Millennium bcp

EARNINGS PRESENTATION

NOVEMBER 2012

9M 2012

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- 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 2011 and 2012 not audited

Agenda

- Main highlights
- Group
  - Capital
  - Liquidity
  - Profitability
- Portugal
- International operations
- Conclusions

Highlights 9M12

With the conclusion of the capitalisation process and results in line with the plan, despite more demanding macroeconomic context, we are better prepared for the future and to support the economy

Capital	Core tier I reaches 12.8% * according to BoP and 10.3% * according to EBA, in line with capitalisation plan
	Successful conclusion of rights issue: demand 163% of offer
Liquidity	Commercial gap improvement: commercial gap reduction by 7.3 billion euros from September 2011, with loan to deposit ratio (BoP) at 138% and net loan to balance sheet customer funds standing at 121%
	Balance sheet customer funds up by 4.8% ** versus September 2011
	Loans to customers growth in line with liquidity plan: -5.9% ** versus September 2011
Profitability	Accumulated net income reaching -796.3 million euros, penalised by impairment for estimated losses and results associated with the Greek operation in the amount of -531.6 million euros
	Increase of net income in Poland, Mozambique and Angola
	Cost reduction, mainly benefiting from the performance in Portugal. Restructuring programme in Portugal, in line with the new business model and the current environment
	Reinforcement of impairment charges in Portugal by 813.0 million euros. Implementation of a new model for credit granting, monitoring and loan recovery

* Includes €500 million rights issue concluded in October 2012. Excluding this impact the ratios are 11.9% (BoP) and 9.4% (EBA)
** Adjusted for a Repo transaction in the amount of 2,256 million euros as at 30 September 2011
Note: Due to a change in the accounting policy related to the recognition of actuarial differences in OCI (other comprehensive income) and the reclassification of impairment securities from "income from financial operations" to "other impairments and provisions", 2011 financial information was restated to allow comparability

Highlights 9M12

✓ Ensure solvency ratios above regulatory requirements

CT1

√ 9% EBA Jun. 2012

√ 10% BoP Dec. 2012

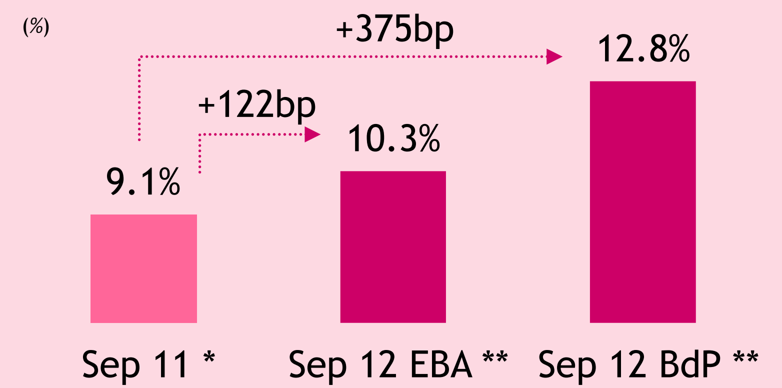
✓ Managing deleveraging process to stabilize balance sheet funding

L/D

120% in 2014

Core tier I

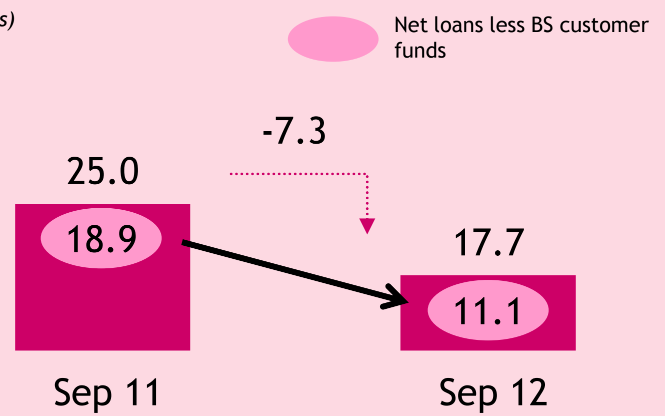
(%)



* Proforma: including liability management operation on preference shares
** Proforma: including €500 million rights issue concluded in October 2012. Excluding this impact the ratios are 11.9% (BoP) and 9.4% (EBA)

Commercial gap *

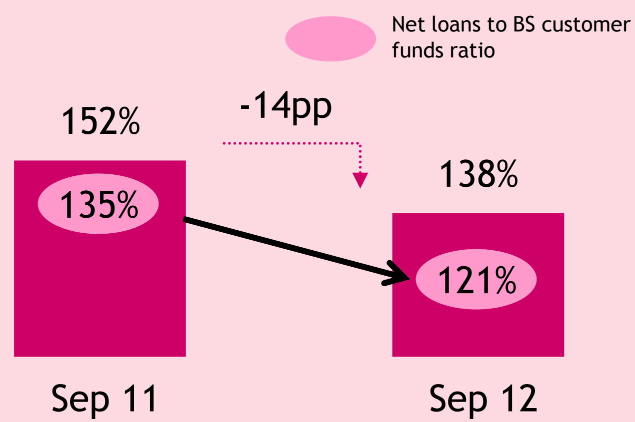
(Billion euros)



* Calculated with net loans and customer deposits

Loan to deposit ratio *

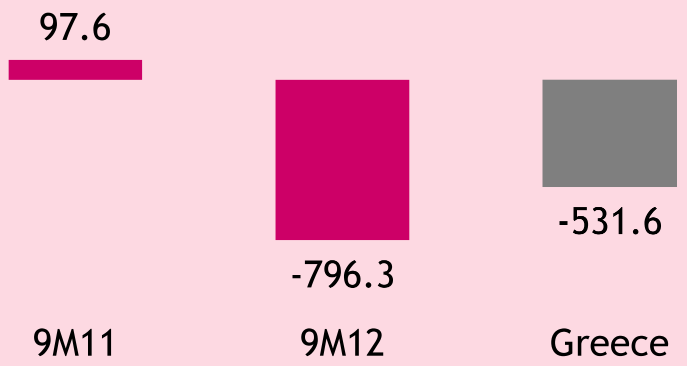
(%)



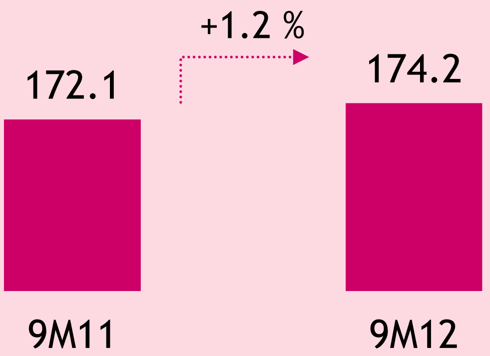
* Calculated with net loans and customer deposits (according to BoP criteria)

Highlights 9M12

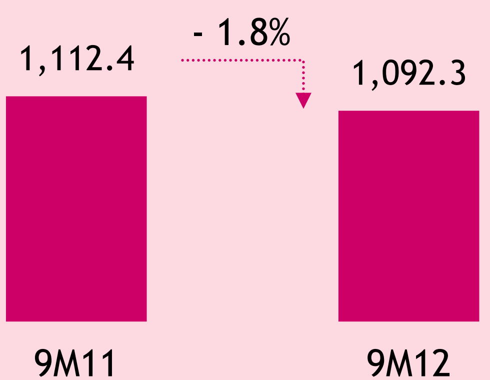
Net income
(*Eur million*)



Net income from operations in Poland, Mozambique and Angola
(*Eur million*)

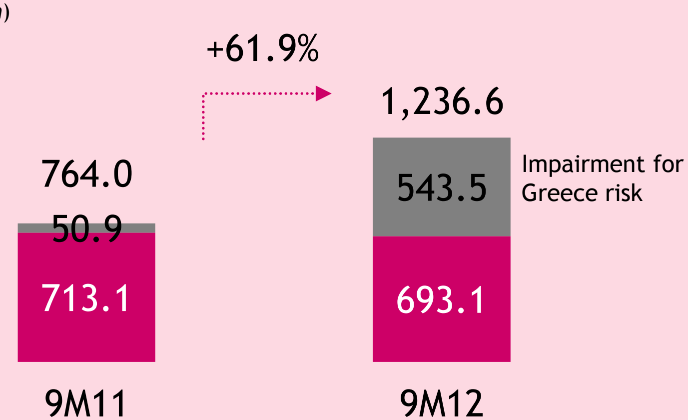


Operating costs *
(*Eur million*)



* Excluding specific items, including, on 9M11 provisions reversal related to pension funds (-35.5 M€) and complementary pension plan (-12,8 M€) and early retirements (+1.8 M€) and on the 9M12, a change in the calculation formula of mortality allowance (-64.0 M€) and early retirements (+2.7 M€). Non-adjusted change of -3.3%

Loan impairment charges
(*Eur million*)



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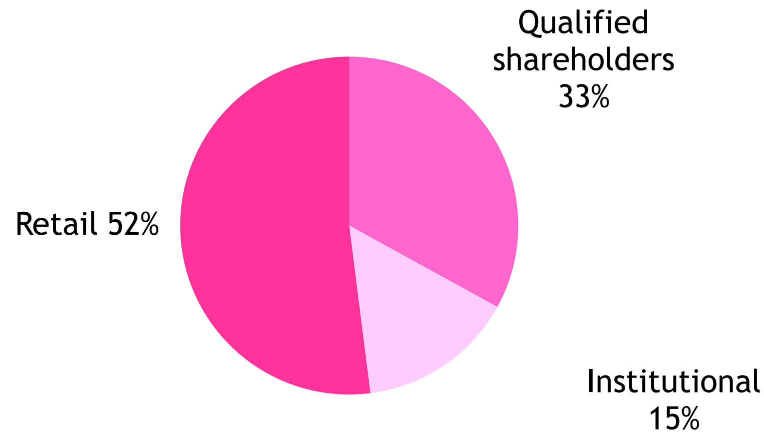
Successful conclusion of the capital increase

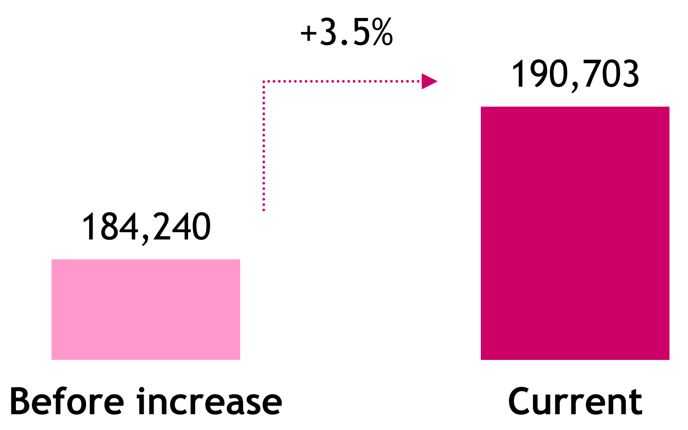
Results

	Demand (M€)	Offer (M€)	
Subscription	485	500	97%
Proration	331	15	
Total	816	500	163%

Shareholder structure



Number of shareholders



- Successful conclusion of rights issue: demand 163% of offer
- The current number of shareholders rose to 191 thousand
- Qualified shareholders currently hold 33% of the bank's share capital

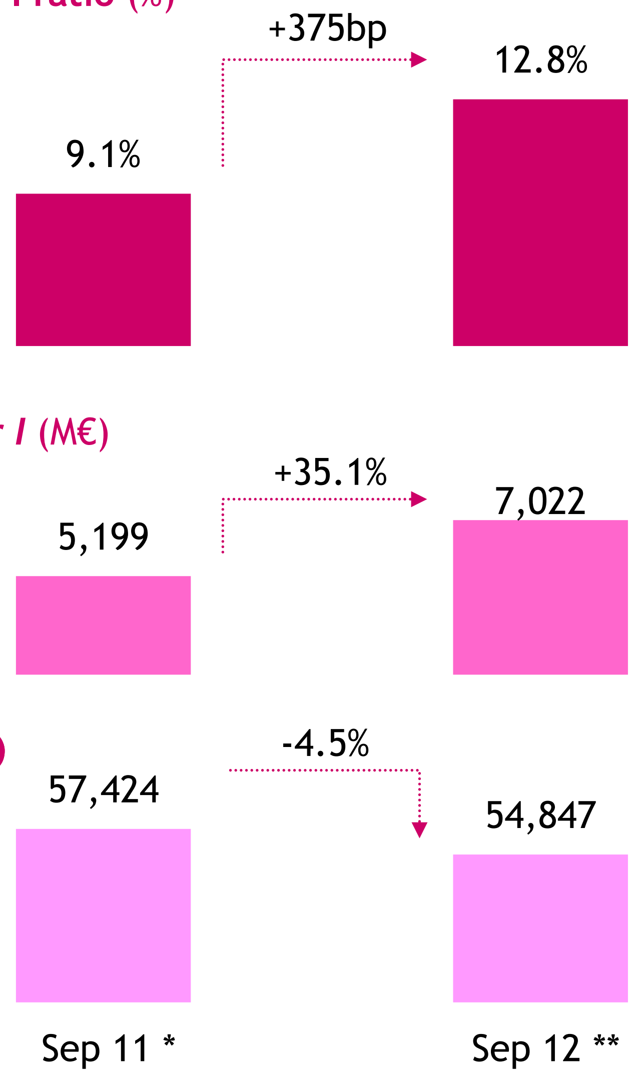
Core tier I ratio reaches 12.8 **, allowing the bank to comply with all regulatory requirements…

Consolidated

Core tier I ratio (%)

Core tier I (M€)

RWA (M€)



Compliance with regulatory requirements

9% EBA Jun. 2012 √

10% BoP Dec. 2012 √

September 2012 vs. 2011

	Change (mn eur)
Reinforcement of *core tier I*	
Hybrid instruments issue	+3,000
€500 million rights issue	+500
despite...	
Greek public debt impairment	-409
Pension fund	-554
Impairment for Greece risk	-493
Inspection (SIP)	-271
Reduction of RWA	
Deleveraging, optimisation and other	-1,827
IRB extension to other credit portfolios	-750

* Proforma: including liability management operation on preference shares

** Proforma: including €500 million rights issue concluded in October 2012. Excluding this impact the ratios are 11.9% (BoP) and 9.4% (EBA)

IRB method: IRB Advanced for loan portfolio for small retail business or collateralized by residential real estate or commercial and IRB Foundation for loans to companies in Portugal, except for property developers and entities from the simplified rating system. Bank of Portugal formally authorized the extension of IRB Advanced to the subclasses "Renewable Retail Positions" and "Other Retail Positions" in Portugal, effective as of 31 December 2011. The Group uses internal models approach to market generic risk, limited to the exposures in the perimeter managed centrally from Portugal, and the standard method for operating risk

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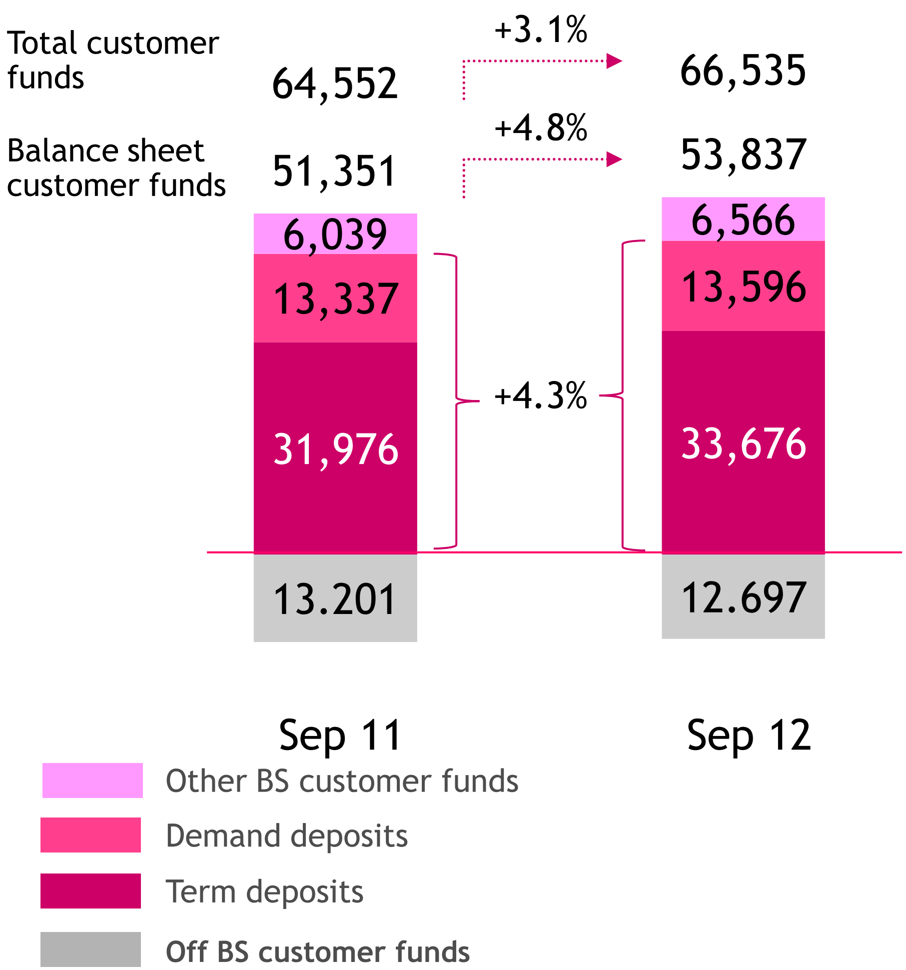
Focus on balance sheet customer funds increase…

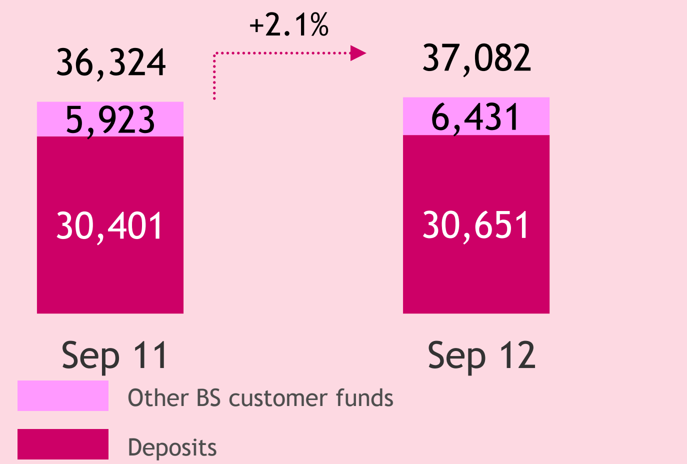
(*Eur million*)

Consolidated

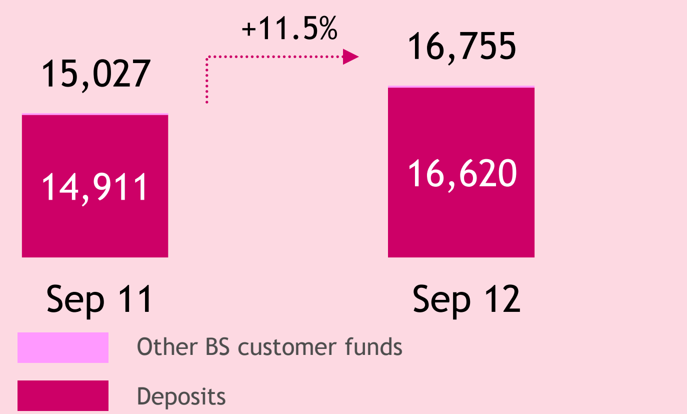
Customer funds *



Balance sheet customer funds in Portugal *



Balance sheet customer funds in international operations



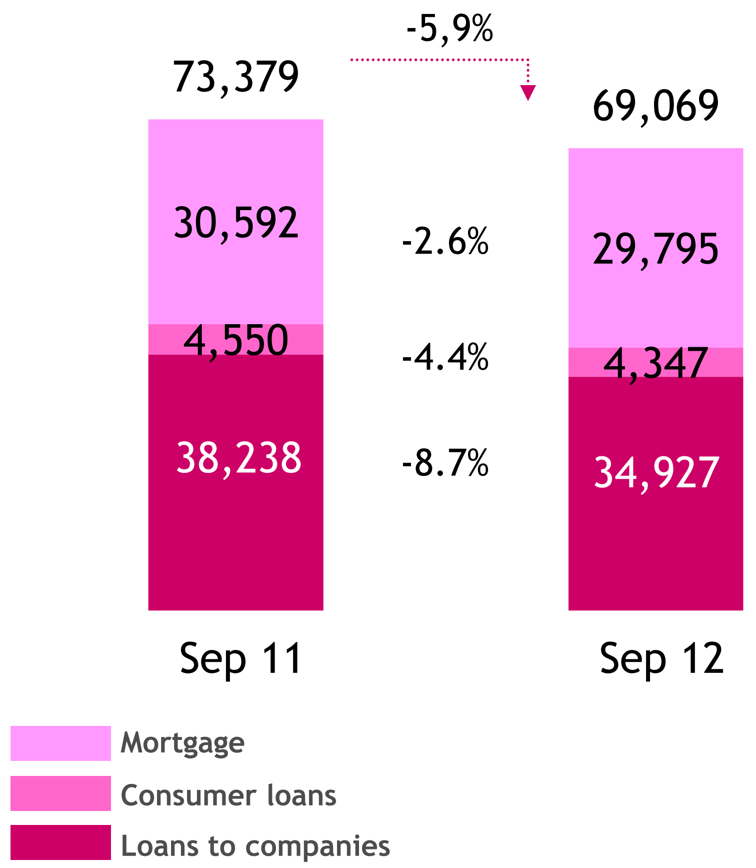
* Adjusted for a Repo transaction in the amount of 2,256 million euros as at 30 September 2011

… and on reducing loans to customers in line with liquidity plan

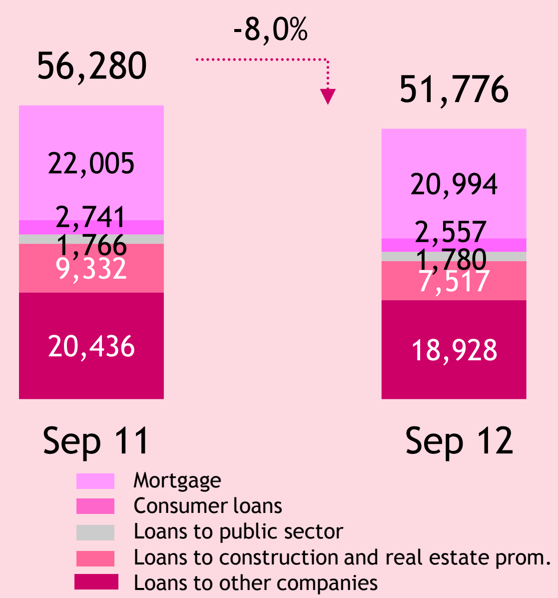
(*Eur million*)

Consolidated

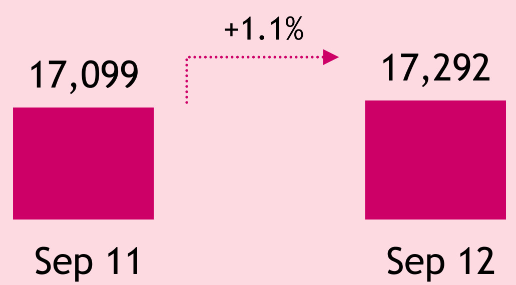
Loans to customers * (gross)



Loans to customers * (gross) in Portugal



Loans to customers * (gross) in Int. Op.

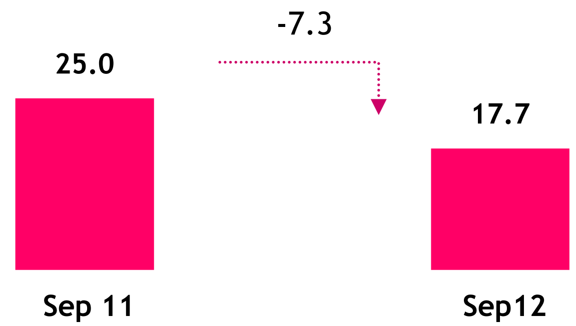


* Adjusted for a Repo transaction in the amount of 2,256 million euros as at 30 September 2011

Reduction of commercial gap as the main refinancing driver

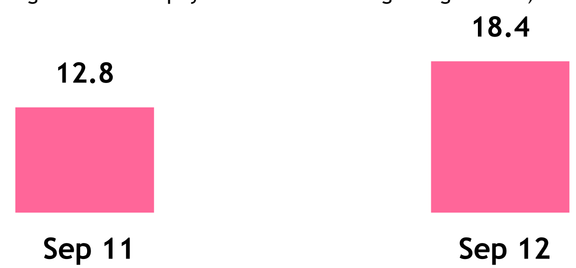
(*Eur billion*)

Commercial gap *



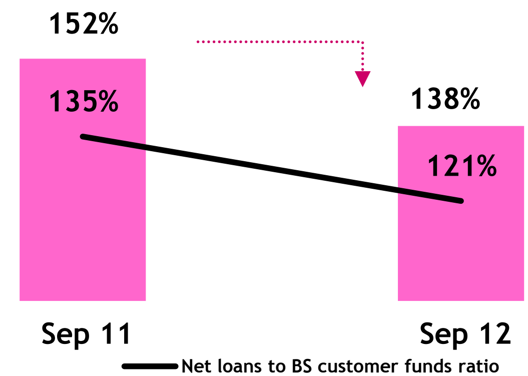
Accumulated net repayment of MLT debt

(Medium and long term debt repayments since the beginning of 2009)



Net usage of ECB

Loan to deposit ratio ** (BoP)



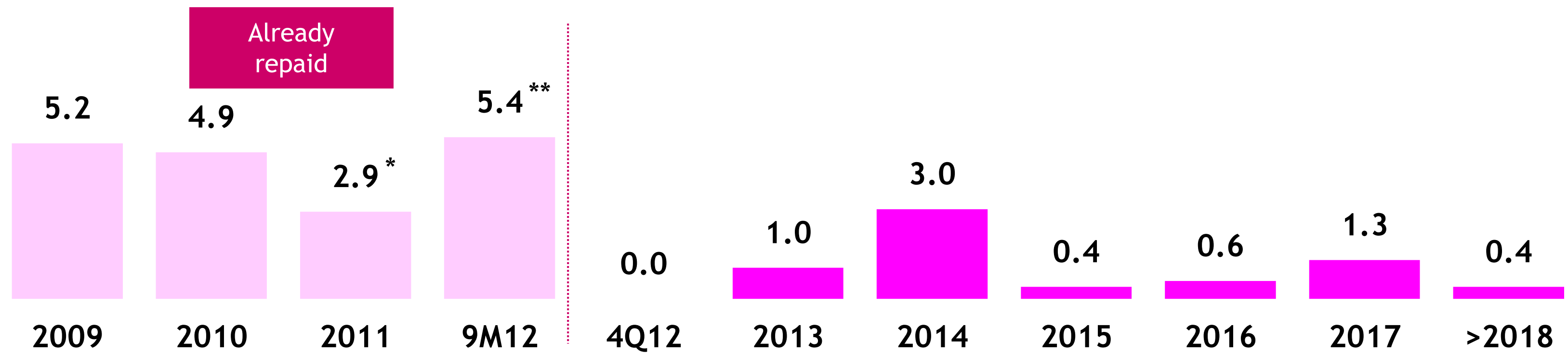
- Commercial gap fell 7.3 billion euros during last year and loan to deposit ratio below 140%
- Use of ECB's long term refinancing operation (LTRO) to replace short-term funding:
  - 5.1 billion euros in December 2011
  - 7.0 billion euros in March 2012
- Buffer of 6.4 billion euros of eligible assets, net of haircuts, available for refinancing with central banks

* Calculated based on net loans and customer deposits
** According to Bank of Portugal's criteria

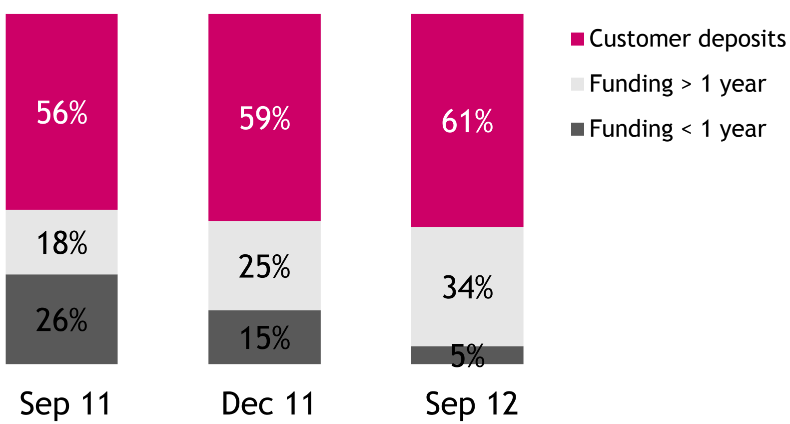
Lower refinancing needs on the short, medium and long term

(*Eur billion*)

Refinancing needs of medium-long term debt



Significant improvement of the funding structure



- Reduction of funding needs, benefitting from the deleveraging process which proceeds at a steady pace
- Deposits are the main source of funding
- Lower short-term refinancing needs than in the past

* Includes repurchase of own debt amounting €0.5 billion
** Includes repayment of €1.6 billion related to liability management transaction

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Income statement

Consolidated

(million euros)	9M11	9M12	Δ
Net interest income	1,147.3	827.0	-320.3
Of which: liability management	0.0	-144.0	-144.0
Net fees and commissions	578.5	498.4	-80.1
Of which: State guarantee costs	0.0	-51.1	-51.1
Other operating income	142.1	345.0	202.9
Of which: specific financial impacts	63.0	227.0	164.0
Banking income	**1,867.9**	**1,670.4**	**-197.5**
Staff costs	525.6	514.4	-11.2
Of which: reversal of prov., early retirements and mortality allow.	-46.5	-61.3	-14.8
Other admin. costs and depreciation	452.3	440.7	-11.6
Operating costs	**977.9**	**955.0**	**-22.8**
Operating profit before impairment and provisions	**890.1**	**715.4**	**-174.7**
Impairment and provisions	878.6	876.1	-2.5
Net income before income tax	**11.5**	**-160.7**	**-172.2**
Income tax and non-controlling interests	-112.2	56.2	168.3
Of which: recognition of DTA	-132.5	0.0	132.5
Net income (excluding Greece and coco's)	**123.7**	**-216.9**	**-340.5**
Net income and impairment for Greece operation	**-26.1**	**-531.6**	**-505.5**
Costs related with hybrids instruments (coco's)	**0.0**	**-47.9**	**-47.9**
Net income	**97.6**	**-796.3**	**-893.9**

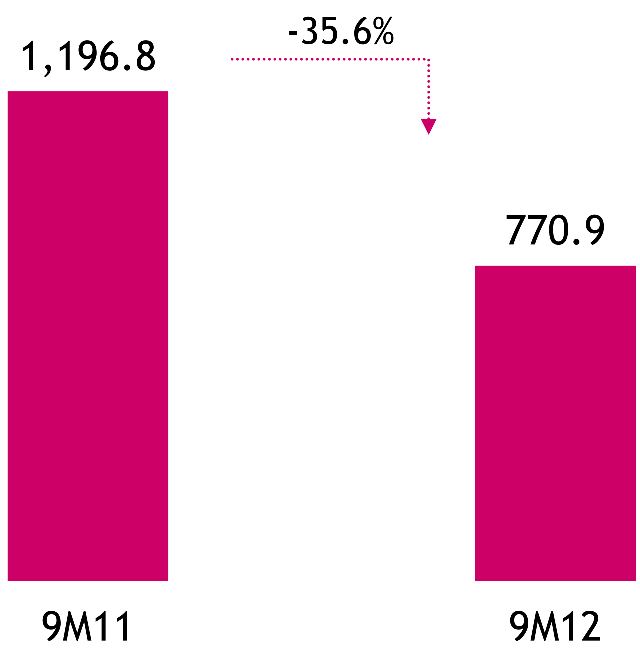
Note: Due to a change in the accounting policy related to the recognition of actuarial differences in OCI (other comprehensive income) and the reclassification of impairment securities from "income from financial operations" to "other impairments and provisions", 2011 financial information was restated to allow comparability

Net interest income decrease due to negative evolution of market interest rates and specific items

(*Eur million*)

Net interest income

Consolidated

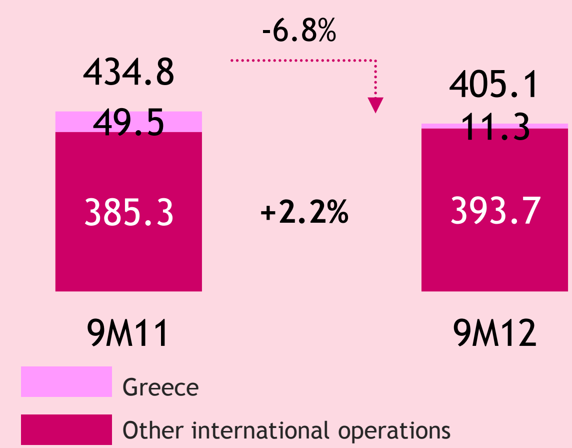


NIM	**1.75%**	**1.22%**
Excluding liability management		**1.45%**
Excluding liability management and hybrids		**1.56%**

Portugal

	9M12 vs.9M11
Market interest rates evolution (eg. Euribor)	-189
Liability management	-144
Cost of hybrids (coco's)	-67
Past due loans effect	-45
Commercial margin and other	+49
Total	**-396**

International operations



Fees and commissions affected by markets and state guaranteed operations

(*Eur million*)

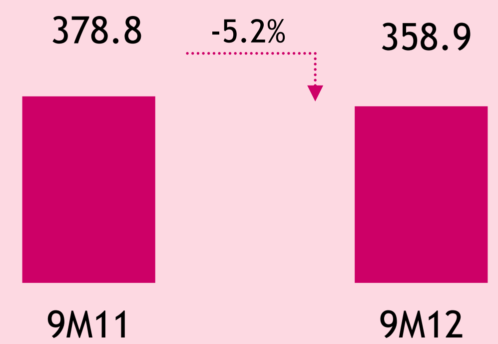
Fees and commissions

Consolidated

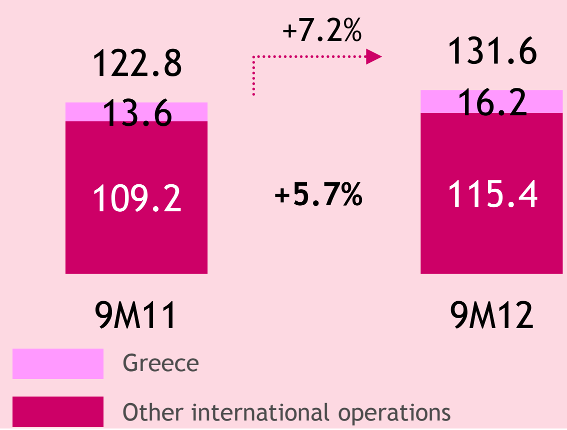
	9M11	9M12	YoY
Banking fees and commissions	**501.6**	**490.6**	**-2.2%**
Cards and transfers	138.8	134.1	-3.4%
Loans and guarantees	135.8	129.4	-4.7%
Bancassurance	55.4	52.9	-4.5%
Other fees and commissions	171.6	174.2	1.5%
Market related fees and commissions	**93.0**	**76.5**	**-17.7%**
Securities operations	55.9	44.4	-20.6%
Asset management	37.0	32.1	-13.3%
Total fees and comm. excluding state guarantee	**594.5**	**567.1**	**-4.6%**
State guarantee	0.0	-51.1	na
Total fees and commissions	**594.5**	**516.0**	**-13.2%**

Banking fees and commissions

Portugal *



International operations



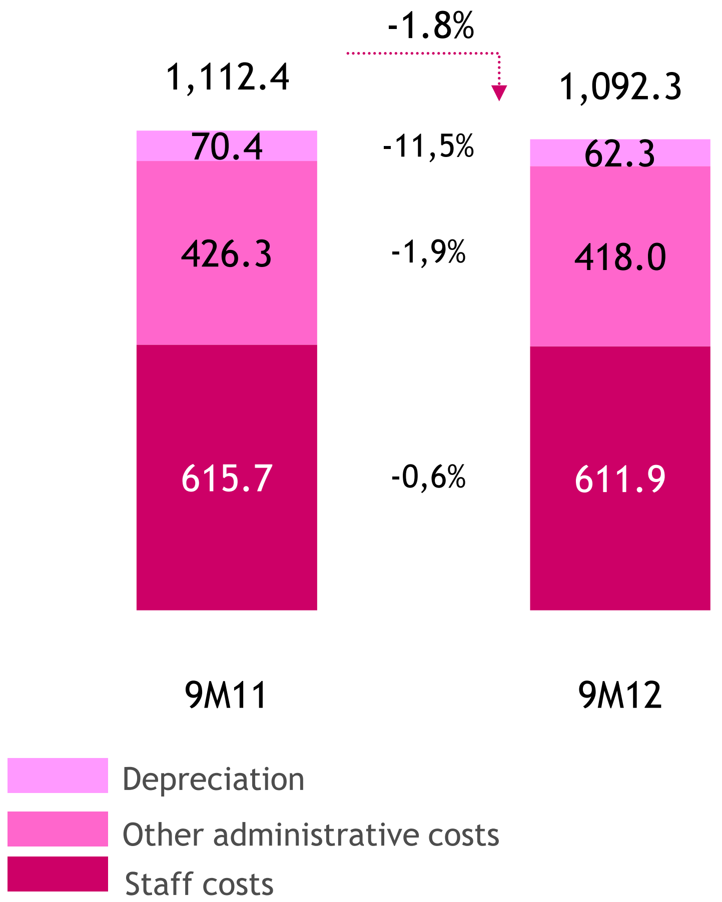
* Excluding state guarantee

Costs containment in Portugal and costs under control in international operations

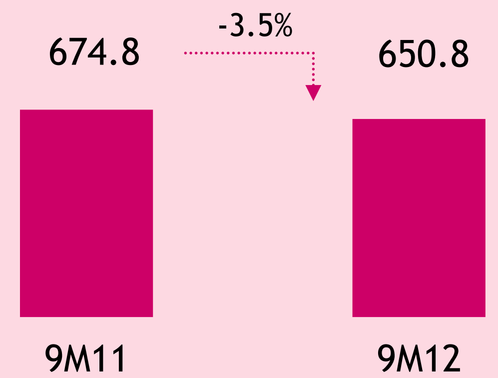
(*Eur million*)

Operating costs *

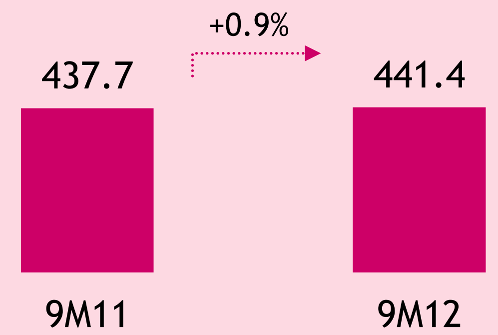
Consolidated



Portugal *



International operations



* Excluding specific items, including, on 9M11 provisions reversal related to pension funds (-35.5 M€) and complementary pension plan (-12,8 M€) early retirements (+1.8 M€) and on the 9M12, a change in the calculation formula of mortality allowance (-64.0 M€) and early retirements (+2.7 M€). Non-adjusted change of -3.3% in consolidated basis and -6.2% in Portugal

Note: Due to a change in the accounting policy related to the recognition of actuarial differences in OCI (other comprehensive income) and the reclassification of impairment securities from "income from financial operations" to "other impairments and provisions", 2011 financial information was restated to allow comparability

Credit quality and provisioning reflect the economic cycle

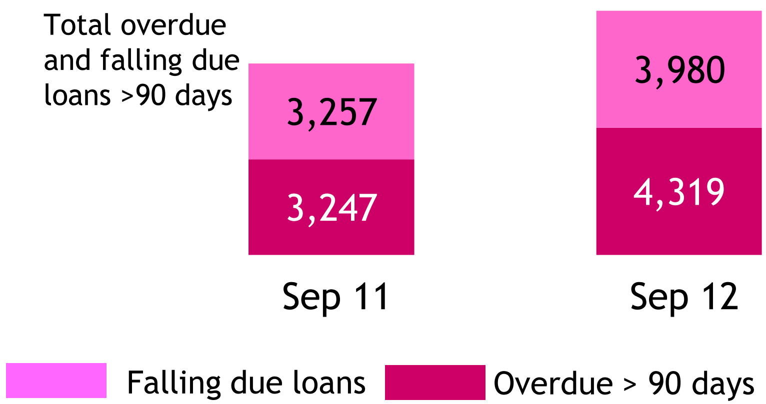
(*Eur million*)

Consolidated

Credit quality

Credit ratio:

	Sep 11	Sep 12
overdue and falling due loans > 90 days	8.6%	12.0%
overdue loans ratio > 90 days	4.3%	6.3%



Loan impairment

Credit coverage ratios:

	Sep 11	Sep 12
overdue and falling due loans > 90 days	48%	50%
overdue > 90 days	96%	95%

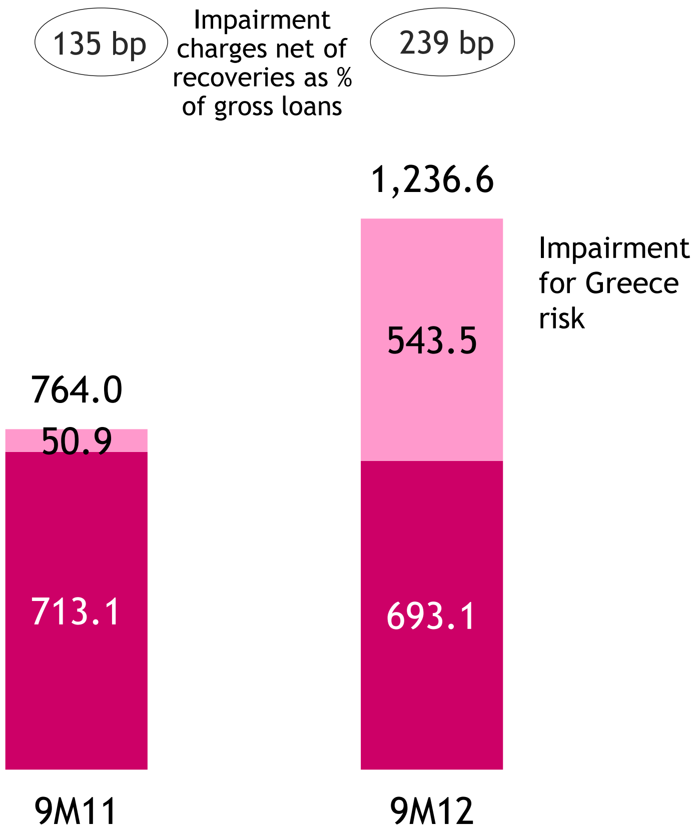
- Total overdue over 90 days and falling due loans ratio increased to 12.0%, reflecting the deterioration of the macroeconomic scenario. The coverage ratio rose to 50%
- Credit at risk ratio (including insolvencies and restructured loans) at 13.4%, while coverage (by B/S impairment and both real estate and financial guarantees) is above 100%

Provisioning in line with the economic cycle

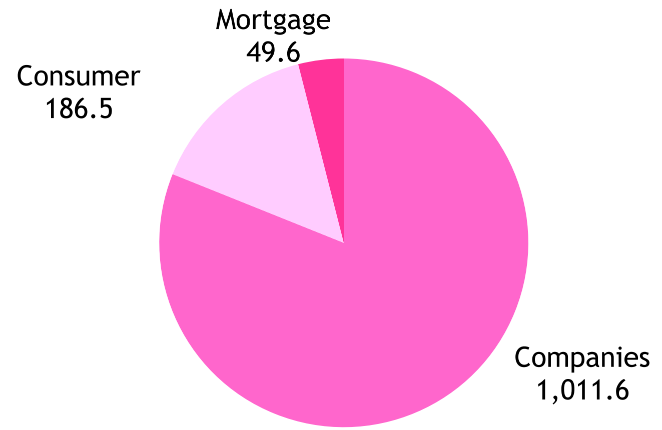
Consolidated

Loan impairment charges

(Eur million)



Impairment charges (gross) - 9M12

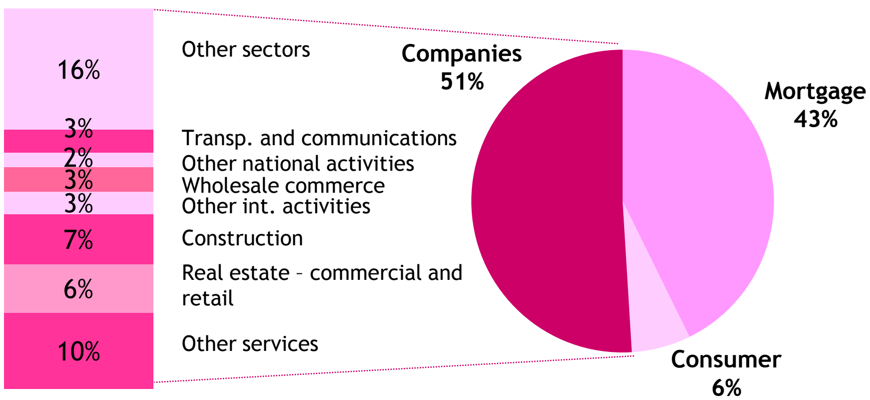


- Reinforcement of impairment charges with an increase of cost of risk from 135bp to 239bp (including impairment for estimated losses and results associated with the Greek operation)
- Of the impairment charges for 9M12, 81% were related to loans to companies, 15% to consumer credit and 4% to mortgage

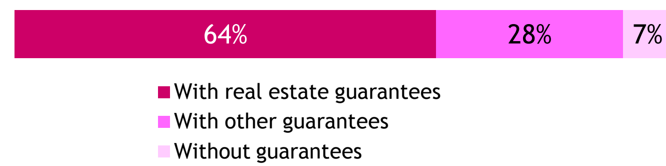
Diversified and well collateralized credit portfolio and most of the Portuguese public debt portfolio with short term maturities

Consolidated

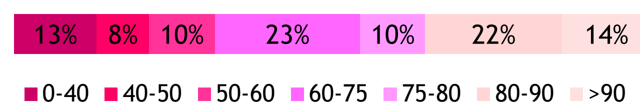
Loan portfolio



Loans by collateral

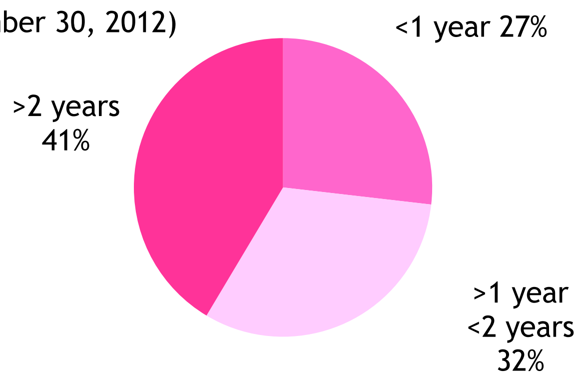


LTV of mortgage portfolio in Portugal



Portuguese public debt portfolio

Total: €4,788 million
(in September 30, 2012)



- Mortgage loans represent 43% of the total loan portfolio with a low delinquency level and an average LTV of 67%
- Loans to companies represent 51% of the total loan portfolio, with a diversified distribution by activity sectors
- Over 92% of the loan portfolio is collateralized
- About 60% of Portuguese public debt with maturity under 2 years

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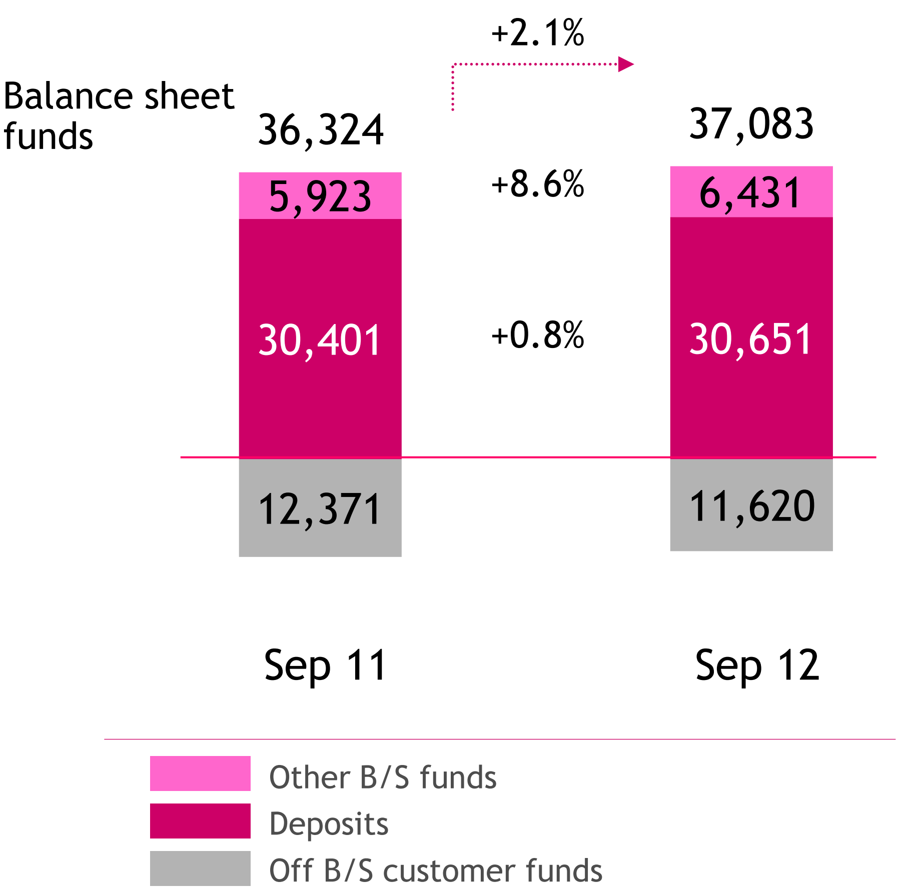
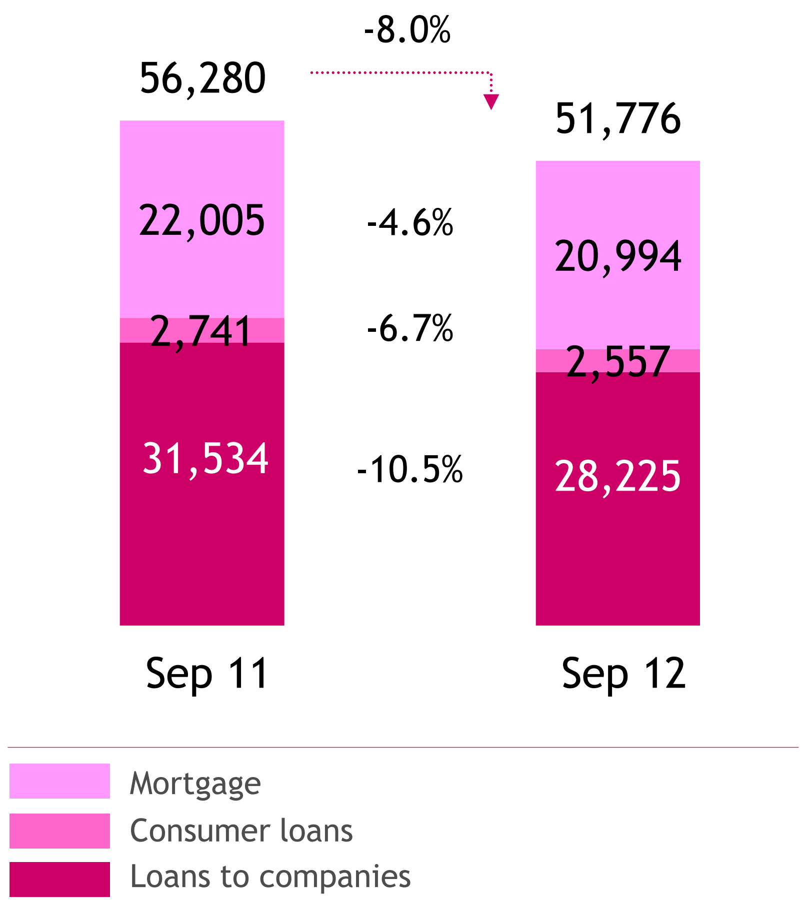
Clear deleveraging effort with an increase in deposits and a reduction of loans

(Eur million)

Customer funds *



Loans to customers (gross) *

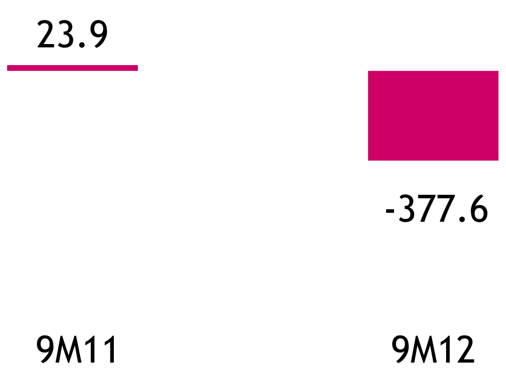


* Adjusted for a Repo transaction in the amount of 2,256 million euros as at 30 September 2011

Net income in Portugal affected by macroeconomic context

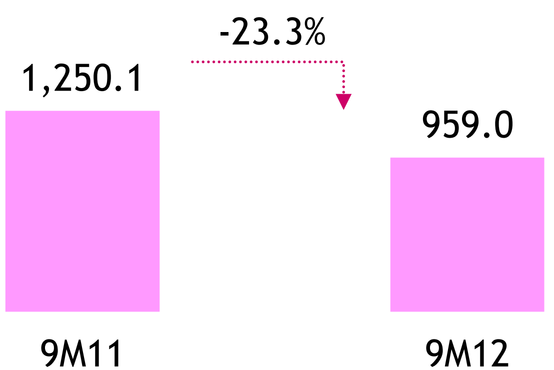
(Eur million)

Net income

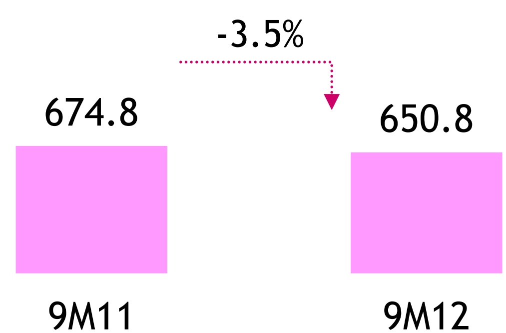


- Banking income affected by net interest income and fees and commissions decrease
- Operating costs, excluding specific items, decrease 3,5%

Banking income



Operating costs *



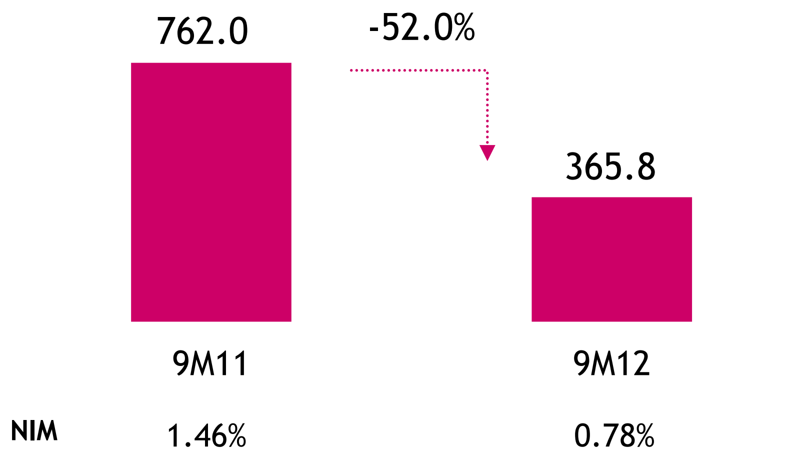
* Excluding specific items, including, on 9M11 provisions reversal related to pension funds (-35.5 M€) and complementary pension plan (-12,8 M€) early retirements (+1.8 M€) and on the 9M12, a change in the calculation formula of mortality allowance (-64.0 M€) and early retirements (+2.7 M€). Non-adjusted change of -6,2%

Note: Due to a change in the accounting policy related to the recognition of actuarial differences in OCI (other comprehensive income) and the reclassification of impairment securities from “income from financial operations” to “other impairments and provisions”, 2011 financial information was restated to allow comparability

Net interest income affected by market rates evolution, liability management transactions, hybrids, overdue loans…

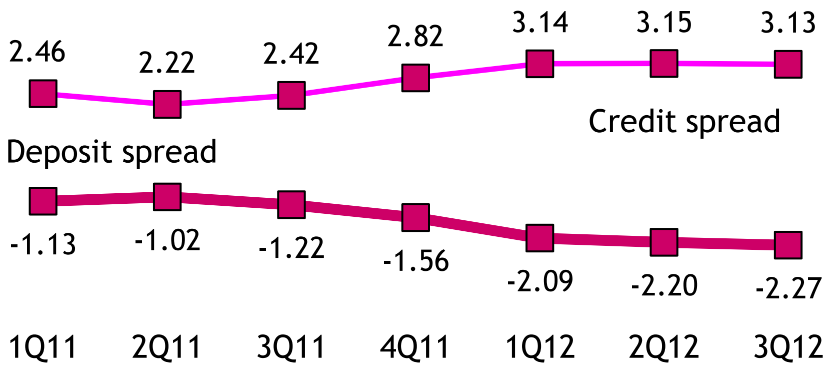
(%, Eur million)

Net interest income



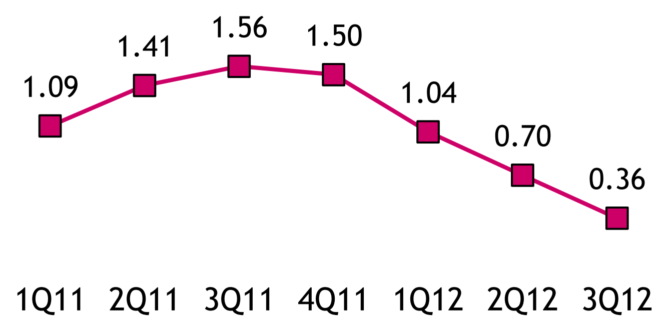
- Net interest income penalized by lower interest rates
- Negative impact from liability management transactions concluded at the end of 2011
- Overdue loans effect with negative impact in net interest income
- Deposits repricing effort is not yet visible in 3Q12 deposits spreads

Deposits and credit average spreads vs. Eur3M



3 months Euribor

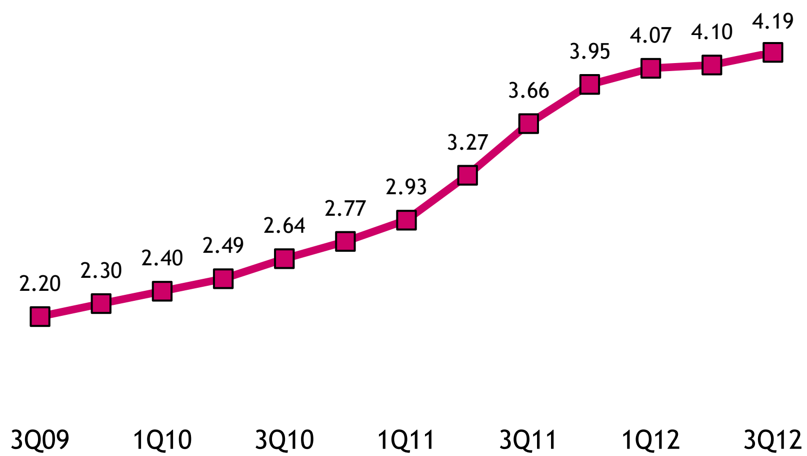
(%, quarterly average)



…despite the loans' portfolio repricing effort…

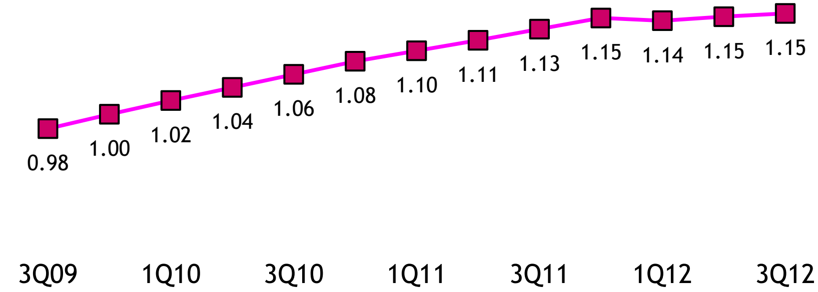
Loans to companies

(portfolio spread, %)



Mortgage

(portfolio spread, %)



Loans to companies (55% of total loans):

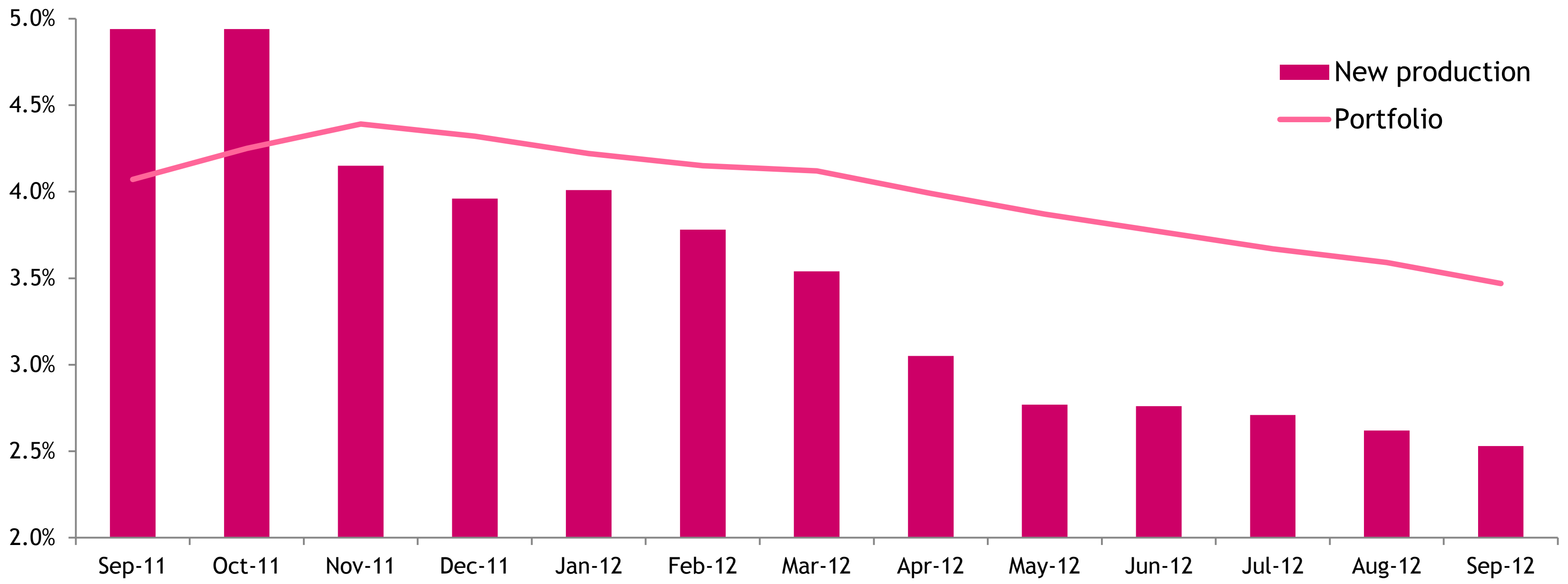
- Spreads increased 54bps YoY

Mortgage (41% of total loans):

- Portfolio spreads at 115bps

…and improvement in deposits spreads

Evolution of time deposits rates



- Interest rates on new deposits have significantly decreased
- The time deposits portfolio average interest rate, in the last 12 months , reflects the decrease of new deposits interest rate

Fees and commissions affected by markets and demanding macroeconomic environment

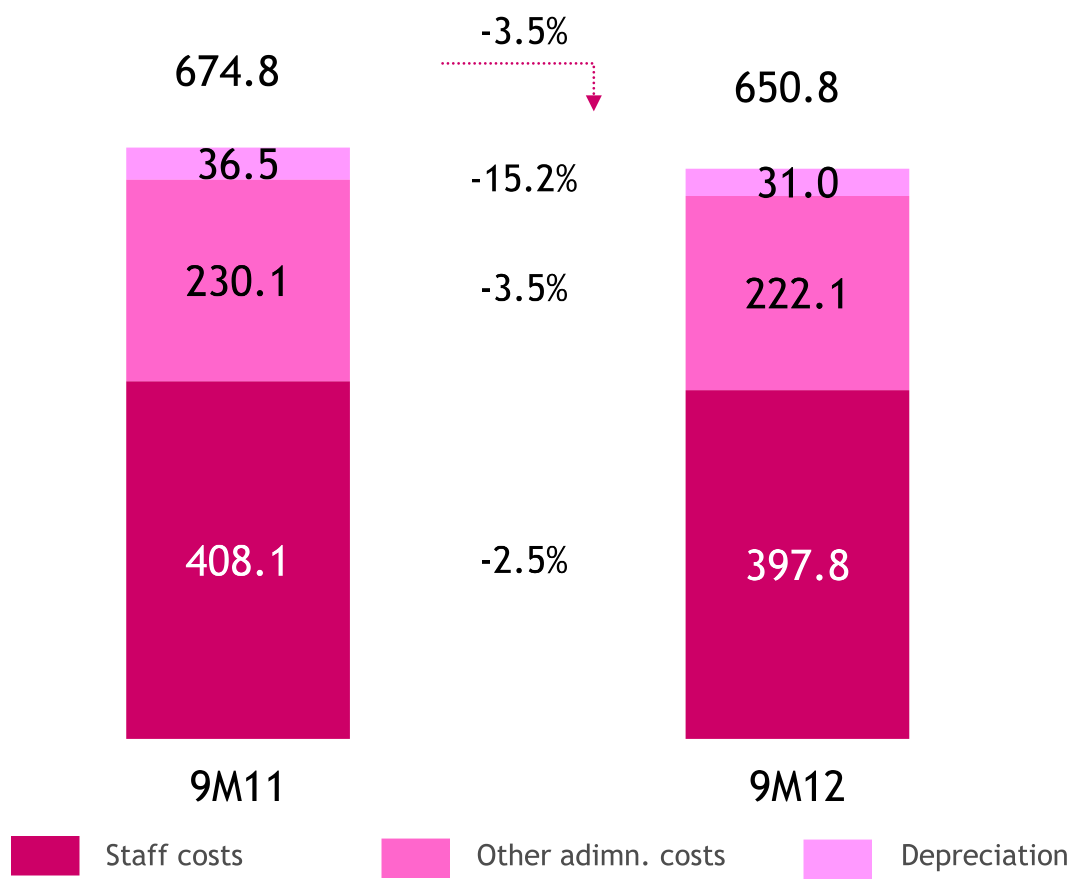
(Eur million)

	9M11	9M12	YoY
Banking fees and commissions	**378.8**	**358.9**	**-5.2%**
Cards and transfers	76.9	70.1	-8.8%
Loans and guarantees	108.4	96.5	-11.0%
Bancassurance	55.4	52.9	-4.5%
Other fees and commissions	138.1	139.4	0.9%
Market related fees and commissions	**40.8**	**32.4**	**-20.4%**
Securities operations	23.3	18.3	-21.4%
Asset management	17.5	14.1	-19.1%
Total fees and comissions excluding state guarantee	**419.6**	**391.4**	**-6.7%**
State guarantee	0.0	-51.1	na
Total fees and commissions	**419.6**	**340.3**	**-18.9%**

Operating costs containment in Portugal

(Eur million)

Operating costs *

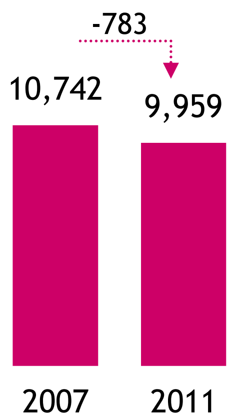


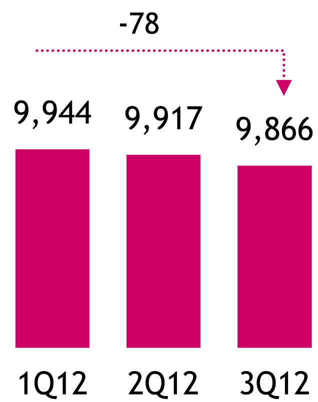
* Excluding specific items, including, on 9M11 provisions reversal related to pension funds (-35.5 M€) and complementary pension plan (-12,8 M€) early retirements (+1.8 M€) and on the 9M12, a change in the calculation formula of mortality allowance (-64.0 M€) and early retirements (+2.7 M€). Non-adjusted change of -6,2%

Note: Due to a change in the accounting policy related to the recognition of actuarial differences in OCI (other comprehensive income) and the reclassification of impairment securities from “income from financial operations” to “other impairments and provisions”, 2011 financial information was restated to allow comparability

Restructuring programme – Structural adjustment of the organisation's dimension

Number of employees evolution





Background

The current economic environment, requires an improvement:

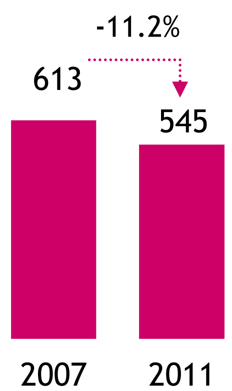
- of the productivity gap comparing to the average productivity of the iberian institutions
- of the balance between commercial and non-commercial functions
- of the weight of staff with management functions

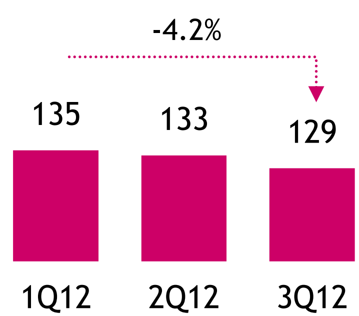
… justifying a restructuring program with a medium-term impact in costs

Staff costs *

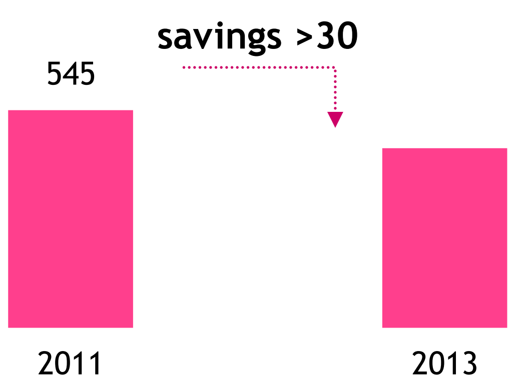
(*Million euros*)

Historic evolution





Restructuring program



* Excluding specific items

Restructuring programme – Structural adjustment of the organisation's dimension

Targets

- Adjustment of the Bank's structure to new environment – "lower volumes, lower credit, lower margin"
- Span-of-control improvement to maximise the use of resources
- Reduce fragmentation in the various departments to eliminate interfaces and increase empowerment
- Lighten the central support structure to improve efficiency
- Socially responsible process

Guidelines

- Resize the staff in line with goals set in the capitalisation plan and the sector's average productivity benchmarks
- Retail network management structure optimization and reinforcement and focus in Marketing
- New management model in Companies segment to simplify the structure and integration with Marketing to boost business
- Adjustment of Corporate banking and international model to enhance synergies between businesses and geographies
- Rationalisation of central support and corporate areas ensuring the capture of functional synergies

Restructuring programme – Administrative reorganization in line with the new business model and current macroeconomic environment

Targets

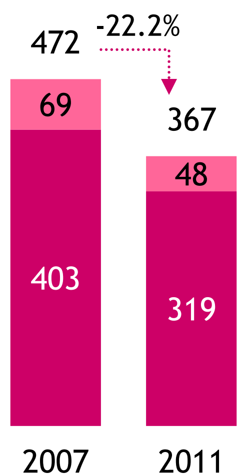
- Organization streamlining
- Process improvement
- Optimization of the commercial network

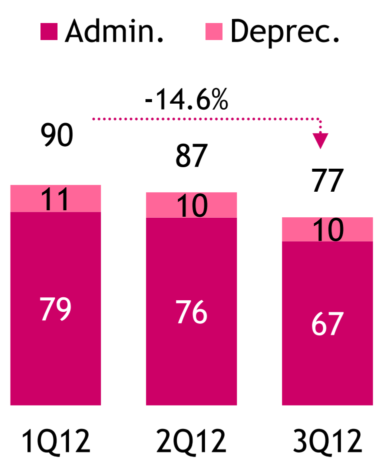
Targeted areas	Annual savings (m€)
Process reengineering (including IT)	24
Depreciation	12
Rentals and administrative services	11
Consulting and independent work	11
Advertising and communications	6
Insurance, travel and accomodation	6

Administrative costs evolution

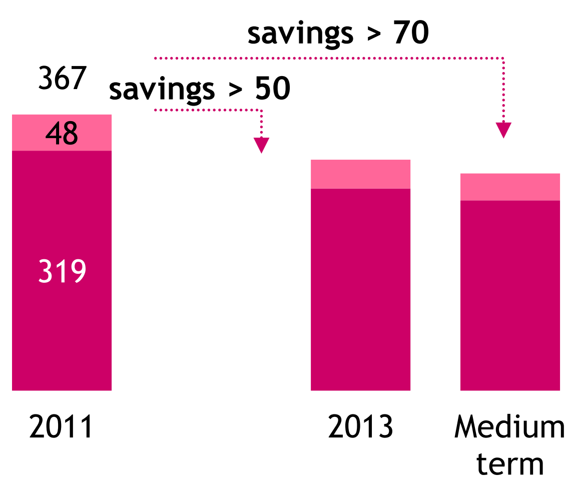
(*Million euros*)

Historic evolution





Restructuring program



Credit quality in line with macroeconomic cycle

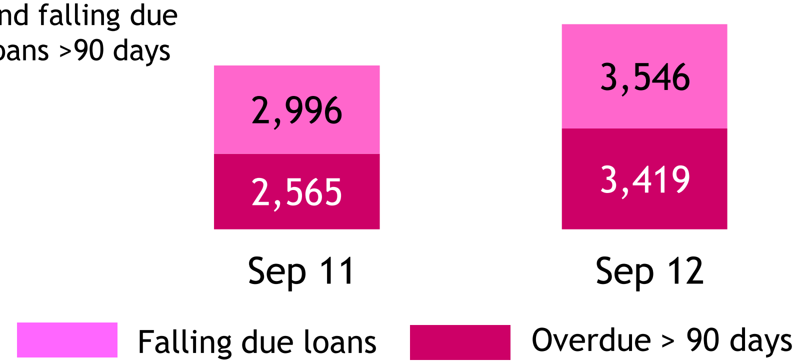
(%, Eur million)

Credit quality

Credit ratio:

overdue and falling due loans > 90 days	9,5%	13,5%
overdue loans ratio > 90 days	4,4%	6,6%

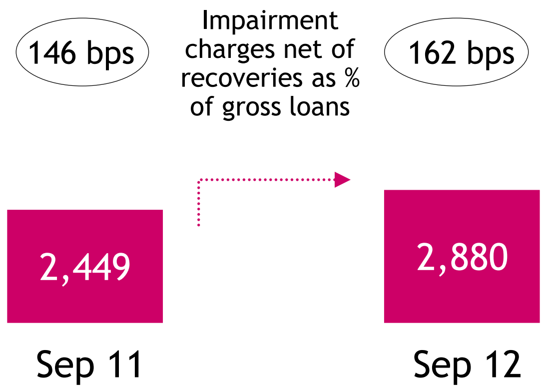
Total overdue and falling due loans >90 days



Balance sheet loans' impairment

Credit coverage ratios:

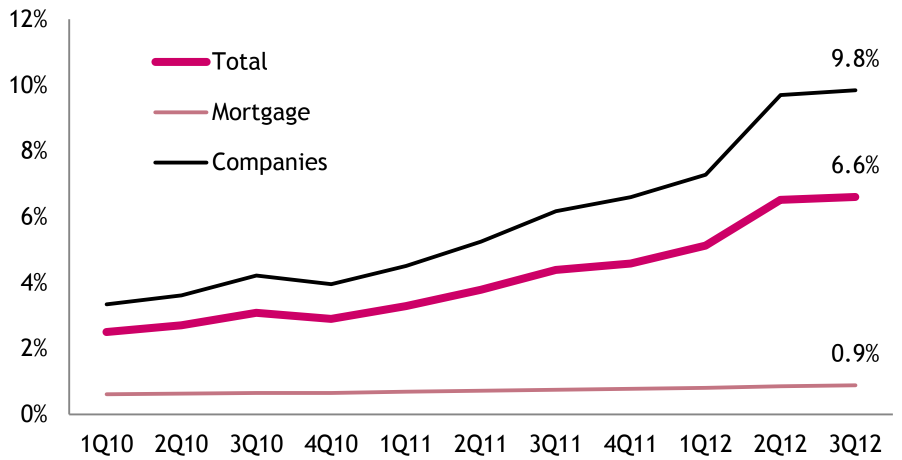
overdue and falling due loans > 90 days	44%	41%
overdue > 90 days	96%	84%



- Total overdue and falling due loans over 90 days ratio increased to 13,5%, reflecting the deterioration of macroeconomic environment. Coverage ratio reaches 41%
- Credit at risk ratio (including insolvencies and restructured loans) at 13,9%, with coverage (by B/S impairments and both real estate and financial guarantees) above 100%

New credit management model to face the current macroeconomic environment

Overdue loans for more than 90 days (%)



- Mortgage credit with low delinquency level
- Delinquency level in loans to companies above sector average, reflecting the bank's leadership position in loans to SMEs in Portugal
- Incidence of overdue loans in non-tradable goods sectors companies
- Evolution of overdue loans in line with macroeconomic environment

New credit management model

Granting

- Increase in commercial areas empowerment
- Transfer of analysis and approval of credit to clients in default to Credit Department

Monitoring

- Change in EWS model to enhance leading
- Prevention and collection in commercial networks with regional networks capacity utilization

Recovery

- Organizational specialization by type of assets/ process phases
- Client transfer to recovery areas
- Performance metrics to minimise expected losses
- Reinforcement of 180 FTEs in recovery areas

Agenda

- Main highlights
- Group
    - Capital
    - Liquidity
    - Profitability
- Portugal
- International operations
- Conclusions

Net income improvement in Poland, Mozambique and Angola

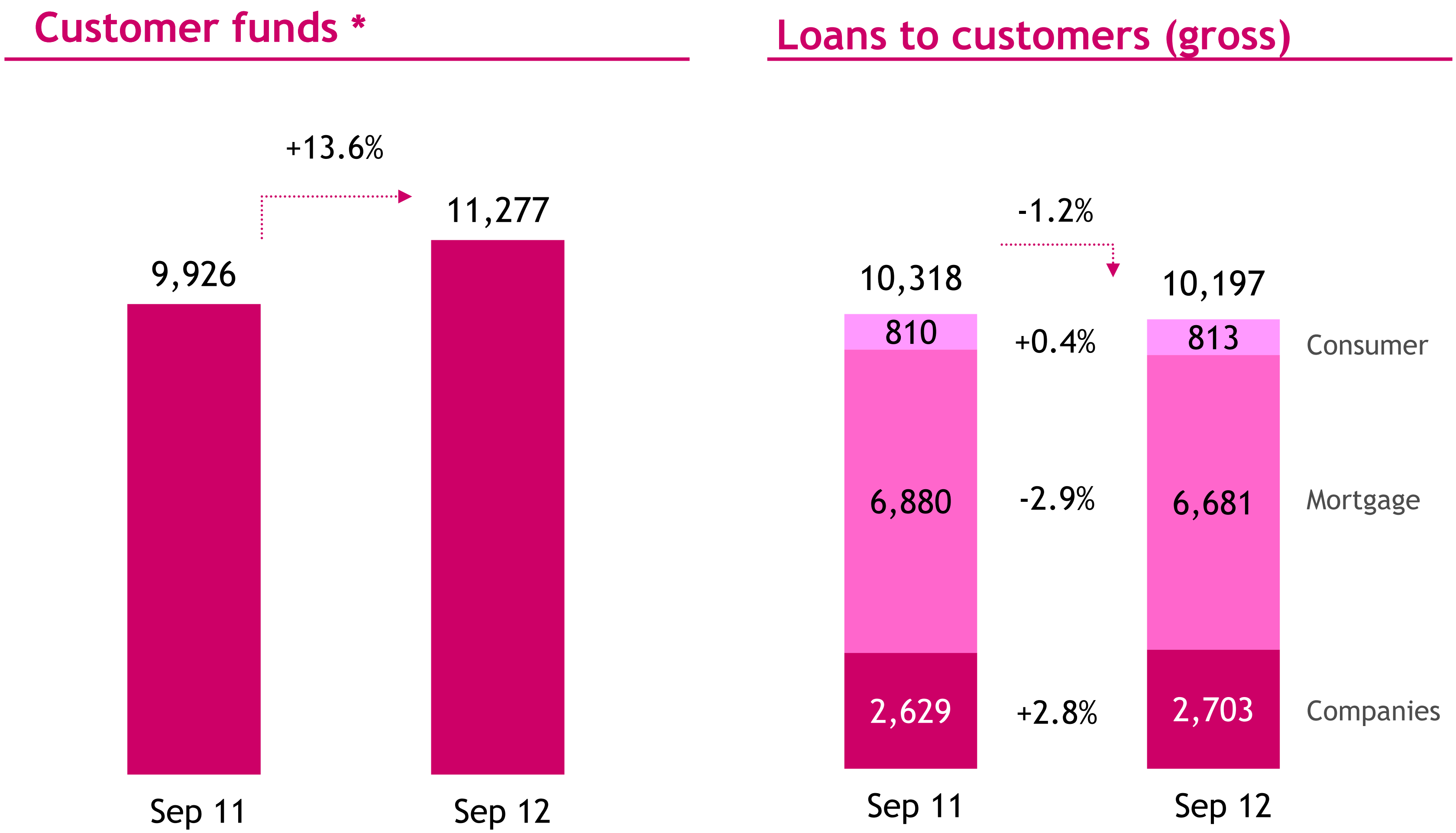
(*Euro million*)

	9M11	9M12	YoY
International operations	**73.7**	**8.5**	**-88.5%**
Poland *	81.4	82.6	1.4%
Mozambique	64.3	67.2	4.5%
Angola	22.7	24.5	7.9%
Greece	-26.1	-104.4	<-100%
Romania	-13.5	-10.0	25.6%
Other and non-controlling interests	-58.9	-51.3	12.8%

* Excluded FX effect. €/PLN rates used: Income Statement 4.19493889; Balance Sheet 4.1038

Poland: growth in customer funds and loans to customers decrease due to zloty appreciation

(Eur million)



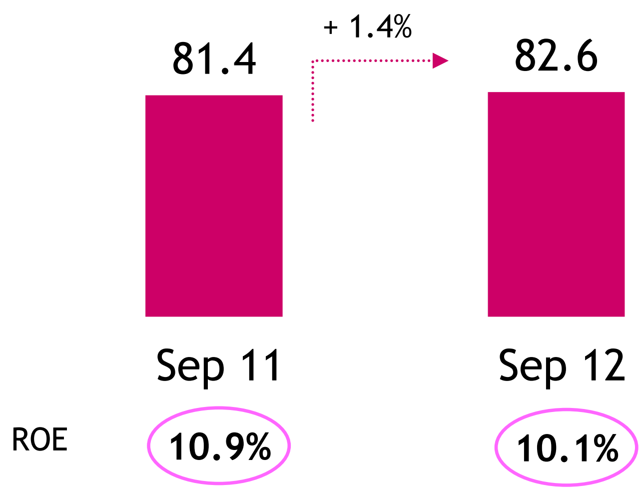
* Includes deposits, own bonds and investment products

Excluded FX effect. €/PLN rates used: Income Statement 4.9493889; Balance Sheet 4.1038

Net income growth, despite provisions increase

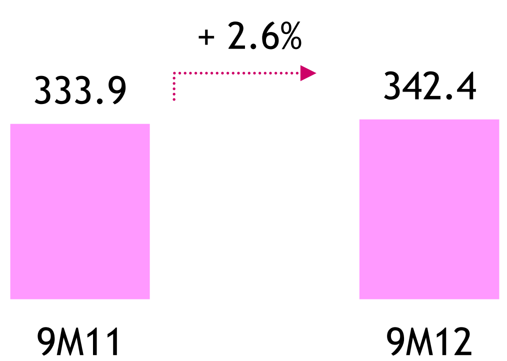
(Eur million)

Net income

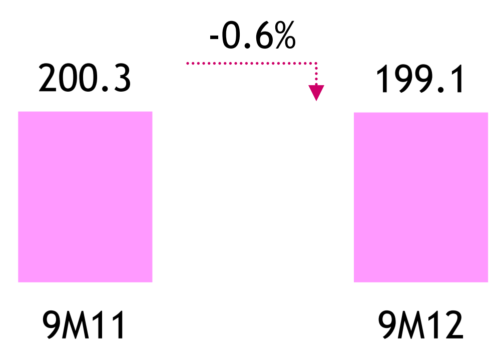


- Net income increased 1.4% when compared to the same period of 2011
- Strict cost control and 2.6% growth in banking income

Banking income



Operating costs

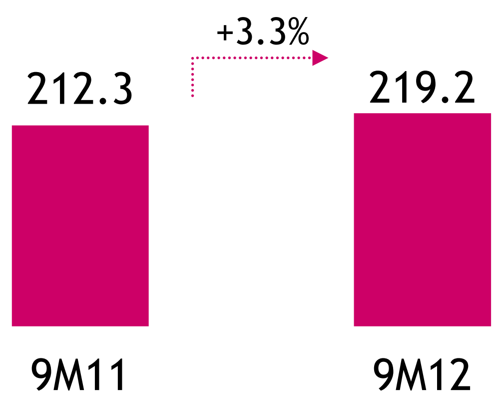


Excluded FX effect. €/PLN rates used: Income Statement 4.19493889; Balance Sheet 4.1038

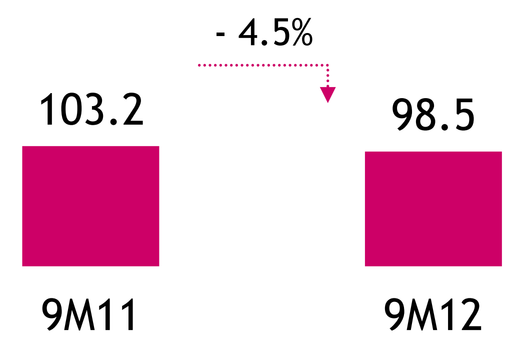
Net interest income growth

(Eur million)

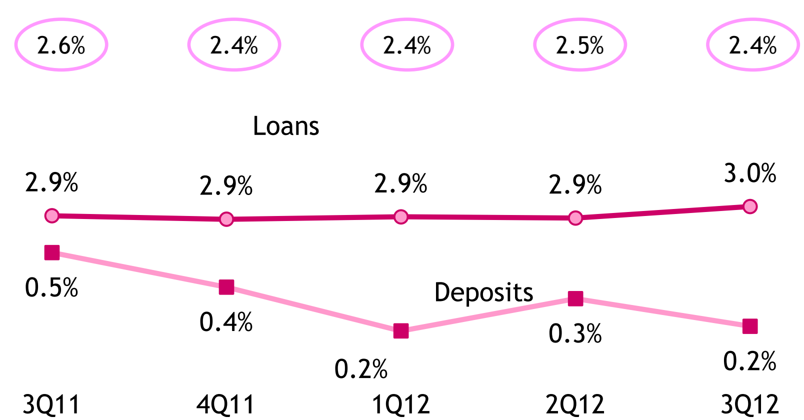
Net interest income *



Net fees and commissions



NIM evolution *



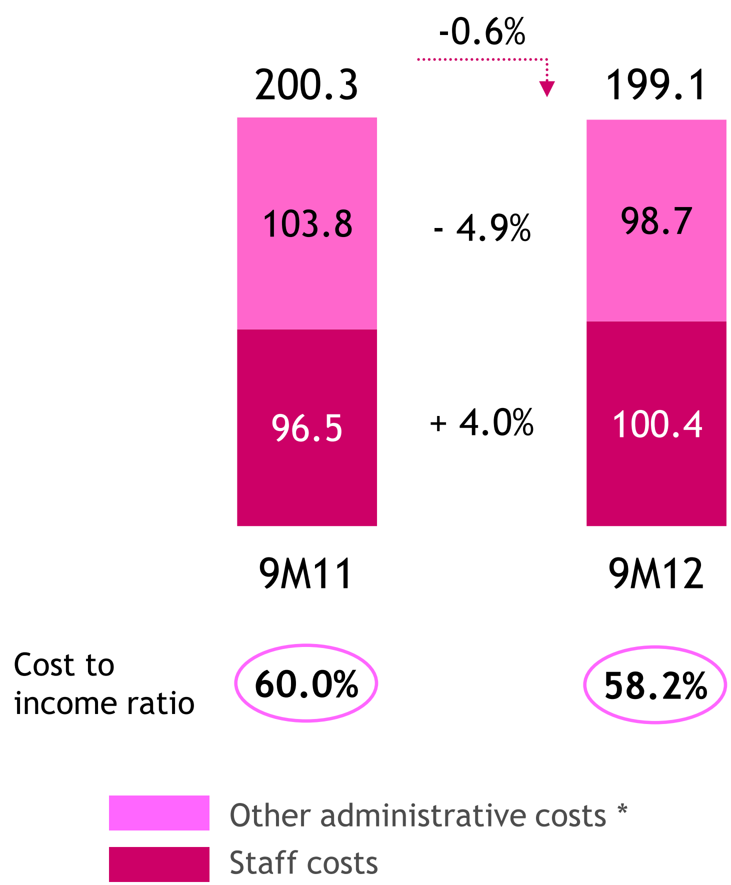
- Net interest income* increases 3.3% when compared to the same period of 2011
- Net fees and commissions decreased 4.5% compared to the same period of 2011. Positive trend in credit and bancassurance fees and commissions

* Pro forma data. Margin from derivative products, including those from hedging FX denominated loan portfolio, is included in net interest income, whereas in accounting terms, part of this margin (11.0 M€ on the 9M 2011 and 9.7 M€ on the 9M 2012) is presented in net trading income
Excluded FX effect. €/PLN rates used: Income Statement 4.19493889; Balance Sheet 4.1038

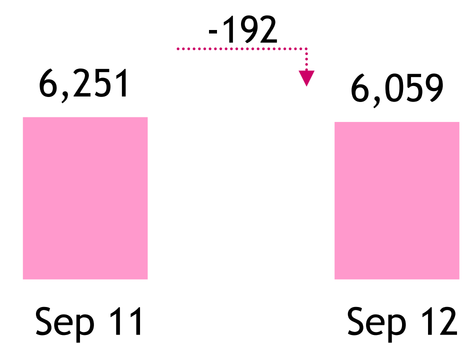
Cost to income sustained improvement

Operating costs

(*Eur million*)



Number of employees



- Operating costs showing a decrease in three consecutive quarters. On an annual basis down by 0.6%
- Other administrative costs (including depreciation) decreased 4.9%, reflecting a strict cost reduction policy
- Staff costs up by 4.0% on an annual basis but stable in the quarter
- Cost to income ratio reaches a new historic low at 56.4% in the third quarter

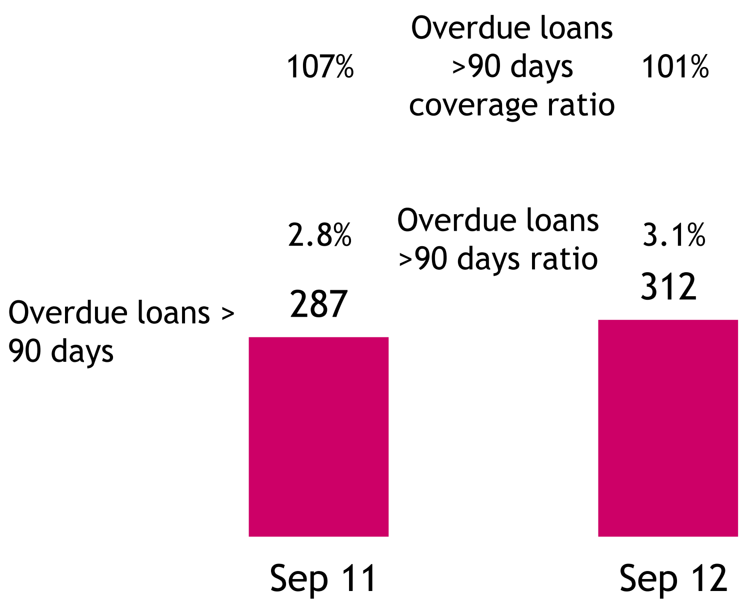
* Including depreciation

Excluded FX effect. €/PLN rates used: Income Statement 4.19493889; Balance Sheet 4.1038

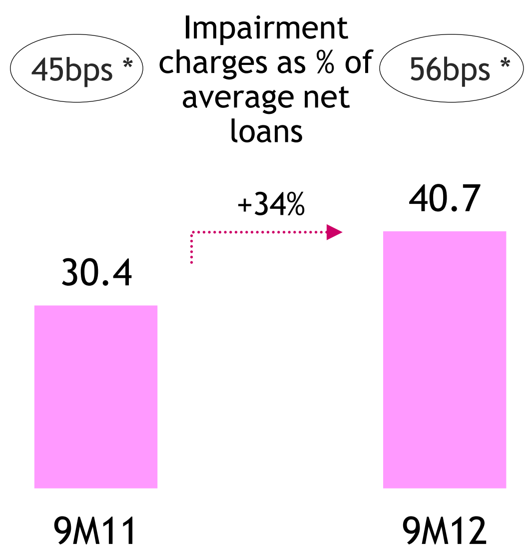
Reinforcement of loans to companies' provisioning, allowing an increase of overdue loans coverage

(*Eur million*)

Credit Quality



Impairment charges



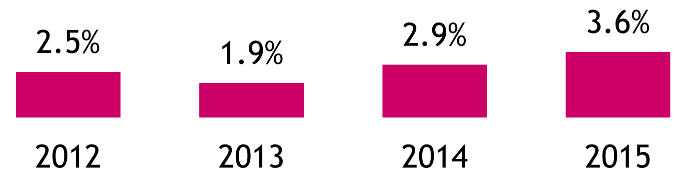
- Impairment charges increased 34% when compared to the same period of 2011, due to the deterioration of corporate loans portfolio, namely in the construction sector
- Overdue loans over 90 days ratio decreased to 3.1%, maintaining a good mortgage credit portfolio quality
- Overdue loans over 90 days coverage at 101%

* Impairment charges / average net loans for the period (in bps, annualized)
Excluded FX effect. €/PLN rates used: Income Statement 4.19493889; Balance Sheet 4.1038

Strategy 2013-15

Macroeconomic scenario

GDP estimate



- Macroeconomic scenario considered, below IMF expectations, and moderately optimistic in medium term
- Favorable growth conditions, although requiring strict and conservative risk management

Targets

	Sep 12	2015
ROE	10.1%	14-15%
C/I	58.2%	50%
Core T1	11.4%	>10%
L/D	96%	<100%

Bank Strengths

- Well distributed branches network supported by modern multichannel infrastructure
- Utmost quality of service, highly recognize brand
- High capital base; comfortable liquidity, sound risk management and cost control

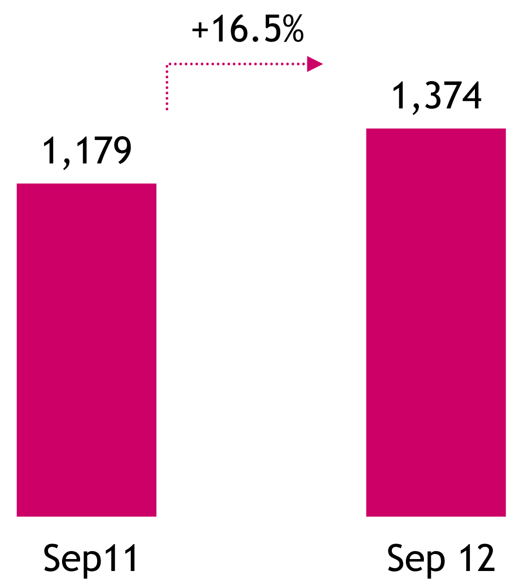
Main initiatives

- Exploring new market opportunities in corporate segment and stronger focus in mid-size companies (growth in corporate loans up to 30-35% of the loans portfolio)
- Increasing consumer lending
- Becoming a reference bank for savings and transactions
- Consistently developing innovative products supporting customers acquisition
- Optimising use of multiple sales channels and increasing sales productivity and efficient product distribution
- Catching the next wave of digital banking and striving for leadership in *Mobile banking*

Mozambique: customer funds growth and loans with low delinquency level

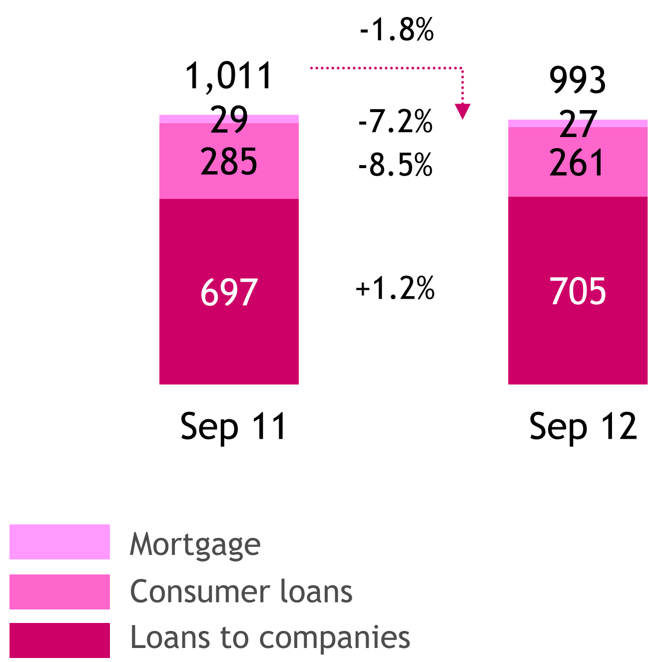
(*Eur million*)

Customer funds



Loans to customers (gross)

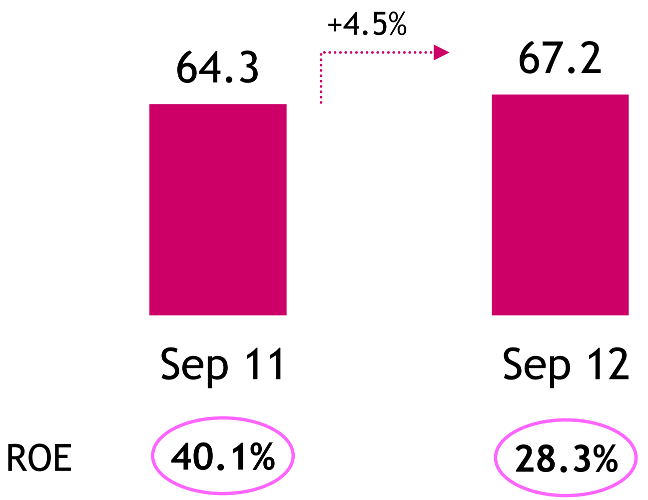
Sep 11		Sep 12
462%	Overdue loans >90 days coverage ratio	354%
1.5%	Overdue loans >90 days ratio	2.1%



Banking income improvement with operating costs in line with expansion plan

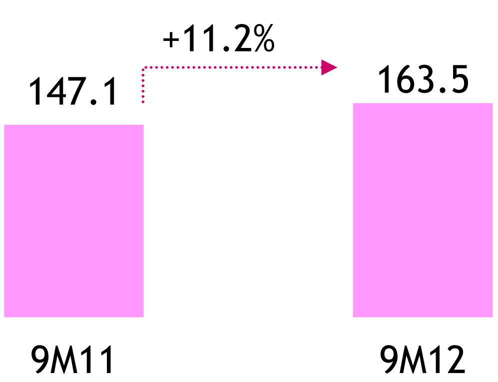
(Eur million)

Net income

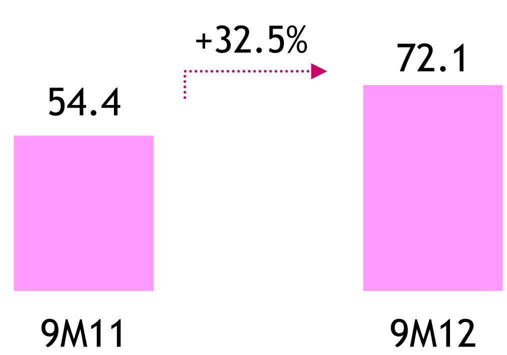


- Net income improved 4.5% to 67.2M€
- ROE reached 28.3%
- Net income evolution driven by banking income's good performance (+11.2%), especially in trading results and net commissions income
- Ongoing expansion plan (+22 branches)
- GDP growth forecasts remain high for Mozambique: 7.5% in 2012(E) and 8.4% in 2013(E)*

Banking income



Operating costs

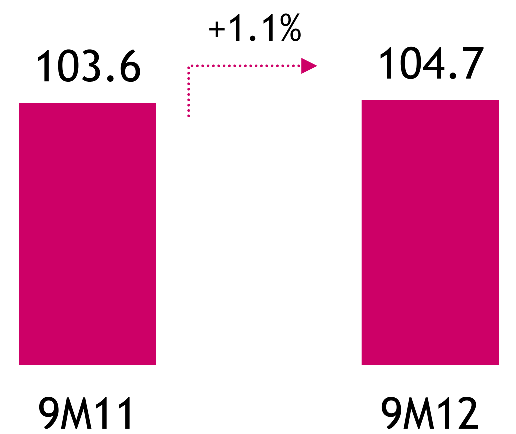


* Source: International Monetary Fund (World Economic Outlook Database, October 2012)

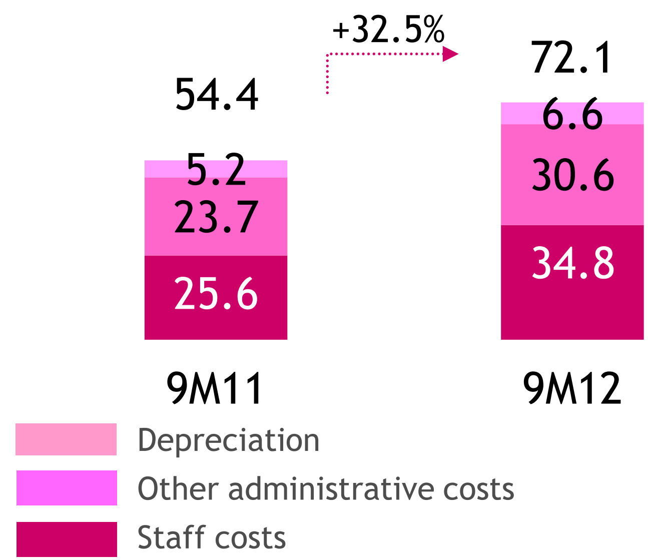
Strong fees and commissions growth with operating costs in line with the expansion plan

(Eur million)

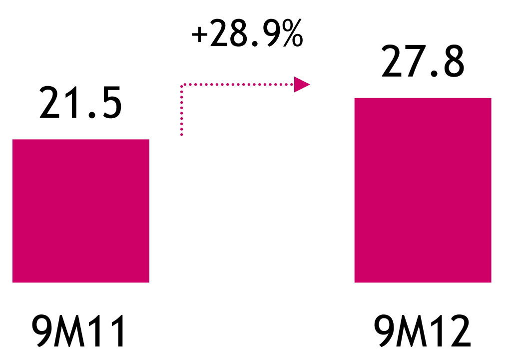
Net interest income



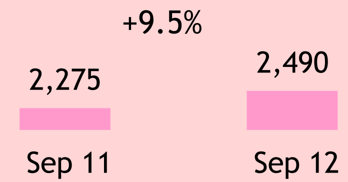
Operating costs



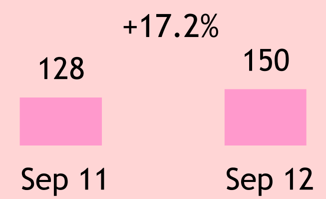
Fees and commissions



Employees



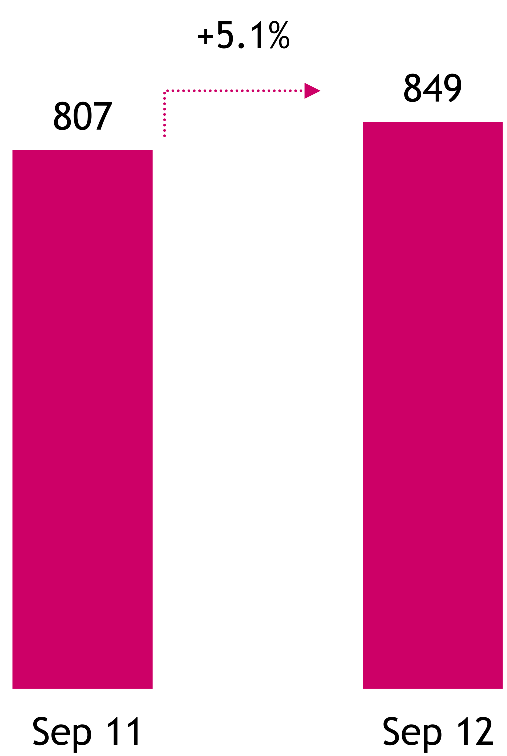
Branches



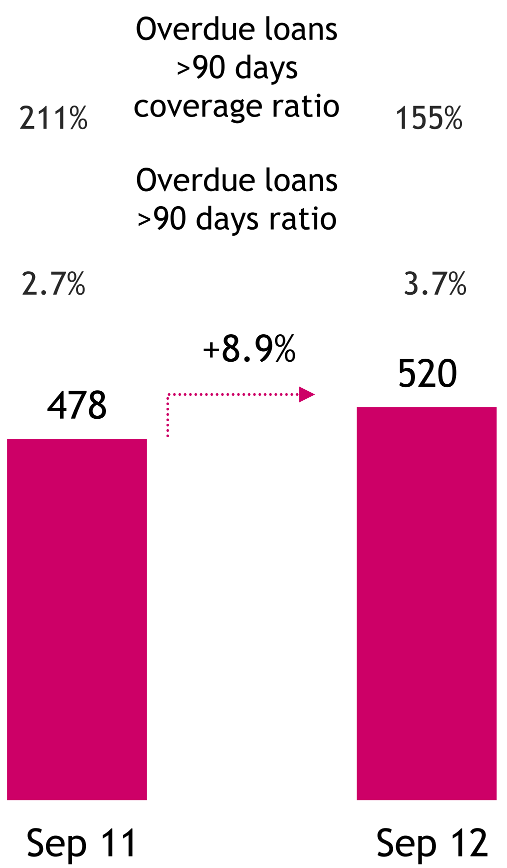
Angola: sustained growth in customer funds and loans to customers

(Eur million)

Customer funds



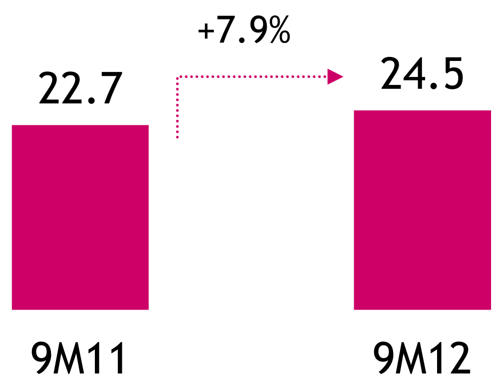
Loans to customers (gross)



Net income growth, driven by income and volumes improvement, despite the ongoing expansion plan

(Eur million)

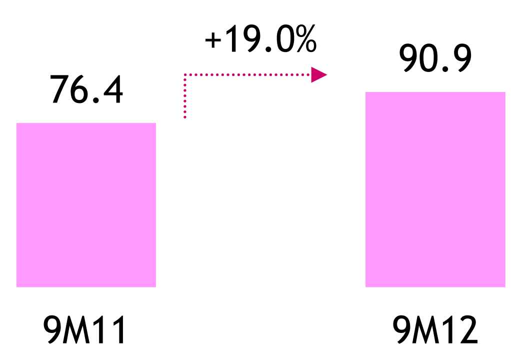
Net income



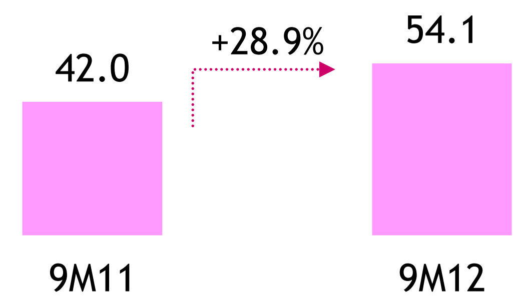
ROE **20.8%** **16.5%**

- Net income improved 7.9% to 24.5M€
- ROE of 16.5%
- Strong income growth
- Costs reflect the ongoing expansion plan
- GDP growth forecasts remain high for Angola: 6.8% in 2012(E) and 5.5% in 2013(E)*

Banking income



Operating costs

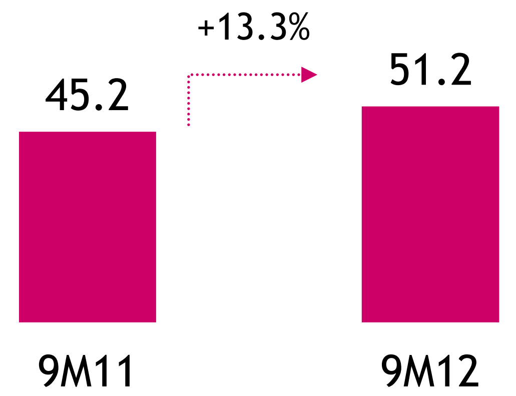


* Source: International Monetary Fund (World Economic Outlook Database, October 2012)

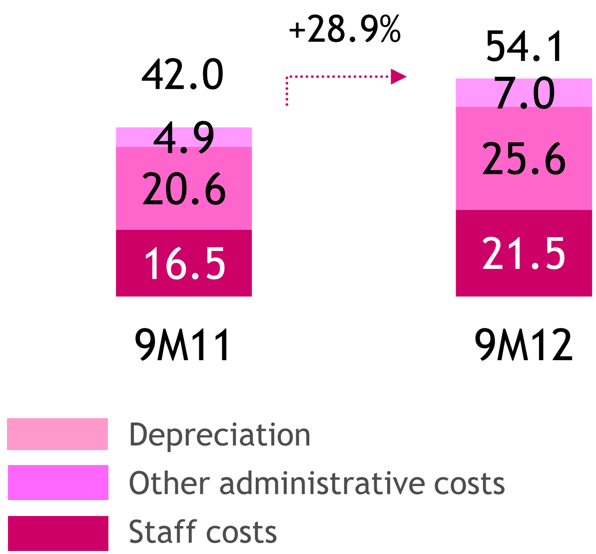
Strong core income growth and operating costs growth in line with expansion plan

(Eur million)

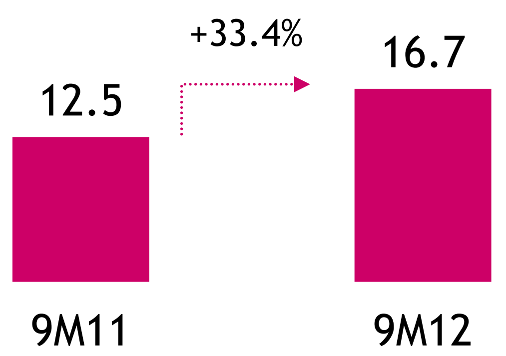
Net interest income



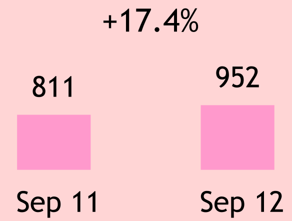
Operating costs



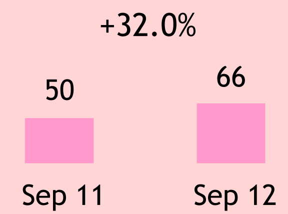
Fees and commissions



Employees



Branches



Agenda

- Main highlights
- Group
  - Capital
  - Liquidity
  - Profitability
- Portugal
- International operations
- Conclusions

Progress in strategic plan metrics

Indicators	Dec.11	Sep.12		Medium term	Initiatives
Core Tier 1 ratio	9.3%	12.8%	…	>10%	Capitalization plan (hybrids and 500M€ rights issue)
Net loans/balance sheet customer funds	128%	121%	…	<110%	Enhance liquidity position
C/I ratio*	59%	66%	…	<55%	
Time deposits spread (TD)	-222pb	-317pb	…	<-165pb	Reduction of new TD costs by 241 bp vs. Sep. 11
Portfolio interest rate	4.3%	3.5%			
New production rate	4.0%	2.5%			
Operating costs*	908M€	868M€ **	…	<800M€	Launching of restructuring program allowing for ~100M€ savings
Cost of risk	208pb	162pb	…	<100pb	New model for credit granting, monitoring and recovering
ROE	-22%	-30%	…	>10%	

* Excluding specific items
** Annualized

Strategic Plan conclusions and cycles

Stages	Priorities
Reinforcement of capital and liquidity position on (2012-13)	Comfortable capital ratios Enhance liquidity position Provisions reinforcement
Creating conditions for growth and profitability (2014-15)	Recovery of profitability in Portugal
	Continuous business development in Poland, Mozambique and Angola
Sustained growth (2016-17)	Results sustained growth with improved balance between domestic and international operations contributions

Initiatives already implemented

- Core tier I ratio reaches 12.8%, the highest value ever
- Increase in customer deposits by 4.3%, now representing 61% of the funding structure
- Net loan to balance sheet customer funds reaches 121%
- Continuous reinforcement of balance sheet impairment charges (+32%)
- Risk mitigation on Greek exposure
- Lauching a restruturing plan
- Implementation of a new model of credit management
- Review of strategic objectives for 2015 in Poland

Results in line with the strategic plan

Appendixes

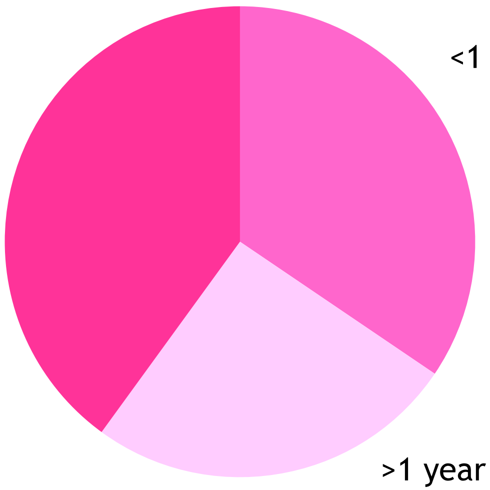
Sovereign debt exposure

(*Eur million*)

Sovereign debt portfolio

	Sep 11	Sep 12	YoY
Portugal	5,143	4,788	**-7%**
Poland	394	1,613	**>100%**
Mozambique	253	242	**-4%**
Angola	383	360	**-6%**
Greece	671	41	**-94%**
Romania	73	99	**35%**
Others	292	311	**6%**
Total	**7,209**	**7,453**	**3%**

Sovereign debt total maturity



- Total sovereign debt of 7.4 million euros, of which 4.5 million with maturity under 2 years
- Sovereign portuguese debt decreases 7% and greek debt decreases from 671 millions euros in september 2011 to 41 millions euros in september 2012

Detail of public debt portfolio

(*Eur million*)

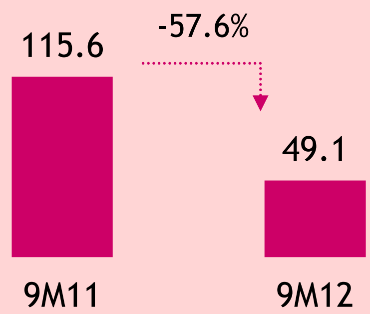
	Portugal	Poland	Mozambique	Angola	Greece	Romania	Ireland	Others	Total
Trading book	**152**	**93**	**0**	**0**	**20**	**0**	**0**	**36**	**301**
< 1 year	8	16	0	0	20	0	0	0	44
> 1 year and <2 years	5	12	0	0	0	0	0	0	18
> 2 years	139	65	0	0	0	0	0	35	239
Banking book	**4,636**	**1,520**	**242**	**360**	**21**	**99**	**208**	**68**	**7,152**
< 1 year	1,276	764	203	212	9	60	0	0	2,525
> 1 year and <2 years	1,515	52	2	66	0	30	208	14	1,886
> 2 years	1,845	703	38	82	12	9	0	54	2,741
Total	**4,788**	**1,613**	**242**	**360**	**41**	**99**	**208**	**103**	**7,453**
< 1 year	1,284	780	203	212	29	60	0	0	2,569
> 1 year and <2 years	1,520	65	2	66	0	30	208	14	1,904
> 2 years	1,983	768	38	82	12	9	0	89	2,980

Greece: results affected by the deepening of the country's economic recession

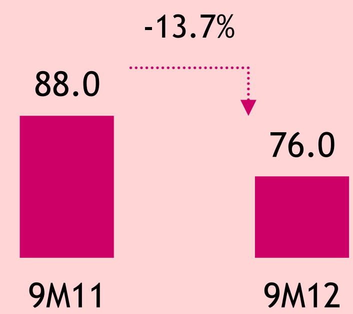
(*Eur million*)

Net income

Banking income

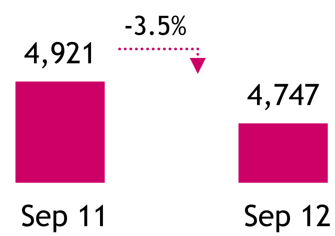


Operating costs

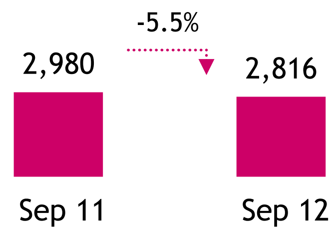


- Net losses of 104.4 million euros as a result of the adverse economic conditions
- Banking income decreases by 57.6% reflecting the liabilities repurchase in 9M11 (45.0 million euros) and net interest income affected by funding costs
- Operating costs decreased 13.7% following the implementation of cost containment measures, which resulted in a reduction of 33 branches and 239 employees
- Impairment charges increased as current economic conditions led to delinquency growth

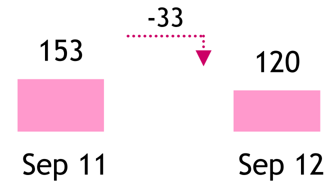
Loans to customers (gross)



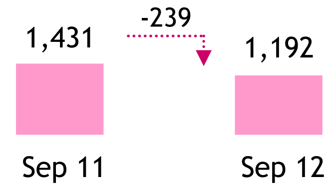
Customer deposits



Branches



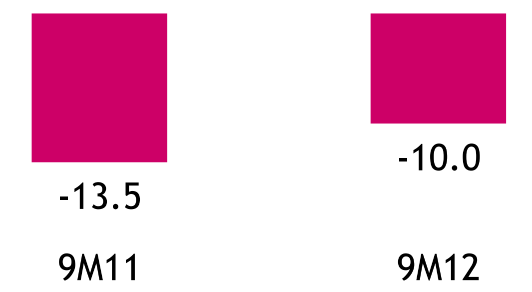
Employees



Romania: strong costs saving policy and volumes growth

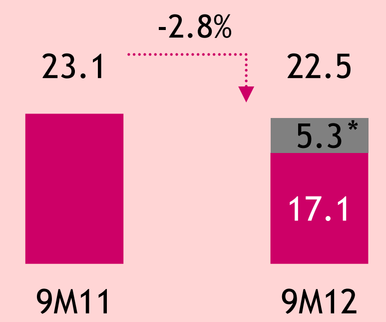
(*Eur million*)

Net income

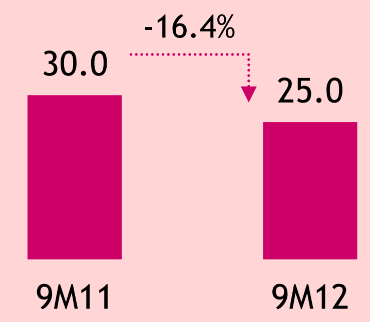


- Net income improvement when compared to the 9M2011, driven by a cost containment policy
- Increase of both deposit and credit volumes, maintaining conservative risk criteria

Banking income

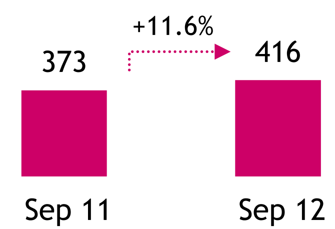


Operating costs

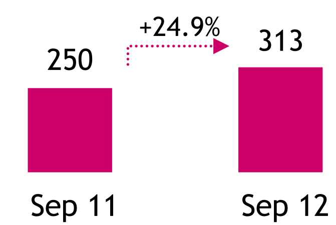


* Impact from unwinding interest methodology (IAS 39) fully compensated by an equal adjustment in net provisions; neutral in net income

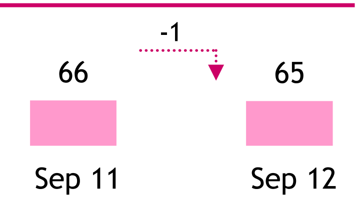
Loans to customers (gross)



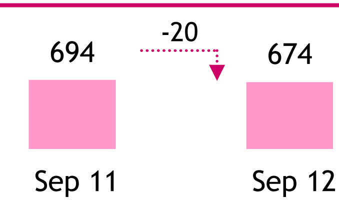
Customer deposits



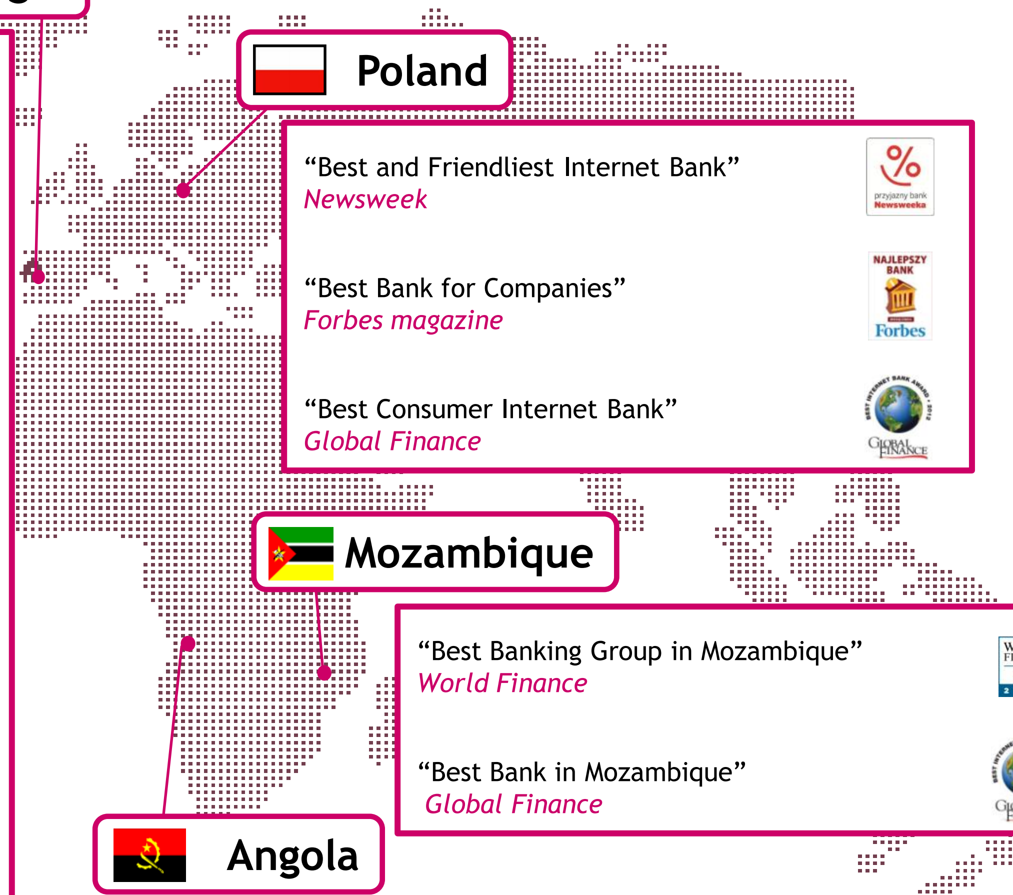
Branches



Employees



Main Awards in 2012



Portugal

"*Best Bank" in Portugal EMEA Finance*

"Consumer's Choice in 2012"
*Consumer choice**

"Bank of the Year" *Marketeer magazine*

"Best Consumer Internet Bank" in Portugal, "Best Integrated Consumer Bank Site", "Best in Mobile Banking", "Best in Social Media" and "Best Website Design" in Europe
Global Finance

ActivoBank

"Best Commercial Bank" *World Finance*

ActivoBank

Finalist of *Global Banking Innovation Awards* in "Disruptive Innovation" *BAI e FINACLE*

ActivoBank

"Brands of Excellence 2012", in Health Insurance *Selec. Reader's Digest*

Poland

"Best and Friendliest Internet Bank"
Newsweek

"Best Bank for Companies"
Forbes magazine

"Best Consumer Internet Bank"
Global Finance

Mozambique

"Best Banking Group in Mozambique"
World Finance

"Best Bank in Mozambique"
Global Finance

Angola

"Best Foreign Bank in Angola"
EMEA Finance

** Evaluation of Consumer's Satisfaction Office*

Financial statements

Consolidated Balance Sheet and Income Statement

	30 September 2012	31 December 2011	30 September 2011
		(Thousands of Euros)	
Assets			
Cash and deposits at central banks	2,535,908	2,115,945	1,790,255
Loans and advances to credit institutions			
Repayable on demand	749,492	1,577,410	1,552,278
Other loans and advances	2,505,275	2,913,015	1,773,647
Loans and advances to customers	64,960,446	68,045,535	72,532,358
Financial assets held for trading	1,670,516	2,145,330	3,172,950
Financial assets available for sale	7,391,544	4,774,114	3,699,834
Assets with repurchase agreement	34,239	495	55,205
Hedging derivatives	232,048	495,879	560,754
Financial assets held to maturity	3,659,790	5,160,180	5,505,407
Investments in associated companies	475,004	305,075	306,906
Non current assets held for sale	1,126,481	1,104,650	1,065,713
Investment property	559,092	560,567	514,403
Property and equipment	605,831	624,599	615,606
Goodwill and intangible assets	248,971	251,266	397,048
Current tax assets	26,300	52,828	27,785
Deferred tax assets	1,614,215	1,564,538	1,272,787
Other assets	878,867	1,790,650	1,089,564
	89,274,019	93,482,076	95,932,500
Liabilities			
Amounts owed to credit institutions	16,093,927	17,723,419	19,656,038
Amounts owed to customers	47,271,348	47,516,110	47,567,701
Debt securities	14,267,987	16,236,202	14,799,553
Financial liabilities held for trading	1,360,622	1,478,680	1,440,934
Other financial liabilities at fair value			
through profit and loss	221,221	2,578,990	3,451,504
Hedging derivatives	302,651	508,032	539,801
Provisions for liabilities and charges	277,532	246,100	218,601
Subordinated debt	4,327,995	1,146,543	1,090,510
Current income tax liabilities	2,366	24,037	10,823
Deferred income tax liabilities	3,118	2,385	1,803
Other liabilities	1,312,924	1,647,208	1,474,051
Total Liabilities	85,441,691	89,107,706	90,251,319
Equity			
Share capital	3,000,000	6,065,000	6,065,000
Treasury stock	(13,965)	(11,422)	(77,396)
Share premium	71,722	71,722	71,722
Preference shares	171,175	171,175	1,000,000
Other capital instruments	9,853	9,853	9,853
Fair value reserves	(87,235)	(389,460)	(374,082)
Reserves and retained earnings	871,749	(1,241,490)	(1,639,928)
Net income for the period attributable to Shareholders	(796,306)	(848,623)	97,601
Total Equity attributable to Shareholders of the Bank	3,226,993	3,826,755	5,152,770
Non-controlling interests	605,335	547,615	528,411
Total Equity	3,832,328	4,374,370	5,681,181
	89,274,019	93,482,076	95,932,500

	30 September 2012	30 September 2011
	(Thousands of Euros)	
Interest and similar income	2,770,427	2,984,471
Interest expense and similar charges	(1,999,514)	(1,787,684)
Net interest income	770,913	1,196,787
Dividends from equity instruments	3,820	1,354
Net fees and commission income	516,025	594,540
Net gains / losses arising from trading and hedging activities	349,003	154,895
Net gains / losses arising from available for sale financial assets	(5,705)	26,004
Net gains / (losses) arising from financial assets held to maturity	15,510	284
Other operating income	(39,861)	(1,826)
	1,609,705	1,972,038
Other net income from non banking activity	15,456	14,916
Total operating income	1,625,161	1,986,954
Staff costs	550,664	569,225
Other administrative costs	418,006	426,290
Depreciation	62,337	70,415
Operating costs	1,031,007	1,065,930
Operating net income before provisions and impairments	594,154	921,024
Loans impairment	(1,236,615)	(764,000)
Other financial assets impairment	(28,820)	(142,514)
Other assets impairment	(121,745)	(61,672)
Other provisions	(33,872)	37,192
Operating net income	(826,898)	(9,970)
Share of profit of associates under the equity method	42,921	2,133
Gains / (losses) from the sale of subsidiaries and other assets	(15,986)	(5,498)
Net income before income tax	(799,963)	(13,335)
Income tax		
Current	(52,791)	(57,076)
Deferred	112,075	231,802
Net income after income tax	(740,679)	161,391
Attributable to:		
Shareholders of the Bank	(796,306)	97,601
Non-controlling interests	55,627	63,790
Net income for the period	(740,679)	161,391
Earnings per share (in euros)		
Basic	(0.15)	0.01
Diluted	(0.15)	0.01

Note: Due to a change in the accounting policy related to the recognition of actuarial differences in OCI (other comprehensive income) and the reclassification of impairment securities from "income from financial operations" to "other impairments and provisions", 2011 financial information was restated to allow comparability

Consolidated income statement (quarterly evolution)

For the 9 month period ended 30th of September, 2011 and 2012

(Eur million)

	Quarterly					Year-to-date		
	3Q 11	4Q 11	1Q 12	2Q 12	3Q 12	Sep 11	Sep 12	Δ % 12 / 11
Net interest income	**389.1**	**382.5**	**317.5**	**275.4**	**178.0**	**1,196.8**	**770.9**	**-35.6%**
Dividends from equity instruments	0.2	0.0	0.3	3.3	0.2	1.4	3.8	>100%
Net fees and commission income	193.4	194.8	169.9	176.7	169.4	594.5	516.0	-13.2%
Other operating income	-2.6	-30.3	-14.5	-15.2	-10.8	7.6	-40.4	<-100%
Net trading income	156.7	26.4	191.3	134.0	33.4	181.2	358.8	98.0%
Equity accounted earnings	-21.9	12.5	12.9	17.4	12.7	2.1	42.9	>100%
Banking income	**714.9**	**586.0**	**677.4**	**591.8**	**382.9**	**1,983.6**	**1,652.1**	**-16.7%**
Staff costs	188.0	384.4	206.6	142.6	201.5	569.2	550.7	-3.3%
Other administrative costs	142.3	158.2	141.3	142.6	134.0	426.3	418.0	-1.9%
Depreciation	22.5	25.7	21.5	20.7	20.1	70.4	62.3	-11.5%
Operating costs	**352.8**	**568.3**	**369.4**	**306.0**	**355.6**	**1,065.9**	**1,031.0**	**-3.3%**
Operating net income bef. imp.	**362.1**	**17.7**	**308.0**	**285.8**	**27.3**	**917.7**	**621.1**	**-32.3%**
Loans impairment (net of recoveries)	201.9	567.9	170.3	367.0	272.1	764.0	809.4	5.9%
Goodwill impairment	0.0	160.6	0.0	0.0	0.0	0.0	0.0	--
Other impairm. and provisions	159.3	497.4	46.3	61.7	76.5	167.0	184.4	10.4%
Net income before income tax	**1.0**	**-1,208.3**	**91.5**	**-142.9**	**-321.3**	**-13.3**	**-372.8**	**<-100%**
Income tax	-5.9	-284.1	32.2	-28.8	-62.6	-174.7	-59.3	66.1%
Non-controlling interests	23.5	22.1	18.5	20.9	16.1	63.8	55.6	-12.8%
Net income (before imp. Gr.)	**-16.7**	**-946.2**	**40.8**	**-135.0**	**-274.8**	**97.6**	**-369.1**	**<-100%**
Impairment for estimated losses				450.0	-22.8		427.2*	--
Net income	**-16.7**	**-946.2**	**40.8**	**-585.0**	**-252.0**	**97.6**	**-796.3**	**<-100%**

* Impairment charges related to the estimated losses in the subsidiary company in Greece, which, together with the reinforcement of impairments posted in the subsidiary's P&L, showed an increase in the level of impairment from the previous quarter achieving Euro 543.5 million in the first nine months of 2012

Note: Due to a change in the accounting policy related to the recognition of actuarial differences in OCI (other comprehensive income) and the reclassification of impairment securities from "income from financial operations" to "other impairments and provisions", 2011 financial information was restated to allow comparability

Consolidated income statement (Portugal and International operations)

For the 9 month period ended 30th of September, 2011 and 2012

(*Eur million*)

	Group			Portugal			International operations: Total			Bank Millennium (Poland)			Millennium bim (Moz.)			Millennium Angola			Other int. operations		
	Sep 11	Sep 12	Δ %	Sep 11	Sep 12	Δ %	Sep 11	Sep 12	Δ %	Sep 11	Sep 12	Δ %	Sep 11	Sep 12	Δ %	Sep 11	Sep 12	Δ %	Sep 11	Sep 12	Δ %
Interest income	2,984	2,770	-7.2%	2,044	1,795	-12.2%	941	975	3.7%	493	553	12.0%	141	158	12.2%	68	72	6.2%	239	193	-19.3%
Interest expense	1,788	2,000	11.8%	1,282	1,429	11.5%	506	570	12.7%	283	343	21.3%	37	53	43.6%	23	21	-8.0%	164	153	-6.3%
Net interest income	**1,197**	**771**	**-35.6%**	**762**	**366**	**-52.0%**	**435**	**405**	**-6.8%**	**210**	**210**	**-0.4%**	**104**	**105**	**1.1%**	**45**	**51**	**13.3%**	**76**	**40**	**-47.5%**
Dividends from equity instruments	1	4	>100%	1	3	>100%	1	1	86.6%	0	1	98.4%	0	0	47.1%	0	0	--	0	0	-80.4%
Intermediation margin	**1,198**	**775**	**-35.3%**	**763**	**369**	**-51.7%**	**435**	**406**	**-6.7%**	**211**	**211**	**-0.2%**	**104**	**105**	**1.1%**	**45**	**51**	**13.3%**	**76**	**40**	**-47.6%**
Net fees and commission income	595	516	-13.2%	420	340	-18.9%	175	176	0.4%	108	99	-8.7%	22	28	28.9%	12	17	33.4%	33	33	-0.7%
Other operating income	8	-40	<-100%	7	-42	<-100%	0	2	>100%	-5	-2	61.1%	8	9	1.5%	0	0	>100%	-2	-4	-76.3%
Basic income	**1,800**	**1,250**	**-30.5%**	**1,190**	**666**	**-44.0%**	**610**	**584**	**-4.4%**	**313**	**307**	**-2.1%**	**134**	**141**	**5.6%**	**57**	**68**	**18.4%**	**106**	**68**	**-35.9%**
Net trading income	181	359	98.0%	58	251	>100%	123	107	-12.5%	34	34	-0.1%	13	22	67.0%	19	23	20.6%	56	28	-50.1%
Equity accounted earnings	2	43	>100%	2	41	>100%	0	2	>100%	0	1	>100%	0	1	--	0	0	--	0	0	100.0%
Banking income	**1,984**	**1,652**	**-16.7%**	**1,250**	**959**	**-23.3%**	**733**	**693**	**-5.5%**	**347**	**342**	**-1.7%**	**147**	**164**	**11.8%**	**76**	**91**	**19.0%**	**163**	**96**	**-40.8%**
Staff costs	569	551	-3.3%	362	337	-6.9%	208	214	3.1%	101	100	-0.5%	26	35	36.2%	17	22	30.2%	65	57	-11.2%
Other administrative costs	426	418	-1.9%	230	222	-3.5%	196	196	-0.1%	94	87	-7.6%	24	31	29.4%	21	26	24.4%	58	53	-8.8%
Depreciation	70	62	-11.5%	37	31	-15.2%	34	31	-7.4%	12	10	-20.1%	5	7	27.9%	5	7	43.0%	11	8	-31.3%
Operating costs	1,066	1,031	-3.3%	628	590	-6.2%	438	441	0.9%	208	197	-4.9%	54	72	32.5%	42	54	28.9%	134	118	-11.9%
Operating net income bef. imp.	**918**	**621**	**-32.3%**	**622**	**369**	**-40.6%**	**296**	**252**	**-14.9%**	**140**	**144**	**3.1%**	**93**	**92**	**-0.4%**	**34**	**37**	**6.9%**	**29**	**-22**	**<-100%**
Loans impairment (net of recoveries)	764	809	5.9%	640	628	-1.8%	124	181	45.8%	33	44	32.7%	14	9	-35.1%	10	7	-31.0%	67	121	81.5%
Other impairm. and provisions	167	184	10.4%	168	185	10.1%	-1	-1	43.3%	-1	-3	<-100%	-1	1	>100%	-1	0	>100%	2	1	-10.4%
Net income before income tax	**-13**	**-373**	**<-100%**	**-186**	**-444**	**<-100%**	**173**	**71**	**-59.0%**	**108**	**103**	**-4.3%**	**79**	**82**	**3.9%**	**25**	**30**	**19.2%**	**-40**	**-145**	**<-100%**
Income tax	-175	-59	66.1%	-212	-58	72.6%	37	-1	<-100%	23	21	-9.3%	14	14	-0.4%	2	5	>100%	-3	-42	<-100%
Non-controlling interests	64	56	-12.8%	2	-8	<-100%	62	64	2.5%	0	0	--	1	1	45.9%	0	0	--	61	63	2.1%
Net income (before imp. Gr.)	**98**	**-369**	**<-100%**	**24**	**-378**	**<-100%**	**74**	**9**	**-88.5%**	**85**	**83**	**-3.0%**	**64**	**67**	**4.5%**	**23**	**24**	**7.9%**	**-98**	**-166**	**-68.4%**
Impairment for estimated losses	0	427 *	--																		
Net income	**98**	**-796**	**<-100%**																		

* Impairment charges related to the estimated losses in the subsidiary company in Greece, which, together with the reinforcement of impairments posted in the subsidiary's P&L, showed an increase in the level of impairment from the previous quarter achieving Euro 543.5 million in the first nine months of 2012

Note: Due to a change in the accounting policy related to the recognition of actuarial differences in OCI (other comprehensive income) and the reclassification of impairment securities from "income from financial operations" to "other impairments and provisions", 2011 financial information was restated to allow comparability

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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 3,500,000,000