OFFERING CIRCULAR

Banco Comercial Português, S.A.

(Incorporated with limited liability under the laws of Portugal)
acting either through its head office or through its international Madeira branch
''Sucursal Financeira Internacional''

and

BCP Finance Bank, Ltd

(Incorporated with limited liability under the laws of the Cayman Islands)

guaranteed unconditionally and irrevocably by

Banco Comercial Português, S.A.

acting either through its head office or through its
international Madeira branch *''Sucursal Financeira internacional''*

EUR20,000,000,000
Euro Note Programme

Arranger
UBS Investment Bank

Programme Dealers

ABN AMRO	Millennium bcp investimento	Bear, Stearns International Limited
BNP PARIBAS	Caboto	Citigroup
Deutsche Bank	Fortis Bank	JPMorgan
Lehman Brothers	Merrill Lynch International	Morgan Stanley
Santander		UBS Investment Bank

The date of this Offering Circular is 21 September, 2006

This Offering Circular replaces and supersedes the Offering Circular dated 13 December, 2005 describing the Programme (as defined below). Any Notes (as defined below) issued under the Programme on or after the date of this Offering Circular are issued subject to the provisions described herein. This does not affect any Notes already in issue.

This Offering Circular comprises a base prospectus for the purposes of Article 5.4 of Directive 2003/71/EC (the "Prospectus Directive").

Under the EUR20,000,000,000 Euro Note Programme (the "Programme"), each of Banco Comercial Português, S.A. (the "Bank", "BCP" or "Millennium bcp"), acting either through its head office or through its international Madeira branch, (*Sucursal Financeira Internacional*) and BCP Finance Bank, Ltd. ("BCP Finance" and, together with the Bank in its capacity as an issuer of Notes under the Programme, the "Issuers" and each an "Issuer") may from time to time issue notes in bearer and/or registered form (respectively, "Bearer Notes" and "Registered Notes" and together the "Notes", which expression shall include Senior Notes and Subordinated Notes (each as defined below)) denominated in any currency agreed between the Issuer of such Notes (the "relevant Issuer") and the relevant Dealer (as defined herein). The payment of all amounts payable in respect of Notes issued by BCP Finance will be unconditionally and irrevocably guaranteed by the Bank.

Notes issued by BCP Finance will be guaranteed by the Bank (the "Guarantor") acting through its international Madeira branch *"Sucursal Financeira Internacional"*. Notes issued by BCP Finance will only be guaranteed through the head office of the Bank after (i) an appropriate resolution has been passed by its Board of Directors and (ii) the Dealers have been provided with a legal opinion from the Bank's external legal advisers in Portugal.

The Final Terms (as defined below) for each Tranche (as defined below) of Notes will state whether the Notes of such Tranche are to be (i) senior Notes which, in the case of Notes issued by BCP Finance, will be guaranteed on an unsubordinated basis ("Senior Notes") or (ii) subordinated Notes which, in the case of Notes issued by BCP Finance, will be guaranteed on a subordinated basis ("Subordinated Notes").

The maximum aggregate nominal amount of all Notes from time to time outstanding will not exceed EUR20,000,000,000 (or its equivalent in other currencies calculated as described herein), subject to increase as provided herein. A description of the restrictions applicable at the date of this Offering Circular relating to the maturity of certain Notes is set out on page 9.

The Notes will be issued on a continuing basis to one or more of the Programme Dealers or Issue Dealers (each as defined herein) appointed under the Programme from time to time. The Programme Dealers and the Issue Dealers are herein together referred to as the "Dealers" and references to a "Dealer" are to a Programme Dealer or, as the case may be, an Issue Dealer. References to the "relevant Dealer" are references to the Dealer or Dealers with whom the relevant Issuer has agreed or proposes to agree the terms of an issue of Notes under the Programme.

An investment in Notes issued under the Programme involves certain risks. For a discussion of these risks see "*Risk Factors*".

Application has been made to the Financial Services Authority in its capacity as competent authority under the Financial Services and Markets Act 2000 (the "UK Listing Authority") for Notes issued under the Programme during the period of twelve months from the date of this Offering Circular to be admitted to the official list of the UK Listing Authority (the "Official List") and to the London Stock Exchange plc (the "London Stock Exchange") for such Notes to be admitted to trading on the London Stock Exchange's Gilt Edged and Fixed Interest Market. References in this Offering Circular to Notes being "listed" (and all related references) shall mean that such Notes have been admitted to trading on the London Stock Exchange's Gilt Edged and Fixed Interest Market and have been admitted to the Official List. The London Stock Exchange's Gilt Edged and Fixed Interest Market is a regulated market for the purposes of Directive 93/22/EEC (the Investment Services Directive). The Programme provides that Notes may be listed on such other or further stock exchange(s) as may be agreed between the relevant Issuer and the relevant Dealer. Each Issuer may also issue unlisted Notes.

Notice of the aggregate nominal amount, the issue price, the issue date and maturity date of the Notes, interest (if any) payable in respect of the Notes and any other terms and conditions not contained herein which are applicable to each Tranche of Notes will be set forth in Final Terms (the "Final Terms") which, with respect to Notes to be listed on the London Stock Exchange will be delivered to the UK Listing Authority and the London Stock Exchange, respectively.

The Programme has been rated "A1/Prime-1" (in respect of Senior Notes with a maturity of more than one year and Senior Notes with a maturity of one year or less, respectively) and "A2" (in respect of Subordinated Notes) by Moody's Investors Service Limited ("Moody's"), "A/A-1" (in respect of Senior

Notes with a maturity of more than one year and Senior Notes with a maturity of one year or less, respectively) and "A-" (in respect of Subordinated Notes) by Standard & Poor's Rating Services, a Division of McGraw-Hill Companies, Inc. ("Standard & Poor's"), and "A+/F1" (in respect of Senior Notes with a maturity of more than one year and Senior Notes with a maturity of one year or less, respectively) and "A" (in respect of Subordinated Notes) by Fitch Ratings Ltd ("Fitch"). Tranches of Notes issued under the Programme may be rated or unrated. Where a tranche of Notes is rated, such rating will not necessarily be the same as the ratings assigned to the Programme. A security rating is not a recommendation to buy, sell or hold securities and may be subject to suspension, reduction or withdrawal at any time by the assigning rating agency.

The relevant Issuer may agree with any Dealer that Notes may be issued in a form not contemplated by the Terms and Conditions of the Notes set out herein, in which event (in the case of Notes admitted to the Official List) a supplementary Offering Circular if appropriate, will be made available, which will describe the effect of the agreement reached in relation to such Notes.

The Issuers may decide in the future to issue Notes on an undated subordinated basis under the Programme. In such circumstances, the Issuers will prepare a supplementary offering circular containing the terms and conditions of such Notes which will include, where the Issuer is BCP Finance, details of the guarantee of the Bank.

Each of BCP Finance and the Bank (the "Responsible Persons") accepts responsibility for the information contained in this Offering Circular. To the best of the knowledge of each of BCP Finance and the Bank (each having taken all reasonable care to ensure that such is the case) the information contained in this Offering Circular is in accordance with the facts and does not omit anything likely to affect the import of such information.

This Offering Circular is to be read in conjunction with all documents which are deemed to be incorporated herein by reference (see "*Documents Incorporated by Reference*" below). This Offering Circular shall be read and construed on the basis that such documents are so incorporated and form part of this Offering Circular.

Neither the Trustee nor any Dealer has separately verified the information contained herein. Accordingly, no representation, warranty or undertaking, express or implied, is made and no responsibility is accepted by any Dealer or the Trustee as to the accuracy or completeness of the information contained in this Offering Circular or any other information provided by BCP Finance or the Bank in connection with the Programme. Neither the Trustee nor any Dealer accepts any liability in relation to the information contained in this Offering Circular or any other information provided by BCP Finance or the Bank in connection with the Programme.

No person is or has been authorised to give any information or to make any representation not contained in or consistent with this Offering Circular or any other information supplied in connection with the Programme or the Notes and, if given or made, such information or representation must not be relied upon as having been authorised by BCP Finance, the Bank, any Dealer or the Trustee.

Neither this Offering Circular nor any other information supplied in connection with the Programme or the Notes (i) is intended to provide the basis of any credit or other evaluation or (ii) should be considered as a recommendation by BCP Finance, the Bank, any Dealer or the Trustee that any recipient of this Offering Circular or any other information supplied in connection with the Programme should purchase any Notes. Each investor contemplating purchasing any Notes should make its own independent investigation of the financial condition and affairs, and its own appraisal of the creditworthiness, of BCP Finance or the Bank. Neither this Offering Circular nor any other information supplied in connection with the Programme constitutes an offer or invitation by or on behalf of BCP Finance, the Bank, any Dealer or the Trustee to any person to subscribe for or to purchase any Notes.

Copies of each Final Terms (in the case of Notes to be admitted to the Official List and to trading on the London Stock Exchange's market for listed securities) will be available from FT Business Research Centre, operated by FT Interactive Data at Fitzroy House, 13-17 Epworth Street, London EC2A 4DL and (in the case of all the Notes) from the specified office set out below of the Trustee (as defined herein) and (in the case of Bearer Notes) from the specified office set out below of each of the Paying Agents and (in the case of Registered Notes) from the specified office set out below of each of the Registrar and the Transfer Agents (each as defined below).

The Notes have not been, and will not be, registered under the United States Securities Act of 1933, as amended, (the "Securities Act") and may not be offered or sold in the United States or to, or for the benefit of, U.S. persons unless the Notes are registered under the Securities Act or an exemption from the registration requirements of the Securities Act is available. Unless otherwise provided with respect to a

particular Series of Registered Notes, the Registered Notes of each Tranche of such Series sold outside the United States in reliance on Regulation S under the Securities Act will be represented by a permanent global Note in registered form, without interest coupons (a "Reg. S Global Note"), deposited with a common depositary for, and registered in the name of a common nominee of, Clearstream Banking, société anonyme ("Clearstream, Luxembourg") and Euroclear Bank S.A./N.V. ("Euroclear"). Prior to expiry of the period that ends 40 days after completion of the distribution of each Tranche of such Notes, as certified by the relevant Dealer, in the case of a non-syndicated issue, or the Lead Manager, in the case of a syndicated issue (the "Distribution Compliance Period"), beneficial interests in the Reg. S Global Note may not be offered or sold to, or for the account or benefit of, a U.S. person and may not be held otherwise than through Clearstream, Luxembourg and Euroclear. The Registered Notes of each Tranche of such Notes sold in private transactions to qualified institutional buyers within the meaning of Rule 144A under the Securities Act ("QIBs") will be represented by a restricted permanent Global Note in registered form, without interest coupons (a "Restricted Global Note", and, together with a Reg. S Global Note, "Registered Global Notes"), deposited with a custodian for, and registered in the name of a nominee of, DTC. The Registered Notes of each Tranche sold to "accredited investors" (as defined in Rule 501 (a) (1), (2) or (3) under the Securities Act) that are institutions ("Institutional Accredited Investors") will be in definitive form, registered in the name of the holders thereof. Registered Notes in definitive form will, at the request of the holder (save to the extent otherwise indicated in the applicable Final Terms), be issued in exchange for interests in the Registered Global Notes upon compliance with the procedures for exchange as described in "Form of the Notes" on page 24. Each Tranche of Bearer Notes will initially be represented by a temporary bearer global Note (a "Temporary Bearer Global Note") which will be deposited on the issue date thereof with a common depositary on behalf of Clearstream, Luxembourg and Euroclear and/or any other clearance system. Beneficial interests in a Temporary Bearer Global Note will be exchangeable for either beneficial interests in a permanent bearer global Note (a "Permanent Bearer Global Note") or definitive Bearer Notes upon certification as to non-U.S. beneficial ownership as required by U.S. Treasury regulations and thereafter any Permanent Bearer Global Note may be exchanged for definitive Bearer Notes (save to the extent otherwise indicated in the applicable Final Terms) upon request, in each case in accordance with the procedure described in "Form of the Notes" on page 24, for further details of clearing and settlement of the Notes issued under the Programme see "*Book-Entry Clearance Procedures*" below.

Neither the delivery of this Offering Circular nor the offering, sale or delivery of any Notes shall in any circumstances imply that the information contained herein concerning BCP Finance and the Bank is correct at any time subsequent to the date hereof or that any other information supplied in connection with the Programme is correct as of any time subsequent to the date indicated in the document containing such information. The Dealers and the Trustee expressly do not undertake to review the financial condition or affairs of BCP Finance or the Bank during the life of the Programme or to advise any investor in the Notes of any information coming to their attention. To the extent that any information received from BCP Finance or the Bank is material non-public information, each of the Dealers and the Trustee have expressly agreed to maintain its confidentiality until the information is public. Investors should review, amongst other things, the most recent financial statements, if any, of BCP Finance and the Bank when deciding whether or not to purchase any Notes.

This Offering Circular does not constitute an offer to sell or the solicitation of an offer to buy any Notes in any jurisdiction to any person to whom it is unlawful to make the offer or solicitation in such jurisdiction.

The distribution of this Offering Circular and the offer or sale of Notes may be restricted by law in certain jurisdictions. BCP Finance, the Bank, the Dealers and the Trustee do not represent that this Offering Circular may be lawfully distributed, or that the Notes may be lawfully offered, in compliance with any applicable registration or other requirements in any such jurisdiction, or pursuant to an exemption available thereunder, nor assume any responsibility for facilitating any such distribution or offering. In particular, no action has been taken by BCP Finance, the Bank, the Dealers or the Trustee (save for the approval of this Offering Circular as a base prospectus for purposes of the Prospectus Directive by the FSA) which would permit a public offering of the Notes or distribution of this Offering Circular or any other offering material relating to the Programme or the Notes issued thereunder in any jurisdiction where action for that purpose is required. Accordingly, the Notes may not be offered or sold, directly or indirectly, and neither this Offering Circular nor any advertisement or other offering material relating to the Programme or the Notes issued thereunder may be distributed or published in any jurisdiction, except in circumstances that will result in compliance with any applicable laws and regulations. Each Dealer has represented or, as the case may be, will be required to represent that all offers

and sales by it will be made on the terms indicated above. Persons into whose possession this Offering Circular or any Notes come must inform themselves about, and observe, any applicable restrictions on the distribution of this Offering Circular and the offering and sale of the Notes. In particular, there are restrictions on the distribution of this Offering Circular and the offer or sale of Notes in the United States, the European Economic Area (including the United Kingdom, France and Portugal), Japan and the Cayman Islands (see "*Subscription and Sale and Transfer Restrictions*" below).

All references in this Offering Circular to (i) "U.S. dollars", "dollars", "USD", "U.S.$", "$" and "U.S. cent" refer to the currency of the United States of America, (ii) "Sterling" and "£" refer to the currency of the United Kingdom, and (iii) "euro" and "EUR" refer to the currency introduced at the start of the third stage of European economic and monetary union pursuant to the Treaty establishing the European Communities, as amended by the Treaty on European Union, the Treaty of Amsterdam and as further amended from time to time. All references in this Offering Circular to the "United States" refer to the United States of America, its territories and possessions.

In connection with the issue of any Tranche of Notes, the Dealer or Dealers (if any) named as the Stabilising Manager(s) (or persons acting on behalf of any Stabilising Manager(s)) in the applicable Final Terms may over-allot Notes (provided that, in the case of any Tranche of Notes to be admitted to trading on a regulated market in the European Economic Area, the aggregate principal amount of Notes allotted does not exceed 105 per cent. of the aggregate principal amount of the relevant Tranche) or effect transactions with a view to supporting the market price of the Notes at a level higher than that which might otherwise prevail. However, there is no assurance that the Stabilising Manager(s) (or persons acting on behalf of a Stabilising Manager) will undertake stabilisation action. Any stabilisation action may begin on or after the date on which adequate public disclosure of the terms of the offer of the relevant Tranche of Notes is made and, if begun, will be in compliance with all relevant laws and regulations and may be ended at any time, but it must end no later than the earlier of 30 days after the issue date of the relevant Tranche of Notes and 60 days after the date of the allotment of the relevant Tranche of Notes.

INFORMATION AS TO PLACEMENT OF NOTES WITHIN THE UNITED STATES

With respect to the offering and sale of Notes issued under the Programme within the United States, this Offering Circular is highly confidential and has been prepared by the Issuers solely for use in connection with the offering of the Notes issued under the Programme described herein. In the United States, this Offering Circular is personal to each offeree to whom it has been delivered by the relevant Issuer or a Dealer or an affiliate thereof and does not constitute an offer to any other person or to the public generally to subscribe for or otherwise acquire the Notes. Distribution in the United States of this Offering Circular to any person other than such offerees and those persons, if any, retained to advise such offerees with respect thereto is unauthorised and any disclosure of any of its contents, without the prior written consent of the relevant Issuer, is prohibited. Each prospective purchaser in the United States, by accepting delivery of this Offering Circular, agrees to the foregoing and to make no photocopies of this Offering Circular.

The offers of Notes issued under the Programme are being made on the basis of this Offering Circular and the applicable Final Terms. Any decision to subscribe for any Notes must be based on the information contained herein and therein, except that each person receiving this Offering Circular acknowledges that such person has been afforded an opportunity to request and to review, and has received, all additional information considered by it to be necessary to verify the accuracy of or to supplement the information herein.

Any Notes offered and sold in the United States have not been and will not be registered under the Securities Act and are subject to certain restrictions on transfer. Prospective purchasers are hereby notified that the seller of any Note may be relying on the exemption from the provisions of Section 5 of the Securities Act provided by Rule 144A under the Securities Act. For a description of certain further restrictions on resale of the Notes, see "*Book-Entry Clearance Procedures*" and "*Subscription and Sale and Transfer Restrictions*".

NOTICE TO NEW HAMPSHIRE RESIDENTS

NEITHER THE FACT THAT A REGISTRATION STATEMENT OR AN APPLICATION FOR A LICENCE HAS BEEN FILED UNDER CHAPTER 421-B OF THE NEW HAMPSHIRE REVISED STATUTE WITH THE STATE OF NEW HAMPSHIRE NOR THE FACT THAT A SECURITY IS EFFECTIVELY REGISTERED OR A PERSON IS LICENSED IN THE STATE OF NEW HAMPSHIRE CONSTITUTES A FINDING BY THE SECRETARY OF STATE THAT ANY DOCUMENT FILED UNDER RSA 421-B IS TRUE, COMPLETE AND NOT MISLEADING. NEITHER ANY SUCH FACT NOR THE FACT THAT AN EXEMPTION OR EXCEPTION IS AVAILABLE FOR A SECURITY OR A TRANSACTION MEANS THAT THE SECRETARY OF STATE HAS PASSED IN ANY WAY UPON THE MERITS OR QUALIFICATIONS OF, OR RECOMMENDED OR GIVEN APPROVAL TO, ANY PERSON, SECURITY OR TRANSACTION. IT IS UNLAWFUL TO MAKE, OR CAUSE TO BE MADE, TO ANY PROSPECTIVE PURCHASER, CUSTOMER OR CLIENT ANY REPRESENTATION INCONSISTENT WITH THE PROVISIONS OF THIS PARAGRAPH.

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SUMMARY OF THE PROGRAMME

This summary must be read as an introduction to this Offering Circular and, any decision to invest in any Notes should be based on a consideration of this Offering Circular as a whole, including the documents incorporated by reference. Following the implementation of the relevant provisions of the Prospectus Directive in each Member State of the European Economic Area, no civil liability will attach to the Responsible Persons in any such Member State in respect of this Summary, including any translation hereof, unless it is misleading, inaccurate or inconsistent when read together with the other parts of this Offering Circular. Where a claim relating to information contained in this Offering Circular is brought before a court in a Member State of the European Economic Area, the plaintiff may, under the national legislation of the Member State where the claim is brought, be required to bear the costs of translating the Offering Circular before the legal proceedings are initiated. Words and expressions defined in "*Form of the Notes*", "*Applicable Final Terms*" and "*Terms and Conditions of the Notes*" shall have the same meanings in this summary. References in this summary to a particular numbered Condition are to such Condition as set out in "Terms and Conditions of the Notes."

Issuers:	BCP Finance Bank, Ltd. Banco Comercial Português, S.A., acting, subject as provided below, either through its head office or through its international Madeira branch *"Sucursal Financeira Internacional"*, as indicated in the applicable Final Terms.
Guarantor:	Banco Comercial Português, S.A., acting, subject as provided below, either through its head office or through its international Madeira branch *"Sucursal Financeira Internacional"* as indicated in the applicable Final Terms. Notes issued by BCP Finance will be guaranteed by the Bank acting through its international Madeira branch *"Sucursal Financeira Internacional"*. In certain limited circumstances (including but not limited to, relevant Portuguese tax laws and other applicable laws and regulations) Notes issued by BCP Finance may also be guaranteed by the Bank acting through its head office.
Risk Factors:	There are certain factors that may affect the Issuer's ability to fulfil its obligations under Notes issued under the Programme and/or the Bank's ability to fulfil its obligations under the Guarantee. In addition, there are certain factors which are material for the purpose of assessing the market risks associated with the Notes issued under the Programme. See "*Risk Factors*" below.
Description:	Euro Note Programme.
Arranger:	UBS Limited
Programme Dealers:	ABN AMRO Bank N.V. Banco Santander Central Hispano, S.A. Banco Millennium bcp Investimento, S.A. Bear, Stearns International Limited BNP Paribas Banca Caboto S.p.A. Citigroup Global Markets Limited Deutsche Bank AG, London Branch Fortis Bank nv-sa J.P. Morgan Securities Ltd. Lehman Brothers International (Europe) Merrill Lynch International Morgan Stanley & Co. International Limited UBS Limited The Issuers may at any time appoint an additional dealer or dealers in relation to the Programme (together with the Dealers named above, each a "**Programme Dealer**") or the relevant Issuer may at any time appoint a dealer or dealers in connection with the issue of a Tranche of Notes issued under the Programme (each an "**Issue Dealer**") and may issue Notes to such Dealers in accordance with the provisions of the Dealer Agreement.

Trustee:	The Law Debenture Trust Corporation p.l.c.
Issuing and Principal Paying Agent and Agent Bank:	Citibank, N.A. (the "**Agent**")
Programme Size:	Up to EUR20,000,000,000 (or its equivalent in other currencies calculated as described herein on page 23) outstanding at any time. The Issuers may increase the amount of the Programme in accordance with the terms of the Dealer Agreement.
Currencies:	Subject to any applicable legal or regulatory restrictions, any currency as may be agreed between the relevant Issuer and the relevant Dealer.
Certain Restrictions:	Each issue of Notes denominated in a currency in respect of which particular laws, guidelines, regulations, restrictions or reporting requirements apply will only be issued in circumstances which comply with such laws, guidelines, regulations, restrictions or reporting requirements from time to time (see "*Subscription and Sale and Transfer Restrictions*" below) including, but not limited to the following restrictions applicable at the date of this Offering Circular. Notes issued by BCP Finance with a maturity of less than one year will, if the proceeds of the issue are accepted in the United Kingdom, constitute deposits for the purposes of the prohibition on accepting deposits contained in section 19 of the Financial Services and Markets Act 2000 unless they are issued to a limited class of professional investors and have a denomination of at least £100,000 or its equivalent, see "*Subscription and Sale*".
Maturities:	Such maturities as may be agreed between the relevant Issuer and the relevant Dealer and as indicated in the applicable Final Terms, subject to such minimum or maximum maturities as may be allowed or required from time to time by the relevant central bank (or equivalent body) or any laws or regulations applicable to the relevant Issuer and the Bank (where the Issuer is BCP Finance) or the relevant Specified Currency.
Form of Notes:	Notes will be issued in bearer form and/or registered form as described in "*Form of the Notes*" below and as indicated in the applicable Final Terms. Bearer Notes will be exchangeable for Registered Notes in accordance with Condition 12(a). Registered Notes will not be exchangeable for Bearer Notes.
Fixed Rate Notes:	Fixed interest will be payable on such date or dates as may be agreed between the relevant Issuer and the relevant Dealer and on redemption, and will be calculated on the basis of such Day Count Fraction as may be agreed between the Issuer and the relevant Dealer.
Floating Rate Notes:	Floating Rate Notes will bear interest at a rate determined: (i) on the same basis as the floating rate under a notional interest-rate swap transaction in the relevant Specified Currency governed by an agreement incorporating the 2000 ISDA Definitions (as published by the International Swaps and Derivatives Association, Inc., and as amended and updated as at the Issue Date of the first Tranche of the Notes of the relevant Series); or (ii) on the basis of a reference rate appearing on the agreed screen page of a commercial quotation service; or (iii) on such other basis as may be agreed between the relevant Issuer and the relevant Dealer (in each case as indicated in the applicable Final Terms). The Margin (if any) relating to such floating rate will be agreed between the relevant Issuer and the relevant Dealer for each series of Floating Rate Notes. Floating Rate Notes and Index Linked Interest Notes may also have a maximum interest rate, a minimum interest rate or both.

Index Linked Notes:	Payments of principal in respect of Index Linked Redemption Notes or in respect of interest in the case of Index Linked Interest Notes will be calculated by reference to such index and/or formula or to changes in the prices of securities or commodities or to such other factors as the relevant Issuer and the relevant Dealer may agree (as indicated in the applicable Final Terms).
Other provisions in relation to Floating Rate Notes and Index Linked Interest Notes:	Interest on Floating Rate Notes and Index Linked Interest Notes in respect of each Interest Period, as agreed prior to issue by the Issuer and the relevant Dealer, will be payable on such Interest Payment Dates, and will be calculated on the basis of such Day Count Fraction, as may be agreed between the Issuer and the relevant Dealer.
Dual Currency Notes:	Payments (whether in respect of principal or interest and whether at maturity or otherwise) in respect of Dual Currency Notes will be made in such currencies, and based on such rates of exchange, as the relevant Issuer and the relevant Dealer may agree (as indicated in the applicable Final Terms).
Zero Coupon Notes:	Zero Coupon Notes will be offered and sold at a discount to their nominal amount and will not bear interest.
Redemption:	The Final Terms relating to each Tranche of Notes will indicate either that the Notes cannot be redeemed prior to their stated maturity (other than in specified instalments, if applicable, or for taxation reasons or following an Event of Default) or that such Notes will be redeemable at the option of the relevant Issuer and/or the Noteholders upon giving not less than 30 nor more than 60 days' irrevocable notice (or such other notice period (if any) as is indicated in the applicable Final Terms) to the Noteholders or, as the case may be, the relevant Issuer on a date or dates specified prior to such stated maturity and at a price or prices and on such terms as are indicated in the applicable Final Terms. Any early redemption of a Subordinated Note (other than following an Event of Default) will be subject to the prior consent of the Bank of Portugal.
Substitution:	The Trustee, the relevant Issuer and the Bank (where the Issuer is BCP Finance) are permitted to agree to the substitution in place of the relevant Issuer (or any previous substitute) as principal debtor in respect of the Notes of either the Bank (where the Issuer is BCP Finance) or any other wholly-owned Subsidiary of the Bank, subject to the fulfilment of certain conditions, as more fully set out in Condition 18 and the Trust Deed.
Denomination of Notes:	Notes will be issued in such denominations as may be agreed between the relevant Issuer and the relevant Dealer and as indicated in the applicable Final Terms save that: (i) the minimum denomination of each Note will be such amount as may be allowed or required from time to time by the relevant central bank (or equivalent body) or any laws or regulations applicable to the relevant Specified Currency, see "*Certain Restrictions*" on page 10; and (ii) the minimum denomination of each Note admitted to trading on a regulated market within the European Economic Area or offered to the public in a Member State of the European Economic Area in circumstances which require the publication of a prospectus under the Prospectus Directive will be €1,000 (or, if the Notes are denominated in a currency other than euro, the equivalent amount in such currency).
Taxation:	All payments in respect of the Notes will be made without deduction for or on account of any withholding taxes imposed by any Tax Jurisdiction, subject as provided in Condition 8. In the event that any such deduction is made, the Issuer will, save in certain circumstances provided in Condition 8, be required to pay additional amounts to cover the amounts so deducted.

Negative Pledge: The terms of the Senior Notes will contain a negative pledge provision as further described in Condition 3. The terms of the Subordinated Notes will contain no negative pledge.

Cross Default: The terms of the Senior Notes will contain a cross default provision as further described in Condition 10(*a*). The terms of the Subordinated Notes will contain no cross default provision.

Status of the Senior Notes: The Senior Notes and the relative Receipts and Coupons will constitute direct, unconditional, unsecured (subject to the provisions of Condition 3) and unsubordinated obligations of the relevant Issuer and will rank *pari passu* among themselves and with all present and future unsecured (subject as aforesaid) and unsubordinated obligations of the relevant Issuer, save for those that have been accorded by law preferential rights.

Subordination: Payments in respect of the Subordinated Notes will be subordinated as described in Condition 2(b) (in the case of Subordinated Notes issued by BCP Finance) or Condition 2(c) (in the case of Subordinated Notes issued by the Bank)

Status of the Guarantee: The payment of the principal of, and interest on, the Notes issued by BCP Finance will be unconditionally and irrevocably guaranteed (the "**Guarantee**") by the Bank in the Trust Deed. The obligations of the Bank under such guarantee will constitute:

(1) in the case of Senior Notes, direct, unconditional, unsecured (subject to the provisions of Condition 3) and unsubordinated obligations of the Bank and will rank *pari passu* with all present and future unsecured (subject as aforesaid) and unsubordinated obligations (including those arising under deposits received in its banking business) of the Bank, save for those that have been accorded by law preferential rights; and

(2) in the case of Subordinated Notes, direct, unconditional and unsecured obligations of the Bank but, in the event of the winding up of the Bank, (to the extent permitted by Portuguese law) subordinated in right of payment to the claims of all Senior Creditors of the Bank.

Rating: Tranches of notes issued under the Programme may be rated or unrated. Any rating of Notes to be issued under the Programme will be specified in the applicable Final Terms. Where a tranche of Notes is rated, such rating will not necessarily be the same as the ratings assigned to the Programme. A security rating is not a recommendation to buy, sell or hold securities and may be subject to suspension, reduction or withdrawal at any time by the assigning rating agency.

Listing: Application has been made to the UK Listing Authority for Notes issued under the Programme to be admitted to the Official List and to the London Stock Exchange for such Notes to be admitted to trading on the London Stock Exchange's Gilt Edged and Fixed Interest Market. The Notes may also be listed or admitted to trading, as the case may be, on such other or further stock exchange or stock exchanges as may be agreed between the relevant Issuer and the relevant Dealer in relation to each Series. Unlisted Notes may also be issued. The Final Terms relating to each issue will state whether or not and, if so, on which stock exchange or stock exchanges the Notes are to be listed.

Governing Law: Subject as provided in Condition 21, the Trust Deed is, and the Notes will be governed by, and construed in accordance with, English law except that Conditions 2(c) and 4(b) will be governed by, and construed in accordance with, Portuguese law.

Selling Restrictions: There are selling restrictions in relation to the United States, the European Economic Area (including the United Kingdom), Portugal, Japan and the Cayman Islands. In connection with the offering and sale of a particular

Tranche of Notes additional restrictions may be imposed which will be set out in the applicable Final Terms. See "*Subscription and Sale and Transfer Restrictions*" below.

For United States securities law and tax purposes only, the Issuer's are Category 2 issuers under Regulation S, and, in relation to Bearer Notes, TEFRA D will apply.

DOCUMENTS INCORPORATED BY REFERENCE

The following documents, which have previously been published and have been filed with the Financial Services Authority, shall be deemed to be incorporated in, and to form part of, this Offering Circular:

(a) the published audited annual financial statements and audit reports of BCP Finance for the years ended 31 December, 2004 and 31 December, 2005; and

(b) the published annual reports and audited consolidated annual financial statements and audit reports of the Bank and its subsidiaries (the "**Banco Comercial Português Group**" or the "**BCP Group**") for the years ended 31 December, 2004 and 31 December, 2005 and the unaudited consolidated interim financial statements of the BCP Group for the six months ended 30 June, 2006.

Following the publication of this Offering Circular, a supplement may be prepared by the Issuers and approved by the UK Listing Authority in accordance with Article 16 of the Prospectus Directive. Statements contained in any such supplement (or contained in any document incorporated by reference therein) shall to the extent applicable (whether expressly, by implication or otherwise) be deemed to modify or supersede statements contained in this Offering Circular or in a document which is incorporated by reference in this Offering Circular. Any statement so modified or superseded shall not, except as so modified or superseded, constitute a part of this Offering Circular.

Copies of documents incorporated by reference in this Offering Circular can be obtained from the registered offices of BCP Finance and the Bank and from the specified offices of the Paying Agents for the time being.

BCP Finance and the Bank will, in the event of any significant new factor, material mistake or inaccuracy relating to information included in this Offering Circular which is capable of affecting the assessment of any Notes, prepare a supplement to this Offering Circular or publish a new Offering Circular for use in connection with any subsequent issue of Notes. Each of BCP Finance and the Bank have undertaken to the Dealers in the Dealer Agreement to comply with sections 87G of the Financial Services and Markets Act 2000.

RISK FACTORS

Each of the Issuer and the Bank believes that the following factors may affect its ability to fulfil its obligations under Notes issued under the Programme. Most of these factors are contingencies which may or may not occur and neither the Issuer nor the Bank is in a position to express a view on the likelihood of any such contingency occurring.

Each of the Issuer and the Bank believes that the factors described below represent the principal risks inherent in investing in Notes issued under the Programme, but the inability of the Issuer or the Bank to pay interest or other amounts on or in connection with any Notes may occur for other reasons and neither the Issuer nor the Bank represents that the statements below regarding the risks of holding any Notes are exhaustive. Prospective investors should also read the detailed information set out elsewhere in this Offering Circular and reach their own views prior to making any investment decision.

Risk factors that may affect either Issuer's ability to fulfil its obligations under the Notes and the Bank's ability to fulfil its obligations under the Subordinated Guarantee:

For most of 2006, the Portuguese economy has been improving but key challenges remain ahead which may adversely affect the bank's financial condition.

The Bank operates in a multi-domestic framework. Despite the increasing contribution from operations in other countries the majority of the Bank's income is still derived from the activities carried out in Portugal, making the Bank's results exposed essentially to the developments of the Portuguese economy.

Since the beginning of the current decade, the Portuguese economy has been lagging EMU's performance, as several factors have constrained growth. These comprise the increasing globalisation trend, the rise in the oil price, the slow recovery in the euro zone, the higher fiscal tax burden and the uncertainty pertaining to the country's necessary steps to achieve fiscal and social security sustainability. Portugal faces new and stronger competition in its traditional product markets from low cost producers, namely from Asian countries, but also in medium and higher value added products, which the country is striving to develop, from EU's new member states. These domestic and external constraints demand a correction of the current macroeconomic imbalances through a progressive transformation of the economy, carrying some risks to the economic outlook.

The Portuguese Gross Domestic Product (GDP) grew 0.3 per cent in 2005, less 0.8 percentage points than the year before, representing another year of incipient recovery after the 2003 recession. The activity economic slowdown in 2005 was associated with a fall in investment expenditure and a significant reduction in the contribution from net exports to GDP growth. During the second half of the year, some signs of progress in the economic and policy environment started to emerge. The authorities set up policy measures aiming at reducing the fiscal deficit to below 3 per cent of GDP by 2008 (from 6 per cent in 2005) without resorting to one off measures. The policy initiatives implemented by mid 2005 and early 2006 relied primarily on revenue side measures, like the VAT rate increase, while for the current year and beyond a comprehensive set of expenditure based fiscal adjustments is being enacted, through far reaching reforms on public administration, the social security system and on health and education spending. Although desirable, the efforts for budgetary consolidation represent a drag on short-term growth and introduce added uncertainty, holding down agents' confidence levels and thus weighing on growth dynamics. In the first half of 2006, a modest recovery of output was under way, supported on strong dynamics from exports, recovering in tandem with potential external demand, amid a lacklustre contribution from domestic demand components. Public consumption is conditional on the fiscal consolidation goal and private expenditure faces a slow growth of income and rising debt service burdens. Investment expenditure looks uneven across sectors, as the construction sector continues to show a weak performance.

The economic outlook points to the Portuguese economy slowly recovering from the 2003 downturn. The domestic economic environment remains challenging with the main risks pointing to the downside. The still weak competitive position and the high debt levels of household and corporations hold back the growth potential. Furthermore, oil and energy prices remain at high levels and geopolitical tensions have not abated. The Portuguese economy is dependent on oil, being vulnerable to events that lead to subsequent oil market's disruptions and renewed spikes on the energy prices. As global inflation pressures persist and growth seems more resilient around the world, major central banks have been removing the excess of liquidity that has been in place in the past few years. Since December 2005, the European Central Bank increased rates, from 2.0% to 3.0%, with immediate repercussions on the level of the domestic indexers for loans in Portugal. The high debt levels of households and corporations and the wide use of variable rate loans mean that the interest rate risk has clearly risen for the Portuguese economy. With official interest rates seen rising in the euro area, debt servicing costs are expected to keep increasing, thereby causing more strain on the balance sheets of the most heavily indebted and increasing the risk of systemic financial distress. Also, the withdrawal of excess liquidity may lend

to higher risk aversion harming credit markets, reinforcing the retrenchment of investment expenditure and posting some difficulties in providing for the economy's financing needs. Global current account imbalances persist and a disorderly correction of these, namely a sudden and abrupt depreciation of US dollar assets, could hurt growth directly, through lower exports to the US, but also indirectly through the effects on Portuguese major trading partners or in financial markets, impacting on mutual fund savings and pensions.

The participation of the Portuguese economy in the European Monetary Union and the deep financial integration across European financial markets allowed for a permanent increase of the indebtedness levels of the domestic agents, which has been financed through banks' increased liabilities to non residents. The Portuguese banking sector has performed very favourably despite the challenging economic climate experienced in the last few years. Business volumes have been expanding, most noteworthy in mortgage markets, which account for about 80% of total banks' loans to individuals. More recently, as external demand has proved more resilient, credit granted to firms has accelerated. Non-performing loans remain at historical lows. Banks have diversified their source of income, reigned in operating costs and enhanced risk management procedures. Notwithstanding the good performance and sound solvability, there are important risk factors that may adversely affect the Bank's financial condition. These include households' and corporations' indebtedness levels, the exposure to the real estate sector, the reliance of employees pension schemes and of other sources of income, namely asset management and other retail products, on the stock markets' performance and the growing importance of funding from non residents, making it more vulnerable to a change of market sentiment.

Terrorist attacks or an avian influenza pandemic could have disruptive consequences on both business volumes and debtors performance, affecting significantly the bank's income, credit quality and, hence, its financial condition.

Although the likelihood, timing and severity of a terrorist attack or a pandemic avian flu outbreak are difficult to assess, these are events prone to cause significant disruptions in economic activity, by increasing the uncertainty surrounding the economic outlook, constraining agents' confidence and leading to activity paralysis.

The Bank could be adversely affected by regulatory changes, which could affect, among other things, its capital adequacy requirements.

The Bank operates in a highly regulated industry. The Bank could be adversely affected by regulatory changes in Portugal, the EU or those foreign countries in which it operates, or by other political developments in or affecting Portugal, the EU or such foreign countries. The Bank has no control over such regulatory changes or political developments. The capital adequacy requirements currently applicable to Portuguese banks are in many respects similar to the requirements imposed by the international framework for capital measurement and capital standards of banking institutions of the Basel Committee on Banking Regulations and Supervisory Practices. Recent changes have been proposed by the Basel Committee to capital requirements. The implementation of the new capital adequacy accord (Basel II) is set to start in 2007 and will increase the sensitivity of capital requirements to credit risk and establish operational risk cover requirements.

The Bank could be adversely affected by increased taxes or decreased tax benefits.

The Bank could be adversely affected by tax changes in Portugal, the EU or those foreign countries in which it operates. The Bank has no control over such tax changes.

Risk of the divesture of large shareholding positions.

The Bank's share price and volatility could be affected if large shareholders reduce their stakes in the Bank's share capital.

The Bank may be object of an unsolicited acquisition bid.

In the context of the pan-European consolidation trend, the Bank could be the object of an unsolicited acquisition bid. If such acquisition occurred there could be changes in current corporate strategy, main businesses, operations and resources.

The Bank faces strong competition in its principal areas of operation.

Since 1996, there has been a significant expansion of personal financial services in the Portuguese banking market, resulting in a sustained development of mortgage credit, consumer loans, investment funds and unit linked products and increased use of credit cards. The Portuguese banking market is now well developed, and includes strong and dynamic domestic and foreign competitors that incorporate a multiproduct, multi-channel and multi-client segmented approach. In addition, there has been significant development of internet banking operations and the use of new techniques, such as customer relationship management, which enable banks to accurately track customers' requirements. Foreign banks have also entered the Portuguese market, particularly in areas such as corporate banking, asset management, private banking and brokerage services. These factors have resulted in increased competition. Moreover, the trend of integration of European financial markets is likely to intensify, which may contribute to increased competition, namely in the areas of asset management, investment banking and online brokerage. Although the Bank believes that it is in a strong position to continue to compete in the Portuguese market, the Bank cannot assure potential investors that it will be able to compete effectively in the markets in which it operates, or that it will maintain or increase the level of its results of operations.

The Bank may not be able to preserve its customer base.

The Bank's success depends on its ability to maintain customer loyalty and to offer customers a wide range of high quality, competitive products and consistently high levels of service. The Bank has sought to achieve this objective by segmenting its customers base to better serve the diverse needs of each customer segment and by cross-selling the products and services of its subsidiaries through its marketing and distribution network in Portugal under a single brand – "Millennium bcp". The Bank has also sought to maintain long term customer financial relationships through the sale of anchor products and services, such as mortgage loans, domiciliation of wages, permanent automatic payments, credit cards and saving products. Bancassurance products are also part of the wide range of products sold by the Bank, which are managed by the insurance company "Millennium bcp Fortis", which resulted from the agreement with the Belgian-Dutch group Fortis involving the sale of 51% of the share capital and the transfer of management control of the insurers Ocidental – Companhia Portuguesa de Seguros, S.A. ("Ocidental"), Ocidental – Companhia Portuguesa de Seguros de Vida, S.A. ("Ocidental Vida") and Médis – Companhia Portuguesa de Seguros de Saúde, S.A. ("Médis") and the Pension-fund manager Pensõesgere – Sociedade Gestora de Fundos de Pensões, S.A. ("Pensõesgere"). Increased competition in the Portuguese and European banking markets via the offer of significantly lower prices and a growing importance of category killers may impact customer behaviour patterns and loyalty. Any failure to maintain customer loyalty or to offer customers a wide range of high quality, competitive products or consistently high levels of service could have a material adverse effect on the Bank's financial condition and results of operations. As of 30 June, 2006, 4.8% of the Bank's total customer base were also holders of its ordinary shares. If the price of the Bank's ordinary shares were to decline, this could lead to shareholder dissatisfaction and, to the extent that such shareholders are also customers of the Group, this could result in broader customer dissatisfaction, which could, in turn, adversely affect the Bank's financial condition and results of operations.

The Bank may face difficulties with its international expansion.

The BCP Group continues to pursue its internationalisation strategy, with particular emphasis on the Polish and Greek banking markets. There is no guarantee that the BCP Group will be successful in the Polish, Greek or other international markets in which it operates. In addition, such international operations are exposed to the risk of possible adverse political, governmental or economic developments in the countries in which they operate. These factors could have a material adverse effect on the BCP Group's financial condition and results of operations. Several of BCP Group's international operations expose it to foreign currency risk. A decline in the value of the currencies in which some of the BCP Group's international subsidiaries receive their income relative to the value of the euro may have an adverse effect on the BCP Group's financial condition and results of operations.

The Bank's liabilities to its customers exceed its liquid assets.

The Bank's primary source of funds is its retail deposit base. In recent years, however, as interest rates stood at historically low levels, customers have started to channel their individual savings away from traditional bank products, such as deposits, and towards other instruments with higher expected returns. The Bank's other funding sources include medium and long-term bond issues, commercial paper and medium-term structured

products. In addition, the Bank has carried out various asset securitisation operations. The Bank also borrows money in the money markets, and in recent years, the Bank has also increased own funds through share capital increases (most recently in March 2003 and January 2006 following the conversion of the Mandatory Convertible Securities "Capital BCP 2005", which matured on 30 December, 2005) and subordinated bonds. While the Bank complies in full with the Bank of Portugal's regulations governing liquidity, the Bank's liabilities to its customers exceed the amount of its liquid assets. As of 31 December, 2001, 2002, 2003, 2004 and 2005, this shortfall amounted to approximately 15.2 billion euros, 14.8 billion euro, 15.1 billion euros, 14.1 billion euro and 14.9 billion euros, respectively. If the Bank is unable to borrow sufficient funds to meet its obligations to its customers and other investors, the Bank's financial condition and results of operations will be materially adversely affected. In addition, due to the Bank's net funding position, any rating downgrade could adversely affect the Bank's financial condition and results of operations.

There is a risk that the Bank's pension fund is under-funded and that the Bank may be required to make additional contributions to the fund in the future.

There is a risk that the Bank's pension fund is under-funded. The sharp decline in the global financial markets throughout 2001 and 2002 has caused investment returns and the value of the Bank's pension fund to decline. The unrecognised actuarial losses of the Bank's pension fund increased from 1,040,568 thousand euros as of 31 December, 2004 to 1,470,821 thousand euros as of 31 December, 2005. The reserves the Bank has made in its consolidated financial statements for its pension liabilities are based on certain assumptions regarding mortality and, accordingly, there is a risk that beneficiaries of the policy will live longer and draw more from the pension fund than has been allowed for. Within the scope of IFRS and as defined in IFRS 1, the BCP Group decided to recalculate the actuarial calculations from the date of the set up of the Pension Fund. This resulted in an increase of deferred actuarial differences and shareholders' equity. In the future, all actuarial gains and losses in excess of 10% of the value of liabilities (the corridor) will be amortised for the remaining average working life of the employees of 20 years (previously: 10 years). On an ongoing basis, the extended amortisation period of the actuarial losses will lead to a decrease in annual charges to the profit and loss account. If the Bank's pension fund is under-funded, the Bank will be required to make additional contributions to the fund in the future, which could adversely affect the Bank's financial condition and results of operations. In addition, the Bank is required to deduct from its tier 1 capital the portion of unrecognised actuarial losses exceeding 10% of the Bank's pension liabilities or the value of the Bank's pension fund assets. As a result, any further declines in the value of the Bank's pension fund assets could adversely affect its capital position.

The Bank is exposed to credit risk.

The Bank is exposed to the creditworthiness of its customers and counterparties. If the value of the collateral securing the Bank's loan portfolio declines, the Bank will be exposed to a higher credit risk and increased risk of non-recovery in the event that any loans failed to perform. The Bank cannot guarantee that it would be able to realise adequate proceeds from collateral disposals to cover loan losses.

Despite the adverse economic environment, in recent years there has not been a deterioration of the creditworthiness of its customers. However, if the economic growth trend continues to be feeble, if unemployment increases and if interest rates increase sharply, this may result in the deterioration of the creditworthiness of customers.

Notwithstanding the BCP Group's high coverage level of past due loans by provisions for impairment losses (Provision for loans losses / Loans overdue by more than 90 days stood at 303.8% and Provisions for loan losses / Non performing loans stood 216.9% as of 30 June, 2006), the Bank cannot assure potential investors that its level of provisions and other reserves will be adequate or that the Bank will not have to take significant additional provisions for possible impairment losses in future periods.

The Bank's risk management policies may leave it exposed to unidentified risks or an unanticipated level of risk.

The Bank is exposed to a number of risks, including, among others, market risk, credit risk, liquidity risk and operational risk. Although the Bank has implemented risk management policies for each of the risks to which it is exposed, taking into account worst case scenarios, the policies and procedures that the Bank employs to identify, monitor and manage these risks may not be fully effective. See ''Risk Management" in the Bank's 2005 Annual Report (volume I) for a more detailed description of the Bank's risk management procedures.

The Bank's proprietary trading business involves a significant degree of risk.

The Bank currently engages in various treasury activities for its own account, including placing euro and foreign currency-denominated deposits in the inter-bank market and trading in the primary and secondary markets for government securities. Proprietary trading includes taking positions in the fixed income and equity markets using both cash and derivative products and financial instruments. Although the Bank's level of engagement in such activities is limited, proprietary trading involves a degree of risk. Future proprietary trading results will in part depend on market conditions and the Bank could incur significant losses, which could adversely affect its financial condition and results of operations. See in this respect information on "Financial assets held for trading" and "Financial assets available for sale" contained in "Description of Business of the Banco Comercial Português Group" in the Consolidated Balance Sheet as at 31 December, 2005 and 2004, for information on the Bank's securities portfolio of trading and investment securities as of 31 December, 2004 and 2005.

The Bank is subject to operational risks.

In the ordinary course of the Bank's business and as a result of the Bank's organisational structure, the Bank is subject to certain operational risks, including interruption of service, errors, fraud by third parties, omissions, delays in providing services and risk management requirements. The Bank continually monitors these risks by means of, among other things, advanced administrative and information systems and insurance coverage in respect of certain operational risks, but the Bank cannot guarantee that it will be able at all times to successfully monitor and prevent these risks in the future. Any failure to execute successfully the Bank's risk management and control policies could materially adversely affect the Bank's financial condition and results of operations.

The Bank faces technological risks.

The Bank's consolidated operations are highly dependent on computerised record-keeping, financial reporting and other systems, including point of sale monitoring and internal accounting systems, particularly following the centralisation of the Bank's information technology systems. Since 1996, the BCP Group has integrated its back office operations in one company, Millennium bcp – Prestacão de Serviços, ACE (formerly known as ServiBanca). Millennium bcp – Prestacão de Serviços is responsible for carrying out standardised back office activities, management of information technology, accounting and audit, and the strategic monitoring of the BCP Group. Millennium bcp – Prestação de Serviços is currently under a process of reorganization, with the aim of rationalising the Group management. According to this reorganization process several services previously provided by Millennium bcp Prestação de Serviços will start to be provided directly by Millennium bcp. This reorganization does not affect service or security levels as it represents only an internal reorganization. The scope of the services provided by Millennium bcp Prestação de Serviços will narrow as a result of this transfer to Millennium bcp. Millennium bcp Prestação de Serviços will continue to represent their associates regarding third parties, namely in the areas of IT, operational, administrative and procurement. The BCP Group has also integrated the technological platforms of the different businesses it has acquired. Although the Bank's computer systems have been evaluated and the Bank believes its back-up facilities to be adequate, the Bank cannot assure potential investors that it will be able to identify and correct problems related to its information technology systems, or that it will be able to implement technological improvements successfully.

Factors which are material for the purpose of assessing the market risks associated with Notes issued under the Programme.

The Notes may not be a suitable investment for all prospective investors.

Each potential investor in the Notes must determine the suitability of that investment in light of its own circumstances. In particular, each potential investor should:

(i) have sufficient knowledge and experience to make a meaningful evaluation of the Notes, the merits and risks of investing in the Notes and the information contained or incorporated by reference in this Offering Circular or any applicable supplement;

(ii) have access to, and knowledge of, appropriate analytical tools to evaluate, in the context of its particular financial situation, an investment in the Notes and the impact the Notes will have on its overall investment portfolio;

(iii) have sufficient financial resources and liquidity to bear all of the risks of an investment in the Notes, including Notes with principal or interest payable in one or more currencies, or where the currency for principal or interest payments is different from the potential investor's currency; and

(iv) understand thoroughly the terms of the Notes and be familiar with the behaviour of any relevant indices and financial market.

(v) be able to evaluate (either alone or with the help of a financial adviser) possible scenarios for economic, interest rate and other factors that may affect its investment and its ability to bear the applicable risks.

Some Notes are complex financial instruments. Sophisticated institutional investors generally do not purchase complex financial instruments as stand-alone investments. They purchase complex financial instruments as a way to reduce risk or enhance yield with an understood, measured, appropriate addition of risk to their overall portfolios. A potential investor should not invest in Notes which are complex financial instruments unless it has the expertise (either alone or with a financial adviser) to evaluate how the Notes will perform under changing conditions, the resulting effects on the value of the Notes and the impact this investment will have on the potential investor's overall investment portfolio.

Risks related to the structure of a particular issue of Notes.

A wide range of Notes may be issued under the Programme. A number of these Notes may have features which contain particular risks for potential investors. Set out below is a description of the most common such features:

Notes subject to optional redemption by the Issuer.

An optional redemption feature of Notes is likely to limit their market value. During any period when the Issuer may elect to redeem Notes, the market value of those Notes generally will not rise substantially above the price at which they can be redeemed. This also may be true prior to any redemption period.

The Issuer may be expected to redeem Notes when its cost of borrowing is lower than the interest rate on the Notes. At those times, an investor generally would not be able to reinvest the redemption proceeds at an effective interest rate as high as the interest rate on the Notes being redeemed and may only be able to do so at a significantly lower rate. Potential investors should consider reinvestment risk in light of other investments available at that time.

Index Linked Notes and Dual Currency Notes.

The Issuer may issue Notes with principal or interest determined by reference to an index or formula, to changes in the prices of securities or commodities, to movements in currency exchange rates or other factors (each, a "Relevant Factor"). In addition, the Issuer may issue Notes with principal or interest payable in one or more currencies which may be different from the currency in which the Notes are denominated. Potential investors should be aware that:

(i) the market price of such Notes may be volatile;

(ii) they may receive no interest;

(iii) payment of principal or interest may occur at a different time or in a different currency than expected;

(iv) they may lose all or a substantial portion of their principal;

(v) a Relevant Factor may be subject to significant fluctuations that may not correlate with changes in interest rates, currencies or other indices;

(vi) if a Relevant Factor is applied to Notes in conjunction with a multiplier greater than one or contains some other leverage factor, the effect of changes in the Relevant Factor on principal or interest payable likely will be magnified; and

(vii) the timing of changes in a Relevant Factor may affect the actual yield to investors, even if the average level is consistent with their expectations. In general, the earlier the change in the Relevant Factor, the greater the effect on yield.

Partly-paid Notes

The Issuer may issue Notes where the issue price is payable in more than one instalment. Failure to pay any subsequent instalment could result in an investor losing all of his investment.

Variable rate Notes with a multiplier or other leverage factor

Notes with variable interest rates can be volatile investments. If they are structured to include multipliers or other leverage factors, or caps or floors, or any combination of those features or other similar related features, their market values may be even more volatile than those for securities that do not include those features.

Inverse Floating Rate Notes

Inverse Floating Rate Notes have an interest rate equal to a fixed rate minus a rate based upon a reference rate such as LIBOR. The market values of those Notes typically are more volatile than market values of other conventional floating rate debt securities based on the same reference rate (and with otherwise comparable terms). Inverse Floating Rate Notes are more volatile because an increase in the reference rate not only decreases the interest rate of the Notes, but may also reflect an increase in prevailing interest rates, which further adversely affects the market value of these Notes.

Fixed/Floating Rate Notes

Fixed/Floating Rate Notes may bear interest at a rate that converts from a fixed rate to a floating rate, or from a floating rate to a fixed rate. Where the Issuer has the right to effect such a conversion, this will affect the secondary market and the market value of the Notes since the Issuer may be expected to convert the rate when it is likely to produce a lower overall cost of borrowing. If the Issuer converts from a fixed rate to a floating rate in such circumstances, the spread on the Fixed/Floating Rate Notes may be less favourable than then prevailing spreads on comparable Floating Rate Notes tied to the same reference rate. In addition, the new floating rate at any time may be lower than the rates on other Notes. If the Issuer converts from a floating rate to a fixed rate in such circumstances, the fixed rate may be lower than then prevailing rates on its Notes.

Notes issued at a substantial discount or premium

The market values of securities issued at a substantial discount or premium from their principal amount tend to fluctuate more in relation to general changes in interest rates than do prices for conventional interest-bearing securities. Generally, the longer the remaining term of the securities, the greater the price volatility as compared to conventional interest-bearing securities with comparable maturities.

The Issuer's obligations under Subordinated Notes are subordinated

The Issuer's obligations under Subordinated Notes will be unsecured and subordinated to the claims of senior creditors. Although Subordinated Notes may pay a higher rate of interest than comparable Notes, which are not subordinated, there is a real risk that an investor in Subordinated Notes will lose all or some of his investment should the Issuer become insolvent.

Risks related to Notes generally

Set out below is a brief description of certain risks relating to the Notes generally:

Modification, waivers and substitution

The conditions of the Notes contain provisions for calling meetings of Noteholders to consider matters affecting their interests generally. These provisions permit defined majorities to bind all Noteholders including Noteholders who did not attend and vote at the relevant meeting and Noteholders who voted in a manner contrary to the majority.

EU Savings Directive

Under the domestic rules that implemented Council Directive 2003/48/EC on the taxation of income in the form of interest payments (the Savings Directive), Member States are required, from 1 July, 2005, to provide to the tax authorities of another Member State details of payments of interest (or similar income) paid by a person within its jurisdiction to an individual resident in that other Member State. For a transitional period, Belgium, Luxembourg and Austria are instead required (unless the beneficial owners of the interest elect otherwise, agreeing on the exchange of information) to operate a withholding system in relation to such payments, the ending of such transitional period being dependent upon the conclusion of certain other

agreements relating to information exchange with certain other countries. Andorra, Liechtenstein, Monaco, San Marino and Switzerland have agreed to adopt a similar withholding system with effect from the same date. Ten dependent or associated territories adopted either a withholding tax or an information exchange system, also with effect from the same date.

If, following implementation of this Directive, a payment were to be made or collected through a Member State in which a withholding system applies and an amount of, or in respect of, tax were to be withheld from that payment, neither the Issuer nor any Paying Agent nor any other person would be obliged to pay additional amounts with respect to any Note as a result of the imposition of such withholding tax. The Issuer is required to maintain a Paying Agent in a Member State that is not obliged to withhold or deduct tax pursuant to the Directive.

Change of law

The Trust Deed (except Clauses 2(H) and 7(H) insofar as they relate to Subordinated Notes), the Agency Agreement, the Notes (except Conditions 2(c) and 4(b)), the Receipts and the Coupons are governed by, and shall be construed in accordance with, English law. Clauses 2(H) and 7(H) of the Trust Deed (in so far as they relate to Subordinated Notes) and Conditions 2(c) and 4(b) are governed by, and shall be construed in accordance with, Portuguese law.

The conditions of the Notes are based on relevant law in effect as at the date of this Offering Circular. No assurance can be given as to the impact of any possible judicial decision or change to relevant law or administrative practice after the date of this Offering Circular.

Trading in the clearing systems

In relation to any issue of Notes which have a minimum denomination and are tradeable in the clearing systems in amounts above such minimum denomination which are smaller than it, should definitive Notes be required to be issued, a holder who does not have an integral multiple of the minimum denomination in his account with the relevant clearing system at the relevant time may not receive all of his entitlement in the form of definitive Notes unless and until such time as his holding becomes an integral multiple of the minimum denomination.

Risks related to the market generally.

Set out below is a brief description of the main market risks, including liquidity risk, exchange rate risk, interest rate risk and credit risk:

The secondary market generally

Notes may have no established trading market when issued, and one may never develop. If a market does develop, it may not be very liquid. Therefore, investors may not be able to sell their Notes easily or at prices that will provide them with a yield comparable to similar investments that have a developed secondary market. This is particularly the case for Notes that are especially sensitive to interest rate, currency or market risks, are designed for specific investment objectives or strategies or have been structured to meet the investment requirements of limited categories of investors. These types of Notes generally would have a more limited secondary market and more price volatility than conventional debt securities. Illiquidity may have a severely adverse effect on the market value of Notes.

Exchange rate risks and exchange controls

The Issuer will pay principal and interest on the Notes and, in the case of Notes issued by BCP Finance, the Guarantor will make any payments under the Guarantee in the Specified Currency. This presents certain risks relating to currency conversions if an investor's financial activities are denominated principally in a currency or currency unit (the "Investor's Currency") other than the Specified Currency. These include the risk that exchange rates may significantly change (including changes due to devaluation of the Specified Currency or revaluation of the Investor's Currency) and the risk that authorities with jurisdiction over the Investor's Currency may impose or modify exchange controls. An appreciation in the value of the Investor's Currency relative to the Specified Currency would decrease (1) the Investor's Currency-equivalent yield on the Notes, (2) the Investor's Currency-equivalent value of the principal payable on the Notes and (3) the Investor's Currency-equivalent market value of the Notes.

Government and monetary authorities may impose (as some have done in the past) exchange controls that could adversely affect an applicable exchange rate. As a result, investors may receive less interest or principal than expected, or no interest or principal.

Interest rate risks

Investment in Fixed Rate Notes involves the risk that subsequent changes in market interest rates may adversely affect the value of the Fixed Rate Notes.

Credit ratings may not reflect all risks

One or more independent credit rating agencies may assign credit ratings to the Notes. The ratings may not reflect the potential impact of all risks related to structure, market, additional factors discussed above, and other factors that may affect the value of the Notes. A credit rating is not a recommendation to buy, sell or hold securities and may be revised or withdrawn by the rating agency at any time.

Legal investment considerations may restrict certain investments

The investment activities of certain investors are subject to legal investment laws and regulations, or review or regulation by certain authorities. Each potential investor should consult its legal advisers to determine whether and to what extent (1) Notes are legal investments for it, (2) Notes can be used as collateral for various types of borrowing and (3) other restrictions apply to its purchase or pledge of any Notes. Financial institutions should consult their legal advisors or the appropriate regulators to determine the appropriate treatment of Notes under any applicable risk-based capital or similar rules.

GENERAL DESCRIPTION OF THE PROGRAMME

Under the Programme, each Issuer may from time to time issue Notes denominated in any currency subject as set out herein. A summary of the terms and conditions of the Programme and the Notes appears below. The applicable terms of any Notes will be agreed between the relevant Issuer and the relevant Dealer prior to the issue of the Notes and will be set out in the Terms and Conditions of the Notes incorporated in, or incorporated by reference into, the Notes, as modified and supplemented by the applicable Final Terms attached to, or incorporated in, such Notes, as more fully described under "*Form of the Notes*" below. Notes issued by BCP Finance will be unconditionally and irrevocably guaranteed by the Bank, as described in the Trust Deed.

This Offering Circular and any supplement will only be valid for listing Notes during the period of twelve months from the date of this Offering Circular in an aggregate nominal amount which, when added to the aggregate nominal amount of all Notes then outstanding or simultaneously issued under the Programme, does not exceed EUR20,000,000,000 or its equivalent in other currencies. For the purpose of calculating the Euro equivalent of the aggregate nominal amount of Notes issued under the Programme from time to time after the date of this Offering Circular:

(a) the Euro equivalent of Notes denominated in another Specified Currency (as specified in the applicable Final Terms in relation to the relevant Notes, as described under "*Form of the Notes*" shall be determined, at the discretion of the relevant Issuer, as of the date of agreement to issue such Notes (the "**Agreement Date**") or on the preceding day on which commercial banks and foreign exchange markets are open for business in London, in each case on the basis of the spot rate for the sale of the Euro against the purchase of the relevant Specified Currency in the London foreign exchange market quoted by any leading bank selected by the relevant Issuer on the relevant date of calculation;

(b) the Euro equivalent of Dual Currency Notes, Indexed Notes and Partly Paid Notes (each as specified in the applicable Final Terms in relation to the relevant Notes, as described under "*Form of the Notes*") shall be calculated in the manner specified above by reference to the original nominal amount on issue of such Notes (in the case of Partly Paid Notes regardless of the subscription price paid); and

(c) the Euro equivalent of Zero Coupon Notes (as specified in the applicable Final Terms in relation to the relevant Notes, as described under "*Form of the Notes*") and other Notes issued at a discount or premium shall be calculated in the manner specified above by reference to the net proceeds received by the relevant Issuer for the relevant issue.

FORM OF THE NOTES

The Notes of each Series will be in bearer and/or registered form, as indicated in the applicable Final Terms.

Unless otherwise provided with respect to a particular Series of Registered Notes, the Registered Notes of each Tranche of such Series offered and sold in reliance on Regulation S, which will be sold to non-U.S. persons outside the United States, will initially be represented by a Reg. S Global Note which will be deposited with, and registered in the name of a nominee of, a common depositary for Euroclear Bank S.A./N.V. ("**Euroclear**") and Clearstream Banking, société anonyme ("**Clearstream, Luxembourg**"). Prior to expiry of the Distribution Compliance Period (as defined in Regulation S) applicable to each Tranche of Notes, beneficial interests in a Reg. S. Global Note may not be offered or sold to, or for the account or benefit of, a U.S. person save as otherwise provided in Condition 12 and may not be held otherwise than through Euroclear or Clearstream, Luxembourg and such Reg. S Global Note will bear a legend regarding such restrictions on transfer.

Registered Notes of each Tranche of a particular Series may only be offered and sold in the United States or to, or for the account or benefit of, U.S. persons in private transactions: (i) to QIBs; or (ii) to Institutional Accredited Investors who agree to purchase the Notes for their own account and not with a view to the distribution thereof. The Registered Notes of each Tranche sold to QIBs will be represented by a Restricted Global Note which will be deposited with a custodian for, and registered in the name of a nominee of, DTC.

Persons holding beneficial interests in Registered Global Notes will be entitled or required, as the case may be, under the circumstances described below, to receive physical delivery of definitive Notes in fully registered form.

The Registered Notes of each Tranche sold to Institutional Accredited Investors will be in definitive form, registered in the name of the holders thereof. The Restricted Global Note and the Registered Notes in definitive form issued to Institutional Accredited Investors will be subject to certain restrictions on transfer set forth therein and will bear a legend regarding such restrictions.

Payments of the principal of, and interest (if any) on, the Registered Global Notes will, in the absence of provision to the contrary, be made to the person shown on the Register (as defined in Condition 6*(b)*) as the registered holder of the Registered Global Notes. None of the Issuers, the Trustee, the Agent, any Paying Agent or the Registrar will have any responsibility or liability for any aspect of the records relating to or payments or deliveries made on account of beneficial ownership interests in the Registered Global Notes or for maintaining, supervising or reviewing any records relating to such beneficial ownership interests.

Payments of principal on the Registered Notes will, in the absence of provision to the contrary, be made to the persons shown on the Register at the close of business on the business day immediately prior to the relevant payment or delivery date. Payments of interest on the Registered Notes will be made on the relevant payment date to the person in whose name such Notes are registered on the Record Date (as defined in Condition 6*(b)*) immediately preceding such payment date.

Interests in a Registered Global Note will be exchangeable (free of charge), in whole but not in part, for definitive Registered Notes without receipts, interest coupons or talons attached only upon the occurrence of an Exchange Event unless otherwise provided in the applicable Final Terms. For these purposes, "**Exchange Event**" means that (i) an Event of Default (as defined in Condition 10) has occurred and is continuing, (ii) Clearstream, Luxembourg and/or Euroclear or DTC, as the case may be, has notified the Issuer that it is unwilling or unable to continue to act as depositary for the Notes and no alternative clearing system satisfactory to the relevant Issuer, the Agent and the Trustee is available, (iii) DTC has ceased to constitute a clearing agency registered under the United States Securities Exchange Act of 1934 or the relevant Issuer has been notified that both Euroclear and Clearstream, Luxembourg have been closed for business for a continuous period of 14 days (other than by reason of holiday, statutory or otherwise) or have announced an intention permanently to cease business or have in fact done so and, in any such case, no alternative clearing system satisfactory to the relevant Issuer, the Agent and the Trustee is available, (iv) the relevant Issuer has or will become obliged to pay additional amounts as provided for or referred to in Condition 8 which would not be required were the Notes represented by the Registered Global Note in definitive form, (v) the holder of a beneficial interest in the Restricted Global Note notifies the Registrar in writing that it is transferring such beneficial interest to an Institutional Accredited Investor who is required to hold its beneficial interest in the Registered Notes in definitive form, (vi) not less than 60 days' written notice requesting exchange has been given by Euroclear, Clearstream, Luxembourg and/or DTC, as the case may be, (acting on the instructions of any holder of an interest in a Registered Global Note) to the Registrar; provided that in the case of (iv) a written

notice or request, as the case may be, is submitted to the Registrar. The relevant Issuer will promptly give notice to the Noteholders in accordance with Condition 16 if an Exchange Event occurs. In the event of the occurrence of an Exchange Event referred to in (i) to (iv) above, Euroclear and/or Clearstream, Luxembourg or DTC, as the case may be, (acting on the instructions of any holder of an interest in such Registered Global Note) or the Trustee may give notice to the Registrar requesting exchange and, in the event of the occurrence of an Exchange Event as described in (iv) above, the relevant Issuer may also give notice to the Registrar requesting exchange. Any such exchange (except in the case of (vi) above) shall occur not later than 30 days after the date of receipt of the first relevant notice by the Registrar. Upon the occurrence of an Exchange Event, the relevant Issuer will cause the appropriate Registered Notes in definitive form to be delivered, provided that, notwithstanding the above, no Registered Notes in definitive form will be issued in exchange for a Registered Global Note until the expiry of the applicable Distribution Compliance Period.

Each Tranche of Bearer Notes will initially be represented by a Temporary Bearer Global Note (without receipts, interest coupons or talons) which, will:

(i) if the Temporary Global Note is intended to be issued in new global note ("**NGN**") form, as stated in the applicable Final Terms, be delivered on or prior to the original issue date of the Tranche of Bearer Notes to a common safekeeper (the "**Common Safekeeper**") for Euroclear Bank S.A./N.V. ("**Euroclear**") and Clearstream Banking, société anonyme ("**Clearstream, Luxembourg**"); and

(ii) if the Temporary Global Note is not intended to be issued in NGN Form, be delivered on or prior to the original issue date of the Tranche of Bearer Notes to a common depositary (the "**Common Depositary**") for, Euroclear and Clearstream, Luxembourg.

Whilst any Bearer Note is represented by a Temporary Bearer Global Note, payments of principal and interest (if any) due prior to the Exchange Date (as defined below) will be made against presentation of the Temporary Bearer Global Note if the Temporary Global Note is not intended to be issued in NGN form only to the extent that certification to the effect that the beneficial owner of such Note is not a U.S. person or a person who has purchased for resale to any U.S. person, as required by U.S. Treasury regulations, has been received by Clearstream, Luxembourg and/or Euroclear, as applicable, and Clearstream, Luxembourg and/or Euroclear, as applicable, has given a like certification (based on the certifications it has received) to the Agent.

On and after the date (the "**Exchange Date**") which is 40 days after the date on which a Temporary Bearer Global Note is issued, interests in the Temporary Bearer Global Note will be exchangeable (free of charge) upon a request by Clearstream, Luxembourg and/or Euroclear acting on the instruction of the holders of interests in the Temporary Bearer Global Note either for interests in a Permanent Bearer Global Note (without receipts, interest coupons or talons) or for security printed definitive Bearer Notes (as indicated in the applicable Final Terms and subject, in the case of definitive Bearer Notes, to such notice period as is specified in the applicable Final Terms) in each case against certification of beneficial ownership as described above and in accordance with the terms of the Temporary Bearer Global Note unless such certification has already been given. Unless exchange for an interest in a Permanent Global Note or for definitive Notes is improperly withheld or refused, the holder of a Temporary Bearer Global Note will not be entitled to collect any payment of interest or principal due on or after the Exchange Date.

Payments of principal and interest (if any) on a Permanent Bearer Global Note will be made through Clearstream, Luxembourg and/or Euroclear against presentation or (as the case may be) surrender of the Permanent Bearer Global Note if the Permanent Global Note is not intended to be issued in NGN form without any requirement for certification. The applicable Final Terms will specify that a Permanent Bearer Global Note will be exchangeable (free of charge), in whole but not in part, for definitive Bearer Notes with, where applicable, receipts, interest coupons and talons attached upon either (i) not less than 60 days' written notice from Clearstream, Luxembourg and/or Euroclear (acting on the instructions of any holder of an interest in such Permanent Bearer Global Note) to the Agent as described therein or (ii) only upon the occurrence of an Exchange Event.

For these purposes, "Exchange Event" means that (i) an Event of Default has occurred and is continuing, (ii) the relevant Issuer has been notified that both Clearstream, Luxembourg and Euroclear have been closed for business for a continuous period of 14 days (other than by reason of holiday, statutory or otherwise) or have announced an intention permanently to cease business or have in fact done so and no alternative clearing system satisfactory to the relevant Issuer, the Agent and the Trustee is available or (iii) the relevant Issuer has or will become obliged to pay additional amounts as provided for or referred to in Condition 8 which would not be required were the Notes represented by the Permanent Bearer Global Note in definitive form. The relevant Issuer will promptly give notice to Noteholders in accordance with Condition 15 if an Exchange Event occurs. In the event of the occurrence of an Exchange Event, Clearstream, Luxembourg

and/or Euroclear (acting on the instructions of any holder of an interest in such Permanent Bearer Global Note) may give notice to the Agent requesting exchange and, in the event of the occurrence of an Exchange Event as described in (iii) above, the relevant Issuer may also give notice to the Agent requesting exchange. Any such exchange shall occur not later than 60 days after the date of receipt of the first relevant notice by the Agent.

Pursuant to the Agency Agreement (as defined under "Terms and Conditions of the Notes" below) the Agent shall arrange that, where a further Tranche of Notes is issued, the Notes of such Tranche shall be assigned (where applicable) a CUSIP number, and, in the case of Bearer Notes and Reg. S Notes (as defined in the Conditions), a CINS number, common code and ISIN which are different from the CUSIP number, CINS number, common code and ISIN assigned to Notes of any other Tranche of the same Series until at least the expiry of the Distribution Compliance Period applicable to such Tranche. The end of such period and, as the case may be, the CUSIP number, CINS number, common code and ISIN thereafter applicable to the Notes of the relevant Series will be notified by the Agent to the relevant Dealer.

All global Notes and definitive Notes will, subject to any mandatory provisions of law, be issued pursuant to the Trust Deed (as defined under "Terms and Conditions of the Notes" below) and the Agency Agreement.

For so long as any of the Notes is represented by a Global Note deposited with a common depositary for Clearstream, Luxembourg and Euroclear or for so long as DTC or its nominee is the registered holder of a Registered Global Note, each person who is for the time being shown in the records of Clearstream, Luxembourg or of Euroclear or, as the case may be, DTC as entitled to a particular nominal amount of Notes (in which regard any certificate or other document issued by Clearstream, Luxembourg, Euroclear or DTC or its nominee as to the nominal amount of Notes standing to the account of any person shall be conclusive and binding for all purposes save in the case of manifest error) shall be deemed to be the holder of such nominal amount of such Notes for all purposes other than with respect to the payment of principal or interest on, or, in the case of a Registered Global Note, voting, giving consents or making requests in respect of, such nominal amount of such Notes, for which purpose such common depositary or, as the case may be, DTC or, in the case of payment only, its nominee shall be deemed to be the holder of such nominal amount of such Notes in accordance with and subject to the terms of the relevant global Note and the Trust Deed (and the expressions "Noteholder" and "holder of Notes" and related expressions shall be construed accordingly).

No beneficial owner of an interest in a Registered Global Note will be able to exchange or transfer that interest, except in accordance with the applicable procedures of DTC, Clearstream, Luxembourg or Euroclear, as the case may be, in each case to the extent applicable.

FORM OF FINAL TERMS

Set out below is the form of Final Terms, which will be completed for each Tranche of Notes issued under the Programme.

FINAL TERMS

[*Date*]

[BCP Finance Bank, Ltd. ("BCP Finance")/Banco Comercial Português, S.A. (the "Bank") acting through its [head office/international Madeira branch "*Sucursal Financeira Internacional*"]][(1)]

Issue of [Aggregate Nominal Amount of Tranche] [Title of Notes]
[Guaranteed by Banco Comercial Português, S.A. acting through its [head office/international Madeira branch "*Sucursal Financeira Internacional*"]][(1)]
under the EUR20,000,000,000
Euro Note Programme

PART A – CONTRACTUAL TERMS

This document constitutes the Final Terms relating to the issue of Notes described herein.

Terms used herein shall be deemed to be defined as such for the purposes of the Conditions set forth in the Offering Circular dated 21 September, 2006 which constitutes a base prospectus for the purposes of the Prospectus Directive (Directive 2003/71/EC) (the "**Prospectus Directive**"). This document constitutes the Final Terms of the Notes described herein for the purposes of Article 5.4 of the Prospectus Directive and must be read in conjunction with the Offering Circular. Full information on the Issuer and the offer of the Notes is only available on the basis of the combination of these Final Terms and the Offering Circular. The Offering Circular is available for viewing at [*address*] and [*website*] and copies may be obtained from [*address*].

The following alternative language applies if the first tranche of an issue which is being increased was issued under an Offering Circular with an earlier date.

Terms used herein shall be deemed to be defined as such for the purposes of the Conditions (the "**Conditions**") set forth in the Offering Circular dated [original date]. This document constitutes the Final Terms of the Notes described herein for the purposes of Article 5.4 of the Prospectus Directive (Directive 2003/71/EC) (the "**Prospectus Directive**") and must be read in conjunction with the Offering Circular dated [*current date*] which constitutes a base prospectus for the purposes of the Prospectus Directive, save in respect of the Conditions which are extracted from the Offering Circular dated [*original date*] and are attached hereto. Full information on the Issuer and the offer of the Notes is only available on the basis of the combination of these Final Terms and the Offering Circulars dated [*current date*] and [*original date*]. Copies of such Offering Circulars are available for viewing at [*address*] [and] [*website*] and copies may be obtained from [*address*].

[Include whichever of the following apply or specify as Not Applicable (N/A). Note that the numbering should remain as set out below, even if "Not Applicable" is indicated for individual paragraphs or subparagraphs. Italics denote directions for completing the Final Terms.]

[If Notes issued by BCP Finance Bank, Ltd. have a maturity of less than one year, the minimum denomination may need to be £100,000 or its equivalent in any other currency.]

[*When adding any other final terms or information consideration should be given as to whether such terms or information constitute "significant new factors" and consequently trigger the need for a supplement to the Offering Circular under Article 16 of the Prospectus Directive.*]

(1) Delete as appropriate

1.	[(i)]	Issuer:	[BCP Finance Bank Ltd. /Banco Comercial Português, S.A. acting through its [head office/ international Madeira branch *"Sucursal Financeira Internacional"*]]
	[(ii)	Guarantor:	[Banco Comercial Português, S.A.]
		Branch through which the Bank is acting:	[head office/international Madeira branch "*Sucursal Financeira Internacional*"]][(2)]
2.	[(i)]	Series Number:	[ ]
	[(ii)	Tranche Number:	[ ] *(If fungible with an existing Series, details of that Series, including the date on which the Notes become fungible)*
3.		Specified Currency or (in the case of Dual Currency Notes) Currencies:	[ ]
4.		Aggregate Nominal Amount:	
	–	Tranche:	[ ]
	–	Series:	[ ]
5.		Issue Price of Tranche:	[ ] per cent. *(in the case of fungible issues only, if applicable)* of the Aggregate Nominal Amount [plus accrued interest from [insert date]
6.		Specified Denominations: *(in the case of Registered Notes, this means the minimum integral amount in which transfers can be made)*	[ ] [ ] (*N.B. If an issue of Notes is (i) NOT admitted to trading on an European Economic Area exchange; and (ii) only offered in the European Economic Area in circumstances where a prospectus is not required to be published under the Prospectus Directive the €1,000 minimum denomination is not required.*)
7.	[(i)]	Issue Date [and Interest Commencement Date]:	[ ]
	[(ii)	Interest Commencement Date (if different from the Issue Date):	[ ]]
8.		Maturity Date:	[*Fixed rate – specify date/Floating rate* – Interest Payment Date falling in or nearest to [*specify month*]]
9.		Interest Basis:	[[ ] per cent. Fixed Rate] [[LIBOR/EURIBOR] +/- [ ] per cent. Floating Rate] [Zero Coupon] [Index Linked Interest] [Dual Currency Interest] [*specify other*] (further particulars specified below)

(2) It is intended that Notes issued by BCP Finance will be guaranteed by the Bank acting through its international Madeira branch "*Sucursal Financeira Internacional*". In certain circumstances (including but not limited to, relevant Portuguese tax laws and other applicable laws and regulations) Notes issued by BCP Finance may also be guaranteed through the head office of the Bank. This will only be the case (i) if and when the Board of Directors decides to that effect and an appropriate resolution has been passed by such Board of Directors, and (ii) the Dealers have been provided with a legal opinion from the Bank's external legal advisers in Portugal.

10.	Redemption/Payment Basis:		[Redemption at par] [Index Linked Redemption] [Dual Currency Redemption] [Partly Paid] [Instalment] [*specify other*]
11.	Change of Interest Basis or Redemption/Payment Basis:		(*N.B. If the Final Redemption Amount of each Note is other than 100 per cent. of its nominal value, then the Notes will be derivative securities for the purposes of the Prospectus Directive and the requirements of Annex XII to the Prospectus Directive Regulation will apply.*) [*Specify details of any provision for change of Notes into another Interest Basis or Redemption/Payment Basis*]
12.	Put/Call Options:		[Investor Put] [Issuer Call] [(further particulars specified below)]
13.	[(i)]	Status of the Notes:	[Senior/[Dated/Perpetual] Subordinated]
	[(ii)	If Perpetual:	[Conditions attached/No]
14.	Method of distribution:		[Syndicated/Non-syndicated]
	(a)	If syndicated, names of Managers and if non-syndicated, names of Dealers:	[give details]
	(b)	Presumption that [Dealer(s)/Manager(s)] [is/are] selling as principal on [its/their] own account and not as agent is correct:	[Yes/No]

PROVISIONS RELATING TO INTEREST (IF ANY) PAYABLE

15.	**Fixed Rate Note Provisions**		[Applicable/Not Applicable] *(If not applicable, delete the remaining sub-paragraphs of this paragraph)*
	(i)	Rate(s) of Interest:	[ ] per cent. per annum [payable [annually/ semi-annually/quarterly] in arrear] (*If payable other than annually, consider amending Condition 5*)
	(ii)	Interest Payment Date(s):	[[ ] in each year up to and including the Maturity Date]/[*specify other*] (*NB: This will need to be amended in the case of long or short coupons*)
	(iii)	Fixed Coupon Amount(s):	[ ] per [ ] in nominal amount
	(iv)	Broken Amount(s):	[*Insert particulars of any initial or final broken interest amounts which do not correspond with the Fixed Coupon Amount*]
	(v)	Day Count Fraction:	[30/360 or Actual/Actual (ICMA) or *specify other*] (*NB: if interest is not payable on a regular basis (for example, if there are Broken Amounts specified) Actual/Actual (ICMA) may not be a suitable Day Count Fraction*)

(vi)	Determination Date(s):	[ ] in each year [*Insert regular interest payment dates, ignoring issue date or maturity date in the case of a long or short first or last coupon*] (*NB: This will need to be amended in the case of regular interest payment dates which are not of equal duration*) (*NB: Only relevant where Day Count Fraction is Actual/Actual (ICMA)*)
(vii)	Other terms relating to the method of calculating interest for Fixed Rate Notes:	[None/*Give details*]
16.	**Floating Rate Note Provisions**	[Applicable/Not Applicable] *(If not applicable, delete the remaining sub-paragraphs of this paragraph)*
(i)	Specified Period(s)/Specified Interest Payment Dates:	[ ]
(ii)	Business Day Convention:	[Floating Rate Convention/Following Business Day Convention/Modified Following Business Day Convention/Preceding Business Day Convention/[*specify other*]]
(iii)	Additional Business Centre(s):	[ ]
(iv)	Manner in which the Rate of Interest and Interest Amount is to be determined:	[Screen Rate Determination/ISDA Determination/*specify other*]
(v)	Party responsible for calculating the Rate of Interest and Interest Amount (if not the Agent):	[ ]
(vi)	Screen Rate Determination:	
	– Reference Rate:	[ ] (*Either LIBOR, EURIBOR or other, although additional information is required if other – including fallback provisions in the Agency Agreement*)
	– Interest Determination Date(s):	[ ] (*Second London business day prior to the start of each Interest Period if LIBOR (other than Sterling or euro LIBOR), first day of each Interest Period if Sterling LIBOR and the second day on which the TARGET System is open prior to the start of each Interest Period if EURIBOR or euro LIBOR*)
	– Relevant Screen Page:	[ ] (*In the case of EURIBOR, if not Reuters Page EURIBOR 01 ensure it is a page which shows a composite rate or amend the fallback provisions appropriately*)
(vii)	ISDA Determination:	
	– Floating Rate Option:	[ ]
	– Designated Maturity:	[ ]
(viii)	Margin(s):	[+/-] [ ] per cent. per annum
(ix)	Minimum Rate of Interest:	[ ] per cent. per annum
(x)	Maximum Rate of Interest:	[ ] per cent. per annum
(xi)	Day Count Fraction:	[Actual/365 Actual/365 (Fixed) Actual/365 (Sterling)

		Actual/360 30/360 30E/360 *Other*] (*See Condition 5 for alternatives*)3
	(xii) Fall back provisions, rounding provisions and any other terms relating to the method of calculating interest on Floating Rate Notes, if different from those set out in the Conditions:	[ ]
17.	**Zero Coupon Note Provisions**	[Applicable/Not Applicable] (*If not applicable, delete the remaining sub-paragraphs of this paragraph*)
	(i) Accrual Yield:	[ ] per cent. per annum
	(ii) Reference Price:	[ ]
	(iii) Any other formula/basis of determining amount payable:	[ ]
	(iv) Day Count Fraction in relation to Early Redemption Amounts and late payment:	[Conditions 7(e) and 7(j)] apply/*specify other*] (*Consider applicable day count fraction if not U.S. dollar denominated*)
18.	**Index Linked Interest Note Provisions**	[Applicable/Not Applicable] (*If not applicable, delete the remaining subparagraphs of this paragraph*)
	(i) Index/Formula:	[*give or annex details*]
	(ii) Calculation Agent responsible for calculating the principal and/or interest due:	[ ]
	(iii) Provisions for determining coupon where calculation by reference to Index and/or Formula is impossible or impracticable:	[*Need to include a description of market disruption or settlement disruption events and adjustment provisions*]
	(iv) Specified Period(s)/Specified Interest Payment Dates:	[ ]
	(v) Business Day Convention:	[Floating Rate Convention/Following Business Day Convention/Modified Following Business Day Convention/Preceding Business Day Convention/*specify other*]
	(vi) Additional Business Centre(s):	[ ]
	(vii) Minimum Rate of Interest:	[ ] per cent. per annum
	(viii) Maximum Rate of Interest:	[ ] per cent. per annum
	(ix) Day Count Fraction:	[ ]
19.	**Dual Currency Note Provisions**	[Applicable/Not Applicable] (*If not applicable, delete the remaining sub-paragraphs of this paragraph*)
	(i) Rate of Exchange/ method of calculating Rate of Exchange:	[*give details*]
	(ii) Calculation Agent, if any, responsible for calculating the principal and/or interest payable:	[ ]
	(iii) Provisions applicable where calculation by reference to Rate of Exchange impossible or impracticable:	[*Need to include a description of market disruption or settlement disruption events and adjustment provisions*]

(iv)	Person at whose option Specified Currency(ies) is/are payable:	[ ]

PROVISIONS RELATING TO REDEMPTION

20.	**Issuer Call**	[Applicable/Not Applicable] (*If not applicable, delete the remaining sub-paragraphs of this paragraph*)
(i)	Optional Redemption Date(s):	[ ]
(ii)	Optional Redemption Amount(s) and method, if any, of calculation of such amount(s):	[ ] per Note of [ ] Specified Denomination
(iii)	If redeemable in part:	[ ]
	(a) Minimum Redemption Amount:	[ ]
	(b) Higher Redemption Amount:	[ ]
(iv)	Notice period (if other than as set out in the Conditions):	[ ] (*N.B. If setting notice periods which are different to those provided in the Conditions, the Issuer is advised to consider the practicalities of distribution of information through intermediaries, for example, clearing systems and custodians, as well as any other notice requirements which may apply, for example, as between the Issuer and the Agent or Trustee*)
21.	**Investor Put**	[Applicable/Not Applicable] (*If not applicable, delete the remaining sub-paragraphs of this paragraph*)
(i)	Optional Redemption Date(s):	[ ]
(ii)	Optional Redemption Amount(s) and method, if any, of calculation of such amount(s):	[ ]
(iii)	Notice period (if other than as set out in the Conditions):	[ ] (*N.B. If setting notice periods which are different to those provided in the Conditions, the Issuer is advised to consider the practicalities of distribution of information through intermediaries, for example, clearing systems and custodians, as well as any other notice requirements which may apply, for example, as between the Issuer and the Agent or Trustee*)
22.	**Final Redemption Amount of each Note**	[[ ] per Note of [ ] Specified denomination/ specify other / see Appendix] (*N.B. In relation to any issue of Notes which are expressed at paragraph 6 above to have a minimum denomination and tradeable amounts above such minimum denomination which are smaller than it the following wording should be added: "For the avoidance of doubt, in the case of a holding of Notes in an integral multiple of [ ] in excess of [ ] as envisaged in paragraph 6 above, such holding will be redeemed at its nominal amount."*.) (*N.B. If the Final Redemption Amount of each Note is other than 100 per cent. of its nominal value, then the Notes will be derivative securities for the purposes of the Prospectus Directive and the Requirements of Annex XII to the Prospectus Directive Regulation will apply*)

In cases where the Final Redemption Amount is Index-Linked or other variable-linked:

(i)	Index/Formula/variable:	*[give or annex details]*
(ii)	Calculation Agent responsible for calculating the Final Redemption Amount:	[ ]
(iii)	Provisions for determining Final Redemption Amount where calculated by reference to Index and/or Formula and/or other variable:	[ ]
(iv)	Determination Date(s):	[ ]
(v)	Provisions for determining Final Redemption Amount where calculation by reference to Index and/or Formula and/or other variable is impossible or impracticable or otherwise disrupted:	[ ]
(vi)	Payment Date:	[ ]
(vii)	Minimum Final Redemption Amount:	[ ]
(viii)	Maximum Final Redemption Amount:	[ ]

23. Early Redemption Amount(s) payable on redemption for taxation reasons or on event of default and/or the method of calculating the same (if required or if different from that set out in Condition 7*(e)*): [ ]

GENERAL PROVISIONS APPLICABLE TO THE NOTES

24. Form of Notes:

(a) Form: [Bearer Notes:
Temporary Bearer Global Note exchangeable for a Permanent Bearer Global Note which is exchangeable for Definitive Notes [on 60 days' notice given at any time/only upon an Exchange Event]

[Temporary Bearer Global Note exchangeable for Definitive Notes on and after the Exchange Date]

[Registered Notes:

Regulation S Global Note (U.S.$[ ] nominal amount)/Rule 144A Global Note (U.S.$[ ] nominal amount/Definitive IAI Registered Notes (*specify nominal amounts*)]

(b) New Global Note: [Yes] [No]

25. Additional Financial Centre(s) or other special provisions relating to Payment Dates: [Not Applicable/*give details*]

(*Note that this item relates to the place of payment and not Interest Period end dates to which item 17(iii) relates*)

26. Talons for future Coupons or Receipts to be attached to Definitive Bearer Notes (and dates on which such Talons mature): [Yes/No. *If yes, give details*]

27. Details relating to Partly Paid Notes: amount of each payment comprising the Issue Price and date on which each payment is to be made and consequences of failure to pay, including any right of the issuer to forfeit the Notes and interest due on late payment: [*Not Applicable/give details. NB: new forms of Global Note may be required for Partly Paid issues.*]

28. Details relating to Instalment Notes: [Not Applicable/*give details*]

	(i)	Instalment Amount(s):	[Not Applicable/*give details*]
	(ii)	Instalment Date(s):	[Not Applicable/*give details*]
29.	Redenomination applicable:		Redenomination [not] applicable [(*if Redenomination is applicable, specify the terms of Redenomination in an Annex to the Final Terms*)]
30.	Other final terms:		[Not Applicable/*give details*] (*When adding any other final terms consideration should be given as to whether such terms constitute "significant new factors" and consequently trigger the need for a supplement to the Offering Circular under Article 16 of the Prospectus Directive.)*

DISTRIBUTION

31.	(i)	If syndicated, names [and addresses]* of Managers and underwriting commitments:	[Not Applicable/*give names [and addresses and underwriting commitments*]*] (*Include names and addresses of entities agreeing to underwrite the issue on a firm commitment basis and names and addresses of the entities agreeing to place the issue without a firm commitment or on a "best efforts" basis if such entities are not the same as the Managers.*)*
	(ii)	Date of Syndication Agreement*:	[ ]*
	(iii)	Stabilising Manager (if any):	[Not Applicable/*give name*]
32.	If non-syndicated, name and address of relevant Dealer:		[Name [and address]*]
33.	Total commission and concession*:		[ ] per cent. of the Aggregate Nominal Amount*
34.	Whether TEFRA D or TEFRA C rules applicable or TEFRA rules not applicable:		[TEFRA D/TEFRA rules not applicable]
35.	Additional selling restrictions:		[Not Applicable/*give details*]

[LISTING AND ADMISSION TO TRADING APPLICATION

These Final Terms comprise the final terms required to list and have admitted to trading the issue of Notes described herein pursuant to the EUR20,000,000,000 Euro Note Programme of Banco Comercial Português, S.A., acting either through its head office or through its international Madeira branch "*Sucursal Financeira Internacional*" and BCP Finance Bank, Ltd.]

RESPONSIBILITY

The Issuer [and the Guarantor] accept[s] responsibility for the information contained in these Final Terms. [[*Information on underlying assets*] has been extracted from [*source*]. The Issuer confirms that such information has been accurately reproduced and that, so far as it is aware and is able to ascertain from information published by [ ], no facts have been omitted which would render the reproduced information inaccurate or misleading].

Signed on behalf of the Issuer:

By: . . . . . .
Duly authorised

[Signed on behalf of the Guarantor:

By: . . . . . .
Duly authorised]

If the applicable Final Terms specifies any modification to the Terms and Conditions of the Notes as described herein, it is envisaged that, to the extent that such modification relates only to Conditions [*Form, Denomination and Title*, 5,6, 7 (except Condition 1*(b)*) 12, 13, 14, 15 (insofar as such Notes are not listed on any stock exchange or any other relevant authority or authorities) or 17, they will not necessitate the preparation of a supplement to this Offering Circular. If the Terms and Conditions of the Notes of any Series are to be modified in any other respect, a supplement to this Offering Circular will be prepared, if appropriate.

PART B – OTHER INFORMATION

1. Listing

(i)	Listing:	[London/Luxembourg/other (*specify*)/None]
(ii)	Admission to trading:	[Application has been made for the Notes to be admitted to trading on [ ] with effect from [ ].] [Not Applicable.] *(Where documenting a fungible issue need to indicate that original securities are already admitted to trading.*)*

2. Ratings

The Notes to be issued have been rated:

[S & P: [ ]]
[Moody's: [ ]]
[[Other]: [ ]]

[*Need to include a brief explanation of the meaning of the ratings if this has previously been published by the rating provider*.]*

(*The above disclosure should reflect the rating allocated to Notes of the type being issued under the Programme generally or, where the issue has been specifically rated, that rating.*)

3. Notification

The [*name of competent authority in home Member State*] [has been requested to provide/has provided – *include first alternative for an issue which is contemporaneous with the establishment or update of the Programme and the second alternative for subsequent issues*] the [*names of competent authorities of host Member States*] with a certificate of approval attesting that the Prospectus has been drawn up in accordance with the Prospectus Directive.]

4. Interests of Natural and Legal Persons Involved In the Issue

[Save for any fees payable to the Dealers, so far as the Issuer is aware, no person involved in the issue of the Notes has an interest material to the offer. – *Amend as appropriate if there are other interests*]

5. Reasons for the Offer, Estimated Net Proceeds and Total Expenses

[(i)	Reasons for the offer	[ ] (*See ["Use of Proceeds"] wording in Offering Circular – if reasons for offer different from making profit and/or hedging certain risks will need to include those reasons here.*)]*
[(ii)]	Estimated net proceeds:	[ ] (*If proceeds are intended for more than one use will need to split out and present in order of priority. If proceeds insufficient to fund all proposed uses state amount and sources of other funding.*)*
[(iii)]	Estimated total expenses:	[ ]. [*Expenses are required to be broken down into each principal intended "use" and presented in order of priority of such "uses".*]* (*NB: for an issuance with a denomination of EUR50,000 or more, include an estimate of total expenses related to admission to trading*)

(*If the Notes are derivative securities to which Annex XII of the Prospectus Directive Regulation applies (i) above is required where the reasons for the offer are different from making profit and/or hedging certain risks regardless of the minimum denomination of the securities and where this is the case disclosure of net proceeds and total expenses at (ii) and (iii) above are also required*)

6. Yield (*Fixed Rate Notes only*)

Indication of yield: [ ]

[Calculated as [*include details of method of calculation in summary form*] on the Issue Date.]*

The yield is calculated at the Issue Date on the basis of the Issue Price. It is not an indication of future yield.

7. Historic Interest Rates (*Floating Rate Notes only*)*

Details of historic [LIBOR/EURIBOR/other] rates can be obtained from [Reuters].]

8. Performance of Index/Formula, [Explanation of Effect on Value of Investment and Associated Risks]* and Other Information Concerning the Underlying (*Index-Linked Notes only*)

[Need to include details of where past and future performance and volatility of the index/formula can be obtained.]

*[Need to include a clear and comprehensive explanation of how the value of the investment is affected by the underlying and the circumstances when the risks are most evident.]**

[Where the underlying is an index need to include the name of the index and a description if composed by the Issuer and if the index is not composed by the Issuer need to include details of where the information about the index can be obtained. Where the underlying is not an index need to include equivalent information.]

9. Performance of Rate[s] of Exchange [and Explanation of Effect on Value of Investment* (*Dual Currency Notes only*)

[Need to include details of where past and future performance and volatility of the relevant rates can be obtained.]

*[Need to include a clear and comprehensive explanation of how the value of the investment is affected by the underlying and the circumstances when the risks are most evident.]**

10. Operational Information

(i)	ISIN Code:	[ ]
(ii)	Common Code:	[ ]
(iii)	Any clearing system(s) other than Euroclear Bank S.A./N.V. and Clearstream Banking, société anonyme and the relevant identification number(s):	[Not Applicable/*give name(s) and number(s)*]
(iv)	Delivery:	Delivery [against/free of] payment
(v)	Names and addresses of additional Paying Agent(s) (if any):	[ ]

([vi)	Intended to be held in a manner which would allow Eurosystem eligibility:	[Yes] [No] [Note that the designation "yes" simply means that the Notes are intended upon issue to be deposited with one of the ICSDs as common safekeeper and does not necessarily mean that the Notes will be recognised as eligible collateral for Eurosystem monetary policy and intra-day credit operations by the Eurosystem either upon issue or at any or all times during their life. Such recognition will depend upon satisfaction of the Eurosystem eligibility criteria.] [*include this text if "yes" selected in which case the Notes must be issued in NGN form*]

Note: * There is no obligation to complete in the case of Notes with a minimum denomination of at least EUR50,000 or its equivalent in any other currency or, as the case may be, in the case of Notes with a minimum transfer amount of at least EUR50,000 or its equivalent in any other currency.

TERMS AND CONDITIONS OF THE NOTES

The following are the Terms and Conditions of Notes which will be incorporated by reference into each global Note and which will be endorsed on or attached to (or, if permitted by the relevant stock exchange or other relevant authority and agreed between the relevant Issuer and the relevant Dealer, incorporated by reference into) each definitive Note. The applicable Final Terms in relation to any Notes supplements the following Terms and Conditions and may specify other terms and conditions which shall, to the extent so specified or to the extent inconsistent with the following Terms and Conditions, replace or modify the following Terms and Conditions for the purpose of such Notes. The applicable Final Terms will be incorporated into, or attached to, each Temporary Bearer Global Note, Permanent Bearer Global Note, Registered Global Note and definitive Note. Reference should be made to "Form of the Notes" above for the form of Final Terms which will specify which of such terms are to apply in relation to the relevant Notes.

This Note is one of a Series (as defined below) of Notes issued by Banco Comercial Português, S.A. (the "Bank"), acting either through its head office or through its international Madeira branch "*Sucursal Financeira Internacional*" as specified in the Final Terms relating to this Note (the "**applicable Final Terms**"), or BCP Finance Bank, Ltd. ("**BCP Finance**" and, together with the Bank in its capacity as an issuer of Notes, the "**Issuers**" and each an "**Issuer**"). References in these Terms and Conditions to the "Issuer" shall be references to the party specified as the Issuer in the applicable Final Terms. This Note is constituted by a Trust Deed dated 8 October, 1998 (such Trust Deed as amended and/or restated and/or supplemented from time to time, the "**Trust Deed**") made between the Issuers and The Law Debenture Trust Corporation p.l.c. as trustee (the "**Trustee**", which expression shall include any successor trustee). References herein to the "Notes" shall be references to the Notes of this Series and shall mean (i) in relation to any Notes represented by a global Note, units of the lowest Specified Denomination in the Specified Currency (each as defined below), (ii) definitive Bearer Notes issued in exchange (or part exchange) for a global Note, (iii) definitive Registered Notes and (iv) any global Note. The Notes, the Receipts (as defined below) and the Coupons (as defined below) also have the benefit of an Agency Agreement dated 8 October, 1998 (such Agency Agreement as amended and/or restated and/or supplemented from time to time, the "**Agency Agreement**") and made between the Issuers, Citibank, N.A., London office, as issuing and principal paying agent and agent bank (the "**Agent**", which expression shall include any successor agent specified in the applicable Final Terms), the other paying agents named therein (together with the Agent, the "**Paying Agents**", which expression shall include any additional or successor paying agents), Citibank, N.A., New York office, as registrar (the "**Registrar**", which expression shall include any successor registrar), the transfer agents named therein (the "**Transfer Agents**", which expression shall include any additional or successor transfer agents), Citibank, N.A., New York office, as exchange agent (the "**Exchange Agent**", which expression shall include any successor exchange agent) and the Trustee.

Interest bearing definitive Bearer Notes have interest coupons ("**Coupons**"), unless otherwise indicated in the applicable Final Terms and, if indicated in the applicable Final Terms, talons for further Coupons ("**Talons**") attached on issue. Any reference herein to Coupons or coupons shall, unless the context otherwise requires, be deemed to include a reference to Talons or talons. Definitive Bearer Notes repayable in instalments have receipts ("**Receipts**") for the payment of the instalments of principal (other than the final instalment) attached on issue. Registered Notes, in definitive or global form, do not have Receipts or Coupons attached on issue.

The applicable Final Terms for this Note is attached hereto or (to the extent relevant) incorporated herein and supplements these Terms and Conditions (the "**Conditions**") and may specify other terms and conditions which shall, to the extent so specified or to the extent inconsistent with these Conditions, replace or modify these Conditions for the purposes of this Note.

The applicable Final Terms will state in particular whether this Note is (i) a senior Note issued by BCP Finance or the Bank and, where the Issuer is BCP Finance, guaranteed on an unsubordinated basis by the Bank as described in Condition 4(a) (a "**Senior Note**") or (ii) a subordinated Note issued by BCP Finance or the Bank and, where the Issuer is BCP Finance, guaranteed on a subordinated basis by the Bank as described in Condition 4(b) (a "**Subordinated Note**").

The Trustee acts for the benefit of the holders of the Notes being in the case of Bearer Notes, the bearers thereof and, in the case of Registered Notes, the persons in whose name the Notes are registered (the "**Noteholders**", which expression shall, in relation to any Notes represented by a global Note, be construed as provided below), the holders of the Receipts (the "**Receiptholders**") and the holders of the Coupons (the "**Couponholders**", which expression shall, unless the context otherwise requires, include the holders of the Talons), all in accordance with the provisions of the Trust Deed.

As used herein, "**Tranche**" means all Notes with the same Issue Date and which are the subject of the same Final Terms and "**Series**" means a Tranche of Notes together with any further Tranche or Tranches of

Notes which are (i) expressed to be consolidated and form a single series and (ii) are identical in all respects (including as to listing) except for their respective Issue Dates, Interest Commencement Dates and/or Issue Prices.

Copies of the Trust Deed, the Agency Agreement and the applicable Final Terms are available for inspection at the registered office of the Trustee, being at 21 September, 2006 at Fifth Floor, 100 Wood Street, London EC2V 7EX and at the specified office of each of the Paying Agents, the Registrar and the Transfer Agents save that a Final Terms relating to a Note not listed on any stock exchange will only be available for inspection by the relevant Dealer specified in the applicable Final Terms and, upon proof satisfactory to the Trustee, the Registrar or the relevant Paying Agent or Transfer Agent, as the case may be, as to identity, by the holder of any Note to which such Final Terms relates. The Noteholders, the Receiptholders and the Couponholders are deemed to have notice of, and are entitled to the benefit of, all the provisions of the Trust Deed, the Agency Agreement and the applicable Final Terms which are binding on them. These Terms and Conditions include summaries of, and are subject to, the detailed provisions of the Trust Deed.

Words and expressions defined in the Trust Deed or the Agency Agreement or used in the applicable Final Terms shall have the same meanings where used in these Terms and Conditions unless the context otherwise requires or unless otherwise stated and provided that, in the event of inconsistency between the Agency Agreement and the Trust Deed, the Trust Deed will prevail and that, in the event of inconsistency between the Agency Agreement or the Trust Deed and the applicable Final Terms, the applicable Final Terms will prevail.

1. Form, Denomination and Title

The Notes may be in bearer form ("**Bearer Notes**") and/or in registered form ("**Registered Notes**"), as specified in the applicable Final Terms, and, in the case of definitive Notes, will be serially numbered, in the Specified Currency and the Specified Denomination(s). Save as provided below in Condition 13, Notes of one Specified Denomination may not be exchanged for Notes of another Specified Denomination.

This Note is a Senior Note or a Subordinated Note, as indicated in the applicable Final Terms.

This Note is a Fixed Rate Note, a Floating Rate Note, a Zero Coupon Note, an Index Linked Interest Note (where payment in respect of interest is linked to an index and/or a formula), a Dual Currency Interest Note, an Indexed Redemption Amount Note (where payment in respect of principal is linked to an index and/or a formula), a Dual Currency Redemption Note or a Partly Paid Note or any appropriate combination of any of the foregoing, depending upon the Interest Basis shown in the applicable Final Terms. It is also a Dual Currency Note, a Partly Paid Note, an Index Linked Interest Note and an Indexed Redemption Amount Note if, in each case, the applicable Final Terms so indicates and, in such case, the appropriate provisions of these Terms and Conditions will apply accordingly.

Bearer Notes in definitive form are issued with Coupons and (if applicable) Receipts and Talons attached, unless they are Zero Coupon Notes in which case references to interest and Coupons and Couponholders in these Terms and Conditions are not applicable.

Subject as set out below, title to Bearer Notes, Receipts and Coupons will pass by delivery. Title to Registered Notes will pass upon registration of transfers in the books of the Registrar in New York City.

Subject as set out below, the Issuer, the Bank (where the Issuer is BCP Finance), the Trustee, any Paying Agent, the Registrar, the Exchange Agent and any Transfer Agent will (except as otherwise required by law) deem and treat the bearer of any Bearer Note, Receipt or Coupon and any person in whose name a Registered Note is registered as the absolute owner thereof (whether or not overdue and notwithstanding any notice of ownership or writing thereon or notice of any previous loss or theft thereof) for all purposes but, in the case of any global Note, without prejudice to the provisions set out in the next paragraph.

For so long as any of the Notes is represented by a Global Note held by a common depositary on behalf of Clearstream, Luxembourg and/or Euroclear as defined above, each person who is for the time being shown in the records of Clearstream, Luxembourg or Euroclear as entitled to a particular nominal amount of such Notes (in which regard any certificate or other document issued by Clearstream, Luxembourg or Euroclear as to the nominal amount of Notes standing to the account of any person shall be conclusive and binding for all purposes save in the case of manifest error) shall be treated by the Issuer, the Bank (where the Issuer is BCP Finance), the Trustee and the Paying Agents as the holder of such nominal amount of such Notes for all purposes other than with respect to the payment of principal or interest on such nominal amount of such Notes, for which purpose such common depositary shall be treated by the Issuer, the Bank (where the Issuer is BCP Finance), the Trustee and the Paying Agents as the holder of such nominal amount of such Notes in

accordance with and subject to the terms of the relevant Global Note and the expressions "**Noteholder**" and "**holder of Notes**" and related expressions shall be construed accordingly.

For so long as any of the Notes is represented by a Registered Global Note registered in the name of The Depository Trust Company ("**DTC**") or its nominee, each person who is for the time being shown in the records of DTC or such nominee as the holder of a particular nominal amount of such Notes shall be treated by the Issuer, the Bank (where the Issuer is BCP Finance), the Trustee, the Paying Agents and the Registrar as the holder of such nominal amount of such Notes for all purposes other than with respect to the payment of principal or interest on, or voting, giving consents or making requests in respect of, such nominal amount of such Notes for which purpose DTC or, in the case of payments only, its nominee shall be treated by the Issuer, the Bank (where the Issuer is BCP Finance), the Trustee, the Paying Agents and the Registrar as the holder of such nominal amount of such Notes in accordance with and subject to the terms of such Registered Global Note; and the expressions "**Noteholder**" and "**holder of Notes**" and related expressions shall be construed accordingly. In determining whether a particular person is entitled to a particular nominal amount of Notes as aforesaid, the Trustee may rely on such evidence and/or information and/or certification as it shall, in its absolute discretion, think fit and, if it does so rely, such evidence and/or information and/or certification shall, in the absence of manifest error, be conclusive and binding on all concerned.

References herein to DTC, Clearstream, Luxembourg and/or Euroclear shall, whenever the context so permits, be deemed to include a reference to any additional or alternative clearing system approved by the Issuer, the Bank (where the Issuer is BCP Finance), the Agent and the Trustee and specified in the applicable Final Terms.

Notes which are represented by a global Note will be transferable only in accordance with the rules and procedures for the time being of Clearstream, Luxembourg, Euroclear or DTC, as the case may be.

2. Status of the Notes

(a) In the case of Senior Notes

If the Notes are specified as Senior Notes in the applicable Final Terms, the Notes and the relative Receipts and Coupons are direct, unconditional, unsecured (subject to the provisions of Condition 3) and unsubordinated obligations of the Issuer and rank and will rank *pari passu* among themselves and with all present and future unsecured (subject as aforesaid) and unsubordinated obligations of the Issuer, save for those that have been accorded by law preferential rights.

(b) In the case of Subordinated Notes of BCP Finance

If the Notes are specified as Subordinated Notes and the Issuer is specified as BCP Finance in the applicable Final Terms, the Notes and the relative Receipts and Coupons are direct, unconditional and unsecured obligations of BCP Finance subordinated as provided below and rank and will rank *pari passu* among themselves.

The claims of the holders of the Notes and the relative Receipts and Coupons against BCP Finance in respect of payments pursuant to the Notes and the relative Receipts and Coupons will, in the event of the winding up of BCP Finance, be subordinated to the claims of all Senior Creditors of BCP Finance in accordance with the provisions of the Trust Deed. "**Senior Creditors of BCP** Finance" means all secured creditors of BCP Finance and all other creditors of BCP Finance except those whose claims are or are expressed to be subordinated, in the event of the winding up of BCP Finance, to the right to payment of all unsubordinated creditors of BCP Finance.

(c) In the case of Subordinated Notes of the Bank

If the Notes are specified as Subordinated Notes and the Issuer is specified as the Bank in the applicable Final Terms, the Notes and the relative Receipts and Coupons are direct, unconditional and unsecured obligations of the Bank, save that the claims of the holders of the Notes and the relative Receipts and Coupons in respect of payments pursuant thereto will, in the event of the winding up of the Bank, (to the extent permitted by Portuguese law) be subordinated to the claims of all Senior Creditors of the Bank. The subordination of the Notes is for the benefit of the Bank and all Senior Creditors of the Bank. "**Senior Creditors of the Bank**" means all secured creditors of the Bank and all other creditors of the Bank except those whose claims rank or are expressed to rank *pari passu* with or junior to the claims of the holders of the Notes and the relative Receipts and Coupons.

3. Negative Pledge

This Condition 3 shall apply only to Senior Notes and references to "**Notes**", "**Noteholders**", "**Receiptholders**" and "Couponholders" shall be construed accordingly.

So long as any of the Notes remains outstanding (as defined in the Trust Deed), neither the Issuer nor the Bank (where the Issuer is BCP Finance) shall create or permit to be outstanding any mortgage, charge, lien, pledge or other similar encumbrance or security interest (each a "**security interest**") upon the whole or any part of its undertaking or assets, present or future (including any uncalled capital if applicable), to secure any Indebtedness (as defined below) or to secure any guarantee or indemnity given in respect of any Indebtedness, without, in the case of the creation of a security interest, at the same time and, in any other case, promptly according to the Noteholders, the Receiptholders and the Couponholders an equal and rateable interest in the same or, at the option of the relevant Issuer, providing to the Noteholders, the Receiptholders and the Couponholders such other security as the Trustee shall, in its absolute discretion, deem to be not materially less beneficial to the Noteholders or as shall be approved by an Extraordinary Resolution (as defined in the Trust Deed) of the Noteholders save that the Issuer or the Bank (where the Issuer is BCP Finance) may create or permit to subsist a security interest to secure Indebtedness and/or any guarantee or indemnity given in respect of Indebtedness of any person, in each case as aforesaid, (but without the obligation to accord or provide to the Noteholders, the Receiptholders and the Couponholders either, an equal and rateable interest in the same or such other security as aforesaid) where such security interest:

(a) is only over such part of the undertaking or assets, present or future, of the Issuer or the Bank (where the Issuer is BCP Finance) that belonged to a company whose assets or undertaking have become part of the assets or undertaking of the Issuer or the Bank (where the Issuer is BCP Finance) pursuant to an amalgamation or merger of such company with the Issuer or the Bank (where the Issuer is BCP Finance), which security interest exists at the time of such amalgamation or merger and was not created in contemplation thereof or in connection therewith and the principal, nominal or capital amount secured at the time of such amalgamation or merger is not thereafter increased; or

(b) is created pursuant to any securitisation, asset-backed financing or like arrangement in accordance with normal market practice and whereby the amount of Indebtedness secured by such security interest or in respect of which any guarantee or indemnity is secured by such security interest is limited to the value of the assets secured; or

(c) is granted in relation to mortgage-backed bonds ("*Obrigações hipotecárias*") issued by the Bank under Portuguese law and "covered bonds".

"**Indebtedness**" means any borrowings having an original maturity of more than one year in the form of or represented by bonds, notes, debentures or other securities (not comprising, for the avoidance of doubt, preference shares or other equity securities) which with the consent of the Issuer or the Bank (where the Issuer is BCP Finance), as the case may be, are, or are intended to be, listed or traded on any stock exchange or other organised market for securities (whether or not initially distributed by way of private placing) other than a borrowing which is entirely or substantially placed in Portugal.

4. Status of the Guarantee

The Bank, acting through its international Madeira branch "*Sucursal Financeira Internacional*", except where otherwise stated in the applicable Final Terms, has in the Trust Deed unconditionally and irrevocably guaranteed the due and punctual payment of the principal of, and interest on, all Notes issued by BCP Finance and all other amounts payable by BCP Finance under or pursuant to the Trust Deed (the "**Guarantee**").

The obligations of the Bank under the Guarantee constitute:

(a) in the case of Senior Notes, direct, unconditional, unsecured (subject to the provisions of Condition 3) and unsubordinated obligations of the Bank and rank and will rank *pari passu* with all present and future unsecured (subject as aforesaid) and unsubordinated obligations (including those arising under deposits received in its banking business) of the Bank, save for those that have been accorded by law preferential rights; and

(b) in the case of Subordinated Notes, direct, unconditional and unsecured obligations of the Bank, save that the claims of the holders of the Notes and the relative Receipts and Coupons in respect of payments pursuant thereto will, in the event of the winding up of the Bank, (to the extent permitted by Portuguese law) be subordinated to the claims of all Senior Creditors of the Bank (as defined in Condition *2(c)*). The subordination of the Guarantee is for the benefit of the Bank and all Senior Creditors of the Bank.

5. Interest

(a) Interest on Fixed Rate Notes

Each Fixed Rate Note bears interest on its nominal amount (or, if it is a Partly Paid Note, the amount paid up) from (and including) the Interest Commencement Date at the rate(s) per annum equal to the Rate(s) of Interest payable in arrear on the Interest Payment Date(s) in each year up to the Maturity Date.

Except as provided in the applicable Final Terms, the amount of interest payable on each Interest Payment Date in respect of the Fixed Interest Period ending on (but excluding) such date will amount to the Fixed Coupon Amount. Payments of interest on any Interest Payment Date will, if so specified in the applicable Final Terms, amount to the Broken Amount so specified.

If interest is required to be calculated for a period ending other than on an Interest Payment Date, such interest shall be calculated by applying the Rate of Interest to each Specified Denomination, multiplying such sum by the applicable Day Count Fraction, and rounding the resultant figure to the nearest sub-unit of the relevant Specified Currency, half of any such sub-unit being rounded upwards or otherwise in accordance with applicable market convention.

In these Conditions:

"**Day Count Fraction**" means, in respect of the calculation of an amount of interest in accordance with this Condition 5:

(i) if "**Actual/Actual (ICMA)**" is specified in the applicable Final Terms:

(a) in the case of Notes where the number of days in the relevant period from (and including) the most recent Interest Payment Date (or, if none, the Interest Commencement Date) to (but excluding) the relevant payment date (the "Accrual Period") is equal to or shorter than the Determination Period during which the Accrual Period ends, the number of days in such Accrual Period divided by the product of (1) the number of days in such Determination Period and (2) the number of Determination Dates (as specified in the applicable Final Terms) that would occur in one calendar year; or

(b) in the case of Notes where the Accrual Period is longer than the Determination Period during which the Accrual Period ends, the sum of:

(1) the number of days in such Accrual Period falling in the Determination Period in which the Accrual Period begins divided by the product of (x) the number of days in such Determination Period and (y) the number of Determination Dates (as specified in the applicable Final Terms) that would occur in one calendar year; and

(2) the number of days in such Accrual Period falling in the next Determination Period divided by the product of (x) the number of days in such Determination Period and (y) the number of Determination Dates that would occur in one calendar year; and

(ii) if "**30/360**" is specified in the applicable Final Terms, the number of days in the period from (and including) the most recent Interest Payment Date (or, if none, the Interest Commencement Date) to (but excluding) the relevant payment date (such number of days being calculated on the basis of 12 30-day months) divided by 360;

"**Determination Period**" means the period from (and including) a Determination Date to (but excluding) the next Determination Date (including, where either the Interest Commencement Date or the final Interest Payment Date is not a Determination Date, the period commencing on the first Determination Date prior to, and ending on the first Determination Date falling after, such date); and

"**sub-unit**" means with respect to any currency other than euro, the lowest amount of such currency that is available as legal tender in the country of such currency and, with respect to euro, means one cent.

(b) Interest on Floating Rate Notes and Index Linked interest Notes

(i) Interest Payment Dates

Each Floating Rate Note or Index Linked Interest Note bears interest on its outstanding nominal amount (or, if it is a Partly Paid Note, the amount paid up) from (and including) the Interest Commencement Date and such interest will be payable in arrear on either:

(A) the Specified Interest Payment Date(s) in each year specified in the applicable Final Terms; or

(B) if no Specified Interest Payment Date(s) is/are specified in the applicable Final Terms, each date (each such date, together with each Specified Interest Payment Date, an "**Interest Payment Date**") which falls the number of months or other period specified as the Calculation Period in the applicable Final Terms after the preceding Specified Interest Payment Date or, in the case of the first Interest Payment Date, after the Interest Commencement Date.

Such interest will be payable in respect of each Interest Period (which expression shall, in these Terms and Conditions, mean the period from (and including) an Interest Payment Date (or the Interest Commencement Date) to (but excluding) the next (or first) Interest Payment Date).

If a business day convention is specified in the applicable Final Terms and (x) if there is no numerically corresponding day in the calendar month in which an Interest Payment Date should occur or (y) if any Interest Payment Date (or any other date) would otherwise fall on a day which is not a Business Day, then, if the business day convention specified is:

(1) in any case where Specified Periods are specified in accordance with Condition 5*(b)*(i)(B) above, the Floating Rate Convention, such Interest Payment Date (i) in the case of (x) above, shall be the last day that is a Business Day in the relevant month and the provisions of (B) below shall apply *mutatis mutandis* or (ii) in the case of (y) above, shall be postponed to the next day which is a Business Day unless it would thereby fall into the next calendar month, in which event (A) such Interest Payment Date shall be brought forward to the immediately preceding Business Day and (B) each subsequent Interest Payment Date shall be the last Business Day in the month which falls the Specified Period after the preceding applicable Interest Payment Date occurred; or

(2) the Following Business Day Convention, such Interest Payment Date (or other date) shall be postponed to the next day which is a Business Day; or

(3) the Modified Following Business Day Convention, such Interest Payment Date (or other date) shall be postponed to the next day which is a Business Day unless it would thereby fall into the next calendar month, in which event such Interest Payment Date (or other date) shall be brought forward to the immediately preceding Business Day; or

(4) the Preceding Business Day Convention, such Interest Payment Date (or other date) shall be brought forward to the immediately preceding Business Day.

In these Conditions, "**Business Day**" means a day which is both:

(I) a day on which commercial banks and foreign exchange markets settle payments and are open for general business (including dealing in foreign exchange and foreign currency deposits) in London and any Additional Business Centre specified in the applicable Final Terms; and

(II) either (1) in relation to any sum payable in a Specified Currency other than euro, a day on which commercial banks and foreign exchange markets settle payments and are open for general business (including dealing in foreign exchange and foreign currency deposits) in the principal financial centre of the country of the relevant Specified Currency (if other than London and any Additional Business Centre and which, if the Specified Currency is Australian dollars or New Zealand dollars, shall be Sydney or Auckland, respectively) or (2) in relation to any sum payable in euro, a day on which the Trans-European Automated Real-Time Gross Settlement Express Transfer (TARGET) System (the "TARGET System") is open.

(ii) Rate of Interest

The Rate of Interest payable from time to time in respect of Floating Rate Notes and Index Linked Interest Notes will be determined in the manner specified in the applicable Final Terms.

(iii) ISDA Determination for Floating Rate Notes

Where ISDA Determination is specified in the applicable Final Terms as the manner in which the Rate of Interest is to be determined, the Rate of Interest for each Interest Period will be the relevant ISDA Rate plus or minus (as indicated in the applicable Final Terms) the Margin (if any). For the purposes of this sub-paragraph (iii), "**ISDA Rate**" for an Interest Period means a rate equal to the Floating Rate that would be determined by the Agent or other person specified in the applicable Final Terms under an interest rate swap transaction if the Agent or that other person were acting as Calculation Agent for that swap transaction under the terms of an agreement incorporating the 2000 ISDA Definitions, as published by the International Swaps and Derivatives Association, Inc. and as amended and updated as at the Issue Date of the first Tranche of the Notes (the "**ISDA Definitions**") and under which:

(A) the Floating Rate Option is as specified in the applicable Final Terms;

(B) the Designated Maturity is a period specified in the applicable Final Terms; and

(C) the relevant Reset Date is either (i) if the applicable Floating Rate Option is based on the London inter-bank offered rate ("**LIBOR**") or on the Euro-zone inter-bank offered rate ("**EURIBOR**") the first day of that Interest Period or (ii) in any other case, as specified in the applicable Final Terms.

Unless otherwise specified in the applicable Final Terms, the Minimum Rate of Interest shall be deemed to be zero.

For the purposes of this Condition 5*(b)*(iii), "Floating Rate", "Calculation Agent", "Floating Rate Option", "Designated Maturity" and "Reset Date" have the meanings given to those terms in the ISDA Definitions.

(iv) Screen Rate Determination for Floating Rate Notes

Where Screen Rate Determination is specified in the applicable Final Terms as the manner in which the Rate of Interest is to be determined, the Rate of Interest for each Interest Period will, subject as provided below, be either:

(A) the offered quotation (if there is only one quotation on the Relevant Screen Page); or

(B) the arithmetic mean (rounded if necessary to the fifth decimal place, with 0.000005 being rounded upwards) of the offered quotations,

(expressed as a percentage rate per annum) for the Reference Rate(s) which appears or appear, as the case may be, on the Relevant Screen Page as at 11.00 a.m. (London time) in the case of LIBOR, or Brussels time, in the case of EURIBOR on the Interest Determination Date in question plus or minus (as indicated in the applicable Final Terms) the Margin (if any), all as determined by the Agent. If five or more such offered quotations are available on the Relevant Screen Page, the highest (or, if there is more than one such highest quotation, one only of such quotations) and the lowest (or, if there is more than one such lowest quotation, one only of such quotations) shall be disregarded by the Agent for the purpose of determining the arithmetic mean (rounded as provided above) of such offered quotations.

The Agency Agreement contains provisions for determining the Rate of Interest in the event that the Relevant Screen Page is not available or if, in the case of (A) above, no such quotation appears or, in the case of (B) above, fewer than three such offered quotations appear, in each case as at the time specified in the preceding paragraph. Alternatively, provisions dealing with this may be included in the applicable Final Terms.

If the Reference Rate from time to time in respect of Floating Rate Notes is specified in the applicable Final Terms as being based on a rate other than LIBOR or EURIBOR, the Rate of Interest in respect of such Notes will be determined as provided in the applicable Final Terms.

(v) Minimum Rate of Interest and/or Maximum Rate of Interest

If the applicable Final Terms specifies a Minimum Rate of Interest for any Interest Period, then, in the event that the Rate of Interest in respect of such Interest Period determined in accordance with the above provisions is less than such Minimum Rate of Interest, the Rate of Interest for such Interest Period shall be such Minimum Rate of Interest. If the applicable Final Terms specifies a Maximum Rate of Interest for any Interest Period, then, in the event that the Rate of Interest in respect of such Interest Period determined in accordance with the above provisions is greater than such Maximum Rate of Interest, the Rate of Interest for such Interest Period shall be such Maximum Rate of Interest.

(vi) Determination of Rate of Interest and Calculation of Interest Amounts

The Agent or, where the Final Terms specifies another person to act as calculation agent, such person (the "**Calculation Agent**"), in the case of Floating Rate Notes and Index Linked Interest Notes will, at or as soon as practicable after each time at which the Rate of Interest is to be determined, determine the Rate of Interest and calculate the amount of interest (the "Interest Amount") payable on the Floating Rate Notes or, as the case may be, Index Linked Interest Notes in respect of each Specified Denomination for the relevant Interest Period. In the case of Index Linked Interest Notes, the Calculation Agent will notify the Agent of the Rate of Interest and the Interest Amount for the relevant Interest Period as soon as practicable after determining and calculating the same. Each Interest Amount shall be calculated by applying the Rate of Interest to the Specified Denomination, multiplying such sum by the applicable Day Count Fraction, and rounding the resultant figure to the nearest sub-unit of the relevant Specified Currency, half of any such sub-unit being rounded upwards or otherwise in accordance with applicable market convention.

"**Day Count Fraction**" means, in respect of the calculation of an amount of interest for any Interest Period:

(a) if "**Actual/365**" or "Actual/Actual" is specified in the applicable Final Terms, the actual number of days in the Interest Period divided by 365 (or, if any portion of that Interest Period falls in a leap year, the sum of (A) the actual number of days in that portion of the Interest Period falling in a leap year divided by 366 and (B) the actual number of days in that portion of the Interest Period falling in a non-leap year divided by 365);

(b) if "**Actual/365 (Fixed)**" is specified in the applicable Final Terms, the actual number of days in the Interest Period divided by 365;

(c) if "**Actual/365 (Sterling)**" is specified in the applicable Final Terms, the actual number of days in the Interest Period divided by 365 or, in the case of an Interest Payment Date falling in a leap year, 366;

(d) if "**Actual/360**" is specified in the applicable Final Terms the actual number of days in the Interest Period divided by 360;

(e) if "**30/360**", "**360/36**" or "**Bond Basis**" is specified in the applicable Final Terms, the number of days in the Interest Period divided by 360 (the number of days to be calculated on the basis of a year of 360 days with 12 30-day months (unless (a) the last day of the Interest Period is the 31st day of a month but the first day of the Interest Period is a day other than the 30th or 31st day of a month, in which case the month that includes that last day shall not be considered to be shortened to a 30-day month, or (b) the last day of the Interest Period is the last day of the month of February, in which case the month of February shall not be considered to be lengthened to a 30-day month)); and

(f) if "**30E/360**" or "**Eurobond Basis**" is specified in the applicable Final Terms, the number of days in the Interest Period divided by 360 (the number of days to be calculated on the basis of a year of 360 days with 12 30-day months, without regard to the date of the first day or last day of the Interest Period unless, in the case of an Interest Period ending on but excluding the Maturity Date, the Maturity Date is the last day of the month of February, in which case the month of February shall not be considered to be lengthened to a 30-day month).

(vii) Notification of Rate of Interest and Interest Amount

The Agent will cause the Rate of Interest and each Interest Amount for each Interest Period and the relevant Interest Payment Date to be notified to the Issuer, the Bank (where the Issuer is BCP Finance), the Trustee and any stock exchange on which the relevant Floating Rate Notes or Index Linked Interest Notes are for the time being listed and notice thereof to be published in accordance with Condition 15 as soon as possible after their determination but in no event later than the fourth London Business Day (as defined below) thereafter. Each Interest Amount and Interest Payment Date so notified may subsequently be amended (or appropriate alternative arrangements made by way of adjustment) in the event of an extension or shortening of the Interest Period. Any such amendment will be promptly notified to each stock exchange on which the relevant Floating Rate Notes or Index Linked Interest Notes are for the time being listed and to the Noteholders in accordance with Condition 15. For the purposes of this paragraph, the expression "London Business Day" means a day (other than a Saturday or a Sunday) on which banks and foreign exchange markets are open for general business in London.

(viii) Determination or Calculation by Trustee

If for any reason the Agent or, as the case may be, the Calculation Agent at any time after the Issue Date defaults in its obligation to determine the Rate of Interest or calculate any Interest Amount in accordance with sub-paragraph (ii), (iii) or (iv) above, as the case may be, and, in each case, (vii) above, the Trustee shall determine the Rate of Interest at such rate as, in its absolute discretion (having such regard as it shall think fit to the foregoing provisions of this Condition, but subject always to any Minimum or Maximum Interest Rate specified in the applicable Final Terms), it shall deem fair and reasonable in all the circumstances or, as the case may be, the Trustee shall calculate the Interest Amount(s) in such manner as it shall deem fair and reasonable in all the circumstances and each such determination or calculation shall be deemed to have been made by the Agent.

(ix) Certificates to be Final

All certificates, communications, opinions, determinations, calculations, quotations and decisions given, expressed, made or obtained for the purposes of the provisions of this Condition 5*(b)*, whether by the Agent, the Calculation Agent or the Trustee, shall (in the absence of wilful default, bad faith or manifest error) be binding on the Issuer, the Bank (where the Issuer is BCP Finance), the Agent, the Calculation Agent, the Trustee, the other Paying Agents, the Transfer Agents, the Exchange Agent, the Registrar and all Noteholders, Receiptholders and Couponholders and (in the absence as aforesaid) no liability to the Issuer, the Bank (where the Issuer is BCP Finance), the Noteholders, the Receiptholders or the Couponholders shall attach to either the Agent, the Calculation Agent or the Trustee in connection with the exercise or non-exercise by it of its powers, duties and discretions pursuant to such provisions.

(c) Interest on Dual Currency Interest Notes

The rate or amount of interest payable in respect of Dual Currency Interest Notes shall be determined in the manner specified in the applicable Final Terms.

(d) Interest on Partly Paid Notes

In the case of Partly Paid Notes (other than Partly Paid Notes which are Zero Coupon Notes), interest will accrue as aforesaid on the paid-up nominal amount of such Notes and otherwise as specified in the applicable Final Terms.

(e) Accrual of Interest

Each Note (or, in the case of the redemption of part only of a Note, that part only of such Note) will cease to bear interest (if any) from the due date for its redemption unless, upon due presentation thereof, payment of principal is improperly withheld or refused. In such event, interest will continue to accrue as provided in the Trust Deed or in the applicable Final Terms.

6. Payments

(a) Method of Payment

Subject as provided below:

(i) payments in a Specified Currency other than euro will be made by credit or transfer to an account in the relevant Specified Currency (which, in the case of a payment in Japanese Yen to a non-resident of Japan, shall be a non-resident account) maintained by the payee with, or by a cheque in such Specified Currency drawn on, a bank in the principal financial centre of the country of such Specified Currency (which, if the Specified Currency is Australian dollars or New Zealand dollars, shall be Sydney or Auckland, respectively); and

(ii) payments in euro will be made by credit or transfer to a euro account (or any other account to which euro may be credited or transferred) specified by the payee or, at the option of the payee, by a euro cheque.

Payments will be subject in all cases to any fiscal or other laws and regulations applicable thereto in the place of payment, but without prejudice to the provisions of Condition 8.

(b) Presentation of Notes, Receipts and Coupons

Payments of principal in respect of definitive Bearer Notes will (subject as provided below) be made in the manner provided in paragraph *(a)* above only against presentation and surrender (or, in the case of part payment only of any sum due, endorsement) of definitive Bearer Notes, and payments of interest in respect of definitive Bearer Notes will (subject as provided below) be made as aforesaid only against presentation and surrender (or, in the case of part payment of any sum due only, endorsement) of Coupons, in each case at the specified office of any Paying Agent outside the United States (which expression, as used herein, means the United States of America (including the States and the District of Columbia, its territories, its possessions and other areas subject to its jurisdiction)).

In respect of Bearer Notes in definitive form, payments of instalments of principal (if any), other than the final instalment, will (subject as provided below) be made in the manner provided in paragraph *(a)* above against presentation and surrender (or, in the case of part payment of any sum due only, endorsement) of the relevant Receipt in accordance with the preceding paragraph. Payment of the final instalment will be made in the manner provided in paragraph *(a)* above against presentation and surrender (or, in the case of part payment of any sum due only, endorsement) of the relevant Note in accordance with the preceding paragraph. Each Receipt must be presented for payment of the relevant instalment together with the definitive Bearer Note to which it appertains. Receipts presented without the definitive Bearer Notes to which they appertain do not constitute valid obligations of the Issuer. Upon the date on which any definitive Bearer Note becomes due and repayable, unmatured Receipts (if any) relating thereto (whether or not attached) shall become void and no payment shall be made in respect thereof.

Fixed Rate Notes in definitive bearer form (other than Dual Currency Notes or Index Linked or Long Maturity Notes (as defined below)) should be presented for payment together with all unmatured Coupons appertaining thereto (which expression shall for this purpose include Coupons falling to be issued on exchange of matured Talons), failing which the amount of any missing unmatured Coupon (or, in the case of payment not being made in full, the same proportion of the amount of such missing unmatured Coupon as the sum so paid bears to the sum due) will be deducted from the sum due for payment. Each amount of principal so deducted will be paid in the manner mentioned above against surrender of the relative missing Coupon at any time before the expiry of ten years after the Relevant Date (as defined in Condition 8) in respect of such principal (whether or not such Coupon would otherwise have become void under Condition 9) or, if later, five years from the date on which such Coupon would otherwise have become due, but in no event thereafter.

Upon any Fixed Rate Note in definitive bearer form becoming due and repayable prior to its Maturity Date, all unmatured Talons (if any) appertaining thereto will become void and no further Coupons will be issued in respect thereof.

Upon the date on which any Floating Rate Note, Dual Currency Note, Index Linked Note or Long Maturity Note in definitive bearer form becomes due and repayable, all unmatured Coupons and Talons (if any) relating thereto (whether or not attached) shall become void and no payment or, as the case may be, exchange for further Coupons shall be made in respect thereof. A "Long Maturity Note**" is a Fixed Rate Note (other than a Fixed Rate Note which on issue had a Talon attached) whose nominal amount on issue is less than the aggregate interest payable thereon provided that such Note shall cease to be a Long Maturity**

Note on the Interest Payment Date on which the aggregate amount of interest remaining to be paid after that date is less than the nominal amount of such Note.

If the due date for redemption of any definitive Bearer Note is not an Interest Payment Date, interest (if any) accrued in respect of such Note from (and including) the preceding Interest Payment Date or, as the case may be, the Interest Commencement Date shall be payable only against surrender of the relevant definitive Bearer Note.

Payments of principal and interest (if any) in respect of Notes represented by any bearer global Note will (subject as provided below) be made in the manner specified in paragraph *(a)* above and otherwise in the manner specified in the relevant bearer global Note against presentation or surrender, as the case may be, of such bearer global Note at the specified office of any Paying Agent outside the United States. A record of each payment made against presentation or surrender of such bearer global Note, distinguishing between any payment of principal and any payment of interest, will be made on such bearer global Note by such Paying Agent and such record shall be *prima facie* evidence that the payment in question has been made.

Payments of principal (other than instalments of principal prior to the final instalment) in respect of Registered Notes (whether or not in global form) will be made in the manner specified in paragraph *(a)* above to the persons in whose name such Notes are registered at the close of business on the business day (being for this purpose a day on which banks are open for business in the city where the Registrar is located) immediately prior to the relevant payment date against presentation and surrender (or, in the case of part payment only of any sum due, endorsement) of such Notes at the specified office of the Registrar.

Payments of interest due on a Registered Note (whether in definitive or global form) and payments of instalments of principal (if any) due on a Registered Note (other than the final instalment) will be made in the manner specified in paragraph *(a)* above to the person in whose name such Note is registered at the close of business on the fifteenth day (whether or not such fifteenth day is a business day (being for this purpose a day on which banks are open for business in the city where the Registrar is located) (the "**Record Date**")) prior to such due date. In the case of payments by cheque, cheques will be mailed to the holder (or the first named of joint holders) at such holder's registered address on the business day (as described above) immediately preceding the due date.

If payment in respect of any Registered Notes is required by credit or transfer as referred to in paragraph *(a)* above application for such payment must be made by the holder to the Registrar not later than the relevant Record Date.

Unless otherwise specified, the holder of a global Note (or, as provided in the Trust Deed, the Trustee) shall be the only person entitled to receive payments in respect of Notes represented by such global Note and the Issuer and the Bank (where the Issuer is BCP Finance) will be discharged by payment to, or to the order of, the holder of such global Note (or the Trustee, as the case may be) in respect of each amount so paid. Each of the persons shown in the records of DTC, Clearstream, Luxembourg or Euroclear as the beneficial holder of a particular nominal amount of Notes represented by such global Note must, unless the applicable Final Terms states otherwise, look solely to DTC, Clearstream, Luxembourg or Euroclear, as the case may be, for his share of each payment so made by the Issuer or the Bank (where the Issuer is BCP Finance) to, or to the order of, the holder of such global Note (or the Trustee, as the case may be). Unless otherwise specified or in the circumstances specified in the second paragraph of Condition 11, no person other than the holder of such global Note (or the Trustee, as the case may be) shall have any claim against the Issuer or the Bank (where the Issuer is BCP Finance) in respect of any payments due on that global Note.

All amounts payable to DTC or its nominee as registered holder of a Registered Global Note in respect of Notes denominated in a Specified Currency other than U.S. dollars shall be paid by transfer by the Registrar to an account in the relevant Specified Currency of the Exchange Agent on behalf of DTC or its nominee for payment in such Specified Currency or conversion into U.S. dollars in accordance with the provisions of the Agency Agreement.

Notwithstanding the foregoing, U.S. dollar payments of principal and interest in respect of Bearer Notes will be made at the specified office of a Paying Agent in the United States (which expression, as used in this Condition 6 and in Conditions 7, 8 and 12, means the United States of America (including the States and the District of Columbia, its territories, its possessions and other areas subject to its jurisdiction)) if:

(A) the Issuer and the Bank (where the Issuer is BCP Finance) have appointed Paying Agents with specified offices outside the United States with the reasonable expectation that such Paying Agents would be able to make payment in U.S. dollars at such specified offices outside the United States of the full amount of principal and interest on the Bearer Notes in the manner provided above when due;

(B) payment of the full amount of such principal and interest at all such specified offices outside the United States is illegal or effectively precluded by exchange controls or other similar restrictions; and

(C) such payment is then permitted under United States law without involving, in the opinion of the Issuer or the Bank (where the Issuer is BCP Finance), adverse tax consequences to the Issuer or the Bank (where the Issuer is BCP Finance).

(c) Payment Day

If the date for payment of any amount in respect of any Note, Receipt or Coupon is not a Payment Day, the holder thereof shall not be entitled to payment until the next following Payment Day in the relevant place and shall not be entitled to further interest or other payment in respect of such delay. For these purposes, unless otherwise specified in the applicable Final Terms, "**Payment Day**" means any day which (subject to Condition 9) is:

(i) a day on which commercial banks and foreign exchange markets settle payments and are open for general business (including dealing in foreign exchange and foreign currency deposits) in:

(A) the relevant place of presentation;

(B) London;

(C) any Additional Financial Centre specified in the applicable Final Terms; and

(ii) either (1) in relation to any sum payable in a Specified Currency other than euro, a day on which commercial banks and foreign exchange markets settle payments and are open for general business (including dealing in foreign exchange and foreign currency deposits) in the principal financial centre of the country of the relevant Specified Currency (if other than the place of presentation, London and any Additional Financial Centre and which, if the Specified Currency is Australian dollars or New Zealand dollars, shall be Sydney or Auckland, respectively) or (2) in relation to any sum payable in euro, a day on which the TARGET System is open; and

(iii) in the case of any payment in respect of a Registered Global Note denominated in a Specified Currency other than U.S. dollars and registered in the name of DTC or its nominee and, in respect of which an accountholder of DTC (with an interest in such Registered Global Note) has elected to receive any part of such payment in U.S. dollars, not a day on which banking institutions are authorised or required by law or regulation to be closed in New York City.

(d) Interpretation of Principal and Interest

Any reference in these Terms and Conditions to principal in respect of the Notes shall be deemed to include, as applicable:

(i) any additional amounts which may be payable with respect to principal under Condition 8 or pursuant to any undertakings given in addition thereto or in substitution therefor pursuant to the Trust Deed;

(ii) the Final Redemption Amount of the Notes;

(iii) the Early Redemption Amount of the Notes;

(iv) the Optional Redemption Amounts) (if any) of the Notes;

(v) in relation to Notes redeemable in instalments, the Instalment Amounts;

(vi) in relation to Zero Coupon Notes, the Amortised Face Amount (as defined in Condition 7(*e*); and

(vii) any premium and any other amounts (other than interest) which may be payable by the Issuer or the Bank (where the Issuer is BCP Finance) under or in respect of the Notes.

Any reference in these Terms and Conditions to interest in respect of the Notes shall be deemed to include, as applicable, any additional amounts which may be payable with respect to interest under Condition 8 or pursuant to any undertakings given in addition thereto or in substitution therefor pursuant to the Trust Deed.

7. Redemption and Purchase

(a) Redemption at Maturity

Unless previously redeemed or purchased and cancelled as specified below, each Note (including each Index Linked Redemption Note and Dual Currency Redemption Note) will be redeemed by the Issuer at its Final Redemption Amount specified in, or determined in the manner specified in, the applicable Final Terms in the relevant Specified Currency on the Maturity Date.

(b) Redemption for Tax Reasons

The Notes may be redeemed at the option of the Issuer (after obtaining the consent of the Bank of Portugal whenever it is required in the case of Subordinated Notes) in whole, but not in part, at any time (if this Note is neither a Floating Rate Note nor an Index Linked Interest Note) or on any Interest Payment Date (if this Note is either a Floating Rate Note or an Index Linked Interest Note), on giving not less than 30 nor more than 60 days' notice to the Agent and the Trustee and, in accordance with Condition 15, the Noteholders (which notice shall be irrevocable), if:

(i) the Issuer satisfies the Trustee immediately prior to the giving of such notice that, on the occasion of the next payment due under the Notes, the Issuer has or will become obliged to pay additional amounts as provided or referred to in Condition 8 or (where the Issuer is BCP Finance) the Bank would be unable for reasons outside its control to procure payment by the Issuer and in making payment itself would be required to pay such additional amounts, in each case as a result of any change in, or amendment to, the laws or regulations of a Tax Jurisdiction (as defined in Condition 8) or any change in the application or official interpretation of such laws or regulations, which change or amendment becomes effective on or after the Issue Date of the first Tranche of the Notes; and

(ii) such obligation cannot be avoided by the Issuer or, as the case may be, the Bank (where the Issuer is BCP Finance) taking reasonable measures available to it,

provided that no such notice of redemption shall be given earlier than 90 days prior to the earliest date on which the Issuer or, as the case may be, the Bank (where the Issuer is BCP Finance) would be obliged to pay such additional amounts were a payment in respect of the Notes then due.

Prior to the publication of any notice of redemption pursuant to this Condition, the Issuer shall deliver to the Trustee a certificate signed by two Directors of the Issuer or, as the case may be, two Directors of the Bank (where the Issuer is BCP Finance) stating that the Issuer is entitled to effect such redemption and setting forth a statement of facts showing that the conditions precedent to the right of the Issuer so to redeem have occurred, and an opinion of independent legal advisers of recognised standing to the effect that the Issuer or, as the case may be, the Bank (where the Issuer is BCP Finance) has or will become obliged to pay such additional amounts as a result of such change or amendment. The Trustee shall be entitled to accept such certificate and opinion as sufficient evidence of the satisfaction of such conditions precedent in which event they shall be conclusive and binding on the Noteholders, the Receiptholders and the Couponholders.

Notes redeemed pursuant to this Condition 7*(b)* will be redeemed at their Early Redemption Amount referred to in paragraph *(e)* below together (if appropriate) with interest accrued to (but excluding) the date of redemption.

(c) Redemption at the Option of the Issuer (Issuer Call)

If Issuer Call is specified in the applicable Final Terms, the Issuer may, having given:

(i) not less than 30 nor more than 60 days' notice (or such period as specified in the applicable Final Terms) to the Noteholders in accordance with Condition 15; and

(ii) not less than 30 days before the giving of the notice (or such period as specified in the applicable Final Terms) referred to in (i), notice to the Trustee and (in the case of a redemption of Registered Notes), the Registrar,

(which notices shall be irrevocable and shall specify the date fixed for redemption), redeem all or some only of the Notes then outstanding on the Optional Redemption Date(s) and at the Optional Redemption Amount(s) specified in, or determined in the manner specified in, the applicable Final Terms together, if appropriate, with interest accrued to (but excluding) the Optional Redemption Date(s). Any such redemption must be of a nominal amount not less than the Minimum Redemption Amount and not more than the Higher Redemption Amount in each case as may be specified in the applicable Final Terms. In the case of a partial redemption of

Notes (or, as the case may be, parts of Registered Notes), the Notes to be redeemed ("**Redeemed Notes**") will be selected individually by lot without involving any part only of a Bearer Note, in the case of Redeemed Notes represented by definitive Notes, and in accordance with the rules of Clearstream, Luxembourg and/or Euroclear (to be reflected in the records of Clearstream, Luxembourg and/or Euroclear as either a pool factor or a reduction in nominal amount, at their discretion) or, as the case may be, DTC, in the case of Redeemed Notes represented by a global Note, not more than 30 days prior to the date fixed for redemption (such date of selection being hereinafter called the "**Selection Date**"). In the case of Redeemed Notes represented by definitive Notes, a list of the serial numbers of such Redeemed Notes will be published in accordance with Condition 15 not less than 15 days prior to the date fixed for redemption. The aggregate nominal amount of Redeemed Notes represented by definitive Notes shall bear the same proportion to the aggregate nominal amount of all Redeemed Notes as the aggregate nominal amount of definitive Notes outstanding bears to the aggregate nominal amount of the Notes outstanding, in each case on the Selection Date, provided that such first mentioned nominal amount shall, if necessary, be rounded downwards to the nearest integral multiple of the Specified Denomination, and the aggregate nominal amount of Redeemed Notes represented by a global Note shall be equal to the balance of the Redeemed Notes. No exchange of the relevant global Note will be permitted during the period from (and including) the Selection Date to (and including) the date fixed for redemption pursuant to this paragraph *(c)* and notice to that effect shall be given by the Issuer to the Noteholders in accordance with Condition 15 at least five days prior to the Selection Date.

(d) Redemption at the Option of the Noteholders (Investor Put)

If Investor Put is specified in the applicable Final Terms, upon the holder of any Note giving to the Issuer in accordance with Condition 15 not less than 30 nor more than 60 days' notice or such other period of notice as is specified in the applicable Final Terms (which notice shall be irrevocable), the Issuer will, upon the expiry of such notice, redeem, subject to, and in accordance with, the terms specified in the applicable Final Terms, such Note on the Optional Redemption Date and at the Optional Redemption Amount specified in, or determined in the manner specified in, the applicable Final Terms together, if appropriate, with interest accrued to (but excluding) the Optional Redemption Date.

To exercise the right to require redemption of this Note the holder of this Note must deliver a duly signed and completed notice of exercise in the form (for the time being current) obtainable from any specified office of any Paying Agent or Transfer Agent or the Registrar (a "**Put Notice**") accompanied by, if the Note is in definitive form, the Note itself, to the specified office of any Paying Agent, in the case of Bearer Notes, or of any Transfer Agent or the Registrar, in the case of Registered Notes, at any time within the notice period during normal business hours of such Paying Agent, Transfer Agent or the Registrar, as the case may be. In the Put Notice the holder must specify a bank account (or, if payment is by cheque, an address) to which payment is to be made under this Condition.

Any Put Notice given by a holder of any Note pursuant to this paragraph shall be irrevocable except where prior to the due date of redemption an Event of Default shall have occurred and be continuing in which event such holder, at its option, may elect by notice to the Issuer to withdraw the notice given pursuant to this paragraph and instead to declare such Note forthwith due and repayable pursuant to Condition 10.

(e) Early Redemption Amounts

For the purpose of paragraph *(b)* above and Condition 10, the Notes will be redeemed at the Early Redemption Amount calculated as follows:

(i) in the case of Notes with a Final Redemption Amount equal to the Issue Price, at the Final Redemption Amount thereof; or

(ii) in the case of Notes (other than Zero Coupon Notes but including instalment Notes and a Partly Paid Notes) with a Final Redemption Amount which is or may be less or greater than the Issue Price or which is payable in a Specified Currency other than that in which the Notes are denominated, at the amount specified in, or determined in the manner specified in, the applicable Final Terms or, if no such amount or manner is so specified in the Final Terms, at their nominal amount; or

(iii) in the case of Zero Coupon Notes, at an amount (the "**Amortised Face Amount**") calculated in accordance with the following formula:

Early Redemption Amount = RP x $(1 + AY)^y$ where:

"**RP**" means the Reference Price;

"**AY**" means the Accrual Yield expressed as a decimal; and

"**y**" is a fraction the numerator of which is equal to the number of days (calculated on the basis of a 360-day year consisting of 12 months of 30 days each) from (and including) the Issue Date of the first Tranche of the Notes to (but excluding) the date fixed for redemption or (as the case may be) the date upon which such Note becomes due and repayable and the denominator of which is 360,

or on such other calculation basis as may be specified in the applicable Final Terms.

(f) Instalments

If the Notes are repayable in instalments, they will be redeemed in the Instalment Amounts and on the Instalment Dates specified in the applicable Final Terms. In the case of early redemption, the Early Redemption Amount will be determined pursuant to paragraph *(e)* above.

(g) Partly Paid Notes

If the Notes are Partly Paid Notes, they will be redeemed, whether at maturity, early redemption or otherwise, in accordance with the provisions of this Condition as amended by the applicable Final Terms.

(h) Purchases

The Issuer, the Bank (where the Issuer is BCP Finance) or any other Subsidiary (as defined in the Trust Deed) of the Bank may at any time purchase Notes (provided that, in the case of definitive Bearer Notes, all unmatured Receipts, Coupons and Talons appertaining thereto are purchased therewith) at any price in the open market or otherwise. If purchases are made by tender, such tenders will be available to all Noteholders alike. Such Notes may be held, reissued, resold or, at the option of the Issuer, the Bank (where the Issuer is BCP Finance) or the relevant Subsidiary, surrendered to any Paying Agent or the Registrar for cancellation.

(i) Cancellation

All Notes which are redeemed will forthwith be cancelled (together, in the case of definitive Bearer Notes, with all unmatured Receipts, Coupons and Talons attached thereto or surrendered therewith at the time of redemption). All Notes so cancelled and any Notes purchased and cancelled pursuant to paragraph *(b)*above (together, in the case of definitive Bearer Notes, with all unmatured Receipts, Coupons and Talons cancelled therewith) shall be forwarded to the Agent and shall not be capable of being reissued or resold.

(j) Late Payment on Zero Coupon Notes

If the amount payable in respect of any Zero Coupon Note upon redemption of such Zero Coupon Note pursuant to paragraph *(a)*, *(b)*, *(c)* or *(d)* above or upon its becoming due and repayable as provided in Condition 10 is improperly withheld or refused, the amount due and repayable in respect of such Zero Coupon Note shall be the amount calculated as provided in paragraph *(e)*(iii) above as though the references therein to the date fixed for the redemption or the date upon which such Zero Coupon Note becomes due and repayable were replaced by references to the date which is the earlier of:

(i) the date on which all amounts due in respect of such Zero Coupon Note have been paid; and

(ii) the fifth day after the date on which the full amount of the moneys payable has been received by the Agent or the Trustee and notice to that effect has been given to the Noteholder either in accordance with Condition 15 or individually.

8. Taxation

All payments of principal and interest in respect of the Notes, Receipts and Coupons by the Issuer or the Bank (where the Issuer is BCP Finance) will be made without withholding or deduction for or on account of any present or future taxes or duties of whatever nature imposed or levied by or on behalf of any Tax Jurisdiction unless such withholding or deduction is required by law. In such event, the Issuer or, as the case may be, the Bank (where the Issuer is BCP Finance) will pay such additional amounts as shall be necessary in order that the net amounts received by the holders of the Notes, Receipts or Coupons after such withholding or deduction shall equal the respective amounts of principal and interest which would otherwise have been receivable in respect of the Notes, Receipts or Coupons, as the case may be, in the absence of such withholding

or deduction; except that no such additional amounts shall be payable with respect to any Note, Receipt or Coupon:

(i) presented for payment by or on behalf of, a Noteholder, Receiptholder or Couponholder who is liable for such taxes or duties in respect of such Note, Receipt or Coupon by reason of his having some connection with a Tax Jurisdiction other than the mere holding of such Note, Receipt or Coupon; and/or

(ii) presented for payment by or on behalf of, a Noteholder, Receiptholder or Couponholder who is able to avoid such withholding or deduction by making a declaration of non-residence or other claim for exemption to the relevant tax authority; and/or

(iii) presented for payment more than 30 days after the Relevant Date (as defined below) except to the extent that the holder thereof would have been entitled to an additional amount on presenting the same for payment on such thirtieth day assuming that day to have been a Payment Day (as defined in Condition 6*(c)*); and/or

(iv) where such withholding or deduction is imposed on a payment to an individual and is required to be made pursuant to European Council Directive 2003/48/EC or any law implementing or complying with, or introduced in order to conform to, such Directive; and/or

(v) presented for payment by or on behalf of a Noteholder, Receiptholder or Couponholder who would have been able to avoid such withholding or deduction by presenting the relevant Note, Receipt or Coupon to another Paying Agent in a Member State of the European Union.

As used herein:

(i) "**Tax Jurisdiction**" means the Cayman Islands or any political subdivision or any authority thereof or therein having power to tax (in the case of payments by BCP Finance) or Portugal or any political subdivision or any authority thereof or therein having power to tax (in the case of payments by the Bank) or, in either case, any other jurisdiction or any political subdivision or any authority thereof or therein having power to tax to which BCP Finance or the Bank become subject in respect of payments made by it of principal and interest on the Notes, Receipts and Coupons, and

(ii) the "**Relevant Date**" means the date on which such payment first becomes due, except that, if the full amount of the moneys payable has not been duly received by the Agent, the Registrar or the Trustee on or prior to such due date, it means the date on which, the full amount of such moneys having been so received, notice to that effect is duly given to the Noteholders in accordance with Condition 15.

9. Prescription

The Notes, Receipts and Coupons will become void unless presented for payment within a period of ten years (in the case of principal) and five years (in the case of interest) after the Relevant Date (as defined in Condition 8) therefor.

There shall not be included in any Coupon sheet issued on exchange of a Talon any Coupon the claim for payment in respect of which would be void pursuant to this Condition or Condition 6*(b)* or any Talon which would be void pursuant to Condition 6*(b)*.

10. Events of Default

(a) Events of Default relating to Senior Notes

If the Notes are specified as Senior Notes in the applicable Final Terms and if any one or more of the following events (each an "**Event of Default**") shall occur:

(i) default is made for a period of 14 days or more in the payment of any principal or interest due in respect of the Notes or any of them after the due date therefor; or

(ii) the Issuer or the Bank (where the Issuer is BCP Finance) fails to perform or observe any of its other obligations in respect of the Notes or under the Trust Deed and (except where, in the opinion of the Trustee, such default is not capable of remedy where no such continuation or notice as is hereinafter referred to will be required) such failure continues for the period of 30 days (or such longer period as the Trustee may permit) after notice has been given to the Issuer or, as the case may be, the Bank requiring the same to be remedied; or

(iii) the repayment of any indebtedness owing by the Issuer or by the Bank (where the Issuer is BCP Finance) is accelerated by reason of default and such acceleration has not been rescinded or annulled, or the Issuer or the Bank (where the Issuer is BCP Finance) defaults (after whichever is the longer of any originally applicable period of grace and 14 days after the due date) in any payment of any indebtedness or in the honouring of any guarantee or indemnity in respect of any indebtedness provided that no such event referred to in this sub-paragraph (iii) shall constitute an Event of Default unless the indebtedness whether alone or when aggregated with other indebtedness relating to all (if any) other such events which shall have occurred shall exceed U.S.$20,000,000 (or its equivalent in any other currency or currencies) or, if greater, an amount equal to one per cent. of the Bank's Shareholders' Funds (as defined below); or

(iv) any order shall be made by any competent court or an effective resolution passed for the winding up or dissolution of the Issuer or the Bank (where the Issuer is BCP Finance) (other than for the purpose of an amalgamation, merger or reconstruction previously approved in writing by the Trustee or by an Extraordinary Resolution of the Noteholders); or

(v) the Issuer or the Bank (where the Issuer is BCP Finance) shall cease to carry on the whole or substantially the whole of its business (other than for the purpose of an amalgamation, merger or reconstruction previously approved in writing by the Trustee or by an Extraordinary Resolution of the Noteholders); or

(vi) the Issuer or the Bank (where the Issuer is BCP Finance) shall stop payment or shall be unable to, or shall admit inability to, pay its debts as they fall due, or shall be adjudicated or found bankrupt or insolvent by a court of competent jurisdiction or shall make a conveyance or assignment for the benefit of, or shall enter into any composition or other arrangement with, its creditors generally; or

(vii) a receiver, trustee or other similar official shall be appointed in relation to the Issuer or the Bank (where the Issuer is BCP Finance) or in relation to the whole or a substantial part of the assets of either of them or a temporary manager of the Bank is appointed by the Bank of Portugal or an encumbrancer shall take possession of the whole or a substantial part of the assets of the Issuer or the Bank (where the Issuer is BCP Finance), or a distress or execution or other process shall be levied or enforced upon or sued out against the whole or a substantial part of the assets of either of them and in any of the foregoing cases it or he shall not be discharged within 60 days; or

(viii) the Bank sells, transfers, lends or otherwise disposes of the whole or a substantial part of its undertaking or assets (including shareholdings in its Subsidiaries or associated companies) and such disposal is substantial in relation to the assets of the Bank and its Subsidiaries as a whole, other than selling, transferring, lending or otherwise disposing on an arm's length basis; or

(ix) except where the Issuer has been substituted as principal debtor pursuant to Condition 18, the Issuer (where the Issuer is BCP Finance) ceases to be a Subsidiary wholly owned and controlled, directly or indirectly, by the Bank; or

(x) (where the Issuer is BCP Finance) the Guarantee is terminated or shall cease to be in full force and effect,

then the Trustee at its discretion may, and if so requested in writing by the holders of not less than one-quarter of the nominal amount of the Notes then outstanding or if so directed by an Extraordinary Resolution of the Noteholders shall (subject in each case to being indemnified to its satisfaction), give notice to the Issuer that the Notes are, and they shall accordingly thereby forthwith become, immediately due and repayable at their Early Redemption Amount (as described in Condition 7*(e)*) together with accrued interest (as provided in the Trust Deed) provided that, in the case of any such Events of Default other than those described in sub-paragraphs (i) and (iv) above, the Trustee shall have certified in writing to the Issuer that such Event of Default is, in its opinion, materially prejudicial to the interests of the Noteholders.

As used above, "**Bank's Shareholders' Funds**" means, at any relevant time, a sum equal to the aggregate of the Bank's shareholders' equity as certified by the Directors of the Bank or in certain circumstances provided in the Trust Deed by the Auditors of the Bank by reference to the latest audited consolidated financial statements of the Bank.

(b) Events of Default relating to Subordinated Notes

If the Notes are specified as Subordinated Notes in the applicable Final Terms and if any one or more of the following events (each an "**Event of Default**") shall occur:

(i) default is made for a period of 14 days or more in the payment of any principal or interest due in respect of the Notes or any of them after the due date therefor; or

(ii) any order shall be made by any competent court or an effective resolution passed for the winding up or dissolution of the Issuer or the Bank (where the Issuer is BCP Finance) (other than for the purposes of an amalgamation, merger or reconstruction on terms previously approved in writing by the Trustee or by an Extraordinary Resolution of the Noteholders),

then the Trustee at its discretion may, and if so requested in writing by the holders of not less than one-quarter of the nominal amount of the Notes then outstanding or if so directed by an Extraordinary Resolution of the Noteholders shall (subject in each case to being indemnified to its satisfaction), give notice to the Issuer that the Notes are, and they shall accordingly thereby forthwith become, immediately due and repayable at their Early Redemption Amount (as described in Condition 7*(e)*) together with accrued interest (as provided in the Trust Deed).

11. Enforcement

The Trustee shall not be bound to take any action or proceedings to enforce the obligations of the Issuer or the Bank (where the Issuer is BCP Finance), as the case may be, in respect of the Notes, Receipts or Coupons unless (i) it shall have been so directed by an Extraordinary Resolution of the Noteholders or requested in writing by the holders of at least one-quarter in nominal amount of the Notes then outstanding and (ii) it shall have been indemnified to its satisfaction.

No Noteholder, Receiptholder or Couponholder shall be entitled to proceed directly against the Issuer or the Bank (where the Issuer is BCP Finance) unless the Trustee, having become bound so to proceed, fails to do so within a reasonable period and such failure is continuing.

12. Exchange of Notes, transfer of Registered Notes and replacement of Notes, Receipts, Coupons and Talons

(a) Exchange of Bearer Notes for Registered Notes

If so specified in the applicable Final Terms, a Bearer Note in definitive form may be exchanged for Registered Notes of like aggregate nominal amount (in global or definitive form) by submission of a duly completed request for exchange substantially in the form provided in the Agency Agreement (an "**Exchange Request**"), copies of which are available from the specified office of the Registrar or any Transfer Agent, together with the Bearer Note and (subject as provided below) all unmatured Coupons, Talons and Receipts appertaining thereto, to a Transfer Agent at its specified office. Within three business days of the request, if the Registered Notes for which the Bearer Note is to be exchanged are in definitive form, the relevant Transfer Agent will authenticate and deliver, or procure the authentication and delivery of, at its specified office to the holder or (at the risk of the holder) send by mail to such address as may be specified by the holder in the Exchange Request, a definitive Registered Note of a like aggregate nominal amount to the Bearer Note exchanged and will enter the exchange of the Bearer Note in the Register maintained by the Registrar as of the exchange date. If the Registered Note(s) for which such Bearer Note is to be exchanged is/are in global form, the amount of the applicable Registered Global Note(s) will be increased accordingly.

A Bearer Note surrendered in exchange for a Registered Note after a Record Date (as defined in Condition 6*(b)*) and on or before the next following Fixed Interest Date or Interest Payment Date (each as defined in Condition 5) is not required to be surrendered with the Coupon maturing on that payment date. Interest on a Registered Note issued on exchange will accrue as from the immediately preceding Fixed Interest Date or Interest Payment Date, as the case may be, except where issued in respect of a Bearer Note surrendered after a Record Date and on or before the next following Fixed Interest Date or Interest Payment Date, in which event interest shall accrue as from that date.

No exchanges of Bearer Notes for Registered Notes or interests in Registered Global Notes (as defined below) will be permitted for so long as the Bearer Notes are represented by a temporary bearer global Note.

(b) Form of Registered Notes

Registered Notes of each Tranche sold outside the United States in reliance on Regulation S under the United States Securities Act of 1933, as amended, (the "**Securities Act**") will initially be represented by a permanent global Note in registered form, without interest coupons, (the "**Reg. S Global Note**"), deposited with a common depositary for, and registered in the name of a common nominee of, Euroclear and Clearsteam, Luxembourg. Notes in definitive form issued in exchange for Reg. S Global Notes or otherwise

sold or transferred in reliance on Regulation S under the Securities Act, together with the Reg. S Global Notes, are referred to herein as "**Reg. S Notes**". Prior to expiry of the period that ends 40 days after completion of the distribution of each Tranche of Notes, as certified by the relevant Dealer, in the case of a non-syndicate d issue, or by the Lead Manager, in the case of a syndicated issue (the "**Distribution Compliance Period**"), beneficial interests in a Reg. S Global Note may be held only through Clearstream, Luxembourg or Euroclear. After the expiry of the Distribution Compliance Period, beneficial interests in a Reg. S Note may be held through DTC directly, by a participant in DTC, or indirectly, through a participant in DTC.

Registered Notes of each Tranche sold in private transactions to qualified institutional buyers within the meaning of Rule 144A under the Securities Act ("**QIBs**") will initially be represented by a permanent global Note in registered form, without interest coupons, (the "**Restricted Global Note**") deposited with a custodian for, and registered in the name of a nominee of, DTC. Notes in definitive form issued in exchange for Restricted Global Notes or otherwise sold or transferred in accordance with the requirements of Rule 144A under the Securities Act, together with the Restricted Global Notes, are referred to herein as "**Restricted Notes**".

Registered Notes of each Tranche sold to accredited investors (as defined in Rule 501(a) (1), (2) or (3) under the Securities Act) ("**Institutional Accredited Investors**") who agree to purchase the Notes for their own account and not with a view to the distribution thereof will be in definitive form, registered in the name of the holder thereof.

Registered Notes in definitive form issued to Institutional Accredited Investors and Restricted Notes shall bear the legend set forth in the Restricted Global Note (the "**Legend**"), such Notes being referred to herein as "**Legended Notes**". Upon the transfer, exchange or replacement of Legended Notes, or upon specific request for removal of the Legend, the Registrar shall (save as provided in Condition 12*(f)*) deliver only Legended Notes or refuse to remove such Legend, as the case may be, unless there is delivered to the Issuer such satisfactory evidence as may reasonably be required by the Issuer, which may include an opinion of U.S. counsel, that neither the Legend nor the restrictions on transfer set forth therein are required to ensure compliance with the provisions of the Securities Act.

Subject as otherwise provided in this Condition 12, Registered Notes in definitive form may be exchanged or transferred in whole or in part in the authorised denominations for one or more definitive Registered Notes of like aggregate nominal amount.

(c) Transfers of Registered Global Notes

Transfers of beneficial interests in Restricted Global Notes and, Reg. S Global Notes (together the "**Registered Global Notes**") will be effected by DTC, Euroclear or Clearstream, Luxembourg, as the case may be, and, in turn, by other participants and, if appropriate, indirect participants in such clearing systems acting on behalf of beneficial transferors and transferees of such interests. A beneficial interest in a Registered Global Note will, subject to compliance with all applicable legal and regulatory restrictions, be transferable for Notes in definitive form or for a beneficial interest in another Registered Global Note only in the authorised denominations set out in the applicable Final Terms and only in accordance with the rules and operating procedures for the time being of DTC, Euroclear or Clearstream, Luxembourg, as the case may be, and in accordance with the terms and conditions specified in the Agency Agreement. Transfers of a Registered Global Note registered in the name of a nominee for DTC shall be limited to transfers of such Registered Global Note, in whole but not in part, to another nominee of DTC or to a successor of DTC or such successor's nominee.

(d) Transfers of interests in Reg. S Notes

Prior to the expiry of the applicable Distribution Compliance Period, transfers by the holder of, or of a beneficial interest in, a Reg. S Note to a transferee in the United States will only be made:

(i) upon receipt by the Registrar of a written certification substantially in the form set out in the Agency Agreement, amended as appropriate, (a "**Transfer Certificate**"), copies of which are available from the specified office of the Registrar or any Transfer Agent, from the transferor of the Note or beneficial interest therein to the effect that such transfer is being made:

(A) to a person whom the transferor reasonably believes is a QIB in a transaction meeting the requirements of Rule 144A; or

(B) to a person who is an Institutional Accredited Investor, together with a duly executed investment letter from the relevant transferee substantially in the form set out in the Agency Agreement (an "**IAI Investment Letter**"); or

(ii) otherwise pursuant to the Securities Act or an exemption therefrom, subject to receipt by the Issuer of such satisfactory evidence as the Issuer may reasonably require, which may include an opinion of U.S. counsel, that such transfer is in compliance with any applicable securities laws of any state of the United States, and, in each case, in accordance with any applicable securities laws of any state of the United States or any other jurisdiction.

In the case of (A) above, such transferee may take delivery through a Legended Note in global or definitive form and, in the case of (B) above, such transferee may take delivery only through a Legended Note in definitive form. After the expiry of the applicable Distribution Compliance Period (i) beneficial interests in Reg. S Notes may be held through DTC directly, by a participant in DTC, or indirectly, through a participant in DTC and (ii) such certification requirements will no longer apply to such transfers.

(e) Transfers of interests in Legended Notes

Transfers of Legended Notes or beneficial interests therein may be made:

(i) to a transferee who takes delivery of such interest through a Reg. S Global Note, upon receipt by the Registrar of a duly completed Transfer Certificate from the transferor to the effect that such transfer is being made in accordance with Regulation S and that, in the case of a Reg. S Global Note registered in the name of a nominee of DTC, if such transfer is being made prior to the expiry of the applicable Distribution Compliance Period, the interests in the Notes being transferred will be held immediately thereafter through Euroclear and/or Clearstream, Luxembourg; or

(ii) to a transferee who takes delivery of such interest through a Legended Note:

(A) where the transferee is a person whom the transferor reasonably believes is a QIB in a transaction meeting the requirements of Rule 144A, without certification; or

(B) where the transferee is an Institutional Accredited Investor, subject to delivery to the Registrar of a Transfer Certificate from the transferor to the effect that such transfer is being made to an Institutional Accredited Investor, together with a duly executed IAI Investment Letter from the relevant transferee; or

(iii) otherwise pursuant to the Securities Act or an exemption therefrom, subject to receipt by the Issuer of such satisfactory evidence as the Issuer may reasonably require, which may include an opinion of U.S. counsel, that such transfer is in compliance with any applicable securities laws of any state of the United States, in each case, in accordance with any applicable securities laws of any state of the United States or any other jurisdiction.

Notes transferred by Institutional Accredited Investors to QIBs pursuant to Rule 144A or outside the United States pursuant to Regulation S will be eligible to be held by such QIBs or non-U.S. investors through DTC and the Registrar will arrange for any Notes which are the subject of such a transfer to be represented by the appropriate Registered Global Note, where applicable.

(f) Exchanges and transfers of Registered Notes generally

Registered Notes may not be exchanged for Bearer Notes.

Holders of Registered Notes in definitive form, other than Institutional Accredited Investors, may exchange such Notes for interests in a Registered Global Note of the same type at any time.

Transfers of beneficial interests in Registered Global Notes will be effected by DTC, Clearstream, Luxembourg or Euroclear, as the case may be, and, in turn, by participants and, if appropriate, indirect participants in such clearing systems acting on behalf of beneficial transferors and transferees of such interests. A beneficial interest in a Registered Global Note will be transferable and exchangeable for Notes in definitive form or for a beneficial interest in another Registered Global Note only in accordance with the rules and operating procedures for the time being of DTC, Clearstream, Luxembourg or Euroclear, as the case may be (the "**Applicable Procedures**").

Upon the terms and subject to the conditions set forth in the Agency Agreement, a Registered Note in definitive form may be transferred in whole or in part (in the authorised denominations set out in the applicable Final Terms) by the holder or holders surrendering the Registered Note for registration of the transfer of the Registered Note (or the relevant part of the Registered Note) at the specified office of the Registrar or any Transfer Agent, with the form of transfer thereon duly executed by the holder or holders thereof or his or their attorney or attorneys duly authorised in writing and upon the Registrar or, as the case

may be, the relevant Transfer Agent, after due and careful enquiry, being satisfied with the documents of title and the identity of the person making the request and subject to such reasonable regulations as the Issuer and the Registrar, or as the case may be, the relevant Transfer Agent may with the prior written approval of the Trustee prescribe, including any restrictions imposed by the Issuer on transfers of Registered Notes originally sold to a U.S. person. Subject as provided above, the Registrar or, as the case may be, the relevant Transfer Agent will, within three business days (being for this purpose a day on which banks are open for business in the city where the specified office of the Registrar or, as the case may be, the relevant Transfer Agent is located) of the request (or such longer period as may be required to comply with any applicable fiscal or other laws or regulations) authenticate and deliver, or procure the authentication and delivery of, at its specified office to the transferee or (at the risk of the transferee) send by mail to such address as the transferee may request, a new Registered Note in definitive form of a like aggregate nominal amount to the Registered Note (or the relevant part of the Registered Note) transferred. In the case of the transfer of part only of a Registered Note in definitive form, a new Registered Note in definitive form in respect of the balance of the Registered Note not transferred will be so authenticated and delivered or (at the risk of the transferor) sent to the transferor.

Exchanges or transfers by a holder of a Registered Note in definitive form for an interest in, or to a person who takes delivery of such Note through, a Registered Global Note will be made no later than 60 days after the receipt by the Registrar or, as the case may be, the relevant Transfer Agent of the Registered Note in definitive form to be so exchanged or transferred and, if applicable, upon receipt by the Registrar of a written certification from the transferor.

(g) Registration of transfer upon partial redemption

In the event of a partial redemption of Notes under Condition 7*(c)*, the Issuer shall not be required:

(a) to register the transfer of Registered Notes (or parts of Registered Notes) during the period beginning on the sixty-fifth day before the date of the partial redemption and ending on the date on which notice is given specifying the serial numbers of Notes called (in whole or in part) for redemption (both inclusive); or

(b) to register the transfer of any Registered Note, or part of a Registered Note, called for partial redemption.

(h) Closed Periods

No Noteholder may require the transfer of a Registered Note to be registered or a Bearer Note to be exchanged for a Registered Note during the period of 30 days ending on the due date for any payment of principal or interest on that Note.

(i) Costs of exchange or registration

The costs and expenses of effecting any exchange or registration of transfer pursuant to the foregoing provisions (except for the expenses of delivery by other than regular mail (if any) and, if the Issuer shall so require, for the payment of a sum sufficient to cover any tax or other governmental charge or insurance charges that may be imposed in relation thereto which will be borne by the Noteholder) will be borne by the Issuer or the Bank (where the Issuer is BCP Finance), as the case may be.

(j) Replacement of Notes, Receipts, Coupons and Talons

If any Note, Receipt, Coupon or Talon shall become mutilated, defaced, destroyed, lost or stolen, it may be replaced at the specified office of the Agent outside the United States and its possessions in the case of Bearer Notes, Receipts, Coupons or Talons, or the Registrar in New York City, in the case of Registered Notes, upon payment by the claimant of the expenses incurred in connection with the replacement and on such terms as to evidence and indemnity and/or security as the Issuer may reasonably require. Mutilated or defaced Notes, Receipts, Coupons or Talons must be surrendered before replacements will be issued.

13. Agent, Paying Agents, Transfer Agents, Exchange Agents and Registrar

The names of the initial Agent, the initial Registrar, the other initial Paying Agents, the initial Exchange Agent and the initial Transfer Agents and their initial specified offices are set out below.

The Issuer and the Bank (where the Issuer is BCP Finance) are, with the prior written approval of the Trustee, entitled to vary or terminate the appointment of any Paying Agent or the Registrar or the Exchange

Agent or any Transfer Agent and/or appoint additional or other Paying Agents or additional or other Registrars, Exchange Agents or Transfer Agents and/or approve any change in the specified office through which any Paying Agent, Registrar, Exchange Agent or Transfer Agent acts, provided that:

(i) so long as the Notes are listed on any stock exchange (or any other relevant authority), there will at all times be a Paying Agent (which may be the Agent), in the case of Bearer Notes, and a Transfer Agent (which may be the Registrar), in the case of Registered Notes, with a specified office in such place as may be required by the rules and regulations of the relevant stock exchange (or any other relevant authority);

(ii) there will at all times be a Paying Agent with a specified office in a principal financial centre approved by the Trustee in continental Europe;

(iii) in the case of Bearer Notes, there will at all times be an Agent;

(iv) in the case of Registered Notes, there will at all times be a Registrar with a specified office in New York City and, so long as the Notes are listed on any stock exchange (or any other relevant authority), in such place as may be required by the rules and regulations of the relevant stock exchange (or any other relevant authority);

(v) in the case of Registered Notes, there will at all times be a Transfer Agent having a specified office in a place approved by the Trustee;

(vi) so long as any of the Registered Global Notes payable in a Specified Currency other than U.S. dollars are held through DTC or its nominee, there will at all times be an Exchange Agent with a specified office in New York City; and

(vii) the Issuer undertakes that it will maintain a Paying Agent in a Member State of the European Union that is not obliged to withhold or deduct tax pursuant to European Council Directive 2003/48/EC or any law implementing or complying with, or introduced in order to conform to, such Directive.

In addition, the Issuer and the Bank (where the Issuer is BCP Finance) shall, with the prior written approval of the Trustee, forthwith appoint a Paying Agent having a specified office in New York City in the circumstances described in the final paragraph of Condition 6*(b)*. Any variation, termination, appointment or change shall only take effect (other than in the case of insolvency, when it shall be of immediate effect) after not less than 30 nor more than 45 days' prior notice thereof shall have been given to the Noteholders in accordance with Condition 15 provided that no such variation, termination, appointment or change shall take effect (except in the case of insolvency) within 30 days before or after any Fixed Interest Date or Interest Payment Date, as the case may be.

In acting under the Agency Agreement, the Exchange Agent, the Registrar, the Agent, the Paying Agents and the Transfer Agents act solely as agents of the Issuer and the Bank (where the Issuer is BCP Finance) and, in certain circumstances specified therein, of the Trustee, and do not assume any obligation or relationship of agency or trust to or with the Noteholders, Receiptholders or Couponholders, except that (without affecting the obligations of the issuer and the Bank (where the Issuer is BCP Finance) to the Noteholders, Receiptholders and Couponholders to repay Notes and pay interest thereon) any funds received by the Agent for the payment of the principal of or interest on the Notes shall be held by it on trust for the Noteholders and/or Receiptholders and/or Couponholders until the expiry of the period of prescription specified in Condition 9. Each of the Issuer and the Bank (where the Issuer is BCP Finance) has covenanted with the Trustee in the Trust Deed to perform and observe the obligations imposed upon it under the Agency Agreement. The Agency Agreement contains provisions for the indemnification of the Paying Agents, the Registrar, the Exchange Agent and the Transfer Agents and for their relief from responsibility in certain circumstances and entitles any of them to enter into business transactions with either the Issuer or the Bank (where the Issuer is BCP Finance) and any of their Subsidiaries without being liable to account to the Noteholders, Receiptholders or Couponholders for any resulting profit.

14. Exchange of Talons

On and after the Interest Payment Date, as appropriate, on which the final Coupon comprised in any Coupon sheet matures, the Talon (if any) forming part of such Coupon sheet may be surrendered at the specified office of the Agent or any other Paying Agent in exchange for a further Coupon sheet including (if such further Coupon sheet does not include Coupons to (and including) the final date for the payment of interest due in respect of the Note to which it appertains) a further Talon, subject to the provisions of Condition 9. Each Talon shall, for the purposes of these Terms and Conditions, be deemed to mature on the

Fixed Interest Date or the Interest Payment Date (as the case may be) on which the final Coupon comprised in the relative Coupon sheet matures.

15. Notices

All notices regarding the Notes shall be valid if published in a leading English language daily newspaper of general circulation in the United Kingdom. It is expected that such publication will be made in the *Financial Times* or another daily newspaper in the United Kingdom approved by the Trustee. The Issuer and the Bank (where the Issuer is BCP Finance) shall also ensure that notices are duly published in a manner which complies with the rules and regulations of any other stock exchange (or any other relevant authority) on which the Notes are for the time being listed. Any such notice will be deemed to have been given on the date of the first publication in all the relevant newspapers.

Until such time as any definitive Notes are issued, there may, so long as the global Note(s) is or are held in its or their entirety on behalf of Clearstream, Luxembourg and/or Euroclear or DTC, be substituted for such publication in such newspaper(s) the delivery of the relevant notice to Clearstream, Luxembourg and/or Euroclear or DTC for communication by them to the holders of the Notes and, in addition, for so long as any Notes are listed on a stock exchange and the rules of that stock exchange (or any other relevant authority) so require, such notice will be published in a daily newspaper of general circulation in the place or places required by that stock exchange (or any other relevant authority). Any such notice shall be deemed to have been given to the holders of the Notes on the seventh day after the day on which the said notice was given to Clearstream, Luxembourg and/or Euroclear or DTC, unless otherwise specified in the applicable Final Terms.

Notices to be given by any Noteholder shall be in writing and given by lodging the same, together with the relative Note or Notes, with the Agent. Whilst any of the Notes is represented by a global Note, such notice may be given by any Noteholder to the Agent via Clearstream, Luxembourg and/or Euroclear or DTC, as the case may be, in such manner as the Agent and Clearstream, Luxembourg and/or Euroclear or DTC, as the case may be, may approve for this purpose.

16. Meetings of Noteholders, Modification and Waiver

The Trust Deed contains provisions for convening meetings of the Noteholders to consider any matter affecting their interests, including the sanctioning by Extraordinary Resolution of a modification of any of the provisions of the Notes, the Receipts, the Coupons or the Trust Deed. Such a meeting may be convened by the Issuer or the Bank (where the Issuer is BCP Finance) and shall be convened by the Issuer upon a requisition by Noteholders holding not less than one-tenth in nominal amount of the Notes for the time being remaining outstanding. The quorum at any such meeting for passing an Extraordinary Resolution will be one or more persons holding or representing not less than a clear majority in nominal amount of the Notes for the time being outstanding, or at any adjourned meeting one or more persons being or representing Noteholders whatever the nominal amount of the Notes so held or represented, except that at any meeting the business of which includes the modification of certain provisions of the Notes, Receipts or Coupons (including, amongst other things, modifying the date of maturity of the Notes or any date for payment of interest thereon, reducing or cancelling the amount of principal or the rate of interest payable in respect of the Notes or altering the currency of payment of the Notes, Receipts or Coupons) or certain provisions of the Trust Deed, the necessary quorum for passing an Extraordinary Resolution will be one or more persons holding or representing not less than two-thirds, or at any adjourned such meeting not less than one-third, in nominal amount of the Notes for the time being outstanding. An Extraordinary Resolution passed at any meeting of the Noteholders shall be binding on all the Noteholders, whether or not they are present at the meeting, and on all Receiptholders and Couponholders.

The Trust Deed provides that the Trustee may, without the consent of the Noteholders, Receiptholders or Couponholders, agree to any modification (subject as provided above) of, or to any waiver or authorisation of any breach or proposed breach by the Issuer or the Bank (where the Issuer is BCP Finance) of, any of the provisions of these Terms and Conditions or of any of the provisions of the Trust Deed or may determine that any act, omission, event or condition which, but for such determination, would or might otherwise on its own or together with another act, omission, event or condition constitute an Event of Default (without prejudice to the rights of the Trustee in respect of any subsequent breach of any of the provisions of these Terms and Conditions or any of the provisions of the Trust Deed or any subsequent act, omission, event or condition) shall not be treated as such, which, in the opinion of the Trustee, is not materially prejudicial to the interests of the Noteholders or to any modification of any of these Terms and Conditions or any of the provisions of the Trust Deed which is of a formal, minor or technical nature or which is made to correct a manifest error. Any such modification, waiver, authorisation or determination shall be binding on the Noteholders, Receiptholders

and Couponholders and, unless the Trustee agrees otherwise, any such modification shall be notified to the Noteholders as soon as practicable thereafter in accordance with Condition 15.

In connection with the exercise by it of any of its trusts, powers, authorities or discretions (including, but without limitation, any modification, waiver, authorisation, determination or substitution), the Trustee shall have regard to the general interests of the Noteholders as a class but shall not have regard to any interests arising from circumstances particular to individual Noteholders, Receiptholders or Couponholders (whatever their number) and, in particular, but without limitation, shall not have regard to the consequences of any such exercise for individual Noteholders, Receiptholders and Couponholders (whatever their number) resulting from their being for any purpose domiciled or resident in, or otherwise connected with, or subject to the jurisdiction of, any particular territory and the Trustee shall not be entitled to require, nor shall any Noteholder, Receiptholder or Couponholder be entitled to claim, from the Issuer, the Bank (where the Issuer is BCP Finance) or any other person any indemnification or payment in respect of any tax consequence of any such exercise upon individual Noteholders, Receiptholders or Couponholders except to the extent already provided for in Condition 9 and/or any undertaking given in addition to, or in substitution for, Condition 8 pursuant to the Trust Deed.

17. Further Issues

The Issuer shall be at liberty from time to time without the consent of the Noteholders, the Receiptholders or the Couponholders to create and issue further notes having terms and conditions the same as the Notes or the same in all respects save for the amount and date of the first payment of interest thereon and so that the same shall be consolidated and form a single Series with the outstanding Notes. The Trust Deed contains provisions for convening a single meeting of the Noteholders and the holders of notes of other Series in certain circumstances where the Trustee so decides.

18. Substitution

The Trustee may, without the consent of the Noteholders, the Receiptholders or the Couponholders but (in the case of Subordinated Notes) only with the prior consent of the Bank of Portugal, agree with the Issuer and the Bank (where the Issuer is BCP Finance) to the substitution in place of the Issuer (or of any previous substitute under this Condition) as the principal debtor in respect of the Notes of either the Bank (where the Issuer is BCP Finance or another wholly-owned Subsidiary of the Bank) or a wholly-owned Subsidiary of the Bank, subject to:

(a) where the new principal debtor is a wholly-owned Subsidiary of the Bank, the Notes being unconditionally and irrevocably guaranteed by the Bank either on the same basis as that on which they were guaranteed immediately prior to the substitution (where, immediately prior to the substitution, the Issuer is BCP Finance or (being a previous substitute under this Condition) another wholly-owned Subsidiary of the Bank) or on an equivalent basis to that on which they would have been guaranteed immediately prior to the substitution had the Issuer been BCP Finance (where, immediately prior to the substitution, the Issuer is the Bank);

(b) the Trustee being satisfied that the interests of the Noteholders will not be materially prejudiced by the substitution; and

(c) certain other conditions set out in the Trust Deed being complied with.

19. Indemnification of Trustee

The Trust Deed contains provisions for the indemnification of the Trustee and for its relief from responsibility in certain circumstances including provisions relieving it from instituting proceedings to enforce repayment unless indemnified to its satisfaction. The Trustee is entitled to enter into business transactions with the Issuer and/or the Bank (where the Issuer is BCP Finance) or any of their Subsidiaries without accounting for any profit resulting therefrom and to act as trustee for the holders of any other securities issued by the Issuer or the Bank (where the Issuer is BCP Finance) or any Subsidiaries of the Bank.

20. Contracts (Rights of Third Parties) Act 1999

No rights are conferred on any person under the Contracts (Rights of Third Parties) Act 1999 to enforce any term of this Note, but this does not affect any right or remedy of any person which exists or is available apart from that Act.

21. Governing law and submission to jurisdiction

(a) The Trust Deed (except Clauses 2(H) and 7(H) insofar as they relate to Subordinated Notes), the Agency Agreement, the Notes (except Conditions 2*(c)*and 4*(b)*), the Receipts and the Coupons are governed by, and shall be construed in accordance with, English law. Clauses 2(H) and 7(H) of the Trust Deed (in so far as they relate to Subordinated Notes) and Conditions 2*(c)*and 4*(b)*are governed by, and shall be construed in accordance with, Portuguese law. In each case, the application of such governing law shall be without prejudice to the applicability, under the conflicts rules applicable in the relevant forum, in the light of such submission, of Cayman Islands law (in relation to matters concerning BCP Finance) or Portuguese law (in relation to matters concerning the Bank as an Issuer or as guarantor, as the case may be).

(b) Each of BCP Finance and the Bank has in the Trust Deed irrevocably agreed, for the exclusive benefit of the Trustee, the Noteholders, the Receiptholders and the Couponholders that the courts of England are to have jurisdiction to settle any disputes which may arise out of or in connection with the Trust Deed, the Notes, the Receipts and/or the Coupons and that accordingly any suit, action or proceedings (together referred to as "**Proceedings**") arising out of or in connection with the Trust Deed, the Notes, the Receipts and/or the Coupons may be brought in such courts.

(c) Each of BCP Finance and the Bank has in the Trust Deed irrevocably waived any objection which it may have now or hereafter to the laying of the venue of any such Proceedings in any such court and any claim that any such Proceedings have been brought in an inconvenient forum and has further irrevocably agreed that a judgement in any such Proceedings brought in the English courts shall be conclusive and binding upon it and may be enforced in the courts of any other competent jurisdiction. Nothing in this Condition shall limit any right to take Proceedings in any other court of competent jurisdiction, nor shall the taking of Proceedings in one or more jurisdictions preclude the taking of Proceedings in any other jurisdiction, whether concurrently or not.

(d) Each of BCP Finance and the Bank has in the Trust Deed appointed the London Representative Office of Banco Comercial Português, S.A. at 3rd Floor, 63 Queen Victoria Street, London EC4V 4UA for the time being as its agent for service of process in England in respect of any Proceedings and has undertaken that in the event of it ceasing so to act it will appoint such other person as the Trustee may approve as its agent for that purpose.

USE OF PROCEEDS

The net proceeds from each issue of Notes will be applied by the relevant Issuer for the general corporate purposes, which include making a profit, of the Banco Comercial Português Group.

BCP FINANCE BANK, LTD.

Introduction

BCP Finance Bank, Ltd. ("**BCP Finance**") was incorporated as an exempted company for an unlimited duration with limited liability under the laws of the Cayman Islands, on the 27 March, 1998 with registered number 80648.

The Registered Office of BCP Finance is at 3rd floor, Strathvale House, 90 North Church Street, P.O. Box 30124 SMB, George Town, Grand Cayman, Cayman Islands, B.W.I. Its local Agent and Authorised Representative is BCP Bank & Trust Company Ltd., at the same address with telephone and telefax number: (1) 345 949 8322 and (1) 345 949 7743, respectively. Both BCP Finance and BCP Bank & Trust Company Ltd. (BCP B&T) are wholly owned subsidiaries of the Guarantor.

Board of Directors

(a) The Directors of BCP Finance are as follows:

Name	*Function in the Issuer*	*Principal activity outside Issuer*
Filipe Maria de Sousa Ferreira Abecasis	Chairman and Director	General Manager of BCP
Helena Soares Carneiro	Vice-Chairman and Director	Director and General Manager of BCP Bank & Trust Company Ltd.
José Carlos Castro Monteiro	Director	Director and Senior Private Banker of BCP Bank & Trust Company Ltd.
Alex Antonio Urtubia	Director	Director and IT and Resources Manager
Belmira Abreu Cabral	Director	General Manager of BCP

Mr. José Carlos Castro Monteiro is the Secretary of BCP Finance and Mr. Alex Antonio Urtubia is the Assistant Secretary.

The business addresses of each of the Directors of BCP Finance are (i) in the case of Filipe Maria de Sousa Ferreira Abecasis and Belmira Abreu Cabral, Banco Comercial Português S.A., Rua Augusta, 62-84, 1149-023, Lisbon, Portugal, and (ii) in the case of Helena Soares Carneiro, José Carlos de Castro Monteiro and Alex Antonio Urtubia, 3rd floor, Strathvale House, 90, North Church Street, George Town, P.O. Box 30124, Grand Cayman KYI-1201, Cayman Islands, B.W.I.

(b) The Directors do not, and it is not proposed that they will, have service contracts with BCP Finance. No Director has entered into any transaction which is or was unusual in its nature or conditions or was significant to the business of BCP Finance since its incorporation. No Director or any connected person has any interests, whether or not held by a third party, in the share capital of BCP Finance. At the date of this document there were no loans granted or guarantees provided by BCP Finance to any Director of BCP Finance.

As at the date of this Offering Circular, the Directors have not received, nor is it intended that they should in the future receive, any remuneration for the provision of their services to BCP Finance.

Other than as disclosed above, no Director has any activities outside BCP Finance which are significant with respect to BCP Finance.

There are no potential conflicts of interest between the duties to BCP Finance of the persons listed above and their private interests or duties.

BCP Finance complies with general provisions of Cayman Islands law on corporate governance.

Audit Committee

The Audit functions of BCP Finance are centralized in the structures of the Banco Comercial Português Group specialized in these activities – the Banco Comercial Português, S.A. (the "**Bank**") Audit, Security and Anti-Money Laundering ("**AML**") Committee.

The Bank's Audit, Security and AML Committee comprises ten members. Five of its members are members of the Executive Board, including its Chairman: Paulo Teixeira Pinto (Chairman), Christopher de

Beck, António Rodrigues, Alípio Dias, Alexandre Bastos Gomes. The Bank's Audit, Security and AML Committee also comprises representatives for certain areas, namely the Member Responsible for the Audit (Secretary), the Member Responsible for Physical Security, the Member Responsible for Logical Systems Security, the compliance Officer and the Member Responsible for Servitrust.

Activities

BCP Finance is a wholly owned subsidiary of the Bank, acting as an overseas finance vehicle of the Bank and the Banco Comercial Português Group. The objects for which BCP Finance were established are, pursuant to Clause 3 of its Memorandum of Association:

(1) To carry on, in any part of the world, business as bankers, capitalists, financiers, promoters, concessionaires and merchants, and to undertake, carry on and execute all kinds of financial, commercial, manufacturing, trading and other operation, and to carry on any business which may seem to be capable of being conveniently carried on in connection with any of these objects, or calculated directly or indirectly, to enhance the value of, or facilitate the realisation of, or render profitable, any of the property or rights of the Company;

(2) To advance, deposit or lend money, securities and property, to or with such persons and on such terms as may seem expedient, to discount, buy, sell and deal in bills, notes, warrants, coupons, and other negotiable or transferable securities or documents; to issue, confirm, notify and advise letters of credit of any kind, whether revocable or irrevocable; to guarantee or become liable for the payment of money or for the performance of any obligations; to engage in exchange of foreign currencies;

(3) To carry on the business of a trust company or corporation in all its branches, and, without limiting the generality of the foregoing words, to undertake and execute trusts of all kinds, whether private or public, and to undertake the office of and act as trustee, executor, administrator, manager, agent, attorney, nominee, delegate, substitute director, secretary, treasurer, registrar, paying agent, receiver, liquidator, or for any person or persons, company, corporation, government, state, colony, province, dominion, sovereign or authority, supreme, municipal, local or otherwise, and generally to undertake, perform and discharge any trusts or trust agency business, and any office of confidence, either solely or jointly with others.

Share Capital

The existing issued ordinary shares of BCP Finance are not listed on any stock exchange and are not dealt in any recognised market.

The authorised share capital of BCP Finance is U.S.$226,000,000 divided into 194,500,000 Ordinary Shares of U.S.$1.00 par value each and 31,500,000 Series A Floating Rate Non-Cumulative Non-Voting Preference Shares of U.S.$1.00 par value each ("**Series A Preference Shares**").

The issued share capital of BCP Finance is U.S.$218,000,000 divided into:

186,500,000 Ordinary Shares of U.S.$1.00 par value each, issued to BCP Internacional II, Sociedade Unipessoal, SGPS, Lda, a fully owned Subsidiary of Banco Comercial Português, S.A.; and

31,500,000 Series A Floating Rate Non-Cumulative Non-Voting Preference Shares of U.S.$1.00 par value each ("**Series A Preference Shares**"), issued to Banco Millennium bcp Investimento, S.A., acting through its Madeira Offshore Branch.

There are no arrangements in place which may result in a change of control of BCP Finance.

General

KPMG, with address at Century Yard Cricket Square, PO Box 493, George Town, Grand Cayman, Cayman Islands are the auditors of BCP Finance (having been appointed by the Board of Directors on 31 March, 1998 and have audited all the Issuer's annual reports including the two latest ones, for the years ended 31 December, 2004 and 2005).

BCP Finance has made no investments since the date of their last audited financial statements and has made no firm commitments on future investments.

There have been no recent events particular to BCP Finance which are to a material extent relevant to the evaluation of BCP Finance's solvency.

BCP FINANCE BANK, LTD.

Balance Sheets as at 31 December, 2005 and 2004
(Amount expressed in thousands of USD)

	2005	*2004*
Assets		
Cash and cash equivalents	618	45
Loans and advances to credit institutions	14,140,955	14,471,486
Financial assets held for trading	159,436	166,433
Investments	2,627,204	2,752,423
Hedging derivatives	46,517	–
Other assets	179,761	142,973
Total Assets	17,154,491	17,533,360
Liabilities		
Amounts owed to credit institutions	559,462	108,261
Debt securities	13,940,737	14,421,041
Financial liabilities held for trading	51,257	3,432
Hedging derivatives	3,347	–
Subordinated debt	2,073,268	1,940,993
Other liabilities	93,030	476,881
Total Liabilities	16,721,101	16,950,608
Shareholders' Equity		
Share capital		
Ordinary shares	186,500	186,500
Preference shares	31,500	31,500
Other reserves and retained earnings	215,390	364,752
Total Shareholders' Equity	433,390	582,752
	17,154,491	17,533,360

BCP FINANCE BANK, LTD.

Statements of Income and Retained Earnings
for the years ended 31 December, 2005 and 2004
(Amounts expressed in thousands of USD)

	2005	*2004*
Interest income	500,066	440,928
Interest expense	448,219	432,656
Net interest income	51,847	8,272
Operating income		
Profits arising from trading and hedging activities	534,974	2,244
	534,974	2,244
Operating expenses		
Commissions	1	–
Losses arising from trading and hedging activities	547,889	45,605
Other administrative expenses	2,740	2,937
Other expenses	72	96
	550,702	48,638
Net income/(loss) for the year	36,119	(38,122)
Retained earnings at the beginning of the year	97,620	136,702
Dividends paid		
On Ordinary Shares	(3,775)	(7,608)
On Preference Shares	(1,043)	(429)
Exchange differences arising on translation of retained earnings	(50,274)	7,077
Retained earnings at the end of the year	78,647	97,620

BCP FINANCE BANK, LTD.

Statements of Cash Flows
for the years ended 31 December, 2005 and 2004
(Amounts expressed in thousands of USD)

	2005	*2004*
Cash flows from operating activities		
Interest income and other income received	500,066	417,767
Interest expense and other expense paid	(448,291)	(433,253)
Net cash flows from trading and hedging activities	37,022	(21,481)
Operating fees and other payments	(2,741)	(2,937)
Exchange differences arising on translation of subordinated loans at year-end rates	(259,920)	(241,146)
(Increase)/decrease in operating assets		
Loans and advances to credit institutions	330,531	(4,304,242)
Other assets	(41,958)	12,880
Increase/(decrease) in operating liabilities		
Amounts owed to credit institutions	451,201	(12,355)
Other liabilities	(383,851)	40,636
	182,059	(4,544,131)
Cash flows from investing activities		
Subordinated loans matured	–	503,250
	–	503,250
Cash flows from financing activities		
(Repayment)/proceeds from issuance of debt securities	(480,304)	3,844,659
Proceeds from issuance of subordinated debt	353,910	141,218
Proceeds from issuance of share capital	–	7,000
Share premium proceeds from issuance of share capital	–	49,000
Dividends paid	(4,818)	(8,037)
	(131,212)	4,033,840
Exchange differences arising on translation of retained earnings and income for the period at year-end rates	50,274	7,077
	50,274	7,077
Net decrease in cash and equivalents	573	36
Cash and cash equivalents at the beginning of the year	45	9
Cash and equivalents at the end of the year (Note 5)	618	45

BCP FINANCE BANK, LTD.

Unaudited Balance Sheet as at 30 June, 2006 and 2005
(Amounts expressed in thousands of USD)

	Jun-06	*Jun-05*
Assets		
Cash and cash equivalents	70	79
Loans and advances to credit institutions	17,820,128	13,911,736
Financial assets held for trading	69,303	9,978
Investments	2,814,258	2,705,549
Hedging derivatives	76,608	207,553
Other assets	261,443	169,386
Total Assets	21,041,810	17,004,281
Liabilities		
Amounts owed to credit institutions	677,378	587,892
Debt securities	17,566,194	13,731,267
Financial liabilities held for trading	101,951	19,592
Hedging derivatives	5,271	21,754
Subordinated debt	2,206,725	2,149,159
Other liabilities	70,623	50,197
Total Liabilities	20,628,142	16,559,861
Shareholders' Equity		
Share capital		
Ordinary shares	186,500	186,500
Preference shares	31,500	31,500
Other reserves and retained earnings	195,668	226,420
Total Shareholders' Equity	413,668	444,420
	21,041,810	17,004,281

CHIEF ACCOUNTANT THE BOARD OF DIRECTORS

See accompanying notes to the financial statements

BCP FINANCE BANK, LTD.

Unaudited Statement of Income and Retained Earnings
for the period of six months ended 30 June, 2006 and 2005
(Amounts expressed in thousands of USD)

	Jun-06	*Jun-05*
Interest income	321,097	248,565
Interest expense	303,446	225,404
Net interest income	17,651	23,161
Operating income		
Profits arising from trading and hedging activities	137,694	404,087
	137,694	404,087
Operating expenses		
Commissions	1	–
Losses arising from trading and hedging activities	163,855	393,428
Other administrative expenses	1,406	1,402
Other expenses	76	70
	165,338	394,900
Net income/ (loss) for the year	(9,993)	32,348
Retained earnings at the beginning of the year	78,647	97,620
Dividends paid		
On Ordinary Shares	–	(3,869)
On Preference Shares	–	(417)
Exchange differences arising on translation of retained earnings	5,831	(49,099)
Retained earnings at the end of the period	74,485	76,583

See accompanying notes to the financial statements

BCP FINANCE BANK, LTD.

Statements of Cash Flows
for the period of six months ended 30 June, 2006 and 2005
(Amounts expressed in thousands of USD)

	Jun-2006	*Jun-2005*
Cash flows from operating activities		
Interest income and other income received	321,097	248,565
Interest expense and other expense paid	(303,447)	(225,404)
Net cash flows from trading and hedging activities	61,946	9,465
Operating fees and other payments	(1,482)	(1,472)
Exchange differences arising on translation of subordinated loans at year-end rates	158,010	(166,583)
(Increase)/decrease in operating assets		
Loans and advances to credit institutions	(3,679,173)	559,750
Other assets	(284,296)	(96,835)
Increase/(decrease) in operating liabilities		
Amounts owed to credit institutions	117,916	479,631
Other liabilities	(22,407)	(426,684)
	(3,631,836)	380,433
Cash flows from financing activities		
(Repayment)/proceeds from issuance of debt securities	3,625,457	(689,774)
Proceeds from issuance of subordinated debt	–	362,760
Dividends paid	–	(4,286)
	3,625,457	(331,300)
Exchange differences arising on translation of retained earnings and income for the period at year-end rates	5,831	(49,099)
	5,831	(49,099)
Net decrease in cash and equivalents	(548)	34
Cash and cash equivalents at the beginning of the year	618	45
Cash and equivalents at the end of the period	70	79

See accompanying notes to the financial statements

DESCRIPTION OF BUSINESS OF THE GROUP

A. History and Development of the Bank

Overview

Millennium bcp ("**BCP**" or the "**Bank**") is the principal bank within the Group of companies, the largest banking Group in Portugal in terms of loans to customers and number of branches and the second largest in terms of total assets and customer deposits, on 31 December, 2005 (based on data from the Portuguese Banking Association). The Group is engaged in a wide variety of banking and related financial services activities, in Portugal and internationally. In Portugal, the Group's operations are primarily retail banking, but it offers a range of additional financial services, including investment banking, mortgage lending, consumer credit, specialised credit, asset management and insurance. Internationally, the Group operates in a small number of countries with high growth potential, targeting in particular Poland and Greece, and in a number of other countries that have a close historical connection with Portugal or large communities of Portuguese origin.

On 30 June, 2006, the Group had total assets of 76,383 million euros and total customers' funds (consisting of amounts due to customers including securities, assets under management and capitalisation insurance) of 56,777 million euros. Net loans amounted to 54,071 million euros. The Group's capital ratio stood at 12.3 per cent. on 30 June, 2006 according to Bank of Portugal rules (tier one: 7.3 per cent.).

Based on the latest available data from the Portuguese Banking Association, the Bank accounted for 21 per cent. of total assets, 25 per cent. of loans to customers and 22 per cent. of customers' deposits in the Portuguese banking sector on 31 December, 2005. In addition, on 30 June, 2006, the Bank was one of the largest companies listed on Euronext Lisbon in terms of market capitalisation (8,017 million euros).

The Bank's registered offices are located at Praça Dom João I, 28, 4000 – 295 Porto, with telephone number +351 213 211 000.

Bank History

The Bank was incorporated on 25 June, 1985 as a limited liability company ("sociedade anónima") with a unique register and fiscal number of 501 525 882 organised under the laws of the Portuguese Republic, following the deregulation of the Portuguese banking industry that permitted the formation of privately owned commercial banks. The Bank was founded with the support of a group of over 200 founding shareholders and a team of experienced banking professionals who sought to capitalise upon the opportunity to form an independent financial institution, operating primarily in Portugal, that would serve the underdeveloped domestic financial market in areas and in a manner previously unexplored by the state-owned banks. The Bank implemented a clearly defined strategy, based upon intensive market research, which was focused on:

- segmentation of the markets and quality of service directed to the specific needs of each such market;
- integrated delivery and cross-selling of financial services;
- modern bank operating systems;
- innovative marketing;
- experienced management; and
- ensuring adequate capital resources in anticipation of investments and asset expansion.

In pursuit of the Bank's strategy of market segmentation, key market segments have been identified over time. Until 2003, these segments were served through autonomous distribution networks. These networks operated under different brands: Individuals & Businesses, Private Banking, Corporate Retail, Corporate Banking, NovaRede, Atlântico and SottoMayor. In October 2003, the Bank replaced these various brands by "Millennium bcp", a single brand name.

The first stage of the BCP Group development was characterised primarily by organic growth and, until 1994, the Bank was able to increase significantly its share of the Portuguese financial services market by exploiting the market opportunities presented by deregulation. After 1994, competition in the domestic banking market intensified following the modernisation of existing financial institutions and the entry of new foreign and domestic deposit taking banks and non-deposit taking financial institutions. The Bank acquired a domestic bank with a complementary business focus to secure additional market share in domestic banking, insurance and other related financial services sectors.

In March 1995, the Bank acquired control of Banco Português do Atlântico, S.A. ("**BPA**" or "**Atlântico**"), which was then the largest private sector bank in Portugal. This followed a joint take-over bid for the whole share capital of Atlântico, launched together with Companhia de Seguros Império ("**Império**"), a Portuguese insurance company. In June 2000, Atlântico was merged into the Bank.

Império's largest shareholder was the José de Mello Group. The joint take-over bid for the whole share capital of Atlântico led to further cooperation between this group and the Bank, which culminated in the merger of the Bank's financial services business with that of the José de Mello Group in January 2000. The merger included the purchase from the José de Mello Group of its subsidiaries Uniparticipa and Finimper that, in turn, controlled 51 per cent. of the share capital of each of Banco Mello and Império, respectively. Subsequently, the Bank launched public offers for the minority interests in Banco Mello and Império. In June 2000, Banco Mello was merged into the Bank.

In March 2000, the Bank reached an agreement with Caixa Geral de Depósitos ("**CGD**"), a large Portuguese banking group, for the purchase of a controlling stake in Banco Pinto & SottoMayor ("**SottoMayor**"), held by CGD. In April 2000, the Bank purchased, in a public tender offer, a majority interest in SottoMayor from CGD and the remaining shares in SottoMayor from its minority shareholders. In December 2000, SottoMayor was merged into the Bank.

With a view to strengthening the focus on the core business of distribution of financial products, including bancassurance, and to optimising capital consumption, important agreements were established in 2004 with the Caixa Geral de Depósitos Group relating to non-bancassurance insurance and with the Belgian-Dutch group Fortis involving the bancassurance business. In the former case, the agreement involved the sale of the whole of the share capital of insurers Império Bonança and Seguro Directo, and of Impergesto and Servicomercial. The agreement with Fortis involved the sale of 51 per cent. of the share capital and the transfer of management control of the insurers Ocidental – Companhia Portuguesa de Seguros, S.A. ("**Ocidental**"), Ocidental – Companhia Portuguesa de Seguros de Vida, S.A. ("**Ocidental Vida**") and Médis – Companhia Portuguesa de Seguros de Saúde, S.A. ("**Médis**"), and of the pension-fund manager Pensõesgere – Sociedade Gestora de Fundos de Pensões, S.A. ("**Pensõesgere**"). Following the approval of the relevant authorities, these operations took place in the first half of 2005. In the scope of this partnership, Fortis increased its shareholding in the Bank to 4.99 per cent. in September 2005. As a consequence of the two BCP share capital increases that took place in 2006 Fortis's shareholding in the Bank decreased to 4.94 per cent..

During 2005, important operations were carried out in the matter of the sale of or reduction of exposure to non-core assets, with emphasis on: finalisation of the sale of Crédilar; the sale to Santander Consumer Finance of the BCP holding in Interbanco (50.001 per cent. of the Interbanco share capital); the agreement with Hong Kong-based Dah Sing Bank Limited for the sale of the banking and insurance businesses carried on in Macao, while ensuring the continuation of the local BCP branch; the start of the process of information and consultation with the social partners in France, a condition, under local law, for the conclusion of the agreement for the acquisition by Caisse Nationale des Caisses d'Epargne of 80.1 per cent. of the share capital of Banque BCP; the sale of the shareholdings in Friends Provident, Banca Intesa, PZU and the reduction of the holding in EDP. These were measures of strategic scope that generated considerable capital gains and made a determinant contribution to the increase of BCP's own funds.

In the context of the strategic guidelines announced in 2003 (see "**Strategy**"), namely with the view of focusing on core banking businesses and optimising the use of capital, reducing its stakes in non-core operations, the Bank completed in 2006 the sale of the participation of 50.001 per cent. in Interbanco, S.A. share capital and the sale of 80.1 per cent. of the share capital of Banque BCP France and Banque BCP Luxembourg to the French financial institution Groupe Caisses d'Epargne. BCP Group will retain 19.9 per cent. participations in both of the French and Luxembourg operations and has established cooperation agreements with the buyer for developing cross-border remittances in both markets.

The Bank had assumed a clear option for an internalisation strategy, after the consolidation of a relevant position in the Portuguese market. The aims underlying the involvement in a process of internalisation were, since the first moment, the entry in businesses with strong growth prospects in foreign markets with a close historical connection with Portugal or that have large communities of Portuguese origin – including Mozambique, Macao, Luxembourg, France, US and Canada – and in markets where there is a strong commercial rationale for establishing banking operations following a similar business model to the one the Bank has adopted in its Portuguese market – Poland and Greece. The access to specialized know-how and the new organizational capabilities led to the development of strategic partnerships with selected foreign financial institutions. These included alliances with Eureko, Banco Sabadell in Spain and, more recently, Fortis. The experience meanwhile acquired in the conception and reorganization of operating platforms and businesses enabled the Bank to develop from a know-how receiver position to a know-how provider position. In Poland,

the Bank operates through Millennium Bank, formerly named Big Bank Gdanski ("**BBG**"). In Greece, the Bank's NovaBank operations target the Greek retail banking sector. The Polish and Greek Markets are considered a priority for the Bank.

The Bank has made a preliminary public announcement on 13 March, 2006 for the launch of a general tender offer for the acquisition of the shares representing the share capital of Banco BPI, S.A. ("BPI"). The Bank received the notification of the decisions by Bank of Portugal and by Instituto de Seguros de Portugal (Portugal's Insurance Supervising entity) of non-opposition to the offer and of the decision of the Portuguese Competition Authority to proceed to the next phase of in-depth investigation regarding a limited number of markets and business areas. BPI is the fifth largest bank in Portugal with total assets of 32,290 million euros on June 2006.

B. Business Overview

Nature of Operations and Principal Activities

The BCP Group is engaged in a wide variety of banking and related financial services activities, in Portugal and internationally. In Portugal, the Bank's operations are primarily retail banking, but the Bank offers a range of additional financial services. The Bank also engages in a number of international activities and partnerships.

The Bank's banking products and services include deposit-taking, short-term lending, mortgage lending, trade finance, credit cards, fund transfers, custody of securities, foreign exchange, treasury services and money market operations. The Bank's domestic retail banking activities are conducted mainly through its marketing and distribution network in Portugal, that follow a segmented approach to the Portuguese retail banking market and serve the diverse banking needs of specific groups of customers. Back office operations for the distribution network are integrated in order to exploit economies of scale.

The Bank has subsidiaries that offer additional financial services, including investment banking, mortgage lending, asset management and insurance. These subsidiaries generally distribute their products through BCP's distribution networks. The Bank's retail banking and related financial services activities, together with its international operations and partnerships, are described in greater detail below.

Strategy

The Bank's strategy is to maintain and develop its position as the leading private Portuguese financial services group by extracting the maximum potential value from its retail and corporate customer base. Additionally, the Bank plans to focus on selective international expansion. The three main elements of the Bank's strategy are to:

- *Further develop the Bank's leading position in the Portuguese banking market.* The Bank intends to maintain its focus on its domestic retail banking operations, extracting potential value from its customer base by using its detailed knowledge of its customers and the Portuguese market. In addition, the Bank aims to generate additional revenue growth by leveraging on its best management practices, by focusing on higher value added products and by increasing cross-selling across its marketing and distribution network. The Bank believes there is significant potential to increase the range of products sold through its network. The Bank also intends to continue to reduce operating costs by improving operating efficiency. Consolidation of the leadership in the Portuguese banking market is part of a plan leading to sustained improvement of consolidated profitability – the Millennium Refoundation Programme – involving the implementation of a number of initiatives directed at promoting business, at improving customer loyalty indicators, at adopting a more rational pricing and at optimising the multi-channel distribution model. Maximisation of the value of franchising in Portugal is essential to obtain adequate profitability and internal fund generating levels, to continue to improve efficiency, to generate synergies through centralisation of activities and through capitalising on the know-how and experience acquired on the several markets, and to improve credit quality.
- *The Bank pursues a strategy of becoming a truly multi-domestic institution*, with due regard for the principles of capital discipline and creation of value to shareholders, having established as its priority the acceleration of growth in the core operations in Poland and Greece, through ambitious expansion of the branch networks, seeking to achieve relevant dimension in each operation and in each market, and to increase the contribution of these operations to consolidated profits. The Bank intends to concentrate its international expansion in Poland and Greece through organic growth. The Bank believes Millennium Bank, its Polish operation, is well placed to deliver a high return on investment, due to the

significant economic growth expected in Poland as its financial system converges with that of EU Member States, and as a result of the major restructuring program, which Millennium Bank undertook in 2002-04. This included the introduction of a new technology platform, the reorganisation of its branch network, the redefinition of its credit processes the alignment of provisioning policies with EU standards and a refocus on strategic products such as mortgage lending, credit cards, leasing and asset management. NovaBank in Greece, is still at an early stage of development, but is expected to grow significantly. The Bank's focus on Poland and Greece results from the belief that, as the banking industry deregulates in both Poland and Greece, the Bank will be able to apply the experience it gained following the deregulation of the Portuguese banking system and Portugal's accession to the EU. The Bank also operates in a number of countries with significant communities of Portuguese origin, where the Bank can take advantage of its position as a leading Portuguese bank. The Bank is still evaluating opportunities of growth in specific markets that could materialise through acquisitions or greenfield operations, provided that those operations add value to its business portfolio and have a relevant strategic fit.

– *Maintain strong commitment to capital management*. Improving management of its capital is a strategic priority for the BCP Group. The Bank believes that the capitalisation of the Bank, together with its internal capital generation, should be sufficient to enable the maintainance of adequate capital ratios going forward. In addition, the Bank intends to manage its capital as effectively as possible by reallocating capital to its most profitable businesses, focusing on core activities and divesting non-core operations in due course.

Banking Network in Portugal

The Bank offers a broad range of banking products and services to retail and corporate customers in Portugal. These products and services include deposit-taking, short-term lending, mortgage lending, trade finance, credit cards, fund transfers, custody of securities, foreign exchange, treasury services and money market operations.

The Bank's retail banking activities are conducted in Portugal through its customer-oriented marketing and distribution network. In addition to providing retail banking products and services, the Bank's banking distribution network also serves as a distribution channel for certain specialised products and services of the Bank, including investment banking, mortgage lending, consumer credit, specialised credit, asset management and insurance.

Since 1996, the Bank has integrated its back office operations. The Bank established Millennium bcp – Prestacão de Serviços (formerly known as ServiBanca), whose objective is to provide technological, operational, administrative and purchasing services to members of the Group. It provides its services at cost to all members of the Group. Millennium bcp – Prestação de Serviços was responsible for carrying out standardised back office activities, management of information technology, accounting and audit, and the monitoring of the costs associated with the Group's activities. Outsourcing back office functions to a common structure has allowed the Group to take advantage of economies of scale and better allocate its resource management capabilities, even if until 2003 the Bank maintained autonomous distribution networks operating under distinct brands to take advantage of strong brand recognition. Millennium bcp – Prestação de Serviços is currently under a process of reorganization, with the aim of rationalising the Group management. According to this reorganization process several services previously provided by Millennium bcp Prestação de Serviços will start to be provided directly by Millennium bcp. The scope of the services provided by Millennium bcp Prestação de Serviços will narrow as a result of this transfer to Millennium bcp. Millennium bcp Prestação de Serviços will continue to represent their associates regarding third parties, namely in the areas of IT, operational, administrative and procurement.

Other Financial Services in Portugal

Investment Banking

Millennium bcp investmento is the Bank's investment banking subsidiary. Millennium bcp investmento is wholly owned by the BCP Group.

Mortgage Lending

The Bank entered the mortgage lending business in 1992, when it launched, in association with Cariplo – Cassa di Risparmio delle Provincie Lombarda S.p.A. ("**Cariplo**") (now a part of the Italian financial group

Banca Intesa), an autonomous mortgage bank, Banco de Investimento Imobiliário, S.A. ("**BII**"). BII was 69.9 per cent. owned by the BCP Group, with the remaining 30.1 per cent. being owned by Banca Intesa. BII previously distributed its mortgage products through the Bank's marketing and distribution networks, as well as through its own retail outlets. On 21 September, 2005, the Bank reached an agreement with Banca Intesa for the unwinding of the joint venture arrangements regarding BII. In October 2005 the Bank acquired 30.1 per cent. of the capital of BII owned by Intesa, becoming the sole shareholder of BII. In 2006, following the discussions held regarding a potential sale, and considering the value of this asset for BCP, the Board of Directors has decided to merge BII into BCP, which will enable the capturing of cost synergies and allow the creation of an integrated and dedicated business unit for the indirect mortgage distribution channel, i.e. through agents and brokers.

Private Banking

The Bank is engaged in the private banking business through Millennium bcp private bankers network, which has autonomous structures directed at Portuguese and non-resident companies, by Banque Privée BCP, a private banking operation with headquarters in Switzerland, and by ActivoBank7, a predominantly online bank specialised in brokerage in stock market transactions and in the selection of and counselling in long-term investment products.

Asset Management

The Bank is engaged in the asset management business through Millennium bcp Fundos de Investimento, a group of subsidiaries specialised in investment fund management business and also through Millennium Gestão de Patrimónios, specialised in discretionary management of the portfolios of individuals Customers.

Insurance

The Bank has an interest in insurance activities through Millennium bcp Fortis, a joint-venture for bancassurance business with Fortis. The Group holds 49 per cent. of Millennium bcp Fortis' share capital, while the remaining 51 per cent. is held by Fortis.

International Activities

The Bank is actively pursuing its strategy of focused international expansion. Since 2000, the Bank has targeted those countries that present strong business growth prospects and where the Bank believes there is a strong commercial rationale for establishing banking operations following a similar business model to the one the Bank has adopted in the Portuguese market. In exploiting this strategy, the Bank has concentrated on Poland and Greece in particular. In addition, the Bank established banking operations in a number of countries that have a close connection with Portugal or have large communities of Portuguese origin. These include Mozambique, Angola, Luxembourg, France, the United States and Canada.

Poland

In 1998, the Bank entered into a partnership agreement with the Polish financial group, BBG, pursuant to which the Bank launched a retail operation within BBG in the Polish market under the name "Millennium". This joint venture was controlled jointly by the Bank and BBG. As part of a restructuring of BBG in 2002, the Bank and BBG decided to merge their Millennium joint venture into BBG and establish one banking operation. During the fourth quarter of 2002, the Bank increased its shareholding in BBG to 50 per cent. of its share capital. At the start of 2003, BBG changed its name to Millennium Bank. All existing BBG branches and brands have been rebranded under the name "Millennium Bank". In the second quarter of 2006, BCP required authorisation to the Polish Banking Supervision Commission to increase the participation on the capital and voting rights of Bank Millennium S.A. from 50 per cent. to a maximum of 66 per cent., with a view to deliberate, in the future and opportunely, the more adequate form and amount to proceed to the reinforcement of the participation in that Bank considering the adequate economic, legal and market conditions. According to recent legal changes occurred in Poland, such increase of participation does not imply any obligation to launch a General Tender Offer. Millennium Bank is a universal bank directed at medium and high net worth individuals, with a specialized approach to medium companies and small businesses segments. Bank Millennium's activity is based on the three pillars that support its medium term strategy: to increase in scale and improve the profitability of the retail business, through organic growth; to improve sales and the offer

to the corporate sector, in order to improve results; and exploit economies of scope and operating synergies with Millennium bcp, with the objective of capitalizing on the benefits of integrating to a multi-domestic financial group.

Greece

In July 1999, the Bank and Interamerican Hellenic Life Insurance Company S.A. ("**Interamerican**"), one of the largest Greek life insurers and a wholly owned subsidiary of Eureko, launched a joint greenfield retail banking operation in the Greek market, NovaBank. Following the April 2005 acquisition of 50 per cent. of NovaBank's share capital and controlling rights, BCP wholly-owns NovaBank. NovaBank is a universal bank, with an initial focus on the financial retail business, but which expanded its activity from 2003 onwards to the private banking and business banking segments. NovaBank's recent performance reflects the success of a pioneering strategy that combines products, high quality services, state-of-the-art technology and qualified human resources.

Turkey

In order to leverage its operational capabilities and its geographic position, in 2002, NovaBank acquired Sitebank, a small Turkish commercial bank, to cater for the affluent individuals segment of the Turkish market in a selective and cost-efficient manner. This bank was subsequently renamed BankEuropa in 2003. Bank Europa was the first Turkish bank to be exclusively directed at a specific segment of customers: affluent individuals. BankEuropa bases its value proposition on the offering of a personalised, high quality service, through especially designed branches, experienced employees with adequate training and specific products and services to satisfy the needs of the target market.

Mozambique

Banco Internacional de Moçambique ("**BIM**") is a Mozambican retail bank that began operating in 1995. BIM was the first Mozambican bank to be created as a joint venture on an equal basis by local and foreign partners. In December 2001, BIM was merged into Banco Comercial de Moçambique, the Mozambican holding company of Banco Mello and Companhia de Seguros Império that was transferred to the Bank in 2000 following the Bank's agreement with the José de Mello Group to merge their financial services businesses. Banco Comercial de Moçambique was subsequently renamed Banco Internacional de Moçambique. BIM also holds interests in subsidiaries specialising in investment banking (BIM Investimento), in leasing activities (BIM Leasing), specialised credit (Credicar) and in insurance activities (SIM). In May 2006, the re-branding of BIM to Millennium bim took place, concentrating 10 distinct brands into one, keeping the approach to clients' segmentation ("Mass Market", "Affluent", "Businesses" and "Corporate"). The new image will enable the renewal of the commitment of the Bank to the Mozambique market. Millennium bcp bim is a universal bank that offers specialised products and services and clearly holds market leadership.

Angola

BCP's operation in Angola went through an important transformation in 2005, with the request to convert the Branch into a Bank under the local law, which has adopted the designation of Banco Millennium Angola already in 2006.

Macao

BCP had an operation in the Special Administrative Region of Macao since 1995, through Banco Comercial de Macau, a universal banking operation whose origins date back to the opening of the Banco Português do Atlântico branch and which is mostly directed at retail activities, having established important relations with institutional companies and customers, and focusing on a global market approach centred on direct communication and insurance cross-selling. After the necessary authorisations were obtained, the process of sale of the stakes corresponding to 100 per cent. of Banco Comercial de Macau, S.A., 4 per cent. of Companhia de Seguros de Macau, S.A.R.L. – being 92 per cent. of the share capital already held by Banco Comercial de Macau, SA.R.L. – and 0.13 per cent. of Companhia de Seguros de Macau Vida S.A.R.L. – being the remainder of the share capital already held by Companhia de Seguros de Macau, S.A.R.L. – to the Dah Sing Group, was concluded on 19 December, 2005. BCP continues to ensure its presence through its Macao branch.

France

Banque BCP (France) is a retail banking operation based in France established in 2001 as a result of the merger of the French banking institutions, which the Bank acquired as a result of the acquisitions of Atlântico, Banco Mello and SottoMayor. Banque BCP (France) serves a clearly defined market segment consisting of residents in France who originated from, or have close ties with, Portugal. Luxembourg Banque BCP (Luxembourg) became part of the BCP Group as a result of the acquisition of Banco Mello in 2000. It was formerly named Banco Mello (Luxembourg) and is wholly owned by the BCP Group. Banque BCP (Luxembourg) focuses on retail banking and targets the Portuguese community resident in Luxembourg. In July 2006, Banco Comercial Português completed the sale process of 80.1 per cent. of the share capital of Banque BCP France and Banque BCP Luxembourg to the French financial institution Groupe Caisse d'Epargne. BCP Group will retain 19.9 per cent. participations in both of the French and Luxembourg operations and has established cooperation agreements with the buyer focused on developing cross-border remittances on both markets.

United States of America

In November 2000, BCPBank (US), or BPABank, as it was then named, opened its first branches in the State of New Jersey in the United States of America. BCPBank (US) targets the local population in areas where the Portuguese community has a strong presence. BCPBank (US) is wholly owned by the BCP Group.

Canada

Following the acquisition by the Bank of SottoMayor in 2000, BCPBank (Canada), or SottoMayor Bank Canada, as it was then named, became part of the BCP Group. BCPBank (Canada) is a retail bank operating in Canada, which targets the local population in areas where the Portuguese community has a strong presence. BCPBank (Canada) is wholly owned by the BCP Group. In August 2006, the Bank signed an agreement with Canada's BMO Financial Group (originally Bank of Montreal) to sell 100 per cent. of the capital of bcpbank Canada for a consideration of CAD 41 million (28.4 million euros), with expected completion, subject to regulatory approvals, to occur in the fourth quarter of 2006. The estimated capital gain, before taxes, amounts to 8.9 million euros, corresponding to an additional 4 basis points in core tier 1 capital.

International Partnerships

Since 1991, the Bank has also developed an internationalisation strategy based on establishing cooperation agreements with foreign partners. The Bank's current foreign partners are Eureko, Banco Sabadell and Fortis. These partnerships involve, among other things, joint ventures, cross-shareholdings and reciprocal board representation.

Banco Sabadell

In March 2000, the Bank announced the terms of a strategic partnership agreement with Banco Sabadell of Spain, seeking the development of joint initiatives in finance-related fields of mutual interest. The Bank currently holds 2.75 per cent. of Banco Sabadell's share capital, while Banco Sabadell holds 2.49 per cent. of the share capital of the Bank.

Eureko

In 1991, the Bank established strategic partnerships with two significant European insurance groups, Friends Provident and AVCB Avero Centraal Beheer. In 1992, Eureko was established as a pan-European insurance group, as a result of the association of: the insurance groups Friends Provident, from the United Kingdom; AVCB Avero Centraal Beheer, from the Nederlands; Wasa, from Sweden; and the Danish financial group Topdanmark. In 1993, the Bank, through its insurance holding Seguros e Pensões Gere, became the fifth partner of this pan-European strategic insurance alliance. The Bank currently holds 2.63 per cent. of the share capital of Eureko, while Eureko Group holds 7.24 per cent. of the share capital of the Bank.

Fortis

In 2005, the Bank and Fortis established a joint venture for the bancassurance business, through the insurance company Millennium bcp Fortis. The Group holds 49 per cent. of Millennium bcp Fortis' share capital, while the remaining 51 per cent. is held by Fortis. In September 2005, Fortis increased its shareholding

in the Bank to 4.99 per cent.. As a consequence of the two BCP share capital increases that took place in 2006 the Fortis's shareholding in the Bank decreased to 4.94 per cent..

Banca Intesa

In 1991, the Bank established a strategic partnership with Cariplo, which in 1998 became part of the Italian financial group now known as Banca Intesa. This partnership was essential to the establishment of a mortgage bank, BII, which has successfully combined the product expertise in mortgage lending of the Bank's Italian partner with the Bank's knowledge of the Portuguese market. On 21 September, 2005, the Bank and Banca Intesa agreed to unwind this partnership and in October 2005 the Bank acquired 30.1 per cent. of the capital of BII. Concurrently, Banca Intesa sold 7.43 per cent. of its shareholding in the Bank, and the Bank disposed of its 2.1 per cent. of the share capital of Banca Intesa through a contribution to the Bank's Pension Fund.

Recent Developments

The following are among the most significant business developments of the Group since 31 December, 2005:

- On 4 January, 2006, the Share Capital of the Bank was increased to 3,588,331,338 euros, following the conversion of the Mandatory Convertible Securities "Capital BCP 2005" ("**Securities**"), which matured on 30 December, 2005. A public deed of increase of the Bank's share capital was executed and 330,930,511 new ordinary shares were issued in relation with the conversion of the Capital BCP 2005 Securities. The new shares were listed on Euronext Lisbon on 6 January, 2006, and were fully fungible with the existing shares.
- On 10 January, 2006, the Bank concluded the sale of the participation of 50.001 per cent. in Interbanco, S.A. share capital, announced on 4 August, 2005. The acquirer was Santander Consumer Finance, S.A., the entity indicated by SAG GEST - Soluções Automóvel Globais, SGPS, S.A., in the exercise of its preference rights. The sale price was 110 million euros, as previously announced. This disposal generated a capital gain of 82.2 million euros, which had a positive impact of 27 basis points on the Bank's total capital ratio.
- On 17 February, 2006, an agreement was reached with the French financial group Caisse Nationale des Caisses d'Epargne for the sale by BCP Group of shares representing 80.1 per cent. of the share capital of Banque BCP France and Banque BCP Luxembourg, both of which are currently fully owned by the Group, for a total consideration of 119.783 million euros, subject to final adjustments at completion. The Group will retain 19.9 per cent. participations in both of the French and Luxembourg operations and has established cooperation agreements with the buyer focused on developing cross-border remittances in both markets.
- On 21 February, 2006, the redenomination of the Renting Operation of BCP (Classis) took place, which is now named Millennium bcp Renting. With this change, the Bank intended to clarify to the market the quality, dynamic and solidity which result from the inclusion of the business areas in the same financial group, without prejudice to the differentiating elements stemming from the specific area of action, through the adoption of a common communication matrix. Millennium bcp Renting has as its objective the commercialisation of Renting through the Banking networks of BCP and results from a joint venture agreement (concluded in May 1998 and recently renewed) between Banco Comercial Português Group and GE Commercial Finance Fleet Services (General Electric Group).
- On 23 February, 2006, the Bank announced that it has been informed that the Angolan authorities have approved the transformation of its Angola branch into a local bank, through the incorporation of the respective assets and liabilities, with a share capital equivalent to approximately USD 25 million.
- On 13 March, 2006, the Bank made a Preliminary Public Announcement for the launch of a general tender offer for the acquisition of the shares representing the 100 per cent. of share capital of Banco BPI, S.A. The offered consideration shall be in cash, in the amount of 5.70 euros per share.
- On 13 March, 2006, the Annual General Shareholders Meeting of 2006 took place, with representatives of 69.15 per cent. of the share capital of the Bank present. Among the deliberations approved, the following are noteworthy: (i) Approval of the 2005 management report and of the consolidated and non-consolidated accounts of the Bank; (ii) Approval of the distribution, in cash, of a gross additional dividend of 0.037 euros per share, relative to the profit of 2005. Given that in October 2004 the bank had already been paid an early dividend with a gross value of 0.033 euros per share, the total amount of

the dividends amounts to 0.070 euros per share, which represents a unit increase of 7.6 per cent. in relation to the previous year; (iii) Approval of the changes to the Bank's articles of association as listed in paragraph 4 of the call notice of the General Meeting of Shareholders, namely having in view the adoption of one of the models foreseeable in the changes to the Commercial Companies Code approved in Council of Ministers, and which do not differ materially from the project released by the Securities Market Commission, with adoption of the dualist model of corporate organisation, composed by a Supervisory Board, an Executive Board and a Single Auditor, maintaining the Senior Board and the Remuneration and Welfare Board. Once the above mentioned regulation changes took place, the Supervisory Board then created became a social body and the Board of Auditors was replaced by a Single Auditor. From that date onwards, the Board of Directors is called Executive Board, with the composition and mandate in place at the time of the Annual General Shareholders Meeting; (iv) Election of the corporate bodies created in the General Annual Meeting.

- On 14 March, 2006, Standard & Poor's Ratings Services raised its long- and short-term counterparty credit ratings on the Bank, from "A-" and "A-2", to "A" and "A-1", respectively, changing simultaneously the "Outlook" from "Positive" to "Stable". The improvement of the credit ratings by Standard & Poor's represents the first change announced by this agency since 1992, when it began to attribute ratings on the Bank. This change takes into consideration the launch of a tender offer for Banco BPI by the Bank.
- On 27 March, 2006, the Share Capital of the Bank was increased following the exercise of the Employees' Stock Option Program to 3,611,329,567 euros, a public deed of increase of the Bank's share capital was executed and 22,998,229 shares in relation to the exercise of the employees' stock option program were issued on April 2003. The new shares were not entitled to the 2005 dividend, and were listed on Euronext Lisbon on 7 April, 2006, being then fully fungible with the existing shares.
- On 31 March, 2006, following the Preliminary Public Announcement of the decision to launch a public tender offer for the acquisition of shares of Banco BPI, S.A, the Bank and BCP Investment B.V. announced that they have delivered to CMVM the request for registration of the offer.
- On 10 April, 2006, the Bank requested authorization to the Polish Banking Supervision Commission to increase the participation on the capital and voting rights of Bank Millennium S.A. from 50 per cent. to a maximum of 66 per cent. According to recent legal changes that have occurred in Poland, such increase of participation does not imply any obligation to launch a general tender offer.
- On 22 May, 2006, the rebranding of BIM to Millennium bim took place. Millennium bim consolidates 10 distinct brands in one, keeping the approach by clients' segments ("**Mass Market**", "**Affluent**", "**Businesses**" and "**Corporate**"). The new image enabled the renewal of the Bank's commitment with the Mozambican market.
- On 29 May, 2006, the Bank announced that its US subsidiary bcpbank n.a. has entered into an agreement with the Office of the Comptroller of the Currency of the United States. The agreement sets forth certain measures designed to strengthen its management procedures to support its strategic organic growth plans.
- On 6 June, 2006, the Board of Directors of Bank of Portugal deliberated the non opposition to the acquisition, through general tender offer, by the Bank and its subsidiary BCP Investment B.V., of a qualified participation in Banco BPI, S.A., of up to 100 per cent. of its share capital and voting rights. This decision was taken on the assumption that a capital increase will be carried out in order for the Bank to comply with the capital adequacy regulatory requirements, this being in line with the Bank's intention to increase its own funds announced at the time of the preliminary public announcement of the offer.
- On 23 June, 2006, the Bank stated its potential willingness to sell its stake in ONI SGPS, within the scope of the sale process by EDP – Energias de Portugal of its stake of 56.61 per cent. in ONI SGPS' share capital, provided that conditions are satisfactory and safeguard the interests of BCP.
- On 28 June, 2006, the Competition Authority determined that it will initiate an in-depth investigation into the proposed acquisition of exclusive control in Banco BPI, S.A. This is the second phase of the process in course, as envisaged in the Competition Law for those operations that, due to their size and complexity, require a more detailed analysis by the Authority.
- On 4 July, 2006, the Board of Directors of the Portuguese Insurance Supervisor "Instituto de Seguros de Portugal" (Portuguese Insurance Institute) took the decision of non-opposition to the projected acquisition by the Bank of up to 100 per cent. of Banco BPI, S.A. share capital, which owns 35 per cent. of the share capital of Companhia de Seguros Allianz Portugal, S.A., 50 per cent. of the share capital of

COSEC - Companhia de Seguro de Créditos, S.A., 100 per cent. of the share capital of BPI Vida - Companhia de Seguros de Vida, S.A., and, through Banco Português de Investimentos, SGPS, S.A., 100 per cent. of the share capital of BPI Pensões - Sociedade Gestora de Fundos de Pensões, S.A..

- On 6 July, 2006, following the pre-marketing process initiated on 26 June, the Bank announced that Magellan Mortgages No4, a Residential Mortgage-Backed Securities (RMBS) transaction was launched and priced. The 1.5 billion euros transaction was managed by the joint lead managers Millennium bcp Investimento, ABN AMRO and Merrill Lynch International. This transaction was also a part of the Bank's on-going optimisation of its risk-weighted assets.
- On 14 July, 2006, the Competition Authority notified the Bank of the decision of starting the phase of in-depth investigation in the scope of the analysis of the public tender offer for the acquisition of the shares representing the total share capital of Banco BPI, S.A..
- On 24 July, 2006, further to the announcements made on 17 February, 2006, the Bank informed to have completed the sale of 80.1 per cent. of the share capital of Banque BCP France and Banque BCP Luxembourg to the French financial institution Groupe Caisses d'Epargne, for a total consideration, net of transaction costs, of 119.783 million euros, with final technical adjustments to be made during the third quarter of 2006. BCP Group will retain 19.9 per cent. participations in both of the French and Luxembourg operations and has established cooperation agreements with the buyer for developing cross-border remittances in both markets. This transaction will generate a capital gain of 51.6 million euros, before taxes and transaction costs, and will have a positive estimated impact of 13 basis points in the core tier I capital ratio of the Bank. The transaction will be booked on third quarter 2006 accounts.
- On 3 August, 2006, the Bank signed an agreement with Canada's BMO Financial Group (originally Bank of Montreal) to sell 100 per cent. of the capital of bcpbank Canada for a consideration of CAD 41 million (28.4 million euros), with expected completion, subject to regulatory approvals, to occur in the fourth quarter of 2006. The estimated capital gain, before taxes, amounts to 8.9 million euros, corresponding to an additional 4 basis points in core tier 1 capital.

C. Principal Markets and Competition

Since 1996, there has been a significant expansion of personal financial services in the Portuguese banking market, resulting in a sustained development of mortgage credit, consumer loans, investment funds and unit-linked products, and increased use of credit cards. The Portuguese banking market is now well developed, and includes strong domestic competitors that incorporate a multi-product, multi-channel and multi-client segmented approach. This has allowed Portuguese banks to tailor their financial products and services to customers' needs and to improve commercial capabilities. In addition, there has been significant development of internet banking operations and the use of new techniques, such as customer relationship management, which enable banks to accurately track customers' requirements. Cross-selling has benefited from the use of such techniques and has increased the proportion of banks' non-interest income in recent years. Foreign banks have also entered the Portuguese market, particularly in areas such as corporate banking, asset management, private banking and brokerage services. These factors have resulted in increased competition, especially for customers' funds. Customer loans and advances increased significantly in the second half of the 1990s, but lower economic growth observed since the end of 2000 led to a slowdown of demand for credit, resulting in increased competition.

The Bank competes primarily with the four other major Portuguese banking groups: Caixa Geral de Depósitos; Banco Espírito Santo; Banco Santander Totta and BPI. The diversity of the Bank's marketing and distribution networks until October 2003, and since that date the single brand Millennium bcp, has enabled the Bank to maintain a leading position among its competitors. The Bank's fully centralised back office operations enable the Bank to operate efficiently and exploit economies of scale.

At the end of 2005, the Bank's estimated market share, together with that of the four other major Portuguese banking groups, was in excess of 80 per cent. in terms of total assets, customers' funds and number of branches, as a result of the consolidation that took place in the Portuguese banking system in the second half of the 1990s. This consolidation process was driven by the need to achieve economies of scale and operating synergies. More recently, major Portuguese banks have rationalised their operating structures, with the aim of cost-cutting and improving efficiency. In addition, many Portuguese banks have focused on increasing revenues through increased market share and cross-selling, as well as on core operations, which tend to support aggressive commercial strategies.

The following table illustrates the competitive environment in Portugal as at 31 December, 2005, 2004, 2003, 2002 and 2001, and shows the change between 31 December, 2005 and 31 December, 2004:

	As at 31 December,					*Change (2005-2004)*
	2005	*2004*	*2003*	*2002*	*2001*	
			(in thousands)			
Number of Banks[(1)]	48	50	52	52	51	-4.0 per cent.
Number of Branches	5,357	5,488	5,256	5,140	5,167	-2.4 per cent.
Population (thousands)	10,570	10,529	10,476	10,407	10,329	0.4 per cent.
Inhabitants per branch	1,973	1,919	1,993	2,025	1,999	2.8 per cent.
Branches per bank	112	110	101	99	101	1.7 per cent.

Souces: Portuguese Banking Association and National Statistics Institute of Portugal.

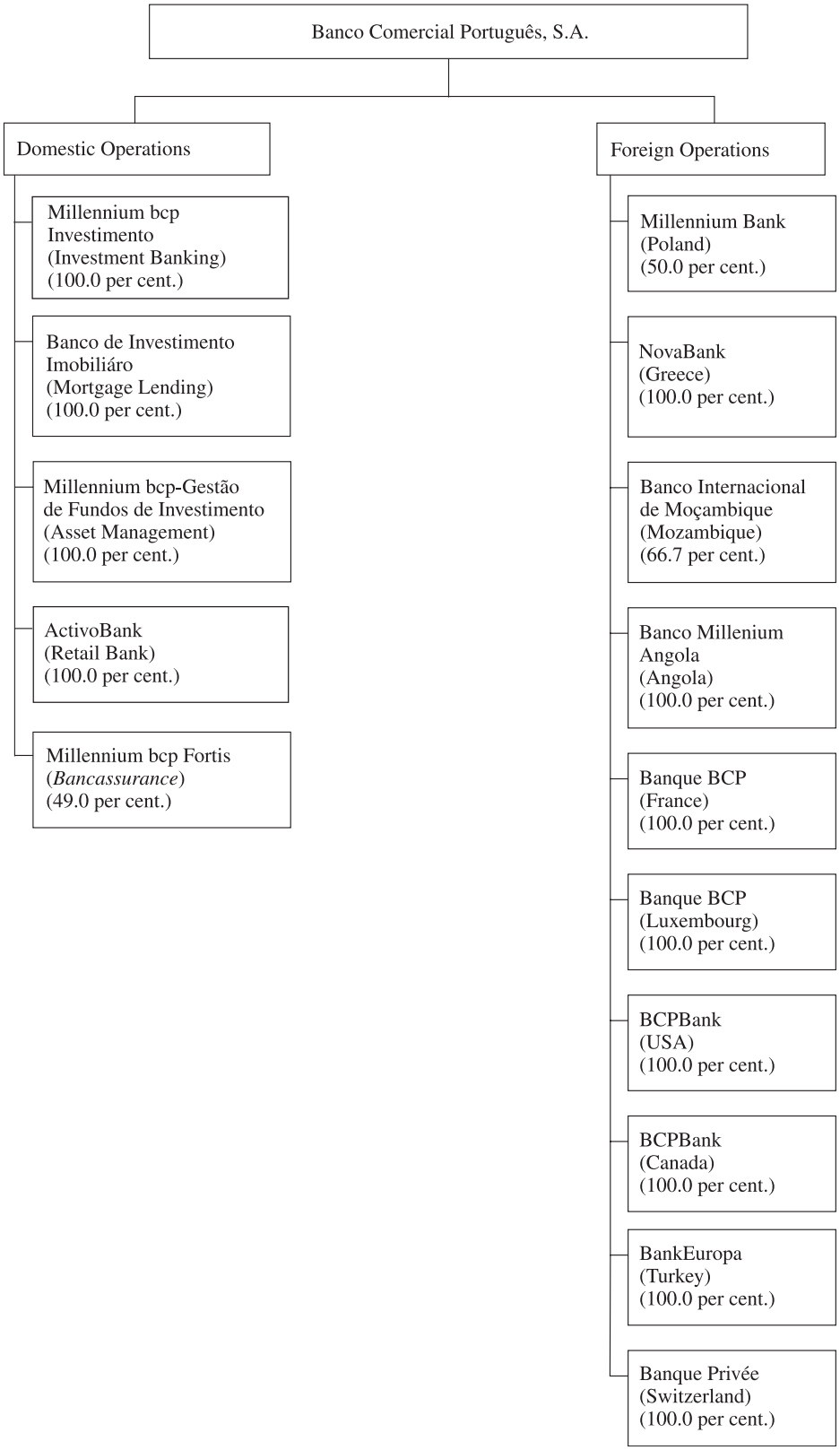
(1) Including Caixa Económica Montepio Geral.

The Bank is also subject to strong competition in the international markets in which it operates. In Poland and in Greece, household and corporate indebtedness remains low by international standards, which the Bank believes supports strong medium term credit growth and therefore makes its strategy of organic growth viable. However, these opportunities have led to increased competition in recent years. Privatisation and consolidation in the Polish banking industry in the second half of the 1990s has also led to the establishment of foreign banks and increased competition. In addition, in both Poland and Greece, increased European integration has created strong incentives for the cross-border provision of financial services without a local commercial presence, and for cross-border mergers, resulting in significant additional competition from foreign banks.

D. Organisational Structure and Principal Operational Subsidiaries of the Group

The Bank and the Group

The following diagram summarises the organisational structure and the principal subsidiaries of the Group on 30 June, 2006 (being the latest practicable date for which such information is available):



In addition, BCP's subsidiary, Millennium bcp-Prestação de Serviços ACE centralises common operational and management support units. The Bank is, directly or indirectly, the ultimate holding company of all the companies in the BCP Group and is not dependent upon other entities within the BCP Group. However, being the ultimate holding company of the BCP Group the activities developed by the other members of the BCP Group will necessarily have an impact on the Bank.

Significant Subsidiaries

The following is a list of the main subsidiaries of BCP at 30 June, 2006:

	Country of incorporation/ residence	*% held by the Bank*	*% held by the Group*
Banco Millennium bcp Investimento, S.A.	Portugal	–	100.0
Banco de Investimento Imobiliário, S.A.	Portugal	100.0	100.0
Banco ActivoBank (Portugal), S.A.	Portugal	–	100.0
Banco Internacional de Moçambique, S.A.R.L.	Mozambique	–	66.7
Banco Millennium Angola, S.A.	Angola	100.0	100.0
BankEuropa Bankasi, A.S.	Turkey	–	100.0
Millennium Bank, S.A.	Poland	50.0	50.0
Banque BCP, S.A.S.	France	100.0	100.0
Banque BCP (Luxembourg), S.A.	Luxembourg	–	100.0
Banque Privée BCP (Suisse) S.A.	Switzerland	–	100.0
BCPBank Canada	Canada	–	100.0
BCPBank National Association	USA	–	100.0
Millennium bcp – Gestão de Fundos de Investimento, S.A.	Portugal	–	100.0
Millennium bcp – Prestação de Serviços, A.C.E.	Portugal	47.7	93.1
Millennium bcp Fortis, S.G.P.S, S.A.	Portugal	–	49.0
NovaBank, S.A.	Greece	–	100.0

General

There are no arrangements in place, the operation of which may result in a change of control of the Bank.

Save as disclosed in the "**Recent Developments**" section on pages 79 to 81 of this Offering Circular, the Bank has made no material investments since the date of the last published financial statements and the Bank has made no relevant firm commitments on future investments.

Save as disclosed in the "**Recent Developments**" section on pages 79 to 81 of this Offering Circular, there have been no recent events particular to the Bank, which are to a material extent relevant to the evaluation of the Bank's solvency.

E. Share Capital

The authorised, issued and fully paid up share capital of the Bank is €3,611,329,567, divided into 3,611,329,567 ordinary shares each of a nominal value of €1.00.

F. Management

The Directors of the Bank and their positions held are as follows:

Name	*Position(s) held*	*Company/Institution*
Paulo Jorge de Assunção Rodrigues Teixeira Pinto	Chairman of the Executive Board	Banco Comercial Português, S.A.
	Chairman of the Board of Directors	Fundação Millennium bcp
	Chairman of the Board of Directors	Millennium bcp – Prestação de Serviços, ACE
	Chairman of the Board of Directors	Banco Millennium bcp Investimento, S.A.
	Chairman of the Board of Directors	Banco de Investimento Imobiliário, S.A.
	Chairman of the Board of Directors	Banco ActivoBank (Portugal), S.A.
	Member of the Supervisory Board	Bank Millennium, S.A.
	Member of the Senior Board	Nova Bank, S.A.
	Member of the Remuneration Commission	BIM – Banco Internacional de Moçambique, S.A. R.L.
Filipe de Jesus Pinhal	Vice-Chairman of the Executive Board	Banco Comercial Português, S.A.
	Vice-Chairman of the Board of Directors	Banco de Investimento Imobiliário, S.A.
	Chairman of the *Conseil de Surveillance*	Banque BCP, S.A. S.
	Member of the Board of Directors	Millennium bcp – Prestação de Serviços, ACE
	Vice-Chairman of the Board of Directors	Fundação Millennium bcp
	Chairman of the Board of Directors	Seguros & Pensões Gere, SGPS, S.A.
	Manager	BCP Participações Financeiras, SGPS, Sociedade Unipessoal, Lda
	Manager	BCP Internacional II, Sociedade Unipessoal, SGPS Lda
	Member of the Remuneration Commission	BIM – Banco Internacional de Moçambique, SARL
Christopher de Beck	Vice-Chairman of the Executive Board	Banco Comercial Português, S.A.
	Vice-Chairman of the Board of Directors	Banco Millennium bcp Investimento, S.A.
	Member of the Supervisory Board	Bank Millennium, S.A.
	Member of the Senior Board	Nova Bank, S.A.
	Member of the Board of Directors	Millennium bcp – Prestação de Serviços, ACE
	Vice-Chairman of the Board of Directors	Fundação Millennium bcp
	Member of the *Conseil de Surveillance*	Banque BCP, S.A. S.
	Member of the Remuneration Commission	BIM – Banco Internacional de Moçambique, SARL
	Member of the Remuneration Commission	Seguradora Internacional de Moçambique, SARL
	Member of the Board of Directors	bcp holdings (USA), inc
António Manuel de Seabra e Melo Rodrigues	Member of the Executive Board	Banco Comercial Português, S.A.
	Member of the Board of Directors	Banco ActivoBank (Portugal), S.A.
	Vice-Chairman of the Board of Directors	Millennium bcp – Prestação de Serviços, ACE
	Member of the Board of Directors	Fundação Millennium bcp
	Member of the Board of Directors	Seguros & Pensões Gere, SGPS, S.A.
	Manager	BCP Participações Financeiras, SGPS, Sociedade Unipessoal, Lda

Name	*Position(s) held*	*Company/Institution*
	Manager	BCP Internacional II, Sociedade Unipessoal, SGPS Lda
	Member of the Board of Directors	bcp holdings (USA), inc
António Manuel Pereira Caldas de Castro Henriques	Member of the Executive Board	Banco Comercial Português, S.A.
	Member of the Board of Directors	Banco ActivoBank (Portugal), S.A.
	Chairman of the Board of Directors	Banque Privée BCP (Suisse), S.A.
	Vice-Chairman of the Board of Directors	Millennium bcp Fortis Grupo Segurador, SGPS, S.A.
	Member of the Board of Directors	Millennium bcp – Prestação de Serviços, ACE
	Member of the Board of Directors	Fundação Millennium bcp
	Vice-Chairman of the Board of Directors	BIM – Banco Internacional de Moçambique, SARL
	Manager	BCP Participações Financeiras, SGPS, Sociedade Unipessoal, Lda
	Manager	BCP Internacional II, Sociedade Unipessoal, SGPS Lda
	Chairman of the Board of Directors	bcp holdings (USA), inc
	Chairman of the Board of Directors	Banco Millennium Angola, S.A.
Alípio Barrosa Pereira Dias	Member of the Executive Board	Banco Comercial Português, S.A.
	Member of the Board of Directors	Banco Millennium bcp Investimento, S.A.
	Manager	VSC – Aluguer de Veiculos sem Condutor, Lda
	Member of the Board of Directors	Millennium bcp – Prestação de Serviços, ACE
	Member of the Board of Directors	Fundação Millennium bcp
	Member of the Board of Directors	Seguros & Pensões Gere, SGPS, S.A.
	Manager	BCP Participações Financeiras, SGPS, Sociedade Unipessoal, Lda
	Manager	BCP Internacional II, Sociedade Unipessoal, SGPS Lda
Alexandre Alberto Bastos Gomes	Member of the Executive Board	Banco Comercial Português, S.A.
	Member of the Board of Directors	Banco ActivoBank (Portugal), S.A.
	Member of the Board of Directors	Millennium bcp – Prestação de Serviços, ACE
	Member of the Board of Directors	Seguros & Pensões Gere, SGPS, S.A.
	Member of the Board of Directors	Fundação Millennium bcp
Francisco José Queiroz de Barros de Lacerda	Member of the Executive Board	Banco Comercial Português, S.A.
	Member of the Board of Directors	Banco Millennium bcp Investimento, S.A.
	Member of the Supervisory Board	Bank Millennium, S.A.
	Member of the Senior Board	Nova Bank, S.A.
	Vice-Chairman of the Board of Directors	BankEuropa Bankasi, A S.
	Member of the Board of Directors	Millennium bcp – Prestação de Serviços, ACE
	Member of the Board of Directors	Fundação Millennium bcp
	Member of the Board of Directors	Seguros & Pensões Gere, SGPS, S.A.
	Manager	BCP Participações Financeiras, SGPS, Sociedade Unipessoal, Lda
	Manager	BCP International II, Sociedade Unipessoal, SGPS Lda
	Vice-Chairman of the *Conseil de Surveillance*	Banque BCP, S.A.S.

Name	*Position(s) held*	*Company/Institution*
Boguslaw Jorzy Kott	Member of the Executive Board	Banco Commercial Português, S.A.
	Chairman of the Management Board and CEO	Bank Millennium, S.A.
	Chairman of the Supervisory Board	Millennium Dom Maklerski, S.A.
	Chairman of the Supervisory Board	Millennium Leasing Sp. Z.o.o
	Member of the Board of Directors	Fundação Millennium bcp
	Member of the Senior Board	bcp holdings (usa), inc.
	Member of the Board of Directors	Millennium bcp – Prestação de Serviços, ACE

The business address for each of the Directors of the Bank is Rua Augusta, Nº 84, 4º, 1149-023 Lisboa, Portugal.

Positions held outside the Banco Comercial Português Group by Banco Comercial Português Board Members which are significant with respect to the Banco Comercial Português Group:

Name	*Position(s) held*	*Company/Institution*
Paulo Jorge de Assunção Rodrigues Teixeira Pinto	Vice Chairman of the Board on behalf of BCP Member of the Supervisory Board	Associação Portuguesa de Bancos EDP – Energiais de Portugal, S.A.
Filipe de Jesus Pinhal	Member	Conselho Nacional do Consumo
	Member	Conselho Económico e Social
António Manuel Pereira Caldas de Castro Henriques	Vice-Chairman of the Board of Directors	Médis – Companhia Portuguesa de Seguros de Saúde, S.A.
	Vice-Chairman of the Board of Directors	Ocidental – Companhia Portuguesa de Seguros, S.A.
	Vice-Chairman of the Board of Directors	Ocidental – Companhia Portuguesa de Seguros de Vida, S.A.
	Vice-Chairman of the Board of Directors	Pensões Gere – Sociedade Gestora de Fundos de Pensões, S.A.
	Member of the Board of Directors	Associação Portuguesa para o Desenvolvimento Económico e a Cooperação
	Member of the Board of Directors	APS – Associação Portuguesa de Seguradoras
	Member of the Senior Board	AAMBA – Ass. Dos Antigos Alunos do MBA da Universidade Nova de Lisboa
	Vice-Chairman of the Supervisory Board	Federação Portuguesa dos Bancos Alimentares contra a Fome
Alípio Barrosa Pereira Dias	Chairman of the Supervisory Board	Fundação Oriente
	Chairman of the Supervisory Board	Associação dos Oficiais da Reserva Naval
	Member of the Board	Fundação Portuguesa de Cradiologia
	"Curador"	Fundação Cidade de Lisboa
	"Curador"	Fundação O Século
	Member of the Board	Casa de Bragança
	Chairman of the Supervisory Board	Escola de Gestão da Universidade do Porto
	Chairman of the "Assembleia Distrital"	PSD Porto
	Chairman of the Supervisory Board	Associação dos Ex-Deputados
	"Curador"	Fundação Manuel Cargaleiro
	Member of the Board	Associação Fiscal Portuguesa
	Member of the Advising Council	Faculdade de Economia do Porto
	Chairman of the Advising Council	Futebol Clube do Porto

Name	*Position(s) held*	*Company/Institution*
Alexandre Alberto Bastos Gomes	Member of the Board of Directors	SIBS – Sociedade Interbancária de Serviços, S.A.
Francisco José Queiroz de Barros de Lacerda	Member of the Board	Clube Naval de Cascais

Other than as disclosed above, no Director of the Bank has any activities outside the Bank which are significant with respect to the Bank.

There are no potential conflicts of interest between the duties to the Bank of the persons listed above and their private interests or duties.

The Bank complies with general provisions of Portuguese law on corporate governance.

Audit Committee

The Bank's Audit, Security and Anti Money Laudering ("**AML**") Committee comprises ten members. Five of its members are members of the Executive Board, including its Chairman: Paulo Teixeira Pinto (Chairman), Christopher de Beck, António Rodrigues, Alípio Dias, Alexandre Bastos Gomes. The Bank's Audit, Security and AML Committee also comprises representatives for certain areas, namely the Member Responsible for the Audit (Secretary), the Member Responsible for Physical Security, the Member Responsible for Logical Systems Security, the Compliance Officer and the Member Responsible for Servitrust.

The AML Committee is required to define the strategic orientations and decide the more relevant aspects of the internal audit, physical and logical systems security and anti money laundering functions.

To carry out these duties the AML Committee has to coordinate, centralise information, and follow the execution of the policies and measures taken, with the support of the existing specialised structures. The AML Committee has also to answer, for its initiative or by request of the Executive Board, or of the relative Chairman, any questions that are in its scope-of-action.

The AML Committee regularly reports to the Executive Board and the Supervisory Board on all subjects, either by submitting minutes of its meetings, or by answering direct queries.

Impact of IFRS transitional adjustments and recent operations on the Bank's solvency

The application of IFRS changed the accounting policies previously applied by the Bank to its financial statements, and in particular to the items determining the amount of the Bank's own funds to be considered in the calculations of the Bank's solvency ratio.

According to the Solvency Ratio Regulation (Regulation nº 1/93, as amended) from the Bank of Portugal, elements of these impacts can be linearly deferred over a three to seven year period, depending on their nature. In addition, general provisions for loan losses, regardless of their elimination with the introduction of IFRS, are now considered as a positive contributor for tier II capital, with a threshold of 1.25 per cent. of risk-weighted assets.

In the BCP Group, these changes led to an increase in own funds and in risk-weighted assets. The increase in the Bank's own funds was supported on tier II, influenced by the general provisions for loan losses and by lower deductions. The transition to IFRS had a negative impact on the Group's tier I capital. This was partially offset, however, by the Bank of Portugal policy allowing the impacts to be deferred.

The result was an immediate decrease of the Bank's core capital at the transition date, amounting to 108 million euros (mostly due to higher impairment in the loan portfolio compared to the provisions for loan losses booked in compliance with Portuguese GAAP). Presently, the deferred adjustments negatively impact the core capital of the Bank in the amount of just 1 million euros per quarter.

These deferred impacts are associated with additional responsibilities for pensioners' health benefits (over seven years), with other responsibilities related to the BCP Group's pension fund (over five years), and with the change of the valuation criteria for financial instruments (excluding loans) and the recognition of deferred taxes (over three years).

Furthermore, important changes took place until June 2006, with significant impacts on the consolidated solvency ratio, in particular in core tier I, including:

(a) acquisition of the remaining 50 per cent. of NovaBank and respective joint control rights, implying a reduction in tier I capital amounting to 360 million euros;

(b) transfer of the control of "Crédilar" (a unit specialised in point-of-sale consumer credit) and the sale of the shareholdings in Friends Provident and EDP. The gains on the sales were allocated to a non-recurrent provision for specific cases. The favourable impact of these operations on the core tier 1 ratio resulted from the reduction in risk weighted assets amounting to 550 million euros; and

(c) issue of 1.5 billion euros residential mortgage backed securities (RMBS), named "Magellan Mortgages Nº 3, Plc.", led to the reduction in risk-weighted assets amounting to 800 million euros;

(d) BCP acquired 30.1 per cent. of the capital of BII, owned by Intesa, and became its sole shareholder, for the amount of 90 million euros, which negatively impacted BCP's consolidated tier I capital in the same amount;

(e) Bank Millennium SA (Poland) signed a complementary agreement to the Sale Agreement with Eureko B.V. (December 2004) concerning the final settlement of the sale of a 10 per cent. shareholding in the Polish insurance company PZU, S.A. This final agreement had a positive impact of 137 million euros in the last quarter of 2005;

(f) sale to the Group Dah Sing of 100 per cent. of the share capital of Banco Comercial de Macau, S.A., 96 per cent. of the share capital of Companhia de Seguros de Macau, SARL and 100 per cent. of the share capital of Companhia de Seguros de Macau Vida, SARL, implying an increase of 123 million euros in tier I capital and a decrease of 424 million euros in risk-weighted assets;

(g) in the scope of its resizing programme, BCP recorded costs, net of taxes, of 171 million euros and 48 million euros in the 4th quarter of 2005 and in the 1st quarter of 2006, respectively, which fully impacted its consolidated tier I capital;

(h) the reduction of the discount rate applied to the obligations of the BCP Group's pension fund, from 5.25 per cent. to 4.75 per cent., partially offset by actuarial gains obtained in 2005 and the increase of the pension fund's "corridor", which had an aggregate negative impact of 98 million euros in the Group's tier I capital;

(i) sale of BCP's 50.001 per cent. participation in Interbanco, S.A. share capital to Santander Consumer Finance, S.A. This disposal generated a capital gain of 82 million euros, which led to an increase in BCP's tier I capital of 60 million euros and a reduction of risk-weighted assets of 836 million euros; and

(j) exercise of the employees' stock option program issued in April 2003, which increased the consolidated tier I capital by 29 million euros.

On 24 July, 2006, BCP announced it had completed the sale of 80.1 per cent. of the share capital of Banque BCP France and Banque BCP Luxembourg to the French financial institution Groupe Caisse d'Epargne, for a total consideration of 120 million euros. This transaction will generate a capital gain of 51.6 million euros before taxes and transaction costs, to be booked in the 3rd quarter of 2006, positively impacting in BCP's tier I capital, as well as in risk-weighted assets, which will decrease by 634 million euros in the 3rd quarter of 2006.

Euro million	*Dec.04*	*Jun.05*	*Dec.05*	*Jun.06*
Own funds				
Tier I				
Core	3,053	2,781	2,894	2,947
Preference shares	1,192	1,091	1,117	982
	4,245	3,872	4,011	3,929
Tier II and deductions	2,005	2,980	2,966	2,724
	6,250	6,852	6,977	6,653
Risk-weighted assets	527,111	53,450	54,171	53,990
Solvency ratio (BoP)				
Core Tier I	5.8%	5.2%	5.3%	5.5%
Preference shares	2.3%	2.0%	2.1%	1.8%
Tier I	8.1%	7.2%	7.4%	7.3%
Tier II	3.8%	5.6%	5.5%	5.0%
Total capital	11.9%	12.8%	12.9%	12.3%

BANCO COMERCIAL PORTUGUÊS

The financial information set out below has been derived from the audited consolidated financial statements of the Bank as at, and for the years ended, 31 December, 2004 and 31 December, 2005. The audited consolidated financial statements of the Bank for the financial year ended 31 December, 2004 were prepared in accordance with Portuguese GAAP, and the audited consolidated financial statements of the Bank for the financial year ended 31 December, 2005 were prepared in accordance with International Financial Reporting Standards. Such financial information should be read in conjunction with, and is qualified in its entirety by reference to, the Bank's annual reports and audited financial statements as at, and for the years ended, 31 December, 2004 and 31 December, 2005, incorporated by reference in this Offering Circular.

BANCO COMERCIAL PORTUGUÊS

Consolidated Balance Sheet as at 31 December, 2005 and 2004

	2005	*2004*
	(Thousands of Euros)	
Assets		
Cash and deposits at central banks	1,255,893	1,725,800
Loans and advances to credit institutions		
Repayable on demand	875,604	1,032,589
Other loans and advances	6,034,211	5,213,754
Loans and advances to customers	52,909,115	50,869,879
Financial assets held for trading	2,346,212	1,323,176
Financial assets available for sale	4,631,036	4,852,039
Assets with repurchase agreement	80,603	–
Hedging derivatives	80,835	4,104
Held to maturity	20,372	–
Investments in associated companies	277,021	261,067
Non current assets held for sale	2,396,211	–
Property and equipment	838,601	929,460
Goodwill and intangible assets	380,489	58,750
Current income tax assets	21,927	15,792
Deferred income tax assets	676,088	694,754
Other assets	4,025,384	4,339,199
	76,849,602	71,320,363
Liabilities		
Deposits from central banks	58,861	305,164
Deposits from others credit institutions	11,206,019	9,801,940
Deposits from to customers	34,395,431	33,392,781
Debt securities issued	18,230,381	17,028,037
Financial liabilities held for trading	818,045	610,944
Hedging derivatives	34,957	9,602
Non current liabilities held for sale	2,263,554	–
Provisions for liabilities and charges	277,425	227,274
Subordinated debt	2,960,069	3,774,855
Current income tax liabilities	13,721	5,953
Deferred income tax liabilities	42,698	38,973
Other liabilities	1,946,421	2,514,073
Total Liabilities	72,247,582	67,709,596
Equity		
Share capital	3,588,331	3,257,401
Treasury stock	(31,099)	(53,741)
Share premium	870,303	674,435
Preference shares	1,000,000	500,000
Other capital instruments	–	528,207
Fair value reserves	316,711	327,127
Reserves and retained earnings	(2,250,242)	(2,624,364)
Profit of the year attributable to Shareholders	753,490	606,465
Total Equity attributable to Shareholders of the Bank	4,247,494	3,215,530
Minority interests	354,526	395,237
Total Equity	4,602,020	3,610,767
	76,849,602	71,320,363

BANCO COMERCIAL PORTUGUÊS

Consolidated Income Statement
for the years ended 31 December, 2005 and 2004

	2005	*2004*
	(Thousands of Euros)	
Interest income	3,083,733	2,795,236
Interest expense	(1,676,074)	(1,523,675)
Net interest income	1,407,659	1,271,561
Dividends from equity instruments	58,771	30,514
Net fees and commissions income	658,725	616,363
Net income arising from trading and hedging activities	285,171	255,655
Net gains arising from available for sale financial assets	315,939	64,480
Other operating income	119,915	187,965
	2,846,180	2,426,538
Other net income from non banking activity	14,151	–
Total operating income	2,860,331	2,426,538
Staff costs	1,187,486	1,211,968
Other administrative costs	580,961	585,383
Depreciation	139,789	212,185
Operating costs	1,908,236	2,009,536
	952,095	417,002
Loans impairment	(113,494)	(134,300)
Other assets impairment	(19,717)	(38,601)
Other provisions	(37,521)	(47,803)
Operating profit	781,363	196,298
Share of profit of associated companies under the equity method	27,011	17,076
Net income from the sale of subsidiaries and other assets	129,562	76,414
Profit before tax	937,936	289,788
Income tax		
Current	(72,934)	(57,776)
Deferred	(24,515)	(9,174)
Income after income taxes excluding the effect of the income arising from non current assets held for sale	840,487	222,838
Income arising from non current assets held for sale	–	408,696
Profit for the year	840,487	631,534
Attributable to:		
Shareholders of the Bank	753,490	606,465
Minority interests	86,997	25,069
	840,487	631,534
Earnings per share (in euros)		
Basic	0.22	0.18
Diluted	0.20	0.16

BANCO COMERCIAL PORTUGUÊS

Consolidated Cash Flow Statement
for the years ended 31 December, 2005 and 2004

	2005	*2004*
	(Thousands of Euros)	
Cash flows arising from operating activities		
Interest income received	2,683,018	2,774,051
Commission income received	783,114	724,425
Fees received from services rendered	109,803	130,500
Interest expense paid	(1,938,451)	(1,571,513)
Commissions expense paid	(150,082)	(108,278)
Recovered loans which had been previously charged-off	233,756	255,612
Net earned premiums	54,013	–
Claims incurred	(13,247)	–
Payments to suppliers and employees	(1,994,675)	(1,891,330)
	(232,751)	313,467
Decrease/(increase) in operating assets:		
Loans and advances to credit institutions	(807,898)	(2,588,359)
Deposits with the Bank of Portugal under monetary regulations	435,952	(17,968)
Loans and advances to customers	(2,343,040)	(1,867,064)
Short term trading account securities	(193,850)	(251,075)
Increase/(decrease) in operating liabilities:		
Deposits from credit institutions repayable on demand	(23,014)	7,306
Deposits from credit institutions with agreed maturity date	1,155,496	(1,328,874)
Deposits from clients repayable on demand	1,044,317	827,769
Deposits from clients with agreed maturity date	(132,107)	2,106,014
	(1,096,895)	(2,798,784)
Income taxes (paid)/received	(26,135)	2,489
	(1,123,030)	(2,796,295)
Cash flows arising from investing activities		
Proceeds from sale of shares in subsidiaries	1,095,805	676,899
Acquisition of shares in subsidiaries	(463,085)	(172,131)
Dividends received	61,576	51,336
Interest income from investment securities	201,860	167,237
Proceeds from sale of investment securities	20,819,135	48,370,930
Investment securities purchased	(36,826,118)	(53,490,038)
Proceeds from investment securities on maturity	16,235,542	5,367,683
Acquisition of fixed assets	(64,513)	(114,240)
Proceeds from sale of fixed assets	47,391	80,971
Increase/(decrease) in other sundry assets	(510,904)	(201,312)
	596,689	737,335
Cash flows arising from financing activities		
Proceeds from issuance of subordinated debt	345,869	41,588
Reinbursement of subordinated debt	(1,151,501)	(89,958)
Proceeds from issuance of debt securities	3,077,394	4,250,051
Repayment of debt securities	(2,339,484)	(2,893,934)
Proceeds from issuance of commercial paper	9,657,332	9,226,597
Repayment of commercial paper	(8,933,942)	(8,629,228)
Proceeds from issuance of preference shares	500,000	500,000
Certificates of deposit	–	(216)
Dividends paid	(221,502)	(293,096)
Dividends paid to minority interests	(31,494)	(3,641)
Increase/(decrease) in other sundry liabilities and minority interests	(580,611)	(344,217)
	322,061	1,763,946
Exchange differences effect on cash and equivalents	13,340	12,306
Net changes in cash and equivalents	(190,940)	(282,708)
Cash and equivalents balance at the beginning of the year	1,536,662	1,819,370
Cash	470,118	504,073
Other short term investments	875,604	1,032,589
Cash and equivalents balance at the end of the year	1,345,722	1,536,662

BANCO COMERCIAL PORTUGUÊS

Unaudited Consolidated Balance Sheet as at 30 June, 2006 and 2005

	30 June, 2006	*30 June, 2005*
	(Thousands of Euros)	
Assets		
Cash and deposits at central banks	1,441,305	1,307,654
Loans and advances to credit institutions		
Repayable on demand	697,015	883,150
Other loans and advances	5,003,435	5,831,178
Loans and advances to customers	54,071,319	50,390,715
Financial assets held for trading	2,125,407	1,948,202
Financial assets available for sale	4,991,030	4,818,676
Assets with repurchasing agreement	40,644	–
Hedging derivatives	90,782	531,726
Held to maturity	–	–
Investments in associated companies	281,798	262,650
Non current assets held for sale	1,527,196	3,419,103
Investment property	–	–
Property and equipment	740,489	873,656
Goodwill and intangible assets	371,538	339,578
Current tax assets	22,113	15,466
Deferred tax assets	588,261	710,052
Other assets	4,391,144	4,612,641
	76,383,476	75,944,447
Liabilities		
Amounts owed to central banks	542,388	70,798
Amounts owed to others credit institutions	11,450,028	10,474,715
Amounts owed to customers	33,818,092	32,095,679
Debt securities	18,557,605	18,470,113
Financial liabilities held for trading	810,083	575,460
Hedging derivatives	83,591	369,118
Non current liabilities held for sale	1,442,037	3,251,781
Provisions for liabilities and charges	242,377	302,055
Subordinated debt	2,839,706	3,730,684
Current income tax liabilities	2,042	1,414
Deferred income tax liabilities	–	91,005
Other liabilities	1,743,287	2,699,941
Total Liabilities	71,531,236	72,132,763
Equity		
Share capital	3,611,330	3,257,401
Treasury stock	(43,196)	(37,137)
Share premium	881,707	674,435
Preference shares	1,000,000	500,000
Other capital instruments	–	528,207
Fair value reserves	365,300	400,110
Reserves and retained earnings	(1,687,821)	(2,139,602)
Profit for the period attributable to Shareholders	395,821	302,877
Total Equity attributable to Shareholders of the Bank	4,523,141	3,486,291
Minority interests	329,099	325,393
Total Equity	4,852,240	3,811,684
	76,383,476	75,944,447

BANCO COMERCIAL PORTUGUÊS

Unaudited Consolidated Income statement
for the six months period ended 30 June, 2006 and 2005

	30 June, 2006	*30 June, 2005*
	(Thousands of Euros)	
Interest income	1,581,270	1,522,168
Interest expense	(874,824)	(823,343)
Net interest income	706,446	698,825
Dividends from equity instruments	26,931	53,945
Net fees and commission income	350,701	313,490
Net gains arising from trading and hedging activities	94,312	93,267
Net gains arising from available for sale financial assets	73,094	64,189
Other operating income	54,481	58,664
	1,305,965	1,282,380
Other net income from non banking activity	3,612	833
Total operating income	1,309,577	1,283,213
Staff costs	513,238	466,104
Other administrative costs	289,607	279,475
Depreciation	58,416	69,598
Operating costs	861,261	815,177
	448,316	468,036
Loans impairment	(71,349)	(117,227)
Other assets impairment	(8,253)	(2,388)
Other provisions	(7,973)	(21,129)
Operating profit	360,741	327,292
Share of profit of associates under the equity method	31,235	17,951
Gains from the sale of subsidiaries and other assets	79,354	47,690
Profit before income tax	471,330	392,933
Income tax		
Current	(15,087)	(20,448)
Deferred	(35,475)	(47,554)
Profit for the period	420,768	324,931
Attributable to:		
Shareholders of the Bank	395,821	302,877
Minority interests	24,947	22,054
	420,768	324,931
Earnings per share (in euros)		
Basic	0.21	0.18
Diluted	0.21	0.16

BANCO COMERCIAL PORTUGUÊS

Unaudited Consolidated Cash Flows Statement
for the six months period ended 30 June, 2006 and 2005

	30 June, 2006	*30 June, 2005*
	(Thousands of Euros)	
Cash flows arising from operating activities		
Interest income received	1,538,217	1,456,432
Commission income received	399,442	335,756
Fees received from services rendered	104,014	49,569
Interest expense paid	(875,589)	(985,258)
Commissions expense paid	(98,324)	(35,844)
Recovered loans which had been previously charged-off	75,326	120,399
Net earned premiums	12,749	12,423
Claims incurred	(2,685)	(6,696)
Payments to suppliers and employees	(1,188,115)	(833,194)
	(34,965)	113,587
Decrease/(increase) in operating assets:		
Loans and advances to credit institutions	1,035,764	(97,722)
Deposits with the Bank of Portugal under monetary regulations	(185,160)	355,854
Loans and advances to customers	(1,525,895)	(1,812,229)
Short term trading account securities	(38,059)	(1,121,630)
Increase/(decrease) in operating liabilities:		
Deposits from credit institutions repayable on demand	24,558	177,179
Deposits from credit institutions with agreed maturity date	702,870	(375,893)
Deposits from clients repayable on demand	(1,021,756)	448,972
Deposits from clients with agreed maturity date	437,054	155,359
	(605,589)	(2,156,523)
Income taxes (paid)/received	(13,564)	(13,289)
	(619,153)	(2,169,812)
Cash flows arising from investing activities		
Proceeds from sale of shares in subsidiaries	110,071	908,718
Acquisition of shares in subsidiaries	–	(372,600)
Dividends received	44,086	56,783
Interest income from investment securities	90,329	121,336
Proceeds from sale of investment securities	11,106,911	10,485,532
Investment securities purchased	(16,365,872)	(17,559,093)
Proceeds from investment securities on maturity	4,780,891	7,562,385
Acquisition of fixed assets	(39,916)	(28,741)
Proceeds from sale of fixed assets	63,153	22,328
Increase/(decrease) in other sundry assets	266,146	(164,142)
	55,799	1,032,506
Cash flows arising from financing activities		
Proceeds from issuance of subordinated debt	8,405	299,722
Reinbursement of subordinated debt	(83,464)	(378,668)
Proceeds from issuance of debt securities	2,378,955	2,937,134
Repayment of debt securities	(3,335,299)	(1,687,891)
Proceeds from issuance of commercial paper	7,557,703	4,744,301
Repayment of commercial paper	(6,142,249)	(4,526,937)
Certificates of deposit	–	(210)
Dividends paid	(132,768)	(114,028)
Dividends paid to minority interests	(1,474)	(31,494)
Increase/(decrease) in other sundry liabilities and minority interests	164,066	(317,527)
	413,875	924,402
Exchange differences effect on cash and equivalents	(28,858)	1,175
Net changes in cash and equivalents	(178,337)	(211,729)
Cash and equivalents balance at the beginning of the year	1,345,722	1,536,660
Cash	470,370	441,781
Other short term investments	697,015	883,150
Cash and equivalents balance at the end of the period	1,167,385	1,324,931

TAXATION

1. United States Taxation

Certain United States Federal Income Tax Considerations

The following general discussion summarises certain material U.S. federal income tax aspects of the acquisition, ownership and disposition of the Notes. This discussion is a summary for general information only and does not consider all aspects of U.S. federal income taxation that may be relevant to the purchase, ownership and disposition of the Notes by a prospective investor in light of his or her personal circumstances. This discussion also does not address the U.S. federal income tax consequences either of ownership of Notes not held as capital assets within the meaning of Section 1221 of the U.S. Internal Revenue Code of 1986, as amended (the "**Code**"), or to investors subject to special treatment under the U.S. federal income tax laws, such as dealers in securities or foreign currency, tax-exempt entities, financial institutions, insurance companies, persons that hold the Notes as part of a "straddle", of a "hedge" against currency risk, or as a "conversion transaction" and persons whose "functional currency" is not the U.S. dollar. In addition, the discussion is generally limited to the tax consequences to initial holders of the Notes. It does not address tax consequences to holders of interests in pass-through entities that hold the Notes or the special rules that may apply if the holder receives principal in instalment payments or if the Note is called before the maturity date. Finally, it does not describe any tax consequences arising out of the tax laws of any state, local or foreign jurisdiction or, except to a limited extent under "*Non-U.S. Holders*," (see below) U.S. federal gift or estate tax consequences.

This summary is based upon the Code, existing and proposed regulations thereunder, and current administrative rulings and court decisions. All of the foregoing are subject to change, possibly on a retroactive basis, and any such change could affect the continuing validity of this discussion.

Persons considering the purchase of Notes should consult their own tax advisors concerning the application of U.S. federal income tax laws, as well as the laws of any state, local or foreign taxing jurisdiction to their particular situations. Additional U.S. federal income tax consequences applicable to particular Notes will be set forth in the applicable Final Terms.

Special considerations relevant to the U.S. federal income taxation of payments on Notes denominated in a Specified Currency other than the U.S. dollar or indexed to changes in exchange rates ("**Foreign Currency Notes**") are discussed separately below under the heading "Foreign Currency Notes". Special considerations relevant to the U.S. federal income taxation of payments on Notes the interest or principal of which is indexed to property other than foreign currency and which is not a variable rate debt instrument (discussed under the heading "Variable Rate Notes") are discussed separately below under the heading "Indexed Notes." The discussion below assumes that the Notes will be treated as debt for U.S. federal income tax purposes. However, it is possible that some contingent payment arrangements would not be treated as debt for U.S. federal income tax purposes. Holders should consult their own tax advisors with respect to whether any contingent payment obligations constitute debt for U.S. federal income tax purposes.

Notice Pursuant To Circular 230: Anything contained in this discussion concerning any U.S. federal tax issue is not intended or written to be used, and it cannot be used by a holder of Notes, for the purpose of avoiding federal tax penalties under the Code. This discussion was written to support the promotion or marketing of the Notes. Each holder of Notes should seek U.S. federal tax advice, based on such holder's particular circumstances, from an independent tax advisor.

U.S. Holders

The following discussion is limited to the U.S. federal income tax consequences relevant to a holder of a Note that is (i) a citizen or resident of the United States, (ii) a corporation (including an entity treated as a corporation for U.S. federal income tax purposes) created in or organised under the laws of the United States, any state of the United States or the District of Columbia, (iii) an estate, the income of which is subject to U.S. federal income tax regardless of the source or (iv) a trust if (A) one or more United States persons (as defined for U.S. tax purposes) have the authority to control all substantial decisions of the trust and a court within the United States is able to exercise primary supervision over the administration of the trust or (B) the trust was in existence on 20 August, 1996, was considered a United States person as of that date, and has in effect an election to continue to be so treated ("**U.S. Holder**"). Certain aspects of U.S. federal income tax relevant to a holder other than a U.S. Holder (a "**Non-U.S. Holder**") are discussed separately below.

Stated Interest; Original Issue Discount

Except as set forth below, interest on a Note will be taxable to a U.S. Holder as ordinary interest income at the time it accrues or is received in accordance with such U.S. Holder's method of accounting for tax purposes. U.S. Holders of Notes that bear original issue discount ("**OID**") and that mature more than one year from the date of issuance will generally be required to include OID in income as it accrues in advance of the receipt of cash attributable to such income, whether such U.S. Holder uses the cash or accrual method of accounting. The U.S. Internal Revenue Service (the "**Service**") has issued final regulations (the "**OID Regulations**") addressing in detail the tax rules applicable in the case of debt instruments issued with OID. These OID Regulations contain an anti-abuse rule which provides that, if a principal purpose in structuring a debt instrument or engaging in a transaction is to achieve a result that is unreasonable in light of the applicable statutes, the Commissioner of the Service can apply or depart from the regulations as necessary or appropriate to achieve a reasonable result. Although the Issuers do not believe that the Notes will be structured with such a principal purpose, there can be no assurance that the Service will agree with such position.

Subject to a statutory *de minimis* exception, the amount of OID, if any, on a Note is the excess of its "stated redemption price at maturity" over its "issue price". For this purpose, *de minimis* OID is OID that is less than 1/4 of 1 per cent. of the stated redemption price at maturity multiplied by the number of complete years to its maturity from the issue date. If the amount of OID is *de minimis*, it is deemed to be zero.

The issue price of a Note will be the initial offering price to the public, excluding bond houses, brokers or similar persons or organisations acting in the capacity of underwriters, placement agents or wholesalers, at which a substantial amount of the Note is sold. (A U.S. Holder may elect in certain circumstances to decrease the issue price, and the stated redemption price at maturity, by the amount of pre-issuance accrued interest and offset such pre-issuance accrued interest against an equal amount of stated interest payable on the first interest payment date).

A Note's stated redemption price at maturity includes all payments required to be made over the term of the Note other than the payment of "qualified stated interest" which is defined as interest that is unconditionally payable in cash or property (other than debt instruments of the issuer) at least annually at a single fixed rate or, in the circumstances described below, a qualified floating rate or objective rate on a variable rate note. If a debt instrument provides for alternate payment schedules upon the occurrence of one or more contingencies which provide for payments the timing and amount of which are known as of the issue date, the yield and maturity of the debt instrument are computed based on a single payment schedule if, based on all of the facts and circumstances, that schedule is significantly more likely than not to occur. If no one payment schedule is significantly more likely than not to occur, the rules for contingent payment debt obligations described below under the heading "Indexed Notes" will apply. However, if a debt instrument provides for one or more alternative payment schedules, but all possible payment schedules under the terms of the instrument result in the same fixed yield, that yield is the yield of the instrument.

Interest is considered unconditionally payable only if reasonable legal remedies exist to compel timely payment or the debt instrument otherwise provides terms and conditions that make the likelihood of late payment (other than a late payment within a reasonable grace period) or non-payment a remote contingency. Interest is payable at a single fixed rate only if the rate appropriately takes into account the length of the interval between stated interest payments. Thus, if the interval between payments varies during the term of the instrument, the value of the fixed rate on which payment is based generally must be adjusted to reflect a compounding assumption consistent with the length of the interval preceding the payment.

A U.S. Holder (whether on the cash or accrual method of accounting) must include in income the sum of the daily portions of OID for each day of the taxable year during which the U.S. Holder held the Note. The daily portions of OID are determined by determining the OID attributable to each accrual period and allocating a rateable portion of such amount to each day in the accrual period. The accrual period may be any length and may vary in length over the term of the Note, provided that each accrual period is no longer than one year and each scheduled payment of principal and interest occurs on the final day of an accrual period or on the first day of an accrual period. In general, OID allocable to an accrual period equals (i) the product of the adjusted issue price at the beginning of the accrual period (i.e., the original issue price plus previously-accrued OID minus previous payments other than payments of qualified stated interest) multiplied by the original yield to maturity of the Note (determined on the basis of compounding at the end of each accrual period) minus (ii) the amount of qualified stated interest allocable to the accrual period.

The OID Regulations provide special rules for determining the amount of OID allocable to a period when there is unpaid qualified stated interest, for short initial accrual periods and final accrual periods, and for determining the yield to maturity of debt instruments subject to certain contingencies as to the timing of payments, including debt instruments that provide for options to accelerate or defer any payments and debt

instruments with indefinite maturities. For example, the maturity date and yield will be determined to take into account the options. In the case of such options held by issuers, the options will be deemed exercised or not in a manner that minimises the yield on the instrument, while in the case of options held by holders, the options will be deemed exercised or not in a manner that maximises yield. Under the OID Regulations, an option to convert debt into stock of the issuer or into stock or debt of certain related parties or to cash or other property in an amount equal to the approximate value of such stock or debt are disregarded in determining OID.

Variable Rate Notes

The OID Regulations contain special rules for determining the accrual of OID and the amount of qualified stated interest on a "variable rate debt instrument." For purposes of these regulations, a "variable rate debt instrument" is a debt instrument that: (1) has an issue price that does not exceed the total non-contingent principal payments by more than a specified amount; (2) provides for stated interest (compounded or paid at least annually) at (a) one or more "qualified floating rates", (b) a single fixed rate and one or more qualified floating rates, (c) a single "objective rate", or (d) a single fixed rate and a single objective rate that is a "qualified inverse floating rate"; (3) provides that a qualified floating rate or objective rate in effect at any time during the term of the instrument is set at a current value of that rate; and (4) except as permitted in (1), does not provide for any principal payments that are contingent.

For purposes of determining if a Note is a variable rate debt instrument, a floating rate is a "qualified floating rate" if variations in the rate can reasonably be expected to measure contemporaneous variations in the costs of newly-borrowed funds in the currency in which the debt instrument is denominated. A multiple of a qualified floating rate is generally not a qualified floating rate, unless it is either (a) a product of a qualified rate times a fixed multiple greater than 65 but not more than 1.35 or (b) a multiple of the type described in (a) increased or decreased by a fixed rate. If a debt instrument provides for two or more qualified floating rates that can reasonably be expected to have approximately the same value throughout the term of the instrument, the debt instrument will be considered to provide for a single qualified rate. Two or more such rates will be considered to have approximately the same value throughout the term of the instrument if the values of the rates on the date of issuance are within 25 basis points of each other.

An "objective rate" is a rate, other than a qualified floating rate, that is determined using a single fixed formula and that is based on objective financial or economic information, including, for example, a rate based on one or more qualified floating rates or a rate based on the yield of actively-traded personal property (within the meaning of Section 1092(d)(1)of the Code). The rate, however, must not be based on information that is within the control of the issuer (or a related party), or that is, in general, unique to the circumstances of the issuer (or a related party) such as dividends, profits, or the value of the issuer's stock. In addition, the Service may designate other variable rates as objective rates. Restrictions establishing a minimum interest rate ("floor") or maximum interest rate ("cap"), or the amount of increase or decrease in the stated interest rate ("governor"), generally will not result in the rate failing to be treated as a qualified floating rate or an objective rate, if the restriction is fixed throughout the term of the instrument and the cap, floor, or governor is not reasonably expected to affect the yield significantly as of the date of issuance. However, a rate is not an objective rate if it is reasonably expected that an average value of such rate of interest over the first half of the instrument's term will be either significantly less or more than the average value of the rate during the final half of the instrument's term (i.e., if there is a significant front loading or back loading of interest).

A "qualified inverse floating rate" is a rate that is equal to a fixed rate minus a qualified floating rate if variations in the rate can reasonably be expected to inversely reflect contemporaneous variations in the cost of newly borrowed funds (disregarding any cap, floor or governor).

Under the OID Regulations, for purposes of determining the amount and accrual of OID and qualified stated interest, a debt instrument providing for a qualified floating rate or qualified inverse floating rate is in effect converted to an equivalent fixed rate debt instrument by assuming that each qualified floating rate, or qualified inverse floating rate, respectively, will remain at its value as of the issue date. A debt instrument providing for an objective rate (other than a qualified inverse floating rate) is in effect converted to an equivalent fixed rate debt instrument and the amounts of qualified stated interest and OID allocable to any accrual period are determined by assuming that the objective rate will equal a fixed rate that reflects the yield that is reasonably expected for the instrument. The rules applicable to fixed rate debt instruments are then applied to determine the qualified stated interest payments and OID accruals on the equivalent fixed rate debt instrument. Appropriate adjustments are made to the extent the interest or OID actually accrued or paid differs from that assumed on the equivalent fixed rate debt instrument.

Elections to Treat All Interest as OID

Under the OID Regulations, a U.S. Holder may elect to account for all income on a Note (other than foreign currency gain or loss), including stated interest, acquisition discount, OID, *de minimis* OID, market discount, *de minimis* market discount, amortisable bond premium, or acquisition premium, in the same manner as OID. The election is made in the year of acquisition of the Note and such election is irrevocable without the consent of the Service. If this election is made, the U.S. Holder may be subject to the conformity requirements of section 171(c) or 1278(b) of the Code, respectively, which may require the amortisation of bond premium and the accrual of market discount on other debt instruments held by the same U.S. Holder.

Short-Term Notes

In general, an individual or other cash method U.S. Holder of a Note that has an original maturity of not more than one year from the date of issuance (a "**short-term Note**") is not required to accrue OID unless he or she elects to do so. Such an election applies to all short-term Notes acquired by the U.S. Holder during the first taxable year for which the election is made, and all subsequent taxable years of the U.S. Holder, unless the Service consents to a revocation. U.S. Holders who report income for U.S. federal income tax purposes on the accrual method and certain other U.S. Holders and electing cash method U.S. Holders are required to include OID on such short-term Notes on a straight-line basis, unless an irrevocable election with respect to any short-term Note is made to accrue the OID according to a constant interest rate based on daily compounding. In the case of a U.S. Holder who is not required, and does not elect, to include OID in income currently, any gain realised on the sale, exchange or retirement of the short-term Note will be ordinary income to the extent of the OID accrued (on a straight-line basis or, if elected, according to the constant yield method based on daily compounding) through the date of sale, exchange or retirement. In addition, such non-electing U.S. Holders who are not subject to the current inclusion requirement described above will be required to defer deductions for any interest paid on indebtedness incurred or continued to purchase or carry such short-term Notes in an amount not exceeding the deferred income until such income is realised.

Market Discount

If a Note (other than a short-term Note described above) is acquired at a "market discount," some or all of any gain realised upon a sale or other disposition, a payment at maturity, or a partial principal payment on such Note may be treated as ordinary income, as described below. For this purpose, "market discount" generally is the excess (if any) of the stated redemption price at maturity over the purchase price, subject to a statutory *de minimis* exception. In the case of a Note issued with OID, in lieu of using stated redemption price at maturity, the "revised issue price" is used. For this purpose, the "revised issue price" of an obligation is presently defined as the issue price of the obligation, increased by the aggregate amount of OID (determined without regard to Sections 1272(a)(7) and (b)(4) of the Code) included in the gross income of all previous holders thereof.

Unless a U.S. Holder has elected to include the market discount in income as it accrues, any gain realised on any subsequent disposition of such Note (other than in connection with certain non-recognition transactions), payment at maturity, or partial principal payment on such Note will be treated as ordinary income to the extent of the market discount that is treated as having accrued during the period such Note was held.

The amount of market discount treated as having accrued will be determined either (i) on a rateable basis by multiplying the market discount times a fraction, the numerator of which is the number of days the Note was held by a U.S. Holder and the denominator of which is the total number of days after the date such U.S. Holder acquired the Note up to and including the date of its maturity or (ii) if the U.S. Holder so elects, on a constant interest rate method. A U.S. Holder may make that election with respect to any Note, but such election is irrevocable.

In lieu of re-characterising gain upon disposition as ordinary income to the extent of accrued market discount at the time of disposition, a U.S. Holder of such Note acquired at a market discount may elect to include market discount in income currently, through the use of either the rateable inclusion method or the elective constant interest method. Once made, the election to include market discount in income currently applies to all Notes and other obligations of the U.S. Holder that are purchased at a market discount during the taxable year for which the election is made, and all subsequent taxable years of the U.S. Holder, unless the Service consents to a revocation of the election. If an election is made to include market discount in income currently, the basis of the Note in the hands of the U.S. Holder will be increased by the market discount thereon as it is included in income.

If the U.S. Holder makes the election to treat as OID all interest on a debt instrument that has market discount, the U.S. Holder is deemed to have made the election to accrue currently market discount on all other debt instruments with market discount. In addition, If the U.S. Holder has previously made the election to accrue market discount currently, the conformity requirements of that election are met for debt instruments with respect to which the U.S. Holder elects to treat all interest as OID.

Unless a U.S. Holder who acquires a Note at a market discount elects to include market discount in income currently, such U.S. Holder may be required to defer deductions for any interest paid on indebtedness allocable to such Notes in an amount not exceeding the deferred income until such income is realised.

Premium

If a subsequent U.S. Holder purchases a Note issued with OID at an "acquisition premium", the U.S. Holder reduces the amount of OID includible in income in each taxable year by that portion of the acquisition premium allocable to that year. A Note is purchased at an "acquisition premium" if, immediately after the purchase, the purchaser's adjusted basis in the Note is greater than the adjusted issue price but not greater than all amounts payable on the instrument after the purchase date (other than qualified stated interest) (i.e., the Note is not purchased at a "bond premium"). In general, the reduction in OID allocable to acquisition premium is determined by multiplying the daily portion of OID by a fraction, the numerator of which is the excess of the U.S. Holder's adjusted basis in the Note immediately after the acquisition over the adjusted issue price of the Note and the denominator of which is the excess of the sum of all amounts payable on the Note after the purchase date (other than payments of qualified stated interest) over the Note's adjusted issue price. Rather than apply the above fraction, the U.S. Holder who, as discussed above, elects to treat all interest as OID would treat the purchase at an acquisition premium as a purchase at original issuance and calculate OID accruals on a constant yield to maturity basis.

If a U.S. Holder purchases a Note and immediately after the purchase the adjusted basis of the Note exceeds the sum of all amounts payable on the instrument after the purchase date, other than qualified stated interest, the Note has "bond premium". Special rules govern the determination of adjusted basis for this purpose. For example, a U.S. Holder's basis in a convertible bond is reduced by the value of the conversion privilege. A U.S. Holder that purchases a Note at a bond premium is not required to include OID in income. In addition, a U.S. Holder may elect to amortise such bond premium over the remaining term of such Note (or, in certain circumstances, until an earlier call date). That election must be made with a timely-filed U.S. federal income tax return for the first taxable year to which the U.S Holder wishes the election to apply.

If bond premium is amortised, the amount of interest that must be included in the U.S. Holder's income for each period ending on an interest payment date or on stated maturity, as the case may be, will be reduced by the portion of premium allocable to such period based on the Note's yield to maturity. If the bond premium allocable to an accrual period is in excess of qualified stated interest allocable to that period, such premium is carried to the next accrual period and offsets qualified stated interest in such period. Special rules govern the determination of bond premium on variable rate debt instruments, inflation-indexed debt instruments and bonds with alternative payment schedules that are not treated as contingent payment obligations. If an election to amortise bond premium is not made, a U.S. Holder must include the full amount of each interest payment in income in accordance with its regular method of accounting and will receive a tax benefit from the premium only in computing its gain or loss upon the sale or other disposition or payment of the principal amount of the Note.

An election to amortise bond premium will apply to amortisable bond premium on all Notes and other bonds, the interest on which is includible in the U.S. Holder's gross income, held at the beginning of the U.S. Holder's first taxable year to which the election applies or thereafter acquired, and may be revoked only with the consent of the Service. The election to treat all interest, including for this purpose amortisable premium, as OID is deemed to be an election to amortise bond premium. In addition, if the U.S. Holder has already made an election to amortise premium, the conformity requirements will be deemed satisfied with respect to any Notes for which the U.S. Holder makes an election to treat all interest as OID.

Sale, Exchange, Redemption or Repayment of the Notes

Upon the disposition of a Note by sale, exchange, redemption or repayment, the U.S. Holder will generally recognise gain or loss equal to the difference between (i) the amount realised on the disposition (excluding amounts attributable to accrued interest) and (ii) the U.S. Holder's tax basis in the Note. A U.S. Holder's tax basis in a Note generally will equal the cost of the Note (net of accrued interest) to the U.S. Holder, increased by amounts includible in income as OID or market discount (if the holder elects to include

market discount in income on a current basis) and reduced by any amortised premium and any payments, other than payments of qualified stated interest, made on such Note.

Provided that the Note is held as a capital asset, such gain or loss (except to the extent that the market discount rule or rules relating to certain short-term OID notes otherwise provide) will generally constitute capital gain or loss and will be long-term capital gain or loss if the U.S. Holder has held such Note for longer than one year. In certain circumstances, if an issuer were found to have had an intention, at the time its debt obligations were issued, to call such obligations before maturity, gain would be ordinary income to the extent of any unamortised OID. The OID Regulations clarify that this rule will not apply to publicly-offered debt instruments.

Foreign Currency Notes

The following discussion applies to Foreign Currency Notes, provided that such Notes are not denominated in or indexed to a currency that is considered a "hyperinflationary" currency. Special U.S. Federal income tax considerations applicable to obligations denominated in or indexed to a hyperinflationary currency or to "dual currency" Notes will be discussed in the applicable Final Terms.

In general, a U.S. Holder that uses the cash method of accounting and holds a Foreign Currency Note will be required to include in income the U.S. dollar value of the amount of interest income (other than OID) received, whether or not the payment is received in U.S. dollars or converted into U.S. dollars. The U.S. dollar value of the amount of interest received is the amount of foreign currency interest paid, translated at the spot rate on the date of receipt. The U.S. Holder will not have exchange gain or loss on the interest payment, but may have exchange gain or loss when it disposes of any foreign currency received.

A U.S. Holder on the accrual method of accounting is generally required to include in income the U.S. dollar value of interest accrued during the accrual period. Accrual basis U.S. Holders may determine the amount of income recognised with respect to such interest in accordance with either of two methods. Under the first method, the U.S. dollar value of accrued interest is translated at the average rate for the interest accrual period (or, with respect to an accrual period that spans two taxable years, the partial period within the taxable year). For this purpose, the average rate is the simple average of spot rates of exchange for each business day of such period or other average exchange for the period reasonably derived and consistently applied by the U.S. Holder. Under the second method, a U.S. Holder can elect to accrue interest at the spot rate on the last day of an interest accrual period (in the case of a partial accrual period, the last day of the taxable year) or, if the last day of an interest accrual period is within five business days of the receipt, the spot rate on the date of receipt. Any such election will apply to all debt instruments held by the U.S. Holder at the beginning of the first taxable year to which the election applies or thereafter acquired and will be irrevocable without the consent of the Service. An accrual basis U.S. Holder will recognise exchange gain or loss, as the case may be, on the receipt of a foreign currency interest payment if the exchange rate on the date payment is received differs from the rate applicable to the previous accrual of that interest income. The foreign currency gain or loss will generally be treated as U.S. source ordinary income or loss.

OID on a Foreign Currency Note is determined in the foreign currency at the time of acquisition of the Note and is translated into U.S. dollars in the same manner that an accrual basis U.S. Holder accrues stated interest. Exchange gain or loss will be determined when OID is considered paid to the extent the exchange rate on the date of payment differs from the exchange rate at which the OID was accrued.

The amount of market discount on a Foreign Currency Note includible in income will generally be determined by computing the market discount in the foreign currency and translating that amount into U.S. dollars at the spot rate on the date the Foreign Currency Note is retired or otherwise disposed of. If the U.S. Holder has elected to accrue market discount currently, the amount of market discount which accrues during any accrual period is determined in the foreign currency and translated into U.S. dollars on the basis of the average exchange rate in effect during the accrual period. In that event, exchange gain or loss may be recognised to the extent that the rate of exchange on the date of the retirement or disposition of the Note differs from the exchange rate at which the market discount was accrued.

Amortisable premium on a Foreign Currency Note is also computed in units of foreign currency and, if the U.S. Holder elects, will reduce interest income in units of foreign currency. At the time amortised bond premium offsets interest income (i.e., the last day of the tax year in which the election is made and the last day of each subsequent tax year), exchange gain or loss with respect to amortised bond premium is recognised measured by the difference between exchange rates at that time and at the time of the acquisition of the Note.

With respect to the sale, exchange, retirement or repayment of a Foreign Currency Note, the foreign currency amount realised will be considered to be the payment first of accrued but unpaid interest (on which

exchange gain or loss is recognised as described above), then of accrued but unpaid OID (on which exchange gain or loss is recognised as described above), next of accrued but un-amortised market discount (on which exchange gain or loss is recognised as described above) and finally as a payment of principal (except to the extent of accrued but un-amortised market discount on which exchange gain or loss is recognised as described above). With respect to such payment of principal: (i) gain or loss is computed in the foreign currency and translated on the date of retirement or disposition and (ii) exchange gain or loss is separately computed on the foreign currency amount of the purchase price, reduced by amortised bond premium, that is repaid to the extent that the rate of exchange on the date of retirement or disposition differs from the rate of exchange on the date the Note was acquired, or deemed acquired. Exchange gain or loss computed on accrued interest, OID, market discount and principal is recognised, however, only to the extent of total gain or loss on the transaction. For purposes of determining the total gain or loss on the transaction, a U.S. Holder's tax basis in the Note will generally equal the U.S. dollar cost of the Note, increased by the U.S. dollar amounts includible in income as accrued interest, OID, or market discount (if the U.S. Holder elects to include such market discount on a current basis) and reduced by the U.S. dollar amount of amortised premium and of any payments other than payments of qualified stated interest.

In the case of a Note denominated in foreign currency, the cost of the Note to the U.S. Holder will be the U.S. dollar value of the foreign currency purchase price translated at the spot rate for the date of purchase (or, in some cases, the settlement date). The conversion of U.S. dollars into a foreign currency and the immediate use of that currency to purchase a Foreign Currency Note generally will not result in a taxable gain or loss for a U.S. Holder. A U.S. Holder will have a tax basis in any foreign currency received on the sale, exchange or retirement of a Note equal to the U.S. dollar value of such currency on the date of receipt.

Indexed Notes

Pursuant to certain OID Regulations (the "**Contingent Debt Regulations**"), certain debt instruments calling for one or more contingent payments are subject to special rules. These rules generally will apply to the Indexed Notes, the interest or principal of which may be indexed to property other than foreign currency.

In general, under the Contingent Debt Regulations, the amount of interest that is taken into account for each accrual period is computed by determining a yield for the debt instrument as described below, then constructing a projected payment schedule for the debt instrument that produces that yield and finally applying rules similar to those for accruing OID on a non-contingent debt instrument. This method is referred to as the non-contingent bond method. The issuer's projected payment schedule must be used to determine the holder's interest accruals and adjustments, unless the issuer does not create a payment schedule or the holder determines that the issuer's projected payment schedule is unreasonable, in which case the holder must disclose its own schedule in connection with its U.S. federal income tax return filings and the reasons why it is not using the issuer's projected payment schedule.

In general, under the non-contingent bond method, the yield on a contingent bond is determined by reference to the comparable yield at which the issuer would issue a fixed rate debt instrument with no contingent payments, but with terms and conditions similar to those of the contingent debt instrument, including the level of subordination, term, timing of payments, and general market conditions. If a hedge is available and the combined cash flows of the hedge and the non-contingent payments would permit the calculation of a yield to maturity such that the debt instrument and the hedge could be integrated into a synthetic fixed-rate instrument, the comparable yield is the yield that the synthetic fixed-rate instrument would have. However, if a substantial part of the issue is being marketed to persons for whom the inclusion of interest is not expected to have a substantial effect on their U.S. federal income tax liability and the instrument provides for a non-market based projected payment schedule, the yield of the contingent payment debt instruments generally is deemed to be the applicable federal rate.

Under the Contingent Debt Regulations, if the actual contingent payments made on a debt instrument in a taxable year differ from the projected contingent payments, an adjustment must be made for such differences. A positive adjustment, i.e. the amount by which an actual payment exceeds a projected payment, is treated as additional interest. A negative adjustment first reduces the amount of interest required to be accrued in the current year. Any excess is treated as an ordinary loss to the U.S. Holder to the extent prior cumulative interest accruals exceed any negative adjustments in prior years. Any negative adjustment in excess of those amounts is carried over to subsequent years and reduces the amounts that would otherwise accrue in such subsequent years, and to the extent not so applied reduces the amount realised on disposition of the debt instrument.

A U.S. Holder's basis in a contingent debt obligation is increased by the projected contingent payments accrued by the holder under the projected payment schedule (as determined without regard to adjustments

made to reflect differences between actual and projected payments) and reduced by the amount of any non-contingent payments and the projected amount of any contingent payments previously made. Gain on the sale, exchange, or retirement of a contingent payment debt obligation generally would be treated as ordinary interest income. Losses, on the other hand, would be treated as ordinary only to the extent of the holder's prior net interest inclusions (reduced by the total net negative adjustments previously allowed to the holder as an ordinary loss) and thereafter capital loss.

To the extent that Indexed Notes are physically settled rather than cash settled, a U.S. Holder would have income as described above and its basis in the property or stock received should equal fair market value at time of receipt.

The Contingent Debt Regulations do not apply to variable rate debt instruments, certain debt instruments that provide for alternative payment schedules, REMIC Interests and certain other debt instruments that are subject to prepayment, or a debt instrument that provides for payments denominated in, or determined by reference to, a non-functional currency that is subject to Section 988 of the Code. Special rules are provided in the Contingent Debt Regulations to account for market discount and premium on contingent Notes.

Backup Withholding

A U.S. Holder of a Note may be subject to U.S. backup withholding tax at the rate of 28 per cent., with respect to interest paid on the Note, unless such U.S. Holder (i) is a corporation or comes within certain other exempt categories and, when required, demonstrates that status or (ii) provides a correct taxpayer identification number, certifies as to no loss of exemption from backup withholding tax and otherwise complies with the applicable requirements of the backup withholding tax rules. U.S. Holders of Notes should consult their tax advisors as to their qualification for exemption from U.S. backup withholding and the procedure for obtaining such an exemption. Any amount paid as U.S. backup withholding tax would be creditable against the U.S. Holder's U.S. federal income tax liability, provided the applicable requisite information is provided to the Service.

Treasury Tax Shelter Regulations

The United States Department of the Treasury and the Service have issued tax shelter regulations that may require certain information regarding prospective purchasers to be maintained in a database subject to disclosure to the Service upon its request. Similarly, U.S. Holders also may be required to make certain annual disclosures to the Service with respect to the purchase or ownership of Notes. Accordingly, U.S. Holders should consult their own tax advisors regarding the applicability of the tax shelter regulations and the consequences thereof, including, for instance, whether it is advisable to make annual protective filings.

Non-U.S. Holders

United States Income and Estate Tax Consequences

The following is a summary of certain material U.S. federal income and estate tax consequences that may be applicable to Non-U.S. Holders of the Notes. This discussion does not deal with all aspects of U.S. federal income and estate taxation that may be relevant to the purchase, ownership or disposition of the Notes by a Non-U.S. Holder in light of his or her personal circumstances. This discussion also does not consider holders of interests in pass through entities that hold the Notes nor any state or local tax consequences.

For purposes of the following discussion, interest (including OID) and gain on the sale, exchange or other disposition of the Note will be considered "U.S. trade or business income" if such income or gain is (i) effectively connected with the conduct of a U.S. trade or business and (ii) in the case of a treaty resident, attributable to a permanent establishment (or to a fixed base) in the United States.

Interest and Original Issue Discount

Subject to the discussion below on information reporting and backup withholding, in general any interest or OID paid to a Non-U.S. Holder of a Note that is not "U.S. trade or business income" will not be subject to U.S. federal income tax.

Sale of Notes

Subject to the discussion concerning information reporting and backup withholding, any gain realised by a Non-U.S. Holder on the sale, exchange, redemption, or repayment of a Note generally will not be subject to U.S. federal income tax, unless (i) such gain is U.S. trade or business income, (ii) the Non-U.S. Holder is an individual who holds the Note as a capital asset, is present in the United States for 183 days or more in the taxable year of the disposition and satisfies certain other requirements, or (iii) the Non-U.S. Holder is subject to tax pursuant to the provisions of the Code applicable to certain U.S. expatriates.

United States Federal Estate Tax

Except in the case of certain U.S. expatriates, Notes held (or treated as held) by an individual who is a Non-U.S. Holder at the time of his death will not be subject to United States federal estate tax.

Information Reporting and Backup Withholding

A Non-U.S. Holder generally will be exempt from backup withholding tax and information reporting requirements, but may be required to comply with certification and identification procedures in order to obtain an exemption from backup withholding tax and information reporting in certain circumstances. A Non-U.S. Holder that fails to satisfy any applicable certification, documentation or identification procedures in order to obtain an exemption from backup withholding tax may be subject to U.S. backup withholding tax at a 28 per cent. rate on interest (including OID) or principal paid on, and proceeds from a sale, exchange or other disposition of, the Notes.

Any amounts withheld under the backup withholding tax rules from a payment to a Non-U.S. Holder will be allowed as a refund or a credit against such Non-U.S Holder's U.S. federal income tax liability, provided that certain required information is furnished to the Service in a timely manner. Non-U.S Holders should consult their tax advisors regarding the application of information reporting and backup withholding in their particular situations, the availability of exemptions and the procedure for obtaining any available exemption.

2. Portuguese Taxation

The following is a general summary of the Bank's understanding of current law and practice in Portugal as in effect on the date of this Offering Circular in relation to certain current relevant aspects to Portuguese taxation of the Notes and is subject to changes in such laws, including changes that could have a retroactive effect. The following summary is intended as a general guide only and is not exhaustive. It is not intended to be, nor should it be considered to be, legal or tax advice to any holder of Notes. It does not take into account or discuss the tax laws of any country other than Portugal and relates only to the position of persons who are absolute beneficial owners of the Notes. Prospective investors are advised to consult their own tax advisers as to the Portuguese or other tax consequences of the purchase, ownership and disposal of Notes.

The summary below in relation to Notes issued by BCP Finance or the Bank assumes that such Notes would be treated by the Portuguese tax authorities as debt instruments such as corporate bonds ("*obrigações*") as defined under Portuguese law, but no assurance can be given that such position should be taken or maintained. If the Portuguese tax authorities do not treat the Notes as debt instruments such as corporate bonds ("*obrigações*") no assurance can be given that the same tax regime described below would apply.

The reference to "interest", "other investment income" and "capital gains" in the paragraphs below means "interest", "other investment income" and "capital gains" as understood in Portuguese tax law. The statements below do not take any account of any different definitions of "interest", "other investment income" or "capital gains" which may prevail under any other law or which may be created by the "Terms and Conditions of the Notes" or any related documentation.

Notes issued by BCP Finance

Interest and other investment income obtained by Portuguese resident individuals on Notes issued by BCP Finance is subject to individual tax. If the payment of interest or other investment income is made available to Portuguese resident individuals through a Portuguese resident entity or a Portuguese branch of a non resident entity,(specifically mandated or not) withholding tax applies at 20 per cent., which is the final tax on that income unless the individual elects to include it in his taxable income, subject to tax at progressive rates of up to 42%. In this case, the tax withheld is deemed a payment on account of the final tax due.

Capital gains obtained by Portuguese resident individuals on the transfer of the Notes are not subject to tax. Accrued interest does not qualify as capital gains for tax purposes.

Interest and other investment income derived from the Notes and capital gains realised with the transfer of the Notes by legal persons resident for tax purposes in Portugal and by non resident legal persons with a permanent establishment in Portugal to which the income or gains are attributable are included in their taxable profits and are subject to corporate tax at 25 per cent. and may be subject to a municipal surcharge ("derrama") of up to 2.5 per cent., resulting in a combined tax rate of up to 27.5 per cent.

No Stamp tax applies to the acquisition through gift or inheritance of Notes by an individual.

The acquisition of Notes through gift or inheritance by a Portuguese resident legal person or a non resident acting through a Portuguese permanent establishment is subject to corporate tax, at 25 per cent. A municipal surcharge of up to 2.5% may also be due.

There is no wealth nor estate tax in Portugal.

Payments made by BCP Finance of interest, other investment income or principal on Notes issued by it to an individual or legal person non-resident in Portugal for tax purposes without a Portuguese permanent establishment to which income may be attributable are not subject to Portuguese tax.

Capital gains realised on the transfer of a Note by a holder who is neither resident nor engaged in business through a permanent establishment in Portugal to which that gain is attributable are not subject to Portuguese tax.

Notes issued by the Bank acting through its international branch (Sucursal Financeira Internacional) within the legal framework of Madeira free zone

Interest paid on Notes issued by Banco Comercial Português, S.A. acting through and within the legal framework of its international branch (Sucursal Financeira Internacional) in the Madeira free zone to an individual or a legal person non resident in Portugal and without a permanent establishment in Portugal to which the income is attributable where such interest arises from operations connected with the funding of balance sheet liabilities of the branch is exempt from Portuguese withholding tax.

Gains obtained on the disposal of Notes issued by Banco Comercial Português, S.A. acting through and within the legal framework of its international branch (Sucursal Financeira Internacional) in the Madeira free zone by an individual non resident in Portugal for tax purposes are not subject to Portuguese capital gains taxation.

Gains obtained on the disposal of Notes issued by Banco Comercial Português, S.A. acting through and within the legal framework of its international branch (Sucursal Financeira Internacional) in the Madeira free zone by a legal person non resident in Portugal for tax purposes and without a permanent establishment in Portugal to which gains are attributable are exempt from Portuguese capital gains taxation, unless the share capital of the holder (a legal person) is more than 25 per cent. directly or indirectly held by Portuguese resident entities or if the holder (an individual or a legal person) is resident in a country included in the "tax havens" list approved by Ministerial order no. 150/2004 of 13 February. If the exemption does not apply, the gains will be subject to tax at 25 per cent. Under the tax treaties entered into by Portugal, such gains are usually not subject to Portuguese tax, but the applicable rules should be confirmed on a case by case basis.

Interest paid on Notes issued by Banco Comercial Português, S.A. acting through and within the legal framework of its international branch (Sucursal Financeira Internacional) in the Madeira free zone to an individual or a legal person resident in Portugal or non resident with a permanent establishment in Portugal to which the income is attributable and gains on the disposal of such Notes are taxed as described below (see *Notes issued by the Bank acting other than through its international branch (Sucursal Financeira Internacional) in the Madeira free zone*).

Stamp tax at 10% applies to the acquisition through gift or inheritance of Notes by an individual who is domiciled in Portugal. No such tax applies if the acquirer is not domiciled in Portugal. An exemption applies to transfers is favour of the spouse, descendants and parents/grandparents.

The acquisition of Notes through gift or inheritance by a legal person is subject to corporate tax at 25 per cent. If the acquirer is a Portuguese resident legal person or a non resident acting through a Portuguese permanent establishment, a municipal surcharge of up to 2.5% may also be due. Under the tax treaties entered into by Portugal, such gains are usually not subject to Portuguese tax, but the applicable rules should be confirmed on a case by case basis

There is no wealth nor estate tax in Portugal.

Under current Portuguese law, payments made under the Guarantee of the Bank, acting through and within the legal framework of its international Madeira branch (*Sucursal Financeira Internacional*) within the framework of Madeira free zone to a Noteholder who is an individual non resident in Portugal or a legal person non-resident and without a permanent establishment in Portugal for tax purposes to which income is attributable, are not subject to Portuguese income tax, capital transfer, wealth, estate, gift, inheritance or other tax or duty. Noteholders should present proof of its non-resident status in Portugal before the Bank under the terms of number 14 of Article 33 of the Tax Incentives Statue ("*Estatuto dos Benefícios Fiscais*") to benefit from such exemption.

Notes issued by the Bank acting other than through its international Madeira branch (Sucursal Financeira Internacional) within the legal framework of Madeira free zone

Portuguese resident holders and non resident holders with a Portuguese permanent establishment

Interest and other types of investment income obtained on the Notes by a Portuguese resident individual is subject to withholding tax at 20 per cent., which is the final tax on that income unless the individual elects to include it in his taxable income, subject to tax at progressive rates of up to 42%. In this case, the tax withheld is deemed a payment on account of the final tax due.

In the case of zero coupon Notes, the difference between the redemption value and the subscription cost is regarded as investment income and is also subject to Portuguese taxation.

Capital gains obtained by Portuguese resident individuals on the transfer of the Notes are not subject to tax. Accrued interest does not qualify as capital gains for tax purposes.

Stamp tax at 10% applies to the acquisition through gift or inheritance of Notes by an individual who is domiciled in Portugal. An exemption applies to transfers is favour of the spouse, descendants and parents/ grandparents.

Interest or other investment income derived from the Notes and capital gains realised with the transfer of the Notes by legal persons resident for tax purposes in Portugal and by non resident legal persons with a permanent establishment in Portugal to which the income or gains are attributable are included in their taxable profits and are subject to corporate tax at 25 per cent. and may be subject to a municipality surcharge ("derrama") of up to 2.5 per cent., resulting in a combined tax rate of up to 27.5 per cent. Withholding tax at 20 per cent. applies, which is deemed a payment on account of the final tax due.

Financial institutions, pension funds, retirement and/or education savings funds, share savings funds, venture capital funds and some exempt entities, among other entities, are not subject to withholding tax.

The acquisition of Notes through gift or inheritance by a Portuguese resident legal person or a non resident acting through a Portuguese permanent establishment is subject to corporate tax, at 25 per cent. A municipal surcharge of up to 2.5% may also be due.

There is no wealth nor estate tax in Portugal.

Non resident holders without a Portuguese permanent establishment

Interest and other types of investment income obtained by non resident holders (individuals or legal persons) without a Portuguese permanent establishment is subject to withholding tax at 20 per cent., which is the final tax on that income.

Under the tax treaties entered into by Portugal, the withholding tax rate may be reduced to 15, 12 or 10 per cent., depending on the treaty and provided that the relevant formalities are met.

Capital gains obtained by non resident individuals on the transfer of the Notes are not subject to tax. Accrued interest does not qualify as capital gains for tax purposes.

No stamp tax applies to the acquisition through gift and inheritance of Notes by an individual who is not domiciled in Portugal.

Gains obtained on the disposal of Notes by a legal person non resident in Portugal for tax purposes and without a permanent establishment in Portugal to which gains are attributable are exempt from Portuguese capital gains taxation, unless the share capital of the holder (a legal person) is more than 25 per cent. directly or indirectly held by Portuguese resident entities or if the holder (an individual or a legal person) is resident in a

country included in the "tax havens" list approved by Ministerial order no. 150/2004 of 13 February. If the exemption does not apply, the gains will be subject to tax at 25 per cent. Under the tax treaties entered into by Portugal, such gains are usually not subject to Portuguese tax, but the applicable rules should be confirmed on a case by case basis.

The acquisition of Notes through gift or inheritance by a non resident legal person is subject to corporate tax at 25 per cent. Under the tax treaties entered into by Portugal, such gains are usually not subject to Portuguese tax, but the applicable rules should be confirmed on a case by case basis

There is no wealth nor estate tax in Portugal.

Non resident holders without a Portuguese permanent establishment – exemption from Portuguese income tax under the Special Taxation Regime for Debt Securities

Under the Special Taxation Regime for Debt Securities, non resident holders (individuals or legal persons) without a Portuguese permanent establishment to which income may be attributed are exempt from income tax (including withholding tax) on investment income or income on the disposal of the Notes, provided that these are integrated in a centralised system accepted under the Securities Code.

The above exemption does not apply if the share capital of the holder (a legal person) is more than 20 per cent. directly or indirectly held by Portuguese resident entities or if the holder (an individual or a legal person) is resident in a country included in the "tax havens" list approved by Ministerial order no. 150/2004 of 13 February. The exemption does apply to central banks and government agencies of listed "tax havens".

3. Cayman Islands Taxation

There are no income, corporation, capital gains or other direct taxes in effect in the Cayman Islands on the basis of present legislation. BCP Finance has received an undertaking from the Governor in Council of the Cayman Islands pursuant to the Tax Concessions Law 1999 Revision of the Cayman Islands that, for a period of 20 years from the date of the grant of the undertaking, no law enacted in the Cayman Islands imposing any tax to be levied on profits, income or gains or appreciation shall apply to BCP Finance or its operations and no such tax or any tax in the nature of the estate duty or inheritance tax shall be payable by BCP Finance on or in respect of the shares, debentures, or other obligations of BCP Finance or by way of withholding in whole or in part of any payment of dividend or other distribution of income or capital by BCP Finance to its members or any payment of interest or principal or other sums due under a debenture or other obligation of BCP Finance.

4. United Kingdom Taxation

The following is a summary of the Issuers' understanding of current law and practice in the United Kingdom relating to the withholding of tax from payments of principal and interest in respect of the Notes. It applies only to persons who are the beneficial owners of the Notes. Some aspects do not apply to certain classes of taxpayer (such as dealers). Prospective Noteholders who may be subject to tax in a jurisdiction other than the United Kingdom or may be unsure as to their tax position should seek their own professional advice.

Payments of interest on the Notes may be made without withholding on account of United Kingdom income tax.

However, Noteholders who are individuals may wish to note that the HM Revenue & Customs has power to obtain information (including the name and address of the beneficial owner of the interest) from any person in the United Kingdom who either pays interest to or receives interest for the benefit of an individual, or who either pays amounts payable on the redemption of Notes to or receives such amounts for the benefit of an individual. Information so obtained may, in certain circumstances, be exchanged by the HM Revenue & Customs with the tax authorities of jurisdiction in which the Noteholder is resident for tax purposes.

5. EU Savings Directive

Under the domestic rules that implemented Council Directive 2003/48/EC on the taxation of income in the form of interest payments (the Savings Directive), Member States are required, from 1 July, 2005, to provide to the tax authorities of another Member State details of payments of interest (or similar income) paid by a person within its jurisdiction to an individual resident in that other Member State. For a transitional period, Belgium, Luxembourg and Austria are instead required (unless the beneficial owners of the interest elect otherwise,

agreeing on the exchange of information) to operate a withholding system in relation to such payments, the ending of such transitional period being dependent upon the conclusion of certain other agreements relating to information exchange with certain other countries. Andorra, Liechtenstein, Monaco, San Marino and Switzerland have agreed to adopt a similar withholding system with effect from the same date. Ten dependent or associated territories adopted either a withholding tax or an information exchange system, also with effect from the same date.

BOOK-ENTRY CLEARANCE PROCEDURES

The information set out below is subject to any change in or reinterpretation of the rules, regulations and procedures of DTC, Clearstream, Luxembourg or Euroclear (together, the "Clearing Systems") currently in effect. Investors wishing to use the facilities of any of the Clearing Systems are advised to confirm the continued applicability of the rules, regulations and procedures of the relevant Clearing System. None of the Issuers, the Trustee or any agent party to the Agency Agreement will have any responsibility or liability for any aspect of the records relating to or payments made on account of beneficial ownership interests in the Notes held through the facilities of any Clearing System or for maintaining, supervising or reviewing any records relating to such beneficial ownership interests.

Book-Entry Ownership of Registered Global Notes

The relevant Issuer will make application to DTC for acceptance in its book-entry settlement system of each Tranche of Notes represented by a Reg. S Global Note and/or a Restricted Global Note, respectively.

The custodian with whom the Registered Global Notes are deposited (the "**Custodian**") and DTC will electronically record the principal amount of the Notes represented by the Reg. S Global Note and the Restricted Global Note, as the case may be, held within the DTC system. Prior to expiry of the Distribution Compliance Period applicable to each Tranche of Notes, investors may hold their interests in the Reg. S Global Note only through Clearstream, Luxembourg or Euroclear. Thereafter, investors may additionally hold such interests directly through DTC if they are participants in such system ("**Direct Participants**"), or indirectly through organisations which are participants in DTC ("**Indirect Participants**"). Clearstream, Luxembourg and Euroclear will hold interests in the Reg. S Global Note on behalf of their accountholders through customers' securities accounts in Clearstream, Luxembourg or Euroclear's respective names on the books of their respective depositaries, which in turn will hold such interests in the Reg. S Global Note in customers' securities accounts in the depositaries' names on the books of DTC. Citibank, N.A. will initially act as depositary for Clearstream, Luxembourg and Morgan Guaranty Trust Company of New York will act as depositary for Euroclear. Investors may hold their interests in the Restricted Global Note directly through DTC if they are Direct Participants, or indirectly through organisations which are Direct Participants in such system.

Payments of principal and interest in respect of Registered Global Notes registered in the name of DTC's nominee, will be to or to the order of its nominee as the registered holder of such Registered Global Note. The relevant Issuer expects that the nominee will, upon receipt of any such payment, immediately credit Direct Participants' accounts with any such payments denominated in U.S. dollars in amounts proportionate to their respective beneficial interests in the principal amount of the relevant Registered Global Note as shown on the records of DTC or the nominee. In the case of any such payments which are denominated otherwise than in U.S. dollars payment of such amounts will be made to the Exchange Agent on behalf of the nominee who will make payment of all or part of the amount to the beneficial holders of interests in such Registered Global Note directly, in the currency in which such payment was made and/or cause all or part of such payment to be converted into U.S. dollars and credited to the relevant Direct Participant's DTC account as aforesaid, in accordance with instructions received from DTC. The relevant Issuer also expects that payments by Direct Participants to owners of beneficial interests in such DTC Global Note held through such Direct Participants will be governed by standing instructions and customary practices, as is now the case with securities held for the accounts of customers registered in the names of nominees for such customers. Such payments will be the responsibility of such Direct Participants. Neither the Issuers nor any agent will have any responsibility or liability for any aspect of the records relating to or payments made on account of ownership interests in the Registered Global Notes or for maintaining, supervising or reviewing any records relating to such ownership interests.

Application will be made on behalf of the relevant Issuer to Clearstream, Luxembourg and Euroclear for acceptance of each Tranche of Notes issued under the Programme in their respective book-entry system.

Transfers of Notes represented by Registered Global Notes

Transfers of interests in Registered Global Notes within DTC, Clearstream, Luxembourg and Euroclear will be in accordance with the usual rules and operating procedures of the relevant system. The laws in some states in the United States require that certain persons take physical delivery of securities in definitive form. Consequently, the ability to transfer a beneficial interest in a Registered Global Note to such persons may require that such interests be exchanged for Notes in definitive form. Because DTC can only act on behalf of Direct Participants, who in turn act on behalf of Indirect Participants, the ability of a person having an interest in a DTC Global Note to pledge such interest to persons or entities that do not participate in the DTC system,

or otherwise take actions in respect of such interest may require that such interests be exchanged for Notes in definitive form. The ability of the holder of a beneficial interest in any Registered Note represented by the Registered Global Notes to resell, pledge or otherwise transfer such interest may also be impaired if the proposed transferee of such interest is not eligible to hold the same through a Direct Participant or Indirect Participant in DTC.

DTC has advised the Issuers that it is a limited purpose trust company organised under the laws of the State of New York, a member of the United States Federal Reserve System, a "clearing corporation" within the meaning of the New York Uniform Commercial Code and a "clearing agency" registered pursuant to Section 17A of the U.S. Securities Exchange Act of 1934. DTC holds securities that its Direct Participants deposit with DTC. DTC also facilitates the settlement among Direct Participants of securities transactions, such as transfers and pledges, in such securities through electronic book-entry changes in accounts of the Direct Participants, thereby eliminating the need for physical movement of security certificates. Direct Participants include securities brokers and dealers, banks, trust companies, clearing corporations and certain other organisations. DTC is owned by a number of its Direct Participants and by the New York Stock Exchange, Inc., the American Stock Exchange, Inc. and the National Association of Securities Dealers, Inc. Access to DTC is available to others, such as securities brokers and dealers, banks and trust companies that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly. The rules applicable to DTC and its Direct Participants are on file with the U.S. Securities and Exchange Commission.

DTC has advised the Issuers that it will take any action permitted to be taken by the holding of a beneficial interest in a Registered Global Note (including, without limitation, the presentation of a Global Note for exchange as described above) only at the direction of one or more Direct Participants to whose account with DTC interests in such Registered Global Note are credited and only in respect of such portion of the aggregate nominal amount of Notes in respect of which such Direct Participant or Participants has or have given such direction. If an Event of Default under the Notes occurs, DTC will exchange the Registered Global Notes for Notes in definitive form, legended as appropriate, which it will distribute to the relevant Direct Participants.

Bearer Notes held outside the United States may be held in book-entry form through Clearstream, Luxembourg or Euroclear. Clearstream, Luxembourg and Euroclear will operate with respect to the Notes in accordance with customary Euromarket practice.

Secondary Trading, Same-Day Settlement and Payment

All payments made by the relevant Issuer or the Guarantor with respect to Registered Notes registered in the name of Cede & Co., as nominee for DTC, will be passed through to DTC in same-day funds. In relation to secondary market trading, since the purchaser determines the place of delivery, it is important to establish at the time of the trade where both the purchaser's and seller's accounts are located to ensure that settlement can be made on the desired value date.

Trading Within Same Clearing System

Trading within DTC

If neither the seller, nor the purchaser of Registered Notes represented by any Registered Global Note holds or will receive (as the case may be) such Notes through a Direct Participant in DTC acting on behalf of Clearstream, Luxembourg or Euroclear, the trade will settle in same-day funds and in accordance with DTC rules, regulations and procedures.

Trading within Clearstream, Luxembourg or Euroclear

Transfers between accountholders in Euroclear and Clearstream, Luxembourg will be effected in the ordinary way in accordance with their respective rules and operating procedures.

Trading Between Clearing Systems

Trading between Clearstream, Luxembourg or Euroclear seller and DTC purchaser involving only Registered Global Notes

Due to time zone differences in their favour, Clearstream, Luxembourg and Euroclear accountholders may employ their customary procedures for transactions in which interests in a Registered Global Note are to be transferred by Clearstream, Luxembourg or Euroclear (as the case may be) to a Direct Participant. The seller will send instructions to Clearstream, Luxembourg or Euroclear through a Clearstream, Luxembourg or

Euroclear accountholder (as the case may be) at least one business day prior to settlement. In these cases, Clearstream, Luxembourg or Euroclear will instruct its respective depositary to deliver the interests in the Registered Global Note to the Direct Participant's account against payment. Payment will include interest (if any) accrued on such interests in the Note from and including the immediately preceding date for the payment of interest to and excluding the settlement date. The payment will then be reflected in the account of the Clearstream, Luxembourg or Euroclear accountholder the following day, and receipt of cash proceeds in the Clearstream, Luxembourg or Euroclear accountholder's account would be back-valued to the value date (which would be the preceding day when settlement occurred in New York). Should the Clearstream, Luxembourg or Euroclear accountholder have a line of credit in its respective Clearing System and elect to be in debit in anticipation of receipt of the sale proceeds in its account, the back-valuation will extinguish any overdraft charges incurred over that one-day period. If settlement is not completed on the intended value date (i.e. the trade fails), receipt of the cash proceeds in the Euroclear or Clearstream, Luxembourg accountholder's account would be valued instead as of the actual settlement date.

Trading between DTC seller and Clearstream, Luxembourg or Euroclear purchaser involving only Registered Global Notes

When interests in a Registered Global Note are to be transferred from the account of a Direct Participant to the account of a Clearstream, Luxembourg or Euroclear accountholder, the purchaser will send instructions to Clearstream, Luxembourg or Euroclear through a Clearstream, Luxembourg or Euroclear accountholder, as the case may be, at least one business day prior to settlement. Clearstream, Luxembourg or Euroclear, as the case may be, will instruct its respective depositary to receive such interests against payment. Payment will include interest (if any) accrued on such interests in the Registered Global Note from and including the immediately preceding date for the payment of interest to and excluding the settlement date. Payment will then be made by the depositary to the Direct Participant's account against delivery of the interests in the Note. After settlement has been completed, the interests will be credited to the respective Clearing System, and by the Clearing System, in accordance with its usual procedures, to the Clearstream, Luxembourg or Euroclear accountholder's account. The securities credit will appear the next day (European time) and the cash debit will be back-valued to, and any interests on the Note will accrue from, the value date (which would be the preceding day when settlement occurred in New York). If settlement is not completed on the intended value date (i.e. the trade fails), the Clearstream, Luxembourg or Euroclear cash debit will be valued instead as of the actual settlement date.

Day traders that use Clearstream, Luxembourg or Euroclear to purchase interests in an Reg. S Global Note from Direct Participants for delivery to Clearstream, Luxembourg or Euroclear accountholders should note that these trades would automatically fail on the sale side unless affirmative action were taken. At least three techniques should be readily available to eliminate this potential problem:

(i) borrowing through Clearstream, Luxembourg or Euroclear for one day (until the purchase side of the day trade is reflected in their Clearstream, Luxembourg or Euroclear accounts) in accordance with the Clearing System's customary procedures;

(ii) borrowing the interests in the United States from a Direct Participant no later than one day prior to settlement, which would give the interests sufficient time to be reflected in their Clearstream, Luxembourg or Euroclear account in order to settle the sale side of the trade; or

(iii) staggering the value date for the buy and sell sides of the trade so that the value date for the purchase from the Direct Participant is at least one day prior to the value date for the sale to the Clearstream, Luxembourg or Euroclear accountholder.

Euroclear or Clearstream, Luxembourg accountholders will need to make available to the respective Clearing System the funds necessary to process same-day funds settlement. The most direct means of doing so is to pre- position funds for settlement, either from cash on-hand or existing lines of credit, as such Direct Participants would for any settlement occurring within Clearstream, Luxembourg or Euroclear. Under this approach, such Direct Participants may take on credit exposure to Euroclear or Clearstream, Luxembourg until the interests in the Note are credited to their accounts one day later.

Alternatively, if Clearstream, Luxembourg or Euroclear has extended a line of credit to a Clearstream, Luxembourg or Euroclear accountholder, as the case may be, such accountholder may elect not to pre-position funds and allow that credit line to be drawn upon to finance settlement. Under this procedure, Clearstream, Luxembourg or Euroclear accountholders purchasing interests in the Note held in DTC would incur overdraft charges for one day, assuming they cleared the overdraft when the interests in the Note were credited to their accounts. However, any interest on the Note would accrue from the value date. Therefore, in many cases the

investment income on the interests in the Note held in DTC earned during that one-day period may substantially reduce or offset the amount of such overdraft charges, although this result will depend on each accountholder's particular cost of funds.

Since the settlement is taking place during New York business hours, Direct Participants can employ their usual procedures for transferring interests in global Notes to the respective depositaries of Clearstream, Luxembourg or Euroclear for the benefit of Clearstream, Luxembourg or Euroclear accountholders. The sale proceeds will be available to the DTC seller on the settlement date. Thus, to the Direct Participants, a cross-market transaction will settle no differently from a trade between Direct Participants.

Secondary trading in long-term notes and debentures of corporate issuers is generally settled in clearinghouse or next-day funds. In contrast, Registered Notes held through Direct Participants or Indirect Participants will trade in DTC's Same-Day Funds Settlement System until the earliest of maturity or redemption, and secondary market trading activity in such Registered Notes will therefore be required by DTC to settle in immediately available funds. No assurance can be given as to the effect, if any, of settlements in immediately available funds on trading activity in such Registered Notes.

Although DTC, Clearstream, Luxembourg and Euroclear have agreed to the foregoing procedures in order to facilitate transfers of beneficial interests in the Registered Global Notes among Direct Participants and accountholders of DTC, Clearstream, Luxembourg and Euroclear, they are under no obligation to perform or continue to perform such procedures, and such procedures may be discontinued at any time. None of the Issuers, any agent or any Dealer will have the responsibility for the performance by DTC, Clearstream, Luxembourg or Euroclear or their respective Direct or Indirect Participants or accountholders of their respective obligations under the rules and procedures governing their operations.

While a Registered Global Note is lodged with DTC or its custodian, Notes represented by individual Definitive Notes will not be eligible for clearing or settlement through DTC, Clearstream, Luxembourg or Euroclear.

SUBSCRIPTION AND SALE AND TRANSFER RESTRICTIONS

The Programme Dealers, pursuant to an amended and restated dealer agreement dated 21 September, 2006 (as amended, restated or supplemented from time to time, the "**Dealer Agreement**"), have agreed with the Issuers on the terms upon which any one or more of the Programme Dealers may from time to time agree to purchase (as principal, unless the applicable Final Terms states otherwise) Notes. Any such agreement will extend to those matters stated under "*Form of the Notes*", "*Form of the Final Terms*" and "*Terms and Conditions of the Notes*" above. In the Dealer Agreement, each Issuer, and in the event of default of such obligation by such Issuer, the Bank (where the Issuer is BCP Finance), has agreed to reimburse the Programme Dealers for certain of their expenses in connection with the establishment and any future update of the Programme and the issue of Notes under the Programme. Each Issuer may also agree to issue Notes to Issue Dealers who shall enter into the Dealer Agreement with such Issuer for the purpose only of a particular issue or issues of Notes under the Programme on, and subject to, the terms of the Dealer Agreement. Dealers will be entitled in certain circumstances to be released from their obligations under the Dealer Agreement in respect of the issue and purchase of Notes under the Programme.

United States

The Notes have not been and will not be registered under the Securities Act and may not be offered or sold within the United States or to, or for the account or benefit of, U.S. persons except in certain transactions exempt from the registration requirements of the Securities Act.

(i) Offers, sales, resales and other transfers of Notes made in the United States made or approved by a Dealer (including in connection with secondary trading) shall be made with respect to Registered Notes only and shall be effected pursuant to an exemption from the registration requirements of the Securities Act.

(ii) Offers, safes, resales and other transfers of Notes made in the United States will be made only to (a) Institutional Accredited Investors that have executed and delivered to a Dealer the IAI Investment Letter addressed to the relevant Issuer (and to the Bank, in the event the Issuer is BCP Finance) substantially in the form set out in the Agency Agreement or/and (b) QIBs that are reasonably believed to qualify as qualified institutional buyers (as therein defined) within the meaning of Rule 144A.

(iii) Notes will be offered in the United States only by approaching prospective purchasers on an individual basis. No general solicitation or general advertising will be used in connection with the offering of the Notes in the United States.

(iv) No sale of Notes in the United States to an Institutional Accredited Investor will be for less than U.S.$250,000 principal amount and no Note will be issued in connection with such a sale in a smaller principal amount. If such purchaser is a non-bank fiduciary acting on behalf of others, each person for whom it is acting must purchase at least U.S.$250,000 principal amount of such Notes.

(v) Each Registered Note (other than Reg. S Notes in definitive form) shall contain a legend in substantially the following form:

"THIS NOTE HAS NOT BEEN REGISTERED UNDER THE UNITED STATES SECURITIES ACT OF 1933, AS AMENDED (THE "SECURITIES ACT"), OR ANY STATE SECURITIES LAWS. NEITHER THIS NOTE NOR ANY INTEREST OR PARTICIPATION HEREIN MAY BE REOFFERED, SOLD, ASSIGNED, TRANSFERRED, PLEDGED, ENCUMBERED OR OTHERWISE DISPOSED OF IN THE ABSENCE OF SUCH REGISTRATION OR UNLESS SUCH TRANSACTION IS EXEMPT FROM, OR NOT SUBJECT TO, REGISTRATION.

THE HOLDER OF THIS NOTE BY ITS ACCEPTANCE HEREOF, ON ITS OWN BEHALF AND ON BEHALF OF ANY ACCOUNT FOR WHICH IT IS PURCHASING THIS NOTE OR ANY INTEREST OR PARTICIPATION HEREIN, AGREES THAT IT SHALL NOT OFFER, SELL OR OTHERWISE TRANSFER SUCH NOTE OR ANY INTEREST OR PARTICIPATION HEREIN EXCEPT TO, OR FOR THE ACCOUNT OR BENEFIT OF (A) THE ISSUER OR A DEALER (AS DEFINED IN THE OFFERING CIRCULAR FOR THE NOTE), (B) A "QUALIFIED INSTITUTIONAL BUYER" (AS DEFINED IN RULE 144A UNDER THE SECURITIES ACT), (C) AN INSTITUTIONAL "ACCREDITED INVESTOR" (AS DEFINED IN RULE 501(a)(1), (2) OR (3) UNDER THE SECURITIES ACT) AND THAT, PRIOR TO SUCH TRANSFER, SHALL HAVE FURNISHED TO SUCH HOLDER AND TO THE ISSUER OF THIS NOTE A WRITTEN CERTIFICATION CONTAINING CERTAIN REPRESENTATIONS AND AGREEMENTS RELATING TO THE RESTRICTIONS ON TRANSFER OF THIS NOTE (THE FORM OF WHICH LETTER CAN BE OBTAINED FROM THE REGISTRAR AND THE TRANSFER AGENTS),

(D) OUTSIDE THE UNITED STATES IN AN OFFSHORE TRANSACTION WHICH MEETS THE REQUIREMENTS OF RULE 904 UNDER THE SECURITIES ACT, (E) PURSUANT TO AN EFFECTIVE REGISTRATION STATEMENT UNDER THE SECURITIES ACT, OR (F) PURSUANT TO ANY OTHER AVAILABLE EXEMPTION FROM THE REGISTRATION REQUIREMENTS OF THE SECURITIES ACT. UPON ANY TRANSFER OF THIS NOTE OR ANY INTEREST OR PARTICIPATION HEREIN PURSUANT TO CLAUSES (C), (D) OR (F), IN THE CASE OF LEGENDED NOTES OR CLAUSES (B), (C) OR (F) IN THE CASE OF REG. S NOTES, THE HOLDER WILL BE REQUIRED TO FURNISH TO THE ISSUER SUCH CERTIFICATIONS (WHICH IN THE CASE OF TRANSFERS PURSUANT TO CLAUSES (C), (D) OR (F), IN THE CASE OF LEGENDED NOTES OR CLAUSES (B), (C) OR (F) IN THE CASE OF REG. S NOTES, CAN BE OBTAINED FROM THE REGISTRAR AND THE TRANSFER AGENTS), LEGAL OPINIONS OR OTHER INFORMATION AS EITHER OF THEM MAY REASONABLY REQUIRE TO CONFIRM THAT SUCH TRANSFER IS BEING MADE PURSUANT TO AN EXEMPTION FROM, OR IN A TRANSACTION NOT SUBJECT TO, THE REGISTRATION REQUIREMENTS OF THE SECURITIES ACT. THE HOLDER WILL ALSO BE REQUIRED TO DELIVER TO THE TRANSFEREE OF THIS NOTE OR ANY INTEREST OR PARTICIPATION THEREIN A NOTICE SUBSTANTIALLY TO THE EFFECT OF THIS LEGEND. ANY RESALE OR OTHER TRANSFER OR ATTEMPTED RESALE OR OTHER TRANSFER OF THIS NOTE MADE OTHER THAN IN COMPLIANCE WITH THE FOREGOING RESTRICTION SHALL NOT BE RECOGNISED BY THE ISSUER, THE REGISTRAR, THE TRANSFER AGENTS OR ANY OTHER AGENT OF THE ISSUER."

The legend endorsed on each Reg. S Global Note shall cease to apply after expiration of the Distribution Compliance Period applicable thereto.

By its purchase of any Notes, each investor in the United States shall be deemed to have agreed to the restrictions contained in any legend endorsed on the Note purchased by it (to the extent still applicable) and each such purchaser shall be deemed to have represented to the relevant Issuer, the seller and the Dealer, if applicable, that it is either (i) a QIB and is aware that the sale to it is being made in reliance on Rule 144A or (ii) an Institutional Accredited Investor that is acquiring the Notes for its own account for investment and not with a view to the distribution thereof. If it is acquiring any Notes for the account of one or more qualified institutional buyers it represents that it has sole investment discretion with respect to each such account and that it has full power to make the foregoing acknowledgements, representations and agreements on behalf of each such account. Each investor (other than an investor in Reg. S Notes following expiration of the applicable Distribution Compliance Period), by its purchase of any Notes, also agrees to deliver to the transferee of any Note a notice substantially to the effect of the above legend.

Each prospective investor is hereby offered the opportunity to ask questions of, and receive answers from, the relevant Issuer and the Dealers concerning the terms and conditions of the offering. Each prospective investor acknowledges that (i) it has been afforded an opportunity to request from the Issuer and to review, and it has received, all additional information considered by it to be necessary to verify the accuracy of the information herein; (ii) it has not relied on any Dealer or any person affiliated with any Dealer in connection with its investigation of the accuracy of the information contained in this Offering Circular or its investment decision; and (iii) no person has been authorised to give any information or to make any representation concerning the Issuer or the Notes other than those contained in this Offering Circular and, if given or made, such other information or representation should not be relied upon as having been authorised by the Issuer or any Dealer.

Pursuant to the Dealer Agreement, each Issuer has agreed to indemnify the Dealers against, or to contribute to losses arising out of, certain liabilities, including liabilities under certain securities laws, in respect of Notes of which it is the Issuer.

Bearer Notes are subject to U.S. tax law requirements and may not be offered, sold or delivered within the United States or its possessions or to a United States person, except in certain transactions permitted by U.S. tax regulations. Terms used in this paragraph have the meanings given to them by the U.S. Internal Revenue Code and regulations thereunder.

Each Programme Dealer has represented and agreed and each further Programme Dealer or Issue Dealer appointed under the Programme will be required to represent and agree that it will not offer or sell any Notes of any Tranche (i) as part of their distribution at any time or (ii) otherwise until expiration of the Distribution Compliance Period applicable to such Tranche issued prior to such determination, within the United States or to, or for the account or benefit of, U.S. Persons, and it will have sent to each Dealer to which it sells Notes

during the distribution compliance period a confirmation or other notice setting forth the restrictions on offers and sales of the Notes within the United States to or, for the account or benefit of, U.S. Persons.

In addition, until expiration of the relevant Distributed Compliance Period, an offer or sale of Notes within the United States by a dealer, including a dealer that is not participating in the offering, may violate the registration requirements of the Securities Act.

Each issuance of Dual Currency or Indexed Linked Notes will be subject to such additional U.S. selling restrictions as the relevant Issuer and the relevant Dealer(s) may agree, as indicated in the applicable Final Terms. Each Programme Dealer has agreed and, if different, the relevant dealer in respect of each such issue will be required to agree that it will offer, sell and deliver such Notes only in compliance with such additional U.S. selling restrictions.

European Economic Area

In relation to each Member State of the European Economic Area which has implemented the Prospectus Directive (each, a Relevant Member State), each Programme Dealer has represented and agreed, and each further Programme Dealer or Issuer Dealer appointed under the Programme will be required to represent and agree, that with effect from and including the date on which the Prospectus Directive is implemented in that Relevant Member State (the Relevant Implementation Date) it has not made and will not make an offer of Notes to the public in that Relevant Member State, except that it may, with effect from and including the Relevant Implementation Date, make an offer of Notes to the public in that Relevant Member State:

(a) in (or in Germany, where the offer starts within) the period beginning on the date of publication of a prospectus in relation to those Notes which has been approved by the competent authority in that Relevant Member State or, where appropriate, approved in another Relevant Member State and notified to the competent authority in that Relevant Member State, all in accordance with the Prospectus Directive and ending on the date which is 12 months after the date of such publication;

(b) at any time to legal entities which are authorised or regulated to operate in the financial markets or, if not so authorised or regulated, whose corporate purpose is solely to invest in securities;

(c) at any time to any legal entity which has two or more of (1) an average of at least 250 employees during the last financial year; (2) a total balance sheet of more than €43,000,000 and (3) an annual net turnover of more than €50,000,000, as shown in its last annual or consolidated accounts; or

(d) at any time in any other circumstances which do not require the publication by the Issuer of a prospectus pursuant to Article 3 of the Prospectus Directive.

For the purposes of this provision, the expression an "offer of Notes to the public" in relation to any Notes in any Relevant Member State means the communication in any form and by any means of sufficient information on the terms of the offer and the Notes to be offered so as to enable an investor to decide to purchase or subscribe the Notes, as the same may be varied in that Member State by any measure implementing the Prospectus Directive in that Member State and the expression **Prospectus Directive** means Directive 2003/71/EC and includes any relevant implementing measure in each Relevant Member State.

United Kingdom

Each Programme Dealer has represented and agreed, and each further Programme Dealer or Issue Dealer appointed under the Programme will be required to represent and agree, that:

(a) in relation to any Notes issued by BCP Finance which have a maturity of less than one year, (i) it is a person whose ordinary activities involve it in acquiring, holding, managing or disposing of investments (as principal or agent) for the purposes of its business and (ii) it has not offered or sold and will not offer or sell any Notes other than to persons whose ordinary activities involve them in acquiring, holding, managing or disposing of investments (as principal or as agent) for the purposes of their businesses or who it is reasonable to expect will acquire, hold, manage or dispose of investments (as principal or agent) for the purposes of their businesses where the issue of the Notes would otherwise constitute a contravention of Section 19 of the FSMA by BCP Finance;

(b) it has only communicated or caused to be communicated and will only communicate or cause to be communicated an invitation or inducement to engage in investment activity (within the meaning of Section 21 of the FSMA) received by it in connection with the issue of any Notes in circumstances in which Section 21(1) of the FSMA does not or, in the case of the Guarantor, would not, if it was not an authorised person, apply to the Issuer or the Guarantor; and

(c) it has complied and will comply with all applicable provisions of the FSMA with respect to anything done by it in relation to any Notes in, from or otherwise involving the United Kingdom.

The Cayman Islands

Each Programme Dealer has represented and agreed, and each further Programme Dealer or Issue Dealer appointed under the Programme will be required to represent and agree, that no invitation will be made to the public in the Cayman Islands to purchase any Notes, whether directly or indirectly save that an invitation may be made to non-resident or exempted entities established in the Cayman Islands.

Portugal

Each Programme Dealer has represented and agreed, and each further Programme Dealer or Issue Dealer appointed under the Programme will be required to represent and agree, that the Offering Circular has not been and will not be registered with or approved by the Portuguese Securities Exchange Commission ("*Comissão do Mercado de Valores Mobiliários*") nor has a prospectus recognition procedure been commenced with the Portuguese Securities Exchange Commission and therefore the Notes may not be and will not be offered to the public in Portugal under circumstances which are deemed to be a public offer under the Portuguese Securities Code (*Código dos Valores Mobiliários*) enacted by Decree Law no. 486/99 of 13 November, 1999 unless the requirements and provisions applicable to the public offerings in Portugal are met and the above mentioned registration approval or recognition procedure is made. In addition no offering materials have been or will be publicly distributed in Portugal and no publicity or marketing activities related to the Notes have been or will be conducted in Portugal unless the requirements and provisions applicable to the public offerings in Portugal are met, the above mentioned registration, approval or recognition procedure is made and the relevant advertising materials are approved by the Portuguese Securities Exchange Commission.

Japan

The Notes have not been and will not be registered under the Securities and Exchange Law of Japan (the "Securities and Exchange Law") and each Programme Dealer has agreed, and each further Programme Dealer or Issue Dealer appointed under the Programme will be required to agree, that it will not offer or sell any Notes, directly or indirectly, in Japan or to, or for the benefit of, any resident of Japan (which term as used herein means any person resident in Japan, including any corporation or other entity organised under the laws of Japan), or to others for re-offering or resale, directly or indirectly, in Japan or to a resident of Japan except pursuant to an exemption from the registration requirements of, and otherwise in compliance with, the Securities and Exchange Law and any other applicable laws, regulations and ministerial guidelines of Japan.

General

Each Programme Dealer has agreed, and each further Programme Dealer or Issue Dealer appointed under the Programme will be required to agree, that it will (to the best of its knowledge and belief) comply with all applicable securities laws and regulations in force in any jurisdiction in which it purchases, offers, sells or delivers Notes or possesses or distributes this Offering Circular and will obtain any consent, approval or permission required by it for the purchase, offer, sale or delivery by it of Notes under the laws and regulations in force in any jurisdiction to which it is subject or in which it makes such purchases, offers, sales or deliveries and neither the Issuers nor any Dealer shall have any responsibility therefor.

Neither the Issuers nor any Dealer represents that Notes may at any time lawfully be sold in compliance with any applicable registration or other requirements in any jurisdiction, or pursuant to any exemption available thereunder, or assumes any responsibility for facilitating such sale.

With regard to each Tranche, the relevant Dealer will be required to comply with such other additional restrictions as the relevant Issuer and such Dealer shall agree and as shall be set out in the applicable Final Terms.

GENERAL INFORMATION

Authorisation

The establishment and update of the Programme and the giving of the Guarantee have been duly authorised by resolutions of the Board of Directors of the Bank dated 3 September, 1998, 9 November, 1999, 20 November, 2000, 7 December, 2001, 16 December, 2002, 14 November, 2003, 12 November, 2004, 7 December, 2005 and 11 September, 2006 and the increase in the Programme limit was authorised by resolutions of the Board of Directors of the Bank dated 9 November, 1999, 20 November, 2000, 7 December, 2001, 14 November, 2003, 12 November, 2004, 7 December, 2005 and 11 September, 2006. The Board of Directors of BCP Finance duly authorised the establishment and update of the Programme and the issue of Notes under the Programme by resolutions dated 7 October, 1998, 11 November, 1999, 24 November, 2000, 17 December, 2001, 17 December, 2002, 19 November, 2003, 19 November, 2004, 12 December, 2005 and 18 September, 2006, and the increase in the Programme limit by resolutions dated 11 November, 1999, 24 November, 2000, 17 December, 2001, 19 November, 2003, 19 November, 2004, 12 December, 2005 and 18 September, 2006.

Listing of Notes

The admission of Notes to the Official List will be expressed as a percentage of their nominal amount (excluding accrued interest). It is expected that each Tranche of Notes which is to be admitted to the Official List and to trading on the London Stock Exchange's Gilt Edged and Fixed Interest Market will be admitted separately as and when issued, subject only to the issue of the relevant Note or Notes in global and/or definitive form initially representing the Notes of such Tranche. Application has been made to the UK Listing Authority for the Notes issued under the Programme to be admitted to the Official List and to the London Stock Exchange for such Notes to be admitted to trading on the London Stock Exchange's Gilt Edged and Fixed Interest Market. The listing of the Programme in respect of Notes is expected to be granted on or around 25 September, 2006.

Documents Available

For the period of 12 months, following the date of this Offering Circular, copies of the following documents will, when published, be available throughout the life of the Programme from the registered office of each of the Issuers and from the specified office of the Paying Agents:

(i) the constitutional documents (in English) of each Issuer;

(ii) the published audited consolidated financial statements of the Banco Comercial Português Group in English and auditors' report contained in the Bank's Annual Report for the two financial years ended 31 December, 2005;

(iii) the published unaudited consolidated financial statements of the Banco Comercial Português Group for the six months ended, and as at 30 June, 2006;

(iv) the most recently available audited consolidated financial statements of the Banco Comercial Português Group contained in the Bank's Annual Report and the most recently available published interim statements of the Bank;

(v) the published audited financial statements of BCP Finance in English and auditors' report contained in BCP Finance's Annual Report for the two financial years ended 31 December, 2005 and the most recently available unaudited interim financial statements of BCP Finance (if any);

(vi) the Dealer Agreement, the Agency Agreement and the Trust Deed containing the forms of Temporary Bearer Global Notes, Permanent Bearer Global Notes, Reg. S Global Notes, Restricted Global Notes, Notes in definitive form, Receipts, Coupons and Talons from time to time issuable under the Programme;

(vii) copy of this Offering Circular;

(viii) any future offering circulars, information memoranda and supplements (excluding the Final Terms in connection with Notes not listed on any stock exchange to this Offering Circular and any other documents incorporated herein or therein by reference; and

(ix) in the case of a syndicated issue of Notes admitted to trading on the Gilt Edged and Fixed Interest Market, the syndication agreement (or equivalent document).

Clearing Systems

The Bearer Notes have been accepted for clearance through Clearstream, Luxembourg and Euroclear. The appropriate common code and ISIN for each Tranche of Bearer Notes allocated by Clearstream, Luxembourg and Euroclear will be specified in the applicable Final Terms. In addition, the relevant Issuer will make an application for any Registered Notes to be accepted for trading in book-entry form by DTC. The CUSIP and/or CINS numbers for each Tranche of Registered Notes, together with the relevant ISIN and common code, will be specified in the applicable Final Terms. If the Notes are to clear through an additional or alternative clearing system the appropriate information will be specified in the applicable Final Terms.

The address of Euroclear is Euroclear Bank SA/NV, 1 Boulevard du Roi Albert II, B-1210 Brusssels and the address of Clearstream, Luxembourg is Clearstream Banking, 42 Avenue JF Kennedy, L-1855 Luxembourg.

Significant or Material Change

Save as disclosed in the "Recent Developments" section on page 79 to 81 of this Offering Circular, there has been no significant change in the financial or trading position of the Banco Comercial Português Group since 30 June, 2006.

There has been no significant change in the financial or trading position of BCP Finance since 30 June, 2006.

There has been no material adverse change in the financial position or prospects of either Issuer or the Banco Comercial Português Group since the date of the last audited annual accounts, 31 December, 2005.

Litigation

There are no, nor have there been any governmental, legal or arbitration proceedings (including any such proceedings which are pending or threatened of which either Issuer is aware) which may have or have had during the 12 months before the date of this document a significant effect on the consolidated financial position or profitability of either of the Issuers or the Banco Comercial Português Group.

Auditors

The consolidated financial statements of the Banco Comercial Português Group for the financial year ended 31 December, 2004 were prepared in accordance with local GAAP. The consolidated financial statements of the Banco Comercial Português Group for the financial year ended 31 December, 2005 were prepared in accordance with International Financial Reporting Standards. The financial statements of the Banco Comercial Português Group were audited in accordance with International Standards on Auditing for each of the two years ended 31 December, 2004 and 31 December, 2005 by KPMG & Associados, SROC, SA independent certified public accountants.

The financial statements of BCP Finance for each of the two financial years ended 31 December, 2004 and 31 December, 2005 were prepared in accordance with International Financial Reporting Standards and audited in accordance with International Standards on Auditing by KPMG independent certified public accountants.

The Trust Deed provides that the Trustee may rely on certificates or reports from the Auditors or any other expert or other person in accordance with the provisions of the Trust Deed whether or not any such certificate or report or any engagement letter or other document entered into by the Trustee and the Auditors or any other expert or other person in connection therewith contains any limit on the liability of the Auditors or any other expert or other person.

Dealers transacting with the Issuer and the Bank

Certain of the Dealers and their affiliates have engaged, and may in the future engage, in investment banking and/or commercial banking transactions with, and may perform services to the Issuer, the Bank and their affiliates in the ordinary course of business.

Post-issuance information

Each of the Issuers does not intend to provide any post-issuance information in relation to any issue of Notes.

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