

3 February 2014

Millennium bcp earnings release as at 31 December 2013

Capital

reinforced and above requirements

- Core tier I reaches 13.8% according to BoP, above 12.4% on 31 December 2012. Core tier I ratio of 10.8% according to EBA (12.8% adjusted for 31 December 2013 buffer values)

Profitability

In line with macroeconomic environment

- Consolidated net income at Euro -740 million, comparing with Euro -1,219 million in 2012, in line with macroeconomic environment and with the strategic plan
- Progressive improvement of core income
- Agreement with the unions for the implementation of the restructuring plan (to be implemented at the end of the 1st half of 2014) which includes a reduction of salaries (temporary) and of the structure in Portugal in order to comply with DG Comp agreement. Costs related to the early retirement programme and mutual agreement rescissions booked in 2013 in the amount of Euro 126 million
- Reduction in operating costs by 15.1%* in Portugal year-on-year
- New entries in NPL in Portugal decreases 53% compared to 2012, confirming the target of a sustained reduction in the cost of risk, but maintaining an high level of provisioning
- Contribution of international operations (excluding Greece and Romania) to consolidated net income of Euro 178 million, an increase of 6.5% compared to 2012

Liquidity

strengthening

- Commercial gap improvement: reduction by Euro 5.4 billion from December 2012, with net loan to deposits ratio (BoP) at 117%, below the recommended level of 120%, and net loans to balance sheet customer funds at 108%
- Increase of 5.2%** in customer deposits year-on-year, with a growth in deposits of 4.0% in Portugal
- Focus on new funding to companies in Portugal, despite the lower demand for credit
- Reduction in ECB net usage to Euro 10.0 billion

* Excludes specific items.

** On a comparable basis: excluding Greece (following the sale of that operation), Romania and Millennium bcp Gestão de Activos (following the discontinuation processes).

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Financial Highlights

	Euro million		
	31 Dec. 13	31 Dec. 12	Change 13 / 12
Balance sheet			
Total assets	82,007	89,744	-8.6%
Loans to customers (gross) ⁽¹⁾	59,734	61,715	-3.2%
Total customer funds ⁽¹⁾	64,261	63,936	0.5%
Balance sheet customer funds ⁽¹⁾	52,392	52,545	-0.3%
Customer deposits ⁽¹⁾	48,595	46,181	5.2%
Loans to customers, net / Customer deposits ⁽²⁾	117%	128%	
Loans to customers, net / Customer deposits ⁽³⁾	117%	128%	
Results			
Net income	(740.5)	(1,219.1)	
Net interest income	848.1	998.0	-15.0%
Net operating revenues	1,769.3	2,101.5	-15.8%
Operating costs	1,295.2	1,321.2	-2.0%
Loan impairment charges (net of recoveries)	820.8	969.6	-15.3%
Other impairment and provisions	465.8	349.6	33.2%
Income taxes			
Current	115.6	81.3	42.3%
Deferred	(326.4)	(213.3)	
Profitability			
Net operating revenues / Average net assets ⁽²⁾	2.1%	2.3%	
Return on average assets (ROA) ⁽⁴⁾	-0.8%	-1.3%	
Income before taxes and non-controlling interests / Average net assets ⁽²⁾	-1.0%	-1.4%	
Return on average equity (ROE)	-26.5%	-35.4%	
Income before taxes and non-controlling interests / Average equity ⁽²⁾	-24.9%	-31.5%	
Credit quality			
Overdue and doubtful loans / Total loans ⁽²⁾	9.2%	8.1%	
Overdue and doubtful loans, net / Total loans, net ⁽²⁾	3.7%	1.9%	
Credit at risk / Total loans ⁽²⁾	11.9%	13.1%	
Credit at risk, net / Total loans, net ⁽²⁾	6.6%	7.2%	
Impairment for loan losses / Overdue loans by more than 90 days ⁽¹⁾	80.1%	92.7%	
Efficiency ratios ^{(2) (5)}			
Operating costs / Net operating revenues	66.5%	62.6%	
Operating costs / Net operating revenues (Portugal)	80.9%	68.9%	
Staff costs / Net operating revenues	36.8%	35.5%	
Capital			
Own funds	6,421	6,773	
Risk weighted assets	43,926	53,271	
Core tier I ⁽²⁾	13.8%	12.4%	
Core tier I (EBA)	10.8%	9.8%	
Tier I ⁽²⁾	12.9%	11.7%	
Total ⁽²⁾	14.6%	12.7%	
Branches			
Portugal activity	774	839	-7.7%
Foreign activity	744	860	-13.5%
Employees			
Portugal activity	8,584	8,982	-4.4%
Foreign activity	10,076	11,383	-11.5%

(1) Adjusted from the effect related to the sale of Millennium bank in Greece and the classification of Millennium bank in Romania and Millennium bcp Gestão de Activos as discontinued operation.

(2) According to Instruction no. 16/2004 from the Bank of Portugal, as the currently existing version.

(3) Calculated in accordance with the definition from the Bank of Portugal.

(4) Considering net income before non-controlling interests.

(5) Excludes the impact of specific items.

RESULTS AND ACTIVITY IN 2013

Following the sale of the entire share capital of Millennium bank in Greece, concluded on 19 June 2013, in accordance with the general conditions announced, and according to IFRS 5, Millennium bank in Greece was classified as a discontinued operation, during 2013, with the impact on results presented on a separate line item in the profit and loss account, defined as “income arising from discontinued operations”. As part of this, and in accordance with the referred accounting standard, the profit and loss account was restated as at 31 December 2012, for comparative purposes. At the consolidated balance sheet level, the presentation of assets and liabilities of Millennium bank in Greece were not included as at 31 December 2013, but remained in the criteria considered as at December 2012. This fact has to be considered for comparative purposes.

Additionally, as regards the commitment agreed with the Directorate-General for Competition of the European Commission (DG Comp) on the Bank’s Restructuring Plan, in particular the sale of Millennium bcp’s operation in Romania in the mid-term and the implementation of a new approach to the assets management business, the activities of Millennium bank in Romania and of Millennium bcp Gestão de Activos were also presented on the line item of “income arising from discontinued operations”, with the restatement of profit and loss account as at 31 December 2012, for comparative purposes. At the consolidated balance sheet level, the presentation of assets and liabilities of Millennium bank in Romania and of Millennium bcp Gestão de Activos remained in the criteria considered as at December 2012.

However, for a better interpretation of the performance of the Group’s financial indicators, and only for the purposes of this analysis, some balance sheet indicators are also presented on a comparable basis, or in other words, excluding discontinued operations - Millennium bank in Romania and of Millennium bcp Gestão de Activos.

RESULTS

Millennium bcp’s **net income** was negative by Euro 740.5 million in 2013, which compares favourably with the net loss of Euro 1,219.1 million posted in 2012.

The performance of net income in 2013 reflects, mostly, the following impacts:

- the negative effects on net interest income related to the interest expense associated with the issuance of hybrid financial instruments (Euro 269.0 million) and on net commissions related to the cost of the guarantee granted by the Portuguese State to debt securities issued by the Bank (Euro 60.1 million);
- the impairment and provisions charges, in the global amount of Euro 1,286.6 million;
- the accounting of costs associated with the programme of early retirements and mutually agreed terminations, in the global amount of Euro 126.5 million;
- the net loss posted in discontinued operations of Euro 45.0 million;
- the gains posted under net trading income related to the sale the shareholding in Piraeus Bank, in the global amount of Euro 167.6 million.

The evolution of net income in 2013, compared with 2012, was hindered by the activity in Portugal, influenced by the performance of net interest income and net trading income, despite the lower charges for impairment and provisions, together with the savings achieved in operating costs.

Net income associated with the international activity, excluding discontinued operations, showed an increase of 6.5% from 2012, driven by the growth of net operating revenues and by the reduction of operating costs, reflecting the performance achieved by overall international operations, in particular the activities developed in Poland, Angola and Mozambique, excluding the foreign exchange effect of the devaluation of metical against the euro.

Net interest income stood at Euro 848.1 million in 2013, which compares with Euro 998.0 million in 2012, influenced by the increase in interest expenses associated with the issuance of hybrid financial instruments

subscribed by the Portuguese State, in the first half of 2012, which totalled Euro 269.0 million in 2013 (Euro 134.9 million in 2012).

The performance of net interest income, between 2012 and 2013, was also influenced by the unfavourable business volume effect in the activity in Portugal, determined by the impact of the extension of an adverse economic environment, reflecting the retraction of credit demand by households and companies, despite the Bank has maintained the implementation of initiatives to stimulate the loan granting activity to economically viable projects, with emphasis to support companies on accessing credit lines aimed at encouraging investment, strengthening of the productive capacity and entrepreneurship.

Net interest income continued, in 2013, to be penalised by the unfavourable interest rate effect, as a reflection of the persistence of historically low market interest rates, the adjustment of the pricing conditions of loans operations, focused on adjusting the financing costs to the client risk profile, despite the interest rate of customers term deposits registered a reduction of 125 basis points between 2012 and 2013.

Net interest income from the international activity, in 2013, stood approximately at the same level as in 2012, as the unfavourable foreign exchange effect associated with the operations of Millennium bim in Mozambique and of Banco Millennium Angola neutralised the growth achieved in local currency by these subsidiary companies and by the Group's operation in Poland.

The net interest margin stood at 1.12% in 2013, which compares with 1.25% in 2012.

AVERAGE BALANCES

Euro million

	2013		2012	
	Balance	Yield %	Balance	Yield %
Deposits in banks	3,931	1.31	5,919	1.54
Financial assets	13,337	3.43	10,892	4.33
Loans and advances to customers	57,335	3.92	61,716	4.48
Interest earning assets	74,603	3.69	78,527	4.24
Discontinued operations ⁽¹⁾	1,879		3,773	
Non-interest earning assets	9,211		8,329	
	85,693		90,629	
Amounts owed to credit institutions	14,491	1.00	16,889	1.30
Amounts owed to customers	46,880	2.15	44,620	3.08
Debt issued and financial liabilities	11,694	3.75	15,448	3.58
Subordinated debt	4,326	7.55	2,764	7.13
Interest bearing liabilities	77,391	2.48	79,721	2.94
Discontinued operations ⁽¹⁾	1,910		3,614	
Non-interest bearing liabilities	2,773		3,088	
Shareholders' equity and non-controlling interests	3,619		4,206	
	85,693		90,629	
Net interest margin		1.12		1.25

Note: Interest related to hedge derivatives were allocated, in 2013 and 2012, to the respective balance sheet item.

(1) Includes the activity of the subsidiaries in Greece, in Romania and of Millennium bcp Gestão de Ativos, as well as, the respective consolidation adjustments.

Net commissions increased by 1.2% and reached Euro 663.0 million in 2013, from Euro 655.1 million in 2012.

The performance of net commissions, in 2013, reflects:

- the growth of net commissions related to the financial markets (+13.1%), both securities operations and asset management, boosted by increases of 15.7% in the activity in Portugal and of 10.8% in the international activity;
- the decrease in net commissions related to the banking business (-2.5%), in particular in the activity in Portugal, reflecting the negative effect induced by the legislative changes associated with the commissioning of overdrafts, despite the increase of 11.6% in the international activity;
- the lower cost paid by the Bank in 2013 related to the guarantee granted by the Portuguese State to debt securities issued by the Bank.

Net trading income stood at Euro 264.2 million in 2013, which compares with Euro 436.7 million in 2012.

The performance of net trading income was determined, essentially, by the activity in Portugal, with highlight from 2012 to the unfavourable impacts related to the lower income from Portuguese sovereign debt securities and to the higher losses associated with the sale of loans, despite the accounting of gains, in 2013, with the sale of the shareholding in Piraeus Bank, in the global amount of Euro 167.6 million, which represented the conclusion of the divestment process defined for the Greek market. Moreover, in 2012, net trading income includes capital gains in the amount of Euro 184.3 million, related to the repurchase of debt securities issued by the Bank, booked in the activity in Portugal.

In the international activity, net trading income evolved from Euro 121.5 million, in 2012, to Euro 106.1 million, in 2013, restrained by the performance of the operations developed in Poland and Mozambique, despite the higher results obtained by Banco Millennium Angola.

Other net operating income was negative by Euro 71.9 million in 2013, which compares with net losses of Euro 47.8 million in 2012, hindered by the losses associated with the revaluation/sale of assets held for sale and by the impacts of the initial and regular contributions to the resolution fund, introduced in 2013.

The performance of other net operating income reflects the activity in Portugal, as the international activity posted an increase, supported by the gains obtained from the sale of real estate during 2013.

Equity accounted earnings, which comprise fundamentally the appropriation of results associated with the 49% shareholding in Millenniumbcp Ageas, totalled Euro 62.3 million in 2013 (Euro 55.7 million in 2012).

OTHER NET INCOME	Euro million		
	31 Dec. 13	31 Dec. 12	Change 13/12
Net commissions	663.0	655.1	1.2%
Banking commissions	598.6	614.3	-2.5%
Cards	181.1	178.4	1.5%
Credit and guarantees	154.5	170.2	-9.2%
Bancassurance	72.5	60.5	19.8%
Other commissions	190.5	205.2	-7.1%
Market related commissions	124.4	110.0	13.1%
Securities	91.4	83.7	9.2%
Asset management	33.1	26.3	25.7%
Commissions related with the State guarantee	(60.1)	(69.2)	-
Net trading income	264.2	436.7	-39.5%
Other net operating income	(71.9)	(47.8)	-
Dividends from equity instruments	3.7	3.8	-4.2%
Equity accounted earnings	62.3	55.7	11.9%
Total other net income	921.2	1,103.5	-16.5%
Other net income / Net operating revenues	52.1%	52.5%	

Operating costs totalled Euro 1,295.2 million in 2013, which compares with Euro 1,321.2 million in 2012.

The evolution of operating costs was influenced by the following events:

- the accounting of costs associated with the programme of early retirements and mutually agreed terminations, in the global amount of Euro 126.5 million in 2013 (Euro 69.3 million in 2012);
- the favourable impact of the legislative change related to the calculation of mortality allowance, in the amount of Euro 7.5 million in 2013 (Euro 64.0 million in 2012).

Operating costs in 2013, excluding the abovementioned impacts, reduced 10.6% from 2012, reflecting the decrease in expenses posted under staff costs and other administrative costs.

In the activity in Portugal, operating costs excluding those impacts dropped by 15.1% from 2012, due to lower staff costs, influenced by the positive effect related to the decrease in the number of employees in 2012, as well as to the savings achieved in other administrative costs, materialising the impact of implemented initiatives focused on cost containment and rationalisation.

In the international activity, operating costs showed a reduction of 1.9% from 2012, benefiting from the savings reached by the Groups' subsidiaries in Poland, Switzerland and Cayman, which offset the increases posted by Millennium bim in Mozambique, excluding the foreign exchange effect of the devaluation of metical against the euro, and by Banco Millennium Angola, due to the ongoing organic growth strategy implemented in these two operations.

Staff costs stood at Euro 767.5 million in 2013 (Euro 751.5 million in 2012). Excluding the previously mentioned impacts, staff costs were down by 12.8%, to Euro 650.6 million in 2013, which compares with Euro 746.2 million posted in 2012. This performance in staff costs was mostly influenced by the activity in Portugal (-17.6%) and by the decrease of 1.5% in the international activity.

In the international activity, the decrease in staff costs reflects the effort to rationalise and optimise resources implemented by Bank Millennium in Poland, despite the increases posted by the subsidiary companies in Angola and Mozambique, excluding the foreign exchange effect of the devaluation of metical against the euro, as a result of the increase in the number of employees in these two geographies aimed at supporting the organic growth strategy underway and at strengthening their competences and operational capabilities.

Other administrative costs reduced 8.8%, excluding specific items, to Euro 457.5 million in 2013, from Euro 501.7 million in 2012. This reduction reflects the impact of initiatives carried out to improve operational efficiency, in particular by costs rationalisation and containment and by resizing the branch network in Portugal (-65 branches, from 31 December 2012), under the ongoing restructuring program. From 2012, other administrative costs showed reductions in all line items, in particular the savings obtained in specialised services, communication, rent, advertising & sponsorship, independent labour and maintenance.

The performance of other administrative costs benefitted from the 12.2% decrease in the activity in Portugal, from 2012, excluding specific items, materialising the savings achieved in most cost items, together with the 3.8% reduction in the international activity, reflecting the impact of cost rationalisation measures implemented in the international subsidiaries, in particular in Bank Millennium in Poland, which offset the increases posted, in local currency, in Millennium bim in Mozambique and Banco Millennium Angola.

Depreciation costs totalled Euro 68.1 million in 2013, showing a stabilisation from 2012.

The maintenance of the level of depreciation costs, from 2012, reflects the 5.4% decrease in the activity in Portugal, benefitting from lower depreciation costs associated with equipment, driven mostly by the gradual term of the depreciation period of the respective investments, despite the 8.2% increase posted in the international activity.

In the international activity, the evolution of depreciation costs was influenced by higher level of depreciation posted by the subsidiaries in Angola and Mozambique, despite the slight reduction in Bank Millennium in Poland, over the analysed period.

OPERATING COSTS	Euro million		
	31 Dec. 13	31 Dec. 12	Change 13/12
Staff costs	650.6	746.2	-12.8%
Other administrative costs	457.5	501.7	-8.8%
Depreciation	68.1	68.1	0.1%
Subtotal ⁽¹⁾	1,176.2	1,315.9	-10.6%
Specific items:			
Restructuring programme	126.5	69.3	
Legislative change related to mortality allowance	(7.5)	(64.0)	
Operating costs	1,295.2	1,321.2	-2.0%
Of which:			
Portugal activity ⁽¹⁾	733.8	864.8	-15.1%
Foreign activity	442.4	451.1	-1.9%

(1) Excludes the impact of specific items presented in the table.

Impairment for loan losses (net of recoveries) stood at Euro 820.8 million in 2013, which compares with Euro 969.6 million in 2012.

This evolution reflects a slowdown in the pace of impairment charges for loan losses in the activity in Portugal, from 2012, influenced, on the positive side, by the effect of a continuous focus on monitoring risk control and management mechanisms, and, on the negative side, by the persistence of an unfavourable economic and financial environment in Portugal that impacts the economic and financial situation of households and companies.

In the international activity, impairment for loan losses (net of recoveries) decreased from 2012, mostly due to the lower level of impairment charges posted in the operation developed in Poland.

The cost of risk, excluding discontinued operations, stood at 137 basis points in 2013, which compares with 157 basis points in 2012.

Other impairment and provisions totalled Euro 465.8 million in 2013, which compares with Euro 349.6 million in 2012.

This performance shows mostly the reinforcement of impairment charges associated with non-current assets held for sale (including foreclosure), as well as the increase in provisions related to guarantees and other commitments, despite the reduction in the level of impairments related to other assets.

Income tax (current and deferred) totalled Euro -210.8 million in 2013, which compares with Euro -132.1 million in 2012.

The income tax item includes current tax in the amount of Euro 115.6 million (Euro 81.3 million in 2012) and a deferred tax asset in the amount of Euro 326.4 million (Euro 213.3 million in 2012).

BALANCE SHEET

Total assets reached Euro 82,007 million as at 31 December 2013 (Euro 89,744 million as at 31 December 2012), reflecting the effect from the sale of Millennium bank in Greece in June 2013, with the corresponding impact in all line items of assets and liabilities of the consolidated balance sheet.

Loans to customers (gross) stood at Euro 60,222 million as at 31 December 2013, which compares with Euro 66,861 million as at 31 December 2012.

Excluding the effect of the loans portfolio associated with the operations developed in Greece and Romania posted under the line items of discontinued operations, loans to companies decreased 3.2% from the end of

December 2012, due to lower demand for credit throughout the year, despite the onset of recovery of some economic activity indicators.

The performance of loans portfolio was influenced by the activity in Portugal (-4.7%), while the international activity, excluding the impact from discontinued operations, showed an increase of 2.9% from the end of December 2012, as the increases achieved by the subsidiary companies in Mozambique, Poland and Angola more than offset the reduction in the loan portfolio of the Group's operations in Cayman and Switzerland.

The evolution of loans to customers in 2013 reflects the decrease in both loans to individuals (-3.6%) and loans to companies (-2.9%), from 31 December 2012, influenced by the activity in Portugal. The reduction in loans to customers, in 2013, reveals continued uncertainty about the evolution of economic and financial conditions, as well as the ongoing process to reduce the levels of indebtedness by households and companies, together with limited private investment and consequently a lower demand for credit.

In this context, despite the maintenance of a strict selectivity criteria for credit risk assessment, Millennium bcp continued to support Portuguese companies, in particular in internationalisation processes and strengthening competitiveness through proactive commercial initiatives, ensuring greater proximity to customers and providing specific products and solutions, in particular through credit lines, highlighting the Euro 100 million credit line to support the treasury and the investment of SMEs, together with the Euro 200 million credit line to support small and medium size projects as part of the agreement signed between Millennium bcp and the European Investment Bank.

The structure of the loans to customers portfolio showed stable and identical levels of diversification, between the end of December 2012 and the end of December 2013, with loans to companies representing 50% of total loans to customers, as at 31 December 2013.

LOANS TO CUSTOMERS (GROSS)			<i>Euro million</i>
	31 Dec. 13	31 Dec. 12	Change 13/12
Individuals	29,937	31,040	-3.6%
Mortgage	26,444	27,428	-3.6%
Consumer	3,493	3,612	-3.3%
Companies	29,797	30,675	-2.9%
Services	12,402	12,302	0.8%
Commerce	3,236	3,086	4.9%
Construction	4,469	5,067	-11.8%
Other	9,689	10,221	-5.2%
Subtotal	59,734	61,715	-3.2%
Discontinued operations	488	5,146	
Total	60,222	66,861	-9.9%
Of which ⁽¹⁾ :			
Portugal activity	47,251	49,581	-4.7%
Foreign activity	12,483	12,134	2.9%

(1) Excludes the impact from discontinued operations (Millennium bank in Greece and Millennium bank in Romania).

Credit quality, measured by loans overdue by more than 90 days as a percentage of total loans, adjusted for discontinued operations, stood at 7.1% as at 31 December 2013, at the same level as at 30 September 2013 (5.8% as at 31 December 2012), mostly influenced by the performance of the loans to companies portfolio, hindered by the continued recessive environment in the Portuguese economy with impact in the materialisation of credit risk during 2013.

Considering the effect from the operations classified as discontinued, the coverage ratio for loans overdue by more than 90 days stood at 80.1% as at 31 December 2013, which compares with 92.7% at the end of 2012, and

the coverage ratio of the total loans overdue portfolio to impairments stood at 77.8% as at 31 December 2013 (89.2% at the end of December 2012).

Overdue and doubtful loans stood at 9.2% of total loans as at 31 December 2013, compared with 8.1% posted at the end of 2012 and credit at risk stood at 11.9% of total loans as at 31 December 2013 (13.1% at the end of 2012). As at 31 December 2013, the restructured loans stood at 9.5% of total loans and the restructured loans not included in the credit at risk stood at 6.4% of total loans.

OVERDUE LOANS BY MORE THAN 90 DAYS AND IMPAIRMENTS AS AT 31 DECEMBER 2013

	<i>Euro million</i>			
	Overdue loans by more than 90 days	Impairment for loan losses	Overdue loans by more than 90 days /Total loans	Coverage ratio (Impairment/Overdue >90 days)
Individuals	850	715	2.8%	84.1%
Mortgage	235	272	0.9%	115.8%
Consumer	615	442	17.6%	71.9%
Companies	3,371	2,666	11.3%	79.1%
Services	1,047	1,070	8.4%	102.2%
Commerce	415	274	12.8%	65.9%
Construction	1,198	714	26.8%	59.5%
Other	710	609	7.3%	85.8%
Subtotal ⁽¹⁾	4,221	3,381	7.1%	80.1%
Millennium bank in Romania	60	39	12.2%	65.9%
Total	4,281	3,420	7.1%	79.9%

(1) Adjusted for the classification of Millennium bank in Romania as discontinued operation.

Total customer funds stood at Euro 66,156 million as at 31 December 2013 (Euro 68,547 million as at 31 December 2012). Excluding the aforementioned effect from discontinued operations, total customer funds increased 0.5% from 31 December 2012.

The increase of total customer funds, excluding the discontinued operations, benefited from:

- the growth of customer deposits (+5.2%), which led to the reinforcement of stable funding resources and to the reduction of commercial gap, as well as the improvement of the loan to deposit ratio, which reduced to 117% as at 31 December 2013;
- the increase in off-balance sheet customer funds (+4.2%), sustained by the favourable performance of assets under management.

In the activity in Portugal, total customer funds totalled Euro 48,128 million as at 31 December 2013 (Euro 49,047 million as at 31 December 2012), with highlight to the focus on further increasing customer deposits (+4.0% from 31 December 2012), which led to the improvement of the loan to deposit ratio.

In the international activity, total customer funds rose to Euro 16,133 million as at 31 December 2013 (+8.4% from 31 December 2012), boosted by the growth in balance sheet customer funds and in off-balance sheet customer funds, as a reflection of the favourable performance in overall international operations, with highlight to the operations developed in Poland, Angola and Mozambique, reflecting the emphasis on further increasing customer funds in these markets.

Excluding the discontinued operations, as at 31 December 2013, balance sheet customer funds represented 82% of total customer funds, with highlight to the component of customer deposits, which increased its weight in total customer funds to 76% as at 31 December 2013 (72% as at 31 December 2012).

TOTAL CUSTOMER FUNDS		Euro million	
	31 Dec. 13	31 Dec. 12	Change 13/12
Balance sheet customer funds	52,392	52,545	-0.3%
Deposits	48,595	46,181	5.2%
Debt securities	3,797	6,364	-40.3%
Off-balance sheet customer funds	11,868	11,391	4.2%
Assets under management	3,173	2,410	31.6%
Capitalisation products	8,695	8,981	-3.2%
Subtotal	64,261	63,936	0.5%
Discontinued operations	1,896	4,611	
Total	66,156	68,547	-3.5%
Of which ⁽¹⁾ :			
Portugal activity	48,128	49,047	-1.9%
Foreign activity	16,133	14,889	8.4%

(1) Excludes the impact from discontinued operations (Millennium bank in Greece, Millennium bank in Romania and Millennium bcp Gestão de Activos).

The **securities portfolio** totalled Euro 13,786 million as at 31 December 2013, which compares with Euro 14,488 million as at 31 December 2012, representing 16.8% of total assets (16.1% as at 31 December 2012).

This evolution was mostly influenced by the reduction of financial assets held to maturity and of financial assets held for trading, which offset the reinforcement of financial assets available for sale - reflecting the increase of the portfolio of sovereign debt financial instruments, especially Portuguese sovereign debt securities, despite the elimination of the exposure to Greek sovereign debt.

LIQUIDITY MANAGEMENT

The Annual Liquidity Plan for 2013 assumed the maintenance of a comfortable liquidity buffer during the year, through the control of market financing needs, based on higher levels of customer deposits, and an active management of the portfolio of eligible assets in the European Central Bank.

The reduction of the commercial gap (measured by the difference between net loans to customers and customer deposits) by Euro 5.4 billion contributed to the decrease of funding needs during 2013, reflecting the impact of measures taken by the Bank aiming to increase customer deposits, as well as the effect of weak demand for credit by the economic agents.

The referred amount, materially above medium-long term debt refinanced through the year (Euro 1.1 billion), funded the increase of the portfolios of private and public debt and the early redemption, in the first quarter of 2013, of a Long Term Refinancing Operation (LTRO) tranche of Euro 1.0 billion, from a total of Euro 12.0 billion, bringing additional flexibility to short-term treasury management.

The management of eligible collateral at the Eurosystem included, as foreseen, the early redemption of a Euro 1.75 billion issue guaranteed by the State, which was withdrawn from the portfolio in the second quarter of 2013. Despite, on 18 July 2013, the Governing Council of the European Central Bank (ECB) announced the adoption, in the fourth quarter of 2013, of new "haircut" schedules, in particular for marketable assets, determining materially unfavourable impacts, the liquidity buffer amounted to Euro 9.9 billion at the end of 2013.

It is also worth mentioning the deposit raising activity from international financial institutions, the renewal of some medium-long term loans and the return to the short-term markets in the year-end, through repo transactions with international financial institutions.

CAPITAL

The core tier I ratio stood at 13.8% according to the Bank of Portugal's rules and at 10.8% according to European Banking Authority's (EBA) rules, increasing by 106 basis points and 65 basis points, respectively, from 12.7% and 10.2% reported at the end of the third quarter of 2013.

This performance reflects mostly the positive effect related to the decrease of risk weighted assets, emphasising the impacts of the authorisation granted by the Bank of Portugal to the extension of the IRB approach in Portugal to the real estate promotion credit portfolios, as well as the adoption of own estimates of LGD for the risk class "Corporates", despite the negative effect associated with the net loss posted in the fourth quarter.

On 22 July 2013, the EBA released a recommendation establishing the preservation of a nominal floor of core tier I capital corresponding to the amount of capital needed to meet the core tier I ratio of 9% as at 30 June 2012, including the same capital buffer for exposures to sovereign risk, in order to ensure an appropriate transition to the stricter requirements of the CRD IV/CRR.

This recommendation foresees some exceptions, in particular for institutions under restructuring and gradual deleveraging processes, for which minimum nominal capital floor may be set taking as reference a later date, after the submission of credit institutions' requests to the Bank of Portugal and its subsequent assessment. This request has already been made by Millennium bcp, and is currently under review.

The surplus of core tier I resulting from the new recommendation on the preservation of capital levels, determined as at 31 December 2013 and 30 September 2013, assuming the capital requirements reported on each of those dates as the reference for the calculations, was Euro 799 million and Euro 577 million, respectively, reflecting the performance of the core tier I ratio of EBA.

SOLVENCY	Euro million	
	31 Dec. 13	30 Sep. 13
Own funds		
Core tier I	6,040	6,181
Preference shares and perpetual subordinated debt securities with conditional coupons	40	173
Other deduction ⁽¹⁾	(434)	(372)
Tier I capital	5,646	5,982
Tier II capital	880	857
Deductions to total regulatory capital	(106)	(148)
Total regulatory capital	6,421	6,691
Risk weighted assets	43,926	48,711
Solvency ratios		
Core tier I	13.8%	12.7%
Tier I	12.9%	12.3%
Tier II	1.8%	1.5%
Total	14.6%	13.7%
Core tier I ratio EBA ⁽²⁾	10.8%	10.2%
Capital preservation ⁽³⁾	805	577

(1) Includes deductions related to the shortfall of the stock of impairment to estimated losses and to significant shareholdings in unconsolidated financial institutions, in particular to the shareholdings held in Millenniumbcp Ageas and Banque BCP (France and Luxembourg).

(2) Core tier I ratio in accordance with the criteria of EBA. In this scope, core tier I in accordance with the rules of the Bank of Portugal was deducted of the "Other deductions (1)" and of the buffer to sovereign risks (Euro 848 million); the risk weighted assets do not have adjustments. This ratio will be revoked, according to the EBA recommendation (EBA/REC/2013/03 of 22 July 2013).

(3) These amounts represent the surplus of core tier I resulting from the new EBA Recommendation on the preservation of capital levels (EBA/REC/2013/03 of 22 July 2013), assuming the capital requirements reported in each of those dates as the reference for the calculations, because it has not yet been communicated by the competent authorities the applicable date.

Note: The Bank of Portugal authorised the adoption of methodologies based on internal ratings ("IRB") in the calculation of capital requirements for credit and counterparty risk as from 31 December 2010, and authorised its subsequent extension in the scope of the gradual adoption of the IRB methodologies for calculating capital requirements for credit and counterparty risk, as from the end of 2011, 2012 and 2013. Presently, the Bank uses IRB approaches to calculate capital requirements for a substantial part of the risks of the activity in Portugal from the Retail and the Corporate segments, excluding the simplified rating segment. As from 31 December 2012, the Bank of Portugal also authorised the adoption of IRB methodologies for "Loans secured by residential real estate" and "Renewable Positions" of the Retail portfolio in Poland. In the first half of 2009, the Bank also received authorisation from the Bank of Portugal to the advance approaches (internal models) for generic market risk and the standard method for operational risk.

SIGNIFICANT EVENTS

The implementation of various initiatives aimed at the recovery of the profitability of the Bank and compliance with its commitments to the Directorate-General for Competition of the European Commission (DG Comp), including the completion of divestment in the Greek market, signing a memorandum of understanding that will enable to achieve the goals agreed with DG Comp and the Portuguese State to reduce staff costs and the beginning of a process of simplification of the Bank, involving a major restructuring at the organisational level, were the most significant events in the activity of the Bank in the 4th quarter of 2013. Also worth mentioning in this period:

- On 31 December 2013, signing a memorandum of understanding with the unions to implement a process of temporary salary adjustments, allowing BCP to achieve the agreed targets with DG Comp and the Portuguese State to reduce staff costs.
- On 30 October 2013, BCP announced the divestment of its presence in the Greek market with the disposal of its entire stake in Piraeus Bank, ahead of the originally estimated completion date. The stake was sold for Euro 494 million, more than originally expected and envisaged in the Strategic Plan, generating a capital gain of Euro 168 million. The operation significantly reduces balance sheet risk with a very positive effect on the Bank's Core Tier I, improving about 40 basis points compared to September.
- Two editions of the "Millennium days" meetings with customers took place, in the district of Oporto and on Madeira Island.
- Creation of a credit line worth USD 25 million by Millennium bim to finance and support Mozambican SMEs in key structuring sectors of the economy such as agriculture, industry, services and infrastructure. The line is financed by DEG (Germany) and FMO (The Netherlands), two of the largest European development finance institutions. The main aim of this credit line is to promote the growth and consolidation of the Mozambican business environment, promoting sustainable social and economic development.
- At the NYSE Euronext Lisbon Awards for 2013, Millennium bcp won the prize for the best performance of listed shares in Euronext's Category A (i.e. among companies with market capitalisation above Euro 1 billion). Millennium also won the prizes for more active broker in trading both Certificates and Warrants.
- Bank Millennium's website and online banking system for private customers have been fully adapted to the needs of disabled users. As a result, Bank Millennium is the first Polish banking institution to be recognised with the "Site without Barriers" certificate.
- The "Consumer Choice" award went to Millennium bcp, among the various banks operating in Portugal, and to Médis. The award is given by ConsumerChoice, based on customer surveys.
- "Brand of Excellence in Portugal 2013" awards given by Superbrands went to Millennium bcp, American Express and Médis.
- Millennium bcp was named "Best website for online banking" in Portugal, for the third consecutive year, by the PC Guia magazine's Reader Awards.
- Bank Millennium in Poland was considered "Friendly Bank for Retail Customers" in a ranking of best banks in Poland, prepared annually by Newsweek magazine.
- The Millennium MasterCard World Signia/Elite VIP card has been ranked first in the list of prestigious credit cards by Forbes.
- Millennium bim is ranked, for the second consecutive year, in the top 100 financial institutions operating in Africa.
- Millennium bim was considered "Bank of the Year 2013" in Mozambique for the eighth year in a row by The Banker magazine.

MACROECONOMIC ENVIRONMENT

According to the International Monetary Fund (IMF), the pace of global growth remained moderated in 2013, reflecting the emerging economies' loss of vigor and anemic growth levels in the developed countries. In the USA, the temporary and partial shutdown of public services in the fourth quarter weighted negatively on the growth of the American economy, which according to the IMF should have slowed down from 2.8% in 2012 to 1.9% in 2013. In the Eurozone, despite the interruption of the recessive cycle in mid-2013, the performance of the member economies has remained dissimilar, with the peripheral countries singled out for their weakness. The uneven transmission of the effects of the expansionary monetary policy translated into a restrictive factor to the recovery of those countries with greater public and private indebtedness, despite the ongoing efforts of fiscal consolidation and deleveraging. In Japan, the effects of the monetary and fiscal stimuli were instrumental to the rise of domestic consumption and exports, which might have contributed to a stabilisation of the growth pace at around 2% in 2013. The performance of the Chinese economy, which has already been giving signs of deceleration in 2013, might turn into a downward risk for global growth in 2014 if this trend worsens.

The behavior of financial markets in 2013 was characterised by a drop in volatility and a greater propensity towards the most risky asset classes amid the generalised prevalence of expansionary monetary policies. In the USA, the improvement of the activity indicators and the Fed's program of debt purchases helped push the main American equity indexes to new historical highs. In the Eurozone, the risk premia implicit in the public debt of the peripheral countries contracted significantly in a context in which Ireland and Spain successfully exited their bailout programs and could be reinforced the European integration with the first steps towards the creation of a banking union.

Monetary conditions remained universally accommodative, despite the greater propensity of the Fed to progressively taper the liquidity injected into the financial system. Throughout the year, the major central banks have reinforced the accommodative stance of their monetary policies, relying on orthodox as well as unorthodox tools, namely forward guidance. The European Central Bank (ECB) cut its key rate to 0.25% thereby mitigating the upward pressure on short-term interest rates coming from the early liquidation of part of the funds pertaining to the long term refinancing operations (LTRO). Regarding the Portuguese banks, it should be highlighted the downward trend of the use of ECB funds throughout the year.

According to the estimates of the IMF, the European Commission and the ECB, the Portuguese economy is likely to have contracted 1.8% in 2013, which compares to a drop of 3.2% in the previous year. The recovery of the activity indicators throughout 2013 stemmed from the dynamism of exports and the stabilisation trajectory of the internal demand, despite the ongoing process of fiscal consolidation. The more favourable performance of economic activity, along with a more benign environment in international financial markets, contributed to the reduction of the risk premia associated with Portuguese sovereign debt in 2013. In 2014, the trend towards the recovery of activity should be kept supported by the expected robustness of the external demand and the gradual recovery of consumption and investment. The uncertainty surrounding the conditions in which the Portuguese treasury will fund itself after the conclusion of the economic and financial adjustment program, scheduled for May, might weigh on economic activity and the risk perception of the Portuguese debt issuers.

The Polish economy is estimated to have recorded modest growth in 2013 (1.3%) due to the adverse impact of the process of fiscal consolidation on consumption and investment. Romania, with an expected growth rate of 2% for 2013 should, throughout 2014, benefit from the acceleration of investment made possible by the absorption of the European Union's funds consigned to infrastructure projects. The moderation of inflationary pressures, both in Poland and Romania, are compatible with the current accommodative monetary policies being maintained in both countries.

According to the IMF, in 2013, the strong economic growth pace of Mozambique (7%) and Angola (5.6%) continued to be bolstered by the extractive industries. In both cases the non-extractive sector should continue to benefit from the impetus provided by the growing foreign capital inflows and by public investment, especially in infrastructure, whose limitations have been hampering growth.

GLOSSARY

Capitalisation products - includes unit link and retirement saving plans.

Cost of risk - ratio of impairment charges (net of recoveries) to the loan portfolio.

Credit at risk - definition that, according to the Bank of Portugal, is broader than the overdue loans by more than 90 days + doubtful loans, including, in particular, the possibility that debtors with overdue payments still do not fulfil their credit responsibilities. For detailed definition see instruction no. 16/2004 from the Bank of Portugal, as the currently existing version.

Debt securities - debt securities issued by the Bank and placed with customers.

Dividends from equity instruments - dividends received from investments in financial assets available for sale.

Equity accounted earnings - results appropriated by the Group related to the consolidation of entities where, despite having a significant influence, the Group does not control the financial and operational policies.

Net interest margin - net interest income as a percentage of average interest earning assets.

Net operating revenues - net interest income, dividends from equity instruments, net commissions, net trading income, equity accounted earnings and other net operating income.

Net trading income - net gains/losses arising from trading and hedging activities, net gains/losses arising from available for sale financial assets, net gains/losses arising from financial assets held to maturity.

Operating costs - staff costs, other administrative costs and depreciation.

Other impairment and provisions - other financial assets impairment, other assets impairment, in particular provision charges related to assets received as payment in kind not fully covered by collateral, goodwill impairment and other provisions.

Other net income - net commissions, net trading income, other net operating income, dividends from equity instruments and equity accounted earnings.

Other net operating income - other operating income, other net income from non-banking activities and gains from the sale of subsidiaries and other assets.

Overdue and doubtful loans - loans overdue by more than 90 days and the doubtful loans reclassified as overdue loans for provisioning purposes.

Securities portfolio - financial assets held for trading, financial assets available for sale, assets with repurchase agreement and financial assets held to maturity.

Total customer funds - amounts due to customers (including securities), assets under management and capitalisation products.

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The financial 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.

The figures presented do not constitute any form of commitment by BCP in regard to future earnings.

Figures for 2012 and 2013 not audited.

CONSOLIDATED INDICATORS: ACTIVITY IN PORTUGAL AND INTERNATIONAL ACTIVITY

Euro million

	Consolidated			Activity in Portugal			International activity		
	2013	2012	Change 13/12	2013	2012	Change 13/12	2013	2012	Change 13/12
Income statement									
Net interest income	848.1	998.0	-15.0%	343.0	493.3	-30.5%	505.1	504.7	0.1%
Dividends from equity instruments	3.7	3.8	-4.2%	1.2	2.8	-56.2%	2.4	1.0	142.1%
Net fees and commission income	663.0	655.1	1.2%	430.3	446.2	-3.6%	232.7	208.9	11.4%
Other operating income	(71.9)	(47.8)	-	(87.6)	(57.0)	-	15.7	9.2	69.8%
Net trading income	264.2	436.7	-39.5%	158.1	315.2	-49.8%	106.1	121.5	-12.7%
Equity accounted earnings	62.3	55.7	11.9%	61.9	54.3	14.1%	0.3	1.4	-77.1%
Net operating revenues	1,769.3	2,101.5	-15.8%	907.0	1,254.8	-27.7%	862.3	846.6	1.8%
Staff costs	767.5	751.5	2.1%	549.4	530.1	3.6%	218.0	221.3	-1.5%
Other administrative costs	459.7	501.7	-8.4%	265.2	299.5	-11.5%	194.5	202.2	-3.8%
Depreciation	68.1	68.1	0.1%	38.2	40.5	-5.4%	29.9	27.6	8.2%
Operating costs	1,295.2	1,321.2	-2.0%	852.9	870.1	-2.0%	442.4	451.1	-1.9%
Operating profit before impairment	474.1	780.2	-39.2%	54.2	384.7	-85.9%	419.9	395.5	6.2%
Loans impairment (net of recoveries)	820.8	969.6	-15.3%	742.8	889.0	-16.5%	78.1	80.6	-3.1%
Other impairment and provisions	465.8	349.6	33.2%	462.9	347.8	33.1%	2.8	1.9	-
Profit before income tax	(812.5)	(539.0)	-	(1,151.5)	(852.1)	-	339.0	313.1	8.3%
Income tax	(210.8)	(132.1)	-	(278.0)	(190.9)	-	67.2	58.8	14.3%
Income after income tax from continuing operations	(601.7)	(406.9)	-	(873.5)	(661.2)	-	271.8	254.3	6.9%
Income arising from discontinued operations	(45.0)	(730.3)	-	-	-	-	-	-	-
Non-controlling interests	93.7	81.8	14.5%	0.1	(5.1)	-	93.6	87.0	7.6%
Net income	(740.5)	(1,219.1)	-	(873.6)	(656.1)	-	178.2	167.3	6.5%
Balance sheet and activity indicators									
Total assets	82,007	89,744	-8.6%	62,968	67,886	-7.2%	19,039	21,858	-12.9%
Total customer funds ⁽¹⁾	64,261	63,936	0.5%	48,128	49,047	-1.9%	16,133	14,889	8.4%
Balance sheet customer funds ⁽¹⁾	52,392	52,545	-0.3%	37,600	38,767	-3.0%	14,793	13,777	7.4%
Deposits	48,595	46,181	5.2%	33,911	32,618	4.0%	14,684	13,563	8.3%
Debt securities	3,797	6,364	-40.3%	3,689	6,149	-40.0%	109	215	-49.4%
Off-balance sheet customer funds ⁽¹⁾	11,868	11,391	4.2%	10,528	10,280	2.4%	1,340	1,112	20.6%
Assets under management	3,173	2,410	31.6%	2,336	1,686	38.6%	836	725	15.4%
Capitalisation products	8,695	8,981	-3.2%	8,191	8,594	-4.7%	504	387	30.2%
Discontinued operations	1,896	4,611	-	1,531	1,339	-	365	3,272	-
Loans to customers (gross) ⁽¹⁾	59,734	61,715	-3.2%	47,251	49,581	-4.7%	12,483	12,134	2.9%
Individuals ⁽¹⁾	29,937	31,040	-3.6%	22,078	23,139	-4.6%	7,859	7,901	-0.5%
Mortgage	26,444	27,428	-3.6%	19,916	20,669	-3.6%	6,528	6,759	-3.4%
Consumer	3,493	3,612	-3.3%	2,162	2,470	-12.5%	1,331	1,142	16.6%
Companies ⁽¹⁾	29,797	30,675	-2.9%	25,173	26,442	-4.8%	4,624	4,233	9.2%
Services	12,402	12,302	0.8%	11,486	11,311	1.5%	916	991	-7.5%
Commerce	3,236	3,086	4.9%	2,247	2,313	-2.9%	990	773	28.0%
Construction	4,469	5,067	-11.8%	3,843	4,441	-13.5%	626	627	-0.1%
Other	9,689	10,221	-5.2%	7,598	8,377	-9.3%	2,092	1,843	13.5%
Discontinued operations	488	5,146	-	-	-	-	488	5,146	-
Credit quality									
Total overdue loans ⁽¹⁾	4,345	3,702	17.4%	4,040	3,318	21.8%	305	383	-20.5%
Overdue loans by more than 90 days ⁽¹⁾	4,221	3,561	18.5%	3,931	3,204	22.7%	290	357	-18.7%
Overdue loans by more than 90 days /Total loans ⁽¹⁾	7.1%	5.8%		8.3%	6.5%		2.3%	2.9%	
Total impairment (balance sheet) ⁽¹⁾	3,381	3,300	2.4%	2,953	2,863	3.1%	428	437	-2.1%
Total impairment (balance sheet) /Total loans ⁽¹⁾	5.7%	5.3%		6.2%	5.8%		3.4%	3.6%	
Total impairment (balance sheet) /Overdue loans by more than 90 days ⁽¹⁾	80.1%	92.7%		75.1%	89.3%		147.5%	122.5%	
Cost of risk (net of recoveries, in b.p.) ⁽¹⁾	137	157		157	179		63	66	
Restructured loans / Total loans ⁽²⁾	9.5%								
Restructured loans not included in the credit at risk / Total loans ⁽²⁾	6.4%								

(1) Adjusted from the effect related to operations classified under the line item of discontinued operations.

(2) According to Instruction no. 32/2013 from the Bank of Portugal, as the currently existing version.

BANCO COMERCIAL PORTUGUÊS

Consolidated Income Statement
for the years ended 31 December, 2013 and 2012

	2013	2012
	(Thousands of Euros)	
Interest and similar income	2,832,912	3,422,798
Interest expense and similar charges	(1,984,825)	(2,424,838)
Net interest income	848,087	997,960
Dividends from equity instruments	3,680	3,840
Net fees and commission income	662,974	655,087
Net gains / losses arising from trading and hedging activities	80,385	391,874
Net gains / losses arising from available for sale financial assets	184,065	44,871
Net gains / (losses) arising from financial assets held to maturity	(278)	(22)
Other operating income	(55,627)	(43,687)
	<u>1,723,286</u>	<u>2,049,923</u>
Other net income from non banking activity	20,502	20,093
Total operating income	<u>1,743,788</u>	<u>2,070,016</u>
Staff costs	767,463	751,466
Other administrative costs	459,653	501,725
Depreciation	68,123	68,050
Operating costs	<u>1,295,239</u>	<u>1,321,241</u>
Operating net income before provisions and impairments	448,549	748,775
Loans impairment	(820,827)	(969,600)
Other financial assets impairment	(102,193)	(75,585)
Other assets impairment	(210,471)	(258,933)
Goodwill impairment	(3,043)	-
Other provisions	(150,059)	(15,123)
Operating net income	<u>(838,044)</u>	<u>(570,466)</u>
Share of profit of associates under the equity method	62,260	55,659
Gains / (losses) from the sale of subsidiaries and other assets	(36,759)	(24,193)
Net (loss) / income before income tax	<u>(812,543)</u>	<u>(539,000)</u>
Income tax		
Current	(115,635)	(81,286)
Deferred	326,434	213,343
Net (loss) / income after income tax from continuing operations	<u>(601,744)</u>	<u>(406,943)</u>
Income arising from discontinued operations	(45,004)	(730,267)
Net income after income tax	<u>(646,748)</u>	<u>(1,137,210)</u>
Attributable to:		
Shareholders of the Bank	(740,450)	(1,219,053)
Non-controlling interests	93,702	81,843
Net income for the period	<u>(646,748)</u>	<u>(1,137,210)</u>
Earnings per share (in euros)		
Basic	(0.04)	(0.10)
Diluted	(0.04)	(0.10)

BANCO COMERCIAL PORTUGUÊS

Consolidated Balance Sheet as at 31 December, 2013 and 2012

	2013	2012
	(Thousands of Euros)	
Assets		
Cash and deposits at central banks	2,939,663	3,580,546
Loans and advances to credit institutions		
Repayable on demand	1,054,030	829,684
Other loans and advances	1,240,628	1,887,389
Loans and advances to customers	56,802,197	62,618,235
Financial assets held for trading	1,290,079	1,690,926
Financial assets available for sale	9,327,120	9,223,411
Assets with repurchase agreement	58,268	4,288
Hedging derivatives	104,503	186,032
Financial assets held to maturity	3,110,330	3,568,966
Investments in associated companies	578,890	516,980
Non current assets held for sale	1,506,431	1,284,126
Investment property	195,599	554,233
Property and equipment	732,563	626,398
Goodwill and intangible assets	250,915	259,054
Current tax assets	41,051	34,037
Deferred tax assets	2,181,405	1,755,411
Other assets	593,361	1,124,323
	<u>82,007,033</u>	<u>89,744,039</u>
Liabilities		
Amounts owed to credit institutions	13,492,536	15,265,760
Amounts owed to customers	48,959,752	49,404,398
Debt securities	9,411,227	13,862,999
Financial liabilities held for trading	869,530	1,393,194
Hedging derivatives	243,373	301,315
Provisions for liabilities and charges	365,960	253,328
Subordinated debt	4,361,338	4,298,773
Current income tax liabilities	24,684	15,588
Deferred income tax liabilities	6,301	2,868
Other liabilities	996,524	945,628
	<u>78,731,225</u>	<u>85,743,851</u>
Equity		
Share capital	3,500,000	3,500,000
Treasury stock	(22,745)	(14,212)
Share premium	-	71,722
Preference shares	171,175	171,175
Other capital instruments	9,853	9,853
Fair value reserves	22,311	2,668
Reserves and retained earnings	(356,937)	850,021
Net income for the period attributable to Shareholders	(740,450)	(1,219,053)
	<u>2,583,207</u>	<u>3,372,174</u>
Total Equity attributable to Shareholders of the Bank		
Non-controlling interests	692,601	628,014
	<u>3,275,808</u>	<u>4,000,188</u>
Total Equity	<u>82,007,033</u>	<u>89,744,039</u>