

EARNINGS PRESENTATION

3M 2018

MILLENNIUM. AQUI CONSIGO.



AGILE



MODERN



PERSONAL



SIMPLE



SUSTAINABLE



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 2018 and 2017 not audited

Agenda

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

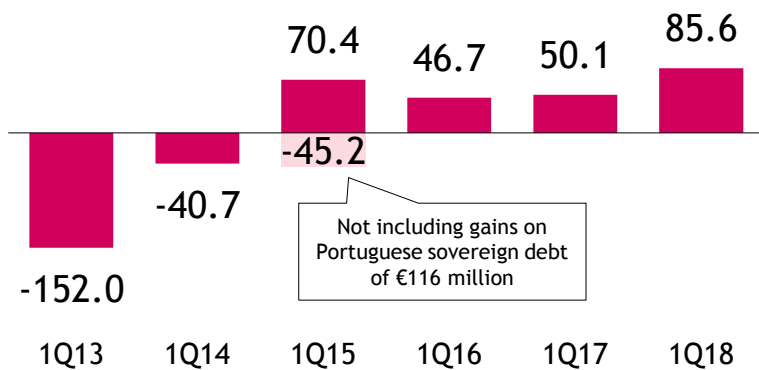
Summary

- 1 **Net profit of €85.6 million** (€50.1 million in 1Q17), on the back of **strong earnings from the domestic activity and a robust performance from the international business, whose contribution was stable**
- 2 **NPEs significantly down again:** approximately -€500 million from year-end 2017 to €6.3 billion in Portugal, with **coverage by loan-loss reserves reinforced to 46% (48% for the Group)**, 105% including collaterals
- 3 **Performing credit portfolio up by approximately €500 million from year-end 2017**, together with a stable total loan portfolio
- 4 Strong business performance, **with Customer acquisition and Customer funds standing out. Active Customers for the Group total 5.6 million**, an increase in excess of 380,000 Customers from March 31, 2017; total Customers funds amounted to €72.7 billion, a 5.7% increase from March 31, 2017

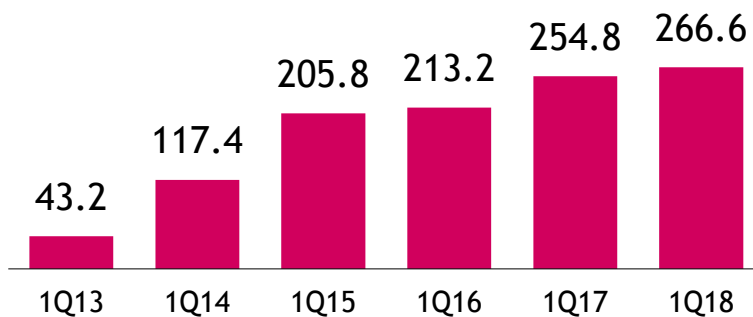
1 Highlights: improved profitability

(Million euros)

Net income



Core net income*



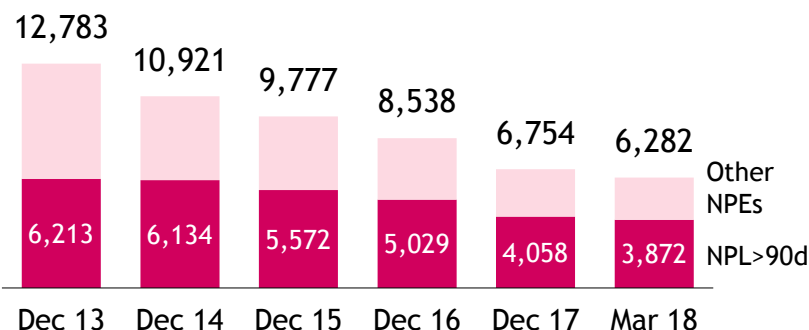
- **Net earnings of €85.6 million** in 1Q18, a **70.8% increase** from €50.1 million in the same period of the previous year
- **Earnings from domestic activity improved significantly**: €44.5 million in 1Q18, compared to €9.0 million in the same period of 2017
- **Core net income increased to €266.6 million** in 1Q18, keeping the continued improvement seen in the last years
- **One of the most efficient banks in the Eurozone, with cost to core income of 48.0%**** (cost to income of 45.7%)

2 Highlights: improved asset quality

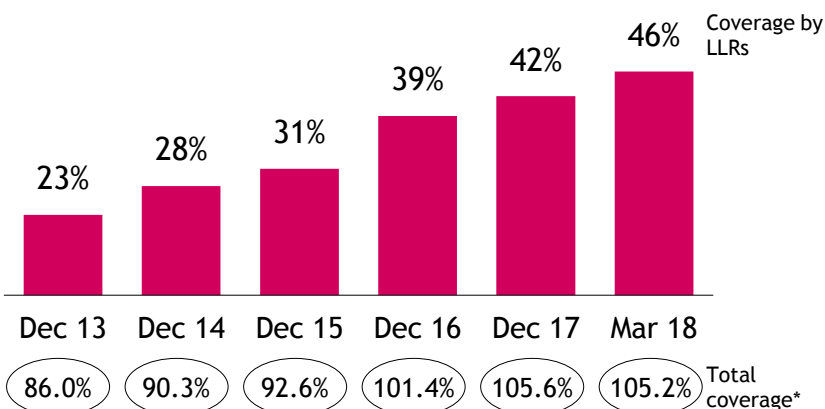


(Million euros)

Non-performing exposures (NPEs)



NPE coverage



- **NPEs in Portugal down** to €6.3 billion as at March 31, 2018, a **reduction of approximately €500 million from year-end 2017**
- The NPE decrease from year-end 2017 is attributable to a **€0.2 billion NPL>90d reduction** and to a **€0.3 billion reduction of other NPEs**
- **NPE total coverage* of 105%**, broken down as follows:
 - coverage by loan-loss reserves of 46%
 - coverage by real-estate collateral of 44%
 - coverage by financial collateral of 13%
 - coverage by expected loss gap of 2%
- **NPEs net from loan-loss reserves were down to €3.4 billion as at March 31, 2018 from €9.8 billion at year-end 2013**

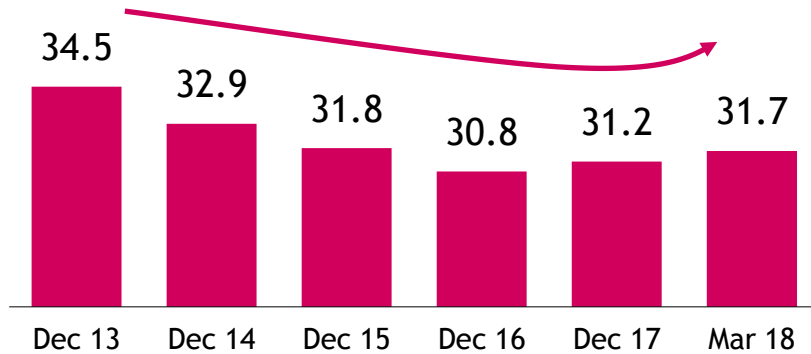
*By loan-loss reserves, expected loss gap and collaterals.

3 Highlights: credit now growing in Portugal

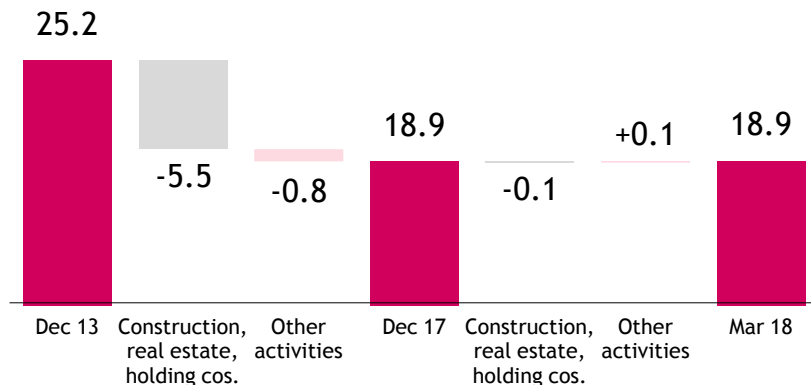


(Billion euros)

Performing portfolio



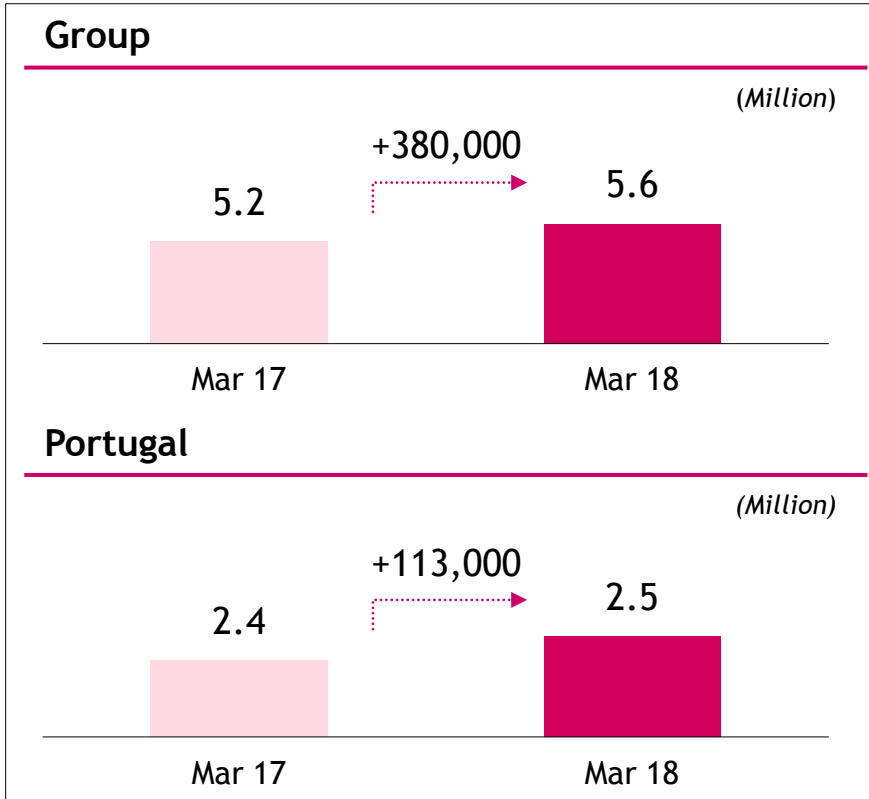
Companies portfolio



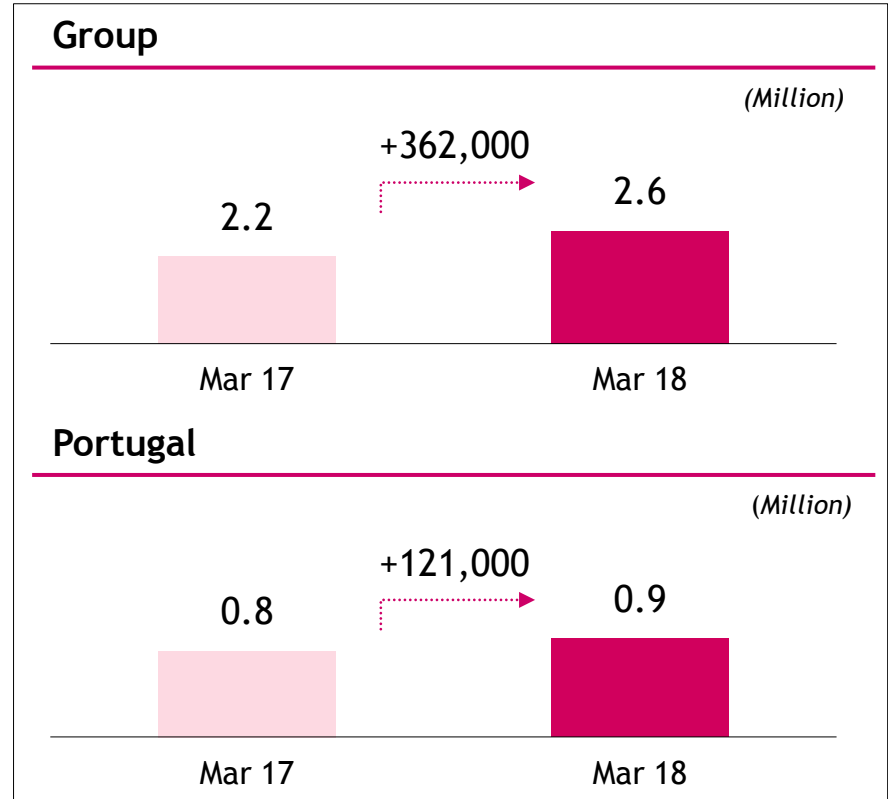
- The performing portfolio increased in Portugal by approximately €500 million from year-end 2017, with the total portfolio remaining stable
- Structural change to the portfolio of loans to companies over recent years, with a lower weight of construction and real-estate activities and of non-financial holding companies
- Strong credit activity in 1Q18:
 - Market leadership in the “Portugal 2020” programme, with a 31% share of total funding
 - Market leadership in factoring business, with a 24% share
 - Market leadership in leasing business, with a 17% share
 - Leading bank in loans to exporting companies, with a 19% share

Highlights: strong business performance, focus on Customers

Total Customers



Digital Customers



- More than 1 million Customers hold bundled solutions to help managing their day-to-day financial life
- Leader in online brokerage, with a 22.6% market share
- Closest to Customers, most innovating, top ranked in satisfaction with quality of products (BASEF)
- New 100% digital account opening service (Millennium bcp and ActivoBank app)

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Profit of €85.6 million in the 1st quarter of 2018

<i>(million euros)</i>	1Q17	1Q18	YoY	Impact on earnings
Net interest income	332.3	344.8	+3.8%	+12.5
Commissions	160.8	167.8	+4.4%	+7.0
Operating costs	-238.3	-246.0	+3.2%	-7.7
<i>Of which: non-recurring</i>	-7.7	-3.5		
Core net income	254.8	266.6	+4.6%	+11.7
Other income*	40.9	25.2	-38.4%	-15.7
Operating net income	295.8	291.8	-1.3%	-4.0
Impairment and provisions	-203.2	-129.9	-36.1%	+73.3
Net income before income tax	92.5	161.8	+74.9%	+69.3
Income taxes and non-controlling interests	-42.4	-76.2	+79.7%	-33.8
Net income	50.1	85.6	+70.8%	+35.5

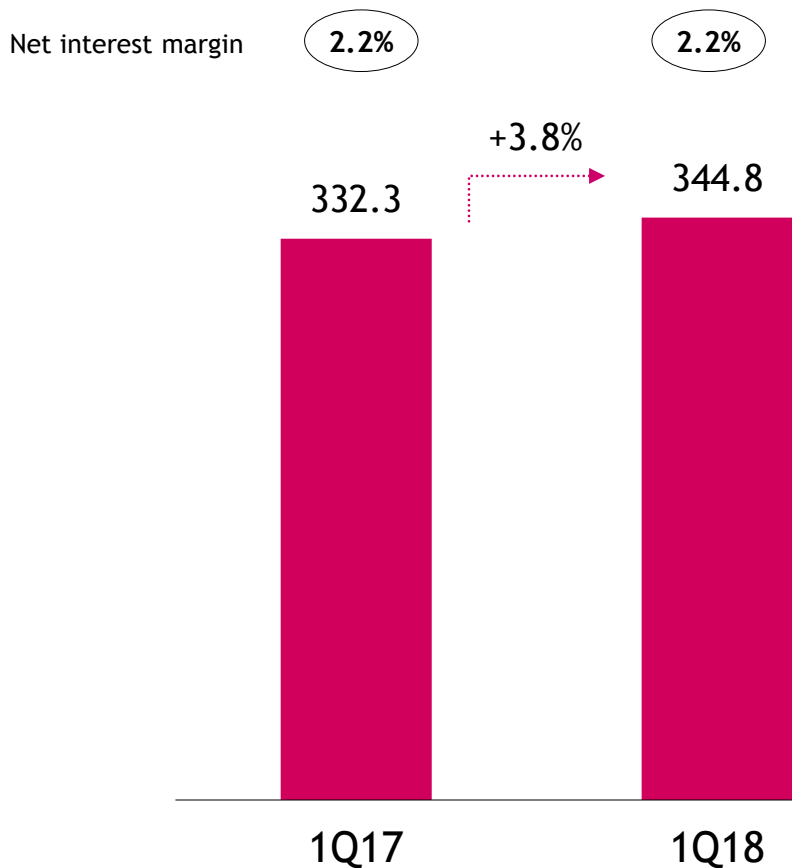
*Includes dividends from equity instruments, other net operating income, net trading income and equity accounted earnings.

Increased net interest income

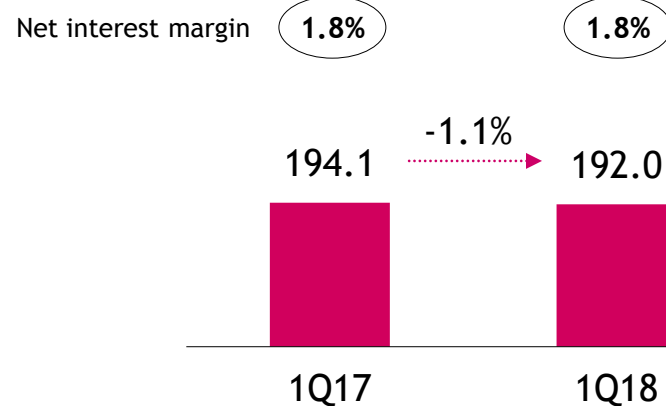
(Million euros)

Margem financeira

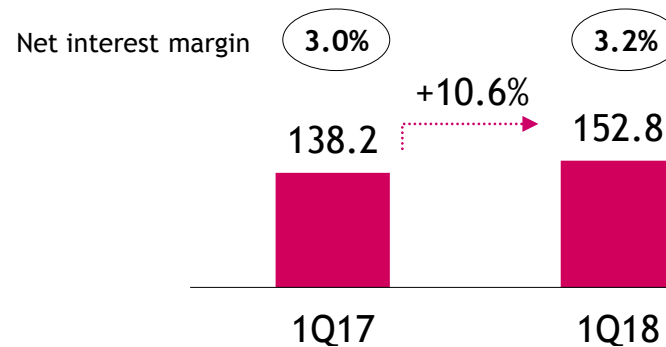
Consolidated



Portugal



International operations



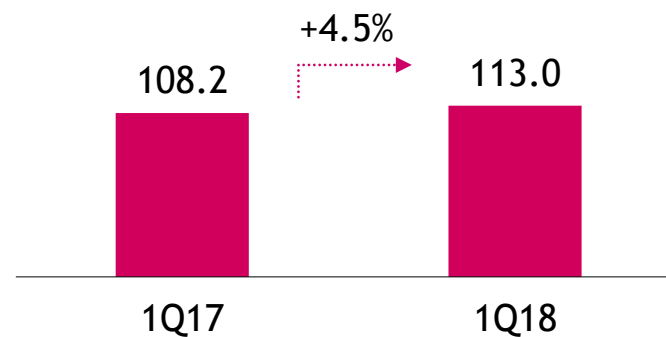
Increased commissions

(Million euros)

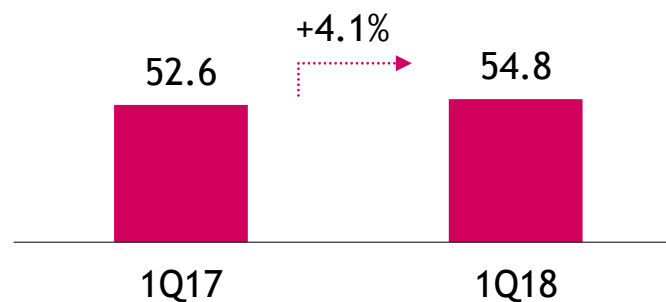
Fees and commissions Consolidated

	1Q17	1Q18	YoY
Banking fees and commissions	135.1	139.4	+3.2%
Cards and transfers	37.6	40.0	+6.3%
Loans and guarantees	38.7	39.1	+1.1%
Bancassurance	23.2	24.7	+6.3%
Customer account related	26.0	26.2	+0.7%
Other fees and commissions	9.6	9.4	-1.3%
Market related fees and commissions	25.7	28.5	+10.6%
Securities operations	15.8	17.3	+9.8%
Asset management	10.0	11.2	+11.8%
Total fees and commissions	160.8	167.8	+4.4%

Portugal

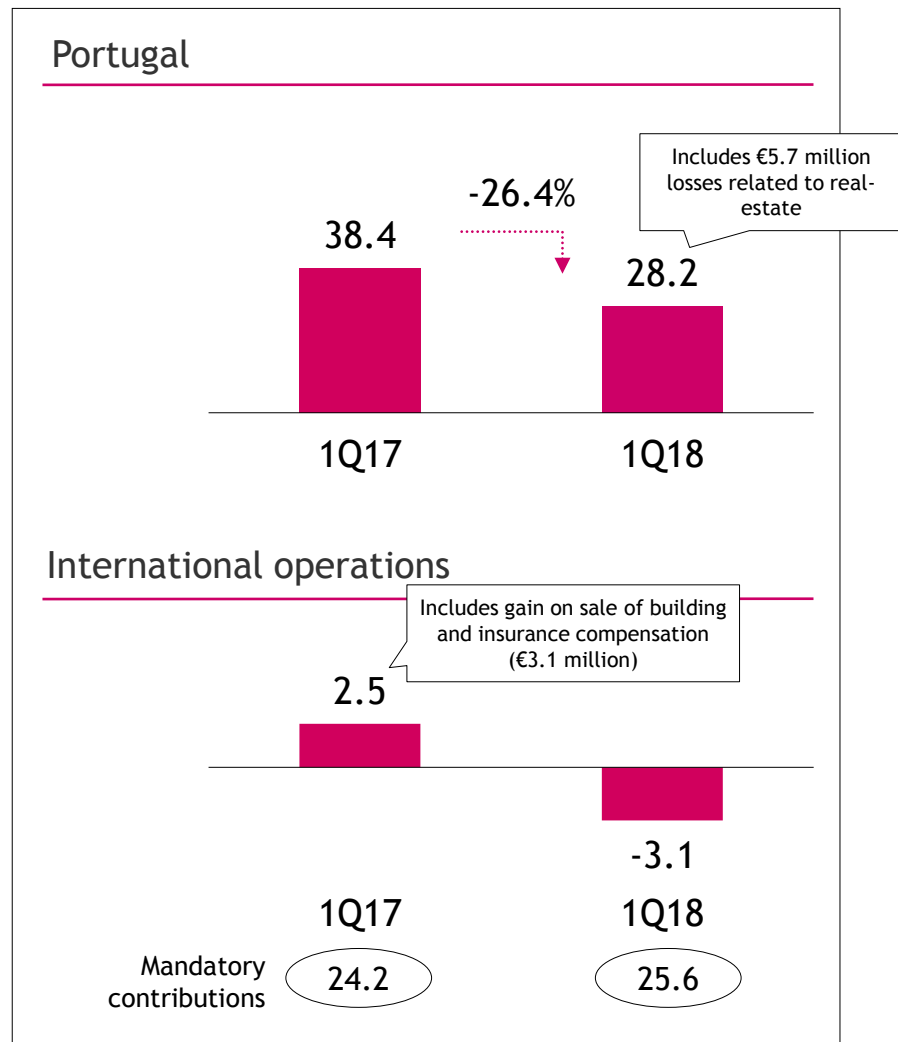
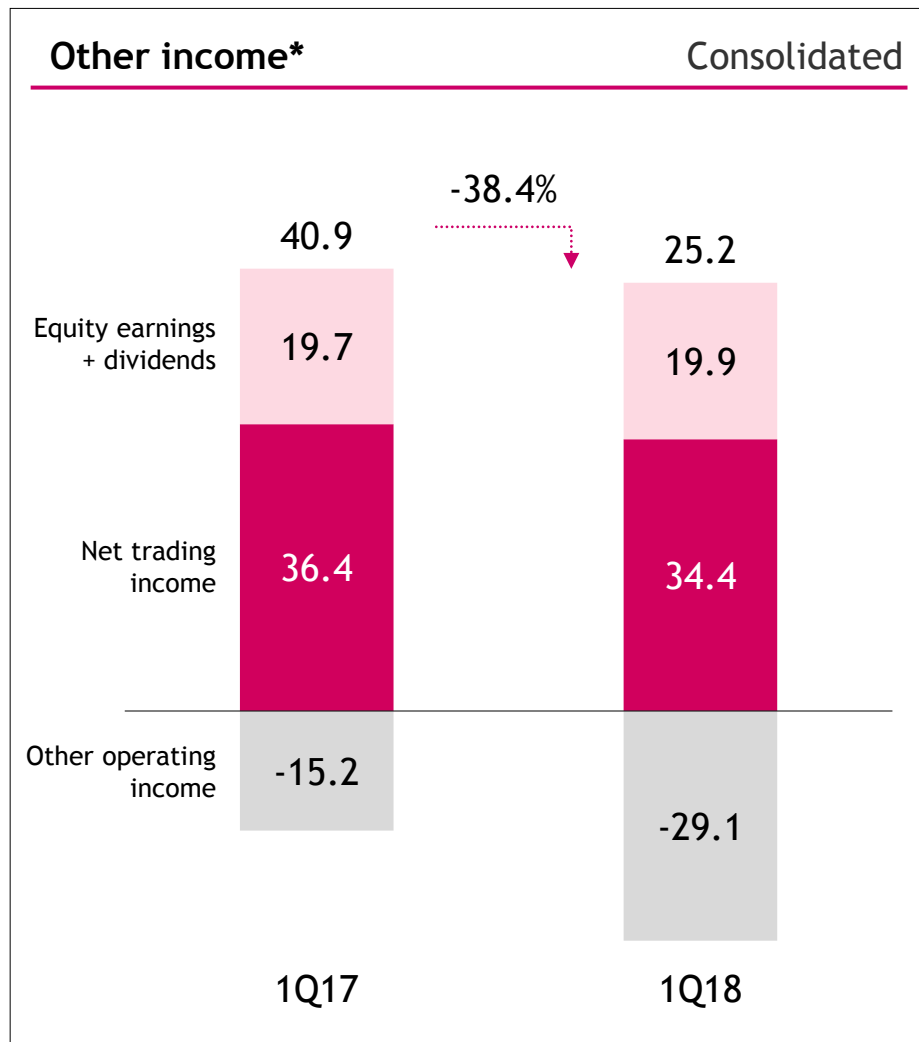


International operations



Other income*

(Million euros)

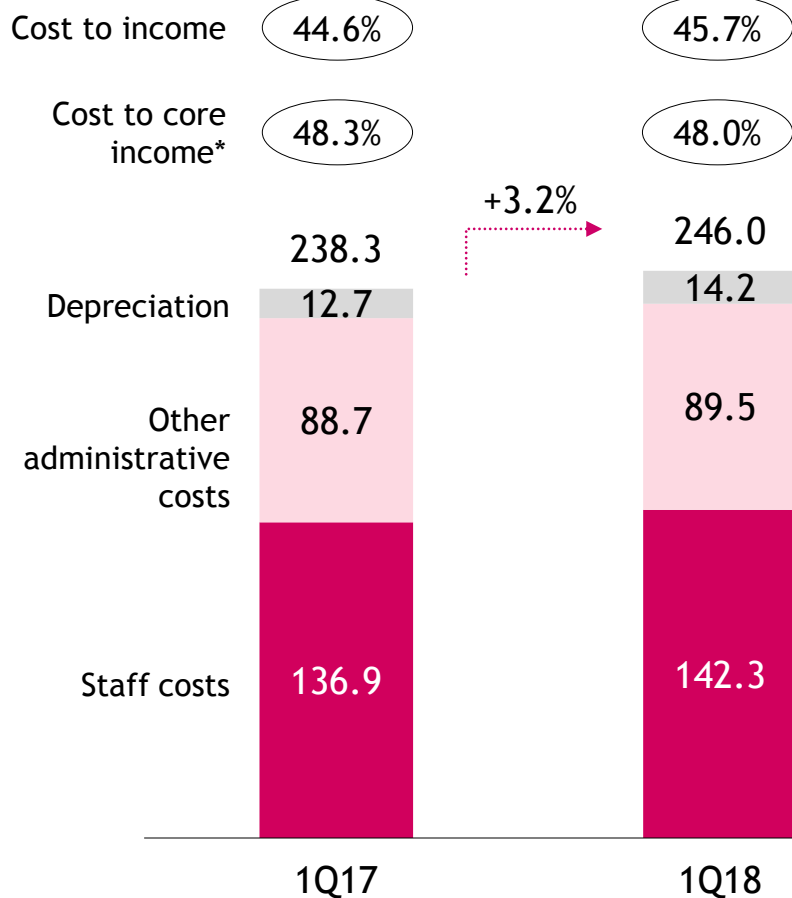


Operating costs

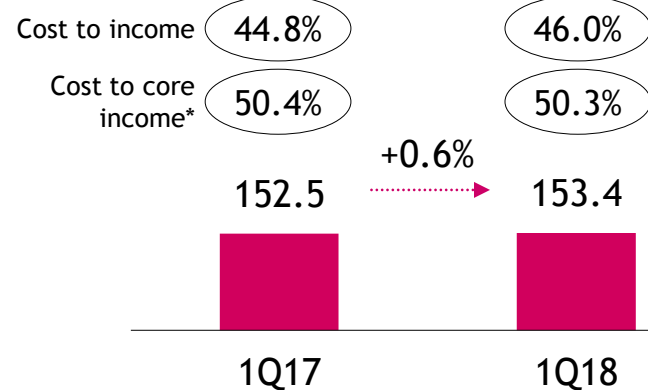
(Million euros)

Operating costs

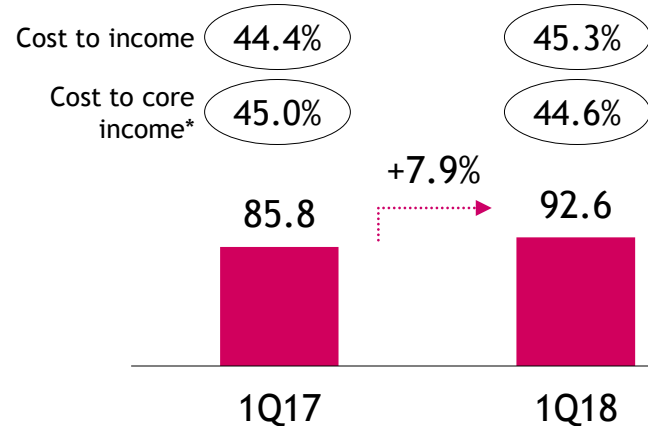
Consolidated



Portugal



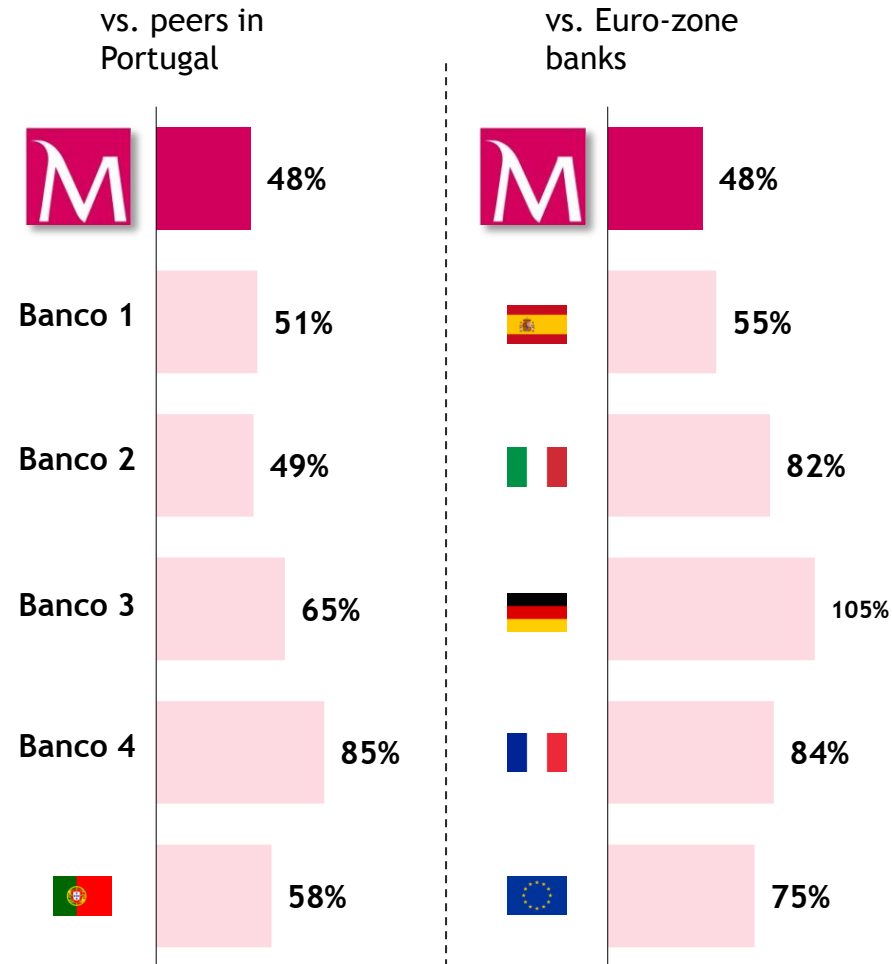
International operations



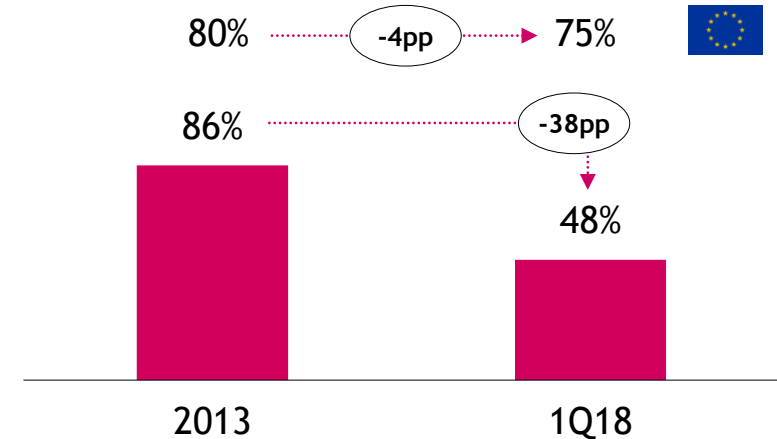
Millennium bcp: one of the most efficient banks in the Eurozone

Cost to core income*

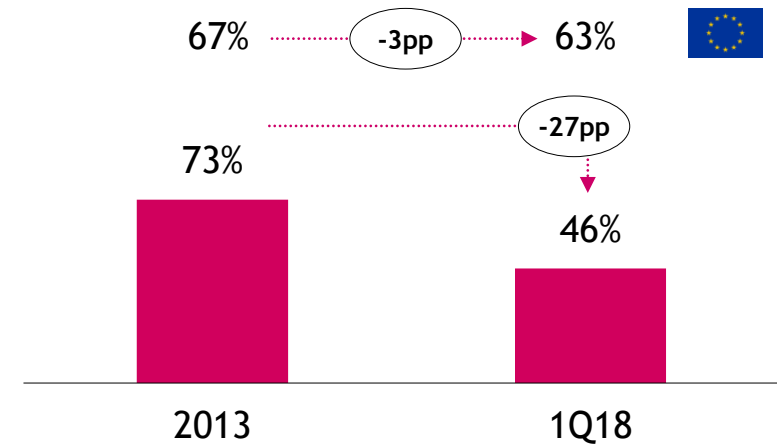
Última informação disponível



Cost to core income*



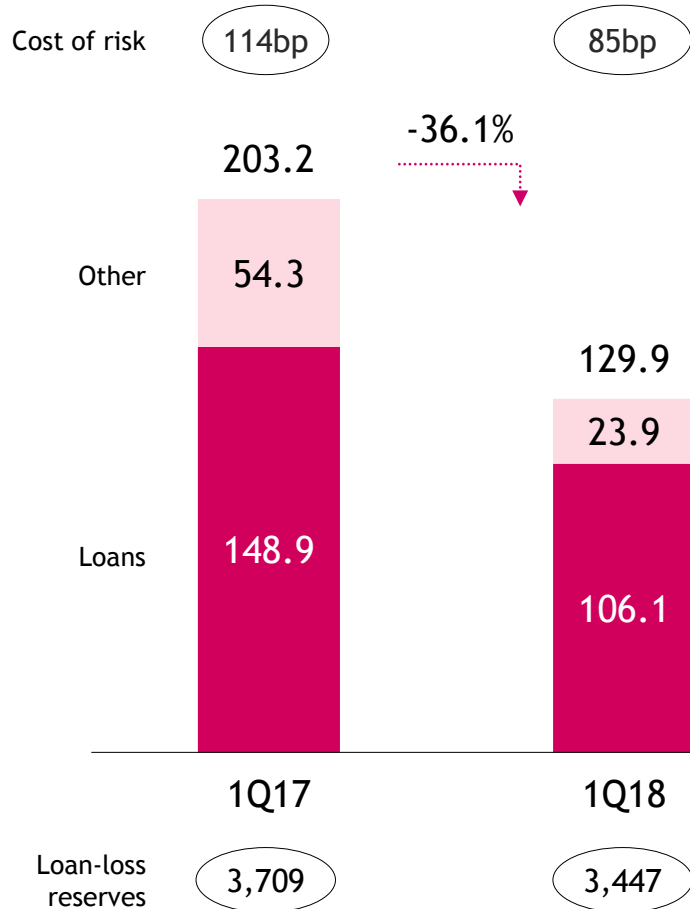
Cost to income



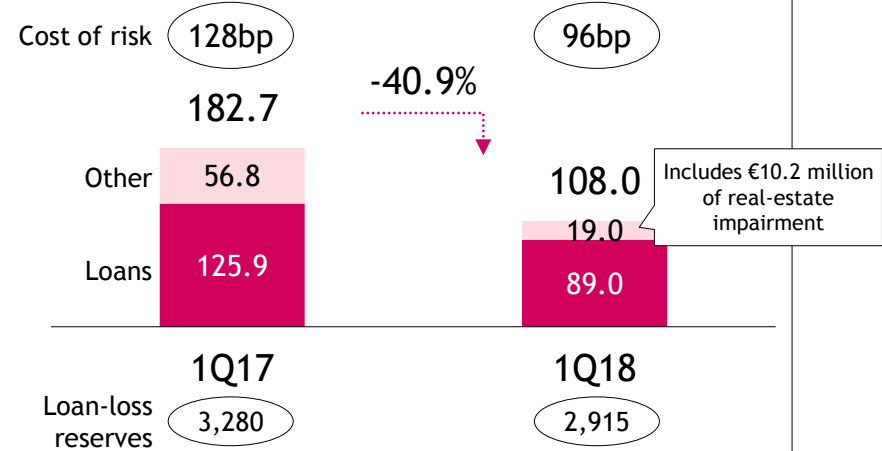
Strengthening the balance sheet: cost of risk trending towards normalisation

(Million euros)

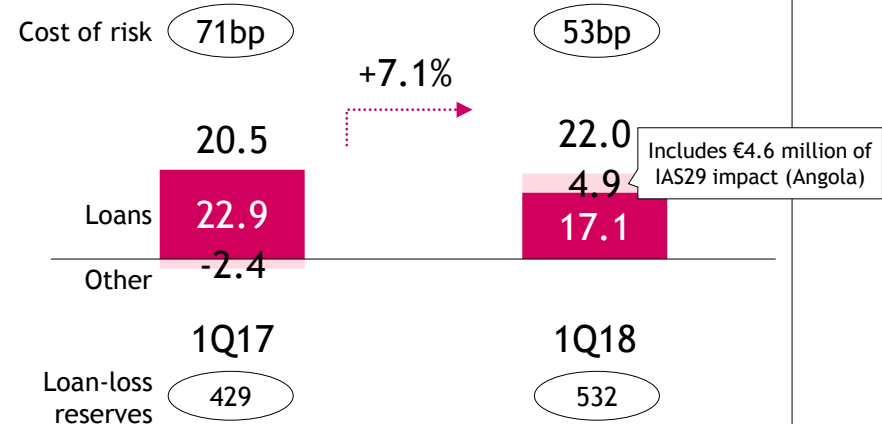
Impairment and provision charges Consolidated



Portugal



International operations

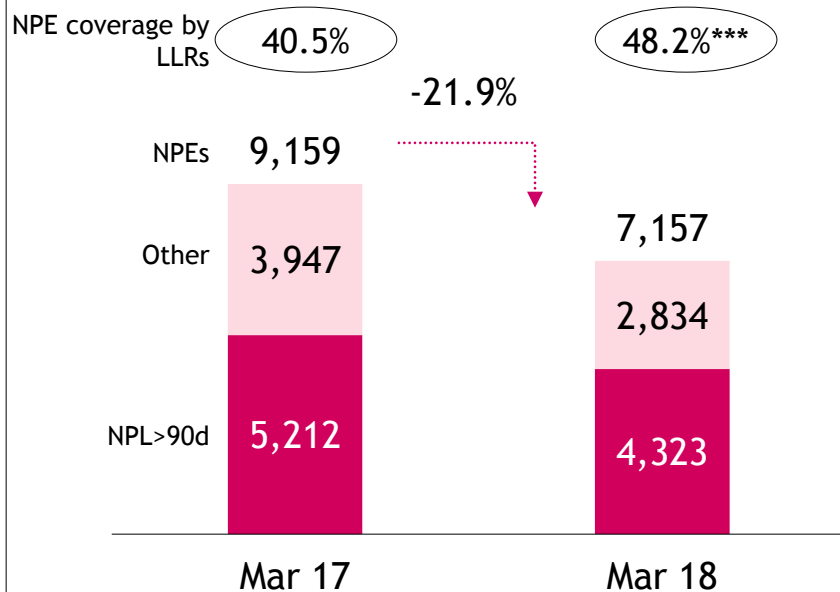


Lower delinquency and increased coverage

(Million euros)

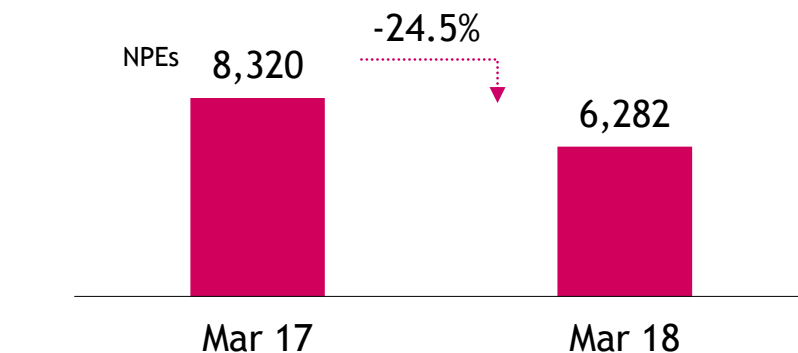
Credit quality

Consolidated

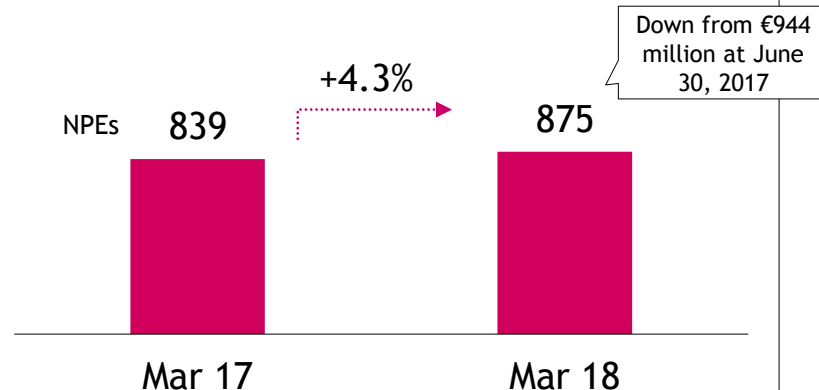


	Mar 17	Mar 18
NPL>90 days ratio	10.0%	8.5%
NPE ratio*	17.5%	14.0%
NPE ratio inc. securities and off-BS*	13.9%	10.3%
NPE total coverage**	100%	103%

Portugal



International operations

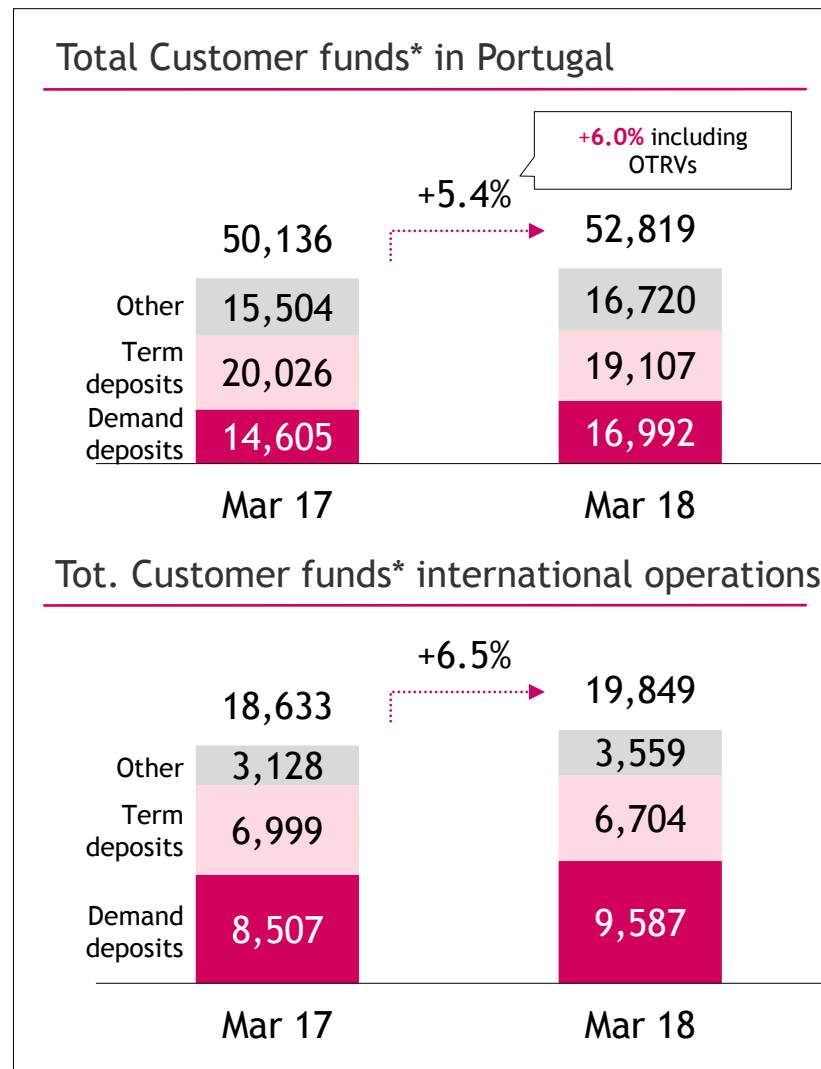
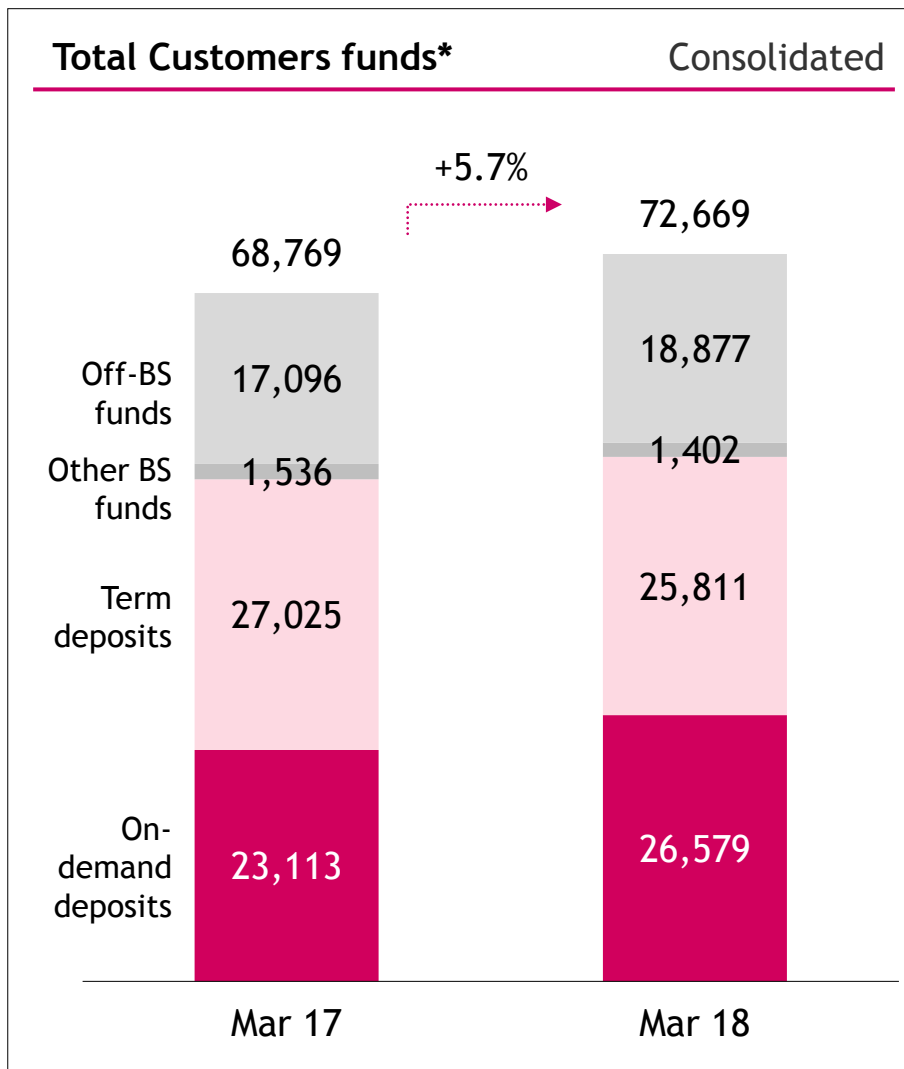


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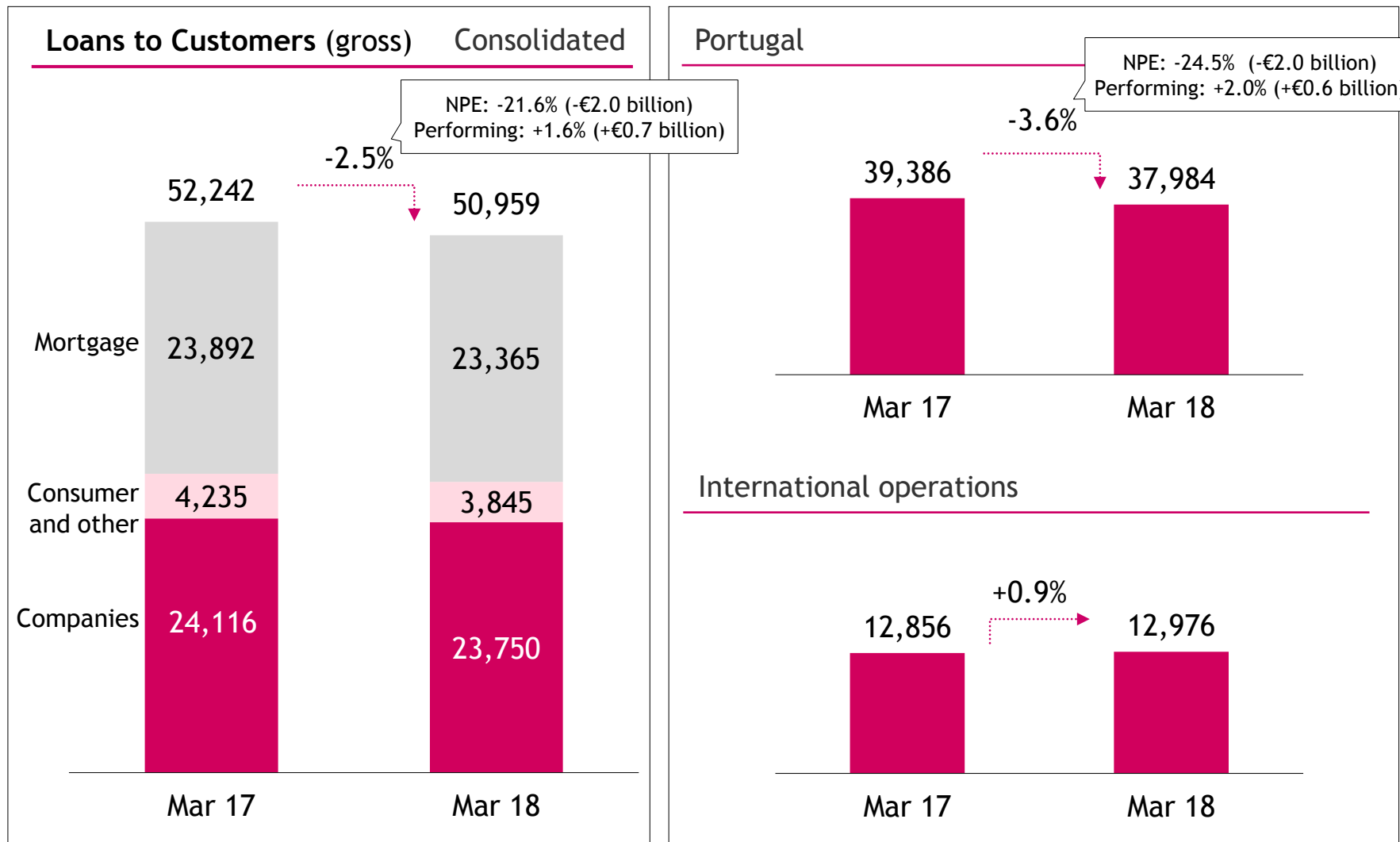
Strong business dynamics results in growing Customer funds in Portugal and in international operations

(Million euros)



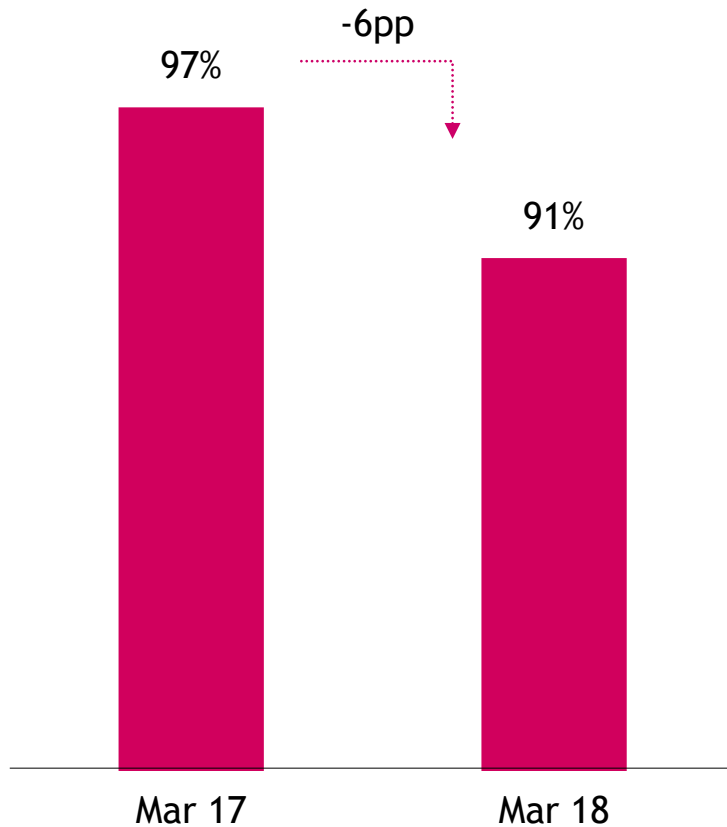
Increasing performing portfolio, total portfolio stable from end-2017

(Million euros)



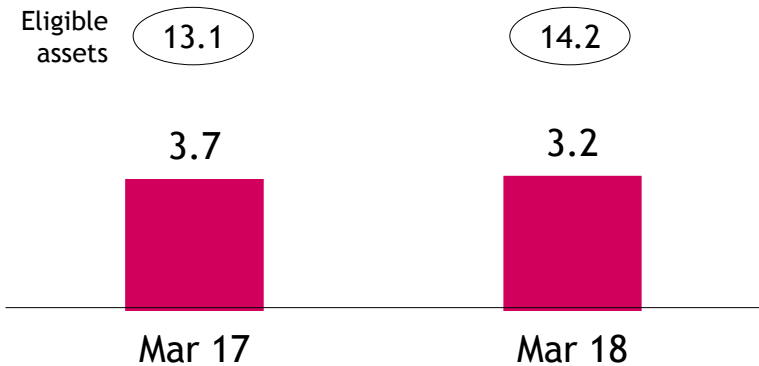
Comfortable liquidity position

Net loans to deposits ratio

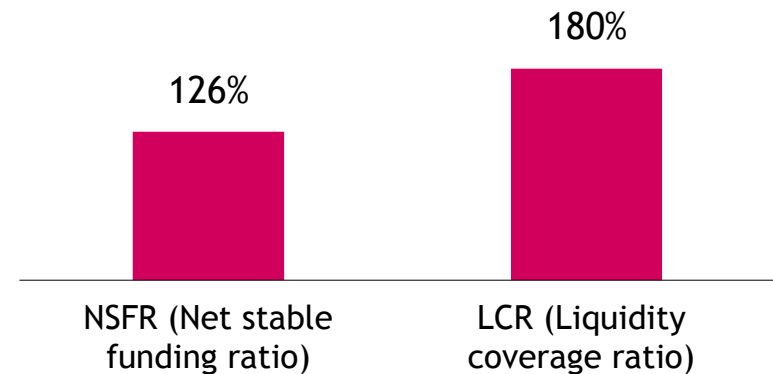


ECB funding

(Billion euros)



Liquidity ratios (CRD IV/CRR)



Agenda

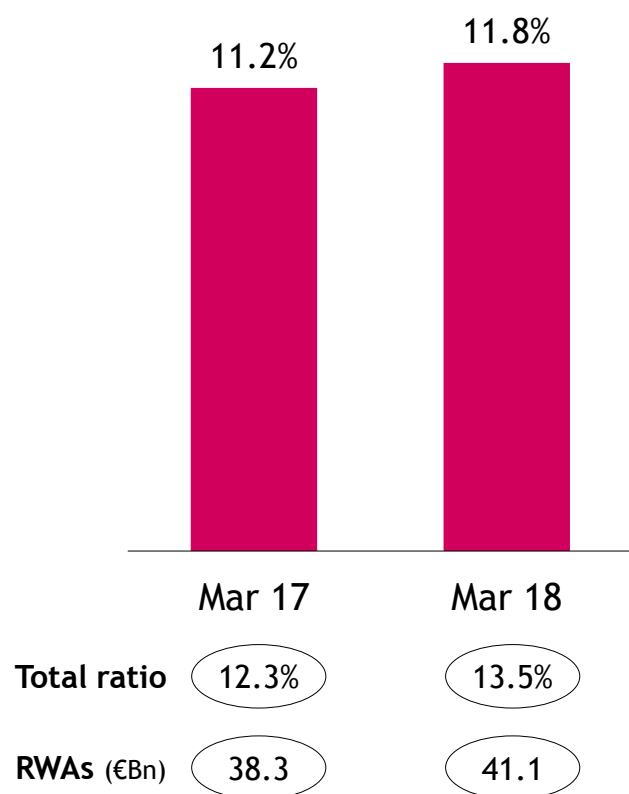
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Strengthened capital

Common Equity Tier 1 ratio*

Fully implemented

ECB requirement
(SREP) for CET1 in
2018: 8.8%

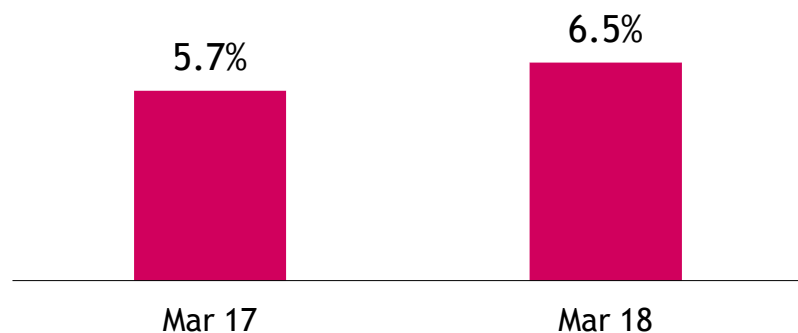


- CET1 capital ratio of 11.8% (fully implemented) and 11.9% (phased-in)
- Increase from 11.2% fully implemented as at March 31, 2017 due to earnings in the last 4 quarters and to the increase in fair value reserves, partially cancelled out by the IFRS9 first time adoption and by the deduction of irrevocable payment commitments (DGF/SRF)
- Decrease from 11.9% fully implemented at year-end 2017 due to the IFRS9 first time adoption and to the deduction of irrevocable payment commitments (DGF/SRF), partially compensated for by the earnings for the quarter
- Total capital ratios at 13.5% (fully implemented) and at 13.6% (phased-in), boosted by the €300 million subordinated debt (tier 2) issued in December 2017

Capital at comfortable levels, strong leverage ratios

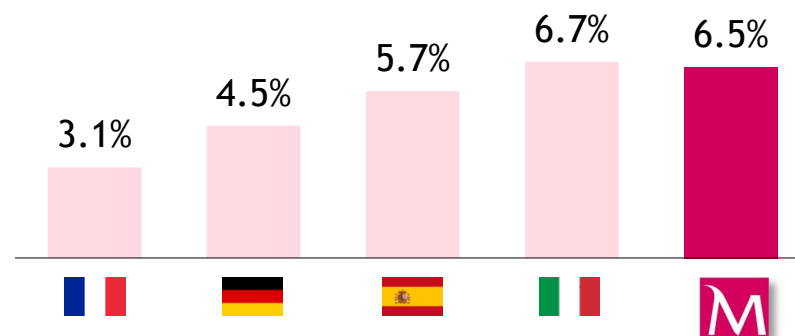
Leverage ratio

Fully implemented



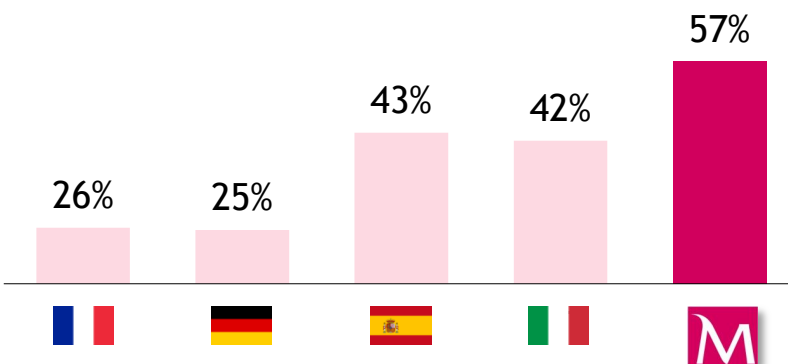
Leverage ratio

Fully implemented, latest available data

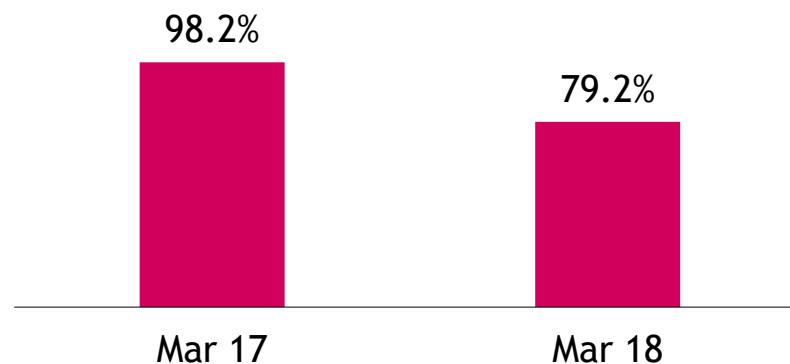


RWA density

RWAs as % of assets, latest available data



Texas ratio*



*Texas ratio = NPE / (Tangible equity + loan-loss reserves).

Agenda

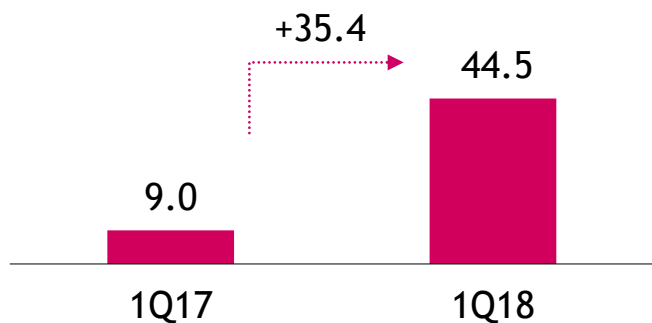
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Increased net income

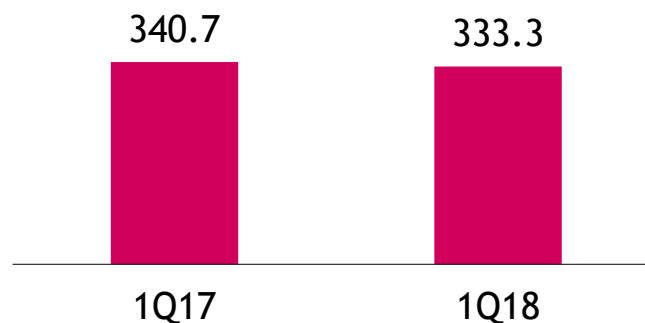


(Million euros)

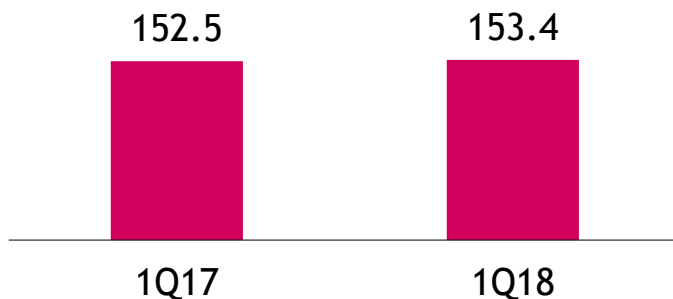
Net income



Banking income



Operating costs



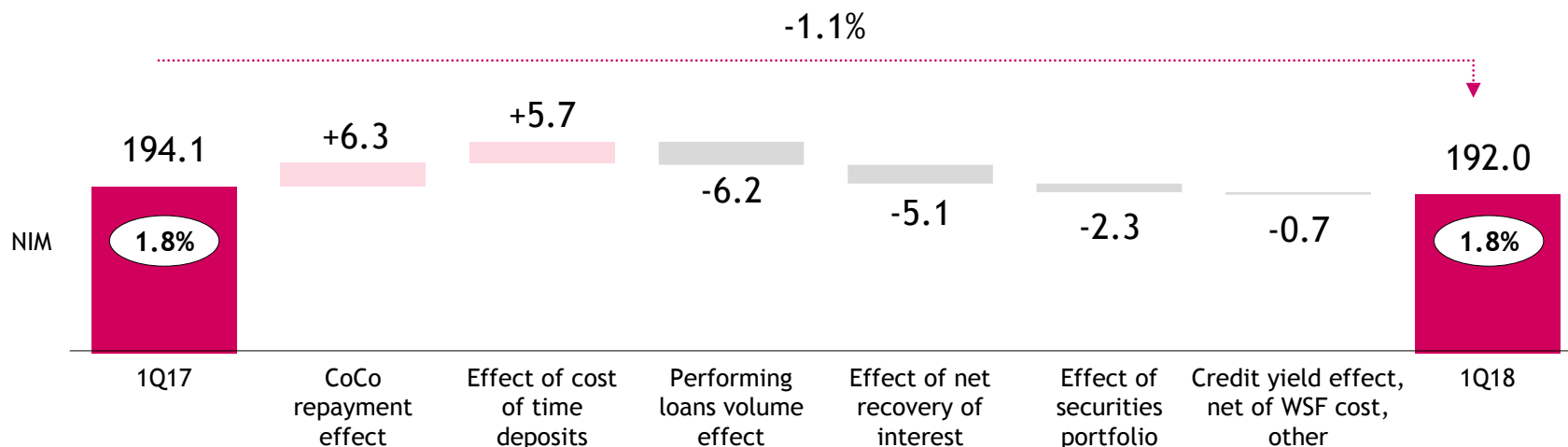
- Net earnings of €44.5 million in 1Q18, +€35.4 million compared to €9.0 million in 1Q17
- Net earnings were boosted by the significant decrease in credit-loss charges (-29.4%, with cost of risk decreasing to 96bp to 128bp), as well as by lower other impairment and provisions (-66.5%)

Net interest income



Net interest income

(Million euros)



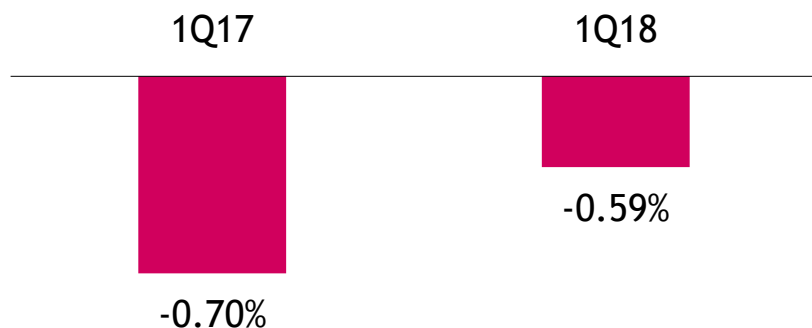
- Net interest income decreased from €194.1 million in 1Q17 to €192.0 million in the same period of 2018. The favourable impacts of the repayment of CoCos and of the consistent reduction of the cost of time deposits were more than offset by the negative effects of lower credit volumes, reflecting, to a large extent, the focus on NPE reduction (unlikely to pay); of the net recovery of interest (including IFRS9); of the securities portfolio (increased balance yielding lower interest, reflecting lower sovereign yields); and of lower credit yields (reflecting the normalisation of the macro-economic environment), net of a lower wholesale funding cost
- The decrease from €216.0 million in 4Q17 was a result of a lower amount related to TLTRO (the amount for the full year 2017 was booked in 4Q17); of the effect of the net recovery of interest (including IFRS9); of the securities portfolio (increased balance yielding lower interest, reflecting lower sovereign yields); and of a lower number of days in the quarter (90 days in 1Q18, 92 days in 4Q17)

Continued effort to reduce the cost of deposits



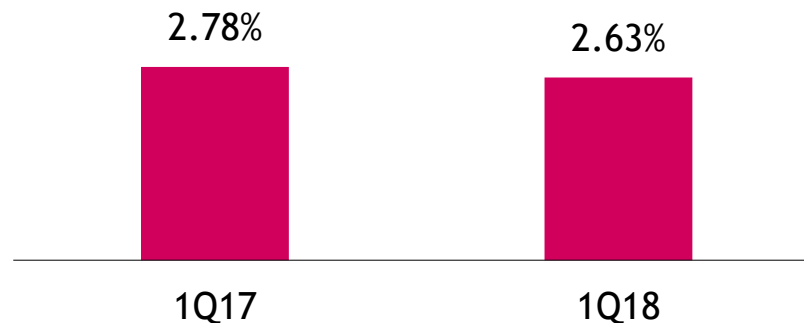
Spread on the book of term deposits

(vs 3m Euribor)

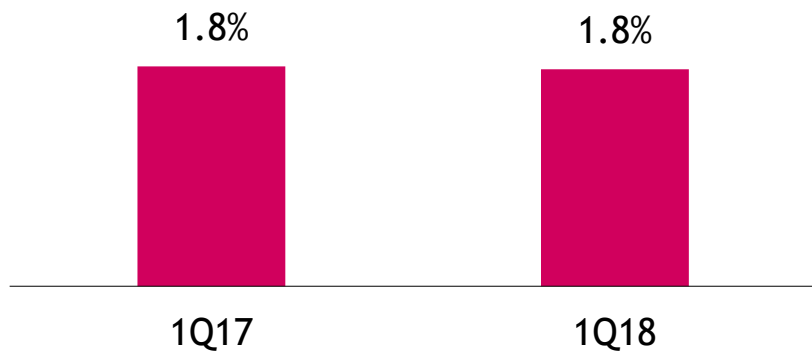


Spread on the performing loan book

(vs 3m Euribor)



NIM



- Continued improvement of the spread of the portfolio of term deposits: to -0.59% in 1Q18 from -0.70% in the same period of 2017; front book for 1Q18 priced at an average spread of -47bp, still below current back book's spread
- Spread on the performing loan book at 2.63% in 1Q2018 (2.78% in 1Q2017)
- NIM stood at 1.8%

Commissions and other income*

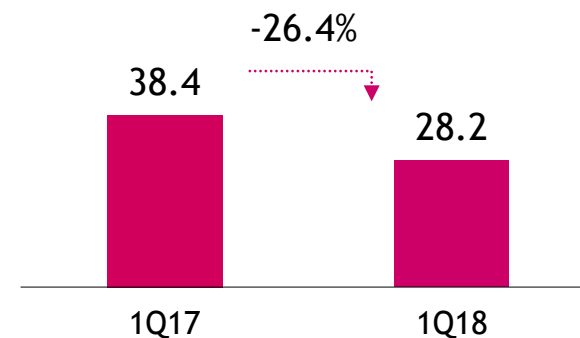


(Million euros)

Fees and commissions

	1Q17	1Q18	YoY
Banking fees and commissions	96.2	98.9	+2.9%
Cards and transfers	26.1	26.4	+1.2%
Loans and guarantees	25.0	25.4	+1.9%
Bancassurance	19.9	20.6	+3.5%
Customer account related	23.2	23.4	+0.8%
Other fees and commissions	2.0	3.1	+56.1%
Market related fees and commissions	12.0	14.1	+17.2%
Securities operations	10.5	12.3	+16.9%
Asset management	1.5	1.8	+18.7%
Total fees and commissions	108.2	113.0	+4.5%

Other income*



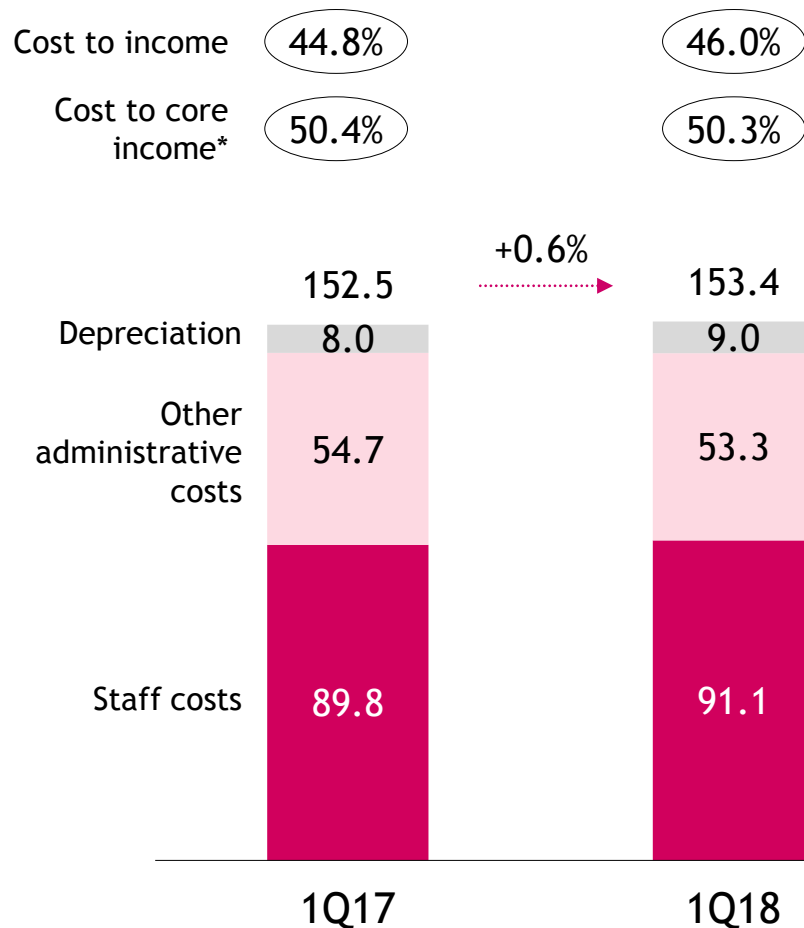
- Growing commissions in Portugal, with the performance of market related fees (and, in particular, brokerage) and of bancassurance standing out
- Lower other income, influenced by the booking of €5.7 million losses related to real-estate

Operating costs

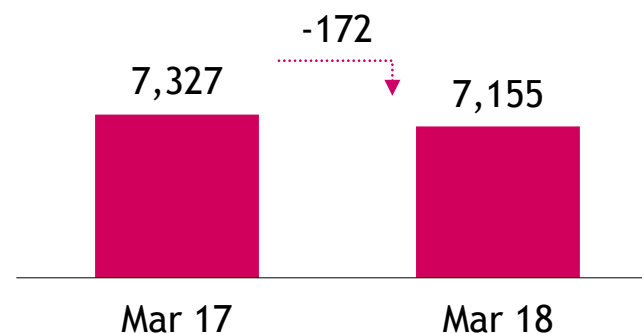


(Million euros)

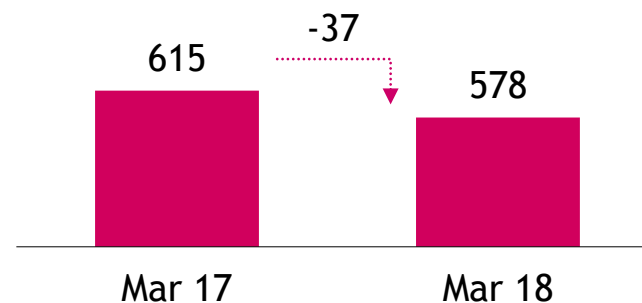
Operating costs



Employees



Branches

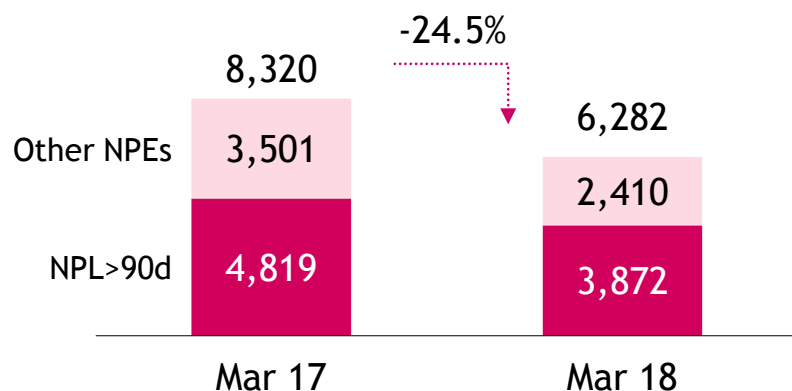


Lower NPEs, with reinforced coverage



(Million euros)

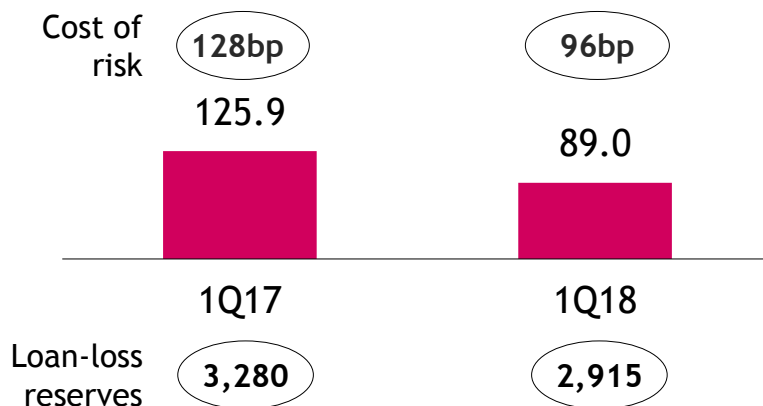
Non-performing exposures (NPEs)



NPE build-up

	Mar 18 vs.Mar 17	Mar 18 vs.Dec 17
Opening balance	8,320	6,754
+/- Net entries	-902	-273
- Write-offs	-471	-37
- Sales	-666	-162
Ending balance	6,282	6,282

Imparidade de crédito (líq. recuperações)

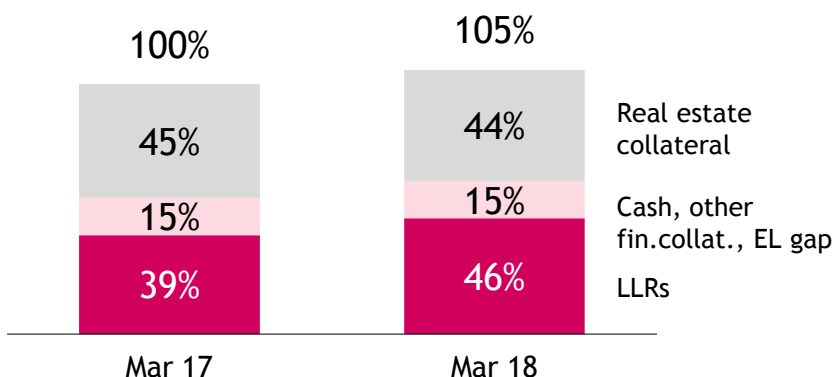


- NPEs in Portugal down by €2.0 billion, from €8.3 billion as at March 31, 2017 to €6.3 billion as at the same date of 2018
- This decrease results from net exits of €902 million, sales of €666 million and write-offs of €471 million
- The decrease in NPE from March 31, 2017 is attributable to a €0.9 billion reduction of NPL>90d and to a €1.1 decrease of other NPE
- Significant NPE decrease during the quarter, from €6.8 billion at end-2017 to €6.3 billion as of March 31, 2018 (-€0.5 billion)
- Cost of risk decreased to 96bp in 1Q18 from 128bp in 1Q17, while NPE coverage by loan-loss reserves was reinforced to 46% from 39%, respectively

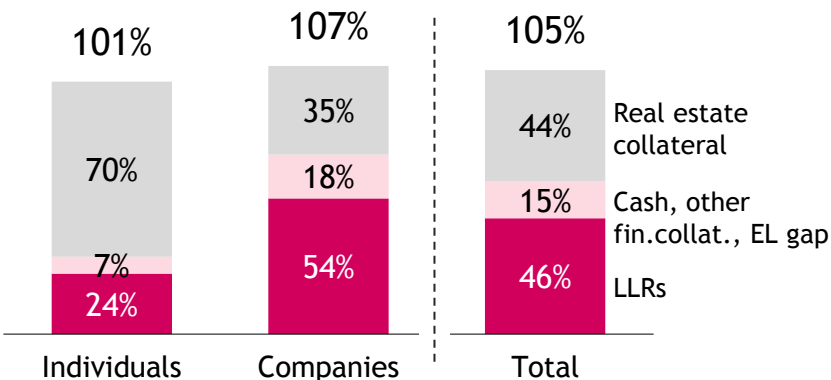
Reinforced NPE coverage



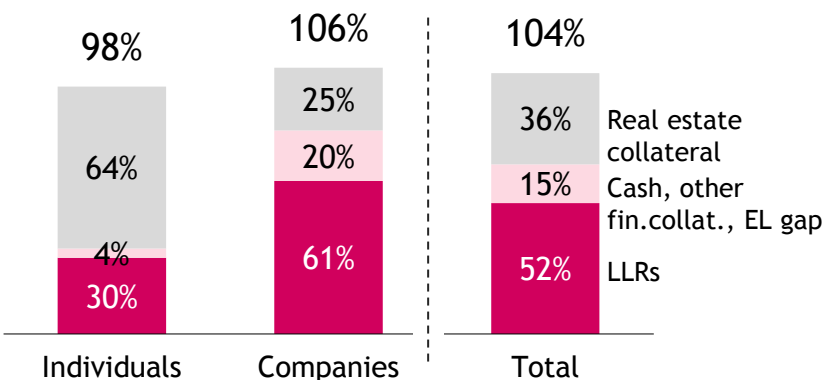
NPE total coverage*



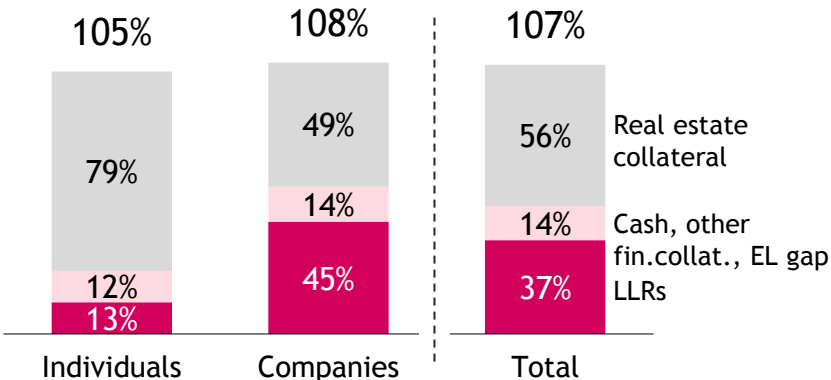
NPE total coverage*



NPL >90d total coverage*



Other NPE total coverage*



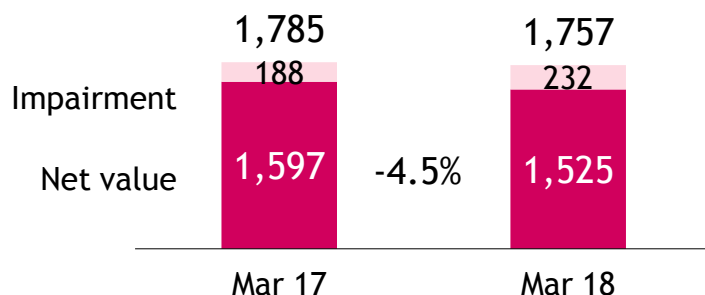
*By loan-loss reserves, expected loss gap and collaterals.

Foreclosed assets and corporate restructuring funds



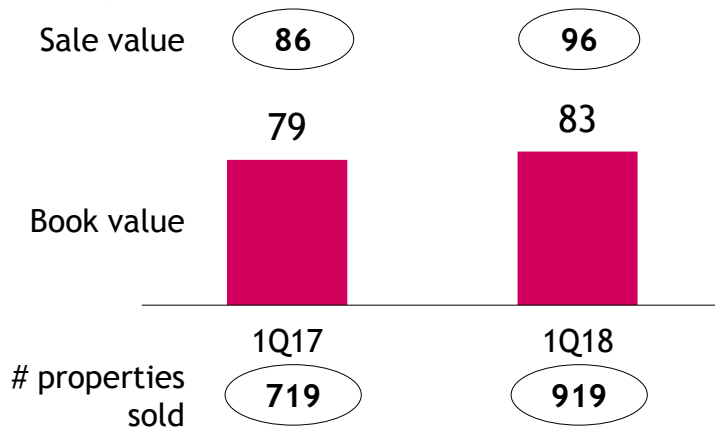
Foreclosed assets

(Million euros)



Sales of foreclosed assets

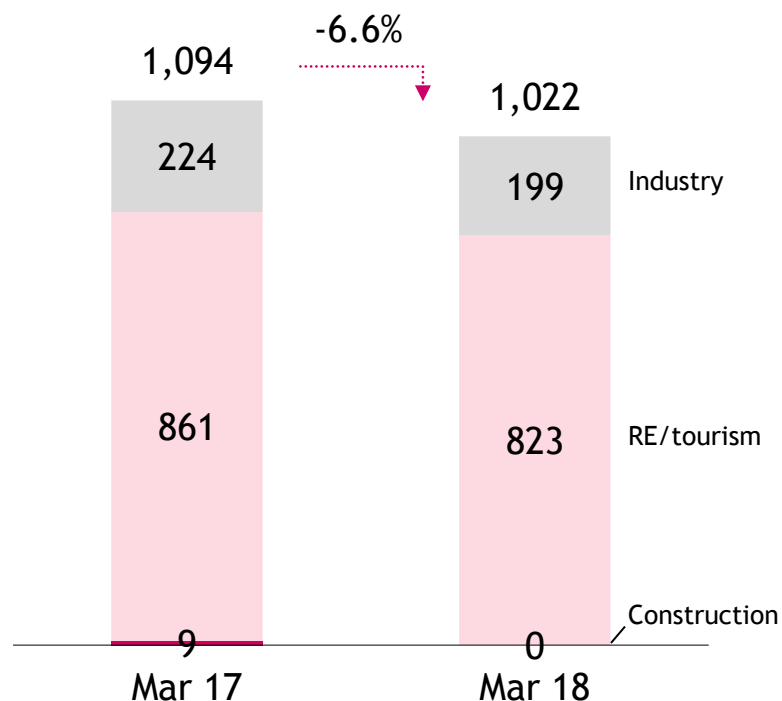
(Million euros)



Corporate restructuring funds

(Million euros)

Original credit exposure: €2,006 million
 Book value (31 Mar 2018): €1,022 million
 Total impairment (credit+restr. funds): €984 million
 (49% coverage)

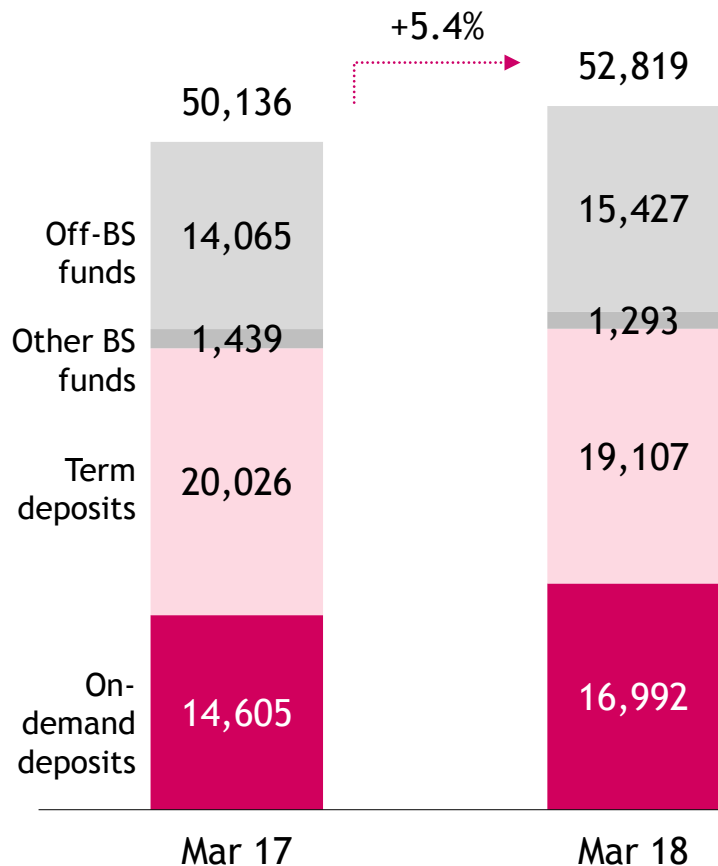


Strong business dynamics leads to increased Customer funds and performing credit portfolio

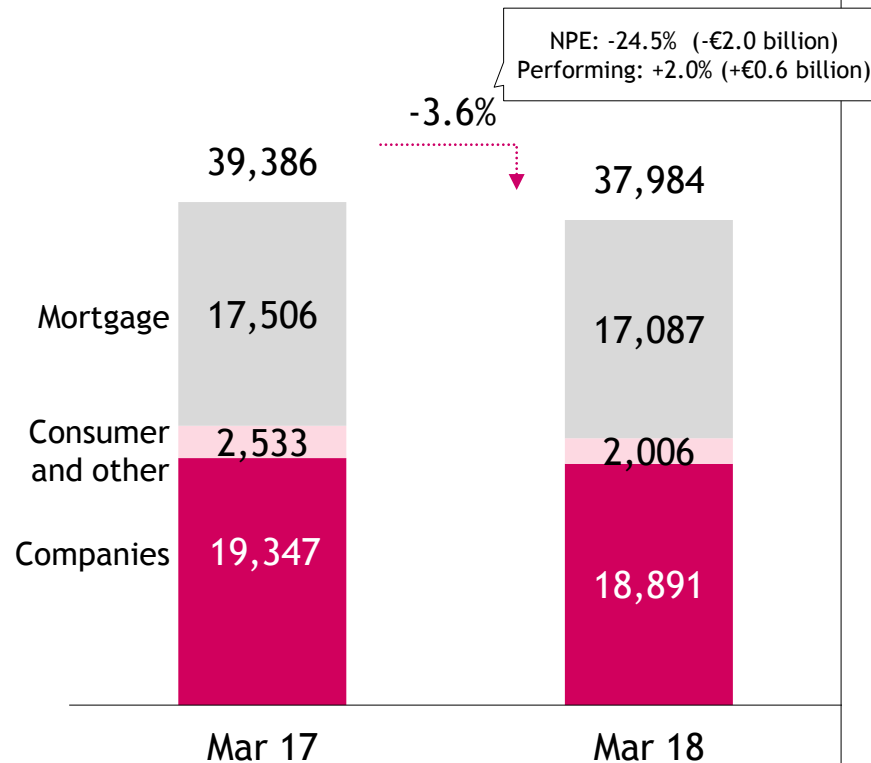


(Million euros)

Total Customer funds*



Loans to Customers (gross)



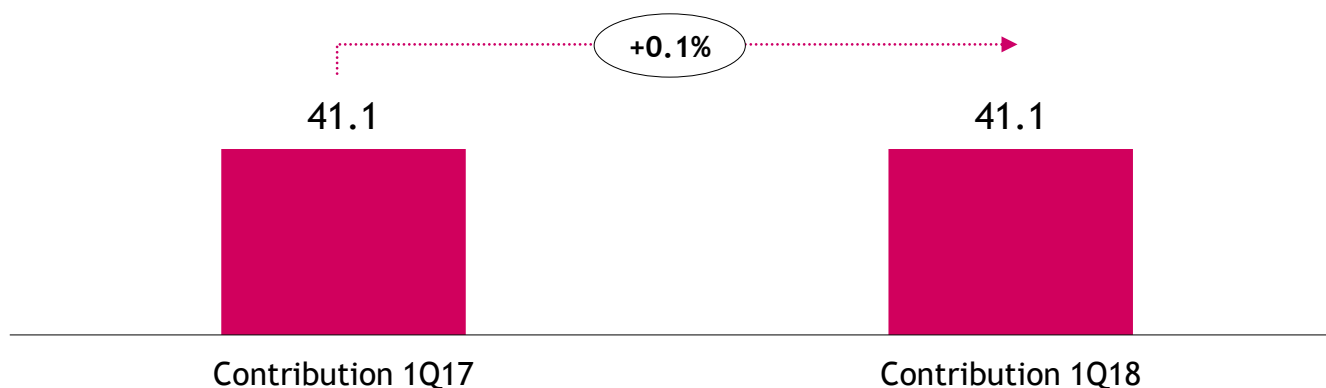
Agenda

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

Stable contribution from international operations

(Million euros)

	1Q17	1Q18	Δ % local currency	Δ % euros	ROE
Poland	33.7	37.2	+10.5%	+14.1%	8.2%
Mozambique	20.7	24.7	+19.2%	+18.9%	25.9%
Angola*					
Before IAS 29 impact	5.3	4.1			
IAS 29 impact**	--	-1.1			
Total Angola including IAS 29 impact	5.3	2.9			
Other	3.1	3.1	-1.2%	-5.5%	
Net income	62.8	67.9	+8.2%	+5.7%	
Non-controlling interests Poland and Mozambique	-23.7	-26.8			
Exchange rate effect	2.0	--			
Contribution from international operations	41.1	41.1		+0.1%	
Same as above without FX effect and IAS 29 (Angola)	39.1	42.3		+8.1%	



*Contribution of the Angolan operation.

**Includes goodwill impairment (-€4.6 million) and contribution revaluation (+€3.5 million).

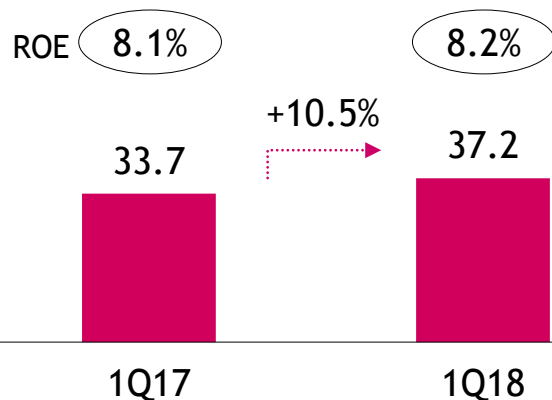
Subsidiaries' net income presented for 2017 at the same exchange rate as of 2018 for comparison purposes.

Increased net income

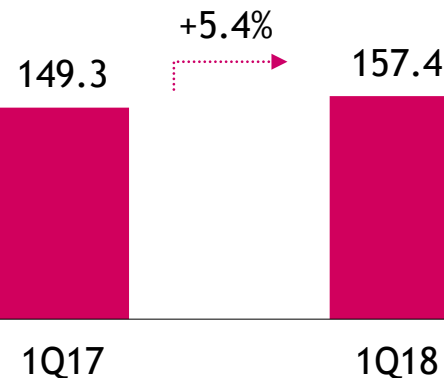


(Million euros)

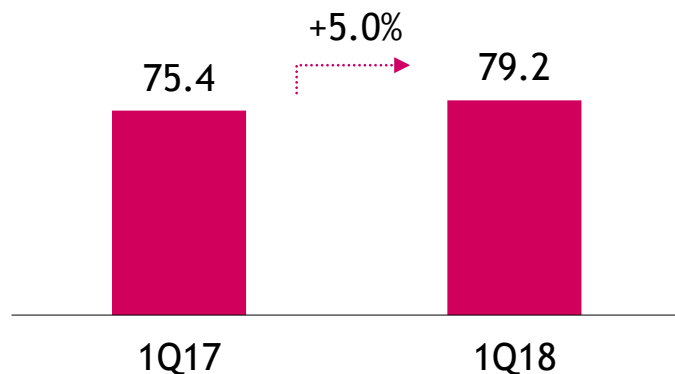
Net income



Banking income



Operating costs



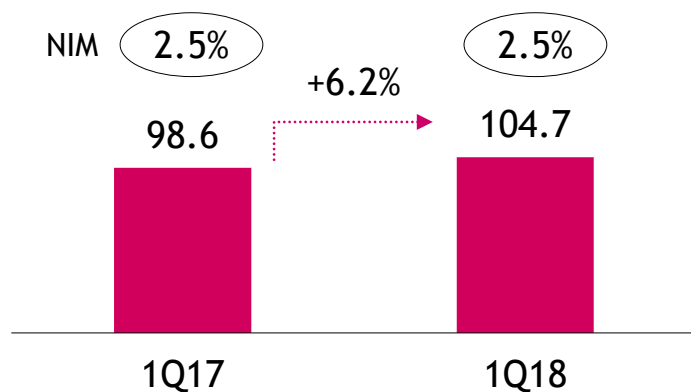
- Net earnings at €37.2 million, with ROE of 8.2%.
- Net interest income up by 6.2%*, commissions by 3.8% and operating costs by 5.0%
- Customer funds up by 7.6%, with loans to customers increasing by 13.4% excluding FX-denominated loans
- CET1 ratio of 22.3% as at March 31, 2018
- 1.7 million active Customers, 10% up from March 31, 2017, with 1.2 million active digital Customers (+17%)

Increased net interest income and commissions

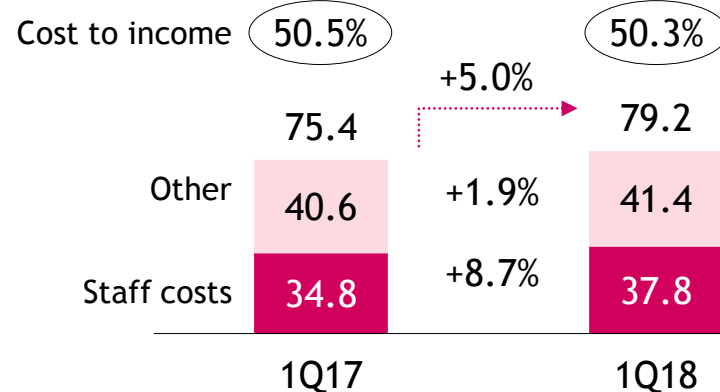


(Million euros)

Net interest income*

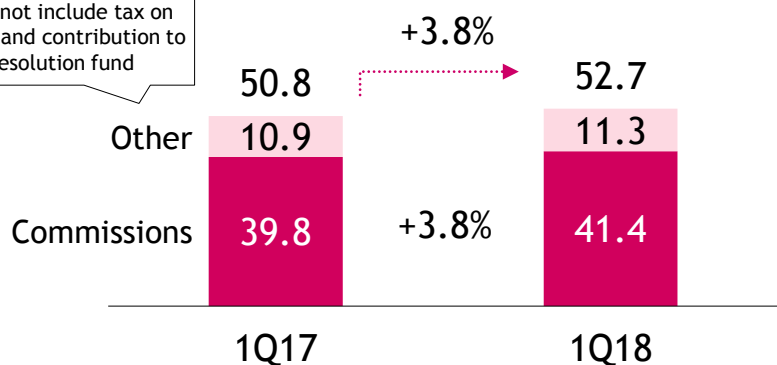


Operating costs

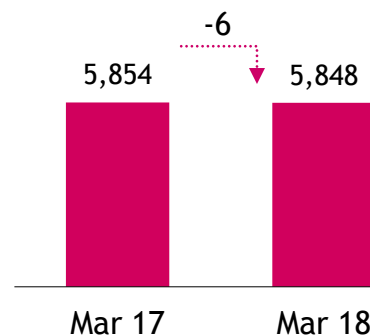


Commissions and other income

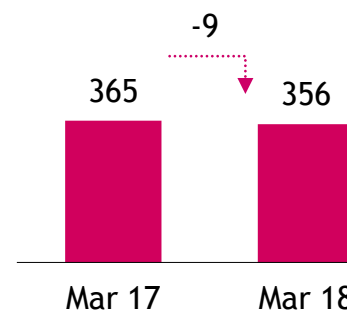
Does not include tax on assets and contribution to resolution fund



Employees



Branches



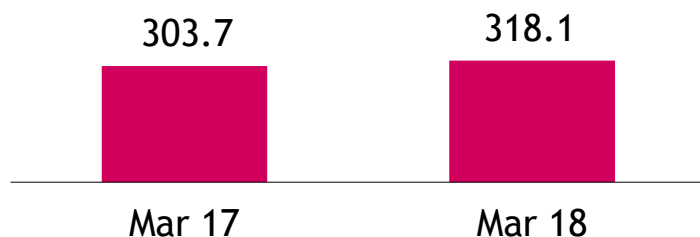
Credit quality



(Million euros)

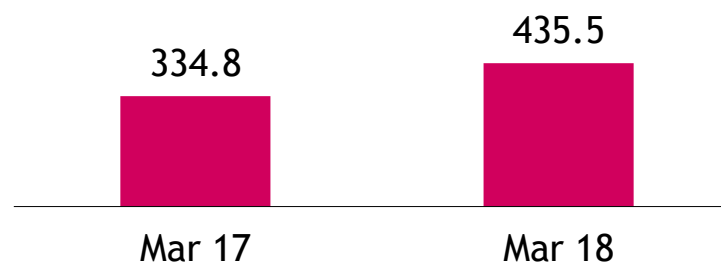
NPL>90d

Credit ratio	Mar 17	Mar 18
NPL>90d	2.6%	2.7%

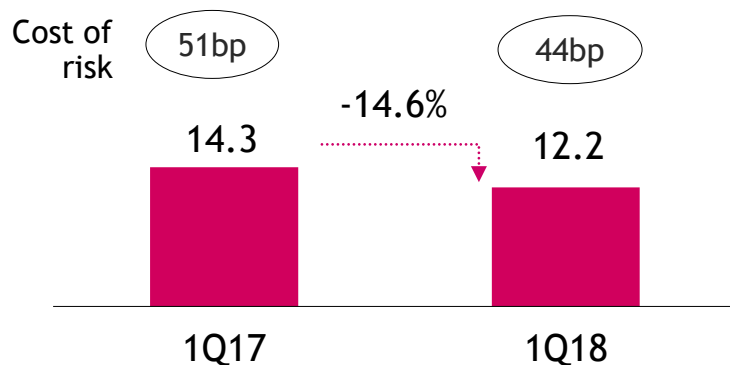


Loan-loss reserves

Coverage ratio	Mar 17	Mar 18
NPL>90d	110%	137%



Loan impairment (net of recoveries)



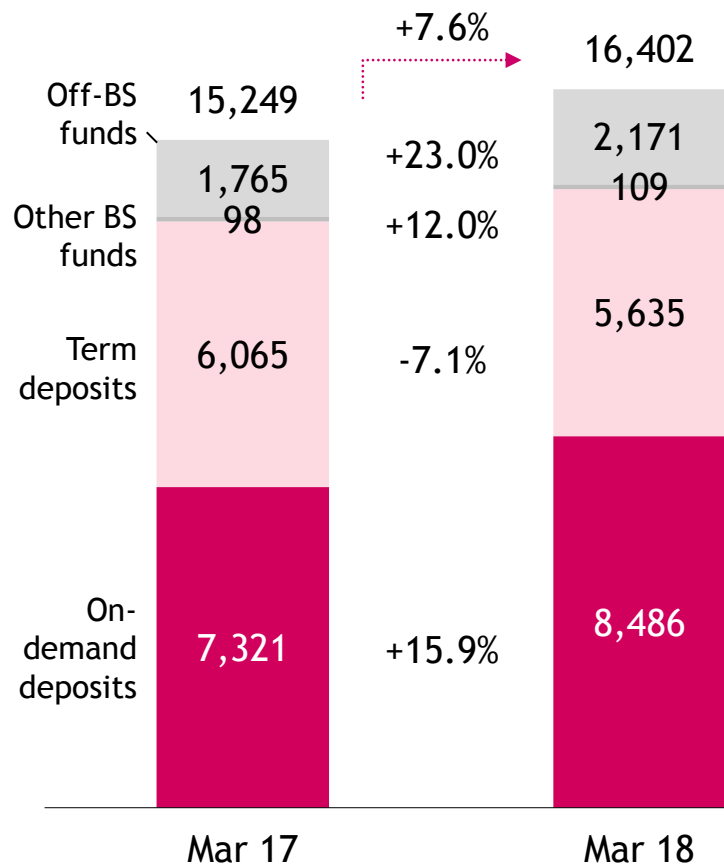
- NPL>90d ratio at 2.7% of total credit as at March 31, 2018 (2.6% as at the same date of the previous year)
- Provision coverage of NPL>90d at 137% (110% as at March 31, 2017)
- Cost of risk decreased to 44bp (51bp in 1Q17)

Growing volumes

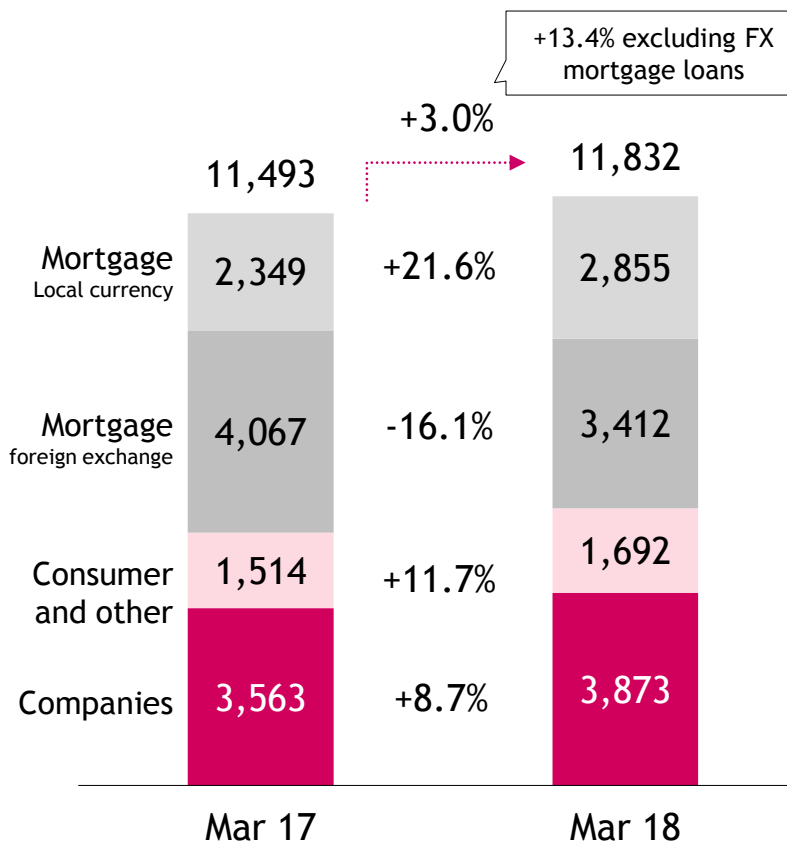


(Million euros)

Customer funds



Loans to Customers (gross)

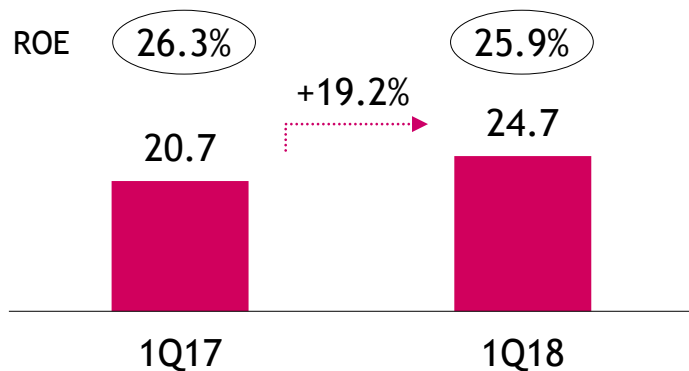


Growing net earnings

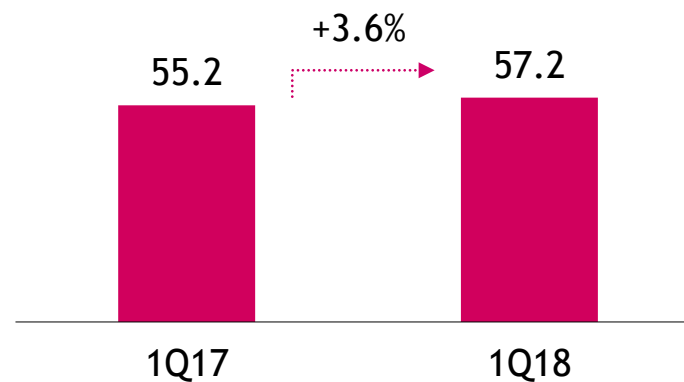


(Million euros)

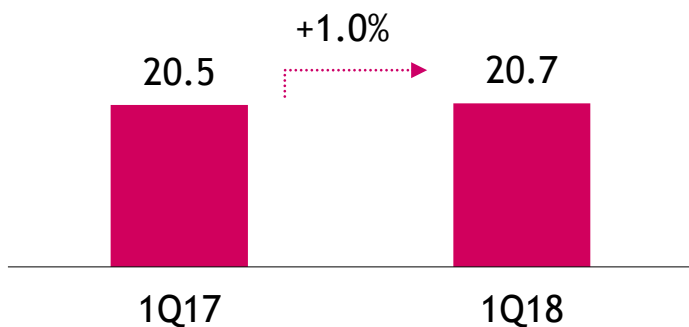
Net income



Banking income



Operating costs



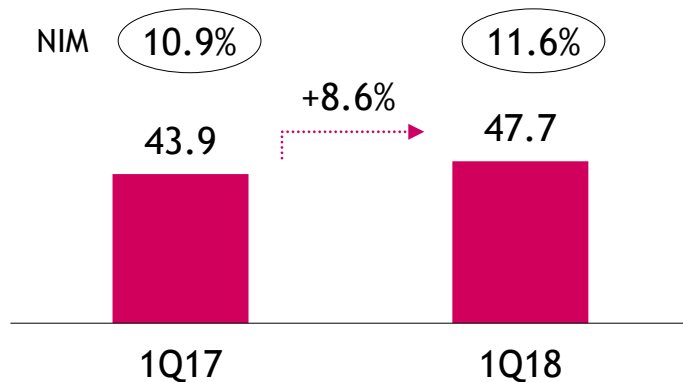
- Net income up by 19.2%, with ROE at 25.9%
- 3.6% increase in banking income, on the back of higher net interest income (+8.6%), that more than compensated for lower commissions (-5.9%)
- Customer funds up by 0.9%, loans to customers down by 18.9%
- Capital ratio of 18.7%
- 463,000 active mobile Customers, +18% from year-end 2017

Growing income partially offset by the increase in operating costs

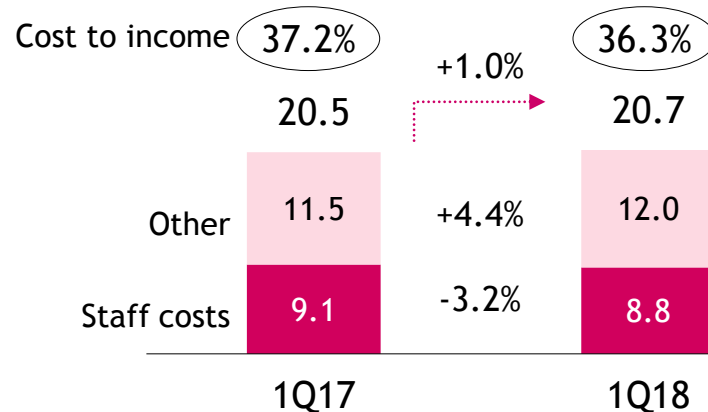


(Million euros)

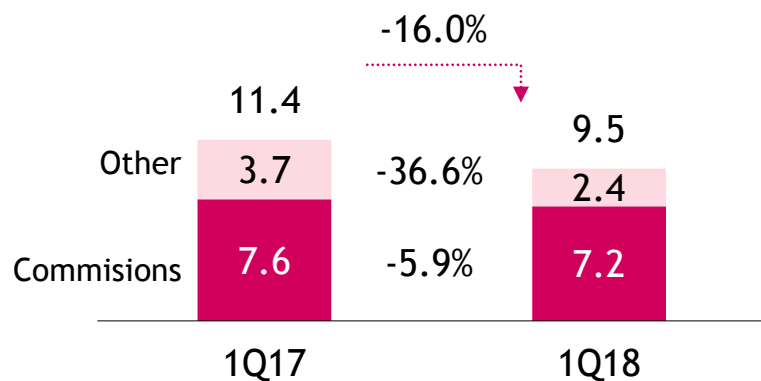
Net interest income



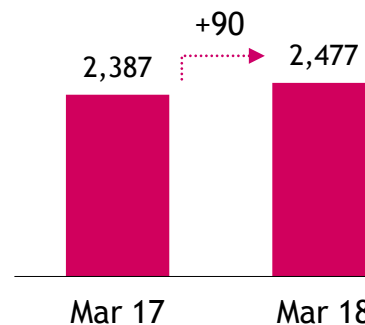
Operating costs



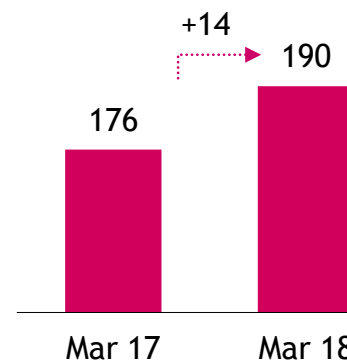
Commissions and other income



Employees*



Branches



*Excludes employees from SIM (insurance company)

Credit performance influenced by challenging environment

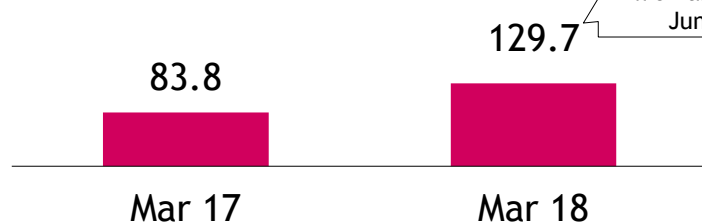


(Million euros)

NPL>90d

Credit ratio	Mar 17	Mar 18
NPL>90d	7.7%	14.7%

Down from €162 million as reported in June 2017

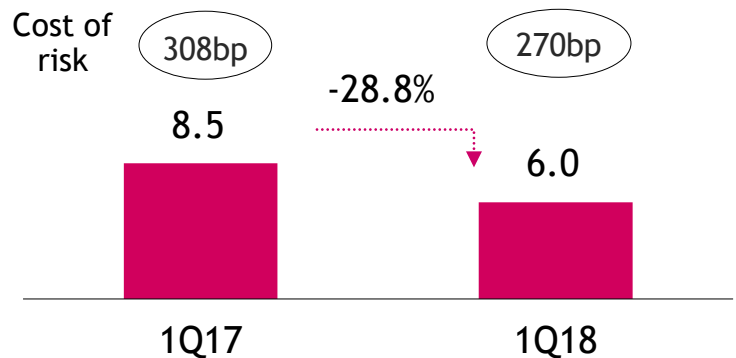


Loan-loss reserves

Coverage ratio	Mar 17	Mar 18
NPL>90d	105%	66%



Loan impairment (net of recoveries)



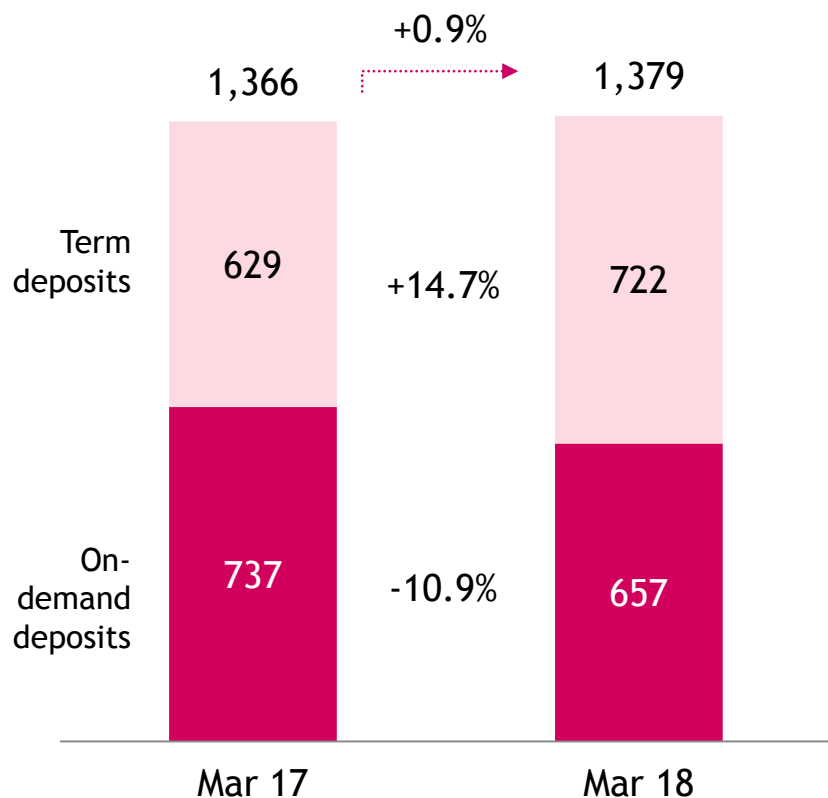
- NPL>90d ratio of 14,7% as at March 31, 2018, with a 66% coverage by loan-loss reserves as at the same date
- Lower provisioning effort, as reflected by a 270bp cost of risk in 1Q18, down from 308bp in 1Q17

Growing deposits and lower credit

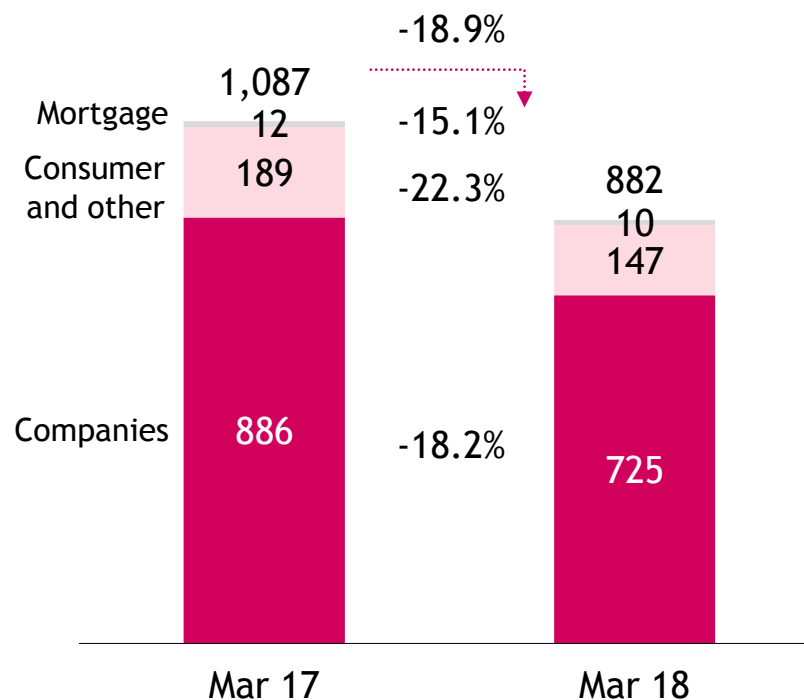


(Million euros)

Customer funds



Loans to Customers (gross)



Agenda

- Highlights
- Group
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- Conclusions

Road to 2018: targets

Consolidated

	1Q17	1Q18	2018
CET1 fully implemented ¹	11.2%	11.8%	≈ 11%
Loans to Deposits	97%	91%	<100%
Cost-Income	44.6%	45.7%	≈ 43%
Cost-Core Income ²	48.3%	48.0%	<50%
Cost of risk	114 bp	85 bp	<75 bp
RoE ³	4.7%	7.7%	≈ 10%
Cumulative NPE reduction from January 1, 2016 (Portugal)	-€1.5 billion	-€3.5 billion	-€3.0 billion



1 Estimates including earnings for the first quarter.

2 Core income = net interest income + net fees and commission income.

3 Based on a fully implemented CET1 of 11%.

Millennium bcp: a bank ready for the future

Profitability and
balance-sheet
indicators in line
with targets for
2018

- ① **Largest private sector bank** based in Portugal with a balanced shareholder structure and a sound balance sheet (fully implemented CET1 ratio of 11.8%, loans to deposits of 91%)
- ② Successful implementation of the **NPE reduction** plan in Portugal: approximately €0.5 billion down in the quarter, €2.0 billion down from March 31, 2017, to **€6.3 billion** at the end of 1Q18
- ③ **Profitable operation** with a recurring capacity to generate operating results in excess of €1.2 billion per year (€0.3 billion in 1Q18); **contribution from domestic activity growing strongly**
- ④ **One of the most efficient banks in the Eurozone**, with a cost to core income ratio of 48% (Eurozone: 75%) and a cost to income ratio of 46% (Eurozone: 63%)
- ⑤ Well-positioned in a rapidly changing landscape, following the completion of the restructuring plan successfully implemented over the last years: **7.3% increase in active Customers to 5.6 million, 16.0% increase in active digital Customers to 2.6 million**

Appendix

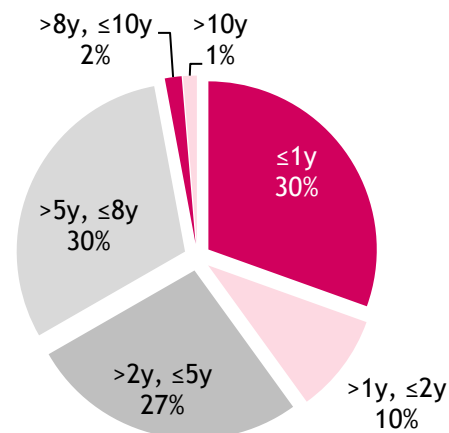
Sovereign debt portfolio

Sovereign debt portfolio

(Million euros)

	Mar 17	Dec 17	Mar 18	YoY	QoQ
Portugal	4,241	3,636	4,696	+11%	+29%
T-bills and other	589	585	499	-15%	-15%
Bonds	3,652	3,051	4,197	+15%	+38%
Poland	3,745	3,160	3,981	+6%	+26%
Mozambique	302	491	553	+83%	+13%
Other	90	553	1,068	>100%	+93%
Total	8,378	7,841	10,299	+23%	+31%

Sovereign debt maturity



- The sovereign debt portfolio totaled €10.3 billion, €3.1 billion of which maturing within one year
- The Portuguese sovereign debt portfolio totalled €4.7 billion, whereas the Polish and Mozambican portfolios amounted to €4.0 billion and to €0.6 billion, respectively; “other” includes US sovereign debt of €0.9 billion

Sovereign debt portfolio

(Million euros)

	Portugal	Poland	Mozambique	Other	Total
Trading book*	153	396		32	581
≤ 1 year	114	55			168
> 1 year and ≤ 2 years		33			33
> 2 years and ≤ 5 years	37	236			273
> 5 years and ≤ 8 years	2	50			52
> 8 years and ≤ 10 years		6		31	38
> 10 years		16		1	17
Banking book**	4,543	3,586	553	1,036	9,718
≤ 1 year	452	1,205	372	942	2,970
> 1 year and ≤ 2 years		890	61		951
> 2 years and ≤ 5 years	980	1,472	21	1	2,475
> 5 years and ≤ 8 years	3,066	7		2	3,074
> 8 years and ≤ 10 years	10	6	34	78	129
> 10 years	35	6	65	13	119
Total	4,696	3,981	553	1,068	10,299
≤ 1 year	566	1,259	372	942	3,139
> 1 year and ≤ 2 years		923	61		984
> 2 years and ≤ 5 years	1,017	1,708	21	1	2,747
> 5 years and ≤ 8 years	3,068	57		2	3,126
> 8 years and ≤ 10 years	10	13	34	109	166
> 10 years	35	22	65	14	136

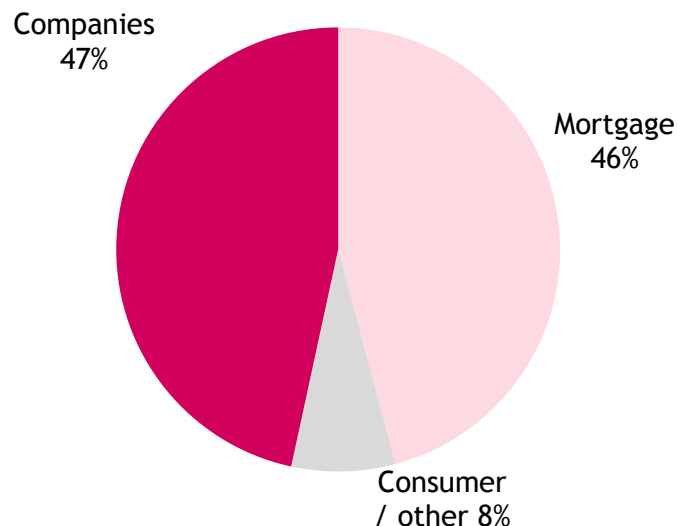
*Includes financial assets held for trading at fair value through net income (€142 million).

**Includes financial assets at fair value through other comprehensive income (€9,057 million) and financial assets at amortised cost (€662 million).

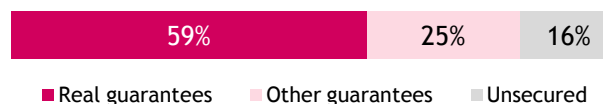
Diversified and collateralised portfolio

Loan portfolio

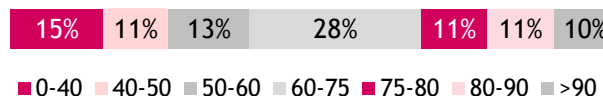
Consolidated



Loans per collateral



LTV of the mortgage portfolio in Portugal



Loans

- Loans to companies accounted for 47% of the loan portfolio at March 31, 2018, including 8% to construction and real-estate sectors
- Mortgage accounted for 46% of the loan portfolio, with low delinquency levels and an average LTV of 65%
- 84% of the loan portfolio is collateralised

Collaterals

- Real estate accounts for 93% of total collateral value
- 80% of the real estate collateral is residential

Consolidated earnings

(million euros)	1Q17	1Q18	YoY	Impact on earnings
Net interest income	332.3	344.8	3.8%	+12.5
Net fees and commissions	160.8	167.8	4.4%	+7.0
Other income*	40.9	25.2	-38.4%	-15.7
Banking income	534.0	537.8	0.7%	+3.8
Staff costs	-136.9	-142.3	3.9%	-5.4
Other administrative costs and depreciation	-101.4	-103.7	2.3%	-2.3
Operating costs	-238.3	-246.0	3.2%	-7.7
Operating net income (before impairment and provisions)	295.8	291.8	-1.3%	-4.0
Of which: core net income**	254.8	266.6	4.6%	+11.7
Loans impairment (net of recoveries)	-148.9	-106.1	-28.8%	+42.8
Other impairment and provisions	-54.3	-23.9	-56.1%	+30.5
Impairment and provisions	-203.2	-129.9	-36.1%	+73.3
Net income before income tax	92.5	161.8		+69.3
Income taxes	-19.1	-49.3		-30.2
Non-controlling interests	-23.3	-26.9		-3.6
Net income from discontinued or to be discontinued operations	0.0	0.0		0.0
Net income	50.1	85.6		+35.5

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

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

Consolidated balance sheet

(Million euros)

	31 March 2018	31 March 2017		31 March 2018	31 March 2017
Assets			Liabilities		
Cash and deposits at Central Banks	2,265.8	1,684.4	Resources from credit institutions	7,427.1	9,284.1
Loans and advances to credit institutions			Resources from customers	52,389.8	50,137.5
Repayable on demand	254.5	258.3	Debt securities issued	2,902.9	2,962.7
Other loans and advances	864.0	1,337.8	Financial liabilities held for trading	408.7	509.7
Loans and advances to customers	46,950.1	48,533.7	Hedging derivatives	140.8	287.5
Other financial assets at amortised cost	990.1	464.5	Provisions	340.4	341.6
Financial assets held for trading	1,234.6	1,021.1	Subordinated debt	1,179.4	846.1
Other financial assets not held for trading			Current tax liabilities	12.8	38.5
mandatorily at fair value through profit or loss	1,608.5	-	Deferred tax liabilities	5.5	2.3
Other financial assets held for trading			Other liabilities	1,041.3	932.0
at fair value through profit or loss	142.4	147.3	Total Liabilities	65,848.7	65,342.2
Financial assets at fair value through other comprehensive incor	10,814.4	10,715.1			
Assets with repurchase agreement	33.5	30.3	Equity		
Hedging derivatives	141.7	73.6	Share capital	5,600.7	5,600.7
Investments in associated companies	498.8	611.2	Share premium	16.5	16.5
Non-current assets held for sale	2,144.7	2,225.4	Preference shares	59.9	59.9
Investment property	12.5	12.6	Other equity instruments	2.9	2.9
Other tangible assets	481.6	482.5	Legal and statutory reserves	252.8	245.9
Goodwill and intangible assets	179.8	162.3	Treasury shares	(0.3)	(0.7)
Current tax assets	24.8	17.7	Fair value reserves	24.1	(103.1)
Deferred tax assets	2,956.9	3,193.2	Reserves and retained earnings	(273.3)	(90.9)
Other assets	1,075.2	1,106.1	Net income for the period attributable to Bank's Shareholders	85.6	50.1
Total Assets	72,673.9	72,076.9	Total equity attrib. to Shareholders of the Bank	5,769.0	5,781.3
			Non-controlling interests	1,056.2	953.4
			Total Equity	6,825.2	6,734.7
				72,673.9	72,076.9

Consolidated income statement

Per quarter

(Million euros)

	1Q 17	2Q 17	3Q 17	4Q 17	1Q 18
Net interest income	332.3	346.2	344.7	368.1	344.8
Dividends from equity instruments	0.1	1.5	0.1	0.1	0.1
Net fees and commission income	160.8	169.5	164.3	172.1	167.8
Other operating income	-15.2	-71.4	-10.4	-5.2	-29.1
Net trading income	36.4	53.5	25.1	33.4	34.4
Equity accounted earnings	19.6	15.5	21.7	34.8	19.8
Banking income	534.0	514.8	545.5	603.2	537.8
Staff costs	136.9	104.6	138.6	146.5	142.3
Other administrative costs	88.7	94.0	92.2	99.3	89.5
Depreciation	12.7	13.4	13.6	13.9	14.2
Operating costs	238.3	211.9	244.4	259.6	246.0
Operating net income bef. imp.	295.8	302.9	301.1	343.6	291.8
Loans impairment (net of recoveries)	148.9	156.1	153.6	165.1	106.1
Other impairm. and provisions	54.3	56.0	59.6	131.2	23.9
Net income before income tax	92.5	90.8	87.9	47.3	161.8
Income tax	19.1	24.3	19.7	-33.0	49.3
Non-controlling interests	23.3	27.9	24.8	27.1	26.9
Income tax	50.1	38.6	43.4	53.1	85.6
Net income arising from discount. operations	0.0	1.3	0.0	0.0	0.0
Net income	50.1	39.8	43.4	53.1	85.6

Income statement (Portugal and International operations)

For the 3-month periods ended March 31st, 2017 and de 2018

(Million euros)

	International operations																	
	Group			Portugal			Total			Bank Millennium (Poland)			Millennium bim (Moz.)			Other int. operations		
	Mar 17	Mar 18	Δ %	Mar 17	Mar 18	Δ %	Mar 17	Mar 18	Δ %	Mar 17	Mar 18	Δ %	Mar 17	Mar 18	Δ %	Mar 17	Mar 18	Δ %
Interest income	475	473	-0.5%	271	251	-7.3%	205	222	8.5%	134	146	9.2%	69	75	7.3%	2	2	-13%
Interest expense	143	128	-10.4%	77	59	-23.1%	67	69	4.2%	42	43	2.4%	26	27	5.6%	-1	-1	26.3%
Net interest income	332	345	3.8%	194	192	-1.1%	138	153	10.6%	91	103	12.4%	44	48	8.3%	3	2	-12.8%
Dividends from equity instruments	0	0	-27.6%	0	0	14.2%	0	0	-46.1%	0	0	-46.1%	0	0	--	0	0	--
Intermediation margin	332	345	3.7%	194	192	-1.1%	138	153	10.6%	91	103	12.4%	44	48	8.3%	3	2	-12.8%
Net fees and commission income	161	168	4.4%	108	113	4.5%	53	55	4.1%	39	41	7.2%	8	7	-6.2%	6	6	-2.3%
Other operating income	-15	-29	-91.8%	5	-3	<-100%	-21	-26	-26.3%	-22	-26	-20.1%	1	0	-78.0%	0	0	-0.6%
Basic income	478	484	1.2%	308	302	-1.9%	170	182	6.7%	108	118	9.0%	53	55	4.0%	9	9	-5.7%
Net trading income	36	34	-5.3%	21	19	-9.2%	16	15	-0.1%	12	13	2.8%	2	2	-13.2%	1	1	-5.7%
Equity accounted earnings	20	20	0.9%	12	12	2.1%	8	8	-10%	0	0	--	0	0	--	8	8	-10%
Banking income	534	538	0.7%	341	333	-2.2%	193	205	5.8%	120	130	8.4%	55	57	3.3%	18	17	-3.6%
Staff costs	137	142	3.9%	90	91	14%	47	51	8.7%	34	38	12.3%	9	9	-3.5%	4	5	6.7%
Other administrative costs	89	90	1.0%	55	53	-2.5%	34	36	6.7%	23	25	8.7%	10	10	19%	2	2	7.2%
Depreciation	13	14	11.5%	8	9	12.7%	5	5	9.4%	3	3	5.6%	2	2	17.1%	0	0	-25.0%
Operating costs	238	246	3.2%	153	153	0.6%	86	93	7.9%	59	66	10.6%	21	21	0.8%	6	6	6.6%
Operating net income bef. imp.	296	292	-1.3%	188	180	-4.5%	108	112	4.1%	61	65	6.2%	35	36	4.8%	12	11	-8.8%
Loans impairment (net of recoveries)	149	106	-28.8%	126	89	-29.4%	23	17	-25.5%	14	12	-18.3%	8	6	-29.0%	0	-1	<-100%
Other impairm. and provisions	54	24	-56.1%	57	19	-66.5%	-2	5	>100%	0	1	>100%	-2	0	80.3%	0	5	>100%
Net income before income tax	93	162	74.9%	5	72	>100%	87	90	3.4%	47	52	12.2%	29	31	7.4%	11	7	-42.5%
Income tax	19	49	>100%	-3	27	>100%	23	22	-3.2%	14	15	7.8%	8	6	-23.3%	1	1	1.1%
Non-controlling interests	23	27	15.5%	0	0	-81.0%	23	27	15.6%	0	0	--	0	0	22.4%	23	27	15.6%
Income tax	50	86	70.8%	9	44	>100%	41	41	0.1%	33	37	14.1%	21	25	18.9%	-12	-21	-69.2%

Glossary (1/2)

- Balance sheet impairment** - Balance sheet impairment related to amortised cost and fair value adjustments related to loans to customers at fair value through profit or loss.
- Balance sheet customer funds** - debt securities and customer deposits.
- Capitalisation products** - includes unit linked saving products and retirement saving plans (“PPR”, “PPE” and “PPR/E”).
- 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** - corresponding to net interest income plus net fees and commissions income deducted from operating costs.
- Cost of risk, gross (expressed in bp)** - ratio of impairment charges accounted in the period to loans to customers at amortised cost before impairment.
- Cost of risk, net (expressed in bp)** - ratio of impairment charges (net of recoveries) accounted in the period to loans to customers at amortised cost before impairment.
- Cost to core income** - operating costs divided by core income (net interest income and net fees and commissions income).
- Cost to income** - operating costs divided by net operating revenues.
- Coverage of non-performing loans by balance sheet impairments** - BS impairments divided by NPL.
- Debt securities** - debt securities issued by the Bank and placed with customers.
- 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 a significant influence, the Group does not control the financial and operational policies.
- Loans to customers (gross)** - Loans to customers at amortised cost 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 amortised cost 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 total customer deposits.
- 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, 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 financial assets at fair value through other comprehensive income and financial assets at amortised cost.
- Non-performing exposures (NPE, according to EBA definition)** - Non-performing loans and advances to customers more than 90 days past-due or unlikely to be paid without collateral realisation, even if they recognised as defaulted or impaired.
- Non-performing loans (NPL)** - Overdue loans more than 90 days including the non-overdue remaining principal of loans, i.e. portion in arrears, plus non-overdue remaining principal.

Glossary (2/2)

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

Overdue loans - loans in arrears, including principal and interests.

Overdue loans by more than 90 days coverage ratio - BS impairments divided by total amount of overdue loans including installments of capital and interest overdue more than 90 days.

Overdue loans coverage ratio - BS impairments divided by total amount of overdue loans including installments of capital and interest overdue.

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

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

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.

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

Securities portfolio - financial assets held for trading, financial assets not held for trading mandatorily at fair value through profit or loss, financial assets at fair value through other comprehensive income, assets with repurchase agreement, other financial assets at amortised cost and other financial assets held for trading at fair value through profit or loss.

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, capitalisation products, assets under management and investment funds.



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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, LEI J1U6S0DG9YLT7N8ZV32 and the share capital of EUR 4,094,235,361.88.

