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Banco Comercial Português informs about Bank Millennium (Poland) results in 9M15

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 in BCP group level, released today its results for the first nine months of 2015, whose highlights are as follows:

Consolidated net profit in 9M2015 amounted to PLN 493.5 million (€ 118.8 million), PLN 165.7 million in 3Q 2015 (€ 39.5 million), which represents flat results both y-o-y and quarterly. This stable profit was achieved despite the unfavorable environment for the banking sector in Poland, which resulted in a decrease of operating income, including a decrease of net interest income (due to interest rate cuts) and commission income (due to regulatory interventions; e.g. cut of cards fees). Bank Millennium compensated a y-o-y decrease of operating income with a reduction of operating costs and impairment provisions.

Main financial and business highlights of 9M2015 results are the following:

Stable profitability and improving cost efficiency

- Stable net profit at PLN 493.5 million (€ 118.8 million) in 9M2015 and PLN 165.7 million (€ 39.5 million) in 3Q15
- Operating costs fell 2.5% y-o-y, despite higher fees paid to the Banking Guarantee Fund
- Cost to income in 3Q15 at 49.2%
- ROE at 11.1%

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Rebound in net interest income after recent rate cuts

- Net interest income grew (by 2.6% q-o-q) after three quarters of contraction due to interest rate cuts
- Core income grew by 2.7% q-o-q as commission income also improved quarterly

High asset quality maintained

- One of the lowest impaired loans ratio in the market (4.6%)
- Mortgage impaired ratio at 2.1% and loans past due over 90 days at 0.9%

Improving capital and liquidity ratios

- Total Capital Ratio at 16.0% and Common Equity Tier 1 at 15.5%
- Loans-to-deposits ratio improved to 89.7%

Deposits/accounts/Customers

- Strong growth of retail deposits maintained: +12.1% y-o-y (3.7% q-o-q)
- 200 thousand new current accounts acquired during 9M2015
- Accelerating growth of the number of active Customers: 61 thousand net growth in 9M2015
- Growing volume of transactions and current accounts in corporate business

Loans

- Cash loans portfolio grew by 21% y-o-y, new sales at PLN 1.9 billion (€ 447.6 million) year-to-date
- Good yearly growth in leasing and factoring portfolios, +10% and 18%, respectively

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In September Bank Millennium achieved 1st position in three categories (“Traditional Banking”, “Internet Bank” and “Mortgage Banking”) of the Newsweek’s Friendly Bank ranking. This prestigious ranking has been conducted for 14 years in Poland and is based on mystery Client surveys, in which auditors from an independent research company evaluate practically all aspects of Customer service in both traditional and electronic service channels. Being always in Top 3 during last 5 years of the ranking, Bank Millennium shows a clear track record in quality improvement, which remains one of the highest priorities in the Bank’s strategy.

Bank Millennium is also a market leader in Customers’ satisfaction (according to Retail Banking Audit conducted by TNS Polska SA), with 89% Customers satisfied or very satisfied with the Bank.

End of announcement

Banco Comercial Português, S.A.