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

3RD 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	30 Sep. 09	30 Sep. 08	Change 09 / 08
Balance sheet			
Total assets	93,912	93,152	0.8%
Loans to customers - gross (1)	74,215	72,728	2.0%
Loans to customers (net) (1)	72,190	71,318	1.2%
Total customer funds (2)	66,640	66,897	-0.4%
Balance sheet customer funds	50,980	50,971	0.0%
Customer deposits	45,400	44,160	2.8%
Results			
Net interest income	998.2	1,276.7	-21.8%
Net operating revenues (3)	1,898.9	1,849.8	2.7%
Operating costs (4)	1,172.4	1,246.5	-5.9%
Loan impairment charges (net of recoveries)	409.5	340.6	20.2%
Income taxes	51.3	56.3	-8.8%
Minority interests	12.2	50.9	-76.1%
Net income	178.1	142.1	25.3%
Profitability			
Net operating revenues / Average net assets (5)	2.7%	2.7%	
Return on average assets (ROA)	0.2%	0.2%	
Income before taxes and minority interests / Average net assets (5)	0.3%	0.4%	
Return on average equity (ROE)	4.9%	4.4%	
Income before taxes and minority interests / Average equity (5)	6.7%	7.8%	
Credit Quality			
Overdue loans according to Bank of Portugal / Total loans (1) (5)	3.1%	1.2%	
Overdue loans according to Bank of Portugal, net/ Total loans, net(1)(5)	0.3%	-0.7%	
Impairment for loan losses / Overdue loans by more than 90 days (1)	118.7%	236.2%	
Impairment for loan losses / Overdue loans (1)	98.2%	171.2%	
Efficiency ratios			
Operating costs / Net operating revenues (5) (6)	64.4%	60.3%	
Operating costs / Net operating revenues (Portugal) (5) (6)	60.2%	57.2%	
Staff costs / Net operating revenues (5) (6)	36.6%	33.8%	
Capital			
Total regulatory capital	7,461	7,507	
Risk weighted assets	66,787	66,976	
Tier I solvency ratio (5)	8.9%	7.8%	
Total solvency ratio (5)	11.2%	11.2%	
Branches			
Portugal activity	916	920	-0.4%
Foreign activity	883	824	7.2%
Employees			
Portugal activity	10,462	10,735	-2.5%
Foreign activity	11,389	11,801	-3.5%

(1) Excludes loans represented by securities.
(2) Amounts due to customers (including securities), assets under management and capitalisation insurance.
(3) Net interest income, dividends from equity instruments, 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) According to rule 16/2004 from the Bank of Portugal.
(6) Excludes the impact of specific items.

RESULTS

Millennium bcp's consolidated net income reached Euro 178.1 million in the first nine months of 2009, up from Euro 142.1 million in the same period of 2008. Consolidated net income, in the first nine months of 2009, includes the gain booked from the entry of new shareholders in Bank Millennium Angola's share capital, amounting to Euro 21.2 million, accounted in the first quarter of 2009, the gain related with the sale of assets, in the amount of Euro 57.2 million, booked in the third quarter of 2009, and the negative impact of Euro 98.3 million, of which Euro 84.4 million, accounted in the third quarter, associated with the improvement of the Millennium bcp's own credit risk, as a result of the valuation of the instruments recorded at fair value option. Consolidated net income, in the first nine months of 2008, includes the impact, net of taxes, related to impairment losses determined by the devaluation of Bank BPI shares, in the amount of Euro 214.2 million, partially offset by the reduction of the variable remuneration already accrued in 2007, in the amount of Euro 13.2 million.

Excluding these impacts, net income in the first nine months of 2009, was mostly influenced by the lower net interest income, and by the reinforcement of loan impairment charges (net of recoveries), as a result of the coverage of impairment indicators in the loan portfolio, as well as by other provisions. Nevertheless, the consolidated net income was positively influenced by lower operating costs, with savings in most items, in particular the reduction in other administrative costs (-9.9%), driven by the impact of the initiatives implemented aimed at streamlining the organisation and optimising processes in several geographies, especially in Portugal and Poland.

Net income from activity in Portugal stood at Euro 189.8 million in the first nine months of 2009, up from Euro 48.4 million in the same period of 2008. This performance benefited from the growth in net operating revenues, influenced by the rise in net trading income – which included in the first nine months of 2008 the impairment losses determined by the devaluation of Banco BPI shares, which has since been sold, and in the third quarter the negative impact related to the improvement of Millennium bcp's own credit risk, previously mentioned - as well as by the savings achieved in the operating costs, in particular other administrative costs (-13.4%).

Net income from international activity was conditioned, on one hand, by the drop in net operating revenues, in particular in the activity in Poland, and, on the other hand, by the reinforcement of loan impairment charges (net of recoveries) in most international operations, reflecting the increase in the volume of loans to customers and the coverage of impairment indicators, particularly in Bank Millennium, S.A.. Net income from international activity was favourably influenced by the reduction in operating costs, in particular staff costs and other administrative costs, highlighting the activity in Poland, and by the positive evolution of the activity in the operations in Angola and Mozambique.

Net interest income totalled Euro 998.2 million in the first nine months of 2009, compared with Euro 1,276.7 million in the same period of 2008, and showed a favourable performance in the third quarter of 2009 over the previous quarter. The evolution in net interest income was mostly determined by the unfavourable interest rate effect – following the continuous drop in the market reference interest rates, particularly since the end of 2008 - partially offset by the favourable volume effect, driven by the rise in customer deposits and in loans to customers. Net interest margin stood at 1.57% as at 30 September 2009, compared with 2.04% as at 30 September 2008, reflecting, on one hand, a higher reduction in average interest earning asset rates than in average interest bearing liabilities rates, and, on the other hand, the increase in spread from medium- and long-term wholesale funding, compared with the same period of 2008. The performance in net interest income in the activity in Portugal was influenced by a more narrow net interest margin, as a result of narrow spreads in customer deposits, partially offset by the repricing of loans to customers, reflecting the adjustment of the implicit cost of risk in loans granted, which will continue in the Corporate and Companies networks and which has been extended to the Retail network. In the international activity, in particular in the operation in Poland, the evolution in net interest income was determined by the unfavourable interest rate effect, driven by more narrow spreads in term deposits, influenced by the strong competition for the capture of customer funds, notwithstanding the fast repricing carried out as a result of the drop in market interest rates. Net interest income in the international activity was also influenced by the favourable volume effect, benefiting from the increase in business volumes in most operations, in customer deposits, in particular in the subsidiary in Greece, and in loans to customers.

AVERAGE BALANCES

	30 Sep. 09		30 Sep. 08	
Euro million	**Balance**	**Yield %**	**Balance**	**Yield %**
Deposits in banks	3,856	2.11	8,079	4.46
Financial assets	4,705	5.03	5,969	6.10
Loans and advances to customers	75,374	4.26	68,161	6.32
Interest earning assets	83,935	4.45	82,209	6.23
Non interest earning assets	10,226		9,353	
	94,161		91,562	
Amounts owed to credit institutions	8,402	2.87	10,091	6.10
Amounts owed to customers	44,249	2.67	41,198	3.02
Debt securities	30,312	2.78	29,251	4.53
Subordinated debt	2,606	4.05	2,960	5.91
Interest bearing liabilities	85,569	2.83	83,500	4.13
Non interest bearing liabilities	2,220		2,482	
Shareholders' equity and minority interests	6,372		5,580	
	94,161		91,562	
Net interest margin (1)		1.57		2.04

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

Net commissions totalled Euro 533.8 million in the first nine months of 2009, compared with Euro 553.0 million in the same period of 2008 (-3.5%). The net commissions performance was mostly hindered by the reduction in asset management and securities operations commissions (-34.6%), and credit operations commissions (-3.4%), partly offset by the growth in card commissions (+0.1%) and other commissions (+20.5%), which reflects the repricing impact, in particular at the level of integrated services presented and in account maintenance. The evolution in net commissions was influenced by the decrease in the international activity (-13.4%), which however increased in the third quarter of 2009 over the previous quarter (+20.1%). In the international activity, net commissions were determined by commissions from asset management and securities operations, in particular in the operation in Poland, partially offset by the increases in net commissions achieved by the international activities in Mozambique and Angola. In the activity in Portugal, net commissions showed a favourable evolution (+0.4%, from the same period of 2008), despite the drop in commissions from asset management and securities operations, benefiting from increases in card commissions, loan commissions and other commissions.

Net trading income, which includes net gains arising from trading and hedging activities and net gains arising from available for sale financial assets, amounted to Euro 188.2 million in the first nine months of 2009, a favourable evolution from a loss of Euro 109.3 million in the same period of 2008, despite the negative effect in the amount of Euro 98.3 million, of which Euro 84.4 million, accounted in the third quarter of 2009, related to the improvement of the Millennium bcp's own credit risk, as a result of the valuation of the instruments recorded at fair value option. In the first nine months of 2008, net trading income included the impact of the accounting of impairment losses, in the amount of Euro 247.0 million, related to the shareholding in Bank BPI, which has since been sold. Excluding this impact, net trading income grew by 36,6%, boosted by the favourable performance in the activity in Portugal. The positive evolution in net trading income was influenced by the favourable impact of the gradual reduction in interest rates in recent months, reflected in results from hedging instruments and derivatives.

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 126.6 million in the first nine months of 2009, when compared to Euro 64.4 million accounted in the same period of 2008. Other net operating income includes, in the first nine months of 2009, the amount of Euro 21.2 million related to the gain booked from the dispersal of 49.9% of Bank Millennium Angola's share capital and the amount of Euro 57.2 million, related to the gains from the sale of assets. Excluding these impacts, other net operating income showed a reduction, mostly due to the decrease in income – a consequence of the change in the accounting of bancassurance fees, which started to be registered under commissions in the second quarter of 2008 – and the increase in costs in the international activity, which was partially offset by lower costs in the activity in Portugal.

Dividends from equity instruments, which include dividends received on investments in the available for sale portfolio, totalled Euro 4.3 million in the first nine months of 2009, compared to Euro 29.1 million in the same period of 2008, of which Euro 26.7 million were dividends received from the shareholdings in Banco BPI, which has since been sold, and Eureko.

Equity accounted earnings totalled Euro 47.8 million in the first nine months of 2009, up by 33.4% from Euro 35.8 million in the same period of 2008. Equity accounted earnings essentially include the appropriation of earnings from the insurance business, in particular from the 49% shareholding in Millenniumbcp Fortis.

OTHER NET INCOME

Euro million	Sep. 09	Sep. 08	Change 09/08
Net commissions			
Cards	139.3	139.1	0.1%
Asset management and securities	93.5	142.9	-34.6%
Credit operations	103.0	106.6	-3.4%
Other	198.0	164.4	20.5%
	533.8	553.0	-3.5%
Net trading income (1)	188.2	(109.3)	
Other net operating income (2)	126.6	64.4	96.6%
Dividends from equity instruments	4.3	29.1	-85.1%
Equity accounted earnings	47.8	35.8	33.4%
Total other net income	900.7	573.0	57.2%
Other income / Net operating revenues (3)	47.4%	31.0%	

(1) Includes in the first nine months of 2008 the impairment losses related to the shareholding in Banco BPI in the amount of Euro 247.0 million.
(2) Includes in the first nine months of 2009 the gain booked related to the dispersal of 49.9% of Bank Millennium Angola' share capital, amounting to Euro 21.2 million, and the gain associated with the sale of assets, in the amount of Euro 57.2 million.
(3) Calculated according to rule 16/2004 from the Bank of Portugal.

Operating costs, which include staff costs, other administrative costs and depreciation, reduced by 5.9% to Euro 1,172.4 million (Euro 1,246.5 million in the first nine months of 2008), as a result of the savings achieved in most line items, in particular in the others administrative costs and staff costs. Operating costs include, in the first nine months of 2008, the Euro 18.0 million reduction in variable remuneration accrued in 2007. Excluding this impact, operating costs dropped 7.3%. The operating costs reduction benefited from the positive performances reached in both the activity in Portugal and the international activity. In the activity in Portugal, operating costs decreased by 2.4% from the first nine months of 2008, reflecting lower administrative costs and depreciation, despite the increase in staff costs, driven by the growth in pension costs. Excluding the impact of the reduction in 2008 in variable remuneration accrued in 2007 and the effect of the increase in pension costs, in the amount of Euro 34.7 million in the first nine months of 2009, staff costs reduced from the same period of 2008 and operating costs in the activity in Portugal were down by 8.9%. In the international activity, operating costs dropped 12.0%, determined by the reductions in staff costs and other administrative costs, essentially influenced by the activity in Poland, which reflects the impact of the foreign exchange devaluation of the Polish zloty and, above all, the efforts to streamline the organisational structure and processes implemented in this operations.

The consolidated cost to income ratio, on a comparable basis, stood at 64.4%, in the first nine months of 2009, and at 60.2% in the activity in Portugal, which compares with 60.3% and 57.2%, respectively, in the homologous period.

Staff costs reduced by 3.4% to Euro 667.1 million in the first nine months of 2009 (Euro 690.6 million in the same period of 2008). Staff costs include, in the first nine months of 2008, the Euro 18.0 million reduction in variable remuneration previously mentioned. Excluding this impact, staff costs decreased by 5.9%. The evolution of staff costs reflects mainly the lower costs in the international activity, which decreased by 20.0% from the same period of 2008, mostly influenced by the operation in Poland, reflecting the staff-resizing and the productivity gains and improved efficiency achieved, and also, to a lesser extent, by the operations in Greece and United States. In the activity in Portugal, staff costs showed an increase of 5.2%, compared with the first nine months of 2008. Excluding the impacts of the aforementioned reduction in the variable remuneration in 2008 and the increase in pension costs in 2009, in the amount of Euro 34.7 million, staff costs in the activity in Portugal dropped by 6.2%, mostly influenced by lower variable remuneration.

Other administrative costs fell 9.9%, to Euro 426.7 million in the first nine months of 2009 (Euro 473.4 million in the same period of 2008). The reduction in other administrative costs benefited from the savings in most items, in particular advertising, specialised services, consumables, maintenance and travel. This evolution reflects the impact from a continuous effort to reduce costs, in particular through the initiatives carried out focused on simplifying and streamlining operational models at several operations of the Group, resulting in the decrease in other administrative costs in both the activity in Portugal and the international activity. In the activity in Portugal, other administrative costs dropped 13.4%, compared with the same period of 2008, as a result of the savings achieved in most items, in particular specialised services. In the international activity, other administrative costs were down 4.7%, driven by lower costs for advertising and maintenance, which more than offset the rise in specialised services and in costs from rents. In the international activity, administrative costs were driven by the activity in Poland, favourably influenced by the review of the expansion plan and consequent adjustment of the cost structure to activity levels, and by the currency effects of the Polish zloty against the euro, which more than offset the growth in the international operations in Angola, Mozambique, Greece and Romania, related to the strategy of organic growth carried out in some of these international operations, materialised in the expansion of the distribution network.

Depreciation costs stood at Euro 78.6 million in the first nine months of 2009, a reduction of 4.7% from Euro 82.5 million in the same period of 2008. The lower level of depreciation costs benefited from the activity in Portugal, which more than offset the increase in depreciation costs in the international activity. In the activity in Portugal, the drop in depreciation costs (-9.4%) was supported by lower depreciation of buildings, reflecting the gradual end of the period of depreciation of investments as well as the sale of assets.

OPERATING COSTS

Euro million	Sep. 09	Sep. 08	Change 09/08
Staff costs [(1)]	667.1	690.6	-3.4%
Other administrative costs	426.7	473.4	-9.9%
Depreciation	78.6	82.5	-4.7%
	1,172.4	1,246.5	-5.9%
Of which:			
Portugal activity	769.1	788.0	-2.4%
Foreign activity	403.3	458.5	-12.0%
Operating costs / Net operating revenues [(2) (3)]	60.2%	57.2%	

(1) Includes in the first nine months 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) amounted to Euro 409.4 million in the first nine months of 2009, compared with Euro 340.6 million in the same period of 2008. This evolution reflects, on one hand, the higher level of impairment charges in the period, aimed at reinforcing the coverage of impairment indicators in the loan portfolio and, on the other hand, the lower amount of loan recoveries compared with the same period in 2008. The performance of impairment for loan losses (net of recoveries) was mainly determined by the increases in impairment charges in the international operations, in particular in the activity in Poland, partially offset by the decrease in impairment charges in the activity in Portugal (-14.7%). The cost of risk, measured by the ratio of impairment charges (net of recoveries) in the loan portfolio, excluding loans represented by securities, stood at 74 b.p. in the first nine months of 2009, compared with 62 b.p. in the same period of 2008.

Other provisions, which comprise other asset impairment and other provisions, amounted to Euro 75.4 million in the first nine months of 2009, an amount that includes the impact of the provisions for assets received as payment in kind, which, subsequent to a regular process of revaluation, posted reductions from market valuations, and also includes the provisions charged for several contingencies.

BALANCE SHEET

Total assets reached Euro 93,912 million as at 30 September 2009, compared to Euro 93,152 million booked on the same date in 2008.

Loans to customers, excluding loans represented by securities, totalled Euro 74,215 million as at 30 September 2009, showing an increase of 2.0% from Euro 72,728 million booked on the same date in 2008, determined by the growth of 4.0% in loans to individuals, particularly in mortgage loans, which rose 4.4%, and also by the growth of 0.5% in loans to companies.

Until 31 December 2008, and in accordance with 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 adoption of this new requirement had an impact of Euro 241.1 million in the amount of overdue loans accounted in the Balance sheet. Excluding the impact of this change in overdue loans, loans to customers increased 1.7% from 30 September 2008.

The growth in loans to customers was determined by the performances achieved in the activity in Portugal and in the foreign activity, which showed increases of 2.1% and 1.8%, respectively. In the activity in Portugal, the activity benefited from the increase in loans to individuals (+4.1%), favourably influenced by the mortgage loan performance (+4.2%), and from the moderate increase in loans to companies (+0.7%). In the foreign activity, the positive evolution of loans to customers was supported by loans to individuals (+3.7%), boosted by mortgage loans (+4.8%), in particular by the operations in Poland, Greece and Romania, despite the decrease in loans to companies, mostly influenced by the impact of unfavourable currency effects of the Polish zloty against the euro, despite the favourable performance in loans to companies, in local currency, in the Polish operation, and the growths achieved by the associated companies in Greece, Angola, Mozambique and Romania.

The structure of the loan portfolio remained stable and well balanced, between 30 September 2008 and 30 September 2009, with loans to companies representing around 55% of total loans, excluding loans represented by securities, which continued to be the main component of loans to customers, while loans to individuals represented around 45% of total loans to customers portfolio.

LOANS TO CUSTOMERS (1)

Euro million	**30 Sep. 09**	**30 Sep. 08**	**Change 09 / 08**
Individuals			
Mortgage loans	29,089	27,872	4.4%
Consumer loans	5,036	4,948	1.8%
	34,125	32,820	4.0%
Companies			
Services	14,341	12,916	11.0%
Commerce	4,973	5,317	-6.5%
Other	20,776	21,675	-4.1%
	40,090	39,908	0.5%
Total	**74,215**	**72,728**	2.0%
Of which:			
Portugal activity	59,140	57,919	2.1%
Foreign activity	15,075	14,809	1.8%

(1) Excludes loans represented by securities.

Credit quality, measured by the non-performing loans indicators, in particular the overdue loans by more than 90 days as a percentage of total loans, excluding loans represented by securities, stood within the range expected given the current economic environment at 2.3%, as at 30 September 2009, reflecting additionally the effect of the change in the accounting of fully provisioned overdue loans that showed some probability of recovery (representing 0.3% of total loans), as previously explained. The coverage ratio of overdue loans by more than 90 days stood at 118.7% as at 30 September 2009.

OVERDUE LOANS BY MORE THAN 90 DAYS AND IMPAIRMENTS AT 30 SEPTEMBER 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	159	165	0.5%	103.4%
Consumer loans	304	290	6.0%	95.5%
	463	455	1.4%	98.2%
Companies				
Services	321	425	2.2%	132.6%
Commerce	290	289	5.8%	99.8%
Other	632	857	3.0%	135.3%
	1,243	1,571	3.1%	126.3%
Total	**1,706**	**2,026**	**2.3%**	**118.7%**

(1) Excludes loans represented by securities.

Total customer funds totalled Euro 66,640 million as at 30 September 2009, compared to Euro 66,897 million in the same date in 2008. Balance sheet customer funds were favourably influenced by the increase of 2.8% in customer deposits, reflecting the customer preference for financial solutions with lower risk, in particular for traditional term deposits, as a result of financial market uncertainty and instability, which restrained the off-balance sheet customer funds (-1.7%), notwithstanding the signs of recovery of confidence showed by the investors from the end of the previous quarter. Nevertheless, this evolution was mainly influenced by lower assets under management, despite the slight increase from the end of the previously quarter, and partially offset by the increase of 10.4% in capitalisation insurance from 30 September 2008. In the activity in Portugal, the 6.3% growth in customer deposits more than offset the drop in off-balance sheet customer funds, determined by assets under management, which led to a rise of 1.2% in total customer funds. The international activity performance was mostly restrained by the activity in Poland, reflecting the negative impact of the exchange rate of Polish zloty against euro. Excluding this effect, the total customer funds showed a favourable evolution, in particular in the operation in Greece, which showed increases of around 14% in both deposits and total customer funds.

Quarterly, total customer funds were up by 1.4%, compared with the amount of total customer funds recorded at the end of the second quarter of 2009, sustained by both balance sheet customer funds (+0.1%) and off-balance sheet customer funds (+5.9%).

TOTAL CUSTOMER FUNDS

Euro million	30 Sep. 09	30 Sep. 08	Change 09 / 08
Balance sheet customer funds			
Deposits	45,400	44,160	2.8%
Debt securities	5,580	6,811	-18.1%
	50,980	50,971	0.0%
Off-balance sheet customer funds			
Assets under management	4,854	6,136	-20.9%
Capitalisation insurance	10,806	9,790	10.4%
	15,660	15,926	-1.7%
Total	**66,640**	**66,897**	-0.4%
Of which:			
Portugal activity	52,104	51,486	1.2%
Foreign activity	14,536	15,411	-5.7%

LIQUIDITY MANAGEMENT

The liquidity management of Millennium bcp, in the first nine months of 2009, remained centred on taking advantage of access to alternative sources of funding, the optimisation of the cost of funding in the wholesale funding market and the reinforcement of the effort to retain and further increase balance sheet customer funds. The growth in customer deposits was particularly important as a funding instrument and also to support the loan granting business, to both individuals and companies, which simultaneously with the operation of capital increase of the Bank and the debt issues performed by the Group in 2008 and in 2009, provide adequate liquidity levels, despite the persistent uncertainty in financial markets.

In the first nine months of 2009, the Bank successfully 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 addition, the Bank successfully placed a 2-year and a 5-year fixed-rate debt issue, without the State guarantee, in April and in June 2009, respectively, in the total amount of Euro 2.0 billion, and a financial instrument "Perpetual Subordinated Debt Securities with Conditioned Coupons", in the total amount of Euro 900 million, under the Bank's "Debt Securities Programme", of which Euro 300 million were issued in June 2009 and Euro 600 million were issued in August 2009. The amount of assets eligible as collateral in refinancing operations with Central Banks reached Euro 10.1 billion.

CAPITAL

The capital ratios of the Group as at 30 September 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 authorisation from the Bank of Portugal, the standard approach for operational risk and the internal models approach for generic market risk.

In the scope of the adoption of advanced approaches (IRB) to calculate capital requirements to credit risk, Millennium bcp have been developing all the necessary efforts in order to quickly accomplish with the requirements set by the Bank of Portugal.

The **consolidated solvency ratio** as at 30 September 2009 stood at 11.2% and the Tier I ratio reached 8.9%, higher than the recommendation from the Bank of Portugal to present a minimum Tier I of 8.0% on this date, mostly as a result of the positive impact, in the third quarter, from the issue of the previously mentioned financial instrument in the amount of Euro 600 million. Core Tier I stood at 6.2%, in line with 30 June 2009.

The evolution of Core Tier I, in the third quarter of 2009, was influenced by the gains obtained from the sale of assets (+9 b.p.) and by the reversal of the losses booked, due to the change in the Bank's own credit risk in financial liabilities calculated at fair value (+13 b.p.). These positive impacts were partially offset by the negative effect related with the deferred transition adjustments to IFRS, associated with the mortality table in 2005 and with the actuarial losses recorded in 2008, as well as by the deduction from the increase of the difference between regulatory balance sheet provisions and loan impairment (total impact of -15 b.p.).

The Tier I ratio, excluding the impacts previously mentioned, was mainly influenced by the net operating income in the quarter, by the accrued dividends from both preference shares and Perpetual Securities previously mentioned, by the increase of the fair value reserves, by the reduction in own shares in the securities portfolio, and by the amortisation of actuarial changes above the corridor.

The performance recorded by the Tier II ratio between June and September 2009, reflects mainly the repurchase of subordinated debt in the amount of Euro 512 million that have contributed, to the amount of the consolidated own funds.

In addition, the evolution of capital ratios was restrained by the increase in risk weighted assets, influenced by the cancellation of the synthetic securitisation operation "Promise Caravela", in July 2009, despite the reduction in risk weighted assets as a result of the decrease in the loans to customers portfolio from 30 June 2009.

SOLVENCY

Euro million	30 Sep. 09	30 Jun.09
Own Funds		
Tier I Capital	5,948	5,283
of which: Preference shares	1,834	1,256
Deductions on shareholdings (1)	(26)	(47)
Tier II Capital	1,626	2,156
Deductions to Total Regulatory Capital	(113)	(101)
Total Regulatory Capital	**7,461**	**7,338**
Risk Weighted Assets	**66,787**	**65,931**
Solvency Ratios		
Core Tier I	6.2%	6.2%
Tier I	8.9%	8.0%
Tier II	2.3%	3.1%
Total	11.2%	11.1%

(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 Retail Banking and Companies, Corporate and Investment Banking and Private Banking and Asset Management.

SEGMENTS DESCRIPTION

The Retail Banking and Companies segment comprise: (i) the Retail Bank, for which the strategic approach is to target "Mass Market" customers, who appreciate a value proposition based on innovation and speed, as well as Prestige and Small business customers, whose specific characteristics, financial assets or income imply a value proposition based on innovation and personalisation, requiring a dedicated Account Manager; and (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. Within the scope of the cross-selling strategy, Retail Banking and Companies also acts as a distribution channel for financial products and services of the Millennium bcp business areas as a whole.

The Corporate and Investment Banking 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 Investment Banking unit specialised in capital markets, providing strategic and financial advisory, specialised financial services – Project Finance, Corporate Finance, Securities brokerage and Equity Research - as well as structuring risk-hedging derivatives products; and (iii) the activity of the Bank's International Division.

The Private Banking and Asset Management segment 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. Private Banking and Asset Management also includes ActivoBank7, an online global services bank, specialised in brokerage services and on the selection and advisory of long-term investment products.

The Foreign Business segment comprises the operations outside Portugal, namely in Poland, Greece, Turkey, Romania, Mozambique, Angola and the United States. The Group is represented by a universal bank in Poland and by an operation based on innovative products and services in Greece. The activity in Turkey is performed through an operation focused on the Up market, Affluent and Business clients, and in Romania it is represented through a greenfield operation, focused on Mass Market and Businesses, Companies and Affluent customers. 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 bank that serves the local population, in particular the Portuguese speaking community. All the above operations develop their activities under the same commercial brand of Millennium.

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 risk weighted assets were influenced by the calculation of capital requirements following the standard approach in respect to credit risk and, subsequent to authorisation from the Bank of Portugal, the standard approach for operational risk and the internal models approach for generic market risk. 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 for the Group, as at 30 September 2009. To ensure comparability for this information the structural changes that occurred in 2009 in the organisation of the segments were reflected in the 2008 figures. Companies was incorporated in the Retail Banking and Companies segment, while Corporate became part of the Corporate and Investment Banking segment. Also, ActivoBank7 was transferred from Retail Banking to Private Banking and Asset Management.

Retail Banking and Companies

The net contribution of Retail Banking and Companies totalled Euro 139.1 million in the first nine month of 2009, compared with Euro 285.2 million in the same period of 2008. This evolution was influenced by the decrease in net interest income and the reinforcement in impairment charges, due to the coverage of impairment indicators in the loan portfolio.

The loans margin showed a favourable evolution, benefiting from the growth in average spread, following the repricing implemented, though that was not sufficient to offset the drop in net interest income resulting from the evolution in total customer funds margin and from the effect of the decline of the European Central Bank interest rate, with impact, in particular, on deposits repayable on demand, and from the increasing weight of term deposits compared to deposits repayable on demand.

Net commissions registered a favourable evolution from the first nine months of 2008, highlighting commissions associated with deposits repayable on demand and with cards. Operating costs showed a decrease from the same period in 2008, as a result of the impact of initiatives aimed at simplifying the organisation and improving procedures, which led to a reduction in the number of employees.

The strategy to further increase the number of customers and customer funds led to a growth of customer deposits by 7.1%, which mostly offset the decrease of 37.4% in assets under management, and determined an increase of total customer funds, from Euro 36,230 million as at 30 September 2008, to Euro 37,094 million as at 30 September 2009.

Loans to customers grew 1.2%, to Euro 46,086 million as at 30 September 2009, from Euro 45,518 million on the same date in 2008, sustained by the increase in commercial paper, in bonds and in mortgage loans, despite the slowdown in the pace of growth.

Euro million	**30 Sep.09**	**30 Sep.08**	**Change 09 / 08**
Profit and loss account			
Net interest income	637.4	834.5	-23.6%
Other net income	355.7	347.0	2.5%
	993.1	1,181.5	-15.9%
Operating costs	584.9	603.7	-3.1%
Impairment	218.9	189.7	15.4%
Contribution before income taxes	189.2	388.0	-51.2%
Income taxes	50.1	102.8	-51.2%
Net contribution	139.1	285.2	-51.2%
Summary of indicators			
Allocated capital	1,607	1,633	
Return on allocated capital	11.6%	23.3%	
Risk weighted assets	32,149	32,663	
Cost to income ratio	58.9%	51.1%	
Loans to customers	46,086	45,518	1.2%
Total customer funds	37,094	36,230	2.4%

Corporate and Investment Banking

The Corporate and Investment Banking segment showed a net contribution of Euro 113.5 million in the first nine month, compared with Euro 77.1 million for the same period of 2008. The performance of this business segment was determined by the positive evolution in net interest income and in other net income, together with the cost reduction, which offset the impact of the higher level of impairment charges, as a result of the growth of impairment indicators in the loans' portfolio.

The increase in net interest income reflects, on one hand, the rise in business volumes, in both loans to customers and customer deposits and, on the other hand, the discipline in the repricing policy and in risk management, leading to an improvement in the loan margin, which more than offset the negative impact in net interest margin as a result of lower customer funds margin, in particular in deposits repayable on demand. Other net income includes the positive performance in net commissions, determined by the growth in commissions from international syndicated operations, from structuring securitisation operations, from structured products and from commercial paper.

Operating costs also contributed positively, down from the same period of 2008 and showing sustained reductions since 2008, as well as synergies related to the merger process of the Banco Millennium bcp Investimento in Banco Comercial Português.

Total customer funds were up by 26.4%, to Euro 11,216 million as at 30 September 2009, from Euro 8,877 million as at 30 September 2008. The growth in customer funds, despite the intense competition in this business segment, was determined by the 64.6% increase in customer deposits.

Loans to customers amounted to Euro 12,463 million at the end of September 2009, a growth of 2.0% from Euro 12,223 million in the same date of 2008. The favourable performance 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.

Euro million	30 Sep.09	30 Sep.08	Change 09 / 08
Profit and loss account			
Net interest income	151.6	107.2	41.3%
Other net income	146.5	132.9	10.2%
	298.1	240.2	24.1%
Operating costs	57.2	71.1	-19.5%
Impairment	85.5	63.1	35.4%
Contribution before income taxes	155.4	105.9	46.7%
Income taxes	41.9	28.8	45.7%
Net contribution	113.5	77.1	47.1%
Summary of indicators			
Allocated capital	727	773	
Return on allocated capital	20.9%	13.3%	
Risk weighted assets	14,530	15,460	
Cost to income ratio	19.2%	29.6%	
Loans to customers (1)	12,463	12,223	2.0%
Total customer funds	11,216	8,877	26.4%

(1) Includes commercial paper.

Private Banking and Asset Management

The Private Banking and Asset Management segment registered a net contribution of Euro 2.4 million in the first nine month of 2009, from Euro 2.9 million in the same period of 2008. The net contribution reflects the reinforcement of impairment charges and the lower level of commissions, hindered by the unfavourable volume effect related to commissions from asset management and from investment funds and lower trading commissions.

The increase in net interest income, from the same period of 2008, was determined by the rise in loans to customers and in the respective margin rate, driven by the repricing of operations. Operating cost showed a positive trend, falling by 10.6% from the same period of 2008, in particular the decrease in other operating costs as a result of the impact of implemented initiatives aimed at simplifying the organisation and improving procedures.

Customer deposits were up 9.6% from 30 September 2008. This increase did not offset the evolution in assets under management, which posted a 14.0% fall from the same date in 2008, driven by the adverse performance of capital markets.

Loans to customers amounted to Euro 3,568 million as at 30 September 2009, a 3.8% growth from Euro 3,438 million as at 30 September 2008, sustained by the performance achieved by the Private Banking network in Portugal, boosted by the efforts to expand the business base.

Euro million	**30 Sep. 09**	**30 Sep. 08**	**Change 09 / 08**
Profit and loss account			
Net interest income	50.9	43.1	18.2%
Other net income	38.0	41.0	-7.2%
	88.9	84.0	5.8%
Operating costs	45.4	50.8	-10.6%
Impairment	40.2	34.3	17.0%
Contribution before income taxes	3.4	(1.1)	---
Income taxes	1.0	(3.9)	---
Net contribution	2.4	2.9	-16.5%
Summary of indicators			
Allocated capital	114	115	
Return on allocated capital	2.8%	3.4%	
Risk weighted assets	2,271	2,296	
Cost to income ratio	51.0%	60.4%	
Loans to customers	3,568	3,438	3.8%
Total customer funds	11,370	12,689	-10.4%

Foreign Business

The net contribution from the Foreign Business segment decreased 105.1% to Euro 6.2 million in the first nine months of 2009, from Euro 122.6 million in the same period of 2008. This evolution reflects the higher impairment and provisions charges in all the operations and the drop in net interest income, mostly due to the activity in Poland. Despite these factors, the contribution of foreign business, reflected the positive performance of operating costs, mainly in staff costs and other administrative costs, in particular in Poland, and the net contribution of positive performance in Angola and Mozambique.

The net interest income performance was determined mainly by the interest rate negative effect, as a result of the tightening of spreads for term deposits, mainly due to the strong competition for customer funds, and by the positive effect on volume registered at most of the international operations, in particular customer deposits and loans to customers. Highlighting the rise in net interest income in Angola and Mozambique, which was sustained by the increase in business volumes.

Operating costs showed a reduction, benefiting mostly from the reduction in staff costs and in administrative costs in the operations in Poland and in Turkey, which more than offset the higher operating costs in the activity in Angola, Mozambique 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 were up by 1.0% to Euro 14,686 million as at 30 September 2009, boosted by the performance of loans to individuals, benefiting from the continuous launching of innovative products and services tailored to customer needs and risk profiles in all the foreign operations, in particular Angola, Mozambique, Greece and Romania.

Total customer funds decrease 5.7% to Euro 14,536 million as at 30 September 2009, boosted by a 4.7% decrease in customer deposits, due to the exchange depreciation in particular in Poland and Turkey.

Euro million	**30 Sep. 09**	**30 Sep. 08**	**Change 09 / 08**
Profit and loss account			
Net interest income	271.3	361.7	-25.0%
Other net income	261.5	297.8	-12.2%
	532.8	659.5	-19.2%
Operating costs	403.3	458.5	-12.0%
Impairment and provisions	128.1	46.2	--
Contribution before income taxes	1.4	154.8	-99.1%
Income taxes	7.7	32.3	-76.2%
Net contribution	(6.2)	122.6	-105.1%
Summary of indicators			
Allocated capital	984	991	
Return on allocated capital	-0.8%	16.5%	
Risk weighted assets	12,665	14,098	
Cost to income ratio	75.7%	69.5%	
Loans to customers	14,686	14,536	1.0%
Total customer funds	14,536	15,411	-5.7%

SIGNIFICANT EVENTS

The measures designed to simplify the organization and optimise procedures, implemented through the organisational restructuring with effect from the beginning of July 2009 onwards, with the aim of merging support areas in Portugal; the adjustment of business models in Poland, Romania and Private Banking area; the continued expansion of operations in Mozambique and Angola; initiatives to strengthen Tier I capital by issuing perpetual subordinated debt, and improving the Group's liquidity position, increasing eligible assets for discount with the European Central Bank and the control of the commercial gap in the main operations; the continuation of the efforts to adjust pricing, in Portugal and in international operations, as well as the programs to increase business volumes, create value and increase customer retention, in all the Group operations, were all part of Millennium bcp's activities in the third quarter of 2009. Of particular note were:

- The agreement to reduce the Millenniumbcp Group shareholder participation in the Luanda Bay Urban Renewal Project ("Luanda Bay Project"), to 10%;
- Merger by incorporation of its fully-owned subsidiary Banco Millennium bcp Investimento S.A. into Banco Comercial Português, S.A., through the transfer of 100% of the assets of this subsidiary to BCP and the subsequent cessation of activity under the Banco Millennium bcp Investimento S.A. brand;
- Agreement of Millennium bcpbank n.a., with the issue of a Consent Order from the Office of the Comptroller of the Currency of the United States of America, establishing a set of measures aimed at the redefinition of the strategic plan, reinforcement of the corporate government structures and capital ratios and the improvement of risk management;
- Release of a new credit line under the "PME Investe III" programme, specifically designed to support treasury operations for Tourism sector companies with headquarters in Portugal and with an annual turnover of less than Euro 150 million;
- Signing a cooperation protocol with the Portuguese Red Cross - Delegation of Lisbon, in the scope of the partnerships that the Bank has been developed with several entities, aimed at providing access to micro credit for a larger universe of people with entrepreneurial skills;
- Signing of a cooperation agreement with Industrial and Commercial Bank of China (ICBC) - Macau, ensuring that Millennium bcp's customers with operations in China can access the network of products and services offered by the world's largest financial institutions - the ICBC - thereby simplifying the process of internationalisation for Portuguese companies. Meanwhile, ICBC's clients will be able to carry out banking operations in countries where Millennium bcp operates;
- The Millennium Meeting in Aveiro on 8 and 9 July, part of the strategy of strengthening the institutional and commercial impulse of Millennium bcp;
- Downgrade of Banco Comercial Português' senior ratings, by Moody's, on 16 September 2009, together with the ratings of other Portuguese banks, from "Aa3/P-1" to "A1/P-1" and Bank Financial Strength Rating (BFSR) from "C+" to "D+". The outlook on the BFSR is "negative";
- Re-affirmation by Fitch Ratings, on 31 July 2009, of Banco Comercial Português, S.A.'s long-term Issuer Default Rating (IDR) at "A+" with Stable Outlook, and a downgrade of its Individual rating to "B/C" from "B". Re-affirmation of its Short-term IDR "F1", Support "2" and Support Rating Floor "BBB" keeping the "stable" Outlook;
- Revision by Standard & Poor's Ratings, on 30 July 2009, of the long- and short-term ratings for Banco Comercial Português, S.A., to "A-/A-2" from "A/A-1" with re-affirmation of the "stable" outlook;
- "Best Commercial Bank" award, in Portugal, to Millennium bcp in the area of credit to Real Estate Development, from Euromoney magazine;
- "Best Banking Group" award, in Portugal, to Millennium bcp, in the scope of the World Finance Banking Awards 2009, by World Finance magazine;
- The "millenniumbcp.pt" portal was elected as "Best Consumer Internet Bank", in the scope of the World's Best Internet Banks in Europe 2008, by Global Finance magazine;

- The "Best Financial Sector Annual Report" award, in 2008, in the scope of the Investor Relations and Governance (IRG) Awards 2009, by Deloitte, Semanário Económico and Diário Económico was awarded to Millennium bcp;
- The "Best Consumer Internet Bank" award, in Portugal, in the scope of the World's Best Internet Banks in Europe 2008, was awarded to Millennium bcp by Global Finance magazine;
- Bank Millennium in Poland's online platform directed at individual customers - Millenet – was elected as "Best Consumer Internet Bank", for the fifth time, by Global Finance magazine;
- Bank Millennium took second place in the ranking of the best macro-economic analysts, in Poland, in the second quarter of 2009, according to the Parkiet daily newspaper;
- Millennium bim has been elected "The Best Bank in Mozambique" and Bank Millennium Angola has been elected "Most Innovative Bank" in Angola, in the scope of the African Banking Achievement Awards 2009, by EMEA Finance Magazine.

ECONOMIC ENVIRONMENT

During the third quarter of 2009, economic indicators have improved, suggesting a turning point in the recessionary environment. The maintenance of accommodative economic policies at a global level has been determinant for the return of a stronger confidence climate, as evidenced by the brisk performance of the capital markets. Despite these positive developments being indicative of a decrease in the downside risks to global activity, many challenges persist. Main among these is the uncertainty regarding the vigour of domestic demand once the impact of the measures taken in support of economic activity start to fade, as governments and central banks actions are naturally limited by their remaining financial capacity or by the commitment to deliver price stability. On the whole, a sustained expansionary economic cycle will depend on the delicate interplay of the effects of the measures to support economic activity and the agents' confidence in the institutions, now subject to heightened scrutiny from market participants and regulators.

The improvements in economic activity are spreading but are more clearly visible in the emerging and developing economies. According to the preliminary estimates released, real GDP growth in the US in the third quarter topped 3.5% (annualized figures) – the first positive change this year. For the euro area, the change is estimated at about 2.0%. For China, the change was 8.5% for the same period. In this sense, the economic crisis did not change the previous pattern of a growing importance of emerging Asia for global growth and for financial market behaviour. This perception remains supportive of the major commodity markets, particularly so for oil and gold. The former benefits from scarce resources in the emerging economies, the latter supported by investors concerns regarding the long-term impact of economic policy being deployed.

The economic downturn and intensity has been remarkably synchronized among the major economies, but the speed and extent of the recovery seems to be unfolding unevenly, dependent on each country's underlying economic condition and competitiveness factors. Among the economies where Millennium operates, it is worth highlighting the latest trends in Poland and Portugal. This year, Poland is most likely to be the sole EU27 member avoiding recession (real GDP growth is estimated around 1.2%), whereas Portugal has been one of the few euro area members to record positive growth in the second quarter. The available preliminary data for the third quarter suggest these favourable developments have continued. In Greece, the need for heavy fiscal consolidation will restrain growth over the next few years (public deficit this year estimated to hit 12.5% of GDP). Also, in Romania, fiscal policy is expected to be on the restrictive side, though its negative impact will be somewhat offset by a more expansionary monetary policy. In Turkey, the renewed stability in financial markets and associated decrease in the country's risk premium that has made it possible for the central bank to continue cutting interest rates, further reinforcing the resumption of domestic demand. In Angola, by freeing the exchange rate and with oil markets recovering from early year depressed levels, the pressure on official reserves has eased significantly. The Mozambican economy continues to show a remarkable resiliency, recording robust growth rates and moderate inflationary pressures.

Cyclical financial assets have had a strong performance over the quarter, as risk premiums retraced to year ago levels. Company earnings reports have surprised on the upside, though most of the gains have been related to cost-cutting initiatives. Some countries have decided to increase their official interest rates. In the US and in the euro area, the central banks are not expected to embark soon on interest rates hiking. However, some monetary tightening might ensue, as other non-conventional measures, such as special credit facilities to the economy, are likely to be reviewed soon. As such, current market conditions, characterized by amply available liquidity, might change in the foreseeable future, affecting the main indexing interest rates. Credit volumes in the euro area continued to moderate. Credit demand remains lacklustre and credit conditions are still broadly selective, but some easing has been recorded of late. Though easing, the deterioration in credit quality remains intense, impacting on provisioning levels and earnings at most banks. Concurrently, financial institutions have strengthened their capital bases and, in some cases, have decided for the early repayment of State aid funds.

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 ☒

Quarter 1 ☐ Quarter 3 ☒ Quarter 5 [1] ☐ Start: 01/01/2009 End: 30/09/2009

Balance Sheet Items	Individual			Consolidated		
	n (NCA)	n-1 (NCA)	Var. (%)	n (IAS)	n-1 (IAS)	Var. (%)
ASSETS (NET)						
Loans to other credit institutions	8,231,958,863	10,600,544,827	-22.34%	2,016,802,596	4,737,873,179	-57.43%
Loans to clients	56,416,094,522	51,894,329,098	8.71%	75,570,521,810	71,317,956,569	5.96%
Fixed income securities	13,614,894,817	8,185,355,149	66.33%	5,823,926,076	6,700,010,893	-13.08%
Variable yield securities	2,655,053,104	2,087,027,177	27.22%	2,188,748,689	2,133,702,902	2.58%
Investments	3,871,482,776	1,882,987,724	105.60%	424,144,730	310,121,305	36.77%
SHAREHOLDER'S AND EQUIVALENT EQUITY						
Equity Capital	4,694,600,000	4,694,600,000	0.00%	4,694,600,000	4,694,600,000	0.00%
Nº of ordinary shares	4,694,600,000	4,694,600,000	-	4,694,600,000	4,694,600,000	-
Nº of other shares	0	0	-			-
Value of own shares	0	0	-	14,480,500	12,014,421	20.53%
Nº of voting shares	0	0	-	15,780,747	10,520,509	-
Nº of preferred, non voting shares	0	0	-			-
Subordinate loans	3,639,680,290	4,437,699,753	-17.98%	2,292,954,006	3,184,019,834	-27.99%
Minority interests	0	0	-	328,417,883	327,199,402	0.37%
LIABILITIES						
Amounts owed to credit institutions	20,474,832,952	24,739,113,169	-17.24%	7,368,840,698	8,398,738,433	-12.26%
Amounts owed to clients	31,434,137,609	29,658,824,241	5.99%	45,400,020,444	44,160,133,200	2.81%
Debt securities	12,510,896,526	10,186,000,571	22.82%	22,331,528,277	22,578,372,909	-1.09%
TOTAL ASSETS (NET)	91,706,116,765	83,972,380,295	9.21%	93,911,649,097	93,152,119,481	0.82%
TOTAL SHAREHOLDER'S EQUITY	6,480,796,374	5,389,407,280	20.25%	6,724,607,711	6,001,063,605	12.06%
TOTAL LIABILITIES	85,225,320,391	78,582,973,015	8.45%	86,858,623,503	86,823,856,474	0.04%

P & L Items	Individual			Consolidated		
	n	n-1	Var. (%)	n	n-1	Var. (%)
Financial margin [2]	625,176,797	782,504,962	-20.11%	998,182,527	1,276,698,090	-21.82%
Commissions and other oper. revenue (net)	404,749,332	407,312,889	-0.63%	660,408,242	617,449,727	6.96%
Securities yield and profits from financial transaction	338,939,467	78,464,993	331.96%	192,477,450	-80,159,298	-340.12%
Banking Income	1,368,865,596	1,268,282,844	7.93%	1,851,068,219	1,813,988,519	2.04%
Personnel, administ. and other costs	-727,540,090	-726,538,196	0.14%	-1,093,768,589	-1,163,997,796	-6.03%
Amortizations	-36,029,798	-38,154,828	-5.57%	-78,615,651	-82,528,356	-4.74%
Provisions (net of adjustments)	-497,501,941	-329,517,216	50.98%	-484,874,799	-353,948,077	36.99%
Extraordinary profit	0	0	n.a.	0	0	n.a.
Profit before taxes	107,793,767	174,072,604	-38.08%	193,809,180	213,514,290	-9.23%
Income tax [3]	37,025,432	25,477,312	45.33%	-51,322,593	-56,265,779	-8.79%
Minority interests and income excluded from consolid	0	0	-	35,648,182	-15,112,062	-335.89%
Net profit / loss for the quarter	144,819,199	199,549,916	-27.43%	178,134,769	142,136,449	25.33%
Net profit / loss per share for the quarter	0.0308	0.0425	-27.43%	0.0379	0.0303	25.33%
Self financing [4]	678,350,938	567,221,960	19.59%	741,625,219	578,612,882	28.17%

[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 nine months period ended 30 September, 2009 and 2008

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

BANCO COMERCIAL PORTUGUÊS

Consolidated Balance Sheet as at 30 September, 2009 and 2008 and 31 December, 2008

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

Interim Consolidated Financial Statements

30 SEPTEMBER

2 0 0 9

BANCO COMERCIAL PORTUGUÊS

Consolidated Income Statement
for the nine months period ended 30 September, 2009 and 2008

	Notes	30 September 2009	30 September 2008
		(Thousands of Euros)	
Interest and similar income	3	2,832,111	3,899,653
Interest expense and similar charges	3	(1,833,928)	(2,622,955)
Net interest income		998,183	1,276,698
Dividends from equity instruments	4	4,327	29,107
Net fees and commissions income	5	533,781	553,044
Net gains / (losses) arising from trading and hedging activities	6	184,121	130,107
Net gains / (losses) arising from available for sale financial assets	7	4,029	(239,373)
Other operating income	8	34,861	45,508
		1,759,302	1,795,091
Other net income from non banking activities		13,491	13,087
Total operating income		1,772,793	1,808,178
Staff costs	9	667,098	690,591
Other administrative costs	10	426,671	473,407
Depreciation	11	78,616	82,528
Operating expenses		1,172,385	1,246,526
		600,408	561,652
Loans impairment	12	(409,441)	(340,553)
Other assets impairment	30	(52,937)	(39,573)
Other provisions	13	(22,497)	26,178
Operating profit		115,533	207,704
Share of profit of associates under the equity method	14	47,813	35,830
Gains / (losses) from the sale of subsidiaries and other assets	15	78,276	5,810
Profit before income tax		241,622	249,344
Income tax			
Current	16	(62,056)	(48,028)
Deferred	16	10,734	(8,238)
Profit after income tax		190,300	193,078
Attributable to:			
Shareholders of the Bank		178,135	142,136
Minority interests	43	12,165	50,942
Profit for the period		190,300	193,078
Earnings per share (in euros)	17		
Basic		0.04	0.03
Diluted		0.04	0.03

CHIEF ACCOUNTANT

THE BOARD OF DIRECTORS

See accompanying notes to the interim consolidated financial statements

BANCO COMERCIAL PORTUGUÊS

Consolidated Balance Sheet as at 30 September, 2009 and 31 December, 2008

	Notes	30 September 2009	31 December 2008
		(Thousands of Euros)	
Assets			
Cash and deposits at central banks	18	2,036,784	2,064,407
Loans and advances to credit institutions			
Repayable on demand	19	664,702	1,048,348
Other loans and advances	20	1,352,101	2,892,345
Loans and advances to customers	21	75,570,522	75,165,014
Financial assets held for trading	22	4,228,096	3,903,267
Financial assets available for sale	22	2,450,050	1,714,178
Assets with repurchase agreement		20,564	14,754
Hedging derivatives	24	274,954	117,305
Financial assets held to maturity	25	1,313,965	1,101,844
Investments in associated companies	26	424,145	343,934
Non current assets held for sale		76,182	19,558
Property and equipment	27	648,848	745,818
Goodwill and intangible assets	28	535,942	540,228
Current income tax assets		18,006	18,127
Deferred income tax assets	29	583,938	586,952
Other assets	30	3,628,219	4,147,645
		93,911,649	94,423,724
Liabilities			
Deposits from central banks		1,352,681	3,342,301
Deposits from other credit institutions	31	6,016,159	5,997,066
Deposits from customers	32	45,400,020	44,907,168
Debt securities issued	33	22,331,528	20,515,566
Financial liabilities held for trading	34	1,139,297	2,138,815
Other financial liabilities held for trading			
at fair value through profit or loss	35	6,834,208	6,714,323
Hedging derivatives	24	94,372	350,960
Provisions for liabilities and charges	36	229,467	221,836
Subordinated debt	37	2,292,954	2,598,660
Current income tax liabilities		2,037	4,826
Deferred income tax liabilities	29	474	336
Other liabilities	38	1,165,427	1,383,633
Total Liabilities		86,858,624	88,175,490
Equity			
Share capital	39	4,694,600	4,694,600
Treasury stock	42	(80,117)	(58,631)
Share premium		183,276	183,368
Preference shares	39	1,000,000	1,000,000
Other capital instruments	39	900,000	-
Fair value reserves	41	70,941	214,593
Reserves and retained earnings	41	(222,228)	(274,622)
Profit for the period attributable to Shareholders		178,135	201,182
Total Equity attributable to Shareholders of the Bank		6,724,607	5,960,490
Minority interests	43	328,418	287,744
Total Equity		7,053,025	6,248,234
		93,911,649	94,423,724

CHIEF ACCOUNTANT THE BOARD OF DIRECTORS

See accompanying notes to the interim consolidated financial statements

BANCO COMERCIAL PORTUGUÊS

Consolidated Income Statement
for the three months period between 1 June and 30 September of 2009 and 2008

	Third quarter 2009	Third quarter 2008
	(Thousands of Euros)	
Interest and similar income	840,848	1,384,753
Interest expense and similar charges	(518,228)	(949,991)
Net interest income	322,620	434,762
Dividends from equity instruments	1,219	(216)
Net fees and commissions income	187,146	185,355
Net gains / (losses) arising from trading and hedging activities	(20,412)	48,092
Net gains / (losses) arising from available for sale financial assets	(5,563)	(43,192)
Other operating income	14,087	4,750
	499,097	629,551
Other net income from non banking activities	4,673	4,799
Total operating income	503,770	634,350
Staff costs	222,936	239,081
Other administrative costs	147,972	161,589
Depreciation	26,287	28,381
Operating expenses	397,195	429,051
	106,575	205,299
Loans impairment	(130,385)	(134,702)
Other assets impairment	(11,113)	(18,032)
Other provisions	(3,379)	(1,513)
Operating profit	(38,302)	51,052
Share of profit of associates under the equity method	16,869	7,421
Gains / (losses) from the sale of subsidiaries and other assets	56,810	6,264
Profit before income tax	35,377	64,737
Income tax		
Current	(5,214)	(22,616)
Deferred	(170)	16,595
Profit after income tax	29,993	58,716
Attributable to:		
Shareholders of the Bank	30,655	40,778
Minority interests	(662)	17,938
Profit for the period	29,993	58,716

CHIEF ACCOUNTANT

THE BOARD OF DIRECTORS

BANCO COMERCIAL PORTUGUÊS

Consolidated Cash Flows Statement
for the nine months period ended 30 September, 2009 and 2008

	30 September 2009	30 September 2008
	(Thousands of Euros)	
Cash flows arising from operating activities		
Interest income received	3,014,678	3,706,943
Commissions income received	670,229	673,871
Fees received from services rendered	179,196	134,671
Interest expense paid	(1,923,999)	(2,484,343)
Commissions expense paid	(158,221)	(206,086)
Recoveries on loans previously written off	21,118	62,998
Net earned premiums	13,803	13,076
Claims incurred	(5,441)	(8,195)
Payments to suppliers and employees	(1,204,332)	(1,348,290)
	607,031	544,645
Decrease / (increase) in operating assets:		
Loans and advances to credit institutions	1,087,389	587,434
Deposits with Central Banks under monetary regulations	244,754	1,297,476
Loans and advances to customers	(206,401)	(5,933,345)
Short term trading account securities	(608,460)	(349,683)
Increase / (decrease) in operating liabilities:		
Deposits from credit institutions repayable on demand	75,864	(124,674)
Deposits from credit institutions with agreed maturity date	(2,676,190)	552,957
Deposits from clients repayable on demand	1,143,699	(401,621)
Deposits from clients with agreed maturity date	(653,140)	5,209,515
	(985,454)	1,382,704
Income taxes (paid) / received	40,631	49,257
	(944,823)	1,431,961
Cash flows arising from investing activities		
Proceeds from sale of shares in subsidiaries and associated companies	151,700	-
Acquisition of shares in subsidiaries and associated companies	-	(1,994)
Dividends received	10,969	34,005
Interest income from available for sale financial assets	100,323	164,780
Proceeds from sale of available for sale financial assets	19,230,564	25,711,679
Available for sale financial assets purchased	(28,945,676)	(47,588,059)
Proceeds from available for sale financial assets on maturity	8,950,799	21,153,264
Acquisition of fixed assets	(73,490)	(126,911)
Proceeds from sale of fixed assets	31,039	30,368
Increase / (decrease) in other sundry assets	(808,143)	(706,351)
	(1,351,915)	(1,329,219)
Cash flows arising from financing activities		
Proceeds from issuance of subordinated debt	1,701	296,459
Reimbursement of subordinated debt	(595,921)	(33,413)
Proceeds from issuance of debt securities	5,180,930	4,735,048
Repayment of debt securities	(3,983,828)	(4,214,318)
Proceeds from issuance of commercial paper	16,652,796	13,792,982
Repayment of commercial paper	(15,045,257)	(15,913,236)
Share capital increase	-	1,083,270
Proceeds from issuance of perpetual subordinated debt securities	900,000	-
Share premium	-	183,369
Dividends paid	(79,108)	-
Dividends paid to minority interests	(3,849)	(19,505)
Increase / (decrease) in other sundry liabilities and minority interests	(1,207,827)	(228,928)
	1,819,637	(318,272)
Exchange differences effect on cash and equivalents	(39,433)	28,896
Net changes in cash and equivalents	(516,534)	(186,634)
Cash and equivalents at the beginning of the period	1,732,239	1,474,591
Cash (note 18)	551,003	552,905
Other short term investments (note 19)	664,702	735,052
Cash and equivalents at the end of the period	1,215,705	1,287,957

See accompanying notes to the interim consolidated financial statements

BANCO COMERCIAL PORTUGUÊS

Consolidated Statement of Changes in Equity
for the nine months period ended 30 September, 2009 and 2008

(Amounts expressed in thousands of Euros)

	Total equity	Share capital	Preference shares	Other capital instruments	Share premium	Legal and statutory reserves	Other comprehensive income		Other reserves and retained earnings	Goodwill	Treasury stock	Minority interests
							Fair value and Cash Flow hedged reserves	Other				
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
Transfers to reserves:												
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	142,136	-	-	-	-	-	-	-	142,136	-	-	-
Profit for the period attributable to minority interests (note 43)	50,942	-	-	-	-	-	-	-	-	-	-	50,942
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 April 2008	(33,285)	-	-	-	(33,285)	-	-	-	-	-	-	-
Dividends on preference shares	(27,715)	-	-	-	-	-	-	-	(27,715)	-	-	-
Treasury stock	8,307	-	-	-	-	-	-	-	-	-	8,307	-
Exchange differences arising on consolidation	28,894	-	-	-	-	-	-	28,894	-	-	-	-
Fair value reserves (note 41)												
Financial instruments available for sale	(33,683)	-	-	-	-	-	(33,683)	-	-	-	-	-
Cash-flow hedge	164	-	-	-	-	-	164	-	-	-	-	-
Minority interests (note 43)	(5,316)	-	-	-	-	-	-	-	-	-	-	(5,316)
Other reserves arising on consolidation (note 41)	(1,360)	-	-	-	-	-	-	-	(1,360)	-	-	-
Balance on 30 September, 2008	6,328,263	4,694,600	1,000,000	-	183,369	380,291	184,979	52,730	2,438,804	(2,883,580)	(50,129)	327,199
Profit for the period attributable to Shareholders of the Bank	59,046	-	-	-	-	-	-	-	59,046	-	-	-
Profit for the period attributable to minority interests (note 43)	5,887	-	-	-	-	-	-	-	-	-	-	5,887
Registration costs related with the increase in share capital April 2008	(1)	-	-	-	(1)	-	-	-	-	-	-	-
Dividends on preference shares	(21,195)	-	-	-	-	-	-	-	(21,195)	-	-	-
Treasury stock	(8,502)	-	-	-	-	-	-	-	-	-	(8,502)	-
Exchange differences arising on consolidation	(114,461)	-	-	-	-	-	-	(114,461)	-	-	-	-
Fair value reserves (note 41)												
Financial instruments available for sale	24,852	-	-	-	-	-	24,852	-	-	-	-	-
Cash-flow hedge	4,762	-	-	-	-	-	4,762	-	-	-	-	-
Minority interests (note 43)	(45,342)	-	-	-	-	-	-	-	-	-	-	(45,342)
Other reserves arising on consolidation (note 41)	14,925	-	-	-	-	-	-	-	14,925	-	-	-
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 41):												
Legal reserve	-	-	-	-	-	45,119	-	-	(45,119)	-	-	-
Statutory reserve	-	-	-	-	-	10,000	-	-	(10,000)	-	-	-
Dividends paid in 2009	(79,108)	-	-	-	-	-	-	-	(79,108)	-	-	-
Issue of perpetual subordinated Instruments (note 39)	900,000	-	-	900,000	-	-	-	-	-	-	-	-
Costs related to issue of perpetual subordinated Instruments	(9,593)	-	-	-	-	-	-	-	(9,593)	-	-	-
Profit for the period attributable to Shareholders of the Bank	178,135	-	-	-	-	-	-	-	178,135	-	-	-
Profit for the period attributable to minority interests (note 43)	12,165	-	-	-	-	-	-	-	-	-	-	12,165
Registration costs related with the increase in share capital April 2008	(92)	-	-	-	(92)	-	-	-	-	-	-	-
Dividends on preference shares	(27,715)	-	-	-	-	-	-	-	(27,715)	-	-	-
Treasury stock	(21,486)	-	-	-	-	-	-	-	-	-	(21,486)	-
Exchange differences arising on consolidation	(39,432)	-	-	-	-	-	-	(39,432)	-	-	-	-
Fair value reserves (note 41)												
Financial instruments available for sale	(136,002)	-	-	-	-	-	(136,002)	-	-	-	-	-
Cash-flow hedge	(7,650)	-	-	-	-	-	(7,650)	-	-	-	-	-
Minority interests (note 43)	28,509	-	-	-	-	-	-	-	-	-	-	28,509
Other reserves arising on consolidation (note 41)	7,060	-	-	-	-	-	-	-	7,060	-	-	-
Balance on 30 September, 2009	7,053,025	4,694,600	1,000,000	900,000	183,276	435,410	70,941	(101,163)	2,505,240	(2,883,580)	(80,117)	328,418

See accompanying notes to the interim consolidated financial statements

BANCO COMERCIAL PORTUGUÊS

Statement of Comprehensive income
for the nine months period ended 30 September, 2009 and 2008

	Notes	30 September 2009	30 September 2008
		(Thousands of Euros)	
Fair value reserves			
Financial assets available for sale	41	(129,822)	(36,727)
Cash-Flow hedge	41	(9,445)	203
Taxes			
Financial assets available for sale	41	(6,180)	3,044
Cash-Flow hedge	41	1,795	(39)
		(143,652)	(33,519)
Exchange differences arising on consolidation	41	(39,432)	28,894
Comprehensive income recognized directly in Equity		(183,084)	(4,625)
Profit for the period		190,300	193,078
Total of Comprehensive income for the period		7,216	188,453
Attributable to:			
Shareholders of the Bank		(4,949)	137,511
Minority interests		12,165	50,942
Total of Comprehensive income for the period		7,216	188,453

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 started 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 nine months period ended 30 September, 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. 35/2005, 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 financial statements are presented in thousands of euros, rounded to the nearest thousand.

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

Additionally in 2009, the Group adopted IAS 1 (revised) – Presentation of financial statements, IFRS 8 – Operating segments and IAS 32 (revised) – Financial instruments (Presentation). These standards for mandatory application since 1 January 2009, had an impact on the disclosures presented in the financial statements, however did not have any effect on Group's Equity. In accordance with the transition dispositions of these standards, comparative figures are presented on these financial statements.

The consolidated financial statements for the nine months period ended 30 September have been prepared in terms of recognition and measurement in accordance with the IFRS, effective and adopted by EU, as the disclosures presented in accordance with the requirements defined by IAS 34. The financial statements include also the statement of income for the third quarter of 2009 and the comparative figures for the third quarter of 2008. The financial statements for the nine months period ended 30 September do not include all the information to be published in 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 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 holds 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 or whenever impairment triggers are identified, 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 22), 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 these SPE's resulting from securitization operations, no additional SPE have been identified that would meet the criteria established on SIC 12 as described below.

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 with minority interests

As established in IAS 27, IFRS allows alternative accounting treatments in what concerns transactions with minority interests (acquisitions/sales) including the dilution effect of an investment. In accordance with the standards, the difference between the amount of the transaction and the amount of equity attributable to minority interests can be accounted for in accordance with the accounting policy elected by the entity, following two alternative treatments, which have to be consistently applied:

- against Reserves; or
- against Goodwill (acquisitions) and Results (sales)

IFRS defines that after adopting the accounting policy for transactions with minority interests, it has to be applied on a consistent basis for all type of transactions with the same nature.

The Group has adopted, consistently in previous acquisitions to minority interests, the recognition against goodwill of the differences between the acquisition cost and the fair value of the equity acquired. For sales and in consistency with this treatment the difference is recognized against profit and loss.

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.

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 for which no objective evidence of impairment is identified (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.

In accordance with "Carta-Circular" no. 15/2009 of the Bank of Portugal, loans and advances to customers are charged-off when there are no expectations, from an economic perspective, 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.

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 "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 reversed, 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 the right of receipt this income is established.

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.

Specifically regarding the accounting policy for interest on the loan portfolio the following aspects are considered:

- Interest income for loans with collaterals are accounted for as income up to the limit of the valuation of the collateral valued on a prudent basis. This income is registed against results in accordance with IAS 18, assuming that there is a reasonable probability of recoverability; and
- The recognition of interest for loans overdue for more than 90 dias, that are not covered by collaterals is stoped and are recognized only when they are received. Since, in accordance with IAS 18, its recoverability is considered to be remote.

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 capitalized 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 subsequent write-down of the acquired asset to fair value is recorded as an impairment loss and included in the income statement.

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 for the funding 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 30 of September 2009, 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 taxes*

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 and Companies;
- Private Banking and Asset Management;
- Corporate Banking and Investment Banking.

Foreign activity

- Poland;
- Greece;
- Mozambique.

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) 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 and n.6, 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, that are exposed to the majority of the residual risks, 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:

	Sep 2009 Euros '000	Sep 2008 Euros '000
Net interest income	998,183	1,276,698
Net gains from trading, hedging and AFS activities	188,150	(109,266)
	1,186,333	1,167,432

3. Net interest income

The amount of this account is comprised of:

	Sep 2009 Euros '000	Sep 2008 Euros '000
Interest and similar income		
Interest on loans and advances	2,432,579	3,277,674
Interest on trading securities	81,630	110,043
Interest on other financial assets valued at fair value through profit and loss account	139	18,818
Interest on available for sale securities	67,158	145,198
Interest on held to maturity securities	30,544	3,062
Interest on hedging derivatives	110,381	38,107
Interest on derivatives associated to financial instruments through profit and loss account	48,412	32,212
Interest on deposits and other investments	61,268	274,539
	2,832,111	3,899,653
Interest expense and similar charges		
Interest on deposits and inter-bank funding	1,056,852	1,395,131
Interest on securities sold under repurchase agreement	22,544	19,494
Interest on securities issued	521,431	1,039,149
Interest on hedging derivatives	19,432	31,326
Interest on derivatives associated to financial instruments through profit and loss account	18,294	35,103
Interest on other financial liabilities valued at fair value through profit and loss account	195,375	102,752
	1,833,928	2,622,955
Net interest income	998,183	1,276,698

The balance of Interest on loans and advances includes the amount of Euros 14,302,000 (30 September 2008: Euros 18,135,000) 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:

	Sep 2009 Euros '000	Sep 2008 Euros '000
Dividends from available for sale securities	4,278	28,688
Other	49	419
	4,327	29,107

The balance of Dividends from available for sale securities corresponds to dividends received during the period.

5. Net fees and commissions income

The amount of this account is comprised of:

	Sep 2009 Euros '000	Sep 2008 Euros '000
Fees and commissions income		
From guarantees	63,609	56,998
From credit and commitments	183	229
From banking services	397,857	410,362
From insurance activity	463	328
From other services	178,582	202,415
	640,694	670,332
Fees and commissions expenses		
From guarantees	550	660
From banking services	75,867	82,886
From insurance activity	784	307
From other services	29,712	33,435
	106,913	117,288
Net fees and commission income	533,781	553,044

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

The amount of this account is comprised of:

	Sep 2009 Euros '000	Sep 2008 Euros '000
Gains arising on trading and hedging activities		
Foreign exchange activity	6,527,556	4,286,893
Financial instruments associated to financial instruments through profit and loss account		
Held for trading		
Securities	84,378	20,966
Derivatives associated to financial instruments through profit and loss account	251,804	146,356
Other financial instruments derivatives	3,359,401	1,669,964
Other financial instruments through profit and loss account	7,153	108,488
Headging accounting		
Hedging derivatives	186,731	1,126,297
Hedged item	96,718	7,808
Other activity	3,293	53,068
	10,517,034	7,419,840
Losses arising on trading and hedging activities		
Foreign exchange activity	6,485,403	4,229,136
Financial instruments associated to financial instruments through profit and loss account		
Held for trading		
Securities	37,365	60,587
Derivatives associated to financial instruments through profit and loss account	174,043	210,839
Other financial instruments derivatives	3,191,761	1,683,681
Other financial instruments through profit and loss account	161,571	1,832
Headging accounting		
Hedging derivatives	127,462	1,067,082
Hedged item	129,377	20,842
Other activity	25,931	15,734
	10,332,913	7,289,733
Net gains / (losses) arising from trading and hedging activities	184,121	130,107

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

The amount of this account is comprised of:

	Sep 2009 Euros '000	Sep 2008 Euros '000
Gains arising from available for sale financial assets	59,624	22,558
Losses arising from available for sale financial assets	(55,595)	(261,931)
Net gains / (losses) arising from available for sale financial assets	4,029	(239,373)

The balance Losses arising from available for sale financial assets included, as at 30 September 2008, the amount of Euros 240,528,000 related with impairment losses for the investment that the Group held in Banco BPI S.A. recognized as a result of a significant decrease in the share price of this entity, during the nine months of 2008, and which was recognized in accordance with the accounting policy described in note 1 d).

8. Other operating income

The amount of this account is comprised of:

	Sep 2009 Euros '000	Sep 2008 Euros '000
Operating income		
Income from services	36,432	46,798
Cheques and others	18,980	20,284
Other operating income	26,938	24,291
	82,350	91,373
Operating costs		
Indirect taxes	27,282	28,446
Donations and quotizations	3,045	4,209
Other operating expenses	17,162	13,210
	47,489	45,865
	34,861	45,508

9. Staff costs

The amount of this account is comprised of:

	Sep 2009 Euros '000	Sep 2008 Euros '000
Remunerations	432,758	483,969
Mandatory social security charges	196,844	167,028
Voluntary social security charges	28,073	28,861
Other staff costs	9,423	10,733
	667,098	690,591

10. Other administrative costs

The amount of this account is comprised of:

	Sep 2009 Euros '000	Sep 2008 Euros '000
Water, electricity and fuel	14,666	15,586
Consumables	6,008	7,480
Rents	110,758	106,606
Communications	33,896	38,793
Travel, hotel and representation costs	12,544	16,570
Advertising	28,450	40,233
Maintenance and related services	28,905	32,945
Credit cards and mortgage	12,595	15,426
Advisory services	14,901	16,722
Information technology services	19,864	19,354
Outsourcing	56,904	68,032
Other specialised services	22,539	20,162
Training costs	2,212	2,249
Insurance	12,546	15,366
Legal expenses	5,477	6,844
Transportation	8,316	8,521
Other supplies and services	36,090	42,518
	426,671	473,407

11. Depreciation

The amount of this account is comprised of:

	Sep 2009 Euros '000	Sep 2008 Euros '000
Intangible assets:		
Software	10,082	10,477
Other intangible assets	295	1,732
	10,377	12,209
Property and equipment:		
Land and buildings	32,831	33,945
Equipment		
Furniture	3,202	4,900
Office equipment	3,158	4,169
Computer equipment	18,104	16,446
Interior installations	5,052	5,929
Motor vehicles	1,451	1,348
Security equipment	2,214	2,320
Other tangible assets	2,227	1,262
	68,239	70,319
	78,616	82,528

12. Loans impairment

The amount of this account is comprised of:

	Sep 2009 Euros '000	Sep 2008 Euros '000
Loans and advances to credit institutions:		
For overdue loans and credit risks		
Impairment for the period	12,720	806
Write-back for the period	(8,567)	(3,200)
	4,153	(2,394)
Loans and advances to customers:		
For overdue loans and credit risks		
Impairment for the period	833,844	634,205
Write-back for the period	(407,438)	(228,260)
Recovery of loans and interest charged-off	(21,118)	(62,998)
	405,288	342,947
	409,441	340,553

The balance Loans impairment is related to an estimate of the incurred losses, as at 30 September of 2009 and 2008 respectively, 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:

	Sep 2009 Euros '000	Sep 2008 Euros '000
Provision for other pensions benefits		
Charge for the period	457	348
Provision for guarantees and other commitments		
Charge for the period	21,183	15,044
Write-back for the period	(9,553)	(12,431)
Other provisions for liabilities and charges		
Charge for the period	15,047	3,691
Write-back for the period	(4,637)	(32,830)
	22,497	(26,178)

14. Share of profit of associates under the equity method

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

	Sep 2009 Euros '000	Sep 2008 Euros '000
Millenniumbcp Fortis Group	44,934	43,558
Amortization of value in force (VIF) for Millennium bcp Fortis Group	(4,522)	(13,566)
Other companies	7,401	5,838
	47,813	35,830

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

The amount of this account is comprised of:

	Sep 2009 Euros '000	Sep 2008 Euros '000
Sale of subsidiaries	78,379	-
Sale of other assets	(103)	5,810
	78,276	5,810

The balance Sale of subsidiaries includes, the amounts of Euros 57,196,000 and Euros 21,183,000 arising from the sale of assets and from the gain arising on the dispersion of the share capital of Bank Millennium Angola to new shareholders, as referred in note 45.

As established in IAS 27, the impact of the transaction described above resulted in a reduction of the percentage held by Millennium bcp from 100% to 50.1%, since the Group did not subscribe the capital increase of Millennium Angola. In fact, the dilution effect was similar to a partial sale of the investment in the subsidiary, considering that BCP maintains the control over Millennium Angola after this sale. This is equivalent to a sale to minority interests.

IFRS allows alternative accounting treatments in what concerns transactions with minority interests (acquisitions/sales) including the dilution effect of an investment. In accordance with the standards, the difference between the amount of the transaction and the amount of equity attributable to minority interests can be accounted for in accordance with the accounting policy elected by the entity, following two alternative treatments, which have to be consistently applied:

- against Reserves; or
- against Goodwill (acquisitions) and Results (sales)

IFRS defines that after adopting the accounting policy for transactions with minority interests, it has to be applied on a consistent basis for all type of transactions with the same nature. In consistency with the accounting policy adopted, as established in accounting policy note 1 b), in previous acquisitions in which the accounting procedure adopted for the differences between the acquisition cost and the fair value of the equity acquired was booked against goodwill, for this dilution (similar to a sale) the referred difference was recognized against profit and loss.

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 nine months peridod ended 30 September, 2009 and 2008 is comprised as follows:

	Sep 2009 Euros '000	Sep 2008 Euros '000
Current tax	62,056	48,028
Deferred tax		
Origination and reversal of temporary diferences	(53,559)	75,558
Effect of changes in tax rate	(3,258)	(3,761)
Tax losses utilized	46,083	(63,559)
	(10,734)	8,238
	51,322	56,266

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

	Sep 2009		Sep 2008	
	%	Euros '000	%	Euros '000
Profit before income taxes		241,622		249,344
Current tax rate	26.5%	(64,030)	26.5%	(66,076)
Foreign tax rate effect	-0.1%	128	-5.1%	12,794
Non deductible expenses	13.9%	(33,609)	23.5%	(58,696)
Tax exempt income	-22.3%	53,821	-25.8%	64,438
Fiscal incentives	-2.4%	5,909	-0.7%	1,761
Utilization of losses brought forward	4.6%	(11,013)	0.9%	(2,143)
Tax rate effect	0.0%	(20)	1.5%	(3,668)
Previous years corrections	0.6%	(1,453)	1.6%	(4,060)
Autonomous tax and tax suported in foreign subsidiaries	0.4%	(1,055)	0.2%	(616)
	21.2%	(51,322)	22.6%	(56,266)

As at 30 September 2009 and 2008, the amount of deferred taxes in the Income Statement is attributable to temporary differences arising from the following balances:

	Sep 2009 Euros '000	Sep 2008 Euros '000
Intangible assets	45	318
Other tangible assets	2,300	2,844
Impairment losses	(75,216)	19,613
Pensions	36,415	57,080
Derivatives	(6,409)	-
Utilization of losses brought forward	48,950	(67,221)
Allocation of profits	(20,250)	-
Others	3,431	(4,396)
Deferred taxes	(10,734)	8,238

17. Earnings per share

The earnings per share are calculated as follows:

	Sep 2009 Euros '000	Sep 2008 Euros '000
Profit for the period attributable to shareholders of the Bank	178,135	142,136
Dividends on other capital instruments	(44,657)	(36,616)
Adjusted profit	133,478	105,520
Weighted average number of ordinary shares	4,670,285,039	4,383,181,089
Basic earnings per share (euros)	0.04	0.03
Diluted earnings per share (euros)	0.04	0.03

In April 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 for the year 2008.

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 Ltd 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 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.

In June 2009, as referred in notes 39 and 45, the Bank has issued Euros 300,000,000 of perpetual subordinated debt securities with conditional coupons presenting a nominal value of Euros 1,000, which were considered as capital instruments.

In August 2009, as referred in notes 39 and 45, the Bank has issued Euros 600,000,000 of perpetual subordinated debt securities with conditional coupons presenting a nominal value of Euros 1,000, which were considered as capital instruments.

18. Cash and deposits at central banks

This balance is analysed as follows:

	Sep 2009 Euros '000	Dec 2008 Euros '000
Cash	551,003	683,891
Central banks	1,485,781	1,380,516
	2,036,784	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 calculated 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.

19. Loans and advances to credit institutions repayable on demand

This balance is analysed as follows:

	Sep 2009 Euros '000	Dec 2008 Euros '000
Credit institutions in Portugal	2,337	1,373
Credit institutions abroad	390,557	496,793
Amounts due for collection	271,808	550,182
	664,702	1,048,348

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

20. Other loans and advances to credit institutions

This balance is analysed as follows:

	Sep 2009 Euros '000	Dec 2008 Euros '000
Bank of Portugal	-	350,019
Credit institutions in Portugal	296,992	898,614
Credit institutions abroad	1,051,268	1,642,574
	1,348,260	2,891,207
Overdue loans - less than 90 days	-	10,186
Overdue loans - more than 90 days	17,044	1
	1,365,304	2,901,394
Impairment for credit risk	(13,203)	(9,049)
	1,352,101	2,892,345

The movements for impairment for credit risks in credit institutions for the Group is analysed as follows:

	Sep 2009 Euros '000	Sep 2008 Euros '000
Impairment for credit risks in credit institutions		
Balance on 1 January	9,049	3,109
Transfers	-	(201)
Impairment for the period	12,720	806
Write-back for the period	(8,567)	(3,200)
Exchange rate differences	1	11
Balance on 30 September	13,203	525

21. Loans and advances to customers

This balance is analysed as follows:

	Sep 2009 Euros '000	Dec 2008 Euros '000
Public sector	516,485	569,981
Asset-backed loans	43,460,369	42,135,232
Personal guaranteed loans	14,859,617	15,263,492
Unsecured loans	5,398,626	5,812,190
Foreign loans	4,726,426	4,663,056
Factoring	1,331,544	1,687,351
Finance leases	5,255,488	5,663,027
	75,548,555	75,794,329
Overdue loans - less than 90 days	357,100	151,580
Overdue loans - more than 90 days	1,706,362	699,561
	77,612,017	76,645,470
Impairment for credit risk	(2,041,495)	(1,480,456)
	75,570,522	75,165,014

As at 30 September 2009, the balance Loans and advances to customers includes the amount of Euros 3,965,486,000 (31 December 2008: Euros 3,708,740,000) regarding mortgage loans which are a collateral for four asset-back securities. The last asset-back security program was issued during 2008.

Since 2009, following "Carta-circular" no. 15/2009 from the Bank of Portugal, the Bank only writes-off overdue loans fully provided that, after an economic analysis, are considered uncollectable since there are no prespectives of recovery. The application of this criteria resulted in an increase in the amount of overdue loans recognized in the balance sheet, in the amount of Euros 241 million approximatelly.

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

	Sep 2009 Euros '000	Dec 2008 Euros '000
Loans not represented by securities		
Discounted bills	922,692	1,306,516
Current account credits	6,438,729	5,414,334
Overdrafts	2,338,946	2,358,634
Loans	24,398,140	25,384,802
Mortgage loans	31,466,370	31,183,421
Factoring	1,331,544	1,687,351
Finance leases	5,255,488	5,663,027
	72,151,909	72,998,085
Loans represented by securities		
Commercial paper	2,773,055	2,487,178
Bonds	623,591	309,066
	3,396,646	2,796,244
	75,548,555	75,794,329
Overdue loans - less than 90 days	357,100	151,580
Overdue loans - more than 90 days	1,706,362	699,561
	77,612,017	76,645,470
Impairment for credit risk	(2,041,495)	(1,480,456)
	75,570,522	75,165,014

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

	Sep 2009 Euros '000	Dec 2008 Euros '000
Agriculture	700,493	681,364
Mining	367,670	307,761
Food, beverage and tobacco	740,268	808,888
Textiles	591,873	644,174
Wood and cork	323,027	339,421
Printing and publishing	404,092	428,908
Chemicals	1,034,141	1,243,709
Engineering	1,350,265	1,297,634
Electricity, water and gas	916,629	933,782
Construction	5,624,049	5,613,245
Retail business	2,209,934	2,222,174
Wholesale business	2,957,602	3,177,078
Restaurants and hotels	1,379,743	1,318,438
Transports and communications	2,011,310	2,199,364
Services	16,792,504	15,174,564
Consumer credit	5,035,600	4,877,090
Mortgage credit	29,088,803	28,537,840
Other domestic activities	945,882	933,139
Other international activities	5,138,132	5,906,897
	77,612,017	76,645,470
Impairment for credit risk	(2,041,495)	(1,480,456)
	75,570,522	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:

	Sep 2009		
	Traditional	**Synthetic**	**Total**
	Euros '000	**Euros '000**	**Euros '000**
Consumer credit	681,544	-	681,544
Mortgage credit	5,880,001	-	5,880,001
Finance Leases	179,973	-	179,973
Commercial paper	626,993	-	626,993
Loans to companies	2,102,248	-	2,102,248
	9,470,759	-	9,470,759

	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 semester of 2009, the Group issued a securitization transaction named as Magellan n.º 6 (Mortgage loans) issued by Banco Comercial Português, S.A. Considering the characteristics of this securitization and as referred in note 1 g), this transaction was not derecognized from the Group's financial statements.

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

	Sep 2009	**Dec 2008**
	Euros '000	**Euros '000**
Gross amount	5,981,666	7,273,580
Interest not yet due	(726,178)	(1,610,553)
Net book value	5,255,488	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:

	Sep 2009 Euros '000	Dec 2008 Euros '000
Agriculture	5,419	5,339
Mining	112	1,033
Food, beverage and tobacco	9,849	5,235
Textiles	12,831	15,391
Wood and cork	3,742	3,464
Printing and publishing	4,165	4,043
Chemicals	8,143	5,726
Engineering	32,992	20,036
Electricity, water and gas	1,153	29
Construction	22,310	11,742
Retail business	11,678	5,679
Wholesale business	13,734	11,496
Restaurants and hotels	1,496	1,484
Transports and communications	26,807	28,597
Services	19,881	22,044
Consumer credit	91,659	40,385
Mortgage credit	72,672	13,323
Other domestic activities	9,740	893
Other international activities	3,369	3,588
	351,752	199,527

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

	Sep 2009 Euros '000	Dec 2008 Euros '000
Agriculture	12,974	5,186
Mining	20,151	3,069
Food, beverage and tobacco	19,670	4,468
Textiles	43,106	30,525
Wood and cork	43,585	8,732
Printing and publishing	18,102	3,451
Chemicals	10,895	5,208
Engineering	152,955	29,890
Electricity, water and gas	639	161
Construction	315,180	174,338
Retail business	82,603	31,546
Wholesale business	240,662	79,155
Restaurants and hotels	52,279	19,263
Transports and communications	43,539	22,415
Services	463,061	109,242
Consumer credit	327,539	172,454
Mortgage credit	165,827	120,979
Other domestic activities	20,434	6,352
Other international activities	30,261	24,707
	2,063,462	851,141

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

	Sep 2009 Euros '000	Sep 2008 Euros '000
Impairment for overdue loans and for other credit risks:		
Balance on 1 January	1,442,405	1,206,508
Transfers	220,014	(31,371)
Impairment for the period	833,844	634,205
Write-back for the period	(407,438)	(228,260)
Loans charged-off	(112,131)	(224,904)
Exchange rate differences	(6,405)	9,812
Balance on 30 September	1,970,289	1,365,990
Impairment for restructured loans:		
Balance on 1 January	38,052	15,824
Transfers	33,154	28,066
Balance on 30 September	71,206	43,890
	2,041,495	1,409,880

As already refered, the balance Transfers includes the effect of the adoption by the Group of "Carta-circular" no. 15/2009 of the Bank of Portugal.

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

	Sep 2009 Euros '000	Dec 2008 Euros '000
Agriculture	50,647	42,487
Mining	20,356	16,872
Food, beverage and tobacco	66,200	31,140
Textiles	42,371	38,883
Wood and cork	27,207	13,097
Printing and publishing	14,627	5,987
Chemicals	11,163	7,346
Engineering	112,533	62,368
Electricity, water and gas	5,511	4,133
Construction	187,835	167,407
Retail business	69,747	50,931
Wholesale business	219,966	118,756
Restaurants and hotels	31,742	25,474
Transports and communications	43,945	32,372
Services	435,057	322,698
Consumer credit	290,172	205,550
Mortgage credit	164,713	208,789
Other domestic activities	8,556	7,794
Other international activities	239,147	118,372
	2,041,495	1,480,456

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

	Sep 2009 Euros '000	Sep 2008 Euros '000
Agriculture	153	873
Mining	-	1,772
Food, beverage and tobacco	637	7,058
Textiles	12,399	14,918
Wood and cork	1,321	1,365
Printing and publishing	269	2,128
Chemicals	1,716	3,037
Engineering	24,281	3,375
Electricity, water and gas	174	16
Construction	6,036	27,399
Retail business	4,238	10,561
Wholesale business	16,752	35,720
Restaurants and hotels	377	3,055
Transports and communications	2,849	15,065
Services	22,733	17,817
Consumer credit	12,102	39,408
Mortgage credit	193	24,389
Other domestic activities	1,580	2,352
Other international activities	4,321	14,596
	112,131	224,904

In compliance with "Carta-circular" no.15/2009 of the Bank of Portugal, loans and advances to customers are charged-off when there are no expectations, from an economic prespective, 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.

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:

	Sep 2009 Euros '000	Sep 2008 Euros '000
Agriculture	230	795
Mining	341	1,100
Food, beverage and tobacco	297	3,223
Textiles	685	6,028
Wood and cork	73	225
Printing and publishing	674	1,072
Chemicals	110	193
Engineering	508	1,928
Electricity, water and gas	102	4
Construction	3,475	6,083
Retail business	1,023	3,398
Wholesale business	3,853	6,757
Restaurants and hotels	136	1,513
Transports and communications	446	1,393
Services	2,000	4,379
Consumer credit	5,855	16,002
Mortgage credit	151	6,930
Other domestic activities	78	524
Other international activities	1,081	1,451
	21,118	62,998

22. Financial assets held for trading and available for sale

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

	Sep 2009 Euros '000	Dec 2008 Euros '000
Bonds and other fixed income securities		
Issued by public entities	2,921,841	2,303,898
Issued by other entities	1,567,557	655,991
	4,489,398	2,959,889
Overdue securities	5,148	5,427
Impairment for overdue securities	(5,148)	(5,427)
	4,489,398	2,959,889
Shares and other variable income securities	806,770	855,787
	5,296,168	3,815,676
Trading derivatives	1,381,978	1,801,769
	6,678,146	5,617,445

The portfolio of financial instruments for trading and available for sale securities, as at 30 September 2009, is analyzed as follows:

	Securities		
	Trading Euros '000	Available for sale Euros '000	Total Euros '000
Fixed income:			
Bonds issued by public entities			
Portuguese issuers	310,176	1,831	312,007
Foreign issuers	1,025,686	225,086	1,250,772
Bonds issued by other entities			
Portuguese issuers	347,077	527,191	874,268
Foreign issuers	608,928	89,509	698,437
Treasury bills and other Government bonds	516,102	842,960	1,359,062
	2,807,969	1,686,577	4,494,546
Variable income:			
Shares in Portuguese companies	4,854	122,318	127,172
Shares in foreign companies	7,428	261,056	268,484
Investment fund units	20,753	385,247	406,000
Other securities	5,114	-	5,114
	38,149	768,621	806,770
Impairment for overdue securities	-	(5,148)	(5,148)
	2,846,118	2,450,050	5,296,168
Trading derivatives	1,381,978	-	1,381,978
	4,228,096	2,450,050	6,678,146

The trading portfolio is stated in accordance with the 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 41. The fair value reserve in the amount of Euros 71,813,000 is presented net of impairment losses in the amount of Euros 64,902,000.

The balance Financial assets available for sale - variable income securities - shares in foreign companies, includes the amount of Euros 212,359,000 related to the investment held in Eureko B.V. This investment is measured annually based on independent valuations obtain in the first quarter of each year. As referred in note 41, the fair value reserve associated to this investment amounts to Euro 61,113,000 as at 30 September 2009.

The portfolio of financial instruments for trading and available for sale securities, as at 31 December 2008, is analyzed as follows:

	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

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 41. The fair value reserve in the amount of Euros 201,635,000 is presented net of impairment losses in the amount of Euros 42,085,000.

The balance Financial assets available for sale - variable income securities - shares in foreign companies, includes the amount of Euros 380,114,000 related to the investment held in Eureko B.V. This investment is measured annually based on independent valuations obtain in the first quarter of each year. As referred in note 41, the fair value reserve associated with this investment amounts to Euro 256,715,000 as at 31 December 2008.

The analysis of the securities portfolio included in the financial assets held for trading and available for sale, by sector of activity, as at 30 September 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	-	81	-	-	81
Textiles	-	1	-	553	554
Wood and cork	2,371	-	-	998	3,369
Printing and publishing	144	7,486	-	-	7,630
Chemicals	-	23	-	-	23
Engineering	40	239	-	31	310
Electricity, water and gas	20,726	767	-	-	21,493
Construction	-	56,131	-	2,560	58,691
Retail business	-	-	245	-	245
Wholesale business	-	3,494	-	475	3,969
Restaurants and hotels	-	51	-	-	51
Transport and communications	-	2,532	-	529	3,061
Services	1,542,601	324,638	410,817	2	2,278,058
Other international activities	1,675	213	52	-	1,940
	1,567,557	395,656	411,114	5,148	2,379,475
Government and Public securities	1,562,779	-	1,359,062	-	2,921,841
Impairment for overdue securities	-	-	-	(5,148)	(5,148)
	3,130,336	395,656	1,770,176	-	5,296,168

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

23. Other financial assets held for trading at fair value through profit or loss

The balance Other financial assets held for trading at fair value through profit or loss corresponds to Deposits in credit institutions.

24. Hedging derivatives

This balance is analysed as follows:

	Sep 2009 Euros '000	Dec 2008 Euros '000
Hedging instruments		
Assets:		
Swaps	274,954	117,305
Liabilities:		
Swaps	94,372	350,960

25. Financial assets held to maturity

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

	Sep 2009 Euros '000	Dec 2008 Euros '000
Bonds and other fixed income securities		
Issued by Government and public entities	532,552	519,379
Issued by other entities	781,413	582,465
	1,313,965	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:

	Sep 2009 Euros '000	Dec 2008 Euros '000
Transport and communications	97,487	97,118
Services	683,926	485,347
	781,413	582,465
Government and Public securities	532,552	519,379
	1,313,965	1,101,844

26. Investments in associated companies

This balance is analysed as follows:

	Sep 2009 Euros '000	Dec 2008 Euros '000
Portuguese credit institutions	20,104	16,646
Foreign credit institutions	20,451	20,606
Other Portuguese companies	380,206	306,682
Other foreign companies	3,384	-
	424,145	343,934

The balance Investments in associated companies is analysed as follows:

	Sep 2009 Euros '000	Dec 2008 Euros '000
Banque BCP, S.A.S.	16,458	16,713
Banque BCP (Luxembourg), S.A.	3,993	3,893
Millenniumbcp Fortis Grupo Segurador, S.G.P.S., S.A.	366,397	288,319
SIBS - Sociedade Interbancária de Serviços, S.A.	12,919	15,039
Unicre - Cartão Internacional de Crédito, S.A.	20,104	16,646
VSC - Aluguer de Veículos Sem Condutor, Lda.	890	3,324
Other	3,384	-
	424,145	343,934

These investments correspond to unquoted companies, 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 included in the consolidation perimeter are presented in note 47.

27. Property and equipment

This balance is analysed as follows:

	Sep 2009 Euros '000	Dec 2008 Euros '000
Land and buildings	950,126	944,790
Equipment		
Furniture	96,755	104,615
Office equipment	56,626	55,291
Computer equipment	303,729	301,293
Interior installations	140,472	139,670
Motor vehicles	20,970	22,753
Security equipment	75,609	74,396
Work in progress	50,112	112,297
Other tangible assets	50,562	44,044
	1,744,961	1,799,149
Accumulated depreciation		
Charge for the period	(68,239)	(97,073)
Accumulated charge for the previous periods	(1,027,874)	(956,258)
	(1,096,113)	(1,053,331)
	648,848	745,818

28. Goodwill and intangible assets

This balance is analysed as follows:

	Sep 2009 Euros '000	Dec 2008 Euros '000
Intangible assets		
Software	139,106	131,620
Other intangible assets	61,551	61,798
	200,657	193,418
Accumulated amortisation		
Charge for the period	(10,377)	(15,770)
Accumulated charge for the previous period	(156,163)	(143,647)
	(166,540)	(159,417)
	34,117	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	2,666	7,068
	501,825	506,227
	535,942	540,228

29. Deferred income tax assets and liabilities

Deferred income tax assets and liabilities as at 30 September 2009 and 2008 and 31 December, 2008 are analysed as follows:

	Sep 2009		Dec 2008	
	Assets Euros '000	Liabilities Euros '000	Assets Euros '000	Liabilities Euros '000
Intangible assets	58	116	61	77
Other tangible assets	1,879	7,657	2,015	5,168
Impairment losses	243,231	17,764	214,173	60,514
Pensions	302,129	-	339,010	-
Financial assets available for sale	4,631	9,351	810	10,547
Derivatives	-	3,666	-	10,554
Allocation of profits	57,097	-	36,847	-
Others	58,914	123,250	66,329	123,756
Tax losses carried forward	77,803	-	138,323	-
	745,742	161,804	797,568	210,616
Deferred tax assets	583,938		586,952	
Others	-	474	-	336
Deferred tax liabilities		474		336
Net deferred tax	583,464		586,616	

30. Other assets

This balance is analysed as follows:

	Sep 2009 Euros '000	Dec 2008 Euros '000
Debtors	153,921	373,638
Investments arising from recovered loans	1,389,308	1,397,511
Amounts due for collection	38,059	26,386
Recoverable tax	68,962	61,513
Recoverable government subsidies on mortgage loans	35,901	47,055
Associated companies	2,327	8,515
Other amounts receivable	34,611	49,958
Prepayments and deferred costs	1,651,105	1,783,982
Amounts receivable on trading activity	67,503	163,918
Amounts due from customers	130,043	203,588
Reinsurance technical provision	-	478
Sundry assets	269,088	202,236
	3,840,828	4,318,778
Impairment for other assets	(212,609)	(171,133)
	3,628,219	4,147,645

31. Deposits from other credit institutions

This balance is analysed as follows:

	Sep 2009 Euros '000	Dec 2008 Euros '000
Credit institutions in Portugal	825,908	809,994
Credit institutions abroad	5,190,251	5,187,072
	6,016,159	5,997,066

32. Deposits from customers

This balance is analysed as follows:

	Sep 2009 Euros '000	Dec 2008 Euros '000
Deposits from customers:		
Repayable on demand	14,690,108	13,545,678
Term deposits	25,817,317	25,990,051
Saving accounts	4,092,051	4,781,069
Treasury bills and other assets sold under repurchase agreement	435,196	213,191
Other	365,348	377,179
	45,400,020	44,907,168

In accordance with Regulation no. 180/94 of 15 December, the Deposit Guarantee Fund was established to guarantee the reimbursement of funds deposited in Credit Institutions. The calculations of the annual contributions for this Fund are based on the criteria defined in Regulation n. 11/94 of the Bank of Portugal.

33. Debt securities issued

This balance is analysed as follows:

	Sep 2009 Euros '000	Dec 2008 Euros '000
Bonds	18,650,652	17,784,038
Commercial paper	3,620,750	2,682,127
Other	60,126	49,401
	22,331,528	20,515,566

The balance Bonds includes issues for which the embedded derivative was separated from the host contract, in accordance with note 22 and accounting policy 1 d).

34. Financial liabilities held for trading

The balance is analysed as follows:

	Sep 2009 Euros '000	Dec 2008 Euros '000
Short selling securities	5,122	-
FRA	36	424
Swaps	1,075,653	2,078,564
Options	33,897	24,720
Embedded derivatives	18,187	11,923
Forwards	6,402	23,184
	1,139,297	2,138,815

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

The balance is analysed as follows:

	Sep 2009 Euros '000	Dec 2008 Euros '000
Deposits from credit institutions	1,247,998	1,935,354
Deposits from customers	-	35,522
Bonds	5,149,250	3,922,153
Commercial paper	436,960	523,123
Subordinated debt	-	298,171
	6,834,208	6,714,323

36. Provisions for liabilities and charges

This balance is analysed as follows:

	Sep 2009 Euros '000	Dec 2008 Euros '000
Provision for guarantees and other commitments	89,009	77,729
Technical provision for the insurance activity:		
For direct insurance and reinsurance accepted:		
Unearned premium / reserve	7,569	6,147
Life insurance	35,659	40,161
Bonuses and rebates	2,266	1,217
Other technical provisions	5,921	4,527
Provision for pension costs	3,499	3,048
Other provisions	85,544	89,007
	229,467	221,836

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

	Sep 2009 Euros '000	Sep 2008 Euros '000
Balance on 1 January	77,729	73,705
Transfers	114	(956)
Charge for the period	21,183	15,044
Write-back for the period	(9,553)	(12,431)
Exchange rate differences	(464)	292
Balance on 30 September	89,009	75,619

37. Subordinated debt

This balance is analysed as follows:

	Sep 2009 Euros '000	Dec 2008 Euros '000
Bonds	2,290,558	2,595,812
Other subordinated debt	2,396	2,848
	2,292,954	2,598,660

As at 30 September 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	153,014
BCP September 2011	September 2001	September 2011	Fixed rate of 6.15%	120,000	124,491
Mbcp Ob Cx Sub 1 Serie 2008-2018	September 2008	September 2018	See reference (i)	286,092	286,092
Mbcp Ob Cx Sub 2 Serie 2008-2018	October 2008	October 2018	See reference (i)	78,244	78,244
Bank Millennium:					
Bank Millennium	December 2001	December 2011	Fixed rate of 6.360%	79,932	79,932
Bank Millennium 2007	December 2007	December 2017	Fixed rate of 6.337%	149,693	149,693
Banco de Investimento Imobiliário:					
BII 2004	December 2004	December 2014	See reference (ii)	15,000	14,965

Issue	Issue date	Maturity date	Interest rate	Nominal value Euros '000	Book value Euros '000
BCP Finance Bank:					
EMTN 44 Issue - 1 Tranche	March 2001	March 2011	Fixed rate of 6.25%	399,793	414,857
EMTN 44 Issue - 2 Tranche	May 2001	March 2011	Fixed rate of 6.25%	199,896	207,429
BCP Fin. Bank Ltd EMTN -295	December 2006	December 2016	See reference (iii)	321,000	320,356
BCP Fin. Bank Ltd 2005	May 2005	September 2015	See reference (iv)	270,535	270,316
					2,099,389
Perpetual Bonds					
BCP - Euro 200 millions	September 2002	-	See reference (v)	85	25
BPA 1997	September 1997	-	Euribor 3 months + 0.95%	68,565	68,566
TOPS's BPSM 1997	December 1997	-	Euribor 6 months + 0.4%	88,251	89,192
BCP Leasing 2001	December 2001	-	See reference (vi)	4,986	4,986
					162,769
Other subordinated debt					
BIM	December 2000	-	50% Discount rate of B.Mozambique	2,363	2,363
Accruals					28,433
					2,292,954

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 Euribor 3 months + 1.75%; After 40th coupon Euribor 3 months + 2.25%

38. Other liabilities

This balance is analysed as follows:

	Sep 2009 Euros '000	Dec 2008 Euros '000
Creditors:		
Suppliers	40,723	66,436
From factoring operations	21,411	29,372
Associated companies	336	8,453
Other creditors	354,698	338,353
Public sector	65,988	85,636
Other amounts payable	62,131	103,741
Deferred income	2,336	1,750
Holiday pay and subsidies	83,421	66,330
Other administrative costs payable	1,191	5,583
Amounts payable on trading activity	182,903	179,384
Other liabilities	350,289	498,595
	1,165,427	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 April 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 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.

In June 2009, as referred in note 45, the Bank has issued Euros 300,000,000 of perpetual subordinated debt securities with conditional coupons presenting a nominal value of Euros 1,000. In face of its characterists, in accordance with IAS 32 and with note 1 h), these securities were considered as capital instruments.

In August 2009, as referred in note 45, the Bank has issued Euros 600,000,000 of perpetual subordinated debt securities with conditional coupons presenting a nominal value of Euros 1,000. In face of its characterists, in accordance with IAS 32 and with note 1 h), these securities were considered as capital instruments.

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 45,119,000. 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:

	Sep 2009 Euros '000	Dec 2008 Euros '000
Other comprehensive income		
Exchange differences arising on consolidation	(101,163)	(61,731)
Fair value reserves		
Financial instruments available for sale	71,813	201,635
Cash-flow hedge	(3,635)	5,810
Tax		
Financial instruments available for sale	2,072	8,252
Cash-flow hedge	691	(1,104)
	(30,222)	152,862
Other reserves and retained earnings:		
Legal reserve	425,410	380,291
Statutory reserve	10,000	-
Other reserves and retained earnings	2,499,605	2,460,365
Goodwill arising on consolidation	(2,883,580)	(2,883,580)
Other reserves arising on consolidation	(172,500)	(169,967)
	(121,065)	(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 balance Other comprehensive income includes income and expenses that, according to IAS/IFRS, are recognized in equity.

42. Treasury stock

This balance is analysed as follows:

	Banco Comercial Português, S.A. shares		Other treasury stock	Total
Sep 2009				
Net book value (Euros '000)	14,481		65,636	80,117
Number of securities	15,780,747	(*)		
Average book value (Euros)	0.92			
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 30 September 2009, this balance includes 10,186,572 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	
	Sep 2009 Euros '000	Dec 2008 Euros '000	Sep 2009 Euros '000	Sep 2008 Euros '000
Bank Millennium, S.A.	220,505	233,722	(5,353)	37,926
BIM - Banco Internacional de Moçambique	49,109	49,702	13,553	13,004
Banco Millennium Angola, S.A.	56,283	-	4,482	-
Other subsidiaries	2,521	4,320	(517)	12
	328,418	287,744	12,165	50,942

44. Guarantees and future commitments

Guarantees and future commitments are analysed as follows:

	Sep 2009 Euros '000	Dec 2008 Euros '000
Guarantees granted	8,459,747	8,613,752
Guarantees received	26,437,384	26,814,666
Commitments to third parties	14,302,333	12,923,843
Commitments from third parties	14,298,733	12,694,394
Securities and other items held for safekeeping on behalf of customers	159,478,174	139,668,817
Securities and other items held under custody by the Securities Depository Authority	146,204,501	126,742,438
Other off balance sheet accounts	163,293,301	149,920,250

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

	Sep 2009 Euros '000	Dec 2008 Euros '000
Guarantees granted:		
Guarantees	7,778,553	7,849,130
"Stand-by" letter of credit	210,369	258,779
Open documentary credits	353,983	368,324
Bails and indemnities	116,125	137,519
Other liabilities	717	-
	8,459,747	8,613,752
Commitments to third parties		
Irrevocable commitments		
Time deposits contracts	1,250,687	404,475
Irrevocable credit lines	3,518,188	3,480,464
Securites subscription	53,821	44,191
Other irrevocable commitments	267,599	373,346
Revocable commitments		
Revocable credit lines	7,014,845	6,743,785
Bank overdraft facilities	2,170,092	1,864,466
Other revocable commitments	27,101	13,116
	14,302,333	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 2009

Sale of Banco BPI shares

Banco Comercial Português, S.A., following the contracts established in December 2008, settled in March 2009 from a formal perspective, following the declaration of non-opposition from the Bank of Portugal, in a transaction outside the stock market, the sale of 87,214,836 shares representing a 9.69% stake in the share capital of Banco BPI, SA, at a price per share of 1.88 Euro.

Banco Millennium Angola, conclusion of the partnership agreements established with Sonangol and Banco Privado Atlântico

Following the strategic partnership agreement established with Sonangol - Sociedade Nacional de Combustíveis de Angola, Empresa Pública (Sonangol) and Banco Privado Atlântico S.A. (BPA), Banco Comercial Português, S.A., finalized, in February 2009 the financial transactions related with the agreements to increase the share capital of Banco Millennium Angola (BMA) in the amount of 1,800,442,195 Kwanzas (USD 105,752,497). Following the share capital increase, Sonangol currently holds a 29.9% stake and BPA a 20% stake in BMA share capital. BMA holds currently a 10% stake in BPA. This institution is already a reference in corporate and investment baking business in the Angolan financial system.

This transactions had an impact of Euros 21,183,000 in the consolidated financial statements of Banco Comercial Português, S.A., as referred in note 15.

Banco Comercial Português issued fixed rate debt guaranteed by the Portuguese Republic in the amount of Euros 1,500 million

Banco Comercial Português issued, in January 2009, fixed rate debt (Euros Fixed Rate Notes) with 3 year maturity guaranteed by the Portuguese Republic in the amount of Euros 1,500 million.

The issue was placed at a price equivalent to the mid-swaps rate plus 100 b.p.

This issue was rated AA- by Standard & Poor's, Aa2 by Moody's and AA by Fitch Ratings.

Issue of Euros 300,000,000 of Subordinated Perpetual Instruments under the Program of Issue of Valores Mobiliários Representative of Debt up to the amount of Euros 7,500,000,000.

In June 2009, Banco Comercial Português, S.A. concluded the issue of Séries 1 of the Program of Issue of Valores Mobiliários Representative of Debt, in the amount of Euros 300,000,000 of Subordinated Perpetual Valores Mobiliários Representative of Debt with conditioned interest with a nominal amount of Euros 1,000 corresponding to 300,000 titles.

This issue considering its characteristics was classified as capital, as referred in note 39.

Issue of Euros 600,000,000 of Subordinated Perpetual Instruments under the Program of Issue of Valores Mobiliários Representative of Debt up to the amount of Euros 7,500,000,000.

In August 2009, Banco Comercial Português, S.A. concluded the issue of Séries 1 of the Program of Issue of Valores Mobiliários Representative of Debt, in the amount of Euros 600,000,000 of Subordinated Perpetual Valores Mobiliários Representative of Debt with conditioned interest with a nominal amount of Euros 1,000 corresponding to 600,000 titles.

This issue considering its characteristics was classified as capital, as referred in note 39.

Approval of 2008 results

In the General Shareholders Meeting held in 30 March 2009 the following proposal for distribution of results of 2008, in the amount of Euros Euros 451,182,626, was approved:

a) Euros 45,118,263 for reinforcement of legal reserves;
b) Euros 10,000,000 for reinforcement of reserve for stability of dividends;
c) Euros 79,808,200 for distribution of dividends;
d) Euros 316,256,163 for retained earnings.

Its was also approved the following application of the results:

a) To each share corresponds a dividend of 0.017 euros;
b) Not to be paid, registered as retained earnings, the amount corresponding to the shares that in the first day of the period of payment of dividends, that are owned by the Bank.

Merger by incorporation of Banco Millennium bcp Investimento, S.A.

In May 2009, the Board of Directors of each of the companies approved the merger by incorporation of the Bank fully owned by Banco Comercial Português, S.A. by the global transfer of the assets of Banco Millennium bcp Investimento, S.A. to BCP (incorporating company) and extinction of the incorporated Bank, in accordance with the nr. 1 and nr. 4 a) of the article 97º and article 116º, both from Código das Sociedades Comerciais, without obligation of shareholders meeting of the involved entities.
ue se extinguirá o Banco Milenniumbcp Investimento, S.A.

The merge was concluded on the 31 August, date that extinguished the Banco Milenniumbcp Investimento, S.A.

Reduction of the investment held in Baía de Luanda Project

Banco Comercial Português S.A. informs that, after analysing the market conditions and the development perspectives of the Luanda Bay Urban Requalification Project ("Baía de Luanda Project"), it has decided to reduce the Millenniumbcp Group's invetment in the project to 10%, through the sale to the Angolan company Finicapital - Investimentos e Gestão S.A.. This sale generated a cash inflow of USD 100,000,000.

Banco Comercial Português considers that the participation that will be maintained by Millenniumbcp Group in the Baía de Luanda project will allow not only to strengthen the cooperation with the Angolan business community but also to keep a relevant presence in a highly important project to Angola.

46. Segmental reporting

The segments presented, in respects to the business and geographic segments, are in accordance with IFRS 8. In conformity with the management modal of the Group, the primary segment corresponds to the business segments used for management effects by the Executive Board of Directors. Group offers a wide range of banking activities and financial services in Portugal and abroad, with a special focus on Commercial Banking, Corporate and 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. Commercial Banking activity includes Millennium bcp's network in Portugal, operating as a distribution channel targeting the segments of Retail Banking and Companies, focusing the activity on satisfying customers' financial needs, both for individuals and small and medium enterprises. 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.

Retail Banking and Companies segment has two specific approaches: (i) the Retail Banking in Portugal, targeting "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 Relationship Manager; (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. Within the scope of the cross-selling strategy, Retail Banking and Companies also acts as a distribution channel for financial products and services of the Millennium bcp business as a whole.

Corporate and Investment Banking 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 Investment Banking business is 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; and (iii) the activity of the International Division.

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. Private Banking and Asset Management also includes ActivoBank7, an online global services bank, specialised on brokerage and on the selection and advisory of long-term investment products.

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 segments Upper market, Affluent and Business, and in Romania it is represented through a greenfield operation launched in 2007, focused on Mass market and Businesses, Companies and Affluent. 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 speaking community. All the above operations develop their activities under the same commercial brand of Millennium.

Other segment includes the centralized management of shareholdings and the remaining corporate activities and operations that are excluded 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. In 2009 the risk weighted assets were determined by the standard approach in respect to credit risk and, subsequent to the authorisation from the Bank of Portugal, the standard approach for the operational risk and the internal models approach for the generic market risk. 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. Financial flows 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 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 for this information it was reflected, in 2008, the structural changes occurred in 2009 in the organization of the segments. Companies was incorporated in the Retail Banking and Companies segment passing the Corporate to be part of the Corporate and Investment Banking segment. Also, ActivoBank7 was transferred from Retail Banking to Private Banking and Asset Management. Each segment's net contribution reflects the business units individual net income, 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 in the 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, Mozambique and Other. The segment Portugal reflects, essentially, the activities carried out by Millennium bcp in Portugal, 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) and the segment Mozambique contains the activity of Millennium bim (Mozambique). 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 and Angola.

At 30 September 2009, the net contribution of the major business segments, according to the organization of the business of the Group at the same date, is analyzed as follows:

	Commercial Banking						
	Retail Banking and Companies	Foreign Business	Total	Investment Banking	Private Banking and Asset Management	Other	Consolidated
Income statement							
Interest income	1,434,515	820,049	2,254,564	420,379	110,749	46,419	2,832,111
Interest expense	(797,139)	(548,779)	(1,345,918)	(268,793)	(59,831)	(159,386)	(1,833,928)
Net interest income	637,376	271,270	908,646	151,586	50,918	(112,967)	998,183
Commissions and other income	373,222	195,586	568,808	132,935	52,255	7,174	761,172
Commissions and other costs	(17,546)	(54,862)	(72,408)	(5,524)	(14,531)	(82,249)	(174,712)
Net commissions and other income	355,676	140,724	496,400	127,411	37,724	(75,075)	586,460
Net gains arising from trading activity	-	119,209	119,209	21,209	280	47,452	188,150
Staff costs and administrative costs	583,733	370,477	954,210	57,066	45,045	37,448	1,093,769
Depreciations	1,171	32,834	34,005	167	335	44,109	78,616
Operating costs	584,904	403,311	988,215	57,233	45,380	81,557	1,172,385
Impairment and provisions	(218,920)	(128,052)	(346,972)	(85,477)	(40,156)	(12,270)	(484,875)
Share of profit of associates under the equity method	-	1,583	1,583	(2,131)	-	48,361	47,813
Net gain from the sale of other assets	-	-	-	-	-	78,276	78,276
Profit before income tax	189,228	1,423	190,651	155,365	3,386	(107,780)	241,622
Income tax	(50,145)	(7,674)	(57,819)	(41,896)	(971)	49,364	(51,322)
Minority interests	-	(11,496)	(11,496)	-	-	(669)	(12,165)
Profit after income tax	139,083	(17,747)	121,336	113,469	2,415	(59,085)	178,135
Income between segments	31,652	-	31,652	(29,432)	(2,220)	-	-
Balance sheet							
Cash and Loans and advances to credit institutions	8,056,670	2,405,505	10,462,175	6,407,933	713,893	(13,530,414)	4,053,587
Loans and advances to customers	46,052,793	14,685,765	60,738,558	12,361,131	3,567,571	(1,096,738)	75,570,522
Financial assets	-	2,845,131	2,845,131	2,141,978	26,849	3,337,738	8,351,696
Other assets	755,051	422,864	1,177,915	225,648	42,327	4,489,954	5,935,844
Total Assets	54,864,514	20,359,265	75,223,779	21,136,690	4,350,640	(6,799,460)	93,911,649
Deposits from other credit institutions	9,891,940	4,159,498	14,051,438	5,980,857	837,127	(13,500,582)	7,368,840
Deposits from customers	21,230,818	13,326,191	34,557,009	5,512,625	2,724,720	2,605,666	45,400,020
Debt securities issued	14,930,036	996,261	15,926,297	6,018,514	386,709	8	22,331,528
Other financial liabilities held for trading at fair value through profit or loss	5,285,295	226,589	5,511,884	2,130,579	155,293	175,749	7,973,505
Other financial liabilities	-	387,491	387,491	-	-	1,999,835	2,387,326
Other liabilities	983,540	261,480	1,245,020	344,798	67,143	(259,556)	1,397,405
Total Liabilities	52,321,629	19,357,510	71,679,139	19,987,373	4,170,992	(8,978,880)	86,858,624
Equity and minority interests	2,542,885	1,001,755	3,544,640	1,149,317	179,648	2,179,420	7,053,025
Total Liabilities, Equity and minority interests	54,864,514	20,359,265	75,223,779	21,136,690	4,350,640	(6,799,460)	93,911,649

At 30 September 2008, the net contribution of the major business segments is analysed as follows:

	Commercial Banking				Private		
	Retail Banking and Companies	Foreign Business	Total	Investment Banking	Banking and Asset Management	Other	Consolidated
Income statement							
Interest income	2,221,089	944,404	3,165,493	619,591	163,855	(49,286)	3,899,653
Interest expense	(1,386,608)	(582,702)	(1,969,310)	(512,343)	(120,779)	(20,523)	(2,622,955)
Net interest income	834,481	361,702	1,196,183	107,248	43,076	(69,809)	1,276,698
Commissions and other income	368,127	225,415	593,542	100,639	69,482	59,398	823,061
Commissions and other costs	(21,130)	(56,952)	(78,082)	27,846	(25,767)	(106,312)	(182,315)
Net commissions and other income	346,997	168,463	515,460	128,485	43,715	(46,914)	640,746
Net gains arising from trading activity	-	129,360	129,360	5,603	(2,758)	(241,471)	(109,266)
Staff costs and administrative costs	602,599	426,519	1,029,118	70,926	50,469	13,485	1,163,998
Depreciations	1,106	31,982	33,088	204	301	48,935	82,528
Operating costs	603,705	458,501	1,062,206	71,130	50,770	62,420	1,246,526
Impairment and provisions	(189,749)	(46,200)	(235,949)	(63,135)	(34,318)	(20,546)	(353,948)
Share of profit of associates under the equity method	-	-	-	(1,182)	-	37,012	35,830
Net gain from the sale of other assets	-	-	-	-	-	5,810	5,810
Profit before income tax	388,024	154,824	542,848	105,889	(1,055)	(398,338)	249,344
Income tax	(102,826)	(32,269)	(135,095)	(28,764)	3,948	103,645	(56,266)
Minority interests	-	(45,484)	(45,484)	-	-	(5,458)	(50,942)
Profit after income tax	285,198	77,071	362,269	77,125	2,893	(300,151)	142,136
Income between segments	29,709	-	29,709	(22,108)	(7,601)	-	-
Balance sheet							
Cash and Loans and advances to credit institutions	6,867,238	2,837,671	9,704,909	7,288,298	816,722	(11,112,125)	6,697,804
Loans and advances to customers	45,031,242	14,536,369	59,567,611	10,270,148	3,437,625	(1,957,427)	71,317,957
Financial assets	-	2,513,675	2,513,675	3,217,453	25,699	3,628,687	9,385,514
Other assets	1,097,380	544,984	1,642,364	123,138	41,747	3,943,595	5,750,844
Total Assets	52,995,860	20,432,699	73,428,559	20,899,037	4,321,793	(5,497,270)	93,152,119
Deposits from other credit institutions	9,132,522	2,996,896	12,129,418	5,256,900	1,077,318	(10,064,898)	8,398,738
Deposits from customers	19,817,089	13,986,333	33,803,422	3,348,226	2,486,683	4,521,802	44,160,133
Debt securities issued	16,081,631	1,171,754	17,253,385	8,454,720	379,097	(3,508,829)	22,578,373
Other financial liabilities held for trading at fair value through profit or loss	4,178,349	325,917	4,504,266	1,980,170	109,238	179,810	6,773,484
Other financial liabilities	1,100,318	577,469	1,677,787	601,587	77,348	1,010,635	3,367,357
Other liabilities	400,156	387,751	787,907	175,512	31,426	550,926	1,545,771
Total Liabilities	50,710,065	19,446,120	70,156,185	19,817,115	4,161,110	(7,310,554)	86,823,856
Equity and minority interests	2,285,795	986,579	3,272,374	1,081,922	160,683	1,813,284	6,328,263
Total Liabilities, Equity and minority interests	52,995,860	20,432,699	73,428,559	20,899,037	4,321,793	(5,497,270)	93,152,119

At 30 September 2009, the net contribution of the major geographic segments, according to the organization of the business of the Group at the same date, is analyzed as

	Portugal									
	Retail Banking and Companies	**Corporate and Investment Banking**	**Private Banking and Asset Managment**	**Other**	**Total**	**Poland**	**Greece**	**Mozambique**	**Other**	**Consolidated**
Income statement										
Interest income	1,434,515	420,379	110,749	46,419	2,012,062	407,366	224,607	83,739	104,337	2,832,111
Interest expense	(797,139)	(268,793)	(59,831)	(159,386)	(1,285,149)	(319,938)	(135,589)	(19,851)	(73,401)	(1,833,928)
Net interest income	637,376	151,586	50,918	(112,967)	726,913	87,428	89,018	63,888	30,936	998,183
Commissions and other income	373,222	132,935	52,255	7,174	565,586	105,829	34,412	37,535	17,810	761,172
Commissions and other costs	(17,546)	(5,524)	(14,531)	(82,249)	(119,850)	(25,771)	(10,016)	(14,725)	(4,350)	(174,712)
Net commissions and other income	355,676	127,411	37,724	(75,075)	445,736	80,058	24,396	22,810	13,460	586,460
Net gains arising from trading activity	-	21,209	280	47,452	68,941	61,215	8,571	13,857	35,566	188,150
Staff costs and administrative costs	583,733	57,066	45,045	37,448	723,292	161,209	85,570	41,925	81,773	1,093,769
Depreciations	1,171	167	335	44,109	45,782	13,483	7,173	4,373	7,805	78,616
Operating costs	584,904	57,233	45,380	81,557	769,074	174,692	92,743	46,298	89,578	1,172,385
Impairment and provisions	(218,920)	(85,477)	(40,156)	(12,270)	(356,823)	(78,163)	(19,784)	(6,704)	(23,401)	(484,875)
Share of profit of associates under the equity method	-	(2,131)	-	48,361	46,230	1,583	-	-	-	47,813
Net gain from the sale of other assets	-	-	-	78,276	78,276	-	-	-	-	78,276
Profit before income tax	189,228	155,365	3,386	(107,780)	240,199	(22,571)	9,458	47,553	(33,017)	241,622
Income tax	(50,145)	(41,896)	(971)	49,364	(43,648)	4,631	(4,244)	(8,646)	585	(51,322)
Minority interests	-	-	-	(669)	(669)	6,187	-	(12,956)	(4,727)	(12,165)
Profit after income tax	139,083	113,469	2,415	(59,085)	195,882	(11,753)	5,214	25,951	(37,159)	178,135
Income between segment	31,652	(29,432)	(2,220)	-	-	-	-	-	-	-
Balance sheet										
Cash and Loans and advances to credit institutions	8,056,670	6,407,933	713,893	(13,530,414)	1,648,082	472,379	1,314,311	202,764	416,051	4,053,587
Loans and advances to customers	46,052,793	12,361,131	3,567,571	(1,096,738)	60,884,757	7,968,526	4,972,942	508,374	1,235,923	75,570,522
Financial assets	-	2,141,978	26,849	3,337,738	5,506,565	1,789,596	340,871	242,516	472,148	8,351,696
Other assets	755,051	225,648	42,327	4,489,954	5,512,980	144,908	108,105	66,717	103,134	5,935,844
Total Assets	54,864,514	21,136,690	4,350,640	(6,799,460)	73,552,384	10,375,409	6,736,229	1,020,371	2,227,256	93,911,649
Deposits from other credit institutions	9,891,940	5,980,857	837,127	(13,500,582)	3,209,342	1,683,825	1,928,229	41,890	505,554	7,368,840
Deposits from customers	21,230,818	5,512,625	2,724,720	2,605,666	32,073,829	7,563,305	3,468,833	784,909	1,509,144	45,400,020
Debt securities issued	14,930,036	6,018,514	386,709	8	21,335,267	234,706	761,554	-	1	22,331,528
Other financial liabilities held for trading at fair value through profit or loss	5,285,295	2,130,579	155,293	175,749	7,746,916	154,331	72,184	-	74	7,973,505
Other financial liabilities	-	-	-	1,999,835	1,999,835	179,156	129,945	25,500	52,890	2,387,326
Other liabilities	983,540	344,798	67,143	(259,556)	1,135,925	101,554	52,818	80,417	26,691	1,397,405
Total Liabilities	52,321,629	19,987,373	4,170,992	(8,978,880)	67,501,114	9,916,877	6,413,563	932,716	2,094,354	86,858,624
Equity and minority interests	2,542,885	1,149,317	179,648	2,179,420	6,051,270	458,532	322,666	87,655	132,902	7,053,025
Total Liabilities, Equity and minority interests	54,864,514	21,136,690	4,350,640	(6,799,460)	73,552,384	10,375,409	6,736,229	1,020,371	2,227,256	93,911,649

At 30 September 2008, the net contribution of the major geografic segments is analysed as follows:

	Portugal									
	Retail Banking and Companies	Corporate and Investment Banking	Private Banking and Asset Managment	Other	Total	Poland	Greece	Mozambique	Other	Consolidated
Income statement										
Interest income	2,221,089	619,591	163,855	(49,286)	2,955,249	507,294	273,760	70,089	93,261	3,899,653
Interest expense	(1,386,608)	(512,343)	(120,779)	(20,523)	(2,040,253)	(315,990)	(182,996)	(17,948)	(65,768)	(2,622,955)
Net interest income	834,481	107,248	43,076	(69,809)	914,996	191,304	90,764	52,141	27,493	1,276,698
Commissions and other income	368,127	100,639	69,482	59,398	597,646	135,228	36,092	32,680	21,415	823,061
Commissions and other costs	(21,130)	27,846	(25,767)	(106,312)	(125,363)	(28,032)	(12,175)	(13,138)	(3,607)	(182,315)
Net commissions and other income	346,997	128,485	43,715	(46,914)	472,283	107,196	23,917	19,542	17,808	640,746
Net gains arising from trading activity	-	5,603	(2,758)	(241,471)	(238,626)	100,221	4,610	10,115	14,414	(109,266)
Staff costs and administrative costs	602,599	70,926	50,469	13,485	737,479	237,520	85,297	34,060	69,642	1,163,998
Depreciations	1,106	204	301	48,935	50,546	14,598	6,796	3,557	7,031	82,528
Operating costs	603,705	71,130	50,770	62,420	788,025	252,118	92,093	37,617	76,673	1,246,526
Impairment and provisions	(189,749)	(63,135)	(34,318)	(20,546)	(307,748)	(24,345)	(11,513)	(718)	(9,624)	(353,948)
Share of profit of associates under the equity method	-	(1,182)	-	37,012	35,830	-	-	-	-	35,830
Net gain from the sale of other assets	-	-	-	5,810	5,810	-	-	-	-	5,810
Profit before income tax	388,024	105,889	(1,055)	(398,338)	94,520	122,258	15,685	43,463	(26,582)	249,344
Income tax	(102,826)	(28,764)	3,948	103,645	(23,997)	(25,219)	(4,661)	(7,381)	4,992	(56,266)
Minority interests	-	-	-	(5,458)	(5,458)	(33,469)	-	(12,015)	-	(50,942)
Profit after income tax	285,198	77,125	2,893	(300,151)	65,065	63,570	11,024	24,067	(21,590)	142,136
Income between segment	29,709	(22,108)	(7,601)	-	-	-	-	-	-	-
Balance sheet										
Cash and Loans and advances to credit institutions	6,867,238	7,288,298	816,722	(11,112,125)	3,860,133	1,028,322	1,177,443	260,155	371,751	6,697,804
Loans and advances to customers	45,031,242	10,270,148	3,437,625	(1,957,427)	56,781,588	8,176,812	4,639,236	443,981	1,276,340	71,317,957
Financial assets	-	3,217,453	25,699	3,628,687	6,871,839	2,041,080	81,657	221,127	169,811	9,385,514
Other assets	1,097,380	123,138	41,747	3,943,595	5,205,860	251,298	136,577	67,417	89,692	5,750,844
Total Assets	52,995,860	20,899,037	4,321,793	(5,497,270)	72,719,420	11,497,512	6,034,913	992,680	1,907,594	93,152,119
Deposits from other credit institutions	9,132,522	5,256,900	1,077,318	(10,064,898)	5,401,842	1,130,540	1,520,978	46,605	298,773	8,398,738
Deposits from customers	19,817,089	3,348,226	2,486,683	4,521,802	30,173,800	8,819,048	3,013,119	757,615	1,396,551	44,160,133
Debt securities issued	16,081,631	8,454,720	379,097	(3,508,829)	21,406,619	273,198	898,556	-	-	22,578,373
Other financial liabilities held for trading at fair value through profit or loss	4,178,349	1,980,170	109,238	179,810	6,447,567	269,863	35,154	-	20,900	6,773,484
Other financial liabilities	1,100,318	601,587	77,348	1,010,635	2,789,888	313,053	168,769	36,689	58,958	3,367,357
Other liabilities	400,156	175,512	31,426	550,926	1,158,020	180,017	104,491	75,553	27,690	1,545,771
Total Liabilities	50,710,065	19,817,115	4,161,110	(7,310,554)	67,377,736	10,985,719	5,741,067	916,462	1,802,872	86,823,856
Equity and minority interests	2,285,795	1,081,922	160,683	1,813,284	5,341,684	511,793	293,846	76,218	104,722	6,328,263
Total Liabilities, Equity and minority interests	52,995,860	20,899,037	4,321,793	(5,497,270)	72,719,420	11,497,512	6,034,913	992,680	1,907,594	93,152,119

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

Description of the relevant items of reconciliation:

	Sep 2009 Euros '000	Sep 2008 Euros '000
Net income of reportable segments:		
Retail Banking and Companies	139,083	285,197
Private Banking e Asset Management	2,416	2,893
Corporate and Investment Banking	113,469	77,124
Foreign Business	(6,250)	122,553
	248,718	487,767
Impact on the Net interest income of the allocation of capital (1)	17,075	43,830
	231,643	443,937
Amounts not allocated to segments		
Minority interests	(12,165)	(50,943)
Operating expenses (2)	(81,557)	(80,420)
Loan impairment and other provisions	(12,270)	(20,546)
Specific items :		
BPI impairment	-	(220,175)
Cancellation of the variable remuneration accrued in 2007	-	18,000
Gains established with the sale of assets (3)	78,379	-
Accounting for hedging interest rate risk (4)	45,178	-
Instruments measured at FVO (Own Credit Risk)	(98,303)	29,959
Others (5)	27,230	22,324
Total not allocated to segments	(53,508)	(301,801)
Consolidated net income	178,135	142,136

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 and other gains with the sale of assets.

(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 other impacts.

47. BCP Group list of companies

As at 30 September 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 Activos - Sociedade Gestora 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	–
BCP Capital - Sociedade de Capital de Risco, S.A.	Lisbon	28,500,000	EUR	Venture capital	100.0	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	1,500,000,000	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
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	–
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	1,509,694,300	USD	Investment	100.0	3.0	–
Millennium bcp - Escritório de Representações e Serviços, S/C Ltda.	Sao Paulo	22,977,188	BRL	Financial Services	100.0	100.0	100.0
Millennium bcp - Serviços de Comércio Electrónico, S.A.	Lisbon	50,004	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 Comercial, 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	93.8	94.3	73.2
Servitrust - Trust Management and Services, S.A.	Funchal	100,000	EUR	Trust services	100.0	100.0	100.0

As at 30 September 2009, the associated companies , were as follows:

Associated companies	Head office	Share capital	Currency	Activity	Group % control	Group % held	Bank % held
Baía de Luanda	Luanda	19,200,000	USD	Services	10.0	10.0	–
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	–
Luanda Waterfront Corporation	George Town	9,804	USD	Services	10.0	10.0	–
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 30 September 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	–