



ANNOUNCEMENT

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ISIN - PTBCPOAM0015

Millennium
bcp

15 July 2022

Banco Comercial Português, S.A. informs about expected negative impact of credit holidays on 3rd quarter 2022 results of Bank Millennium S.A. Capital Group and launching of the Recovery Plan

Banco Comercial Português, S.A. informs that Bank Millennium S.A., in which it holds a 50.1% stake, has published the attached current report today.

End of announcement
Banco Comercial Português, S.A.

BANCO COMERCIAL PORTUGUÊS, S.A.,
a public company (Sociedade Aberta),

rua do D. João I, 28, Oporto,

registered at the Commercial Registry of Oporto, with the
single commercial and tax identification number 501 525 882
and the share capital of EUR 4,725,000,000.00.

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INVESTOR RELATIONS

Bernardo Collaço

Phone +351 211 131 084

investors@millenniumbcp.pt

bernardo.collaco@millenniumbcp.pt

alexandre.moita@millenniumbcp.pt

MEDIA CONTACTS

Erik T. Burns

Phone +351 211 131 242

Mobile +351 917 265 020

erik.burns@millenniumbcp.pt

cintia.barbas@millenniumbcp.pt





Bank Millennium S.A.

Date: 15 July 2022 r.

Current Report No. 21/2022

Subject: Information on expected negative impact of credit holidays on 3rd quarter 2022 results of Bank Millennium S.A. Capital Group and on launching of the Recovery Plan.

The Management Board of Bank Millennium S.A. ('the Bank') informs that, following the signing by the President of the Republic of Poland and announcement in the Journal of Laws of the Republic of Poland on the same day of the Act of 7 July 2022 on crowdfunding for business ventures and assistance to borrowers ('the Act'), introducing, among others, a possibility of up to 8 months of credit holidays in 2022-2023 for PLN mortgage borrowers, the Bank estimated the maximum impact of the implementation of this Act for Bank Millennium S.A. Capital Group ('the Group') level at PLN1,779 million (of which PLN1,731 million at solo level and PLN48 million at Millennium Bank Hipoteczny S.A. level) if all eligible Group's borrowers were to use such an opportunity. The Group / Bank expects to recognise an upfront cost in 3rd quarter 2022 results in the range between 75-90% of the above amounts. The impact of each 10% of eligible borrowers fully using the credit holidays is estimated at PLN178 million at the Group level.

Due to costs generated as a result of the above mentioned Act, it could be reasonably assumed that the Bank will post a negative net result for the 3rd quarter of 2022 and as a result its capital ratios may fall below the current minimum requirements set by Polish Financial Supervision Authority ('PFSA'). As the emergence of risk of a breach of respective capital ratios represents a prerequisite stipulated in the art. 142 sec. 1 and 2 of the Banking Act of 29 August 1997 (Journal of Laws 2021, item 2439, i.e. 28 December 2021, as amended), today the Management Board of the Bank took a decision to launch the Recovery Plan, notifying of the fact both PFSA and Bank Guarantee Fund.

The Management Board of the Bank intends to increase capital ratios comfortably above the minimum required levels through a combination of further improvement of operational profitability and capital optimisation initiatives such as management of risk weighted assets (including securitisations).

Legal basis: art. 17 section 1 MAR - confidential information