



ANNOUNCEMENT

Reuters>bcp.ls - Exchange>BCP - Bloomberg>bcp.pl
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Millennium
bcp

7 October 2022

Banco Comercial Português, S.A. informs about significant items impacting 3rd quarter 2022 financial results of Bank Millennium, S.A.

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.,

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 and the share capital of EUR 4,725,000,000.00.
LEI: JU1U6SODG9YLT7N8ZV32

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October 7, 2022

Current report no. 27/2022

SUBJECT: Significant items impacting 3rd quarter 2022 financial results.

The Management Board of Bank Millennium S.A. ('the Bank') informs that it took a decision to create in its 3rd quarter 2022 accounts, PLN 447 million of provisions for legal risk connected with FX mortgage loans originated by the Bank. Additionally, PLN 51 million worth of provisions were created against legal risk related to the loan book originated by former Euro Bank S.A. but without a bottom line impact. The provisions reflect trends in court decisions, inflow of new court cases and resultant implications for the Bank's legal risk assessment methodology.

As a result, the balance of provisions for this risk reached circa PLN 5,270 million at the end of September 2022 (of which PLN 4,881 million for the portfolio originated by the Bank).

The Bank continued its efforts to reduce the FX mortgage portfolio through amicable solutions offered to borrowers. 3rd quarter 2022 was the sixth consecutive quarter when the number of amicable settlements exceeded 2,000 and was higher than the number of new cases filed against the Bank in the period. The cost of these settlements was higher than in the 2nd quarter 2022 due to trends in FX and interest rates. As a result of amicable solutions and other natural drivers, at end of September 2022 the number of active FX mortgage loan agreements originated by the Bank fell below the 40,000 mark, while the value of FX mortgages originated by the Bank was 18% lower y/y in CHF terms and excluding the impact of legal risk provisions.

Additionally, in the 3rd quarter 2022 Bank Millennium S.A. Capital Group ('the Group') recognised PLN1,423 million (Bank only: PLN1,385 million) upfront cost of credit holidays. As a result of these costs, the Bank/Group will post negative net result for the 3rd quarter of 2022, as had been signalled in the current report 21/2022 dated July 15, 2022.

More information about these factors and 3rd quarter 2022 financial results will be disclosed in a quarterly financial report scheduled for October 24, 2022.

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