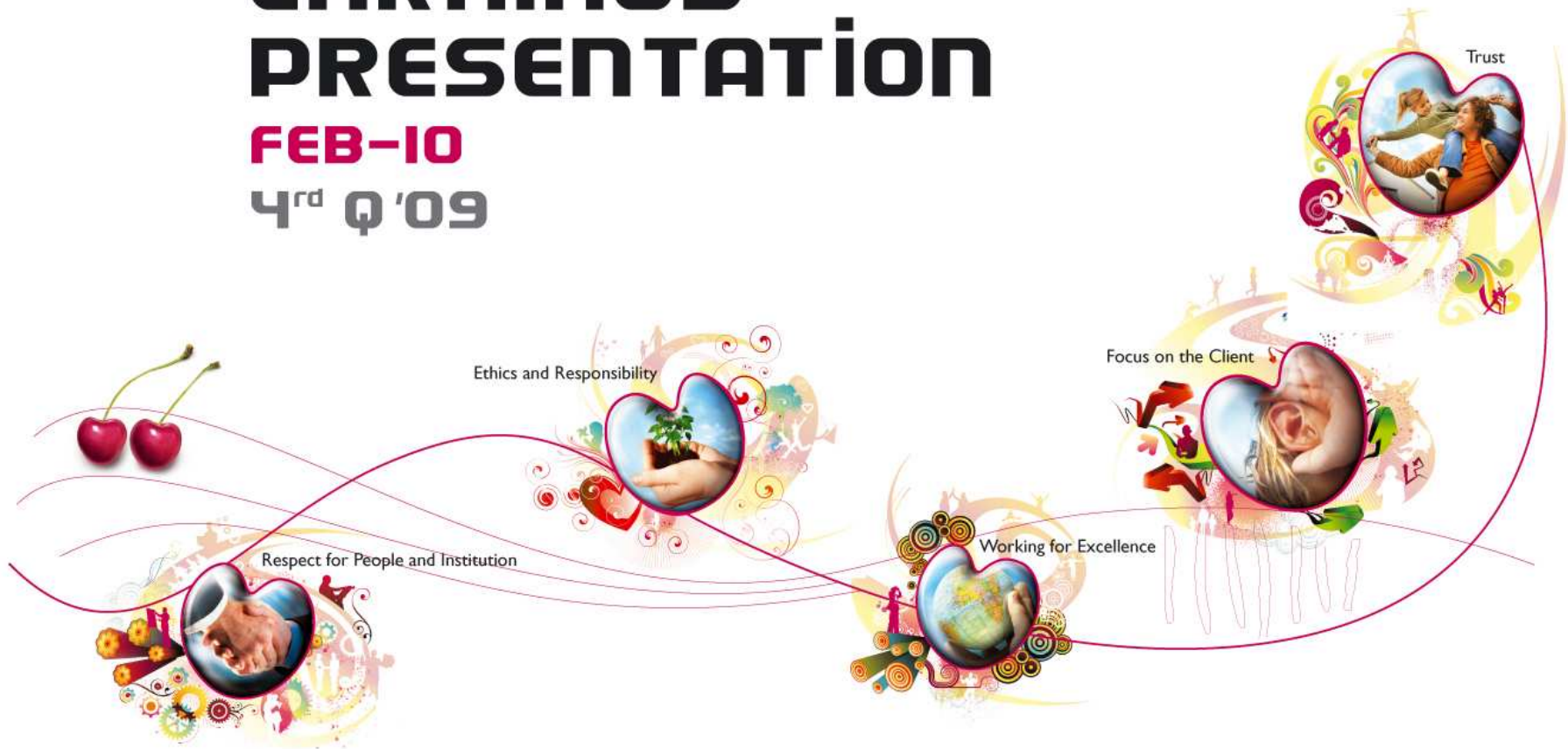


# EARNINGS PRESENTATION

FEB-10

4<sup>th</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.
- The figures for 2008 and 2009 were subject to an audit by External Auditors.

## Highlights 4<sup>th</sup> Quarter 2009

Strengthening of capital ratios: Tier I ratio rises to 9.2% and Core Tier I ratio to 7.1%, in 2009, calculated according to IRB methodologies (*pro forma*); according to standard method Tier 1 rose to 9.3% and Core Tier 1 to 6.4%

Net income grew by 12%, reaching 225 million euros, without a significant contribution from international operations  
Dividend proposal to submit to General Shareholders Meeting, of 0.019 euros per share (+12%)

Net interest margin and commissions recovered in the 4th quarter, in Portugal and in international operations

Operational costs decreased by 7.8%: -5.1% in Portugal and -12.2% in international operations

Anticipation of 2010 funding plan: new debt issues in 2009 reached 6.6 billion euros for refinancing needs of 5.2 billion euros; 10.6 billion euros of assets discountable in central banks

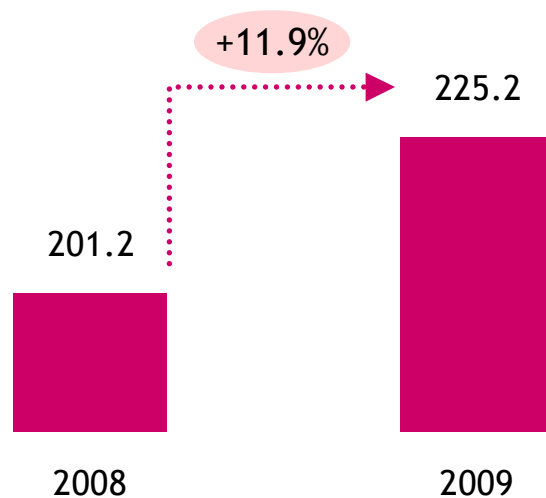
Deposits grew by 3.9% and loans to customers grew by 1.5%

# Net Income growth of 11.9%

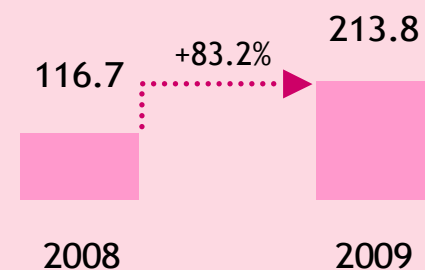
(Eur million)

## Net Income

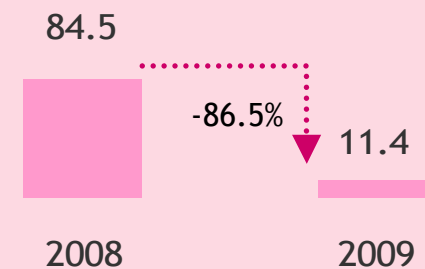
Consolidated



Portugal



International Operations



Specific items in 2008: BPI's impairment of 268.1 million euros in trading, reduction of variable remuneration accrued in 2007 of 18 million euros, early retirements costs of 7.8 million euros and tax impact of 32.8 million euros of the before mentioned items in 2008, ascending to a total negative impact of 225.1 million euros.

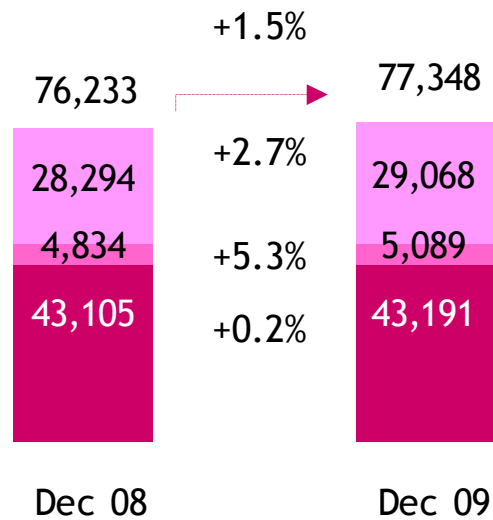
Specific items in 2009: capital gains arising from the sale of participations in Banco Millennium Angola of 21.2 million, the gain from the sale of assets of 57.2 million euros and early retirements costs of 2.9 million euros (net of taxes), ascending to a total gain of 75.5 million euros.

# Moderate loans and customers' funds growth

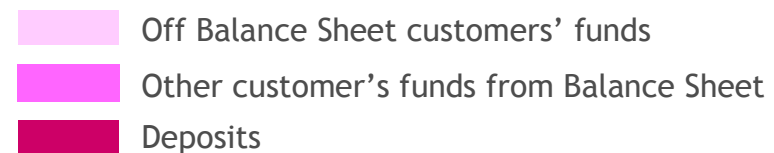
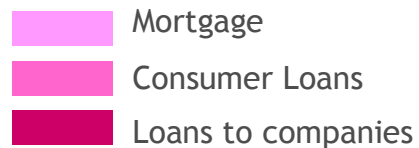
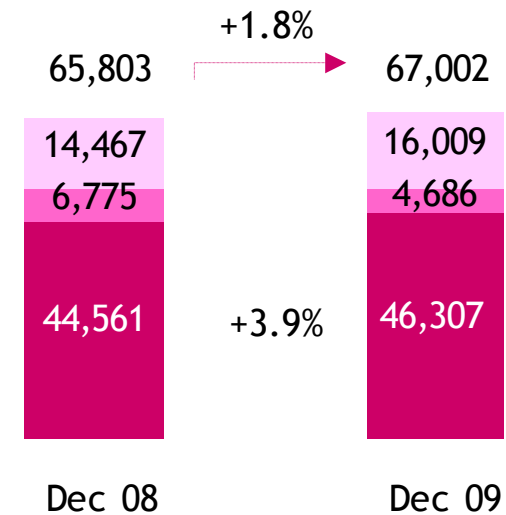
(Eur million)

Consolidated

## Loans to customers (gross)



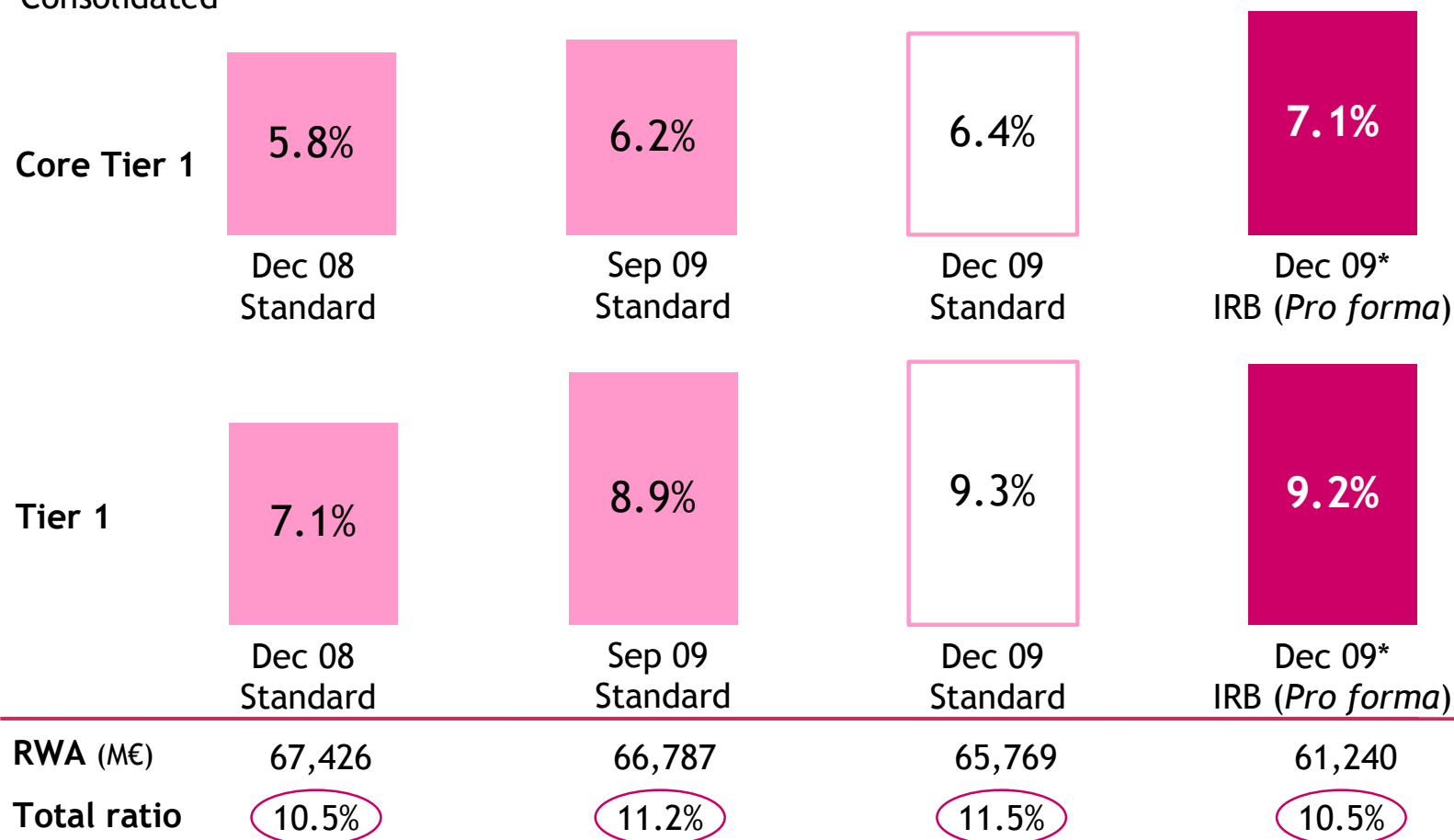
## Customers' funds



# Core Tier 1 capital ratio above 7%

## Solvency ratios

Consolidated



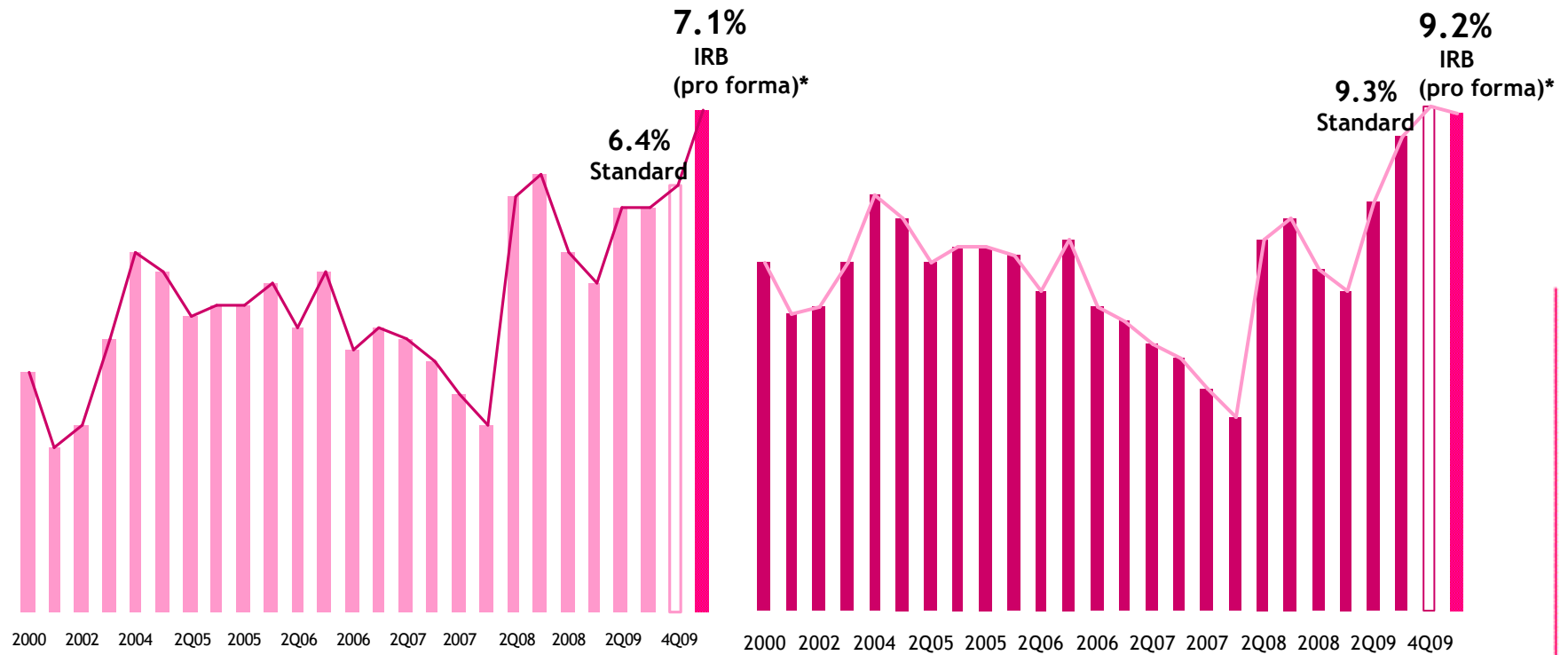
\* The presented pro forma ratios were calculated in accordance with the IRB methods, taking into consideration the revision process, by the Bank of Portugal (BdP), of the submission of the proposal to adopt these methods. Estimates of the probability of default and the lost given default (IRB Advanced) for the retail portfolio collateralized by commercial and residential real state, and estimates of the probability of default (IRB Foundation) for the corporate portfolio were considered in Portugal. At the 1<sup>st</sup> semester of 2009, the Bank received authorization from BdP to adopt the advanced methods (internal model) to the generic market risk and the adoption of standard method for the operational risk.



# Capital ratios of Millennium bcp are the highest of the last decade

## Core Tier I and Tier I

Consolidated



Local GAAP until 2004. IFRS after 2004 inclusive.

\* The presented pro forma ratios were calculated in accordance with the IRB methods, taking into consideration the revision process, by the Bank of Portugal (BdP), of the submission of the proposal to adopt these methods. Estimates of the probability of default and the lost given default (IRB Advanced) for the retail portfolio collateralized by commercial and residential real state, and estimates of the probability of default (IRB Foundation) for the corporate portfolio were considered in Portugal. At the 1<sup>st</sup> semester of 2009, the Bank received authorization from BdP to adopt the advanced methods (internal model) to the generic market risk and the adoption of standard method for the operational risk.



## Pension liabilities coverage of 109%

<i>(Eur million)</i>	2006	2007	2008	2009
Pension liabilities	5,715	5,879	5,723	5,410
Pension fund	5,578	5,616	5,322	5,530
Liabilities' coverage*	105%	102%	100%	109%
Fund's profitability	11%	4%	-14%	9%
Actuarial differences	1,240	1,353	2,140	1,514
Corridor	572	588	572	553
Outside the corridor	668	765	1,568	961
Actuarial gains (losses)	157	(160)	(827)	557
Contribution to the Fund	291	94	777	12
% Equities in the Pension Fund	49%	35%	20%	22%

- Actuarial gains in 2009 of 557 million euros (107 million euros in the 2<sup>nd</sup> semester of 2009)
  - Return of pension funds of 9.4% in 2009
  - Change of actuarial assumptions in 2009 with positive global impact
- Pension liabilities coverage of 109%; no significant contribution needed in 2009
- Equity exposure of 22% in 2009

\* Includes the amount registered in the balance sheet

# Pension liabilities

## Actuarial assumptions

- Change in actuarial assumptions with impact of +299 million euros in 2009 (of which -73 million euros in the 2<sup>nd</sup> semester of 2009)
- Change in the financing of the Defined Contribution Fund for employees hired after 01.07.09, now in line with the market [Before: contribution of the Bank 4% and contribution of the employee 0%; after 01.07.09: contribution of the Bank 1.5% and contribution of the employee 1.5% ]
- Change in conditions for benefits attribution of the Defined Benefit Fund
- Mortality tables are the most conservative in Portugal

	2006	2007	2008	1ºS2009	2009
Discount rate	4.75%	5.25%	5.75%	5.75%	5.50%
Salary growth rate	2.75%	3.25%	3.25%	2.75%	2.50%
Pensions growth rate	1.75%	2.25%	2.25%	1.75%	1.65%
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		

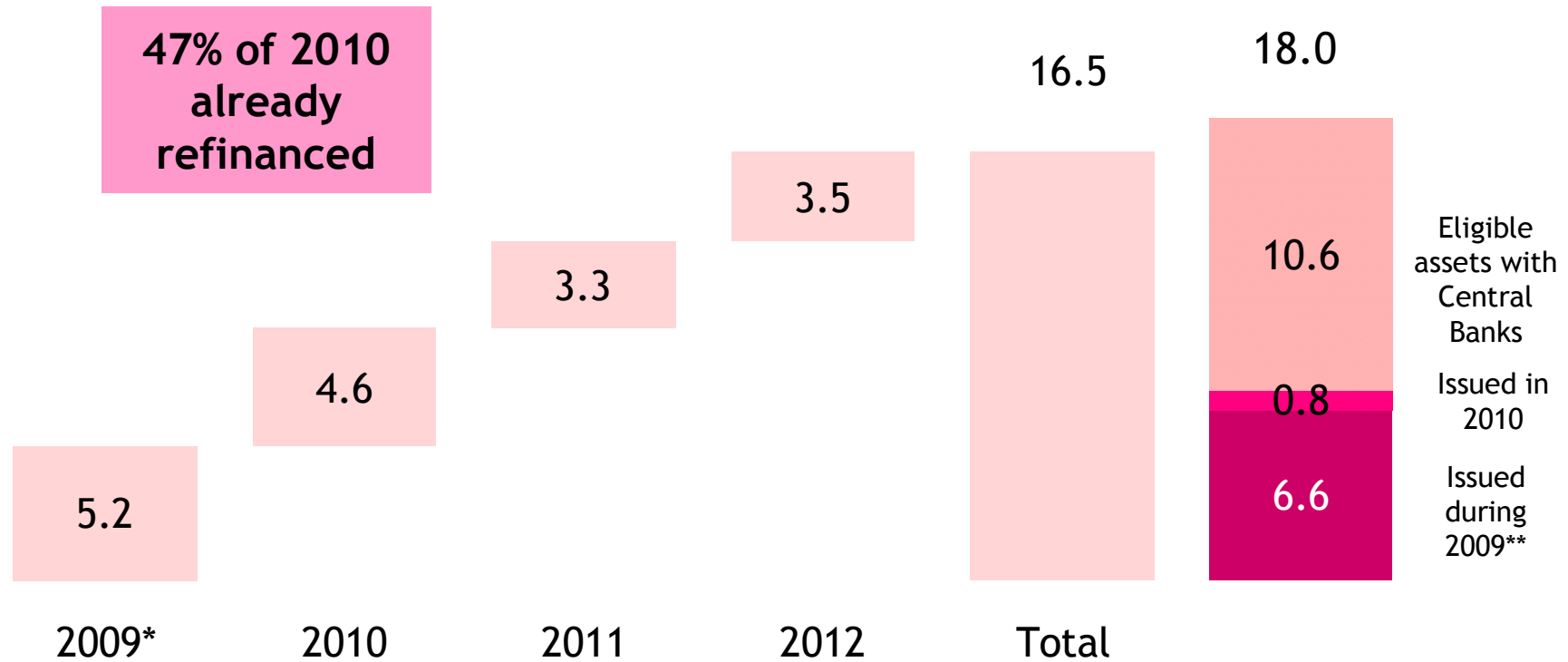
\* The mortality tables consider an age that is inferior to the effective age of the beneficiaries, minus 1 year for men and minus 2 years for women, which translates into a higher life expectancy.

# Anticipation of funding plan for 2010, coverage until 2012

(Eur billion)

Consolidated

## Refinancing needs of long term debt



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

\*\* Includes the issue of 1000 million de euros of Subordinated Perpetual Securities (June, August and December 2009).

# Income Statement

(Eur million)

	Consolidated		
	2008	2009	YoY
Net interest income	1,721.0	1,334.2	-22.5%
Commissions and other income	807.0 (1)	864.0	7.1%
Net income from trading activity	(2) 18.1	225.4	1145.2%
Dividends and Equity acc. Earnings	55.9	69.6	24.5%
<b>Banking income</b>	<b>2,602.0</b>	<b>2,493.2</b>	<b>-4.2%</b>
Staff costs	(3) 915.3 (3)	865.3	-5.5%
Other administrative costs	642.6	570.2	-11.3%
Depreciation	112.8	104.7	-7.2%
<b>Operating costs</b>	<b>1,670.8</b>	<b>1,540.3</b>	<b>-7.8%</b>
<b>Operational profit before provisions</b>	<b>931.2</b>	<b>952.9</b>	<b>2.3%</b>
Loans impairment provisions (net of recoveries)	544.7	560.0	2.8%
Other provisions	44.5	97.4	
Income tax and minorities	(4) 140.8 (4)	70.3	-50.1%
<b>Net income</b>	<b>201.2</b>	<b>225.2</b>	<b>11.9%</b>

(1) Includes accounting gains arising from the sale of the 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 268.1 million euros, in 2008

(3) Reduction, in 2008, of variable remuneration accrued in 2007 of 18.0 million euros and early retirement of 7.8 million euros. In 2009, includes early retirement of 3.9 million euros

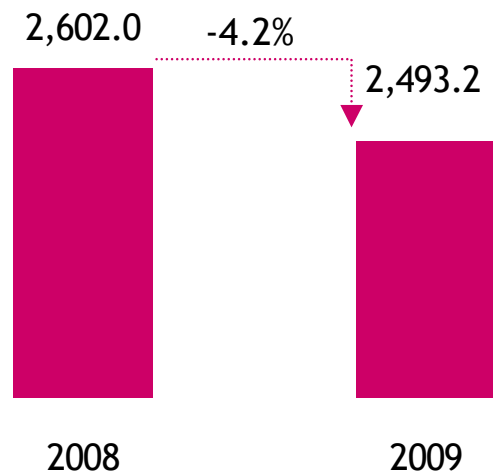
(4) Tax impact of 32.8 and 1.0 million euros of the above mentioned items in 2008 and 2009, respectively

# Strong cost control as core income remains under pressure

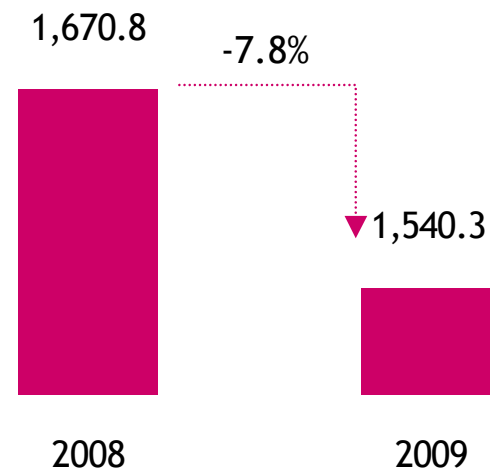
(Eur million)

Consolidated

## Banking income\*



## Operating costs



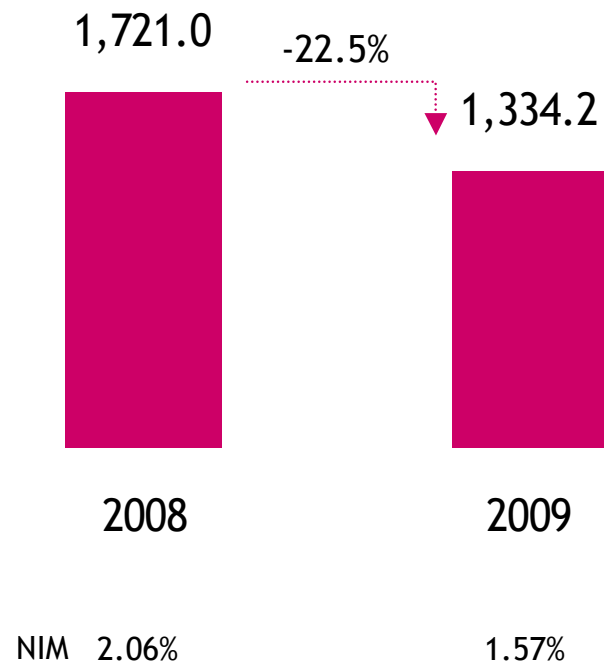
\* Includes net interest income, commissions, trading, dividends, other income and equity accounted earnings.

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

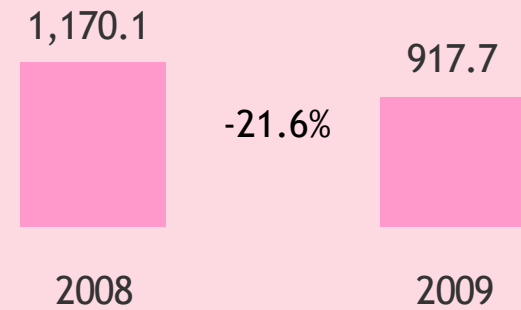
(Eur million)

## Net interest income

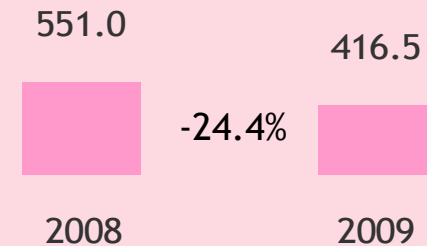
Consolidated



Portugal



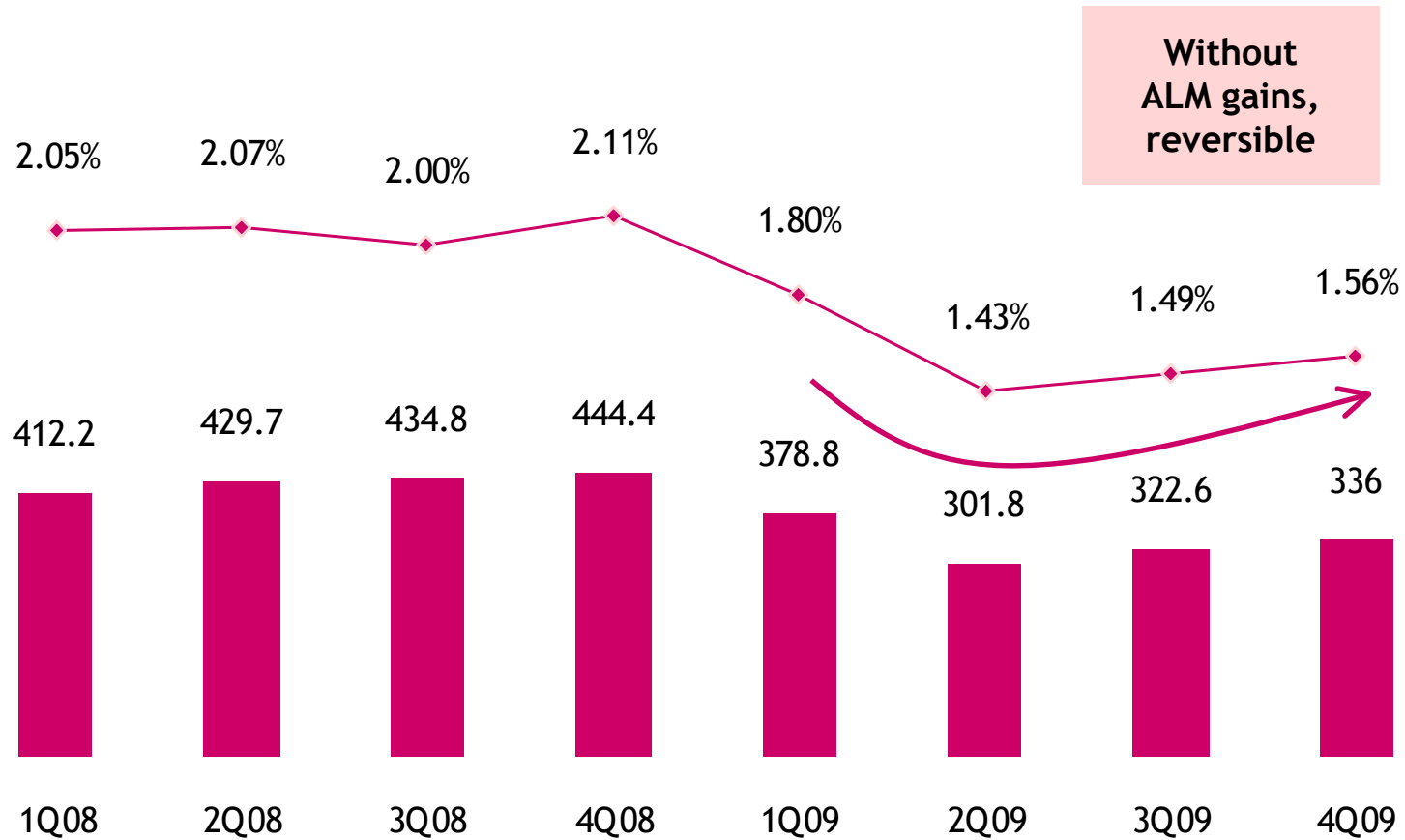
International Operations



# Clear upwards trend in the 4th quarter of 2009

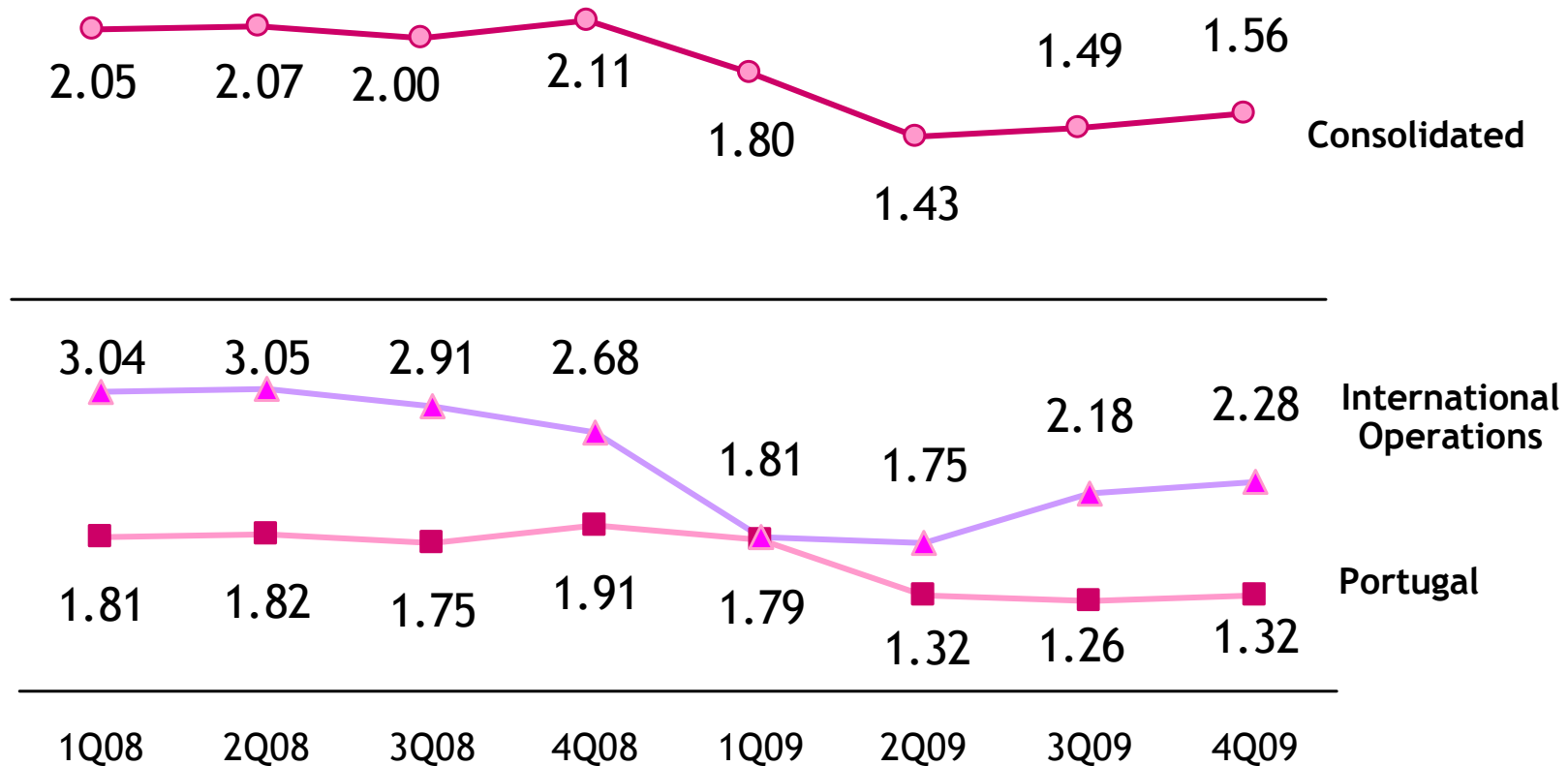
(%, Eur million)

## Quarterly net interest income



# Net interest margin begins na upward trend in Portugal and international operations

## Net interest margin (%)



# Commissions recover throughout 2009 and increase in Portugal

(Eur million)

Consolidated

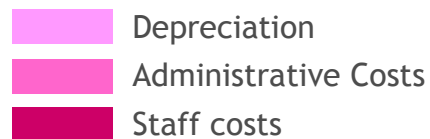
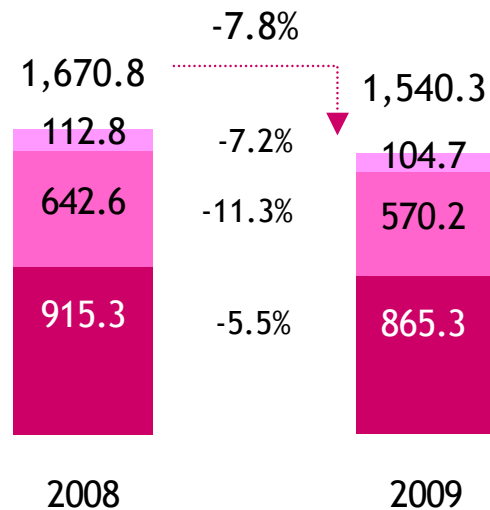
	2008	2009	Var.	4Q08	3Q09	4Q09	4Q09/ 4Q08	4Q09/ 3Q09
Banking commissions	567.7	607.6	7.0%	154.2	154.0	164.1	6.5%	6.6%
Cards	190.0	187.3	-1.4%	50.9	48.9	48.0	-5.7%	-1.9%
Loans	172.9	170.4	-1.5%	44.6	38.7	44.0	-1.2%	13.9%
Bancassurance	44.2	59.7	35.1%	16.1	16.2	18.4	14.3%	13.6%
Other commissions	160.6	190.2	18.4%	42.6	50.2	53.7	26.1%	7.0%
<b>Market related commissions</b>	<b>172.6</b>	<b>124.1</b>	<b>-28.1%</b>	<b>33.2</b>	<b>33.2</b>	<b>33.8</b>	<b>1.8%</b>	<b>1.6%</b>
Asset management	77.9	47.9	-18.1%	12.6	13.2	13.0	3.0%	-2.2%
Securities	94.7	76.2	-19.5%	20.6	20.0	20.8	1.1%	4.2%
<b>Total Commissions</b>	<b>740.4</b>	<b>731.8</b>	<b>-1.2%</b>	<b>187.3</b>	<b>187.2</b>	<b>197.9</b>	<b>5.6%</b>	<b>5.7%</b>

# Strong cost control both in Portugal and in international operations

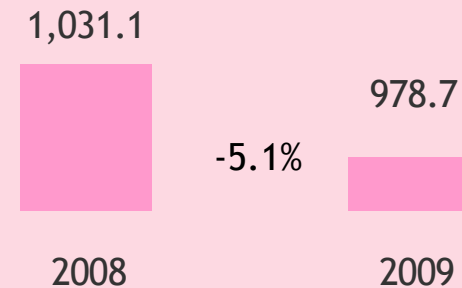
(Eur million)

## Operating costs

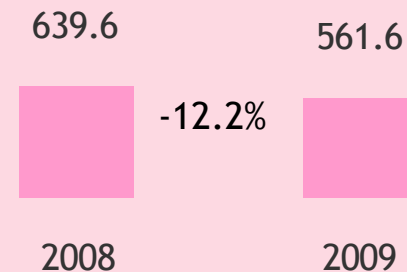
Consolidated



Portugal



International Operations



Includes, in 2008, the reduction of variable remuneration in Portugal, accrued in 2007, of 18 million euros and early retirement costs of 7.8 million euros in 2008 and early retirement costs of 3.9 million euros in 2009

## Staff cost containment in all geographies except Africa

(Eur million)

	2008	2009	Change
<b>Portugal</b>	<b>592.7</b>	<b>604.3</b>	<b>2.0%</b>
Remunerations	476.0	476.0	0.0%
Pension costs	116.7	128.3	10.0%
<b>International operations</b>	<b>322.6</b>	<b>261.0</b>	<b>-19.1%</b>
Poland	173.7	107.9	-37.9%
Greece	62.3	61.1	-1.9%
Romania	16.1	15.9	-1.3%
Turkey	14.2	12.3	-13.9%
USA	12.9	11.4	-11.7%
Mozambique	25.8	27.4	6.4%
Angola	6.3	13.1	106.4%
<b>Staff costs</b>	<b>915.3</b>	<b>865.3</b>	<b>-5.5%</b>

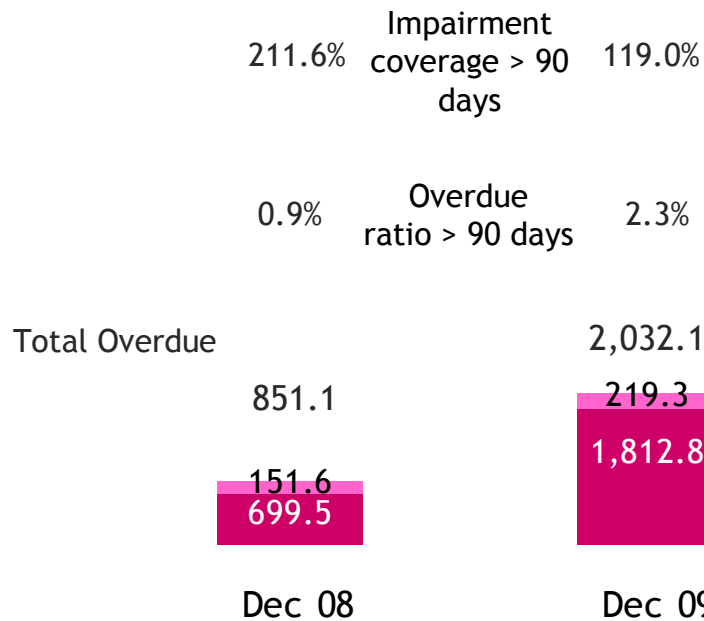
< 100 million euros pension costs estimated for 2010

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

(%, Eur million)

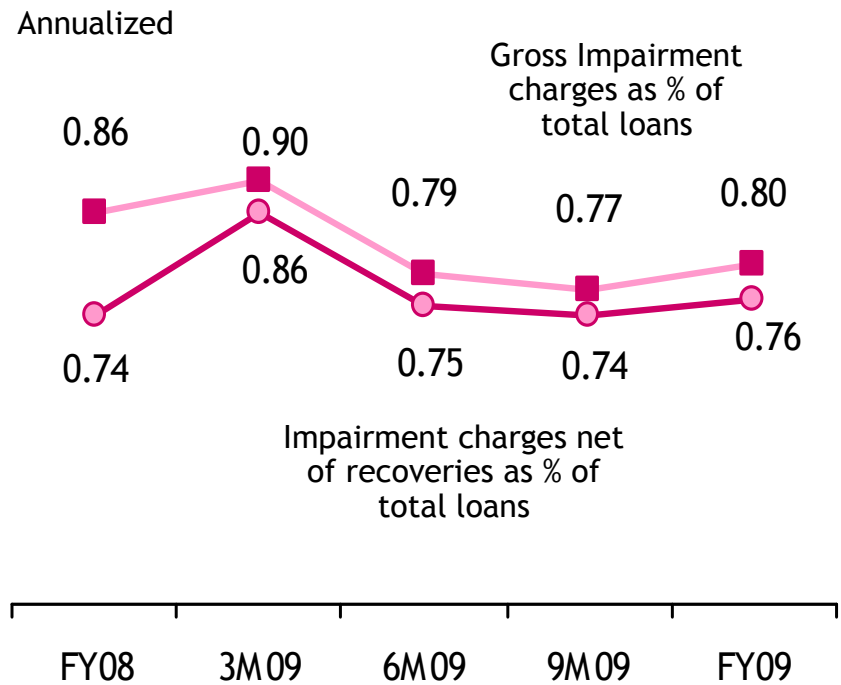
Consolidated

## Credit quality



< 90 days  
 > 90 days

## Impairment charges as % of total loans\*

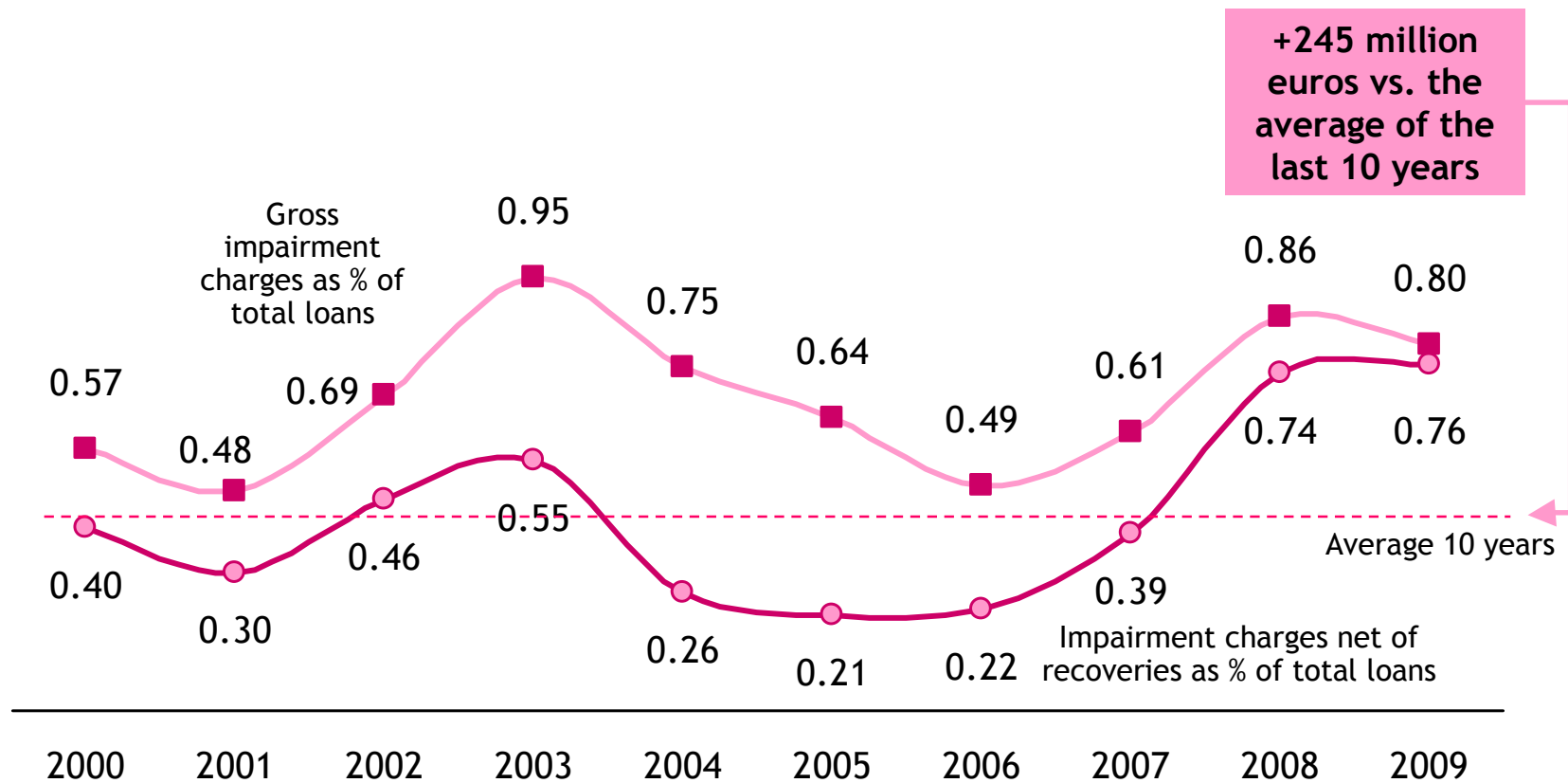


Up until December 31, 2008, in accordance with the criteria adopted by the Group, non-performing loans that were completely covered by provisions were written off from assets when impairments corresponded to 100%. In the first quarter of 2009, following Circular Letter #15/2009 from Banco de Portugal, 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.

# Cost of risk stabilization

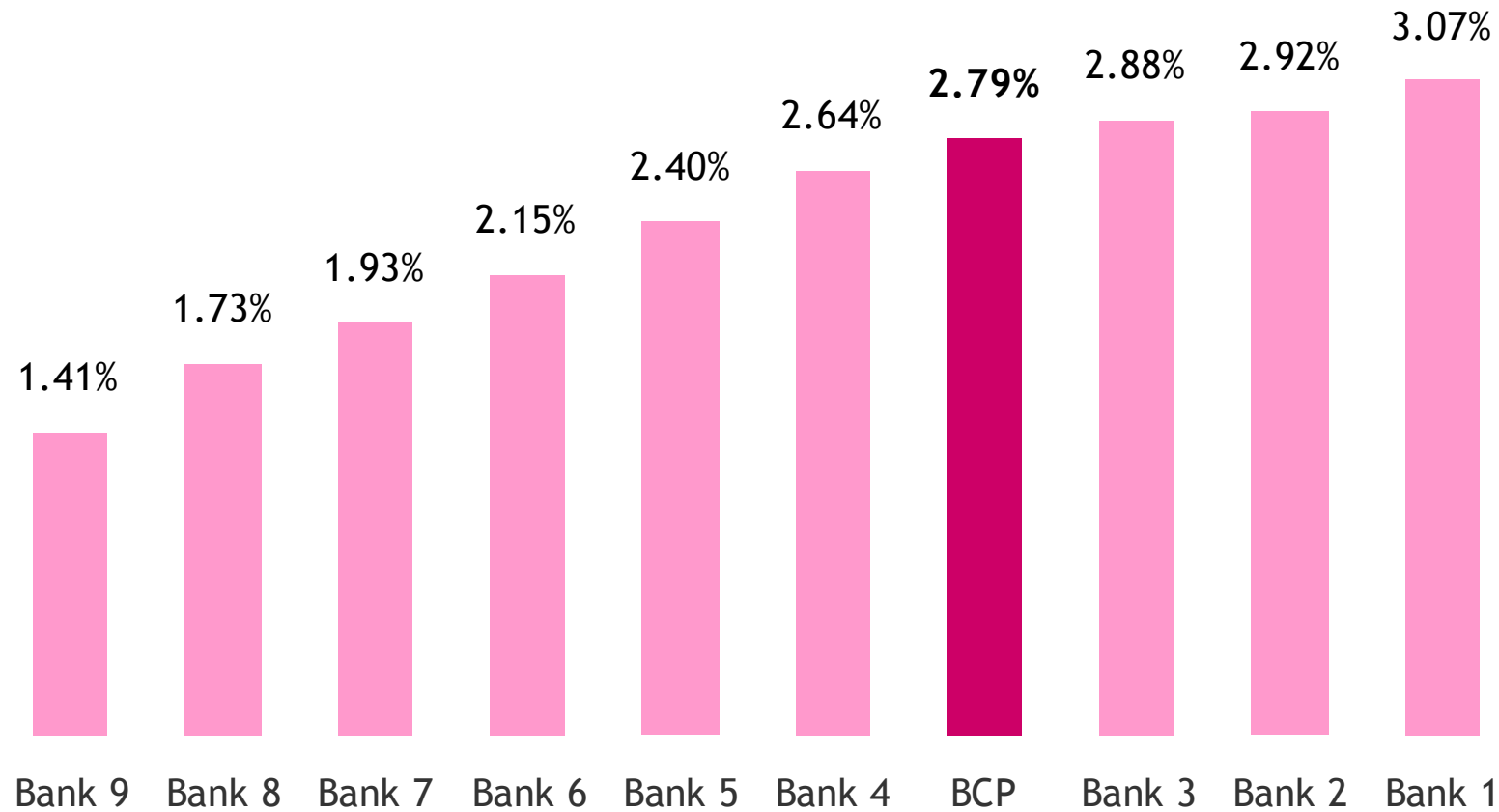
Impairment charges as % of total loans\* (accumulated annualized figures)



\* Excluding securities reclassified as credit

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

On balance sheet total impairments as a loan %



Source: Banks' reports, 4<sup>th</sup> Quarter 2009.

# Agenda

- Portugal
- International operations



# Income Statement

(Eur million)

	2008	2009	YoY
Net interest income	1,170.1	917.7	-21.6%
Commissions and other income	565.3 (1)	646.9	14.4%
Net income from trading activity	(2) -124.5	65.0	152.2%
Dividends and Equity acc. Earnings	48.3	67.4	39.5%
<b>Banking income</b>	<b>1,659.2</b>	<b>1,697.0</b>	<b>2.3%</b>
Staff costs	(3) 592.7 (3)	604.3	2.0%
Other administrative costs	371.8	314.3	-15.5%
Depreciation	66.6	60.0	-9.9%
<b>Operating costs</b>	<b>1,031.1</b>	<b>978.7</b>	<b>-5.1%</b>
<b>Operational profit before provisions</b>	<b>628.1</b>	<b>718.3</b>	<b>14.4%</b>
Loans impairment provisions (net of recoveries)	424.8	390.7	-8.0%
Other provisions	41.2	92.8	
Income tax and minorities	(4) 45.4 (4)	21.0	-53.7%
<b>Net income</b>	<b>116.7</b>	<b>213.8</b>	<b>83.2%</b>

(1) Includes accounting 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 268.1 million euros, in 2008

(3) Reduction, in 2008, of variable remuneration accrued in 2007 of 18.0 million euros and early retirement of 7.8 million euros. In 2009, includes early retirement of 3.9 million euros

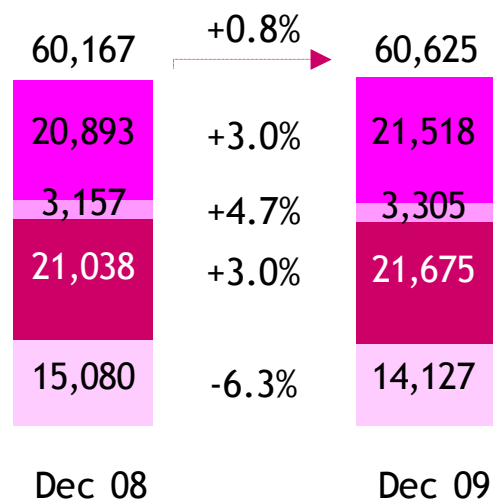
(4) Tax impact of 32.8 and 1.0 million euros of the above mentioned items in 2008 and 2009, respectively

# Balanced growth of loans and customers' funds in Portugal

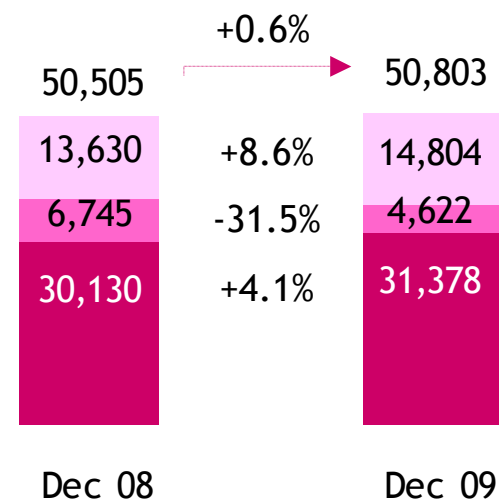


(Eur million)

## Loans to customers (gross)



## Customers' funds



- Mortgage
- Consumer loans
- Loans to SME
- Corporate loans

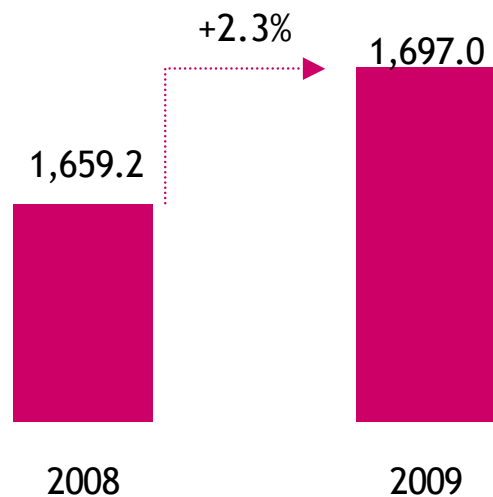
- Off Balance Sheet customers' funds
- Other customer's funds from Balance Sheet
- Deposits

# Strong cost reduction

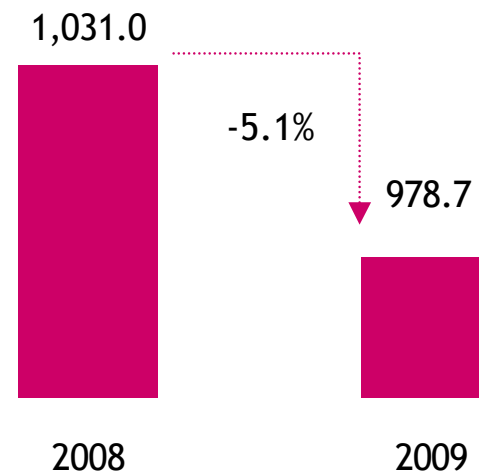


(Eur million)

## Banking income\*



## Operating costs



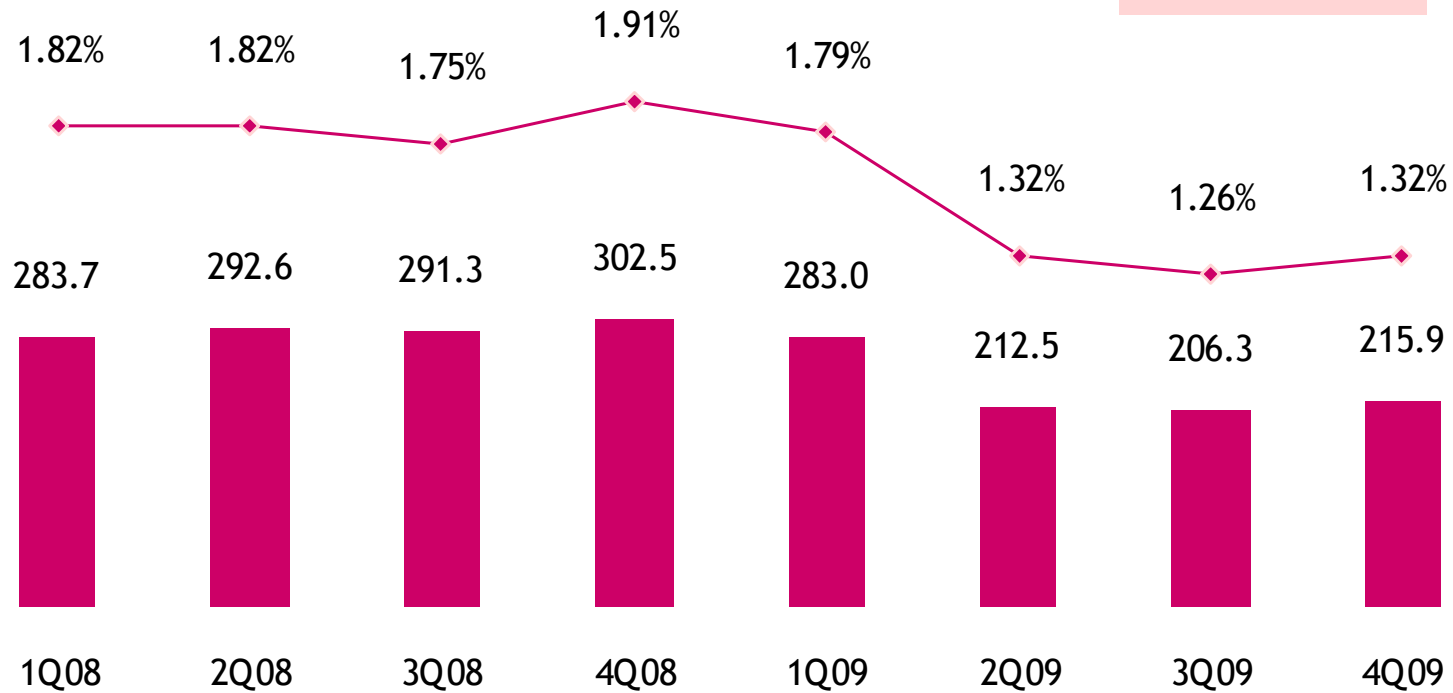
\* Includes net interest income, commissions, trading, dividends, other income and equity accounted earnings.

# Recovery of net interest income in 4th quarter of 2009



(%, Eur million)

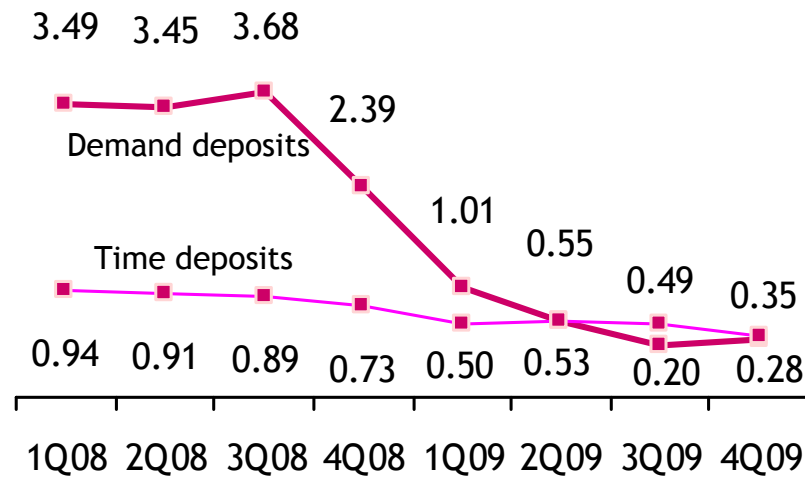
## Quarterly net interest income



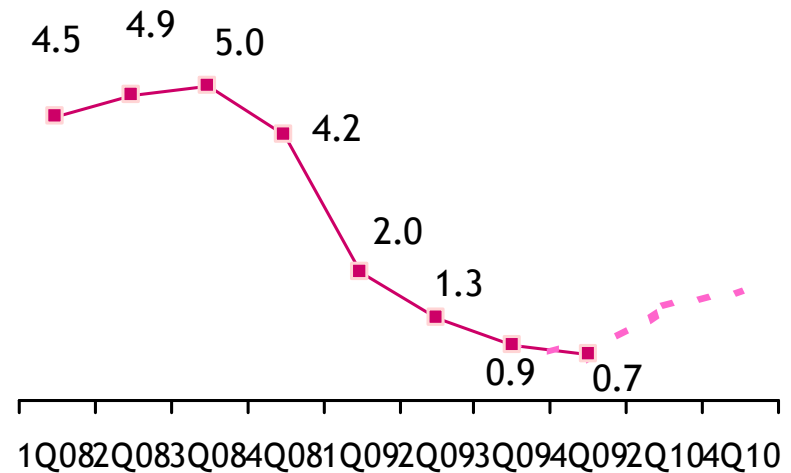
# Deposit margin declines with the steep fall of interest rates



## Deposit spreads (%)



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



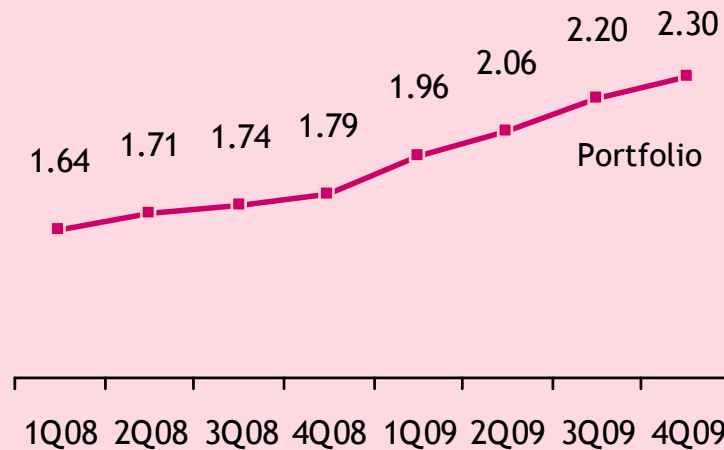
- Steep decline in market rates penalises deposit spreads

\* Euribor 3 months after 4Q09 based on market forward rates

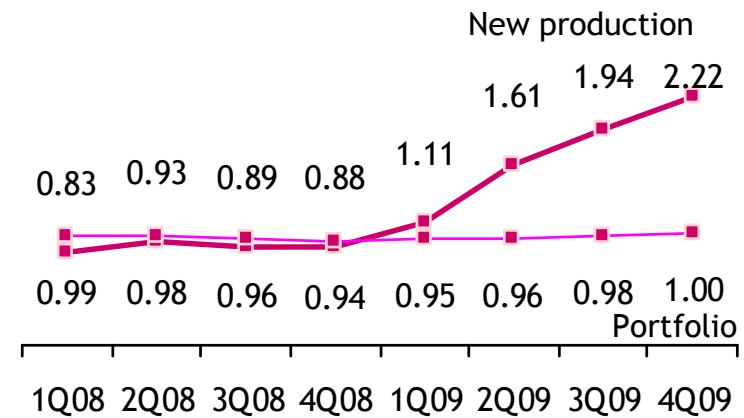
# Repricing speed unable to fully offset the reduction of deposit margin



## Corporates (contractual spread, %)



## Mortgage (contractual spread, %)



- Repricing of corporates portfolio (59% of total loans) up to 3 years, with visible impact in Corporate and Companies' NII
- Mortgage portfolio (35% of loans) cannot be re-priced. New production booked with adequate spreads

# Recovery in commissions YoY and QoQ



(Eur million)

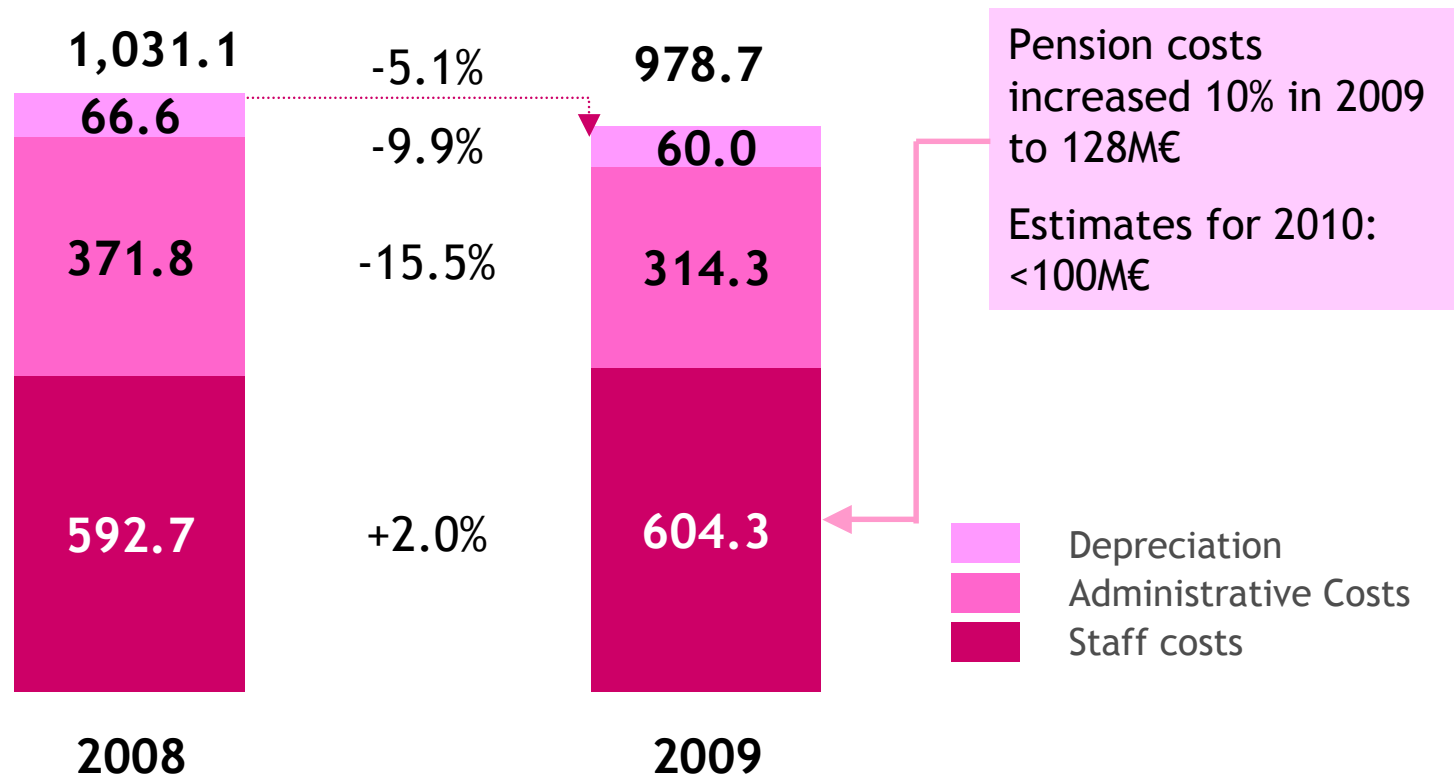
	2008	2009	Var.	4Q08	3Q09	4Q09	4Q09/ 4Q08	4Q09/ 3Q09
Banking commissions	418.6	456.7	9.1%	116.3	115.3	122.6	5.4%	6.3%
Cards	112.7	112.8	0.1%	30.5	29.1	27.8	-8.9%	-4.6%
Loans	134.5	136.3	1.3%	35.8	31.6	34.2	-4.4%	8.2%
Bancassurance	44.2	59.7	35.1%	16.1	16.2	18.4	14.3%	13.6%
Other commissions	127.1	147.9	16.4%	33.9	38.4	42.2	24.5%	9.9%
Market related commissions	92.9	65.1	-29.9%	16.3	16.9	16.1	-1.6%	-5.1%
Asset management	37.8	24.2	-36.0%	6.7	6.2	6.3	-6.1%	1.4%
Securities	55.1	40.9	-25.8%	9.6	10.7	9.7	1.6%	-8.9%
<b>Total Commissions</b>	<b>511.4</b>	<b>521.8</b>	<b>2.0%</b>	<b>132.6</b>	<b>132.2</b>	<b>138.6</b>	<b>4.6%</b>	<b>4.8%</b>

# Operational costs in Portugal drop 5.1%



(Eur million)

## Operational costs



## Strong administrative costs' cutting in Portugal



(Eur million)

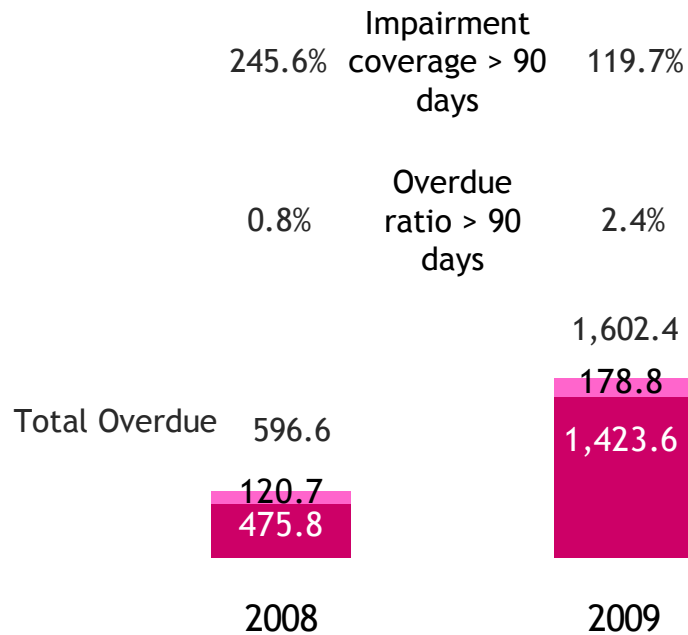
	2008	2009	Change
Independent work	82.4	70.5	-14.6%
Rents	58.9	57.7	-2.0%
Communications	31.8	28.3	-11.0%
Maintenance	23.9	23.1	-3.2%
Advertising	18.5	23.1	24.9%
Consulting	21.9	13.8	-36.9%
Travels	12.5	8.6	-31.3%
Insurance	7.9	6.9	-12.5%
Outsourcing	14.6	8.7	-40.3%
Consumables	7.4	5.6	-24.2%
Transport of values	7.6	6.8	-10.6%
Security	3.1	2.7	-11.8%
Others	81.3	58.5	-28.1%
<b>Administrative costs</b>	<b>371.8</b>	<b>314.3</b>	<b>-15.5%</b>

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



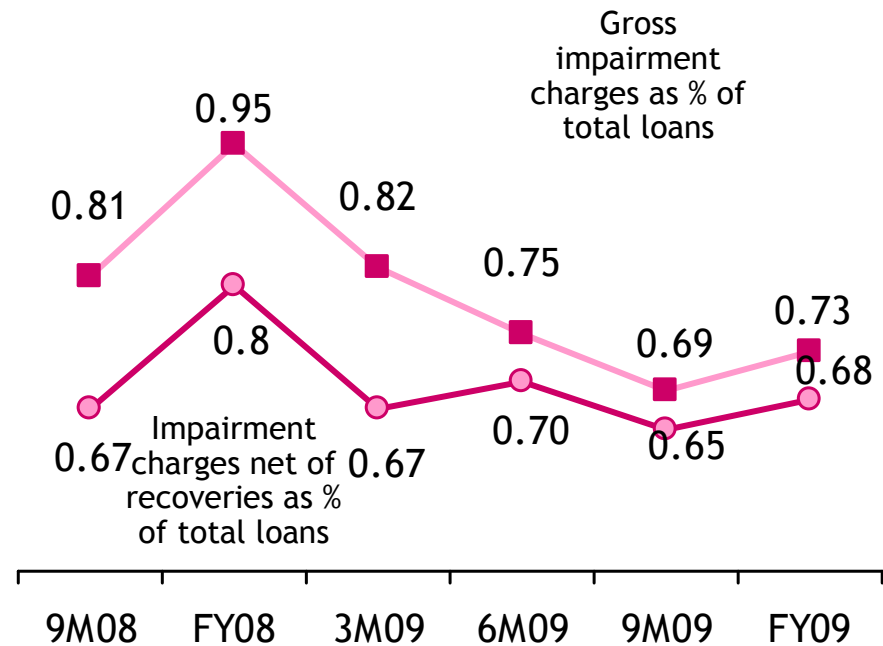
(%, Eur million)

## Credit Quality



< 90 days  
 > 90 days

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



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.



# Agenda

- Portugal
- International operations

# International operations with impact from current economic and financial crisis

(Eur million)

	2008	2009	Variation
<b>International operations</b>	<b>84.5</b>	<b>11.4</b>	<b>-86.5%</b>
Poland	117.9	0.3	-99.7%
Mozambique	51.5	52.0	1.0%
Angola	4.4	14.6	235.7%
Greece	15.1	9.0	-40.5%
Romania	-32.9	-38.0	-15.5%
Turkey	1.8	-7.2	<200%
USA	-6.1	-9.5	-56.7%

Romania includes costs registered in BCP



## Poland: successful rights issue



### Rights issue raised gross proceeds of PLN 1,055 million (circa €258 million)

- Banco Comercial Portugues (main shareholder with 65.5%) took up its pre-emptive rights in full
- Remainder of the rights issue was fully subscribed. The shares available to minority shareholders were almost 4 times oversubscribed
- With the new capital, the Capital Adequacy Ratio (based on December data) would be to 14.7% and Tier1 12.2%, on consolidated basis


### Proceeds will allow Millennium to support its strategy of growth through

- Expansion of the corporate loan portfolio
- Maintaining its position in retail banking lending market
- Supporting the investment plan for the period 2010 to 2012, including upgrade of security infrastructure, software purchases and other investments connected with its IT platform

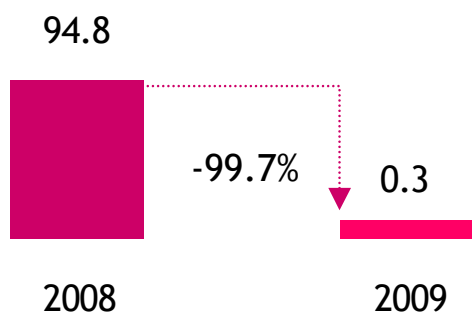
### Details of the issue

- Number of offered shares: 363,935,033
- 3 new shares for each 7 existing shares
- Issue price of PLN 2.90
- Record time of the transaction - 3 months since the announcement of intention on Nov. 6th 2009

# The year 2009 finished with positive net profit

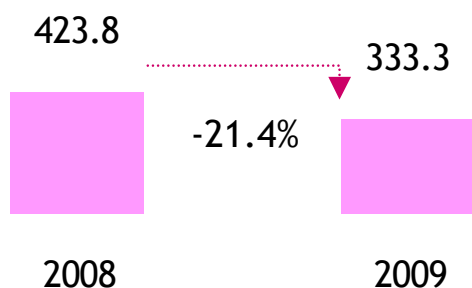
 (Eur million)

## Net profit

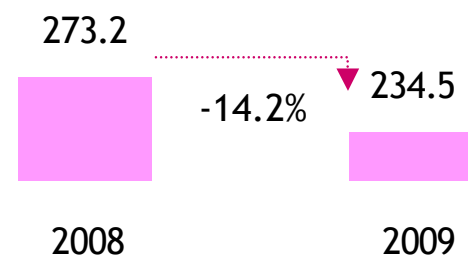


- Strong results in 4Q09 (15.5 million euros) allows to finish the year
- Cost reduction at 14% allows the bank to anticipate saving plan targets for 2010
- Strong increase in the operating income on a quarterly basis (+32%), although still decreasing by 21% in 2009

## Total operating income



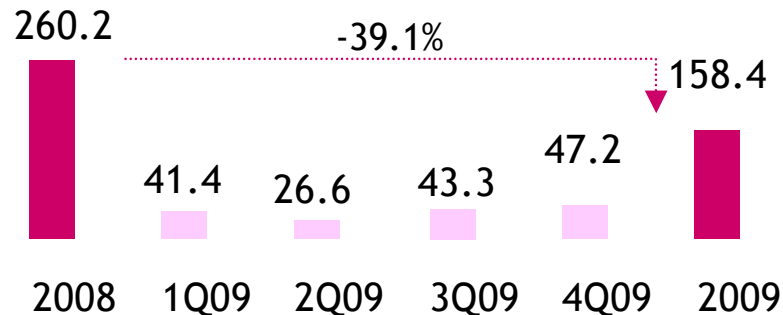
## Total operating costs



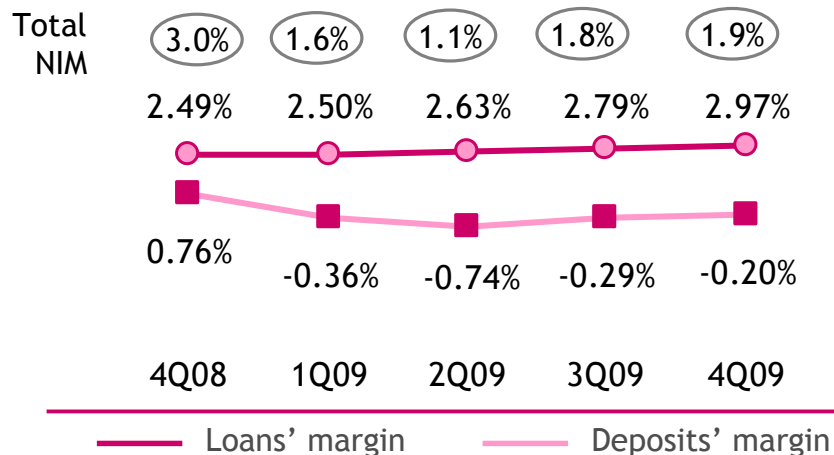
# Recovery of net interest income in the 3<sup>rd</sup> and 4<sup>th</sup> quarters

(%, Eur million)

## Net interest income\*



## NIM evolution\* (quarterly)




- Net Interest Income rebounded strongly in the 3Q09. The positive trend has continued in 4Q09 (+9% qoq) as a result of lower deposit costs, improvement of loans' margin and lower cost of funding in foreign currencies through FX swaps and cross-currency swaps.

- The net interest margin increased to 1.9%, the highest of the year, in quarterly terms.

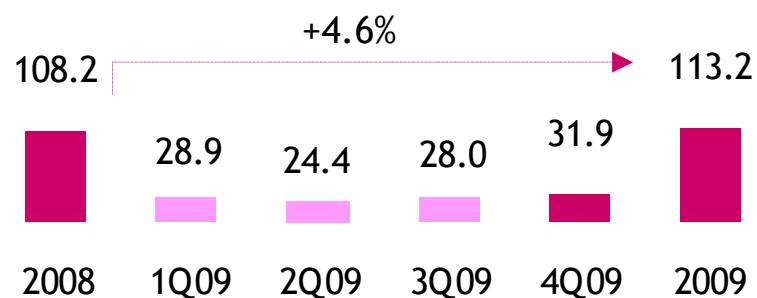
\* Pro-forma data. Margin from all derivatives, including those hedging FX denominated loan portfolio, is presented in Net Interest Income, whereas in accounting terms part of this margin (EUR 21.2 m in 2009 and EUR 45.9 m in 2008) is presented in Result on Financial Operations. Since 2009, new methodology applied, which transferred FX impact on accrued interests from Net Interest Income to FX gains.

Excluding the FX effect. Rates €PLN used: Profit and Loss account 4.36182083, Balance Sheet 4.1045

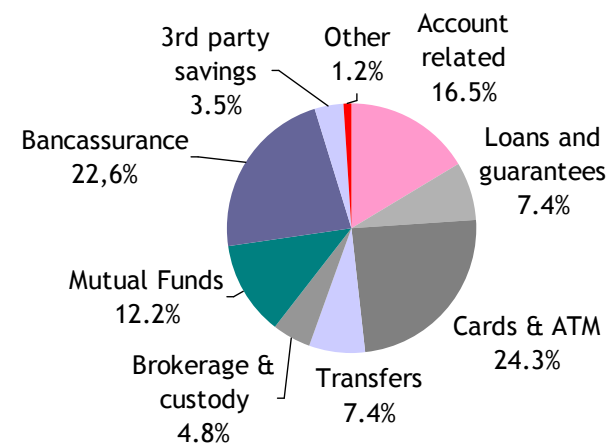
# Increase of commissions YoY and QoQ

 (% , Eur million)

## Net commission income



## Net commission breakdown



- Commissions continued the visible quarterly growth trend started in 3Q09, and closed the year increasing 5%
- Commissions increase by 14% qoq, mainly driven by capital market, cards and accounts related fees
- Trading and other operating income\* on accumulated basis increased by 11% yoy.

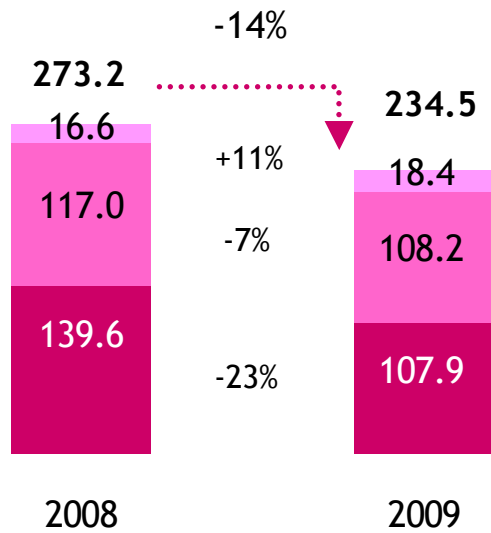
\* Including FX income, result on financial operations, dividends and other operating income and costs  
Excluding the FX effect. Rates €PLN used: Profit and Loss account 4.36182083, Balance Sheet 4.1045

# Cost savings planned for 2010 already overachieved



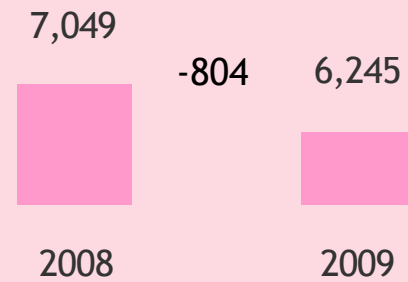
## Operating costs

(Eur million)

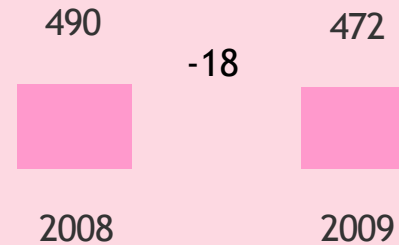


- Depreciation
- Administrative costs
- Staff costs


## Number of employees



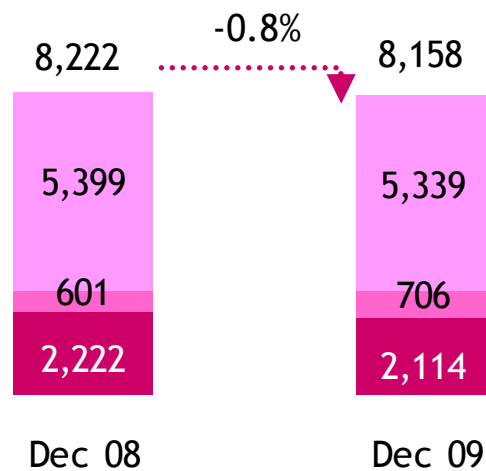
## Number of branches



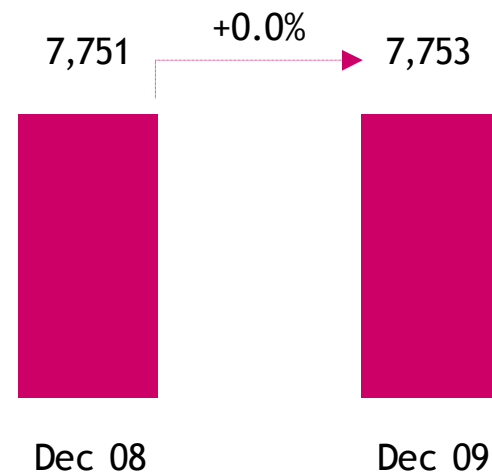
# Loan growth affected by FX, deposits with moderate evolution due to repricing




 (Eur million)

## Loans to Customers (net)



## Customers' deposits\*



 Mortgage  
 Consumer Loans  
 Loans to companies

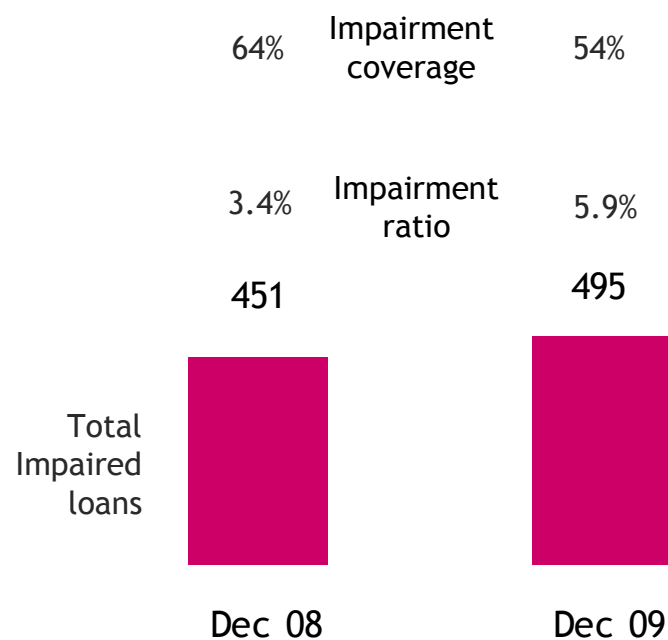
\* Includes Bank's bonds sold to individuals

Excluding the FX effect. Rates €PLN used: Profit and Loss account 4.36182083, Balance Sheet 4.1045

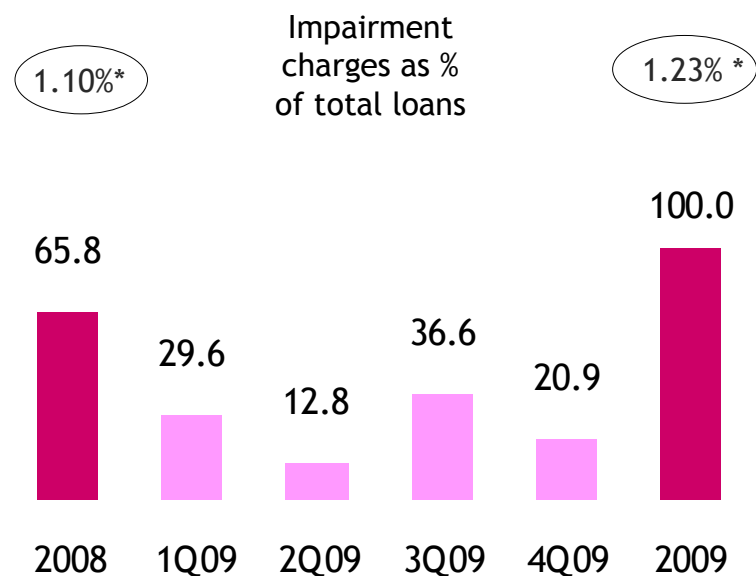
# Conservative provisioning still with impact from FX derivatives

(%, Eur million)

## Credit quality



## Impairment charges



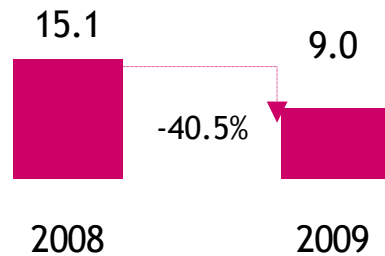
- Provisions for credit risk created in 3Q'09 include EUR 24.9 million of extraordinary provisions for corporate exposures.

\* Including impairment correction in valuation of FX options presented in Result on financial operations.  
Excluding the FX effect. Rates €PLN used: Profit and Loss account 4.36182083, Balance Sheet 4.1045

# Greece: net income stressed by an adverse macroeconomic environment



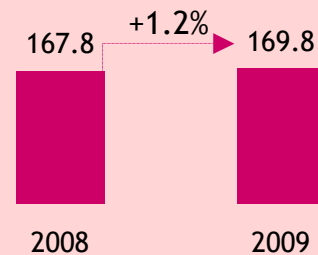
## Net Income (Eur million)



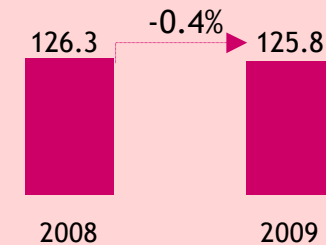
- Net earnings for the year at 9 million euros, affected by the 1.5 million euros "social contribution" imposed by Greek authorities
- Net income affected by the deposit spreads' tightening in the 1H09
- Net interest income recover in the 2H09
- In spite of the adverse macroeconomic conditions, cost reduction leads to improvement of the efficiency ratio from 77% in 4Q08 to 73% in 4Q09.

(Eur million)

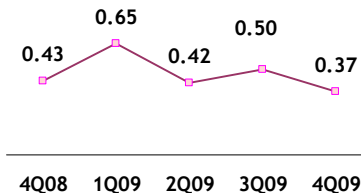
## Operating income



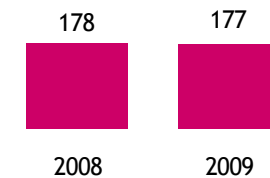
## Operating costs



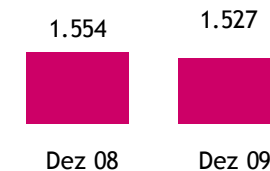
## Impairment charges % Average Gross Loans



## Branches



## Employees

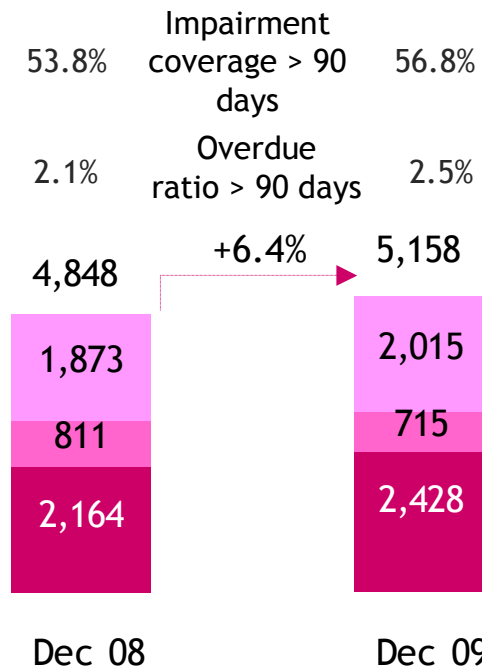


# Focus on deposits, keeping solid growth

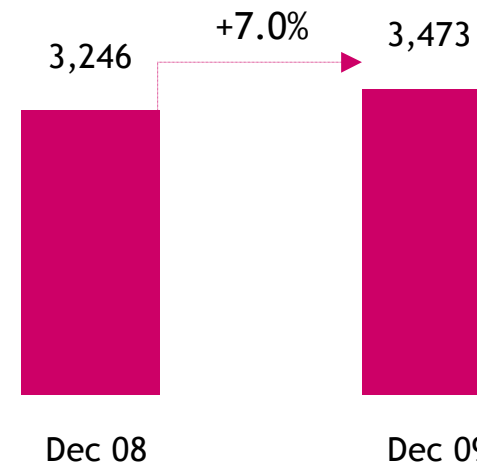


(Eur million)

## Loans to clients (gross)



## Customers' deposits



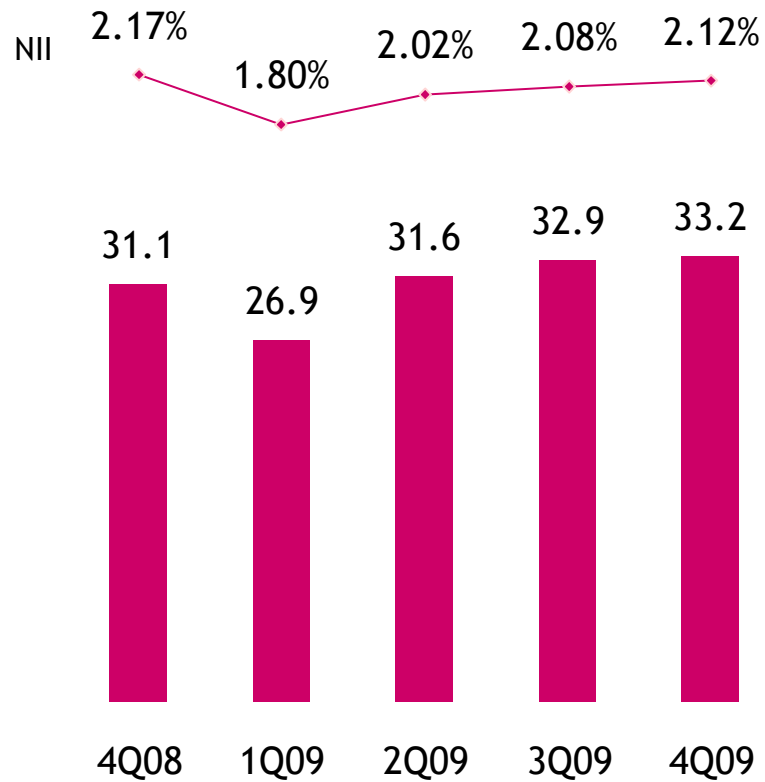
- Mortgage
- Consumer Loans
- Loans to companies

# Net interest income in 4Q is the highest of the year; improved efficiency

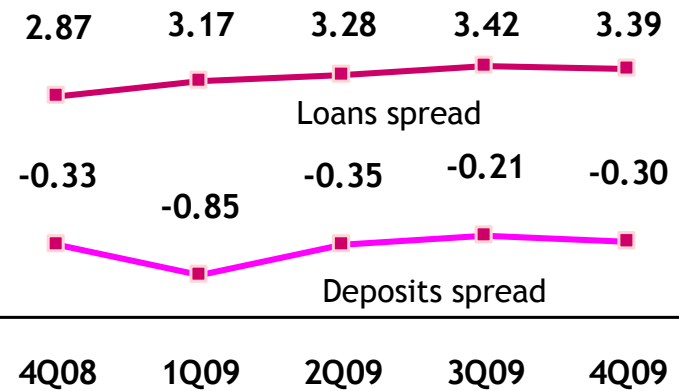


(%, Eur million)

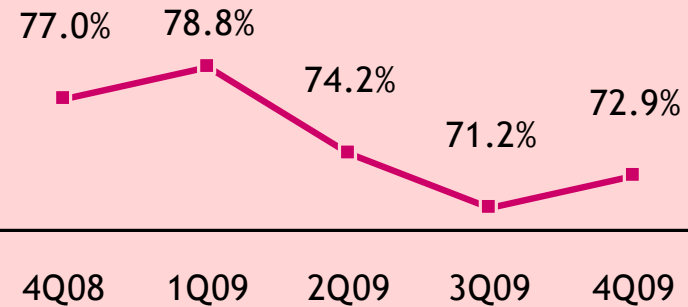
## Net Interest Income (quarterly)



## Loans and deposits spread



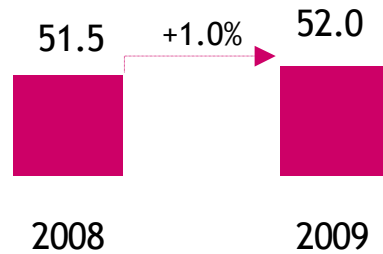
## Cost-to-Income



# Mozambique: sustainable growth of operating income

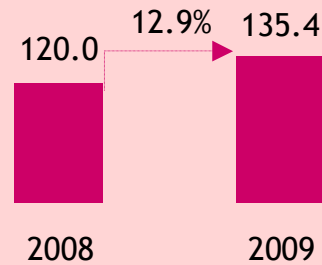


## Net Income (Eur million)

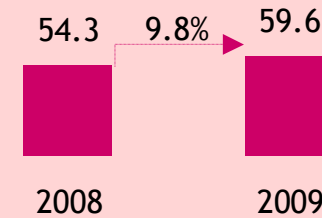


(Eur million)

## Operating income

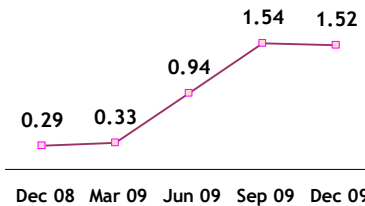


## Operating costs

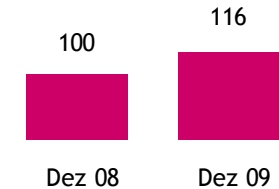


- GDP growth in Mozambique remains at high levels: 4-5% in 2009(E) and 2010(P)
- High profitability levels sustained by good performance of net interest margin and FX results
- Ongoing expansion program
- Strong volume increase
- Positive commercial gap: loans/deposits ratio of 76,7%

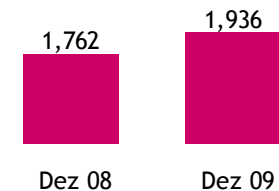
## Impairment charges % Average Net Total Loans (accumulated)



## Branches



## Employees

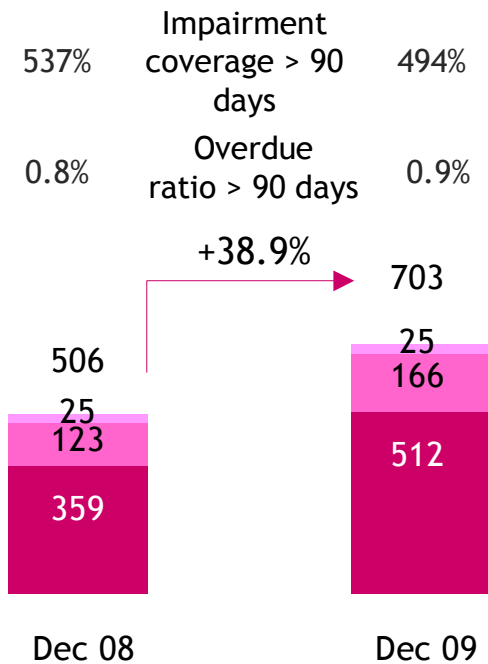


# Sustained volume growth, low level of delinquency

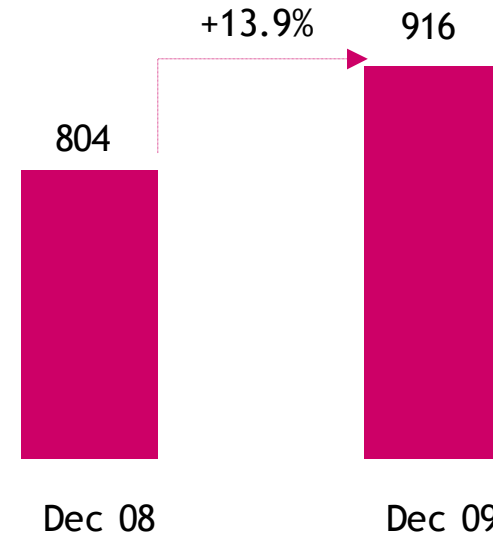


(Eur million)

## Loans to customers (gross)



## Customers' deposits



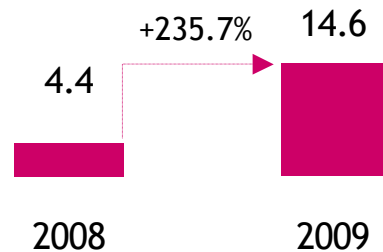
- Mortgage
- Consumer Loans
- Loans to companies

# Angola: strong growth in net income in spite of the expansion plan



## Net Income

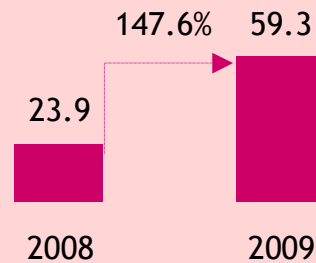
(Eur million)



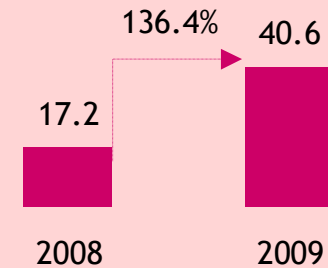
- Completion of the partnership between Sonangol and BPA through a capital increase
- Stronger capital base will allow the activity expansion
- Network expansion of 23 branches
- Strong loans' and deposit' growth
- Despite the ongoing expansion, profitability remains high

(Eur million)

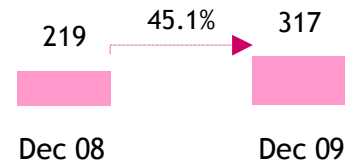
## Operating income



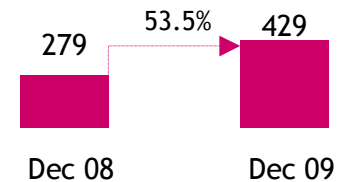
## Operating costs



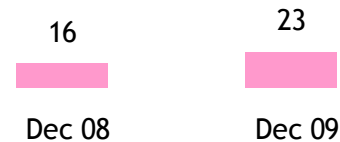
## Loans to customers (gross)



## Customers' funds



## Branches



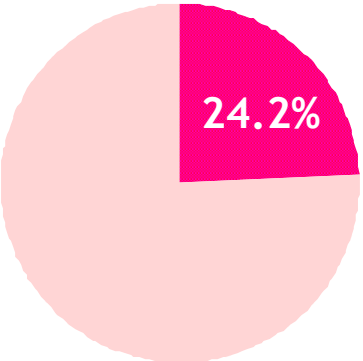
## Employees



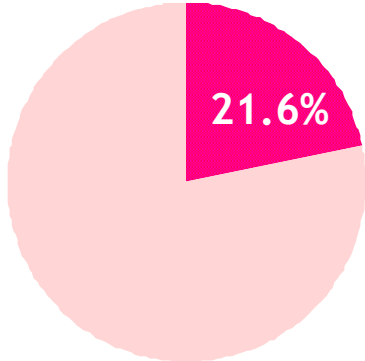
# Increasing internationalization level

## Weight of international operations (2009)

**Customers' Funds**  
100%\* = 67.0 billion €

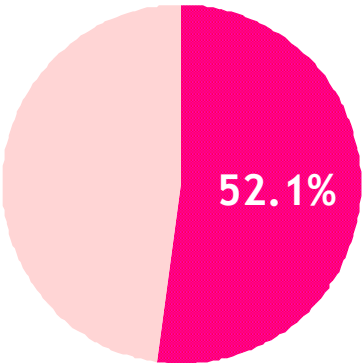


**Loans to Customers**  
100%\* = 77.3 billion €

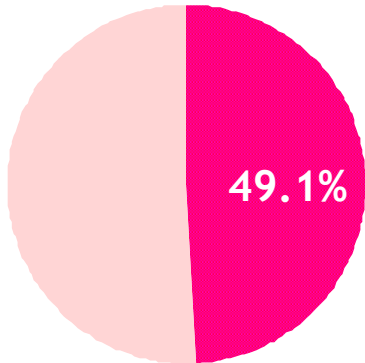


- Portugal
- International operations

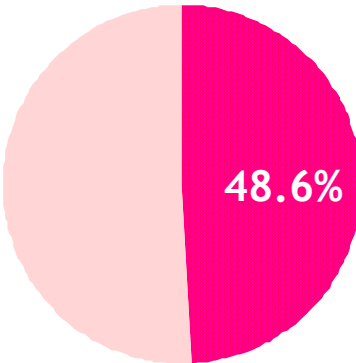
**Employees**  
100% = 21.493



**Branches**  
100% = 1.791



**Clients**  
100% = 5.1 millions

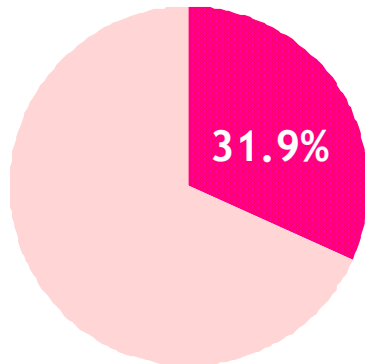


\* Excluding Turkey

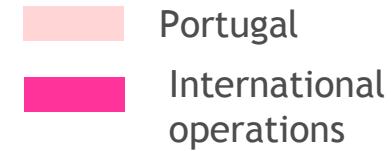
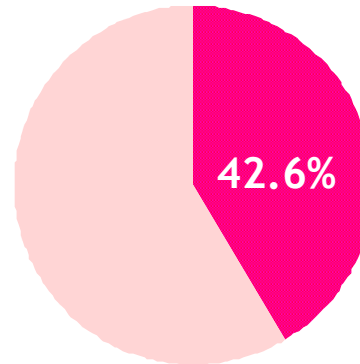
# Strong potential for growth of international operations' contribution

## Weight of International operations (2009)

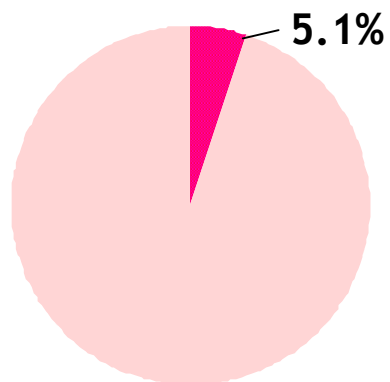
**Operating Income**  
100% = 2.5 billion €



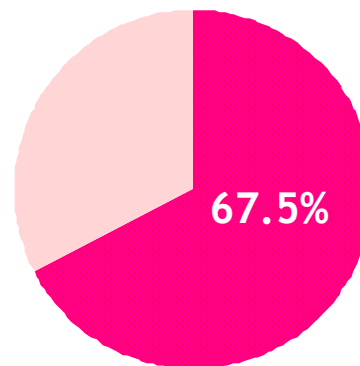
**Operating Costs**  
100% = 1.5 billion €



**Net Income**  
100% = 225 billion €



**Customers' Funds and Loans to Customers growth**



\* Excluding Turkey

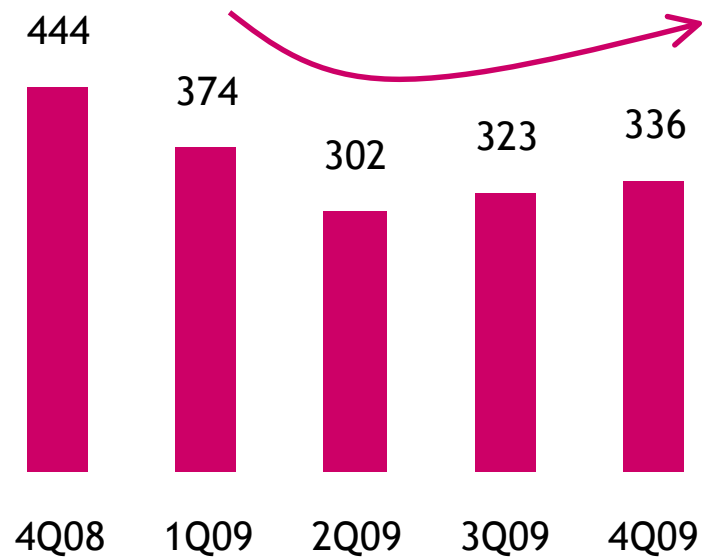
# Focus on profitability

Reversing operating income trend...

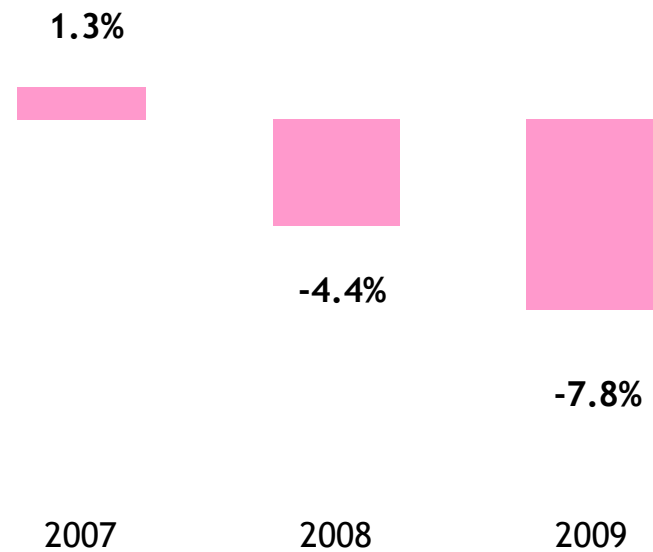
... and cutting costs

## Net interest income evolution

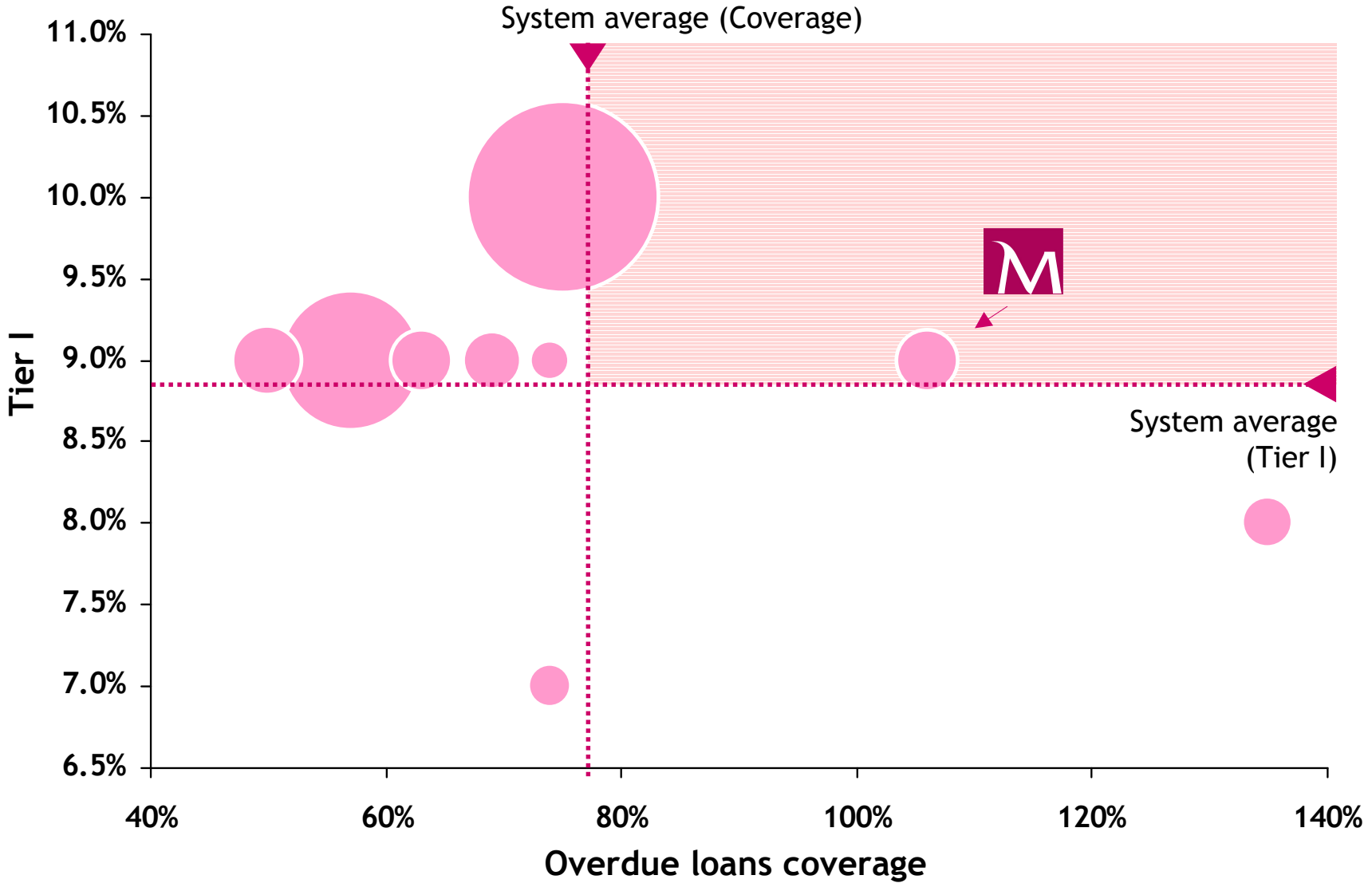
(Eur million)



## Operating costs evolution



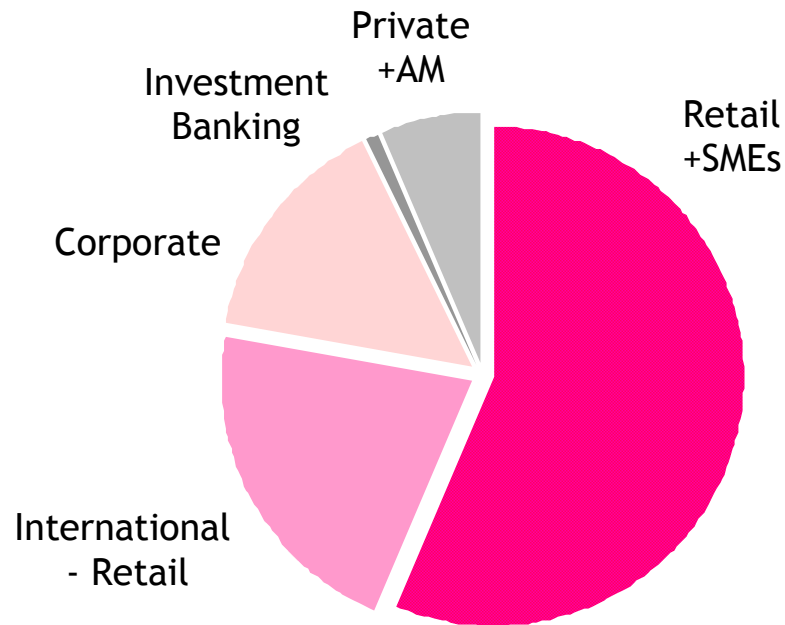
# Capital position aligned with Iberian peers, high provision coverage



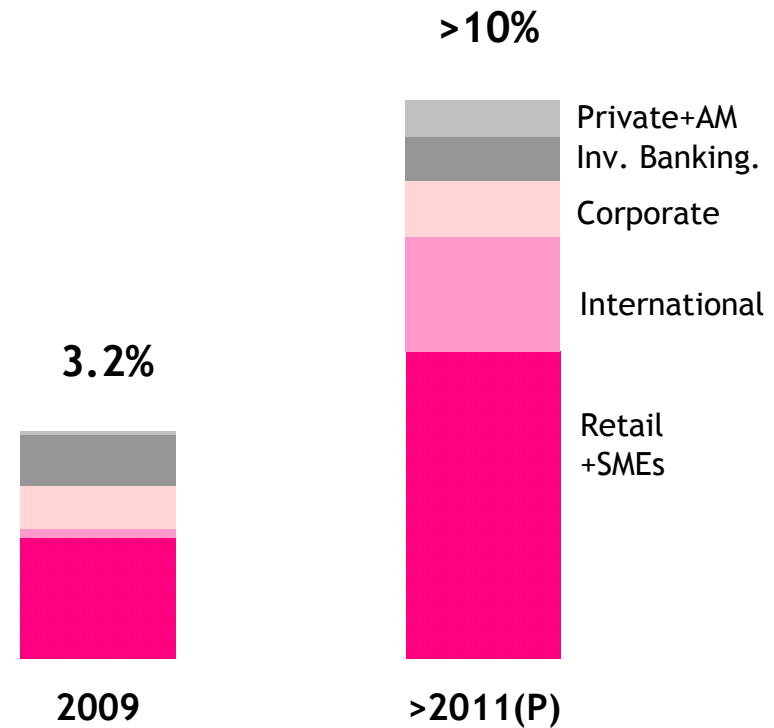
Notes: Size of circles represent each bank's gross loans as at 31 December 2009. Total overdue loans coverage of Spanish and Portuguese Banks according to the rules of the Bank of Portugal and of the Bank of Spain, respectively.

# Focus and transformation: focus on retail, Poland and Emerging Africa and increase in profitability

## Credit and Customers' funds composition



## Contribution to ROE



# The priorities for 2009 prepared the bank to 2010-2012: Focus and transformation

## Focus and transformation

institutionally stable, commercially resilient, focusing in risk control, in efficiency, in profitability, innovation and client service

### Sustainability

- **More solid:** Tier 1 capital ratio of 9.2% and Core Tier 1 of 7,1%, calculated based on IRB methodologies (pro forma)\*
- **Reinforced liquidity position** in 2009: debt issues of 5,6 B€, control of commercial gap, increase of discountable assets to 10.6 B€; reinforcement of risk, management and control
- Pension fund: reduction of actuarial deviations, risk mitigation

### Transformation in Portugal

- **Client satisfaction at record level since the launch of the single brand**
- **Trend reversal of core income:** net interest margin and commissions (repricing, leakage)
- **Strong cost reduction: -5.1%**
- Impairment levels, although higher, **are in line with expectations** at this point of the economic cycle

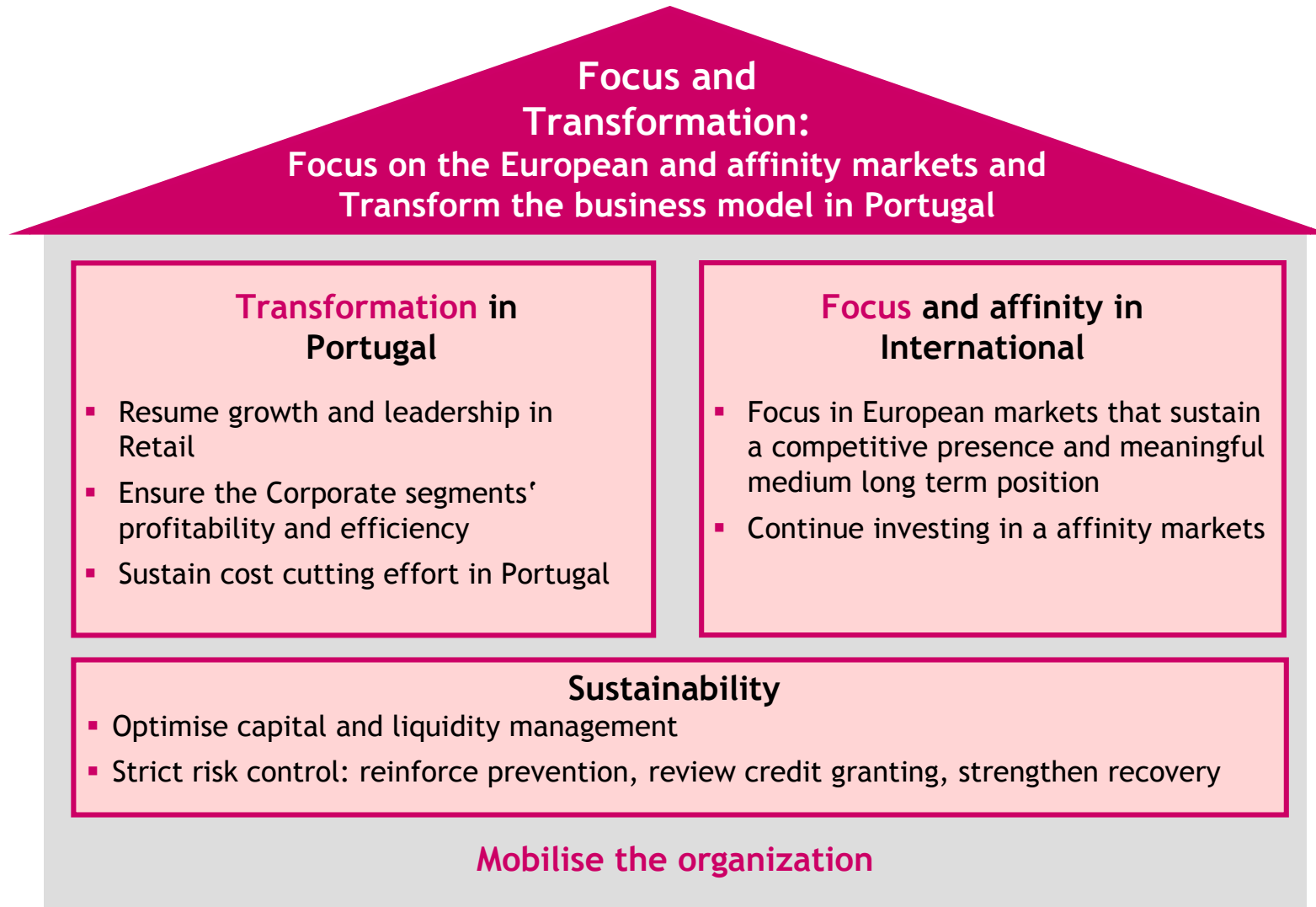
### Focus and affinity in international operations

- **Expansion in Mozambique and Angola, transformation Poland and Romania operations**
- **More than 2.6 millions of clients in international operations**
- **Recovery of core income in the 2<sup>nd</sup> half of 2009 and strong cost reduction: -12.2%**

**Organization in line with the objectives for profitability improvement - revenues, costs and risk management, supporting the good results in customer' satisfaction and growth, and committed to the increase of shareholder value**

\* According to standard method, Tier 1 rose to 9.3% and Core Tier 1 to 6.4%.

# 2010-2012: Focus and transformation



# Annexes

# Credit portfolio quality and coverage

(Eur million)

Consolidated

Portfolio	Overdue > 90 days	Overdue > 90 days / total loans	Overdue > 90 days / total loans	Coverage
	12M09	12M09	9M09	12M09
<b>Individuals</b>	<b>469</b>	<b>1.37%</b>	<b>1.36%</b>	<b>101.8%</b>
Mortgage	139	0.48%	0.55%	114.8%
Consumer	330	6.47%	6.04%	96.3%
<b>Corporate</b>	<b>1,344</b>	<b>3.11%</b>	<b>2.86%</b>	<b>125.0%</b>
Services	423	2.55%	1.91%	107.3%
Commerce	311	5.94%	5.60%	115.0%
Others	610	2.85%	2.94%	142.3%
<b>Total</b>	<b>1,813</b>	<b>2.34%</b>	<b>2.20%</b>	<b>119.0%</b>

## Credit portfolio quality and coverage



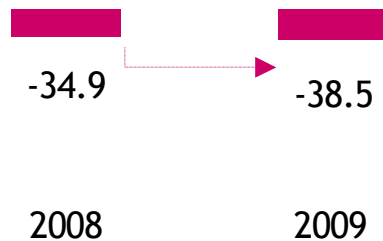
(Eur million)

Portfolio	Overdue > 90 days	Overdue > 90 days / total loans	Overdue > 90 days / total loans	Coverage
	12M09	12M09	9M09	12M09
<b>Individuals</b>	<b>312</b>	<b>1.26%</b>	<b>1.21%</b>	<b>98.9%</b>
Mortgage	121	0.56%	0.60%	114.7%
Consumer	191	5.78%	5.19%	88.8%
<b>Corporate</b>	<b>1,111</b>	<b>3.10%</b>	<b>2.80%</b>	<b>125.5%</b>
Services	324	2.18%	1.50%	122.4%
Commerce	278	6.75%	6.05%	114.4%
Others	509	3.02%	3.15%	133.6%
<b>Total</b>	<b>1,424</b>	<b>2.35%</b>	<b>2.15%</b>	<b>119.7%</b>

# Romania: business model change



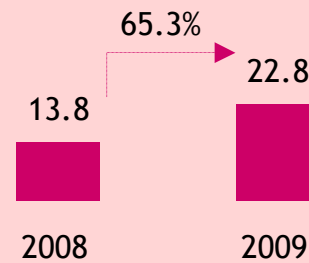
## Net Income (Eur million)



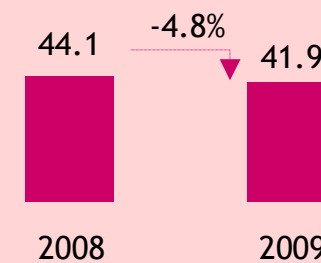
- Stabilised network expansion
- Change of the business model: refocus on customers' funds, conversion of consumer branches into full branches
- Focus on customers' funds translates into strong deposit growth; balanced loan to deposit ratio
- Controlled costs despite expansion

(Eur million)

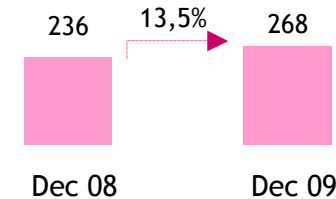
## Operating income



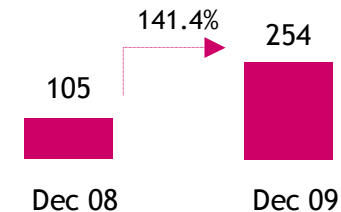
## Operating costs



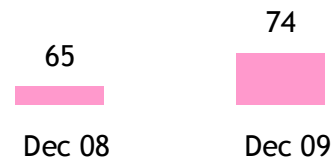
## Loans to customers (gross)



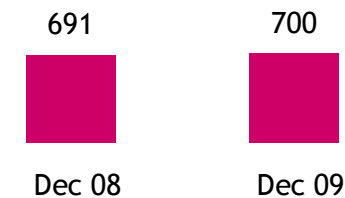
## Customers' funds



## Branches



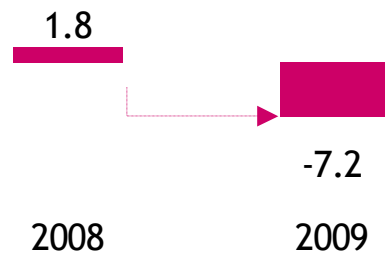
## Employees



# Turkey: costs cutting in an adverse environment



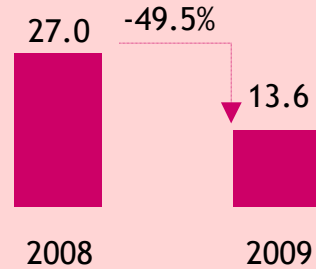
## Net Income (Eur million)



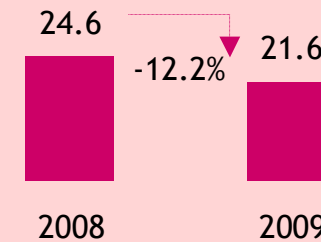
- Strong activity contraction reduction compared to 2008, pressing operating income and especially net interest income
- Control of the cost base

(Eur million)

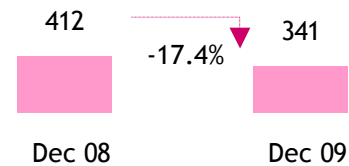
## Operating income



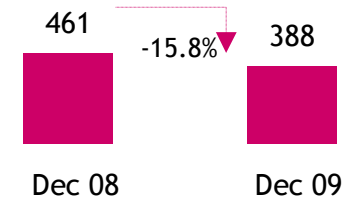
## Operating costs



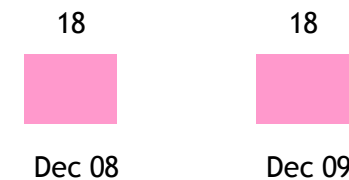
## Loans to Customers (gross)



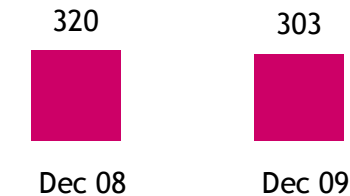
## Customers' funds



## Branches



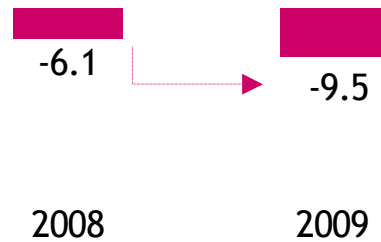
## Employees



# EUA: strengthening risk management in the financial crisis centre



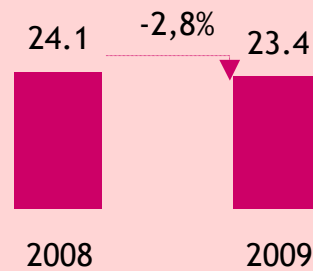
## Net Income (Eur million)



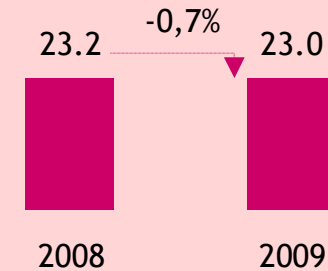
- Positive commercial gap: credit to deposit ratio of 85%
- USD devaluation by 3.5%
- Strong cost reduction by -7% in local currency (-17% in staff costs)
- The reinforcement of risk management and provisioning levels hamper 2009 profits
- Past due loans over 90 days of 133%

(Eur million)

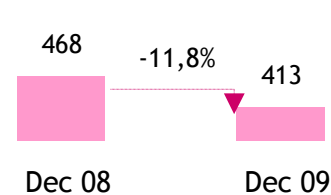
## Operating income



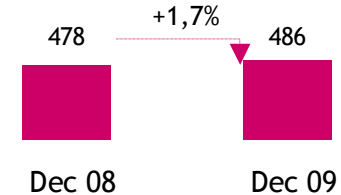
## Operating costs



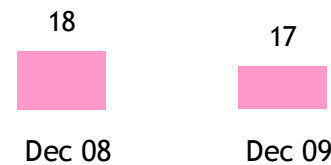
## Loans to customers (gross)



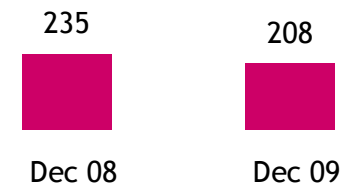
## Customers' funds



## Branches



## Employees



# Financial Statements

# Consolidated Balance Sheet

## At 31 December, 2009 and 2008

	2009	2008
	(Thousands of Euros)	
<b>Assets</b>		
Cash and deposits at central banks	2,244,724	2,064,407
Loans and advances to credit institutions		
Repayable on demand	839,552	1,048,348
Other loans and advances	2,025,834	2,892,345
Loans and advances to customers	75,191,116	75,165,014
Financial assets held for trading	3,356,929	3,903,267
Financial assets available for sale	2,698,636	1,714,178
Assets with repurchase agreement	50,866	14,754
Hedging derivatives	465,848	117,305
Financial assets held to maturity	2,027,354	1,101,844
Investments in associated companies	438,918	343,934
Non current assets held for sale	1,343,163	826,276
Investment property	429,856	436,480
Property and equipment	645,818	745,818
Goodwill and intangible assets	534,995	540,228
Current tax assets	24,774	18,127
Deferred tax assets	584,250	586,952
Other assets	2,647,777	2,904,447
	<u>95,550,410</u>	<u>94,423,724</u>
<b>Liabilities</b>		
Amounts owed to central banks	3,409,031	3,342,301
Amounts owed to others credit institutions	6,896,641	5,997,066
Amounts owed to customers	46,307,233	44,907,168
Debt securities	19,953,227	20,515,566
Financial liabilities held for trading	1,072,324	2,138,815
Other financial liabilities held for trading		
at fair value through results	6,345,583	6,714,323
Hedging derivatives	75,483	350,960
Non current liabilities held for sale	435,832	-
Provisions for liabilities and charges	233,120	221,836
Subordinated debt	2,231,714	2,598,660
Current income tax liabilities	10,795	4,826
Deferred income tax liabilities	416	336
Other liabilities	1,358,210	1,383,633
	<u>88,329,609</u>	<u>88,175,490</u>
<b>Equity</b>		
Share capital	4,694,600	4,694,600
Treasury stock	(85,548)	(58,631)
Share premium	192,122	183,368
Preference shares	1,000,000	1,000,000
Other capital instruments	1,000,000	-
Fair value reserves	93,760	214,593
Reserves and retained earnings	(243,655)	(274,622)
Profit for the year attributable to Shareholders	225,217	201,182
	<u>6,876,496</u>	<u>5,960,490</u>
Total Equity attributable to Shareholders of the Bank		
Minority interests	344,305	287,744
	<u>7,220,801</u>	<u>6,248,234</u>
Total Equity	<u>95,550,410</u>	<u>94,423,724</u>

# Consolidated Statement of Income

## At 31 December, 2009 and 2008

	2009	2008
	(Thousands of Euros)	
Interest income	3,639,479	5,269,597
Interest expense	<u>(2,305,324)</u>	<u>(3,548,549)</u>
Net interest income	1,334,155	1,721,048
Dividends from equity instruments	3,336	36,816
Net fees and commission income	731,731	740,417
Net gains / losses arising from trading and hedging activities	249,827	280,203
Net gains / losses arising from available for sale financial assets	(24,457)	(262,104)
Other operating income	<u>41,137</u>	<u>57,580</u>
	2,335,729	2,573,960
Other net income from non banking activity	<u>16,233</u>	<u>17,390</u>
Total operating income	2,351,962	2,591,350
Staff costs	865,337	915,307
Other administrative costs	570,177	642,641
Depreciation	<u>104,736</u>	<u>112,843</u>
Operating costs	1,540,250	1,670,791
	811,712	920,559
Loans impairment	(560,029)	(544,699)
Other assets impairment	(70,485)	(60,024)
Other provisions	<u>(26,871)</u>	<u>15,500</u>
Operating profit	154,327	331,336
Share of profit of associates under the equity method	66,262	19,080
Gains from the sale of subsidiaries and other assets	<u>74,930</u>	<u>(8,407)</u>
Profit before income tax	295,519	342,009
Income tax		
Current	(65,634)	(44,001)
Deferred	19,417	(39,997)
Profit after income tax	<u>249,302</u>	<u>258,011</u>
Attributable to:		
Shareholders of the Bank	225,217	201,182
Minority interests	<u>24,085</u>	<u>56,829</u>
Profit for the year	<u>249,302</u>	<u>258,011</u>
Earnings per share (in euros)		
Basic	0.03	0.03
Diluted	0.03	0.03

# Consolidated Statement of Income (Quarterly Evolution)

## At 31 December, 2009 and 2008

(Million euros)

	Quarterly					Year-to-date		
	4Q 08	1Q 09	2Q 09	3Q 09	4Q 09	Dec08	Dec09	Δ % 09 / 08
Net interest income	444.4	373.8	301.8	322.6	336.0	1,721.0	1,334.2	- 22%
Dividends from equity instruments	7.7	0.6	2.5	1.2	- 1.0	36.8	3.3	- 91%
Net fees and commission income	187.4	168.7	177.9	187.1	198.0	740.4	731.7	- 1%
Other operating income	2.2	35.1	15.9	75.6	5.7	66.6	132.3	99%
Net trading income	127.4	149.8	64.4	- 26.0	37.2	18.1	225.4	>200%
Equity accounted earnings	- 16.8	11.5	19.4	16.9	18.4	19.1	66.3	>200%
<b>Net operating revenues</b>	<b>752.2</b>	<b>739.5</b>	<b>581.9</b>	<b>577.4</b>	<b>594.3</b>	<b>2,602.0</b>	<b>2,493.2</b>	<b>- 4%</b>
Staff costs	224.7	231.9	212.2	222.9	198.2	915.3	865.3	- 5%
Other administrative costs	169.2	142.6	136.1	148.0	143.5	642.6	570.2	- 11%
Depreciation	30.3	26.2	26.1	26.3	26.1	112.8	104.7	- 7%
<b>Operating costs</b>	<b>424.3</b>	<b>400.7</b>	<b>374.5</b>	<b>397.2</b>	<b>367.9</b>	<b>1,670.8</b>	<b>1,540.3</b>	<b>- 8%</b>
<b>Operating profit bef. imp.</b>	<b>327.9</b>	<b>338.8</b>	<b>207.4</b>	<b>180.3</b>	<b>226.4</b>	<b>931.2</b>	<b>952.9</b>	<b>2%</b>
Loans impairment (net of recoveries)	204.1	160.1	119.0	130.4	150.6	544.7	560.0	3%
Other impairm. and provisions	31.1	36.8	24.1	14.5	21.9	44.5	97.4	119%
<b>Profit before income tax</b>	<b>92.7</b>	<b>141.9</b>	<b>64.4</b>	<b>35.4</b>	<b>53.9</b>	<b>342.0</b>	<b>295.5</b>	<b>- 14%</b>
Income tax	27.7	28.9	17.1	5.4	- 5.1	84.0	46.2	- 45%
Minority interests	5.9	6.3	6.5	- 0.7	11.9	56.8	24.1	- 58%
<b>Net income</b>	<b>59.0</b>	<b>106.7</b>	<b>40.8</b>	<b>30.7</b>	<b>47.1</b>	<b>201.2</b>	<b>225.2</b>	<b>12%</b>

# Consolidated Statement of Income (National and International Operations)

## At 31 December, 2009 and 2008

(Million euros)

	International operations																				
	Group			Portugal			Total			Bank Millennium (Poland)			Millennium bim (Moz.)			Millennium Bank (Greece)			Other int. operations		
	Dec09	Dec08	Δ %	Dec09	Dec08	Δ %	Dec09	Dec08	Δ %	Dec09	Dec08	Δ %	Dec09	Dec08	Δ %	Dec09	Dec08	Δ %	Dec09	Dec08	Δ %
Interest income	3,639	5,270	-30.9%	2,511	3,867	-35.1%	1,128	1,402	-19.5%	544	711	-23.4%	110	100	9.9%	289	377	-23.5%	185	214	-13.5%
Interest expense	2,305	3,549	-35.0%	1,593	2,697	-40.9%	712	851	-16.4%	407	431	-5.5%	26	22	17.7%	164	251	-34.8%	115	147	-22.0%
<b>Net interest income</b>	<b>1,334</b>	<b>1,721</b>	<b>-22.5%</b>	<b>918</b>	<b>1,170</b>	<b>-21.6%</b>	<b>416</b>	<b>551</b>	<b>-24.4%</b>	<b>137</b>	<b>280</b>	<b>-51.0%</b>	<b>84</b>	<b>78</b>	<b>7.6%</b>	<b>125</b>	<b>126</b>	<b>-1.0%</b>	<b>71</b>	<b>67</b>	<b>5.1%</b>
Dividends from equity instruments	3	37	-90.9%	3	29	-90.6%	1	8	-92.4%	0	7	-93.4%	0	0	14.4%	0	0	-3.4%	0	0	-110.1%
<b>Intermediation margin</b>	<b>1,337</b>	<b>1,758</b>	<b>-23.9%</b>	<b>920</b>	<b>1,199</b>	<b>-23.3%</b>	<b>417</b>	<b>559</b>	<b>-25.3%</b>	<b>138</b>	<b>287</b>	<b>-52.1%</b>	<b>84</b>	<b>78</b>	<b>7.6%</b>	<b>125</b>	<b>126</b>	<b>-1.0%</b>	<b>71</b>	<b>67</b>	<b>5.1%</b>
Net fees and commission income	732	740	-1.2%	522	511	2.0%	210	229	-8.3%	113	135	-15.9%	24	22	6.4%	33	32	2.6%	40	40	0.2%
Other operating income	132	67	98.8%	125	54	132.3%	7	13	-42.9%	2	2	6.6%	5	5	-3.1%	3	2	41.9%	-2	4	-157.2%
<b>Basic revenue</b>	<b>2,202</b>	<b>2,565</b>	<b>-14.2%</b>	<b>1,567</b>	<b>1,765</b>	<b>-11.2%</b>	<b>634</b>	<b>800</b>	<b>-20.8%</b>	<b>253</b>	<b>424</b>	<b>-40.3%</b>	<b>113</b>	<b>106</b>	<b>6.9%</b>	<b>160</b>	<b>160</b>	<b>0.2%</b>	<b>108</b>	<b>111</b>	<b>-2.5%</b>
Net trading income	225	18	>200%	65	-124	152.2%	160	143	12.5%	78	99	-21.6%	23	14	57.2%	10	8	21.8%	50	21	140.6%
Equity accounted earnings	66	19	>200%	65	19	>200%	2	0		2	0		0	0		0	0		0	0	
<b>Net operating revenues</b>	<b>2,493</b>	<b>2,602</b>	<b>-4.2%</b>	<b>1,697</b>	<b>1,659</b>	<b>2.3%</b>	<b>796</b>	<b>943</b>	<b>-15.6%</b>	<b>333</b>	<b>523</b>	<b>-36.4%</b>	<b>135</b>	<b>120</b>	<b>12.9%</b>	<b>170</b>	<b>168</b>	<b>1.2%</b>	<b>158</b>	<b>132</b>	<b>20.2%</b>
Staff costs	865	915	-5.5%	604	593	2.0%	261	323	-19.1%	108	174	-37.9%	27	26	6.4%	61	62	-1.9%	65	61	6.1%
Other administrative costs	570	643	-11.3%	314	372	-15.5%	256	271	-5.5%	106	142	-25.2%	26	22	20.7%	55	55	0.4%	69	53	30.5%
Depreciation	105	113	-7.2%	60	67	-9.9%	45	46	-3.3%	18	20	-9.1%	6	7	-12.8%	10	9	5.6%	11	10	6.3%
<b>Operating costs</b>	<b>1,540</b>	<b>1,671</b>	<b>-7.8%</b>	<b>979</b>	<b>1,031</b>	<b>-5.1%</b>	<b>562</b>	<b>640</b>	<b>-12.2%</b>	<b>232</b>	<b>335</b>	<b>-30.8%</b>	<b>60</b>	<b>54</b>	<b>9.8%</b>	<b>126</b>	<b>126</b>	<b>-0.4%</b>	<b>144</b>	<b>124</b>	<b>16.5%</b>
<b>Operating profit bef. imp.</b>	<b>953</b>	<b>931</b>	<b>2.3%</b>	<b>718</b>	<b>628</b>	<b>14.4%</b>	<b>235</b>	<b>303</b>	<b>-22.6%</b>	<b>101</b>	<b>188</b>	<b>-46.5%</b>	<b>76</b>	<b>66</b>	<b>15.5%</b>	<b>44</b>	<b>42</b>	<b>5.9%</b>	<b>14</b>	<b>8</b>	<b>78.2%</b>
Loans impairment (net of recoveries)	560	545	2.8%	391	425	-8.0%	169	120	41.2%	99	37	165.9%	11	1	>200%	24	16	46.4%	35	65	-45.7%
Other impairm. and provisions	97	45	118.7%	93	41	125.5%	5	3	35.1%	1	2	-63.8%	1	1	-8.0%	1	0	116.6%	2	0	>200%
<b>Profit before income tax</b>	<b>296</b>	<b>342</b>	<b>-13.6%</b>	<b>235</b>	<b>162</b>	<b>44.9%</b>	<b>61</b>	<b>180</b>	<b>-66.3%</b>	<b>0</b>	<b>149</b>	<b>-99.7%</b>	<b>64</b>	<b>63</b>	<b>1.6%</b>	<b>19</b>	<b>25</b>	<b>-22.3%</b>	<b>-23</b>	<b>-57</b>	<b>59.3%</b>
Income tax	46	84	-45.0%	21	47	-54.4%	25	37	-33.0%	0	31	-99.7%	12	11	4.2%	10	10	6.1%	3	-15	120.1%
Minority interests	24	57	-57.6%	0	-2	77.6%	24	58	-58.1%	0	0		1	1	5.3%	0	0	>200%	24	58	-58.7%
<b>Net income</b>	<b>225</b>	<b>201</b>	<b>11.9%</b>	<b>214</b>	<b>117</b>	<b>83.2%</b>	<b>11</b>	<b>84</b>	<b>-86.5%</b>	<b>0</b>	<b>118</b>	<b>-99.7%</b>	<b>52</b>	<b>52</b>	<b>1.0%</b>	<b>9</b>	<b>15</b>	<b>-40.5%</b>	<b>-50</b>	<b>-100</b>	<b>50.1%</b>

# Millennium

## bcp

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