

Millennium bcp: a bank prepared for the future

Improved profitability

- Net earnings of €257.5 million in the first 9 months of 2018, a 93.1% increase from €133.3 million in the same period of the previous year
- Earnings from domestic activity improved significantly: €114.9 million in the first 9 months of 2018, compared to €0.8 million in the same period of 2017
- Earnings from international activity increased 7.2%, to €140.8 million in the first 9 months of 2018 from €131.3 million in the same period of 2017
- One of the most efficient banks in the Eurozone, with cost to core income of 48% (cost to income of 46%)

Improved asset quality

- NPEs in Portugal down to €5.5 billion as of September 30, 2018, a €1.6 billion reduction vs. the same period of 2017
- NPE total coverage* of 107%

Increasing business volumes

- Performing credit portfolio in Portugal expands by €1.3 billion (+4.2%) from September 30, 2017
- This increase was chiefly the result of the strong performance of loans to companies, which was up by €0.8 billion, equivalent to 65% of the increase of the performing credit portfolio in Portugal from September 30, 2017, with new leasing and factoring business, up by 76.9% and by 23.0%, year-on-year, respectively, being particularly outstanding

Growing Customer base

- 2.2 million Active Customers in Portugal in September 18 (+120,000 vs. September 17), of which 0.9 million are Digital Customers (+144,000 vs. September 17)

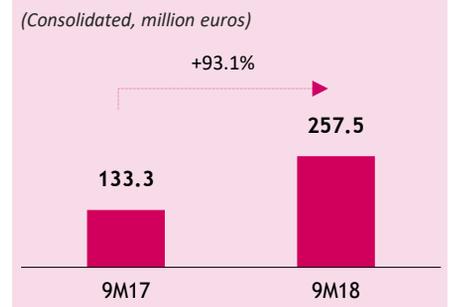
Recent rating actions and performance on stress tests recognise Millennium bcp's improvement over the last years

- On October 9, S&P upgraded BCP's long-term issuer credit rating to BB from BB- and affirmed its short-term counterparty credit rating at B. The outlook changed to stable.
- On October 16, Moody's upgraded by one-notch BCP's long-term deposit and senior unsecured debt ratings to Ba3 from B1, reflecting, essentially, the upgrade of the bank's Baseline Credit Assessment (BCA) to b1 from b2 and an unchanged moderate government support for BCP.
- Good performance on stress tests when compared to the average for banks tested: i) the CET1 phased-in ratio with a negative impact of 384 b.p. compared to the end-2017 under the adverse scenario vs. an average negative impact of 410 b.p. for the 48 banks tested by EBA and, ii) the CET1 fully implemented ratio with an aggravation of 300 b.p. in the same scenario, comparing favourably to an average of 395 b.p. for the 48 banks tested by EBA

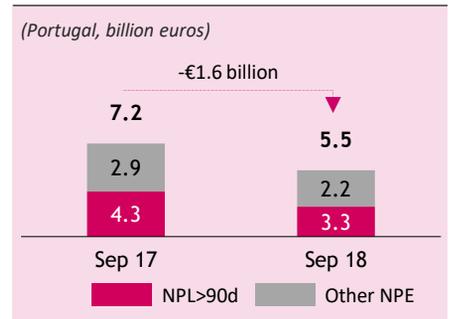
Opportunity for value creation in Poland

- Agreement for the acquisition of a 99.79% stake in eurobank for an estimated consideration of €428mn (1.20x P/BV), in cash and fully financed from internal sources of Bank Millennium
- Transaction expected to complete in the 2nd quarter of 2019, subject to regulatory approvals
- Approximate impacts of -40bps on the Group's fully implemented CET1 ratio and of -30bps on the Group's total capital ratio are expected on the date of transaction

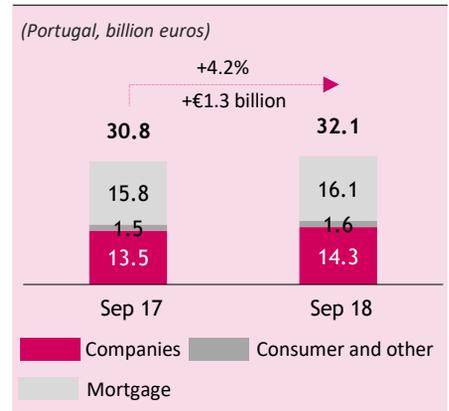
Net earnings



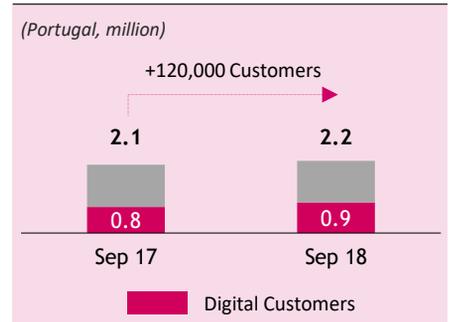
Non-performing exposures (NPE)



Performing credit portfolio



Active Customers



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

BCP share price decreased 6% in the first nine months of 2018, which compares to a 15% decrease of the European banks index



Source: Euronext, Thomson Reuters

BCP share price decreased 6% in the first nine months of 2018, compared to a 15% decrease of the STOXX® Europe 600 Banks index. The relative performance of BCP was therefore positive:

- The share price appreciated significantly at the beginning of the year, reflecting upgrades to price targets by several analysts;
- It extended gains with the release of the 1Q18 results;
- It also reacted positively to the news of Bank Millennium's potential interest in acquiring the Polish unit of Société Générale (2Q18);
- In the 3Q18, it benefited: i) from the improvement of the credit rating outlook of the Republic of Portugal by S&P; ii) from forecasts by the IMF, EC and Public Finance Council pointing to a deficit below 1% in 2018; and iii) from the ECB President's speech, which stated that inflation is recovering "vigorously" and included also positive comments on wage developments, making sooner-than-expected increases in interest rates more likely.

However, these gains were offset due to reasons related to the external environment:

At a global level:

- Worries of a deceleration of the world economy, caused by the escalation of the commercial war between USA / China / Canada / Europe, during the first 9M18, aggravated by the diplomatic tension between the US and Turkey, reflected in a significant depreciation of the Turkish lira, with a more significant impact on European stock markets during the 3Q18.

At the European level:

- Return of the NPLs issue during the 1H18, penalising banks with high stock of NPLs such as BCP
- Political instability in Europe, in particular regarding political risk (i.e. political instability in Spain, Italy and Germany) and also the increase in sovereign risk (i.e., the future of the Euro), which has escalated in the last 2 months ended in September 30, with the statements by the Italian Prime Minister, admitting that Italy would not meet the European Union's deficit limit. This affects BCP share price in the medium term because investors require an higher COE to hold BCP shares, given Portugal's dependence on the European project; and, in the short term, as increased sovereign debt yields in Italy end up increasing the yields on the Portuguese public debt (the revaluation of BCP's portfolio of Portuguese public debt at market prices has a negative impact on BCP's regulatory capital).



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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 JU1U6S0DG9YLT7N8ZV32 and the share capital of EUR 5,600,738,053.72.



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.

First 9 months figures for 2018 and 2017 were 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.
