Millennium bcp

Earnings Press Release

Reuters>bcp.ls Exchange>MCP Bloomberg>bcp pl ISIN PTBCP0AM0007

5 May 2014

Millennium bcp earnings release as at 31 March 2014

Profitability
Confirming the positive trend

- Consolidated net income of Euro -41 million, versus Euro -152 million in 1Q13
- Contribution of international operations (excluding Greece and Romania) to the consolidated net income of Euro 48 million, an increase of 18.1% versus 1Q13, the best quarterly contribution of the last two years
- Progressive improvement in banking income in all geographies, with a growth of 23.0% year-on-year, driven by the increase in net interest income and commissions
- Operating costs reduced by 4.3% at the consolidated level and 6.9% in Portugal versus 1Q13
- New entries in NPL in Portugal in 1Q14 decreased 52% versus 1Q13, allowing to keep the target of a sustained reduction in the cost of risk, but maintaining a high level of provisioning

Capital
reinforced and above requirements

- Core tier I ratio at 13.9% according to BdP criteria, above the 12.1% ratio of march 2013
- Common equity ratio at 12.2% according to CRD IV/CRR (phase-in)

Liquidity
strengthening

- Repayment of Euro 2 billion of State Guaranteed debt issues
- Issue of Euro 500 million of senior unsecured 3 years maturity debt in the market, without support from the State
- Consistent customer deposits base maintained, with a quarterly increase of 1.2% of deposits in Portugal
- Continuation of the commercial gap improvement: reduction of Euro 3.0 billion in the commercial gap year-on-year, with the loans to deposits ratio (BdP) at 116%, below the 120% level recommended, and the ratio of Loans to BS customer funds at 106%
- Reduction in ECB usage to Euro 9.2 billion, with cumulative reimbursement of Euro 2 billion of the 3-year long term refinancing operation (LTRO)

Investor Relations
Rui Coimbra
Phone +351 211 131 084
investors@millenniumbcp.pt
rui.coimbrafernandes@millenniumbcp.pt
joaogodinho.duarte@millenniumbcp.pt

Media Contact
Erik T. Burns
Phone +351 211 131 242
Mobile +351 917 265 020
erik.burns@millenniumbcp.pt
cintia.barbas@millenniumbcp.pt

Financial Highlights

Euro million

	31 Mar. 14	31 Mar. 13	Change 14 / 13
Balance sheet			
Total assets	82,348	89,474	-8.0%
Loans to customers (gross) (1)	59,392	61,394	-3.3%
Total customer funds (1)	64,720	65,863	-1.7%
Balance sheet customer funds (1)	52,647	54,193	-2.9%
Customer deposits (1)	48,957	48,797	0.3%
Loans to customers, net / Customer deposits (2)	116%	121%	
Loans to customers, net / Customer deposits (3)	116%	121%	
Results			
Net income	(40.7)	(152.0)	
Net interest income	236.4	179.2	31.9%
Net operating revenues	514.3	418.1	23.0%
Operating costs	283.6	296.3	-4.3%
Loan impairment charges (net of recoveries)	191.7	186.9	2.6%
Other impairment and provisions	59.4	50.8	16.9%
Income taxes			
Current	32.7	15.0	
Deferred	(38.1)	(42.8)	
Profitability			
Net operating revenues / Average net assets (2)	2.5%	1.9%	
Return on average assets (ROA) (4)	-0.1%	-0.6%	
Income before taxes and non-controlling interests / Average net assets (2)	-0.1%	-0.7%	
Return on average equity (ROE)	-6.7%	-19.7%	
Income before taxes and non-controlling interests / Average equity (2)	-2.7%	-17.3%	
Credit quality			
Overdue and doubtful loans / Total loans (2)	9.3%	8.8%	
Overdue and doubtful loans, net / Total loans, net (2)	3.8%	2.4%	
Credit at risk / Total loans (2)	11.7%	13.8%	
Credit at risk, net / Total loans, net (2)	6.3%	7.8%	
Impairment for loan losses / Overdue loans by more than 90 days (1)	80.4%	88.6%	
Efficiency ratios (2)			
Operating costs / Net operating revenues	55.1%	70.9%	
Operating costs / Net operating revenues (Portugal)	59.0%	87.1%	
Staff costs / Net operating revenues	31.1%	39.7%	
Capital			
Core tier I (2)	13.9%	12.1%	
Core tier I (EBA)	11.0%	9.6%	
Common equity tier I (CRD IV/CRR phase-in)	12.2%	-	
Tier I (2)	13.0%	11.5%	
Total (2)	14.8%	12.6%	
Branches			
Portugal activity	748	802	-6.7%
Foreign activity	733	860	-14.8%
Employees			
Portugal activity	8,504	8,954	-5.0%
Foreign activity	10,011	11,251	-11.0%

(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 from the Bank of Portugal no. 16/2004, 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.

RESULTS AND ACTIVITY IN THE FIRST QUARTER OF 2014

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 March 2013, 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 March 2014, but remained in the criteria considered as at 31 March 2013. 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 March 2013, 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 31 March 2013.

However, for a better interpretation of the performance of the Group’s financial indicators, and for the purposes of this analysis, some balance sheet indicators are 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 40.7 million in the first quarter of 2014, which compares favourably with the net loss of Euro 152.0 million posted in the first quarter of 2013 and shows a trend towards the recovery of the profitability in Portugal and the growth of the contribution from international operations, in line with the Strategic Plan.

The performance of net income in the first quarter of 2014 reflects, primarily, the following:
- The favourable performance of net interest income, both in Portugal and international activity, increasing by 31.9% year-on-year and 0.9% quarter-on-quarter;
- The gains under net trading income related to Portuguese sovereign debt securities;
- The positive performance of operating costs, which decreased by 4.3% year-on-year.

Millennium bcp’s profitability remains constrained by the negative effects associated with the interest expense associated with the issuance of hybrid financial instruments (Euro 66.2 million in the first quarter of 2014), the cost of the Portuguese State guarantee to Bank's debt issues and the banking sector and guarantee/resolution funds contributions (Euro 24.3 million) and with the liability management operations undertaken in 2011 (Euro 39.5 million). In the first quarter of 2014, these effects impacted negatively the quarter’s profitability by Euro 92.2 million net of tax (Euro 104.1 million in the first quarter of 2013).

The net income in the first quarter of 2014 was hindered by the activity in Portugal, which still registered a net loss. However, when compared with the first quarter of 2013, the activity in Portugal registers an improvement of Euro 60.5 million in net income, driven by the positive performance of net interest income, net trading income and operating costs, showing a recovery trend in the profitability in Portugal, in line with the Strategic Plan.

Net income associated with the international activity, excluding discontinued operations, showed an increase of 18.1% from the first quarter of 2013, driven mainly by the growth of net operating revenues and by the control of operating costs in the international operations as a whole, reflecting the performance achieved by overall international operations, in particular in Poland, Angola and, excluding the foreign exchange effect of the devaluation of metical against the euro, also Mozambique.

Net interest income reached Euro 236.4 million in the first quarter of 2014, an increase of 31.9% from the Euro 179.2 million in the first quarter of 2013, driven by the positive performance of interest expense and similar charges, which more than offset the decrease of interest and similar income, as seen on a quarter-on-quarter basis.

The year-on-year performance of net interest income was influenced by the price effect resulting from the reduction of the cost of deposits, especially in Portugal, driven by the efforts taken to improve the deposits margin as foreseen in the Strategic Plan. In the first quarter of 2014, the interest rate of term deposits in Portugal decreased by 73 basis points on a year-on-year basis.

This effect more than offset the unfavourable business volume effect in the activity in Portugal, which continued to hinder net interest income, determined by a persistently adverse macroeconomic context and consequent retraction of credit demand, despite the fact that the Bank has maintained the implementation of initiatives to stimulate loan granting to economically viable projects.

Net interest income from the international activity increased by 21.0% year-on-year in the first quarter of 2014, due to the decrease of interest expense and similar charges in Poland, which more than offset the decrease of interest and similar income, and to the increase of interest and similar income in Mozambique and Angola, which more than offset the increase of interest expense and similar charges.

The net interest margin stood at 1.31% in the first quarter of 2014, which compares with 0.95% in the first quarter of 2013.

AVERAGE BALANCES

Euro million

	31 Mar.14		31 Mar.13	
	Balance	Yield %	Balance	Yield %
Deposits in banks	3,622	1.11	4,855	1.46
Financial assets	12,604	3.54	12,794	3.65
Loans and advances to customers	56,060	3.80	57,936	3.98
Interest earning assets	**72,286**	**3.62**	**75,585**	**3.76**
Discontinued operations (1)	442		3,585	
Non-interest earning assets	9,449		9,033	
	82,177		**88,203**	
Amounts owed to credit institutions	13,233	0.71	14,661	1.18
Amounts owed to customers	47,692	1.81	45,233	2.52
Debt issued	10,315	3.75	13,603	3.58
Subordinated debt	4,316	7.60	4,323	7.58
Interest bearing liabilities	**75,556**	**2.21**	**77,820**	**2.73**
Discontinued operations(1)	357		3,739	
Non-interest bearing liabilities	2,917		2,720	
Shareholders' equity and non-controlling interests	3,347		3,924	
	82,177		**88,203**	
Net interest margin		1.31		0.95

Note: Interest related to hedge derivatives were allocated, in March 2014 and 2013, 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 totalled euro 164.6 million in the first quarter of 2014, an increase of 2.7% year-on-year, determined by the international activity (+10.3%).

The performance of net commissions, in the first quarter of 2014, reflects:

- The growth of net commissions related to the financial markets (+32.5%), both securities operations and asset management, boosted by increases of 55.8% in the activity in Portugal and of 15.5% in the international activity;
- The decrease in net commissions related to the banking business (-3.1%), 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 8.3% in the international activity.

Net trading income stood at Euro 111.9 million in the first quarter of 2014, which compares with Euro 72.6 million in the first quarter of 2013.

The performance of net trading income was determined by the activity in Portugal, with highlight, on a year-on-year basis, to the favourable impact related to higher gains from Portuguese sovereign debt securities (Euro +61.6 million).

In the international activity, net trading income evolved from Euro 27.9 million, in the first quarter of 2013, to Euro 22.5 million, in the first quarter of 2014, restrained by the performance in Poland and Angola.

OTHER NET INCOME

Euro million

	31 Mar. 14	31 Mar. 13	Change 14/13
Net commissions	**164.6**	**160.3**	**2.7%**
Banking commissions	129.7	133.9	-3.1%
Cards and transfers	45.9	44.1	4.3%
Credit and guarantees	38.8	35.3	10.1%
Bancassurance	18.2	18.5	-2.0%
Current account related	19.4	31.3	-38.1%
Commissions related with the State guarantee	(10.3)	(17.3)	-
Other commissions	17.7	22.0	-19.6%
Market related commissions	34.9	26.3	32.5%
Securities	25.5	19.4	31.6%
Asset management	9.4	7.0	35.3%
Net trading income	**111.9**	**72.6**	**54.1%**
Other net operating income	**(15.0)**	**(8.1)**	**-**
Dividends from equity instruments	**3.3**	**-**	**-**
Equity accounted earnings	**13.1**	**14.1**	**-7.2%**
Total other net income	**277.9**	**238.9**	**16.3%**
Other net income / Net operating revenues	54.0%	57.1%	

Other net operating income was negative by Euro 15.0 million in the first quarter of 2014, which compares with a net loss of Euro 8.1 million in the first quarter of 2013, hindered by the banking sector and resolution fund contributions, introduced in 2013 and booked in the activity in Portugal, and by the gain of Euro 4.9 million accounted in the first quarter of 2013 in the subsidiary in Mozambique associated with the sale of real estate.

Dividends from equity instruments, which comprise dividends from financial assets available for sale, and **Equity accounted earnings**, which comprise fundamentally the appropriation of results associated with the 49% shareholding in Millenniumbcp Ageas, totalled Euro 16.4 million in the first quarter of 2014, which compares with Euro 14.1 million in the same period of 2013, as a result of dividends and income from investment fund units received in the period and the appropriation of results from financial stakes held by the Group.

Operating costs decreased by 4.3% to Euro 283.6 million in the first quarter of 2014, from Euro 296.3 million in the same period of 2013, on the back of continued savings efforts in Portugal, in line with the Strategic Plan targets.

In the activity in Portugal, operating costs in the first quarter of 2014 dropped by 6.9% year-on-year, due to lower levels of other administrative costs (-11.7%), materialising the impact of implemented initiatives focused on cost containment and rationalisation, as well as to lower staff costs (-3.7%), influenced by the decrease in the number of employees.

In the international activity, operating costs were broadly stable from the first quarter of 2013 (+0.1%), benefiting from the positive effect in Millennium bim in Mozambique, due to the foreign exchange effect of the devaluation of metical against the euro, and from the savings reached in Cayman, which offset the bulk of the increases posted by Banque Privée in Switzerland, Bank Millennium in Poland and Banco Millennium Angola.

OPERATING COSTS

Euro million

	31 Mar. 14	31 Mar. 13	Change 14/13
Staff costs	160.2	166.1	-3.5%
Other administrative costs	107.6	113.4	-5.2%
Depreciation	15.9	16.8	-5.5%
Operating costs	**283.6**	**296.3**	**-4.3%**
Of which:			
Portugal activity	172.6	185.4	-6.9%
Foreign activity	111.0	110.9	0.1%

Staff costs stood at Euro 160.2 million in the first quarter of 2014, a reduction of 3.5% year-on-year. This performance was influenced by the activity in Portugal (-3.7%), where the number of employees decreased by 450, year-on-year, as well as by the reduction of 3.2% in the international activity, as a result of the efforts towards rationalisation and optimisation of resources.

Other administrative costs reduced 5.2% to Euro 107.6 million in the first quarter of 2014, from Euro 113.4 million in the same period of 2013, driven by the costs rationalisation and containment in Portugal, including the resizing of the branch network (-54 branches from 31 March 2013), under the ongoing restructuring program, in spite of the increase in the international activity (+3.9%).

The performance of other administrative costs benefitted from the 11.7% year-on-year decrease in the activity in Portugal, materialising the savings achieved in most cost items, mainly consulting, rents and independent labour, despite the increase of 3.9% in the international activity, due mainly to the increase in advertising and sponsoring in the scope of initiatives associated with promoting the commercial offer.

Depreciation costs totalled Euro 15.9 million, decreasing by 5.5% year-on-year as a result of the decrease in the activity in Portugal (-10.3%), benefitting from lower depreciation costs associated with equipment, driven mostly by the gradual term of the depreciation period of the respective investments.

In the international activity, depreciation costs stood at the same level year-on-year, as the higher levels posted by the subsidiaries in Angola and Mozambique were broadly offset by the reduction in Bank Millennium in Poland.

Impairment for loan losses (net of recoveries) stood at Euro 191.7 million in the first quarter of 2014, which compares with Euro 186.9 million in the same period of 2013.

In Portugal, the performance of credit impairment (+1.2%) was 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 that impacts the economic and financial situation of households and companies. In the international activity, credit impairment performance (+16.4%) was influenced by the higher level of impairment charges posted by Bank Millennium in Poland and Millennium bim in Mozambique, which were partially offset by lower levels in the subsidiary in Angola.

The cost of risk, excluding discontinued operations, stood at 129 basis points, which compares with 122 basis points in the first quarter of 2013 and with 135 basis points in the last quarter of 2013, showing a slowdown in the pace of impairment charges for loan losses on a quarter-on-quarter basis, both in the activity in Portugal and international.

Other impairment and provisions totalled Euro 59.4 million in the first quarter of 2014, which compares with Euro 50.8 million in the same period of 2013. This performance shows mostly the reinforcement of provisions related to guarantees and other commitments, notwithstanding the reduction in the level of impairments related to other assets.

Income tax (current and deferred) totalled Euro -5.4 million in the first quarter of 2014, which compares with Euro -27.8 million in the same period of 2013.

The income tax item includes current tax in the amount of Euro 32.7 million (Euro 15.0 million in the first quarter of 2013) and a deferred tax asset in the amount of Euro 38.1 million (Euro 42.8 million in the first quarter of 2013).

BALANCE SHEET

Total assets reached Euro 82,348 million in March 2014 (Euro 89,474 million as at 31 March 2013), compared with Euro 82,007 million as at 31 December 2013, reflecting increases in the securities portfolio and in other assets and a decrease in the loan portfolio in Portugal that was lower than the year-on-year decrease.

Loans to customers (gross) stood at Euro 59,869 million as at 31 March 2014, which compares with Euro 66,507 million as at 31 March 2013.

Excluding the effect of the loans portfolio associated with the operations in Greece and Romania, posted under the line item of discontinued operations, loans to companies decreased 3.3% year-on-year, due to lower demand for credit throughout 2013, despite improved economic activity in the last quarter of 2013.

This performance of the loans portfolio was influenced by the activity in Portugal (-5.4%), while international activity, excluding impact from discontinued operations, showed a year-on-year increase of 5.5%, reflecting growth in the subsidiaries in Poland, Angola and Mozambique. However, as from 31 December 2013, loans to customers remained almost stable (-0.6%), benefiting from the growth in international activity (+2.2%) and from a less pronounced rate of decrease in Portugal (-1.3%).

The evolution of loans to customers in the first quarter of 2014 reflects the year-on-year decrease in both loans to companies (-3.6%) and loans to individuals (-2.9%), influenced by the activity in Portugal. This reduction in loans to customers reveals the ongoing process to reduce the levels of indebtedness by households and companies, together with limited private investment and consequent lower demand for credit. On a quarter-on-quarter basis, credit to companies and to individuals in Portugal decreased 1.6% and 0.9% respectively.

In this context, despite the maintenance of a strict selectivity criteria for credit risk assessment, Millennium bcp continued to support Portuguese companies in several sectors (agriculture, industry, commerce, tourism and services), namely by supporting processes of growth, modernisation and competitiveness strengthening through promotion of a number of initiatives, with emphasis on boosting protocol credit facilities, especially credit lines for SMEs.

The structure of the loans to customers portfolio showed identical and stable levels of diversification on a year-on-year basis, with loans to companies representing 50% of total loans to customers, as at 31 March 2014.

LOANS TO CUSTOMERS (GROSS)

Euro million

	31 Mar. 14	31 Mar. 13	Change 14/13
Individuals	**29,747**	**30,639**	**-2.9%**
Mortgage	26,252	27,059	-3.0%
Consumer	3,495	3,580	-2.4%
Companies	**29,645**	**30,754**	**-3.6%**
Services	12,218	12,384	-1.3%
Commerce	3,289	3,194	3.0%
Construction	4,280	5,025	-14.8%
Other	9,857	10,151	-2.9%
Subtotal	**59,392**	**61,394**	**-3.3%**
Discontinued operations	477	5,113	
Total	**59,869**	**66,507**	**-10.0%**
Of which (1):			
Portugal activity	46,632	49,295	-5.4%
Foreign activity	12,759	12,099	5.5%

(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 7.2% at 31 March 2014, practically the same level of 7.1% as at 31 December 2013 (6.2% at 31 March 2013), mostly influenced by the performance of the loans to companies portfolio, hindered by the continued recessive environment in the Portuguese economy, still with impact on the materialisation of credit risk.

Considering the effect from the operations classified as discontinued, the coverage ratio for loans overdue by more than 90 days stood at 80.4% as at 31 March 2014, compared with 80.1% as at the end of 2013 (88.6% as at 31 March 2013), and the coverage ratio of the total loans overdue portfolio to impairments stood at 77.1% as at 31 March 2014, compared with 77.8% as at 31 December 2013 (82.2% as at 31 March 2013).

Overdue and doubtful loans stood at 9.3% of total loans at 31 March 2014, compared with 9.2% posted at the end of 2013 (8.8% as at 31 March 2013) and credit at risk stood at 11.7% of total loans as at 31 March 2014, compared with 11.9% at the year-end 2013 (13.8% as at 31 March 2013). As at 31 March 2014, restructured loans stood at 10.8% of total loans (9.5% as at 31 December 2013) and restructured loans not included in credit at risk stood at 7.3% of total loans, as at 31 March 2014 (6.4% as at 31 December 2013).

OVERDUE LOANS BY MORE THAN 90 DAYS AND IMPAIRMENTS AS AT 31 MARCH 2014

Euro million

	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	**859**	**714**	**2.9%**	**83.1%**
Mortgage	240	276	0.9%	114.9%
Consumer	618	438	17.7%	70.8%
Companies	**3,396**	**2,708**	**11.5%**	**79.7%**
Services	1,089	1,115	8.9%	102.4%
Commerce	421	275	12.8%	65.4%
Construction	1,173	697	27.4%	59.4%
Other	713	621	7.2%	87.0%
Subtotal (1)	**4,255**	**3,422**	**7.2%**	**80.4%**
Millennium bank in Romania	59	40	12.3%	68.2%
Total	**4,314**	**3,462**	**7.2%**	**80.3%**

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

Total customer funds, excluding the aforementioned effect from discontinued operations, stood at Euro 64,720 million, which compares with Euro 65,863 million as at 31 March 2013. This evolution came mainly from the decrease in debt securities, reflecting the marketing effort aimed at a gradual replacement on maturity of bonds with customers into deposits, particularly in the retail network in Portugal.

Nonetheless, total customer funds in the first quarter 2014, excluding discontinued operations, increased 0.7% quarter-on-quarter showing a positive performance of:

- Customer deposits, which increased 0.3% year-on-year and 0.7% quarter-on-quarter leading to the reinforcement of stable funding resources and to the reduction of commercial gap, as well as to the improvement of the loan to deposit ratio, which reduced to 116% at 31 March 2014;
- Assets under management, which increased 26.3% year-on-year and 3.3% quarter-on-quarter.

In the activity in Portugal, total customer funds totalled Euro 48,658 million as at 31 March 2014 (Euro 50,504 million as at 31 March 2013), with highlight to the above mentioned trend, which reflected in customer deposits growth of 1.2% and balance sheet funds growth of 0.8%, both on a quarter-on-quarter basis.

In international activity, total customer funds rose to Euro 16,062 million as at 31 March 2014 (+4.6% from 31 March 2013), 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 in Angola, Poland and Mozambique, reflecting the emphasis on further increasing customer funds in these markets.

Excluding discontinued operations, as at 31 March 2014, balance sheet customer funds represented 81% of total customer funds, with a highlight on customer deposits that increased their weight in total customer funds to 76% as at 31 March 2014 (74% as at 31 March 2013).

TOTAL CUSTOMER FUNDS

Euro million

	31 Mar. 14	31 Mar. 13	Change 14/13
Balance sheet customer funds	**52,647**	**54,193**	**-2.9%**
Deposits	48,957	48,797	0.3%
Debt securities	3,690	5,396	-31.6%
Off-balance sheet customer funds	**12,073**	**11,670**	**3.5%**
Assets under management	3,277	2,594	26.3%
Capitalisation products	8,797	9,076	-3.1%
Subtotal	**64,720**	**65,863**	**-1.7%**
Discontinued operations	1,935	4,759	
Total	**66,655**	**70,622**	**-5.6%**
Of which [(1)]:			
Portugal activity	48,658	50,504	-3.7%
Foreign activity	16,062	15,359	4.6%

(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 14,474 million as at 31 March 2014, which compares with Euro 15,587 million as at 31 March 2013, representing 17.6% of total assets as at 31 March 2014, at broadly the same level as at 31 March 2013 (17.4% of total assets).

This evolution reflects the reduction of financial assets held for trading and of financial assets held to maturity and was influenced by the reduction in the portfolio of sovereign debt financial instruments.

LIQUIDITY MANAGEMENT

In the first quarter of 2014 the Bank started to implement its 2014 Liquidity Plan, aimed at strengthening the balance sheet customer funds and at a dynamic management of the portfolio of eligible assets in the European Central Bank (ECB), having also taking advantage of the opportunities revealed by the wholesale funding market.

As at 31 March 2014 balance sheet customer funds showed a favourable performance from the end of 2013 contributing to an additional and sustained reduction of commercial gap.

Concerning the wholesale funding composition, favourable market conditions allowed the return, ahead of schedule, of the Bank to the capital markets in February, through an issue of senior debt amounting to Euro 500 million, which in the Liquidity Plan was expected to occur in the third quarter of 2014. As expected in the Liquidity Plan, the Bank pursued the diversification of its funding sources, in particular through the increase of the balance of repos with international financial institutions and collateralised by securities.

The active and optimised management of eligible assets in the Eurosystem comprised in the first quarter of 2014, among other, the following actions: the unwinding of two securitisation transactions and re-allocation to the pool of the underlying assets under the form of additional credit rights; the adoption of a new framework that allowed the selection of a material amount of new credit assets that were posted to the pool and the extension of the maturity (to 2017) of a retained issue of covered bonds.

The sustained reduction of market financing needs, shown by a decrease of the net funding in the Eurosystem from Euro 9.9 billion as at 31 December 2013 to Euro 9.2 billion as at 31 March 2014, the return to capital markets through a senior debt issue and the continued optimised management of the eligible assets assured, led to the maintenance of a comfortable liquidity buffer and to a early redemption of a Euro 2.0 billion issue guaranteed by the State (Euro 1.8 billion after haircuts).

The evolution of the liquidity position of the Bank also allowed, in the first quarter of 2014, for the early redemption of a new Long-Term Refinancing Operation (LTRO) tranche of Euro 1.0 billion, out of an original total of Euro 12.0 billion, reducing its current balance to Euro 10.0 billion and allowing increased flexibility in short-term treasury management.

CAPITAL

On 26 June 2013, the European Parliament and Council approved Directive 2013/36/EU and Regulation (EU) N. 575/2013 (*Capital Requirements Directive IV/Capital Requirements Regulation* - CRD IV/CRR) that established new and more demanding capital requirements for credit institutions, with effects as from 1 January 2014.

These stricter requirements result from more narrowly defined capital and risk weighted assets, together with the establishment of minimum ratios, including a capital conservation buffer of 7% for common equity Tier 1 (CET1) and Tier 1 capital (T1) and of 10.5% for the total ratio. The CRD IV/CRR also stipulates a transitional period (phase-in) in which institutions may accommodate the new requirements, both in terms of own funds and of compliance with minimum capital ratios.

Nevertheless, Bank of Portugal, through Notice N. 6/2013 of 23 December, stipulated the obligation to ensure the maintenance of a CET1 ratio not lower than 7%, determining the adoption of capital conservation measures whenever this will not occur.

According to our interpretation of CRD IV/CRR to date, CET1 ratios estimated at 31 March 2014 amounted to 12.2% by the standards of the phase-in.

Moreover, the core tier I ratio stood at 13.9%, calculated in accordance with the rules of Bank of Portugal, and at 11.0% in accordance with the criteria of the European Banking Authority (EBA), representing an increase of 19 basis points and 12 basis points, respectively, from the ratios of 13.8% and 10.8% reported for the year-end 2013.

The evolution of these ratios reflects the positive effect of the reduction in risk weighted assets in the first quarter 2014, associated with the reduction of exposures and of credit risk levels in Portugal and with savings in Poland, despite increase in risk weighted assets for market risks.

CET1 ratios estimated in accordance with CRD IV/CRR compare unfavorably with the core tier I ratio of Bank of Portugal mainly due to the impact of deductions that apply additionally to the CET1, in respect to the difference between impairment and expected loss, to minority interests, to the pension fund corridor, to financial investments and deferred taxes, on the one hand, and to the worsening of weighted risks associated with deferred taxes and financial investments not deducted to CET1, despite the more favorable treatment enjoyed by the credit portfolio exposures to small and medium enterprises, on the other hand.

On 22 July 2013, EBA issued a recommendation establishing the preservation of capital, in absolute value, necessary to meet the previously anticipated minimum ratio of 9%, with reference to the capital requirements of 30 June 2012, including the same capital buffer for exposures with sovereign risk, in order to ensure a smooth transition to the minimum capital requirements imposed by the CRD IV/CRR.

This recommendation provides for some exceptions, particularly for institutions involved in the process of restructuring and orderly gradual deleveraging, for which the minimum nominal capital can be fixed with reference to the capital requirements determined in a later reference date, by means of request that institutions may submit to Bank of Portugal and for which they obtain permission. In this context, Millennium bcp, in due time made this request which is under appraisal to date.

The core tier 1 surplus, resulting from the application of the recommendation on capital preservation, determined as at 31 March 2014 and 31 December 2013, taking the capital requirements established in each of these dates as reference for surplus calculation, was of Euro 843 million and Euro 805 million, respectively, reflecting the performance of EBA's core tier I ratio.

SOLVENCY (Basel II)

Euro million

	31 Mar. 14	31 Dec. 13
Own funds		
Core tier I	6,022	6,040
Preference shares and perpetual subordinated debt securities with conditional coupons	22	40
Other deduction (1)	(442)	(434)
Tier I capital	5,602	5,646
Tier II capital	894	880
Deductions to total regulatory capital	(105)	(106)
Total regulatory capital	**6,392**	**6,421**
Risk weighted assets	**43,208**	**43,926**
Solvency ratios		
Core tier I	13.9%	13.8%
Tier I	13.0%	12.9%
Tier II	1.8%	1.8%
Total	14.8%	14.6%
Core tier I ratio EBA (2)	11.0%	10.8%
Capital preservation (3)	843	805

(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.

SIGNIFICANT EVENTS

The promotion of a series of commercial initiatives aimed at contributing to the recovery of profitability in Portugal, Millennium bcp's return to wholesale funding markets about four years after the last issue made, the launch of a service for its Shareholders through which Millennium bcp seeks to be closer to its Retail Shareholders, and the launch of solutions and services with distinctive characteristics allied to innovation, affordability and convenience in the core operations of the Group, represented the most significant events in the Bank's activity in the first quarter of 2014. Highlights during this period include:

- On 19 February 2014, issue of Euro 500 million of notes, representing senior unsecured debt with a maturity of 3 years and a coupon of 3.375% per annum.
- Launch on 4 February 2014, of a service for Shareholders, Millennium bcp Acionistas, through which the Bank intends to strengthen its relationship with its Shareholders. Through this service, Shareholders of the Bank, in addition to having access to products and services of the Bank on preferential terms, can benefit from advantages and discounts agreed between the Millennium bcp and its commercial partners.
- On March 27, 2014 a "Millennium Companies Days" event was held in Caldas da Rainha, in order to be closer to Portuguese companies, supporting their internationalisation and strengthening competitiveness.
- ActivoBank launched a new multi-media advertising campaign centered on the account opening process, eliminating the use of paper.
- A strong campaign for Portuguese companies was launched, announced on the covers of major general and economic daily newspapers, marked by the innovation of the financial offer.
- Millennium bcp launched the Savings Center, an innovative service that brings together a set of tools and applications that help customers save by offering attractive solutions tailored to each customer's profile.
- Participation of Millennium bcp Microcredit in the Idea Lab, an initiative promoted by the European Microfinance Network in Brussels, aiming to develop innovative ideas in the field of Microfinance.
- Launch by Bank Millennium in Poland of a unique solution that allows one to obtain credit and increase the limit of the credit card through a mobile application.
- Launch by Bank Millennium in Poland of the Rapid Withdrawal Credit product available to customers without the need to submit an income statement.
- Signing of a Protocol between the Calouste Gulbenkian Foundation, the Camões Institute for the Cooperation and Language, Millennium bim and the Millennium bcp Foundation which aims to support the treatment of cancer patients at Maputo Central Hospital in Mozambique.
- Opening by the Millennium bcp Foundation of an archaeology exhibition, "Pre-Classical Lisbon, a Mediterranean port on the Atlantic seaboard" at the Millennium Gallery on Rua Augusta in Lisbon.
- On 14 February 2014, the exhibition "Amores" was opened by the Millennium bcp Foundation, presenting traditional Valentine's Day scarves of Viana do Castelo and the paint of Paula Rego "Scarf of Love".
- Election of Médis for the sixth time and fourth year in a row as Trusted Brand in the category of Health Insurance, by readers of Reader's Digest magazine.
- Distinction of Bank Millennium in Poland at the "2014 European Structured Products Awards" in the category of "Best Structured Products Distributor in Poland in 2013".
- Recognition of Millennium bim for performance in the banking industry, named the "Best Bank in Mozambique 2014" for the fifth year in a row by *Global Finance* magazine.
- Recognition of Millennium bim by consumers as "Best Brand of Mozambique" in the banking sector. The prize is awarded annually by the organisation of the Best Brands of Mozambique, a partnership between DDB and Intercampus.

MACROECONOMIC ENVIRONMENT

According to the IMF, global activity has been strengthening, a trend that should consolidate further throughout the current year, largely due to the greater vigor of the more developed economies, the growth of which is estimated to accelerate to 2.2% in 2014, benefiting in particular from the positive contribution of the euro area, after two consecutive years of recession. The emerging economies, still marred by restrictive financial conditions and structural insufficiencies, will maintain a GDP expansion rate short of 5%, though still contributing with two-thirds of world's growth in 2014. The IMF considers that the uncertainty surrounding the global recovery has somewhat dissipated despite the persistence of important risks in some emerging markets, including China, the worsening of geopolitical tensions, and the potentially adverse effects stemming from the low levels of inflation in the more advanced economies.

In the first three months of 2014 the behaviour of international financial markets was characterised by successive record highs of the main American equity indexes and by the strong performance of the European counterparts, reflecting expectations of a stronger economic recovery and the still extremely accommodating stance of the global monetary policy. These developments, however, have not been accompanied by a rise in interest rates or by an appreciation of the corporate debt segment. Still within the debt markets, it should be highlighted the progress made by the government bonds of the euro area's periphery, whose yields recorded material falls, including in Portugal. The emerging markets' assets continued to show modest or even negative performances across the majority of financial asset classes, mirroring the slowdown of the BRIC economies as well as the lower investors' preferences towards this risk typology.

Against expectations of a total lack of inflationary pressures, in a context of a below average expansion of the world economy, most central banks maintained and, in some cases, reinforced, the degree of accommodation of the respective monetary policies. The main exception to this rule came from the US Federal Reserve, which in January started to taper the amount of liquidity injected in the financial system via its program of debt securities purchases. The ECB, after cutting the main refinancing rate to 0.25% in November, announced its intention to implement non-conventional measures in order to pull inflation closer to 2%. The ECB's activism together with the improvement of economic conditions in the euro area favoured the decrease of the interest rates for loans in the periphery, mitigating the fragmentation of the banking system of the countries that share the single currency.

According to Statistics Portugal, in the fourth quarter of 2013 the Portuguese GDP recorded an annual growth rate of 1.6% - the first positive observation since the end of 2010. This result benefited from the positive progress of domestic demand, especially in consumption and investment in fixed capital. The most relevant economic activity indicators pertaining to the first quarter of 2014 suggest, however, some loss of momentum of the recovery that started in the previous year, something that is particularly patent in the net external demand, in a context of slowing exports and accelerating imports. Yet, the almost certain timely conclusion of the Economic Adjustment Program and the sheer improvement in investors' sentiment regarding Portugal's prospects of economic and financial rehabilitation contributed to the generalised appreciation of Portuguese assets, with emphasis on the very substantial fall of the yields on government bonds.

For 2014, the IMF predicts a considerable acceleration of activity in Poland (3.1%) and a slowdown in Romania (2.2%), though in both cases domestic demand should provide the main impetus to growth. Notwithstanding the worsening of the tensions in Ukraine, both the zloty and the leu remained relatively stable, which combined with the benign inflation perspectives should allow the respective central banks to proceed with the current expansionary stance of their monetary policies. In Mozambique, the intensification of foreign direct investment associated with megaprojects continues to propel the economy, which the IMF expects to increase 8.3% this year. In Angola, the persistence of oil prices at elevated levels and the strong pace of public investment directed at the expansion and improvement of infrastructures point to a growth rate of GDP in 2014 of 5.3%.

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 from the Bank of Portugal no. 16/2004, 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.

"Disclaimer"

This document is not an offer of securities for sale in the United States, Canada, Australia, Japan or any other jurisdiction, Securities may not be offered or sold in the United States unless they are registered pursuant to the US Securities Act of 1933 or are exempt from such registration. Any public offering of securities in the United States, Canada, Australia or Japan would be made by means of a prospectus that will contain detailed information about the company and management, including financial statements.

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.

First three months figures for 2013 and 2014 not audited.

CONSOLIDATED INDICATORS: ACTIVITY IN PORTUGAL AND INTERNATIONAL ACTIVITY

Euro million

	Consolidated			Activity in Portugal			International activity		
	31 Mar 14	31 Mar 13	Change 14/13	31 Mar 14	31 Mar 13	Change 14/13	31 Mar 14	31 Mar 13	Change 14/13
Income statement									
Net interest income	236.4	179.2	31.9%	97.0	64.0	51.4%	139.4	115.2	21.0%
Dividends from equity instruments	3.3	-	-	2.1	-	-	1.2	-	-
Net fees and commission income	164.6	160.3	2.7%	104.1	105.4	-1.2%	60.5	54.9	10.3%
Other operating income	(15.0)	(8.1)	-	(13.0)	(15.5)	-	(2.0)	7.4	-
Net trading income	111.9	72.6	54.1%	89.4	44.7	99.8%	22.5	27.9	-19.2%
Equity accounted earnings	13.1	14.1	-7.2%	13.1	14.1	-7.2%	-	-	
Net operating revenues	**514.3**	**418.1**	**23.0%**	**292.6**	**212.7**	**37.6%**	**221.7**	**205.4**	**7.9%**
Staff costs	160.2	166.1	-3.5%	105.9	110.0	-3.7%	54.2	56.0	-3.2%
Other administrative costs	107.6	113.4	-5.2%	58.4	66.1	-11.7%	49.1	47.3	3.9%
Depreciation	15.9	16.8	-5.5%	8.3	9.2	-10.3%	7.6	7.6	0.2%
Operating costs	**283.6**	**296.3**	**-4.3%**	**172.6**	**185.4**	**-6.9%**	**111.0**	**110.9**	**0.1%**
Operating profit before impairment	**230.7**	**121.8**	**89.4%**	**120.0**	**27.3**	**-**	**110.7**	**94.5**	**17.1%**
Loans impairment (net of recoveries)	191.7	186.9	2.6%	171.6	169.6	1.2%	20.2	17.3	16.4%
Other impairment and provisions	59.4	50.8	16.9%	60.8	47.8	27.4%	(1.5)	3.0	-
Profit before income tax	**(20.4)**	**(115.9)**	**-**	**(112.4)**	**(190.0)**	**-**	**92.0**	**74.1**	**24.0%**
Income tax	(5.4)	(27.8)	-	(24.3)	(41.6)	-	18.8	13.8	36.6%
Income after income tax from continuing operations	**(15.0)**	**(88.1)**	**-**	**(88.1)**	**(148.4)**	**-**	**73.2**	**60.4**	**21.2%**
Income arising from discontinued operations	(0.3)	(43.8)	-	-	-		-	-	
Non-controlling interests	25.4	20.1	26.2%	-	0.2	-	25.4	19.9	27.5%
Net income	**(40.7)**	**(152.0)**	**-**	**(88.2)**	**(148.7)**	**-**	**47.8**	**40.5**	**18.1%**
Balance sheet and activity indicators									
Total assets	**82,348**	**89,474**	**-8.0%**	**63,219**	**66,997**	**-5.6%**	**19,129**	**22,478**	**-14.9%**
Total customer funds [1]	**64,720**	**65,863**	**-1.7%**	**48,658**	**50,504**	**-3.7%**	**16,062**	**15,359**	**4.6%**
Balance sheet customer funds [1]	**52,647**	**54,193**	**-2.9%**	**37,912**	**40,048**	**-5.3%**	**14,735**	**14,145**	**4.2%**
Deposits	48,957	48,797	0.3%	34,333	34,766	-1.2%	14,624	14,031	4.2%
Debt securities	3,690	5,396	-31.6%	3,579	5,282	-32.2%	111	114	-2.9%
Off-balance sheet customer funds [1]	**12,073**	**11,670**	**3.5%**	**10,747**	**10,455**	**2.8%**	**1,327**	**1,215**	**9.2%**
Assets under management	3,277	2,594	26.3%	2,444	1,787	36.8%	832	807	3.1%
Capitalisation products	8,797	9,076	-3.1%	8,302	8,668	-4.2%	495	408	21.3%
Discontinued operations	**1,935**	**4,759**	**-59.4%**	**1,588**	**1,473**	**7.8%**	**347**	**3,287**	**-89.5%**
Loans to customers (gross) [1]	**59,392**	**61,394**	**-3.3%**	**46,632**	**49,295**	**-5.4%**	**12,759**	**12,099**	**5.5%**
Individuals [1]	**29,747**	**30,639**	**-2.9%**	**21,869**	**22,861**	**-4.3%**	**7,878**	**7,778**	**1.3%**
Mortgage	26,252	27,059	-3.0%	19,725	20,438	-3.5%	6,527	6,621	-1.4%
Consumer	3,495	3,580	-2.4%	2,144	2,423	-11.5%	1,351	1,157	16.8%
Companies [1]	**29,645**	**30,754**	**-3.6%**	**24,763**	**26,434**	**-6.3%**	**4,881**	**4,321**	**13.0%**
Services	12,218	12,384	-1.3%	11,286	11,423	-1.2%	933	962	-3.0%
Commerce	3,289	3,194	3.0%	2,219	2,361	-6.0%	1,070	832	28.5%
Construction	4,280	5,025	-14.8%	3,661	4,380	-16.4%	619	646	-4.1%
Other	9,857	10,151	-2.9%	7,598	8,270	-8.1%	2,260	1,881	20.1%
Discontinued operations	**477**	**5,113**	**-90.7%**	**-**	**-**		**477**	**5,113**	
Credit quality									
Total overdue loans [1]	4,441	4,111	8.0%	4,131	3,744	10.3%	310	366	-15.3%
Overdue loans by more than 90 days [1]	4,255	3,811	11.7%	3,962	3,463	14.4%	293	347	-15.6%
Overdue loans by more than 90 days /Total loans [1]	7.2%	6.2%		8.5%	7.0%		2.3%	2.9%	
Total impairment (balance sheet) [1]	3,422	3,378	1.3%	2,989	2,942	1.6%	432	435	-0.7%
Total impairment (balance sheet) /Total loans [1]	5.8%	5.5%		6.4%	6.0%		3.4%	3.6%	
Total impairment (balance sheet) /Overdue loans by more than 90 days [1]	80.4%	88.6%		75.5%	85.0%		147.5%	125.3%	
Cost of risk (net of recoveries, in b.p.) [1]	129	122		147	138		63	57	
Restructured loans / Total loans [2]	10.8%								
Restructured loans not included in the credit at risk / Total loans [2]	7.3%								

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

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

BANCO COMERCIAL PORTUGUÊS

Consolidated Income Statement
for the three months period ended 31 March, 2014 and 2013

	31 March 2014	31 March 2013
	(Thousands of Euros)	
Interest and similar income	671,231	722,908
Interest expense and similar charges	(434,838)	(543,686)
Net interest income	236,393	179,222
Dividends from equity instruments	3,273	38
Net fees and commission income	164,645	160,255
Net gains / losses arising from trading and hedging activities	18,441	31,923
Net gains / losses arising from available for sale financial assets	93,468	40,977
Net gains / (losses) arising from financial assets held to maturity	-	(278)
Other operating income	(12,968)	(11,490)
	503,252	400,647
Other net income from non banking activity	4,048	4,809
Total operating income	507,300	405,456
Staff costs	160,171	166,050
Other administrative costs	107,550	113,419
Depreciation	15,880	16,812
Operating costs	283,601	296,281
Operating net income before provisions and impairments	223,699	109,175
Loans impairment	(191,739)	(186,929)
Other financial assets impairment	(3,645)	(5,828)
Other assets impairment	(15,323)	(34,730)
Other provisions	(40,393)	(10,213)
Operating net income	(27,401)	(128,525)
Share of profit of associates under the equity method	13,079	14,094
Gains / (losses) from the sale of subsidiaries and other assets	(6,108)	(1,448)
Net (loss) / income before income tax	(20,430)	(115,879)
Income tax		
Current	(32,659)	(15,009)
Deferred	38,108	42,835
Net (loss) / income after income tax from continuing operations	(14,981)	(88,053)
Income arising from discontinued operations	(346)	(43,774)
Net income after income tax	(15,327)	(131,827)
Attributable to:		
Shareholders of the Bank	(40,730)	(151,962)
Non-controlling interests	25,403	20,135
Net income for the period	(15,327)	(131,827)
Earnings per share (in euros)		
Basic	(0.01)	(0.03)
Diluted	(0.01)	(0.02)

BANCO COMERCIAL PORTUGUÊS

Consolidated Balance Sheet as at 31 March, 2014 and 2013 and 31 December, 2013

	31 March 2014	31 December 2013	31 March 2013
		(Thousands of Euros)	
Assets			
Cash and deposits at central banks	2,449,049	2,939,663	2,720,085
Loans and advances to credit institutions			
Repayable on demand	657,456	1,054,030	776,815
Other loans and advances	2,069,983	1,240,628	1,730,770
Loans and advances to customers	56,407,251	56,802,197	62,155,955
Financial assets held for trading	1,364,637	1,290,079	1,939,793
Financial assets available for sale	10,105,204	9,327,120	10,145,753
Assets with repurchase agreement	80,370	58,268	85,622
Hedging derivatives	76,257	104,503	173,535
Financial assets held to maturity	2,923,300	3,110,330	3,415,703
Investments in associated companies	596,206	578,890	524,976
Non current assets held for sale	1,502,448	1,506,431	1,308,406
Investment property	190,324	195,599	550,879
Property and equipment	730,877	732,563	620,922
Goodwill and intangible assets	249,447	250,915	255,545
Current tax assets	38,914	41,051	29,900
Deferred tax assets	2,192,024	2,181,405	1,809,746
Other assets	714,570	593,361	1,229,963
	82,348,317	82,007,033	89,474,368
Liabilities			
Amounts owed to credit institutions	12,748,094	13,492,536	13,944,952
Amounts owed to customers	49,303,400	48,959,752	52,037,366
Debt securities	9,887,137	9,411,227	12,200,774
Financial liabilities held for trading	873,016	869,530	1,256,315
Hedging derivatives	247,153	243,373	267,047
Provisions for liabilities and charges	410,139	365,960	273,485
Subordinated debt	4,368,694	4,361,338	4,364,859
Current income tax liabilities	13,650	24,684	9,633
Deferred income tax liabilities	7,525	6,301	3,019
Other liabilities	1,150,990	996,524	1,248,452
Total Liabilities	79,009,798	78,731,225	85,605,902
Equity			
Share capital	3,500,000	3,500,000	3,500,000
Treasury stock	(34,531)	(22,745)	(16,448)
Share premium	-	-	71,722
Preference shares	171,175	171,175	171,175
Other capital instruments	9,853	9,853	9,853
Fair value reserves	143,726	22,311	18,670
Reserves and retained earnings	(1,111,942)	(356,937)	(375,930)
Net income for the period attributable to Shareholders	(40,730)	(740,450)	(151,962)
Total Equity attributable to Shareholders of the Bank	2,637,551	2,583,207	3,227,080
Non-controlling interests	700,968	692,601	641,386
Total Equity	3,338,519	3,275,808	3,868,466
	82,348,317	82,007,033	89,474,368