



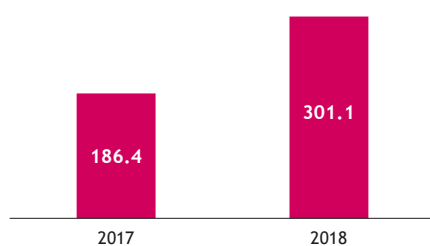


# Information on the BCP Group

# BCP in 2018

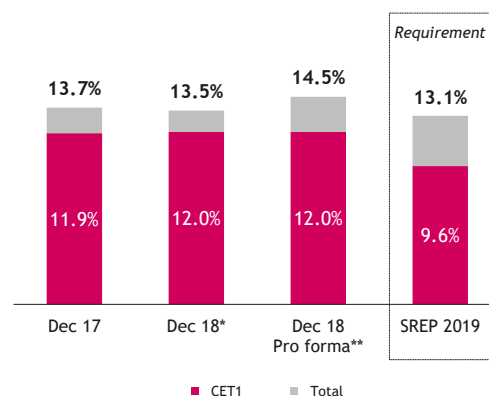
## Improved profitability

(Consolidated net earnings, million euros)



## Strengthened capital

(Fully implemented capital ratios)

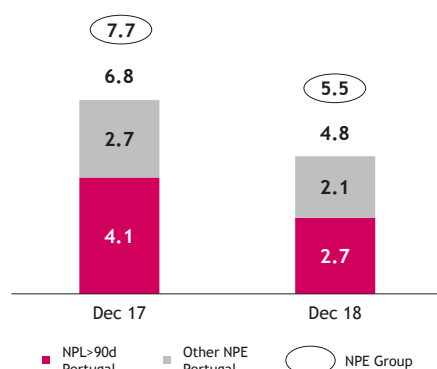


\*Including non-audited earnings for 2018.

\*\*Including non-audited earnings for 2018 and AT1 issued in January 31, 2019 (€400 million).

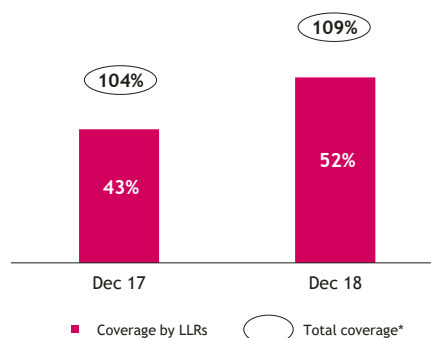
## Improved asset quality

(Non-performing exposures, billion euros)



## Increased NPE coverage

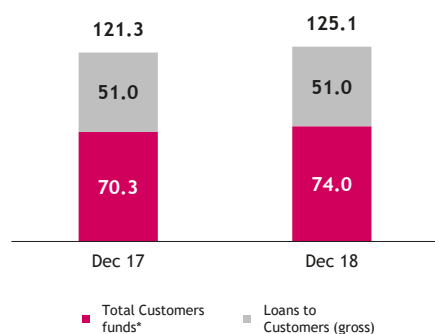
(As a % of non-performing exposures)



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

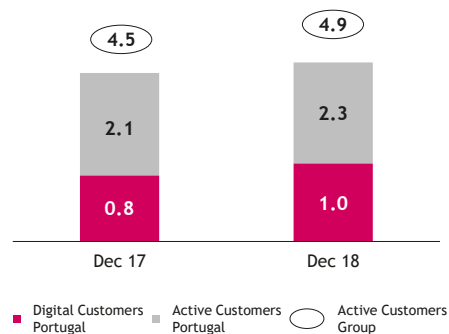
## Increasing business volumes

(Consolidated, billion euros)



## Growing Customer base

(Million Customers)



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

\*\* Clients categorized under the Strategic Plan 2018/21.

# Main Indicators<sup>(1)</sup>

	Euro million					
	2018	2017	2016	2015 (2)	2014	Chan. % 18/17
<b>BALANCE SHEET</b>						
Total assets	75,923	71,939	71,265	74,885	76,361	5.5%
Loans and advances to customers (net) (3)	48,123	47,633	48,018	51,022	52,729	1.0%
Total customer funds (3)(4)	74,023	70,344	65,522	67,754	66,150	5.2%
Balance sheet customer funds (3)	56,585	52,688	50,434	52,158	51,141	7.4%
Deposits and other resources from customers (3)	55,248	51,188	48,798	49,847	48,365	7.9%
Loans to customers (net) / Deposits and other resources from customers (5)	87%	93%	98%	102%	109%	
Shareholders' equity and subordinated debt	6,853	7,250	5,927	6,269	6,238	-5.5%
<b>RESULTS</b>						
Net interest income	1,424	1,391	1,230	1,191	1,116	2.3%
Net operating revenues	2,187	2,197	2,097	2,304	2,292	-0.5%
Operating costs	1,027	954	780	1,017	1,150	7.7%
Impairment and Provisions	601	925	1,598	978	1,316	-35.0%
Income tax						
Current	106	102	113	91	101	3.4%
Deferred	32	-72	-495	-54	-199	
Net income attributable to shareholders of the Bank	301	186	24	235	-227	
<b>PROFITABILITY AND EFFICIENCY</b>						
Return on average shareholders' equity (ROE)	5.2%	3.3%	0.6%	5.3%	-6.5%	
Income before tax and non-controlling interests / Average equity (5)(6)	8.1%	4.8%	-4.5%	7.3%	-5.1%	
Return on average total assets (ROA)	0.6%	0.4%	0.2%	0.5%	-0.1%	
Income before tax and non-controlling interests / Average net assets (5)(6)	0.8%	0.4%	-0.3%	0.5%	-0.3%	
Net interest margin	2.2%	2.2%	1.9%	1.8%	1.6%	
Net operating revenues / Average net assets (5)(6)	3.0%	3.0%	2.8%	3.0%	2.8%	
Cost to income (5)(6)(7)	45.6%	44.1%	46.1%	43.9%	51.7%	
Cost to income - activity in Portugal (5)(6)(7)	46.6%	44.5%	47.1%	41.1%	53.7%	
Staff costs / Net operating revenues (5)(6)(7)	25.9%	24.6%	25.9%	24.7%	28.6%	
<b>CREDIT QUALITY</b>						
Overdue loans (>90 days) / Loans to customers (3)	3.8%	5.8%	6.8%	7.3%	7.4%	
Total impairment / Overdue loans (>90 days) (3)	148.1%	113.2%	107.0%	86.2%	82.6%	
Non-performing exposures	5,547	7,658	9,374	10,933	11,906	
Non-performing exposures / Crédito a clientes	10.9%	15.0%	18.1%	20.1%	21.2%	
Cost of risk (net of recoveries) (8)	92 bp	122 bp	216 bp	150 bp	194 bp	
Restructured loans (3)	3,507	4,184	5,046	5,393	6,753	
Restructured loans / Loans to customers (3)	6.9%	8.2%	9.7%	9.9%	12.0%	
<b>CAPITAL (9)</b>						
Rácio common equity tier I phased-in (10)	12.1%	13.2%	12.4%	13.3%	11.7%	
Rácio common equity tier I fully-implemented (10)	12.0%	11.9%	9.7%	10.2%	7.8%	
Own Funds	5,688	5,932	5,257	6,207	5,827	
Risk Weighted Assets	41,883	40,171	39,160	43,315	43,515	
<b>BCP SHARE</b>						
Market capitalisation (ordinary shares)	3,469	4,111	843	2,887	3,561	
Adjusted basic and diluted earnings per share (euros)	0.020	0.014	0.019	0.232	-0.259	
Market values per share (euros) (11)						
High	0.3339	0.2720	0.6459	1.2388	1.8162	
Low	0.2171	0.1383	0.1791	0.5374	0.8396	
Close	0.2295	0.2720	0.1845	0.6317	0.8487	

(Continues)

- (1) Some indicators are presented according to management criteria of the Group, which concepts are described and detailed at the glossary and at alternative performance measures chapter, being reconciled with the accounting values.
- (2) In the scope of the merger process with Banco Privado Atlântico, Banco Millennium Angola was accounted as discontinued operation in the first quarter of 2016, with effect on the same item in the exercises of 2016 and 2015, given that the information as at 31 December 2015 was restated in the consolidated financial statements of BCP. After the merger, the shareholding in Banco Millennium Atlântico, the entity resulting from the merger, was recorded as associate and the respective earnings were accounted using the equity method.
- (3) Adjusted from operations accounted as discontinued operations: Millennium bcp Gestão de Activos (2014) and Banco Millennium in Angola (2015 to 2014).
- (4) As at 30 June 2018, the concepts underlying the determination of off-balance sheet customer funds were adjusted to reflect the new legal and regulatory framework imposed by the Financial Instruments Markets Directive II (MiFID II), as well as changes implemented regarding the perimeter considered and the criteria adopted, namely with regard to the inclusion of amounts held by customers in the context of the placement of third-party products that contribute to the recognition of commissions ("assets placed with customers"). The information with reference to 31 December 2017, 31 December 2016, 31 December 2015 and 31 December 2014, is presented according to the new criteria.
- (5) According to Instruction no. 16/2004 from the Bank of Portugal, as the existing version as of 31 December 2018. Following the repeal in 2018 of the Instruction No. 22/2011 from the Bank of Portugal, which defined the criteria for calculating the amount of credit, the ratio "Loans to customers (net) / Deposits and other resources from customers", is now calculated in accordance with the management criteria used by the Group, and the historical figures have been restated accordingly.
- (6) Given the booking of Banco Millennium Angola as a discontinued operation as at 31 March 2016, the consolidated balance sheet includes Banco Millennium Angola until its derecognition, determined by the completion of the merger with Banco Privado Atlântico, in April 2016, while the respective contribution to consolidated result is reflected in income from discontinued operations and non-controlling interests during that period, not influencing the remaining items of the consolidated income statement.
- (7) Excludes the impact of specific items. Negative impact of 29.4 million euros in 2018 (of which 26.7 million euros related to restructuring costs recognized as staff costs and 2.7 million euros associated with the ongoing digital transformation project, recognized as other administrative costs, both in the activity in Portugal) and positive impact of 14.2 million euros in 2017, related to restructuring costs and the revision of Collective Labour Agreement recorded as staff costs, in the activity in Portugal.
- (8) Adjusted from discontinued operations: Banco Millennium in Angola (2015).
- (9) According to the requirements of CRD IV/CRR for the phased-in period.
- (10) Considers the impact of the prudential framework provided for in the rules in force following the Bank's accession to the special regime for deferred tax assets, calculated in accordance with IAS. The figures for 2018 include the acumulate net results of the year.
- (11) Market value per share adjusted from the regrouping of shares, in October 2016, and the capital increase occurred in February 2017.

(Continuation)

	Unid.	2018	2017	2016	2015	2014	Var. % 18/17
<b>CUSTOMERS</b>							
Total of Customers	Thousands	5,827	5,429	5,482	5,557	5,282	7.3%
Interest paid on deposits and interbank funding	Million euros	341	353	389	661	897	-3.5%
Claims registered (2)	Number	108,244	76,918	72,498	79,108	71,348	40.7%
Claims resolved	Percentage	99.3%	97.7%	93.2%	97.2%	95.1%	
<b>ACCESSIBILITIES</b>							
Branches	Number	1,101	1,120	1,163	1,342	1,373	-1.7%
Activity in Portugal		546	578	618	671	695	-5.5%
International activity		555	542	545	671	678	2.4%
Branches opened on Saturday		122	118	112	144	140	3.4%
Branches with access conditions to people with reduced mobility		866	800	828	978	981	8.3%
Internet	Users number	1,980,905	1,665,987	1,700,114	1,541,811	1,377,480	18.9%
Call Center	Users number	429,982	353,003	261,620	273,610	301,338	21.8%
Mobile banking	Users number	2,106,289	1,520,378	1,268,804	929,401	506,976	38.5%
ATM	Number	2,952	2,950	2,965	3,115	3,112	0.1%
<b>EMPLOYEES</b>							
PORTUGAL EMPLOYEES	Number	7,095	7,189	7,333	7,459	7,795	-1.3%
INTERNATIONAL EMPLOYEES	Number	8,972	8,653	8,594	8,580	8,777	3.7%
<b>LABOUR INDICATORS (3)</b>							
Breakdown by professional category	Number						
Executive Committee		28	28	26	34	33	0.0%
Senior Management		178	150	146	171	161	18.7%
Management		1,728	1,642	1,669	1,702	1,768	5.2%
Commercial		9,446	9,424	9,453	10,406	10,648	0.2%
Technicians		3,682	3,531	3,459	3,609	3,641	4.3%
Other		1,027	1,061	1,167	1,330	1,452	-3.2%
Breakdown by age	Number						
<30		2,393	2,235	2,225	3,029	3,387	7.1%
[30-50[		9,318	9,498	9,820	10,673	10,925	-1.9%
>=50		4,350	4,103	3,875	3,550	3,391	6.0%
Average age	Years	41	41	41	38	37	0.0%
Breakdown by contract type	Number						
Permanent		14,685	14,668	14,876	15,904	16,329	0.1%
Temporary		1,376	1,168	1,044	1,035	1,073	17.8%
Trainees		339	208	0	313	301	63.0%
Employees with working hours reduction	Number	215	187	202	153	155	15.0%
Recruitment rate	Percentage	12.3%	9.7%	8.2%	7.3%	8.1%	26.8%
Internal mobility rate	Percentage	16.6%	18.5%	18.0%	16.4%	16.4%	-10.3%
Leaving rate	Percentage	11.0%	10.3%	9.1%	10.0%	11.1%	6.8%
Free association (4)	Percentage						
Employees under Collective Work Agreements		99.7%	99.6%	99.6%	99.5%	99.6%	0.1%
Union Syndicated Employees		78.6%	78.5%	78.9%	72.0%	73.2%	0.1%
<b>Hygiene and safety at work (HSW)</b>							
HSW visits	Number	182	159	376	194	180	14.5%
Injury rate	Percentage	0.0%	0.0%	0.0%	0.0%	0.0%	
Death victims	Number	0	0	1	0	0	
Absenteeism rate	Percentage	4.3%	4.3%	4.2%	4.0%	3.6%	0.0%
Lowest company salary and minimum national salary	Ratio	1.3	1.3	1.1	1.9	1.7	0.0%
<b>ENVIRONMENT (5)</b>							
Greenhouse gas emissions (6)	tCO <sub>2</sub> eq	604.8	555	1,180	639	549	9.0%
Electricity consumption (7)	MWh	233856.7	239,279	246,948	554,307	361,968	-2.3%
<b>SUPPLIERS</b>							
Time of payment and time contractually agreed, in Portugal	Ratio	1	1	1	1	1	0.0%
Purchase from local suppliers	Percentage	92.2%	86.4%	91.7%	92.8%	86.5%	6.7%
<b>DONATIONS</b>							
	Million euros	2.0	1.9	1.7	2.0	2.2	8.6%

(1) Data for 2016 na 2017 does not include Angola, whose operation ceased to be fully consolidated, being classified for accounting purposes as a discontinued operation in 2016.

(2) It includes a structural change effect in the complaint handling process at Bank Millennium Poland, aiming at improving the Customer experience by optimizing the immediate treatment.

(3) Employees information (and not FTE) for: Portugal, Poland, Mozambique and Switzerland.

(4) The value reflects only operations where the regimes are applicable. Collective work agreement: Portugal and Mozambique. Syndicate: Portugal and Mozambique.

(5) Data do not include Angola (2013 to 2017).

(6) Data do not include Mozambique since 2015.

(7) Data include electricity from public grid. Does not include the cogeneration plant in Portugal neither energy consumption in Mozambique since 2015.

# BCP Group

## Brief description

Banco Comercial Português, S.A. (BCP, Millennium bcp or Bank) is the largest Portuguese private sector bank. The Bank, with its decision centre in Portugal, operates and acts with respect for people and institutions, focusing on the Customer, pursuing a mission of excellence, trust, ethics and responsibility, and is a distinguished leader in various financial business areas in the Portuguese market and a reference institution on an international level. The Bank also holds a prominent position in Africa through its banking operations in Mozambique (in Angola, Banco Millennium Angola - BMA merged with Banco Privado Atlântico-BPA) and in Europe through its banking operations in Poland and Switzerland. Since 2010, the Bank operates in Macau through a full branch.

## Bank History

BCP was incorporated on 17 June 1985 as a limited liability company ("sociedade anónima") organised under the laws of Portugal, following the deregulation of the Portuguese banking industry. BCP was founded by a group of over 200 shareholders and a team of experienced banking professionals who sought to capitalise on the opportunity to form an independent financial institution that would serve the then underdeveloped Portuguese financial market more effectively than state-owned banks.

While the Bank's development was initially characterised by organic growth, a series of strategic acquisitions helped solidify its position in the Portuguese market and increase its offering of financial products and services. In March 1995, BCP acquired control of Banco Português do Atlântico, S.A. ("Atlântico"), which was then the largest private sector bank in Portugal. This was followed by a joint takeover bid for the whole share capital of Atlântico. In June 2000, Atlântico was merged into BCP. In 2000, BCP also acquired Império, along with Banco Mello and Banco Pinto & Sotto Mayor.

In 2004, with a view to strengthening its focus on the core business of distribution of financial products and optimising capital consumption, BCP sold insurers Império Bonança, Seguro Directo, Impergesto and Servicomercial to the Caixa Geral de Depósitos group. BCP also entered into agreements with Fortis (now named Ageas) for the sale of a controlling stake and management control of insurers Ocidental - Companhia Portuguesa de Seguros, S.A., Ocidental - Companhia Portuguesa de Seguros de Vida, S.A. and Médis - Companhia Portuguesa de Seguros de Saúde, S.A., as well as the pension fund manager PensõesGere - Sociedade Gestora de Fundos de Pensões, S.A.

After the consolidation of its position in the Portuguese banking market, the Bank focused on the development of its retail business in new regions, with the goal of attaining significant positions in emerging markets in Europe and in Africa. The Bank concentrated on businesses with strong growth prospects in foreign markets with a close historical connection to Portugal or that have large communities of Portuguese origin (such as Angola, Mozambique, the United States, Canada, France, Luxembourg and Macao), as well as in markets where the Bank's successful Portuguese business model could be effectively exported to and tailored to suit such local markets (such as Poland, Greece and Romania). The Bank has pursued a consistent strategy of market segmentation. Until 2003, these segments were served through autonomous distribution networks operating under a variety of brand names. In October 2003, BCP began the process of replacing these brands in Portugal with a single brand name: Millennium bcp. The rebranding in other markets was completed in 2006. All operations of the Bank are now carried out under the "Millennium" brand. In Portugal, the Bank also operates under the "ActivoBank" brand.

In 2004, the Bank sold its non-life insurance businesses and divested a portion of its life insurance business by entering into a joint venture with Ageas (formerly Fortis), named Millenniumbcp Ageas, of which 51% is held by Ageas and 49% by the Bank.

In recent years, the Bank has refocused on operations that it considers core to its business. As part of this refocus, the Bank divested several of its international operations (in France, Luxembourg, United States, Canada, Greece, Turkey and Romania), while retaining commercial protocols to facilitate remittances from Portuguese emigrants in some markets. In 2010, the Bank transformed its Macao off-shore branch into an on-shore branch.

In February 2012, the Bank adopted a management restructuring through the introduction of a one-tier management and supervisory model, in which the Board of Directors includes an Executive Committee and an Audit Committee (the latter comprising non-executive members, in accordance with the applicable law).

In December 2012, the Bank prepared and presented to the Portuguese government a Restructuring Plan, required by national law and by the applicable European rules on matters of State aid. The Restructuring Plan was formally submitted by the Portuguese government to the EC and, In July 2013, the Bank agreed with the EC a Restructuring Plan, entailing an improvement of the profitability of the Bank in Portugal through continued cost reduction, among other drivers. On September 2013, the DG Comp announced its formal decision in connection with its agreement with the Portuguese authorities concerning the Bank's Restructuring Plan. Pursuant to the decision, the Bank's Restructuring Plan was found in compliance with the European Union's rules relating to State aid, demonstrating the Bank's viability without continued State support. The implemented Restructuring Plan aimed at strengthening the Bank's strategy by focusing on its core activities.

In May 2014, as part of a process aiming to refocus on core activities defined as a priority in its Strategic Plan, the Bank announced that it agreed with the international insurance group Ageas a partial recast of the strategic partnership agreements entered into in 2004, which included the sale of its 49% interest in the (currently jointly owned) insurance companies that

operate exclusively in the non-life insurance business, i.e. Ocidental – Companhia Portuguesa de Seguros, S.A. and Médis – Companhia Portuguesa de Seguros de Saúde, S.A.

In April 2016, the Bank announced the conclusion of the merger between Banco Millennium Angola, S.A. with Banco Privado Atlântico, S.A., resulting in the second-largest private sector bank in Angola in terms of loans to the economy, with a market share of approximately 10% in business volume.

BCP has announced in January 2017 a Euros 1.3bn rights issue with transferable pre-emptive subscription rights. The aim of this transaction was to bring forward the full repayment of remaining Government Subscribed Securities and the removal of key State-aid related restrictions, including dividend ban, risk of potential sale of core businesses and tail risk of conversion. This transaction was designed to strengthening the balance sheet through the improvement of CET1 FL ratio and Texas ratio, bringing them in line with new industry benchmarks and above current regulatory requirements.

Millennium bcp has successfully executed an operational turnaround, reinforcing its financial and capital position despite the adverse setting of the banking sector in the core Portuguese market. This position reflects our relentless path and the compounding of multiple achievements, such as a more than 40% cost reduction in Portugal since 2011, and a 59% reduction in Group NPE since 2013 (from Euros 13.7 billion to Euros 5.5 billion in 2018). Three distinctive competences were at the core of this turnaround: a customer-oriented relationship model, market-leading efficiency, and a competitive international portfolio.

# Governance

Banco Comercial Português, S.A. has a one-tier management and supervision model, composed of a Board of Directors, which includes an Executive Committee and an Audit Committee composed of only non-executive directors. The Company also has a Remuneration and Welfare Board and an International Strategic Board.

In addition, the Group uses a Statutory Auditor and an external auditing firm to audit the individual and consolidated accounts of the Bank, whose appointment is resolved at the General Meeting.

The members of the governing bodies were elected at the General Meeting of Shareholders held on 30 May 2018 to perform duties for the four-year period 2018/2021. Nuno Amado (former CEO) was appointed Chairman of the Board of Directors and Miguel Maya was appointed CEO.

The General Meeting is the highest governing body of the company, representing the entirety of the shareholders, and its resolutions are binding for all when adopted under the terms of law and the articles of association. The General Meeting is responsible for:

- Electing and dismissing the Board, as well as the members of the management and supervisory bodies, and the Remuneration and Welfare Board;
- Approving amendments to the memorandum of association;
- Resolving on the annual management report and accounts for the year and proposed appropriation of profits;
- Resolving on matters submitted upon request of the management and supervisory bodies;
- Resolving on all issues especially entrusted to it by the law or articles of association, or on those not included in the duties of other corporate bodies.

The Board of Directors (BD) is the governing body of the Bank with the most ample powers of management and representation, pursuant to the law and the articles of association.

Under the terms of the articles of association, the Board of Directors is composed of a minimum of 15 and a maximum of 19 members with and without executive duties, elected by the General Meeting for a period of four years, who may be re-elected.

The Board of Directors took office on July 23, 2018.

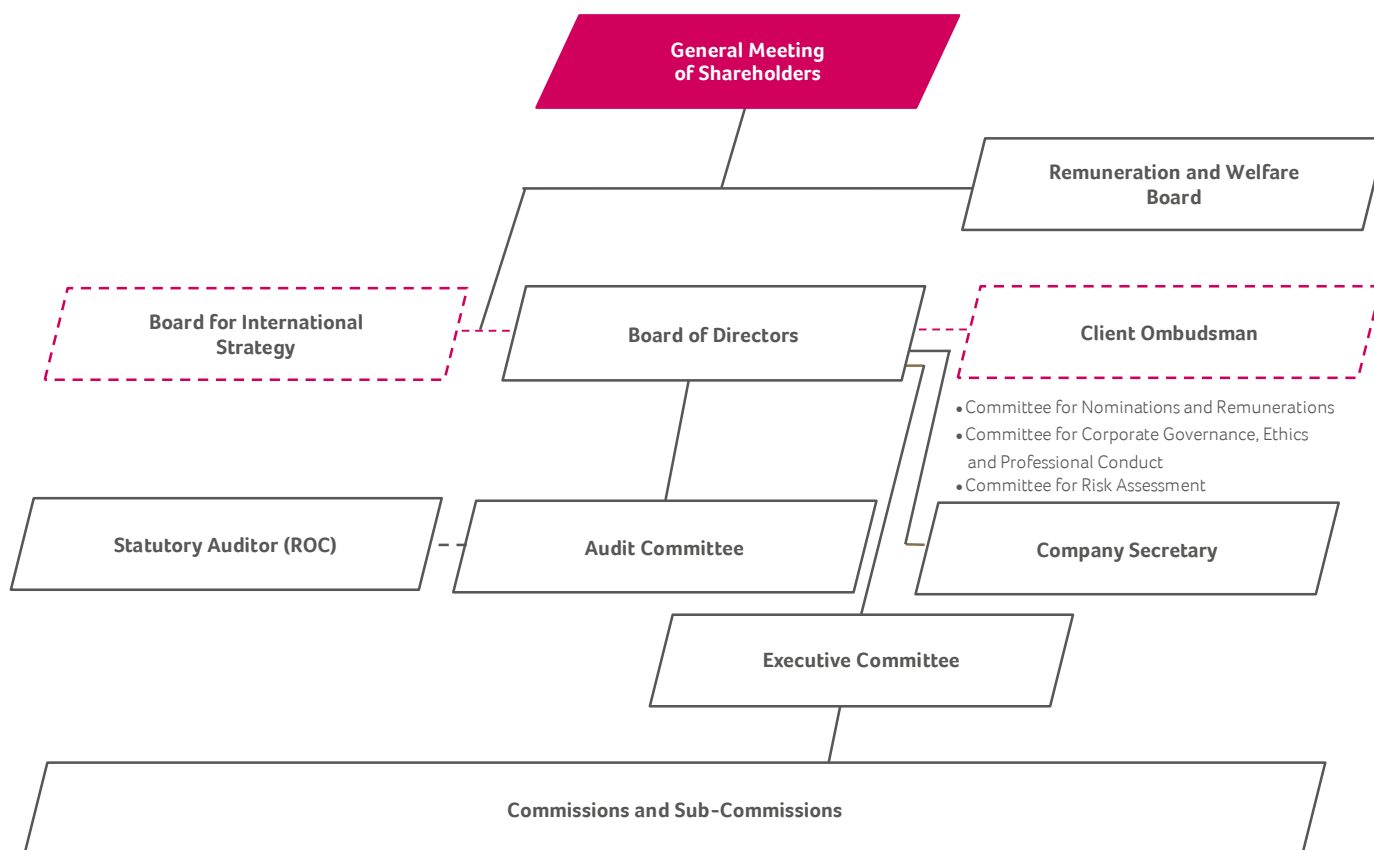
The Board of Directors appointed an Executive Committee (EC) composed of 6 of its members, to which it delegates the day-to-day management of the Bank. The Executive Committee is assisted in its management functions by several commissions and sub-commissions which oversaw the monitoring of certain relevant issues.

The supervision of the company is made by an Audit Committee elected by the General Meeting of Shareholders and composed of 3 to 5 members, elected together with the majority of the remaining directors. The lists proposed for the Board of Directors should indicate the members to be part of the Audit Committee and indicate the respective Chairperson.

The Remuneration and Welfare Board is elected by the General Meeting.

The Company Secretary and the Alternate Secretary are appointed by the Bank's Board of Directors, and their term-of-office matches that of the Board of Directors that appointed them.

## Coporate Governance Model



- Costs and Investments
  - Costs and Investment Sub-Commission
- Corporate & Investment Banking
- Human Resources
- Retail
- Compliance

- Project Mobilizar
- Credit
- CALCO
- Risk
  - Validation and Monitoring of Models Sub-Commission
- Monitoring NPA (non-performing assets)

- Pensions Funds Risk Monitoring
- Quality, Security and Data Protection
- Operations Risk and Internal Control Monitoring
- Work Relations

## Identification and composition of the Corporate Bodies and Committees from the Board of Directors

	Board of Directors	Executive Committee	Audit Committee	Remuneration and Welfare Board	Board for International Strategy *	Committee for Corporate Governance, Ethics and Professional Conduct	Committee for Nominations and Remunerations	Committee for Risk Assessment
Nuno Manuel da Silva Amado (Presidente do CA)	•				•			
Jorge Manuel Baptista Magalhães Correia (Vice-Presidente do CA e Presidente do CRP)	•			•				
Valter Rui Dias de Barros (Vice-Presidente do CA)	•		•			•		
Miguel Maya Dias Pinheiro (Vice-Presidente do CA e CEO)	•	•			•			
Ana Paula Alcobia Gray	•			•				•
Cidália Maria Mota Lopes	•		•					
João Nuno de Oliveira Jorge Palma	•	•						
José Manuel Alves Elias da Costa (Presidente da CNR)	•					•	•	•
José Miguel Bensliman Schorcht da Silva Pessanha	•	•						
Lingjiang Xu (Presidente do CGSED)	•					•	•	
Maria José Henriques Barreto de Matos de Campos	•	•						
Miguel de Campos Pereira de Bragança	•	•						
Rui Manuel da Silva Teixeira	•	•						
Teófilo César Ferreira da Fonseca (Presidente da CAR)	•						•	•
Wan Sin Long	•		•					•
Xiao Xu Gu (Julia Gu)	•							
António Vitor Martins Monteiro					•			

\* Members due to the Functions they exercise

# Main Events in 2018

## January

- The European Investment Bank (EIB) and Millennium bcp joined forces to foster economic growth and employment creation in the areas impacted by the forest fires that spread in the north and centre of Portugal in 2017, with the funds provided to facilitate economic recovery in the affected areas reaching Euro 150 million.

## February

- Return to the “The Sustainability Yearbook”, a benchmark publication in the sustainability area.
- Millennium bcp subscribes to the Charter of Principles of the Conselho Empresarial para o Desenvolvimento Sustentável (Entrepreneurial Council for the Sustainable Development - BCSD) Portugal, integrating the group of the first signatory companies.

## March

- Return of BCP to the Stoxx Europe 600 Index, the European Stock Market Index benchmark.
- Memorandum of Understanding between Millennium bcp and Alipay, China's largest digital payment platform, which agreed to cooperate in the Portuguese market, making Millennium the first bank in Portugal to enable cashless transactions between Chinese travellers and Portuguese merchants.
- Edition of Millennium Days for Companies, in the northern city of Vila Nova de Famalicão, an initiative that travels around the country, seeking to be closer to Portuguese companies, supporting their internationalisation and improving their competitiveness.
- BCP was confirmed in the ETHIBEL Sustainability Index Ethibel Sustainability Index (ESI) Excellence Europe.

## April

- Bank Millennium in Poland was recognized by the Widzialni Foundation for the accessibility of its website to people with special needs.

## May

- Conclusion, on May 30, 2018, with 63.04% of the share capital represented, of the Annual General Meeting of Shareholders, being noteworthy, within the resolutions, the approval of the individual and consolidated annual report, balance sheet and financial statements of 2017 and the approval of the

proposal for the appropriation of profits from 2017; the election of the Board of Directors for the term-of-office beginning in 2018, including the Audit Committee; and the election of the Remuneration and Welfare Board for the term-of-office beginning in 2018.

- Signature of a Memorandum of Understanding between Banco Comercial Português and the Industrial and Commercial Bank of China, renewing the cooperation agreement signed in 2010.
- Launching of the 2<sup>nd</sup> edition of the “Millennium Horizontes Awards”, an initiative that is part of the bank's strategy to promote exports, internationalization and innovation, developed in partnership with Global Media Group, COTEC (Business Association for Innovation), AICEP (Portugal's business development agency) and Católica University.
- Bank Millennium in Poland was awarded for the fourth time with "POLITYKA CSR Silver Leaf 2018", a prize awarded to companies that implement Corporate Social Responsibility policies and practices in their daily activities.

## June

- Signature of a Clearing and Settlement of Renminbi Business agreement with the Bank of China Macao, reinforcing the Bank's presence in the Chinese market and becoming the first bank in Portugal to be considered a Participating Bank with access to Macao's payments system.
- Signature of the Acquiring Contract between Banco Comercial Português and Alipay, resulting from the Memorandum of Understanding agreed in March 2018, covering cooperation in the Portuguese market, with Millennium bcp becoming the first bank to facilitate transactions between Chinese travellers and merchants in Portugal.
- Millennium bcp became the first Portuguese bank to join the Euronext Vigeo Eurozone 120 Index, which includes 11 other Euro Zone banks.
- Millennium bcp volunteers participated once again in the regular food collection campaign promoted by the Portuguese Food Bank at a national level.

## July

- The Board of Directors elected by the Annual General Meeting of Shareholders held on 30 May 2018 started its term of office on 23 July 2018.
- Announcement of the main guidelines of the Strategic Plan 2018-2021.

- A long-term strategic partnership agreement was signed between Millennium bim and Insurer Fidelidade aimed at the sustained growth of the insurance sector in Mozambique.
- Bank Millennium has applied to the Polish Financial Supervision Authority for permission to create a mortgage bank under the name of "Millennium Bank Hipoteczny," based in Warsaw.

## September

- BCP was confirmed in the Sustainability Index "Ethibel Sustainability Index (ESI) Excellence Europe".

## October

- Upgrade of BCP's long-term issuer credit rating to BB from BB- by S&P Global Ratings.
- Upgrade by one-notch of BCP's long-term deposit and senior unsecured debt ratings to Ba3 from B1, by Moody's.
- Millennium bim, on the World Savings Day and under its "More Mozambique for Me" Social Responsibility program, is raising awareness about savings habits for more than 15 thousand students distributed in 35 schools nationwide.
- Millennium bim concluded the 9<sup>th</sup> edition of the "Banking Olympics", a financial literacy project aimed at training the new generations of consumers of financial services in Mozambique.

## November

- Conclusion on 5 November 2018, with 62.1% of the share capital represented, of the Annual General Meeting of Shareholders, with the following resolutions: i) Approval of the alteration of the articles of association through the modification of number 2 of article 54 of the Bank's Articles of Association; ii) Approval of reformulation of the items of own capital with the special purpose of unequivocally reinforcing the future conditions for the existence of funds able of being classified by the regulators as distributable by means of the reduction of the amount of the share capital in Euros 875,738,053.72, without changing the existing number of shares (without nominal value) and without altering the net equity, with the consequent alteration of number 1 of article 4 of the articles of association.
- New share capital of Euros 4,725,000,000 registered at the Commercial Registry Office.

- Announcement of an agreement reached by Bank Millennium for the acquisition of a 99.79% stake in Euro Bank S.A. from Société Générale Financial Services Holding, a subsidiary of Société Générale S.A., for an estimated total consideration of 1,833 million zlotys, implying a 1.20x P/BV (final purchase price subject to customary NAV adjustment at closing), to be paid in cash and fully financed from internal sources of Bank Millennium.

- Disclosure of the results of the 2018 EU-wide stress test by European Banking Authority (EBA). The EBA-led stress test was conducted in articulation with the ECB. BCP's CET1 phased-in ratio stood at 9.14% under the adverse scenario, a 384 basis points aggravation from end-2017, comparing favourably to an average 410 basis points aggravation for the 48 banks tested by EBA (300 basis points aggravation, comparing to 395 basis points, respectively, under a fully implemented basis).
- Millennium bcp launched an internal action to collect colored children's bandages, paint books and crayons in favor of the children supported by ACREDITAR.
- Millennium bim rehabilitated, within the scope of its "More Mozambique for Me" Social Responsibility program, another school library, this time at Gorongosa Elementary School.

## December

- Upgrade of BCP's long-term issuer credit rating to BB from BB- by Fitch Ratings.
- Agreement between UnionPay International and Millennium bcp. starting Millennium bcp to issue UnionPay cards to its customers and to roll out the UnionPay QuickPass and online payment service.
- Millennium bcp participated, once again at the national level, in the biannual campaign of food collection promoted by the Food Bank.
- Millennium bcp launched an internal action to collect essential goods "Millennium Solidário - Christmas Campaign 2018", in favor of Ajuda de Berço in Lisbon and Caritas in Porto.
- Bank Millennium Poland was included, for the eleventh consecutive time, in RESPECT Index - the first index of socially responsible companies in Central and Eastern Europe;
- Rehabilitation by Bank Millennium, as part of its Corporate Volunteering program, of another elementary school for children with special needs, this time in Gdansk.

# BCP Share

2018 was a year of correction for the majority of the world stock exchanges. The Brexit and the commercial war between the USA and China were the major worries for the investors, followed by the fall in the price of raw materials and the deceleration in global activity. In Europe, this feeling was aggravated by a relaxation of the goals set forth in the State Budget for 2019 regarding the Italian deficit, which significantly impacted the European Banks, more notably the Italian and Spanish ones. Furthermore, there was also the ECB's intention to accelerate the process towards the reduction of the bank's non-performing loans.

## BCP SHARE INDICATORS

	Units	2018	2017
<b>ADJUSTED PRICES</b>			
Maximum price	(€)	0.3339	0.2720
Average price	(€)	0.2662	0.2162
Minimum price	(€)	0.2171	0.1383
Closing price	(€)	0.2295	0.2720
<b>SHARES AND EQUITY</b>			
Number of ordinary shares (outstanding)	(M)	15,114	15,114
Shareholder's Equity attributable to the group	(M€)	5,780	6,081
Shareholder's Equity attributable to ordinary shares (1)	(M€)	5,780	6,021
<b>VALUE PER SHARE</b>			
Adjusted net income (EPS) (2) (3)	(€)	0.022	0.014
Book value (4)	(€)	0.382	0.398
<b>MARKET INDICATORS</b>			
Closing price to book value	(PBV)	0.60	0.68
Market capitalisation (closing price)	(M€)	3,469	4,111
<b>LIQUIDITY</b>			
Turnover	(M€)	3,259	3,946
Average daily turnover	(M€)	12.8	15.5
Volume (3)	(M)	11,976	18,412
Average daily volume (3)	(M)	47.0	72.2
Capital rotation (5)	(%)	79.2%	138.2%

(1) Shareholder's Equity attributable to the group minus Preferred shares

(2) Considering the average number of shares outstanding

(3) Adjusted by the share capital increase completed in February 2017

(4) Considering the average number of shares minus the number of treasury shares in portfolio

(5) Total number of shares traded divided by the average number of shares issued in the period

The BCP share price decreased by 16% in 2018, compared to a 28% decrease in the STOXX® Europe 600 Banks index. The relative performance of BCP was therefore positive.

The share price appreciated:

- At the beginning of the year, based on upgrades to target prices by several equity analysts;
- Reflecting positive reactions to quarterly earnings releases throughout the year;
- Following several rating upgrades in 2018; and
- Benefitting from strong macroeconomic news in Portugal, namely related to public accounts.

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

- Return of the NPL issue during the 1H18, penalizing banks with high NPLs;
- Concerns related to the slowdown of the world economy, caused by the escalating trade war, with a negative impact on the markets during the 2H18;
- Political instability in Europe, and in particular during the 2H18, in particular the difficulty in reaching an agreement on Brexit, including of a no-confidence motion to Theresa May in England; and the standoff between the European Union and the Italian Government regarding the 2019 public deficit, with an agreement being reached at year-end, preventing the opening of an excessive deficit procedure.

## PERFORMANCE

Index	Change 2018
BCP share	-15.6%
Eurostoxx 600 Banks	-28.0%
PSI20	-12.2%
IBEX 35	-15.0%
CAC 40	-11.0%
DAX XETRA	-18.3%
FTSE 100	-12.5%
MIB FTSE	-16.1%
Dow Jones Indu Average	-5.6%
Nasdaq	-1.7%
S&P500	-6.2%

Source: Euronext, Reuters, Bloomberg

## Liquidity

During 2018, Euros 3,259 million in BCP shares were traded, corresponding to an average daily turnover of Euros 12.8 million. Around 11,976 million shares were traded during this period of time, corresponding to a daily average volume of 47 million shares. The capital turnover index stood at 79% of the average annual number of shares issued.

## Indexes listing BCP shares

The BCP share is part of more than 50 domestic and international stock exchange indexes among which we point out the Euro Stoxx 600 Banks, the Euro Stoxx Banks, the Euronext 150, the PSI 20 and the PSI Geral.

Index	Weight
Euro Stoxx 600 Banks	0.23%
Euro Stoxx Banks	0.50%
Euronext 150	1.60%
PSI 20	11.66%
PSI Geral	6.41%

Source: Euronext, 31 December 2018

By the end of 2018, the Bank continued in the indexes/rankings "Ethibel Excellence Europe" and "Ethibel EXCELLENCE Investment Register" (analyst VigeoEiris), "Carbon Rankings" (Engaged Tracking) and "European Banks Index" (Standard Ethics). Additionally, the Bank returned to the Euro Stoxx 600 index in March 2018.

### Sustainability Indexes



## Relevant facts announced to the market and impact on the share price

The following table summarizes the relevant facts directly related with Banco Comercial Português that occurred during 2018, as well as the price variations occurred on the following day and on the 5 subsequent days and the relative evolution versus the main reference domestic and European indexes during the mentioned periods of time.

Nr.	Date	Material Events	Chg. +1D	Chg. vs. PSI20 (1D)	Chg. vs. STOXX® Europe 600 Banks (1D)	Chg. +5D	Chg. vs PSI20 (5D)	Chg. vs STOXX® Europe 600 Banks (5D)
1	2/Feb	Bank Millennium results in 2017	-1.8%	0.2%	-0.5%	-4.9%	-0.8%	-0.3%
2	14/Feb	2017 consolidated earnings	1.5%	0.7%	1.1%	-3.1%	-3.9%	-4.8%
3	23/abr	Information about General Meeting of Shareholders call notice	0.3%	-0.4%	0.4%	-4.4%	-3.8%	-3.5%
4	23/Apr	Calendar of events for 2018 (up-date)	0.3%	-0.4%	0.4%	-4.4%	-3.8%	-3.5%
5	24/Apr	Bank Millennium Poland results in 1Q2018	-1.1%	-0.3%	-0.1%	-4.7%	-3.4%	-3.8%
6	7/May	1Q2018 Consolidated Earnings	4.9%	4.7%	5.0%	5.7%	2.8%	4.4%
7	30/May	Resolutions of the Annual General Meeting	1.9%	1.4%	3.2%	9.1%	6.0%	9.0%
8	23/Jul	Beginning of term of office of the Board of Directors	-1.3%	-0.8%	-3.5%	-1.8%	-1.6%	-5.0%
9	26/Jul	Bank Millennium (Poland) results in 1H2018	-0.2%	-0.6%	-0.9%	-1.3%	-1.6%	-0.2%
10	26/Jul	Earnings release as at 30 June 2018	-0.2%	-0.6%	-0.9%	-1.3%	-1.6%	-0.2%
11	30/jul	Calendar of events for 2018 (up-date)	0.9%	1.1%	0.2%	-2.4%	-2.1%	-0.6%

(Continues)

(Continuation)

Nr.	Date	Material Events	Chg. +1D	Chg. vs. PSI20 (1D)	Chg. vs. STOXX® Europe 600 Banks (1D)	Chg. +5D	Chg. vs. PSI20 (5D)	Chg. vs. STOXX® Europe 600 Banks (5D)
12	5/Sep	Acquisition of bonds by an entity closely related to its officers	-0.1%	0.5%	0.8%	-3.7%	-3.9%	-2.0%
13	14/Sep	Calendar of events for 2018 (up-date)	3.7%	2.9%	2.9%	6.0%	4.9%	2.0%
14	9/Oct	Upgrade of long-term credit rating by S&P Global Ratings	0.0%	2.2%	-0.1%	3.3%	5.4%	5.4%
15	16/Oct	Ratings upgrade by Moody's	0.2%	-0.1%	0.7%	-4.8%	-2.6%	-0.1%
16	25/Oct	Bank Millennium (Poland) results in 9M2018	-2.8%	-1.6%	-1.7%	7.4%	6.9%	4.5%
17	5/Nov	Acquisition of eurobank in Poland by its subsidiary Bank Millennium	0.5%	0.7%	1.0%	4.2%	4.1%	5.1%
18	5/Nov	Information about the resolutions of the General Meeting	0.5%	0.7%	1.0%	4.2%	4.1%	5.1%
19	5/Nov	Information about Stress Test results	0.5%	0.7%	1.0%	4.2%	4.1%	5.1%
20	8/Nov	Millennium bcp earnings release as at 30 September 2018	3.7%	3.7%	4.8%	1.0%	3.0%	4.1%
21	27/Nov	Registry of the share capital reduction	1.7%	1.0%	1.8%	2.7%	0.6%	4.1%
22	3/Dec	Information about a member of Corporate Bodies	-2.9%	-1.9%	-1.2%	-5.6%	-1.6%	2.9%
23	6/Dec	Upgrade of long-term credit rating by Fitch Ratings	-1.4%	-1.8%	-1.8%	1.4%	1.2%	0.1%
24	20/Dec	Calendar of events for 2019	-2.2%	-1.7%	-2.1%	-5.3%	-3.4%	-2.9%

The performance of the BCP share during the period under reference is shown in the following chart:



## Dividend policy

The dividend policy of BCP Group is based primarily on the retention of own funds that are consistent with its Risk Appetite Statement (RAS), its internal capital needs assessment (ICAAP) and the existence of a buffer on the amounts required by the regulator in its Bank' risk assessment (SREP).

Due to the strategic objectives presented and the corresponding evolution in terms of capital needs, there is an aspirational objective of having a payout ratio of 40%, from 2011 onwards, but the final decision is always the result of the aforementioned policy.

Regarding the 2018 earnings, the Executive Committee proposed the Board of Directors to approve a proposal for a dividend distribution corresponding to a 10% pay-out, to be submitted to the Annual General Meeting.

## Follow-up with Investors

The Bank participated in various events during 2018, having attended 4 conferences and 6 road shows in Europe and in the USA, where it gave institutional presentations and held one-on-one meetings and group meetings with investors. Approximately 300 meetings were held with analysts and institutional investors, which demonstrates significant interest in relation to the Bank.

## Own shares

As at 31 December 2018, Banco Comercial Português, S.A. does not hold treasury shares and did not purchase or sold own shares during the period. However, this balance includes 323,738 shares (31 December 2017: 323,738 shares) owned by Customers. Since for some of these Customers there is evidence of impairment, the shares of the Bank owned by these Customers were considered as treasury shares, and, in accordance with accounting policies, deducted to equity.

The own shares held by the companies included in the consolidation perimeter are within the limits established by the Bank's by-laws and by "Código das Sociedades Comerciais".

Regarding treasury shares owned by associated companies of the BCP Group, as at 31 December 2018, the Millenniumbcp Ageas Group owned 142,601,002 BCP shares (31 December 2017: 142,601,002 shares) in the amount of Euros 32,727,000 (31 December 2017: Euros 38,531,000), as referred in note 52.

## Shareholders structure

According to Interbolsa, on 31 December 2018, the number of Shareholders of Banco Comercial Português was of 159,670.

At the end of December 2018 there were four Shareholders with a qualifying shareholding, two of which with a stake above 5% of the Bank's share capital.

Shareholder structure	Number of Shareholders	% of share capital
<b>INDIVIDUAL SHAREHOLDERS</b>		
Group Employees	2,781	0.24%
Other	152,170	22.67%
<b>COMPANIES</b>		
Institutional	323	22.79%
Qualified Shareholders	4	52.22%
Other companies	4,392	2.07%
<b>TOTAL</b>	<b>159,670</b>	<b>100%</b>

Shareholders with more than 5 million shares represented 75% of the share capital.

Number of shares per Shareholder	Number of Shareholders	% of share capital
> 5,000,000	125	75.55%
500,000 to 4,999,999	1,042	7.88%
50,000 to 499,999	12,940	11.07%
5,000 to 49,999	41,793	4.88%
< 5,000	103,770	0.62%
<b>TOTAL</b>	<b>159,670</b>	<b>100%</b>

During 2018, the Bank's shareholding structure remained stable in terms of geographical distribution. On 31 December 2018, Shareholders in Portugal held 30.6% of the total number of shares of the Bank.

	Nr. of Shares (%)
Portugal	30.6%
China	27.3%
Africa	19.7%
UK / USA	10.8%
Other	11.6%
<b>TOTAL</b>	<b>100%</b>

# Qualified Holdings

On 31 December 2018, the following Shareholders held more than 2% of the share capital of Banco Comercial Português, S.A.:

31 December 2018			
Shareholder	Nr. of shares	% of share capital	% of voting rights
Chiado (Luxembourg) S.a.r.l., an affiliate of Fosun, whose parent company is Fosun International Holdings Ltd	4,118,502,618	27.25%	27.25%
<b>TOTAL FOR FOSUN GROUP</b>	<b>4,118,502,618</b>	<b>27.25%</b>	<b>27.25%</b>
Sonangol - Sociedade Nacional de Combustíveis de Angola, EP, directly	2,946,353,914	19.49%	19.49%
<b>TOTAL FOR SONANGOL GROUP</b>	<b>2,946,353,914</b>	<b>19.49%</b>	<b>19.49%</b>
BlackRock*	512,328,512	3.39%	3.39%
<b>TOTAL FOR BLACKROCK***</b>	<b>512,328,512</b>	<b>3.39%</b>	<b>3.39%</b>
EDP Group Pensions Fund **	315,336,362	2.09%	2.09%
<b>TOTAL FOR EDP GROUP</b>	<b>315,336,362</b>	<b>2.09%</b>	<b>2.09%</b>
<b>TOTAL OF QUALIFIED SHAREHOLDERS</b>	<b>7,892,521,406</b>	<b>52.22%</b>	<b>52.22%</b>

\* In accordance with the announcement on March 5, 2018 (last information available).

\*\* Allocation in accordance with Art. 20 (1.f) of the Portuguese Securities Code.

The voting rights referred to above are the result of the direct and indirect stakes of Shareholders in the share capital of Banco Comercial Português. No other imputation of voting rights foreseen in article 20 of the Securities Code was communicated or calculated.