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Banco Comercial Português, S.A. informs about Bank Millennium (Poland) results in 1H 2019

Banco Comercial Português, S.A. hereby informs that Bank Millennium in Poland, in which it has a 50.1% holding and whose accounts are fully consolidated at BCP group level, released today its results for 1H 2019. Main highlights are as follows:

“Profitability with Euro Bank impact

- Net profit of 1H 2019 reached 334 million PLN with 65 million PLN net impact of Day 1 provisions on Euro Bank portfolio
- Normalised net profit reached 411 million PLN and grew by 12% yearly
- Normalised ROE at 9.7% and Cost/income at 46%

Core income accelerated. Costs influenced by Euro Bank and BFG fees

- Net interest income grew by 21.5% y/y; without Euro Bank grew 14.7% y/y and 4.7% q/q
- Net Commission Income flat yearly but visibly grew by 5.1% quarterly (without Euro Bank)
- Operating costs up 19.6% y/y; when excluding Euro Bank and BFG fees, costs grew by 10.9% yearly

High asset quality and liquidity kept

- Impaired loans (stage 3) ratio at 4.3% level with coverage by total provisions at 62% (Euro Bank stage 3 portfolio consolidated at net value)
- Cost of Risk at 52 b.p. (annualised) excluding Euro Bank ECL 12 months initial impact
- Loans to deposits ratio at low level 88%

Capital ratios influenced by the impacts of the acquisition

- Group's Total Capital Ratio (TCR) at 20.1% and CET1 ratio at 16.9% already incorporating Euro Bank
- Bank's Total Capital Ratio (TCR) at 20.5% and CET1 ratio at 16.9%

Retail business (organic)

- 1.9 million active customers (+233 ths yearly) and 1.5 million using digital channels
- 1.1 billion PLN new cash loans sold in 2Q (+34% y/y) and 1 billion PLN of mortgages (+20% y/y)
- 14.4% yearly growth of deposits (or 33.1% with Euro Bank)

Companies business

- Continued solid growth of loans to companies: +11.5% y/y
- Deposits volume grew by +16.1% y/y
- Growth in factoring and leasing sales at around +7% y/y

Digital achievements

- 1.2 million of goodie apps downloads

(*) without non usual items, i.e., with an equal accrual through the year of BGF resolution fee

(**) Total net provisions to average net loans”

End of announcement

Banco Comercial Português, S.A.