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Banco Comercial Português informs about Bank Millennium (Poland) results in the first nine months of 2014

Banco Comercial Português, S.A. hereby informs that Bank Millennium in Poland, in which it has a 65.5% participation and whose accounts are fully consolidated in BCP group level, released today its results for the first nine months of 2014, whose highlights are as follows:

“ Bank Millennium Group consolidated net profit in the first nine months of 2014 amounted to PLN 493.2 million (EUR 117.8 million), which is a 25.6% increase when compared to net profit in the first nine months of 2013. Net profit achieved PLN 173.2 million (EUR 41.4 million) in the 3rd quarter of 2014, 5.8% higher than the profit achieved in the previous quarter.

The improvement of results was achieved thanks to a strong growth of core income (+16% y/y), accompanied by very modest growth of operating costs (+2% y/y) and a growth of provisions (+18% y/y), which allowed to significantly improve the coverage ratio of impaired loans portfolio (to 70%).

Main financial and business highlights of 3Q and 9M2014 are as follows:

Continued growth of profitability

- 9M14 net profit at PLN 493 million (EUR 118 million): +26% y/y
- 3Q net profit at PLN 173 (EUR 41 million): +6% q/q
- ROE improved yearly from 10.5% to 12.1%
- Cost-to-income in 3Q stood at 49.3%

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Core income yearly growth ahead of future challenges

- Net interest income up 20% y/y and stable q/q
- Net commissions up 6.4% y/y and dropped q/q due to interchange fees reduction

One of the best in Poland asset quality ratios

- Impaired loans ratio at very low level of 4.3%
- High coverage ratio of impaired loans by provisions at 70%

Strong liquidity and capital position

- Loan-to-deposits ratio improved to 91.4%
- Loans to stable sources of funding at 87.9%
- Total CAR at 14.1% and CET1 at 13.4%

Retail business

- Cash loan record quarterly sale of PLN 578 million (EUR 138 million) portfolio up 23% y/y
- Over 100,000 new current accounts 360° since launching in May
- Continuation of strong retail deposits growth: +3% q/q and +8.6% y/y

Companies business

- Loans to companies keep strong 14% yearly growth, more than doubled market growth, loans increased by PLN 1.6 billion (EUR 0.4 billion) since December 13
- Record factoring turnover crossing PLN 3 billion (EUR 0.7 billion) in 3Q14, year-to-date turnover grew by 32% y/y
- Increased investment financing reflected in growing leasing sales: +30% y/y on year-to-date basis; leasing portfolio crossed PLN 4 billion”

End of announcement**Banco Comercial Português**