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Banco Comercial Português informs about Bank Millennium (Poland) results in 1Q15

Banco Comercial Português, S.A. hereby informs that Bank Millennium in Poland, in which it has a 50.1% participation and whose accounts are fully consolidated in BCP group level, released today its results for the first quarter of 2015, whose highlights are as follows:

“Bank Millennium Group (the “Group”) consolidated net profit in 1Q 2015 amounted to PLN 162.6 million (EUR 39.0 million), which means a 3.9% increase versus 1Q 2014 and 3.1% increase versus 4Q 2014.

The improvement of results was achieved thanks to higher operating income accompanied by stable charges (costs plus impairment provisions).

Main financial and business highlights of 1Q 2015 results are the following:

Continued growth of profitability, despite unfavourable conditions

- 1Q 15 net profit at PLN 163 million (EUR 39 million): +3% q/q and +4% y/y
- ROE at 11.3% and Cost-to-income at 50.3% - similar to 2014 year levels

Interest income under rate cut pressure, but core income growth preserved

- Net interest income flat quarterly (-0.8% q/q) despite another cut of market interest rates in March
- Core income grew by 2.3% q/q thanks to increase of Net commissions (by 10.2% q/q)

High asset quality maintained, despite CHF rate volatility

- Impaired loans ratio at low 4.2%
- Mortgage impaired ratio at 1.6% - not affected by CHF surge

Liquidity and capital buffers successfully tested in January

- Loans-to-deposits ratio still below 95% level
- Total Capital Ratio at 14.2% and Common Equity Tier 1 ratio at 13.6%

Retail business

- Another record in cash loans sale: PLN 674 million (EUR 162 million)
- Solid growth of retail customer funds kept: +10% y/y in deposits and +13.4% y/y in non-deposit products (of which +10% in 1Q'15)
- More than 200 thousand new Konto 360° accounts in less than one year since the launch in May 2014

Companies business

- Loans to companies grew by 10% yearly with investment loans growing by 20% y/y
- Traditionally good growth in leasing and factoring portfolios: +14% y/y both
- Companies deposits increased by 5% y/y, of which current accounts deposits by 11% y/y”

End of announcement**Banco Comercial Português**