

Earnings Presentation

Banco Comercial
Português, S.A.

H1 2023



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 2023 not audited.
- | In the fourth quarter, the Bank proceeded to the restatement of the amount related to potential costs resulting from credit holidays policy in Poland, enacted in July 2022, previously booked in other impairments and provisions. These costs are now booked in results on modification item. This item also started to include contractual modifications, in accordance with IFRS9, namely those negotiated with customers holding foreign exchange mortgage loans. The amounts regarding 2022 quarters were restated.
- | 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.
- | The Group owns 49% of Millenniumbcp Ageas Grupo Segurador, S.G.P.S., S.A. (Mbcp Ageas), accounted for under the equity method, as Investments in associated companies. On 1 January 2023 Millenniumbcp Ageas adopted simultaneously IFRS9 - Financial Instruments and IFRS17 - Insurance Contracts. Taking into account that the initial adoption of IFRS 17 and IFRS 9 requires comparative information, Millenniumbcp Ageas Grupo Segurador made the transition exercise on 1 January 2022. The impacts resulting from this implementation by Mbcp Ageas led to the restatement of the accounts of the Group referring to 2022.

AGENDA



Highlights

01

Group

02

Portugal

03

International
operations

04



01

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Highlights

Highlights: A Bank prepared for the future



Profitability

- **Net income of 423.2 million in H1'23**
- **Group's core operating profit increase 40.1% to 1,199.9 million, supported by the increase of 28.3% on core income and by the strict management of operating costs, which grew 8.8% compared with H1'22**
 - **Effects related with Bank Millennium: 399.1¹ million of costs related with CHF mortgage loan portfolio**, out of which 331.6² million related with provisions, resulting from the application of more conservative adjustments to the provisioning model after the European Court of Justice ruling; **Results benefited, in the previous quarter, of 127³ million related with the sale of Millennium Financial Services stake (80%)** as a result of the strategic partnership in the bancassurance business
 - **Net profit of 353.7 million in Portugal in H1'23**



Business model

- **Substantial strengthening of capital ratios. CET1⁴ ratio stood at 14% and total capital ratio⁴ at 18.3%**, representing an increase of 268bp and 304bp compared with the same period of last year, reflecting the strong capacity to generate organic capital
- **Liquidity indicators, well above regulatory requirements: LCR⁵ at 214%, NSFR⁵ at 155% and LtD⁵ at 75%**. Eligible assets available to discount at ECB of 24.2 billion
- **On-Balance sheet customer funds grew 2.9% year on year to 76.7 billion**
- **Significant decrease of non-performing assets** compared with June 2022: 361 million in NPEs, 162 million in foreclosed assets and 400 million in restructuring funds
- **Despite the challenging environment, the cost of risk stood at 50bp at the group and 53bp in Portugal**, which compares with 61bp and 69bp in H1'22 respectively
- **Continued growth of the customer base**, highlighting the increase in mobile Customers, which represent 66% of total Customers

¹ Includes provisions for legal risk, costs with out-of-court settlements and legal advice (before taxes and non-controlling interests) Does not include provisions for legal risk on CHF mortgages of Euro Bank (guaranteed by Société Générale)

² Does not include provisions for legal risk on CHF mortgages of Euro Bank (guaranteed by Société Générale). Before taxes and non-controlling interests

³ Before taxes and non-controlling interests

⁴ Fully implemented ratio including unaudited net income for H1'23

⁵ Liquidity Coverage Ratio (LCR); Net Stable Funding Ratio (NSFR); Loans to Deposits Ratio (LtD)

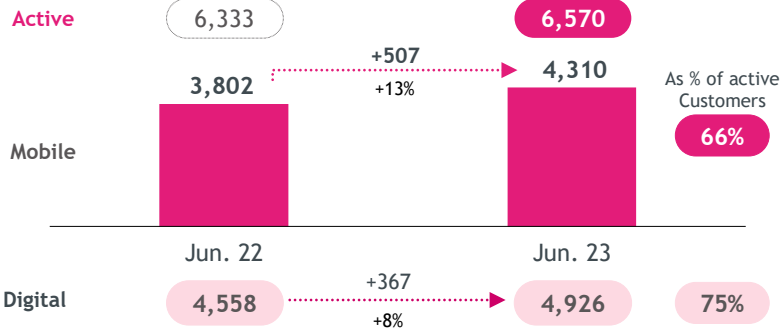


Teresa Bonvalot
(Melhor Surfista Portuguesa)

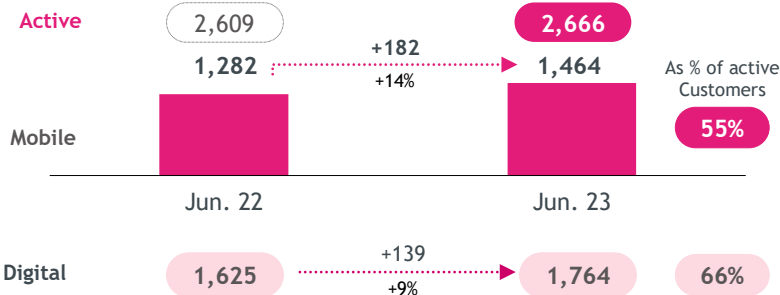
Customer base growth

Based on the quality of the Teams and distinctive digital skills

'000 Customers



Portugal



Customer recognition



DATAE

Barómetro Financeiro 2023

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



"Melhor Banco Digital"
Unaided reply by Customers¹,
2T 2023

Customer counting criteria used in the Strategic Plan.
¹ 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)

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

Strong mobile growth Y/Y

(Number of operations, Jan-Jun 2023 vs Jan-Jun 2022)

+30%

Transactions¹

+67%

P2P Transfers

+17%

National Transfers

+16%

Payments

+26%

Sales

+28%

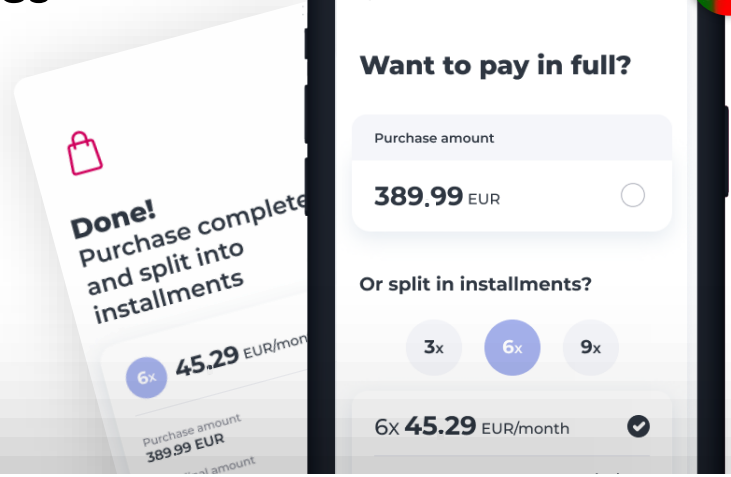
Cards

+12%

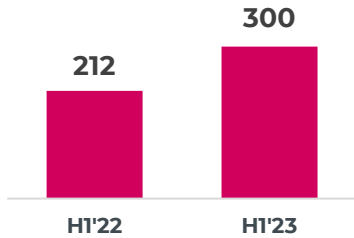
Personal loans

+28%

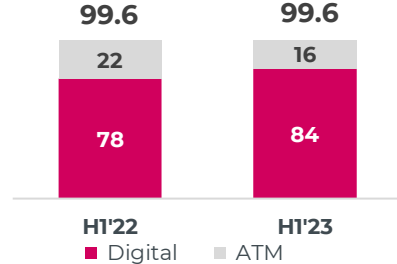
Savings



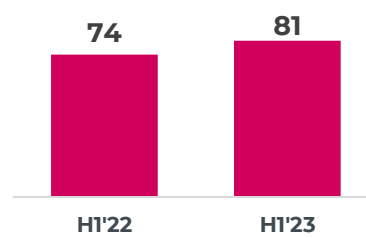
Digital Interactions (mio)²



% Digital Transactions (#)³



% Digital Sales (#)⁴



App Millennium leads ratings

4.8



4.7



4.6



¹ Includes P2P transfers in Millennium app

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

Net income of 423.2 million in the 1st half of 2023

(Million euros)	H1'22	H1'23	%	Δ
Net interest income	985.2	1,374.4	+39.5%	+389.2
Commissions	387.6	387.0	-0.1%	-0.5
Core income	1,372.7	1,761.4	+28.3%	+388.7
Operating costs	-516.2	-561.5	+8.8%	-45.3
Core operating profit	856.5	1,199.9	+40.1%	+343.4
Other income ¹	-99.8	82.9	-183.1%	+182.7
<i>Of which: sale of 80% of Millennium Financial Services</i>	-	127.0	-	+127.0
<i>Of which: Regulatory contributions</i>	-205.3	-85.6	-58.3%	+119.7
Operating net income	756.8	1,282.8	+69.5%	+526.0
Results on modification ²	-1.9	-11.6	+510.9%	-9.7
Impairment and other provisions	-551.4	-548.5	-0.5%	+2.9
<i>Of which: Loans impairment</i>	-179.4	-145.5	-18.9%	+33.9
<i>Of which: legal risk on CHF mortgages (Poland) ³</i>	-198.1	-331.6	+67.4%	-133.5
<i>Of which: Bank Millennium goodwill</i>	-102.3	-	-	+102.3
Net income before income tax	203.5	722.7	+255.1%	+519.2
Income taxes, non-controlling interests and discontinued operations	-141.3	-299.5	+111.9%	-158.2
Net income	62.2	423.2	+580.6%	+361.1

¹ Dividends from equity instruments, other net operating income, net trading income and equity accounted earnings. | ² Includes the result of contract changes from the renegotiation of CHF mortgages loans (previously booked on other Income). | ³ Does not include provisions for legal risks on CHF mortgages of Euro Bank (guaranteed by Société Générale). In H1'23 includes more conservative adjustments to provisioning model following the European Court of Justice decision.



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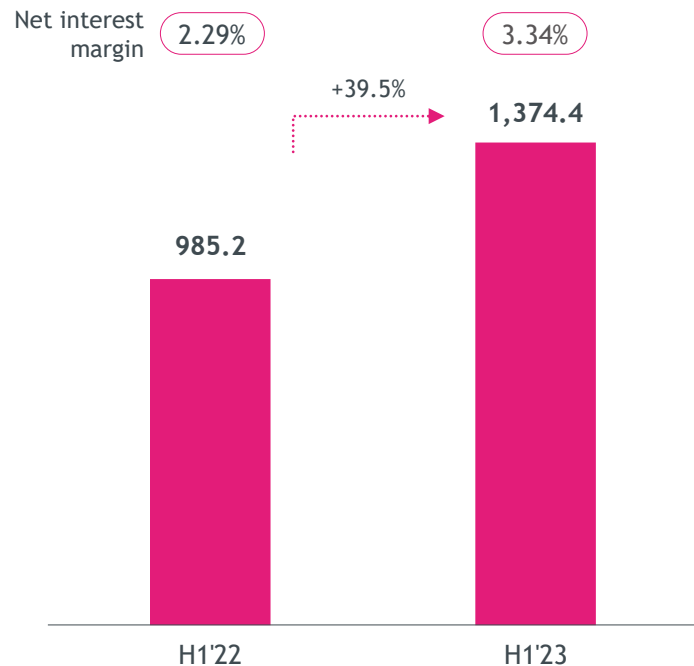
Group

Profitability

Net interest income

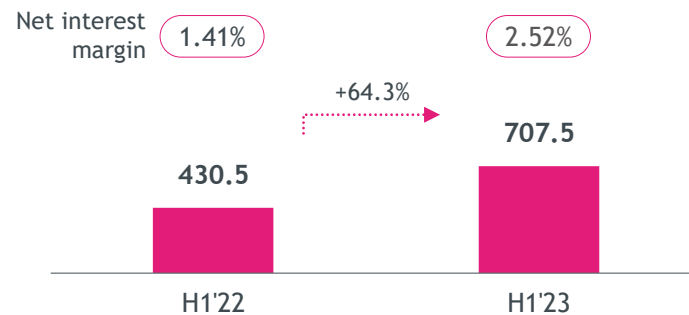
Net interest income

(Consolidated, million euros)



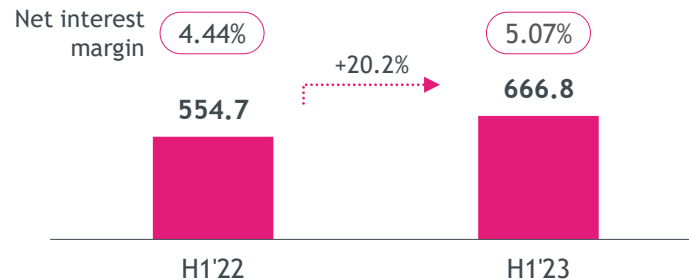
Portugal

(Million euros)



International operations

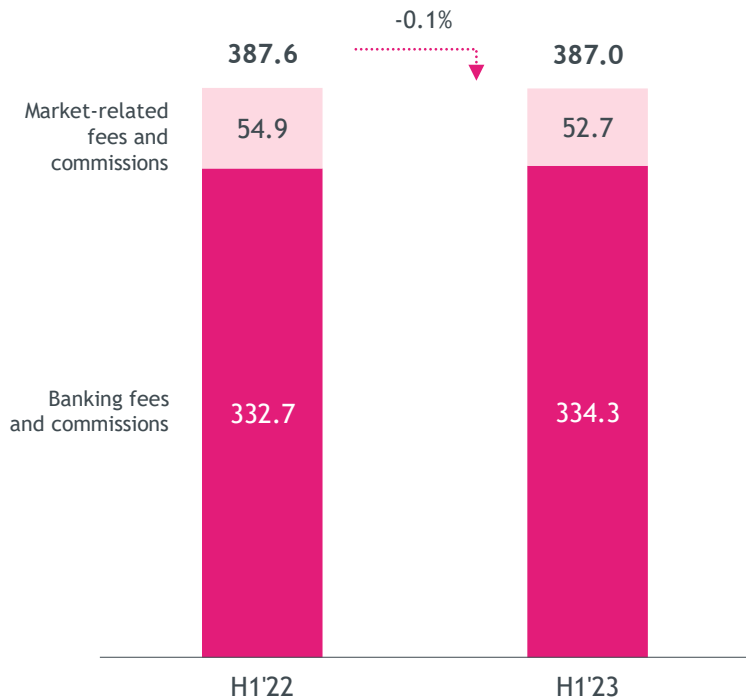
(Million euros)



Fees and commissions

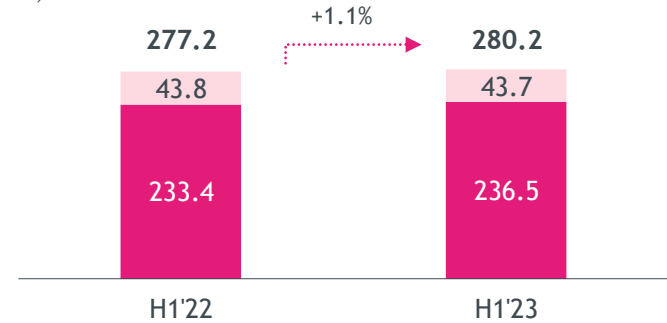
Fees and commissions

(Consolidated, million euros)



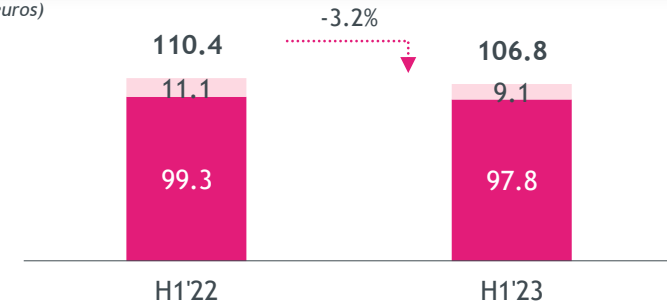
Portugal

(Million euros)



International operations

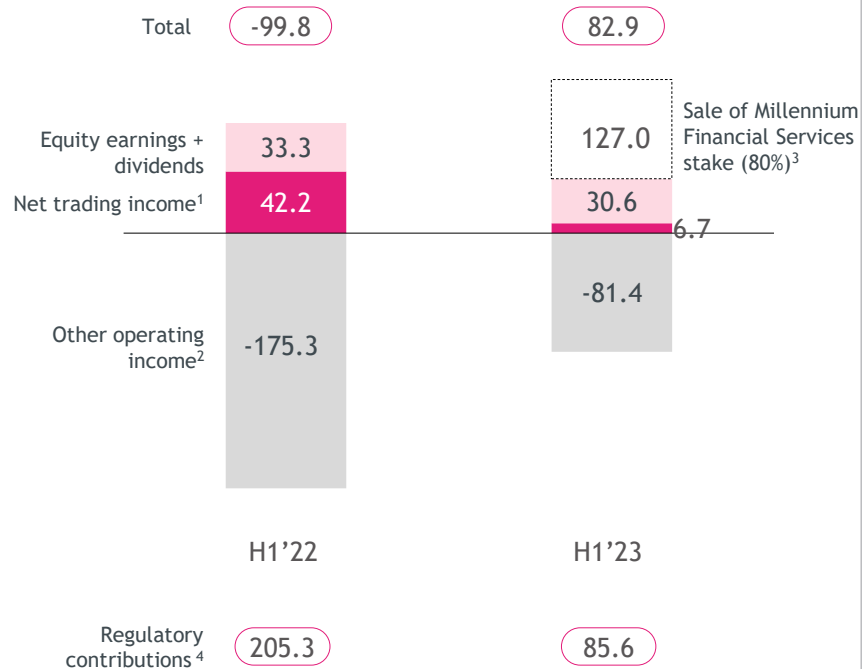
(Million euros)



Other income

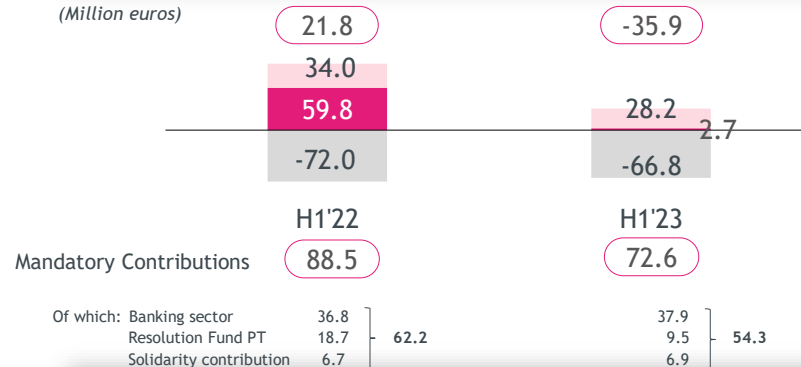
Other income

(Consolidated, million euros)



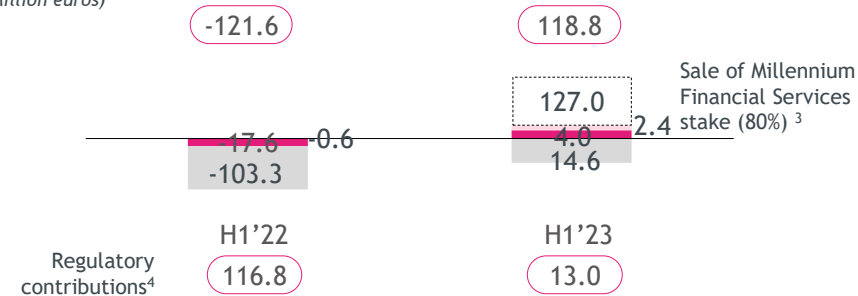
Portugal

(Million euros)



International operations

(Million euros)



¹ Net trading income includes -49.3 million in H1'22 and -24.6 million in H1'23 of costs related to out-of-court settlements with Customers related with CHF loans portfolio.

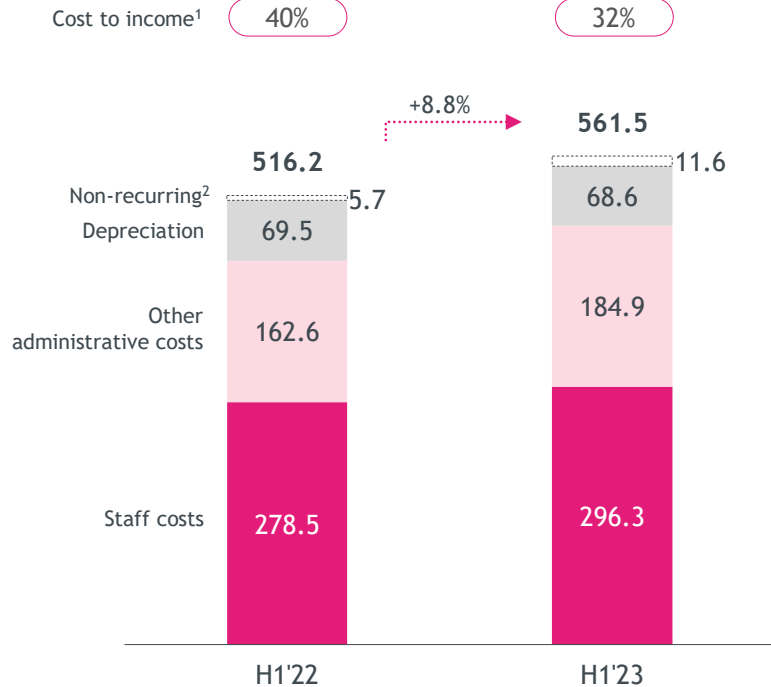
² Other operating income includes +20.7 million in H1'22 and +18.4 million in H1'23 related with the compensation for provisors for legal risk on CHF mortgages of Euro Bank (guaranteed by Société Générale).

³ Positive one-off effect of 127 million in Q1'23 (117.8 millions booked in Net trading income and 9.2 booked in other operating income) related with the sale of Millennium Financial Services stake (80%) as a result of the strategic partnership in the bancassurance business ⁴ Includes 54.3 million in H1'22 of IPS contribution

Operating costs

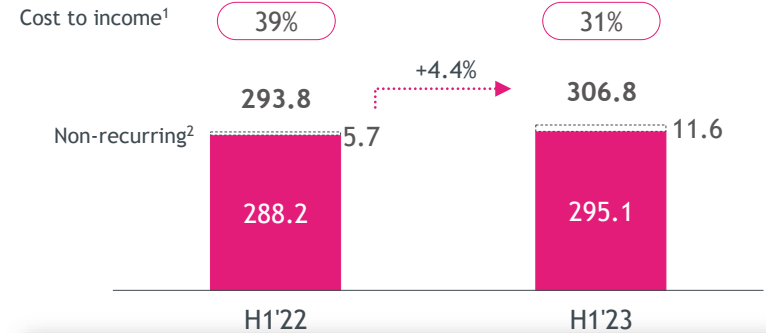
Operating costs

(Consolidated, million euros)



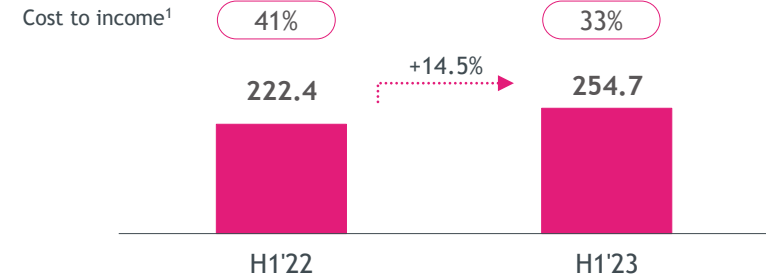
Portugal

(Million euros)



International operations

(Million euros)

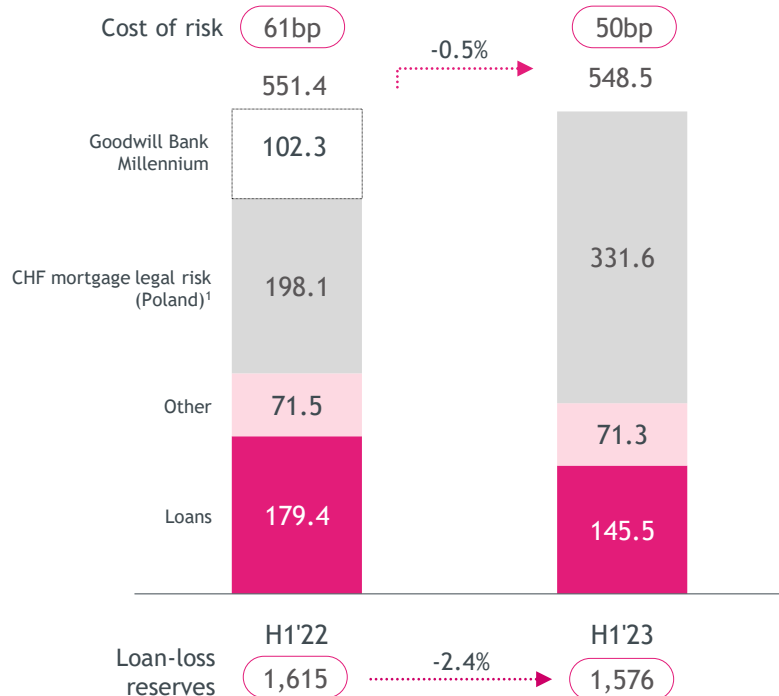


¹Adjusted cost to income: without the positive one-off effect related with the sale of 80% of Millennium Financial Services stake (international operations) and without costs related mainly with the compensation for the temporary reduction of remuneration in the period 2014/2017 in Portugal. In international operations, these effects only have an impact in H1'23. | ² Includes mainly compensation for the temporary reduction of remuneration in the period 2014/2017

Cost of risk and provisions

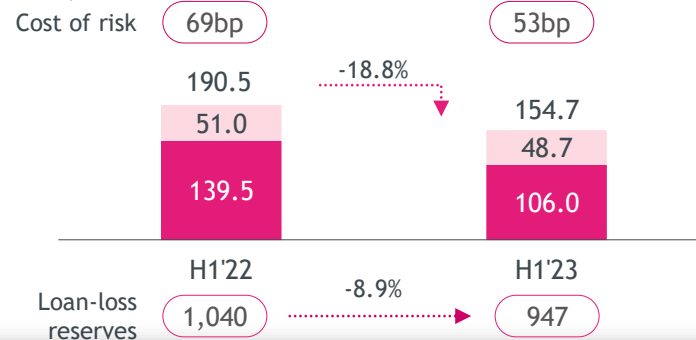
Impairment and provision charges

(Consolidated, million euros)



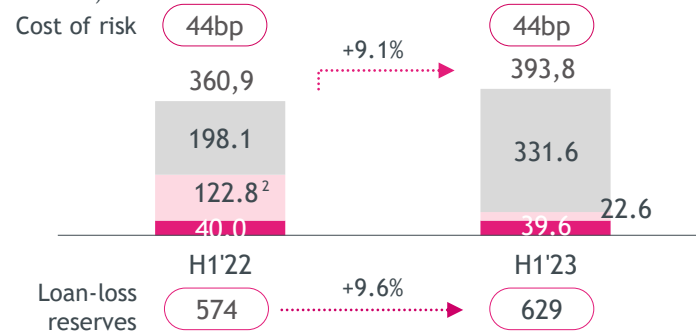
Portugal

(Million euros)



International operations

(Million de euros)

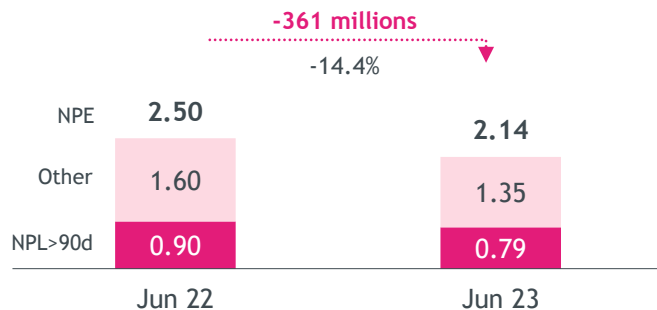


¹ Does not include provisions for legal risk on CHF mortgages of Euro Bank (guaranteed by Société Générale): 20.7 million in H1'22 and 18.4 million in H1'23. In H1'23 includes the application of more conservative adjustments to the provisioning model following the ECJ decision. ² Includes Bank Millennium Goodwill

Relevant reduction of NPEs

Credit quality

(Consolidated, billion euros)

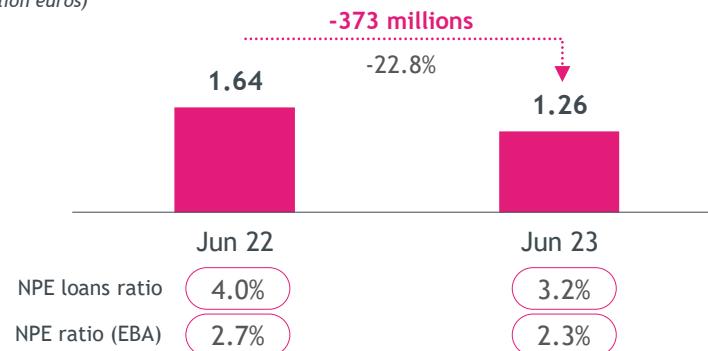


	Jun 22	Jun 23
NPE total coverage*	112.8%	117.6%
NPE coverage by LLRs	64.5%	73.6%
NPE specific coverage	47.3%	49.2%
NPL>90 days ratio	1.5%	1.4%
NPE ratio (loans only)	4.3%	3.7%
NPE ratio inc. securities and off-BS (EBA)	2.8%	2.5%

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

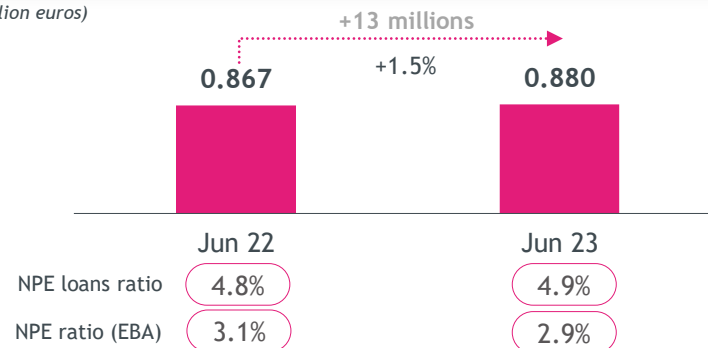
Portugal

(Billion euros)



International operations

(Billion euros)





02



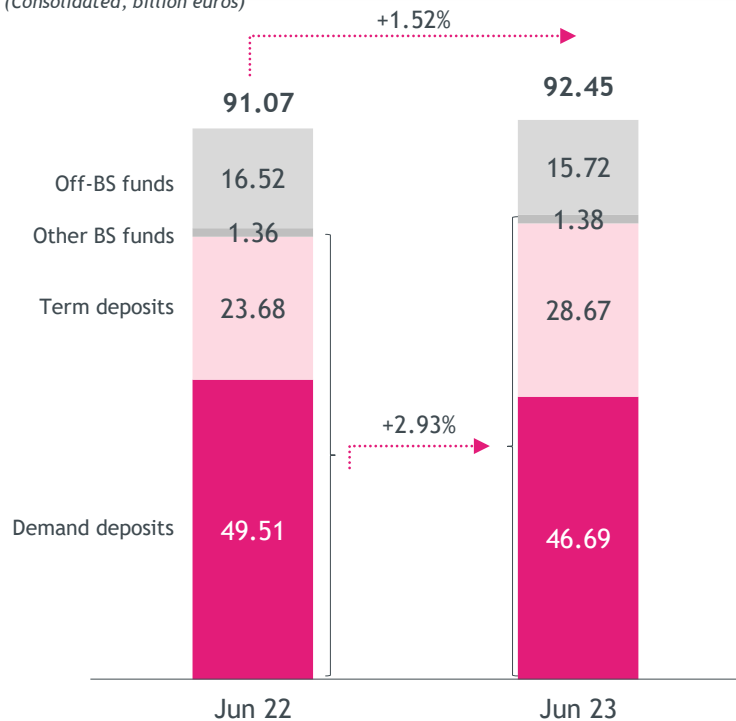
Group

Business activity

Customer funds

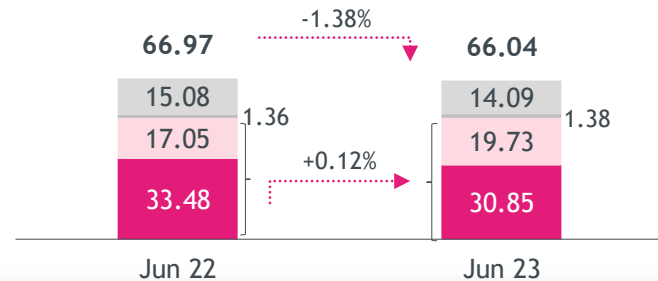
Total Customers Funds*

(Consolidated, billion euros)



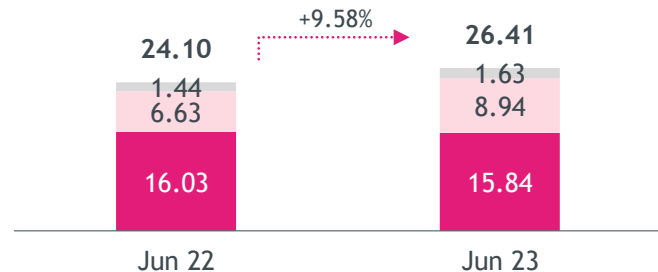
Total Customers Funds* Portugal

(Billion euros)



Total Customers Funds* international operations

(Billion euros)

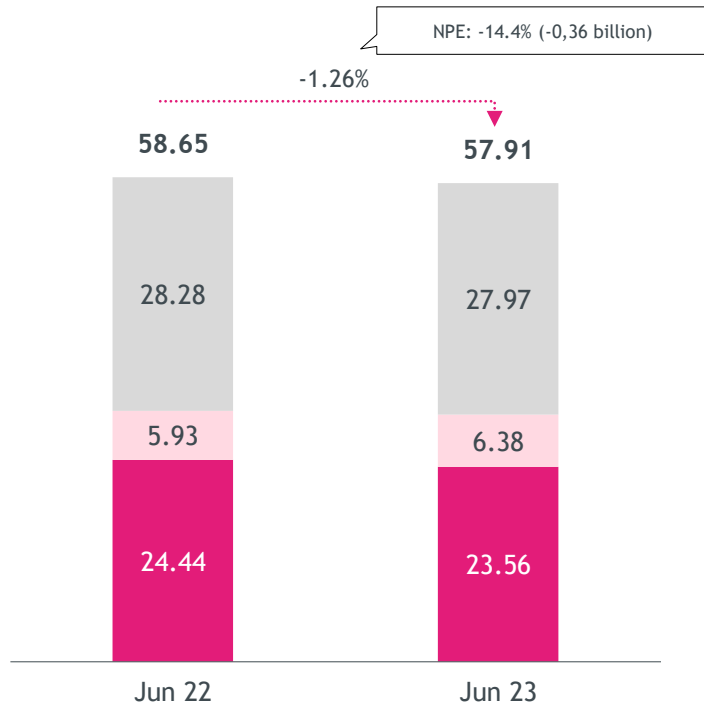


* Deposits, debt securities, assets under management, assets placed with Customers and insurance products (savings and investments).

Loan portfolio

Loans to Customers (gross)

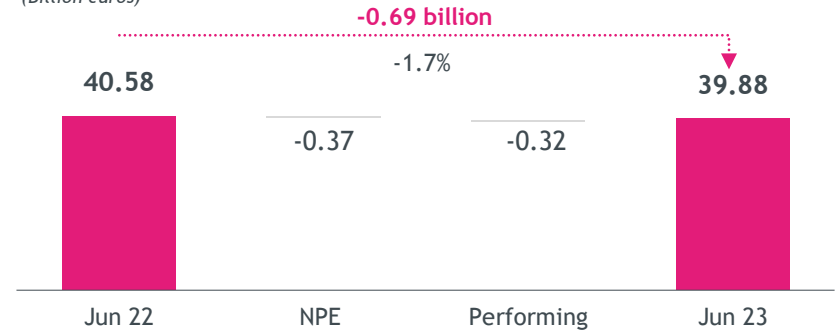
(Consolidated, billion euros)



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

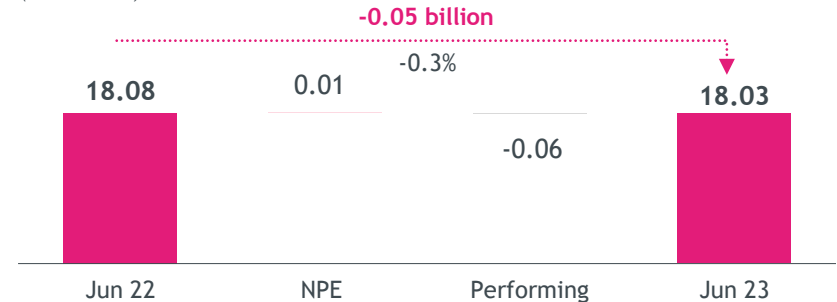
Portugal

(Billion euros)



International operations

(Billion euros)





02

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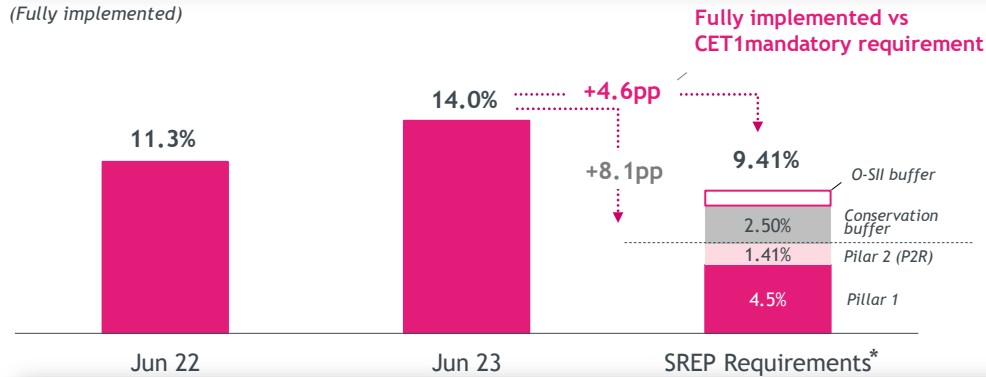
Group

Capital and liquidity

Robust capital ratios

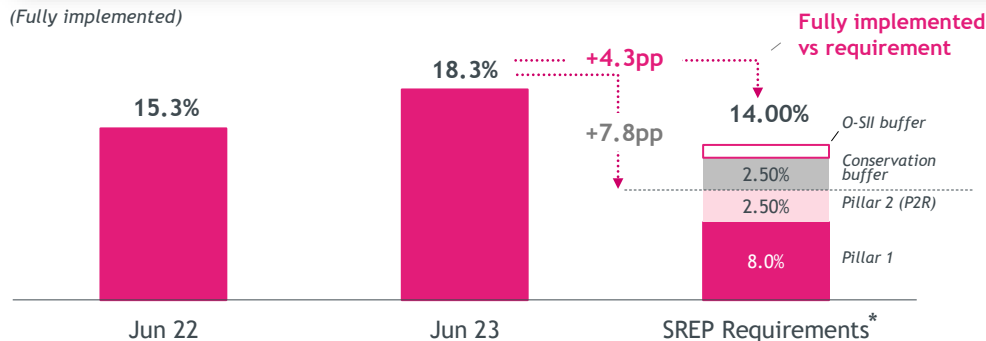
Common equity tier 1 (CET1)

(Fully implemented)



Total capital ratio

(Fully implemented)

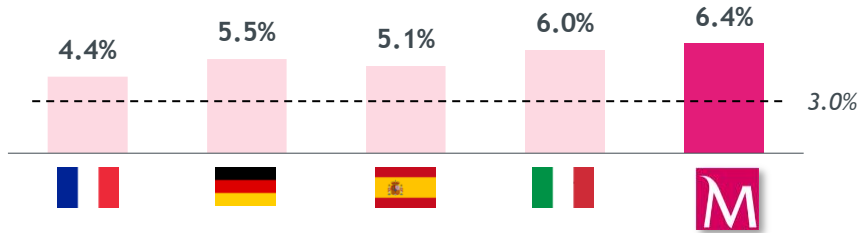


- Significant strengthening of capital ratios. CET1 ratio stood at 14.0% and total capital ratio at 18.3%, representing an increase of 268bp and 304bp compared with the same period of last year, reflecting the strong capacity to generate organic capital
- Surplus of 4.3pp between the total capital ratio and the SREP requirements without the capital conservation and the O-SII buffers, and of 7.8pp if such buffers are considered
- Buffers for which there are limitations to results distribution: 460bp to CET1, 382bp to T1 and 434bp to total capital

Stronger capital position

Leverage ratio

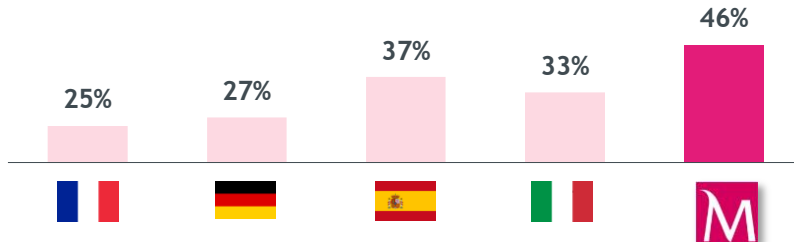
(Fully implemented, latest available data)



Leverage ratio in comfortable levels (6.4% as of June 2023) higher when comparing to European banks

RWA density

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

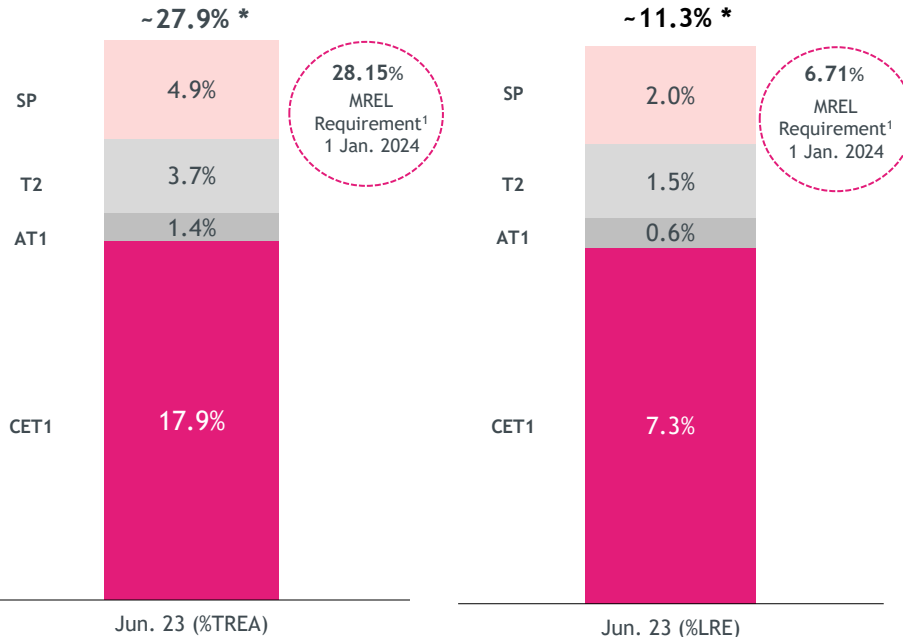


RWAs density in conservative values (46% as of June 2023), comparing favourably with the values registered by most of the European markets

MREL requirements and execution of the Funding Plan

(Million euros)

MREL position (BCP Resolution Group - 30 Jun. 2023)



- **Resolution strategy: MPE (Multi Point of Entry)².** MREL requirements for the Resolution perimeter centred in Portugal
- **Preferred Resolution Measure:** Bail-in
- **No subordination requirements have been applied** to the Resolution perimeter centred in Portugal
- **As of December 31, 2022, BCP complied with the interim MREL requirement.** (Non-binding MREL requirement since January 2023 of 24.87%)
- **Funding Plan** execution
 - 500 million SP on 5 February 2021 6NC5
 - 500 million Social SP on 29 September 2021 6.5NC5.5
 - 300 million Subordinated on 10 November 2021 10.5NC5.5
 - 350 million SP on 25 October 2022 3NC2
 - Exchange offer on 5 December 2022 on the Issue of T2 due December 27 (issue of 133.7 million of Subordinated debt 10.25NC5.25)
 - **In 2023 - Benchmark issue of Senior Preferred Notes**

MREL - Minimum Requirement for own funds and Eligible Liabilities | TREA - Total Risk Exposure Amount; LRE - Leverage Ratio Exposure.

* Preliminary data, including unaudited net income for H1'23.

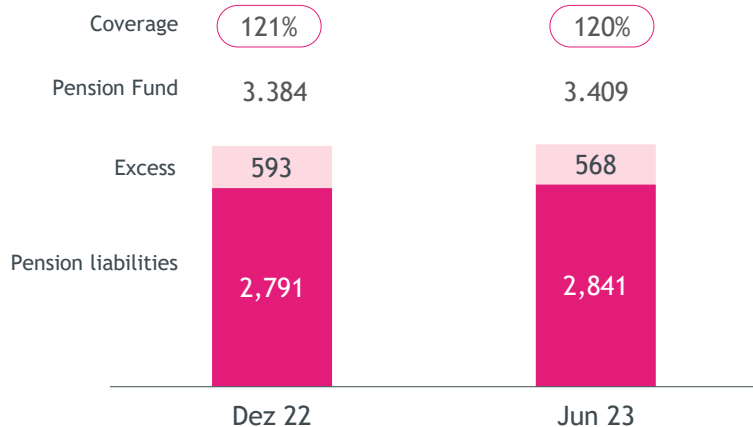
¹ Requirements covered by the 2022 Resolution Planning Cycle. MREL requirements are subject to periodic review by the SRB and changes in the regulatory framework.

² In addition to the resolution perimeter centered in Portugal, BIM in Mozambique and Bank Millennium in Poland were established as additional groups. With regard to Mozambique, as European rules do not apply, no minimum MREL requirement has been set. With regard to Bank Millennium, the consolidated minimum requirements of MREL - TREA of 20.42% and MREL - TEM of 5.91% were established to meet by December 31, 2023 as reference date. At the individual level, Bank Millennium is obliged to comply with the requirements of 20.32% and 5.91%, respectively. Additionally, there are intermediate objectives of MREL at individual level of - TREA of 15.55% and MREL - TEM of 3.00%, with Bank Millennium still to meet these references due to the net losses recorded in 2021 and 2022 (provisions for the portfolio of mortgage loans indexed to foreign currency and credit moratorium costs), the gap on legal framework for senior non-preference bonds in the Polish market until May 2022, and unfavorable market conditions in the CEE region.

Pension fund

☰ Pension fund coverage

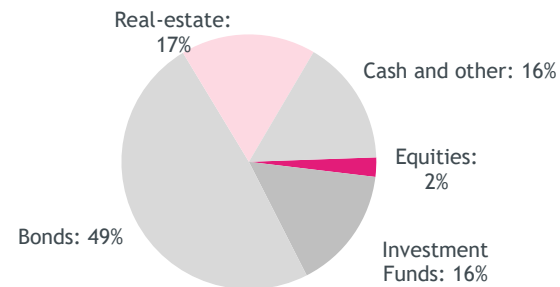
(Million euros)



Pension fund	Dec 22	Jun 23
Fund's profitability	-5.1%	+3.0%
Effect of actuarial differences in liabilities* (includes discount rate)	+17.4%	-3.1%

*Actuarial differences of the pension fund / balance at the beginning of the period

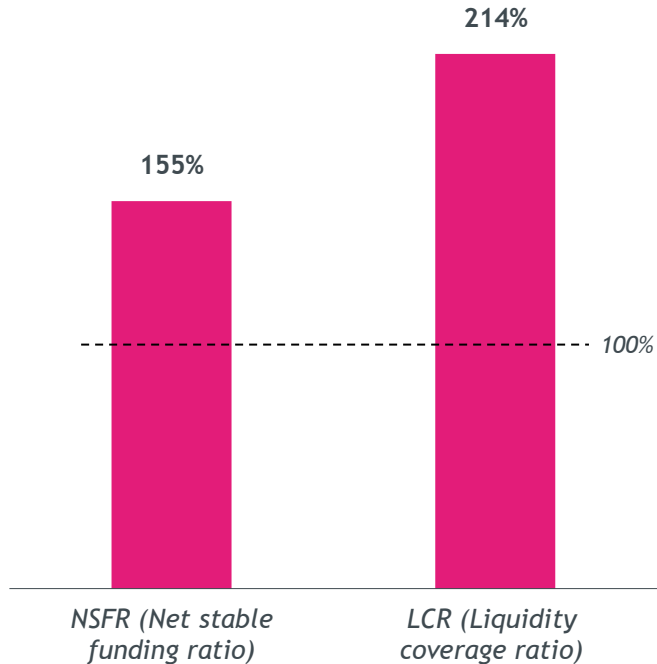
☰ Structure of pension fund



- Discount rate revised to 4%
- Liabilities covered at 120%
- The level of coverage of pension fund liabilities by assets provides room to absorb adverse impacts in the pension fund of up to 568 million with no impact on capital ratios

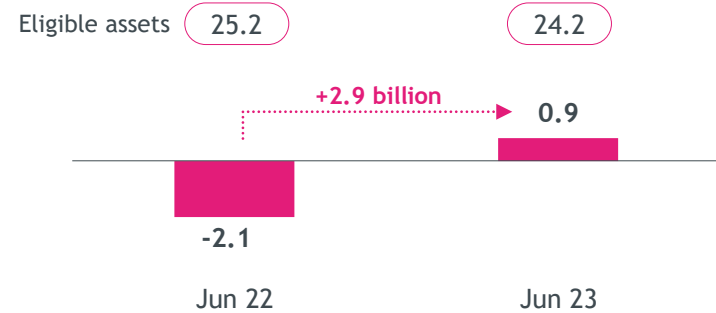
Robust liquidity position

Liquidity ratios (CRD/CRR)

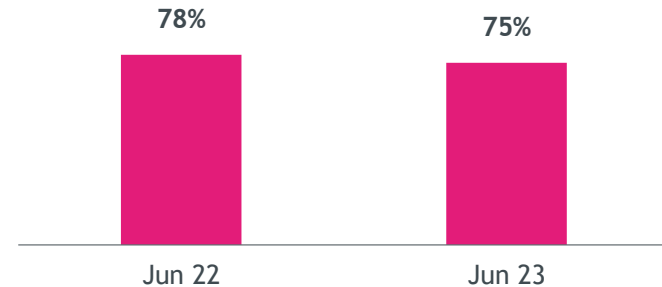


Liquidity excess in ECB

(Billion euros)



Net loans to deposits ratio





03



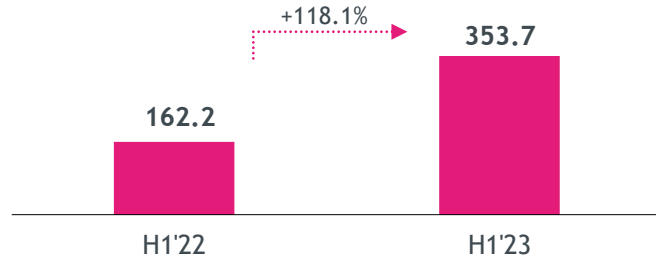
Portugal

Profitability in Portugal



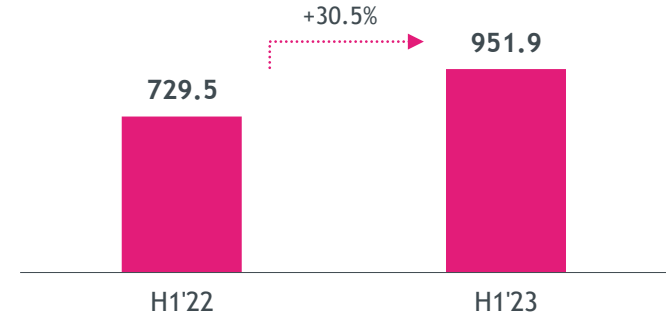
Net income

(Million euros)



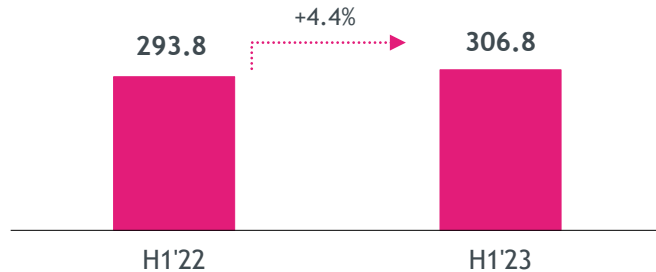
Net operating revenue

(Million euros)



Operating costs

(Million euros)

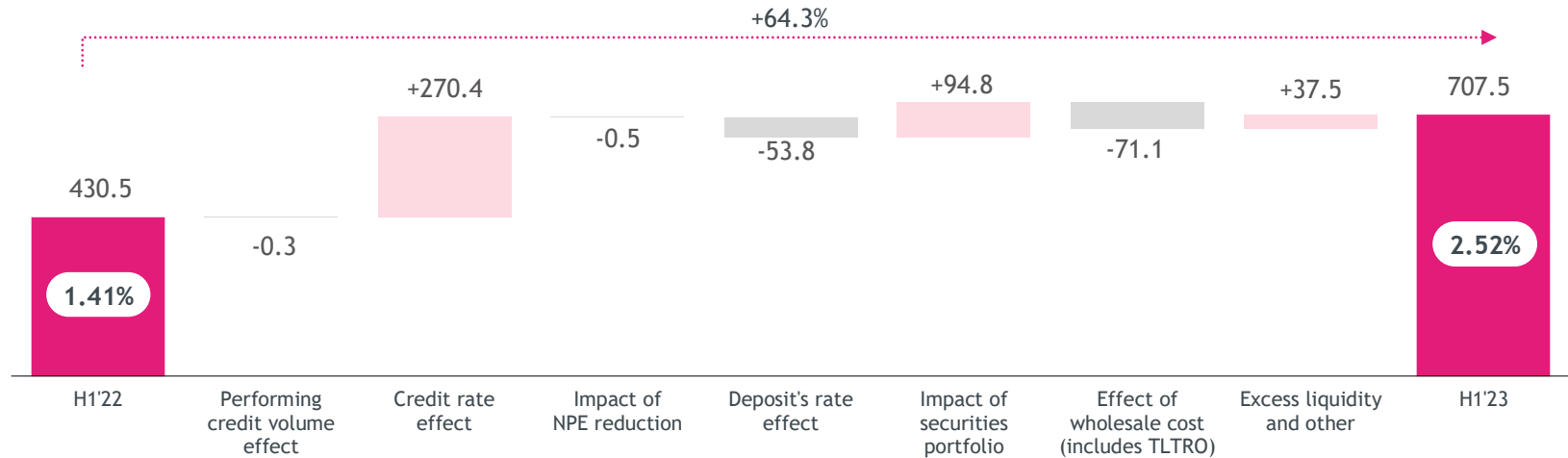


- Net income of 353.7 million in H1'23 an increase of 118.1% from last year same period
- Net income was driven by the increase in net interest margin, strict management of operating costs and loans impairment decrease

Net interest income



(Million euros)



The normalization of interest rate eliminated the costs related with excess liquidity which together with the repricing of the loan book and the higher yield from securities portfolio, more than compensate the negative effects related with cost of deposits and the wholesale funding, resulting in a net interest income increase of 64.3% (+277 million) YoY

Commissions and other income



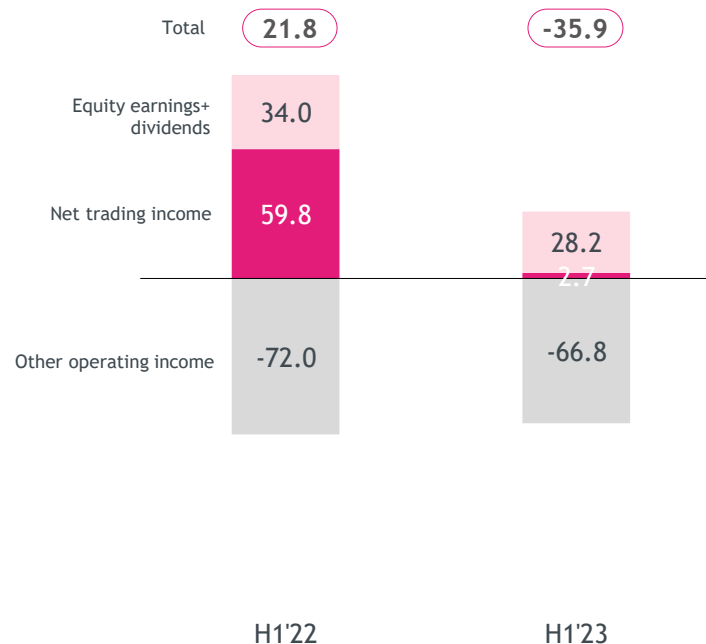
Commissions

(Million euros)

	H1'22	H1'23	YoY
Banking fees and commissions	233.4	236.5	+1.4%
Cards and transfers	71.1	78.6	+10.5%
Loans and guarantees	49.5	40.9	-17.4%
Bancassurance	43.0	43.3	+0.6%
Customer account related	67.6	71.4	+5.6%
Other fees and commissions	2.2	2.4	+11.9%
Market related fees and commissions	43.8	43.7	-0.4%
Securities operations	18.4	17.9	-2.8%
Asset management and distribution	25.4	25.8	+1.4%
Total fees and commissions	277.2	280.2	+1.1%

Other income

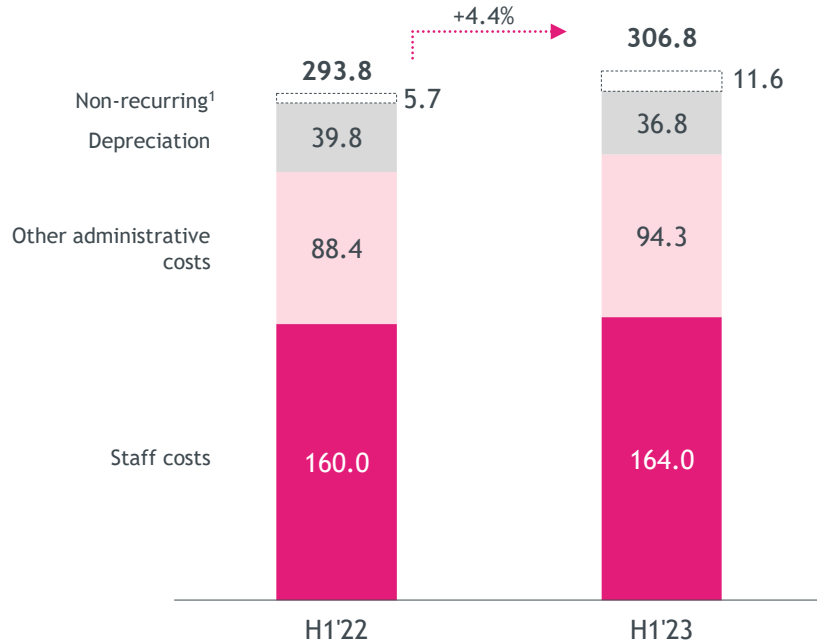
(Million euros)



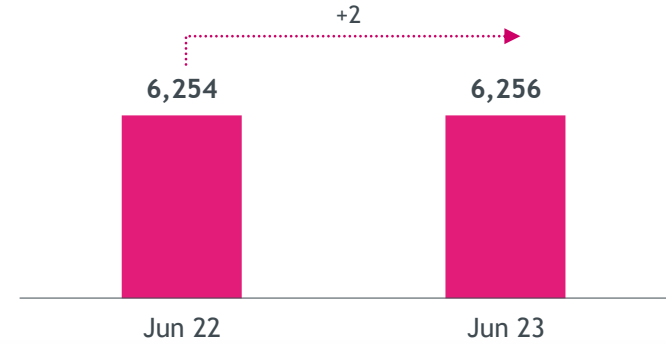


Operating costs

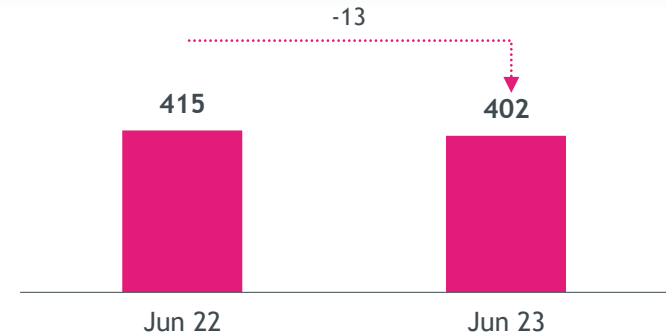
(Million euros)



Employees



Branches



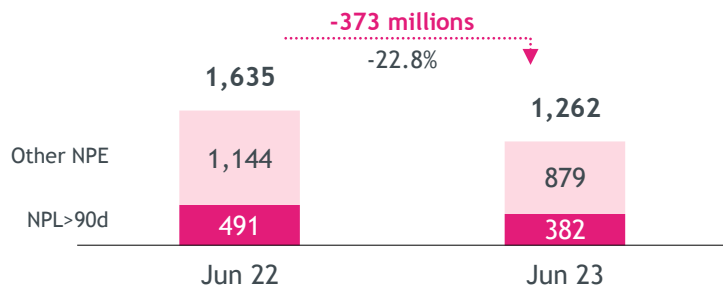
¹ Includes mainly compensation for the temporary reduction of remuneration in the period 2014/2017

Continued decrease of NPEs



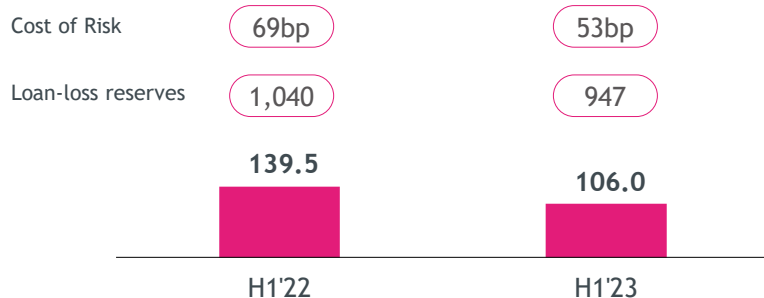
Non-performing exposures (NPE)

(Million euros)



Loan impairment (net of recoveries)

(Million euros)



NPE include loans to Customers only.

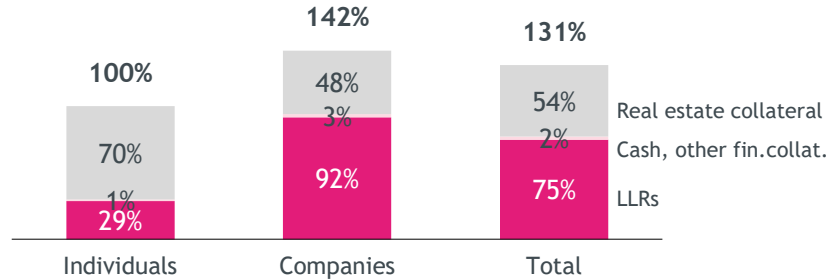
NPE build-up

(Million euros)	Jun 23 vs. Jun 22	Jun 23 vs. Dec 22
Opening balance	1,635	1,361
Net outflows/inflows	17	23
Write-offs	-174	-87
Sales	-216	-36
Ending balance	1,262	1,262

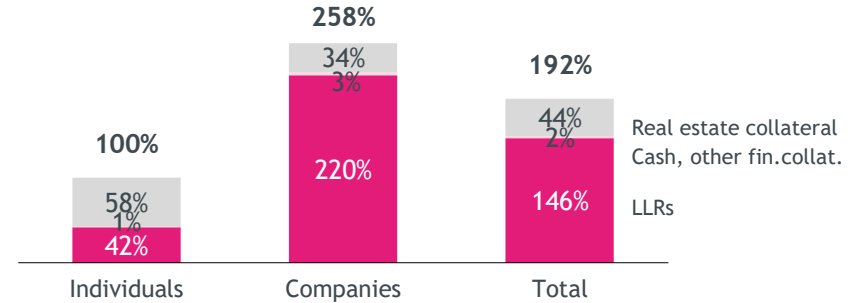
- NPEs in Portugal total 1,262 million at end of June 2023, a decrease of 373 millions from June 2022
- The decrease from June 2022 results from net inflows of 17 million, write-offs of 174 million and sales of 216 million
- The decrease of NPEs from June 2022 is attributable to a 264 million reduction of other NPE
- Cost of risk of 53bp in H1'23 (69bp in H1'22), with a NPE coverage by loan-loss reserves of 75% and 64% respectively



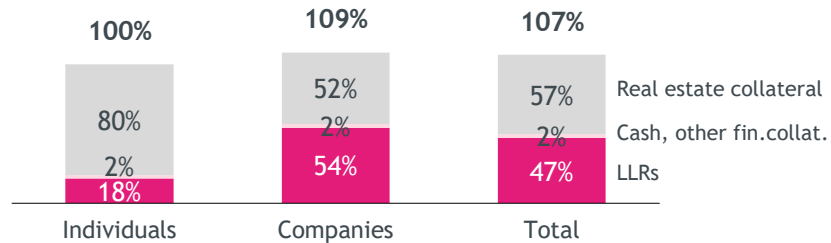
☰ NPE total coverage*



☰ 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 92% for companies NPE as of June 2023, reaching 220% for companies NPL>90d

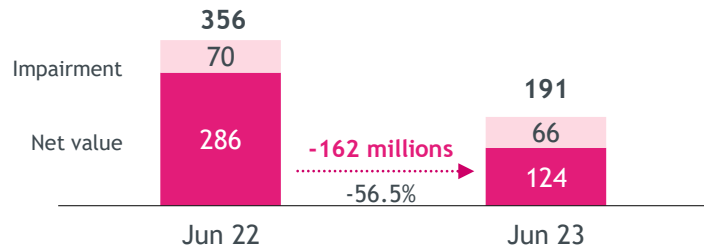
NPE include loans to Customers only.
*By loan-loss reserves and collaterals.

Foreclosed assets and corporate restructuring funds



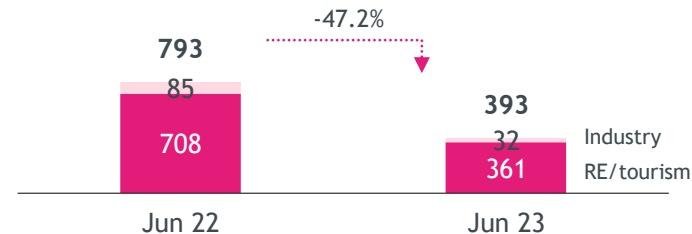
Foreclosed assets

(Million euros)



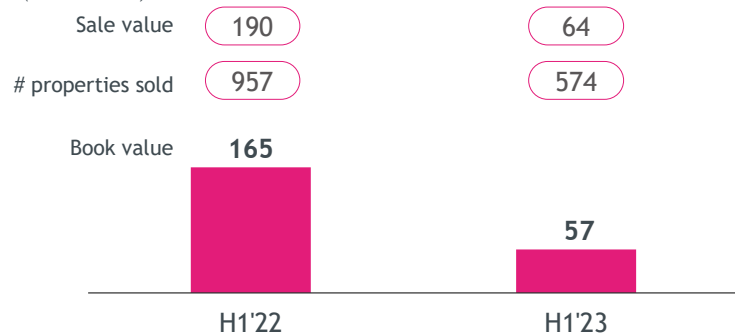
Corporate restructuring funds

(Million euros)



Sales of foreclosed assets

(Million euros)



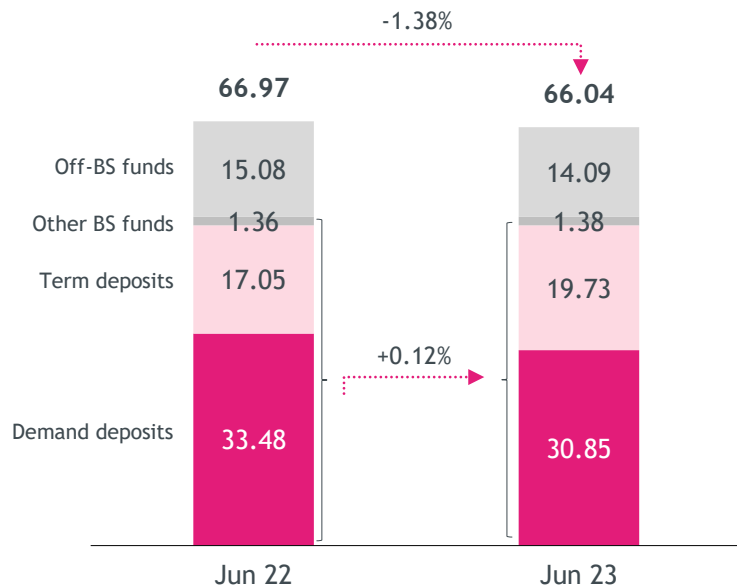
- Net foreclosed assets were down by 56.5% between June 2022 and June 2023. Valuation of foreclosed assets by independent providers exceeded book value by 56%
- 574 properties were sold during the H1'23 (957 properties in same period of 2022), with sale values exceeding book value by 7 million
- Significant reduction of restructuring funds with the conclusion of project Crow in Q4'22

Customer funds and loans to Customers



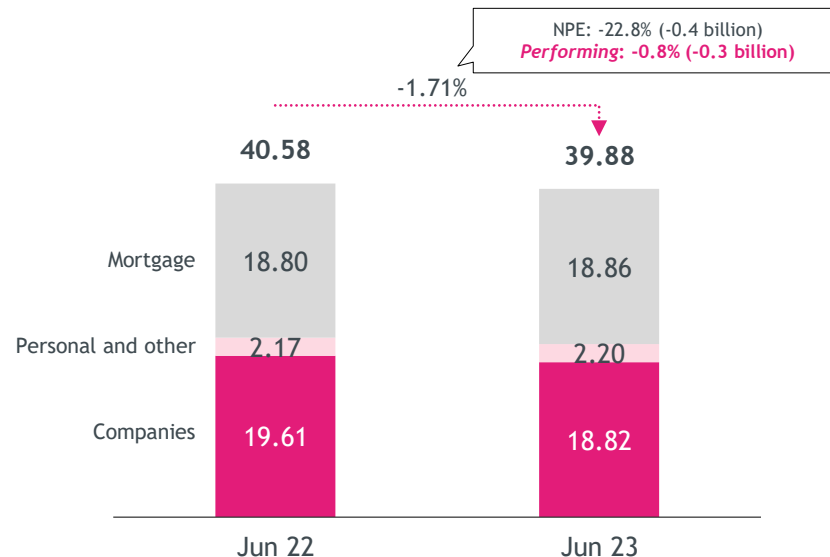
Total Customers Funds*

(Billion euros)



Loans to Customers (gross)

(Billion euros)



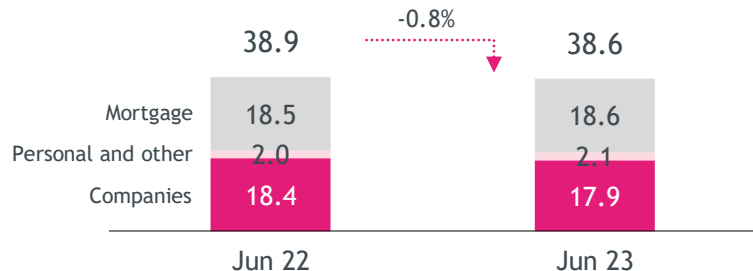
*Deposits, debt securities, assets under management, assets placed with Customers and insurance products (savings and investments).

Performing loans in Portugal



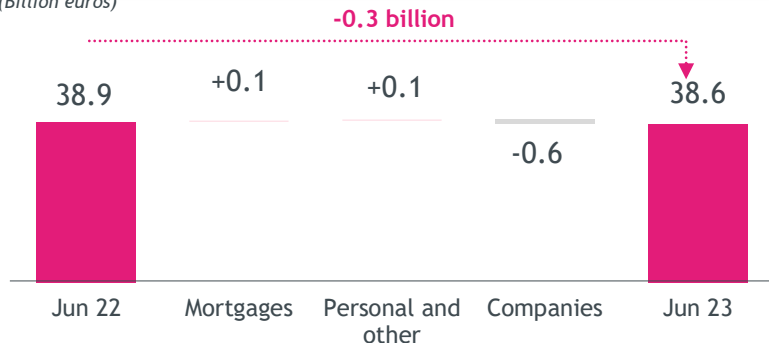
Performing loans portfolio

(Billion euros)



Breakdown of performing loans growth

(Billion euros)



- Loans to individuals increased 1.1%, supported on the growth of mortgage and personal loans.
- Corporate loans with BEI/FEI and mutual guarantees represents around 30% of the corporate portfolio
- The Bank maintains a prominent position in the corporate segment:
 - ✓ Leadership in PME Leader programme for the 5th consecutive year with a 31.4% market share, supporting more than 3,200 companies to achieve this award
 - ✓ Leadership in the Inovadora COTEC programme for the 3rd consecutive year, supporting more than 420 companies to submit their application for this important business distinction, which represents a market share of 54%
 - ✓ Best Bank for companies; Main Bank for Companies; More innovative Bank; Closest to Customers and with More Adequate Products (Data-E 2022)
 - ✓ Leading Bank in Factoring and Confirming, with factoring invoicing of 5 billion euros until June 2023 and market share of 26%*
 - ✓ Leading Bank in Leasing, with 289 million euros of new leasing business until June 2023 and market share of 26%*
 - ✓ Leading Bank in Trade Finance, with a 25%** market share until June 2023
 - ✓ Leading in the placement of loans with State Guarantees for the 3rd consecutive year, with 17% of market share, in partnership with Banco Português de Fomento (BPF) and Mutual Guarantee Societies
 - ✓ Leadership in the placement of European Investment Fund Guarantees, with the execution of the largest European FEI EGF deal

*Data: ALF (November 2022).

**Measured by number of swift messages, including international transfers.



04

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International operations

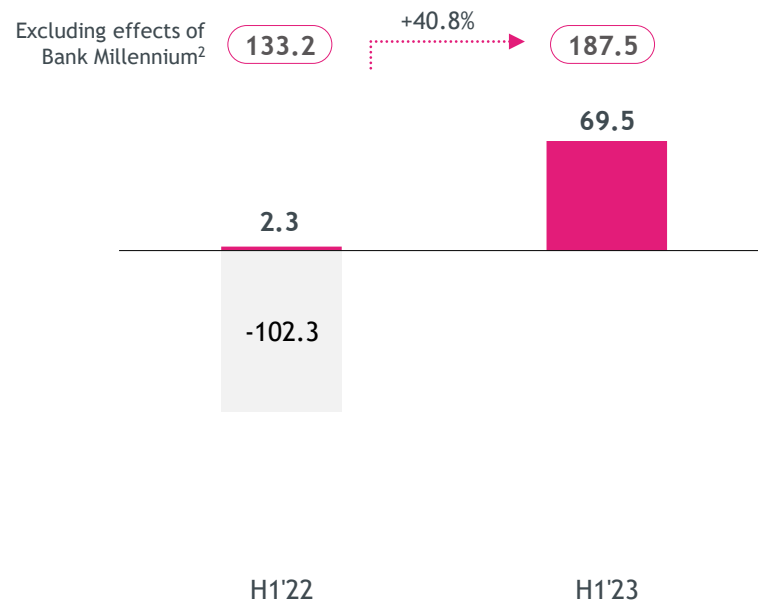
Contribution from operations to consolidated net income

(Million euros*)

	H1'22	H1'23
Poland	-56.7	77.3
Mozambique	47.0	48.5
Other	-1.4	-2.7
Net income international operations	-11.1	123.1
Discontinued Operations ¹	1.5	0.0
Non-controlling int. (Poland+Mozambique)	12.7	-53.6
Exchange rate effect	-0.7	--
Contribution from international operations	2.3	69.5
Bank Millennium goodwill impairment	-102.3	--

Contribution from international operations

(Million euros)



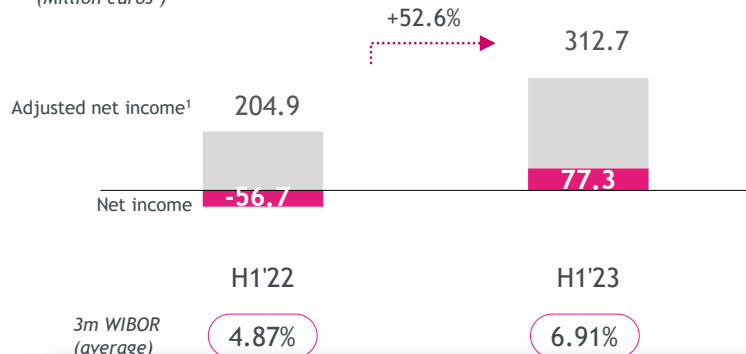
*Subsidiaries' net income presented for H1'22 at the same exchange rate of H1'23 for comparison purposes. ¹Income from the discontinued operations namely, sale of of Banque Privée's capital and of of SIM by Millennium bim. ²Excludes FX-mortgage legal risk provisions, costs of litigations and settlements with Clients, profit from the sale of 80% stake in Millennium Financial Services, linear distribution of BFG resolution fund fee and hypothetical bank tax. Not including in H1'22 Bank Millennium impairment.

Positive evolution of net income



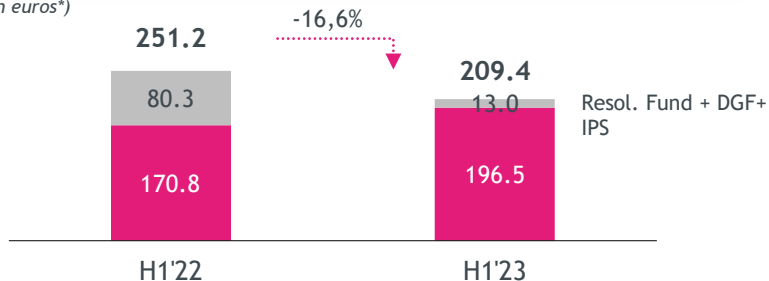
Net income

(Million euros*)



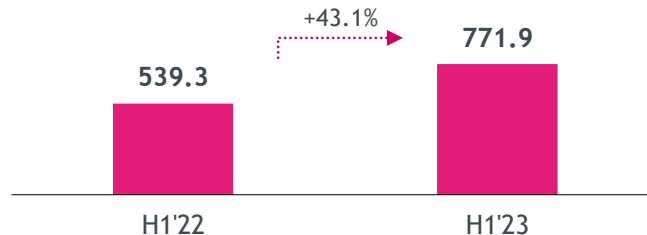
Operating costs

(Million euros*)



Net operating revenue

(Million euros*)



- Net income of 77.3 million in H1'23 which compares with -56.7 million in H1'22
- Bank Millennium delivers a positive net income for the 3rd consecutive quarter
- Net income influenced by costs related with CHF mortgage loan portfolio (which include the impact of the application of a more conservative adjustments to the provisioning model for legal risks), by the positive one-off effect related with the sale of Millennium Financial Services stake (80%) and by the contribution to the Institutional Protection Scheme in H1'22
- Adjusted¹ net income up by 52.6% (+107.8 million) compared with the same period of last year
- Net operating revenue growth influenced by 21.4% increase in net interest income and the sale of Millennium Financial Services
- CET1 ratio of 11.7% and total capital ratio of 14.8%, above the minimum requirements (8.3% and 12.7% respectively)

* FX effect excluded. €/Zloty constant at June 2023 levels: Income Statement 4.63; Balance Sheet 4.43.

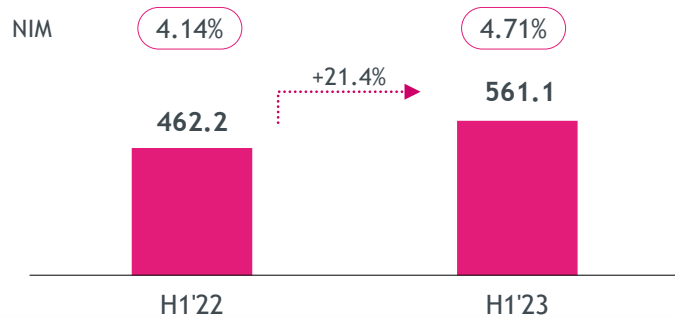
¹ Excludes FX-mortgage legal risk provisions, costs of litigations and settlements with Clients, profit from the sale of 80% stake in Millennium Financial Services, linear distribution of BFG resolution fund fee and hypothetical bank tax

Net interest income increase significantly



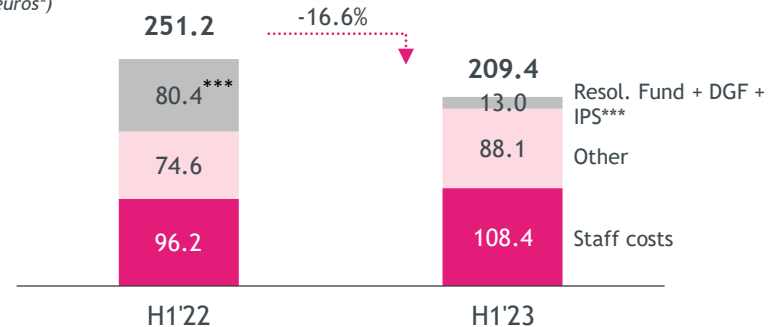
Net interest income

(Million euros*)



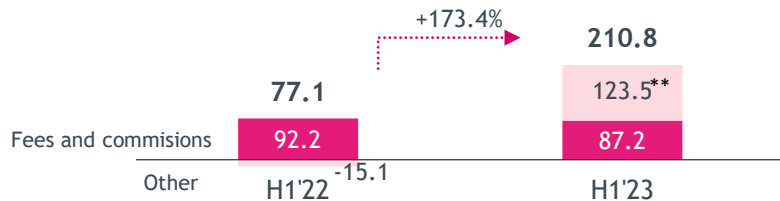
Operating costs

(Million euros*)



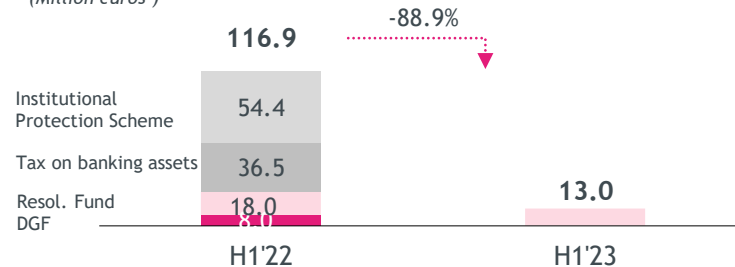
Commissions and other income

(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 2023 levels: Income Statement 4.63; Balance Sheet 4.43.

** Includes a profit of 127 million from the sale of 80% stake in Millennium Financial Services

*** Institutional Protection Scheme



NPL>90d

(Million euros*)

Credit ratio
NPL>90d

2.0%

2.1%

366.5

358.9

Jun 22

Jun 23

Loan-loss reserves

(Million euros*)

Coverage ratio
NPL>90d

147%

159%

537.9

569.4

Jun 22

Jun 23

Loan impairment (net of recoveries)

(Million euros*)

Cost of risk

37bp

45bp

33.3

37.1

H1'22

H1'23

- NPL>90d accounted for 2.1% of total credit as of June 2023 (2.0% as of June 2022)
- Coverage of NPL>90d by loan-loss reserves at 159% (147% as of June 2022)
- Cost of risk of 45bp, compared to 37bp in H1'22

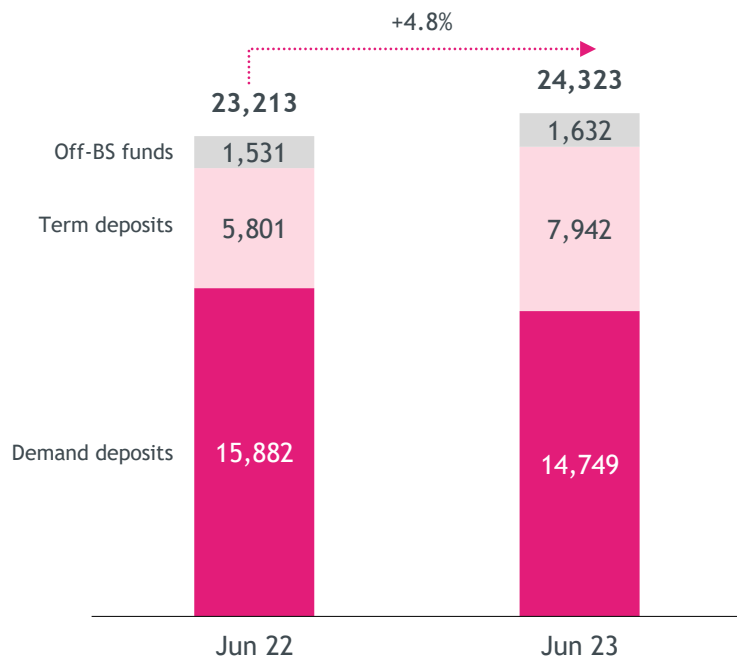
* FX effect excluded. € / Zloty constant at June 2023 levels: Income Statement 4.63; Balance Sheet 4.43.

Customers funds and loans to Customers



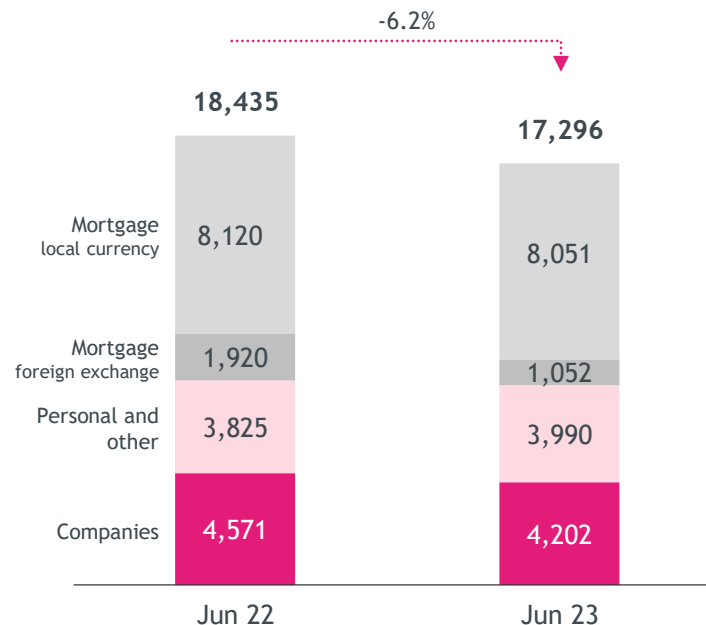
Customers funds

(Million euros*)



Loans to Customers (gross)

(Million euros*)

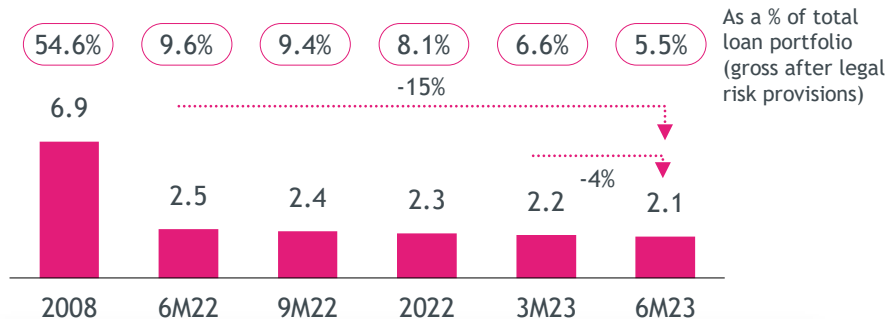


* FX effect excluded. €/Zloty constant at June 2023 levels: Income Statement 4.63; Balance Sheet 4.43.



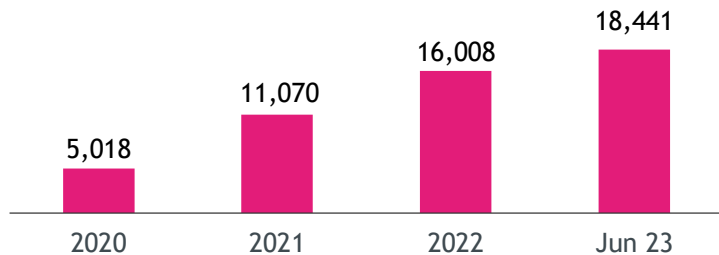
CHF mortgage portfolio (gross w/o legal risk provisions)

(Billion euros*)



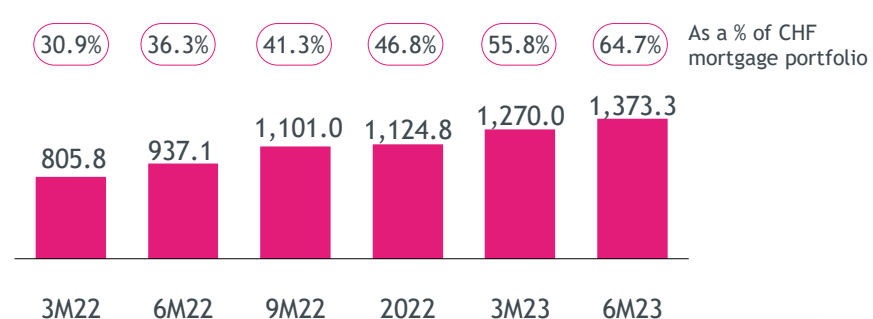
Individual lawsuits

(Number of cases)



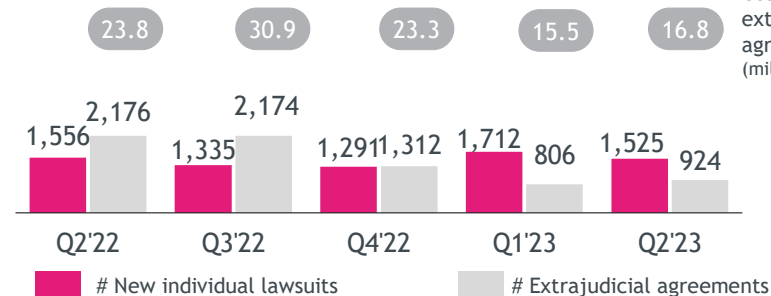
Cumulative provisions for legal risks**

(Million euros*)



New individual lawsuits and extrajudicial agreements***

Cost of extrajudicial agreements* (million euros)



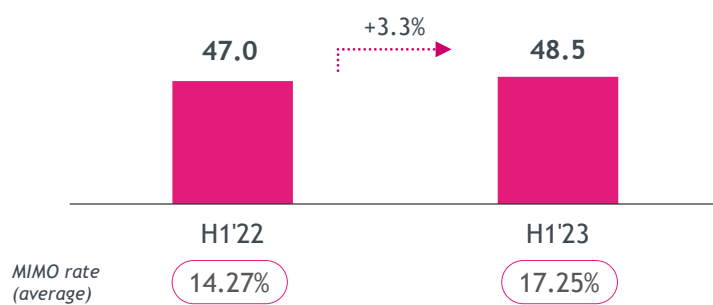
Excludes Euro Bank. | * FX effect excluded. €/Zloty constant at June 2023 levels; Income Statement 4.63; Balance Sheet 4.43. | ** Actual outstanding B/S provisions differ from the sum of P&L charges due to FX movements and utilizations among others | *** Out of court settlements mainly booked in net trading income

Net income reflects resilience in challenging environment



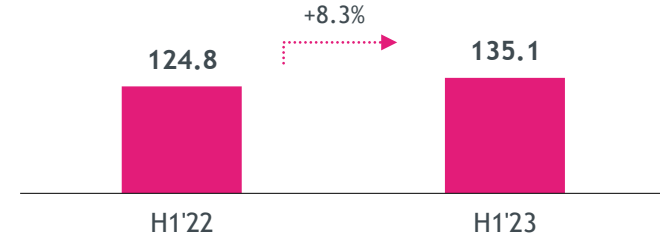
Net income

(Million euros*)



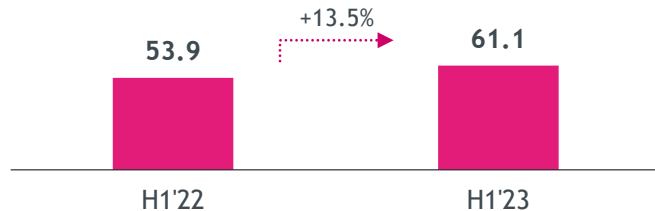
Net operating revenue

(Million euros*)



Operating Costs

(Million euros*)



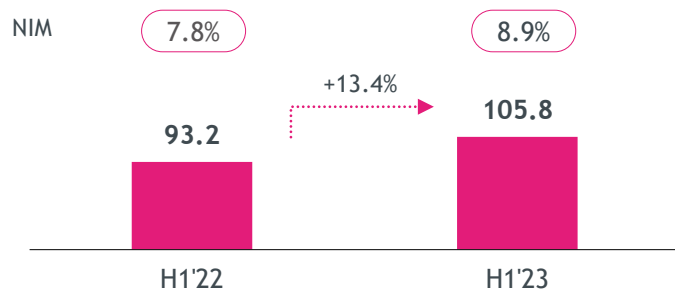
- Net income of 48.5 million in H1'23, +3.3% comparing with same period of last year
- Loans to Customers increased by 11.4%; Customer funds decreased by 4.8%
- Capital ratio of 41.9%

Increased net interest income



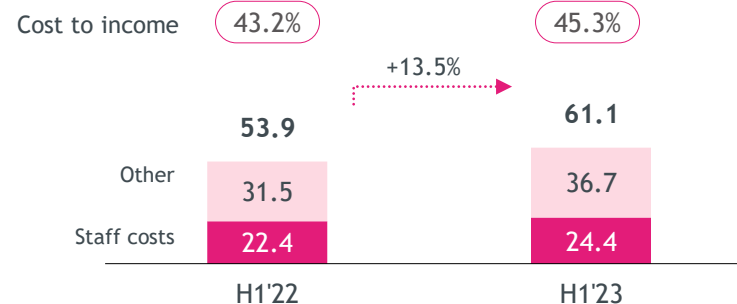
Net Interest income

(Million euros*)



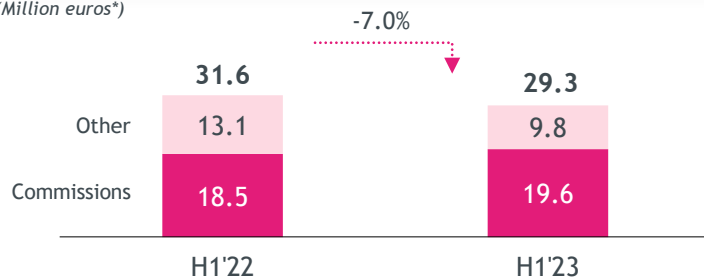
Operating costs

(Million euros*)

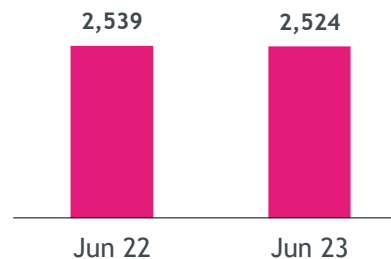


Commissions and other income

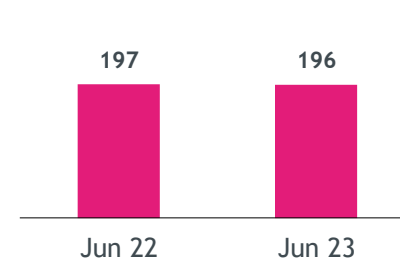
(Million euros*)



Employees**



Branches



*FX effect excluded. €/Metical constant at June 2023 levels: Income Statement 69.38; Balance Sheet 69.71



NPL>90d

(Million euros*)

Credit ratio
NPL>90d

9.9%

7.1%

64.7

51.2

Jun 22

Jun 23

Loan impairment (net of recoveries)

(Million euros*)

Cost of risk

211bp

153bp

6.9

5.6

H1'22

H1'23

Loan-loss reserves

(Million euros*)

Coverage ratio
NPL>90d

99%

117%

64.0

59.7

Jun 22

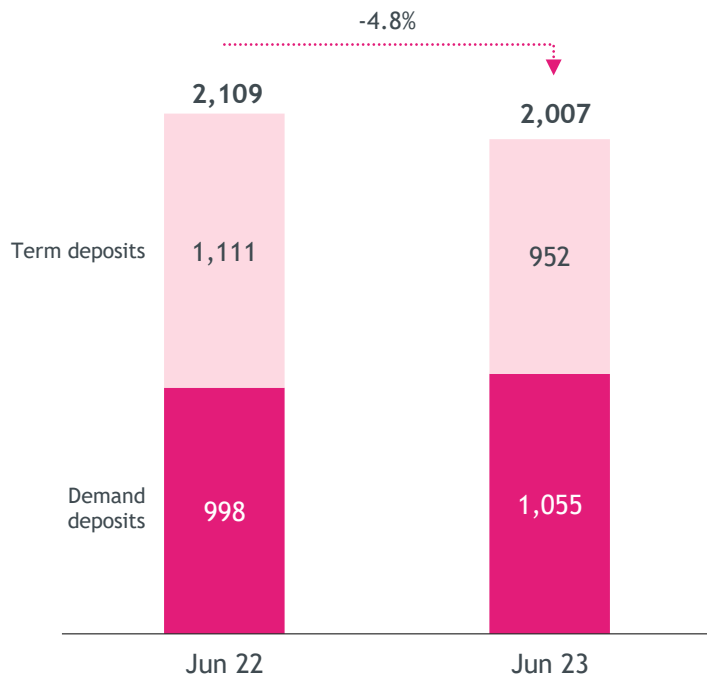
Jun 23

- NPL>90d ratio of 7.1% as of June 2023, with coverage by loan-loss reserves of 117% on the same date
- Cost of risk of 153bp in H1'23 (211 bp in the same period of 2022)



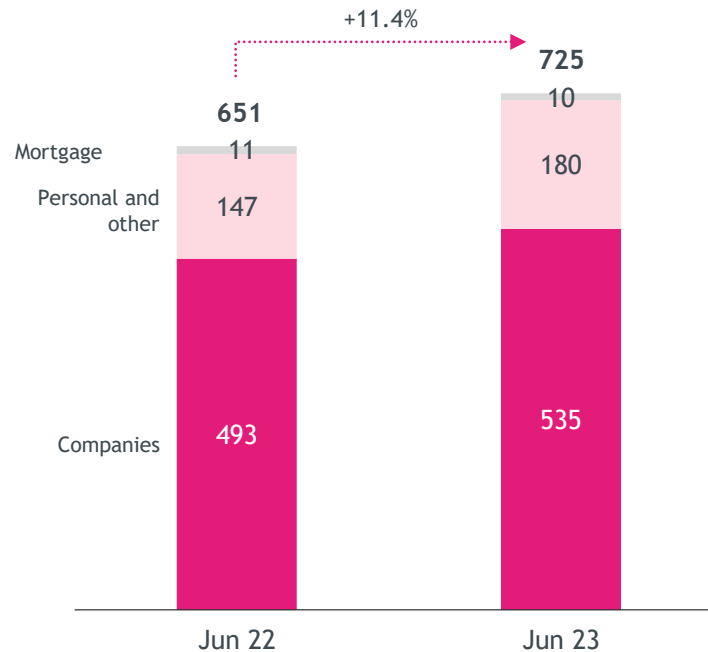
Customers funds

(Million euros*)



Loans to Customers (gross)

(Million euros*)



*FX effect excluded. €/Metical constant at June 2023 levels: Income Statement 69.38; Balance Sheet 69.71



05

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Key figures



Marta Paço

Strategic Plan: Excelling 24

	H1'23		2024
C/I ratio	32%*	✓	≈40%
Cost of risk	50 bp	✓	≈50 bp
RoE	16.8%	✓	≈10%
CET1 ratio	14%	✓	>12.5%
NPE ratio	3.7%	✓	≈4%
Share of mobile Customers	66%	✓	>65%
Growth of high engagement Customers** (vs 2020)	+11%	✓	+12%
Average ESG rating***	69%		>80%

*Adjusted cost to income: without the positive one-off effect related with the sale of 80% of Millennium Financial Services stake (international operations) and without the charge regarding mainly the compensation for the temporary reduction of remuneration in the period 2014/2017 in Portugal. | **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



Arco Lisboa: 6th edition of the contemporary art fair. Support of Millennium Art Talks and the new Millennium bcp Foundation Award for the best stand at the fair.



Nascentes Festival: Cultural initiatives in the village of Fontes (Leiria), concerts, creation residencies, children's and youth spaces, get-togethers, with the support and direct intervention of the local community, which relates artists and spaces, nature, creation and tradition.



Futurama - Cultural and Artistic Ecosystem of Baixo Alentejo: Mértola, Castro Verde and Beja were the stage for artistic experimentation and dialogues between music, visual arts, performance and workshops, with a great diversity of national and international artists.



Escoliadas Glicínias Plaza: inter-school artistic competition at Secondary Education level, covering the districts of Aveiro, Coimbra, Viseu and Guarda. It aims to promote and include art in children's education.

Society



In 2023, Millennium bcp joins again the "PORTUGAL CHAMA" campaign, a Portuguese State initiative that aims to prevent and reduce forest fires as well as raise public awareness of risk behaviors.



"Millennium Festival ao Largo" promotes again culture in Lisbon city, through democratic and inclusive access to selected classical music and dance shows.



Marta Paço, the two-time world champion surfer supported by Millennium bcp, is the new European parasurfing champion, after winning the women's VI 1 title, for blind surfers, in the final held in Valdoviño, Spain.



Millennium bcp supports again "Vela sem Limites" project, a joint initiative of Clube Naval de Cascais, CMC and CERCICA, which guarantees free adapted sailing practice for people with different needs.

Sustainability



Millennium bcp, for the 3rd time, and now also Bank Millennium, in the Financial Times and Statista "Europe's Climate Leaders", as two of the 500 European companies with higher CO2 reduction.



Millennium bcp, which already has 2 photovoltaic plants in Taguspark for electricity production, reduces operational CO2 emissions by 88% in the last 5 years (2017/2022).



BCP Group is part of Carbon Disclosure Project "Supplier Engagement" for the 1st time, in recognition of the work carried out with its suppliers in promoting climate/environmental action in the supply chain.



In 2023, within the framework of Social Responsibility policy, more than 100 Millennium volunteers and 700 hours of volunteering at the service of communities in proximity actions of social and/or environmental nature.

Awards

new



Banca e Finanças



new



new



Millennium bcp: winner in the “Banca e Finanças” category for the fifth time

Millennium bcp: Best Investment Banking 2023 in Portugal

Millennium bcp: Distinguished at the 12th edition of Euronext Lisbon Awards with “Local Market Member in Equity” award

Millennium bcp integrates, for 4th consecutive year the Bloomberg Gender-Equality Index

Millennium bcp: Big Banks category winner

Millennium bcp: Banking App’s category winner

Bank Millennium: Best Bank in Poland

Bank Millennium: Distinguished with the “Golden Bank 2023” title

new



new



new



Bank Millennium: Second place on the Forbes “Poland’s Best Employers 2023” ranking, on Banks and Financial Services category

Bank Millennium: Distinguished with the CSR Golden Leaf Award for corporate social responsibility practices

Bank Millennium: Awarded with the “Service Quality Star”, Millennium brand recommended by consumers

Bank Millennium: 1st place in categories of Best Distributor of structured product in Poland and Best Distributor in Eastern Europe in an international competition for the structured products industry

Bank Millennium: 1st place in the Summary of macroeconomic forecasts for 2022, from the Refinitiv ranking

Millennium bim: Recognized as Best Bank in Mozambique

Millennium bim: Recognized as Best Private Bank in Mozambique



new



Barómetro Financeiro 2023
Melhor Banco para Empresas
Banco Principal
Banco Mais Inovador
Banco Mais Eficiente
Produtos Mais Adequados

new



Millennium bcp: Consumer Choice 2023, “Large Banks” category for 3rd consecutive year

ActivoBank: Consumer Choice 2023, “Digital Bank” category for the fifth time

App Millennium: “2023 Product of the Year”, on “Banking App” category

Millennium bcp
Main Bank of Companies by the DATA E 2023 study

Millennium bcp
Number 1 bank for Innovative Companies supporting 421 companies to achieve the COTEC Innovative Status

Appendix



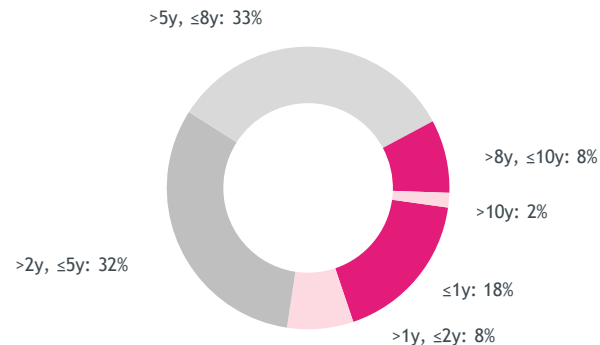
Sovereign debt portfolio

Sovereign debt portfolio

(Consolidated, million euros)

	Jun 22	Sep 22	Dec 22	Mar 23	Jun 23	YoY	QoQ
Portugal	7,765	6,882	6,295	6,908	6,534	-16%	-5%
T-bills and other	1,222	461	310	810	421	-66%	-48%
Bonds	6,543	6,421	5,985	6,098	6,113	-7%	+0%
Poland	4,030	3,185	3,320	3,204	3,461	-14%	+8%
Mozambique	408	464	526	527	530	+30%	+1%
Other	5,451	5,897	6,390	8,206	9,216	+69%	+12%
Total	17,653	16,427	16,531	18,844	19,741	+12%	+5%

Sovereign debt maturity



- ✓ The sovereign debt portfolio totalled 19.7 billion, 14.8 billion of which maturing in more than 2 years
- ✓ The Portuguese sovereign debt portfolio totalled 6.5 billion, the Polish and Mozambican portfolios amounted to 3.5 billion and to 0.5 billion respectively; “Other” includes, among other, sovereign debt from France (3.3 billion), Spain (2.7 billion), Belgium (1.6 billion), Germany (0.7 billion) and Ireland (0.5 billion)

Sovereign debt portfolio

(Million euros)

	Portugal	Poland	Mozambique	Other	Total
Trading book	464	44	0	491	999
≤ 1 year	423	5		477	905
> 1 year and ≤ 2 years	4	12			15
> 2 years and ≤ 5 years	27	1		13	41
> 5 years and ≤ 8 years	5	0			5
> 8 years and ≤ 10 years	2	5			7
> 10 years	3	22		1	26
Banking book*	6,070	3,417	530	8,725	18,742
≤ 1 year	5	561	56	1,947	2,569
> 1 year and ≤ 2 years	28	1,150	151	154	1,482
> 2 years and ≤ 5 years	3,949	1,008	246	1,001	6,204
> 5 years and ≤ 8 years	1,502	591		4,445	6,538
> 8 years and ≤ 10 years	282	107	76	1,179	1,644
> 10 years	305				305
Total	6,534	3,461	530	9,216	19,741
≤ 1 year	427	566	56	2,424	3,474
> 1 year and ≤ 2 years	31	1,161	151	154	1,497
> 2 years and ≤ 5 years	3,976	1,009	246	1,014	6,245
> 5 years and ≤ 8 years	1,507	591		4,445	6,544
> 8 years and ≤ 10 years	284	112	76	1,179	1,651
> 10 years	308	22		1	331

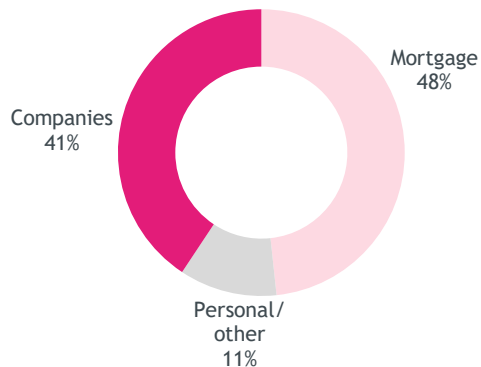
*Includes financial assets at fair value through other comprehensive income (5,009 million) and financial assets at amortized cost (13,733 million).

Diversified and collateralised portfolio

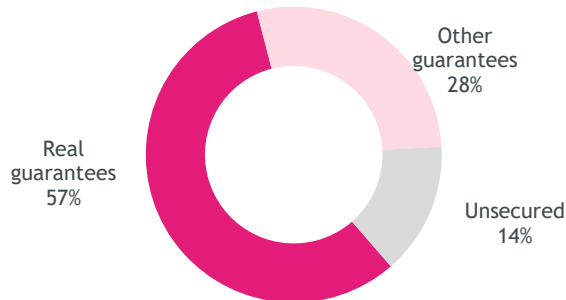
Loan portfolio

(Consolidated)

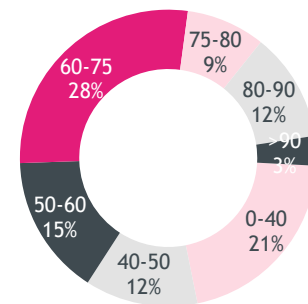
Breakdown



Loans per collateral



LTV of the mortgage portfolio in Portugal



- Loans to companies accounted for 41% of the loan portfolio as of June 2023, 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

<i>(Million euros)</i>	H1'22	H1'23	YoY	Impact on earnings
Net interest income	985.2	1,374.4	+39.5%	+389.2
Net fees and commissions	387.6	387.0	-0.1%	-0.5
Other income*	-99.8	82.9	-183.1%	+182.7
Net operating revenue	1,273.0	1,844.3	+44.9%	+571.3
Staff costs	-284.2	-308.0	+8.4%	-23.8
Other administrative costs and depreciation	-232.0	-253.5	+9.3%	-21.5
Operating costs	-516.2	-561.5	+8.8%	-45.3
Profit before impairment and provisions	756.8	1,282.8	+69.5%	+526.0
Results on modification	-1.9	-11.6	+510.9%	-9.7
Loans impairment (net of recoveries)	-179.4	-145.5	-18.9%	+33.9
Other impairment and provisions	-371.9	-402.9	+8.3%	-31.0
Results of modification, Impairment and provisions	-553.3	-560.1	+1.2%	-6.8
Net income before income tax	203.5	722.7	+255.1%	+519.2
Income taxes	-155.8	-246.0	+57.9%	-90.2
Net income from discontinued or to be discontinued operations	1.5	0.0	-100.6%	-1.5
Non-controlling interests	13.0	-53.5	-512.5%	-66.4
Net income	62.2	423.2	+580.6%	+361.1

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

Consolidated balance sheet

(Million euros)

	30 June 2023	30 June 2022 (restated)
ASSETS		
Cash and deposits at Central Banks	3,884.3	7,930.3
Loans and advances to credit institutions repayable on demand	238.9	329.6
Financial assets at amortised cost		
Loans and advances to credit institutions	570.6	875.3
Loans and advances to customers	54,396.7	55,187.2
Debt instruments	16,247.1	12,102.0
Financial assets at fair value through profit or loss		
Financial assets held for trading	1,482.9	1,758.4
Financial assets not held for trading mandatorily at fair value through profit or loss	505.1	932.2
Financial assets designated at fair value through profit or loss	22.0	-
Financial assets at fair value through other comprehensive income	7,452.9	8,644.9
Hedging derivatives	45.6	531.5
Investments in associated companies	313.0	392.1
Non-current assets held for sale	155.0	630.7
Investment property	14.8	2.9
Other tangible assets	604.4	586.2
Goodwill and intangible assets	188.2	151.8
Current tax assets	12.8	13.8
Deferred tax assets	2,849.5	2,845.5
Other assets	1,966.5	3,107.5
TOTAL ASSETS	90,950.1	96,022.1

	30 June 2023	30 June 2022 (restated)
LIABILITIES		
Financial liabilities at amortised cost		
Resources from credit institutions	2,094.8	8,996.1
Resources from customers	73,680.3	73,190.3
Non subordinated debt securities issued	1,486.5	1,114.6
Subordinated debt	1,349.8	1,350.2
Financial liabilities at fair value through profit or loss		
Financial liabilities held for trading	274.8	192.9
Financial liabilities at fair value through profit or loss	3,052.7	1,344.0
Hedging derivatives	103.4	1,677.2
Provisions	636.3	503.2
Current tax liabilities	162.6	8.7
Deferred tax liabilities	8.7	9.2
Other liabilities	1,523.2	1,396.0
TOTAL LIABILITIES	84,373.1	89,782.4
EQUITY		
Share capital	3,000.0	4,725.0
Share premium	16.5	16.5
Other equity instruments	400.0	400.0
Legal and statutory reserves	316.4	268.5
Treasury shares	-	-
Reserves and retained earnings	1,521.4	(30.7)
Net income for the period attributable to Bank's Shareholders	423.2	62.2
TOTAL EQUITY ATTRIBUTABLE TO BANK'S SHAREHOLDERS	5,677.5	5,441.5
Non-controlling interests	899.5	798.2
TOTAL EQUITY	6,577.0	6,239.7
TOTAL LIABILITIES AND EQUITY	90,950.1	96,022.1

Consolidated income statement per quarter

(Million euros)

	Quarterly				
	2Q 22	3Q 22	4Q 22	1Q 23	2Q 23
Net interest income	520.1	560.7	603.9	664.6	709.8
Dividends from equity instruments	12.0	-3.6	0.8	0.0	1.1
Net fees and commission income	194.7	186.2	198.1	195.4	191.6
Other operating income	-158.5	-1.5	-6.2	-6.4	-65.8
Net trading income	-1.2	32.7	-25.0	131.6	-7.1
Equity accounted earnings	10.4	17.2	21.0	14.9	14.5
Banking income	577.6	791.7	792.7	1,000.1	844.2
Staff costs	146.4	147.7	149.0	144.3	163.6
Other administrative costs	79.9	89.2	101.2	90.3	94.7
Depreciation	34.9	34.4	35.4	33.9	34.7
Operating costs	261.2	271.2	285.6	268.5	293.0
Profit bef. impairment and provisions	316.4	520.5	507.1	731.6	551.2
Results on modification	-1.1	-316.7	8.7	-5.9	-5.6
Loans impairment (net of recoveries)	89.6	61.7	59.4	80.4	65.1
Other impairm. and provisions	207.8	160.5	223.1	237.7	165.2
Net income before income tax	17.9	-18.5	233.3	407.5	315.2
Income tax	70.3	52.9	95.7	156.2	89.8
Net income (before disc. oper.)	-52.4	-71.4	137.6	251.3	225.5
Net income arising from discont. operations	0.1	0.0	4.1	0.0	0.0
Non-controlling interests	-7.8	-99.0	34.1	35.1	18.4
Net income	-44.5	27.6	107.6	216.1	207.1

Income statement

(Million euros)

For the 6-month periods ended June 30th, 2022 and 2023

	International operations																	
	Group			Portugal			Total			Bank Millennium (Poland)			Millennium bim (Moz.)			Other int. operations		
	Jun 22	Jun 23	Δ %	Jun 22	Jun 23	Δ %	Jun 22	Jun 23	Δ %	Jun 22	Jun 23	Δ %	Jun 22	Jun 23	Δ %	Jun 22	Jun 23	Δ %
Interest income	1,142	2,039	78.6%	446	986	>100%	696	1,053	51.3%	561	899	60.2%	134	154	14.9%	1	0	-100.0%
Interest expense	57	664	>100%	5	278	>100%	141	386	>100%	100	338	>100%	42	48	15.4%	0	0	-100.0%
Net interest income	985	1,374	39.5%	431	708	64.3%	555	667	20.2%	461	561	21.6%	92	106	14.7%	1	0	-100.0%
Dividends from equity instruments	13	1	-90.9%	12	0	-95.9%	1	1	2.3%	1	1	2.3%	0	0	--	0	0	--
Intermediation margin	998	1,376	37.8%	443	708	59.9%	555	668	20.2%	462	562	21.6%	92	106	14.7%	1	0	-100.0%
Net fees and commission income	388	387	-0.1%	277	280	1.1%	110	107	-3.2%	92	87	-5.2%	18	20	7.1%	0	0	-100.0%
Other operating income	-175	-72	58.8%	-72	-67	7.2%	-103	-5	94.8%	-105	-7	93.7%	1	1	-12.7%	0	0	>100%
Basic income	1,210	1,690	39.7%	648	921	42.2%	562	769	36.7%	449	642	42.9%	112	127	13.1%	1	0	-100.0%
Net trading income	42	124	>100%	60	3	-95.4%	-18	122	>100%	-28	114	>100%	11	8	-28.9%	0	0	-100.0%
Equity accounted earnings	20	29	43.8%	22	28	27.4%	-1	2	>100%	0	0	--	1	1	7.4%	-2	1	>100%
Banking income	1,273	1,844	44.9%	730	952	30.5%	543	892	64.2%	421	757	79.6%	123	135	9.4%	-1	1	>100%
Staff costs	284	308	8.4%	166	176	6.0%	118	132	11.7%	96	108	12.3%	22	24	10.4%	0	0	-100.0%
Other administrative costs	163	185	13.7%	88	94	6.7%	74	91	22.2%	50	63	25.7%	24	28	15.7%	0	0	-100.0%
Depreciation	69	69	-12%	40	37	-7.4%	30	32	7.0%	22	23	13%	7	9	24.9%	0	0	-100.0%
Operating costs	516	562	8.8%	294	307	4.4%	222	255	14.5%	169	194	14.8%	53	61	14.7%	1	0	-100.0%
Profit bef. impairment and provisions	757	1,283	69.5%	436	645	48.1%	321	638	98.6%	253	563	>100%	70	74	5.4%	-2	1	>100%
Results on modification	-2	-12	<-100%	0	0	--	-2	-12	<-100%	-2	-12	<-100%	0	0	--	0	0	--
Loans impairment (net of recoveries)	179	146	-18.9%	139	106	-24.0%	40	40	-0.9%	33	34	2.6%	7	6	-18.2%	0	0	-14.3%
Other impairm. and provisions	372	403	8.3%	51	49	-4.4%	321	354	10.4%	218	350	60.3%	0	1	>100%	102	3	-96.6%
Net income before income tax	204	723	>100%	245	490	100.0%	-42	232	>100%	-1	167	>100%	63	68	7.1%	-104	-3	97.4%
Income tax	156	246	57.9%	83	137	64.4%	73	109	50.6%	56	90	61.4%	17	19	14.2%	0	0	>100%
Net income (before disc. oper.)	48	477	>100%	162	354	>100%	-114	123	>100%	-57	77	>100%	46	48	4.6%	-104	-3	97.4%
Net income arising from discont. operations	1	0	<-100%	0	0	--	1	0	-100.0%	0	0	-100.0%	0	0	-100.0%	0	0	-100.0%
Non-controlling interests	-13	53	>100%	0	0	48.5%	-13	54	>100%	0	0	--	0	0	--	-13	54	>100%
Net income	62	423	>100%	162	354	>100%	-100	70	>100%	-57	77	>100%	46	48	4.4%	-91	-56	38.3%

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 not measured at fair value through profit or loss.

Non-performing exposures (NPE) non-performing loans and advances to customers (includes loans to customers at amortised cost, loans to customers at fair value through profit or loss and, from 2023, debt instruments at amortised cost associated to credit operations before impairment) more than 90 days past-due or unlikely to be paid without collateral realisation, if they recognised as defaulted or impaired.

NPE Specific coverage - NPE impairments (balance sheet) divided by the stock of NPE.

NPE total coverage - Impairments (balance sheet) and NPE collaterals divided by the stock of NPE.

NPE total specific coverage - NPE impairments (balance sheet) and NPE collaterals divided by the stock of NPE.

Non-performing loans (NPL) - overdue loans (loans to customers at amortised cost, loans to customers at fair value through profit or loss and, from 2023, debt instruments at amortised cost associated to credit operations before impairment) more than 90 days past due including the non-overdue remaining principal of loans, i.e. portion in arrears, plus non-overdue remaining principal.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Millennium

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