

EARNINGS PRESENTATION

3M 2016

MAY 2016



Millennium

bcp

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
- The figures presented do not constitute any form of commitment by BCP in regard to future earnings
- First 3 months figures for 2015 and 2016 not audited
- The business figures presented exclude Banco Millennium in Angola

Agenda

- Highlights
- Group
 - Profitability
 - Liquidity
 - Capital
- Portugal
- International operations
- Conclusions

Highlights

Profitability and efficiency

Recurring profits reinforced

- **Net profit of €46.7 million in the 1st quarter of 2016**, compared to €70.4 million in the same period of 2015, despite the significant reduction of gains on **Portuguese sovereign debt** (-€115.8 million, net of taxes).
- **Core net income* up 3.6% to €213.2 million (+9.7% in Portugal)**, reflecting **substantial commercial discipline and lower operating costs** (-4.4%, with a 2.1% reduction in Portugal), resulting in **cost to core income* decreasing to 53.3%** (cost to income of 49.4%).

Business performance

Healthy balance sheet

- **Commercial gap improved further**, with net loans as a percentage of on-balance sheet Customers funds **now standing at 97%**. As a percentage of deposits (BoP criteria)**, net loans improved to 103% (109% as at March 31, 2015).
- **Customer deposits** totalled €49.6 billion, **0.7% up** from March 31, 2015.

Asset quality

Lower delinquency and reinforced coverage

- **Provision charges still sizable, but trending downwards**: €160.7 million in the 1st quarter of 2016 (€201.0 million in the 1st quarter of 2015).
- **Decrease of the non-performing loans ratio** to 11.1% at March 31, 2016 from 11.6% at the same date of 2015. **Coverage of non-performing loans reinforced** to 57.2% (53.5% at March 31, 2015).

Capital and liquidity

Reinforced position

- **Common equity tier 1 ratio at 13.2%** according to phased-in criteria, compared to 11.6% as at March 31, 2015. This figure stood at **10.1% on a fully implemented basis**. Pro forma estimates including net earnings for the 1st quarter and the impact of the merger in Angola.
- **ECB funding usage down to €5.3 billion** (€1.5 billion of which TLTRO) from €6.2 billion as at March 31, 2015.

Merger in Angola

- **Merger between Millennium Angola and Banco Privado Atlântico, S.A. completed** on April 22, with an estimated impact of +0.4 percentage points on the phased-in common equity tier 1 ratio.

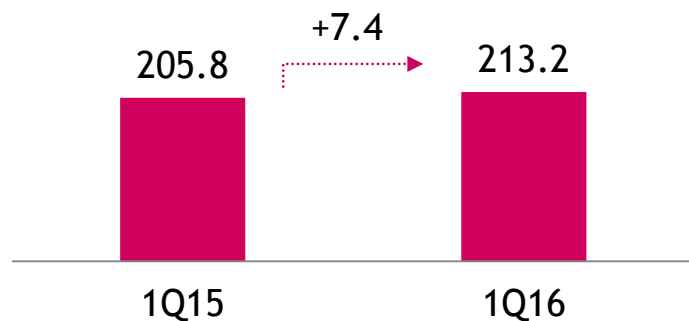
* Core net income = net interest income + net fees and commission income - operating costs, core income = net interest income + net fees and commission income.

** According to the current version of Notice 16/2004 of the Bank of Portugal, excluding Angola.

Highlights

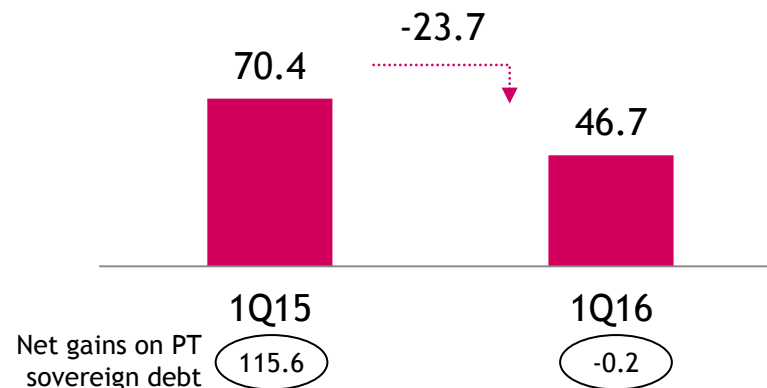
Core net income*

(Million euros)

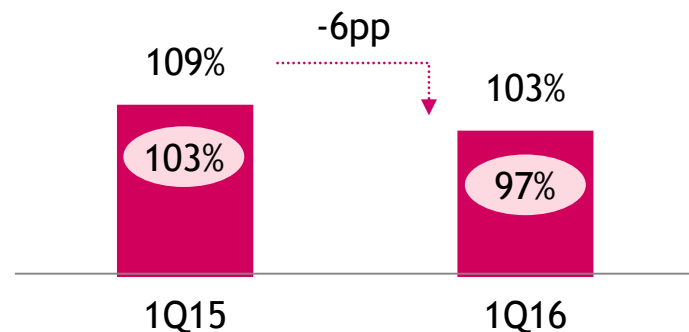


Net income

(Million euros)

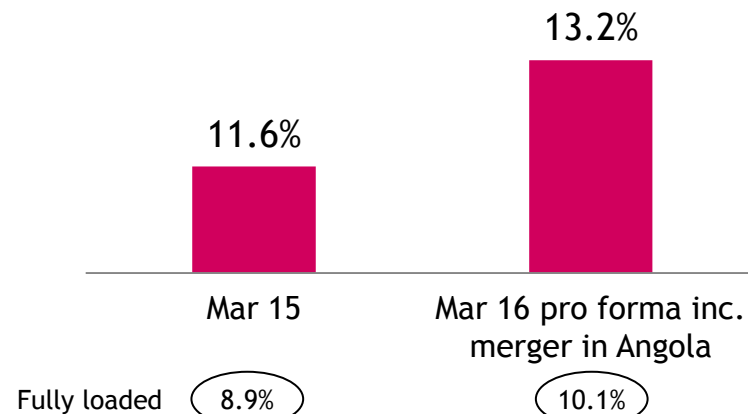


Loans to deposits ratio**



Net loans to on-BS Customers funds

Phased-in capital ratio (CET1 - CRD IV / CRR) ***



* Core net income = net interest income + net fees and commission income - operating costs.

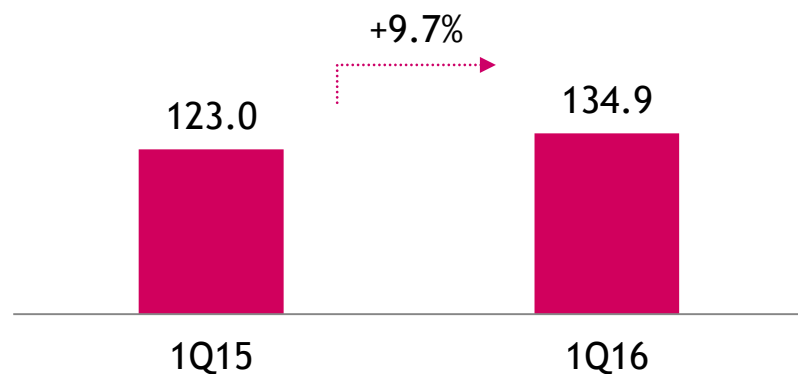
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*** Pro forma estimates including net earnings for the 1st quarter s and the impact of the merger in Angola.

Highlights

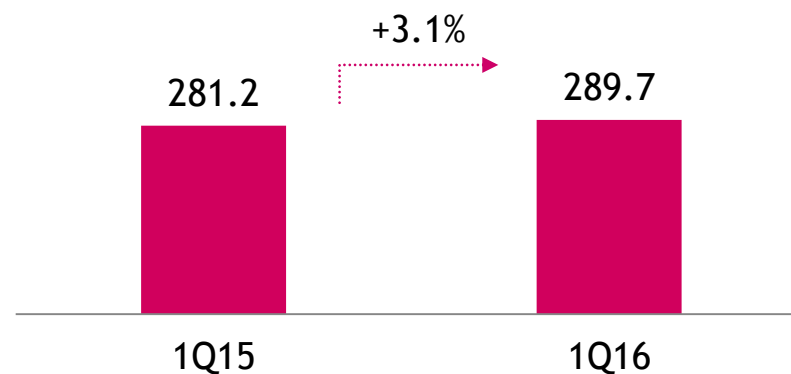
Core net income* in Portugal

(Million euros)



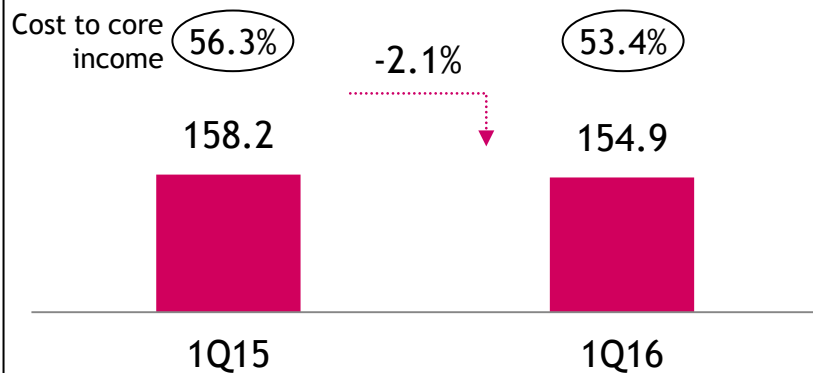
Core income** in Portugal

(Million euros)



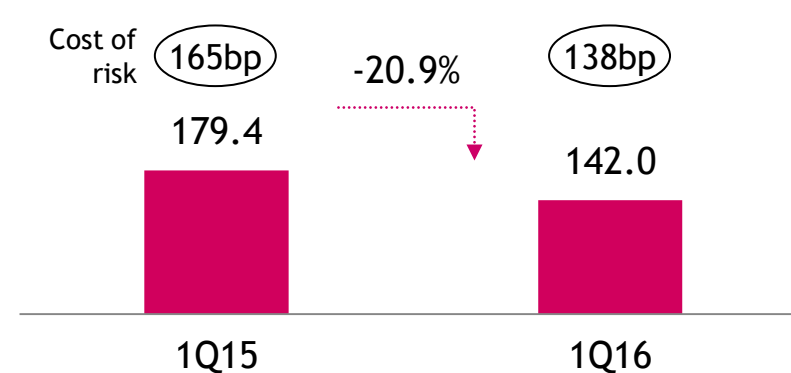
Operating costs in Portugal

(Million euros)



Loan impairment in Portugal

(Million euros)



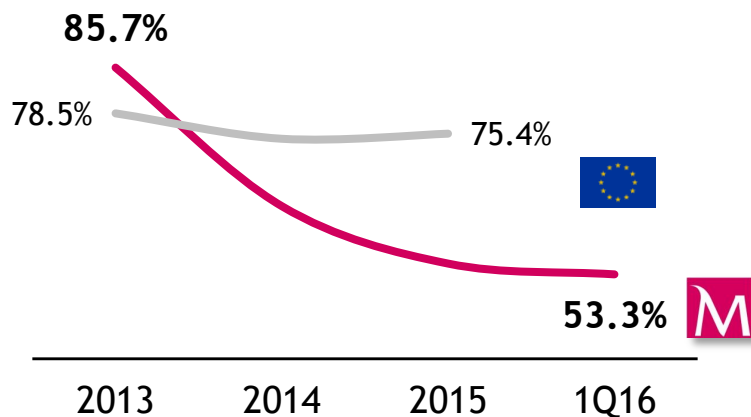
* Core net income = net interest income + net fees and commission income - operating costs.

** Core Income = net interest income + net fees and commissions.

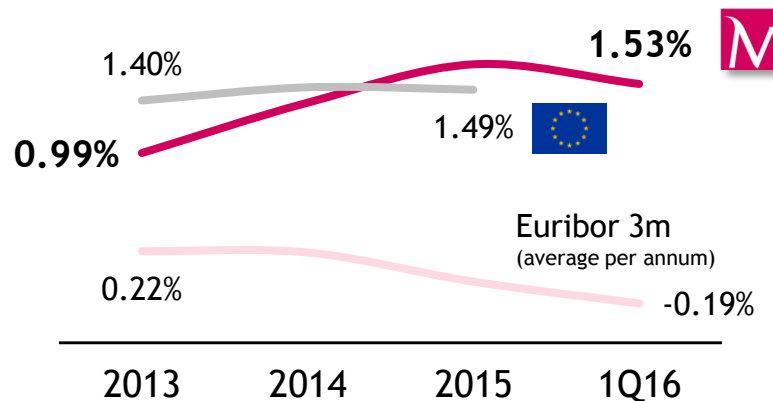
Highlights

Significant transformation of Millennium bcp: a more sustainable business model

Cost to core income*

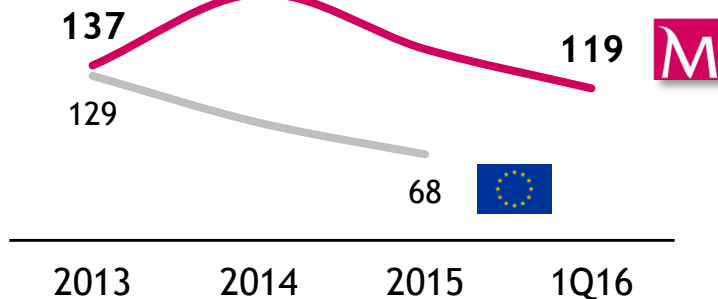


Net interest income as a % of assets



Cost of risk

(Basis points)



- Significant transformation of Millennium bcp over the last years, towards a sustainable value generating business
- Significant efficiency gains: Millennium bcp is now of the top performers in European banking as long as cost to core income* is concerned (notwithstanding comparing poorly to listed euro-zone banks in 2013)
- As a percentage of assets, Millennium bcp's net interest income is slightly above the European average, up from below-average figures until 2014
- Cost of risk is still above, but converging to, European banking levels

* Core Income = net interest income + net fees and commissions.
Listed euro-zone banks.

Highlights

Retail

- **Continuing increase in the number of mobile banking users and in the number of products subscribed through digital platforms, that now account for 13% of total subscriptions of savings products and for 10% of investment products in retail**
- **Kick-off to the renovation of the branch network: 174 branches already renovated**
- **Accelerating new loans to individuals (+50% for mortgages, +30% for personal loans)**
- **Increased capture of new Customers (+7 yoy)**

Companies and Corporate

- **+4% YTD increase on loans to exporting companies (+€100 million), equivalent to a 0.4pp market share growth**
- **New funding totalling €250 million under the “Millennium BEI” funding line**
- **New €60 million line for re-qualifying tourism**
- **Support to 845 investment projects under the “Portugal 2020” programme for a total amount of €442 million**
- **Convening of the “Fórum Empresarial Portugal 2020”, a Millennium bcp partnership with the main Portuguese companies’ associations**

Best benchmark scores

“Basef Banca”, March 2016 scores

- **Increased penetration as 1st bank (+1.4pp from March 2015): largest private sector bank**
- **Main bank among upper and upper-middle classes: market share up by 1.0pp from March 2015**
- **Best bank in “proximity to Customers” (among 5 largest banks)**
- **Website with the most useful information, most technologically advanced, with the most diversified information and best designed (among 5 largest banks)**

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Recurring line items lead to net profits

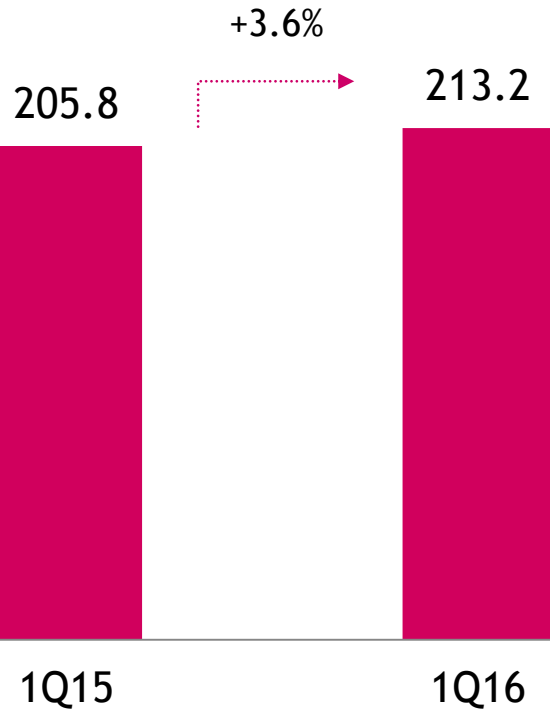
(million euros)	1Q15	1Q16	YoY	Impact on earnings
Net interest income	297.8	292.4	-1.8%	-5.5
Net fees and commissions	162.3	163.9	1.0%	+1.7
Other operating income	182.1	31.8	-82.5%	-150.3
<i>Of which: capital gains on Portuguese sovereign debt</i>	<i>164.0</i>	<i>-0.3</i>		<i>-164.3</i>
Banking income	642.2	488.1	-24.0%	-154.1
Staff costs	-143.4	-138.4	-3.5%	+5.0
Other administrative costs and depreciation	-110.9	-104.6	-5.6%	+6.3
Operating costs	-254.3	-243.1	-4.4%	+11.3
Operating net income (before impairment and provisions)	387.9	245.1	-36.8%	-142.8
Loans impairment (net of recoveries)	-201.0	-160.7	-20.1%	+40.4
Other impairment and provisions	-70.1	-15.4	-78.1%	+54.8
Impairment and provisions	-271.2	-176.0	-35.1%	+95.2
Net income before income tax	116.7	69.1	-40.8%	-47.6
Income taxes	-32.8	-15.0	-54.3%	+17.8
Non-controlling interests	-22.2	-21.9	-1.4%	+0.3
Net income from discontinued or to be discontinued operations	8.7	14.5	66.3%	+5.8
Net income	70.4	46.7	-33.7%	-23.7

Core net income improves, reflecting strong performance in Portugal

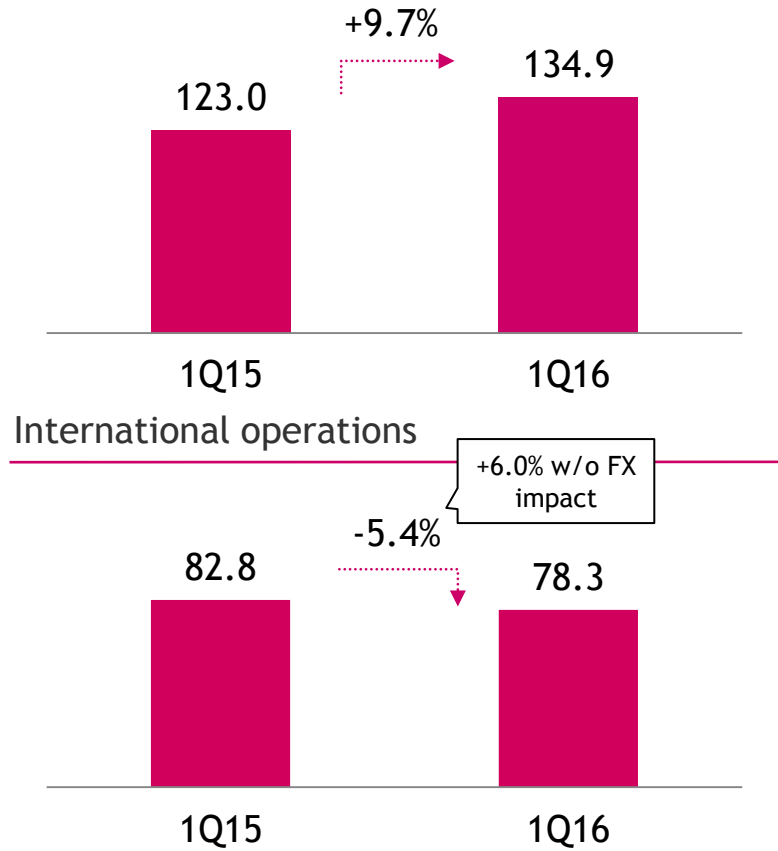
(Million euros)

Core net income*

Consolidated



Portugal



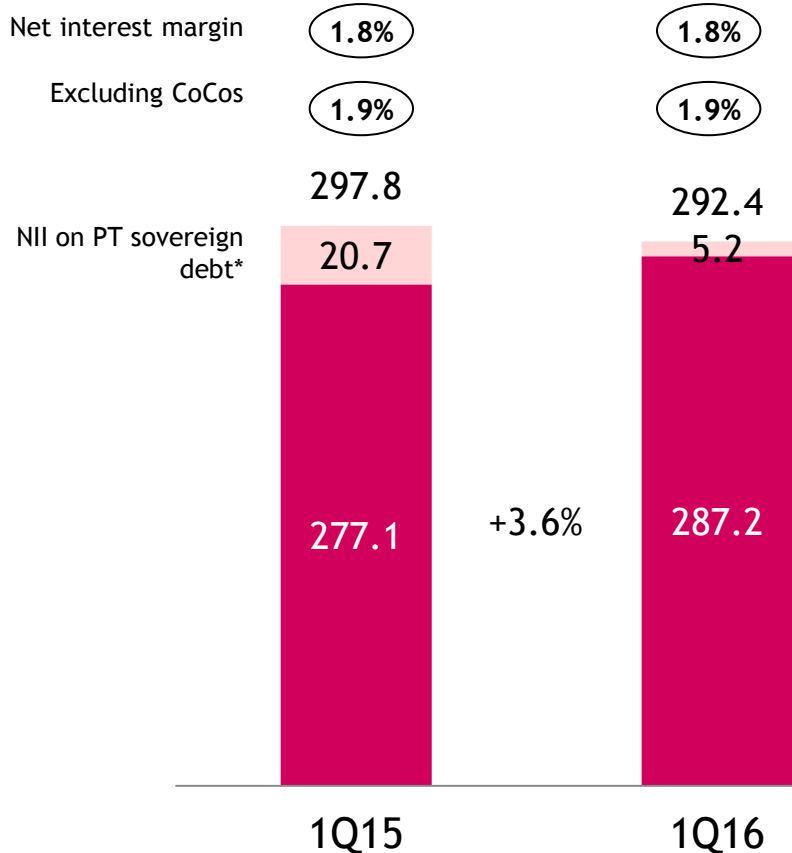
* Core net income = net interest income + net fees and commission income - operating costs.

Net interest income: impact of the significant decrease of Euribor rates dampened by a lower cost of deposits

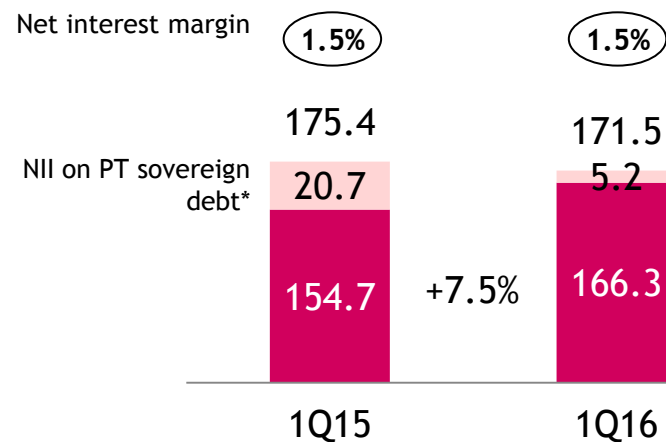
(Million euros)

Net interest income

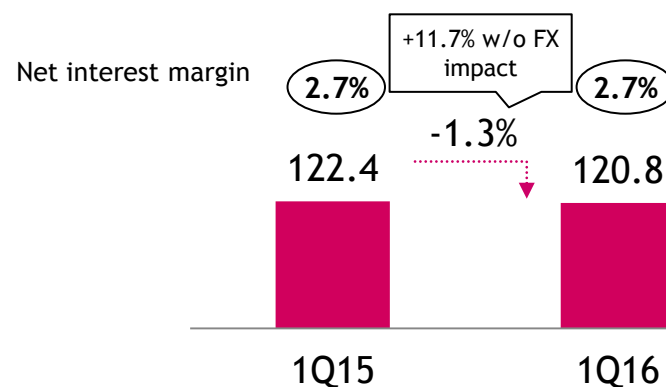
Consolidated



Portugal



International operations



* Difference between the yield on Portuguese sovereign debt and the average cost of funding.

Stable commissions on a demanding regulatory environment

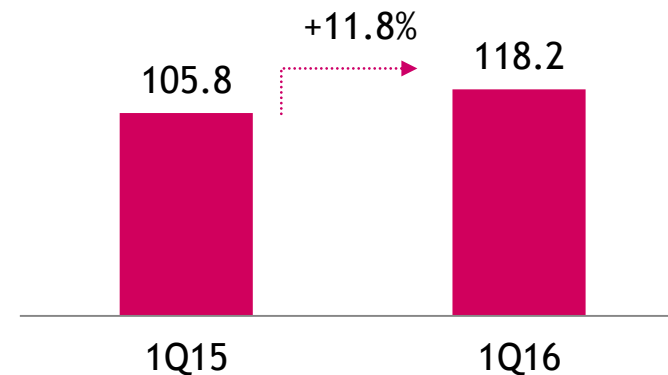
(Million euros)

Fees and commissions

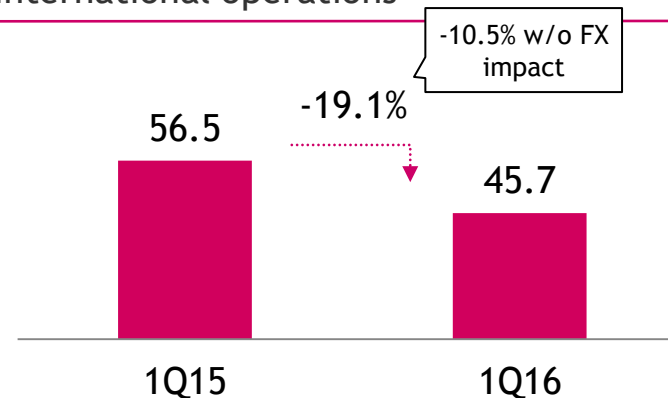
Consolidated

	1Q15	1Q16	YoY
Banking fees and commissions	131.5	136.3	+3.6%
Cards and transfers	38.8	35.0	-9.7%
Loans and guarantees	37.7	38.9	+3.1%
Bancassurance	19.1	20.2	+5.6%
Customer account related	18.9	22.6	+19.5%
Other fees and commissions	17.0	19.6	+15.4%
Market related fees and commissions	30.8	27.7	-10.2%
Securities operations	21.4	19.1	-10.6%
Asset management	9.4	8.6	-9.2%
Total fees and commissions	162.3	163.9	+1.0%

Portugal



International operations

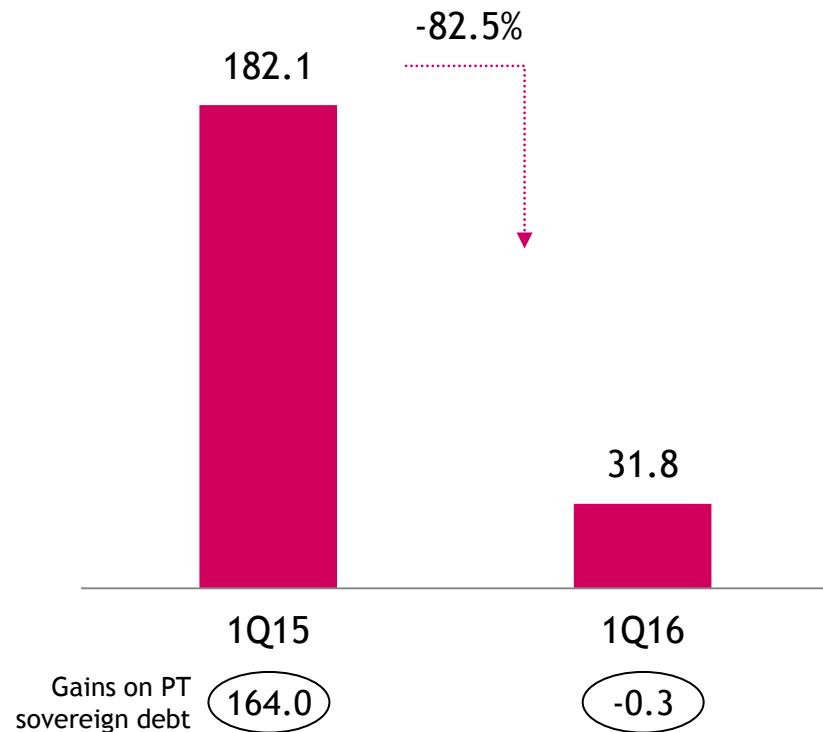


Other income: significant gains on sovereign debt in the 1st quarter of 2015

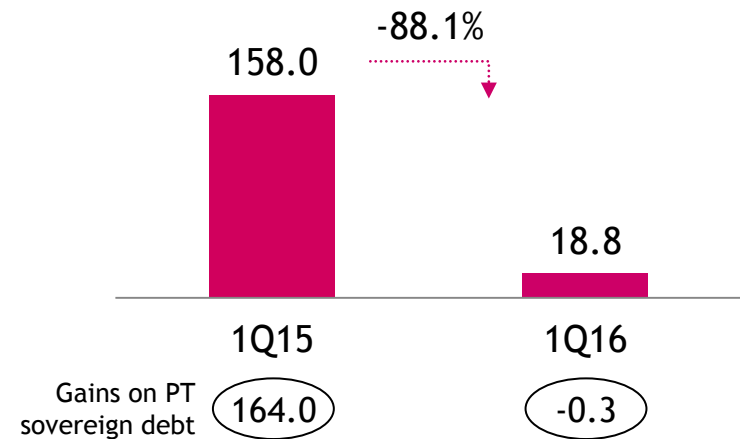
(Million euros)

Other income

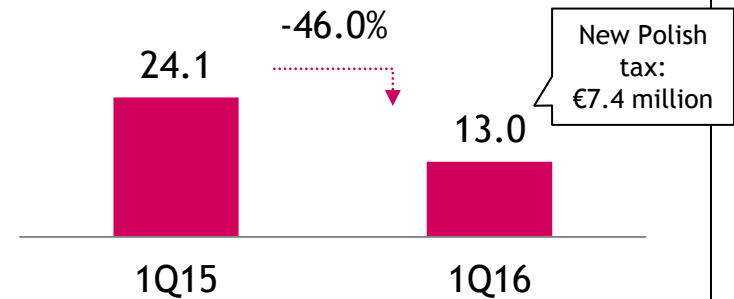
Consolidated



Portugal



International operations

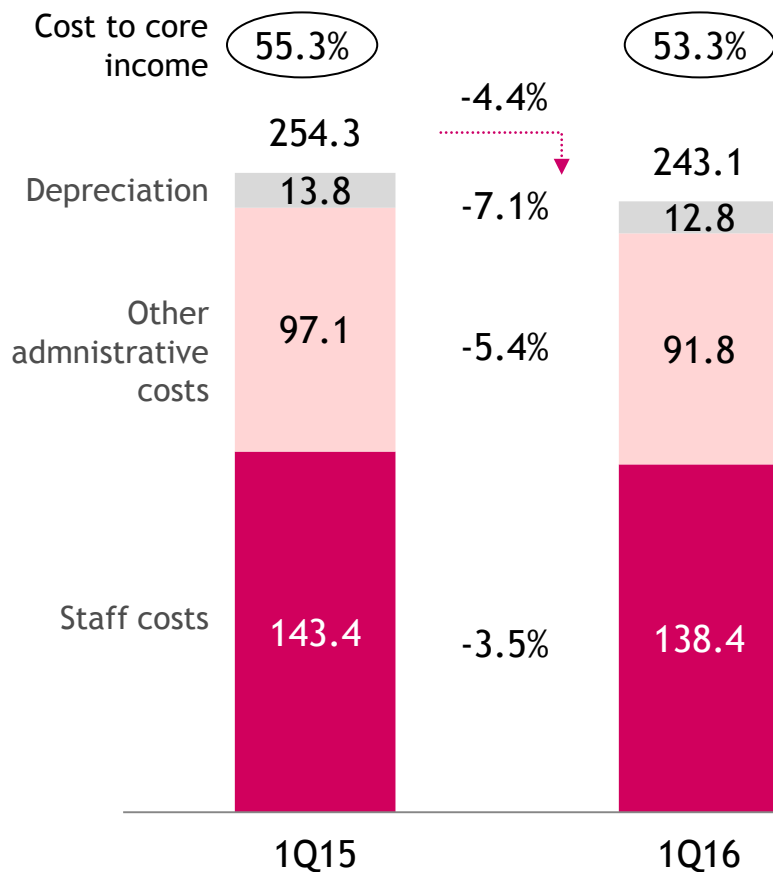


Cost reduction proceeds

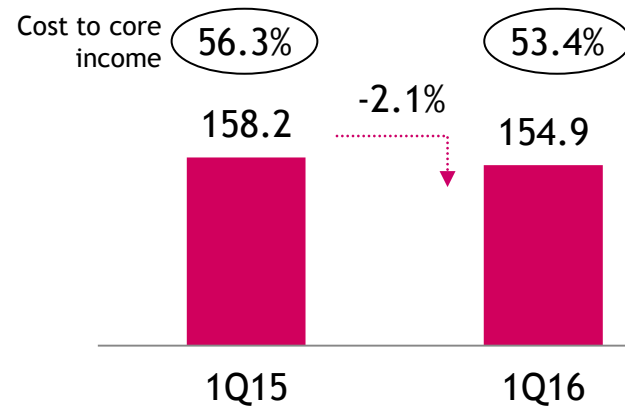
(Million euros)

Operating costs

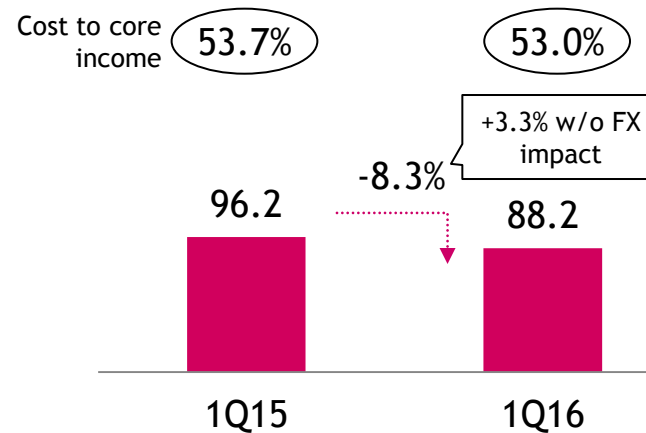
Consolidated



Portugal



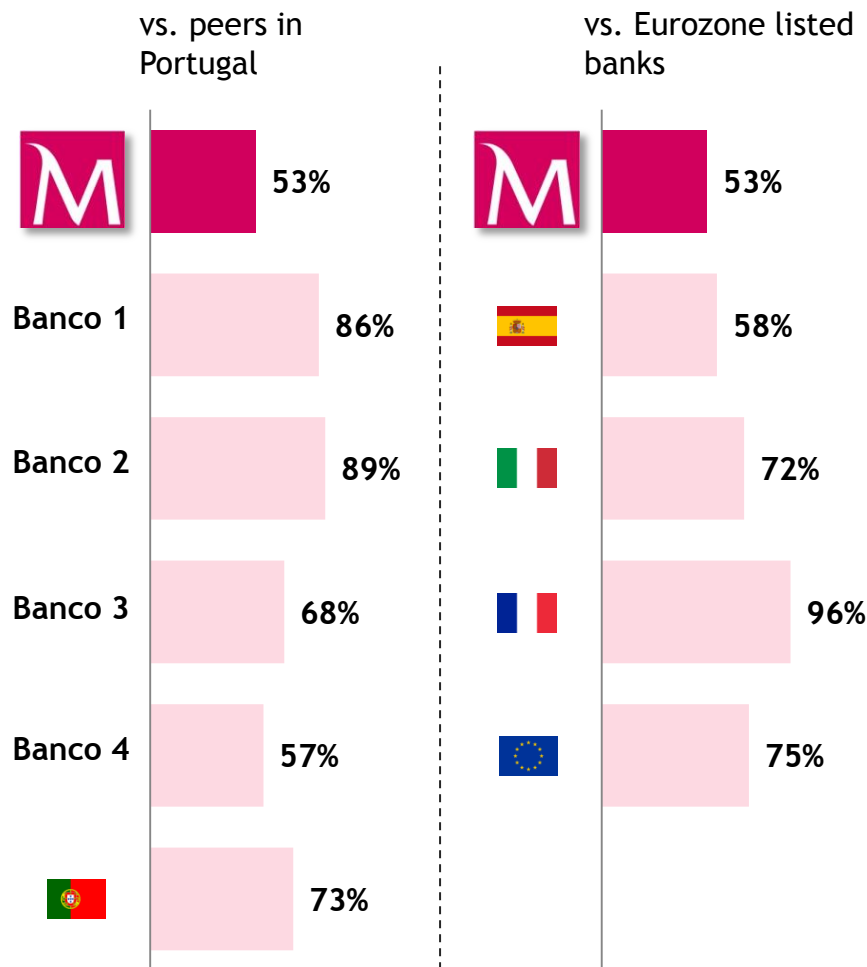
International operations



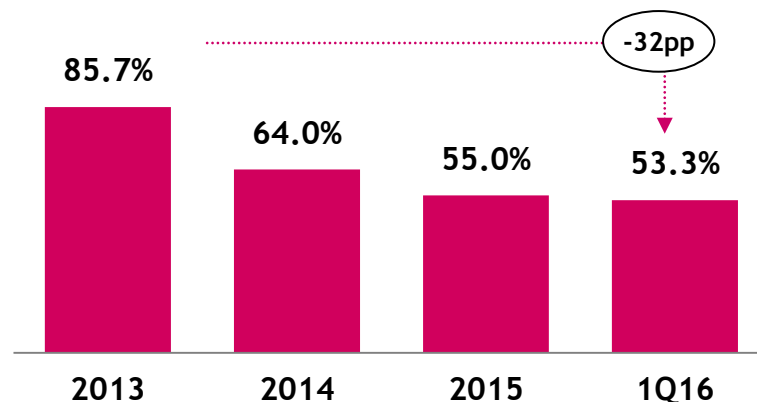
Millennium bcp is one of the most efficient banks in Portugal and in the Eurozone

Cost to core income*

Latest available data



Cost to core income*



- Millennium bcp is the most efficient bank in Portugal and is among the most efficient in the Eurozone, with a cost to core income* of 53% in the 1st quarter of 2016
- Millennium bcp is also the most improved bank in Portugal in terms of cost to core income* in recent years: 32pp down from 2013

* Core Income = net interest income + net fees and commissions.

Impairment slowing down in Portugal...

(Million euros)

Loan impairment (net of recoveries)

Consolidated

Cost of risk

141bp

119bp

-20.1%

201.0

160.7

1Q15

1Q16

Portugal

Cost of risk

165bp

-20.9%

138bp

179.4

142.0

1Q15

1Q16

International operations

Cost of risk

64bp

-13.8%

59bp

21.7

18.7

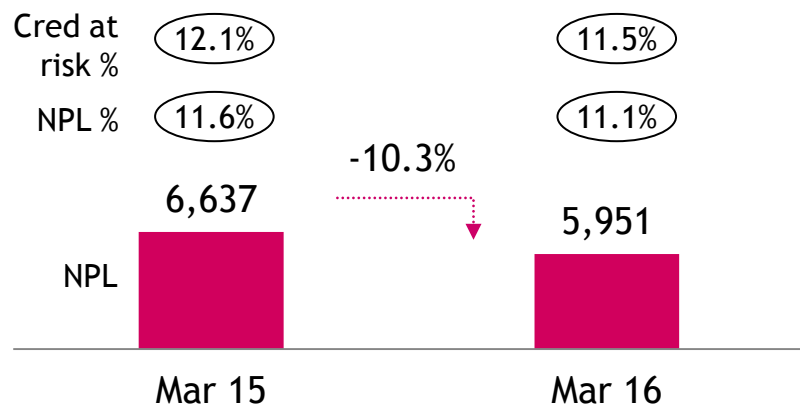
1Q15

1Q16

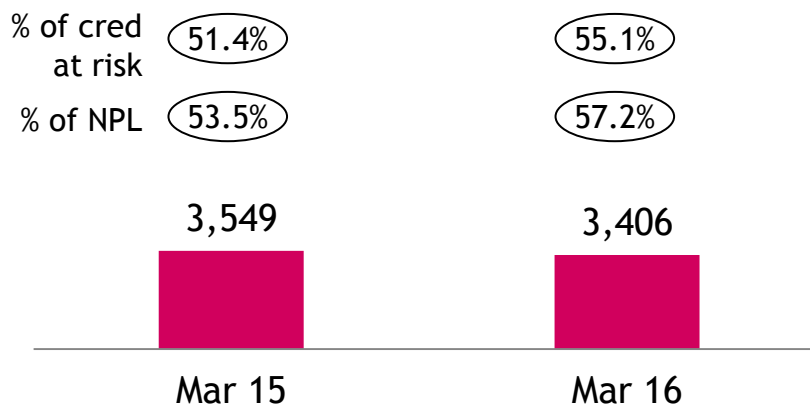
... with lower delinquency and increased coverage

(Million euros)

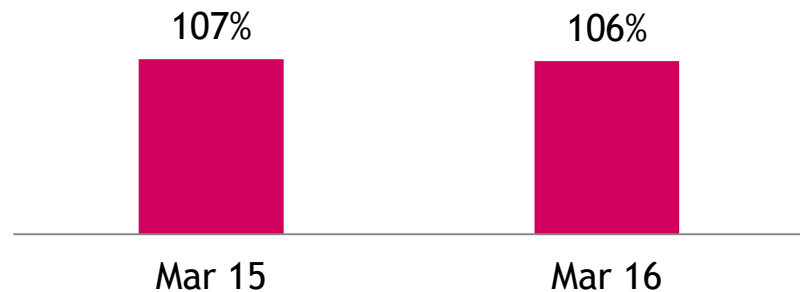
Credit quality



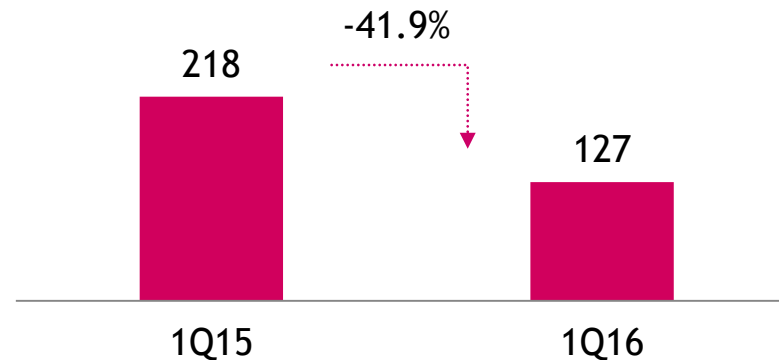
Loan impairment provisions (balance sheet)



Coverage of credit at risk by BS impairment and real/financial guarantees



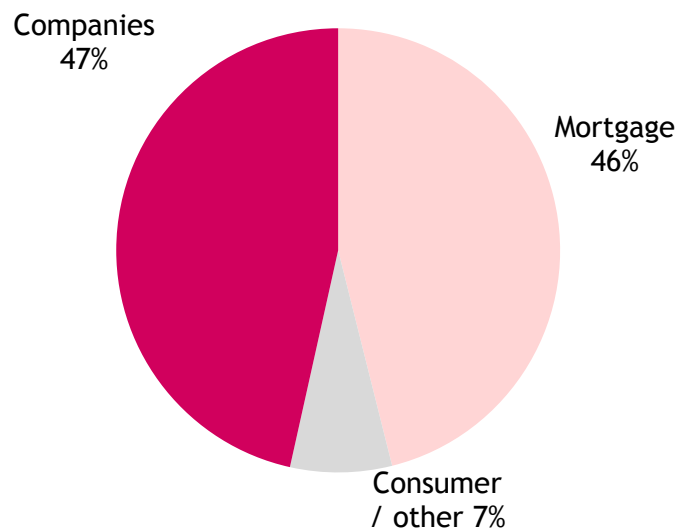
Net NPL entries in Portugal



Diversified and collateralised portfolio

Loan portfolio

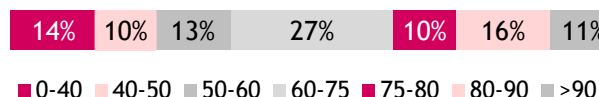
Consolidated



Loans per collateral



LTV of mortgage portfolio in Portugal



- Loans to companies accounted for 47% of the loan portfolio at March 31, 2016, including 9% to construction and real-estate sectors
- 93% of the loan portfolio is collateralised
- Mortgage accounted for 46% of the loan portfolio, with low delinquency levels and an average LTV of 67%

Agenda

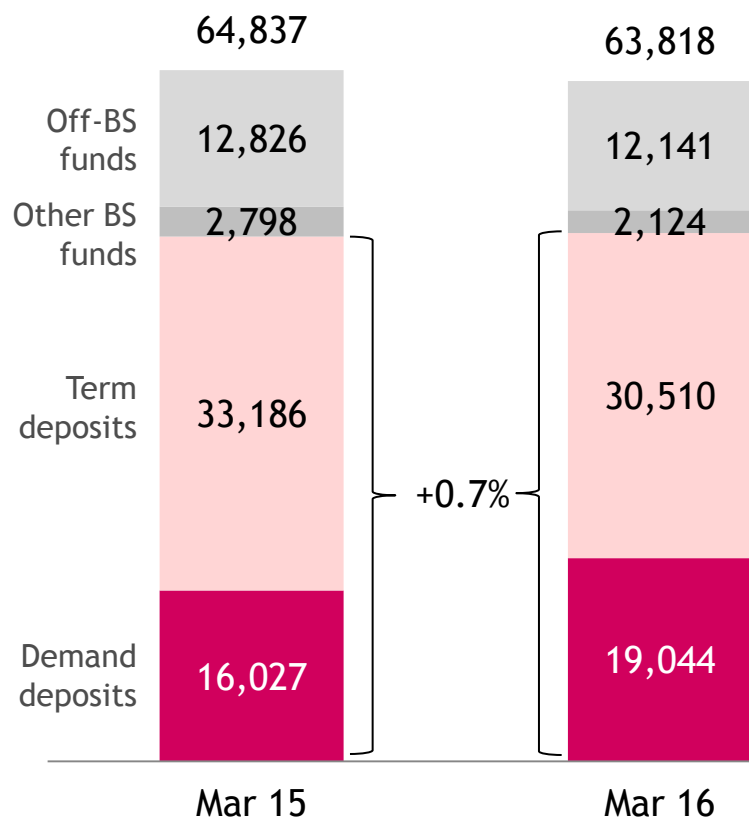
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Deposits increase in spite of FX effect in international operations; individuals in Portugal stand out

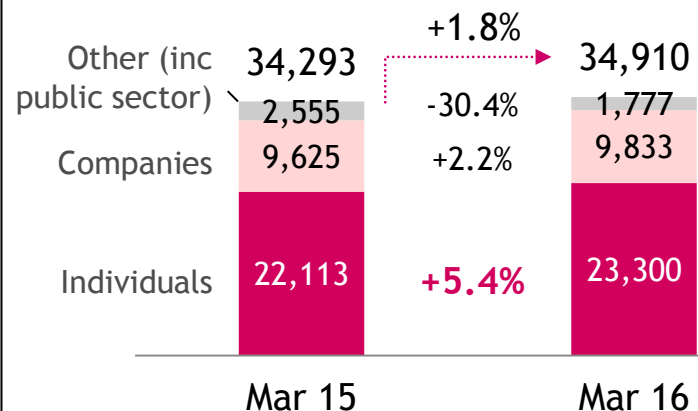
(Million euros)

Customer funds

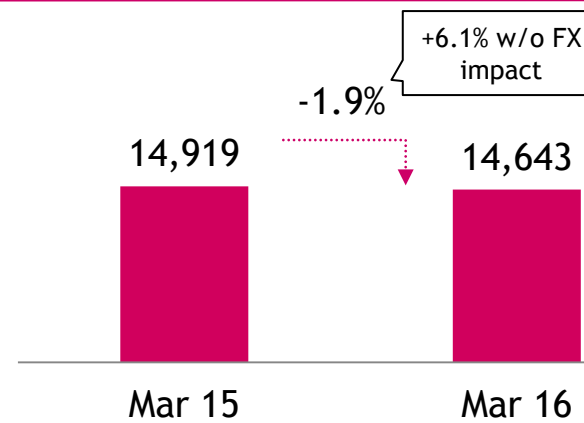
Consolidated



Customer deposits in Portugal

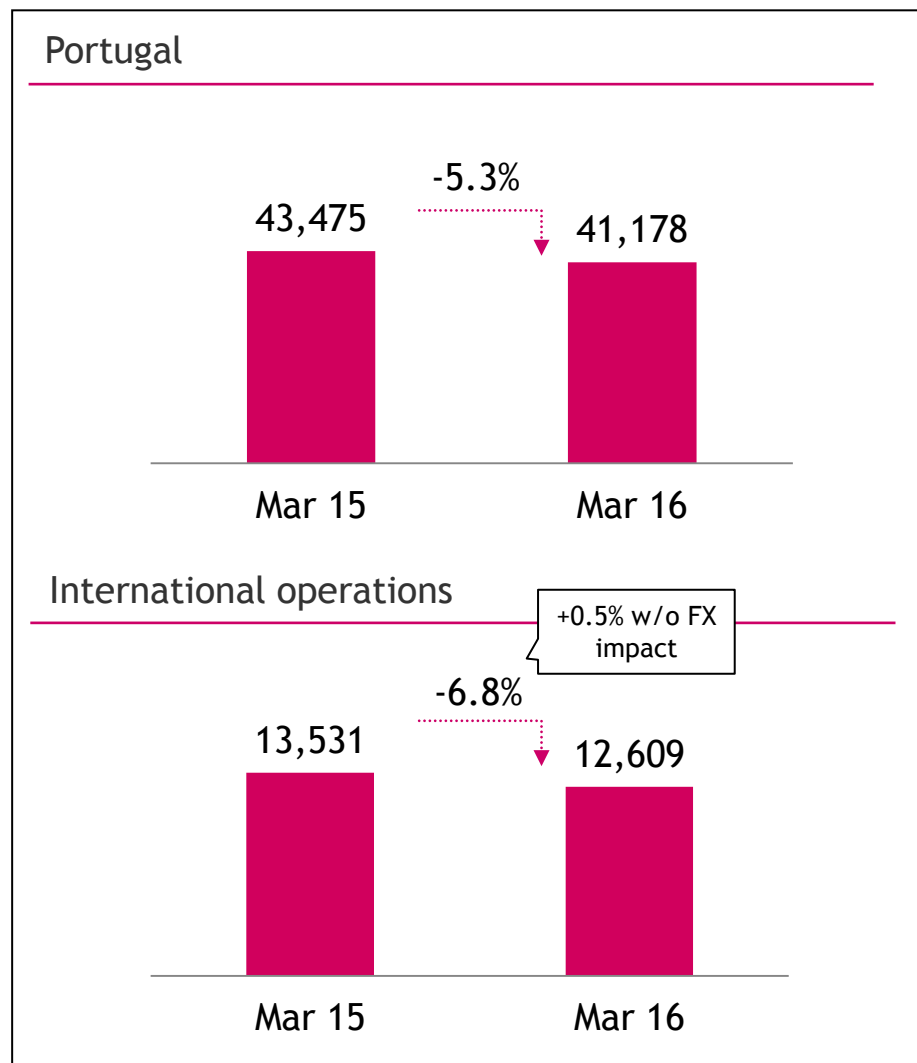
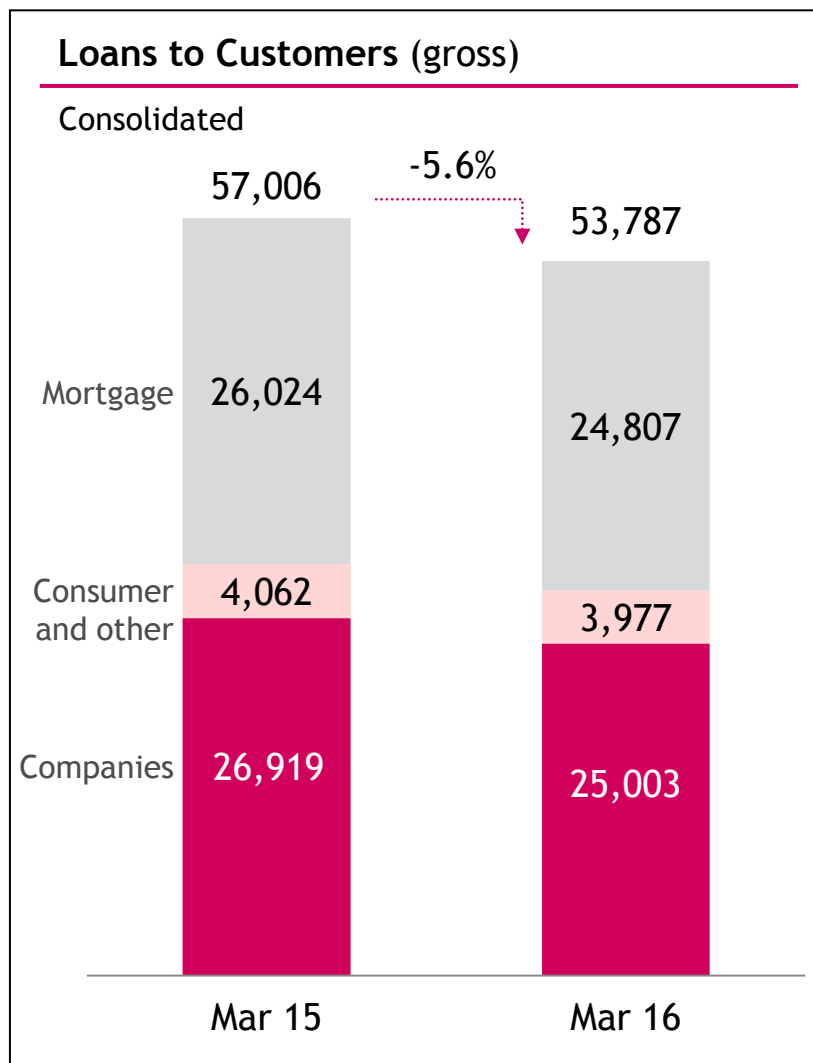


Customer deposits in international operations



Credit influenced by FX impact

(Million euros)

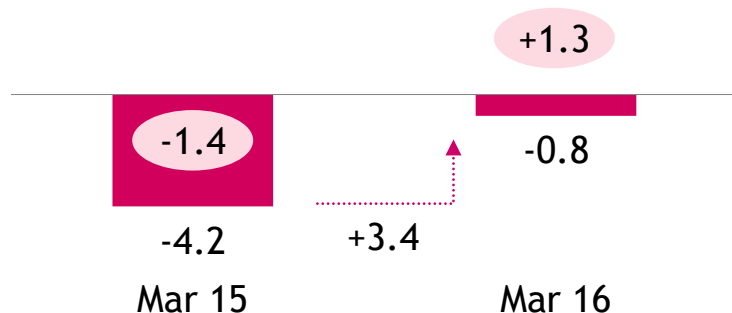


Continued improvement of the liquidity position, current ratios exceed future requirements

Commercial gap*

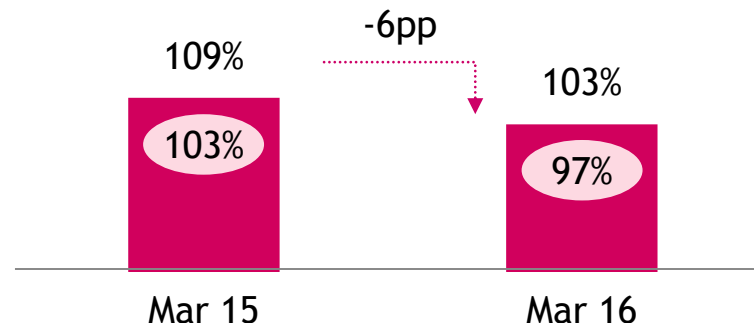
(Billion euros)

Difference between BS Customer funds and net loans

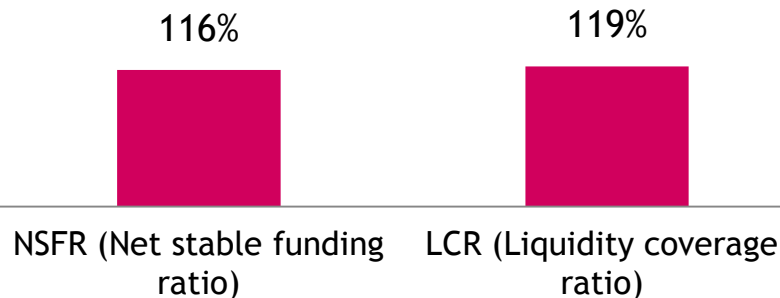


Loans to deposits ratio** (BoP)

Net loans to BS Customer funds



Liquidity ratios (CRD IV/CRR)



- Commercial gap narrows €3.4 billion from March 31, 2015
- Loans to deposit ratio (Bank of Portugal criteria) at 103%, 97% if all BS Customer funds are included
- Liquidity ratios CRD IV/CRR higher than the required 100%

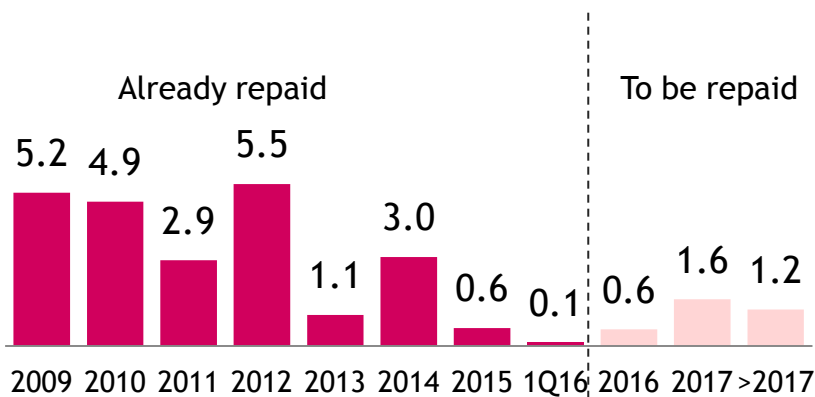
* Based on Customer deposits and net loans to Customers.

** According to the current version of Notice 16/2004 of the Bank of Portugal, excluding Angola.

Lower refinancing needs in the medium to long term, Customer deposits are the main funding source

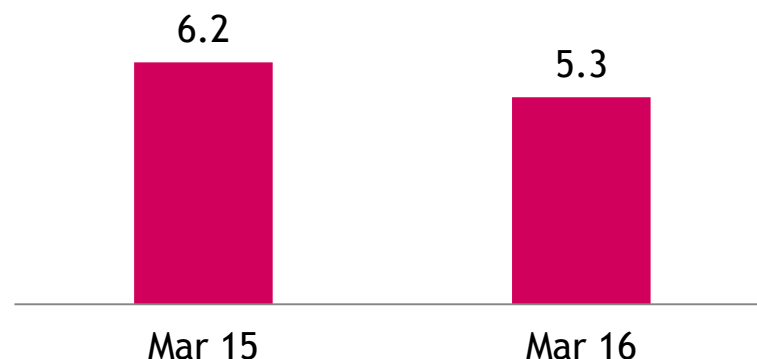
Debt repayments (medium-long term)

(Billion euros, CoCos not included)

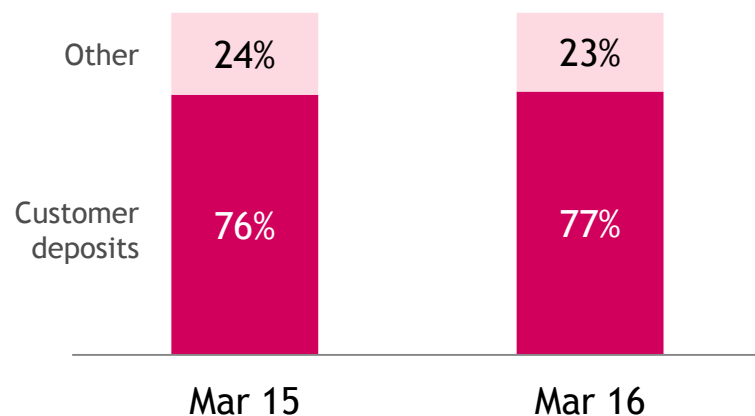


ECB funding

(Billion euros)



Improved funding structure



- Net usage of ECB funding at €5.3 billion, compared to €6.2 billion at the end of the 1st quarter of 2015
- €13.8 billion (net of haircut) of eligible assets available for refinancing operations with ECB, with a €8.5 billion buffer
- Customer deposits account for 77% of funding
- Future debt repayments (medium-long term) significantly lower than in the past

Agenda

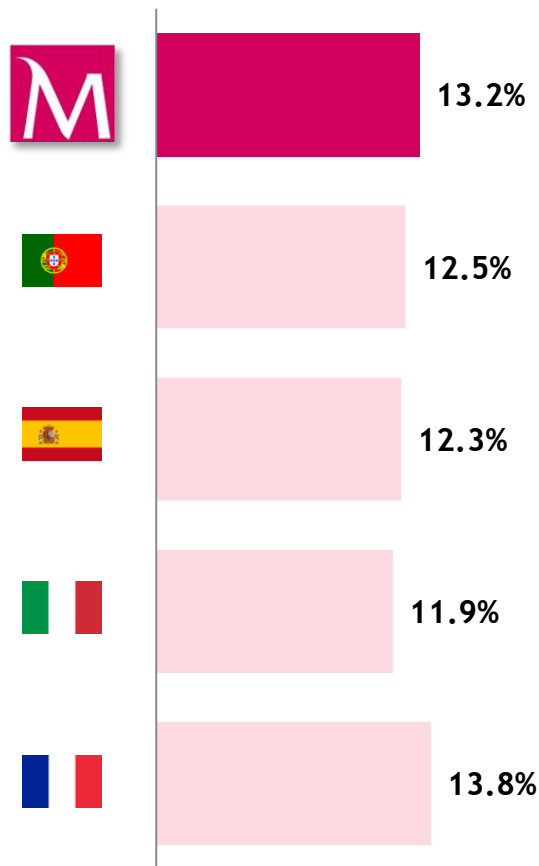
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Stronger capital, supported by profitability and specific measures

Common Equity Tier 1 ratio

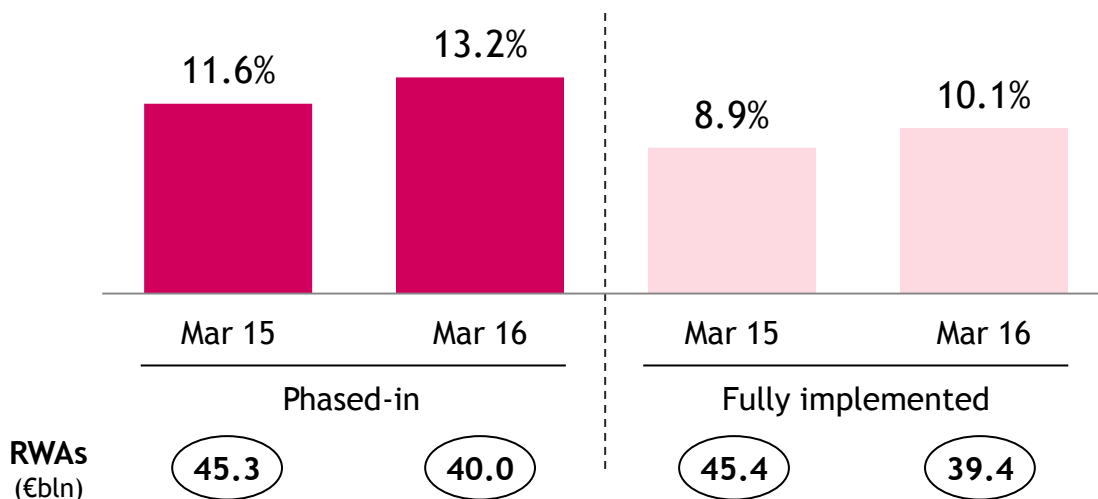
Phased-in, latest available data

vs. Euro-zone listed banks



Common Equity Tier 1 ratio*

Pro forma including impact of merger in Angola



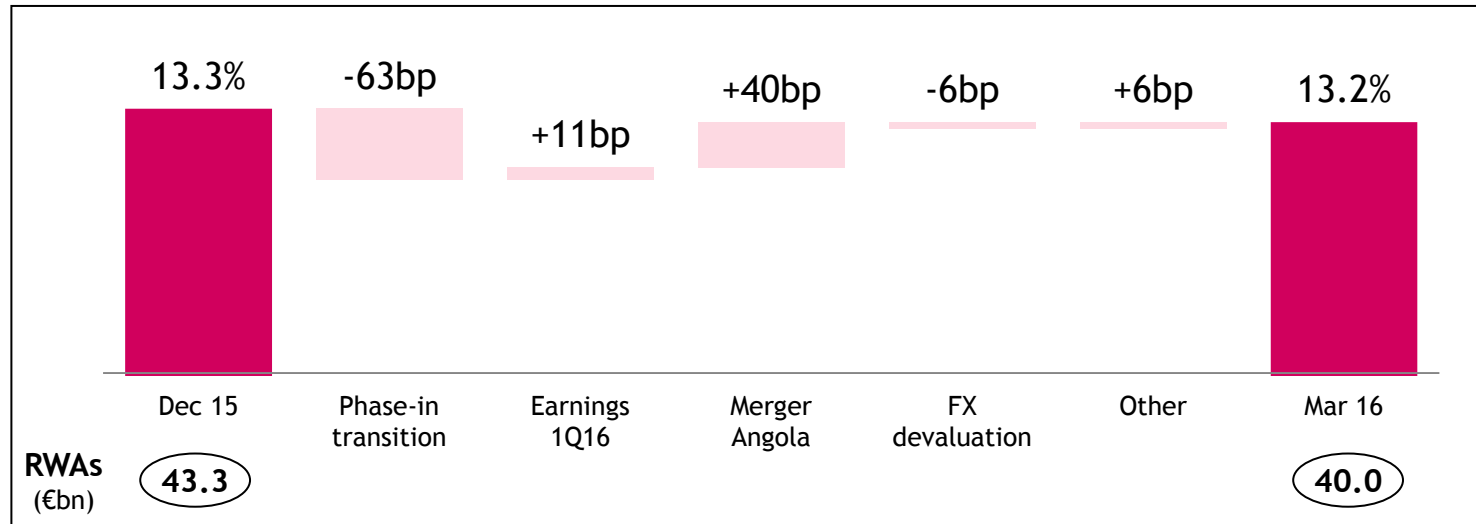
- Capital ratios strengthened from March 31, 2015 to 13.2% according to phased-in criteria and to 10.1% on a fully implemented basis (pro forma figures including the impact of the merger in Angola), reflecting the debt-equity swap, earnings from March 31, 2015 and lower RWAs
- Millennium bcp has the 2nd strongest capital in Portugal, and is in line with European benchmarks on a phased-in basis
- Leverage ratio at 6.8% according to phased-in criteria and on a fully implemented basis, this ratio stood at 5.4%

* Pro forma estimates including net earnings for the 1st quarter and the impact of the merger in Angola.

Phase-in transition and devaluation (FX and sovereign portfolio) more than compensate positive impact of profits and of merger in Angola

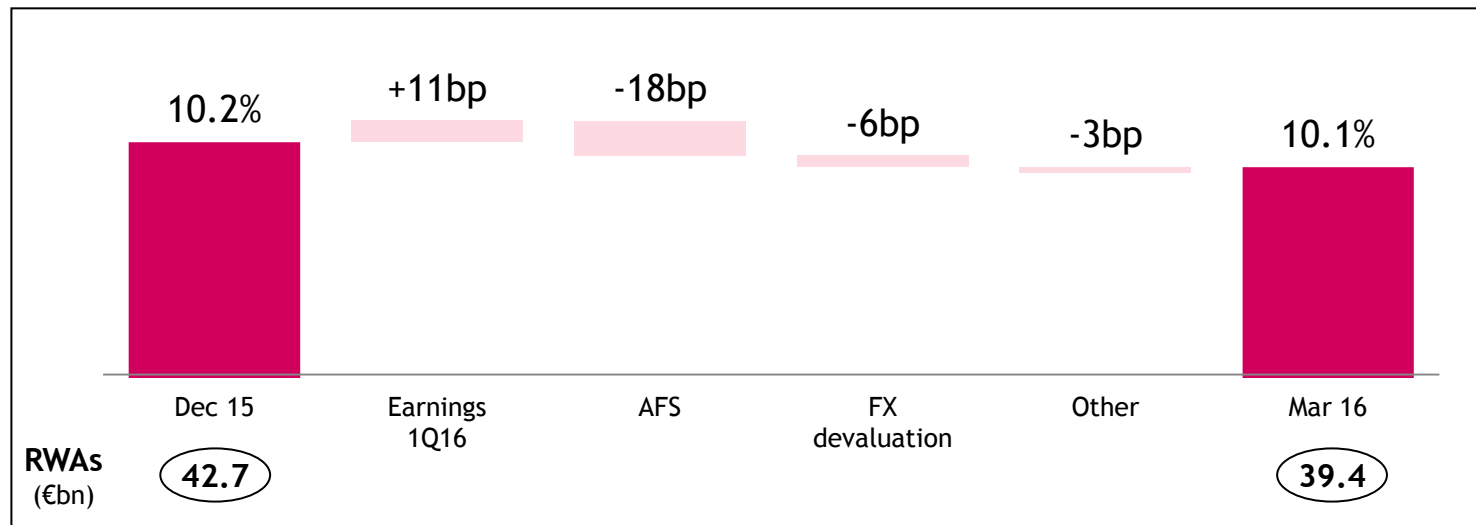
Common Equity Tier 1 ratio*

Phased-in



Common Equity Tier 1 ratio*

Fully implemented



* Pro forma estimates including net earnings for the 1st quarter and the impact of the merger in Angola.

Agenda

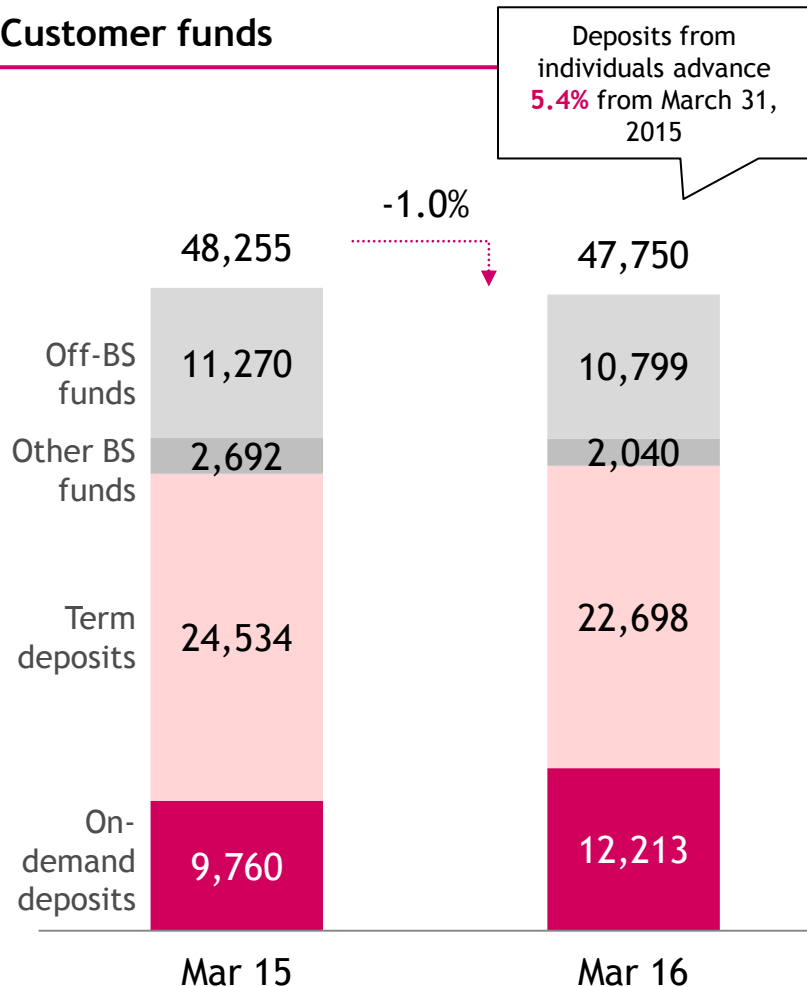
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Portugal: deleveraging improves liquidity position

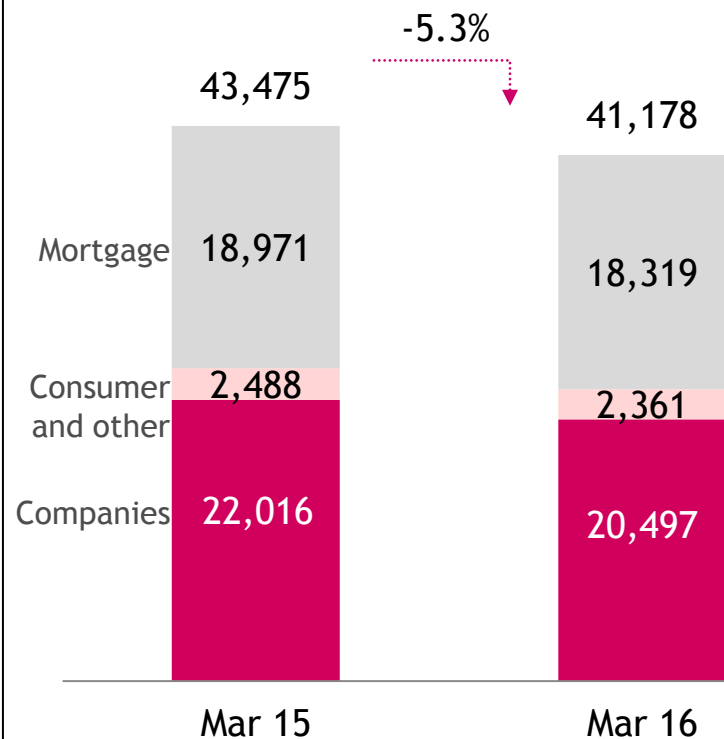


(Million euros)

Customer funds



Loans to Customers (gross)

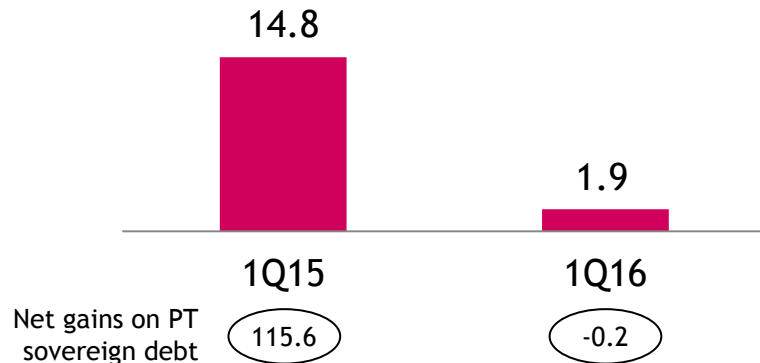


Recurring line items dampen the decrease of net earnings resulting from significant non-recurring gains in the 1st quarter of 2015



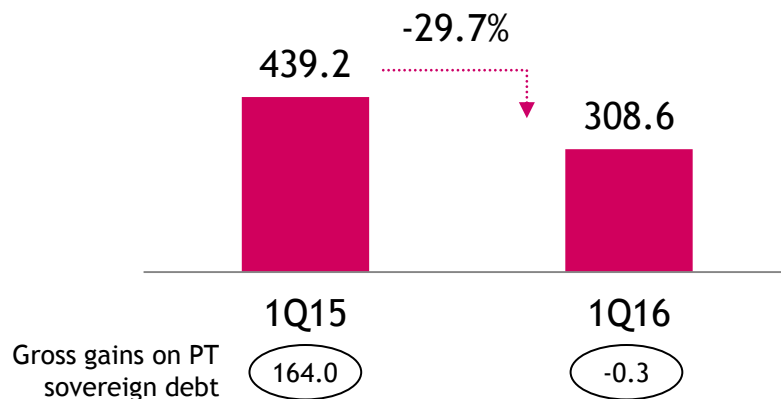
(Million euros)

Net income

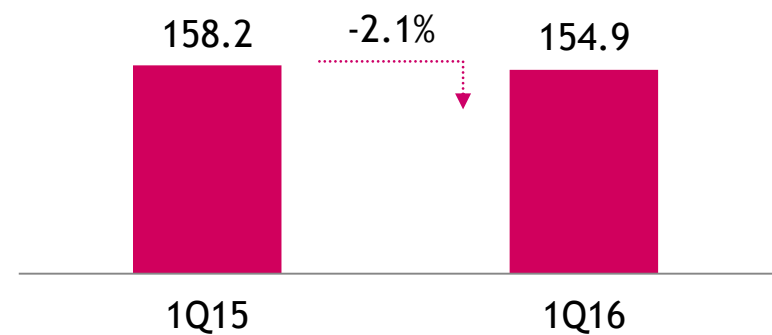


- Significant gains on the sale of sovereign debt in the 1st quarter of 2015, leading to decreasing net earnings and banking income
- The decrease in net earnings was dampened by lower operating costs and cost of risk

Banking income



Operating costs

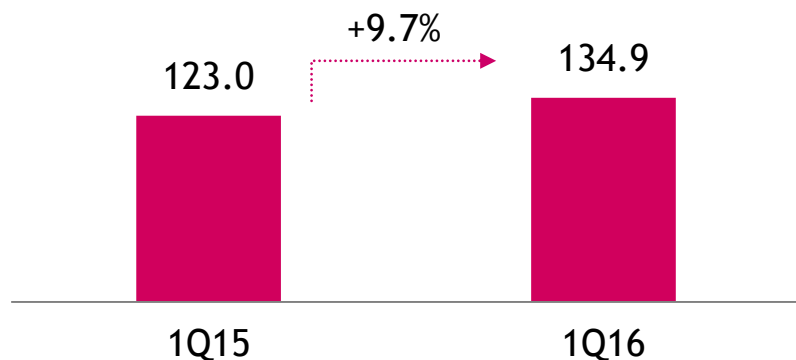


Improvement trend on core income and operating costs in Portugal proceeds



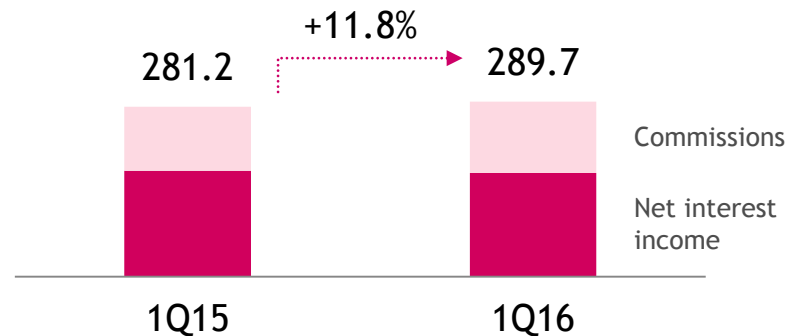
Core net income*

(Million euros)



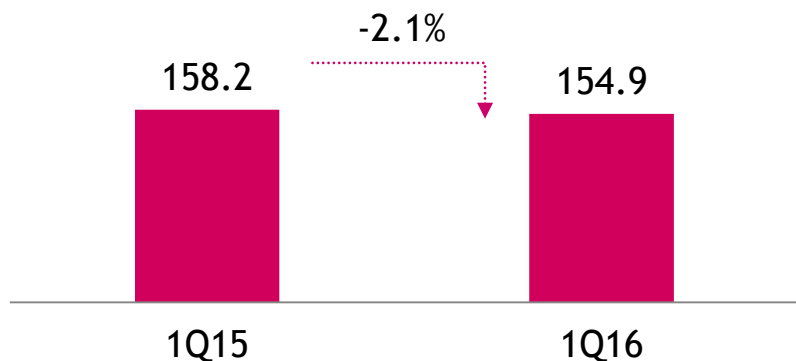
Core Income

(Million euros)



Operating costs

(Million euros)



- Core income increases to €290 million in the 1st quarter of 2016
- Operating costs down to €155 million in the same period
- Continuation of the core net income* expansion trend to €135 million in the 1st quarter of 2016

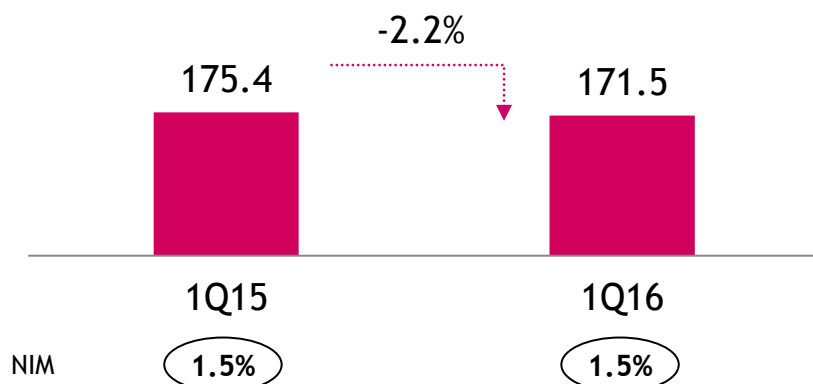
* Core net income = net interest income + net fees and commission income - operating costs.

Increase on net interest income in Portugal reflects lower cost of deposits, in spite of the impact of lower loan volumes



Net interest income

(Million euros)



Breakdown of net interest income decrease

(Million euros)

	1Q16 vs. 4Q15	1Q16 vs. 1Q15
Effect of cost of time deposits	+11.4	+51.1
Performing loans volume effect	-2.5	-17.0
NPL effect	-25.4	+13.0
Lower Euribor effect	-8.8	-21.1
Other (inc. sovereign debt)	-0.8	-29.8
Total	-26.1	-3.8

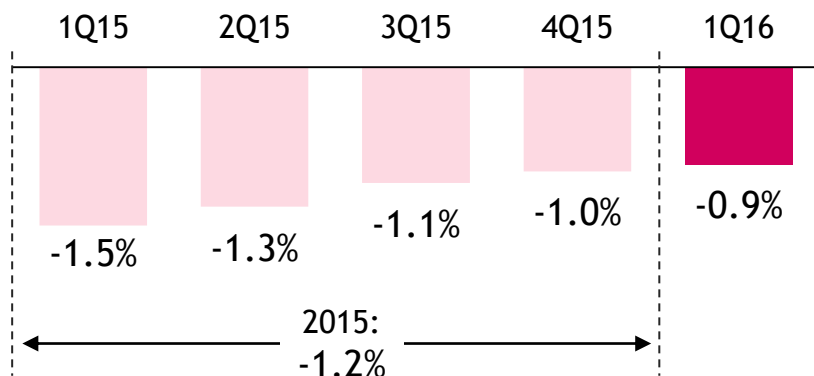
- Net interest income decreased from 4Q15, mainly driven by:
 - Non-recurring interest recovery from NPLs in 4Q15
 - Decrease of the Euribor rates
 - Lower number of days (91d in 1Q16, 92d in 4Q15)
 - Lower credit volumes
 - These impacts were partially compensated by the continued reduction of spreads on time deposits
- The decrease in net interest income from 1Q2015 reflects the impact of lower Euribor rates, lower credit volumes and a decreasing contribution from the sovereign debt portfolio, that more than offset the favourable impacts stemming from the continued reduction of time deposit pricing and from lower NPLs

Continued effort to reduce the cost of deposits



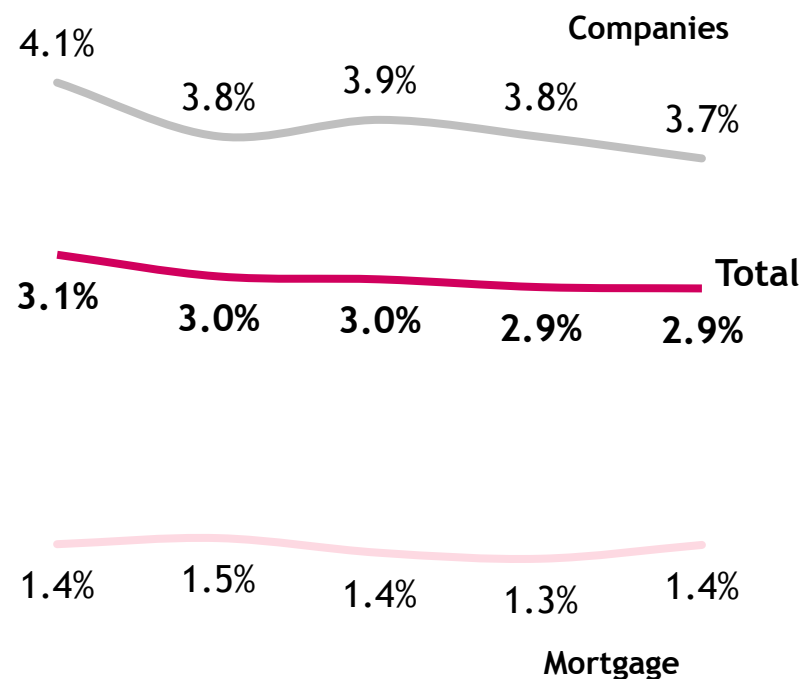
Spread on term deposits portfolio

(vs Euribor 3m)



Performing loan book spreads

(vs Euribor 3m)



- Continued reduction of the spread of the portfolio of term deposits, down to -92bp in 1Q16; March's front book priced at an average yield of 46bp, substantially below current back book's
- The decrease in the average spread on loans to companies in 1Q16 was compensated by an improvement in mortgage loans, resulting in a stable spread on the total loan book

Increased commissions



(Million euros)

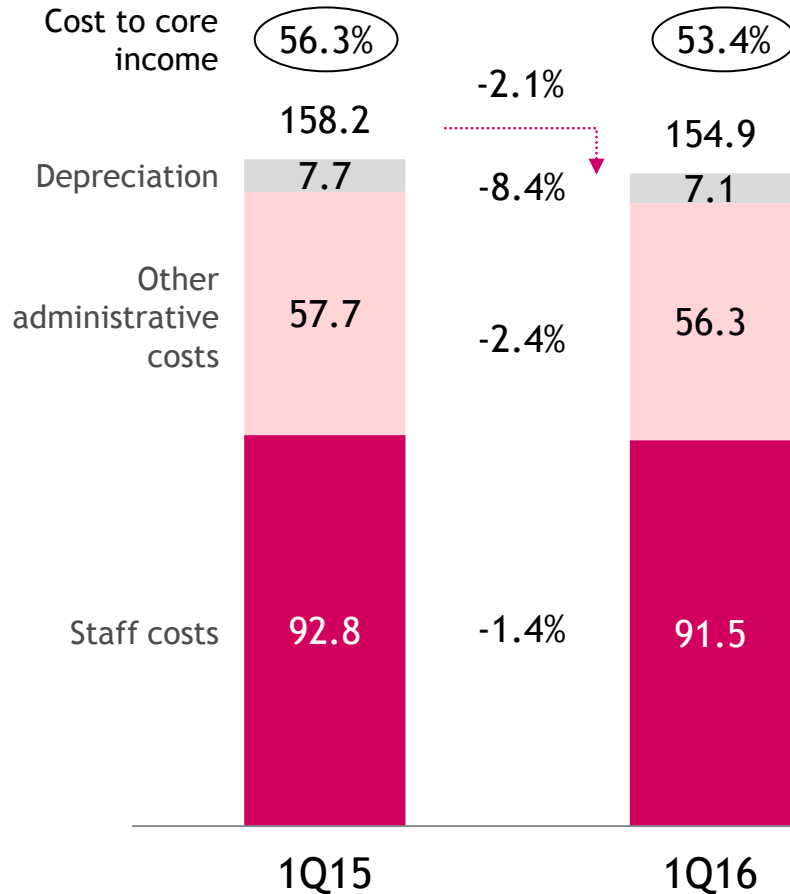
	1Q15	1Q16	YoY
Banking fees and commissions	93.7	106.4	+13.6%
Cards and transfers	23.3	22.5	-3.3%
Loans and guarantees	28.3	27.5	-3.1%
Bancassurance	19.1	20.2	+5.6%
Customer account related	18.9	22.5	+19.6%
Other fees and commissions	4.1	13.8	+231.8%
Market related fees and commissions	12.0	11.8	-2.3%
Securities operations	10.2	10.4	+1.6%
Asset management	1.8	1.4	-24.7%
Total fees and commissions	105.8	118.2	+11.8%

The implementation of the plan proceeded, on target with strategic goals

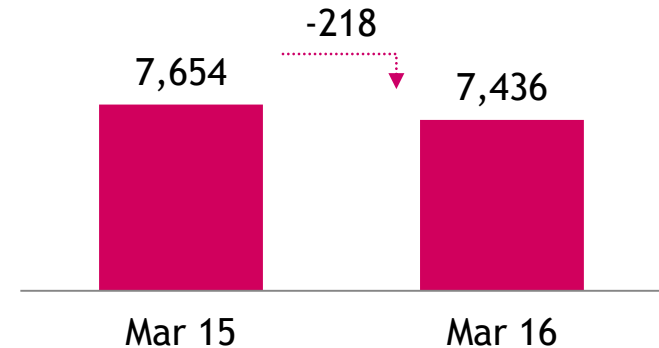


(Million euros)

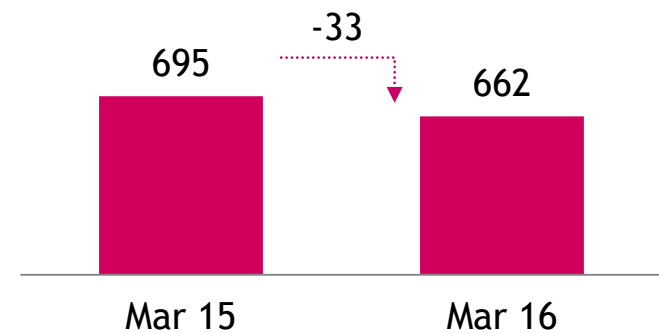
Operating costs



Employees



Branches



Reinforced coverage of delinquent loans



(Million euros)

Credit quality

Credit ratio	Mar 15	Mar 16
Non-performing loans	14.3%	13.6%
Credit at risk	14.4%	13.7%



Loan loss reserves (balance sheet)

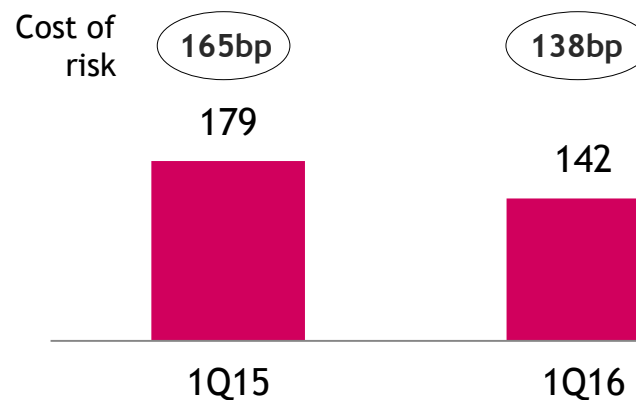
Coverage ratio	Mar 15	Mar 16
Non-performing loans	50.1%	53.7%
Credit at risk	49.6%	53.3%



NPL buildup

	Mar 16 vs. Mar 15	Mar 16 vs. Dec 15
Initial stock	6,223	5,572
+/- Net entries	+173.5	+126.8
- Write-offs	-643.2	-114.2
- Sales	-169.6	-1.7
Ending stock	5,583	5,583

Loan impairment (net of recoveries)

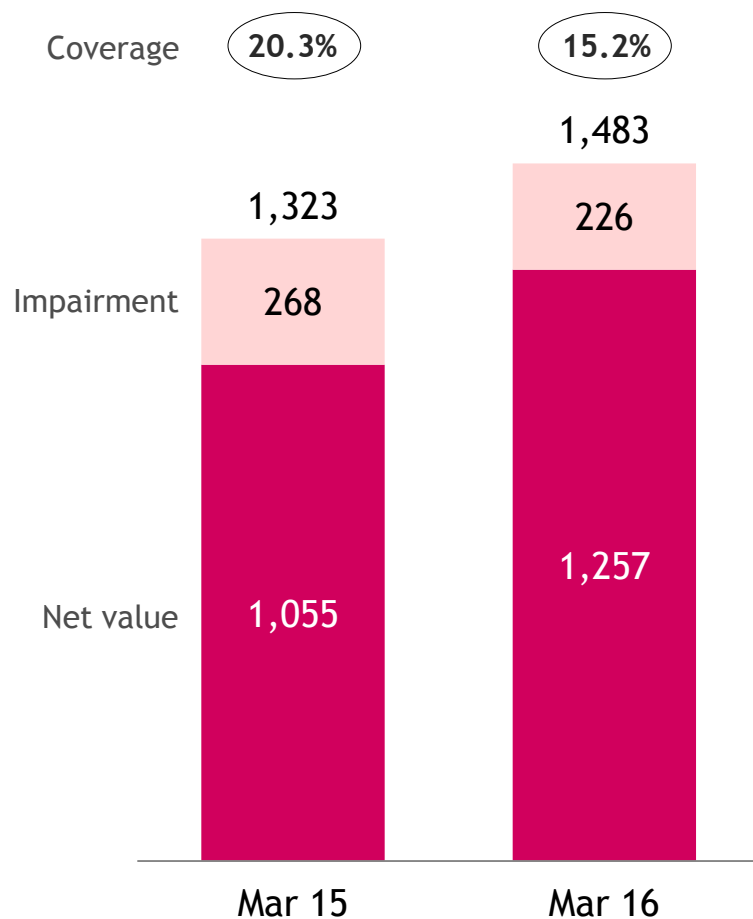


Foreclosed assets sold above book value, confirming appropriate coverage

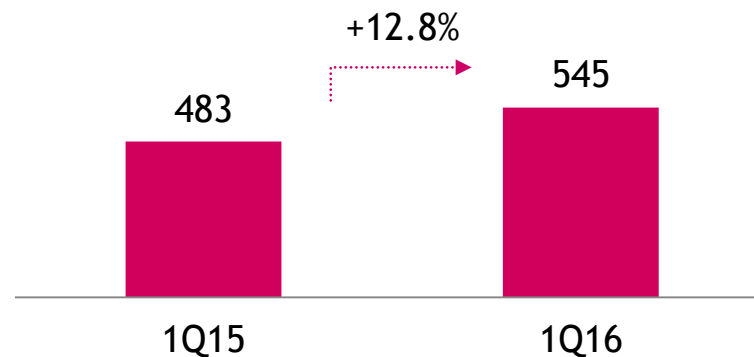


Foreclosed assets

(Million euros)

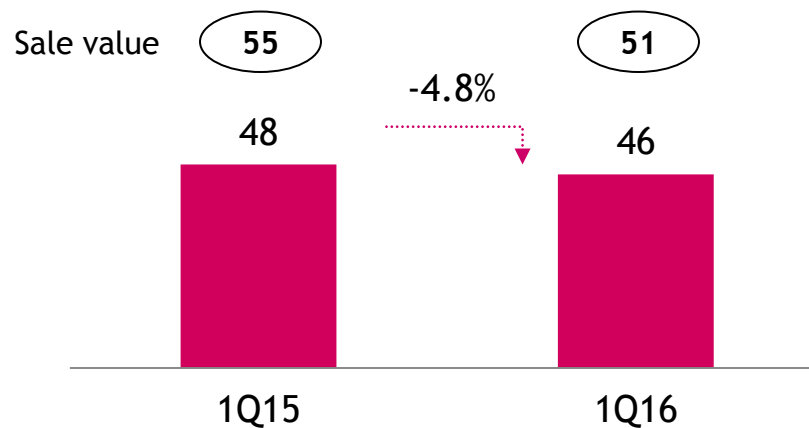


Number of properties sold



Book value of sold properties

(Million euros)



Agenda

- Highlights
- Group
 - Profitability
 - Liquidity
 - Capital
- Portugal
- International operations
- Conclusions

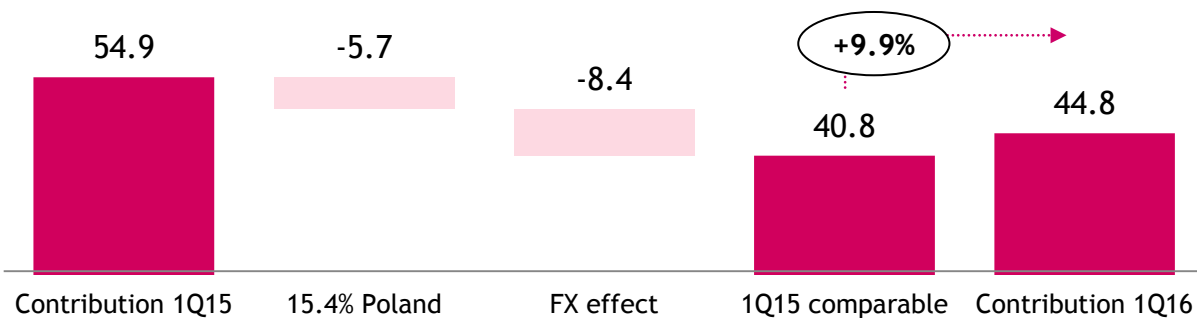
Contribution from international operations

(Million euros)

Contribution from international operations increases on a comparable basis

	1Q15	1Q16	Δ % local currency	Δ % euros	ROE
International operations					
Poland	37.1	31.3	-15.6%	-19.7%	8.4%
Mozambique	19.1	19.3	+1.0%	-25.5%	19.7%
Angola	10.9	29.0	+167.2%	+82.5%	39.1%
Other	4.0	1.7	-57.4%	-58.2%	
Net income	71.1	81.3	+14.4%	-4.2%	
Non-controlling interests	-24.6	-36.5			
Exchange rate effect	8.4	--			
Total contribution international operations	54.9	44.8		-18.3%	
On a comparable basis:					
BM Poland shareholding at 50.1% in 1Q15	48.8	44.8		-8.3%	
Same as above without FX effect	40.8	44.8		+9.9%	

Significant FX impact



Note: subsidiaries' net income presented for 2015 at the same exchange rate as of 2016 for comparison purposes.

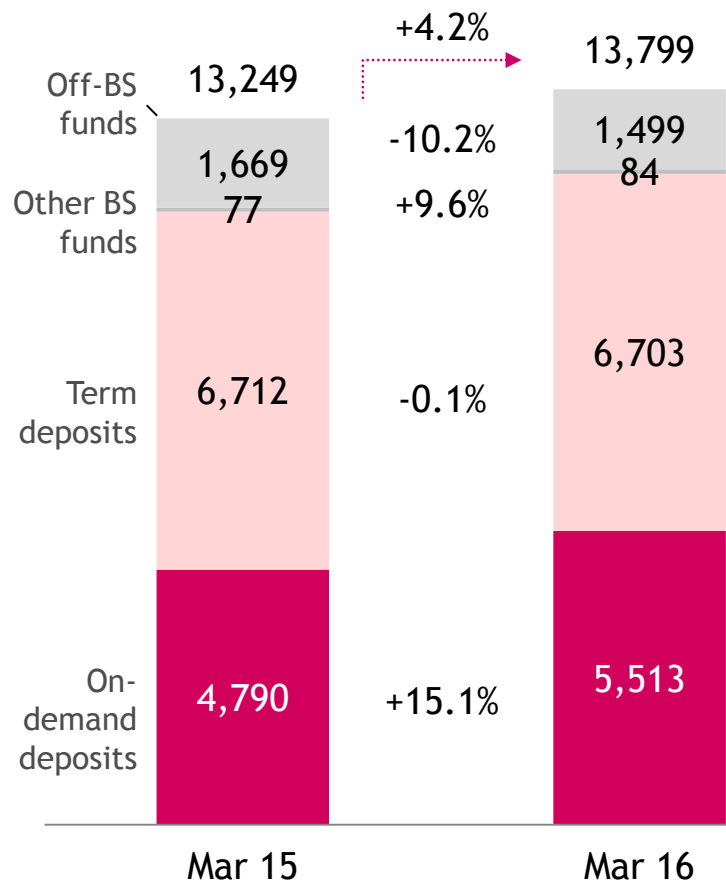


Poland: growing Customer funds

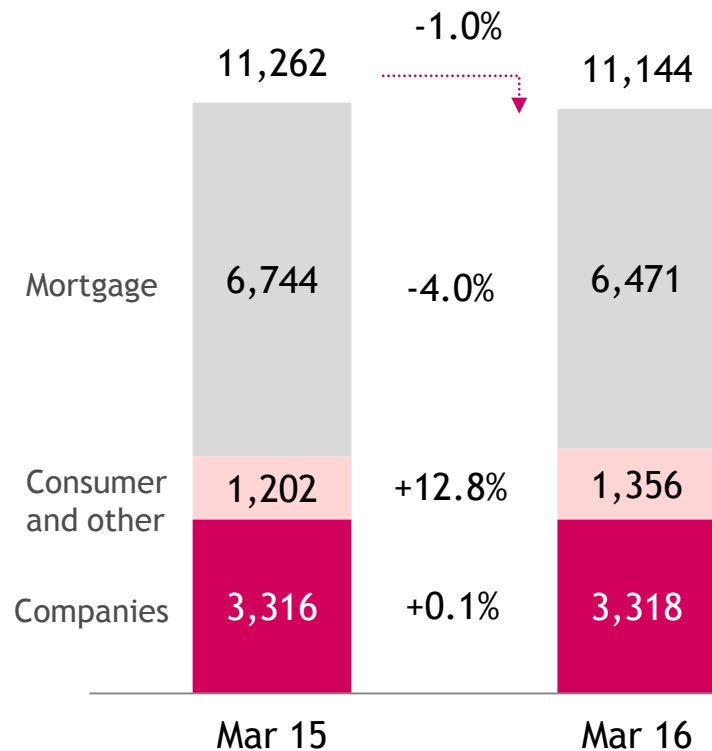


(Million euros)

Customer funds



Loans to Customers (gross)

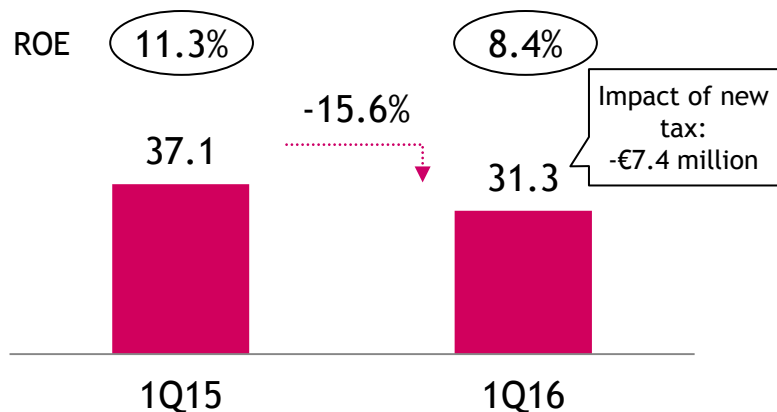


Net income penalised by new banking tax from February 2016



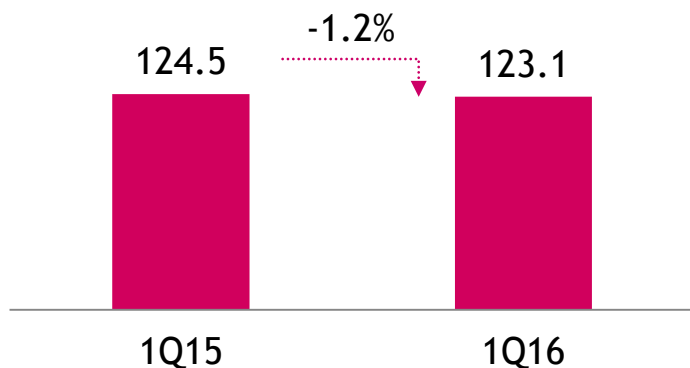
(Million euros)

Net income

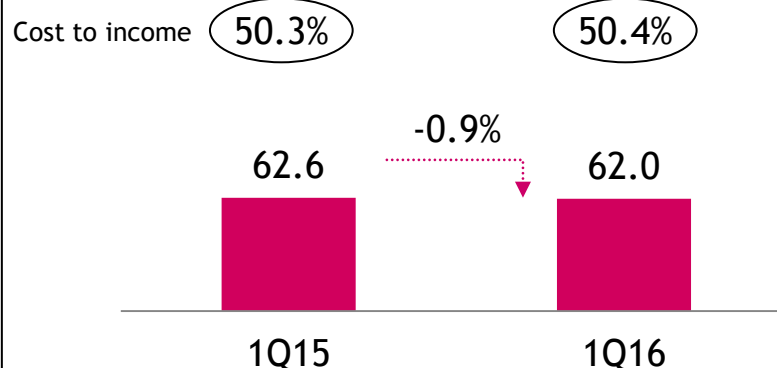


- Net earnings decreased by 15.6%, increasing by 4.2% excluding the impact of the new banking tax. The increase in net interest income and the decrease in operating costs were more than offset by the impact of the introduction of a new banking tax from February 2016 and by lower commissions
- Common equity tier 1 ratio of 16.8% at the end of the 1st quarter of 2016

Banking income



Operating costs

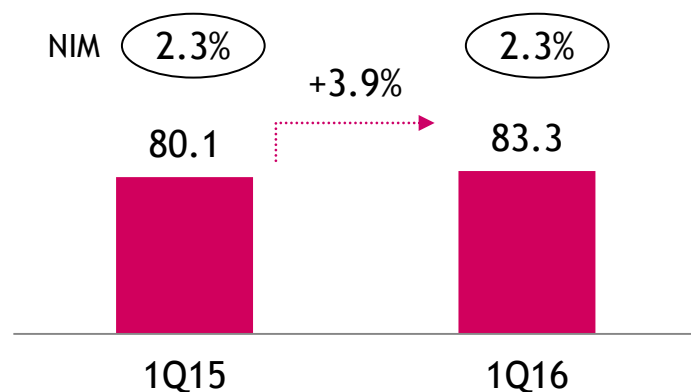


Stronger net interest income and lower operating costs

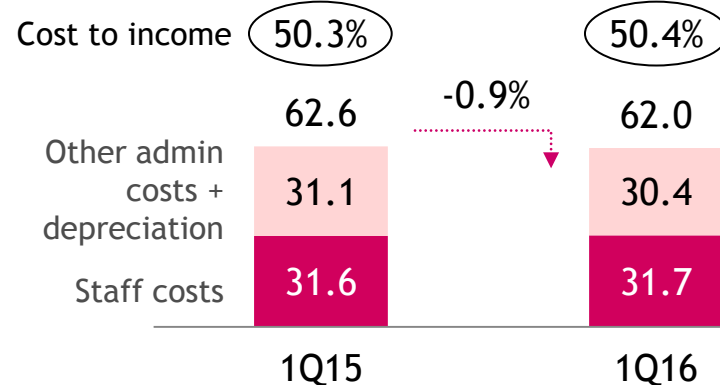


(Million euros)

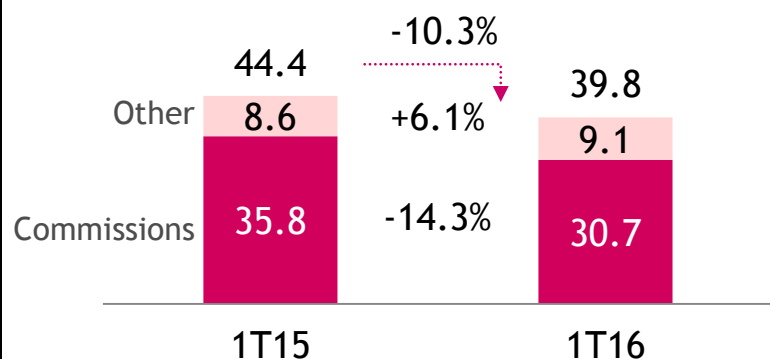
Net interest income*



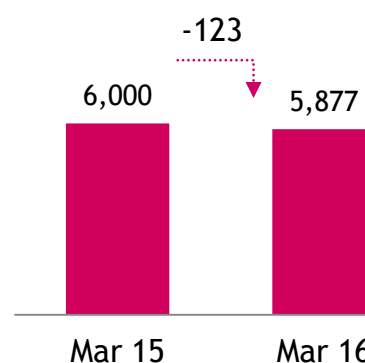
Operating costs



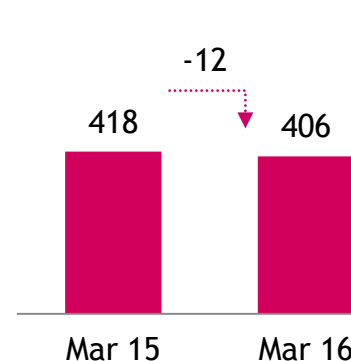
Commissions and other income



Employees



Branches



* Pro forma data. Margin from derivative products, including those from hedging FX denominated loan portfolio, is included in net interest income, whereas in accounting terms, part of this margin (€4.1 million in 1Q15 and €3.1 million in 1Q16) is presented in net trading income. FX effect excluded. €/Zloty constant at March 2016 levels: Income Statement 4.38093333; Balance Sheet 4.2576.

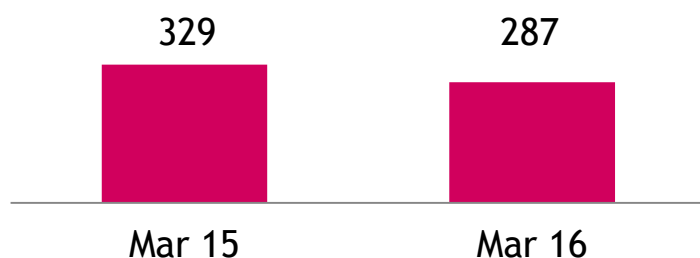
Improved credit quality and coverage



(Million euros)

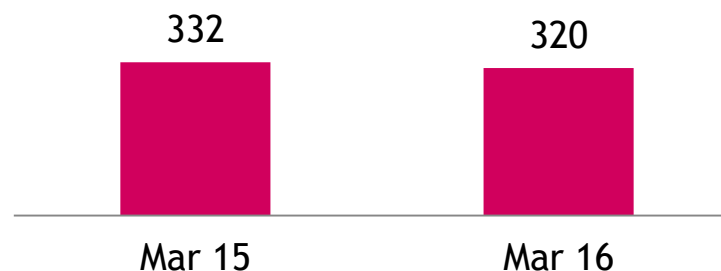
Credit quality

Credit ratio	Mar 15	Mar 16
Non-performing loans	2.9%	2.6%

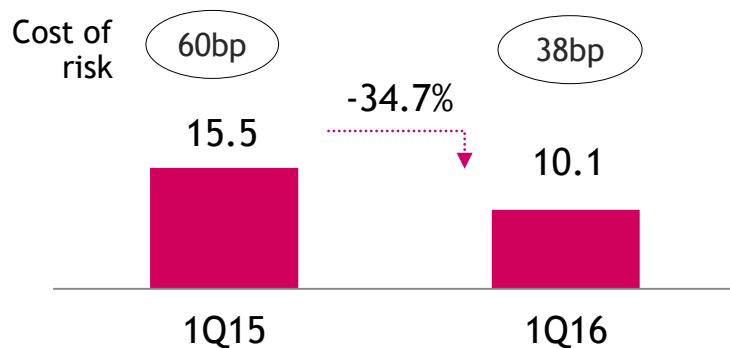


Loan loss reserves (balance sheet)

Coverage ratio	Mar 15	Mar 16
Non-performing loans	101%	112%



Loan impairment (net of recoveries)



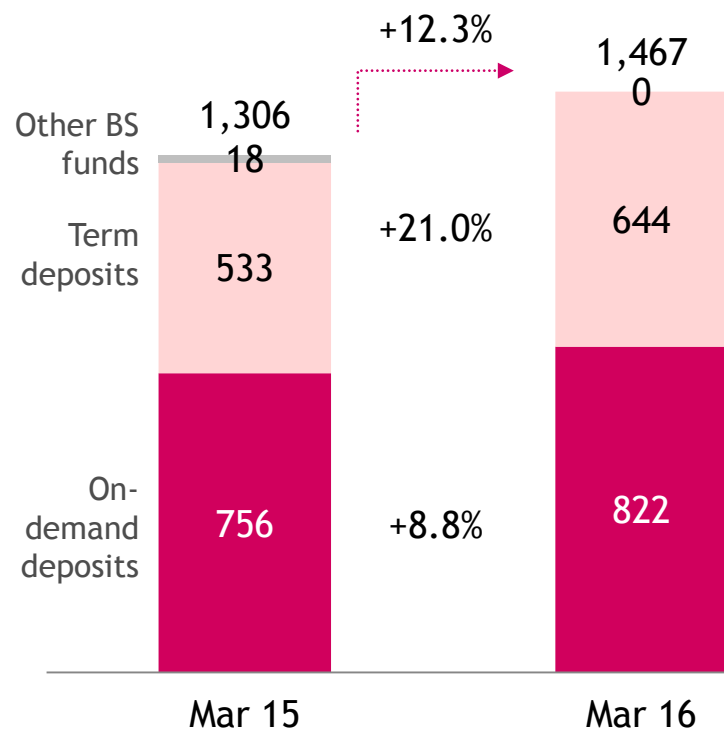
- NPL ratio improved to 2.6% of total credit as at March 31, 2016 from 2.9% on the same date of the previous year
- Provision coverage of NPLs increased to 112% from 101% at the end of the 1st quarter of 2015
- Lower provisioning effort, as reflected on cost of risk decreasing to 38bp in 1Q16 from 60bp in 1Q15

Mozambique: strong volume growth

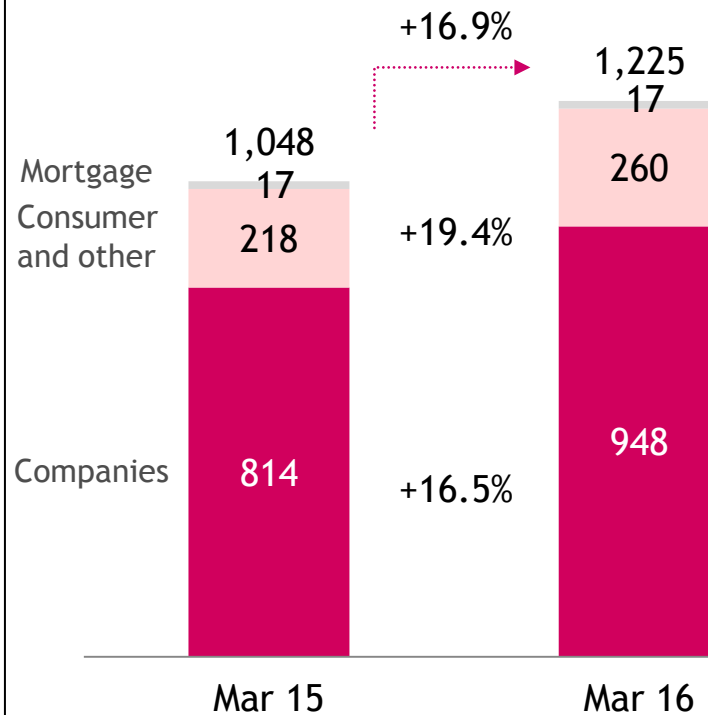


(Million euros)

Customer funds



Loans to Customers (gross)

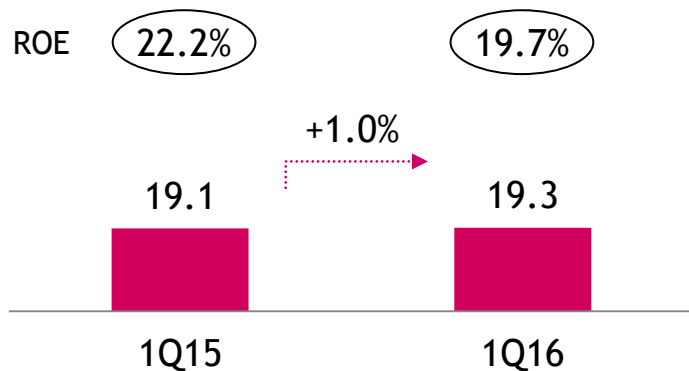


Stable net income



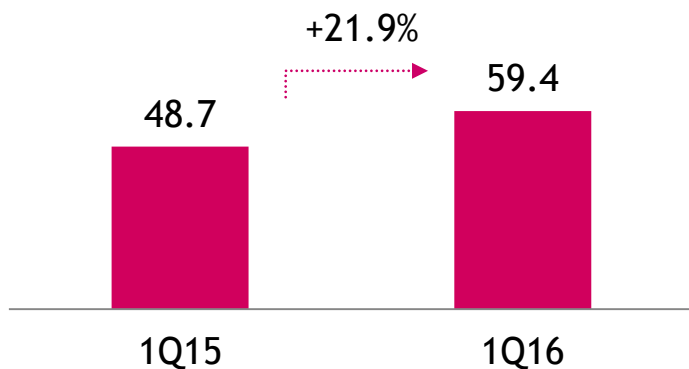
(Million euros)

Net income

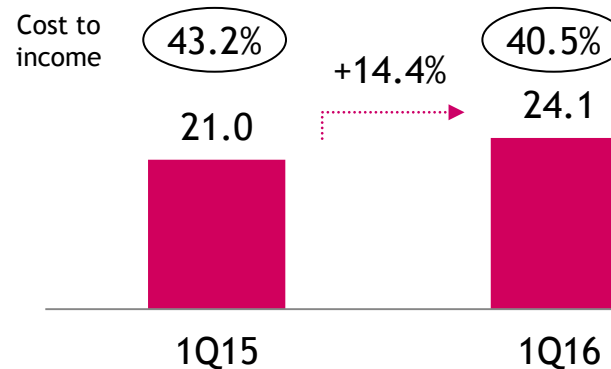


- Net income up by 1.0%, with ROE at 19.7%, in spite of an increased tax burden
- Increase of 21.9% in banking income due to higher net interest income, commissions and results from foreign exchange operations
- Operating costs up by 14.4%
- Common equity tier 1 of 19.8% at March 31, 2016

Banking income



Operating costs

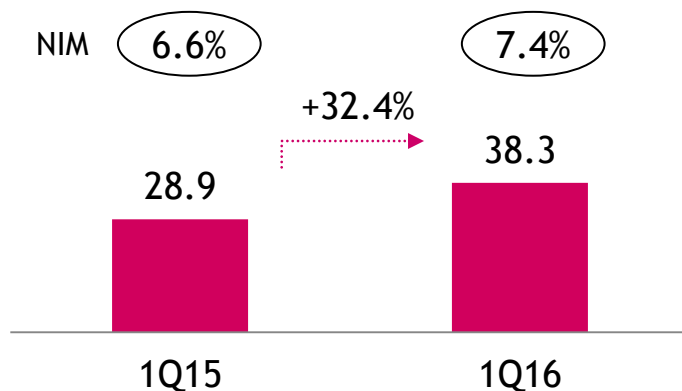


Growth in core income partially offset by the increase in operating costs

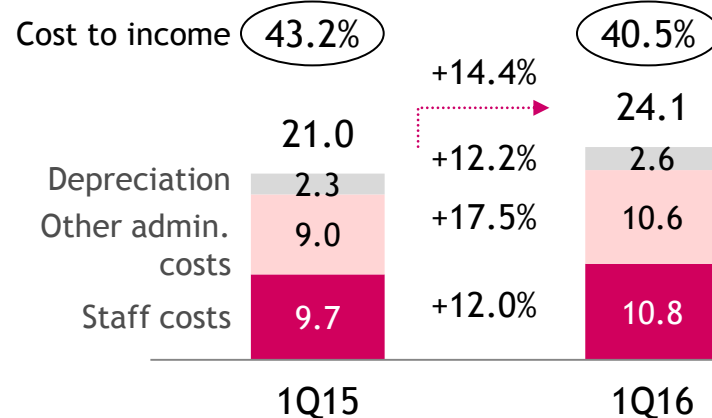


(Million euros)

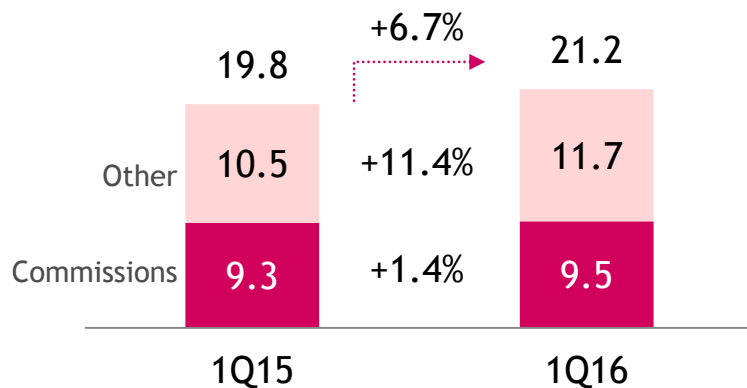
Net interest income



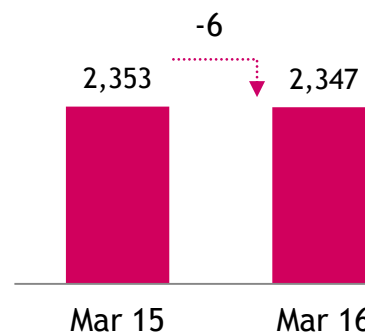
Operating costs



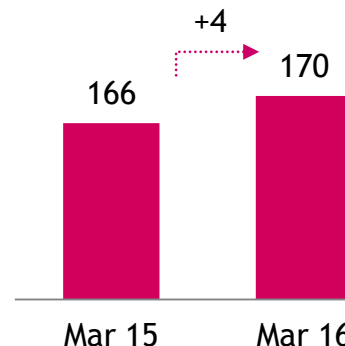
Commissions and other income



Employees*



Branches



* Excludes employees from SIM (insurance company)

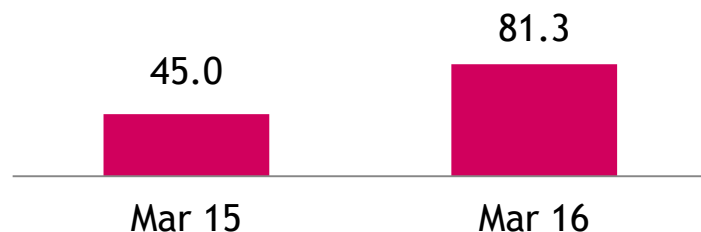
Credit quality and coverage



(Million euros)

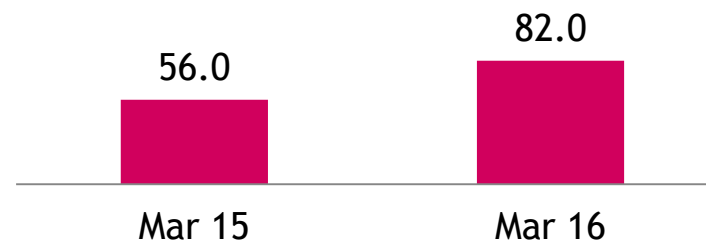
Credit quality

Credit ratio	Mar 15	Mar 16
Non-performing loans	4.3%	6.6%



Loan loss reserves (balance sheet)

Coverage ratio	Mar 15	Mar 16
Non-performing loans	125%	101%

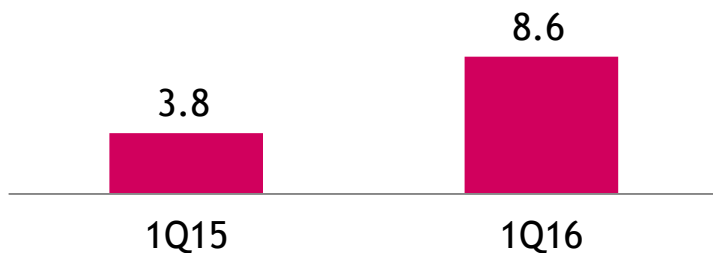


Loan impairment (net of recoveries)

Cost of risk

130bp

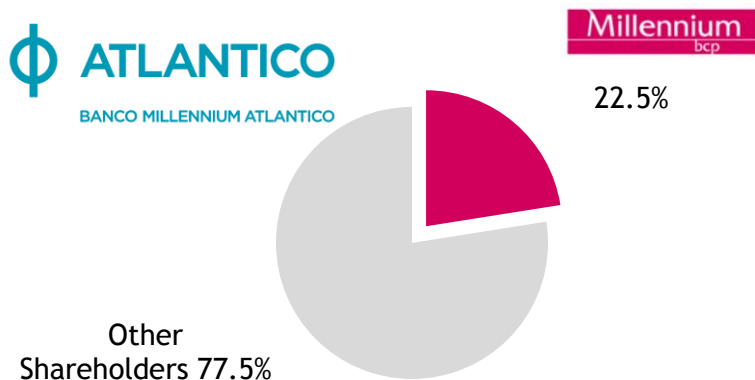
250bp



- Key indicators continued to show comfortable figures in spite of credit quality having deteriorated: NPL ratio at 6.6% with a 101% coverage at the end of 1Q16
- Increased provisioning effort, as reflected by a 250bp cost of risk in 1Q16, up from 130bp in the same period of 2015

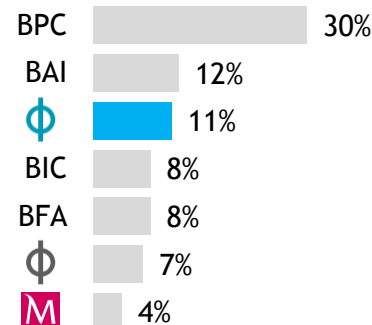
BCP creates conditions to increase profitability in Angola through a very favourable transaction for its shareholders and Customers

BCP with a 22.5% stake in the resulting entity

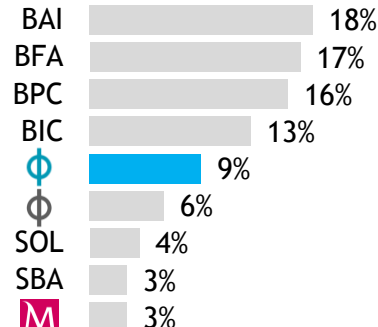


Reinforced position in Angola Market share

Loans [%]



Deposits [%]



Stake in Banco Millennium Atlantico to be equity-consolidated in BCP's financials

- BCP's stake to be booked under "Investments in associated companies"
- 22.5% of net earnings to be equity-consolidated

- ✓ A reference bank in Angola, with a reinforced partnership
- ✓ Transaction estimated to yield an extra 5pp to return on invested capital
- ✓ Positive impact on phased-in capital ratio estimated at 0.4pp

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Road to 2018: targets

Business targets

	1Q15	1Q16	Target 2018
Customers with digital access [percentage of total Customers]	25%	28%	> 35%
Digital transactions [percentage of total transactions]	37.1%	37.4%	> 50%
Branches	695	662	< 570
Cost per Customer [Retail, euros, annualised]	176	170	< 160
Customer satisfaction [ranking in Marktest's Customer satisfaction index]	#3	#2	#1
New Prestige Customers [x1,000, annualised]	7	7	> 10 Average p.a. 2016-2018
Credit at risk in Portugal [billion euros]	6.3	5.6	≤ 4.5

Road to 2018: financial targets

	1Q15	1Q16	Target 2018
CET1 phased-in ratio*	11.6%	13.2%	≥11%
CET1 fully implemented ratio*	8.9%	10.1%	
Loans to Deposits	109%	103%	<100%
Cost-core income	55.3%	53.3%	<50%
Cost-income	39.6%	49.4%	<43%
Cost of risk	141 bp	119 bp	<75 bp
ROE	6.9%	4.1%	>11%**

* Pro forma estimates including net earnings for the 1st quarter and the impact of the merger in Angola.

**Consistent with a 11% CET1 ratio.



Appendix

Sovereign debt portfolio

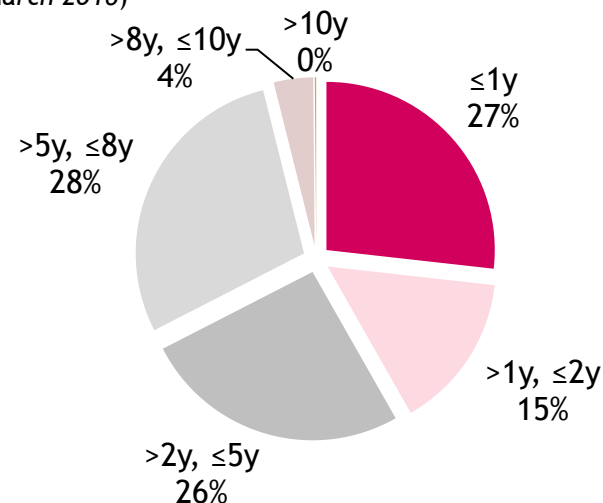
Sovereign debt portfolio

(Million euros)

	Mar 15	Dec 15	Mar 16	YoY	Δ % quarterly
Portugal	4,487	3,865	5,499	+23%	+42%
T-bills	452	881	1,499	+231%	+70%
Bonds	4,034	2,984	4,000	-1%	+34%
Poland	2,151	2,312	2,766	+29%	+20%
Angola	494	579	626	+27%	+8%
Mozambique	571	472	409	-28%	-13%
Other	131	91	91	-31%	-1%
Total	7,834	7,319	9,391	+20%	+28%

Sovereign debt maturity

(March 2016)



- Sovereign debt portfolio totals €9.4 billion, €2.5 billion of which maturing in less than 1 year
- The value of Portuguese, Polish and Angolan sovereign portfolios increased from March 31, 2015; exposure to Mozambican sovereign debt decreased

Sovereign debt portfolio

(Million euros, March 2016)

	Portugal	Poland	Angola	Mozambique	Other	Total
Trading book	992	92	0	2	38	1,124
≤ 1 year	741	3		1		745
> 1 year and ≤ 2 years		25			38	63
> 2 years and ≤ 5 years	242	24				266
> 5 years and ≤ 8 years	6	40				46
> 8 years and ≤ 10 years	2					2
> 10 years	1					1
Banking book*	4,507	2,674	409	624	53	8,267
≤ 1 year	758	547	222	243		1,769
> 1 year and ≤ 2 years	288	878	85	94		1,346
> 2 years and ≤ 5 years	822	947	102	225	50	2,146
> 5 years and ≤ 8 years	2,276	303		63	1	2,643
> 8 years and ≤ 10 years	351				1	353
> 10 years	11					11
Total	5,499	2,766	409	626	91	9,391
≤ 1 year	1,499	550	222	244		2,514
> 1 year and ≤ 2 years	288	903	85	94	38	1,409
> 2 years and ≤ 5 years	1,064	970	102	225	50	2,412
> 5 years and ≤ 8 years	2,282	343		63	1	2,689
> 8 years and ≤ 10 years	354				1	355
> 10 years	12					12

* Includes financial assets held for trading at fair value through net income (€151 million), AFS portfolio (€8,165 million) and HTM portfolio (€102 million).



Financial Statements

Consolidated Balance Sheet

(Million euros)

	31 March 2016	31 March 2015		31 March 2016	31 March 2015
Assets			Liabilities		
Cash and deposits at central banks	2,210.4	2,383.0	Amounts owed to credit institutions	10,813.9	11,066.0
Loans and advances to credit institutions			Amounts owed to customers	51,014.4	50,758.8
Repayable on demand	739.8	1,127.1	Debt securities	4,463.2	5,575.8
Other loans and advances	1,300.5	1,303.4	Financial liabilities held for trading	847.6	1,024.8
Loans and advances to customers	51,183.0	54,495.1	Hedging derivatives	470.5	745.6
Financial assets held for trading	2,009.4	2,069.5	Provisions for liabilities and charges	273.2	314.3
Financial assets available for sale	11,459.6	10,088.1	Subordinated debt	1,671.4	2,048.0
Assets with repurchase agreement	50.8	19.9	Current income tax liabilities	20.3	24.9
Hedging derivatives	128.7	71.0	Deferred income tax liabilities	16.0	9.7
Financial assets held to maturity	474.0	438.9	Other liabilities	1,052.4	1,178.0
Investments in associated companies	331.5	318.3	Total Liabilities	70,643.0	72,745.7
Non current assets held for sale	1,783.6	1,668.7			
Investment property	141.9	169.9	Equity		
Property and equipment	626.9	775.5	Share capital	4,094.2	3,706.7
Goodwill and intangible assets	207.8	208.5	Treasury stock	(0.9)	(13.9)
Current tax assets	43.3	40.9	Share premium	16.5	-
Deferred tax assets	2,571.4	2,326.6	Preference shares	59.9	171.2
Other assets	881.7	809.3	Other capital instruments	2.9	9.9
	76,295.3	78,313.5	Fair value reserves	15.5	276.6
			Reserves and retained earnings	364.0	302.2
			Net income for the year attrib. to Shareholders	46.7	70.4
			Total equity attrib. to Shareholders of the Bank	4,598.9	4,523.0
			Non-controlling interests	1,053.4	1,044.7
			Total Equity	5,652.3	5,567.7
				76,295.3	78,313.5

Consolidated Income Statement

Per quarter

(Million euros)

	Quarterly				
	1Q 15	2Q 15	3Q 15	4Q 15	1Q 16
Net interest income	297.8	273.6	305.1	314.0	292.4
Dividends from equity instruments	2.0	1.3	0.3	6.2	2.0
Net fees and commission income	162.3	173.8	161.8	162.3	163.9
Other operating income	-17.2	-24.0	-12.3	-66.4	-12.4
Net trading income	191.3	287.7	26.9	33.5	28.3
Equity accounted earnings	6.1	14.6	4.5	-1.6	13.9
Banking income	642.2	727.0	486.4	447.9	488.1
Staff costs	143.4	145.2	141.6	143.7	138.4
Other administrative costs	97.1	97.8	94.4	100.0	91.8
Depreciation	13.8	13.9	13.3	13.1	12.8
Operating costs	254.3	256.9	249.3	256.8	243.1
Operating net income bef. imp.	387.9	470.1	237.1	191.1	245.1
Loans impairment (net of recoveries)	201.0	262.6	150.0	204.2	160.7
Other impairm. and provisions	70.1	21.4	25.5	43.0	15.4
Net income before income tax	116.7	186.1	61.7	-56.1	69.1
Income tax	32.8	13.3	21.0	-29.4	15.0
Non-controlling interests	22.2	27.6	26.5	11.6	21.9
Net income (before disc. oper.)	61.7	145.2	14.1	-38.2	32.1
Net income arising from discount. operations	8.7	25.2	9.6	9.0	14.5
Net income	70.4	170.3	23.8	-29.2	46.7

Income Statement (Portugal and International Operations)

For the 3-month periods ended 31st March, 2015 and 2016

(Million euros)

	International operations																	
	Group			Portugal			Total			Bank Millennium (Poland)			Millennium bim (Moz.)			Other int. operations		
	Mar 15	Mar 16	Δ %	Mar 15	Mar 16	Δ %	Mar 15	Mar 16	Δ %	Mar 15	Mar 16	Δ %	Mar 15	Mar 16	Δ %	Mar 15	Mar 16	Δ %
Interest income	567	487	-14.2%	366	301	-17.8%	201	186	-7.7%	140	127	-9.1%	60	57	-4.5%	2	2	0.8%
Interest expense	270	194	-27.9%	191	129	-32.2%	79	65	-17.6%	60	47	-21.7%	21	19	-8.4%	-2	-1	50.2%
Net interest income	298	292	-1.8%	175	172	-2.2%	122	121	-1.3%	80	80	0.2%	39	38	-2.4%	3	2	-26.7%
Dividends from equity instruments	2	2	4.8%	2	2	4.8%	0	0	-100.0%	0	0	-100.0%	0	0	--	0	0	--
Intermediation margin	300	294	-1.8%	177	174	-2.1%	122	121	-1.3%	80	80	0.2%	39	38	-2.4%	3	2	-26.7%
Net fees and commission income	162	164	10%	106	118	11.8%	57	46	-19.1%	38	31	-18.4%	13	9	-25.2%	6	6	-10.4%
Other operating income	-17	-12	27.7%	-14	-2	87.2%	-3	-11	<-100%	-6	-13	<-100%	3	2	-15.7%	0	0	29.7%
Basic income	445	446	0.2%	269	290	7.8%	176	156	-11.3%	112	98	-12.4%	55	50	-8.4%	9	8	-15.6%
Net trading income	191	28	-85.2%	164	5	-97.1%	28	24	-14.1%	15	14	-5.0%	11	9	-18.4%	1	0	-74.4%
Equity accounted earnings	6	14	>100%	6	14	>100%	0	0	100.0%	0	0	100.0%	0	0	--	0	0	--
Banking income	642	488	-24.0%	439	309	-29.7%	203	180	-11.6%	126	112	-11.3%	66	59	-10.1%	11	8	-23.5%
Staff costs	143	138	-3.5%	93	92	-1.4%	51	47	-7.4%	33	32	-4.4%	13	11	-17.4%	4	4	0.3%
Other administrative costs	97	92	-5.4%	58	56	-2.4%	39	36	-9.8%	25	23	-8.6%	12	11	-13.3%	2	2	-2.1%
Depreciation	14	13	-7.1%	8	7	-8.4%	6	6	-5.5%	3	3	7.6%	3	3	-17.2%	0	0	-0.8%
Operating costs	254	243	-4.4%	158	155	-2.1%	96	88	-8.3%	62	58	-5.6%	29	24	-15.6%	6	6	-0.4%
Operating net income bef. imp.	388	245	-36.8%	281	154	-45.3%	107	91	-14.5%	65	54	-16.7%	38	35	-5.9%	5	2	-54.0%
Loans impairment (net of recoveries)	201	161	-20.1%	179	142	-20.9%	22	19	-13.8%	17	10	-38.8%	5	9	66.3%	0	0	48.8%
Other impairm. and provisions	70	15	-78.1%	70	16	-77.3%	0	-1	<-100%	0	0	>100%	0	-1	<-100%	0	0	-98.7%
Net income before income tax	117	69	-40.8%	31	-4	<-100%	85	73	-14.2%	48	44	-10.1%	32	28	-14.5%	5	2	-54.4%
Income tax	33	15	-54.3%	17	-6	<-100%	16	21	28.8%	9	12	29.6%	6	8	32.1%	1	0	-24.9%
Non-controlling interests	22	22	-14%	0	0	<-100%	22	22	-0.3%	0	0	--	0	0	-12.1%	22	22	-0.1%
Net income (before disc. oper.)	62	32	-47.9%	15	2	-87.3%	47	30	-35.5%	39	31	-19.7%	26	19	-25.5%	-18	-20	-12.9%
Net income arising from disc. operatic	9	15	66.3%				8	15	82.5%							8	15	82.5%
Net income	70	47	-33.7%				55	45	-18.3%							-10	-6	42.1%

Consolidated Pro Forma Balance Sheet with Banco Millennium Atlantico (Angola) equity-consolidated

(Million euros)

	31 March 2016		31 March 2016
Assets		Liabilities	
Cash and deposits at central banks	1,896	Amounts owed to credit institutions	10,586
Loans and advances to credit institutions		Amounts owed to customers	49,553
Repayable on demand	731	Debt securities	4,463
Other loans and advances	1,171	Financial liabilities held for trading	847
Loans and advances to customers	50,381	Hedging derivatives	471
Financial assets held for trading	2,158	Provisions for liabilities and charges	270
Financial assets available for sale	10,872	Subordinated debt	1,671
Assets with repurchase agreement	51	Current income tax liabilities	17
Hedging derivatives	129	Deferred income tax liabilities	0
Financial assets held to maturity	422	Other liabilities	1,002
Investments in associated companies	481		68,880
Non current assets held for sale	1,774	Total Liabilities	
Investment property	142		
Property and equipment	498	Equity	
Goodwill and intangible assets	205	Share capital	4,094
Current tax assets	43	Treasury stock	-1
Deferred tax assets	2,571	Share premium	16
Other assets	857	Preference shares	60
	74,383	Other capital instruments	3
		Fair value reserves	16
		Reserves and retained earnings	364
		Net income for the year attrib. to Shareholders	47
			4,599
		Total equity attrib. to Shareholders of the Bank	
		Non-controlling interests	904
		Total Equity	5,503
			74,383

Glossary (1/2)

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

Commercial gap - total loans to customers net of BS impairments accumulated minus on-balance sheet customer funds.

Cost of risk, gross (expressed in bp)- ratio of impairment charges accounted in the period to customer loans (gross).

Cost of risk, net (expressed in bp)- ratio of impairment charges (net of recoveries) accounted to customer loans (gross).

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

Cost to core income - operating costs divided by the net interest income and net fees and commission income.

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

Core net income - corresponding to net interest income plus net commissions deducted from operating costs.

Coverage of credit at risk by balance sheet impairments - total BS impairments accumulated for risks of credit divided by credit at risk (gross)

Coverage of credit at risk by balance sheet impairments and real/financial guarantees -total BS impairments accumulated for risks of credit plus real and financial guarantees divided by credit at risk (gross).

Coverage of non-performing loans by balance sheet impairments - total BS impairments accumulated for risks of credit divided by NPL

Credit at risk - definition broader than the non performing loans which includes also restructured loans whose changes from initial terms have resulted in the bank being in a higher risk position than previously; restructured loans which have resulted in the bank becoming in a lower risk position (e.g. reinforced collateral) are not included in credit at risk.

Credit at risk (net) - credit at risk deducted from BS impairments accumulated for risks of credit.

Customer spread - Difference between the spread on the loans to customers book over 3 months Euribor and the spread on the customers’ deposits portfolio over 3 months Euribor.

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

Dividends from equity instruments - dividends received from investments in financial assets held for trading and available for sale.

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

Loan book spread - average spread on the loan portfolio over 3 months Euribor.

Loan to value ratio (LTV) - Mortgage amount divided by the appraised value of property.

Loan to Deposits ratio (LTD) - Total loans to customers net of accumulated BS impairments for risks of credit to total customer deposits.

Net interest margin - 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, equity accounted earnings and other net operating income.

Net trading income - net gains/losses arising from trading and hedging activities, net gains/losses arising from available for sale financial assets, net gains/losses arising from financial assets held to maturity.

Non-performing loans - Overdue loans more than 90 days including the non-overdue remaining principal of loans, i.e. portion in arrears, plus non-overdue remaining principal.

Non-performing loans ratio (net) - Loans more than 90 days overdue and doubtful loans reclassified as overdue for provisioning purposes less BS impairments accumulated for credit risk divided by total loans (gross).

Non-performing loans coverage ratio - total BS impairments accumulated for credit risk divided by overdue and doubtful loans divided.

Glossary (2/2)

Loans more than 90 days overdue coverage - total BS impairments accumulated for risk of credit divided by total amount of loans overdue with installments of capital and interest overdue more than 90 days.

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

Other impairment and provisions - other financial assets impairment, other assets impairment, in particular provision charges related to assets received as payment in kind not fully covered by collateral, goodwill impairment and other provisions.

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

Other net operating income - other operating income, other net income from non-banking activities and gains from the sale of subsidiaries and other assets.

Overdue loans - loans in arrears, not including the non-overdue remaining principal.

Overdue loans coverage ratio - total BS impairments accumulated for risks of credit divided by total amount of loans overdue with installments of capital and interest overdue.

Overdue and doubtful loans - loans overdue by more than 90 days and the doubtful loans reclassified as overdue loans for provisioning purposes.

Return on equity (ROE) - Net income (including the minority interests) divided by the average attributable equity, deducted from preference shares and other capital instruments.

Return on average assets (ROA) - Net income (including minority interests) divided by the average total assets.

Securities portfolio - financial assets held for trading, financial assets available for sale, assets with repurchase agreement, financial assets held to maturity and other financial assets held for trading at fair value through net income.

Spread on term deposits portfolio - average spread on terms deposits portfolio over 3 months Euribor.

Total customer funds - amounts due to customers (including debt securities), assets under management and capitalisation products.

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



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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 4,094,235,361.88.

