



Millennium
bcp



EARNINGS PRESENTATION 2020

Banco Comercial Português

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, as amended.
- | The figures presented do not constitute any form of commitment by BCP in regard to future earnings.
- | Figures for 2020 not audited.
- | The information in this presentation is for information purposes only, and should be read in conjunction with all other information made public by the BCP Group.

AGENDA



Highlights

01

Group

02

Portugal

03

International
operations

04

Key figures

05



01

—

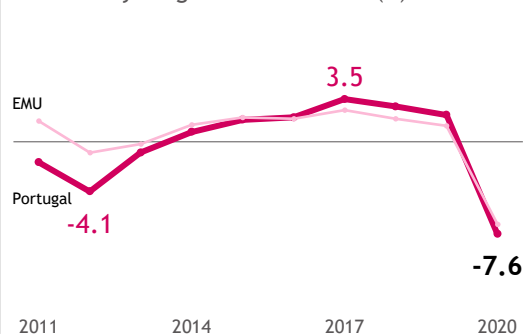


Highlights

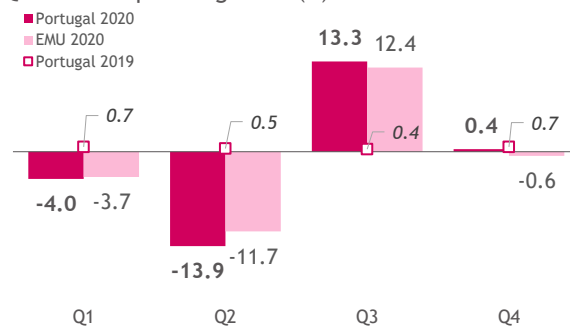
2020: an atypical and very demanding year

GDP growth

Year-on-year growth 2011-2020 (%)



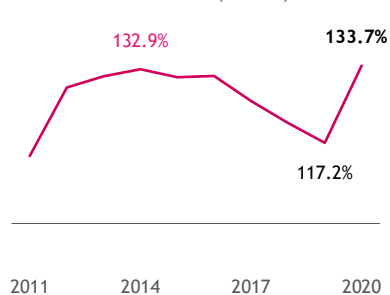
Quarter-on-quarter growth (%)



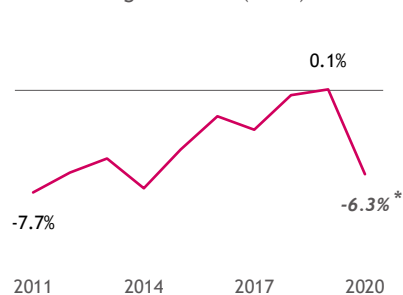
- Sudden inflection of economic growth, with unprecedented contraction in 2020
- Confinement-unconfinement cycles caused sudden changes in economic activity throughout the year

Public support measures, safeguarding State accounts, and the capacity of the banking industry to support the economy resulted in the social impact of the crisis to be mitigated

Public debt (% GDP)

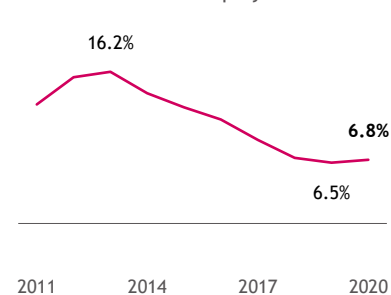


Budget balance (% PIB)



*Government estimate

Rate of unemployment



Priorities set up allowed for a prompt adaptation. We have permanently supported the economy and the communities we serve

Priorities in 2020

Protect Employees and Customers

Defend the quality of the balance sheet

Support the economy

Strengthen social support

Adapt business models and processes

Prompt reaction and adaptation to uncertain context

- Full operating capacity
- Active promotion of remote channels

Supporting businesses and families

- Credit lines promptly available
- Operationalisation of moratoriums

Going above and beyond in supporting and servicing our Customers

99%

Operating branches

+74%

App transactions

€2.3 billion

Covid-19 lines

>102,000

Moratoriums granted to families

#1



DATAE
Estudos, Consultoria e Gestão Empresarial, Lda.
Barómetro Financeiro 2020

Main bank for companies;
most appropriate
products; most efficient;
closest to Customers



Leader in number of
awards
(3rd year in a row)



Highlights: resilience and adaptability



Profitability

- **Net profit of 183 million**, influenced by the Covid-19 context and by provisions for legal risk on CHF loans in Poland
- **Pre-provision profit up by 1.5%** to 1,186.2 million in 2020; **significant reinforcement of impairment and other provisions** that totalled 841.2 million (+55.3%)
- Operating costs under control. One of the most efficient banks in the Eurozone: **cost to core income of 48%**



Capital and liquidity

- **Total capital of 15.6%*** and CET1 of **12.2%***, above regulatory requirements of **13.31%** and of **8.83%**, respectively
- Strong liquidity, well in excess of regulatory requirements; **loans-to-deposits of 85%** and eligible assets for ECB funding of **22.5 billion**

*Fully implemented ratio including unaudited net income for 2020. CET1 of 12.2% as of December 31, 2019 and of 12.4% as of September 30, 2020.
Core earnings = net interest income + commissions - operating costs excluding non-usual items.
Cost to core income excluding non-usual items.

Highlights: resilience and adaptability



Business activity

- Performing loans in Portugal up by **2.6 billion, +7.9%** from end-2019, with **performing loans to companies increasing 16.4%**; leadership in Covid-19 credit lines, with more than **18,000 operations disbursed** (market share in excess of **30%**)
- Total Customer funds up by **2.8 billion, +3.4%** from end-2019 (**+7.4% in Portugal**) and by **1.2 billion** from September 2020



Credit quality

- **NPEs in Portugal down in an adverse environment** by 883 million from end-2019 and by 338 million in the quarter
- Cost of risk of **91bp** for the Group and of **92bp** in Portugal; adequate NPE coverage, with coverage by LLRs of **63%** (+5pp from December 2019) and total coverage of **113%**, at the Group level

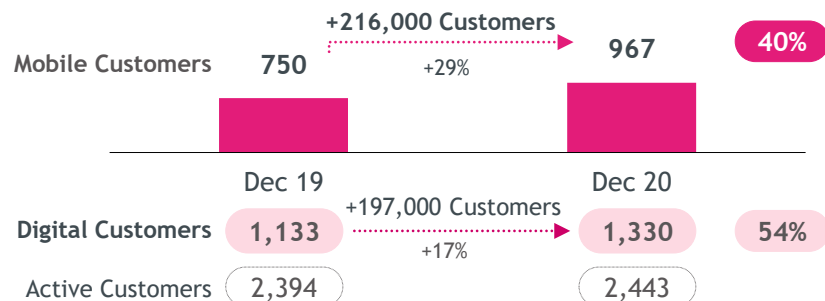
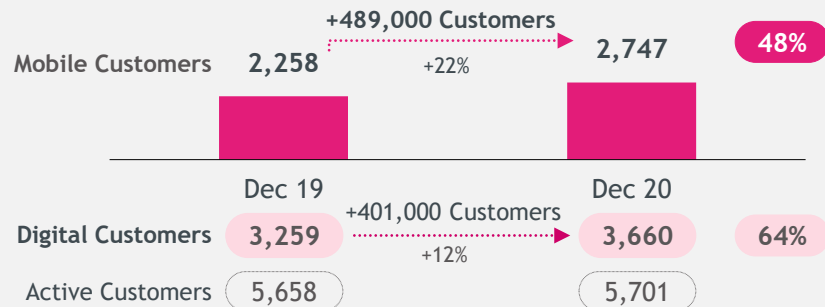


Growing Customer base, mobile Customers standing out

*'000 Customers

As a % of active Customers

Group



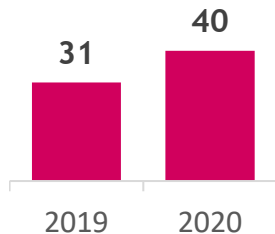
Leading bank in Customer satisfaction with digital channels, in all items by Basef (5 largest banks 2020); Closest to Customers, clearest information; Bank most recommended by Customers: leader in overall satisfaction, in the quality of service and in product quality

Customer counting criteria used in the Strategic Plan.

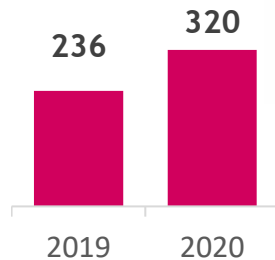
Our digital capabilities were especially appreciated by Customers during the pandemic



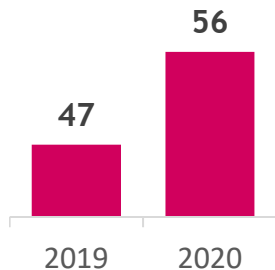
% Mobile Customers ¹



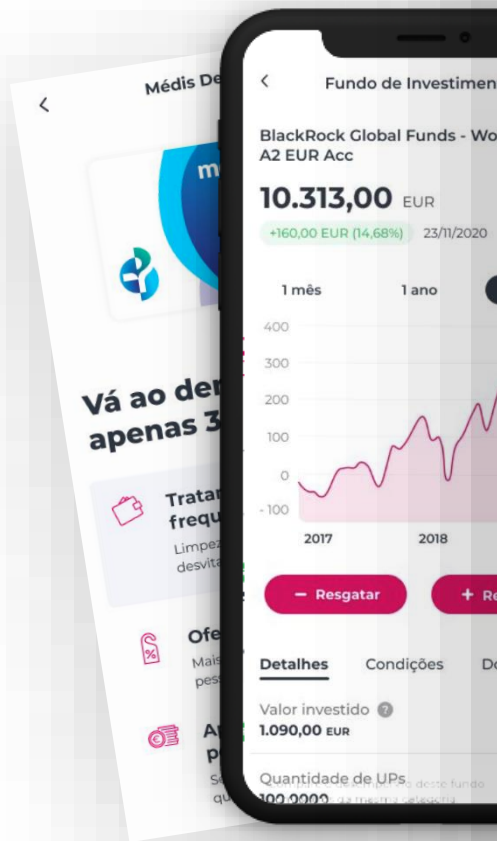
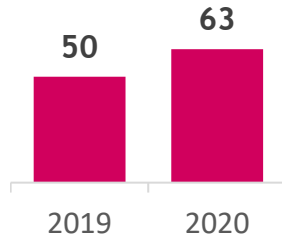
Digital Interactions #(mln) ²



% Digital Transactions (#) ³



% Digital Sales (#) ⁴



Strong mobile growth Y/Y

(Jan-Dec 2020 vs. Jan-Dec 2019)

+68%
Logins

+68%
Payments

+84%
Transfers

+68%
Sales

48% of digital Customers are app-exclusive

89% of digital interactions are mobile

¹ Mobile active Customers that have used the app at least once over the last 3 months

² Interactions (Millennium website and app)

³ Includes mobile and online; excludes branches and ATMs

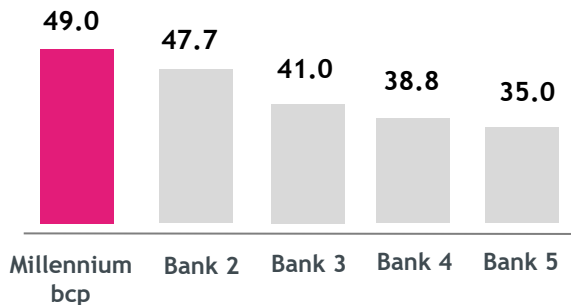
⁴ Digital sales (Millennium website and app) in number of operations

Best Digital Bank and Leader in Customer Satisfaction in 2020



Marktest

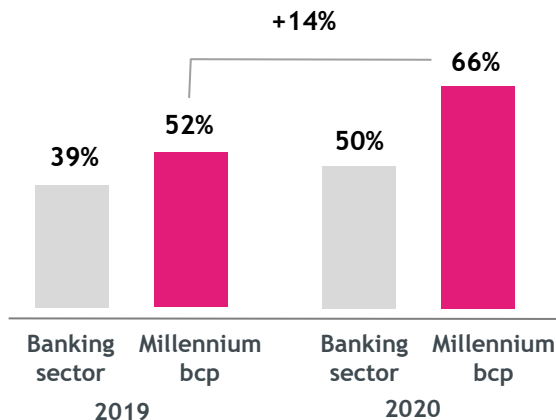
1 NPS¹ Digital Customers 2020,
5 largest Banks



1 CSI Index Digital Customers²
1st and 2nd waves 2020



Best Digital Bank
in 2020³



Millennium app
leads ratings



Best Consumer Digital Bank
Award 2020 in Portugal⁴

Best Corporate/
Institutional Information
Security and Fraud Management
2020 in Western Europe⁴



ActivoBank: Consumer Choice
2021, "Digital banks"
category⁵

¹ Top recommendation index (NPS), digital channels: BASEF 5 largest banks, 2020 as a whole

² Leading bank CSI index, digital Customers 1st and 2nd waves 2020, 5 largest banks

³ BrandScore research, nominated as 'Best Digital Bank', 4th quarter 2020 - Banking 2020

⁴ Awarded by Global Finance, August 2020

⁵ Awarded by ConsumerChoice, January 2021

Digital: More Innovation at the Service of Customers



15

New versions
in 2020

1.3 million digital Customers

Customers aged >65 years
increase 56% from March

> 30 interactions/month
per Customer

> 1.7 million logins/day

Even simpler day-to-day management

Update to Customer data - no need to go to the branch
Expanded card management and direct debit options
Biometrics in transfer and payment authorisations
100% digital moratorium request
100% remote onboarding to digital channels

Constant innovation in payments

Apple Pay
Fitbit and Garmit
All MBWay options
Instant international transfers
3D secure in e-commerce transaction authorization

100% digital, 24x7 sales journeys

Covers 80% of products
Digital-exclusive innovating products - on/off travel insurance
Progressive data integration and insights for integrated and personalized advice (eg assistant in credit simulation)

Open Banking now includes international banks

It is now possible to link to Revolut, to Transferwise and to 7 French banks
Transfers from other banks' accounts on the Millennium App





02

—



Group

Profitability

Net income of 183.0 million in 2020

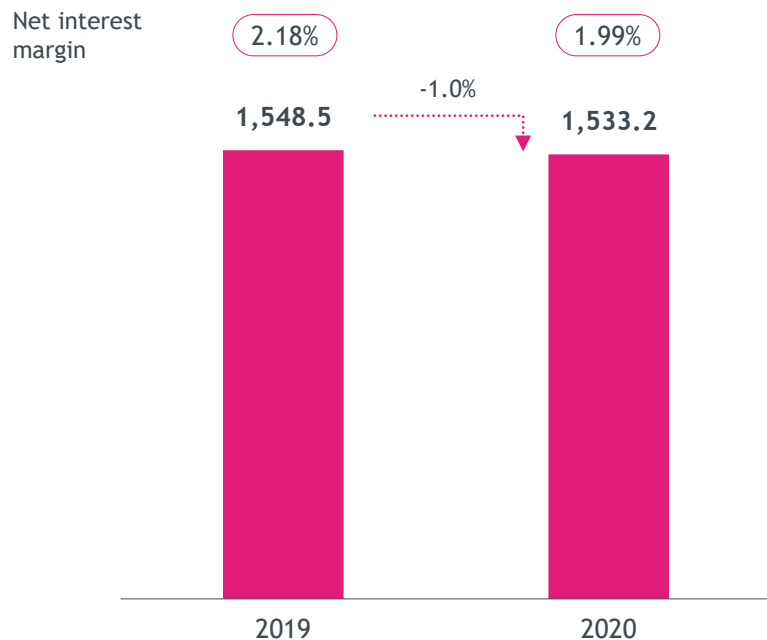
(Million euros)	2019	2020	YoY	Impact on earnings
Net interest income	1,548.5	1,533.2	-1.0%	-15.4
Commissions	703.5	702.7	-0.1%	-0.8
Core income	2,252.0	2,235.8	-0.7%	-16.2
Operating costs excluding non-usual items	-1,099.8	-1,072.9	-2.4%	+26.9
Core earnings	1,152.3	1,162.9	+0.9%	+10.7
Non-usual operating costs	-66.4	-46.5	-30.0%	+19.9
Compensation for temporary salary cuts, restructuring costs, Euro Bank integration				
Other income*	83.0	69.8	-16.0%	-13.2
Operating net income	1,168.9	1,186.2	+1.5%	+17.3
Impairment and other provisions	-541.6	-841.2	+55.3%	-299.6
Net income before income tax	627.3	345.0	-45.0%	-282.3
Income taxes, non-controlling interests and discontinued operations	-325.3	-162.0	-50.2%	+163.3
Net income	302.0	183.0	-39.4%	-119.0

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

Resilient net interest income

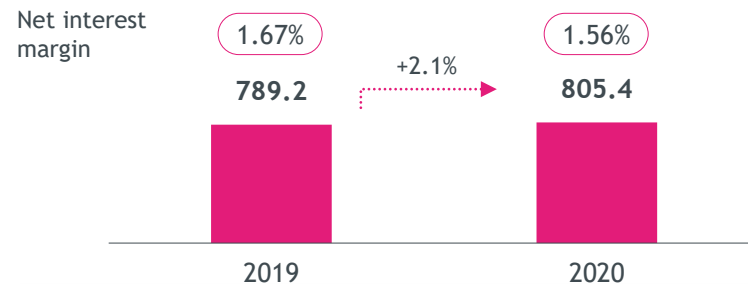
Net interest income

(Consolidated, million euros)



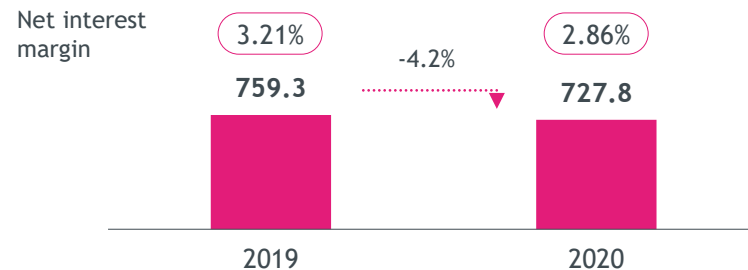
Portugal

(Million euros)



International operations

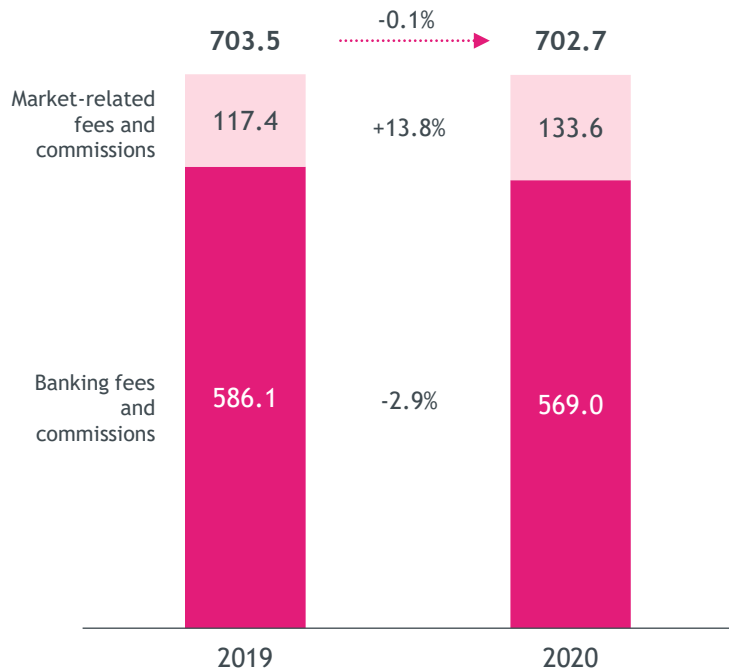
(Million euros)



Stable commissions in an adverse environment

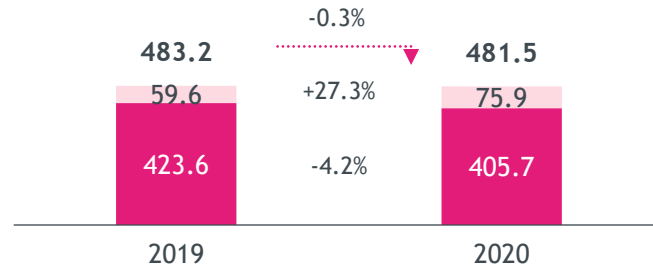
Fees and commissions

(Consolidated, million euros)



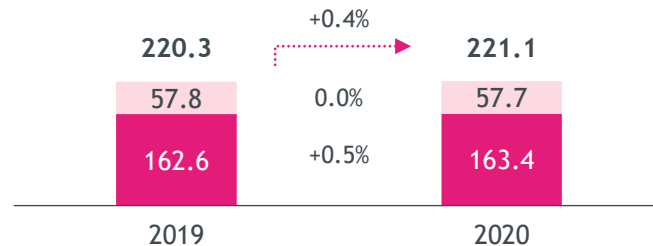
Portugal

(Million euros)



International operations

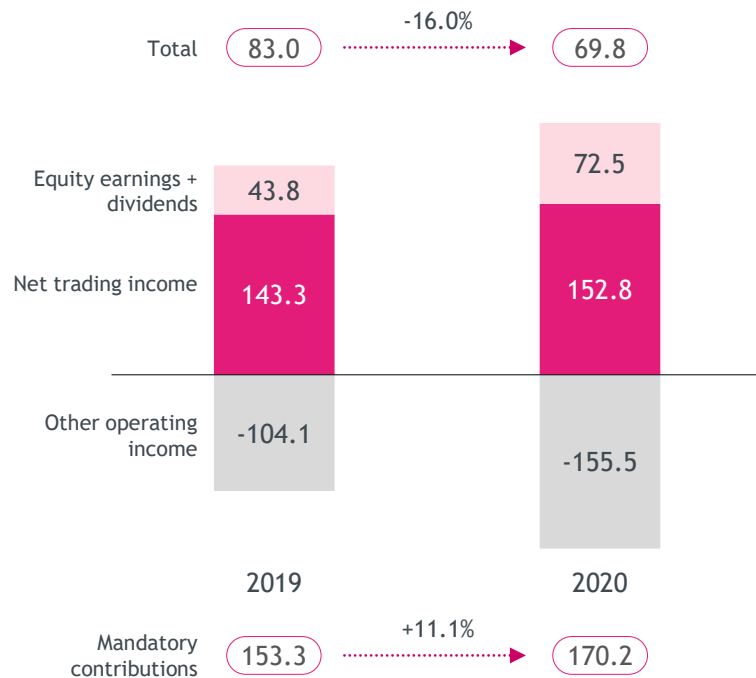
(Million euros)



Other income influenced by specific items

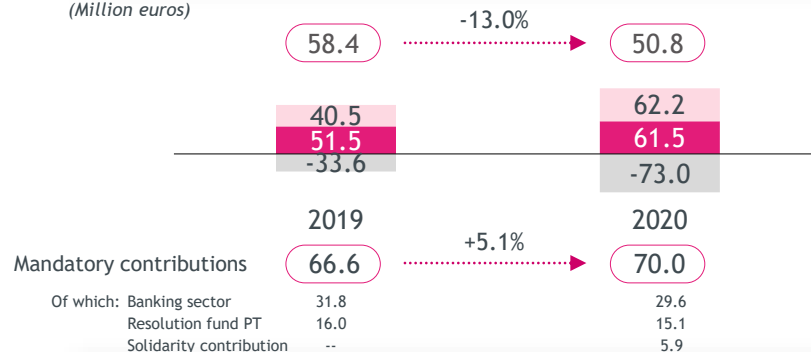
Other income

(Consolidated, million euros)



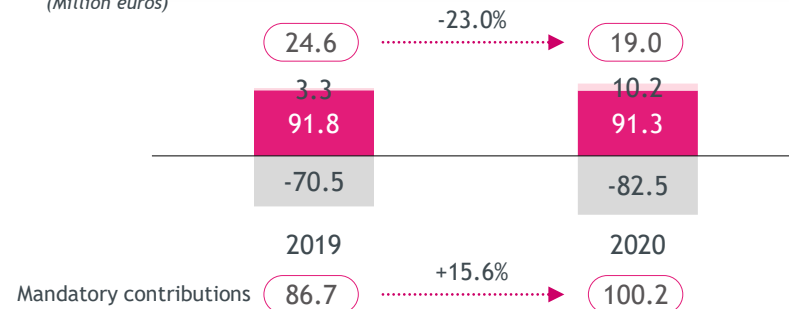
Portugal

(Million euros)



International operations

(Million euros)

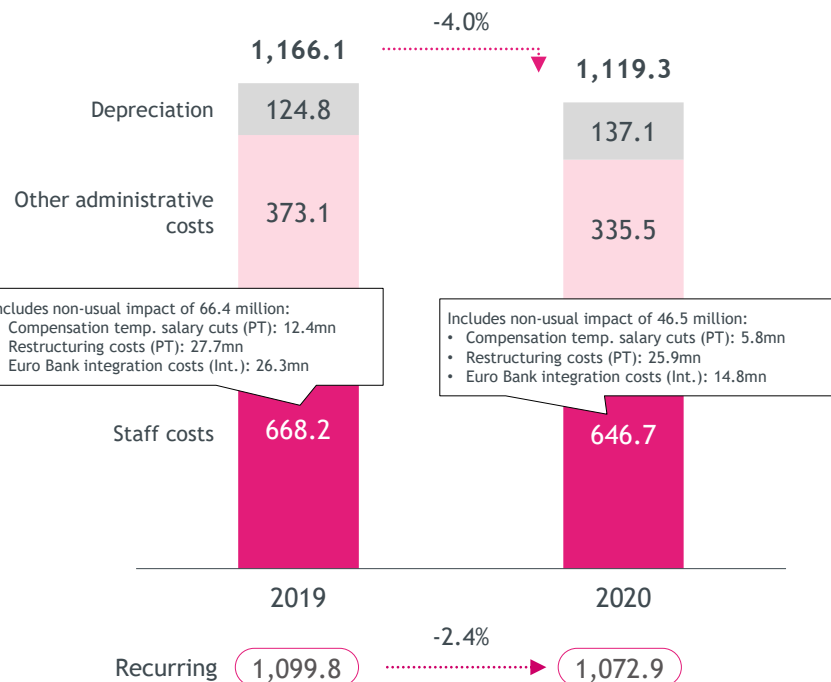


2019: other operating income includes regulatory contributions of 153.3 million, gains net of intermediation fees of 23.2 million on the sale of real-estate in Portugal and of 4.3 mainly related to the sale of securities in Mozambique;
2020: other operating income includes regulatory contributions of 170.2 million, and 3.5 million losses net of intermediation fees on the sale of real estate in Portugal.

Operating costs decreased

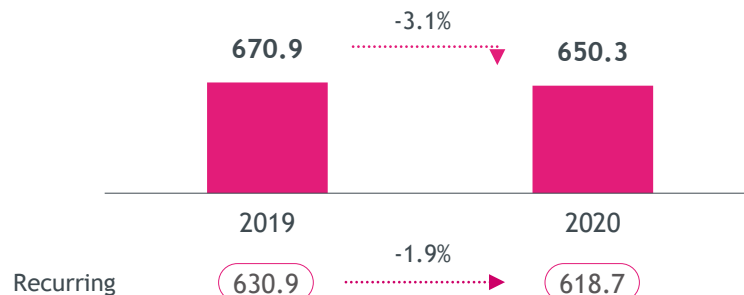
Operating costs

(Consolidated, million euros)



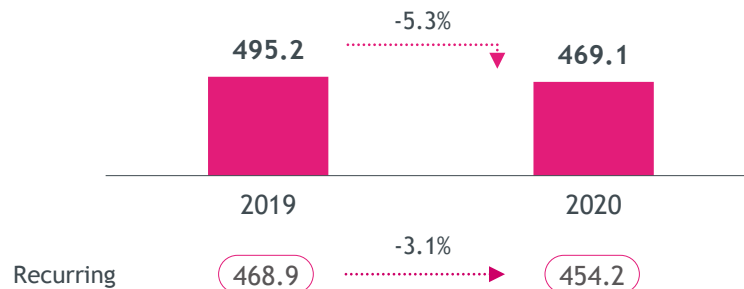
Portugal

(Million euros)



International operations

(Million euros)

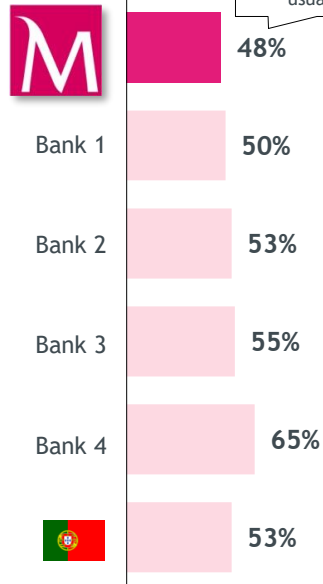


Millennium bcp: one of the most efficient banks in the Eurozone

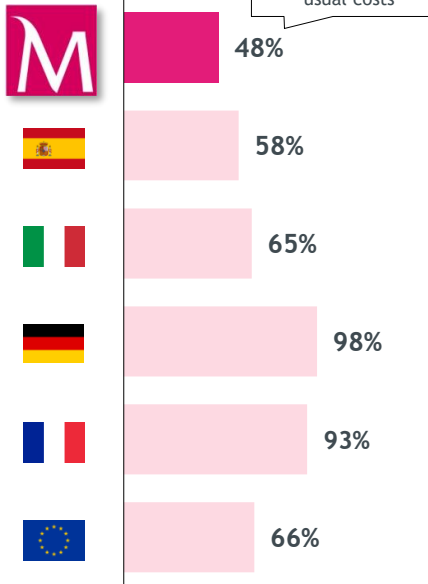
Cost to core income*

Latest available data

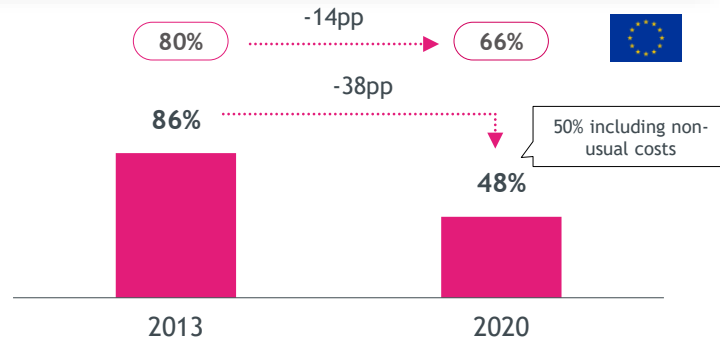
vs. peers in Portugal



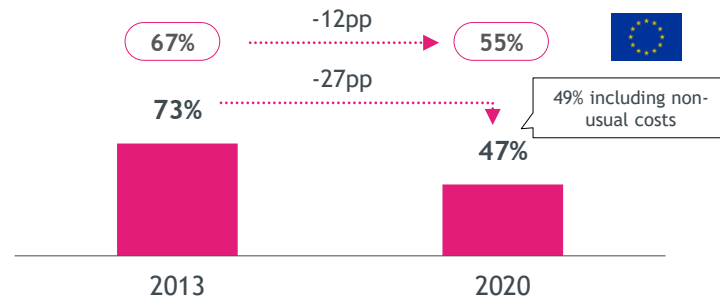
vs. Eurozone banks



Cost to core income*



Cost to income

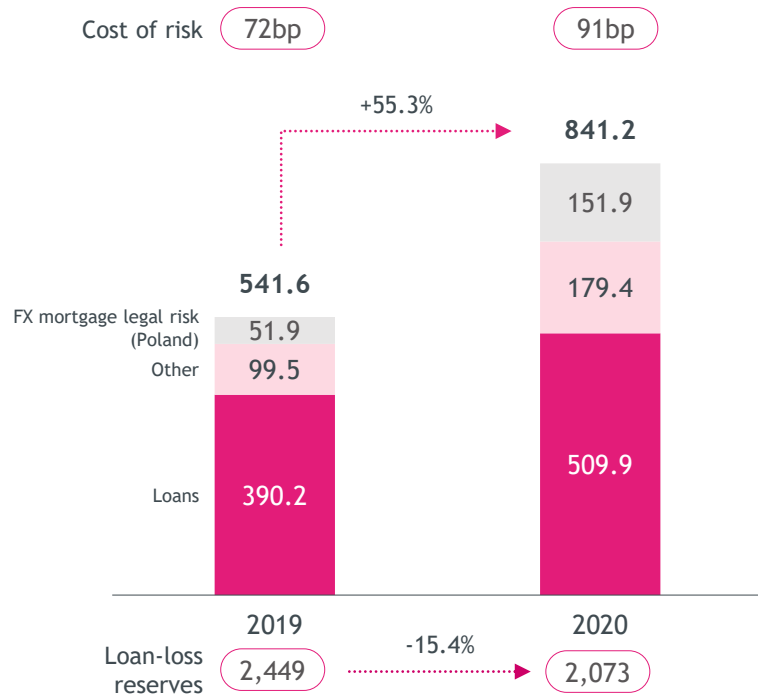


*Core income = net interest income + net fees and commission income.

Cost of risk and provisions

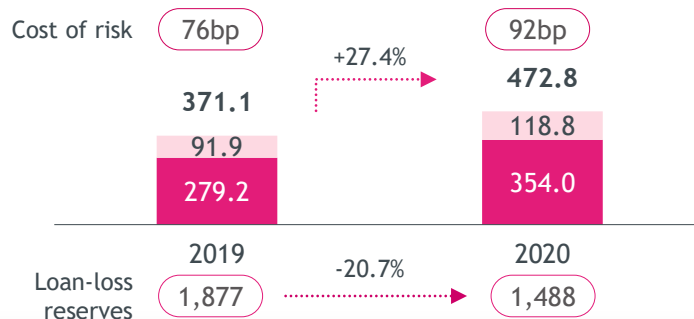
Impairment and provision charges

(Consolidated, million euros)



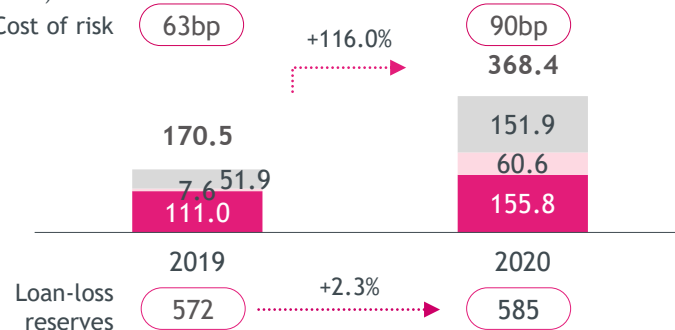
Portugal

(Million euros)



International operations

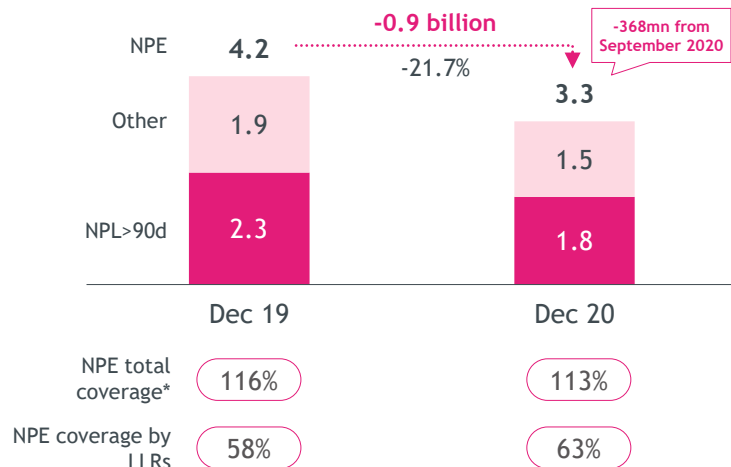
(Million euros)



Relevant decrease of NPE, despite difficult context

Credit quality

(Consolidated, billion euros)

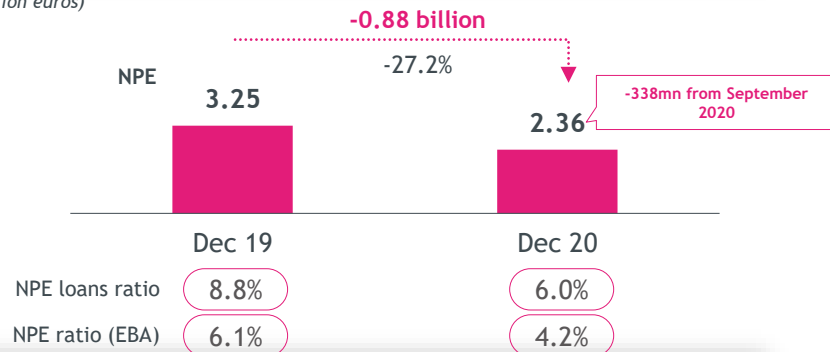


	Dec 19	Jun 20	Dec 20
NPL>90 days ratio	4.1%	3.7%	3.1%
NPE ratio inc. securities and off-BS (EBA)	5.3%	4.8%	4.0%
NPE ratio (loans only)	7.7%	7.0%	5.9%

*By loan-loss reserves, expected loss gap and collaterals.
NPE include loans to Customers only, except if otherwise indicated.

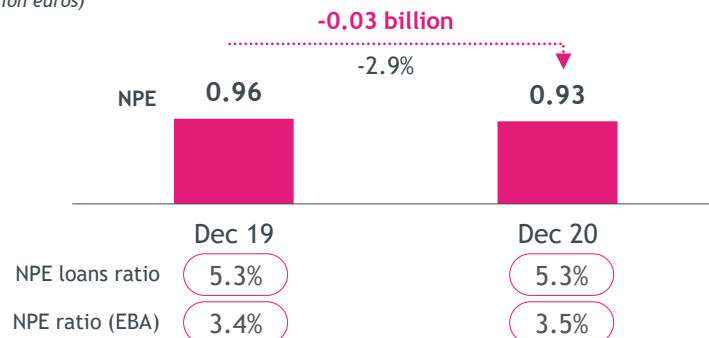
Portugal

(Billion euros)



International operations

(Billion euros)





02

—



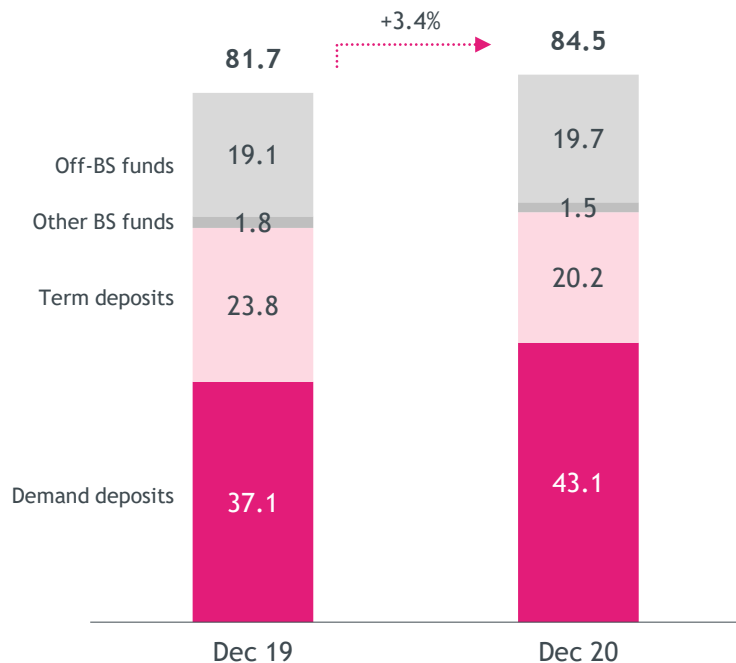
Group

Business activity

Customer funds keep growing

☰ Total Customers Funds*

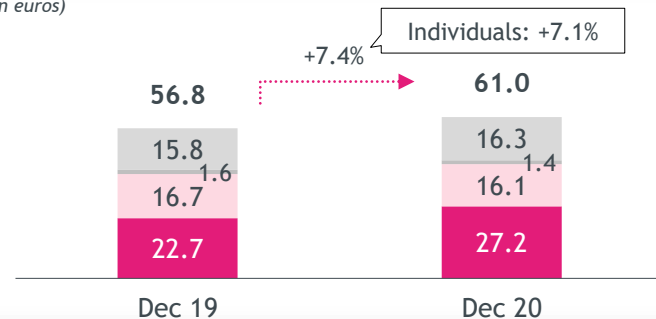
(Consolidated, billion euros)



*Deposits, debt securities, assets under management, assets placed with Customers and insurance products (savings and investments).

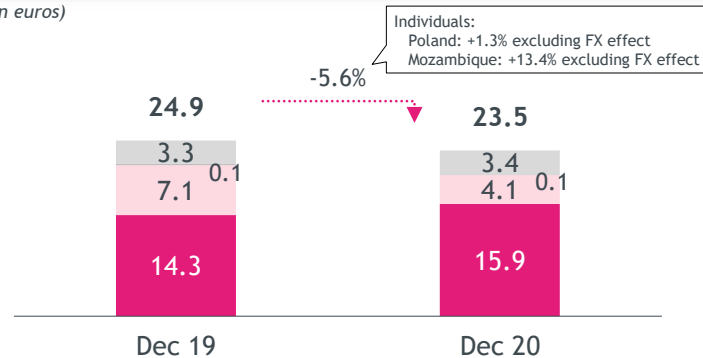
☰ Total Customers Funds* Portugal

(Billion euros)



☰ Total Customers Funds* international operations

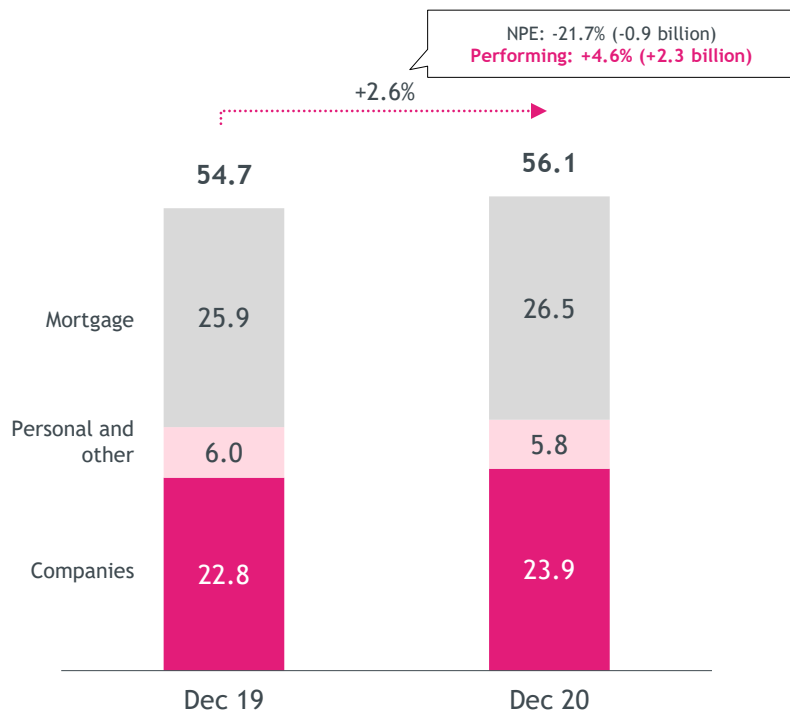
(Billion euros)



Continued increase on the performing loan portfolio

Loans to Customers (gross)

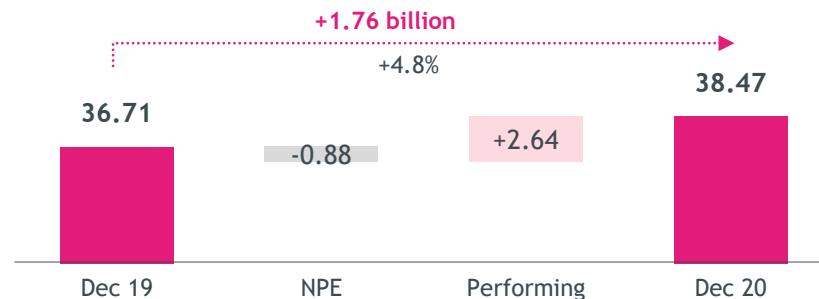
(Consolidated, billion euros)



NPE include loans to Customers only.

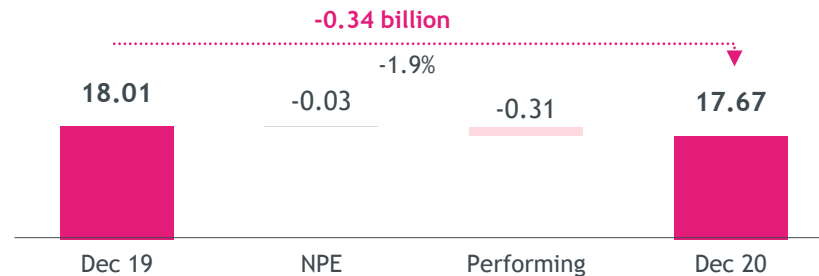
Portugal

(Billion euros)



International operations

(Billion euros)





02

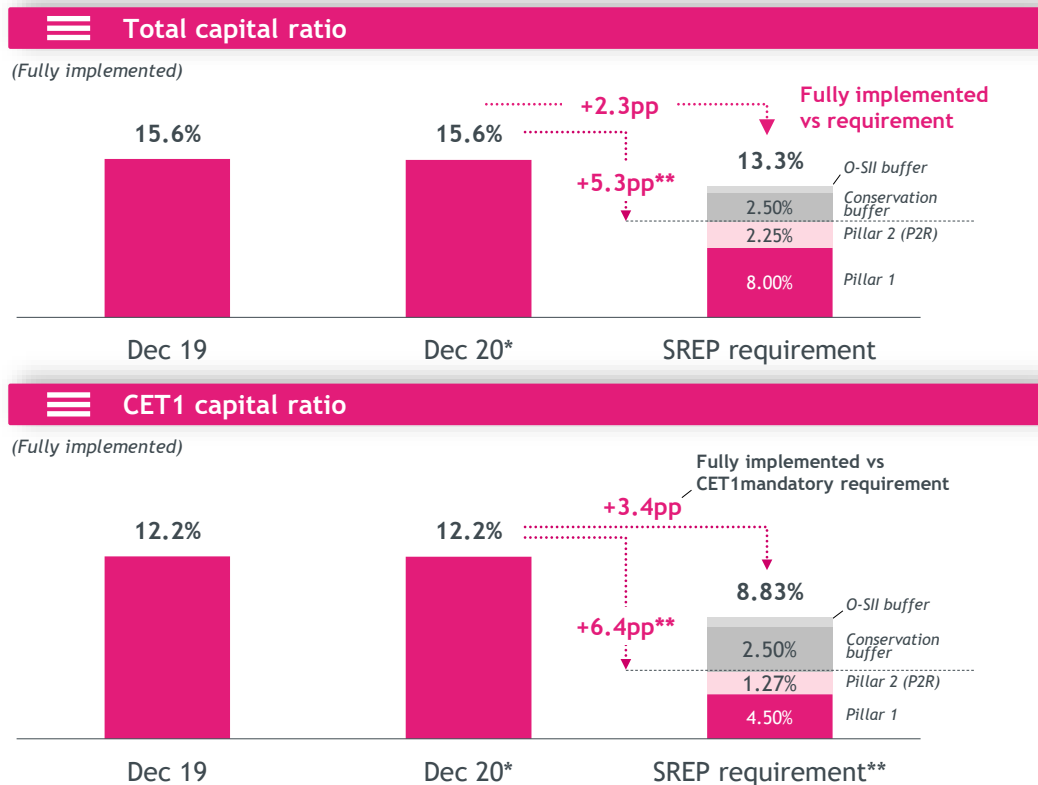
—



Group

Capital and liquidity

Capital above regulatory requirements



- **Total capital of 15.6%*** (fully implemented) as of December 2020, comfortably above SREP requirements
- **Surplus of 2.3pp** between the total capital ratio and the SREP requirement not using the capital conservation and the O-SII buffers, and of 5.3pp if such buffers are used
- CET1 capital ratio of 12.2%* (fully implemented) as of December 2020
- **MDA buffer at 1.0 billion** above the level at which there are restrictions on the maximum distributable amount of results, in accordance with banking regulation

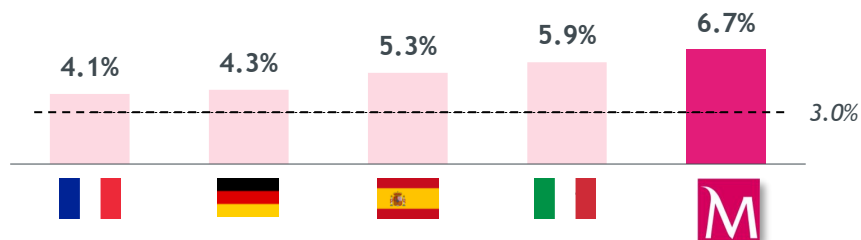
*Including unaudited net income for 2020.

**Minimum phased-in regulatory requirements from March 12, 2020.

Capital at adequate levels

Leverage ratio

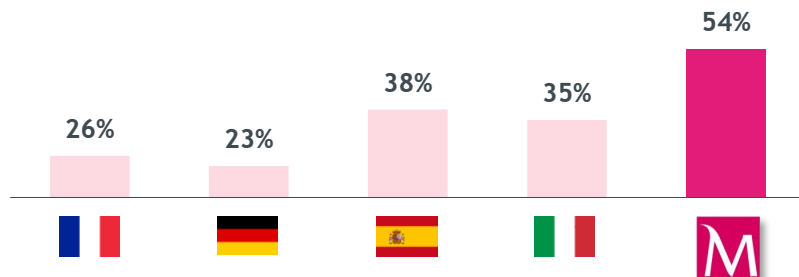
(Fully implemented, latest available data)



Leverage ratio at 6.7% as of December 2020, a comfortable and comparatively strong figure in European banking

RWA density

(RWAs as a % of assets, latest available data)



High RWA density (54% as of December 2020), compared to lower figures in most European banking markets

Pension fund

Key figures

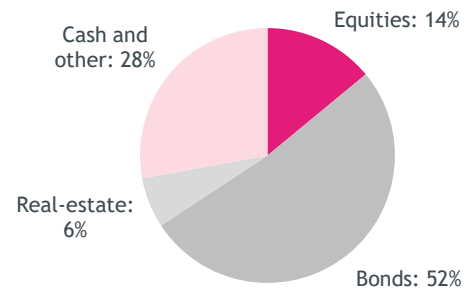
(Million euros)

	Dec 19	Jun 20	Dec 20
Pension liabilities	3,490	3,391	3,658
Pension fund	3,501	3,423	3,751
Liabilities' coverage	100%	101%	103%
Fund's profitability	+8.1%	-0.2%	+5.8%

Assumptions

	Dec 19	Jun 20	Dec 20
Discount rate	1.40%	1.55%	1.05%
Salary growth rate	0.75%	0.75%	0.75%
Pensions growth rate	0.50%	0.50%	0.50%
Projected rate of return of fund assets	1.40%	1.55%	1.05%
Mortality Tables			
Men	Tv 88/90	Tv 88/90	TV 88/90
Women	Tv 88/90-3 years	Tv 88/90-3 years	Tv 88/90-3 years

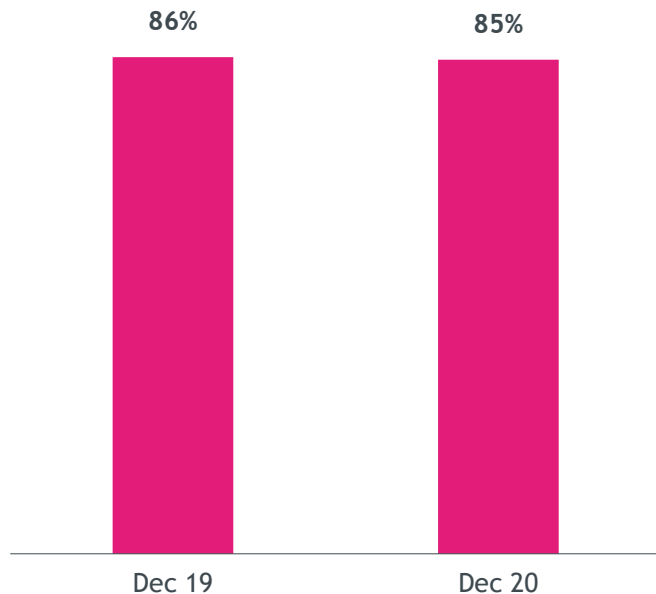
Pension fund



- Discount rate and projected rate of return revised downwards to 1.05%, reflecting lower market rates
- Liabilities fully covered (103%)

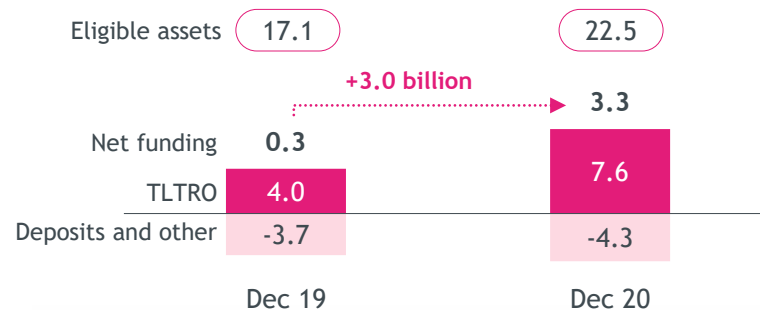
Reinforced liquidity position

Net loans to deposits ratio

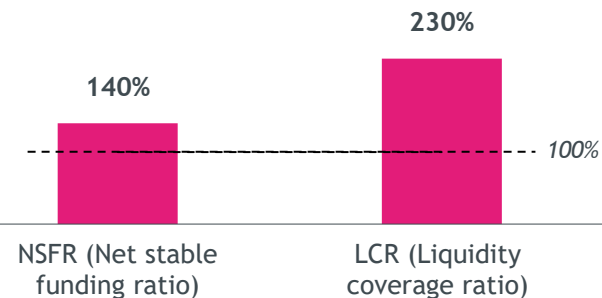


ECB funding, net

(Billion euros)



Liquidity ratios (CRD/CRR)





03

—



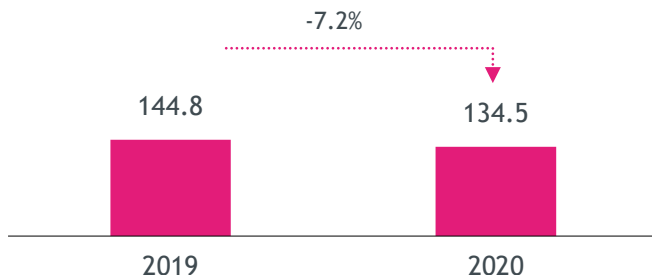
Portugal

Net income affected by the Covid-19 context



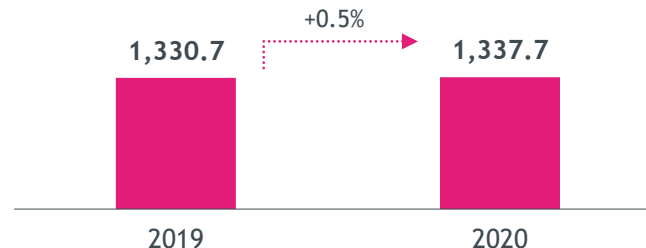
Net income*

(Million euros)



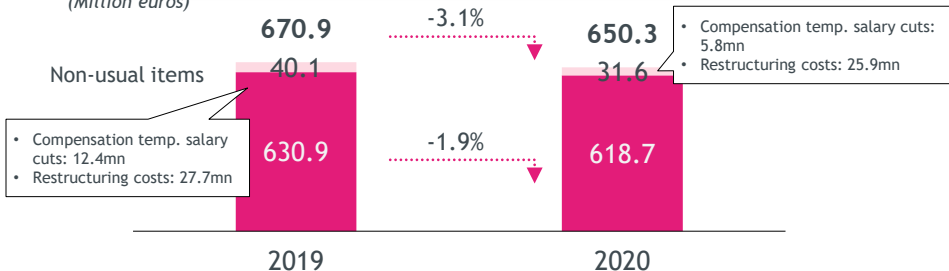
Net operating revenue

(Million euros)



Operating costs

(Million euros)



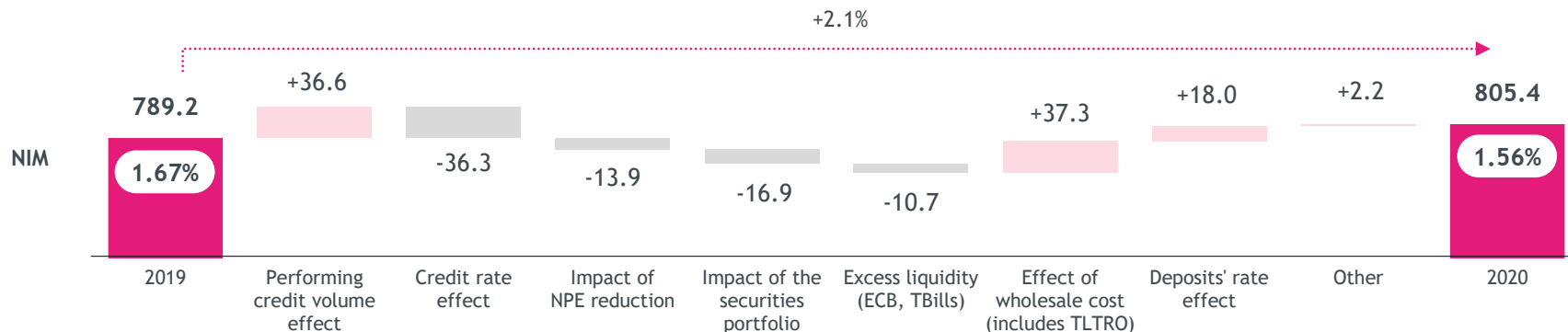
- Net income of 134.5 million in 2020, compared to 144.8 million in 2019
- Net income was affected by higher impairment and provision charges, which more than offset an increased net interest income and lower operating costs

*Net income from activity in Portugal does not include earnings from operations booked as discontinued or to be discontinued.

Net interest income



(Million euros)



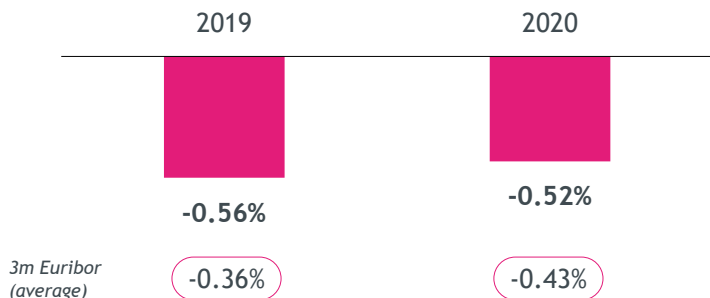
Net interest income stood at 805.4 million in 2020, increasing 2.1% from 789.2 million in 2019. The positive impacts of the lower wholesale funding cost, influenced by the TLTRO impact, and of the continued decline in the remuneration of time deposits, have more than compensated for the negative impacts: of the loan portfolio (with the favourable effect of a growing performing portfolio being more than offset by lower yields and by the reduction of NPEs); of the securities portfolio, reflecting lower yields; and of the application of the liquidity surplus (negative yields on the amounts applied at the ECB and in Treasury Bills).

Continued effort to reduce the cost of deposits

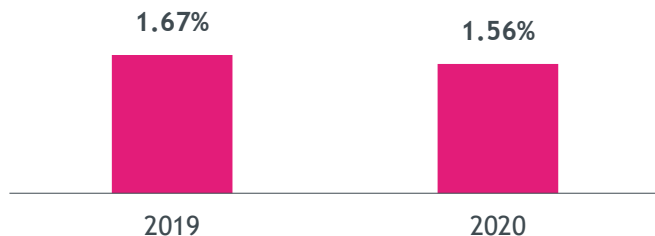


☰ Spread on the book of term deposits

(vs 3m Euribor)

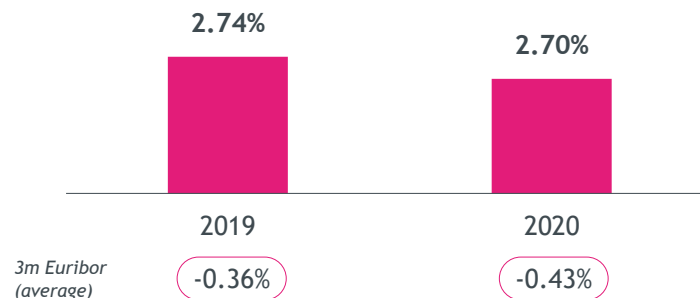


☰ NIM



☰ Spread on the performing loan book

(vs 3m Euribor)



- Spread of the portfolio of term deposits of -0.52% in 2020 (-0.56% in 2019); front book priced at an average spread of -45bp in 2020, still below the current back book's
- Spread on the performing loan portfolio stood at 2.70% in 2020, compared to 2.74% in 2019
- NIM stood at 1.56%

Commissions and other income



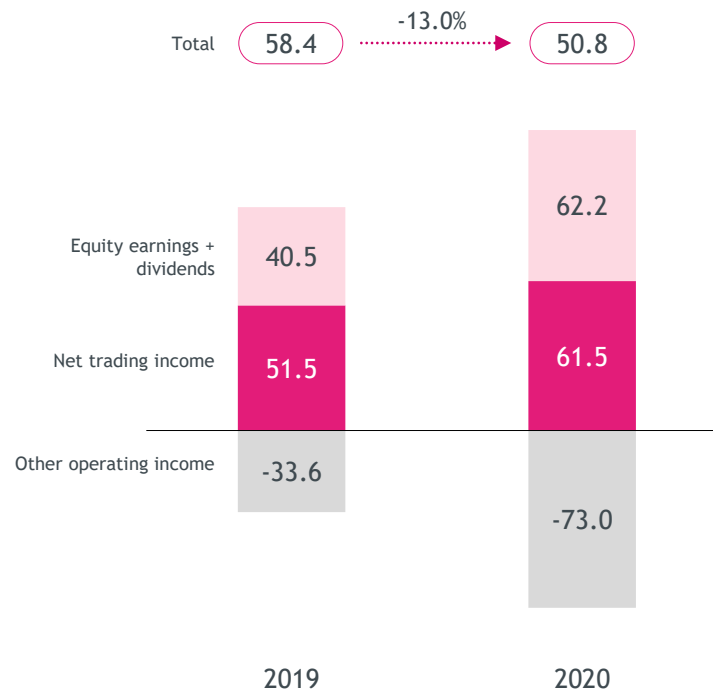
Fees and commissions

(Million euros)

	2019	2020	YoY
Banking fees and commissions	423.6	405.7	-4.2%
Cards and transfers	111.2	99.3	-10.7%
Loans and guarantees	112.0	103.5	-7.5%
Bancassurance	86.7	83.9	-3.2%
Customer account related	105.2	112.0	+6.4%
Other fees and commissions	8.5	6.9	-18.8%
Market related fees and commissions	59.6	75.9	+27.3%
Securities operations	46.1	59.1	+28.0%
Asset management	13.5	16.8	+24.9%
Total fees and commissions	483.2	481.5	-0.3%

Other income

(Million euros)



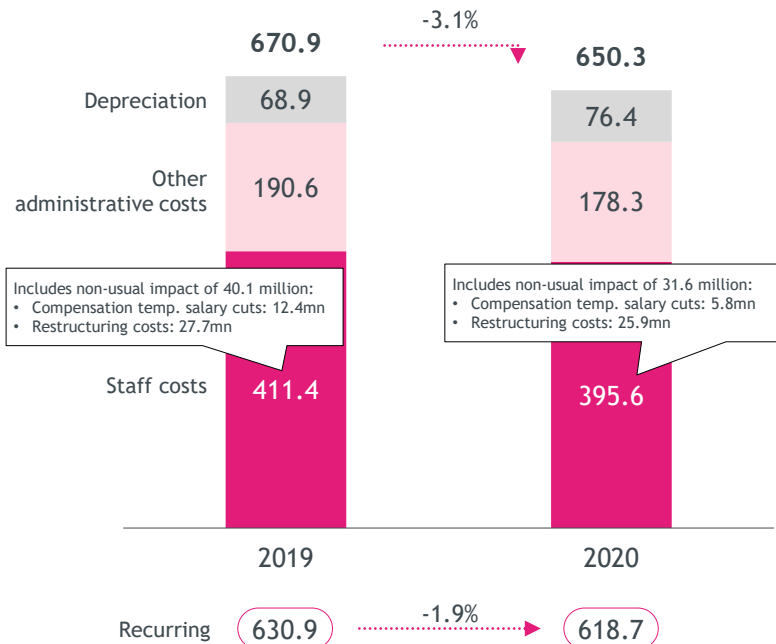
2019: other operating income includes income includes regulatory contributions of 66.6 million and gains, net of intermediation fees, of 23.2 million on the sale of real-estate; 2020: other operating income includes regulatory contributions of 70.0 million and 3.5 million losses, net of intermediation fees, on the sale of real estate.

Operating costs decreased

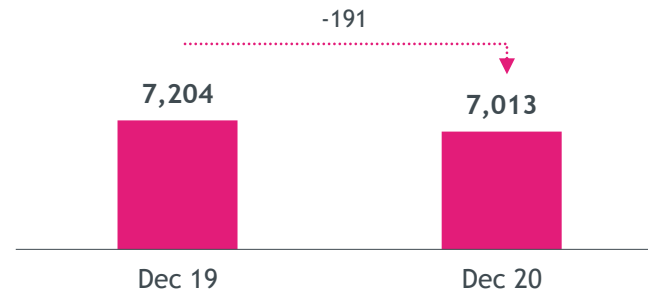


Operating costs

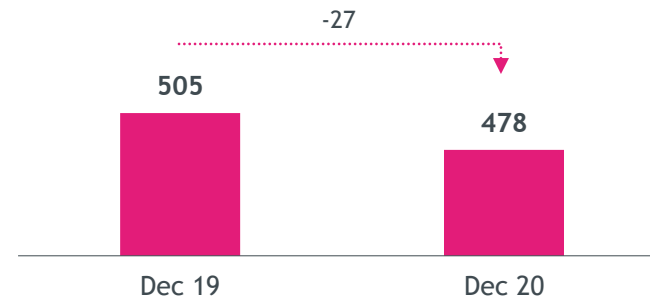
(Million euros)



Employees



Branches

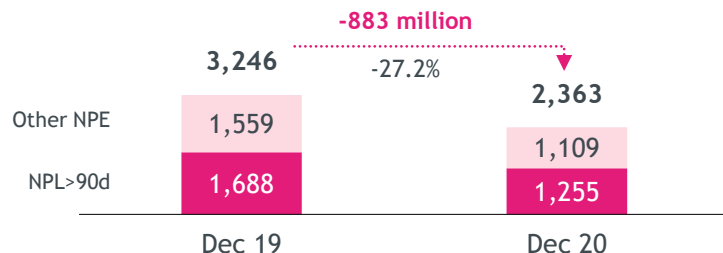


Continued decrease of NPEs



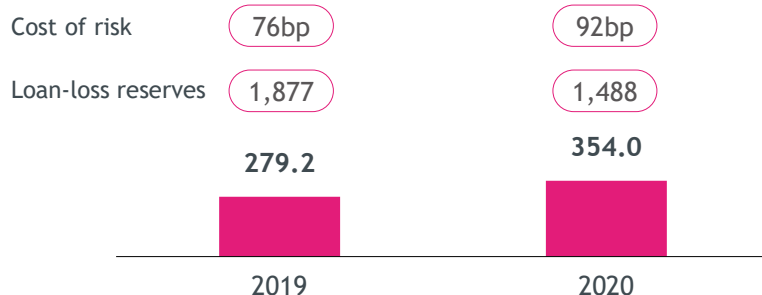
Non-performing exposures (NPE)

(Million euros)



Loan impairment (net of recoveries)

(Million euros)



NPE include loans to Customers only.

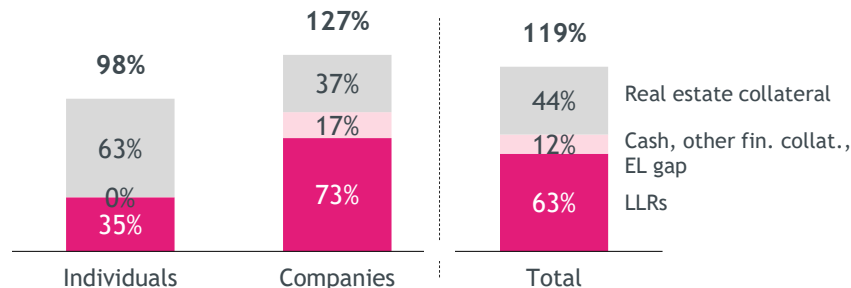
NPE build-up

(Million euros)	Dec 20 vs. Dec 19	Dec 20 vs. Sep 20
Opening balance	3,246	2,701
Net exits	-7	-1
Write-offs	-106	-20
Sales	-770	-317
Ending balance	2,363	2,363

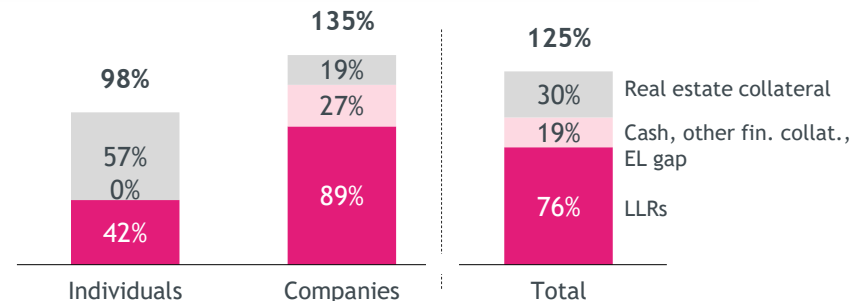
- NPEs in Portugal down by 0.9 billion, from 3.2 billion as of December 2019 to 2.4 billion as of end-2020
- This decrease results from write-offs of 0.1 billion and sales of 0.8 billion
- The decrease of NPEs from end-2019 is attributable to a 0.4 billion reduction of NPL > 90d and to a 0.5 billion decrease of other NPEs
- Cost of risk of 92bp in 2020 (76bp in 2019), with a reinforcement of NPE coverage by loan-loss reserves to 63% from 58%, respectively



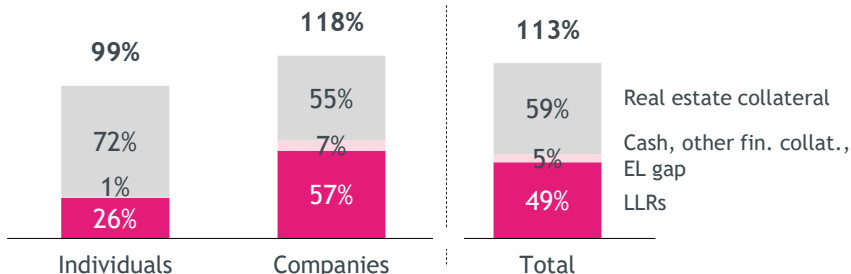
NPE total coverage*



NPL>90d total coverage*



Other NPE total coverage*



- Total coverage* $\geq 100\%$, for both individuals and companies, and for both NPE categories (NPL>90d and other NPE)
- Coverage by loan-loss reserves is stronger in loans to companies, where real-estate collateral, usually more liquid and with a more predictable market value, accounts for a lower coverage than in loans to individuals: coverage by loan-losses was 73% for companies NPE as of end-2020, reaching 89% for companies NPL>90d (90% and 116%, respectively, if cash, financial collateral and expected loss gap are included)

NPE include loans to Customers only.

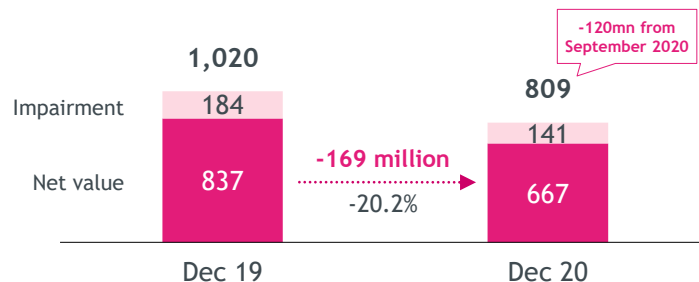
*By loan-loss reserves, expected loss gap and collaterals.

Foreclosed assets and corporate restructuring funds



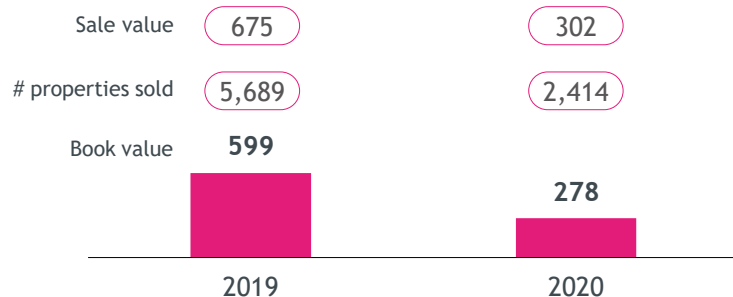
Foreclosed assets

(Million euros)



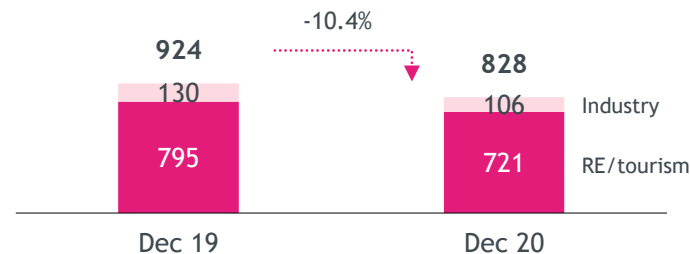
Sales of foreclosed assets

(Million euros)



Corporate restructuring funds

(Million euros)



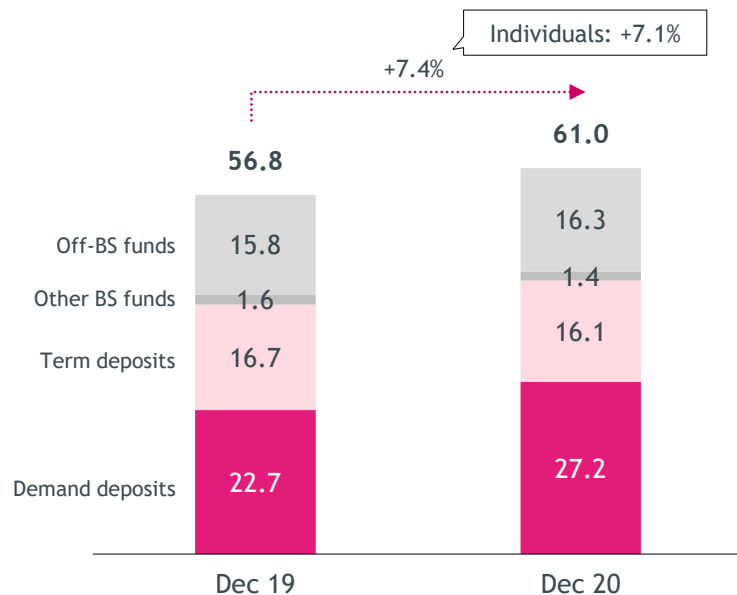
- Net foreclosed assets were down by 20.2% between December 2019 and December 2020. Valuation of foreclosed assets by independent providers exceeded book value by 30%
- 2,414 properties were sold during 2020 (5,689 properties in 2019), with sale values exceeding book values by 24 million
- Corporate restructuring funds decreased 10.4% to 828 million at end-2020. The original credit exposure on these funds totals 2,006 million, with total reserves (original credit, plus restructuring funds) corresponding to a 59% coverage

Growing customer funds and performing loans to customers



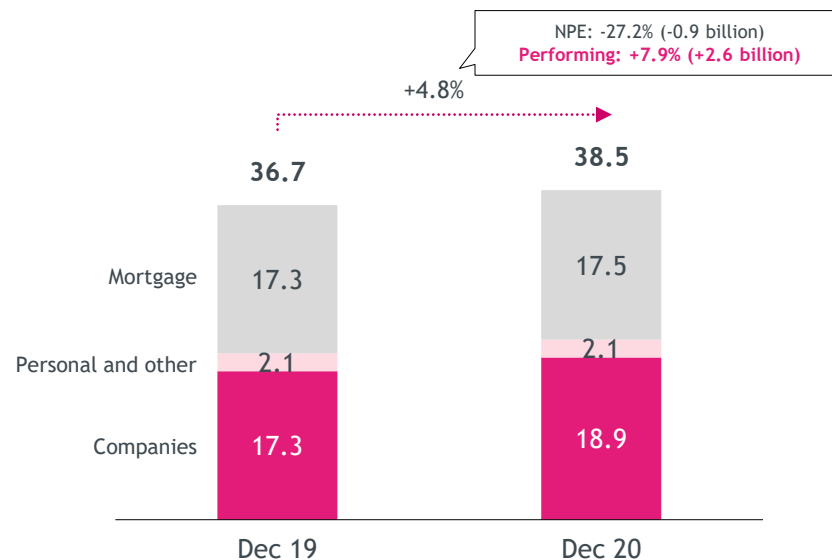
☰ Total Customers Funds*

(Billion euros)



☰ Loans to Customers (gross)

(Billion euros)



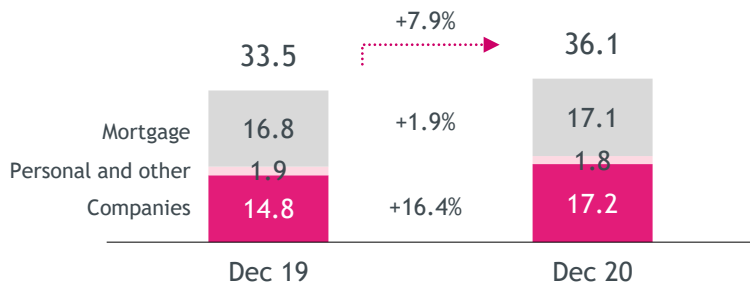
*Deposits, debt securities, assets under management, assets placed with Customers and insurance products (savings and investments).

Credit grows in Portugal



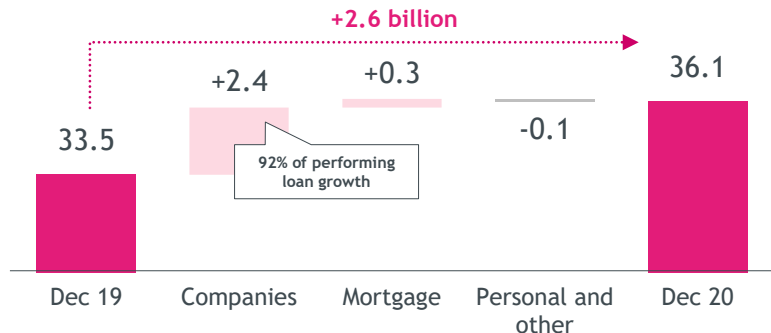
Performing credit portfolio

(Billion euros)



Breakdown of performing credit growth

(Billion euros)



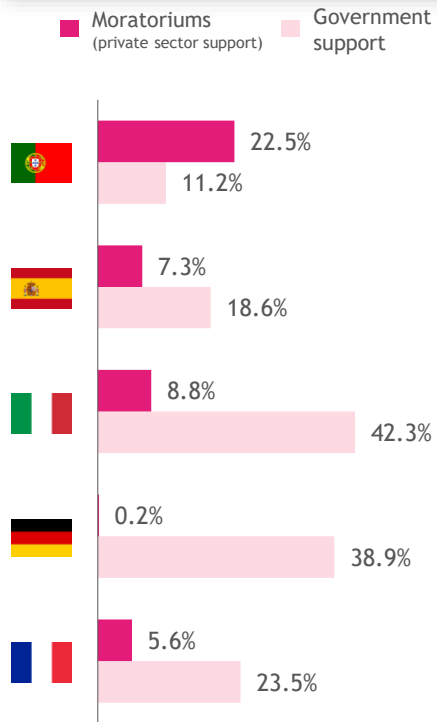
- **Performing credit portfolio in Portugal up by 2.6 billion (+7.9%) from end-2019**
- **Strong support to companies**, which accounted for 92% of the total performing loan growth from end-2019.
- ✓ **Clear leadership in the National Mutual Guarantee System**, with €2,311 million guarantees issued and a **32% market share**
- ✓ **Leading bank in specialised credit, with factoring invoicing amounting to 8.0 billion in 2020 and new leasing business of 520 million in the same period**
- ✓ **Market share of 19,3%* in loans to companies** (+1.6pp from end-2019)
- ✓ **DataE (Barómetro Financeiro 2020): Main bank for companies**; most appropriate products; most efficient; closest to Customers
- ✓ **PME Líder'20 programme: Leader in number of awards** (3rd year in a row)

*Data as of November 2020.

Supporting companies and families to tackle the challenges of the pandemic



Support as a % of GDP



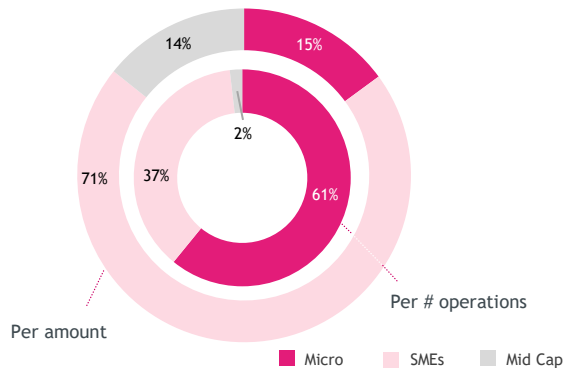
Source: IMF and EBA (data compiled by APB).

Covid-19 credit lines to companies

(Amount in million euros)

	# operations	Amount
Disbursed	18,115	2,287

Breakdown per size



- At the forefront in supporting the economy: **the bank increased its presence, siding with companies during the pandemic**
- Market leadership in Covid-19 lines: more than 30% of the amount approved**

Data as at January 4.

Outstanding moratoriums

(Million euros)

	Amount	Reduction*
Families		
Public	3,361	-253
APB	725	-37
Total Families	4,085	-290
Companies	4,483	-306
TOTAL	8,568	-596

- 93% of outstanding moratoriums are performing**
- Mortgages account for 90% of the moratoriums granted to families (3.7 billion)**
- 68% of the loans with outstanding moratoriums are covered by mortgages (47% by residential mortgages and 21% by commercial mortgages)**

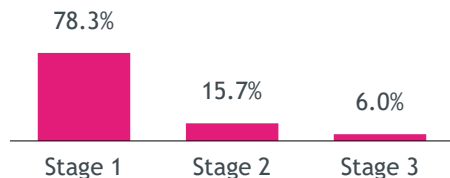
*Includes cancelled, reimbursed and expired moratoriums.
Data as at December 31.

Performance of expired moratoriums, franchise resilience and asset quality demonstrate capacity to face the effects of the pandemic

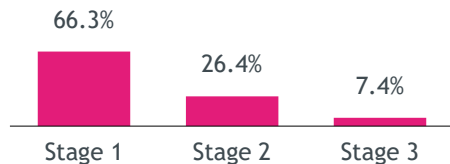


Breakdown per stages

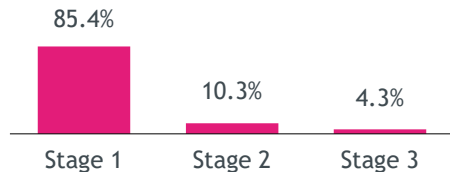
Loan portfolio



Outstanding moratoriums

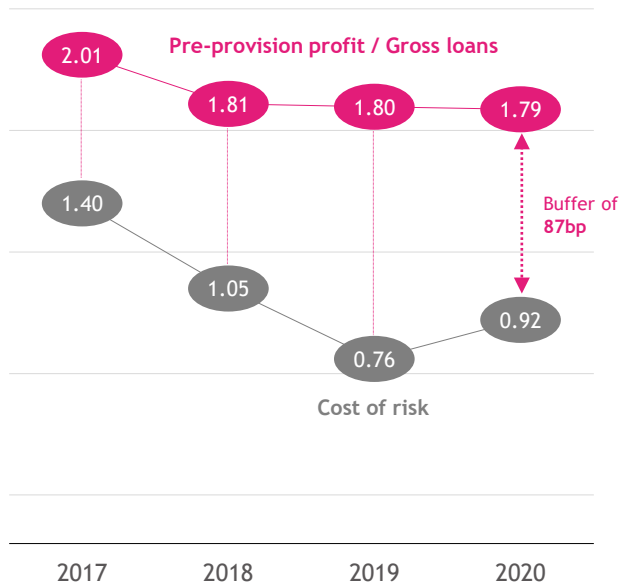


Expired moratoriums



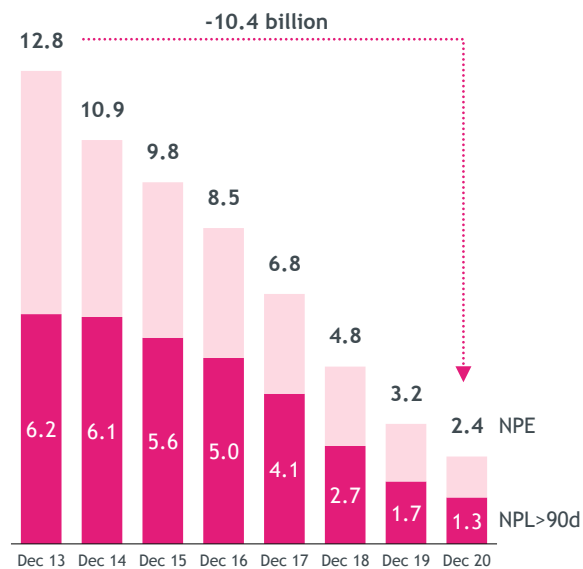
Solid pre-provision profit

(%)



NPE

(Billion euros)



NPE include loans to Customers only.



04

International operations

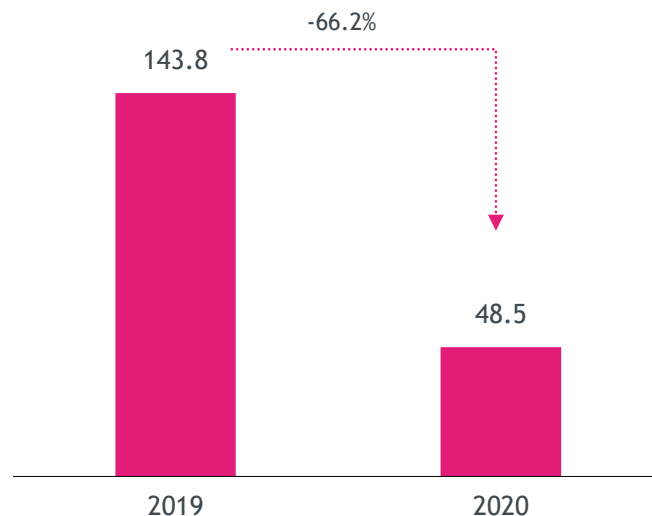
Contribution from international operations to consolidated net income

(Million euros*)

	2019	2020	Δ % local currency	Δ % euros
Poland	125.8	5.1	-95.9%	-96.1%
Mozambique	87.7	66.8	-23.8%	-32.8%
Contribution of the Angolan operation**	1.6	-7.2		
Other	9.6	8.6		
Net income international operations	224.6	73.3		
Non-controlling int. (Poland+Mozambique)	-92.0	-24.8		
Exchange rate effect	11.1	--		
Contribution from international op. (2)	143.8	48.5		-66.2%



Contribution from international operations



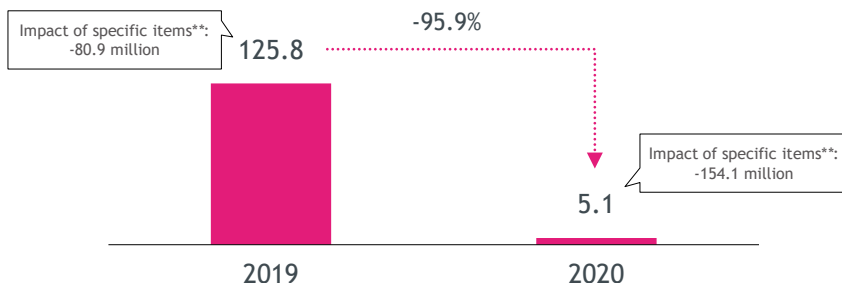
*Subsidiaries' net income presented for 2019 at the same exchange rate as of 2020 for comparison purposes.

Net earnings affected by provisions for legal risk on CHF loans



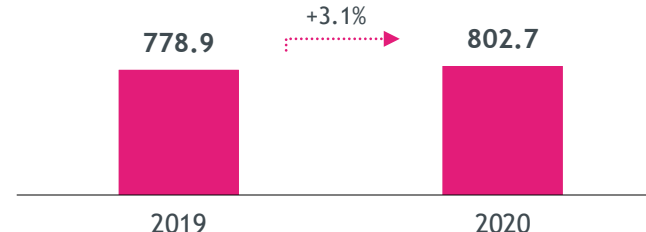
Net income

(Million euros*)



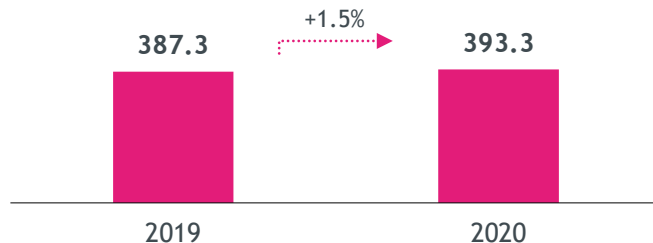
Net operating revenue

(Million euros*)



Operating costs

(Million euros*)



- **Net income of 5.1 million**, affected by one-off provisions (including 151.9 million*** for legal risk on CHF loans) and by the increase of mandatory contributions
- **Stable Customers funds; loans to Customers increased by 6.7%**
- **CET1 ratio of 16.5%**, with total capital of 19.5%

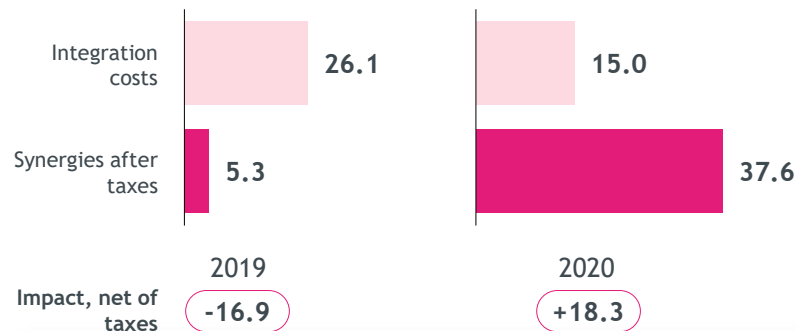
*FX effect excluded. €/Zloty constant at December 2020 levels; Income Statement 4.46; Balance Sheet 4.56. | **One-offs in 2020: Euro Bank integration costs, revaluation of Visa shares, provisions for FX mortgage legal risk and provisions for the return of commissions on loans repaid earlier by Customers; one-offs in 2019: Euro Bank integration costs, release of tax asset provision, revaluation of PSP shares, additional impairment on Euro Bank's merger, provisions for FX mortgage legal risk and provisions for the return of commissions on loans repaid earlier by Customers. | ***Pre-tax impact.

Euro Bank integration and additional rationalisation measures

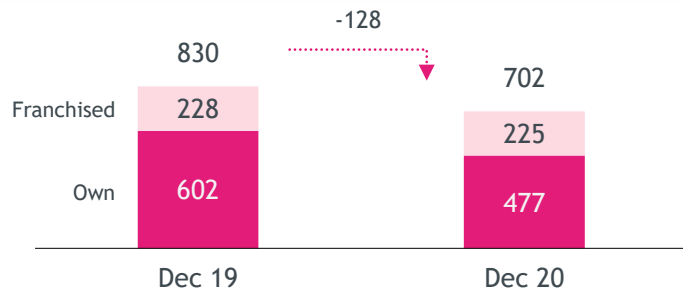


Impact of the integration of Euro Bank

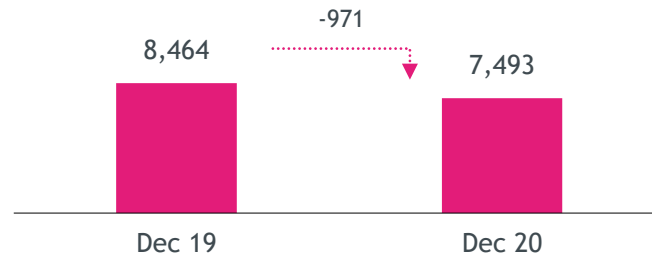
(Million euros*)



Branches



Employees



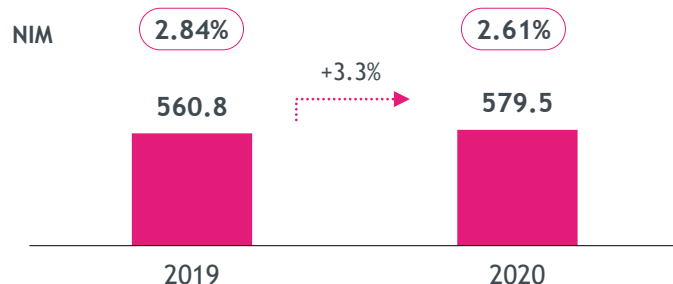
- Euro Bank became earnings-accretive in 2020: synergies totalled 37.6 million in 2020, exceeding integration costs of 15.0 million
- Continued implementation of measures to rationalise the workforce and to optimise geographic presence: reduction of the workforce by 971 employees and of the number of branches by 128 units

Increased net interest income



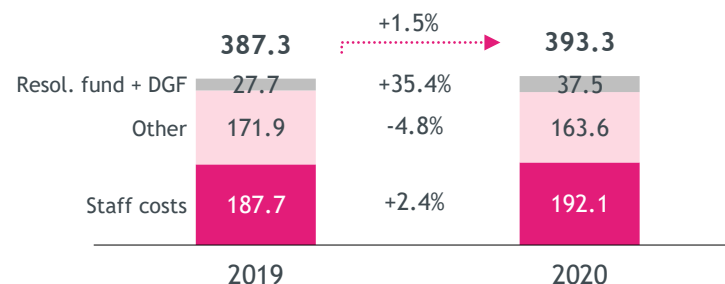
Net interest income*

(Million euros**)



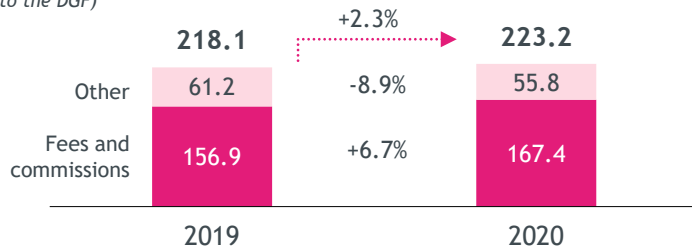
Operating costs

(Million euros**)



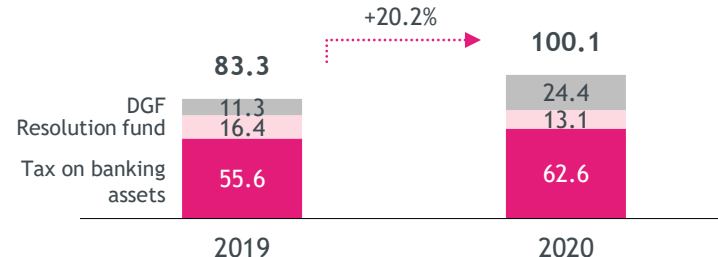
Commissions and other income

(Million euros**; does not include tax on assets and contribution to the resol. fund and to the DGF)



Mandatory contributions

(Million euros**)



*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 (14.0 million in 2019 and 7.7 million in 2020) is presented in net trading income. **FX effect excluded. €/Zloty constant at December 2020 levels: Income Statement 4.46; Balance Sheet 4.56.



NPL>90d

(Million euros*)

Credit ratio
NPL>90d

2.7%

2.7%

419.9

446.1

Dec 19

Dec 20

Loan impairment (net of recoveries)

(Million euros*)

Cost of risk

68bp

83bp

98.2

137.6

2019

2020

Loan-loss reserves

(Million euros*)

Coverage ratio
NPL>90d

107%

122%

448.7

545.9

Dec 19

Dec 20

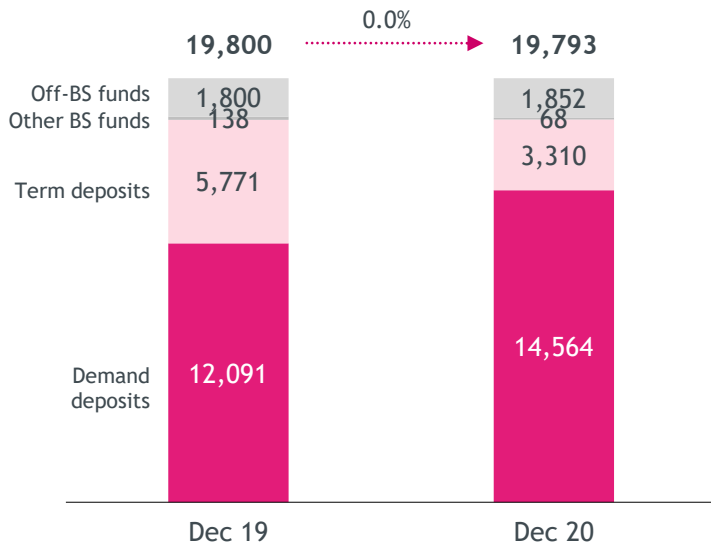
- NPL>90d accounted for 2.7% of total credit as of December 2020 (same value as of December 2019)
- Coverage of NPL>90d by loan-loss reserves at 122% (107% as of December 2019)
- Cost of risk of 83bp, compared to 68bp in 2019

Stable Customers funds and increased loans to Customers



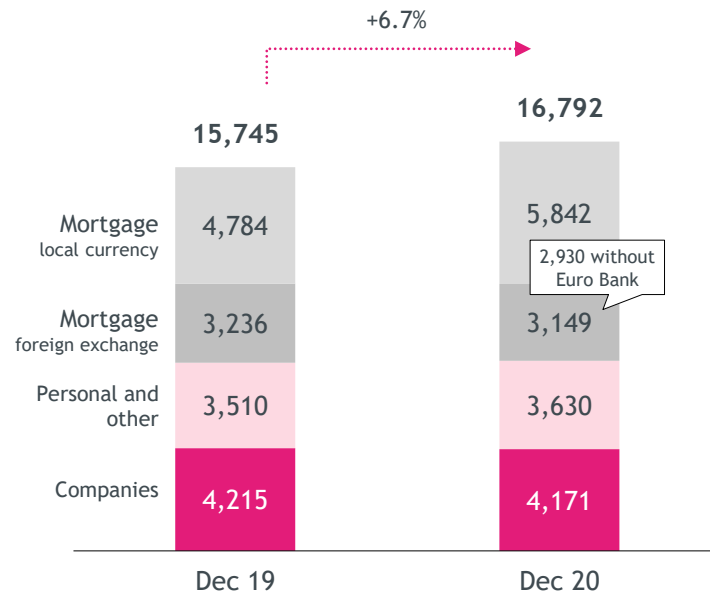
Customers funds

(Million euros*)



Loans to Customers (gross)

(Million euros*)

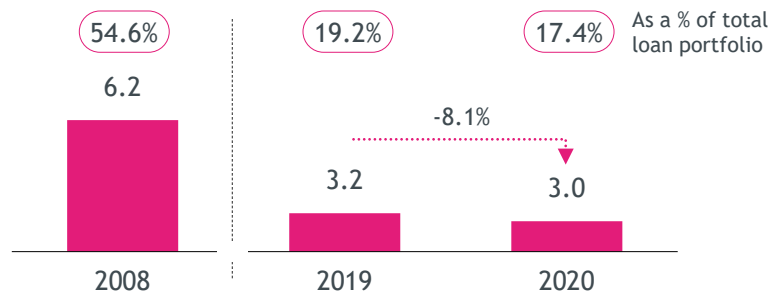


*FX effect excluded. €/Zloty constant at December 2020 levels: Income Statement 4.46; Balance Sheet 4.56.



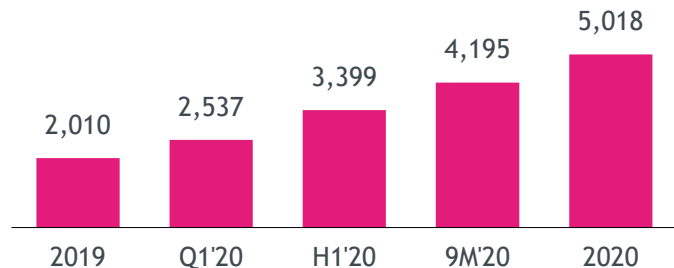
CHF mortgage portfolio

(Billion euros*)



Individual lawsuits

(Number of cases)

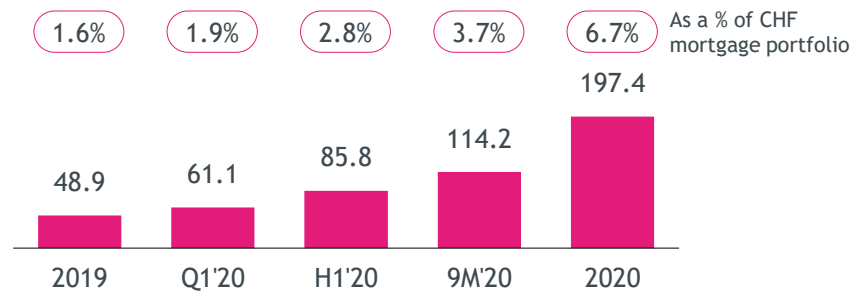


Excludes Euro Bank.

*FX effect excluded. €/CHF constant at the December 2020 level: Balance Sheet 1.08.

Cumulative provisions for legal risks

(Million euros*)



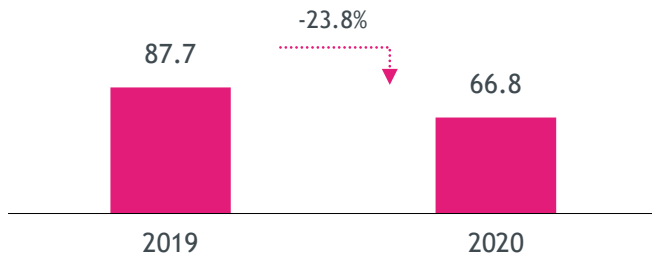
- Continuation of the reduction of the CHF mortgage portfolio, that stood at 3.0 billion (17.4% of the loan portfolio), a 8.1% decrease from end-2019
- Cumulative provisions for legal risks on the FX mortgage portfolio stood at 197.4 million, following provision charges of 85.2 million in the 4th quarter of 2020
- The flow of individual lawsuits in the 4th quarter of 2020 was similar to the 3rd quarter (approximately 800 lawsuits per quarter)

Net income impacted by provisions and by the normalisation of the interest rate environment



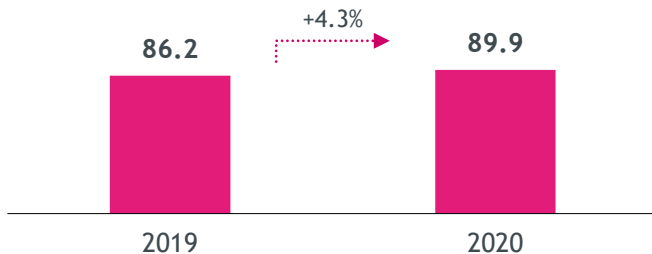
Net income

(Million euros*)



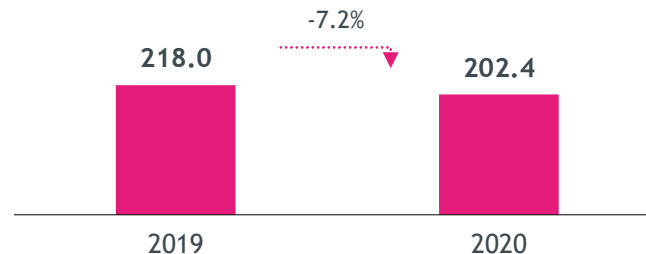
Operating costs

(Million euros*)



Net operating revenue

(Million euros*)



- Net income of 66.8 million, impacted by provisions and by the normalisation of the interest rate environment
- Customer funds grew 17.7%; loans to Customers decreased by 4.4%
- Capital ratio of 43.9%

Net interest income impacted by the normalisation of the interest rate environment



Net interest income

(Million euros*)

NIM

9.5%

160.8

2019

7.8%

148.9

2020

-7.4%

Commissions and other income

(Million euros*)

-6.6%

57.3

53.5

2019

2020

-8.4%

29.0

26.6

Other

-4.7%

28.3

26.9

Commissions

Includes +4.3 million gains mainly on the sale of securities

Operating costs

(Million euros*)

Cost to income

39.5%

86.2

2019

44.4%

89.9

2020

+4.3%

Other

49.1

+2.8%

50.4

Staff costs

37.2

+6.4%

39.5

Employees**

2,524

Dec 19

2,439

Dec 20

Branches

200

Dec 19

199

Dec 20

**Excludes employees from SIM (insurance company)

*FX effect excluded. €/Metical constant at December 2020 levels: Income Statement 79.35; Balance Sheet 91.23.

Credit quality performance influenced by challenging environment



NPL>90d

(Million euros*)

Credit ratio
NPL>90d

16.7%

12.5%

92.0

65.7

Dec 19

Dec 20

Loan-loss reserves

(Million euros*)

Coverage ratio
NPL>90d

71%

59%

65.4

38.9

Dec 19

Dec 20

Loan impairment (net of recoveries)

(Million euros*)

Cost of risk

277bp

503bp

17.5

30.5

2019

2020

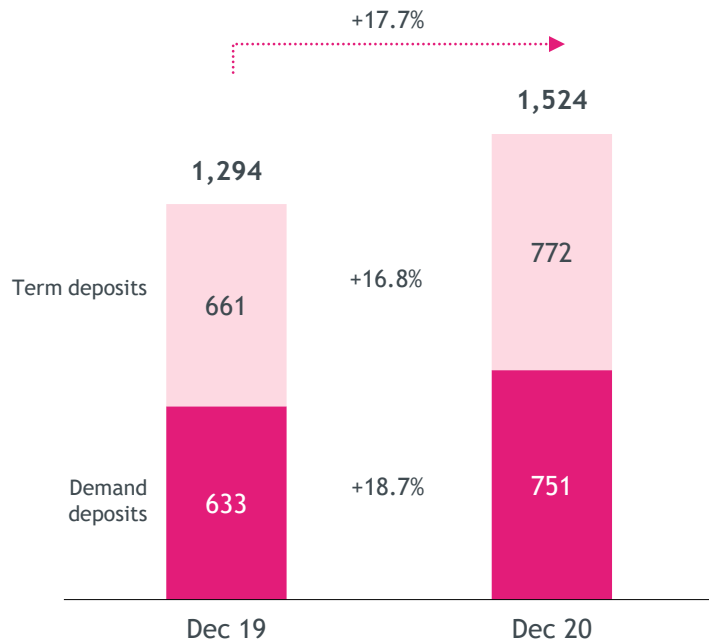
- NPL>90d ratio of 12.5% as December 2020, with coverage by loan-loss reserves of 59% on the same date, reflecting the impact the write-off of loans in the 4th quarter
- Write-offs have also resulted in the cost of risk to increase to 503bp (277bp in 2019)

*FX effect excluded. €/Metical constant at December 2020 levels: Income Statement 79.35; Balance Sheet 91.23.



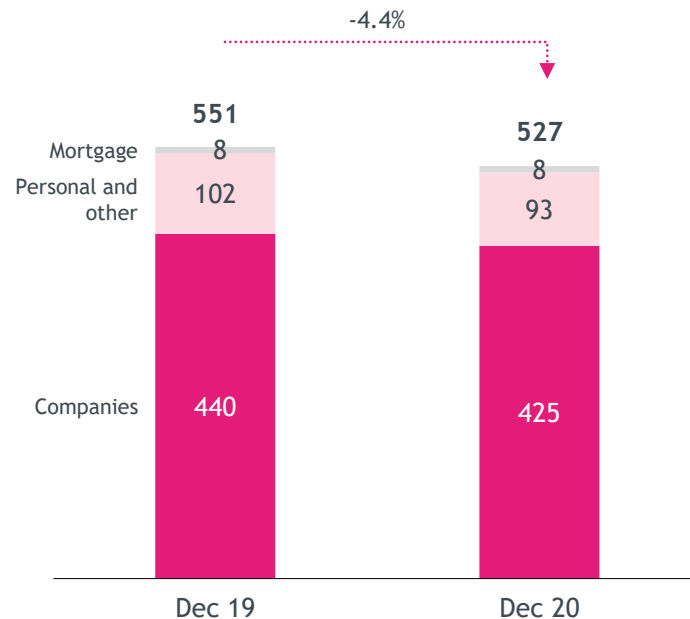
Customers funds

(Million euros*)



Loans to Customers (gross)

(Million euros*)








05

Key figures

Strategic Plan

		2019	2020		Steady state* (original plan)
 Franchise growth	Active Customers	5.6 million	5.7 million	...	>6 million
	Digital Customers	58%	64%	...	>60%
	Mobile Customers	40%	48%	...	>45%
 Value creation	Cost to income	50% (47% excluding non-usual costs)	49% (47% excluding non-usual costs)	...	≈40%
	RoE	5.1%	3.1%	...	≈10%
	CET1	12.2%	12.2%	...	≈12%
	Loans-to-deposits	86%	85%	...	<100%
	Dividend payout	--	--	...	≈40%
 Asset quality	NPE stock	€4.2 billion	€3.3 billion	...	≈€3 billion Down ≈60% from 2017
	Cost of risk	72bp	91bp	...	<50bp

NPE include loans to Customers only.

*To be achieved after the economic impact of the current pandemic.

Prioritising the incorporation of ESG aspects into the business model



Preparation and adaptation of the organization in the three ESG dimensions (Environmental, Social and Governance)



Governance model reinforced with dedicated structures under the Executive Committee

Sustainability Committee

- Executive Committee and responsible for the most relevant business and support areas
- Setting **priorities** and **monitoring** the sustainability master plan

ESG-dedicated division (reporting directly to the CEO)

- Support in the formulation and implementation of business **strategy** and **governance** and **risk management** structures in accordance with **ESG regulations and targets**
- Responsible for **communicating relevant information to stakeholders**



Multidisciplinary involvement and transversal action

- **2021 Sustainability Master Plan** with objectives and metrics that guide performance in the three ESG dimensions
- **ESG criteria** incorporated in **Risk Appetite Statement**
- Reinforcement of **innovation and development of ESG solutions** for Customers across segments
- Operational eco-efficiency with **100% green electricity consumption in 2021**
- Improvement of the **Gender Equality Plan**



Highlights

Carbon Disclosure Project 2020

Your CDP score

A-

DJSI 2020

Sustainability Yearbook
Member 2021

S&P Global

Bloomberg GEI 2021



COMMITMENT TO PEOPLE AND SOCIETY

Millennium bcp Foundation



The 25th edition of the **APOM Awards** - Portuguese Association of Museology, distinguished the Mbcp Foundation with the **Sponsorship Award**.



Restoration of the **Throne Room**, at the Ajuda National Palace and of the **São Vicente Panels**, at the National Museum of Ancient Art.



Cultural Heritage Study in Portugal: Assessment of Economic and Social Value - a pioneering study, carried out by Spira - Observatory of Heritage and by Universidade Nova de Lisboa SBE, on the cultural heritage sector, allowing the evaluation of its economic and growth potential.



Food Bank's Emergency Network - support in the context of the pandemic.

Society



GOS Programme - Management of Social Organizations - Partnership between AESE / ENTREAJUDA / CNIS, with support from the Millennium bcp Foundation, which aims to provide management training for directors of entities in the social economy sector. In 2020, the program had 68 participants from 58 entities.



Social responsibility campaign **"Millennium Solidário: Natal 2020"**, part of the Giving Tuesday movement, supported the Gil Foundation, C.A.S.A and the Just a Change Association.



In 2021, all electricity consumed by Millennium bcp in Portugal will be 100% green, through a mix of energy produced by the TagusPark photovoltaic plant and energy purchased with a certificate of renewable origin.

Sustainability



Millennium bcp signed up to the **"Women's Empowerment Principles"** of the United Nations Global Compact, assuming its commitment to ethical management that fosters gender equality, diversity and inclusion.



Millennium bcp approved its **Corporate Policy on "Diversity and Equal Opportunities"** and defined the actions to be developed in 2021 within the framework of its **"Plan for Gender Equality"**.



Inclusion, for the 2nd year in a row, in the **Bloomberg Gender-Equality Index 2021**. Millennium bcp is thus part of a small group of companies worldwide that stand out in the implementation of gender equality policies.

Awards in 2020



Millennium bcp: Closest to Customers, clearest information; most recommended bank; leader in Customer satisfaction, in quality of service and in product quality; leader in Customer satisfaction with digital channels, in all assessed items (Basef 5 largest banks, 2020); leader in Customer satisfaction (banking in general and digital, CSI Marktest, 2nd wave 2020)



Millennium bcp: Best Digital Bank and Best Bank for Companies (3rd year in a row).



Millennium bcp: Award for Best Homebanking Website by the readers of the PCGUA magazine.



Millennium bcp: Marketeer award, "Banking" category (4th year in a row)



Millennium bcp: Quickest process in mortgage loans (ComparaJá.pt, mortgage credit meter)



Millennium bcp: Best FX Provider 2021 in Portugal



ActivoBank: "5 estrelas 2020" award, "Digital banking" category



ActivoBank: Best commercial bank, Best consumer digital bank and Best mobile banking app in Portugal



Millennium investment banking: Europe M&A deal of the year, for advisory services on the acquisition of shareholding in Brisa



Millennium bim: Best bank 2020 (11th year in a row), Best digital bank 2020, Best trade finance provider 2020, Best private bank 2020 and Best FX Provider 2021 in Mozambique



Millennium bim: Bank of the year 2020 in Mozambique, for the 13th time



Millennium bim: Distinguished for its response to the global crisis resulting from the pandemic



Millennium bim: Most innovative banking services in Mozambique



Bank Millennium: part of the WIG-ESG index of the Warsaw Stock Exchange for socially responsible companies, ranking 4th



Bank Millennium: Best digital bank 2020, Best trade finance provider 2020 and Best FX provider 2021 in Poland



Bank Millennium: European customer centricity award, "Complaints" category, attributed to the "Embrace the Problem" project



Bank Millennium: Most recommended bank and leader in Customer satisfaction ("Customer satisfaction monitor of retail banks ARC Rynek i Opinia")



Bank Millennium: Best online banking, best mobile banking and best remote account opening process in Poland ("Institutions of the year 2020" ranking)



Bank Millennium: CSR golden leaf award of the "Polytika" magazine for the implementation of the strictest corporate social responsibility standards



Bank Millennium: winner in the "Digital" and in the "People's choice" categories of the "TOP CDR Technologically Responsible Company" award



Bank Millennium: 1st in the "Fin-tech innovation" category for the Autopay service, and 2nd in the "Mortgage loan" category



Bank Millennium: Climate Leaders Poland 2021 (best ranked bank, 2nd among all companies)



Bank Millennium: winner in the overall ranking "Banks as assessed by Clients 2020" by the Polish Quality Research Institute



Bank Millennium: Service Quality Star for quality of service (as evaluated by a consumer survey)

Bank Millennium: 1st in growth, 2nd in Customer relationship and 3rd for overall achievement and for innovation ("Stars of banking" Dziennik Gazetę Prawną/PwC)



Millennium bcp
Consumer Choice 2021,
"Large banks" category



Millennium bcp
Main bank for companies; most appropriate products; most efficient; closest to Customers



Millennium bcp
"PME Líder '20" programme:
largest number of awards among participating banks (3rd year in a row)



Millennium bcp
Best consumer digital bank 2020 in Portugal; Best corporate/ Institutional information security and fraud management in Western Europe



ActivoBank
Consumer Choice 2021,
"Digital banks" category

Appendix



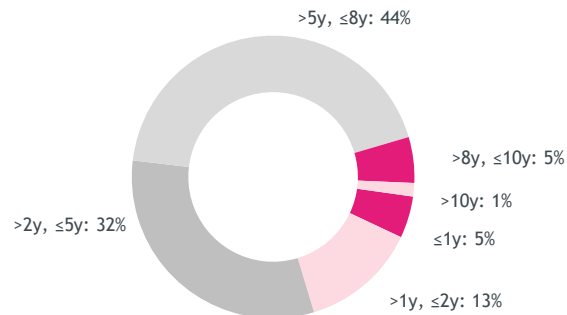
Sovereign debt portfolio

Sovereign debt portfolio

(Consolidated, million euros)

	Dec 19	Mar 20	Jun 20	Sep 20	Dec 20	YoY	QoQ
Portugal	6,520	6,802	8,253	8,057	7,742	+19%	-4%
T-bills and other	1,923	1,872	1,605	1,052	384	-80%	-64%
Bonds	4,597	4,930	6,648	7,004	7,358	+60%	+5%
Poland	5,077	4,820	5,869	5,463	4,066	-20%	-26%
Mozambique	257	269	280	302	350	+36%	+16%
Other	571	1,527	1,923	2,756	2,913	>100%	+6%
Total	12,426	13,417	16,325	16,578	15,072	+21%	-9%

Sovereign debt maturity



- ✓ The sovereign debt portfolio totalled 15.1 billion, 12.3 billion of which maturing in more than 2 years
- ✓ The Portuguese sovereign debt portfolio totalled 7.7 billion, whereas the Polish and Mozambican portfolios amounted to 4.1 billion and to 0.3 billion, respectively; “other” includes Spanish and Italian sovereign debt (1.4 billion on both cases)

Sovereign debt portfolio

(Million euros)

	Portugal	Poland	Mozambique	Other	Total
Trading book	378	59	0	0	438
≤ 1 year	378	3			381
> 1 year and ≤ 2 years		12			12
> 2 years and ≤ 5 years	0	33			33
> 5 years and ≤ 8 years		8			8
> 8 years and ≤ 10 years		4			4
> 10 years				0	0
Banking book*	7,364	4,007	350	2,913	14,634
≤ 1 year	25	4	53	258	340
> 1 year and ≤ 2 years	42	1,553	35	366	1,996
> 2 years and ≤ 5 years	1,329	2,241	180	972	4,721
> 5 years and ≤ 8 years	5,061	153	28	1,317	6,560
> 8 years and ≤ 10 years	730	55			786
> 10 years	177	1	53		231
Total	7,742	4,066	350	2,913	15,072
≤ 1 year	403	6	53	258	721
> 1 year and ≤ 2 years	42	1,565	35	366	2,008
> 2 years and ≤ 5 years	1,329	2,273	180	972	4,754
> 5 years and ≤ 8 years	5,061	161	28	1,317	6,567
> 8 years and ≤ 10 years	730	59			789
> 10 years	177	1	53	0	232

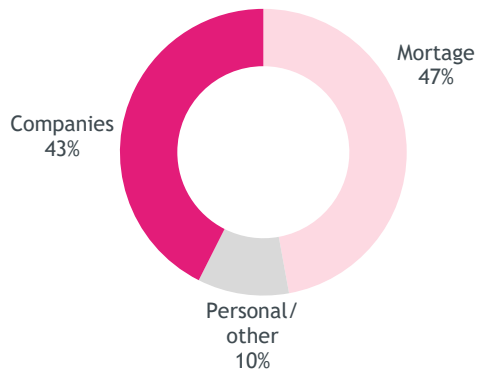
*Includes financial assets at fair value through other comprehensive income (10,502 million) and financial assets at amortised cost (4,132 million).

Diversified and collateralised loan portfolio

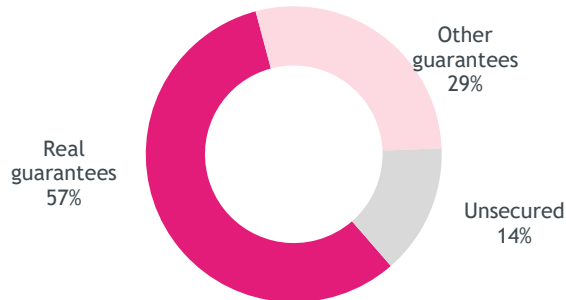
Loan portfolio

(Consolidated)

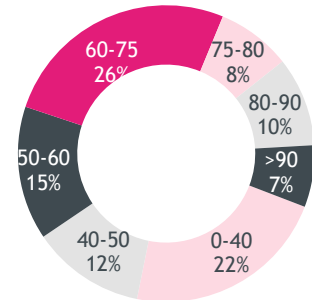
Breakdown



Loans per collateral



LTV of the mortgage portfolio in Portugal



Loans

- Loans to companies accounted for 43% of the loan portfolio as of December 2020, including 7% to construction and real-estate sectors
- Mortgage accounted for 47% of the loan portfolio, with low delinquency levels and an average LTV of 60%
- 86% 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 net income

<i>(Million euros)</i>	2019	2020	YoY	Impact on earnings
Net interest income	1,548.5	1,533.2	-1.0%	-15.4
Net fees and commissions	703.5	702.7	-0.1%	-0.8
Other income*	83.0	69.8	-16.0%	-13.2
Net operating revenue	2,335.0	2,305.6	-1.3%	-29.4
Staff costs	-668.2	-646.7	-3.2%	+21.5
Other administrative costs and depreciation	-497.9	-472.6	-5.1%	+25.2
Operating costs	-1,166.1	-1,119.3	-4.0%	+46.8
Profit before impairment and provisions	1,168.9	1,186.2	+1.5%	+17.3
Loans impairment (net of recoveries)	-390.2	-509.9	+30.7%	-119.7
Other impairment and provisions	-151.4	-331.4	+118.8%	-179.9
Impairment and provisions	-541.6	-841.2	+55.3%	-299.6
Net income before income tax	627.3	345.0	-45.0%	-282.3
Income taxes	-239.3	-136.6	-42.9%	+102.6
Non-controlling interests	-99.4	-25.4	-74.5%	+74.0
Net income from discontinued or to be discontinued operations	13.4	0.0		-13.4
Net income	302.0	183.0	-39.4%	-119.0

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

Consolidated balance sheet

(Million euros)

	31 December 2020	31 December 2019
ASSETS		
Cash and deposits at Central Banks	5,303.9	5,166.6
Loans and advances to credit institutions repayable on demand	262.4	320.9
Financial assets at amortised cost		
Loans and advances to credit institutions	1,015.1	893.0
Loans and advances to customers	52,120.8	49,847.8
Debt instruments	6,234.5	3,185.9
Financial assets at fair value through profit or loss		
Financial assets held for trading	1,031.2	878.3
Financial assets not held for trading mandatorily at fair value through profit or loss	1,315.5	1,405.5
Financial assets designated at fair value through profit or loss	-	31.5
Financial assets at fair value through other comprehensive income	12,140.4	13,216.7
Hedging derivatives	91.2	45.1
Investments in associated companies	435.0	400.4
Non-current assets held for sale	1,026.5	1,279.8
Investment property	7.9	13.3
Other tangible assets	640.8	729.4
Goodwill and intangible assets	246.0	242.6
Current tax assets	11.7	26.7
Deferred tax assets	2,633.8	2,720.6
Other assets	1,296.8	1,239.1
TOTAL ASSETS	85,813.4	81,643.4

	31 December 2020	31 December 2019
LIABILITIES		
Financial liabilities at amortised cost		
Resources from credit institutions	8,898.8	6,367.0
Resources from customers	63,000.8	59,127.0
Non subordinated debt securities issued	1,388.8	1,594.7
Subordinated debt	1,405.2	1,577.7
Financial liabilities at fair value through profit or loss		
Financial liabilities held for trading	278.9	343.9
Financial liabilities at fair value through profit or loss	1,599.4	3,201.3
Hedging derivatives	285.8	229.9
Provisions	443.8	345.3
Current tax liabilities	14.8	22.0
Deferred tax liabilities	7.2	11.1
Other liabilities	1,103.7	1,442.2
TOTAL LIABILITIES	78,427.2	74,262.2
EQUITY		
Share capital	4,725.0	4,725.0
Share premium	16.5	16.5
Other equity instruments	400.0	400.0
Legal and statutory reserves	254.5	240.5
Treasury shares	(0.0)	(0.1)
Reserves and retained earnings	642.4	435.8
Net income for the period attributable to Bank's Shareholders	183.0	302.0
TOTAL EQUITY ATTRIBUTABLE TO BANK'S SHAREHOLDERS	6,221.3	6,119.7
Non-controlling interests	1,165.0	1,261.5
TOTAL EQUITY	7,386.3	7,381.3
TOTAL LIABILITIES AND EQUITY	85,813.4	81,643.4

Consolidated income statement per quarter

(Million euros)

	4Q 19	1Q 20	2Q 20	3Q 20	4Q 20
Net interest income	395.6	385.5	373.6	390.5	383.6
Dividends from equity instruments	0.1	0.1	3.4	1.3	0.0
Net fees and commission income	184.4	179.8	165.4	172.9	184.6
Other operating income	-13.8	-40.4	-79.1	-24.2	-11.8
Net trading income	24.2	61.4	-21.8	65.2	48.0
Equity accounted earnings	4.0	10.8	32.1	11.3	13.5
Banking income	594.4	597.2	473.6	617.0	617.8
Staff costs	180.2	164.7	162.9	156.8	162.3
Other administrative costs	106.0	86.3	78.8	79.7	90.7
Depreciation	35.0	34.8	34.4	34.1	33.9
Operating costs	321.2	285.7	276.1	270.7	286.9
Profit bef. impairment and provisions	273.2	311.4	197.6	346.3	330.9
Loans impairment (net of recoveries)	91.2	86.1	151.2	136.9	135.6
Other impairm. and provisions	73.4	115.7	-1.7	62.4	154.9
Net income before income tax	108.7	109.6	48.0	147.0	40.3
Income tax	65.2	65.6	-6.8	63.6	14.2
Non-controlling interests	11.8	8.7	14.1	13.1	-10.6
Net income (before disc. oper.)	31.7	35.3	40.7	70.3	36.7
Net income arising from discount. operations	0.0	0.0	0.0	0.0	0.0
Net income	31.7	35.3	40.7	70.3	36.7

Income statement

(Million euros)

For the 12-month period ended December 31st, 2019 and 2020

International operations

	Group			Portugal			Total			Bank Millennium (Poland)			Millennium bim (Moz.)			Other int. operations		
	Dec 19	Dec 20	Δ %	Dec 19	Dec 20	Δ %	Dec 19	Dec 20	Δ %	Dec 19	Dec 20	Δ %	Dec 19	Dec 20	Δ %	Dec 19	Dec 20	Δ %
Interest income	1991	1806	-9.3%	948	900	-5.1%	1043	906	-13.2%	786	694	-11.7%	248	205	-17.4%	10	7	-26.7%
Interest expense	443	272	-38.5%	159	95	-40.5%	284	178	-37.4%	218	122	-44.2%	65	56	-14.8%	0	0	-32.5%
Net interest income	1,549	1,533	-1.0%	789	805	2.1%	759	728	-4.2%	567	572	0.8%	182	149	-18.4%	10	7	-26.6%
Dividends from equity instruments	1	5	>100%	0	4	>100%	1	1	3.4%	1	1	10.3%	0	0	-100.0%	0	0	--
Intermediation margin	1,549	1,538	-0.7%	789	809	2.6%	760	729	-4.2%	568	573	0.8%	182	149	-18.4%	10	7	-26.6%
Net fees and commission income	703	703	-0.1%	483	482	-0.3%	220	221	0.4%	163	167	2.8%	32	27	-16.0%	25	27	5.2%
Other operating income	-104	-155	-49.4%	-34	-73	<-100%	-71	-83	-17.0%	-88	-93	-5.9%	18	12	-34.5%	0	-1	<-100%
Basic income	2,149	2,085	-3.0%	1,239	1,218	-1.7%	910	867	-4.7%	643	647	0.6%	233	188	-19.3%	35	33	-5.2%
Net trading income	143	153	6.6%	51	61	19.5%	92	91	-0.6%	73	73	-0.7%	15	15	-0.6%	4	4	10%
Equity accounted earnings	43	68	57.5%	40	58	44.0%	3	9	>100%	0	0	--	0	0	--	3	9	>100%
Banking income	2,335	2,306	-1.3%	1,331	1,338	0.5%	1,004	968	-3.6%	716	720	0.5%	247	202	-18.2%	41	46	12.6%
Staff costs	668	647	-3.2%	411	396	-3.8%	257	251	-2.2%	195	192	-1.3%	42	40	-6.3%	20	19	-2.6%
Other administrative costs	373	335	-10.1%	191	178	-6.5%	182	157	-13.9%	133	113	-14.9%	43	38	-11.6%	6	6	-7.1%
Depreciation	125	137	9.9%	69	76	10.8%	56	61	8.8%	42	47	12.1%	12	12	-19%	1	1	5.3%
Operating costs	1,166	1,119	-4.0%	671	650	-3.1%	495	469	-5.3%	370	352	-4.7%	98	90	-8.1%	28	27	-3.3%
Profit bef. impairment and provisions	1,169	1,186	1.5%	660	687	4.2%	509	499	-2.0%	346	367	6.0%	150	112	-24.8%	13	19	45.8%
Loans impairment (net of recoveries)	390	510	30.7%	279	354	26.8%	111	156	40.5%	94	125	34.1%	20	30	53.3%	-2	0	98.2%
Other impairm. and provisions	151	331	>100%	92	119	29.3%	60	213	>100%	58	194	>100%	1	2	28.4%	0	17	>100%
Net income before income tax	627	345	-45.0%	289	215	-25.7%	339	130	-61.5%	194	47	-75.7%	129	80	-37.4%	16	3	-83.3%
Income tax	239	137	-42.9%	144	80	-44.3%	95	56	-40.7%	64	42	-34.0%	28	13	-53.8%	3	1	-60.7%
Non-controlling interests	99	25	-74.5%	0	0	619%	100	25	-74.4%	0	0	--	1	1	-27.0%	99	25	-74.9%
Net income (before disc. oper.)	289	183	-36.6%	145	134	-7.2%	144	49	-66.2%	131	5	-96.1%	99	67	-32.8%	-86	-23	72.9%
Net income arising from discont. operations	13	0	-100.0%															
Net income	302	183	-39.4%															

Glossary (1/2)

Assets placed with customers - amounts held by customers in the context of the placement of third-party products that contribute to the recognition of commissions.

Balance sheet customer funds - deposits and other resources from customers and debt securities placed with customers.

Business Volumes - corresponds to the sum of total customer funds and loans to customers (gross).

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 - net interest income plus net fees and commissions income deducted from operating costs.

Cost of risk, net (expressed in basis points) - ratio of loans impairment (P&L) accounted in the period to loans to customers at amortized cost and debt instruments at amortized cost related to credit operations before impairment at the end of the period.

Cost to core income - operating costs divided by core income.

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

Coverage of non-performing exposures by impairments - loans impairments (balance sheet) divided by the stock of NPE.

Coverage of non-performing loans by impairments - loans impairments (balance sheet) divided by the stock of NPL.

Coverage of overdue loans by impairments - loans impairments (balance sheet) divided by overdue loans.

Coverage of overdue loans by more than 90 days by impairments - loans impairments (balance sheet) divided by overdue loans by more than 90 days.

Debt instruments - non-subordinated debt instruments at amortized cost and financial liabilities measured at fair value through profit or loss (debt securities and certificates).

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

Deposits and other resources from customers - resources from customers at amortized cost and customer deposits at fair value through profit or loss.

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 some influence, the Group does not control the financial and operational policies.

Insurance products - includes unit linked saving products and retirement saving plans ("PPR", "PPE" and "PPR/E").

Loans impairment (balance sheet) - balance sheet impairment related to loans to customers at amortized cost, balance sheet impairment associated with debt instruments at amortized cost related to credit operations and fair value adjustments related to loans to customers at fair value through profit or loss.

Loans impairment (P&L) - impairment (net of reversals and net of recoveries - principal and accrual) of financial assets at amortized cost for loans to customers and for debt instruments related to credit operations.

Loans to customers (gross) - loans to customers at amortized cost before impairment, debt instruments at amortized cost associated to credit operations 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 amortized cost net of impairment, debt instruments at amortized cost associated to credit operations 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 deposits and other resources from customers.

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, other net operating income and equity accounted earnings.

Glossary (2/2)

Net trading income - results from financial operations at fair value through profit or loss, results from foreign exchange, results from hedge accounting operations, results from derecognition of financial assets and financial liabilities measured at amortized cost and results from derecognition of financial assets measured at fair value through other comprehensive income.

Non-performing exposures (NPE) - non-performing loans and advances to customers (loans to customers at amortized cost and loans to customers at fair value through profit or loss) more than 90 days past-due or unlikely to be paid without collateral realization, if they recognized as defaulted or impaired.

Non-performing loans (NPL) - overdue loans (loans to customers at amortized cost and loans to customers at fair value through profit or loss) more than 90 days past due including the non-overdue remaining principal of loans, i.e. portion in arrears, plus non-overdue remaining principal.

Off-balance sheet customer funds - assets under management, assets placed with customers and insurance products (savings and investments).) subscribed by customers.

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

Other impairment and provisions - impairment (net of reversals) for loans and advances of credit institutions classified at amortized cost, impairment for financial assets (classified at fair value through other comprehensive income and at amortized cost not associated with credit operations), impairment for other assets, namely assets received as payment in kind, investments in associated companies and goodwill of subsidiaries and other provisions.

Other net income - dividends from equity instruments, net commissions, net trading income, other net operating income 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 - total outstanding amount of past due loans to customers (loans to customers at amortized cost, debt instruments at amortized cost associated to credit operations and loans to customers at fair value through profit or loss), including principal and interests.

Overdue loans by more than 90 days - total outstanding amount of past due loans to customers by more than 90 days (loans to customers at amortized cost, debt instruments at amortized cost associated to credit operations and loans to customers at fair value through profit or loss), including principal and interests.

Performing loans - loans to customers (gross) deducted from Non-performing exposures (NPE).

Resources from credit institutions - resources and other financing from Central Banks and resources from other credit institutions.

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

Return on average assets (ROA) - net income (before minority interests) divided by the average total assets (weighted average of the average of monthly net assets in the period).

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 (weighted average of the average of monthly equity in the period).

Return on equity (ROE) - net income (after minority interests) divided by the average attributable equity, deducted from preference shares and other capital instruments (weighted average of the average of monthly equity in the period).

Securities portfolio - debt instruments at amortized cost not associated with credit operations (net of impairment), financial assets at fair value through profit or loss (excluding the ones related to loans to customers and trading derivatives), financial assets at fair value through other comprehensive income and assets with repurchase agreement.

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 and off-balance sheet customer fund.

Total customer funds - balance sheet customer funds and off-balance sheet customer funds.



DIREÇÃO DE RELAÇÕES COM INVESTIDORES

Bernardo Collaço, Responsável

EQUITY

Luís Pedro Monteiro
+351 21 1131 084

DÍVIDA E RATINGS

Luís Morais
+351 21 1131 337



investors@millenniumbcp.pt

Banco Comercial Português, S.A., sociedade aberta com sede na Praça D. João I, 28, Porto, matriculada na Conservatória do Registo Comercial do Porto, com o número de identificação fiscal 501 525 882, LEI JU1U6S0DG9YLT7N8ZV32 e capital social de 4.725.000.000,00 euros.