costs in 1st half of 2021

*H1'21: Excluding mainly related with headcount adjustment costs. H1'22: Excluding compensation for the temporary reduction of remuneration in the period 2014/2017.

Net interest income

(Million euros)



Net interest income stood at 430.5 million in the 1st half of 2022, up 5.2% (+21.2 million) from 409.3 million in the same period of 2021. The positive impacts of the growing performing portfolio, higher yields of the securities portfolio, lower wholesale funding cost and the continued decline in the remuneration of term deposits have more than compensated the negative impacts of the loan portfolio, reduction of NPEs and excess liquidity.

NPE include loans to Customers only.

Stabilization of the cost of deposits

Spread on the book of term deposits

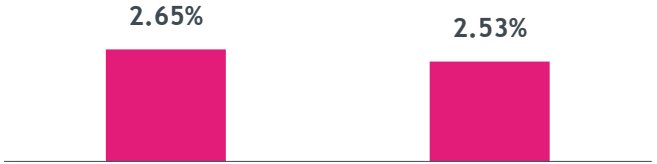
(vs 3m Euribor)

3m Euribor (average)	-0.54%	-0.44%

NIM

Spread on the performing loan book

(vs 3m Euribor)



3m Euribor (average)	-0.54%	-0.44%

- Spread of the portfolio of term deposits of -0.47% in the 1st half of 2022 (-0.57% in the same period of 2021); Customer rate down to 0.02% in 1st half of 2022 from 0.03% in 1st half of 2021
- Spread on the performing loan portfolio stood at 2.53% in 1st half of 2022, compared to 2.65% same period last year
- NIM stood at 1.41%

Commissions and other income

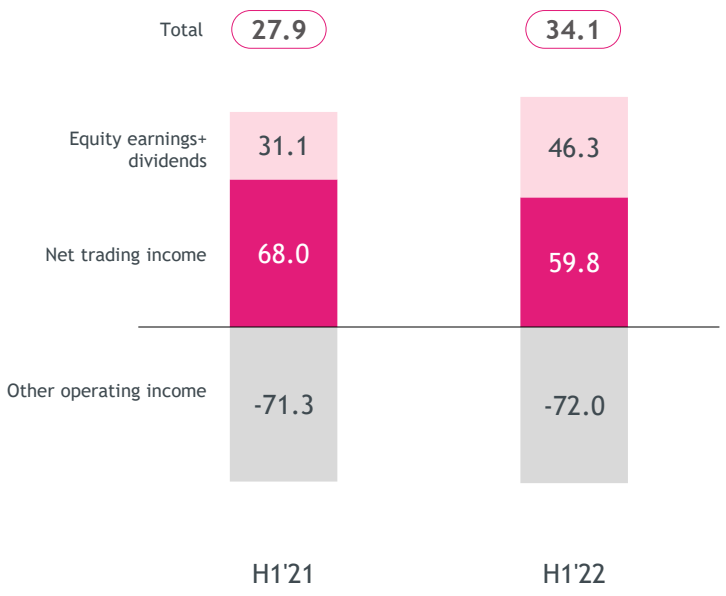
Commissions

(Million euros)

	H1'21	H1'22	YoY
Banking fees and commissions	**208.9**	**233.4**	**+11.7%**
Cards and transfers	50.8	67.1	+32.1%
Loans and guarantees	52.6	51.4	-2.2%
Bancassurance	42.7	43.0	+0.6%
Customer account related	58.9	67.6	+14.7%
Other fees and commissions	3.9	4.3	+9.4%
Market related fees and commissions	**38.3**	**43.8**	**+14.3%**
Securities operations	16.1	18.4	+14.5%
Asset management	22.2	25.4	+14.2%
Total fees and commissions	**247.3**	**277.2**	**+12.1%**

Other income

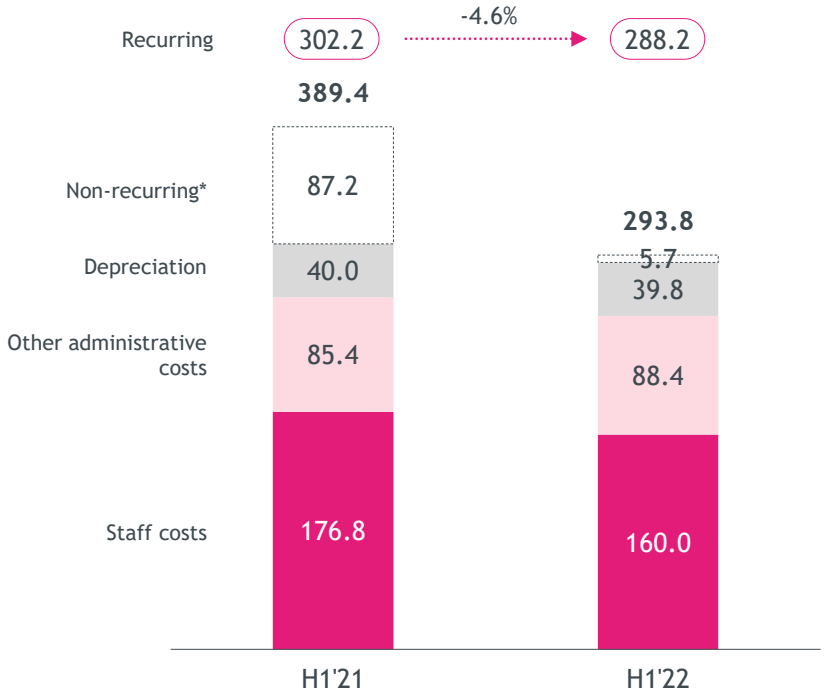
(Million euros)



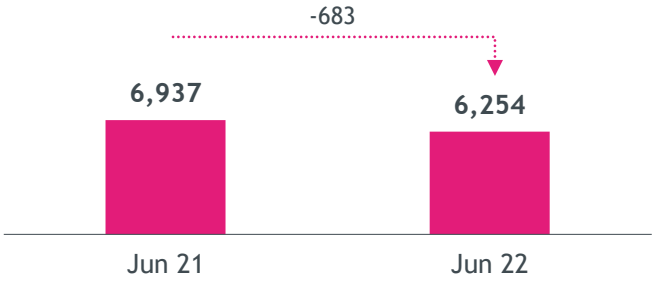
Operating costs

Operating costs

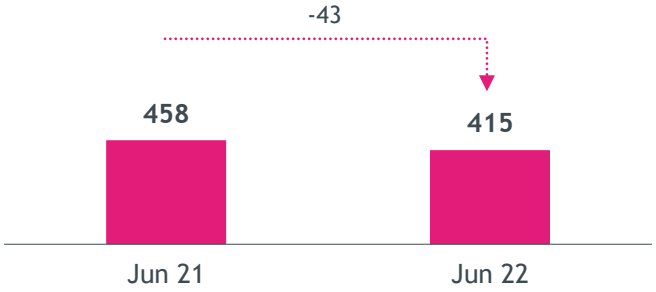
(Million euros)



Employees



Branches

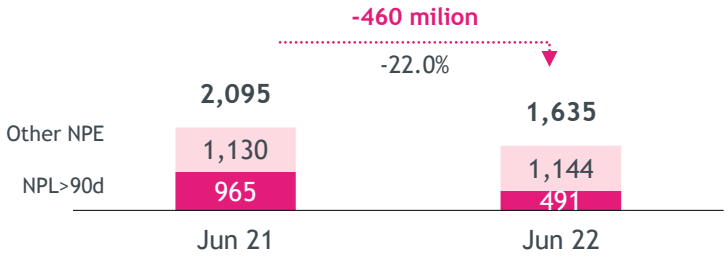


*H1'21: Includes mainly headcount adjustment costs. H1'22: Includes mainly compensation for the temporary reduction of remuneration in the period 2014/2017.

Continued decrease of NPEs

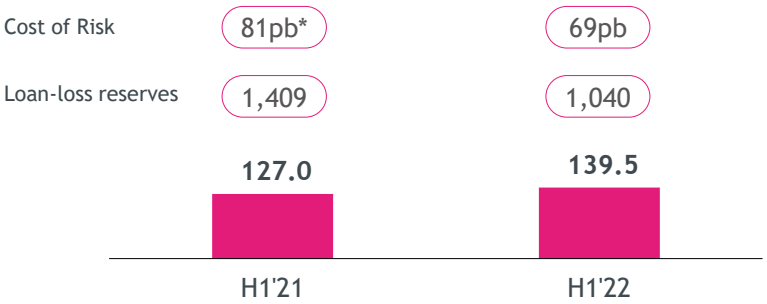
Non-performing exposures (NPE)

(Million euros)



Loan impairment (net of recoveries)

(Million euros)



NPE include loans to Customers only.
*Cost of risk adjusted by one-offs. Stated cost of risk in June 2021 of 64bp..

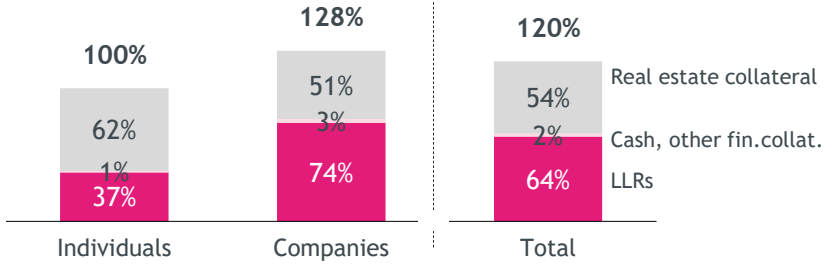
NPE build-up

(Million euros)	Jun 22 vs.Jun 21	Jun 22 vs.Dec 21
Opening balance	2,095	1,878
Net outflows/inflows	288	199
Write-offs	-573	-341
Sales	-175	-102
Ending balance	**1,635**	**1,635**

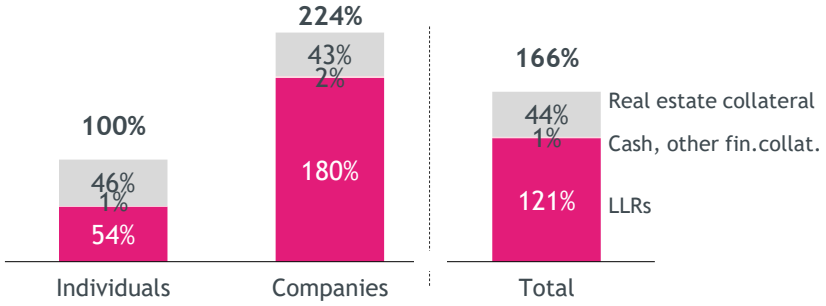
- NPEs in Portugal total 1,635 million at end-June 2022, a decrease of 460 million from June 2021 and 243 million down from end 2021
- The decrease from June 2021 results from net inflows of 288 million, write-offs of 573 million and sales of 175 million
- The decrease of NPEs from June 2021 is attributable to a 474 million reduction of NPL>90d
- Cost of risk of 69bp in 1st half of 2022 (81bp* in same period of 2021), with a NPE coverage by loan-loss reserves of 67% to 64%, respectively

NPE coverage

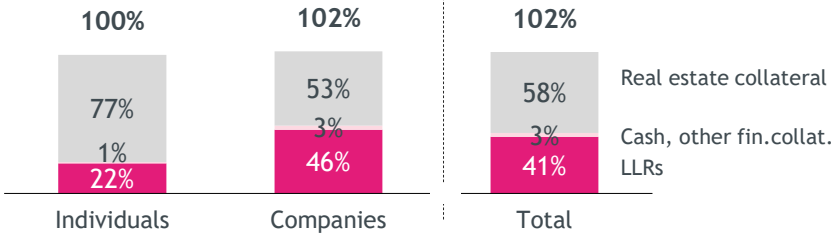
NPE total coverage*



NPL>90d total coverage*



Other NPE total coverage*



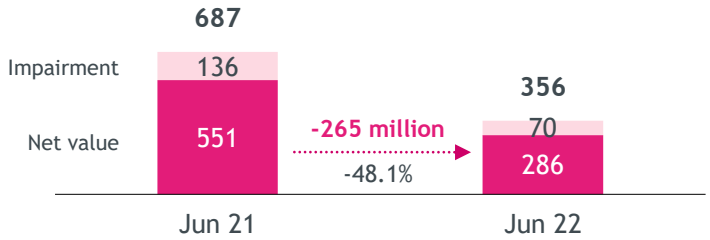
- Total coverage* ≥100%, for both individuals and companies, and for both NPE categories (NPL>90d and other NPE)
- Coverage by loan-loss reserves is stronger in loans to companies, where real-estate collateral, usually more liquid and with a more predictable market value, accounts for a lower coverage than in loans to individuals: coverage by loan-losses was 64% for companies NPE as of June 2022, reaching 121% for companies NPL>90d (122% and 166%, respectively, if cash and financial collateral are included)

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

Foreclosed assets and corporate restructuring funds

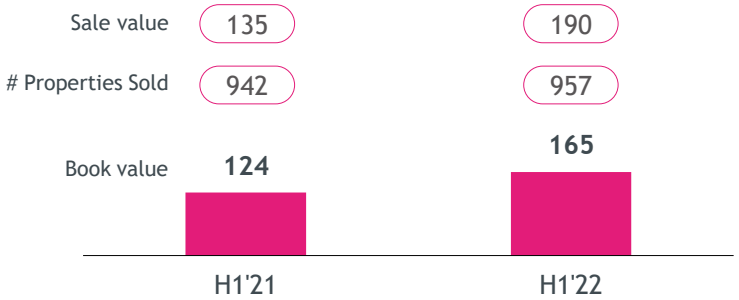
Foreclosed assets

(Million euros)



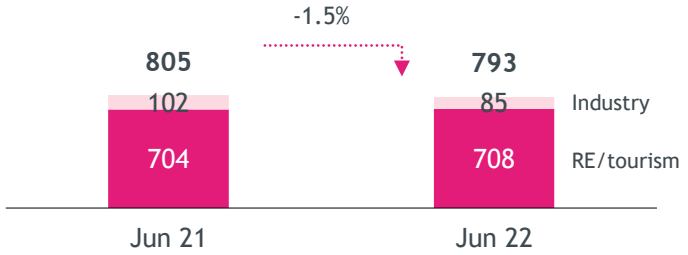
Sales of foreclosed assets

(Million euros)



Corporate restructuring funds

(Million euros)

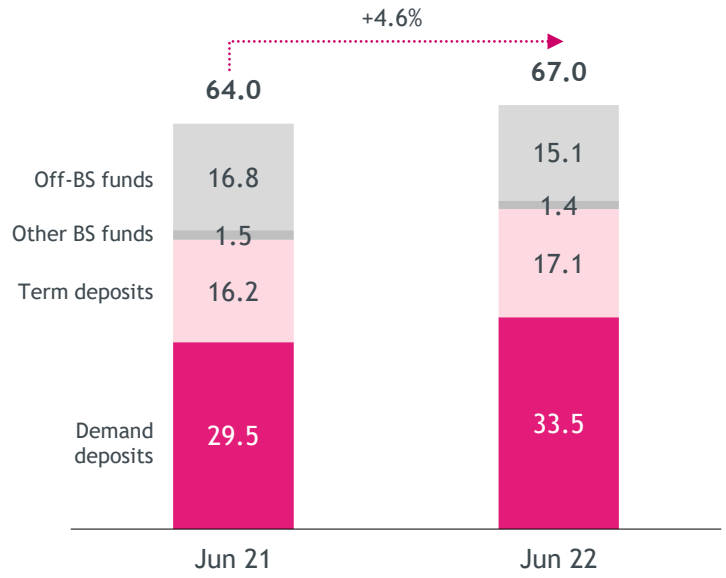


- Net foreclosed assets were down by 48.1% between June 2021 and June 2022 and 36.3% when compared to December 2021. Valuation of foreclosed assets by independent providers exceeded book value by 31%
- 957 properties were sold during the 1st half of 2022 (942 properties in same period of 2021), with sale values exceeding book value by 25 million
- Corporate restructuring funds decreased 1.5% to 793 million at end-June 2022.The original credit exposure on these funds totals 2,006 million, with total reserves (original credit, plus restructuring funds) corresponding to a 60% coverage

Growing customer funds and loans to customers

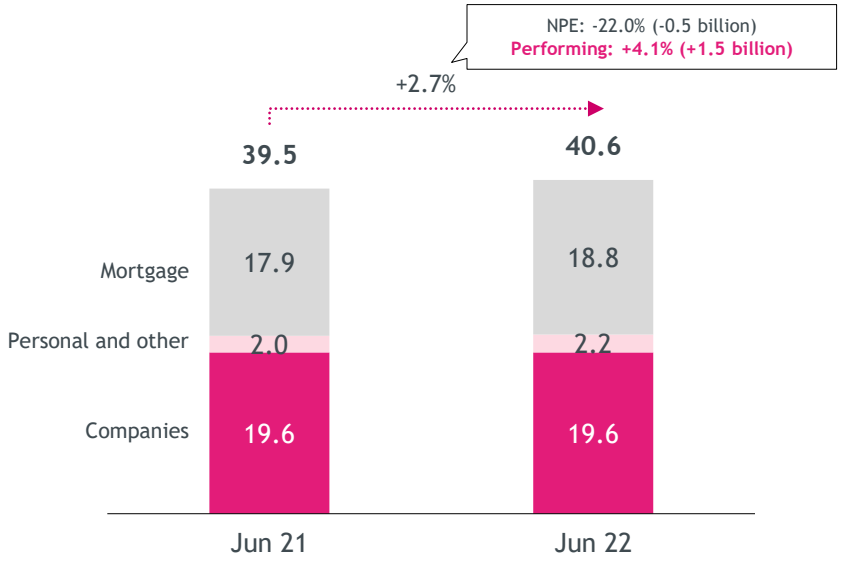
Total Customers Funds*

(Billion euros)



Loans to Customers (gross)

(Billion euros)

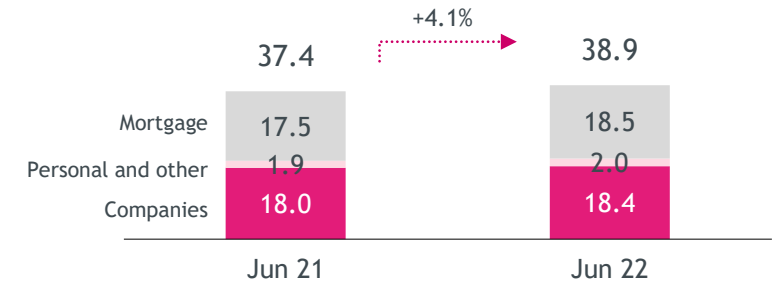


*Deposits, debt securities, assets under management, assets placed with Customers and insurance products (savings and investments).

Performing credit grows in Portugal

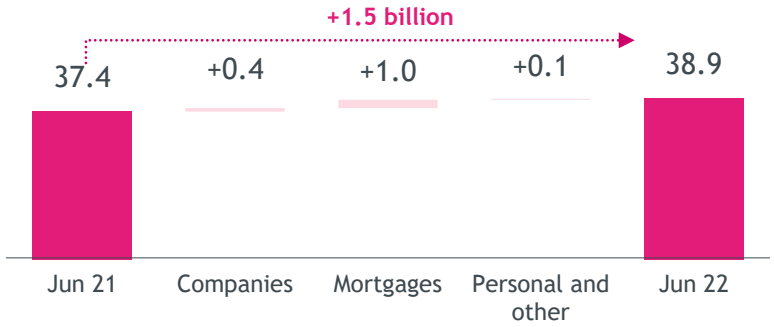
Performing credit portfolio

(Billion euros)



Breakdown of performing credit growth

(Billion euros)



* Source: ALF (Data as of May 2022).

- **Performing credit portfolio in Portugal up by 1.5 billion (+4.1%)** from June 2021, supported in growth in mortgage loans and loans to companies
- **Mortgage loans up by 1.0 billion** from June 2021 (5.6%)
- **Loans to companies with a 417 million** increase from June 2021 (+2.3%)
  - ✓ **Ledersheap in PME Líder 21 programme** for 4th year in a row with a 31% market share, supporting more than 3,500 companies to achieve this award
  - ✓ **Leadership in the Inovadora COTEC programme** for the 2nd year in a row, with a 61% market share, supporting more than 360 companies to achieve this award
  - ✓ **Best bank for companies; Main bank for companies; Most innovative; Closest to Customers and More Adequate Products (DataE 2022)**
  - ✓ **Leading bank in Factoring and Confirming**: factoring invoicing of 5.1 billion in the 1st half of 2022 and market share of 28%*
  - ✓ **Leading bank in Leasing**: 311 million new leasing business the 1st half of 2022 and market share of 29%*
  - ✓ **21% market share** (up to March 2022) **in the placement of loans with State Guarantees**, in partnership with Banco Português de Fomento (BPF)

04

International operations

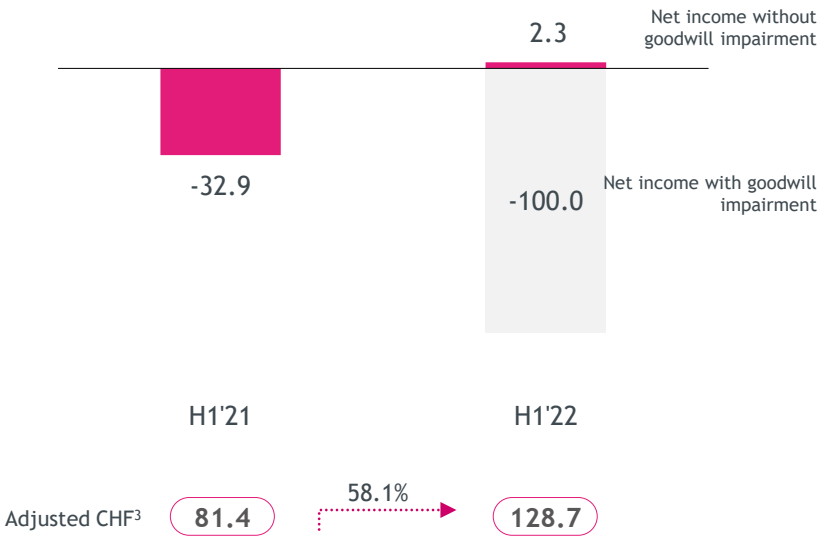
Contribution from operations to consolidated net income

(Million euros)*

	H1'21	H1'22
Poland	-110.3	-56.6
Mozambique[1]	40.6	46.4
Other	-7.5	-1.7
Net income international operations	-77.2	-12.0
Discontinued Operations[2]	6.8	1.5
Non-controlling int. (Poland+Mozambique)	40.4	12.8
Exchange rate effect	-2.8	--
Contribution from international operations	-32.9	2.3
Contribution excluding costs related with CHF loan portfolio (Poland)[3]	81.4	128.7
Bank Millennium goodwill impairment	--	-102.3

Contribution from international operations

(Million euros)*

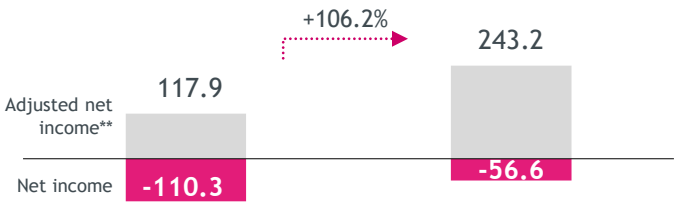


*Subsidiaries' net income presented for H121 at the same exchange rate as of H122 for comparison purposes. | [1] Not including results arising from discontinued operations | [2] Includes the sale of 100% of Banque Privée's capital, in Switzerland, and of 70% of SIM, in Mozambique, by Millennium bim | [3] Impacts mainly related with provisions for legal risks, costs with out-of-court settlements and legal advice of 126.4 millions in H1'22 and 114.2 millions in H1'21, net of non-controlling interests.

Net earnings affected by costs related with CHF loans

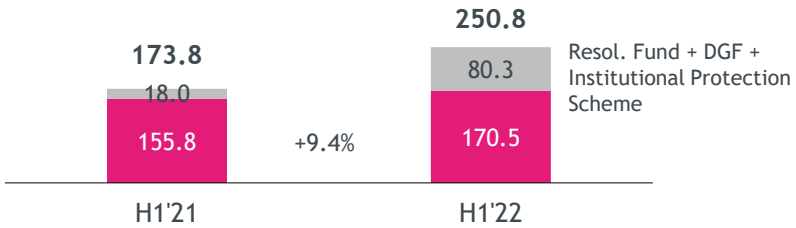
Net income

(Million euros)*



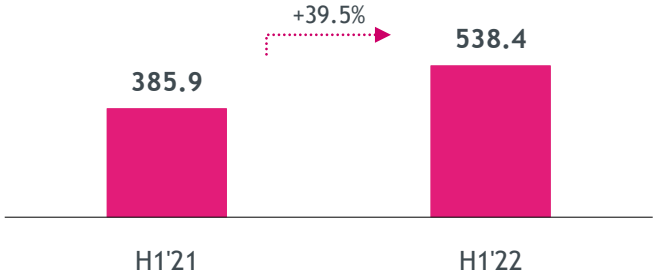
Operating costs

(Million euros)*



Net operating revenue

(Million euros)*



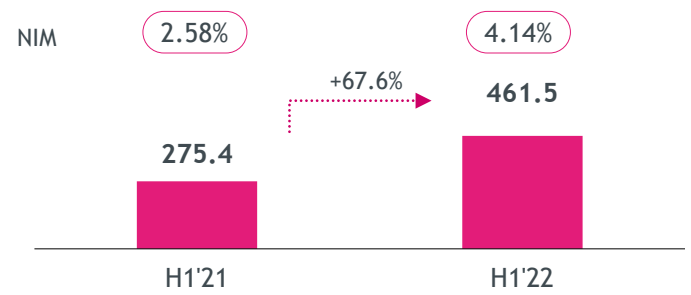
- Adjusted net income** up by 106.2%
- Net losses of -56.6 million, affected by 252.2*** million costs related with CHF loans portfolio
- Net operating revenue influenced mainly by results in net interest income
- Operating costs increase 9.4% excluding contributions
- Continued implementation of measures to rationalise the workforce and to optimise geographic presence: reduction of 413 employees and 41 branches
- Strong franchise, as demonstrated by the increase of Customers funds by 3.4% and of loans to Customers by 4.5%
- CET1 ratio of 12.1% with total capital of 15.2%

*FX effect excluded. €/Zloty constant at June 2022 levels: Income Statement 4.64; Balance Sheet 4.70. | **Excludes FX-mortgage legal risk provisions, costs of litigations and settlements with clients and with linear distribution of BFG resolution fund fee (without net impact of IPS contribution); in 2021 also material revaluation of financial investments (VISA). | *** After taxes and before non-controlling interests (257.8 million before taxes), includes impacts with provisions for legal risks, costs with out-of-court settlements and legal advice

Net interest income increase significantly

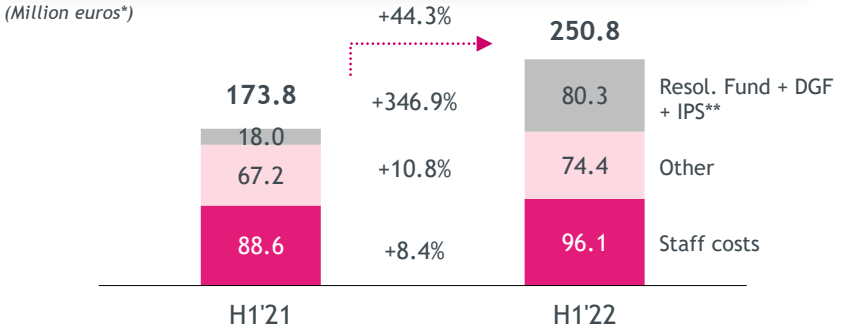
Net interest income

(Million euros)*



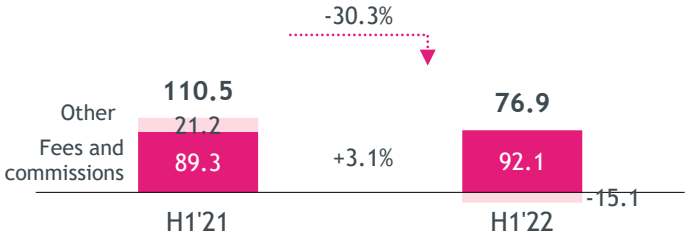
Operating costs

(Million euros)*



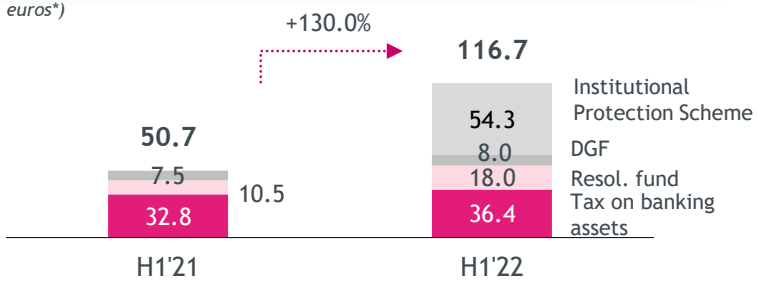
Commissions and other income

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



Contributions

(Million euros)*

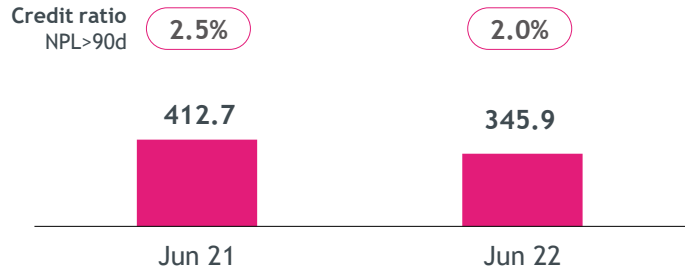


*FX effect excluded. €/Zloty constant at June 2022 levels: Income Statement 4.64; Balance Sheet 4.70. | **Institutional Protection Scheme.

Credit quality

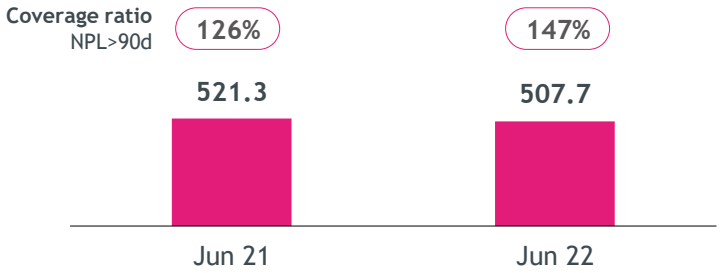
NPL>90d

(Million euros)*



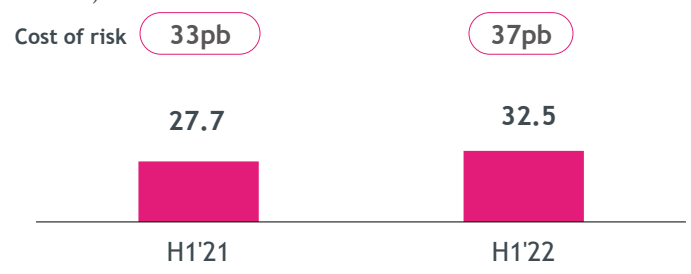
Loan-loss reserves

(Million euros)*



Loan impairment (net of recoveries)

(Million euros)*



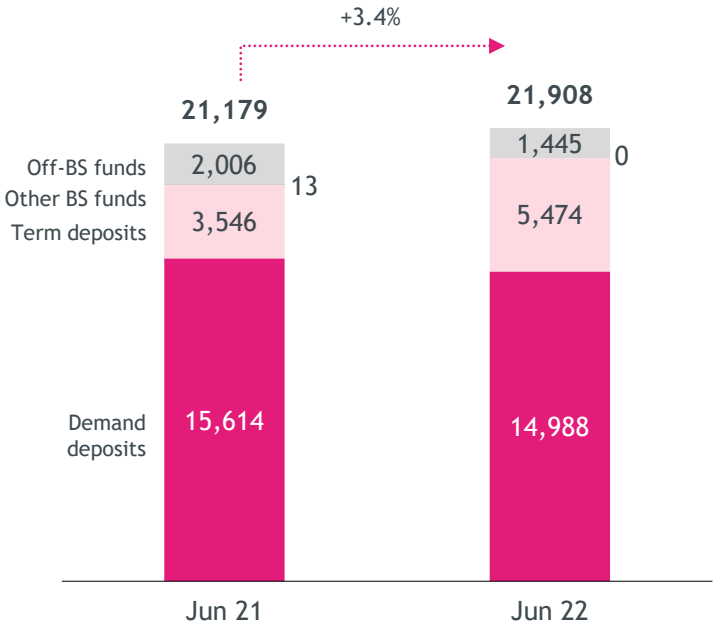
- NPL>90d accounted for 2.0% of total credit as of June 2022 (2.5% as of June 2021)
- Coverage of NPL>90d by loan-loss reserves at 147% (126% as of June 2021)
- Cost of risk of 37bp, compared to 33bp in 1st half of 2021

*FX effect excluded. €/Zloty constant at June 2022 levels: Income Statement 4.64; Balance Sheet 4.70.

Increased Customers funds and loans to Customers

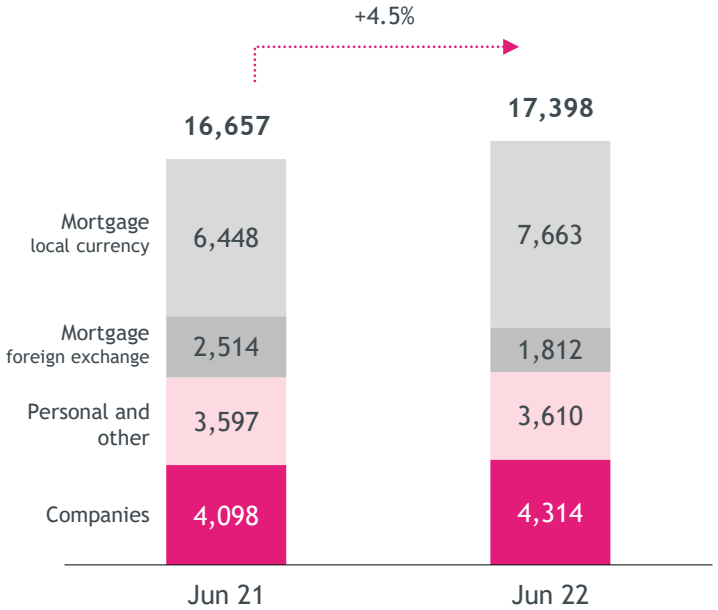
Customers funds

(Million euros)*



Loans to Customers (gross)

(Million euros)*

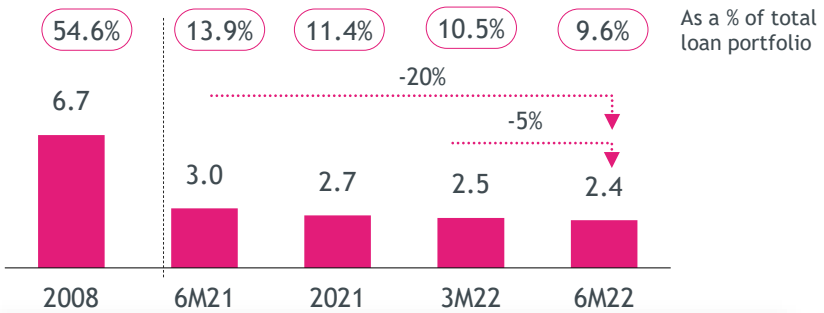


*FX effect excluded. €/Zloty constant at June 2022 levels: Income Statement 4.64; Balance Sheet 4.70.

CHF mortgages

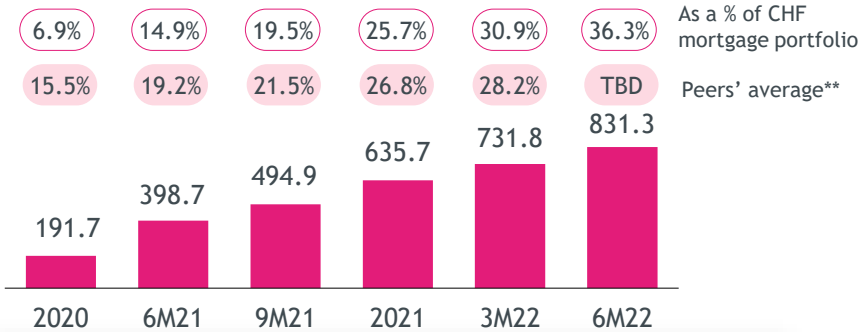
CHF mortgage portfolio

(Billion euros)*



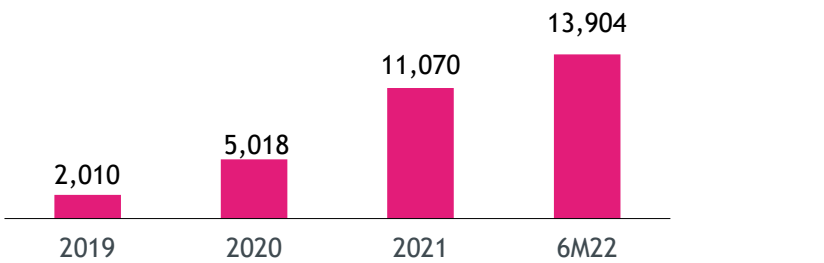
Cumulative provisions for legal risks

(Million euros)*

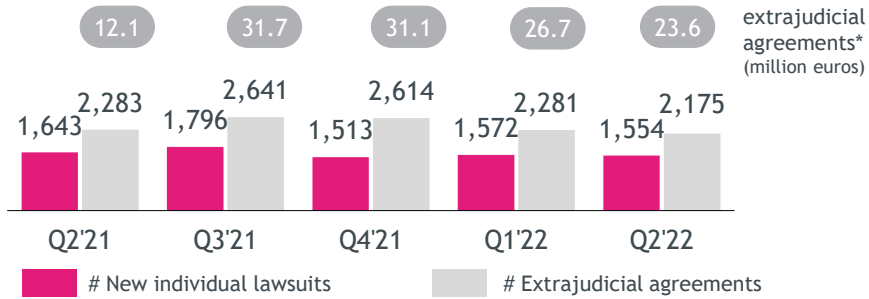


Individual lawsuits

(Number of cases)



New individual lawsuits and extrajudicial agreements***



Excludes Euro Bank. | *FX effect excluded. €/Zloty constant at June 2022 levels: Income Statement 4.64; Balance Sheet 4.70. | **Peers average excluding settlement's provisions. | *** Agreements amount mostly booked in financial operations

Credit holidays and capital management

Credit Holidays

The Act of July 7, introduced, among others, a handful of measures aimed at support of PLN mortgage borrowers, including:

- Ability to suspend up to 8 monthly instalments (2 instalments in 3Q22 and 4Q22 each and one in each quarter of 2023, only one loan per household, only loans for housing purposes, only loans granted before July 1, 2022)
- Enforcement of additional PLN 1.4bn[1] sector's contribution to Borrowers Support Fund (FWK)
- Replacement of WIBOR as the main benchmark for loans

Expected impact on BM's results in 3Q22:

- Maximum cost of credit holidays at PLN1.8bn[2] at the Group level if 100% of eligible borrowers would use such option
- Upfront cost of credit holidays to be booked in 3Q22 based on an expected participation rate between 75% to 90%, above market average (66%) announced so far

Other considerations:

- Application for/use of credit holidays does not trigger a loan reclassification to Stage 2

Capital Management

Capital ratios expected to be temporarily below minimum requirements due to the impact of upfront booking of credit holidays, but the recovery is expected in a relatively short term

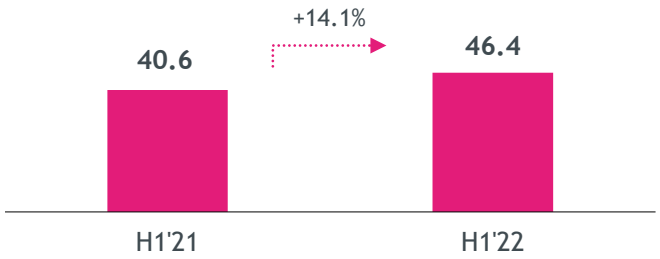
- Upfront recognition of costs of credit holidays is expected to result in a negative net result for 3Q22
- As a result, capital ratios will drop by c300 bp, and Group's T1 ratio may fall 118-174 bps below the current minimum requirements set by the Polish Financial Supervision Authority ('PFSA'). T1 ratio is where the highest deficit is expected
- Risk of a breach of respective capital ratios triggered the decision to launch the recovery plan
- Each bank is required to have a ready and at least once a year updated recovery plan filed with the PFSA. Bank Millennium's current recovery plan was approved by the regulator in February this year
- The Management Board of the Bank intends to increase capital ratios comfortably above the minimum required levels through a combination of further improvement of operational profitability and capital optimisation initiatives such as management of risk weighted assets (including securitisations). While in the recovery procedure, the Bank will not pay banking tax (PLN80mn+ per quarter)

[1] Estimated gross amount of 302 Million euros using the current exchange rate
[2] Estimated gross amount of 384 Million euros using the current exchange rate

Net income reflects resilience in challenging environment

Net income**

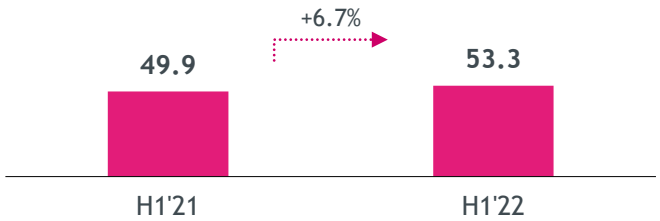
(Million euros)*



	H1'21	H1'22
MIMO rate (average)	12.82%	14.27%

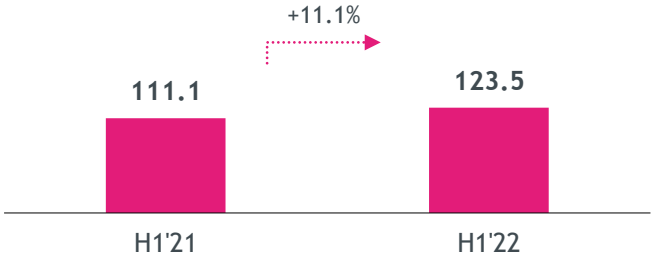
Operating costs

(Million euros)*



Net operating revenue

(Million euros)*



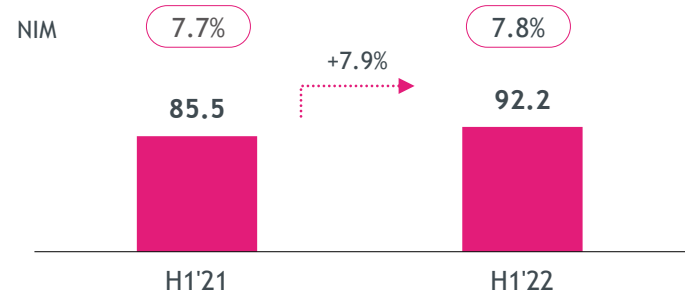
- Net income of 46.4 million in 1st half of 2022, +14.1% on comparable basis
- Customer funds increased by 8.1%; loans to Customers decreased by 10.2%
- Capital ratio of 44.2%

*FX effect excluded. €/Metical constant at June 2022 levels: Income Statement 70.13; Balance Sheet 67.08. | **Not including results arising from discontinued operations.

Increased net interest income and commissions

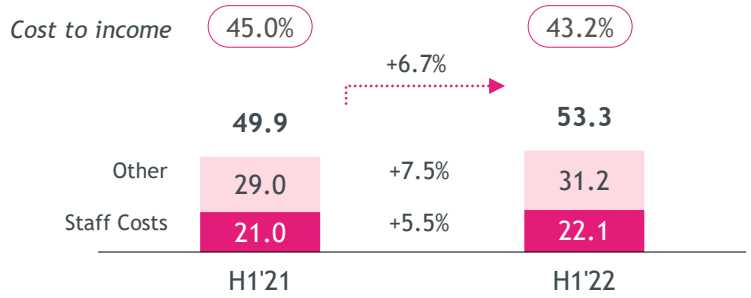
Net Interest income

(Million euros)*



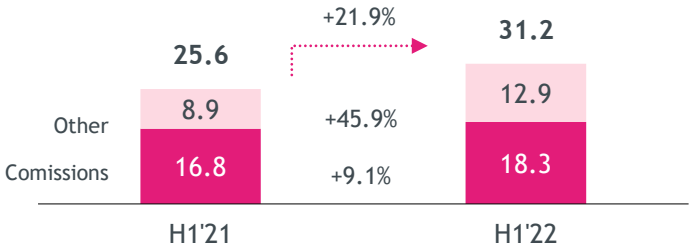
Operating costs

(Million euros)*

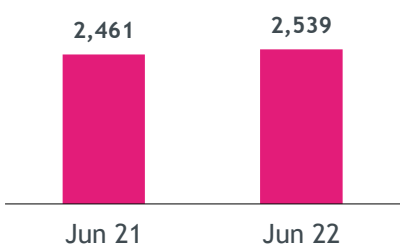


Commissions and other income

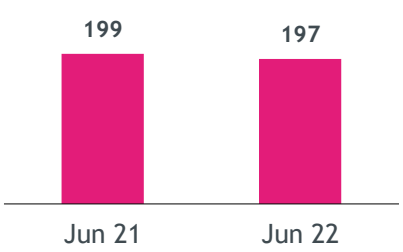
(Million euros)*



Employees**



Branches

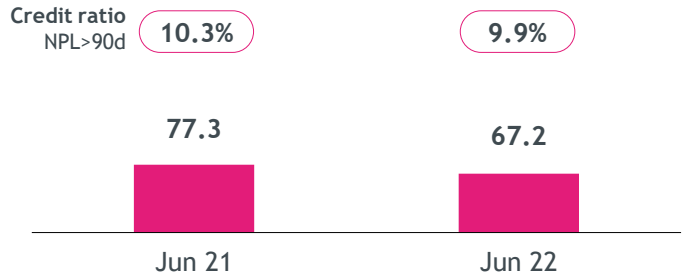


FX effect excluded. €/Metical constant at June 2022 levels: Income Statement 70.13; Balance Sheet 67.08.
**Excludes employees from SIM (insurance company).

Credit quality

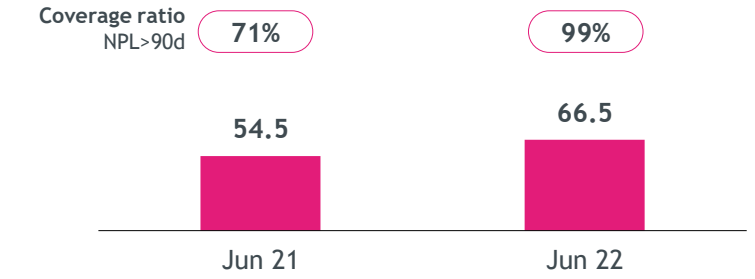
NPL>90d

(Million euros)*



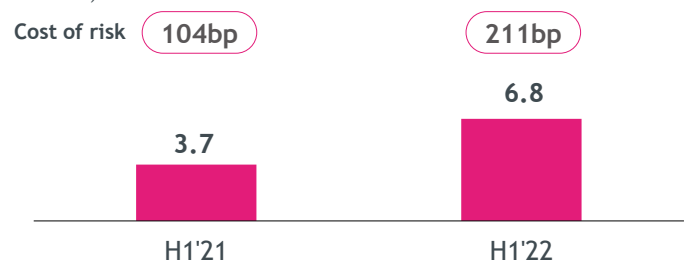
Loan-loss reserves

(Million euros)*



Loan impairment (net of recoveries)

(Million euros)*



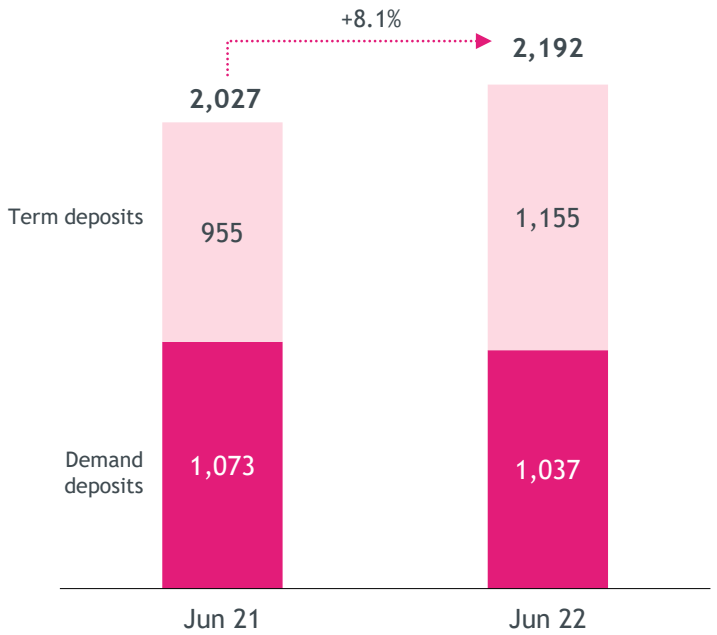
- NPL>90d ratio of 9.9% as of June 2022, with coverage by loan-loss reserves of 99% on the same date
- Cost of risk of 211bp in the 1st half of 2022 (104 bp in same period of 2021)

*FX effect excluded. €/Metical constant at June 2022 levels: Income Statement 70.13; Balance Sheet 67.08

Business volumes

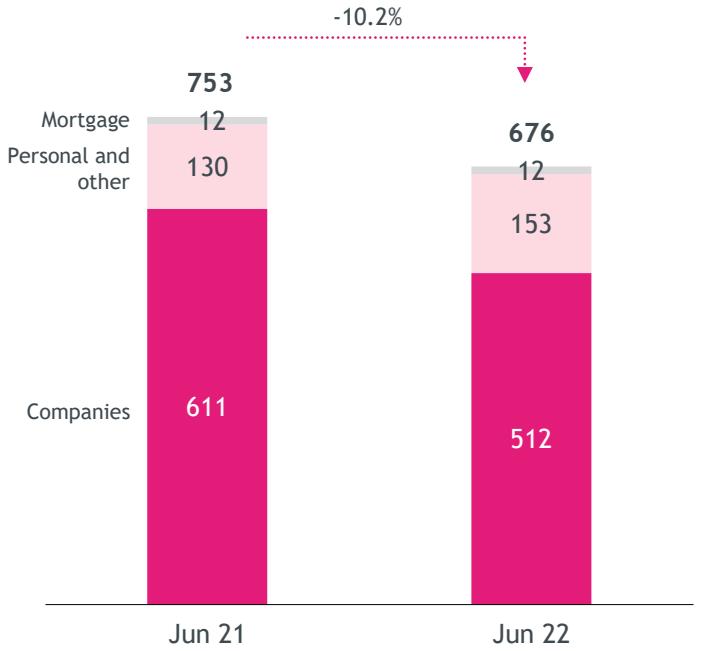
Customers funds

(Million euros)*



Loans to Customers (gross)

(Million euros)*



*FX effect excluded. €/Metical constant at June 2022 levels: Income Statement 70.13; Balance Sheet 67.08.

05

Key figures

Strategic Plan: Excelling 24

	H1'22	2024
C/I ratio	40%	≈40%
Cost of risk	61 bp	≈50 bp
RoE	2.8%	≈10%
CET1 ratio	11.3% (11.8% pro forma*)	>12.5%
NPE ratio	4.3%	≈4%
Share of mobile Customers	60%	>65%
Growth of high engagement Customers** (vs 2020)	+7%	+12%
Average ESG rating***	70%	>80%

*Pro forma(subject to ECB authorization) considering the already requested approval (ECB) for the application of article 352 (2) CRR (Capital Requirements Regulation) that excludes from capital requirements the structural FX positions held to hedge the capital ratios
**Active Customers with card transactions in the previous 90 days or funds > €100 (>MZM 1,000 in Mozambique) | ***Average of Top 3 indices (DJSI, CDP and MSCI) | NPE include loans to Customers only.

COMMITMENT TO PEOPLE AND SOCIETY

Millennium bcp Foundation

Millennium Gallery: exhibition "A outra vida dos animais" - containing drawings, paintings, photography, ceramics, sculpture and media art, having been designed for a younger audience. In exhibition from May 5th to August 28th.

Faro Municipal Museum: Exhibition "Itinerários da Pintura/Arte Moderna no Algarve através da coleção Millennium bcp" - covers a chronological period from the beginning of the 20th century and the 60s. Open to the public from June 25th to October 16th.

Anozero: Coimbra Contemporary Art Biennial - an initiative of the Coimbra Visual Arts Circle, presented from April 9th to June 26th, a curatorial program with the objective of sharing and communicating unexpected and marginal creative ways of producing knowledge.

Pedipedia: Pediatric Medical-Surgical online encyclopedia, coordinated by a group of doctors and university professors. It is free-access and has two versions: one for families and another one for professionals.

Society

In 2022, Millennium bcp joins, again, the campaign "PORTUGAL CHAMA", Portuguese State initiative aimed to prevent and reduce the forest fires and to raise public awareness for risk behaviours.

In May, Millennium bcp volunteers return to Banco Alimentar central warehouse, supporting, at a national level, the usual food collection campaign.

"Millennium Festival ao Largo" returns to promote culture in Lisbon, through democratic and inclusive access to selected shows of classic music and dance.

Millennium bcp supports, in Portugal and Poland, refugees caused by the war in Ukraine with a set of social and integration support as well as temporary preferential conditions as Customers.

Sustainability

Global Finance magazine, best Bank to Sustainable Finance in Portugal, recognizing its leadership in financing projects to prevent climate changes and improve people's life quality.

Millennium bcp integrates, for the 2nd consecutive year, the *ranking* "Europe's Climate Leaders" of Financial Times and Statista, being one of the 400 european companies that have done most progress in reducing greenhouse gas emissions (GEE).

Millennium bcp creates a community garden for its Employees on Taguspark, making the first 12 spaces available to grow biological products, healthy and sustainable.

Millennium bcp continues to reduce its ecological footprint in Portugal, with less 51% of Electricity consumption and less 83% of GEE emission on the last 5 years (2016/2021).

Awards in 2022

Millennium bcp: Integrates for 3rd consecutive year the Bloomberg Gender-Equality Index

Millennium bcp: Best Foreign Exchange Provider in Portugal

Millennium bcp: Best Investment Banking 2022 in Portugal"

ActivoBank: Distinguished as Powerful Brand 21/22 in the "Online Banking" category, in recognition of the progress in the areas of Sustainability and Technological Innovation

Bank Millennium: Achieved third place in the competition for the "Best of Bank 2022", in Large Commercial Banks category, in a choice organized by "*Gazeta Bankowa*"

Bank Millennium: Awarded with "Service Quality Star" on a Customers' choice, carried out through a multi-platform and the SecretClient website

Bank Millennium: Bank Millennium's app was chosen as the "Most Friendly" by customers, in the ranking of the MojeBankowanie.pl portal

Bank Millennium: "Best Bank" in Poland

Bank Millennium: Distinguish with the CSR Golden Leaf Award for Corporate Social Responsibility Practices

Bank Millennium: Segundo lugar no ranking da Forbes *"Poland´s Best Employers 2022"*, na categoria Bancos e Serviços Financeiros

Millennium bim: Bank of the year in Mozambique, Euromoney – Awards for Excellence & Market Leaders 2022

Millennium bim: Best Foreign Exchange Provider in Mozambique

Millennium bim: Best Trade Finance Bank in Mozambique

Millennium bim: Best Private Bank in Mozambique

Millennium bcp
Consumer Choice 2022, "Large banks" category

ActivoBank
Consumer Choice 2022, "Digital banks" category

App Millennium
"2022 Product of the Year",on "Banking App" category, by the Product of the Year Portugal.

Millennium bcp
Main Bank for Companies in the DATA E 2022 Study

Millennium bcp
Number 1 Bank of Innovative Companies supporting 363 companies to achieve the COTEC Innovative award

Appendix

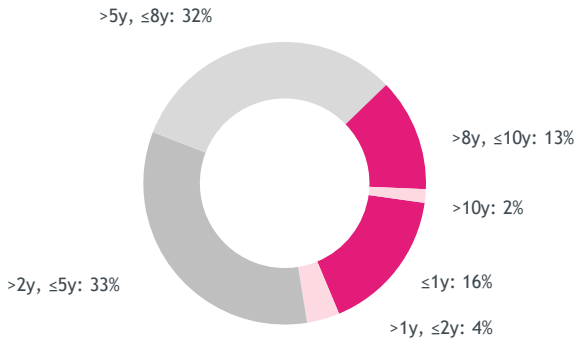
Sovereign debt portfolio

Sovereign debt portfolio

(Consolidated, million euros)

	Jun 21	Sep 21	Dec 21	Mar 22	Jun 22	YoY	QoQ
Portugal	9,152	8,069	8,013	8,561	7,765	-15%	-9%
T-bills and other	1,129	497	426	849	1,222	+8%	+44%
Bonds	8,023	7,572	7,587	7,712	6,543	-18%	-15%
Poland	4,235	4,042	3,844	3,908	4,030	-5%	+3%
Mozambique	462	494	412	424	408	-12%	-4%
Other	4,977	4,981	5,435	3,689	5,451	+10%	+48%
Total	**18,827**	**17,585**	**17,704**	**16,582**	**17,653**	**-6%**	**+6%**

Sovereign debt maturity



- ✓ The sovereign debt portfolio totalled 17.7 billion, 14.1 billion of which maturing in more than 2 years
- ✓ The Portuguese sovereign debt portfolio totalled 7.8 billion, the Polish and Mozambican portfolios amounted to 4.0 billion and to 0.4 billion, respectively; “other” includes sovereign debt from Spain (2.0 billion), France (1.9 billion), Belgium (0.7 billion), Ireland (0.6 billion) and USA (0.2 billion)

Sovereign debt portfolio

(Million euros)

	Portugal	Poland	Mozambique	Other	Total
Trading book	**1,239**	**6**	**0**	**5**	**1,250**
≤ 1 year	1,221	1			1,222
> 1 year and ≤ 2 years	4	0			4
> 2 years and ≤ 5 years	10	4			14
> 5 years and ≤ 8 years	0	0			1
> 8 years and ≤ 10 years	1	0		4	6
> 10 years	3			0	3
Banking book*	**6,526**	**4,023**	**408**	**5,446**	**16,403**
≤ 1 year	9	1,610	56	14	1,688
> 1 year and ≤ 2 years	11	569	57	21	658
> 2 years and ≤ 5 years	3,698	1,617	184	388	5,888
> 5 years and ≤ 8 years	2,207	166	38	3,214	5,624
> 8 years and ≤ 10 years	403	61		1,809	2,273
> 10 years	199	0	72		271
Total	**7,765**	**4,030**	**408**	**5,451**	**17,653**
≤ 1 year	1,230	1,611	56	14	2,911
> 1 year and ≤ 2 years	15	569	57	21	662
> 2 years and ≤ 5 years	3,708	1,622	184	388	5,902
> 5 years and ≤ 8 years	2,207	166	38	3,214	5,625
> 8 years and ≤ 10 years	404	62		1,813	2,279
> 10 years	202	0	72	0	274

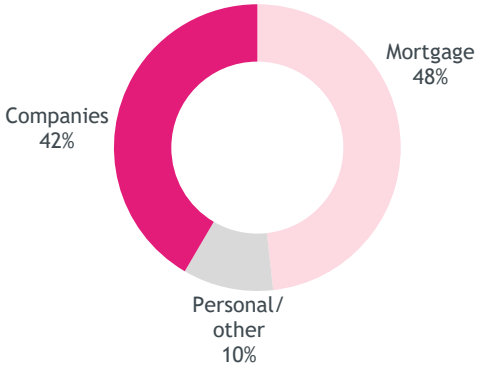
*Includes financial assets at fair value through other comprehensive income (6,949 million) and financial assets at amortised cost (9,455 million).

Diversified and collateralised portfolio

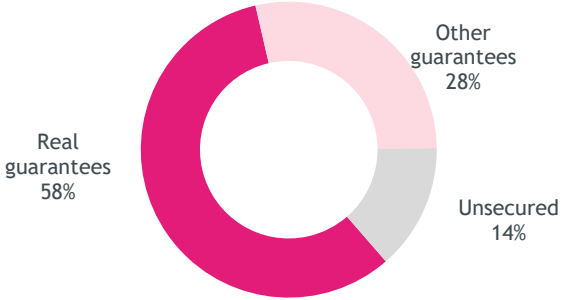
Loan portfolio

(Consolidated)

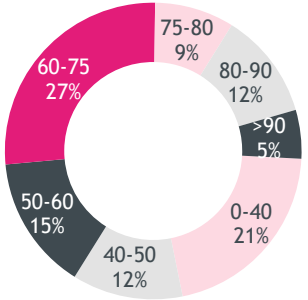
Breakdown



Loans per collateral



LTV of the mortgage portfolio in Portugal



- Loans to companies accounted for 42% of the loan portfolio as of June 2022, including 6% to construction and real-estate sectors
- Mortgage accounted for 48% of the loan portfolio, with low delinquency levels and an average LTV of 60%
- 86% of the loan portfolio is collateralised

Consolidated net income

(Million euros)	H1'21	H1'22	YoY	Impact on earnings
Net interest income	765.8	985.2	+28.6%	+219.4
Net fees and commissions	352.9	387.6	+9.8%	+34.6
Other income*	-2.1	-89.3	+4227.1%	-87.3
Net operating revenue	**1,116.6**	**1,283.4**	**+14.9%**	**+166.8**
Staff costs	-372.8	-284.2	-23.8%	+88.6
Other administrative costs and depreciation	-217.3	-232.0	+6.8%	-14.7
Operating costs	**-590.1**	**-516.2**	**-12.5%**	**+73.9**
Profit before impairment and provisions	**526.6**	**767.2**	**+45.7%**	**+240.7**
Loans impairment (net of recoveries)	-156.9	-179.4	+14.3%	-22.5
Other impairment and provisions	-304.8	-371.9	+22.0%	-67.1
Impairment and provisions	**-461.7**	**-551.4**	**+19.4%**	**-89.6**
Net income before income tax	**64.8**	**215.8**	**+233.0%**	**+151.0**
Income taxes	-101.9	-155.8	+52.9%	-53.9
Net income from discontinued or to be discontinued operations	6.4	1.5	-76.8%	-4.9
Non-controlling interests	43.0	13.0	-69.8%	-30.0
Net income	**12.3**	**74.5**	**+507.4%**	**+62.2**

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

Consolidated balance sheet

(Million euros)

	30 junho 2022	30 junho 2021
ASSETS		
Cash and deposits at Central Banks	7.930,3	4.688,4
Loans and advances to credit institutions repayable on demand	329,6	256,4
Financial assets at amortised cost		
Loans and advances to credit institutions	875,3	671,3
Loans and advances to customers	55.187,2	53.994,8
Debt instruments	12.102,0	8.331,0
Financial assets at fair value through profit or loss		
Financial assets held for trading	1.758,4	1.704,5
Financial assets not held for trading mandatorily at fair value through profit or loss	932,2	1.290,1
Financial assets designated at fair value through profit or loss	-	-
Financial assets at fair value through other comprehensive income	8.644,9	13.882,9
Hedging derivatives	531,5	55,9
Investments in associated companies	443,5	436,3
Non-current assets held for sale	630,7	905,0
Investment property	2,9	6,7
Other tangible assets	586,2	620,8
Goodwill and intangible assets	151,8	242,7
Current tax assets	13,8	14,3
Deferred tax assets	2.845,5	2.663,7
Other assets	3.107,5	1.599,7
TOTAL ASSETS	96.073,5	91.364,5

	30 junho 2022	30 junho 2021
LIABILITIES		
Financial liabilities at amortised cost		
Resources from credit institutions	8,996.1	9,056.1
Resources from customers	73,190.3	68,101.3
Non subordinated debt securities issued	1,114.6	1,751.9
Subordinated debt	1,350.2	1,199.7
Financial liabilities at fair value through profit or loss		
Financial liabilities held for trading	192.9	372.2
Financial liabilities at fair value through profit or loss	1,344.0	1,481.5
Hedging derivatives	1,677.2	173.7
Provisions	503.2	404.9
Current tax liabilities	8.7	6.6
Deferred tax liabilities	9.2	7.3
Other liabilities	1,396.0	1,423.1
TOTAL LIABILITIES	89,782.4	83,978.2
EQUITY		
Share capital	4,725.0	4,725.0
Share premium	16.5	16.5
Other equity instruments	400.0	400.0
Legal and statutory reserves	268.5	259.5
Treasury shares	-	-
Reserves and retained earnings	8.4	855.5
Net income for the period attributable to Bank's Shareholders	74.5	12.3
TOTAL EQUITY ATTRIBUTABLE TO BANK'S SHAREHOLDERS	5,492.9	6,268.7
Non-controlling interests	798.2	1,117.5
TOTAL EQUITY	6,291.1	7,386.3
TOTAL LIABILITIES AND EQUITY	96,073.5	91,364.5

Consolidated income statement per quarter

(Million euros)

	Quarterly				
	2Q 21	3Q 21	4Q 21	1Q 22	2Q 22
Net interest income	**391.0**	**399.2**	**423.6**	**465.1**	**520.1**
Dividends from equity instruments	0.7	0.2	0.1	0.9	12.0
Net fees and commission income	181.8	181.9	192.9	192.8	194.7
Other operating income	-87.2	-4.5	-9.5	-17.7	-159.5
Net trading income	38.5	-8.8	15.0	43.4	-1.2
Equity accounted earnings	13.9	12.8	14.8	16.2	16.6
Banking income	**538.7**	**580.9**	**636.9**	**700.7**	**582.7**
Staff costs	231.3	143.4	138.1	137.7	146.4
Other administrative costs	72.3	81.4	93.8	82.7	79.9
Depreciation	34.3	34.4	34.4	34.6	34.9
Operating costs	**338.0**	**259.2**	**266.3**	**255.0**	**261.2**
Profit bef. impairment and provisions	**200.8**	**321.7**	**370.5**	**445.7**	**321.5**
Loans impairment (net of recoveries)	45.9	107.1	84.9	89.9	89.6
Other impairm. and provisions	173.1	157.3	250.1	164.1	207.8
Net income before income tax	**-18.3**	**57.3**	**35.6**	**191.8**	**24.1**
Income tax	45.0	39.6	62.2	85.5	70.3
Net income (before disc. oper.)	**-63.3**	**17.8**	**-26.6**	**106.3**	**-46.2**
Net income arising from discont. operations	3.5	3.2	61.3	1.4	0.1
Non-controlling interests	-14.2	-26.3	-43.8	-5.2	-7.8
Net income	**-45.5**	**47.2**	**78.6**	**112.9**	**-38.4**

Income statement

(Million euros)

For the 6-month periods ended June 30th, 2021 and 2022

	Group			Portugal			International operations											
							Total			Bank Millennium (Poland)			Millennium bim (Moz.)			Other int. operations		
	Jun 21	Jun 22	Δ %	Jun 21	Jun 22	Δ %	Jun 21	Jun 22	Δ %	Jun 21	Jun 22	Δ %	Jun 21	Jun 22	Δ %	Jun 21	Jun 22	Δ %
Interest income	825	1,142	38.4%	427	446	4.4%	398	696	74.8%	295	561	90.2%	102	134	31.8%	2	1	-37.1%
Interest expense	59	157	>100%	18	15	-13.8%	42	141	>100%	14	100	>100%	28	42	49.0%	0	0	-86.0%
Net interest income	**766**	**985**	**28.6%**	**409**	**431**	**5.2%**	**356**	**555**	**55.6%**	**281**	**461**	**64.0%**	**74**	**92**	**25.3%**	**2**	**1**	**-37.1%**
Dividends from equity instruments	1	13	>100%	0	12	>100%	1	1	10.8%	1	1	10.8%	0	0	--	0	0	--
Intermediation margin	**766**	**998**	**30.2%**	**409**	**443**	**8.1%**	**357**	**555**	**55.5%**	**282**	**462**	**63.9%**	**74**	**92**	**25.3%**	**2**	**1**	**-37.1%**
Net fees and commission income	353	388	9.8%	247	277	12.1%	106	110	4.4%	91	92	0.9%	14	18	26.7%	0	0	-21.2%
Other operating income	-112	-177	-57.7%	-71	-72	-1.0%	-41	-105	<-100%	-41	-107	<-100%	1	1	44.2%	-1	0	96.8%
Basic income	**1,007**	**1,208**	**20.0%**	**585**	**648**	**10.7%**	**422**	**560**	**32.9%**	**332**	**447**	**34.8%**	**89**	**112**	**25.7%**	**1**	**1**	**91.3%**
Net trading income	80	42	-47.4%	68	60	-12.1%	12	-18	<-100%	6	-28	<-100%	7	11	60.0%	0	0	>100%
Equity accounted earnings	29	33	12.0%	31	34	9.9%	-2	-1	24.8%	0	0	--	0	1	--	-2	-2	-26.1%
Banking income	**1,117**	**1,283**	**14.9%**	**684**	**742**	**8.4%**	**432**	**542**	**25.3%**	**338**	**419**	**24.2%**	**96**	**123**	**29.0%**	**-1**	**-1**	**2.3%**
Staff costs	373	284	-23.8%	264	166	-37.2%	109	118	8.9%	91	96	6.1%	18	22	22.5%	0	0	29.2%
Other administrative costs	149	163	9.1%	85	88	3.5%	64	74	16.7%	45	50	12.4%	19	24	27.2%	0	0	-15.4%
Depreciation	68	69	1.7%	40	40	-0.6%	28	30	4.9%	22	22	1.4%	6	7	17.5%	0	0	-7.5%
Operating costs	590	516	-12.5%	389	294	-24.5%	201	222	10.8%	157	169	7.2%	43	53	23.9%	0	1	8.4%
Profit bef. impairment and provisions	**527**	**767**	**45.7%**	**295**	**448**	**51.8%**	**231**	**319**	**37.9%**	**181**	**251**	**38.9%**	**53**	**70**	**33.2%**	**-2**	**-2**	**-0.6%**
Loans impairment (net of recoveries)	157	179	14.3%	127	139	9.8%	30	40	33.5%	27	33	24.1%	3	7	>100%	0	0	-13.5%
Other impairm. and provisions	305	372	22.0%	69	51	-25.7%	236	321	35.9%	231	218	-5.3%	2	0	-88.5%	3	102	>100%
Net income before income tax	**65**	**216**	**>100%**	**99**	**258**	**>100%**	**-35**	**-42**	**-20.4%**	**-77**	**-1**	**99.0%**	**47**	**63**	**33.9%**	**-5**	**-104**	**<-100%**
Income tax	102	156	52.9%	54	83	54.3%	48	73	51.3%	36	56	55.9%	12	17	37.8%	0	0	--
Net income (before disc. oper.)	**-37**	**60**	**>100%**	**46**	**174**	**>100%**	**-83**	**-114**	**-38.3%**	**-113**	**-57**	**49.8%**	**35**	**46**	**32.5%**	**-5**	**-104**	**<-100%**
Net income arising from discont. operations	6	1	-76.8%	0	0	--	6	1	-76.8%				3	0	-97.1%			
Non-controlling interests	-43	-13	69.8%	0	0	<-100%	-43	-13	70.5%	0	0	--	0	0	-100.0%	-44	-13	70.7%
Net income	**12**	**75**	**>100%**	**45**	**175**	**>100%**	**-33**	**-100**	**<-100%**	**-113**	**-57**	**49.8%**	**38**	**46**	**22.7%**	**39**	**-91**	**<-100%**

Glossary (1/2)

Assets placed with customers – amounts held by customers in the context of the placement of third-party products that contribute to the recognition of commissions.

Balance sheet customer funds – deposits and other resources from customers and debt securities placed with customers.

Business Volumes - corresponds to the sum of total customer funds and loans to customers (gross).

Commercial gap – loans to customers (gross) minus on-balance sheet customer funds.

Core income - net interest income plus net fees and commissions income.

Core net income - net interest income plus net fees and commissions income deducted from operating costs.

Cost of risk, net (expressed in basis points) - ratio of loans impairment (P&L) accounted in the period to loans to customers at amortized cost and debt instruments at amortized cost related to credit operations before impairment at the end of the period.

Cost to core income - operating costs divided by core income.

Cost to income – operating costs divided by net operating revenues.

Coverage of non-performing exposures by impairments – loans impairments (balance sheet) divided by the stock of NPE.

Coverage of non-performing loans by impairments – loans impairments (balance sheet) divided by the stock of NPL.

Coverage of overdue loans by impairments - loans impairments (balance sheet) divided by overdue loans.

Coverage of overdue loans by more than 90 days by impairments - loans impairments (balance sheet) divided by overdue loans by more than 90 days.

Debt instruments – non-subordinated debt instruments at amortized cost and financial liabilities measured at fair value through profit or loss (debt securities and certificates).

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

Deposits and other resources from customers – resources from customers at amortized cost and customer deposits at fair value through profit or loss.

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

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

Insurance products – includes unit linked saving products and retirement saving plans (“PPR”, “PPE” and “PPR/E”).

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

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

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

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

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

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

Net commissions - net fees and commissions income.

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

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

Glossary (2/2)

Net trading income – results from financial operations at fair value through profit or loss, results from foreign exchange, results from hedge accounting operations, results from derecognition of financial assets and financial liabilities measured at amortized cost and results from derecognition of financial assets measured at fair value through other comprehensive income.

Non-performing exposures (NPE) – non-performing loans and advances to customers (loans to customers at amortized cost and loans to customers at fair value through profit or loss) more than 90 days past-due or unlikely to be paid without collateral realization, if they recognized as defaulted or impaired.

Non-performing loans (NPL) – overdue loans (loans to customers at amortized cost and loans to customers at fair value through profit or loss) more than 90 days past due including the non-overdue remaining principal of loans, i.e. portion in arrears, plus non-overdue remaining principal.

Off-balance sheet customer funds – assets under management, assets placed with customers and insurance products (savings and investment) subscribed by customers.

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

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

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

Other net operating income – other operating income/(loss) and gains/(losses) arising from sales of subsidiaries and other assets.

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

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

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

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

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

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

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

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

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

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

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

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

Millennium bcp

INVESTOR RELATIONS DIVISION

Bernardo Collaço, Head

EQUITY
Alexandre Moita
+351 211 131 321

DEBT AND RATINGS
Luís Morais
+351 211 131 337

investors@millenniumbcp.pt

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 and the share capital of EUR 4,725,000,000.00. LEI: JU1U6SODG9YLT7N8ZV32