

Millennium  
bcp

# Earnings Presentation

Nov - 11

3<sup>rd</sup>Q '09



## 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 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 nine months figures for 2008 and 2009 were subject to a limited scope revision by External Auditors.

## Highlights 3<sup>rd</sup> Quarter 2009

Strengthening capital ratios: Tier I ratio rises to 8.9% and Core Tier I ratio at 6.2%, in September 2009

Net income grows by 25.3%, reaching 178.1 million euros, without a positive contribution from international operations

Recovery of the net interest margin and commissions in the 3<sup>rd</sup> quarter, showing the beginning of the recovery of core income in Portugal and in international operations

Operational Costs decrease by 5.9%: -2.4% in Portugal and -12.0% in international operations

Conclusion of the funding plan: new debt issues in 2009 reach 6.0 billion euros until September; 10.1 billion euros of assets discountable in central banks; possibility to use up to 3.5 billion euros of State guarantee

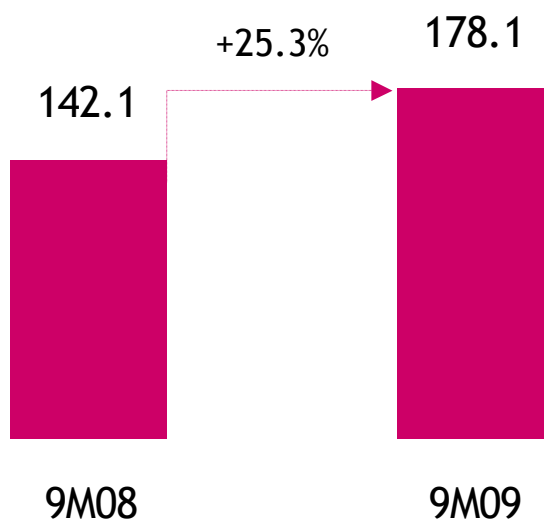
Deposits grow by 2.8% and loans to customers grow by 2.0%

# Net Income growth of 25.3%

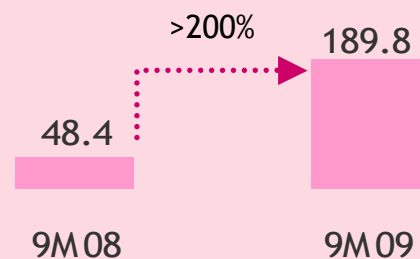
(Eur million)

## Net Income

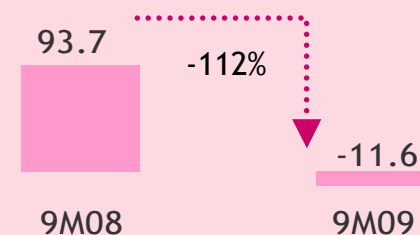
### Consolidated



### Portugal



### International Operations



Specific Items 9M08: BPI's impairment of 247.0 million euros in trading, reduction of variable remuneration accrued in 2007 of 18 million euros, accounted as operational costs and tax impact of 28.0 million euros of the above mentioned items in 2008, ascending to a total negative impact of 201.0 million euros.  
 Specific items in 9M09: capital gains arising from the sale of participations in Banco Millennium Angola of 21.2 million and the gain from the sale of assets of 57.2 million euros, accounted as other operating income.

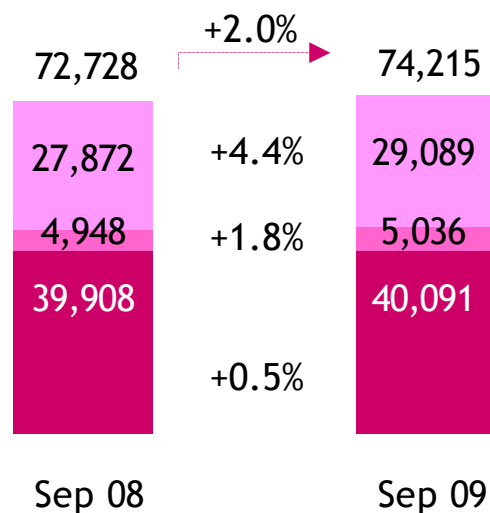


# Stable customers' funds and moderate loans growth

Consolidated

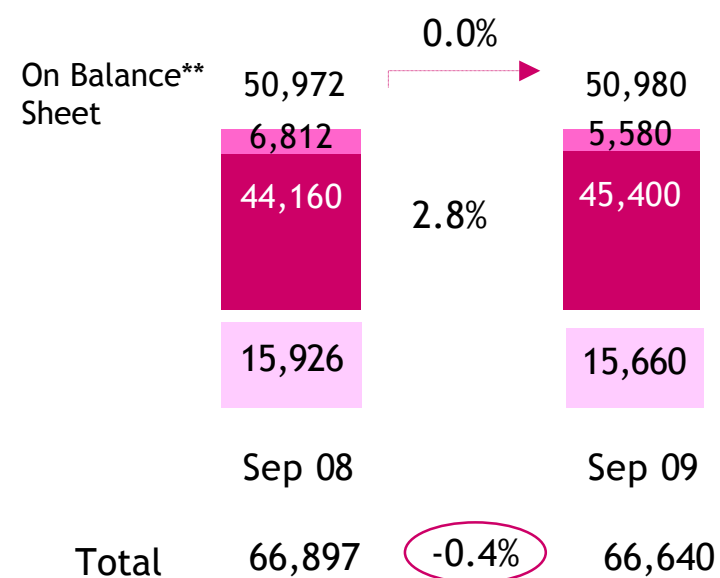
## Loans to customers\* (gross)




Eur million






## Customers' funds

Eur million



 Mortgage  
 Consumer Loans  
 Loans to companies

 Others  
 Deposits  
 Off Balance Sheet customers' funds

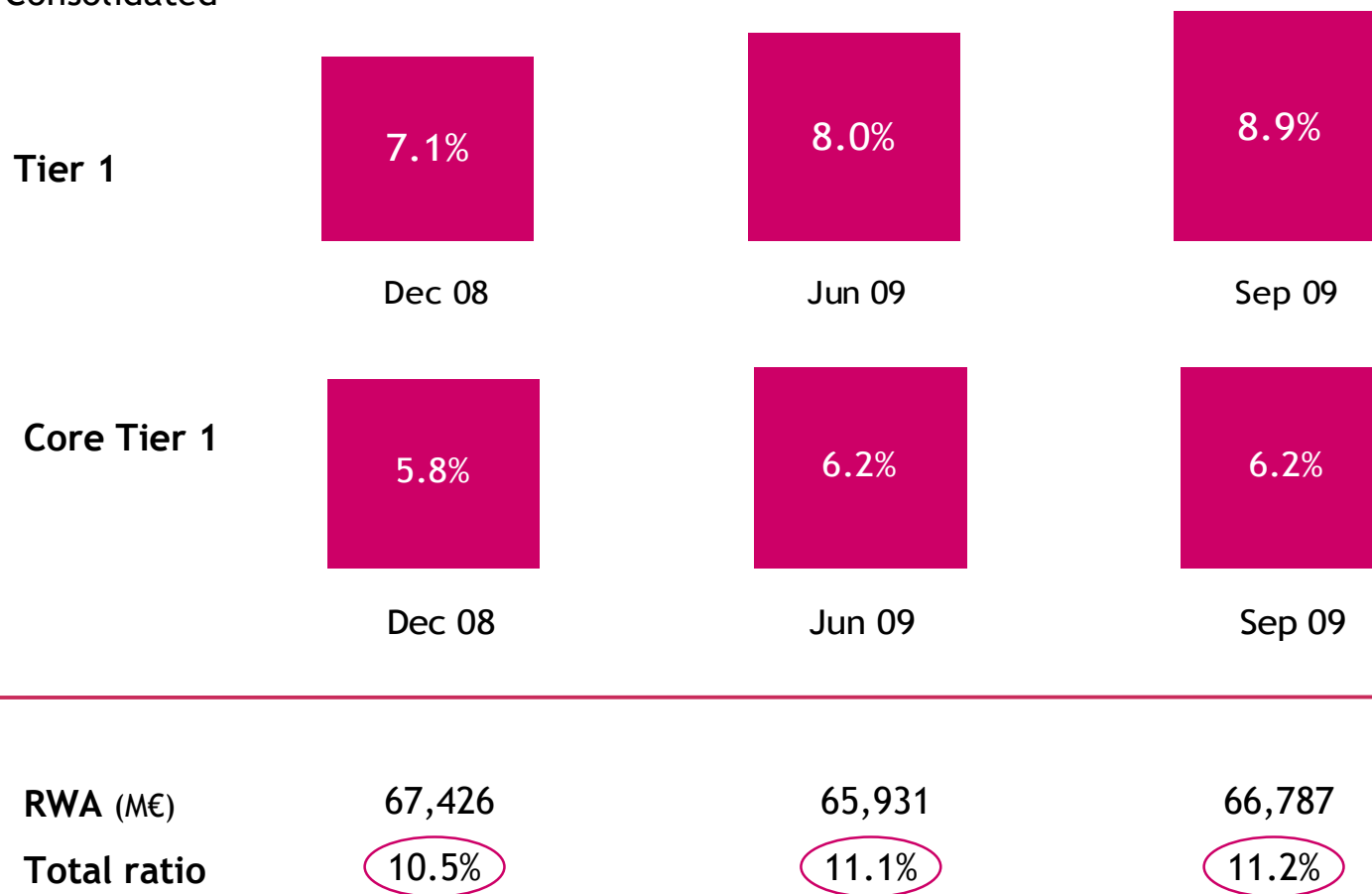
\* Excluding securities reclassified as credit.

\*\* Including deposits, certificates of deposits and structured products.

# Strengthening Capital Ratios

## Solvency ratios

Consolidated

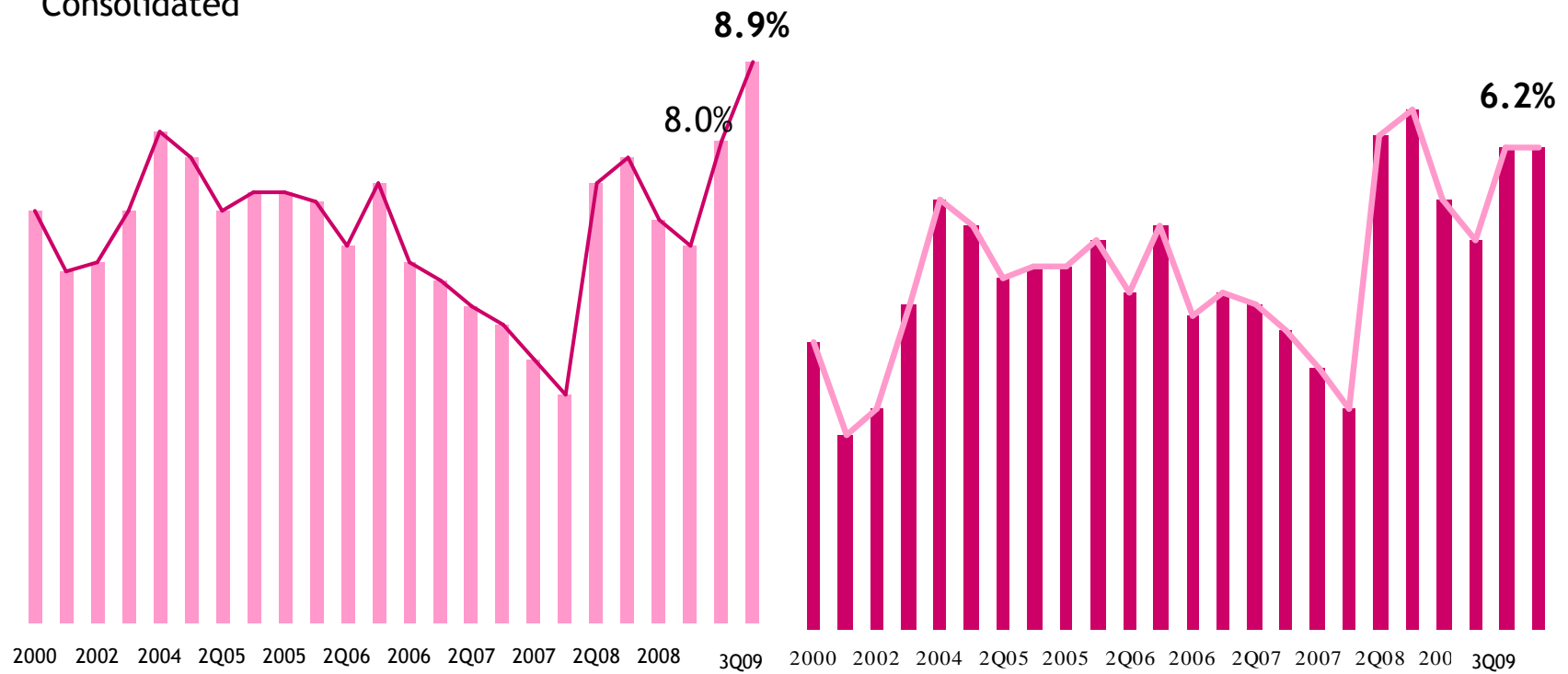


Note: On the 1<sup>st</sup> semester 2009, the Bank received authorization from Bank of Portugal to use the advanced methods for market and operational risks and is finalising the certification process to adopt the IRB method for credit and counterpart risk.

# Evolution of Millennium bcp's capital ratios

## Tier I and Core Tier I

Consolidated



Local GAAP until 2004. IFRS after 2004 inclusive.

## Pension responsibilities - actuarial assumptions

- 9.5% return of the Pension Fund in 9M2009
- Coverage of 111% of Pension Responsibilities
- Equity exposure reduction to 23% as at September 2009
- Actuarial gains of 694 million euros in 9M09 (450 million euros in 1H09)

	2006	2007	2008	1H09	9M09
Discount rate	4.75%	5.25%	5.75%	5.75%	5.75%
Salary growth rate	2.75%	3.25%	3.25%	2.75%	2.75%
Pensions growth rate	1.75%	2.25%	2.25%	1.75%	1.75%
Projected rate of return of fund assets	5.50%	5.50%	5.50%	5.50%	5.50%
Mortality Tables					
Men	TV 73/7 - 1 year *				
Women	TV 88/90	TV 88/90 - 2 years *			

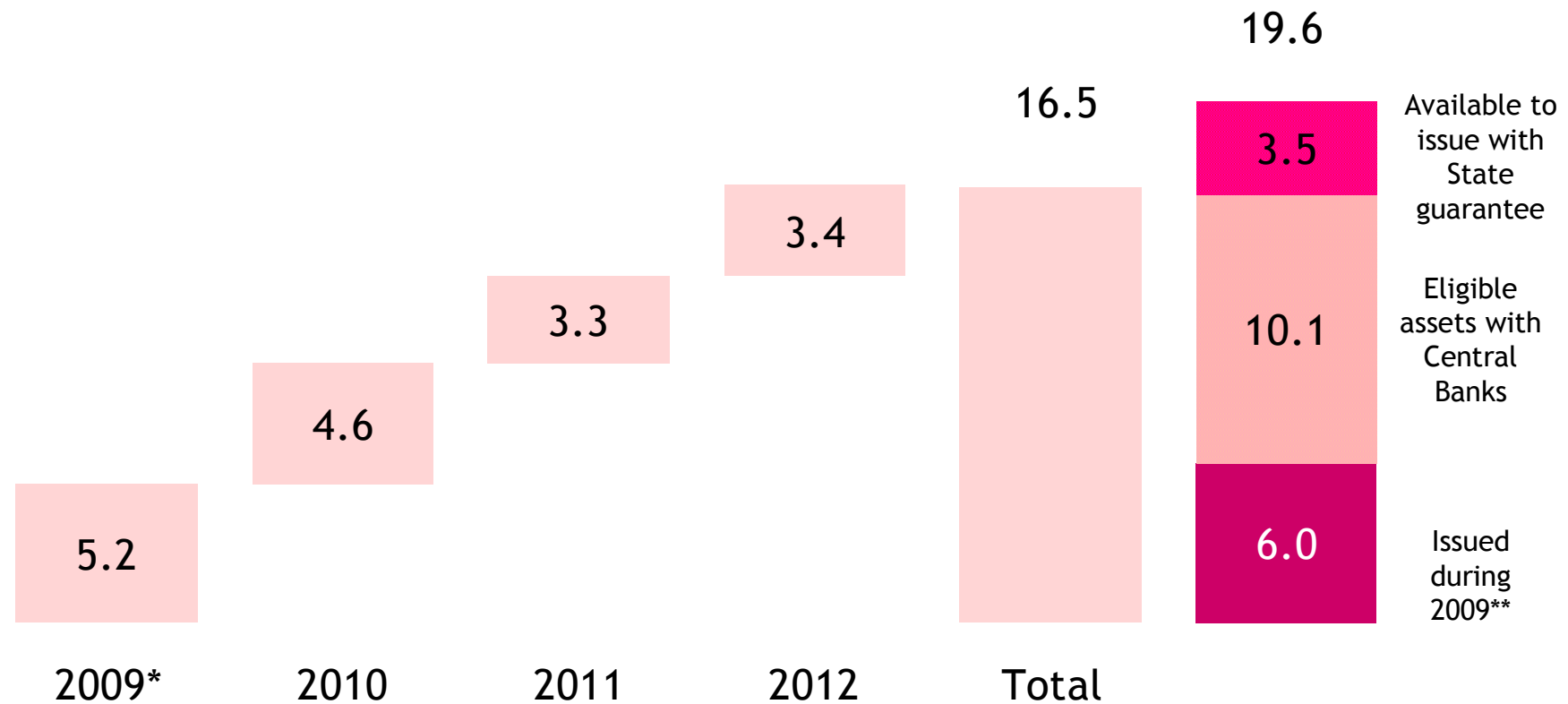
\* The mortality tables consider an age that is inferior to the effective age of the beneficiaries, minus 1 year for men and minus 2 years for women, which translates into a higher life expectancy.

# Liquidity position - conclusion of the 2009 financing plan, coverage until 2012

(Eur billion)

Refinancing needs of long term debt

Consolidated



\* Includes 0.5 billion euros of bonds that were early redeemed.

\*\* Includes the issue of 900 million de euros of Subordinated Perpetual Securities (June and August 2009) and 1 billion euros of covered bonds in the beginning of October).

# Income Statement

Consolidated

(Eur million)

	9M08	9M09	YoY
Net interest income	1,276.7	998.2	-21.8%
Commissions and other income	617.4	(1) 660.4	7.0%
Net income from trading activity	(2) -109.3	188.2	272.2%
Dividends and Equity acc. Earnings	64.9	52.1	-19.7%
<b>Banking income</b>	<b>1,849.8</b>	<b>1,898.9</b>	<b>2.7%</b>
Staff costs	(3) 690.6	667.1	-3.4%
Other administrative costs	473.4	426.7	-9.9%
Depreciation	82.5	78.6	-4.7%
<b>Operating costs</b>	<b>1,246.5</b>	<b>1,172.4</b>	<b>-5.9%</b>
<b>Operational profit before provisions</b>	<b>603.3</b>	<b>726.5</b>	<b>20.4%</b>
Loans impairment provisions (net of recoveries)	340.6	409.4	20.2%
Other provisions	13.4	75.4	
Income tax and minorities	(4) 107.2	63.5	-40.8%
<b>Net income</b>	<b>142.1</b>	<b>178.1</b>	<b>25.3%</b>

(1) includes capital gains arising from the sale of a participation in Banco Millennium Angola of 21.2 million euros and gains from the sale of assets of 57.2 million euros, in 2009

(2) Includes BPI's impairment of 247.0 million euros, in 2008

(3) Reduction, in 2008, of variable remuneration accrued in 2007 of 18.0 million euros

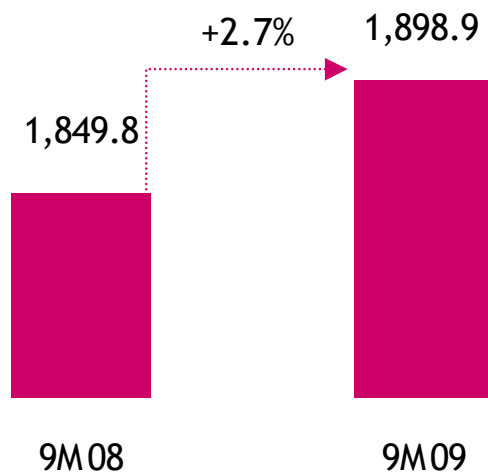
(4) tax impact of 28.0 million euros of the above mentioned items in 2008

# Strong cost control as core income remains under pressure

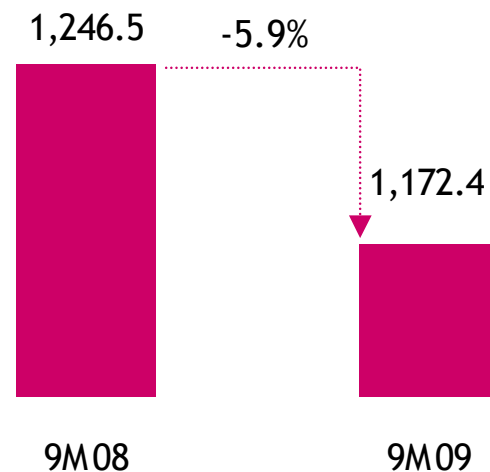
(Eur million)

Consolidated

## Banking Income\*



## Operating Costs



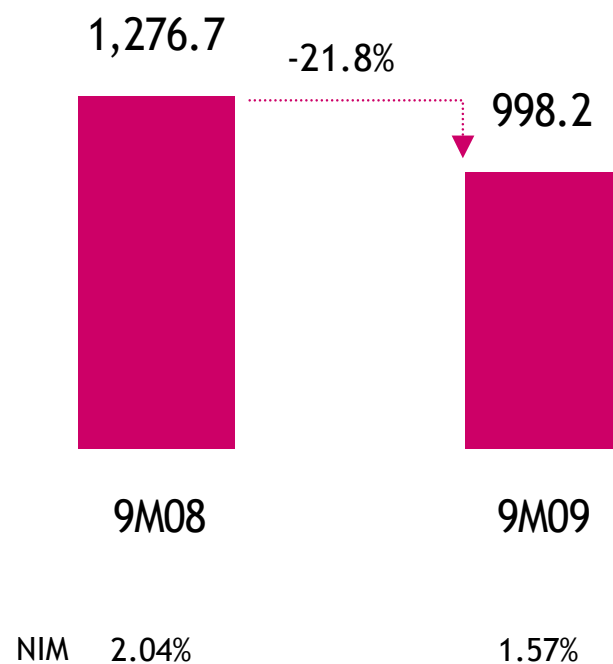
\* Includes net interest income, commissions, trading, dividends, other income and equity accounted earnings.

# Net interest income pressured by international operations and interest rates' decrease

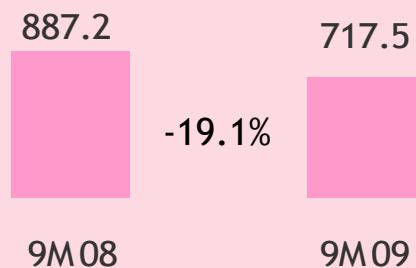
(Eur million)

## Net Interest Income

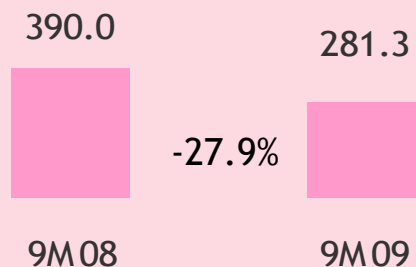
Consolidated



Portugal



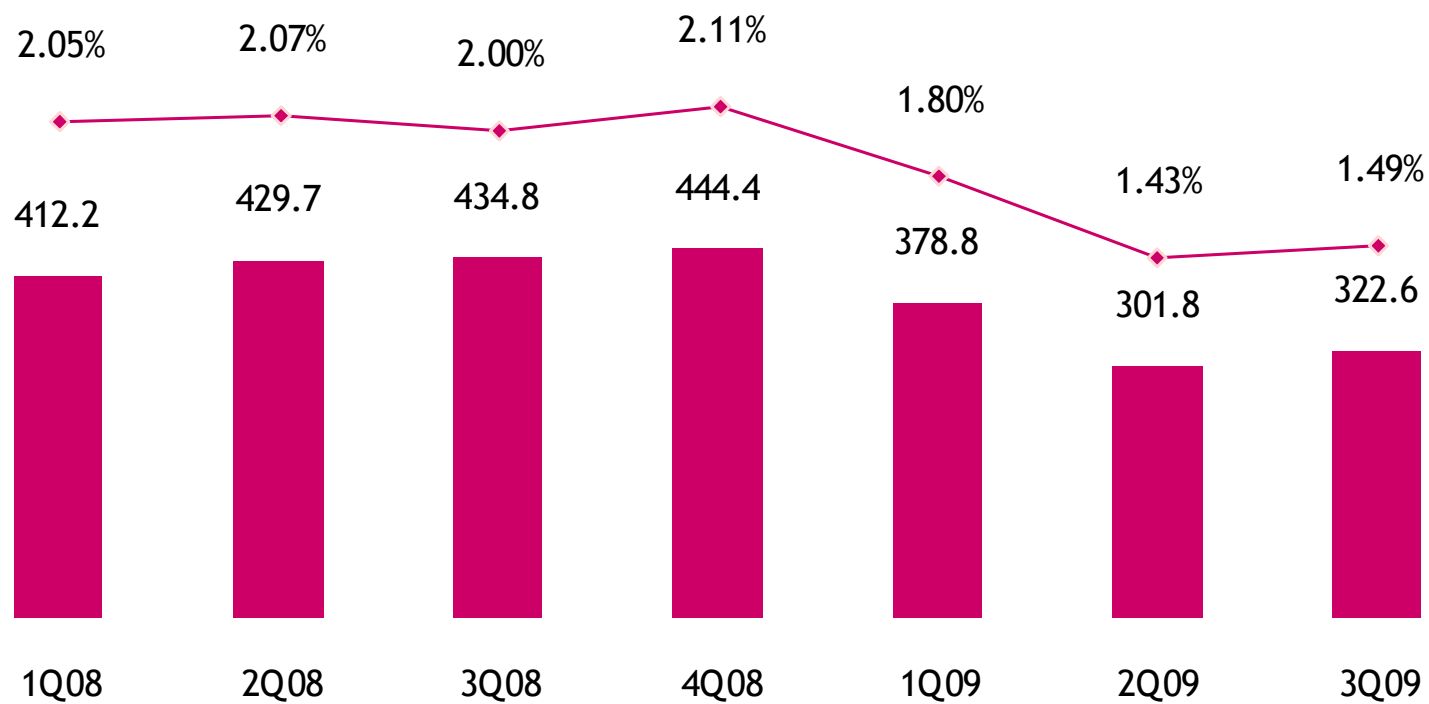
International Operations



## Net interest income grows in the third quarter

(Eur million)

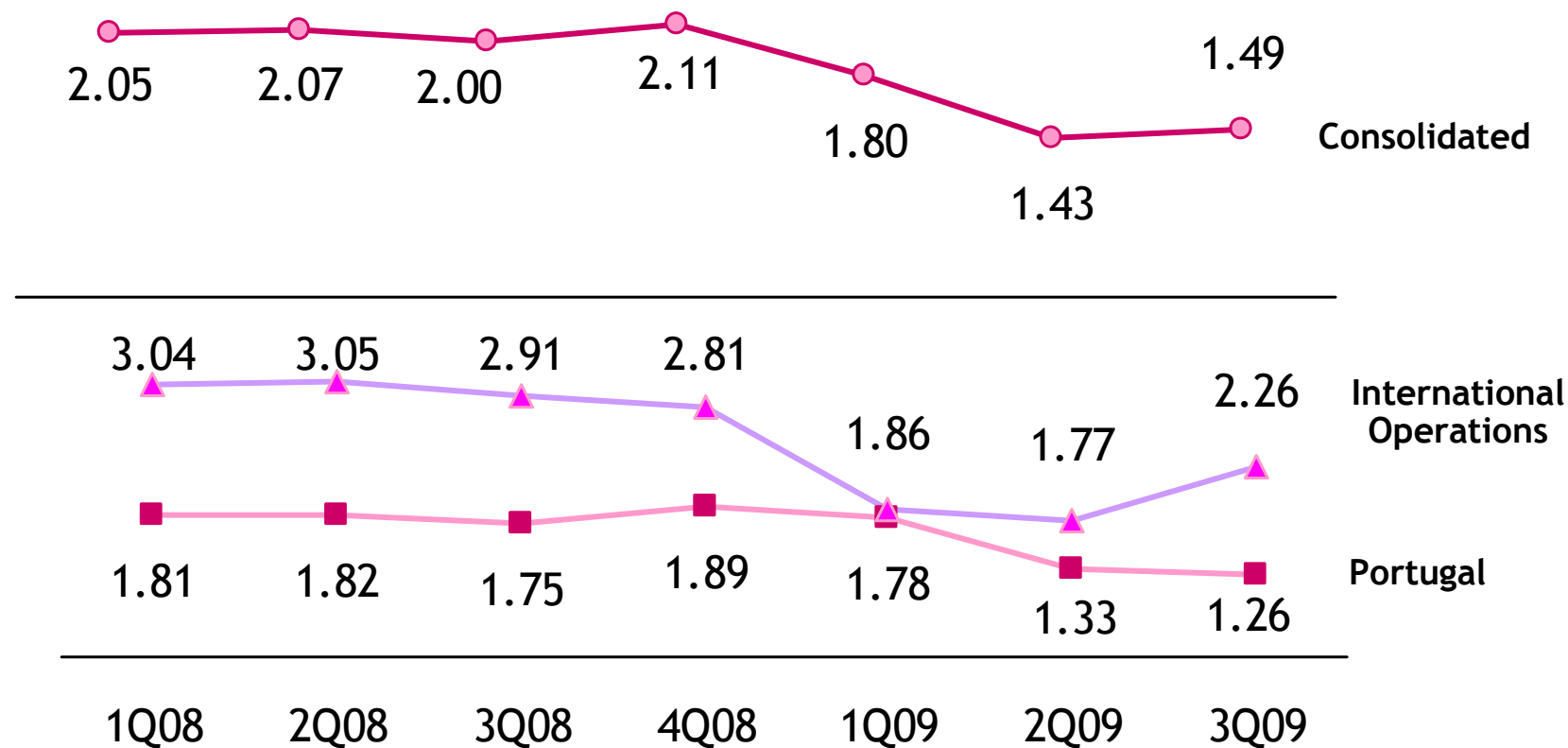
### Quarterly net interest income



# Net interest margin reversed the downward trend in the 3<sup>rd</sup> quarter

(Eur million)

## Net interest margin (%)



## Core banking commissions grow YoY; lower capital markets related commissions but recovering in the quarter

(Eur million)

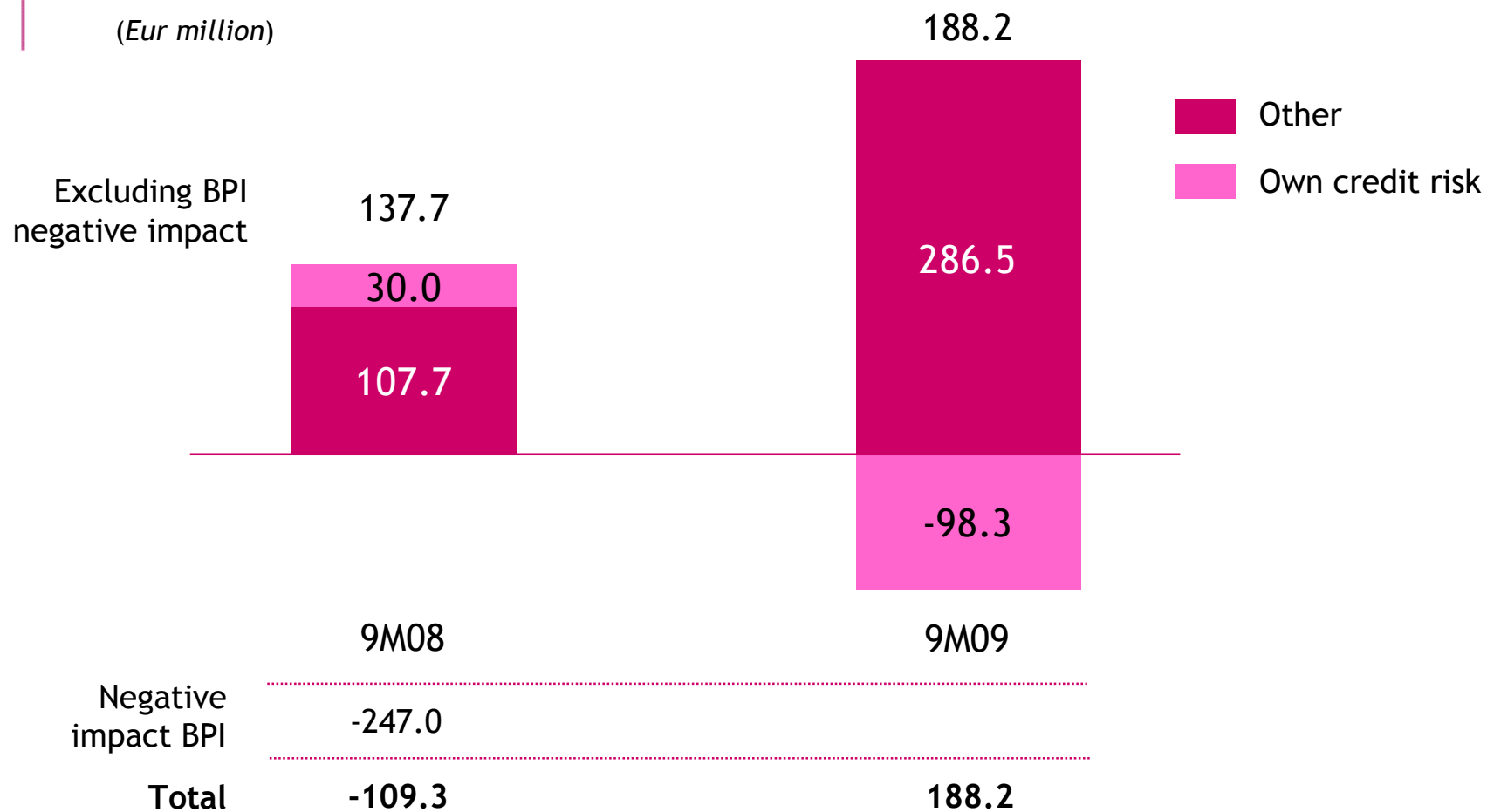
Consolidated

	9M08	9M09	Var.	3Q08	2Q08	3Q09	3Q09/ 3Q08	3Q09/ 2Q09
Banking commissions	382.0	399.0	4.5%	127.9	136.8	136.8	7.0%	0.0%
Cards	139.1	139.3	0.1%	49.4	45.6	48.9	-1.0%	7.2%
Loans	106.6	103.0	-3.4%	34.4	36.1	30.8	-10.5%	-14.7%
Other commissions	136.3	156.7	15.0%	44.2	55.1	57.1	29.2%	3.6%
<b>Market related commissions</b>	<b>171.0</b>	<b>134.7</b>	<b>-21.2%</b>	<b>57.5</b>	<b>41.1</b>	<b>50.3</b>	<b>-12.5%</b>	<b>22.4%</b>
Asset management	96.9	79.3	-18.2%	34.7	25.3	30.4	-12.4%	20.2%
Securities	74.1	55.4	-25.2%	22.7	15.8	20.0	-11.9%	26.6%
<b>Total Commissions</b>	<b>553.0</b>	<b>533.8</b>	<b>-3.5%</b>	<b>185.4</b>	<b>177.9</b>	<b>187.1</b>	<b>1.0%</b>	<b>5.2%</b>

# Net income from trading activity

## Net income from trading activity

(Eur million)

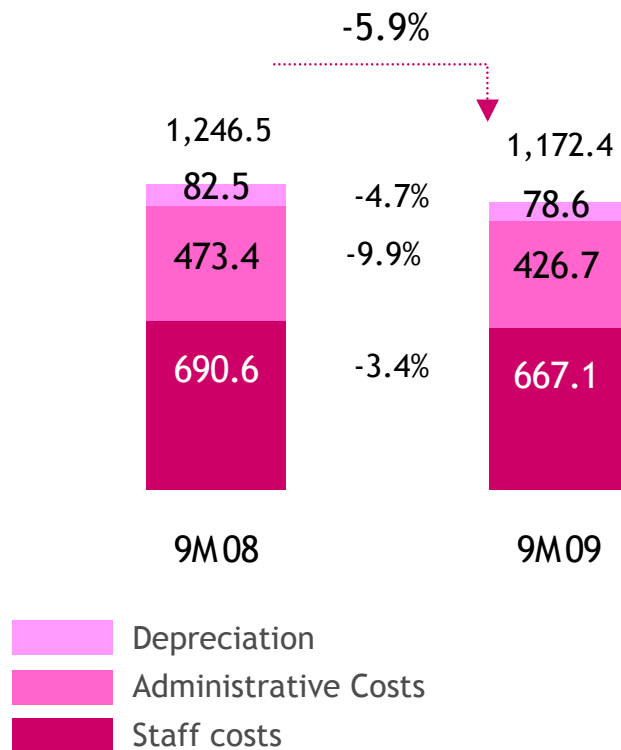


# Strong cost control both in Portugal and in international operations

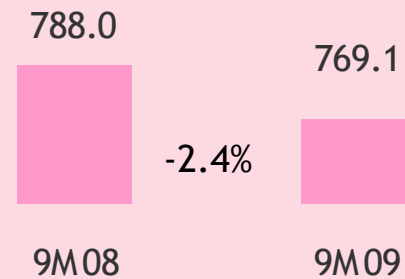
(Eur million)

## Operating Costs

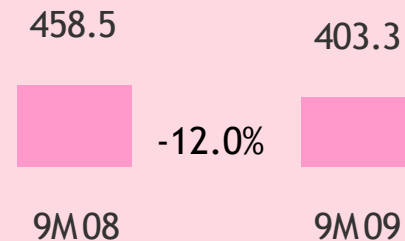
### Consolidated



### Portugal



### International Operations



Includes the reduction, in 2008, of variable remuneration accrued in 2007 of 18 million euros.

# Staff cost containment in all geographies except Africa

(Eur million)

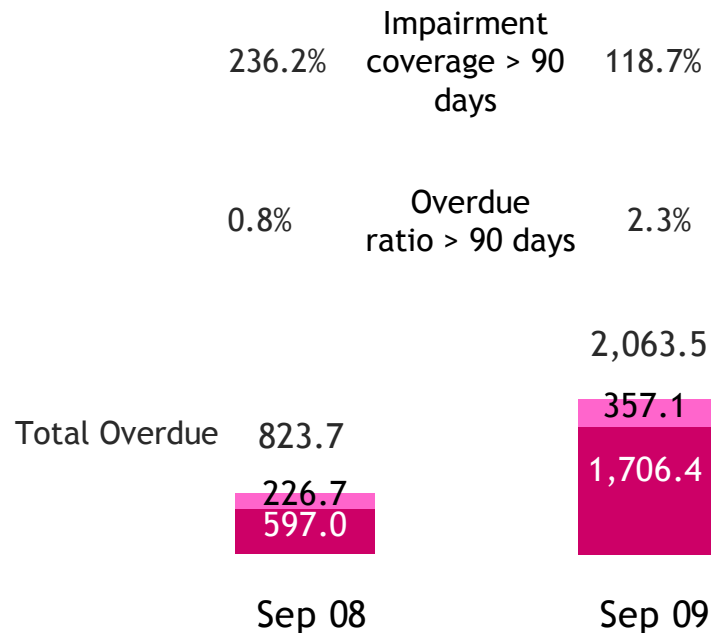
	9M08	9M09	Change
<b>Portugal</b>	<b>455.3</b>	<b>478.8</b>	<b>5.2%</b>
Remunerations	377.7	361.7	-4.2%
Pension costs	77.6	117.1	50.9%
<b>International operations</b>	<b>235.3</b>	<b>188.3</b>	<b>-20.0%</b>
Poland	133.1	82.2	-38.2%
Greece	46.0	44.8	-2.6%
Romania	13.2	12.8	-3.0%
Turkey	10.8	9.4	-13.0%
USA	9.5	8.6	-9.5%
Mozambique	18.8	21.9	16.5%
Angola	3.9	8.6	120.5%
<b>Staff costs</b>	<b>690.6</b>	<b>667.1</b>	<b>-3.4%</b>

# Cost of risk and asset quality at expected level and in line with current economic cycle

(Eur million)

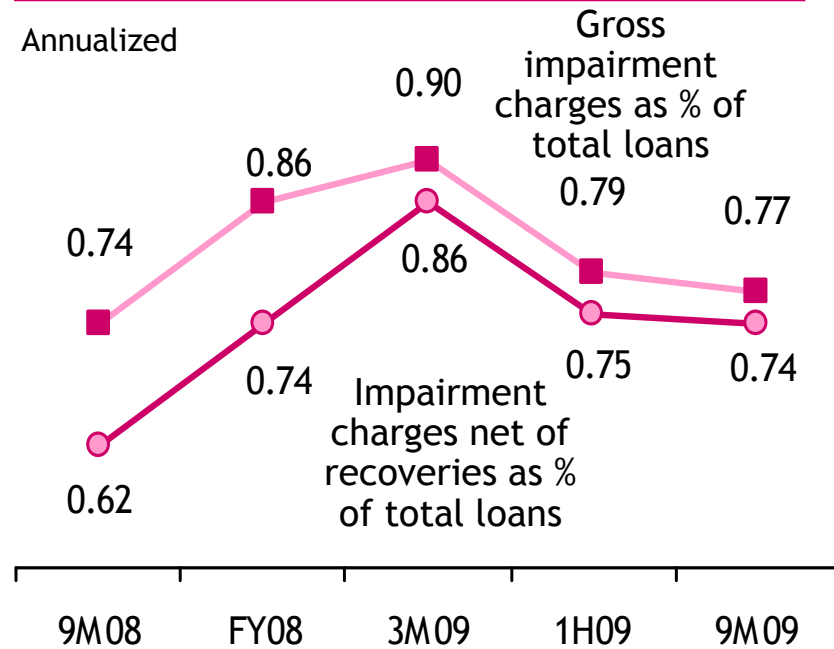
Consolidated

## Credit quality\*



< 90 days  
 > 90 days

## Impairment charges as % of total loans\*

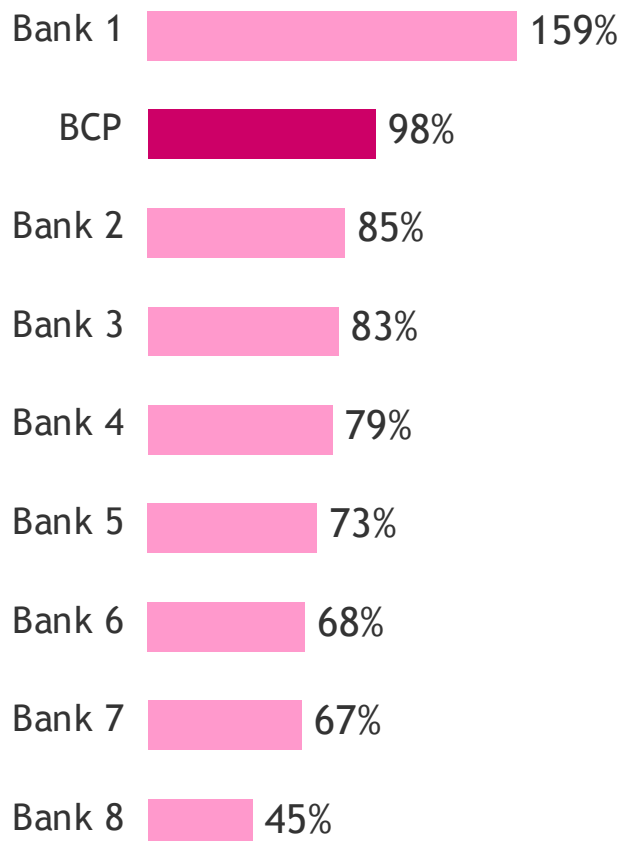


Up until December 31, 2008, in accordance with the criteria adopted by the Group, non-performing loans that were completely covered by provisions were written off from assets when impairments corresponded to 100%. In the first quarter of 2009, following Circular Letter #15/2009 from Banco de Portugal, the Bank began to write off only the non-performing loans completely covered that it considers unrecoverable. As a result of this change 241 million euros was returned to the asset side of the Balance Sheet.

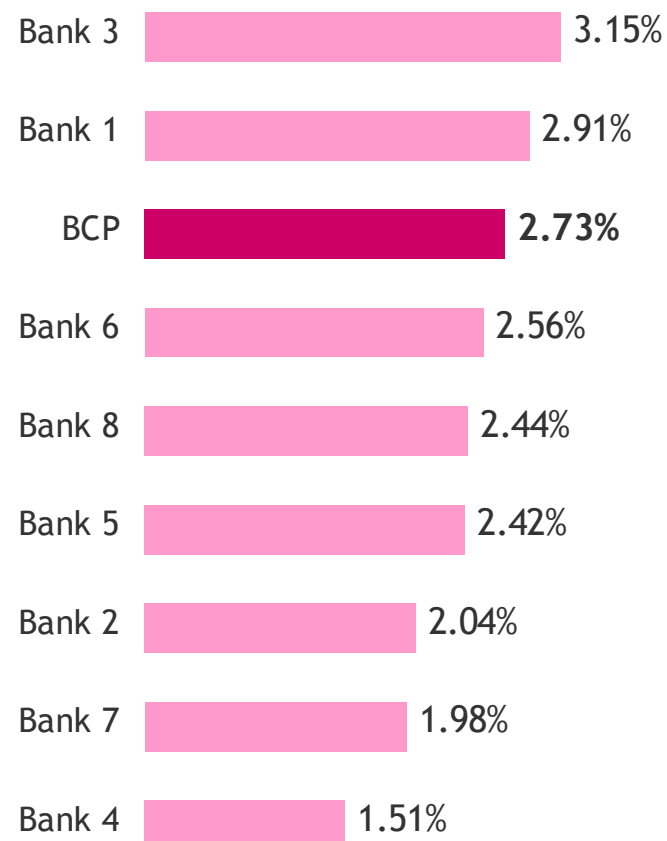
\* Excluding securities reclassified as credit.

# Millennium BCP presents one of the better provisioning levels among the Iberian banks

## Overdue loans coverage \*



## On balance sheet total provisions as a loan %



Source: Banks' reports, 3<sup>rd</sup> Quarter 2009. BCP excludes securities reclassified as credit.

\* Portuguese banks coverage of past due loans according to the rules of the Bank of Portugal. Spanish banks according to the rules of the Bank of Spain.

# Agenda

- Portugal
- International operations



# Income Statement

(Eur million)

		9M08	9M09	YoY
Net interest income		887.2	717.5	-19.1%
Commissions and other income		449.4 (1)	520.2	15.8%
Net income from trading activity	(2)	-238.6	68.9	128.9%
Dividends and Equity acc. Earnings		64.5	50.0	-22.5%
<b>Banking income</b>		<b>1,162.5</b>	<b>1,356.7</b>	<b>16.7%</b>
Staff costs	(3)	455.3	478.8	5.2%
Other administrative costs		282.2	244.5	-13.4%
Depreciation		50.5	45.8	-9.4%
<b>Operating costs</b>		<b>788.0</b>	<b>769.1</b>	<b>-2.4%</b>
<b>Operational profit before provisions</b>		<b>374.4</b>	<b>587.6</b>	<b>56.9%</b>
Loans impairment provisions <small>(net of recoveries)</small>		295.9	283.6	-4.1%
Other provisions		11.9	73.2	
Income tax and minorities	(4)	18.3	41.0	124.5%
<b>Net income</b>		<b>48.4</b>	<b>189.8</b>	<b>291.9%</b>

(1) includes capital gains arising from the sale of a participation in Banco Millennium Angola of 21.2 million euros and gains from the sale of assets of 57.2 million euros, in 2009

(2) Includes BPI's impairment of 247.0 million euros, in 2008

(3) Reduction, in 2008, of variable remuneration accrued in 2007 of 18.0 million euros

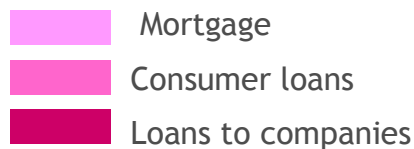
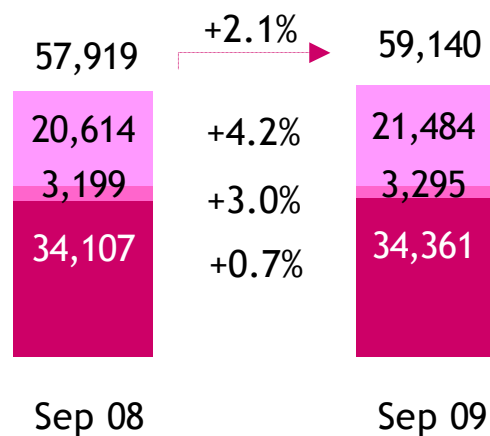
(4) tax impact of 28.0 million euros of the above mentioned items in 2008

# Balanced growth of loans and on-balance-sheet customers' funds



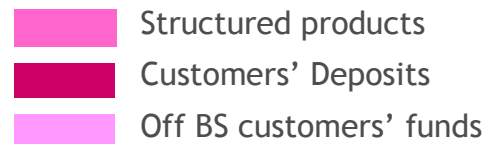
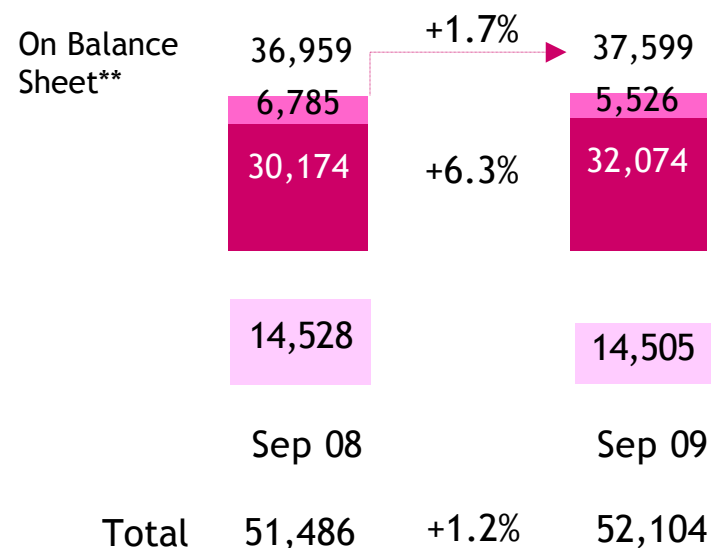
## Loans to customers\* (gross)

Eur million



## Customers' funds

Eur million



\* Excluding securities reclassified as credit.

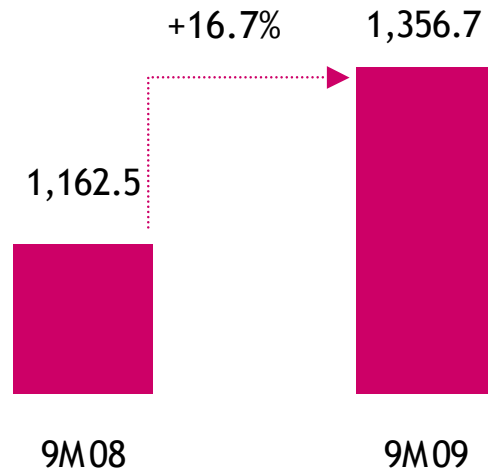
\*\* Including deposits, certificates of deposits and debt securities placed with customers.

# Strict cost control as core operating revenues are under pressure



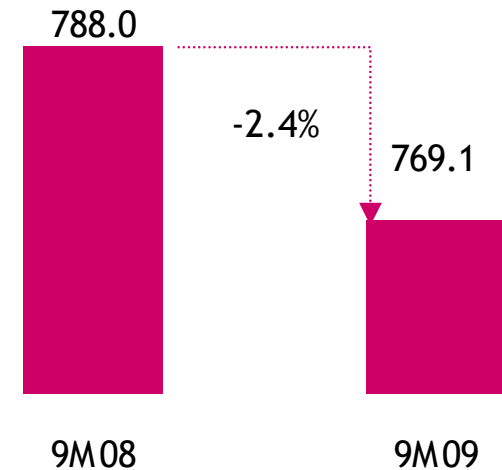
## Banking Income\*

Eur million



## Operating Costs

Eur million



57.2% Cost-to-income ratio 60.2%

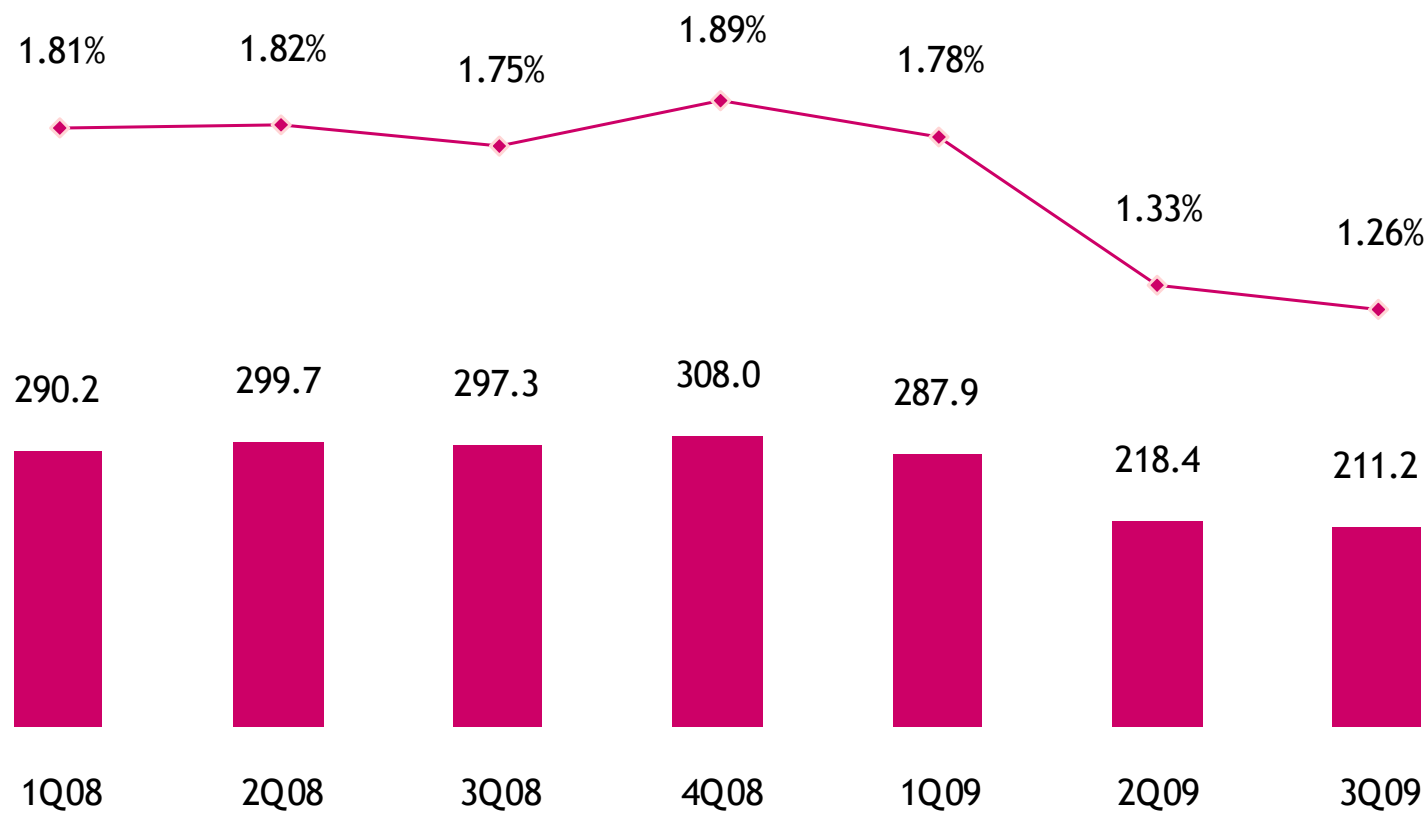
\* Includes net interest income, commissions, trading, dividends, other income and equity accounted earnings.

## Slowdown in net interest income decline in the 3<sup>rd</sup> quarter



### Quarterly net interest income

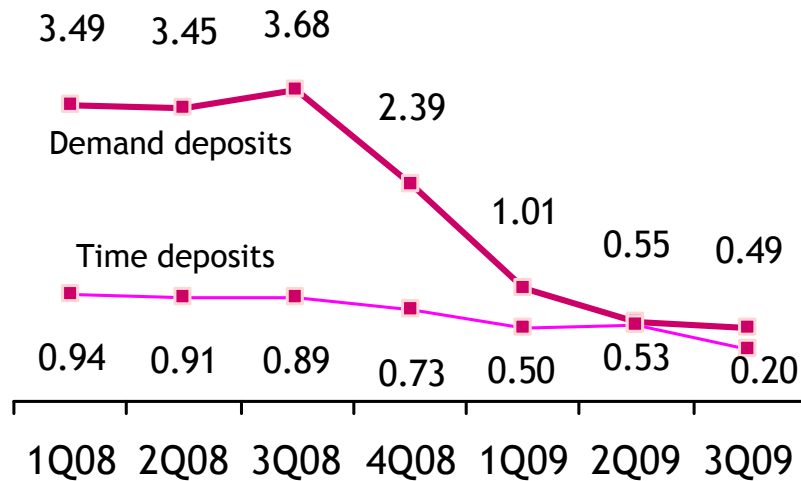
Eur million



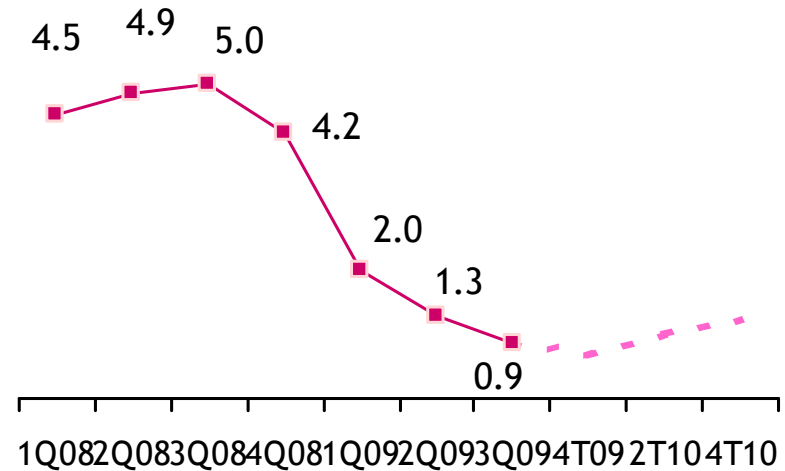
# Deposit margin declines with the steep fall of interest rates



## Deposit spreads (%)



## Euribor 3m (% , quarterly average\*)



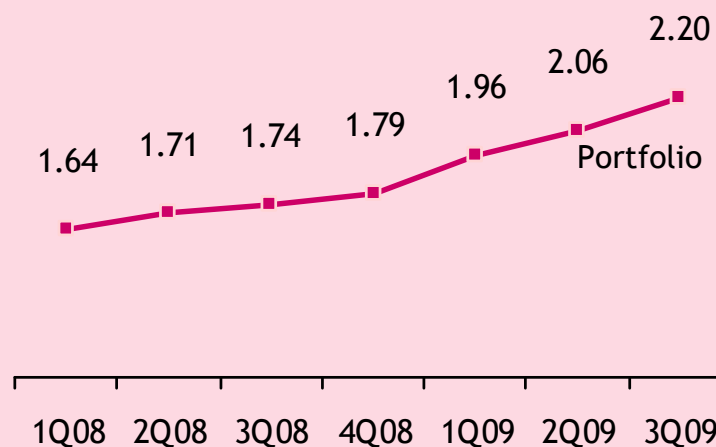
- Steep decline in market rates penalises deposit spreads

\* Euribor 3 months after 3Q09 based on market forward rates

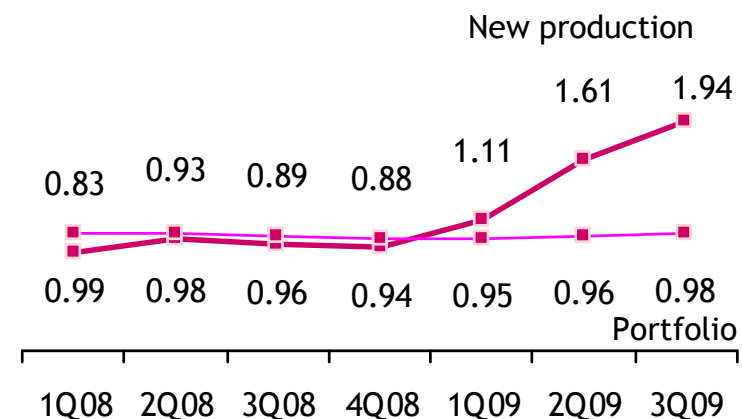
## Repricing speed was insufficient to offset the reduction of deposit margin



### Corporates (contractual spread, %)



### Mortgage (contractual spread, %)



- *Repricing* of corporates portfolio (58% of total loans) up to 3 years, with visible impact in Corporate and Companies' NII
- Mortgage portfolio (36% of loans) cannot be re-priced. New production booked with adequate spreads

# Recovery in commissions YoY and QoQ



(Eur million)

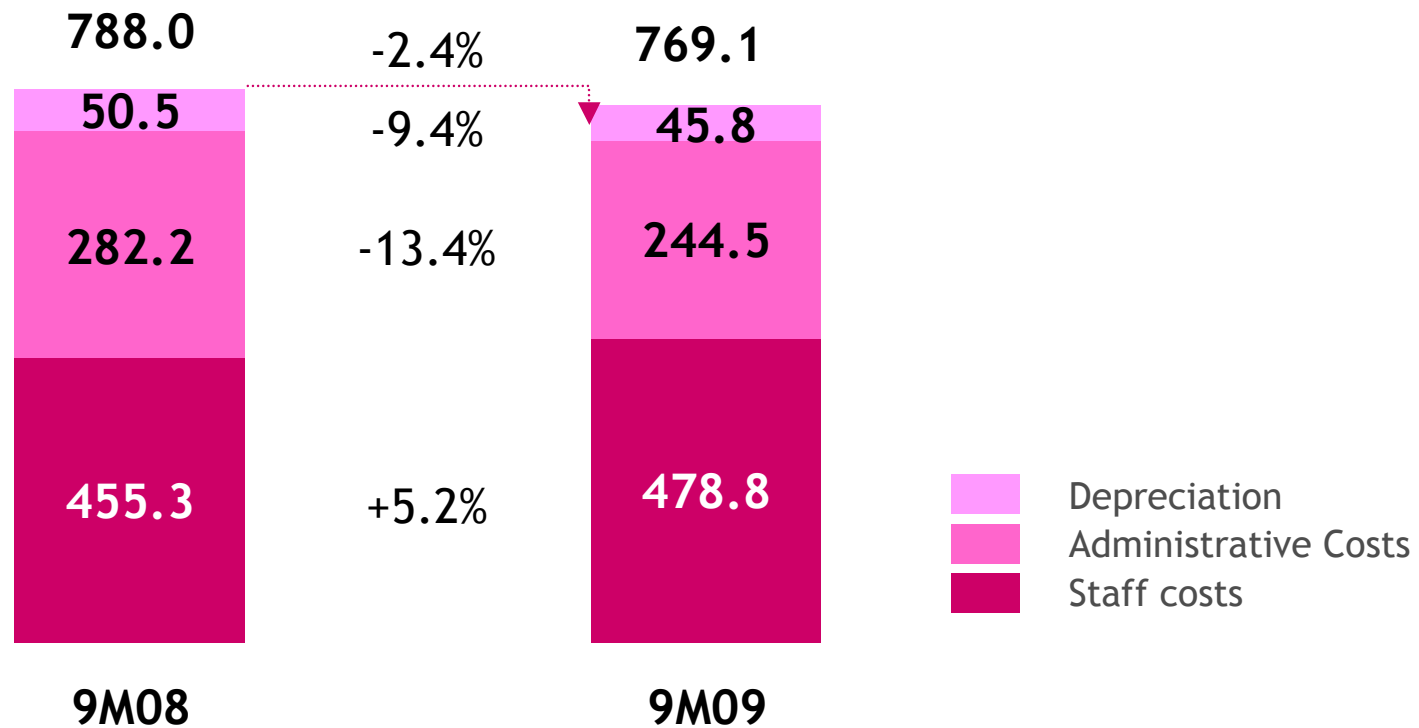
	9M08	9M09	Var.	3Q08	2QT09	3Q09	3Q09/ 3Q08	3Q09/ 2Q09
Banking commissions	273.4	293.5	7.3%	91.4	105.0	98.8	8.2%	-5.8%
Cards	82.3	85.1	3.4%	28.4	28.3	29.1	2.6%	3.0%
Loans	73.6	77.3	5.0%	24.0	29.3	23.6	-1.6%	-19.3%
Other commissions	117.5	131.1	11.6%	39.0	47.4	46.1	18.3%	-2.7%
Market related commissions	123.3	105.0	-14.8%	42.6	31.7	38.7	-9.3%	22.1%
Asset management	67.1	64.9	-3.3%	26.3	20.7	24.6	-6.7%	18.8%
Securities	56.2	40.1	-28.6%	16.3	11.0	14.1	-13.6%	28.3%
<b>Total Commissions</b>	<b>396.8</b>	<b>398.5</b>	<b>0.4%</b>	<b>134.1</b>	<b>136.6</b>	<b>137.5</b>	<b>2.6%</b>	<b>0.7%</b>

# Operational costs in Portugal drops 2.4%



## Operational costs

(Eur millions)



## Strong administrative costs' cutting in Portugal



(Eur million)

	9M08	9M09	Change
Outsourcing	60.9	52.7	-13.5%
Rents	44.0	44.2	0.4%
Communications	24.5	22.2	-9.5%
Maintenance	17.7	17.4	-1.6%
Advertising	18.5	16.6	-10.8%
Consulting	13.7	10.4	-23.7%
Travels	10.2	7.3	-28.3%
Insurance	8.6	6.5	-24.1%
Independent work	9.6	6.3	-34.9%
Consumables	5.7	4.3	-25.7%
Transport of values	5.7	4.9	-13.3%
Security	2.4	2.1	-13.0%
Others	60.6	49.7	-18.0%
<b>Administrative costs</b>	<b>282.2</b>	<b>244.5</b>	<b>-13.4%</b>

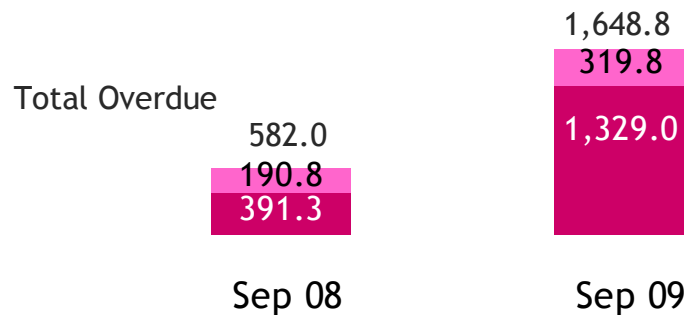
# Cost of risk and asset quality at expected levels and in line with current economic cycle



## Credit Quality\*

Eur million

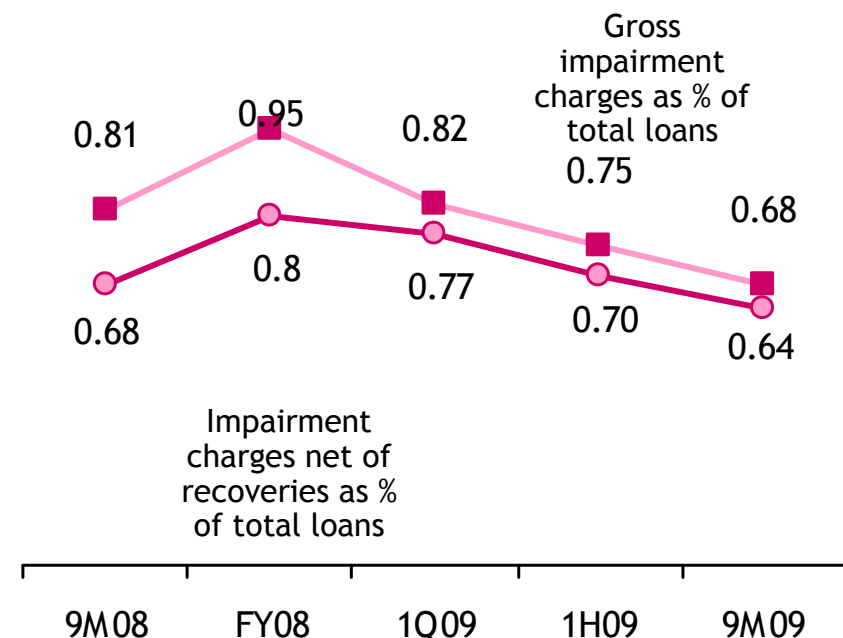
290.8%	Impairment coverage > 90 days	123.1%
0.7%	Overdue ratio > 90 days	2.2%



■ < 90 days  
■ > 90 days

## Impairment charges as % of total loans\* (annualized)

Eur million



Up until December 31 2008, in accordance with the criteria adopted by the Group, non-performing loans that were completely covered by provisions were written off from assets when impairments corresponded to 100%. In the first quarter of 2009, following Circular Letter #15/2009 from Banco de Portugal, the Bank began to write off only the non-performing loans completely covered that it considers unrecoverable. As a result of this change 241 million euros was returned to the asset side of the Balance Sheet.

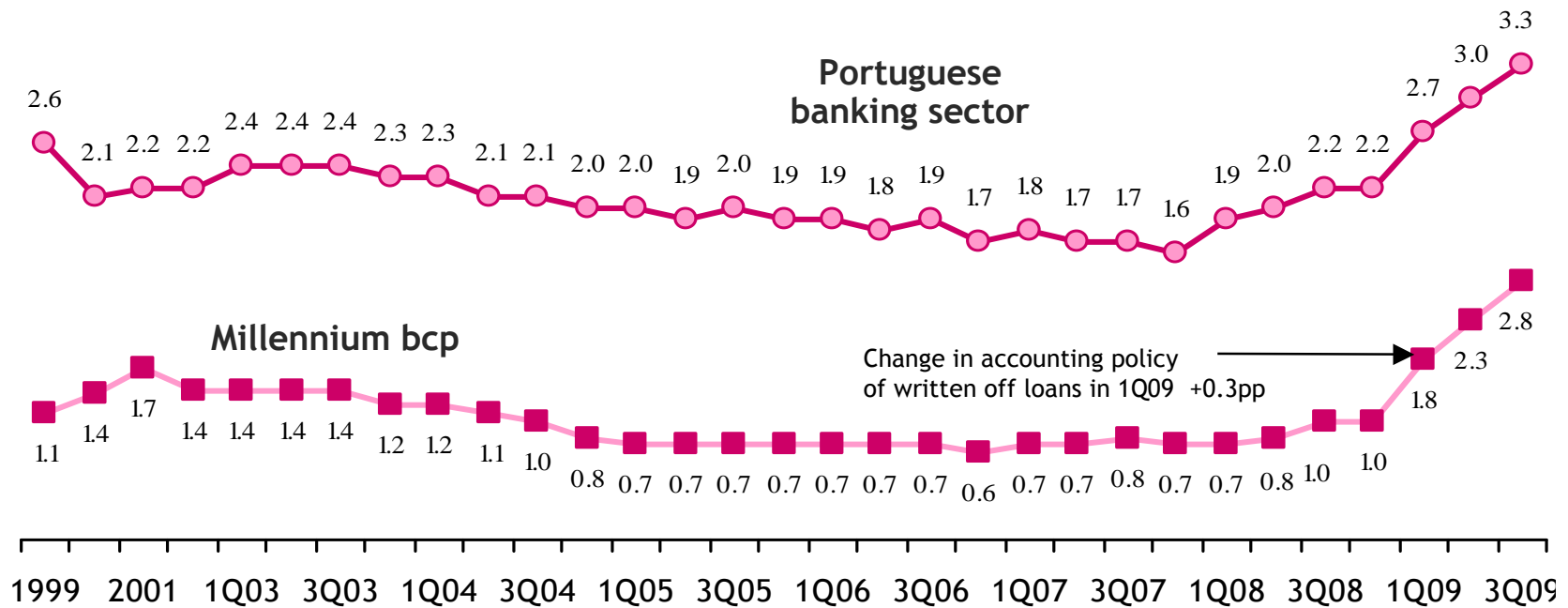
\* Excludes securities reclassified as credit.



# Evolution of Past Due ratio in Portugal



## Total Past Due ratio



\* For 3Q09, sector data August 2009, for BCP September 2009

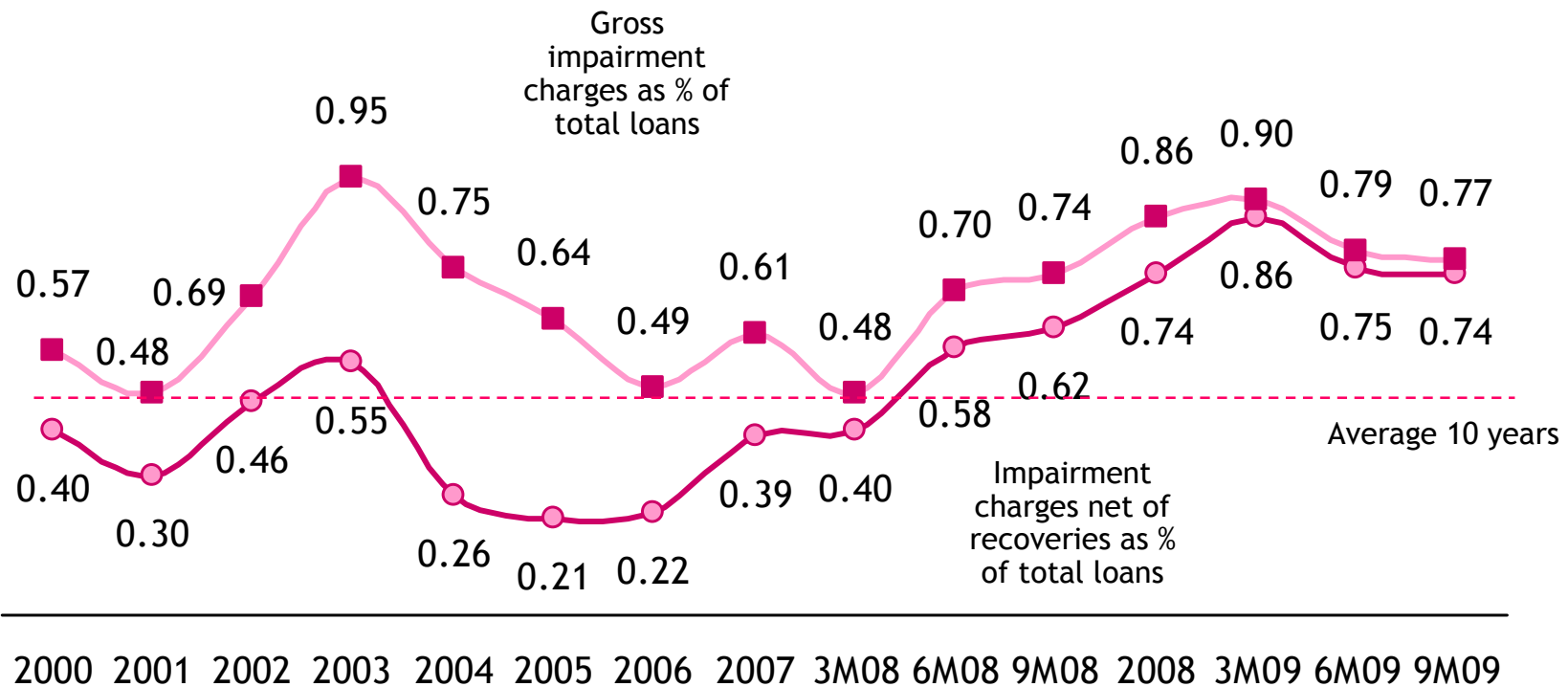
Note: About 0.4pp of the increase in Millennium bcp in the 1Q09 reflects the change in accounting procedure of written-off loans.

Source: Bank of Portugal and BCP



# Cost of risk stabilization

## Impairment charges as % of total loans (accumulated annualized figures)



\* Excluding securities reclassified as credit



# Agenda

- Portugal
- International operations

## International operations with impact from current economic and financial crisis

	9M08	9M09	Variation
<b>International operations</b>	<b>93.7</b>	<b>-11.6</b>	<b>-112.4%</b>
Poland	110.0	-14.9	-113.6%
Mozambique	38.1	39.3	3.3%
Angola	3.7	10.5	188.0%
Greece	14.1	7.0	-50.3%
Romania	-21.8	-26.7	-22.4%
Turkey	2.8	-6.2	<200%
USA	-2.5	-8.3	<200%

Romania includes costs registered in BCP



# Poland: a capital increase to support an ambitious growth strategy



## Bank Millennium will issue around PLN 1 billion capital through a rights issue

- ✓ A proposal will be submitted to the General Shareholders Meeting aimed at obtaining permission to the issuance of up to 425 million shares (representing up to 50% of the existing number of shares and up to 33% of the post-capital increase number of shares)
- ✓ The price of the issue will be decided and announced before the beginning of the subscription period.
- ✓ BCP will exercise its share in the capital increase retaining a 65.5% shareholding stake. The part of minority shareholders is expected to be fully underwritten by HSBC.
- ✓ The Bank expects to be able to complete the rights issue by the end of 1Q 2010.

## Justifications:

MAIN

- ✓ The capital increase is mainly aimed at supporting the ambitious business growth included in the new medium term targets and financing the investment plan for the next 3 years

OTHER

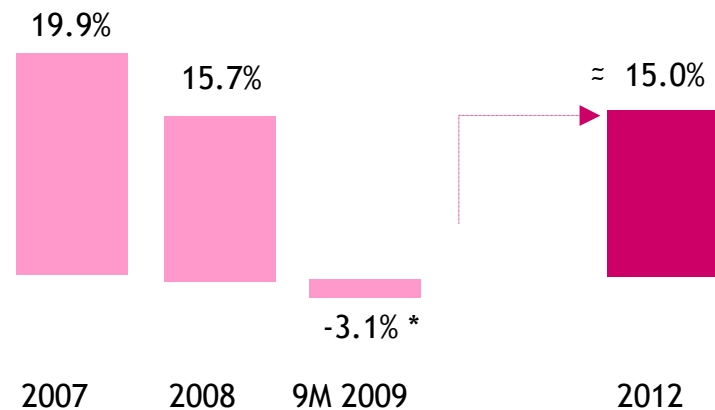
- ✓ The strong commitment and support from our main shareholder
- ✓ Anticipate a likely move of many banks to issue new capital\*
- ✓ Increase cushion to absorb further volatility of the zloty

\* in the last weeks, several international Banks have been executing or announcing increases in their capital base

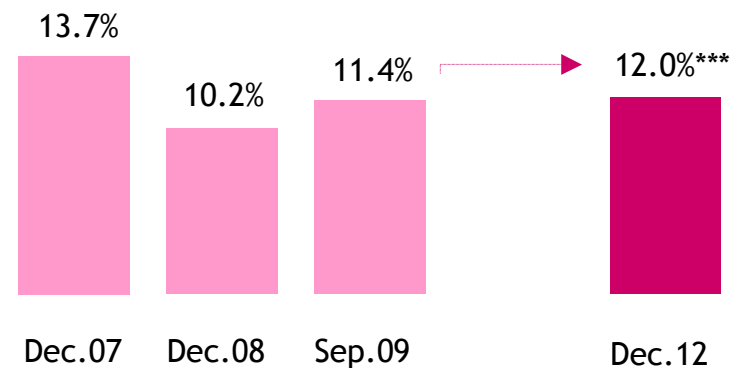
# Poland: new medium-term financial targets



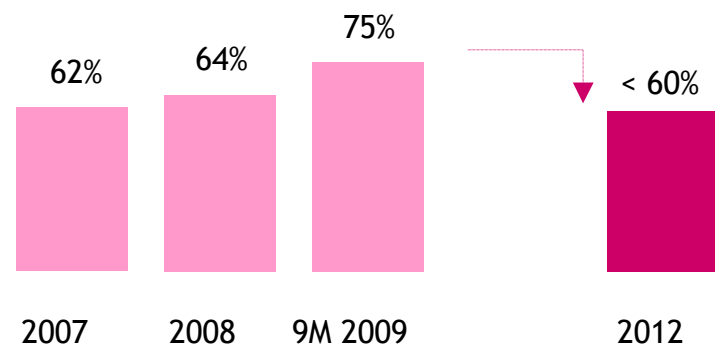
## ROE



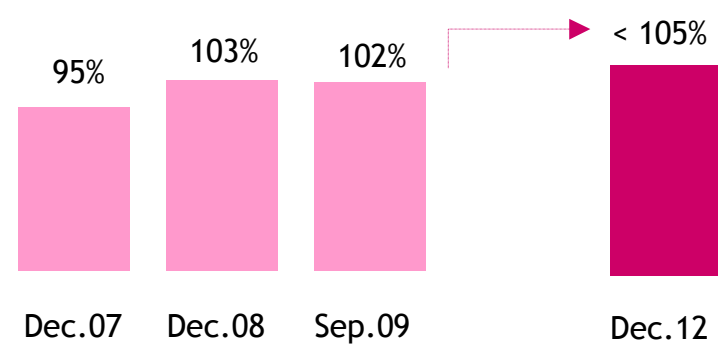
## Capital Adequacy Ratio



## Cost-to-Income Ratio



## Loan-to-Deposits Ratio \*\*



\* Annualized.

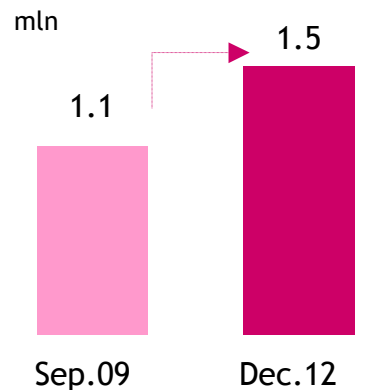
\*\* Including bonds placed in retail customers, funds from securitization and sell & buy-back operations with customers.

\*\*\* Comfortably above minimum regulatory requirements.

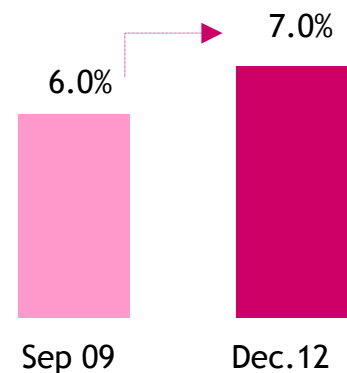
# Poland: New medium-term business targets



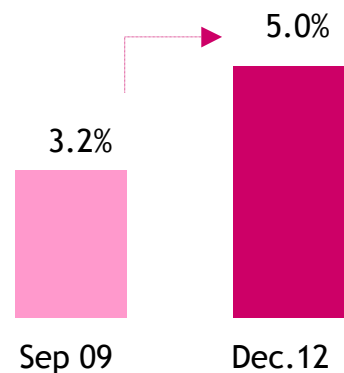
**Number of Retail Active Clients**



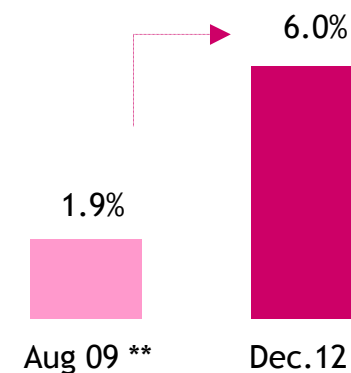
**Deposits from Individuals Market Share**



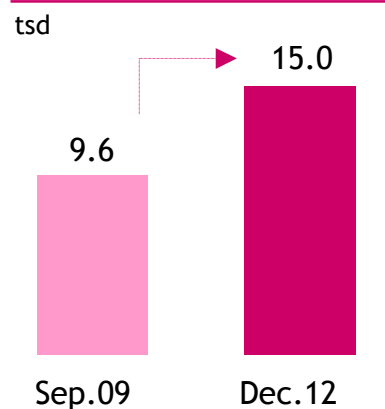
**Mutual Funds Market Share**



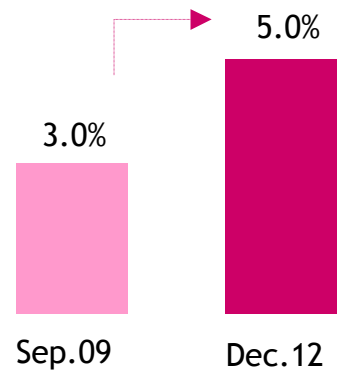
**YTD Mortgage Production Market Share**



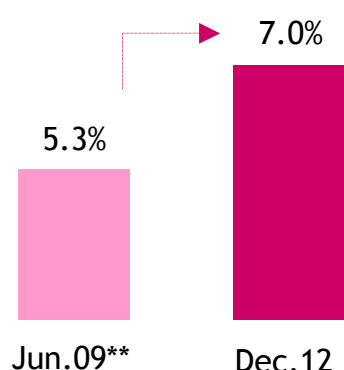
**Number of Corporate Active Clients**



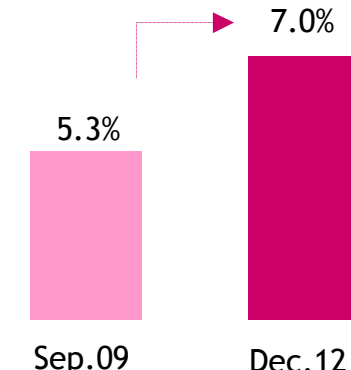
**Loans to Companies Market Share**



**YTD Leasing Production Market Share**



**YTD Factoring Turnover Market Share**



\* Total mutual funds sold by Bank Millennium

\*\* Latest data available

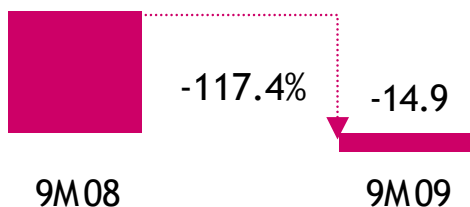
# Net income affected by extraordinary provision



## Net profit

(Eur million)

85.5

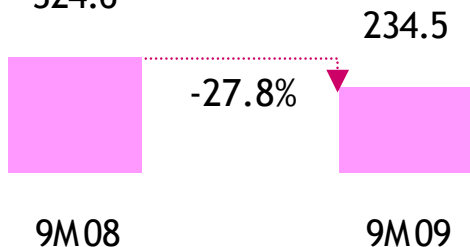


- Net profit for 9M 2009 was influenced by:
  - Extraordinary provisions of EUR 24.4million for corporate exposures
  - further achievements in cost reduction
  - The Bank achieved a cost reduction of 11% in 9M 2009 compared to 9M 2008.
- Operating income decreased by 28%, however in a quarterly basis it stabilised

## Total operating income

(Eur million)

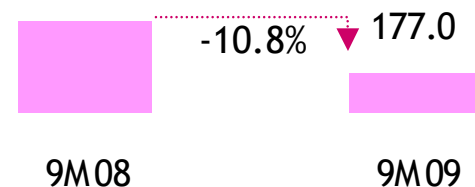
324.6



## Total operating costs

(Eur million)

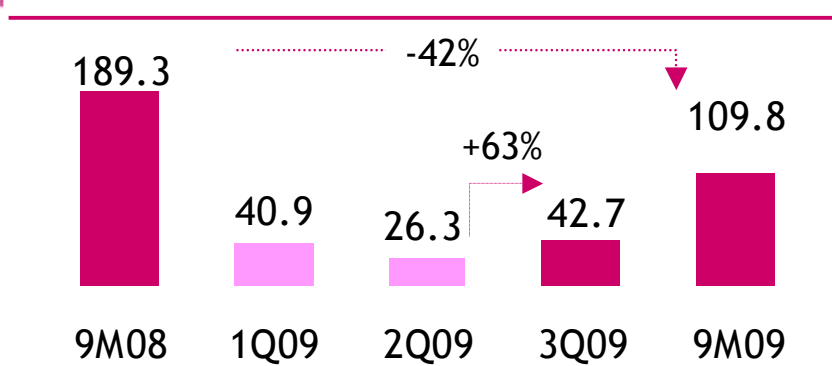
198.4



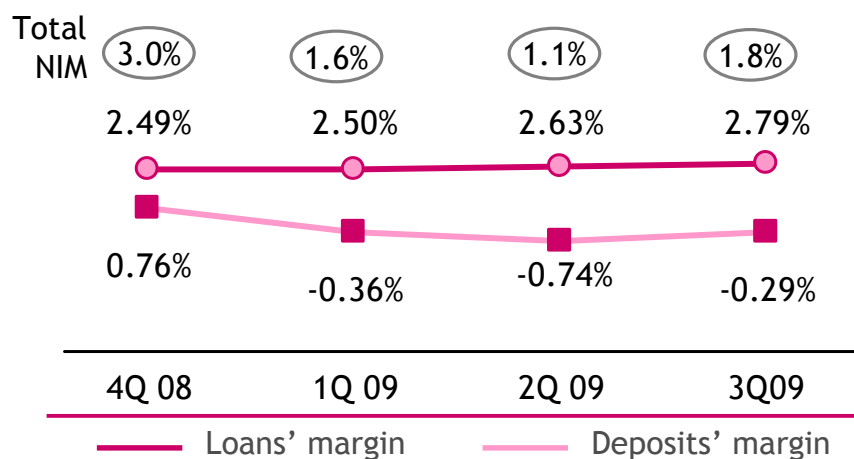
# Recovery of net interest income in the 3<sup>rd</sup> quarter



**Net interest income\***  
(Eur million)



**NIM evolution\* (quarterly)**



- Net Interest Income rebounded strongly, growing 63% q/q as a result of strict management of deposit cost, improvement of loans margin and lower cost of funding in foreign currencies through FX swaps and cross-currency swaps.
- The price war for deposits in the Polish market is rising again after some easing between June and August.
- As a result of the above, Net Interest Margin increased during 3Q 09 to 1.8%, exceeding the level experienced in 1Q 09.

\* Pro-forma data. Margin from all derivatives, including those hedging FX denominated loan portfolio, is presented in Net Interest Income, whereas in accounting terms part of this margin (EUR 18.6 m in 9M 09 and EUR 30.1 m in 9M 08) is presented in Result on Financial Operations.

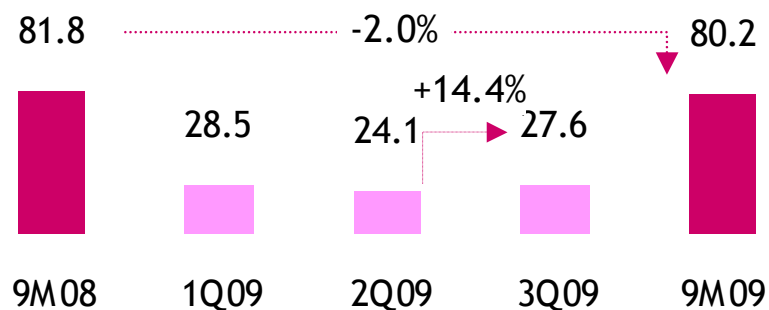
Since 2009 new methodology applied which transferred FX impact on accrued interests from Net Interest Income to FX gains (also in comparable data) Excluding the FX effect. Rates €PLN used: Profit and Loss account 4.4211, Balance Sheet 4.2295.

# Net commissions and other income



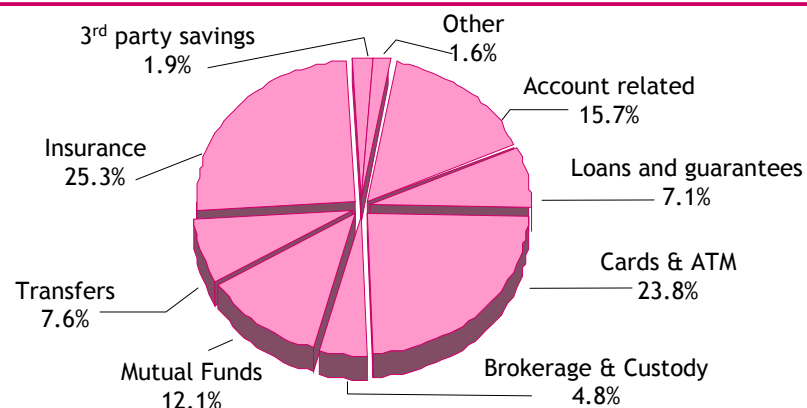
## Net commission income

(Eur million)



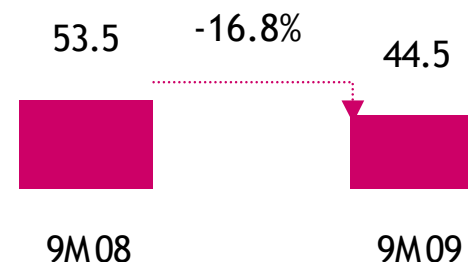
- Net Commissions in 9M 09 were on similar level to those in 1-3Q 08. The Bank was able to compensate much lower commissions from investment products and brokerage with other commissions items.
- The quarterly commissions increased visibly by 14.4% not only from capital market items but also from cards and accounts related fees.
- Trading and other operating income\* decreased by 17% y/y due to negative valuation of some financial instruments in 3Q 09.

## Net commission breakdown - 9M09



## FX, financial operations and other

(Eur million)



Excluding the FX effect. Rates €PLN used: Profit and Loss account 4.4211, Balance Sheet 4.2295.

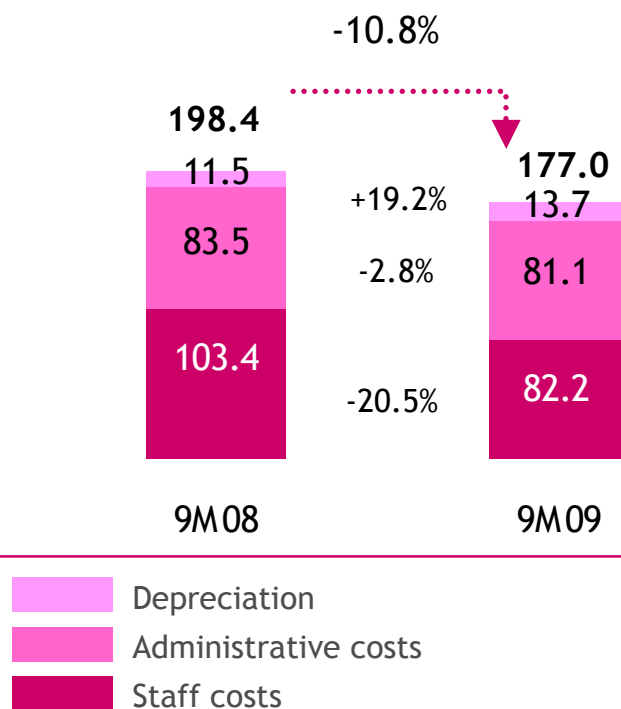
\* Including FX income, result on financial operations, dividends and other operating income and costs.

# Strong cost control, closer to 2010 targets

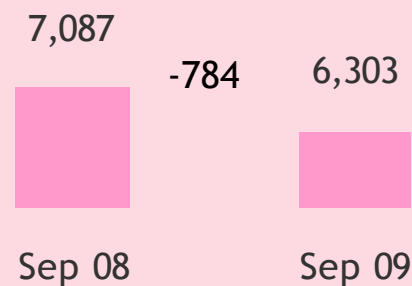


## Operating costs

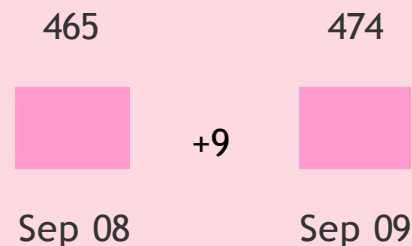
(Eur million)



## Number of employees



## Number of branches



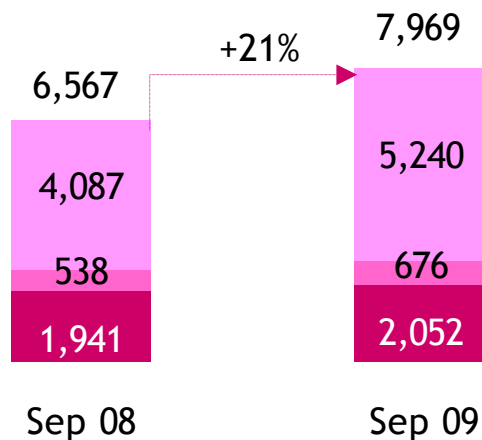
Excluding the FX effect. Rates €PLN used: Profit and Loss account 4.4211, Balance Sheet 4.2295.

# Loan growth affected by FX, deposits with moderate evolution due to repricing



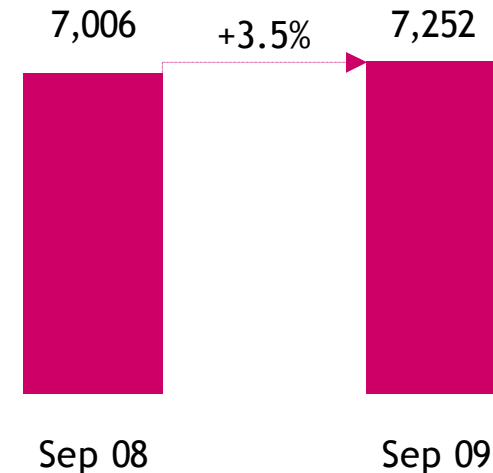
## Loans to Customers (net)

Eur million



## Customers' deposits\*

Eur million



- Mortgage
- Consumer Loans
- Loans to companies

Excluding the FX effect. Rates €PLN used: Profit and Loss account 4.4211, Balance Sheet 4.2295.

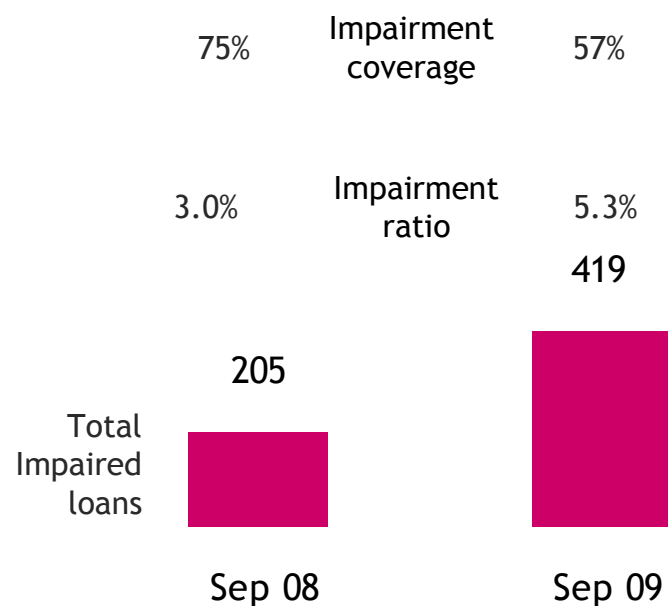
\* Includes Bank's bonds sold to individuals

# Conservative provisioning still with impact from FX derivatives



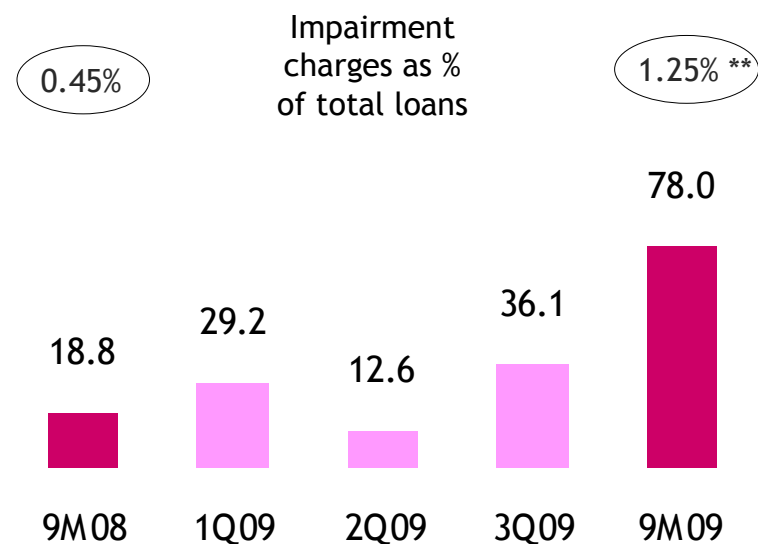
## Credit quality\*

Eur million



## Impairment charges

Eur million



- Provisions for credit risk created in 3Q'09 include EUR 24.4 million of extraordinary provisions for corporate exposures.

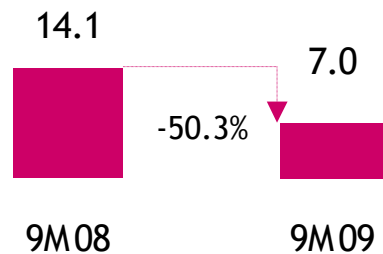
\* Excluding the FX effect. Rates €PLN used: Profit and Loss account 4.4211, Balance Sheet 4.2295.

\*\* Including impairment correction in valuation of FX options presented in Result on financial operations.

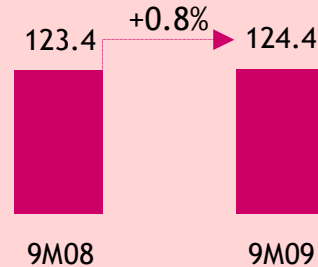
# Greece: net income decrease due to focus on liquidity



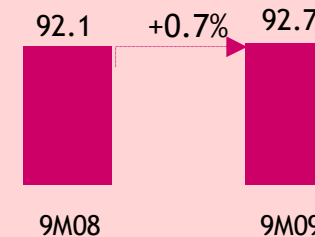
## Net Income



## Operating income

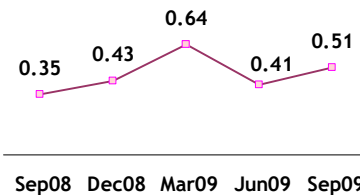


## Operating costs

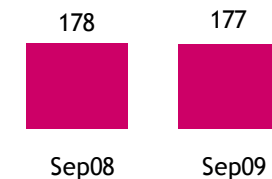


- Net earnings up to EUR 3.7 million from EUR 3.3 million in the previous quarter (EUR 3.4 million in the same quarter of 2008), mainly benefiting from:
  - Stronger NIM resulting from the repricing of expensive time deposits and from wider credit spreads.
  - Improved cost to income (71%, compared to 74% in Q2'09 and to 78% in Q3'08), as income growth outpaced costs'.

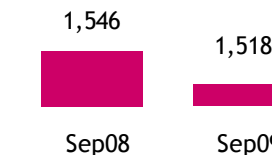
## Impairment charges % Average Total Loans (accumulated)



## Branches



## Employees

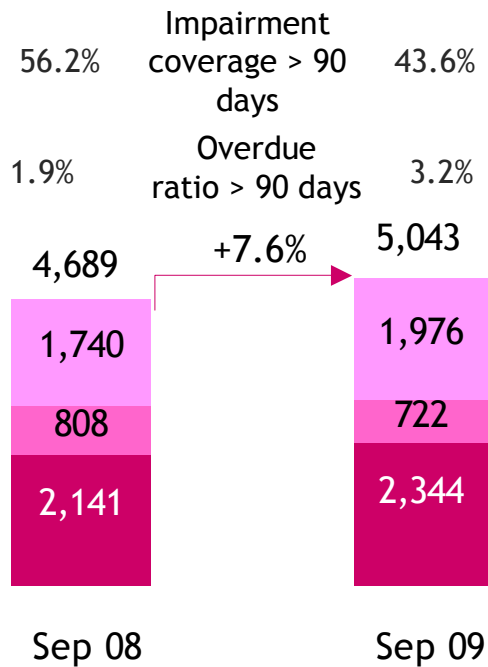


# Focus on deposits, keeping solid growth



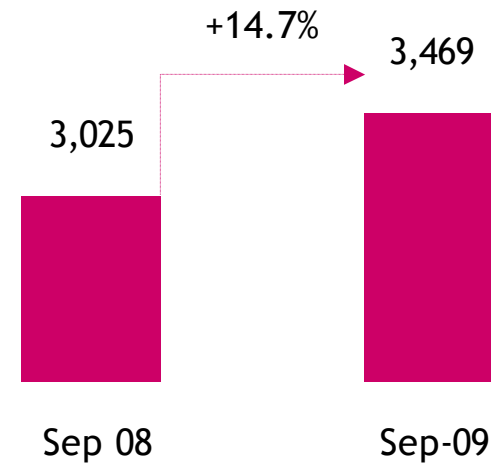
## Loans to clients (gross)

Eur million



## Customers' deposits

Eur million



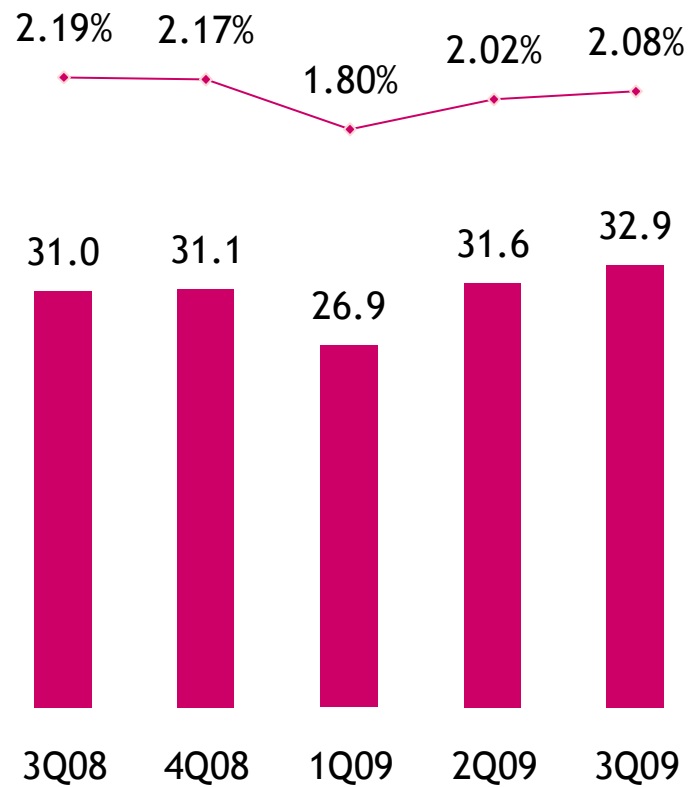
- Mortgage
- Consumer Loans
- Loans to companies

# Greece: net interest income recovery and efficiency improvement

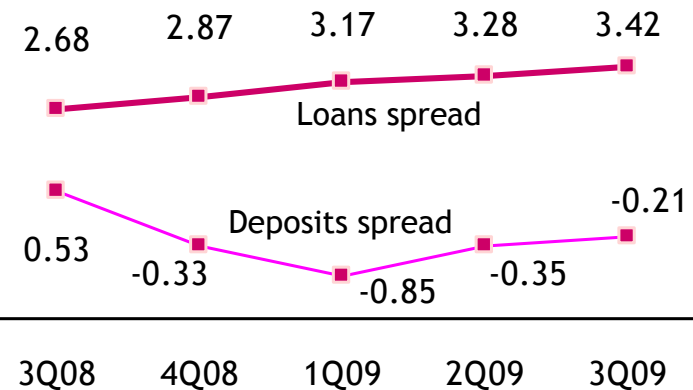


## Net Interest Income (quarterly)

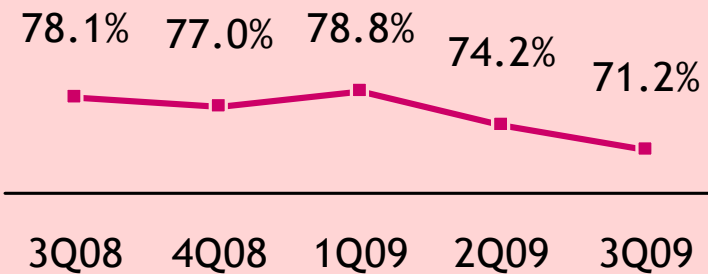
(%, Eur million)



## Loans and deposits spread



## Cost-to-Income

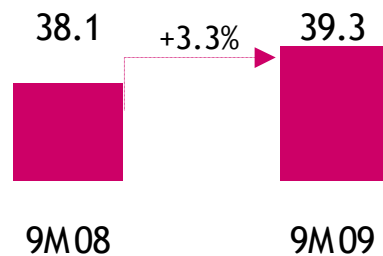


# Mozambique: net income growth in a less favourable world economy

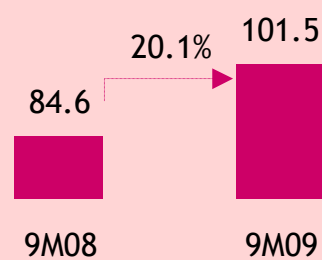


## Net Income

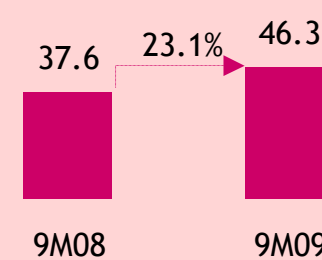
Eur million



## Operating income

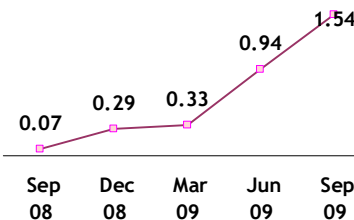


## Operating costs

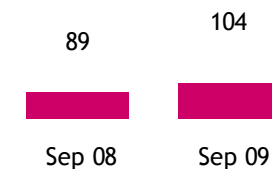


- GDP growth in Mozambique remains at high levels: 4-5% in 2009(E) and 2010(P)
- High profitability levels and net income growth, which rose 3.3% to 39.3 M€
- Ongoing expansion program
- Strong volume increase
- Positive commercial gap: loans/deposits ratio of 68%

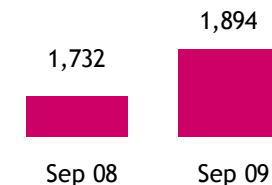
## Impairment charges % Average Net Total Loans (accumulated)



## Branches



## Employees

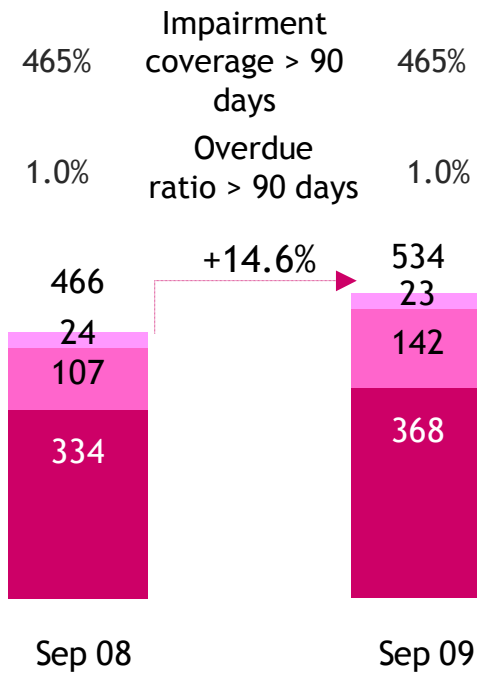


# Sustained volume growth with improved credit quality



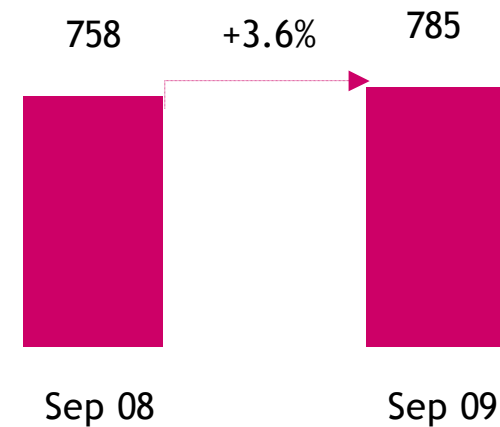
## Loans to customers (gross)

Eur million



## Customers' deposits

Eur million



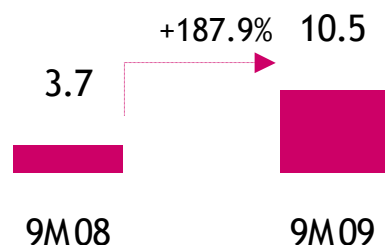
- Mortgage
- Consumer Loans
- Loans to companies

# Angola: partnership with Sonangol and BPA contributes to materialize growth in Africa



## Net income

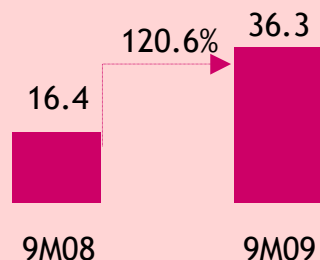
Eur million



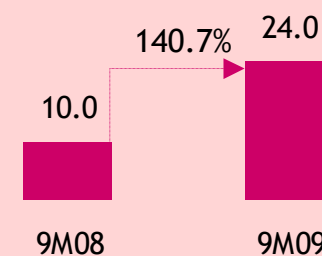
- Completion of the partnership between Sonangol and BPA
- Network expansion
- Strong loans' and deposits' growth
- Despite the continuous expansion, profitability remains high

Eur million

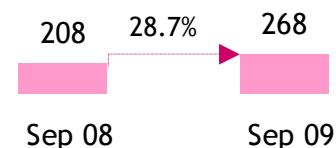
## Operating income



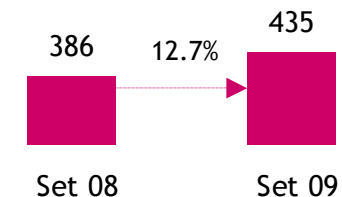
## Operating costs



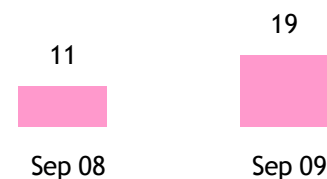
## Loans to customers



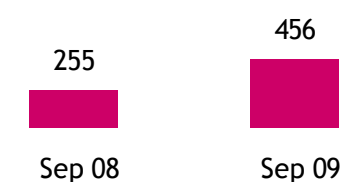
## Customers' funds



## Branches



## Employees



# 2009 priorities: key initiatives

## Soundness and Trust

### Focus on risk management:

- **Capital ratios strengthened**  
Capital ratios strengthened reaching a Tier I of 8.9% and a Core Tier I of 6.2% (before IRB Advanced)  
900 million debt issue in subordinated perpetual securities until September 2009  
Monitoring of approval processes for the advanced methods of Basel II
- **Liquidity position strengthen**  
Four long term debt issues reaching 4.500 million euros  
Consolidated commercial gap control in main operations  
Assets eligible in central banks rise to 10.1 billion euros
- **Internal control and risk management systems improvement**

## Commitment and Performance

### Faster cost reduction and organization streamlining:

- Introduction of measures to streamline the organization; 5.9% operating costs reduction: -2.4% in Portugal and -12.0% in international operations

### Commitment to the Customers, funds and profits maximization

- Ongoing repricing process with an expected impact in the next few years
- Beginning of the leakage management process in 2Q09
- High service levels maintenance, on balance sheet funds' capture efforts

## Sustainability and Value

### Business models adjustment and growth opportunities completion:

- Business model adjustment for Poland, Romania and Private Banking
- Angola partnership completion and expansion in Mozambique
- Capital allocation discipline

### Talent management and employees mobility

- New assessment and performance system and new incentive system in Portugal

# 2010-2013: Focus and transformation



# Annexes

## Credit quality and coverage \*

(Eur million)

Portfolio	Overdue >90 days	Overdue >90 days / Total loans	Overdue >90 days / Total loans	Coverage
	9M09	9M09	1H09	9M09
<b>Individuals</b>	<b>463</b>	<b>1.4%</b>	<b>1.2%</b>	<b>95.7%</b>
Mortgage	159	0.5%	0.6%	101.6%
Consumer	304	6.0%	5.2%	92.6%
<b>Corporate</b>	<b>1,243</b>	<b>3.1%</b>	<b>2.5%</b>	<b>123.3%</b>
Services	321	2.2%	2.2%	133.3%
Commerce	290	5.8%	4.7%	96.8%
Others	633	3.0%	2.3%	130.3%
<b>Total</b>	<b>1,706</b>	<b>2.3%</b>	<b>2.0%</b>	<b>115.8%</b>

\* Excluding securities reclassified as credit





# Credit portfolio and coverage quality \*

(Eur million)

Portfolio	Overdue >90 days 9M09	Overdue >90 days / Total loans 9M09	Overdue >90 days / Total loans 1H09	Coverage 9M09
<b>Individuals</b>	<b>300</b>	<b>1.2%</b>	<b>1.1%</b>	<b>101.4%</b>
Mortgage	129	0.6%	0.6%	114.1%
Consumer	171	5.2%	4.4%	91.8%
<b>Corporate</b>	<b>1029</b>	<b>3.0%</b>	<b>2.5%</b>	<b>128.6%</b>
Services	238	1.8%	1.8%	159.7%
Commerce	253	6.3%	5.1%	99.0%
Others	539	3.1%	2.4%	128.7%
<b>Total</b>	<b>1329</b>	<b>2.2%</b>	<b>1.9%</b>	<b>122.5%</b>

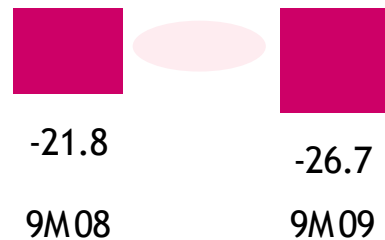
\* Excluding securities reclassified as credit

# Romania\*: business model change



## Net Income

Eur million

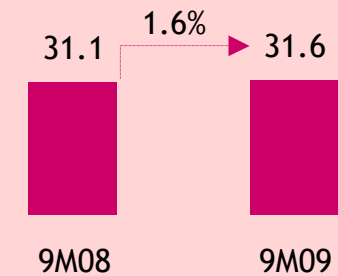
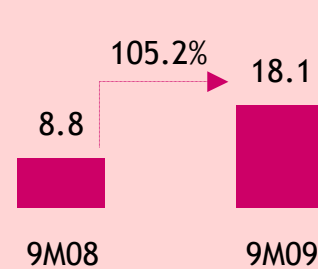


- Stable network expansion
- Strong growth of deposits and loans
- Change of the business model: refocus on customers' funds, conversion of consumer branches into full branches
- Despite the expansion, costs are controlled

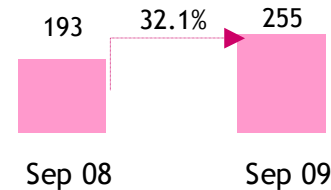
Eur million

## Operating income

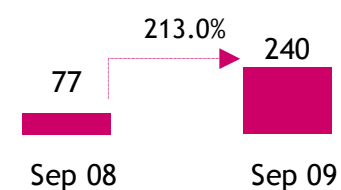
## Operating costs



## Loans to Customers



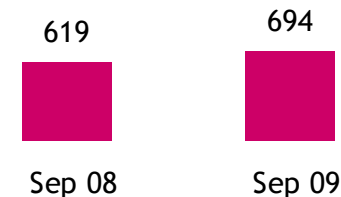
## Customer's funds



## Branches



## Employees



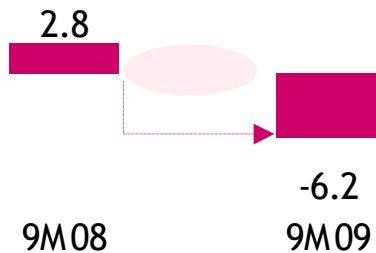
\*Includes costs registered in BCP

# Turkey: costs cutting in an adverse environment



## Net Income

Eur million

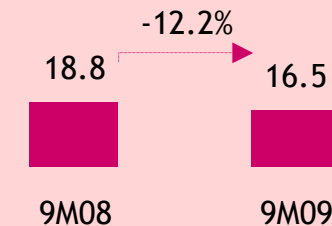
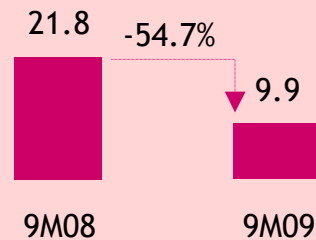


- Devaluation of the Turkish lira by 19.8% versus previous year
- Strong activity contraction reduction compared to 9M08, pressing operating income and especially net interest income
- Positive commercial gap

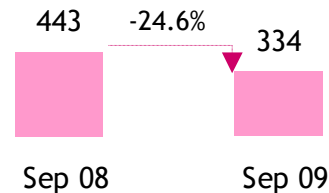
Eur million

## Operating income

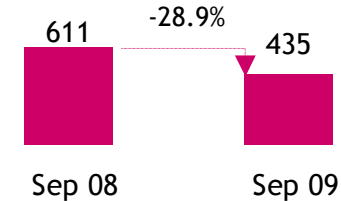
## Operating costs



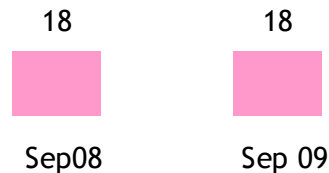
## Loans to Customers



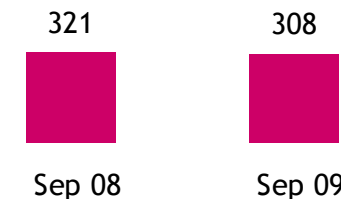
## Customer's funds



## Branches



## Employees

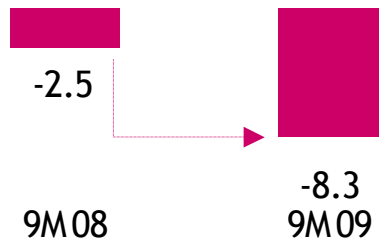


# EUA: strengthening risk management in the financial crisis centre



## Net Income

Eur million

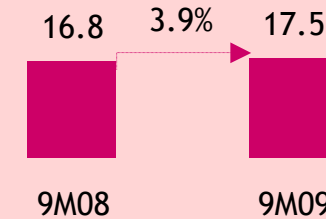
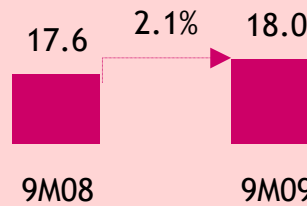


- Positive commercial gap
- USD devaluation by c.2.4% vs. previous year leads to a decrease in deposits and loans
- Strong cost reduction by 8% in local currency
- The reinforcement of risk management and provisioning levels hamper 3Q09 profits
- Past due loans over 90 days of 195%

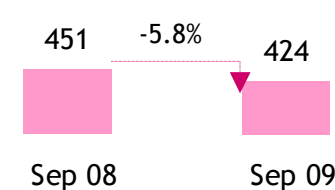
Eur million

## Operating income

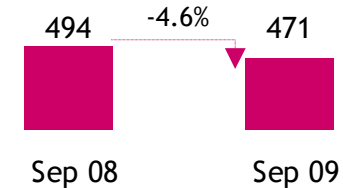
## Operating costs



## Loans to Customers



## Customer's funds



## Branches



## Employees



# Financial Statements

# Consolidated Balance Sheet

## At 30 September, 2009 and 2008

Thousand Euros

	30 September 2009	31 December 2008	30 September 2008
	(Thousands of Euros)		
<b>Assets</b>			
Cash and deposits at central banks	2,036,784	2,064,407	1,959,931
Loans and advances to credit institutions			
Repayable on demand	664,702	1,048,348	735,052
Other loans and advances	1,352,101	2,892,345	4,002,821
Loans and advances to customers	75,570,522	75,165,014	71,317,957
Financial assets held for trading	4,228,096	3,903,267	3,609,450
Other financial assets held for trading at fair value through profit or loss	84,631	-	490,362
Financial assets available for sale	2,450,050	1,714,178	4,904,194
Assets with repurchase agreement	20,564	14,754	73,517
Hedging derivatives	274,954	117,305	134,955
Financial assets held to maturity	1,313,965	1,101,844	246,553
Investments in associated companies	424,145	343,934	310,121
Non current assets held for sale	76,182	19,558	22,779
Property and equipment	648,848	745,818	702,549
Goodwill and intangible assets	535,942	540,228	534,009
Current tax assets	18,006	18,127	23,163
Deferred tax assets	583,938	586,952	622,833
Other assets	3,628,219	4,147,645	3,461,873
	<u>93,911,649</u>	<u>94,423,724</u>	<u>93,152,119</u>
<b>Liabilities</b>			
Amounts owed to central banks	1,352,681	3,342,301	1,801,611
Amounts owed to others credit institutions	6,016,159	5,997,066	6,597,127
Amounts owed to customers	45,400,020	44,907,168	44,160,133
Debt securities	22,331,528	20,515,566	22,578,373
Financial liabilities held for trading	1,139,297	2,138,815	892,891
Other financial liabilities held for trading at fair value through results	6,834,208	6,714,323	5,880,593
Hedging derivatives	94,372	350,960	183,337
Provisions for liabilities and charges	229,467	221,836	219,379
Subordinated debt	2,292,954	2,598,660	3,184,020
Current income tax liabilities	2,037	4,826	1,706
Deferred income tax liabilities	474	336	639
Other liabilities	1,165,427	1,383,633	1,324,047
	<u>86,858,624</u>	<u>88,175,490</u>	<u>86,823,856</u>
<b>Total Liabilities</b>			
<b>Equity</b>			
Share capital	4,694,600	4,694,600	4,694,600
Treasury stock	(80,117)	(58,631)	(50,129)
Share premium	183,276	183,368	183,369
Preference shares	1,000,000	1,000,000	1,000,000
Other capital instruments	900,000	-	-
Fair value reserves	70,941	214,593	184,979
Reserves and retained earnings	(222,228)	(274,622)	(153,891)
Profit for the period attributable to Shareholders	178,135	201,182	142,136
	<u>6,724,607</u>	<u>5,960,490</u>	<u>6,001,064</u>
<b>Total Equity attributable to Shareholders of the Bank</b>			
Minority interests	328,418	287,744	327,199
	<u>7,053,025</u>	<u>6,248,234</u>	<u>6,328,263</u>
<b>Total Equity</b>			
	<u>93,911,649</u>	<u>94,423,724</u>	<u>93,152,119</u>

# Consolidated Statement of Income

## At 30 September, 2009 and 2008

Thousand Euros

	30 September 2009	30 September 2008
	(Thousands of Euros)	
Interest income	2,832,111	3,899,653
Interest expense	(1,833,928)	(2,622,955)
Net interest income	998,183	1,276,698
Dividends from equity instruments	4,327	29,107
Net fees and commission income	533,781	553,044
Net gains / losses arising from trading and hedging activities	184,121	130,107
Net gains / losses arising from available for sale financial assets	4,029	(239,373)
Other operating income	34,861	45,508
	1,759,302	1,795,091
Other net income from non banking activity	13,491	13,087
Total operating income	1,772,793	1,808,178
Staff costs	667,098	690,591
Other administrative costs	426,671	473,407
Depreciation	78,616	82,528
Operating costs	1,172,385	1,246,526
	600,408	561,652
Loans impairment	(409,441)	(340,553)
Other assets impairment	(52,937)	(39,573)
Other provisions	(22,497)	26,178
Operating profit	115,533	207,704
Share of profit of associates under the equity method	47,813	35,830
Gains from the sale of subsidiaries and other assets	78,276	5,810
Profit before income tax	241,622	249,344
Income tax		
Current	(62,056)	(48,028)
Deferred	10,734	(8,238)
Profit after income tax	190,300	193,078
Attributable to:		
Shareholders of the Bank	178,135	142,136
Minority interests	12,165	50,942
Profit for the period	190,300	193,078
Earnings per share (in euros)		
Basic	0.04	0.03
Diluted	0.04	0.03

# Consolidated Statement of Income (Quarterly Evolution)

## At 30 September, 2009 and 2008

(Million euros)

	Quarterly					Year-to-date		
	3Q 08	4Q 08	1Q 09	2Q 09	3Q 09	Sep08	Sep09	Δ % 09 / 08
Net interest income	434.8	444.4	373.8	301.8	322.6	1,276.7	998.2	- 22%
Dividends from equity instruments	- 0.2	7.7	0.6	2.5	1.2	29.1	4.3	- 85%
Net fees and commission income	185.4	187.4	168.7	177.9	187.1	553.0	533.8	- 3%
Other operating income	15.8	2.2	35.1	15.9	75.6	64.4	126.6	97%
Net inc. from trading activity	4.9	127.4	149.8	64.4	- 26.0	- 109.3	188.2	>200%
Equity accounted earnings	7.4	- 16.8	11.5	19.4	16.9	35.8	47.8	33%
<b>Net operating revenues</b>	<b>648.0</b>	<b>752.2</b>	<b>739.5</b>	<b>581.9</b>	<b>577.4</b>	<b>1,849.8</b>	<b>1,898.9</b>	<b>3%</b>
Staff costs	239.1	224.7	231.9	212.2	222.9	690.6	667.1	- 3%
Other administrative costs	161.6	169.2	142.6	136.1	148.0	473.4	426.7	- 10%
Depreciation	28.4	30.3	26.2	26.1	26.3	82.5	78.6	- 5%
<b>Operating costs</b>	<b>429.1</b>	<b>424.3</b>	<b>400.7</b>	<b>374.5</b>	<b>397.2</b>	<b>1,246.5</b>	<b>1,172.4</b>	<b>- 6%</b>
<b>Operating profit bef. imp.</b>	<b>219.0</b>	<b>327.9</b>	<b>338.8</b>	<b>207.4</b>	<b>180.3</b>	<b>603.3</b>	<b>726.5</b>	<b>20%</b>
Loans impairment (net of recoveries)	134.7	204.1	160.1	119.0	130.4	340.6	409.4	20%
Other impairm. and provisions	19.5	31.1	36.8	24.1	14.5	13.4	75.4	>200%
<b>Profit before income tax</b>	<b>64.7</b>	<b>92.7</b>	<b>141.9</b>	<b>64.4</b>	<b>35.4</b>	<b>249.3</b>	<b>241.6</b>	<b>- 3%</b>
Income tax	6.0	27.7	28.9	17.1	5.4	56.3	51.3	- 9%
Minority interests	17.9	5.9	6.3	6.5	- 0.7	50.9	12.2	- 76%
<b>Net income</b>	<b>40.8</b>	<b>59.0</b>	<b>106.7</b>	<b>40.8</b>	<b>30.7</b>	<b>142.1</b>	<b>178.1</b>	<b>25%</b>

# Consolidated Statement of Income (National and International Operations)

## At 30 September, 2009 and 2008

(million Euros, except %)

	International operations																				
	Group			Portugal			Total			Bank Millennium (Poland)			Millennium bim (Moz.)			Millennium Bank (Greece)			Other int. operations		
	Sep09	Sep08	Δ %	Sep09	Sep08	Δ %	Sep09	Sep08	Δ %	Sep09	Sep08	Δ %	Sep09	Sep08	Δ %	Sep09	Sep08	Δ %	Sep09	Sep08	Δ %
Interest income	2,832	3,900	-27.4%	2,012	2,957	-32.0%	820	942	-13.0%	407	507	-19.7%	84	70	19.5%	224	272	-17.5%	104	93	11.9%
Interest expense	1,834	2,623	-30.1%	1,295	2,070	-37.4%	539	553	-2.5%	316	300	5.4%	19	15	24.3%	133	177	-24.9%	71	61	17.1%
<b>Net interest income</b>	<b>998</b>	<b>1,277</b>	<b>-21.8%</b>	<b>717</b>	<b>887</b>	<b>-19.1%</b>	<b>281</b>	<b>390</b>	<b>-27.9%</b>	<b>91</b>	<b>207</b>	<b>-56.0%</b>	<b>65</b>	<b>55</b>	<b>18.1%</b>	<b>91</b>	<b>95</b>	<b>-3.6%</b>	<b>33</b>	<b>32</b>	<b>2.3%</b>
Dividends from equity instruments	4	29	-85.1%	4	29	-86.9%	1	0	28.4%	0	0	15.8%	0	0	48.5%	0	0		0	0	144.8%
<b>Intermediation margin</b>	<b>1,003</b>	<b>1,306</b>	<b>-23.2%</b>	<b>721</b>	<b>916</b>	<b>-21.2%</b>	<b>281</b>	<b>390</b>	<b>-27.9%</b>	<b>92</b>	<b>208</b>	<b>-55.9%</b>	<b>65</b>	<b>55</b>	<b>18.2%</b>	<b>91</b>	<b>95</b>	<b>-3.6%</b>	<b>33</b>	<b>32</b>	<b>2.3%</b>
Net fees and commission income	534	553	-3.5%	398	397	0.4%	135	156	-13.4%	80	105	-23.8%	18	16	13.6%	23	23	-0.1%	14	12	16.4%
Other operating income	127	64	96.6%	122	53	131.2%	5	12	-58.7%	-1	1	-142.0%	5	4	29.4%	1	1	56.0%	-1	6	-112.2%
<b>Basic revenue</b>	<b>1,663</b>	<b>1,923</b>	<b>-13.5%</b>	<b>1,242</b>	<b>1,365</b>	<b>-9.1%</b>	<b>421</b>	<b>558</b>	<b>-24.5%</b>	<b>171</b>	<b>314</b>	<b>-45.6%</b>	<b>88</b>	<b>74</b>	<b>17.8%</b>	<b>116</b>	<b>119</b>	<b>-2.5%</b>	<b>47</b>	<b>50</b>	<b>-7.2%</b>
Net inc. from trading activity	188	-109	>200%	69	-239	128.9%	19	129	-7.8%	61	100	-38.9%	14	10	37.0%	9	5	85.9%	36	14	146.8%
Equity accounted earnings	48	36	33.4%	46	36	29.0%	2	0		2	0		0	0		0	0		0	0	
<b>Net operating revenues</b>	<b>1,899</b>	<b>1,850</b>	<b>2.7%</b>	<b>1,357</b>	<b>1,162</b>	<b>16.7%</b>	<b>542</b>	<b>687</b>	<b>-21.1%</b>	<b>234</b>	<b>415</b>	<b>-43.6%</b>	<b>102</b>	<b>85</b>	<b>20.1%</b>	<b>124</b>	<b>123</b>	<b>0.8%</b>	<b>82</b>	<b>65</b>	<b>27.1%</b>
Staff costs	667	691	-3.4%	479	455	5.2%	188	235	-20.0%	82	133	-38.3%	22	19	16.8%	45	46	-2.7%	39	37	5.4%
Other administrative costs	427	473	-9.9%	245	282	-13.4%	182	191	-4.7%	79	104	-24.3%	20	15	30.9%	41	39	3.8%	42	32	31.4%
Depreciation	79	83	-4.7%	46	51	-9.4%	33	32	2.7%	13	15	-7.6%	4	4	22.9%	7	7	5.5%	8	7	11.0%
<b>Operating costs</b>	<b>1,172</b>	<b>1,247</b>	<b>-5.9%</b>	<b>769</b>	<b>788</b>	<b>-2.4%</b>	<b>403</b>	<b>459</b>	<b>-12.0%</b>	<b>175</b>	<b>252</b>	<b>-30.7%</b>	<b>46</b>	<b>38</b>	<b>23.1%</b>	<b>93</b>	<b>92</b>	<b>0.7%</b>	<b>90</b>	<b>77</b>	<b>16.8%</b>
<b>Operating profit bef. imp.</b>	<b>726</b>	<b>603</b>	<b>20.4%</b>	<b>588</b>	<b>374</b>	<b>56.9%</b>	<b>139</b>	<b>229</b>	<b>-39.3%</b>	<b>59</b>	<b>163</b>	<b>-63.5%</b>	<b>55</b>	<b>47</b>	<b>17.7%</b>	<b>32</b>	<b>31</b>	<b>1.1%</b>	<b>-7</b>	<b>-12</b>	<b>38.8%</b>
Loans impairment (net of recoveries)	409	341	20.2%	284	296	-4.1%	126	45	181.6%	77	24	>200%	6	0	>200%	19	11	71.4%	23	10	141.3%
Other impairm. and provisions	75	13	>200%	73	12	>200%	2	1	46.2%	1	1	26.1%	1	0	18.2%	0	0	93.6%	0	0	>200%
<b>Profit before income tax</b>	<b>242</b>	<b>249</b>	<b>-3.1%</b>	<b>231</b>	<b>67</b>	<b>&gt;200%</b>	<b>11</b>	<b>183</b>	<b>-94.1%</b>	<b>-19</b>	<b>138</b>	<b>-113.6%</b>	<b>49</b>	<b>46</b>	<b>5.0%</b>	<b>12</b>	<b>20</b>	<b>-40.0%</b>	<b>-31</b>	<b>-22</b>	<b>-42.2%</b>
Income tax	51	56	-8.8%	42	18	128.4%	10	38	-74.7%	-4	28	-113.9%	9	8	12.5%	5	6	-14.8%	0	-4	97.2%
Minority interests	12	51	-76.1%	-1	0	>200%	13	51	-74.8%	0	0		0	0	27.7%	0	0	>200%	12	51	-75.4%
<b>Net income</b>	<b>178</b>	<b>142</b>	<b>25.3%</b>	<b>190</b>	<b>48</b>	<b>&gt;200%</b>	<b>-12</b>	<b>94</b>	<b>-112.4%</b>	<b>-15</b>	<b>110</b>	<b>-113.6%</b>	<b>39</b>	<b>38</b>	<b>3.3%</b>	<b>7</b>	<b>14</b>	<b>-50.3%</b>	<b>-43</b>	<b>-68</b>	<b>37.1%</b>

# Millennium bcp

**Investor Relations Division:**

Sofia Raposo, *Head of Investor Relations*

Francisco Pulido Valente

TI: +351 21 1131 085

Email: [Investors@millenniumbcp.pt](mailto:Investors@millenniumbcp.pt)

Banco Comercial Português, S.A., a public company (sociedade aberta) having its registered office at Praça D. João I, 28, Oporto, registered at the Commercial Registry of Oporto, with the single commercial and tax identification number 501 525 882 and the share capital of EUR 4.694.600.000