In accordance with Article 10 of the CMVM Regulation nr.5/2008 we are pleased to transcribe the

1ST QUARTER 2009 ACTIVITY REPORT

BANCO COMERCIAL PORTUGUÊS, S.A.

a public company (Sociedade Aberta)
having its registered office at Praça D. João I, 28, Oporto, registered at the Commercial Registry of Oporto, with the single commercial and tax identification number 501 525 882 and the share capital of EUR 4,694,600,000.00.

Financial Highlights

Euro million	31 Mar. 09	31 Mar. 08	Change 09 / 08
Balance sheet			
Total assets	93,085	87,885	5.9%
Loans to customers - gross (1)	74,797	69,120	8.2%
Loans to customers (net) (1)	72,917	67,885	7.4%
Total customer funds (2)	64,169	63,098	1.7%
Balance sheet customer funds	49,935	45,656	9.4%
Results			
Net interest income	373.8	412.2	-9.3%
Net operating revenues (3)	739.5	517.3	42.9%
Operating costs (4)	400.7	385.5	3.9%
Loan impairment charges	168.0	83.2	101.9%
Loan recoveries	7.9	13.4	-41.5%
Income taxes	28.9	27.8	3.9%
Minority interests	6.3	16.7	-62.1%
Net income excluding specific items (5)	85.5	132.7	-35.6%
Net income	106.7	14.7	625.2%
Profitability			
Net operating revenues / Average net assets (6)	3.2%	2.3%	
Return on average assets (ROA) (7)	0.3%	0.5%	
Income before taxes and minority interests / Average net assets (6)	0.6%	0.3%	
Return on average equity (ROE) (7)	6.1%	13.7%	
Income before taxes and minority interests / Average equity (6)	11.1%	6.2%	
Credit Quality			
Overdue loans according to Bank of Portugal / Total loans (1)(6)	2.1%	1.1%	
Overdue loans according to Bank of Portugal, net/ Total loans, net (1)(6)	-0.4%	-0.7%	
Impairment for loan losses / Overdue loans by more than 90 days (1)	160.9%	238.1%	
Impairment for loan losses / Overdue loans (1)	132.3%	197.6%	
Efficiency ratios			
Operating costs / Net operating revenues (6)(7)	55.8%	60.3%	
Operating costs / Net operating revenues (Portugal) (6)(7)	51.0%	57.6%	
Staff costs / Net operating revenues (6)(7)	32.3%	34.4%	
Capital			
Total regulatory capital	6,577	5,828	
Risk weighted assets	66,184	65,299	
Tier I solvency ratio (6)	6.8%	5.1%	
Total solvency ratio (6)	9.9%	8.9%	
Branches			
Portugal activity	917	899	2.0%
Foreign activity	886	772	14.8%
Employees			
Portugal activity	10,602	10,849	-2.3%
Foreign activity	11,623	10,661	9.0%

(1) Excludes loans represented by securities transferred from financial assets available for sale.
(2) Amounts due to customers (including securities), assets under management and capitalisation insurance.
(3) Net interest income, income from securities, net commissions, net trading income, equity accounted earnings, other net operating income (according to rule 16/2004 from the Bank of Portugal).
(4) Staff costs, other administrative costs and depreciation.
(5) Specific items in the first quarter of 2009 amounted to Euro 21.2 million and in the first quarter of 2008 to Euro -118.0 million (net of tax).
(6) According to rule 16/2004 from the Bank of Portugal.
(7) Excludes the impact of specific items.

RESULTS

Millennium bcp's financial statements were prepared in accordance with International Financial Reporting Standards (IFRS) as endorsed by the European Union, in compliance with Regulation (EC) 1606/2002, of July 19th and in accordance with the reporting statements defined by the Bank of Portugal (Notice n.º 1/2005) following the adoption by the Portuguese legal system of the European Commission Directive 2003/51/EC of June 18th of the European Parliament and Council.

Millennium bcp's consolidated net income totalled Euro 106.7 million in the first quarter of 2009, compared with Euro 14.7 million in the same period of 2008. Consolidated net income in the first quarter of 2009 includes the gain from the entry of new shareholders in Banco Millennium Angola's share capital, amounting to Euro 21.2 million. Consolidated net income in the first quarter of 2008 includes the accounting of specific items, net of taxes, related with impairment losses determined by the devaluation of Banco BPI shares, in the amount of Euro 131.2 million, and with the reduction of the variable remuneration already accrued in 2007, in the amount of Euro 13.2 million. Excluding specific items, net income of the first quarter of 2009 stood at Euro 85.5 million, compared to Euro 132.7 million in the same period of 2008. This evolution was determined by the higher level of loan impairment charges (net of recoveries), due to the continued revaluation of financial collaterals and to the identification of signs of impairment in the loan portfolio, as well as by other provisions, notwithstanding the favourable performances registered in net operating revenues, supported by net trading income, and in operating costs, driven by stable staff costs and by the decrease in other operating costs and in depreciation. Return on equity (ROE) stood at 6.1% at the end of March 2009.

Net income in Portugal, excluding specific items, totalled Euro 80.8 million in the first quarter of 2009, compared with Euro 102.8 million in the same period of 2008. This evolution reflects the rise in loan impairment charges and provisions and higher operating costs, partially offset by the improvement of net operating revenues, driven by higher net trading income and commissions. Net income of the international activity was determined by the reduction in net operating revenues and by the increase in loan impairment charges, despite the reduction of operating costs. The performance in net income from the international activity was conditioned by the results of the Polish and Greek operations, notwithstanding the improvements posted in Mozambique and Angola.

Net interest income stood at Euro 373.8 million in the first quarter of 2009, compared with Euro 412.2 million in the first quarter of 2008, mostly influenced by the unfavourable rate effect, despite the positive volume effect led by the growth of business volumes both in deposits and in loans to customers. Net interest margin stood at 1.80% as at 31 March 2009, down from 2.05% as at 31 March 2008. The performance of net interest income was mainly determined by the international activity, in particular Poland, as a result of more narrow spreads in term deposits, influenced by the strong competition for the capture of customer funds, despite the fast repricing carried out by Bank Millennium following the reduction of the market interest rates in the beginning of the year. In Portugal, net interest income showed a slight decrease (-0.8%).

AVERAGE BALANCES

Euro million	31 Mar. 09 Balance	31 Mar. 09 Yield %	31 Mar. 08 Balance	31 Mar. 08 Yield %
Deposits in banks	4,123	5.68	7,823	5.63
Financial assets	4,018	6.08	5,407	5.43
Loans and advances to customers	74,991	5.24	66,269	6.25
Interest earning assets	83,132	5.30	79,499	6.13
Non interest earning assets	10,809		9,271	
	93,941		88,770	
Amounts owed to credit institutions	8,869	4.52	10,261	6.44
Amounts owed to customers	43,094	3.15	39,260	2.93
Debt securities	29,864	3.44	28,657	4.39
Subordinated debt	2,625	4.83	2,973	5.85
Interest bearing liabilities	84,452	3.45	81,151	4.00
Non interest bearing liabilities	3,262		2,788	
Shareholders' equity and minority interests	6,227		4,831	
	93,941		88,770	
Net interest margin (1)		1.80		2.05

(1) Net interest income as a percentage of average interest earning assets.

Net commissions amounted to Euro 168.7 million in the first quarter of 2009, compared with Euro 173.8 million in the same quarter of 2008 (-2.9%). The evolution of net commissions was driven by the decrease in asset management and securities operations commissions (-37.1%), and, to a lesser extent, by the reduction in loan commissions (-1.3%). The performance of these commissions was partially offset by improvements in card commissions (+5.2%) and in other commissions (+25.9%), which include bancassurance fees previously booked under other net operating income. In the activity in Portugal, net commissions rose by 4.5% from the first quarter of 2008, reflecting, on one hand, the change in the accounting of the fees received from Millenniumbcp Fortis for the distribution of insurance products by the Bank's network, and, on the other hand, the decrease in asset management and securities operations commissions, conditioned by the instability of the financial markets. These reductions were partially offset by the increase in cards and credit commissions. In the international activity, net commissions were down by 19.0%, mainly influenced by the decrease in asset management and securities operations commissions. However, net commissions in the international activity benefited from the improvement in commissions from Mozambique and Angola.

Net trading income, which includes net gains arising from trading and hedging activities and net gains arising from available for sale financial assets, totalled Euro 149.8 million in the first quarter of 2009, up from Euro 114.9 million in the same quarter of 2008. Net trading income included, in the first quarter of 2008, losses of Euro 151.3 million related to the shareholding in Banco BPI, which has since been sold. Excluding this impact, net trading income increased by Euro 113.3 million, benefiting from results both in Portugal and in the international activity. The favourable performance of net trading income was influenced by the decline in interest rates and by the rise of credit spreads, reflected in results from hedging instruments and derivatives, on one hand, and in trading derivatives, on the other.

Other net operating income, which includes other operating income, other net income from non banking activities and gains from the sale of subsidiaries and other assets, amounted to Euro 35.1 million in the first quarter of 2009, compared to Euro 30.3 million in the same quarter of 2008. Other net operating income includes, in the first quarter of 2009, the amount of Euro 21.2 million related to the gain from the dispersal of 49.9% of Bank Millennium Angola' share capital. Excluding this impact, the evolution of other net operating income reflects the reduction in income – determined by the impact of the change in the accounting of bancassurance fees, which started to be registered under commissions in the second quarter of 2008 - which more than offset the reduction in costs.

Equity accounted earnings amounted to Euro 11.5 million in the first quarter of 2009, compared with Euro 14.3 million in the same period of 2008, mainly determined by the appropriation of earnings from the 49% shareholding in the insurance company Millenniumbcp Fortis.

OTHER NET INCOME

Euro million	1Q 09	1Q 08	Change 09/08
Net commissions			
Cards	44.8	42.6	5.2%
Asset management and securities	31.2	49.7	-37.1%
Credit operations	36.1	36.6	-1.3%
Other	56.6	44.9	25.9%
	168.7	173.8	-2.9%
Net trading income (1)	149.8	(114.9)	
Other net operating income (2)	35.1	30.3	16.0%
Dividends from equity instruments	0.6	1.7	-64.4%
Equity accounted earnings	11.5	14.3	-19.4%
Total other net income	365.7	105.2	247.9%
Other income / Net operating revenues (3)	49.5%	20.3%	

(1) Includes in the first quarter of 2008 the impairment losses related to the shareholding in Banco BPI in the amount of Euro 151.3 million.
(2) Includes in the first quarter of 2009 the gain related with the dispersal of 49.9% of Banco Millennium Angola' share capital, amounting to Euro 21.2 million.
(3) Calculated according to rule 16/2004 from the Bank of Portugal.

Operating costs, which include staff costs, other administrative costs and depreciation, stood at Euro 400.7 million in the first quarter of 2009, compared to Euro 385.5 million booked in the first quarter of 2008. Operating costs, in the first quarter of 2008, included the Euro 18.0 million reduction in variable remuneration accrued in 2007, and, in the first quarter of 2009, the increase in pension costs, in the amount of Euro 16.3 million. Excluding these impacts, operating costs dropped by 4.7%. Operating costs in the activity in Portugal, excluding the impacts previously mentioned, decreased by 3.4%, supported by the reductions in staff costs, other administrative costs and depreciation. In the international activity, it is worth mentioning the decrease of 7.2% in operating costs driven by the reduction in staff costs, which more than offset the increases in other administrative costs and in depreciation. The consolidated cost to income ratio, on a comparable basis, improved by 4.5 p.p., from 60.3% in the first quarter of 2008 to 55.8% in the first quarter of 2009. The cost to income of the activity in Portugal also improved from 57.6% to 51.0%, in the same period, achieving an efficiency gain of 6.6 p.p.

Staff costs amounted to Euro 231.9 million in the first quarter of 2009, compared to Euro 212.3 million in the first quarter of 2008. Staff costs include in the first quarter of 2008 the Euro 18.0 million reduction in variable remuneration accrued in 2007. Excluding this impact staff costs remained at the same level of the previous year (+0.7%). Staff costs in Portugal reflect the impact of the increase in pension costs, in the amount of Euro 16.3 million. Excluding this effect, staff costs in Portugal fell by 1.0%. In the international activity, staff costs dropped 17.5%, benefiting from the activity in Poland.

Other administrative costs totalled Euro 142.6 million in the first quarter of 2009, down 2.9% from Euro 146.9 million registered in the first quarter of 2008. The decrease of other administrative costs was supported by the reductions in most items, in particular the savings on legal fees, specialised services, advertising, travel and communications, despite the increase in costs for rents and transportation of values. Other administrative costs were favourably influenced by the decrease of costs in Portugal (-6.6%), which more than offset the rise in the international activity (+3.3%). The performance of the international activity was driven by the expansion effort in some international operations, namely Romania, Mozambique and Angola, partly offset by the reduction in Poland, which showed decreases in advertising, maintenance and rents.

Depreciation costs amounted to Euro 26.2 million in the first quarter of 2009, remaining stable when compared with the same period of the previous year (-0.7%). This evolution was led by the reduction in Portugal, which more than offset the increase of depreciation costs in the international activity. The decrease of depreciation costs in Portugal reflects the reduction of depreciation in buildings, determined by the end of the period of depreciation of investments.

OPERATING COSTS

Euro million	1Q 09	1Q 08	Change 09/08
Staff costs (1)	231.9	212.3	9.3%
Other administrative costs	142.6	146.9	-2.9%
Depreciation	26.2	26.3	-0.7%
	400.7	385.5	3.9%
Of which:			
Portugal activity	271.9	246.7	10.2%
Foreign activity	128.8	138.8	-7.2%
Operating costs / Net operating revenues (2) (3)	51.0%	57.6%	

(1) Includes in the first quarter of 2008 the Euro 18.0 million reduction in the variable remuneration already accrued in 2007.
(2) Activity in Portugal. Calculated according to rule 16/2004 from the Bank of Portugal.
(3) Excludes the impact of specific items.

Impairment for loan losses (net of recoveries) stood at Euro 160.1 million in the first quarter of 2009, compared with Euro 69.8 million in the same period of 2008. The performance of impairment for loan losses (net of recoveries) was mainly determined by impairment charges in Portugal and in the international activity, as well as by the smaller amount of loan recoveries compared with the first quarter of 2008. The reinforcement of impairment charges aims to cover impairment signs in the loan portfolio, including the impact of the devaluation of financial collaterals, because of the persistent instability of the financial markets. The cost of risk, measured by the ratio of impairment charges (net of recoveries) in the loan portfolio, excluding loans represented by securities transferred from financial assets available for sale, stood at 86 b.p. (down from 111 b.p. in the fourth quarter of 2008).

Other provisions, which include other assets impairment and other provisions, totalled Euro 36.8 million in the first quarter of 2009, compared to Euro 2.9 million in the same period of 2008. The amount of other provisions in the first three months of 2009 includes provisions for assets received as payment in kind, which, subsequent to a regular process of revaluation, posted reductions from market valuations, as well as the reinforcement of provisions for several contingencies.

BALANCE SHEET

Total assets reached Euro 93,085 million as at 31 March 2009, showing an increase of 5.9% from Euro 87,885 million booked on the same date in 2008.

Loans to customers, excluding loans represented by securities transferred from financial assets available for sale, reached Euro 74,797 million as at 31 March 2009, up 8.2% from Euro 69,120 million accounted on the same date in 2008. The performance of loans to customers was driven by the growth in loans to companies and in loans to individuals, both rising 8.2%.

Until 31 December 2008, and according to the accounting procedures of the Group, fully provisioned overdue loans were written off from assets when impairment losses achieved 100%. In the first quarter of 2009, subsequent to the Circular Letter 15/2009 from the Bank of Portugal, the Bank started to write off from assets only fully provisioned overdue loans that after an economic analysis are considered uncollectible and without possibility of recovery. The implementation of this requirement had an impact of Euro 241 million in the amount of overdue loans accounted in the Balance sheet. Excluding the impact of this change in overdue loans, loans to customers grew by 7.8%.

In Portugal, loans to customers increased by 6.6%, reflecting the growth of 7.7% in loans to companies and of 5.0% in loans to individuals, mainly due to the increase in mortgage loans (+5.1%). In the international activity, loans to customers grew by 15.5%, supported by the increase in loans to individuals (+17.8%), in particular mortgage loans, and in loans to companies (+11.9%). In the international activity, loans to customers reflect essentially the performance in Poland and Greece, and also, to a lesser extent, the performance in Romania, Mozambique and Angola. The structure of the loan portfolio remained stable and well balanced, between 31 March 2008 and 31 March 2009, with loans to individuals and loans to companies representing 45% and 55% of total loans, respectively, excluding loans represented by securities transferred from financial assets available for sale.

LOANS TO CUSTOMERS (1)

Euro million	31 Mar. 09	31 Mar. 08	Change 09 / 08
Individuals			
Mortgage loans	28,643	26,266	9.1%
Consumer loans	4,984	4,810	3.6%
	33,627	31,076	8.2%
Companies			
Services	14,384	12,198	17.9%
Commerce	5,104	5,300	-3.7%
Other	21,682	20,546	5.5%
	41,170	38,044	8.2%
Total	**74,797**	**69,120**	8.2%
Of which:			
Portugal activity	60,157	56,443	6.6%
Foreign activity	14,640	12,677	15.5%

(1) Excludes loans represented by securities transferred from financial assets available for sale.

Credit quality, evaluated by the non-performing loans indicators, showed an unfavourable evolution compared to 31 March 2008. Overdue loans by more than 90 days as a percentage of total loans, excluding loans represented by securities transferred from financial assets available for sale, stood at 1.6% as at 31 March 2009. This performance includes the impact of the change in the accounting of fully provisioned overdue loans that showed some probability of recovery, as previously explained. The coverage ratio of overdue loans by more than 90 days stood at 160.9% as at 31 March 2009.

OVERDUE LOANS BY MORE THAN 90 DAYS AND IMPAIRMENTS AT 31 MARCH 2009 (1)

Euro million	Overdue loans by more than 90 days	Impairment for loan losses	Overdue loans more than 90 days / Total loans	Coverage ratio
Individuals				
Mortgage loans	136	176	0.5%	128.8%
Consumer loans	219	258	4.4%	117.8%
	355	434	1.1%	122.0%
Companies				
Services	229	419	1.6%	183.3%
Commerce	195	234	3.8%	119.9%
Other	390	793	1.8%	203.7%
	814	1,446	2.0%	177.8%
Total	**1,169**	**1,880**	**1.6%**	**160.9%**

(1) Excludes loans represented by securities transferred from financial assets available for sale

Total customer funds reached Euro 64,169 million as at 31 March 2009, up 1.7% from Euro 63,098 million on the same date in 2008. The evolution of customer funds was driven by the performance in balance sheet customer funds (+9.4%), in particular by the growth of 11.6% in deposits, which more than offset the decline in off balance sheet customer funds (-18.4%), mainly determined by assets under management, influenced by the impact of the markets, both through the devaluation of securities and through the increased supply and demand for traditional products of lower risk. The growth of total customer funds was driven by the increase of 1.4% in Portugal, led by the rise of 11.4% in deposits, and by the increase of 3.0% in the international activity, also led by deposits, in particular in Poland, Greece, Angola and Mozambique.

TOTAL CUSTOMER FUNDS

Euro million	31 Mar. 09	31 Mar. 08	Change 09 / 08
Balance sheet customer funds			
Deposits	43,427	38,917	11.6%
Debt securities	6,508	6,739	-3.4%
	49,935	45,656	9.4%
Off-balance sheet customer funds			
Assets under management	4,415	7,518	-41.3%
Capitalisation insurance	9,819	9,924	-1.1%
	14,234	17,442	-18.4%
Total	**64,169**	**63,098**	1.7%
Of which:			
Portugal activity	51,221	50,528	1.4%
Foreign activity	12,948	12,570	3.0%

Concerning the Group's **liquidity management**, given the especially unfavourable environment, which affected access to the money and inter-bank markets, the increase by 11.6% in customer deposits, from March 2008, was particularly important as a funding instrument and also to support the loan granting business. In addition the rights and debt issues performed by the Group within the last year provide comfortable liquidity levels. In the first quarter of 2009, the Bank placed a 3-year fixed rate debt issue (Euro Fixed Rate Notes), guaranteed by the Portuguese Republic, in the amount of Euro 1.5 billion. The amount that can still be used by the Group with the guarantee of the Portuguese Republic is estimated to be about Euro 3.5 billion.

In April 2009, the Bank successfully launched a 5-year variable rate debt issue, without the State guarantee, in the amount of Euro 1.0 billion. The amount of assets considered highly liquid and eligible as collateral in discount operations with the European Central Bank reached Euro 7.0 billion.

CAPITAL

The capital ratios of the Group as at 31 March 2009 were determined in accordance with the Basel II framework, with the calculation of capital requirements following the standard approach in respect to credit risk and, subsequent to the authorization from the Bank of Portugal, the standard approach for the operational risk (the basic indicator approach was used previously).

Consolidated solvency ratio as at 31 March 2009 stood at 9.9% and the Tier I ratio at 6.8%. The Core Tier I stood at 5.5% compared to 5.8% as at 31 December 2008.

The evolution of the Core Tier I from 31 December 2008 was unfavourably influenced (i) by the devaluation of the investment in Eureko (-27 b.p.); (ii) by negative foreign exchange differences, mainly in Poland and Mozambique, with impact on both equity and minority interests (-11 b.p.); (iii) by the impact of the deferred transition adjustments to IFRS from the mortality table in 2005 and from the actuarial losses recorded in 2008 (-7 b.p.); and (iv) by the increase in treasury shares in the amount of Euro 20 million (-3 b.p.) and by the reinforcement of regulatory provisioning in the amount of Euro 20 million (-3 b.p.).

Conversely, compared to 31 December 2008, the Core Tier I benefited from the sale of part of Banco Millennium Angola' share capital, reflected both in minority interests and in results (+12 b.p.), as well as from the positive impact of internal capital generation in the first quarter of 2009 (+5 b.p.) - including the regulatory adjustments related to the increase of Millennium bcp's own credit risk recorded in trading liabilities at fair value.

The evolution of the Core Tier I between 31 December 2008 and 31 March 2009 also benefited from the decrease in risk weighted assets, in the amount of Euro 1,242 million, of which Euro 838 million from the change on the method of calculating capital requirements to operational risk, namely the adoption of the standard approach, which had an impact of +7 b.p. on the Core Tier I ratio.

In the scope of Basel II "approval pack" filed with the Bank of Portugal, regarding the use of advanced methods for the calculation of capital requirements, namely the internal ratings based approach for credit risk in Portugal and for the retail exposures in Poland, it is estimated that its implementation will have a favourable impact in the Group's capital requirements, in particular, as at 31 March 2009, the solvency ratio would reach 11.2% and the Tier I ratio 7.9%. In a more conservative approach, considering an LGD (Loss Given Default) of 45% for corporate exposures in Portugal, those ratios would reach 10.4% and 7.4%, respectively.

SOLVENCY

Euro million	**31 Mar. 09**	**31 Dec.08**
Own Funds		
Tier I Capital	4,471	4,780
of which: Preference shares	906	955
Deductions on shareholdings (1)	(63)	(60)
Tier II Capital	2,194	2,358
Deductions to Total Regulatory Capital	(88)	(81)
Total Regulatory Capital	**6,577**	**7,057**
Risk Weighted Assets	**66,184**	**67,426**
Solvency Ratios		
Core Tier I	5.5%	5.8%
Tier I	6.8%	7.1%
Tier II	3.2%	3.4%
Total	9.9%	10.5%

(1) Includes, in particular, the deductions related to the shareholdings in Millenniumbcp Fortis and Banque BCP (France and Luxembourg).

SEGMENTAL REPORTING

Millennium bcp offers a wide range of banking activities and financial services in Portugal and abroad, with a special focus on Commercial Banking, Investment Banking and Private Banking and Asset Management.

SEGMENTS DESCRIPTION

Commercial Banking is the core business in the Group's activity, both in terms of volume and contribution to results. The Commercial Banking activity includes Millennium bcp's network in Portugal, operating as a distribution channel targeting the segments of Retail Banking and Corporate and Companies, focusing the activity on satisfying customers' financial needs, both for individuals and companies. Commercial Banking also includes the Foreign Business segment, operating through several banking operations in markets with affinity to Portugal and in markets of recognised growth potential, in Europe and in other regions.

The strategic approach of Retail Banking in Portugal is to target "Mass market" customers, who appreciate a value proposition based on innovation and speed, as well as Affluent and Small businesses customers, whose specific characteristics, financial assets or income imply a value proposition based on innovation and personalisation, requiring a dedicated Account Manager. Retail Banking also includes ActivoBank7, a universal bank, focusing on brokerage and on the selection and advisory of long-term investment products. Within the scope of the cross-selling strategy, Retail Banking also acts as a distribution channel for financial products and services of the Millennium bcp business as a whole.

The Corporate and Companies segment includes: (i) the Corporate network in Portugal, targeting corporate and institutional customers with an annual turnover in excess of Euro 100 million, providing a complete range of value added products and services; (ii) the Companies network in Portugal, which covers the financial needs of companies with an annual turnover between Euro 7.5 million and Euro 100 million, focused on innovation and on offering a wide range of traditional banking products complemented by specialised financing; and (iii) the activity of the Bank's International Division.

The Investment Banking business is undertaken essentially by Millennium investment banking, a company specialised in capital markets, providing strategic and financial advisory, specialised financial service – Project finance, Corporate finance, Securities brokerage and Equity research - as well as in structuring risk-hedging derivatives products.

The Private Banking and Asset Management activity comprises the Private Banking network in Portugal, Millennium Banque Privée, a private banking platform incorporated under Swiss law, and subsidiary companies specialised in the asset management business.

The Foreign Business comprises the operations outside Portugal, namely in Poland, Greece, Turkey, Romania, Mozambique, Angola and United States. The Group is represented by a universal bank in Poland and by an operation based on the innovation of products and services in Greece. The activity in Turkey is performed through an operation focused on financial advising, and in Romania, it is represented through a greenfield operation, focused on the Mass market and Businesses, Companies and Affluent segments. All the above operations develop their activities under the Millennium brand. The Group is represented in Mozambique by Millennium bim, a universal bank targeting both companies and individual customers, in Angola by Millennium Angola, a bank focused on individuals and public and private sector companies and institutions, and in the United States by Millennium bcpbank, a local bank that serves the local population, in particular the Portuguese community.

BUSINESS SEGMENT ACTIVITY

The figures reported for each business segment result from aggregating the subsidiaries and business units integrated in each segment, including the impact from capital allocation and balancing process of each entity's level, both at balance sheet and income statement, based on average figures. Balance sheet headings for each subsidiary and business unit are re-calculated, given the replacement of their original own funds by the outcome of the capital allocation process, according to regulatory solvency criteria. As the process of capital allocation follows the regulatory criteria of solvency in place, the risk weighted assets and, consequently, the business segments' capital allocation, were determined in accordance with the Basel II framework. In 2009 the riskweighted assets were influenced by the calculation of capital requirements following the standard approach for operational risk, in accordance with the approval from the Bank of Portugal (these were previously calculated using the basic indicator approach). Each operation is balanced through internal transfers of funds, with no impact on consolidated accounts.

Each segment's net contribution reflects the individual results achieved by its business units, independent of the percentage held by the Group. The following information is based on financial statements prepared according to IFRS and on the organisational model in place in the Group.

Retail Banking in Portugal

The net contribution of Retail Banking in Portugal stood at Euro 48.5 million in the first quarter of 2009, compared with Euro 84.8 million in the same period of 2008. This evolution reflects the drop in net interest income, in particular in repayable-on-demand deposits, and the increasing weight of term deposits compared to deposits repayable on demand, despite the increase in credit spreads, following the efforts in the repricing of credit operations. The net contribution was also influenced by the growth in operating costs, driven by the opening of new branches and by the higher charges for impairment and provisions, due to the coverage of impairment indicators in loans portfolio and to the devaluation of financial collaterals.

The strategy to further increase the number of customers and customer funds led to an increase of 3.4% in customer deposits, which did not offset the 54.6% reduction in assets under management, leading to a drop of 1.0% in total customer funds to Euro 33,878 million as at 31 March 2009, from Euro 34,237 million as at 31 March 2008.

Loans to customers were up by 2.7%, to Euro 35,020 million as at 31 March 2009, from Euro 34,099 million on the same date in 2008, supported by the rise in mortgage loans, despite the slow down in the growth rate.

The cross-selling levels in the Retail Banking network in Portugal showed a favourable evolution from 4.03 products per customer at the end of March 2008 to 4.13 products per customer at the end of March 2009.

Euro million	**31 Mar.08**	**31 Mar.07**	**Change 09 / 08**
Profit and loss account			
Net interest income	204.2	242.7	-15.9%
Other net income	100.9	95.8	5.4%
	305.1	338.5	-9.8%
Operating costs	186.0	181.2	2.7%
Impairment and provisions	53.2	41.9	27.1%
Contribution before income taxes	65.9	115.4	-42.9%
Income taxes	17.4	30.6	-43.0%
Net contribution	48.5	84.8	-42.9%
Summary of indicators			
Allocated capital	1,060	1,061	-0.1%
Return on allocated capital	18.5%	32.2%	
Risk weighted assets	21,205	21,352	-0.7%
Cost to income ratio	61.0%	53.5%	
Loans to customers	35,020	34,099	2.7%
Total customer funds	33,878	34,237	-1.0%

Corporate and Companies

The Corporate and Companies segment showed a net contribution of Euro 19.7 million in the first quarter of 2009, from Euro 56.3 million in the same period of 2008. Despite the positive evolution in net interest income, the performance of this business segment was influenced by the higher charges for impairment and provisions, as a result of the increase of impairment indicators in the loans' portfolio, together with the devaluation of financial collaterals, following the decline in capital markets.

The increase in net interest income was driven, on one hand, by the rise in business volumes, in both loans to customers and customer deposits and, on the other hand, by the discipline in the repricing policy and in risk management, aiming to optimise the use of capital that led to an improvement in the margin rate for credit operations, which more than offset the decrease in net interest income due to the reduction in the customer funds rate margin, in particular in repayable on demand deposits. Operating costs also contributed positively, decreasing from the same period of 2008 and showing sustained reductions.

Total customer funds grew 26.6% and reached Euro 13,648 million as at 31 March 2009, from Euro 10,778 million as at 31 March 2008. The increase in customer funds, despite the intense competition in this business segment, was sustained by the rise in customer deposits (36,7%), assets under management and debt securities, despite the decrease in capitalisation insurance.

Loans to customers stood at Euro 23,218 million at the end of March 2009, up 5.2% from Euro 22,074 million posted on the same date of 2008. The favourable evolution in loans to customers occurred in a context of increasing restrictions on the access to funding sources and of a more selective credit approval policy, which resulted in additional pricing discipline. The growth in property leasing and guaranteed loans should be highlighted.

Euro million	31 Mar.09	31 Mar.08	Change 09 / 08
Profit and loss account			
Net interest income	99.7	84.1	18.6%
Other net income	31.7	32.7	-3.0%
	131.4	116.8	12.5%
Operating costs	24.4	27.1	-10.2%
Impairment and provisions	80.3	13.0	--
Contribution before income taxes	26.8	76.6	-65.1%
Income taxes	7.1	20.3	-65.1%
Net contribution	19.7	56.3	-65.1%
Summary of indicators			
Allocated capital	1,211	1,228	-1.4%
Return on allocated capital	6.6%	18.4%	
Risk weighted assets	24,215	24,560	-1.4%
Cost to income ratio	18.5%	23.2%	
Loans to customers (1)	23,218	22,074	5.2%
Total customer funds	13,648	10,778	26.6%

(1) Includes commercial paper.

Investment Banking

The net contribution of Investment Banking totalled Euro 16.7 million in the first quarter of 2009, up from Euro 12.9 million in the same period of 2008. This performance reflects mainly: the increase in net interest income, determined by the interest rate effect, associated to the gradual amortisation of bonds that were not replaced, and by the volume effect, as a result of the growth in the available for sale portfolio; the rise in net trading income, sustained by higher results from foreign exchange operations, by the revaluation of securities and derivative instruments and also by the adjustment in the value of financial liabilities related to hedging operations; and the increase in net commissions, driven by the growth in commissions from international syndicated operations, from structured products and from the structuring of securitisations operations, which more than offset the decrease in commissions related to unit linked products and brokerage operations.

Loans to customers were up by 19.0% between the end of March 2008 and end of March 2009, supported by the involvement of Millennium investment banking in major project finance and structured finance operations, in the framework of structural investment projects, in particular in the energy sector.

Euro million	**31 Mar.09**	**31 Mar.08**	**Change 09 / 08**
Profit and loss account			
Net interest income	8.7	2.0	--
Other net income	25.5	26.4	-3.6%
	34.1	28.4	20.3%
Operating costs	11.1	13.5	-18.3%
Impairment and provisions	0.0	(2.7)	--
Contribution before income taxes	23.0	17.5	31.7%
Income taxes	6.4	4.6	38.2%
Net contribution	16.7	12.9	29.4%
Summary of indicators			
Allocated capital	111	106	5.1%
Return on allocated capital	60.8%	49.0%	
Risk weighted assets	2,226	2,394	-7.0%
Cost to income ratio	32.4%	47.7%	
Loans to customers	1,122	943	19.0%

Private Banking and Asset Management

The Private Banking and Asset Management segment registered a negative net contribution of Euro 1.8 million in the first quarter of 2009, from a positive net contribution of Euro 6.9 million in the same period of 2008. This evolution resulted from the reinforcement of impairment and provisions charges, related to the devaluation of financial collaterals, influenced by the falling capital markets. Additionally, the net contribution was influenced by the lower level of commissions, hindered by the unfavourable volume effect related to commissions from asset management and from investment funds and by lower trading commissions (securities operations, brokerage and structured products).

Net interest income showed an increase from the same period of 2008, determined by the growth in loans to customers and in the respective margin rate, driven by the repricing of operations.

Term deposits in the Private Banking network in Portugal grew by 45.5% from 31 March 2008. This increase did not offset the evolution in assets under management, which amounted to Euro 9,925 million as at 31 March 2009, a 26.0% decline from the same date of 2008, as a result of the adverse performance of capital markets, mostly determined by the unfavourable performance in unit trust funds and in structured products.

Loans to customers reached to Euro 3,671 million as at 31 March 2009, an increase of 7.6% from Euro 3,412 million as at 31 March 2008, supported by the performance achieved by the Private Banking network in Portugal, which grew 26.6%, boosted by the efforts to expand the business base.

Euro million	**31 Mar. 09**	**31 Mar. 08**	**Change 09 / 08**
Profit and loss account			
Net interest income	18.0	14.0	28.3%
Other net income	8.1	14.7	-45.2%
	26.1	28.7	-9.4%
Operating costs	13.4	13.9	-3.9%
Impairment and provisions	17.5	6.9	152.2%
Contribution before income taxes	(4.9)	7.9	--
Income taxes	(3.1)	0.9	--
Net contribution	(1.8)	6.9	--
Summary of indicators			
Allocated capital	123	112	10.0%
Return on allocated capital	-5.9%	24.8%	
Risk weighted assets	2,467	2,278	8.3%
Cost to income ratio	51.4%	48.5%	
Loans to customers	3,671	3,412	7.6%
Assets under management	9,925	13,419	-26.0%

Foreign Business

In the Foreign Business segment, the net contribution declined 81.5% to Euro 7.4 million in the first quarter of 2009, from Euro 40.3 million in the same period of 2008. This evolution reflects the higher impairment charges, and the reduction in net interest income in most international operations, in particular in Poland.

The lower net interest income in Poland was determined mainly by the following factors: severe competition in the price of deposits, which led to a decrease to negative levels in margins of term deposits; increase in the cost of funding in foreign currencies; and the maintenance of an easing policy for reference interest rates from the Polish monetary authorities. The increase in net interest income in Angola and Mozambique was sustained by the growth in business volumes.

Operating costs showed a reduction, benefiting from lower staff costs and lower administrative costs in Poland and Turkey, which more than offset the increase in operating costs in Greece, Mozambique, Angola and Romania, related to the strategy of organic growth carried out in these international operations, materialised in the expansion of the distribution network, and consequently in the increase in the number of employees.

Loans to customers rose 15.2% to Euro 14,331 million as at 31 March 2009, benefiting from the performance of loans to individuals and loans to companies, boosted by the continuous launching of innovative products and services tailored to customers needs and risk profiles. This evolution reflects the growths achieved by all foreign operations, in particular Poland, Angola and Mozambique.

Total customer funds were up by 3.0% to Euro 12,948 million as at 31 March 2009, boosted by the increase in customer deposits (12.1%), in particular in Poland, Greece, Angola and Mozambique.

Euro million	**31 Mar. 09**	**31 Mar. 08**	**Change 09 / 08**
Profit and loss account			
Net interest income	80.8	114.0	-29.2%
Other net income	98.9	86.7	14.0%
	179.7	200.8	-10.5%
Operating costs	128.8	138.8	-7.2%
Impairment and provisions	43.1	11.2	--
Contribution before income taxes	7.7	50.7	-84.7%
Income taxes and minority interests	0.3	10.5	-97.1%
Net contribution	7.4	40.3	-81.5%
Summary of indicators			
Allocated capital	969	809	19.7%
Return on allocated capital	3.1%	20.0%	
Risk weighted assets	12,710	12,657	0.4%
Cost to income ratio	71.7%	69.1%	
Loans to customers	14,331	12,440	15.2%
Total customer funds	12,948	12,570	3.0%

SIGNIFICANT EVENTS

Millennium bcp laid the foundation to accelerate its business plan in Angola, based on the strategic partnership agreement established with Sonangol and Banco Privado Atlântico; in some business areas in Portugal the Bank adjusted business models to the new market environment; adjustment of the pricing to the cost of credit risk and of liquidity; promoted appropriate liquidity and capital management; as well as initiatives aimed to boost the customer base in all operations of the Group. Of particular note regarding Millennium bcp's activities in the first quarter of 2009 were:

- Completion of the financial transactions related to the strategic partnership agreement established with Sonangol and Banco Privado Atlântico (BPA), under which, through a rights issue by Banco Millennium Angola (BMA), Sonangol holds 29.9% of the share capital of BMA and BPA holds 20% of BMA, meanwhile, acquired a stake of 10% in the capital of BPA;
- Setting out new strategic priorities for 2009, with six priority action points: Proactive, rigorous risk management; Integrated and prudent liquidity and capital management; Deep commitment to customers and maximization of balance sheet customers' funds and value; Acceleration of cost reduction and organisational streamlining; Adjustment of business models and materialisation of growth opportunities; and Talent management and employees mobilisation;
- The Bank's Annual General Meeting took place on 30 March 2009. Shareholders approved the individual and consolidated annual report and accounts, and the proposed application of results for the financial year 2008. They also voted to eliminate the Senior Board and elected the Supervisory Board's members for the 2009/2010 term;
- The Bank issued Euro 1.5 billion in 3-year fixed rate bonds, guaranteed by the Portuguese Republic, under the Euro Medium Term Notes program;
- In April, a set of 28 Millennium bcp branches, located in urban centres and in the biggest shopping centres, started to open on Saturdays, with the aim of strengthening the relationship of proximity and trust with customers;
- Millennium investment banking organised several conferences aimed at sharing knowledge and experiences with customers and reflect on the equity market prospects for 2009;
- Millennium Meetings took place in Setúbal and Braga, design to strengthen Millennium bcp's commercial and institutional reputation;
- The Fitch Ratings agency affirmed Bank Millennium (Poland)'s long- and short-term credit rating of "A" and "F1", Individual "C/D" and Support "1", with a "stable" outlook;
- Millennium bcp was considered the best company in the banking sector in the study "Best Companies for Leaders Portugal", publised by HayGroup, a management consultant;
- Millennium bcp was considered the favourite bank of foreign citizens residing in Portugal and of foreign companies operating in Portugal, according to a poll published by The Portugal News newspaper;
- Bank Millennium in Poland was considered a "Pearl of the Polish Economy" in the sixth edition of the ranking of the "Polish Entrepreneurs", prepared by the Polish Market Economic Magazine together with the Economics Institute of the Academy of Sciences;
- Millennium bim was awarded with the "Ernst & Young Entrepreneur of the Year" award, in the category "Multinational Enterprise Social Responsibility";
- Under the initiatives of sustainability and corporate social responsibility, Millennium bcp sponsored the "Creation of companies, entrepreneurship and innovation" awards; sponsored "The Lisbon MBA"; donated a collection of key documents to the Central Library of African Studies of the Instituto Superior de Ciências do Trabalho e da Empresa; organised a tree-planting initiative involving employees and families in partnership with environment groups Quercus and Cascais Natura; organised the Seminar on Banking and Financial Markets, for students; and became a partner of the Community of European Management Schools.

ECONOMIC ENVIRONMENT

During the first quarter of 2009 world economic activity and global financial markets have shown an irregular performance. Decisive policy initiatives – on the fiscal, monetary and international cooperation fronts – have contributed to ease somewhat the high risk aversion sentiment that prevailed in the final months of 2008. The effectiveness of such measures in promoting a stronger private demand depends on the economic agents' confidence in a credible medium term framework.

The economic outlook remains dismal, as developed countries continue undergoing a severe downturn and the developing countries contribution to world growth is becoming more modest. The current expectation for the economic recovery to gain traction as we move into 2010 is mainly based on the assumption that the current policy stimulus will start having tangible effects on the underlying economic activity sometime in the second half of the year. The most recent data, namely from supply side figures, suggest that the pace of economic contraction eased. However, prospects for private demand remain highly uncertain, thus pressuring for the pursuit of public policy initiatives. Therefore, the importance of the public sector in the economy continues to increase. The stimulus packages that have been put forward, on average, amount to between 3% and 4% of GDP for the developed countries, though they involve different regional approaches.

The financial markets remained volatile, even though market confidence slightly improved by the end of the quarter. The risk premia on some asset classes returned to close to the levels seen prior to the credit crunch that erupted in September last year. The major stock market indices have corrected from the current lows reached in the middle of the quarter. Having widened significantly at the beginning of the year, when investors had to deal with a significant amount of debt coming into markets, sovereign debt credit spreads have narrowed as well. The fears pertaining to the refinancing of maturing debt, in particular foreign currency denominated debt, fostered a high turbulence in Eastern European markets and led to significant weakening of Eastern European currencies. In the meantime, the joint strategies set out at European and World institutional meeting, in particular within the G20 framework, aim to provide the financial support to assist countries in need, make subsequent corrective moves possible.

Monetary policy remains broadly expansionary. As the marginal impact of lowering interest rates further became more constrained, the central banks have resorted more and more to non-conventional measures in order to keep the global interest rates at a low level and to contribute to the normalization of the credit cycle. The European Central Bank cut the main refinancing rate to 1.25% (to 1% already in May 2009). Consequently, the room for manoeuvre for additional cuts is becoming narrower. Such expectation has been influencing the behaviour of the main market indexers, supporting a softening in the past downtrend of the Euribor rates. In countries running autonomous monetary policies, the management of the interest rate has been subordinated to the prevailing market conditions.

The developments in the domestic economies have been broadly similar to the global trends, portraying a significant retrenchment in the economic activity over the past 6 months. Though, in relative terms, actual data continues to point to a slight economic outperformance of Poland, Greece and Romania vis-à-vis the euro average, the economic outlook remains uncertain. In Portugal, economic activity has weakened noticeably in the first quarter, particularly within the services sector, with negative implications for employment. Price pressures remain absent. Negative yearly inflation rates are likely to occur over the next months. Growth rates for Angola and Mozambique have been adjusted downwards, the more so in the former country, due to its bigger dependence on oil production and revenue, leading to a change in the exchange rate level.

The economic and financial environment remains challenging for banking activity in Europe, with flows of loans to the private sector remaining subdued along with some deterioration in asset quality. The sources for long term funding in international markets remain impaired keeping overall funding costs at high levels. Several financial institutions have been reinforcing their capital levels, either through retained earnings or share offerings that in some countries ended up with the state taking a controlling stake. The measures to alleviate the strains in financial markets have been tailored according to the underlying market conditions. Nevertheless, the liquidity conditions in the European money markets remain poor, with the bulk of transactions being executed on low volumes and of very short-term nature.

INDIVIDUAL/CONSOLIDATED QUARTERLY INFORMATION (Not Audited)
(Model applicable to companies subject to the Accounting Plan for Banks/Leasing/Factoring companies)

Company: Banco Comercial Português, S.A.

Main Offices: Praça D. João I, 28 - 4000-295 Porto **NIPC: 501 525 882**

Period of Reference: **Reference values in 000Esc** [ ] **in Euros** [X]

Quarter 1 [X] **Quarter 3** [ ] **Quarter 5 [1]** [ ] **Start: 01/01/2009 End: 31/03/2009**

Balance Sheet Items	Individual			Consolidated		
	n (NCA)	n-1 (NCA)	Var. (%)	n (IAS)	n-1 (IAS)	Var. (%)
ASSETS (NET)						
Loans to other credit institutions	1,352,856,435	11,482,449,554	-88.22%	2,238,595,016	5,307,399,953	-57.82%
Loans to clients	56,886,516,997	50,214,838,556	13.29%	75,939,980,642	67,885,173,632	11.87%
Fixed income securities	13,290,790,551	4,860,262,656	173.46%	4,652,754,876	5,305,967,970	-12.31%
Variable yield securities	2,691,647,304	2,022,490,261	33.09%	2,368,366,169	2,022,941,383	17.08%
Investments	3,991,144,336	1,882,011,379	112.07%	348,561,200	319,460,985	9.11%
SHAREHOLDER'S AND EQUIVALENT EQUITY						
Equity Capital	4,694,600,000	3,611,329,567	30.00%	4,694,600,000	3,611,329,567	30.00%
Nº of ordinary shares	4,694,600,000	3,611,329,567	-	4,694,600,000	3,611,329,567	-
Nº of other shares	0	0	-			-
Value of own shares	0	0	-	33,545,969	5,627,283	496.13%
Nº of voting shares	0	0	-	53,557,637	2,732,742	-
Nº of preferred, non voting shares	0	0	-			-
Subordinate loans	3,876,946,954	4,159,149,027	-6.79%	2,538,536,867	2,921,679,070	-13.11%
Minority interests	0	0	-	334,635,054	296,657,310	12.80%
LIABILITIES						
Amounts owed to credit institutions	19,913,121,348	27,876,388,431	-28.57%	9,519,130,874	10,324,186,860	-7.80%
Amounts owed to clients	30,888,603,589	27,893,276,716	10.74%	43,427,278,489	38,917,351,576	11.59%
Debt securities	10,905,018,411	8,840,041,153	23.36%	19,105,309,967	25,406,477,994	-24.80%
TOTAL ASSETS (NET)	92,400,629,867	78,596,092,147	17.56%	93,084,817,326	87,884,773,968	5.92%
TOTAL SHAREHOLDER'S EQUITY	5,467,043,193	4,056,397,643	34.78%	5,712,861,971	4,618,578,695	23.69%
TOTAL LIABILITIES	86,933,586,674	74,539,694,504	16.63%	87,037,320,301	82,969,536,963	4.90%

P & L Items	Individual			Consolidated		
	n	n-1	Var. (%)	n	n-1	Var. (%)
Financial margin [2]	246,969,198	248,610,538	-0.66%	373,809,125	412,220,728	-9.32%
Commissions and other oper. revenue (net)	124,799,457	131,366,517	-5.00%	203,835,177	204,030,571	-0.10%
Securities yield and profits from financial transactions (net)	100,512,184	37,183,588	170.31%	150,374,043	-113,171,780	-232.87%
Banking Income	472,280,839	417,160,643	13.21%	728,018,345	503,079,519	44.71%
Personnel, administ. and other costs	-249,026,512	-225,088,704	10.63%	-374,533,001	-359,153,957	4.28%
Amortizations	-12,009,805	-12,724,355	-5.62%	-26,183,822	-26,358,765	-0.66%
Provisions (net of adjustments)	-167,934,968	-73,402,418	128.79%	-196,929,128	-72,649,975	171.07%
Extraordinary profit	0	0	n.a.	0	0	n.a.
Profit before taxes	43,309,554	105,945,166	-59.12%	130,372,394	44,916,822	190.25%
Income tax [3]	-8,605,526	-1,251,070	587.85%	-28,866,243	-27,781,122	3.91%
Minority interests and income excluded from consolidation	0	0	-	5,171,106	-2,426,298	-313.13%
Net profit / loss for the quarter	34,704,028	104,694,096	-66.85%	106,677,257	14,709,402	625.23%
Net profit / loss per share for the quarter	0.0074	0.0290	-74.50%	0.0227	0.0041	457.89%
Self financing [4]	214,648,801	190,820,869	12.49%	329,790,207	113,718,142	190.01%

[1] Aplicable to the first economic period of companies adopting a fiscal year different from the calendar year (Art.65.º - A of the Portuguese Commercial Company Code);

[2] Financial margin = Interest income - Interest expense;

[3] Estimated income tax

[4] Self financing = Net profits + amortization + provision

BANCO COMERCIAL PORTUGUÊS

Consolidated Income Statement
for the three months period ended 31 March, 2009 and 2008

	31 March 2009	31 March 2008
	(Thousands of Euros)	
Interest income	1,102,089	1,232,456
Interest expense	(728,280)	(820,235)
Net interest income	373,809	412,221
Dividends from equity instruments	600	1,686
Net fees and commission income	168,713	173,751
Net gains / losses arising from trading and hedging activities	136,711	38,193
Net gains / losses arising from available for sale financial assets	13,063	(153,051)
Other operating income	9,518	25,274
	702,414	498,074
Other net income from non banking activity	4,238	4,108
Total operating income	706,652	502,182
Staff costs	231,940	212,262
Other administrative costs	142,593	146,892
Depreciation	26,184	26,359
Operating costs	400,717	385,513
	305,935	116,669
Loans impairment	(160,083)	(69,756)
Other assets impairment	(16,634)	(11,666)
Other provisions	(20,212)	8,771
Operating profit	109,006	44,018
Share of profit of associates under the equity method	11,499	14,265
Gains from the sale of subsidiaries and other assets	21,366	899
Profit before income tax	141,871	59,182
Income tax		
Current	(37,062)	(29,534)
Deferred	8,196	1,753
Profit after income tax	113,005	31,401
Attributable to:		
Shareholders of the Bank	106,677	14,709
Minority interests	6,328	16,692
Profit for the period	113,005	31,401

Banco Comercial Português, S.A., a public company (sociedade aberta) having its registered office at Praça D. João I, 28, Oporto, registered at the Commercial Registry of Oporto, with the single commercial and tax identification number 501 525 882 and the share capital of EUR 4,694,600,000.00.

BANCO COMERCIAL PORTUGUÊS

Consolidated Balance Sheet as at 31 March, 2009 and 2008 and 31 December, 2008

	31 March 2009	31 December 2008	31 March 2008
		(Thousands of Euros)	
Assets			
Cash and deposits at central banks	1,373,422	2,064,407	1,699,441
Loans and advances to credit institutions			
Repayable on demand	686,794	1,048,348	630,063
Other loans and advances	1,551,801	2,892,345	4,677,337
Loans and advances to customers	75,939,981	75,165,014	67,885,174
Financial assets held for trading	3,825,295	3,903,267	2,797,320
Financial assets available for sale	1,679,747	1,714,178	4,488,304
Assets with repurchase agreement	81,176	14,754	43,135
Hedging derivatives	233,327	117,305	169,749
Financial assets held to maturity	1,434,903	1,101,844	150
Investments in associated companies	348,561	343,934	319,461
Non current assets held for sale	41,138	19,558	26,122
Property and equipment	721,143	745,818	690,552
Goodwill and intangible assets	539,046	540,228	533,538
Current tax assets	22,976	18,127	21,848
Deferred tax assets	584,900	586,952	629,230
Other assets	4,020,607	4,147,645	3,273,350
	93,084,817	94,423,724	87,884,774
Liabilities			
Amounts owed to central banks	2,181,674	3,342,301	1,013,066
Amounts owed to others credit institutions	7,337,457	5,997,066	9,311,121
Amounts owed to customers	43,427,278	44,907,168	38,917,352
Debt securities	19,105,310	20,515,566	25,406,478
Financial liabilities held for trading	1,754,048	2,138,815	1,474,755
Other financial liabilities held for trading			
at fair value through results	8,392,124	6,714,323	2,124,477
Hedging derivatives	146,103	350,960	108,430
Provisions for liabilities and charges	238,745	221,836	233,233
Subordinated debt	2,538,537	2,598,660	2,921,679
Current income tax liabilities	3,109	4,826	34,014
Deferred income tax liabilities	371	336	518
Other liabilities	1,912,564	1,383,633	1,424,415
Total Liabilities	87,037,320	88,175,490	82,969,538
Equity			
Share capital	4,694,600	4,694,600	3,611,330
Treasury stock	(83,986)	(58,631)	(55,887)
Share premium	183,368	183,368	881,707
Preference shares	1,000,000	1,000,000	1,000,000
Fair value reserves	26,629	214,593	207,447
Reserves and retained earnings	(214,426)	(274,622)	(1,040,727)
Profit for the period attributable to Shareholders	106,677	201,182	14,709
Total Equity attributable to Shareholders of the Bank	5,712,862	5,960,490	4,618,579
Minority interests	334,635	287,744	296,657
Total Equity	6,047,497	6,248,234	4,915,236
	93,084,817	94,423,724	87,884,774

INTERIM CONSOLIDATED FINANCIAL STATEMENTS

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BANCO COMERCIAL PORTUGUÊS

Consolidated Income Statement
for the three months period ended 31 March, 2009 and 2008

	Notes	31 March 2009	31 March 2008
		(Thousands of Euros)	
Interest and similar income	3	1,102,089	1,232,456
Interest expense and similar charges	3	(728,280)	(820,235)
Net interest income		373,809	412,221
Dividends from equity instruments	4	600	1,686
Net fees and commissions income	5	168,713	173,751
Net gains / (losses) arising from trading and hedging activities	6	136,711	38,193
Net gains / (losses) arising from available for sale financial assets	7	13,063	(153,051)
Other operating income	8	9,518	25,274
		702,414	498,074
Other net income from non banking activities		4,238	4,108
Total operating income		706,652	502,182
Staff costs	9	231,940	212,262
Other administrative costs	10	142,593	146,892
Depreciation	11	26,184	26,359
Operating expenses		400,717	385,513
		305,935	116,669
Loans impairment	12	(160,083)	(69,756)
Other assets impairment	29	(16,634)	(11,666)
Other provisions	13	(20,212)	8,771
Operating profit		109,006	44,018
Share of profit of associates under the equity method	14	11,499	14,265
Gains / (losses) from the sale of subsidiaries and other assets	15	21,366	899
Profit before income tax		141,871	59,182
Income tax			
Current	16	(37,062)	(29,534)
Deferred	16	8,196	1,753
Profit after income tax		113,005	31,401
Attributable to:			
Shareholders of the Bank		106,677	14,709
Minority interests	42	6,328	16,692
Profit for the period		113,005	31,401
Attributable to:			
Shareholders of the Bank		106,677	14,709
Other comprehensive income	17	(250,061)	(16,107)
Comprehensive income attributable to shareholders	17	(143,384)	(1,398)
Earnings per share (in euros)	18		
Basic		0.08	0,00
Diluted		0.08	0,00

CHIEF ACCOUNTANT THE BOARD OF DIRECTORS

See accompanying notes to the interim consolidated financial statements

BANCO COMERCIAL PORTUGUÊS

Consolidated Balance Sheet as at 31 March, 2009 and 31 December, 2008

	Notes	31 March 2009	31 December 2008
		(Thousands of Euros)	
Assets			
Cash and deposits at central banks	19	1,373,422	2,064,407
Loans and advances to credit institutions			
Repayable on demand	20	686,794	1,048,348
Other loans and advances	21	1,551,801	2,892,345
Loans and advances to customers	22	75,939,981	75,165,014
Financial assets held for trading	23	3,825,295	3,903,267
Financial assets available for sale	23	1,679,747	1,714,178
Assets with repurchase agreement		81,176	14,754
Hedging derivatives	24	233,327	117,305
Financial assets held to maturity	25	1,434,903	1,101,844
Investments in associated companies	26	348,561	343,934
Non current assets held for sale	30	41,138	19,558
Property and equipment	27	721,143	745,818
Goodwill and intangible assets	28	539,046	540,228
Current income tax assets		22,976	18,127
Deferred income tax assets	29	584,900	586,952
Other assets	30	4,020,607	4,147,645
		93,084,817	94,423,724
Liabilities			
Deposits from central banks		2,181,674	3,342,301
Deposits from other credit institutions	31	7,337,457	5,997,066
Deposits from customers	32	43,427,278	44,907,168
Debt securities issued	33	19,105,310	20,515,566
Financial liabilities held for trading	34	1,754,048	2,138,815
Other financial liabilities held for trading			
at fair value through profit or loss	35	8,392,124	6,714,323
Hedging derivatives	24	146,103	350,960
Provisions for liabilities and charges	36	238,745	221,836
Subordinated debt	37	2,538,537	2,598,660
Current income tax liabilities		3,109	4,826
Deferred income tax liabilities	29	371	336
Other liabilities	38	1,912,564	1,383,633
Total Liabilities		87,037,320	88,175,490
Equity			
Share capital	39	4,694,600	4,694,600
Treasury stock	42	(83,986)	(58,631)
Share premium		183,368	183,368
Preference shares	39	1,000,000	1,000,000
Fair value reserves	41	26,629	214,593
Reserves and retained earnings	41	(214,426)	(274,622)
Profit for the period attributable to Shareholders		106,677	201,182
Total Equity attributable to Shareholders of the Bank		5,712,862	5,960,490
Minority interests	43	334,635	287,744
Total Equity		6,047,497	6,248,234
		93,084,817	94,423,724

CHIEF ACCOUNTANT THE BOARD OF DIRECTORS

See accompanying notes to the interim consolidated financial statements

BANCO COMERCIAL PORTUGUÊS

Consolidated Cash Flows Statement
for the three months period ended 31 March, 2009 and 2008

	31 March 2009	31 March 2008
	(Thousands of Euros)	
Cash flows arising from operating activities		
Interest income received	1,125,584	1,148,490
Commissions income received	220,663	216,252
Fees received from services rendered	68,086	78,141
Interest expense paid	(805,760)	(779,632)
Commissions expense paid	(77,232)	(78,498)
Recoveries on loans previously written off	7,867	13,439
Net earned premiums	5,145	5,943
Claims incurred	(1,560)	(3,993)
Payments to suppliers and employees	(433,069)	(473,996)
	109,724	126,146
Decrease / (increase) in operating assets:		
Loans and advances to credit institutions	984,400	408,407
Deposits with Central Banks under monetary regulations	878,412	1,540,998
Loans and advances to customers	(602,987)	(2,256,422)
Short term trading account securities	101,124	165,600
Increase / (decrease) in operating liabilities:		
Deposits from credit institutions repayable on demand	81,353	(74,451)
Deposits from credit institutions with agreed maturity date	499,294	1,006,873
Deposits from clients repayable on demand	(661,682)	(474,829)
Deposits from clients with agreed maturity date	(659,992)	134,632
	729,646	576,954
Income taxes (paid) / received	4,851	(6,263)
	734,497	570,691
Cash flows arising from investing activities		
Proceeds from sale of shares in subsidiaries and associated companies	83,408	-
Acquisition of shares in subsidiaries and associated companies	-	(1,994)
Dividends received	34	1,118
Interest income from available for sale financial assets	24,244	45,340
Proceeds from sale of available for sale financial assets	10,390,022	8,570,560
Available for sale financial assets purchased	(18,152,756)	(15,844,067)
Proceeds from available for sale financial assets on maturity	7,309,280	7,051,088
Acquisition of fixed assets	(22,842)	(30,219)
Proceeds from sale of fixed assets	8,453	5,376
Increase / (decrease) in other sundry assets	(146,642)	73,574
	(506,799)	(129,224)
Cash flows arising from financing activities		
Proceeds from issuance of subordinated debt	356	249
Reimbursement of subordinated debt	(62,069)	-
Proceeds from issuance of debt securities	1,669,620	1,098,115
Repayment of debt securities	(2,158,703)	(731,500)
Proceeds from issuance of commercial paper	6,655,406	4,364,080
Repayment of commercial paper	(6,196,244)	(5,559,038)
Increase / (decrease) in other sundry liabilities and minority interests	(598,113)	83,091
	(689,747)	(745,003)
Exchange differences effect on cash and equivalents	(62,097)	(5,056)
Net changes in cash and equivalents	(524,146)	(308,592)
Cash and equivalents at the beginning of the period	1,732,239	1,474,592
Cash (note 19)	521,299	535,937
Other short term investments (note 20)	686,794	630,063
Cash and equivalents at the end of the period	1,208,093	1,166,000

See accompanying notes to the interim consolidated financial statements

BANCO COMERCIAL PORTUGUÊS

Consolidated Statement of Changes in Equity
for the three months period ended 31 March, 2009 and 2008

(Amounts expressed in thousands of Euros)

	Total equity	Share capital	Preference shares	Share premium	Legal and statutory reserves	Other comprehensive income: Fair value and Cash Flow hedged reserves	Other comprehensive income: Other	Other reserves and retained earnings	Goodwill	Treasury stock	Minority interests
Balance on 31 December, 2007	4,899,255	3,611,330	1,000,000	881,707	561,202	218,498	23,836	1,263,125	(2,883,580)	(58,436)	281,573
Profit for the period attributable to Shareholders of the Bank	14,709	-	-	-	-	-	-	14,709	-	-	-
Profit for the period attributable to minority interests (note 43)	16,692	-	-	-	-	-	-	-	-	-	16,692
Treasury stock	2,549	-	-	-	-	-	-	-	-	2,549	-
Exchange differences arising on consolidation	(5,056)	-	-	-	-	-	(5,056)	-	-	-	-
Fair value reserves (note 42)											
Financial instruments available for sale	(11,077)	-	-	-	-	(11,077)	-	-	-	-	-
Cash-flow hedge	26	-	-	-	-	26	-	-	-	-	-
Minority interests (note 43)	(1,608)	-	-	-	-	-	-	-	-	-	(1,608)
Other reserves arising on consolidation (note 42)	(254)	-	-	-	-	-	-	(254)	-	-	-
Balance on 31 March, 2008	4,915,236	3,611,330	1,000,000	881,707	561,202	207,447	18,780	1,277,580	(2,883,580)	(55,887)	296,657
Reverse of reserves (note 42):											
Share premium	-	-	-	(881,707)	-	-	-	881,707	-	-	-
Legal reserve	-	-	-	-	(96,911)	-	-	96,911	-	-	-
Statutory reserve	-	-	-	-	(84,000)	-	-	84,000	-	-	-
Profit for the period attributable to Shareholders of the Bank	186,473	-	-	-	-	-	-	186,473	-	-	-
Profit for the period attributable to minority interests (note 43)	40,137	-	-	-	-	-	-	-	-	-	40,137
Increase in share capital by the issue of 1,083,270,433 shares (notes 39)	1,299,924	1,083,270	-	216,654	-	-	-	-	-	-	-
Registration costs related with the increase in share capital	(33,286)	-	-	(33,286)	-	-	-	-	-	-	-
Dividends on preference shares	(48,910)	-	-	-	-	-	-	(48,910)	-	-	-
Treasury stock	(2,744)	-	-	-	-	-	-	-	-	(2,744)	-
Exchange differences arising on consolidation	(80,511)	-	-	-	-	-	(80,511)	-	-	-	-
Fair value reserves (note 42)											
Financial instruments available for sale	2,246	-	-	-	-	2,246	-	-	-	-	-
Cash-flow hedge	4,900	-	-	-	-	4,900	-	-	-	-	-
Minority interests (note 43)	(49,050)	-	-	-	-	-	-	-	-	-	(49,050)
Other reserves arising on consolidation (note 42)	13,819	-	-	-	-	-	-	13,819	-	-	-
Balance on 31 December, 2008	6,248,234	4,694,600	1,000,000	183,368	380,291	214,593	(61,731)	2,491,580	(2,883,580)	(58,631)	287,744
Transfers to reserves: (note 42):											
Legal reserve	-	-	-	-	45,119	-	-	(45,119)	-	-	-
Statutory reserve	-	-	-	-	10,000	-	-	(10,000)	-	-	-
Profit for the period attributable to Shareholders of the Bank	106,677	-	-	-	-	-	-	106,677	-	-	-
Profit for the period attributable to minority interests (note 43)	6,328	-	-	-	-	-	-	-	-	-	6,328
Treasury stock	(25,355)	-	-	-	-	-	-	-	-	(25,355)	-
Exchange differences arising on consolidation	(62,097)	-	-	-	-	-	(62,097)	-	-	-	-
Fair value reserves (note 42)											
Financial instruments available for sale	(210,249)	-	-	-	-	(210,249)	-	-	-	-	-
Cash-flow hedge	22,285	-	-	-	-	22,285	-	-	-	-	-
Minority interests (note 43)	40,563	-	-	-	-	-	-	-	-	-	40,563
Other reserves arising on consolidation (note 42)	919	-	-	-	-	-	-	919	-	-	-
Balance on 31 March, 2009	6,047,497	4,694,600	1,000,000	183,368	435,410	26,629	(123,828)	2,464,249	(2,883,580)	(83,986)	334,635

See accompanying notes to the interim consolidated financial statements

1. Accounting policies

a) Basis of presentation

Banco Comercial Português, S.A. (the 'Bank') is a public bank, established in Portugal in 1985. It commenced operations on 5 May, 1986, and these consolidated financial statements reflect the results of the operations of the Bank and all its subsidiaries (together referred to as the 'Group') and the Group's interest in associates, for the three months period ended 31 March, 2009 and 2008.

In accordance with Regulation (EC) no. 1606/2002 from the European Parliament and the Counsel, of 19 July 2002, and its adoption into Portuguese Law through Decree-Law no. 35/2002, of 17 February and Regulation no. 1/2005 from the Bank of Portugal, the Group's consolidated financial statements are required to be prepared in accordance with International Financial Reporting Standards ('IFRS') as endorsed by the European Union ('EU') since the year 2005. IFRS comprise accounting standards issued by the International Accounting Standards Board ('IASB') as well as interpretations issued by the International Financial Reporting Interpretations Committee ('IFRIC') and their predecessor bodies. The Executive Board of Directors approved these consolidated financial statements on 11 February 2009. The financial statements are presented in thousands of euros, rounded to the nearest thousand.

The Group adopted IFRS 7 - Financial Instruments: disclosures and IAS 1 - Presentation of Financial Statements (amendment) – Capital Disclosures. These standards since 1 January, 2007. It should be noted that the impact of the adoption of the standards mentioned above relates to additional disclosures requirements, without any impact on the equity of the Group. In accordance with the transitional rules, comparative information is also provided.

Additionally, the Group adopted since 2008 IAS 39 and IFRS 7 - Reclassification of Financial Instruments, IFRIC 11 and IFRS 2 - Group and Tresuary Shares Transactions and IFRIC 14 and IAS 19 - The limit of a defined benefit asset, minimum pending requirements and their interaction. The adoption of these interpretations did not have any impact on the financial statements.

The consolidated financial statements for the three months period ended 31 March 2009 have been prepared in terms of recogmition and measurement in accordance with the IFRS, effective and adopted for use in the EU, as the disclosures presented in accordance with the requirements defined by IAS 34. The financial statements for the three months period ended 31 March 2009 do not include all the information to be published on the annual financial statements.

The financial statements are prepared under the historical cost convention, as modified by the application of fair value basis for derivative financial instruments, financial assets and liabilities at fair value through profit or loss (trading, and fair value option) and available-for-sale assets, except those for which a reliable measure of fair value is not available. Recognized assets and liabilities that are hedged under hedge accounting are stated at fair value in respect of the risk that is being hedged. Other financial assets and liabilities and non-financial assets and liabilities are stated at amortised cost or historical cost. Non-current assets and disposal groups held for sale are stated at the lower of carrying amount and fair value less costs to sell.

The accounting policies set out below have been applied consistently throughout the Group entities and for all periods presented in these consolidated financial statements.

Within the scope of the investigations in progress by the Supervisory Authorities, the balance Reserves and Retained Earnings includes, with effect as at 1 January 2006, a restatement resulting from the decision taken by the Executive Board of Directors of booking a provision regarding an asset booked on the consolidated financial statements.

The preparation of the financial statements in accordance with IFRS requires the Executive Board of Directors to make judgements, estimates and assumptions that affect the application of the accounting policies and reported amounts of assets and liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgements about the carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates. The issues involving a higher degree of judgement or complexity, or where assumptions and estimates are considered to be significant are presented in note 1 ac).

b) Basis of consolidation

Investments in subsidiaries

Investments in subsidiaries where the Group exercises control are fully consolidated from the date the Group assumes control over its financial and operational activities until the control ceases to exist. Control is presumed to exist when the Group owns more than half of the voting rights. Additionally, control exists when the Group has the power, directly or indirectly, to manage the financial and operating policies of an entity to obtain benefits from its activities, even if the percentage of shareholding is less than 50%.

When the accumulated losses of a subsidiary attributable to the minority interest exceed the equity of the subsidiary attributable to the minority interest, the excess is attributed to the Group and charged to the income statement as it occurs. Profits subsequently reported by the subsidiary are recognized as profits of the Group until the prior losses attributable to minority interest previously recognised by the Group have been recovered.

Investments in associates

Investments in associated companies are consolidated by the equity method, since the date the Group acquires significant influence until the date it ceases. Associates are those entities, in which the Group has significant influence, but not control, over the financial and operating policy decisions of the investee. It is assumed that the Group has significant influence when it holds, directly or indirectly, 20% or more of the voting rights of the investee. Conversely, if the Group holds, directly or indirectly less than 20% of the voting rights of the investee, it is presumed that the Group does not have significant influence, unless such influence can be clearly demonstrated.

The existence of significant influence by the Group is usually evidenced in one or more of the following ways:

- representation on the Board of Directors or equivalent governing body of the investee;
- participation in policy-making processes, including participation in decisions about dividends or other distributions;
- material transactions between the Group and the investee;
- interchange of managerial personnel; or
- provision of essential technical information.

The consolidated financial statements include the attributable part of the total results and reserves of associated companies accounted on an equity basis. When the Group's share of losses exceeds its interest in an associate, the Group's carrying amount is reduced to nil and recognition of further losses is discontinued except to the extent that the Group has incurred in legal or constructive obligations or made payments on behalf of an associate.

Goodwill

Goodwill arising from business combinations occurred prior to 1 January 2004 was charged against reserves.

Business combinations occurred after 1 January 2004 are accounted for using the purchase method of accounting. The acquisition cost corresponds to the fair value determined on the acquisition date of the assets given and liabilities incurred or assumed including the costs directly associated with the transaction. Goodwill arising on the acquisition of subsidiaries and associates is defined as the difference between the cost of the investment and the corresponding share of the fair value of the net assets acquired.

Since the transition date to IFRS, which was on 1 January, 2004, positive goodwill arising from acquisitions is recognized as an asset and carried at cost and is not amortised. The value of recoverable goodwill is assessed annually to identify any impairment, regardless of the existence of any indication of any impairment. Impairment losses are recognized in the income statement.

Negative goodwill arising on an acquisition is recognized directly to the income statement in the period when the business combination occurs.

Special Purpose Entities ('SPE')

The Group fully consolidates SPE's resulting from securitization operation with Group companies (as refered in note 21), when the substance of the relation with those entities indicates that the Group exercises control over its activities, independently of the percentage of the equity held. Besides from the above mentioned SPE, there are no additional SPE subject to consolidation.

The evaluation of the existence of control is determined based on the criteria established by SIC 12, which can be analysed as follows:

- The activities of the SPE, in substance, are being conducted on behalf of the Group, in accordance with the specific needs of the Group's business, so as to obtain benefits from these activities;
- The Group has the decision-making powers to obtain the majority of the benefits of the activities of the SPE or, by setting up an "autopilot" mechanism, the Group has delegated these decision-making powers;
- The Group has the rights to obtain the majority of the benefits of the SPE and therefore may be exposed to risks inherent to the activities of the SPE; or
- The Group retains the majority of the residual or ownership risks related to the SPE or its assets in order to obtain benefits from its activities.

Investment fund management

The Group manages and assets held by investment funds regarding which the participation units are held by third parties. The financial statements of these entities are not consolidated by the Group, except when the Group has the control over these investment funds, namely when it holds more than 50% of the participation units.

Investments in foreign operations

The financial statements of the foreign subsidiaries and associates of the Group are prepared in their functional currency, defined as the currency of the primary economic environment in which they operate or the currency in which the subsidiaries obtain their income or finance them activity. On consolidation, assets and liabilities of the foreign subsidiaries are translated into euros at the official exchange rate at the balance sheet date.

Regarding the investments in foreign operations that are consolidated in the Group accounts under the full consolidation, the proportional or the equity method of consolidation, the exchange differences between the translation to Euros of the opening net assets and their value in Euros at the exchange rate ruling at balance sheet date are changed against consolidated reserves.

The exchange differences from hedging instruments related with foreign operations are eliminated from profit and loss in the consolidation process against the exchange differences booked in reserves from those instruments.

Whenever the hedge is not fully effective, the ineffective portion is accounted against profit and loss of the period.

The income and expenses of these subsidiaries are translated to Euros, at rates close to the rates ruling at the dates of the transactions. Exchange differences from the translation of the profits and losses for the reporting period, arising from the difference between the exchange rate used in the income statement and the exchange rate prevailing at the balance sheet date are recognised in reserves - exchange differences.

On disposal of a foreign operation, exchange differences related to investment in the the foreign operation and to the associated hedge transaction previously recognised in reserves are accounted for in the income statement as part of the gains or loss arising from the disposal.

Investments in jointly controlled entities

Jointly controlled entities, consolidated under the proportional method, are entities where the Group has joint control, established by contractual agreement. The consolidated financial statements include the Group's proportional share of the entities' assets, liabilities, revenue and expenses, with items of a similar nature on a line by line basis, from the date that joint control started until the date that joint control ceases.

Transactions eliminated on consolidation

Intragroup balances and any unrealised gains and losses or income and expenses arising from intragroup transactions, are eliminated in preparing the consolidated financial statements. Unrealised gains and losses arising from transactions with associates and jointly controlled entities are eliminated to the extent of the Group's interest in the entity.

c) *Loans and advances to customers*

Loans and advances to customers include loans and advances originated by the Group, which are not intended to be sold in the short term and are recognised when cash is advanced to borrowers.

The derecognition of these assets occurs in the following situations: (i) the contractual rights of the Group have expired; or (ii) the Group transferred substantially all the associated risks and rewards.

Loans and advances to customers are initially recognized at fair value plus any directly attributable transaction costs and fees and are subsequently measured at amortized cost using the effective interest method, less impairment losses.

Impairment

The Group's policy consists in a regular assessment of the existence of objective evidence of impairment in the loan portfolios. Impairment losses identified are charged against income and subsequently the charge is reversed, if there is a reduction of the estimated impairment loss, in a subsequent period.

After initial recognition, a loan or a loan portfolio, defined as a group of loans with similar credit risk characteristics, may be classified as impaired when there is objective evidence of impairment as a result of one or more events and when the loss event has an impact on the estimated future cash flows of the loan or of the loan portfolio that can be reliably estimated.

According to IAS 39, there are two basic methods of calculating impairment losses: (i) individually assessed loans; and (ii) collective assessment.

(i) Individually assessed loans

Impairment losses on individually assessed loans are determined by an evaluation of the exposures on a case-by-case basis. For each loan considered individually significant, the Group assesses, at each balance sheet date, the existence of any objective evidence of impairment. In determining such impairment losses on individually assessed loans, the following factors are considered:

- Group's aggregate exposure to the customer and the existence of overdue loans;
- The viability of the customer's business and capability to generate sufficient cash flow to service their debt obligations in the future;
- The existence, nature and estimated value of the collaterals;
- A significant downgrading in the client rating;
- The assets available on liquidation or insolvency;
- The ranking of all creditor claims;
- The amount and timing of expected receipts and recoveries.

Impairment losses are calculated by comparing the present value of the expected future cash flows, discounted at the original effective interest rate of the loan, with its current carrying value and the amount of any loss is charged in the income statement. The carrying amount of impaired loans is reduced through the use of an allowance account. For loans with a variable interest rate, the discount rate used corresponds to the effective annual interest rate, which was applicable in the period that the impairment was determined.

The present value of the estimated future cash flows of a collateralised loan reflects the cash flows that may result from the foreclosure less costs for obtaining and selling the collateral.

Individual loans that are not identified as having an objective evidence of impairment are grouped on the basis of similar credit risk characteristics, and assessed collectively.

(ii) Collective assessment

Impairment losses are calculated on a collective basis under two different scenarios:

- for homogeneous groups of loans that are not considered individually significant; or
- in respect of losses which have been incurred but have not yet been identified ('IBNR') on loans subject to individual assessment for impairment (see section (i)).

The collective impairment loss is determined considering the following factors:

- historical loss experience in portfolios of similar risk characteristics;
- knowledge of the current economic and credit conditions and its impact on the historical losses level;
- the estimated period between a loss occurring and a loss being identified.

The methodology and assumptions used to estimate the future cash flows are reviewed regularly by the Group in order to monitor the differences between estimated and real losses.

Loans which have been individually assessed and for which no evidence of impairment has been identified, are grouped together based on similar credit risk characteristics for calculating a collective impairment loss. This loss covers loans that are impaired at the balance sheet date but which will not be individually identified as such until some time in the future.

Loans and advances to customers are charged-off when there are no expectations, from an economic point of view, of recovering the loan amount. For collateralized loans, the charged-off occurs when the funds arising from the execution of the respective collaterals was already received. This charge-off is carried out only for loans that are fully provided. This criteria has been applied consistently by the Group in the previous periods.

d) Financial instruments

(i) Classification, initial recognition and subsequent measurement

1) Financial assets and liabilities at fair value through profit and loss

1a) Financial assets held for trading

The financial assets and liabilities acquired or issued with the purpose of sale or re-acquisition on the short term, namely bonds, Treasury Bills or shares or that make part of a financial instruments portfolio that are jointly managed and for which there is evidence of a recent pattern of short-term profit taking or that can be included in the definition of derivative (except in the case of a derivative that is an effective hedge instrument) are classified as trading. The dividends associated to these portfolios are accounted in Profits arising from trading activity.

Trading derivatives with a positive fair value are included in the Financial assets held for trading and the trading derivatives with negative fair value are included in the Financial liabilities held for trading.

1b) Financial assets and liabilities at fair value by decision of the own institution ("Fair Value Option")

The Group has adopted the Fair Value Option for certain bond issues, loans and deposits performed since 2007 that contain embedded derivatives or with related hedge derivatives. The variations of the credit risk of the Group related with financial liabilities accounted under the Fair Value Option are disclosed in Note 6 Net gains arising from trading and hedging activities.

The designation of the financial assets and liabilities at fair value through profit and loss is performed whenever at least one of the requirements is fulfilled:

- the assets and liabilities are managed, evaluated and reported internally at its fair value;
- the designation eliminated or significantly reduced the accounting mismatch of the transactions;
- the assets and liabilities include derivatives that significantly change the cash-flows of the original contracts (host contracts).

The financial assets and liabilities at fair value through profit and loss are initially accounted at their fair value, with the expenses and income related to the transactions being recognized in profit and loss and subsequently measured at fair value. The subsequent expenses and income resulting from changes in the fair value and the related dividends are recognized in Net gains arising from trading and hedging activities of the statement of income. The accrual of interest and premium/discount (when applicable) is recognized in Net Interest Income according with the effective interest rate of each transaction, as well as that of the derivatives associated to financial instruments classified as Fair Value Option.

2) Financial assets available for sale

Financial assets available for sale held with the purpose of being maintained by the Group, namely bonds, Treasury Bills or shares, are classified as available for sale, except if they are classified as trading in another category of financial assets. The financial assets available for sale are initially accounted at fair value, including all expenses or income associated with the transactions. The financial assets available for sale are subsequently measured at fair value. The changes in fair value are accounted for against fair value reserves until they are sold or an impairment loss exists. In the sale of the financial assets available for sale, the accumulated gains or losses recognized as fair value reserves are recognized under Net gains and losses arising from available for sale financial assets. Interest income from debt instruments is recognized based on the effective interest rate, considering the useful life of the asset. In the situations where there is premium or discount associated to the assets, the premium or discount is included in the calculation of the effective interest rate. Dividends are recognized in income statement when the right to receive the dividends is attributed.

3) Financial assets held-to-maturity

The financial assets held-to-maturity include financial assets, except derivatives, with fixed or determined payments and fixed maturity, for which the Group has the intention and the capacity of maintaining until the maturity of the assets and that were not included in the category of financial assets at fair value through profit and loss or financial assets available for sale. These financial assets are initially recognised at fair value and subsequently measured at amortised cost. The impairment losses are recognised in profit and loss.

Any reclassification or sale of the financial assets included in this category, which is not performed near the maturity of the assets, will require the Group to reclassify this portfolio of financial assets for sale and the Group will not be allowed to classify any assets under this category for the following two years.

4) Loans and receivables

The Group also has financial assets classified in loans and receivables when the management's intention is not its immediate sale or in a near future.

As an example, the Group may account unquoted bonds in this category. The financial assets recognised in this category are initially accounted at fair value and subsequently at amortised cost net of impairment. The transaction costs are initially recognised in the balance sheet and amortised through profit and loss, based on the effective interest rate method.

5) Other financial liabilities

The other financial liabilities are all financial liabilities that are not accounted as financial liabilities at fair value through profit and loss. This category includes money market transactions, deposits from customers and from other financial institutions, issued debt, and other transactions.

ii) Impairment

An assessment is made at each balance sheet date as to whether there is any objective evidence of impairment, namely circumstances where an adverse impact on estimated future cash flows of the financial asset or group of financial assets can be reliably estimated based on a significant or prolonged decrease in the fair value, below the acquisition cost.

If an available-for-sale asset is determined to be impaired, the cumulative loss (measured as the difference between the acquisition cost and the current fair value, less any impairment loss on that financial asset previously recognised in the income statement) is removed from fair value reserves and recognised in the income statement. If, in a subsequent period, the fair value of a debt instrument classified as available-for-sale increases and the increase can be objectively related to an event occurring after the impairment loss was recognised in the income statement, the impairment loss is reversed through the income statement. The impairment losses recognised in equity instruments classified as available for sale, when reverted, are recognized against reserves.

(iii) Embedded derivatives

Embedded derivatives should be accounted for separately as derivatives if the economic risks and benefits of the embedded derivative are not closely related to the host contract, unless the hybrid (combined) instrument is not initially measured at fair value with changes through profit and loss. Embedded derivatives are classified as trading and accounted for at fair value with changes through profit and loss.

e) Derivatives hedge accounting

(i) Hedge accounting

The Group uses derivative financial instruments to hedge its exposure to currency and interest rate risks, resulting from financing and investment activities. However, derivatives not qualified for hedging are accounted for as trading instruments.

Derivative hedging instruments are stated at fair value and gains and losses on remeasurement are recognized in accordance with the hedging accounting model adopted by the Group. An hedge relationship exists when:

- at the inception of the hedge there is formal documentation of the hedge;
- the hedge is expected to be highly effective;
- the effectiveness of the hedge can be reliably measured;
- the hedge is valuable in a continuous basis and highly effective throughout the reporting period; and
- for hedges of a forecasted transaction, the transaction is highly probable and presents an exposure to variations in cash flows that could ultimately affect net profit or loss.

When a derivative financial instrument is used to hedge exchange rate fluctuations arising from monetary assets or liabilities, no hedge accounting model was applied. Any gain or loss associated to the derivative and exchange rate differences related with the related monetary items were recognized through income.

(ii) Fair value hedge

Changes in the fair value of derivatives that are designated and qualify as fair value hedge instruments are recorded in the income statement, together with changes in the fair value of the asset or liability or group thereof that are attributable to the hedged risk. If the hedge relationship no longer meets the criteria for hedge accounting, the cumulative adjustment to the carrying amount of an hedged item for which the effective interest method is used is amortised through the income statement over the residual period to maturity.

(iii) Cash flow hedge

The effective portion of changes in the fair value of derivatives that are designated and qualify as cash flow hedges are recognised in equity. Any gain or loss relating to an ineffective portion is immediately recognised in the income statement.

Amounts accumulated in equity are reclassified to the income statement in the periods in which the hedged item will affect profit or loss. However, when the forecasted transaction being is hedged results in the recognition of a non-financial asset or a non-financial liability, the gains and losses previously deferred in equity are transferred from equity and included in the initial measurement of the cost of the asset or liability.

When a hedge instrument expires or is sold, or when the hedge no longer meets the criteria for hedge accounting, any cumulative gain or loss existing in equity at that time remains in equity until the forecasted transaction is ultimately recognised in the income statement. When a forecasted transaction is no longer expected to occur, the cumulative gain or loss that was reported in equity is immediately transferred to the income statement.

(iv) Hedge effectiveness

For each hedge relation in order to be classified as such according to IAS 39, effectiveness has to be demonstrated. As such the Group performs prospective tests at the beginning date of the operations and retrospective tests in order to demonstrate in each reporting period the effectiveness, showing that the changes in the fair value of the hedging instrument are neutralized by the changes in the hedged item for the risk covered. Any ineffectiveness is recognised immediately in the income statement.

(v) Hedge of a net investment in a foreign operation

Hedges of net investments in foreign operations are accounted for similarly to cash flow hedges. Any gain or loss on the hedging instrument relating to the effective portion of the hedge is recognised in equity; the gain or loss relating to the ineffective portion is immediately recognised in the income statement. Gains and losses accumulated in equity related to the investment in a foreign operation and to the associated hedge operation are included in the income statement on the disposal of the foreign operation as part of the gain or loss from the disposal.

f) Reclassifications between financial instruments categories

In October 2008, the IASB issued a change to the IAS 39 – Reclassification of Financial Assets (Amendments to IAS 39 Financial Investments: Recognition and Measurement and IFRS 7: Financial Investments Disclosures).
This change allowed an entity to transfer financial assets from financial assets at fair value through profit and loss – trading to financial assets available for sale, to Loans and Receivables or to financial assets held-to-maturity, as long as these financial assets comply with the characteristics of an each category. The Group adopted this possibility for a group of financial assets on 1 July 2008 and 31 October 2008 as disclosed in note 22.

Transfer of Financial assets available for sale to "Loans and receivables" and "Held to maturity" are also authorised. Transfers from and to assets and liabilities decided by the Bank ("Fair value option") are prohibited.

g) Derecognition

The Group derecognizes financial assets when all rights to future cash flows have expired or the assets are transferred. In the event of a transferral of assets, derecognition can only occur either when risks and rewards have substantially been transferred or the Group has not retained control of the assets.

The Group derecognizes financial liabilities when these are discharged, cancelled or extinguished.

h) Equity instruments

An instrument is classified as an equity instrument when there is no contractual obligation at settlement to deliver cash or another financial asset to another entity, independently from its legal form, and shows a residual interest in the assets of an entity after deducting all of its liabilities.

Transaction costs directly attributable to an equity transaction are recognised under shareholders' equity and accounted for as a deduction from the amount issued. Amounts paid or received related to sales or acquisitions of equity instruments are recognised in shareholders' equity, net of transaction costs as treasury stock.

Distributions to holders of an equity instrument are deducted from shareholders' equity as dividends when declared.

Preference shares issued by the Group are considered as an equity instrument when redemption of the shares is solely at the discretion of the issuer and dividends are paid at the discretion of the Group.

Income from equity instruments (dividends) are recognised when its payment is done.

i) Compound financial instruments

Non-derivative financial instruments that contain both a liability and an equity component (convertible bonds) are classified as compound financial instruments. For those instruments to be considered as compound financial instruments, the terms of its conversion to ordinary shares (number of shares) does not vary with changes in their fair value. The liability component corresponds to the present value of the future interest and principal payments, discounted at the market rate of interest applicable to similar liabilities that do not have a conversion option. The equity component corresponds to the difference between the proceeds of the issue and the amount attributed to the liability. The interest expense recognised in the income statement is calculated using the effective interest method.

j) Securities borrowing and lending business and repurchase transactions

(i) Securities borrowing and lending

Securities lent under securities lending arrangements continue to be recognized in the balance sheet and are measured in accordance with the accounting policy for assets held for trading or available-for-sale as appropriate. Cash collateral received in respect of securities lent is recognized as a financial liability. Securities borrowed under securities borrowing agreements are not recognized. Cash collateral placements in respect of securities borrowed are recognized under loans and advances to either banks or customers. Income and expenses arising from the securities borrowing and lending business are recognized on an accrual basis over the period of the transactions and are included in interest income or expense.

(ii) Repurchase agreements

Investments sold under repurchase agreements at a predetermined price ('repos') continue to be recognized in the balance sheet and are measured in accordance with the accounting policy for either assets held for trading or available-for-sale as appropriate. The proceeds from the sale of the investments are reported as liabilities to either banks or customers. Investments purchased subject to commitments to resell them at future dates ('reverse repos') are not recognized on the balance sheet and the amounts paid are recognized in loans to either banks or customers.

The difference between the sale and repurchase conditions is recognized on an accrual basis over the period of the transaction and is included in interest and income or expenses.

k) Non-current assets held for sale

Non-current assets or disposal groups (groups of assets to be disposed of together and related liabilities that include at least a non-current asset) are classified as held for sale when the assets or disposal groups are available for immediate sale and its sale is highly probable.

The Group also classifies as non-current assets held for sale those non-current assets or disposal groups acquired exclusively with a view to its subsequent disposal, that are available for immediate sale and its sale is highly probable.

Immediately before classification as held for sale, the measurement of the non-current assets or all assets and liabilities in a disposal group, is performed in accordance with the applicable IFRS. After their reclassification, these assets or disposal groups are measured at the lower between their carrying amount determined annually in accordance with the applicable IFRS and the fair value less costs to sell.

l) Finance lease transactions

Finance lease transactions for a lessee are recorded at the inception date of the lease as an asset and liability, at the fair value of the leased asset, which is equivalent to the present value of the future lease payments.

Lease rentals are apportioned between the finance charge and amortisation of the capital outstanding. The finance charge is allocated to the periods during the lease term so as to produce a constant periodic rate of interest on the remaining liability balance for each period.

Assets held under finance leases for a lessor are recorded in the balance sheet as a receivable at an amount equal to the net investment in the lease.

Lease rentals are apportioned between the financial income and amortisation of the capital outstanding.

Recognition of the financial result reflects a constant periodical return rate over the remaining net investment of the lessor.

m) Interest income and expense

Interest income and expense for all financial instruments measured at amortised cost are recognised in the income statement using the effective interest method.

The effective interest rate is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial instrument (or, when appropriate, a shorter period), to the net carrying amount of the financial asset or financial liability.

When calculating the effective interest rate, the Group estimates future cash flows considering all contractual terms of the financial instrument but without considering future impairment losses. The calculation includes all fees considered as included in the effective interest rate, transaction costs and all other premiums or discounts directly related with the transaction.

If financial asset or a group of similar financial assets has been written down as a result of an impairment loss, interest income is recognised using the rate of interest used to discount the future cash flows for the purpose of measuring the impairment loss.

For derivative financial instruments, except those classified as hedging instruments of interest rate risk, the interest component is not separated from the changes in the fair value and is classified under net losses/gains from financial assets. For hedging derivatives of interest rate risk, the interest component of the changes in their fair value is recognised under interest and similar income or interest expense and similar charges.

n) Fee and commission income

Fees and commissions are recognised according to the following criteria:

- Fees and commissions which are earned as services are provided and recognised in income over the period in which the service is being provided;
- Fees and commissions that are earned on the execution of a significant act, are recognised as income when the service is completed.

Fees and commissions that are an integral part of the effective interest rate of a financial instrument are recognised in the net margin.

o) Results arising from trading and hedging activities and available for sale financial assets

The results arising from trading and hedging activities and available for sale financial assets correspond to gains and losses arising from financial assets and liabilities classified as trading (including fair value changes and interest on derivatives and embeded derivatives) and the corresponding dividends. Also included are the gains and losses arising from the available for sale financial assets portfolio, and the changes of the fair value of the hedging derivatives and the hedged items, when applicable.

p) Fiduciary activities

Assets held in the scope of fiduciary activities are not recognized in the consolidated financial statements of the Group. Fees and commissions arising from this activity are recognised in the income statement in the year to which they relate.

q) Property and equipment

Property and equipment are stated at deemed cost less accumulated depreciation and impairment losses. Subsequent costs are recognised as a separate asset only when it is probable that future economic benefits associated with the item will flow to the Group. All other repairs and maintenance are charged to the income statement during the financial period in which they are incurred.

The Group performs impairment testing whenever events or circumstances show that the book value exceeds the recoverable amount. The difference between the book value and recoverable amount is charged to the profit and loss.

Depreciation is calculated on a straight-line basis, over the following periods which correspond to their estimated useful life:

	Number of years
Premises	50
Expenditure on freehold and leasehold buildings	10
Equipment	4 to 12
Other fixed assets	3

Whenever there is an indication that a fixed tangible asset might be impaired, its recoverable amount is estimated and a impairment loss is recognized if the net value of the asset exceeds that recoverable amount.

The recoverable amount is determined as the higher between the sale price net of sale costs and its value in use calculated based on the present value of future cash-flows estimated to be obtained from the continued use of the asset and its sale at the end of the useful life.

The impairment losses of the fixed tangible assets are recognized in profit and loss.

r) Intangible Assets

Research and development expenditure

The Group does not capitaliszed any research and development costs. All expenses are recognized as costs in the year in which they occur.

Software

The Group accounts as intangible assets the costs associated to software acquired from external entities and performs to a linear depreciation by an estimated period of three years. The Group does not capitalize internal costs arising from software development.

s) Assets arising out of recovered loans

The Group, following the requirements of IFRS 5, classifies as non-current assets held for sale the buildings arising out of recovered loans for which there is a sale agreement for the next 12 months. These assets accounted for in accordance with the accounting policy presented in note 1 k) are recognised by the amount agreed in the sale agreement.

Assets arising out of recovered loans include buildings and other assets arising from the settlement of loan contracts for which there is not sale agreement. These assets are recognised in 'Other assets', considering that the holding period until the sale of these assets is in the majority of the cases more than one year. These assets are inicially measured by the lower of its fair value net of expenses and the carrying amount of the loan at the date of possession of the asset, either through agreement or judicial auction.

Fair value is based on the market value, being determined based on the expected selling price estimated through periodic valuations performed by the Group.

Subsequent measurement of these assets is at the lower between its carrying amount and fair value net of expenses and are not subject to depreciation. Any

t) Cash and cash equivalents

For the purposes of the cash flow statement, cash and cash equivalents comprise balances with less than three months' maturity from the balance sheet date, including cash and deposits with banks.

Cash and cash equivalents exclude restricted balances with central banks.

u) Offsetting

Financial assets and liabilities are offset and the net amount is reported in the balance sheet when the Group has a legally enforceable right to offset the recognized amounts and the transactions are intended to be settled on a net basis.

v) Foreign currency transactions

Transactions in foreign currencies are translated at the foreign exchange rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies, which are stated at historical cost, are translated at the foreign exchange rate ruling at that date. Foreign exchange differences arising on translation are recognized in the income statement. Non-monetary assets and liabilities denominated in foreign currencies, which are stated at historical cost, are translated at the foreign exchange rate ruling at the date of the transaction. Non-monetary assets and liabilities denominated in foreign currencies that are stated at fair value are translated to the reporting currency at the foreign exchange rates ruling at the dates when the fair values were determined.

w) Employee benefits

Defined benefit plans

The Group has the responsability to pay to their employees retirement pensions and widow and orphan benefits and permanent disability pensions, in accordance with the agreement entered with the collective labour agreements. These benefits are estimated in the pensions plans 'Plano ACT' and 'Plano ACTQ' of the Pension Plan of BCP Group, which corresponds to the referred collective labour agreements (the conditions are estimated in the private social security of the banking sector for the constitution of the right to receive a pension).

As for the benefits estimated in the two previous pensions plans, the Group also assumes the responsability, if some conditions are met in each year, of the attribution of a complementary plan to the employees of the Group, after due consideration of the requirements of the collective labour agreements applicable to each sector (complementary plan). The Group's net obligation in respect of pension plans (defined benefit pensions plan) is calculated annually at each balance sheet date.

The Group opted at the IFRS transition date, as at 1 January 2004, for the retrospective application of IAS 19, performing the recalculation of the pension obligations and the corresponding actuarial gains and losses which will be deferred under the corridor method as defined in IAS 19. The calculation is made using the projected unit credit method and following actuarial and financial assumptions in line with the parameters required by IAS 19.

The current services cost plus the interest cost on the unwinding of the Pension liabilities less the expected return on the Plan assets are recorded in operational costs.

The Group's net obligation in respect of defined benefit pension plans is calculated separately for each plan by estimating the amount of future benefit that employees have earned in return for their service in the current and prior periods. The benefit is discounted in order to determine its present value, using a discount rate determined by reference to interest rates of high-quality corporate bonds that have maturity dates approximating the terms of the Group's obligations. The net obligations are determined after the deduction of the fair value of the assets of the Pensions Plan.

Employee benefits, other than pension plans, namely post retirement health care benefits and benefits for widow and sons for death before retirement are also included in the benefit plan calculation.

Costs arising from early retirements, as well as the corresponding actuarial gains and losses are recognized in the income statement on the year in which the early retirement is approved and announced.

Under the 'corridor' method, actuarial gains and losses not recognized, exceeding 10% of the greater of the present value of the defined benefit obligation and the fair value of plan assets, are recognized in the income statement over a period of 20 years, corresponding to the expected remaining working life of the employees participating in the plan.

The funding policy of the Plan is to make annual contributions by each Group company so as to cover the projected benefits obligations, including the non-contractual projected benefits. The minimum level required is 100% regarding the liability with pensioners and 95% regarding the employees in service.

Defined contributions plans

For the defined Contributions Plan for the Complementary non-contractual retirement benefit attributable to the employees of the Group, obligations are recognised as an expense in profit and loss when they are due.

Share based compensation plan (stock options)

As at 31 of December 2008, there are no share based compensation plans in force.

Variable remuneration paid to employees

The Executive Board of Directors decides on the most appropriate criteria of allocation among employees.

This variable remuneration is charged to income statement in the year to which it relates.

x) *Income tax*

Income tax on the income for the year comprises current and deferred tax effects. Income tax is recognized in the income statement, except to the extent that it relates to items recognized directly to reserves in which case it is recognized in reserves. Deferred taxes arising from the revaluation of financial assets available for sale and cash flow hedging derivatives are recognized in shareholders' equity and are recognized in the profit and loss in the year the results that originated the deferred taxes are recognized.

Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted or substantively enacted at the balance sheet date, and any adjustment to tax payable in respect of previous years.

Deferred taxes are calculated in accordance with the liability method based on the balance sheet, considering temporary differences, between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes using the tax rates approved or substantially approved at balance sheet date for each jurisdiction and that is expected to be applied when the temporary difference is reversed.

Deferred taxes assets are recognized to the extent when it is probable that future taxable profits, will be available to absorb deductible temporary differences for taxation purposes (including reportable taxable losses).

The Group compensates, as established in IAS 12, paragraph 74 the deferred tax assets and liabilities if, and only if: (i) the entity has a legally enforceable right to set off current tax assets against current tax liabilities; and (ii) the deferred tax assets and the deferred tax liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities which intend either to settle current tax liabilities and assets on a net basis, or to realise the assets and settle the liabilities simultaneously, in each future period in which significant amounts of deferred tax liabilities or assets are expected to be settled or recovered.

y) *Segmental reporting*

A business segment is a distinguishable component of an entity that is engaged in providing an individual product or service or a group of related products or services and that is subject to risks and returns that are different from those of other business segments.

A geographical segment is a distinguishable component of an entity that is engaged in providing products or services within a particular economic environment that are subject to risks and returns that are different from those segments operating in other economic environments.

The Group controls its activity through the following major segments:

Portugal

- Retail Banking;
- Private Banking and Asset Management;
- Commercial and Corporate Banking;
- Investment Banking.

Foreign activity

- Poland;
- Greece.

z) *Provisions*

Provisions are recognised when (i) the Bank has a present obligation (legal or resulting from past practices or published policies that imply the recognition of certain responsibilities), (ii) it is probable that an outflow of economic benefits will be required to settle a present legal or constructive obligation as a result of past events and (iii) a reliable estimate can be made of the amount of the obligation.

Provisions are reviewed at each balance sheet date and adjusted to reflect the best estimate, being reverted through profit and loss in the proportion of the payments that are probable.

The provisions are derecognised through their use, for the obligations for which they were initially accounted.

aa) *Earnings per share*

Basic earnings per share are calculated by dividing net income available to ordinary shareholders by the weighted average number of ordinary shares outstanding during the year, excluding the average number of ordinary shares purchased by the Group and held as treasury stock.

For the diluted earnings per share, the weighted average number of ordinary shares outstanding is adjusted to consider conversion of all dilutive potencial ordinary shares, such as convertible debt and stock options granted to employees. Potential or contingent share issues are treated as dilutive when their conversion to shares would decrease net earnings per share.

If the earnings per share are changed as a result of a issue with premium or discount or other event that changed the potential number of ordinary shares or as a result of changes in the accounting policies, the earnings per share for all presented periods should be adjusted retrospectively.

ab) Insurance contracts

The Group issues contracts that contain insurance risk, financial risk or a combination of both insurance and financial risk. A contract, under which the Group accepts significant insurance risk from another party, by agreeing to compensate that party on the occurrence of a specified uncertain future event, is classified as an insurance contract.

A contract issued by the Group without significant insurance risk, but on which financial risk is transferred with discretionary participating features is classified as an investment contract recognized and measured in accordance with the accounting policies applicable to insurance contracts. A contract issued by the Group that transfers only financial risk, without discretionary participating features, is classified as an investment contract and accounted for as a financial instrument.

The financial assets held by the Group to cover the liabilities arising under insurance and investment contracts are classified and accounted for in the same way as other financial assets.

Insurance contracts and investment contracts with discretionary participating features are recognized and measured as follows:

Premiums

Gross premiums written are recognized for as income in the period to which they respect, in accordance with the accrual accounting principle.

Reinsurance premiums ceded are accounted for as expense in the year to which they respect in the same way as gross premiums written.

Provision for unearned premiums

The provision for unearned gross premiums is based on the evaluation of the premiums written before the end of the year but for which the risk period continues after the year end. This provision is calculated using the pro-rata temporis method applied to each contract in force.

ac) Critical accounting estimates and judgements in applying accounting policies

IFRS set forth a range of accounting treatments and require the Executive Board of Directors and management to apply judgment and make estimates in deciding which treatment is most appropriate. The Executive Board of Directors was elected on 15 of January 2008 and the judments and estimates used, were based in the information, gathered from the internal analyses and the contacts with CMVM and Bank of Portugal during the course of the current supervisiory activities. The most significant of these accounting policies are discussed in this section in order to improve understanding of how their application affects the Group's reported results and related disclosure.

Considering that in some cases there are several alternatives to the accounting treatment chosen by management, the Group's reported results would differ if a different treatment were chosen. Management believes that the choices made are appropriate and that the financial statements present the Group's financial position and results fairly in all material aspects.

The alternative outcomes discussed below are presented solely to assist the reader in understanding the financial statements and are not intended to suggest that other alternatives or estimates would be more appropriate.

Impairment of available for-sale equity investments

The Group determines that available-for-sale equity investments are impaired when there has been a significant or prolonged decrease in the fair value below its acquisition cost. This determination of what is significant or prolonged requires judgement. In making this judgement, the Group evaluates among other factors, the volatility in the prices of the financial assets.

In addition, valuations are generally obtained through market quotation or valuation models that may require assumptions or judgment in making estimates of fair value.

Alternative methodologies and the use of different assumptions and estimates could result in a higher level of impairment losses recognised with a consequent impact in the consolidated income statement of the Group.

Impairment losses on loans and advances

The Group reviews its loan portfolios to assess impairment losses on a regularly basis, as described in Note 1 c).

The evaluation process in determining whether an impairment loss should be recorded in the income statement is subject to numerous estimates and judgments. The probability of default, risk ratings, value of associated collaterals recovery rates and the estimation of both the amount and timing of future cash flows, among other things, are considered in making this evaluation.

Alternative methodologies and the use of different assumptions and estimates could result in a different level of impairment losses with a consequent impact in the consolidated income statement of the Group.

Fair value of derivatives

Fair values are based on listed market prices if available; otherwise fair value is determined either by dealer price quotations (both for that transaction or for similar instruments traded) or by pricing models, based on net present value of estimated future cash flows which take into account market conditions for the underlying instruments, time value, yield curve and volatility factors. These pricing models may require assumptions or judgments in estimating their values.

Consequently, the use of a different model or of different assumptions or judgments in applying a particular model could result in different financial results for a particular period.

Securitisations and special purpose entities

The Group sponsors the formation of special purpose entities (SPEs) primarily for asset securitisation transactions and for liquidity purposes and/or capital management. The Group does not consolidate SPEs that it does not control. As it can sometimes be difficult to determine whether the Group does control a SPE, a judgement is made about the exposure to the risks and rewards, as well as about its ability to make operational decisions for the SPE in question (See Note 1 b).

The determination of the SPEs that needs to be consolidated by the Group requires the use of estimates and assumptions in determining the respective expected residual gains and losses and which party retains the majority of such residual gains and losses. Different estimates and assumptions, as for example for credit risks, anticipated liquidation and interest rate, could lead the Group to a different scope of consolidation with a direct impact in net income.

In the scope of the application of this accounting policy and in accordance with note 21, the following SPEs resulting from securitization transactions were included in the consolidation perimeter: NovaFinance n. 3 and 4, Magellan n.5, Kion and Orchis Sp zo.o. The Group did not consolidate the following SPEs also resulting from securitization transactions: Magellan n. 1, 2, 3 and 4. For these SPEs, which are not recognized in the balance, the Group concluded that the main risks and the benefits were transferred, as the Group does not hold detain any security issued by the SPEs, neither is exposed to the performance of the credit portfolios.

Income taxes

The Group is subject to income taxes in numerous jurisdictions. Significant interpretations and estimates are required in determining the worldwide amount for income taxes. There are many transactions and calculations for which the ultimate tax determination is uncertain during the ordinary course of business.

Different interpretations and estimates would result in a different level of income taxes, current and deferred, recognised in the year.

The Portuguese Tax Authorities are entitled to review the Bank and its subsidiaries' determination of its annual taxable earnings, for a period of four years or six years in case there are tax losses brought forward. Hence, it is possible that some additional taxes may be assessed, mainly as a result of differences in interpretation of the tax law. However, the Executive Board of Directors of the Bank, and those of its subsidiaries domiciled in Portugal are confident that material tax assessments do not have impact in the financial statements.

Pension and other employees' benefits

Determining pension liabilities requires the use of assumptions and estimates, including the use of actuarial projections, estimated returns on investment, and other factors that could impact the cost and liability of the pension plan.

Changes in these assumptions could materially affect these values.

Goodwill

On an annual basis, the Group performs an evaluation of the recoverable amount of the consolidation differences, based on the value in use or the fair value. According with IAS 36, the value in use should be determined based on the evaluation of the future estimated cash-flows, using all available information, which requires the use of judgment.

2. Net interest income and net gains arising from trading, hedging and available for sale activities

IFRS requires separate disclosure of net interest income and net gains from trading, hedging and available for sale (AFS) activities, as presented in notes 3, 6 and 7. A particular business activity can generate impact in net interest income and net gains arising from trading, hedging and AFS activities. This required disclosure, however, does not demonstrate that net interest margin and net gains from trading, hedging and AFS activities are generated by a range of different business activities.

The amount of this account is comprised of:

	Mar 2009 Euros '000	Mar 2008 Euros '000
Net interest income	373,809	412,221
Net gains from trading, hedging and AFS activities	149,774	(114,858)
	523,583	297,363

3. Net interest income

The amount of this account is comprised of:

	Mar 2009 Euros '000	Mar 2008 Euros '000
Interest and similar income		
Interest on loans and advances	982,199	1,046,907
Interest on trading securities	32,839	28,842
Interest on available for sale securities	16,508	45,335
Interest on held to maturity securities	11,721	-
Interest on hedging derivatives	24,422	11,804
Interest on derivatives associated to financial instruments through profit and loss account	8,811	5,399
Interest on deposits and other investments	25,589	94,169
	1,102,089	1,232,456
Interest expense and similar charges		
Interest on deposits and inter-bank funding	409,467	435,162
Interest on securities sold under repurchase agreement	9,940	5,594
Interest on securities issued	216,123	344,633
Interest on hedging derivatives	9,267	10,920
Interest on derivatives associated to financial instruments through profit and loss account	11,301	6,395
Interest on other financial liabilities valued at fair value through profit and loss account	72,182	17,531
	728,280	820,235
Net interest income	373,809	412,221

The amount of Interest on loans and advances includes the amount of Euros 353,000 (31 March 2008: Euros 6,394,000) related to commissions which are accounted for under the effective interest method, as referred in the accounting policy, note 1 c).

4. Dividends from equity instruments

The amount of this account is comprised of:

	Mar 2009 Euros '000	Mar 2008 Euros '000
Dividends from available for sale securities	600	661
Other	-	1,025
	600	1,686

The amount of Dividends from available for sale securities corresponds to dividends received during the year.

5. Net fees and commissions income

The amount of this account is comprised of:

	Mar 2009 Euros '000	Mar 2008 Euros '000
Fees and commissions income:		
From guarantees	19,899	17,373
From credit and commitments	100	54
From banking services	132,560	126,543
From insurance activity	179	130
From other services	55,443	67,258
	208,181	211,358
Fees and commissions expenses:		
From guarantees	189	200
From banking services	27,466	26,195
From insurance activity	354	175
From other services	11,459	11,037
	39,468	37,607
Net fees and commission income	168,713	173,751

6. Net gains / (losses) arising from trading and hedging activities

The amount of this account is comprised of:

	Mar 2009 Euros '000	Mar 2008 Euros '000
Gains arising on trading and hedging activities:		
Foreign exchange activity	3,055,537	1,730,228
Financial instruments associated to financial instruments through profit and loss account		
Held for trading		
Securities	31,012	19,913
Derivatives associated to financial instruments through profit and loss account	89,035	24,881
Other financial instruments derivatives	425,562	505,207
Other financial instruments through profit and loss account	82,403	21,748
Headging accounting		
Hedging derivatives	239,049	680,615
Hedged item	20,753	43,132
Other activity	5,219	29,599
	3,948,570	3,055,323
Losses arising on trading and hedging activities:		
Foreign exchange activity	3,049,350	1,703,792
Financial instruments associated to financial instruments through profit and loss account		
Held for trading		
Securities	22,768	21,352
Derivatives associated to financial instruments through profit and loss account	108,521	62,054
Other financial instruments derivatives	372,468	530,256
Other financial instruments through profit and loss account	36,880	5,841
Headging accounting		
Hedging derivatives	146,304	598,531
Hedged item	57,681	88,987
Other activity	17,887	6,317
	3,811,859	3,017,130
Net gains / (losses) arising from trading and hedging activities	136,711	38,193

7. Net gains / (losses) arising from available for sale financial assets

The amount of this account is comprised of:

	Mar 2009 Euros '000	Mar 2008 Euros '000
Gains arising from available for sale financial assets	21,984	2,339
Losses arising from available for sale financial assets	(8,921)	(155,390)
Net gains / (losses) arising from available for sale financial assets	13,063	(153,051)

The value Losses arising from available for sale financial assets includes, as at 31 March 2008, the amount of Euros 151,292,000 related with impairment losses for the investment held in Banco BPI S.A. recognized as a result of a significative decrease in the share price of this entity, during the first quarter of 2008, and whose recognition was made in accordance with the accounting policy described in note 1 d).

8. Other operating income

The amount of this account is comprised of:

	Mar 2009 Euros '000	Mar 2008 Euros '000
Operating income		
Income from services	12,440	18,339
Cheques and others	6,367	6,880
Other operating income	3,208	16,330
	22,015	41,549
Operating costs		
Indirect taxes	7,126	10,203
Donations and quotizations	724	1,323
Other operating expenses	4,647	4,749
	12,497	16,275
	9,518	25,274

9. Staff costs

The amount of this account is comprised of:

	Mar 2009 Euros '000	Mar 2008 Euros '000
Remunerations	143,304	144,001
Mandatory social security charges	74,937	57,209
Voluntary social security charges	11,704	6,557
Other staff costs	1,995	4,495
	231,940	212,262

10. Other administrative costs

The amount of this account is comprised of:

	Mar 2009 Euros '000	Mar 2008 Euros '000
Water, electricity and fuel	4,835	4,918
Consumables	2,035	2,700
Rents	35,829	34,921
Communications	11,569	12,173
Travel, hotel and representation costs	4,279	5,135
Advertising	9,612	10,521
Maintenance and related services	9,288	9,271
Credit cards and mortgage	4,283	5,443
Advisory services	7,001	6,403
Information technology services	5,521	5,346
Outsourcing	18,884	21,895
Other specialised services	6,822	6,106
Training costs	868	694
Insurance	3,833	4,624
Legal expenses	1,946	2,349
Transportation	2,640	2,501
Other supplies and services	13,348	11,892
	142,593	146,892

11. Depreciation

The amount of this account is comprised of:

	Mar 2009 Euros '000	Mar 2008 Euros '000
Intangible assets:		
Software	3,182	3,106
Other intangible assets	126	978
	3,308	4,084
Property and equipment:		
Land and buildings	10,905	10,170
Equipment		
Furniture	1,306	1,755
Office equipment	1,083	1,243
Computer equipment	6,180	4,959
Interior installations	1,734	2,020
Motor vehicles	489	512
Security equipment	736	756
Other tangible assets	443	860
	22,876	22,275
	26,184	26,359

12. Loans impairment

The amount of this account is comprised of:

	Mar 2009 Euros '000	Mar 2008 Euros '000
Loans and advances to credit institutions:		
For overdue loans and credit risks		
Impairment for the period	4,045	-
Write-back for the period	(8,030)	(2,310)
	(3,985)	(2,310)
Loans and advances to customers:		
For overdue loans and credit risks		
Impairment for the period	252,147	161,752
Write-back for the period	(80,212)	(76,247)
Recovery of loans and interest charged-off	(7,867)	(13,439)
	164,068	72,066
	160,083	69,756

The balance Impairment for the year is related to an estimate of the incurred losses determined according with the methodology for a regular evaluation of objective evidence of impairment, as described in note 1 c).

13. Other provisions

The amount of this account is comprised of:

	Mar 2009 Euros '000	Mar 2008 Euros '000
Provision for other pensions benefits		
Charge for the period	186	202
Provision for guarantees and other commitments		
Charge for the period	3,088	4,475
Write-back for the period	(4,515)	(3,649)
Other provisions for liabilities and charges		
Charge for the period	21,490	274
Write-back for the period	(37)	(10,073)
	20,212	(8,771)

14. Share of profit of associates under the equity method

The contribution of the associated companies accounted for under the equity method to the Group's profit is as follows:

	Mar 2009 Euros '000	Mar 2008 Euros '000
Millenniumbcp Fortis Group	13,437	16,820
Amortization of value in force (VIF) for the Millennium bcp Fortis Group	(4,522)	(4,522)
Other companies	2,584	1,967
	11,499	14,265

15. Gains / (losses) from the sale of subsidiaries and other assets

The amount of this account is comprised of:

	Mar 2009 Euros '000	Mar 2008 Euros '000
Sale of subsidiaries	21,183	-
Sale of other assets	183	899
	21,366	899

The balance Gains / (losses) from the sale of other assets includes gains and losses arising from the sale of buildings.

16. Income tax

The charge for the years of 2008 and 2007 is comprised as follows:

	Mar 2009 Euros '000	Mar 2008 Euros '000
Current tax	37,062	29,534
Deferred tax		
Origination and reversal of temporary diferences	(80,197)	4,213
Effect of changes in tax rate	(3,266)	(3,555)
Tax losses utilized	75,267	(2,411)
	(8,196)	(1,753)
	28,866	27,781

The reconciliation of the standard tax rate to the effective tax rate is analysed as follows:

	Mar 2009		Mar 2008	
	%	Euros '000	%	Euros '000
Profit before income taxes		141,871		59,182
Current tax rate	26.5%	(37,596)	26.5%	(15,683)
Foreign tax rate effect (i)	-0.7%	992	-7.0%	4,171
Non deductible expenses (ii)	20.2%	(28,690)	47.4%	(28,080)
Tax exempt income (iii)	-24.9%	35,352	-22.4%	13,259
Fiscal incentives (iv)	-1.3%	1,786	-0.9%	506
Utilization of losses brought forward	0.3%	(430)	1.6%	(959)
Tax rate effect	0.0%	5	0.5%	(300)
Previous years corrections	0.0%	(44)	0.9%	(549)
Autonomous tax and tax suported in foreign subsidiaries (v)	0.2%	(241)	0.2%	(146)
	20.3%	(28,866)	46.8%	(27,781)

As at 31 March 2009 and 2008, the amount of deferred taxes in the Income Statement is attributable to temporary differences arising from the following balances:

	Mar 2009 Euros '000	Mar 2008 Euros '000
Intangible assets	41	96
Other tangible assets	1,174	1,101
Impairment losses	(65,529)	(27,171)
Pensions	9,615	15,989
Derivatives	(4,923)	-
Tax losses utilized	75,267	(3,566)
Allocation of profits	(13,740)	-
Others	(10,101)	11,798
Deferred taxes	(8,196)	(1,753)

17. Comprehensive income

The Comprehensive income is analysed as follows:

	Mar 2009 Euros '000	Mar 2008 Euros '000
Profit for the period attributable to		
Shareholders of the Bank	106,677	14,709
Other comprehensive income		
Fair value reserves	(187,964)	(11,051)
Exchange differences arising on consolidation	(62,097)	(5,056)
Comprehensive income	(143,384)	(1,398)

The balance Other comprehensive income includes income and losses which under the IAS / IFRS are recognized in equity.

18. Earnings per share

The earnings per share are calculated as follows:

	Mar 2009 Euros '000	Mar 2008 Euros '000
Profit for the period	106,677	14,709
Dividends on preference shares	(12,060)	(12,161)
Adjusted profit	94,617	2,548
Weighted average number of ordinary shares	4,625,975,542	4,012,198,670
Basic earnings per share (euros)	0.08	0,00
Diluted earnings per share (euros)	0.08	0,00

In May 2008, following the decision of the General Assembly of Shareholders, Banco Comercial Português, S.A. increased its share capital from Euros 3,611,329,567 to Euros 4,694,600,000 through the issue of 1,083,270,433 shares pursuant to the exercise of shareholders proportional rights with a nominal value of 1 Euro per share and a subscription price of 1.2 Euro per share. This fact was also considered when doing the average number of shares for the calculation of the basic and diluted earnings per share.

The average number of shares indicated above, results from the number of existing shares at the beginning of each year, adjusted by the number of shares repurchased or issued in the period weighted by a time factor.

The amount of dividends on preference shares corresponds to two issues by BCP Finance Company which considering the rules established in IAS 32 and in accordance with the accounting policy presented in note 1 h), were considered as equity instruments. The issues are analized as follows:

- 5,000,000 Perpetual Non-cumulative Guaranteed Non-voting Preference Shares with par value of Euros 100 each, issued by BCP Finance Company on 9 June, 2004, amounting to Euros 500,000,000, issued to redeem the 8,000,000 Non-cumulative Guaranteed Non-voting Preference Shares with par value of Euros 50 each, issued by BCP Finance Company on 14 June, 1999, amounting to Euros 400,000,000.

- 10,000 preference shares with par value of Euros 50,000 perpectual each without voting rights issued in 13 October 2005, in the amount of Euros 500,000,000, to redeem the 6,000,000 preference shares of Euros 100 each without voting rights, in the amount of Euros 600,000,000, issued by BCP Finance Company at 28 September 2000.

19. Cash and deposits at central banks

This balance is analysed as follows:

	Mar 2009 Euros '000	Dec 2008 Euros '000
Cash	521,299	683,891
Central banks	852,123	1,380,516
	1,373,422	2,064,407

The balance Central banks includes deposits with Central Banks of the countries where the group operates to satisfy the legal requirements to maintain a cash reserve for which the value is based on the value of deposits and other liabilities. The cash reserve requirements, according with the European Central Bank System for Euro Zone, establishes the maintenance of a deposit with the Central Bank equivalent to 2% of the average value of deposits and other liabilities, during each reserve requirement period. The rate is different for countries outside the Euro Zone.

20. Loans and advances to credit institutions repayable on demand

This balance is analysed as follows:

	Mar 2009 Euros '000	Dec 2008 Euros '000
Credit institutions in Portugal	1,708	1,373
Credit institutions abroad	345,815	496,793
Amounts due for collection	339,271	550,182
	686,794	1,048,348

The balance Amounts due for collection represents essentially cheques due for collection on other financial institutions.

21. Other loans and advances to credit institutions

This balance is analysed as follows:

	Mar 2009 Euros '000	Dec 2008 Euros '000
Bank of Portugal	-	350,019
Credit institutions in Portugal	388,302	898,614
Credit institutions abroad	1,151,976	1,642,575
	1,540,278	2,891,208
Overdue loans - less than 90 days	-	10,186
Overdue loans - more than 90 days	16,587	-
	1,556,865	2,901,394
Impairment for credit risk	(5,064)	(9,049)
	1,551,801	2,892,345

Impairment for credit risks in credit institutions for the Group is analysed as follows:

	Mar 2009 Euros '000	Mar 2008 Euros '000
Impairment for credit risks in credit institutions		
Balance on 1 January	9,049	3,109
Transfers	-	12
Impairment for the period	4,045	-
Write-back for the period	(8,030)	(2,310)
Exchange rate differences	-	2
Balance on 31 March	5,064	766

22. Loans and advances to customers

This balance is analysed as follows:

	Mar 2009 Euros '000	Dec 2008 Euros '000
Public sector	486,377	569,981
Asset-backed loans	41,645,800	42,135,232
Personal guaranteed loans	16,430,638	15,263,492
Unsecured loans	5,842,170	5,812,190
Foreign loans	5,091,295	4,663,056
Factoring	1,407,924	1,687,351
Finance leases	5,498,498	5,663,027
	76,402,702	75,794,329
Overdue loans - less than 90 days	252,114	151,580
Overdue loans - more than 90 days	1,168,757	699,561
	77,823,573	76,645,470
Impairment for credit risk	(1,883,592)	(1,480,456)
	75,939,981	75,165,014

The analysis of loans and advances to customers, by type of credit, is as follows:

	Mar 2009 Euros '000	Dec 2008 Euros '000
Loans not represented by securities		
Discounted bills	1,148,642	1,306,516
Current account credits	5,703,699	5,414,334
Overdrafts	2,349,066	2,358,634
Loans	26,061,386	25,384,802
Mortgage loans	31,207,378	31,183,421
Factoring	1,407,924	1,687,351
Finance leases	5,498,498	5,663,027
	73,376,593	72,998,085
Loans represented by securities		
Commercial paper	2,717,799	2,487,178
Bonds	308,310	309,066
	3,026,109	2,796,244
	76,402,702	75,794,329
Overdue loans - less than 90 days	252,114	151,580
Overdue loans - more than 90 days	1,168,757	699,561
	77,823,573	76,645,470
Impairment for credit risk	(1,883,592)	(1,480,456)
	75,939,981	75,165,014

The analysis of loans and advances to customers by sector of activity is as follows:

	Mar 2009 Euros '000	Dec 2008 Euros '000
Agriculture	676,693	681,364
Mining	293,426	307,761
Food, beverage and tobacco	764,895	808,888
Textiles	661,993	644,174
Wood and cork	344,216	339,421
Printing and publishing	428,033	428,908
Chemicals	1,210,157	1,243,709
Engineering	1,318,347	1,297,634
Electricity, water and gas	947,396	933,782
Construction	5,808,478	5,613,245
Retail business	2,257,878	2,222,174
Wholesale business	3,087,625	3,177,078
Restaurants and hotels	1,339,941	1,318,438
Transports and communications	2,137,958	2,199,364
Services	16,294,376	15,174,564
Consumer credit	4,983,774	4,877,090
Mortgage credit	28,643,206	28,537,840
Other domestic activities	973,775	933,139
Other international activities	5,651,406	5,906,897
	77,823,573	76,645,470
Impairment for credit risk	(1,883,592)	(1,480,456)
	75,939,981	75,165,014

Loans and advances to customers includes the effect of transactions of traditional securitization owned by SPE's consolidated under SIC 12, in accordance with the accounting policy 1 b) and synthetic securitization.

BCP Group engages mainly in the securitization of mortgage loans, corporate loans and consumer loans. For this purpose, traditional securitizations and synthetic securitizations are used through specifically created Special Purpose Entities (SPEs). As referred in accounting policy 1 b), when the substance of the relationships with the SPE's indicates that the Group holds control of the activities, the SPE's are fully consolidated.

The balance Loans and advances to customers includes the following amounts related to securitization transactions, presented by type of transaction:

	Mar 2009		
	Traditional	Synthetic	Total
	Euros '000	Euros '000	Euros '000
Consumer credit	675,188	-	675,188
Mortgage credit	5,983,169	-	5,983,169
Finance Leases	171,859	-	171,859
Commercial paper	725,143	-	725,143
Loans to companies	2,063,508	2,306,617	4,370,125
	9,618,867	2,306,617	11,925,484

	Dec 2008		
	Traditional	Synthetic	Total
	Euros '000	Euros '000	Euros '000
Consumer credit	699,024	-	699,024
Mortgage credit	2,480,593	-	2,480,593
Finance Leases	193,544	-	193,544
Commercial paper	510,198	-	510,198
Loans to companies	1,961,842	2,430,546	4,392,388
	5,845,201	2,430,546	8,275,747

During the first quarter of 2009, the Group issued one securitization transaction namely Magellan n.º 6 (Mortgage loans) issued by Banco Comercial Português, S.A. Considering the characteristics of these securitizations and as referred in note 1 g), these transactions were not derecognized from the Group's financial statements.

The balance Loans and advances to customers includes the following amounts related to finance leases contracts:

	Mar 2009	Dec 2008
	Euros '000	Euros '000
Gross amount	6,497,199	7,273,580
Interest not yet due	(998,701)	(1,610,553)
Net book value	5,498,498	5,663,027

The loans portfolio includes restructured loans that have been formally negotiated with the clients, in order to reinforce collaterals, defer the maturity date or change the interest rate. The analysis of restructured loans by sector of activity is as follows:

	Mar 2009 Euros '000	Dec 2008 Euros '000
Agriculture	5,401	5,339
Mining	1,060	1,033
Food, beverage and tobacco	10,803	5,235
Textiles	14,092	15,391
Wood and cork	1,255	3,464
Printing and publishing	3,228	4,043
Chemicals	12,012	5,726
Engineering	38,559	20,036
Electricity, water and gas	255	29
Construction	20,455	11,742
Retail business	5,117	5,679
Wholesale business	12,116	11,496
Restaurants and hotels	1,428	1,484
Transports and communications	15,979	28,597
Services	19,312	22,044
Consumer credit	37,624	40,385
Mortgage credit	15,980	13,323
Other domestic activities	589	893
Other international activities	7,278	3,588
	222,543	199,527

The analysis of the overdue loans by sector of activity is as follows:

	Mar 2009 Euros '000	Dec 2008 Euros '000
Agriculture	10,952	5,186
Mining	4,848	3,069
Food, beverage and tobacco	11,224	4,468
Textiles	45,635	30,525
Wood and cork	21,242	8,732
Printing and publishing	6,443	3,451
Chemicals	10,744	5,208
Engineering	54,972	29,890
Electricity, water and gas	1,766	161
Construction	225,419	174,338
Retail business	63,445	31,546
Wholesale business	167,381	79,155
Restaurants and hotels	30,071	19,263
Transports and communications	39,109	22,415
Services	292,168	109,242
Consumer credit	239,646	172,454
Mortgage credit	144,589	120,979
Other domestic activities	15,583	6,352
Other international activities	35,634	24,707
	1,420,871	851,141

The movements of impairment for credit risk are analysed as follows:

	Mar 2009 Euros '000	Mar 2008 Euros '000
Impairment for overdue loans and for other credit risks:		
Balance on 1 January	1,442,405	1,206,508
Transfers	244,291	(16,118)
Impairment for the period	252,147	161,752
Write-back for the period	(80,212)	(76,247)
Loans charged-off	(8,303)	(72,877)
Exchange rate differences	(13,442)	(414)
Balance on 31 March	1,836,886	1,202,604
Impairment for restructured loans:		
Balance on 1 January	38,051	15,824
Transfers	8,655	16,513
Balance on 31 March	46,706	32,337
	1,883,592	1,234,941

The analysis of the impairment, by sector of activity, is as follows:

	Mar 2009 Euros '000	Dec 2008 Euros '000
Agriculture	45,241	42,487
Mining	17,563	16,872
Food, beverage and tobacco	45,085	31,140
Textiles	45,804	38,883
Wood and cork	15,100	13,097
Printing and publishing	9,335	5,987
Chemicals	8,036	7,346
Engineering	77,722	62,368
Electricity, water and gas	5,106	4,133
Construction	144,088	167,407
Retail business	62,335	50,931
Wholesale business	171,678	118,756
Restaurants and hotels	26,700	25,474
Transports and communications	38,276	32,372
Services	422,529	322,698
Consumer credit	258,247	205,550
Mortgage credit	175,510	208,789
Other domestic activities	8,219	7,794
Other international activities	307,018	118,372
	1,883,592	1,480,456

The analysis of the loans charged-off, by sector of activity, is as follows:

	Mar 2009 Euros '000	Mar 2008 Euros '000
Agriculture	6	449
Mining	-	264
Food, beverage and tobacco	423	1,508
Textiles	461	8,966
Wood and cork	796	682
Printing and publishing	195	267
Chemicals	28	3,089
Engineering	42	1,024
Construction	490	7,898
Retail business	651	3,901
Wholesale business	479	13,743
Restaurants and hotels	23	810
Transports and communications	48	13,311
Services	1,025	6,561
Consumer credit	2,008	7,251
Mortgage credit	168	1,068
Other domestic activities	-	405
Other international activities	1,460	1,680
	8,303	72,877

Loans and advances to customers are charged-off when there are no expectations, from an economic point of view, of recovering the loan amount. For collateralized loans, the charged-off occurs when the funds arising from the execution of the respective collaterals was already received. This charge-off is carried out only for loans that are fully provided. This criteria has been applied consistently by the Group in the previous periods.

The analysis of recovered loans and overdue interest, during 2009 and 2008, which were charged-off during the year or in previous years, by sector of activity is as follows:

	Mar 2009 Euros '000	Mar 2008 Euros '000
Agriculture	219	212
Mining	191	69
Food, beverage and tobacco	203	276
Textiles	122	2,891
Wood and cork	9	89
Printing and publishing	5	48
Chemicals	25	37
Engineering	117	804
Electricity, water and gas	84	-
Construction	1,346	875
Retail business	702	445
Wholesale business	1,618	834
Restaurants and hotels	108	346
Transports and communications	236	250
Services	587	2,264
Consumer credit	2,106	3,732
Mortgage credit	120	166
Other domestic activities	67	93
Other international activities	2	8
	7,867	13,439

23. Financial assets held for trading and available for sale

The balance Financial assets held for trading and available for sale is analysed as follows:

	Mar 2009 Euros '000	Dec 2008 Euros '000
Bonds and other fixed income securities		
Issued by public entities	2,014,313	2,303,898
Issued by other entities	1,122,362	655,991
	3,136,675	2,959,889
Overdue securities	5,148	5,427
Impairment for overdue securities	(5,148)	(5,427)
	3,136,675	2,959,889
Shares and other variable income securities	607,557	855,787
	3,744,232	3,815,676
Trading derivatives	1,760,810	1,801,769
	5,505,042	5,617,445

The portfolio of financial instruments by type, namely trading and available for sale securities, as at 31 March 2009, is comprised of the following:

	Securities		
	Trading Euros '000	Available for sale Euros '000	Total Euros '000
Fixed income:			
Bonds issued by public entities			
Portuguese issuers	305,714	2,008	307,722
Foreign issuers	494,106	296,854	790,960
Bonds issued by other entities			
Portuguese issuers	132,556	526,644	659,200
Foreign issuers	439,408	28,619	468,027
Treasury bills and other			
Government bonds	656,041	259,590	915,631
Other securities	283	-	283
	2,028,108	1,113,715	3,141,823
Variable income:			
Shares in Portuguese companies	2,502	70,351	72,853
Shares in foreign companies	4,998	220,510	225,508
Investment fund units	21,648	280,319	301,967
Certificates of deposit	-	-	-
Other securities	7,229	-	7,229
	36,377	571,180	607,557
Impairment for overdue securities	-	(5,148)	(5,148)
	2,064,485	1,679,747	3,744,232
Trading derivatives	1,760,810	-	1,760,810
	3,825,295	1,679,747	5,505,042

The trading portfolio is stated in accordance with accounting policy 1 d) at fair value.

As referred in the accounting policy presented in note 1 d), the available for sale securities are presented at market value with fair value accounted for in shareholder's equity (fair value reserves), as referred in note 40. This negative amount of Euros 11,608,000 is presented net of impairment losses in the amount of Euros 39,511,000.

The portfolio of financial instruments by type, namely trading and available for sale securities, as at 31 December 2008, is comprised of the following:

	Securities		
	Trading Euros '000	Available for sale Euros '000	Total Euros '000
Fixed income:			
Bonds issued by public entities			
Portuguese issuers	305,346	2,001	307,347
Foreign issuers	648,409	562,376	1,210,785
Bonds issued by other entities			
Portuguese issuers	108,040	52,776	160,816
Foreign issuers	456,240	43,611	499,851
Treasury bills and other			
Government bonds	548,783	236,983	785,766
Other securities	751	-	751
	2,067,569	897,747	2,965,316
Variable income:			
Shares in Portuguese companies	2,457	77,300	79,757
Shares in foreign companies	6,214	407,387	413,601
Investment fund units	25,258	337,171	362,429
	33,929	821,858	855,787
Impairment for overdue securities	-	(5,427)	(5,427)
	2,101,498	1,714,178	3,815,676
Trading derivatives	1,801,769	-	1,801,769
	3,903,267	1,714,178	5,617,445

The trading portfolio is stated in accordance with accounting policy 1 d) at fair value.

As referred in the accounting policy presented in note 1 d), the available for sale securities are presented at market value with fair value accounted for in shareholder's equity (fair value reserves), as referred in note 40. This amount of Euros 201,635,000 is presented net of impairment losses in the amount of Euros 42,085,000.

The analysis of the securities portfolio included in the financial assets held for trading and available for sale, by sector of activity, as at 31 March 2009 is analysed as follows:

	Bonds Euros '000	Shares Euros '000	Other financial assets Euros '000	Overdue Securities Euros '000	Gross Total Euros '000
Mining	-	96	-	-	96
Food, beverage and tobacco	-	117	-	-	117
Textiles	-	1	-	553	554
Wood and cork	2,140	1,066	-	998	4,204
Printing and publishing	147	3,164	-	-	3,311
Chemicals	-	19	-	-	19
Engineering	978	538	-	31	1,547
Electricity, water and gas	11,154	417	-	-	11,571
Construction	-	12,391	-	2,560	14,951
Retail business	1,264	-	-	-	1,264
Wholesale business	-	84	-	475	559
Restaurants and hotels	-	51	-	-	51
Transport and communications	-	1,238	-	529	1,767
Services	1,104,757	278,993	309,429	2	1,693,181
Other international activities	1,639	186	50	-	1,875
	1,122,079	298,361	309,479	5,148	1,735,067
Government and Public securities	1,098,682	-	915,631	-	2,014,313
Impairment for overdue securities	-	-	-	(5,148)	(5,148)
	2,220,761	298,361	1,225,110	-	3,744,232

The analysis of the securities portfolio included in the financial assets held for trading and available for sale, by sector of activity, as at 31 December 2008 is analysed as follows:

	Bonds Euros '000	Shares Euros '000	Other financial assets Euros '000	Overdue Securities Euros '000	Gross Total Euros '000
Mining	-	73	-	-	73
Food, beverage and tobacco	-	83	-	-	83
Textiles	-	81	-	1,037	1,118
Wood and cork	806	1,204	-	126	2,136
Printing and publishing	146	3,751	-	-	3,897
Chemicals	-	35	-	-	35
Engineering	-	125	-	187	312
Electricity, water and gas	4,650	3,525	-	-	8,175
Construction	-	12,129	-	645	12,774
Retail business	1,188	-	-	-	1,188
Wholesale business	-	101	-	63	164
Restaurants and hotels	-	51	-	-	51
Transport and communications	-	1,333	-	18	1,351
Services	646,860	470,663	363,130	3,351	1,484,004
Other international activities	1,590	204	50	-	1,844
	655,240	493,358	363,180	5,427	1,517,205
Government and Public securities	1,518,132	-	785,766	-	2,303,898
Impairment for overdue securities	-	-	-	(5,427)	(5,427)
	2,173,372	493,358	1,148,946	-	3,815,676

24. Hedging derivatives

This balance is analysed as follows:

	Mar 2009 Euros '000	Dec 2008 Euros '000
Hedging instruments		
Assets:		
Swaps	233,327	117,305
Liabilities:		
Swaps	146,103	350,960

25. Financial assets held to maturity

The balance Financial assets held to maturity is analysed as follows:

	Mar 2009 Euros '000	Dec 2008 Euros '000
Bonds and other fixed income securities		
Issued by Government and public entities	538,971	519,379
Issued by other entities	895,932	582,465
	1,434,903	1,101,844

The analysis of the securities portfolio included in the Financial assets held to maturity, by sector of activity, is analysed as follows:

	Mar 2009 Euros '000	Dec 2008 Euros '000
Transport and communications	98,124	97,118
Services	797,808	485,347
	895,932	582,465
Government and Public securities	538,971	519,379
	1,434,903	1,101,844

26. Investments in associated companies

This balance is analysed as follows:

	Mar 2009 Euros '000	Dec 2008 Euros '000
Portuguese credit institutions	22,851	16,646
Foreign credit institutions	21,293	20,605
Other Portuguese companies	304,417	306,683
	348,561	343,934

The balance Investments in associated companies is analysed as follows:

	Mar 2009 Euros '000	Dec 2008 Euros '000
Banque BCP, S.A.S.	17,323	16,713
Banque BCP (Luxembourg), S.A.	3,970	3,893
Millenniumbcp Fortis Grupo Segurador, S.G.P.S., S.A.	288,654	288,319
SIBS - Sociedade Interbancária de Serviços, S.A.	13,423	15,039
Unicre - Cartão Internacional de Crédito, S.A.	22,851	16,646
VSC - Aluguer de Veículos Sem Condutor, Lda.	2,340	3,324
	348,561	343,934

These investments correspond to unquoted companies, being consolidated by the equity method. The investment held in the associated company Millenniumbcp Fortis Grupo Segurador, S.G.P.S. corresponds to 49% of the share capital of the company. The Group companies related amounts are presented in note 47.

27. Property and equipment

This balance is analysed as follows:

	Mar 2009 Euros '000	Dec 2008 Euros '000
Land and buildings	936,701	944,790
Equipment		
Furniture	104,481	104,615
Office equipment	51,401	55,291
Computer equipment	296,874	301,293
Interior installations	139,497	139,670
Motor vehicles	21,131	22,753
Security equipment	74,235	74,396
Work in progress	111,275	112,297
Other tangible assets	41,243	44,044
	1,776,838	1,799,149
Accumulated depreciation		
Charge for the year	(22,876)	(97,073)
Accumulated charge for the previous years	(1,032,819)	(956,258)
	(1,055,695)	(1,053,331)
	721,143	745,818

28. Goodwill and intangible assets

This balance is analysed as follows:

	Mar 2009 Euros '000	Dec 2008 Euros '000
Intangible assets		
Software	127,317	131,620
Other intangible assets	57,208	61,798
	184,525	193,418
Accumulated amortisation		
Charge for the year	(3,308)	(15,770)
Accumulated charge for the previous years	(148,353)	(143,647)
	(151,661)	(159,417)
	32,864	34,001
Goodwill		
Millennium Bank, Societé Anonyme (Greece)	294,260	294,260
Bank Millennium, S.A. (Poland)	164,040	164,040
Banco Investimento Imobiliário, S.A.	40,859	40,859
Others	7,023	7,068
	506,182	506,227
	539,046	540,228

29. Deferred income tax assets and liabilities

Deferred income tax assets and liabilities as at 31 March 2009 and 31 December, 2008 are analysed as follows:

	Mar 2009		Dez 2008	
	Assets Euros '000	Liabilities Euros '000	Assets Euros '000	Liabilities Euros '000
Intangible assets	60	116	61	77
Other tangible assets	1,751	6,148	2,015	5,168
Impairment losses	231,656	18,370	214,173	60,514
Pensions	328,580	-	339,010	-
Financial assets available for sale	4,721	23,630	810	10,547
Derivatives	-	4,540	-	10,554
Allocation of profits	50,587	-	36,847	-
Others	71,920	118,820	66,329	123,756
Tax losses carried forward	67,249	-	138,323	-
	756,524	171,624	797,568	210,616
Deferred tax assets	584,900		586,952	
Others	-	371	-	336
Deferred tax liabilities		371		336
Net deferred tax	584,529		586,616	

30. Other assets

This balance is analysed as follows:

	Mar 2009 Euros '000	Dec 2008 Euros '000
Debtors	187,280	373,638
Investments arising from recovered loans	1,393,305	1,397,511
Amounts due for collection	17,353	26,386
Recoverable tax	61,418	61,513
Recoverable government subsidies on mortgage loans	46,316	47,055
Associated companies	1,849	8,515
Other amounts receivable	37,718	49,958
Prepayments and deferred costs	1,742,920	1,783,982
Amounts receivable on trading activity	357,666	163,918
Amounts due from customers	174,853	203,588
Reinsurance technical provision	548	478
Sundry assets	184,935	202,236
	4,206,161	4,318,778
Impairment for other assets	(185,554)	(171,133)
	4,020,607	4,147,645

31. Deposits from other credit institutions

This balance is analysed as follows:

	Mar 2009 Euros '000	Dec 2008 Euros '000
Credit institutions in Portugal	1,168,733	809,994
Credit institutions abroad	6,168,724	5,187,072
	7,337,457	5,997,066

32. Deposits from customers

This balance is analysed as follows:

	Mar 2009 Euros '000	Dec 2008 Euros '000
Deposits from customers:		
Repayable on demand	12,884,528	13,545,678
Term deposits	25,544,592	25,990,051
Saving accounts	4,554,519	4,781,069
Treasury bills and other assets sold under repurchase agreement	184,223	213,191
Other	259,416	377,179
	43,427,278	44,907,168

33. Debt securities issued

This balance is analysed as follows:

	Mar 2009 Euros '000	Dec 2008 Euros '000
Bonds	16,242,793	17,784,038
Commercial paper	2,823,667	2,682,127
Other	38,850	49,401
	19,105,310	20,515,566

34. Financial liabilities held for trading

The balance is analysed as follows:

	Mar 2009 Euros '000	Dec 2008 Euros '000
FRA	3,076	424
Swaps	1,410,617	2,078,564
Options	214,903	24,720
Embedded derivatives	11,061	11,923
Forwards	66,763	23,184
	1,754,048	2,138,815

35. Other financial liabilities held for trading at fair value through profit or loss

The balance is analysed as follows:

	Mar 2009 Euros '000	Dec 2008 Euros '000
Deposits from credit institutions	2,294,075	1,935,354
Deposits from customers	-	35,522
Bonds	5,152,738	3,922,153
Commercial paper	655,660	523,123
Subordinated debt	289,651	298,171
	8,392,124	6,714,323

36. Provisions for liabilities and charges

This balance is analysed as follows:

	Mar 2009 Euros '000	Dec 2008 Euros '000
Provision for guarantees and other commitments	75,791	77,729
Technical provision for the insurance activity:		
For direct insurance and reinsurance accepted:		
Unearned premium / reserve	7,255	6,147
Life insurance	38,703	40,161
Bonuses and rebates	606	1,217
Other technical provisions	6,020	4,527
Provision for pension costs	3,214	3,048
Other provisions	107,156	89,007
	238,745	221,836

Changes in Provision for guarantees and other commitments are analysed as follows:

	Mar 2009 Euros '000	Mar 2008 Euros '000
Balance on 1 January	77,729	73,705
Transfers	87	(461)
Charge for the period	3,088	4,475
Write-back for the period	(4,515)	(3,649)
Exchange rate differences	(598)	(166)
Balance on 31 March	75,791	73,904

37. Subordinated debt

This balance is analysed as follows:

	Mar 2009 Euros '000	Dec 2008 Euros '000
Bonds	2,535,875	2,595,812
Other subordinated debt	2,662	2,848
	2,538,537	2,598,660

As at 31 March 2009, the characteristics of subordinated debt issued are analysed as follows:

Issue	Issue date	Maturity date	Interest rate	Nominal value Euros '000	Book value Euros '000
Non Perpetual Bonds					
Banco Comercial Português:					
BCP March 2011	September 2001	March 2011	Fixed rate of 6.35%	149,300	154,293
BCP September 2011	September 2001	September 2011	Fixed rate of 6.15%	120,000	124,022
Mbcp Ob Cx Sub 1 Serie 2008-2018	October 2008	October 2018	See reference (i)	80,612	80,612
Bank Millennium:					
Bank Millennium	December 2001	December 2011	Fixed rate of 6.360%	80,326	80,326
Bank Millennium 2007	December 2007	December 2017	Fixed rate of 6.337%	150,302	150,302
Banco de Investimento Imobiliário:					
BII 2004	December 2004	December 2014	See reference (ii)	15,000	14,961
BCP Finance Bank:					
EMTN 44 Issue - 1 Tranche	March 2001	March 2011	Fixed rate of 6.25%	399,903	416,825
EMTN 44 Issue - 2 Tranche	May 2001	March 2011	Fixed rate of 6.25%	199,951	208,413
BCP Fin. Bank Ltd EMTN -295	December 2006	December 2016	See reference (iii)	331,850	331,064
BCP Fin. Bank Ltd 2005	May 2005	September 2015	See reference (iv)	276,385	276,139
					1,836,957
Perpetual Bonds					
BCP - Euro 200 millions	September 2002	-	See reference (v)	198,675	203,774
BCP - Euro 175 millions	November 2002	-	See reference (vi)	175,000	179,049
BPA 1997	September 1997	-	Euribor 3 months + 0.95%	199,519	199,520
TOPS's BPSM 1997	December 1997	-	Euribor 6 months + 0.4%	88,681	89,680
BCP Leasing 2001	December 2001	-	See reference (vii)	4,986	4,986
					677,009
Other subordinated debt					
BIM	December 2000	-	50% Discount rate of B.Mozambique	2,626	2,626
Accruals					21,945
					2,538,537

References :

(i) - 1st year 6%; 2nd to 5th year Euribor 6 months + 1%; after 6th year Euribor 6 months + 1,4%
(ii) - Until 10th cupon Euribor 6 months + 0.40%; After 10th coupon Euribor 6 months + 0.90%
(iii) - Euribor 3 months + 0.3% (0.80% after December 2011)
(iv) - Euribor 3 months + 0.35% (0.85% after June 2010)
(v) - Until 40th coupon 6.130625%; After 40th coupon Euribor 3 months + 2.4%
(vi) - Until 40th coupon 5.41%; After 40th coupon Euribor 3 months + 2.4%
(vii) - Until 40th coupon Euribor 3 months + 1.75%; After 40th coupon Euribor 3 months + 2.25%

38. Other liabilities

This balance is analysed as follows:

	Mar 2009 Euros '000	Dec 2008 Euros '000
Creditors:		
Suppliers	54,821	66,436
From factoring operations	27,125	29,372
Associated companies	712	8,453
Other creditors	537,903	338,353
Public sector	185,020	85,636
Other amounts payable	65,450	103,741
Deferred income	1,595	1,750
Holiday pay and subsidies	52,355	66,330
Other administrative costs payable	2,067	5,583
Amounts payable on trading activity	446,173	179,384
Other liabilities	539,343	498,595
	1,912,564	1,383,633

39. Share capital and preference shares

The share capital of the Bank, amounts to Euros 4,694,600,000 and is represented by 4,694,600,000 shares with a nominal value of 1 Euro each, which is fully paid.

In May 2008, the Banco Comercial Português, S.A. increased its share capital from Euros 3,611,329,567 to Euros 4,694,600,000 through the issue of 1,083,270,433 shares pursuant to the exercise of shareholders proportional rights with a nominal value of 1 Euro per share and a subscription price of 1.2 Euro per share.

The balance Preference shares corresponds to two issues by BCP Finance Company which according to IAS 32 and in accordance with the accounting policy presented in note 1 h), were considered equity instruments. The issues are analized as follows:

- 5,000,000 Perpetual Non-cumulative Guaranteed Non-voting Preference Shares with par value Euros 100 each, issued by BCP Finance Company on 9 June, 2004, amounting to Euros 500,000,000, issued to redeem the 8,000,000 Non-cumulative Guaranteed Non-voting Preference Shares of par value Euros 50 each, issued by BCP Finance Company on 14 June, 1999, amounting to Euros 400,000,000.

- 10,000 preference shares with par value of Euros 50,000 each without voting rights issued in 13 October 2005, in the amount of Euros 500,000,000, issued to finance the early redemption of the 6,000,000 preference shares of Euros 100 each, in the amount of Euros 600,000,000, issued by BCP Finance Company at 28 September 2000.

40. Legal reserve

Under Portuguese legislation, the Bank is required to set-up annually a legal reserve equal to a minimum of 10 percent of annual profits until the reserve equals the share capital. Such reserve is not normally distributable in cash. In accordance with the proposal for application of the results approved in the General Shareholders meeting held on 30 March, 2009, the Bank increased the Legal reserves in the amount of Euros 45,118,000. As referred in note 40, part of this amount was transferred to the balance "Other reserves", in accordance with the proposal for application mentioned above.

In accordance with current legislation, the Group companies must set-up annually a reserve with a minimum percentage between 5 and 20 percent of their net annual profits depending on the nature of their economic activity.

41. Fair value reserves, other reserves and retained earnings

This balance is analysed as follows:

	Mar 2009 Euros '000	Dec 2008 Euros '000
Other comprehensive income		
Exchange differences arising on consolidation	(123,828)	(61,731)
Fair value reserves		
Financial instruments available for sale	(11,608)	201,635
Cash-flow hedge	33,322	5,810
Tax		
Financial instruments available for sale	11,246	8,252
Cash-flow hedge	(6,331)	(1,104)
	(97,199)	152,862
Other reserves and retained earnings:		
Legal reserve	425,410	380,291
Statutory reserve	10,000	-
Other reserves and retained earnings	2,526,621	2,460,365
Goodwill arising on consolidation	(2,883,580)	(2,883,580)
Other reserves arising on consolidation	(169,049)	(169,967)
	(90,598)	(212,891)

The legal reserve changes are analysed in note 40. The Fair value reserves correspond to the accumulated fair value changes of the financial instruments available for sale and cash flow hedge, in accordance with the accounting policy presented in note 1 d).

The balance Statutory reserves correspond to a reserve to stabilise dividends that, according with the Bank's By-Laws can be distributed.

In accordance with the proposal for application of the results approved in the General Shareholders meeting held on 27 May, 2008, the balances Share Premium in the amount of Euros 881,707,000, Other reserves in the amount of Euros 1,176,854,000, Statutory reserves in the amount of Euros 84,000,000 and the amount of Euros 130,795,000 from Legal reserves were allocated to Other reserves and retained earnings.

The balance Reserves and Retained Earnings includes, as at 1 January 2006, a restatement in the amount of Euros 220,500,000 (net of deferred tax) resulting from the decision taken by the Executive Board of Directors of recording a provision regarding an asset booked on the consolidated financial statements.

The movements of the Other comprehensive income is presented in note 18.

42. Treasury stock

This balance is analysed as follows:

	Banco Comercial Português, S.A. shares		Other treasury stock	Total
Mar 2009				
Net book value (Euros '000)	33,546		50,440	83,986
Number of securities	53,557,637	(*)		
Average book value (Euros)	0.63			
Dec 2008				
Net book value (Euros '000)	13,248		45,383	58,631
Number of securities	15,820,158	(*)		
Average book value (Euros)	0.84			

Treasury stock refers to own securities held by the companies included in the consolidation perimeter. These securities are held within the limits established by the By Laws and "Código das Sociedades Comerciais".

(*) As at 31 March 2009, this balance includes 10,322,555 shares (31 December 2008: 10,332,555 shares) owned by clients which acquisition was financed by the Bank. Considering that for these clients that there is evidence of impairment, under the IAS 32/39 the shares of the Bank owned by these clients were, only for accounting purposes and in respect for this standard, considered as treasury stock.

43. Minority interests

This balance is analysed as follows:

	Balance		Statement of Income	
	Mar 2009 Euros '000	Dec 2008 Euros '000	Mar 2009 Euros '000	Mar 2008 Euros '000
Bank Millennium, S.A.	220,089	233,722	911	12,250
BIM - Banco Internacional de Moçambique	50,620	49,702	5,360	4,438
Banco Millennium Angola, S.A.	59,989	-	544	-
Other subsidiaries	3,937	4,320	(487)	4
	334,635	287,744	6,328	16,692

44. Guarantees and future commitments

Guarantees and future commitments are analysed as follows:

	Mar 2009 Euros '000	Dec 2008 Euros '000
Guarantees granted	8,480,382	8,613,752
Guarantees received	27,589,669	26,814,666
Commitments to third parties	15,825,219	12,923,843
Commitments from third parties	14,790,292	12,694,394
Securities and other items held for safekeeping on behalf of customers	141,842,714	139,668,817
Securities and other items held under custody by the Securities Depository Authority	134,405,496	126,742,438
Other off balance sheet accounts	158,405,478	149,920,250

The amounts of Guarantees granted and Commitments to third parties are analysed as follows:

	Mar 2009 Euros '000	Dec 2008 Euros '000
Guarantees granted:		
Guarantees	7,681,660	7,849,130
"Stand-by" letter of credit	294,281	258,779
Open documentary credits	372,286	368,324
Bails and indemnities	132,155	137,519
	8,480,382	8,613,752
Commitments to third parties		
Irrevocable commitments		
Time deposits contracts	3,168,417	404,475
Irrevocable credit lines	3,221,448	3,480,464
Securites subscription	46,213	44,191
Other irrevocable commitments	258,838	373,346
Revocable commitments		
Revocable credit lines	7,273,473	6,743,785
Bank overdraft facilities	1,841,501	1,864,466
Other revocable commitments	15,329	13,116
	15,825,219	12,923,843

Within its normal business, the Group offers certain financial products that traditionally include credit related instruments accounted in off-balance sheet accounts and whose risks are therefore not partially or totally reflected on the consolidated financial statements.

The guarantees granted by the Group may or may not be related with loan transactions, where the Group grants a guarantee in connection with a loan granted to a client by a third entity. According with its specific characteristics it is expected that some of these guarantees expire without being executed and therefore these transactions do not necessarily represent a cash-outflow.

Stand-by letters and open documentary credits aim to ensure the payment to third parties from commercial deals with foreign entities and therefore financing the shipment of the goods. Therefore the credit risk of these transactions is limited once they are collateralized by the shipped goods and are generally short term operations.

Irrevocable commitments are non-used parts of credit facilities granted to corporate or retail customers. Many of these transactions have a fixed term and a variable interest rate and therefore the credit and interest rate risk is limited.

The financial instruments accounted as Guarantees and other commitments are subject to the same approval and control procedures applied to the credit portfolio, namely regarding the analysis of objective evidence of impairment, as described in note 1c). The maximum credit exposure is represented by the nominal value that could be lost related to guarantees and commitments undertaken by the group in the event of default by the respective counterparties, without considering potential recoveries or collaterals.

Considering their nature, as described above, no material losses are anticipated as a result of these transactions.

45. Relevant events occured during the first quarter of 2009

Agreement with Sonangol and Banco Privado Atlântico

Completion of the financial transactions related to the strategic partnership agreement established with Sonangol and Banco Privado Atlântico (BPA), under which, through a rights issue by Banco Millennium Angola (BMA), Sonangol holds 29.9% of the share capital of BMA and BPA holds 20% of BMA, meanwhile, acquired a stake of 10% in the capital of BPA.

46. Segmental reporting

Millennium bcp offers a wide range of banking activities and financial services in Portugal and abroad, with a special focus on Commercial Banking, Investment Banking and Private Banking and Asset Management.

Segments description

Commercial Banking is the core business in the Group's activity, both in terms of volumes and contribution to results. The Commercial Banking activity includes Millennium bcp's network in Portugal, operating as a distribution channel targeting the segments of Retail Banking and Corporate and Companies, focusing the activity on satisfying customers' financial needs, both for individuals and companies. Commercial Banking also includes the segment of Foreign Business, operating through several banking operations in markets with affinity to Portugal and in markets of recognised growth potential, in Europe and in other regions.

The strategic approach of Retail Banking in Portugal, was to target "Mass market" customers, who appreciate a value proposition based on innovation and speed, as well as Affluent and Small businesses customers, whose specific characteristics, financial assets or income imply a value proposition based on innovation and personalisation, requiring a dedicated Account Manager. Retail Banking also includes ActivoBank7, a universal Bank, focusing on brokerage and on the selection and advisory of long-term investment products. Within the scope of the cross-selling strategy, Retail Banking also acts as a distribution channel for financial products and services of the Millennium bcp business as a whole.

The Corporate and Companies segment includes: (i) the Corporate network in Portugal, targeting corporate and institutional customers with an annual turnover in excess of Euro 100 million, providing a complete range of value added products and services; (ii) the Companies network in Portugal, which covers the financial needs of companies with an annual turnover between Euro 7.5 million and Euro 100 million, focused on innovation and on offering a wide range of traditional banking products complemented by specialised financing; and (iii) the activity of the Bank's International Division.

The Investment Banking business is undertaken essentially by Millennium investment banking, a company specialised in capital markets, providing strategic and financial advisory, specialised financial service – Project finance, Corporate finance, Securities brokerage and Equity research as well as in structuring risk-hedging derivatives products.

The Private Banking and Asset Management activity comprises the Private Banking network in Portugal, Millennium Banque Privée, a private banking platform incorporated under Swiss law, and subsidiary companies specialised in the asset management business.

The Foreign Business comprises the operations outside Portugal, namely in Poland, Greece, Turkey, Romania, Mozambique, Angola and United States. The Group is represented by a universal bank in Poland and by an operation based on the innovation of products and services in Greece. The activity in Turkey is performed through an operation focused on financial advising, and in Romania it is represented through a greenfield operation launched in 2007, focused on Mass market and Businesses, Companies and Affluent. All the above operations develop their activities under the same commercial brand of Millennium. The Group is represented in Mozambique by Millennium bim, a universal bank targeting both companies and individual customers, in Angola by Millennium Angola, a bank focused on individuals and public and private sector companies and institutions, and in the United States by Millennium bcpbank, a local bank that serves the local population, in particular the Portuguese community.

The segment Other includes the centralized management of shareholdings and the remaining corporate activities and operations that are not included in the business segments, namely the bancassurance activity, a joint-venture with the Belgian-Dutch Group Fortis, and the remaining amounts not allocated to the segments.

Business Segments Activity

The figures reported for each segment result from aggregating the subsidiaries and business units integrated in each segment, including the impacts arising from the capital allocation and from the balancing process of each entity's level, both at balance sheet and income statement, based on average figures. Balance sheet headings for each subsidiary and business unit are re-calculated, given the replacement of their original own funds by the outcome of the capital allocation process, according to regulatory solvency criteria. Considering that, the process of capital allocation should follow the regulatory criteria of solvency in place, the risk weighted assets and, consequently, the business segments' capital allocation, were determined in accordance with the Basel II. Each operation is balanced through internal transfers of funds, with no impact on consolidated accounts.

Operating costs determined for each business area rely on the amounts accounted directly in the respective cost centres, on one hand, and on the amounts resulting from internal cost allocation processes, on the other hand.

For example, in the first set of costs are included costs related to phone communication, to travel, hotel and representation expenses and to advisory services, and in the second set are included costs related to mail, to water and electricity and to rents related to spaces occupied by organic units, among other.

The allocation of this last set of costs is based on the application of previously defined criteria, related to the level of activity of each business area, like the number of current accounts, the number of customers or employees, the business volume and the space occupied.

The financial fluxes generated by the business areas, in particular the placement of funds from new deposits and funding of loans granted, are processed at market prices, having the Bank's Treasury Department as counterparty. These market prices are determined according to the currency, the maturity of the transactions and their repricing periods. Additionally, all financial fluxes resulting from capital allocation are based on the average 6-month Euribor interest rate for each given period.

To ensure comparability, the structural changes that occurred in 2008 were reflected in the segments as of 31 December 2007. ActivoBank7 is included in Retail Banking, previously in Private Banking and Asset Management. The Corporate was incorporated in the Corporate and Companies Segment. Investment Banking business was individualized.

From the beginning of 2008, the liquidity premium started to be allocated to the Bank's business areas, in order to adequately reflect the contractual deadlines of the operations in internal transfer prices of the respective funds. Each segment's net contribution reflects the individual results reached by business units, independent of the percentage held by the Group, including the impacts of the funds transfers mentioned above. The following information is based on financial statements prepared according to IFRS and on the organizational model in place at BCP Group.

Geographical Segments

The Group operates with special emphasis in the Portuguese and Polish markets, and also in a few affinity markets. Considering this, the geographical segments include Portugal, Poland, Greece and Other. The segment Portugal reflects, essentially, the activities carried out by Millennium bcp in Portugal, Millennium investment banking, ActivoBank7, Banco de Investimento Imobiliário and the operation in Switzerland. The segment Poland includes the business carried out by Bank Millennium (Poland) while the segment Greece contains the activity of Millennium Bank (Greece). The segment Other comprises the Group's operations not included in the remaining segments, namely the activities developed in other countries, such as Turkey, Romania, United States, Mozambique and Angola.

At 31 March 2009, the net contribution of the major business segments is analysed as follows:

	Commercial Banking					**Private Banking and Asset Management**		
	Retail Banking	**Corporate and Companies**	**Foreign Business**	**Total**	**Investment Banking**		**Other**	**Consolidated**
Income statement								
Interest income	465,388	282,326	285,963	1,033,677	33,179	42,339	(7,106)	1,102,089
Interest expense	(261,168)	(182,641)	(205,176)	(648,985)	(24,500)	(24,341)	(30,454)	(728,280)
Net interest income	204,220	99,685	80,787	384,692	8,679	17,998	(37,560)	373,809
Commissions and other income	106,009	33,200	65,810	205,019	16,133	15,407	8,217	244,776
Commissions and other costs	(5,102)	(1,452)	(19,383)	(25,937)	3,476	(4,561)	(34,685)	(61,707)
Net commissions and other income	100,907	31,748	46,427	179,082	19,609	10,846	(26,468)	183,069
Net gains arising from trading activity	(6)	-	52,468	52,462	6,831	(2,787)	93,268	149,774
Staff costs and administrative costs	185,629	24,320	118,132	328,081	11,019	13,317	22,116	374,533
Depreciations	376	47	10,704	11,127	45	84	14,928	26,184
Operating costs	186,005	24,367	128,836	339,208	11,064	13,401	37,044	400,717
Impairment and provisions	(53,211)	(80,306)	(43,101)	(176,618)	(40)	(17,517)	(2,754)	(196,929)
Share of profit of associates under the equity method	-	-	-	-	(984)	-	12,483	11,499
Net gain from the sale of other assets	-	-	-	-	-	-	21,366	21,366
Profit before income tax	65,905	26,760	7,745	100,410	23,031	(4,861)	23,291	141,871
Income tax	(17,432)	(7,091)	(299)	(24,822)	(6,353)	3,064	(755)	(28,866)
Minority interests	-	-	(5,482)	(5,482)	-	-	(846)	(6,328)
Profit after income tax	48,473	19,669	1,964	70,106	16,678	(1,797)	21,690	106,677
Balance sheet								
Cash and Loans and advances to credit institutions	5,902,916	6,142,317	2,303,556	14,348,789	3,856,400	610,116	(15,203,288)	3,612,017
Loans and advances to customers	35,052,468	23,217,761	14,330,959	72,601,188	1,122,156	3,671,023	(1,454,386)	75,939,981
Financial assets	1,426	-	2,596,030	2,597,456	2,614,884	20,989	1,706,616	6,939,945
Other assets	743,757	85,841	567,936	1,397,534	590,562	38,920	4,565,858	6,592,874
Total Assets	41,700,567	29,445,919	19,798,481	90,944,967	8,184,002	4,341,048	(10,385,200)	93,084,817
Deposits from other credit institutions	8,681,800	8,009,507	4,255,931	20,947,238	4,292,905	1,153,554	(16,874,566)	9,519,131
Deposits from customers	18,625,843	7,837,726	12,060,521	38,524,090	10	2,289,172	2,614,006	43,427,278
Debt securities issued	7,971,991	7,370,528	1,041,400	16,383,919	2,302,382	418,986	23	19,105,310
Other financial liabilities held for trading at fair value through profit or loss	4,194,414	3,877,958	681,921	8,754,293	953,178	230,314	208,387	10,146,172
Other liabilities	908,219	844,744	968,511	2,721,474	497,147	95,665	1,525,143	4,839,429
Total Liabilities	40,382,267	27,940,463	19,008,284	87,331,014	8,045,622	4,187,691	(12,527,007)	87,037,320
Equity and minority interests	1,318,300	1,505,456	790,197	3,613,953	138,380	153,357	2,141,807	6,047,497
Total Liabilities, Equity and minority interests	41,700,567	29,445,919	19,798,481	90,944,967	8,184,002	4,341,048	(10,385,200)	93,084,817

At 31 March 2008, the net contribution of the major business segments is analysed as follows:

	Commercial Banking					Private Banking		
	Retail Banking	Corporate and Companies	Foreign Business	Total	Investment Banking	and Asset Management	Other	Consolidated
Income statement								
Interest income	556,529	338,148	282,167	1,176,844	28,779	49,683	(22,850)	1,232,456
Interest expense	(313,829)	(254,092)	(168,121)	(736,042)	(26,814)	(35,652)	(21,727)	(820,235)
Net interest income	242,700	84,056	114,046	440,802	1,965	14,031	(44,577)	412,221
Commissions and other income	101,661	34,496	77,750	213,907	13,679	24,368	14,647	266,601
Commissions and other costs	(5,873)	(1,754)	(18,949)	(26,576)	5,906	(9,804)	(31,308)	(61,782)
Net commissions and other income	95,788	32,742	58,801	187,331	19,585	14,564	(16,661)	204,819
Net gains arising from trading activity	(34)	-	27,932	27,898	7,108	148	(150,012)	(114,858)
Staff costs and administrative costs	180,803	27,082	129,493	337,378	13,498	13,857	(5,579)	359,154
Depreciations	359	46	9,336	9,741	49	82	16,487	26,359
Operating costs	181,162	27,128	138,829	347,119	13,547	13,939	10,908	385,513
Impairment and provisions	(41,864)	(13,041)	(11,207)	(66,112)	2,654	(6,947)	(2,246)	(72,651)
Share of profit of associates under the equity method	-	-	-	-	(278)	-	14,543	14,265
Net gain from the sale of other assets	-	-	-	-	-	-	899	899
Profit before income tax	115,428	76,629	50,743	242,800	17,487	7,857	(208,962)	59,182
Income tax	(30,609)	(20,307)	(10,461)	(61,377)	(4,599)	(948)	39,143	(27,781)
Minority interests	-	-	(15,207)	(15,207)	-	-	(1,485)	(16,692)
Profit after income tax	84,819	56,322	25,075	166,216	12,888	6,909	(171,304)	14,709
Balance sheet								
Cash and Loans and advances to credit institutions	3,625,614	3,551,412	2,911,206	10,088,232	3,125,430	469,752	(6,676,573)	7,006,841
Loans and advances to customers	34,098,625	19,416,238	12,440,316	65,955,179	942,790	3,412,485	(2,425,280)	67,885,174
Financial assets	25,880	2,682,125	1,672,608	4,380,613	2,685,148	12,916	207,097	7,285,774
Other assets	1,073,359	96,355	545,584	1,715,298	340,440	31,382	3,619,865	5,706,985
Total Assets	38,823,478	25,746,130	17,569,714	82,139,322	7,093,808	3,926,535	(5,274,891)	87,884,774
Deposits from other credit institutions	5,037,736	4,367,087	4,310,671	13,715,494	3,803,823	1,098,612	(8,293,742)	10,324,187
Deposits from customers	18,005,821	5,734,677	10,759,236	34,499,734	10	1,793,666	2,623,942	38,917,352
Debt securities issued	12,093,114	12,003,869	616,196	24,713,179	2,666,617	712,405	(2,685,723)	25,406,478
Other financial liabilities held for trading at fair value through profit or loss	1,410,531	1,400,121	335,499	3,146,151	254,597	94,368	104,116	3,599,232
Other liabilities	1,141,452	935,030	875,397	2,951,879	282,728	106,410	1,381,272	4,722,289
Total Liabilities	37,688,654	24,440,784	16,896,999	79,026,437	7,007,775	3,805,461	(6,870,135)	82,969,538
Equity and minority interests	1,134,824	1,305,346	672,715	3,112,885	86,033	121,074	1,595,244	4,915,236
Total Liabilities, Equity and minority interests	38,823,478	25,746,130	17,569,714	82,139,322	7,093,808	3,926,535	(5,274,891)	87,884,774

At 31 March 2009, the net contribution of the major geografic segments is analysed as follows:

	Portugal										
	Retail Banking	Corporate and Companies	Investment Banking	Private Banking and Asset Managment	Other	Total	Poland	Greece	Mozambique	Other	Consolidated
Income statement											
Interest income	465,388	282,326	33,179	42,339	(7,106)	816,126	137,887	84,366	29,505	34,205	1,102,089
Interest expense	(261,168)	(182,641)	(24,500)	(24,341)	(30,454)	(523,104)	(111,989)	(58,704)	(7,085)	(27,398)	(728,280)
Net interest income	204,220	99,685	8,679	17,998	(37,560)	293,022	25,898	25,662	22,420	6,807	373,809
Commissions and other income	106,009	33,200	16,133	15,407	8,217	178,966	35,821	11,904	13,390	4,695	244,776
Commissions and other costs	(5,102)	(1,452)	3,476	(4,561)	(34,685)	(42,324)	(8,396)	(3,734)	(5,861)	(1,392)	(61,707)
Net commissions and other income	100,907	31,748	19,609	10,846	(26,468)	136,642	27,425	8,170	7,529	3,303	183,069
Net gains arising from trading activity	(6)	-	6,831	(2,787)	93,268	97,306	31,326	2,756	4,190	14,196	149,774
Staff costs and administrative costs	185,629	24,320	11,019	13,317	22,116	256,401	51,211	27,436	13,772	25,713	374,533
Depreciations	376	47	45	84	14,928	15,480	4,258	2,377	1,527	2,542	26,184
Operating costs	186,005	24,367	11,064	13,401	37,044	271,881	55,469	29,813	15,299	28,255	400,717
Impairment and provisions	(53,211)	(80,306)	(40)	(17,517)	(2,754)	(153,828)	(28,299)	(7,954)	(112)	(6,736)	(196,929)
Share of profit of associates under the equity method	-	-	(984)	-	12,483	11,499	-	-	-	-	11,499
Net gain from the sale of other assets	-	-	-	-	21,366	21,366	-	-	-	-	21,366
Profit before income tax	65,905	26,760	23,031	(4,861)	23,291	134,126	881	(1,179)	18,728	(10,685)	141,871
Income tax	(17,432)	(7,091)	(6,353)	3,064	(755)	(28,567)	119	275	(3,298)	2,605	(28,866)
Minority interests	-	-	-	-	(846)	(846)	(344)	-	(5,138)	-	(6,328)
Profit after income tax	48,473	19,669	16,678	(1,797)	21,690	104,713	656	(904)	10,292	(8,080)	106,677
Balance sheet											
Cash and Loans and advances to credit institutions	5,902,916	6,142,317	3,856,400	610,116	(15,203,288)	1,308,461	563,728	1,135,564	222,414	381,850	3,612,017
Loans and advances to customers	35,052,468	23,217,761	1,122,156	3,671,023	(1,454,386)	61,609,022	7,733,806	4,823,649	464,974	1,308,530	75,939,981
Financial assets	1,426	-	2,614,884	20,989	1,706,616	4,343,915	1,704,296	381,408	231,581	278,745	6,939,945
Other assets	743,757	85,841	590,562	38,920	4,565,858	6,024,938	266,660	128,815	68,889	103,572	6,592,874
Total Assets	41,700,567	29,445,919	8,184,002	4,341,048	(10,385,200)	73,286,336	10,268,490	6,469,436	987,858	2,072,697	93,084,817
Deposits from other credit institutions	8,681,800	8,009,507	4,292,905	1,153,554	(16,874,566)	5,263,200	1,690,208	1,951,402	51,079	563,242	9,519,131
Deposits from customers	18,625,843	7,837,726	10	2,289,172	2,614,006	31,366,757	6,943,680	3,080,645	747,234	1,288,962	43,427,278
Debt securities issued	7,971,991	7,370,528	2,302,382	418,986	23	18,063,910	201,459	839,941	-	-	19,105,310
Other financial liabilities held for trading at fair value through profit or loss	4,194,414	3,877,958	953,178	230,314	208,387	9,464,251	618,276	33,834	-	29,811	10,146,172
Other liabilities	908,219	844,744	497,147	95,665	1,525,143	3,870,918	440,824	313,380	123,392	90,915	4,839,429
Total Liabilities	40,382,267	27,940,463	8,045,622	4,187,691	(12,527,007)	68,029,036	9,894,447	6,219,202	921,705	1,972,930	87,037,320
Equity and minority inter	1,318,300	1,505,456	138,380	153,357	2,141,807	5,257,300	374,043	250,234	66,153	99,767	6,047,497
Total Liabilities, Equity and minority interests	41,700,567	29,445,919	8,184,002	4,341,048	(10,385,200)	73,286,336	10,268,490	6,469,436	987,858	2,072,697	93,084,817

At 31 March 2008, the net contribution of the major geografic segments is analysed as follows:

	Portugal										
	Retail Banking	**Corporate and Companies**	**Investment Banking**	**Private Banking and Asset Managment**	**Other**	**Total**	**Poland**	**Greece**	**Mozambique**	**Other**	**Consolidated**
Income statement											
Interest income	556,529	338,148	28,779	49,683	(22,850)	950,289	147,257	83,963	22,101	28,846	1,232,456
Interest expense	(313,829)	(254,092)	(26,814)	(35,652)	(21,727)	(652,114)	(89,296)	(52,908)	(5,682)	(20,235)	(820,235)
Net interest income	242,700	84,056	1,965	14,031	(44,577)	298,175	57,961	31,055	16,419	8,611	412,221
Commissions and other income	101,661	34,496	13,679	24,368	14,647	188,851	46,570	12,193	13,834	5,153	266,601
Commissions and other costs	(5,873)	(1,754)	5,906	(9,804)	(31,308)	(42,833)	(7,627)	(4,407)	(5,963)	(952)	(61,782)
Net commissions and other income	95,788	32,742	19,585	14,564	(16,661)	146,018	38,943	7,786	7,871	4,201	204,819
Net gains arising from trading activity	(34)	-	7,108	148	(150,012)	(142,790)	22,281	52	3,119	2,480	(114,858)
Staff costs and administrative costs	180,803	27,082	13,498	13,857	(5,579)	229,661	72,419	26,253	10,595	20,226	359,154
Depreciations	359	46	49	82	16,487	17,023	3,527	2,244	1,205	2,360	26,359
Operating costs	181,162	27,128	13,547	13,939	10,908	246,684	75,946	28,497	11,800	22,586	385,513
Impairment and provisions	(41,864)	(13,041)	2,654	(6,947)	(2,246)	(61,444)	(3,253)	(5,693)	(579)	(1,682)	(72,651)
Share of profit of associates under the equity method	-	-	(278)	-	14,543	14,265	-	-	-	-	14,265
Net gain from the sale of other assets	-	-	-	-	899	899	-	-	-	-	899
Profit before income tax	115,428	76,629	17,487	7,857	(208,962)	8,439	39,986	4,703	15,030	(8,976)	59,182
Income tax	(30,609)	(20,307)	(4,599)	(948)	39,143	(17,320)	(8,037)	(1,506)	(2,454)	1,536	(27,781)
Minority interests	-	-	-	-	(1,485)	(1,485)	(11,019)	-	-	(4,188)	(16,692)
Profit after income tax	84,819	56,322	12,888	6,909	(171,304)	(10,366)	20,930	3,197	12,576	(11,628)	14,709
Balance sheet											
Cash and Loans and advances to credit institutions	3,625,614	3,551,412	3,125,430	469,752	(6,676,573)	4,095,635	1,224,889	1,258,217	229,243	198,857	7,006,841
Loans and advances to customers	34,098,625	19,416,238	942,790	3,412,485	(2,425,280)	55,444,858	6,812,427	4,243,908	327,912	1,056,069	67,885,174
Financial assets	25,880	2,682,125	2,685,148	12,916	207,097	5,613,166	1,294,548	29,523	170,817	177,720	7,285,774
Other assets	1,073,359	96,355	340,440	31,382	3,619,865	5,161,401	253,138	130,510	64,132	97,804	5,706,985
Total Assets	38,823,478	25,746,130	7,093,808	3,926,535	(5,274,891)	70,315,060	9,585,002	5,662,158	792,104	1,530,450	87,884,774
Deposits from other credit institutions	5,037,736	4,367,087	3,803,823	1,098,612	(8,293,742)	6,013,516	1,734,552	2,292,839	41,479	241,801	10,324,187
Deposits from customers	18,005,821	5,734,677	10	1,793,666	2,623,942	28,158,116	6,491,789	2,535,543	602,138	1,129,766	38,917,352
Debt securities issued	12,093,114	12,003,869	2,666,617	712,405	(2,685,723)	24,790,282	251,424	364,772	-	-	25,406,478
Other financial liabilities held for trading at fair value through profit or loss	1,410,531	1,400,121	254,597	94,368	104,116	3,263,733	303,745	19,039	-	12,715	3,599,232
Other liabilities	1,141,452	935,030	282,728	106,410	1,381,272	3,846,892	448,456	238,299	103,205	85,437	4,722,289
Total Liabilities	37,688,654	24,440,784	7,007,775	3,805,461	(6,870,135)	66,072,539	9,229,966	5,450,492	746,822	1,469,719	82,969,538
Equity and minority inter	1,134,824	1,305,346	86,033	121,074	1,595,244	4,242,521	355,036	211,666	45,282	60,731	4,915,236
Total Liabilities, Equity and minority interests	38,823,478	25,746,130	7,093,808	3,926,535	(5,274,891)	70,315,060	9,585,002	5,662,158	792,104	1,530,450	87,884,774

Reconciliation of net income of reportable segments with the net result of the Group

Description of the relevant items of reconciliation:

	Mar 2009 Euros '000	Mar 2008 Euros '000
Net income of reportable segments:		
Retail Banking	48,474	84,820
Private Banking e Asset Management	(1,797)	6,911
Corporate and Companies	19,669	56,322
Investment Banking	16,679	12,888
Foreign Business	7,446	40,283
	90,471	201,224
Impact on the Net interest income of the allocation of capital (1)	3,569	15,886
	86,902	185,338
Amounts not allocated to segments		
Minority interests	(6,328)	(16,692)
Operating expenses (2)	(37,046)	(28,909)
Specific items :		
BPI impairment	-	(151,292)
Cancellation of the variable remuneration accrued in 2007	-	18,000
Gains established in Banco Millennium Angola (3)	21,183	-
Accounting for hedging interest rate risk (4)	45,178	
Others (5)	(3,212)	8,264
Total not allocated to segments	19,775	(170,629)
Consolidated net income	106,677	14,709

1) Represents the impact on Net interest income due to allocation of capital. The balance sheet items of each subsidiary and each business unit are recalculated taking into account the replacement of capital accounts by the amounts allocated through the allocation within the regulatory criteria for creditworthiness.

(2) Includes operating costs not allocated to business segments, including those related to the areas with corporate and strategic projects.

(3) Registration of the value found with the spread of new shareholders of the share capital of Banco Millennium Angola.

(4) Results from financial operations associated with the economic strategy of hedging interest rate risk associated with a fixed rate liabilities, which was made through a "swap" interest rate. As a result of the volatility seen in markets, tests for evaluating the effectiveness of hedge accounting in accordance with required by IAS 39, showed that the coverage was broken, the Bank decided to interrupt the relationship of coverage prospectively.

(5) Includes funding for non-generating interest and the financial strategies and the tax effect associated with the above operations.

47. BCP Group list of companies

As at 31 March 2009, the Banco Comercial Português Group's subsidiary companies included in the consolidated accounts using the purchase method according, were as follows:

Subsidiary companies	Head office	Share capital	Currency	Activity	Group % control	Group % held	Bank % held
Millennium bcp - Gestão de Fundos de Investimento, S.A.	Lisbon	6,720,691	EUR	Investment fund management	100.0	100.0	100.0
Interfundos Gestão de Fundos de Investimento Imobiliários, S.A.	Lisbon	1,500,000	EUR	Investment fund management	100.0	100.0	100.0
BII Investimentos International, S.A.	Luxembourg	150,000	EUR	Investment fund management	100.0	100.0	–
Banco Millennium BCP Investimento, S.A.	Lisbon	75,000,000	EUR	Banking	100.0	100.0	100.0
BCP Capital - Sociedade de Capital de Risco, S.A.	Lisbon	28,500,000	EUR	Venture capital	100.0	100.0	–
Banco de Investimento Imobiliário, S.A.	Lisbon	157,000,000	EUR	Banking	100.0	100.0	100.0
BII Internacional, S.G.P.S., Lda.	Funchal	25,000	EUR	Holding company	100.0	100.0	–
BII Finance Company Limited	George Town	25,000	USD	Investment	100.0	100.0	–
Banco ActivoBank (Portugal), S.A.	Lisbon	23,500,000	EUR	Banking	100.0	100.0	–
BIM - Banco Internacional de Moçambique, S.A.	Maputo	741,000,000	MZN	Banking	66.7	66.7	–
Banco Millennium Angola, S.A.	Luanda	3,809,398,820	AOA	Banking	52.7	52.7	52.7
Bank Millennium, S.A.	Warsow	849,181,744	PLN	Banking	65.5	65.5	65.5
Millennium TFI S.A.	Warsow	10,300,000	PLN	Investment fund management	100.0	65.5	–
Millennium Dom Maklerski S.A.	Warsow	16,500,000	PLN	Broker	100.0	65.5	–
Millennium Leasing Sp. z o.o.	Warsow	43,400,000	PLN	Leasing	100.0	65.5	–
Millennium Lease Sp.z o.o.	Warsow	86,318,000	PLN	Leasing	100.0	65.5	–
BBG Finance BV	Rotterdam	18,000	EUR	Investment	100.0	65.5	–
TBM Sp.z o.o.	Warsow	500,000	PLN	Advisory and services	100.0	65.5	–
MB Finance AB	Stockholm	500,000	SEK	Investment	100.0	65.5	–
Millennium Service Sp. z o.o	Warsow	1,000,000	PLN	Services	100.0	65.5	–
Banque Privée BCP (Suisse) S.A.	Geneve	70,000,000	CHF	Banking	100.0	100.0	–
Millennium BCPBank	Newark	2,500,000	USD	Banking	100.0	100.0	–
Millennium Bank, Societé Anonyme	Athens	184,905,000	EUR	Banking	100.0	100.0	–

Subsidiary companies	Head office	Share capital	Currency	Activity	Group % control	Group % held	Bank % held
Millennium Bank, Anonim Sirketi	Istanbul	202,535,316	TRY	Banking	100.0	100.0	–
Millennium Fin, Vehicles, Vessels, Appliances and Equipment Trading, Societé Anonyme	Athens	249,980	EUR	Investment	100.0	100.0	–
Millennium Mutual Funds Management Company, Societe Anonyme	Athens	1,176,000	EUR	Investment fund management	100.0	100.0	–
Banca Millennium S.A.	Bucarest	370,460,000	RON	Banking	100.0	100.0	–
BCP Internacional II, S.G.P.S., Sociedade Unipessoal, Lda.	Funchal	25,000	EUR	Holding company	100.0	100.0	100.0
BitalPart, B.V.	Rotherdam	19,370	EUR	Holding company	100.0	100.0	100.0
BCP Investments, B.V.	Amsterdam	620,774,050	EUR	Holding company	100.0	100.0	100.0
Comercial Português Ireland Limited	Dublin	10,000	EUR	Financial Services	100.0	100.0	100.0
BCP Holdings (USA), Inc.	Newark	250	USD	Holding company	100.0	100.0	–
Seguros & Pensões Gere, S.G.P.S., S.A.	Lisbon	380,765,000	EUR	Holding company	100.0	100.0	89.0
Anjala Holdings , S.A.	Tortola	54,402,000	USD	Holding company	100.0	99.9	–
Luanda Waterfront Corporation	George Town	5,000	USD	Services	50.0	50.0	–
Baía de Luanda	Luanda	19,200,000	USD	Services	64.5	64.5	–
BCP Bank & Trust Company Ltd.	George Town	340,000,000	USD	Banking	100.0	100.0	–
BCP Capital Finance Limited	George Town	16,000,000	USD	Investment	100.0	100.0	100.0
BCP Finance Bank Ltd	George Town	246,000,000	USD	Banking	100.0	100.0	–
BCP Finance Company, Ltd	George Town	1,372,055,800	USD	Investment	100.0	3.0	–
Millennium bcp - Escritório de Representações e Serviços, S/C Ltda.	Sao Paulo	21,800,251	BRL	Financial Services	100.0	100.0	100.0
Millennium bcp - Serviços de Comércio Electrónico, S.A.	Lisbon	240,000	EUR	Videotex services	100.0	100.0	100.0
Caracas Financial Services, Limited	George Town	25,000	USD	Financial Services	100.0	100.0	100.0
Banpor Consulting S.R.L.	Bucarest	1,750,000	RON	Services	100.0	100.0	100.0
Comercial Imobiliária, S.A.	Lisbon	50,000	EUR	Real-estate management	99.9	99.9	99.9
Paço de Palmeira - Sociedade Agrícola e Comercıal, Lda	Braga	39,905	EUR	Agriculture industry	100.0	100.0	100.0
Millennium bcp - Prestação de Serviços, A. C. E.	Lisbon	330,250	EUR	Services	93.0	93.6	51.5
Servitrust - Trust Management and Services, S.A.	Funchal	100,000	EUR	Trust services	100.0	100.0	100.0

As at 31 March 2009, the associated companies , were as follows:

Associated companies	Head office	Share capital	Currency	Activity	Group % control	Group % held	Bank % held
Banque BCP, S.A.S.	Paris	65,000,000	EUR	Banking	19.9	19.9	19.9
Banque BCP (Luxembourg), S.A.	Luxembourg	12,500,000	EUR	Banking	19.9	19.9	–
SIBS - Sociedade Interbancária de Serviços, S.A.	Lisbon	24,642,300	EUR	Banking services	21.9	21.9	21.5
Unicre - Cartão de Crédito Internacional, S.A.	Lisbon	10,000,000	EUR	Credit cards	30.3	30.3	30.0
VSC - Aluguer de Veículos Sem Condutor, Lda.	Lisbon	12,500,000	EUR	Long term rental	50.0	50.0	–

As at 31 March 2009, the Banco Comercial Português Group's subsidiary and associated insurance companies included in the consolidated accounts under the purchase method and equity method were as follows:

Subsidiary companies	Head office	Share capital	Currency	Activity	Group % control	Group % held	Bank % held
Millennium Insurance Agent Unipersonal Limited Liability Company	Athens	18,000	EUR	Insurace broker	100.0	100.0	–
Seguros & Pensões RE Limited	Dublin	1,500,000	EUR	Life reinsurance	100.0	100.0	–
SIM - Seguradora Internacional de Moçambique, S.A.R.L.	Maputo	147,500,000	MZN	Insurance	89.9	60.0	–

Associated companies	Head office	Share capital	Currency	Activity	Group % control	Group % held	Bank % held
Millenniumbcp Fortis Grupo Segurador, S.G.P.S., S.A.	Lisbon	1,000,002,375	EUR	Holding company	49.0	49.0	–
Companhia Portuguesa de Seguros de Saúde, S.A.	Lisbon	12,000,000	EUR	Health insurance	49.0	49.0	–
Ocidental - Companhia Portuguesa de Seguros de Vida, S.A.	Lisbon	22,375,000	EUR	Life insurance	49.0	49.0	–
Ocidental - Companhia Portuguesa de Seguros, S.A.	Lisbon	12,500,000	EUR	Non-life insurance	49.0	49.0	–
Pensõesgere, Sociedade Gestora Fundos de Pensões, S.A.	Lisbon	1,200,000	EUR	Pension fund management	49.0	49.0	–