

Acquisition of BPI

Creating a Portuguese leader in the European banking sector:

Unique value opportunity of an in-market transaction

Final terms of the Offer

April 24, 2007

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This presentation includes certain forward-looking statements that are based on our management's beliefs and assumptions and on information currently available to our management. Forward-looking statements include information concerning our and BPI's possible or assumed future results of operations, business strategies, financing plans, competitive position, industry environment, potential growth opportunities, the effects of future regulation and the effects of competition. Forward-looking statements include all statements that are not historical facts and can be identified by the use of forward-looking terminology such as the words "will," "believe," "expect," "anticipate," "intend," "plan," "estimate," "future" or similar expressions. Forward-looking statements are not guarantees of future performance and involve risks, uncertainties and assumptions. Actual results may differ materially from those expressed in the forward-looking statements. We do not have any intention or obligation to update any forward-looking statements.

You should understand that many important factors, in addition to those discussed in this presentation, could cause our or BPI's results to differ materially from those expressed or anticipated in any of the forward-looking statements. These factors include, without limitation, our and BPI's competitive environments and our respective (i) ability to both meet regulatory requirements and obtain regulatory approvals and (ii) political, economic and industry conditions.

Agenda

- 1. Final Transaction Terms and Timetable**
- 2. Cost Synergies**
- 3. Revenue Synergies**
- 4. Price considerations**
- 5. Conclusions**

Final Terms and Conditions (24 April 2007)

Success Conditions

- 50% + 1 share if voting restrictions are previously eliminated (no longer applicable)
- 82.5% + 1 share, ensuring majority of eligible votes (in case of non-removal of voting restrictions)

Price

- € 7.00 per share entirely in cash
- Value BPI at €5,320 million

Competition Authority

Final decision of non-opposition on 26 March 2007, with the following commitments undertaken by BCP:

- Dispose of stake in Portuguese credit card acquirer company Unicre
- Establishment by BCP of an alternative credit card acquirer operation
- Sale of 60 pre-identified branches and sale of Corporate client business with associated loan portfolio of € 450 million
- Waiving of switching cost for BCP and BPI SME clients to ensure mobility

Financing structure and financial impacts

Capital Increase

- Acquisition financed through capital increase of up to 5,000 million euros, complemented by use of internal resources
- Final size of rights issue depending on offer acceptance level
- Rights issue to be launched after closing of acquisition. Terms of capital increase to be announced shortly before start of rights trading period according to prevailing market conditions at the time
- Capital increase fully underwritten by UBS, Citigroup, JP Morgan, Merrill Lynch and Credit Suisse

Resulting Capital Position

- Tier 1 ratio of approximately 7% at year-end 2007:
 - Strong recurrent organic capital generation of estimated 50-60bp per year ensuring adequate capital structure going forward
 - Disposals of BPI's non core operations, as well as sale of assets resulting from Competition Authority decision, that will further strengthen capital base

Earnings Impact

- Earnings accretion from 2009 onwards, as synergies materialize (2009: +6%)^(*)
- Expected return on investment by 2009 of \approx 11.6% (considering BPI business plan)

(*) Assuming BCP average share price on the 30 days prior the registration of the offer by CMVM (05 April 2007) as indicative cum-right share price

Timetable - Key dates of the Offer

- **Filing of Prospectus at CMVM: 23rd of March 2007**
- **Registration granted by CMVM: 5th of April 2007**
- **Launch of the Offer: tender period 25 calendar days, that started on 10th April 2007 to end on 4th of May 2007**
- **BCP rights issue: to take place shortly after the successful closing of the Offer, to be concluded by the end of May/early June 2007 (listing of new shares by mid-late June)**

Note: Future dates are indicative, subject to events not under BCP control

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Sources of Cost Synergies

Portugal Branch Network

- The combined entity will have 1,450 branches, corresponding to 27% total market share, with differences on a region-by-region basis
- Market share of 25% in each region is adequate to deliver desired client service levels
- Closing of 220 branches

Shared Services and IT Central Services Other business areas

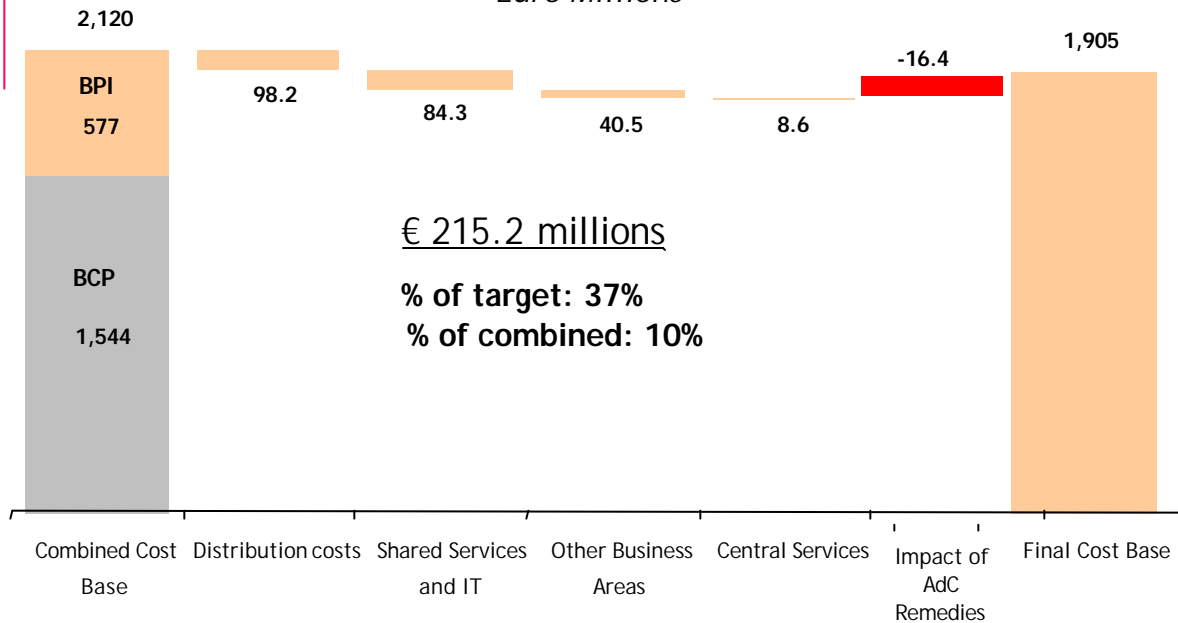
- Clear duplication of structures on these areas.
- Overlap in the subsidiaries companies and international network
- Integration of Millennium Angola and BFA (BPI's operation in Angola)

Salaries alignment and pension fund

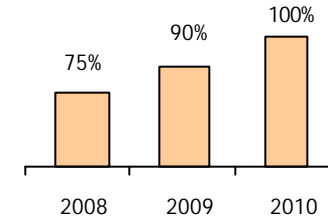
- Salaries will be aligned, as on average Millennium bcp employees have a 8% higher salaries than BPI's
- Alignment of annual pension costs of Millennium bcp and BPI, using higher Millennium bcp average cost per employee

Significant value creation from cost synergies

Cost Synergies (Improvement potential) Euro Millions



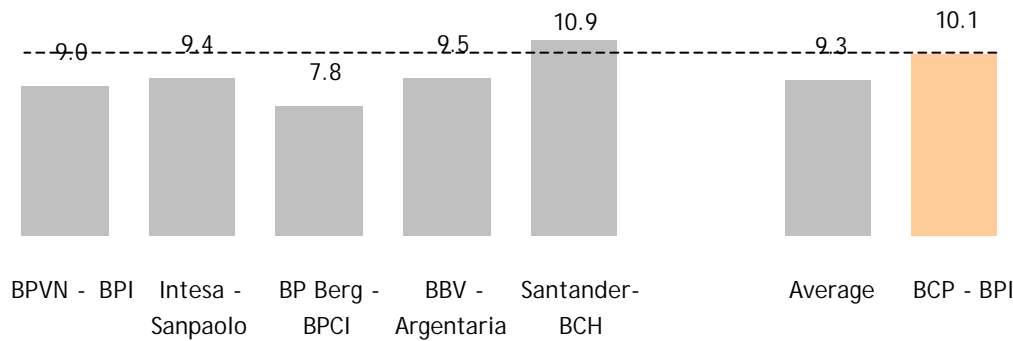
Timing of capture of synergies



Cost Synergies

Staff cost	62%
Administrative cost	32%
Depreciation cost	6%
Total	100%

Benchmark Analysis (% of combined cost base)



Restructuring costs

Overall

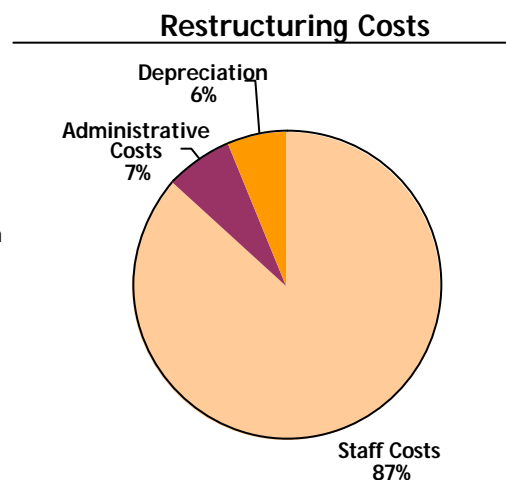
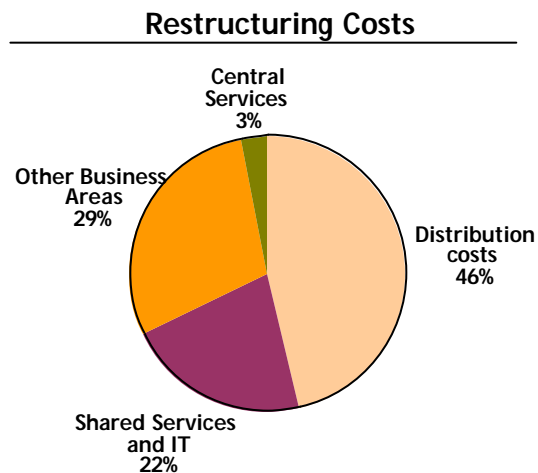
- In order to achieve these savings, the total estimated restructuring costs to reduce FTE's, close branches and systems migration is of 739 million Euros (80% in the first year, 2008, and the remaining in 2009) (*)

Branches refurbishment

- Two different types of branches within BPI networks:
 - More recent branches - 107 branches, where the refurbishment cost should be around €30/40 thousand euros per branch
 - Older branches - remaining 493 branches, with refurbishment cost around €80/90 thousand per branch

Branches closing costs

- For the computation of restructuring costs, the average non-staff related branches closing cost considered was €195 thousand euros.



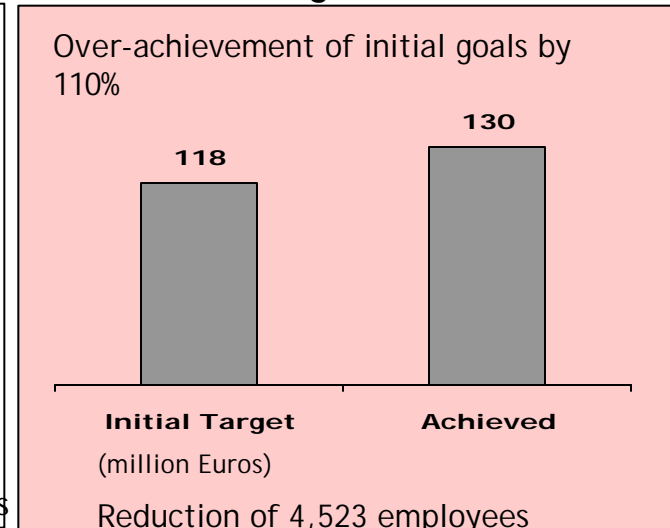
(*) In March 2006, the estimated value of the restructuring costs was 814 million Euros. The reduction of the number of branches to be closed, and staff reduction of employees at term contract, that do not imply compensation costs, justify the downward revision of that value.

BCP extensive Track Record

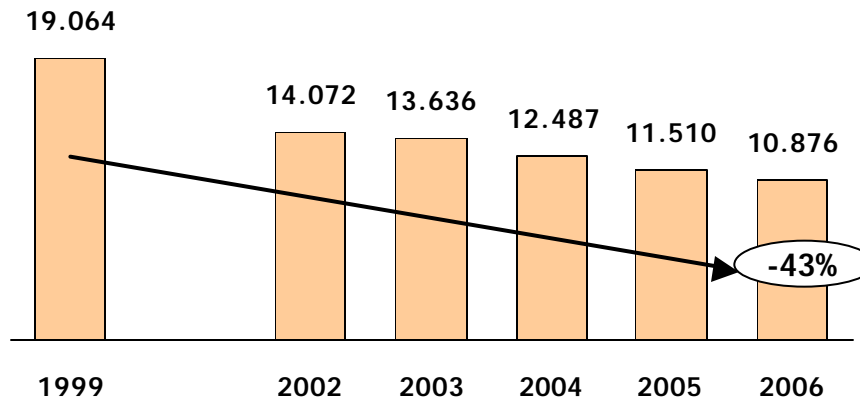
Cost reduction

	Atlântico (1995)	Mello (2000)	Sotto (2000)	BPI (2007)
Corporate Center & shared services (% of target costs)	41%	45%	30%	40%
Branch network optimization	39% of joint branches			15%
IT (as % of target costs)	40%	40%	30%	40%
IT integration time	18 months	11 months	10 months	6 months

Cost savings on BCP's previous domestic integrations



Number of employees - Portugal



Reduction of 8,188 employees and closing of 569 branches since 1999

Branches 1,433 1,088 1,077 1,008 909 864



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Additional revenue synergies from integration

Sharing of sales best practices

- Millennium bcp is market leader in sales productivity (average number of customers, business volumes and operating revenues per Millennium bcp branch are 40-50% higher than those of BPI)
- Established track record in transferring best practice across acquisitions (e.g., Atlântico, Mello, Sotto)
- Standard commercial approach (M3), also proven successful in Poland and Greece

Further exploring existing growth plans of both banks

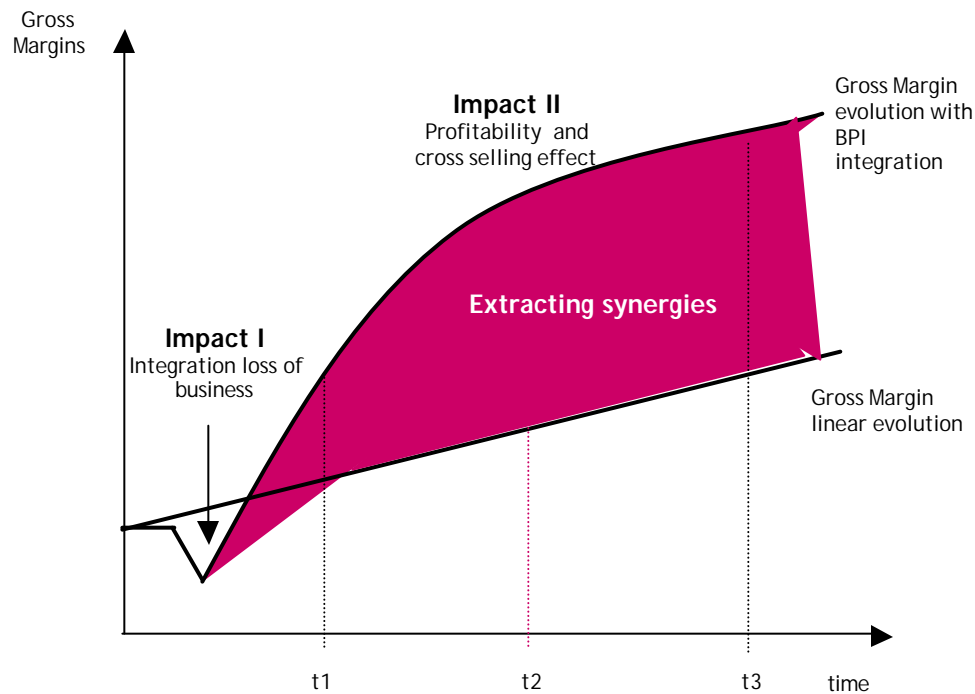
- Expansion of existing business formats (e.g., mortgage shops, investment centers) across franchises
- Combination of business development plans abroad (e.g., Angola, Mozambique)

Revenue synergies (net of churn)

Evaluation Model - Methodology and Analysis

EXTRACTING SYNERGIES ESTIMATED EVOLUTION

Gross Margin impacts



Analysis of : Corporate segment and Retail and SME segment.

Impact I - Integration loss of business (-)

Distribution network rationalization will have a negative impact on retail and SME business and the risk analysis (concentration limits) will have a negative impact on the corporate business.

Impact II - Profitability and Cross Selling effect (+)

BCP is the "best practice player" in revenues and has shown in the recent past an increase in the profitability per client, by providing a complete range of products and services to its clients. This mix will be applied to the BPI clients, aiming at improving the profitability per client.

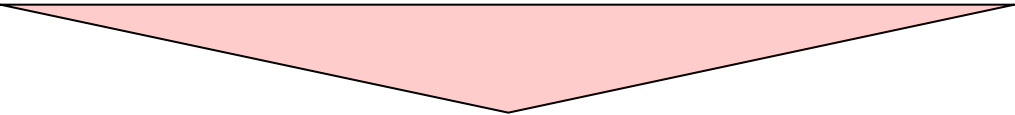
Using Millennium bcp Cross Selling best practices to evaluate the growth potential of new business in the BPI clients base, starting with share of wallet indices and estimated profitability for the product growth. This effect depends on the activity planning and the convergence to best.

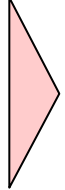
Impact on BPI gross margin

Loss of business induced by integration

Branches closing
(network optimisation) ⊕ **Corporate Business**

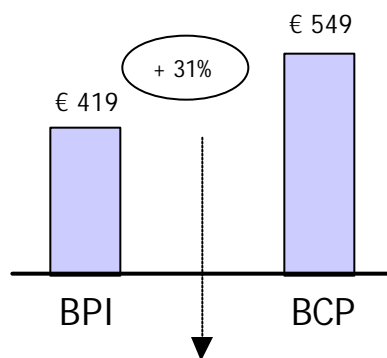
- BCP previous integration experiences showed revenue losses of 3% (Banco Mello and Sotto Mayor) and 5% (Banco Comercial de Macau) of the acquired entities.
- Closing of 220 retail branches, leading an estimated 8% loss in customs funds and non material impact on retail credit, causing a 5-7.5% decrease of gross margin.
- Expected integration impact, prior to distribution network rationalization, to be higher in the Corporate Banking business due to concentration of corporate risks.



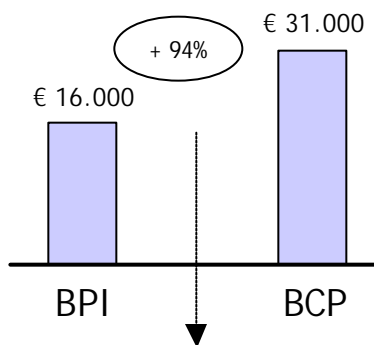
Revenue attrition per year: (loss of business)	<ul style="list-style-type: none">• Retail and SME: € 27 - € 40 million• Corporate : € 10 - € 15 million• Total: € 37 - € 55 million		Average revenue loss €46 m per year
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Revenues synergies breakdown

Retail & SME Increase Revenues per Client



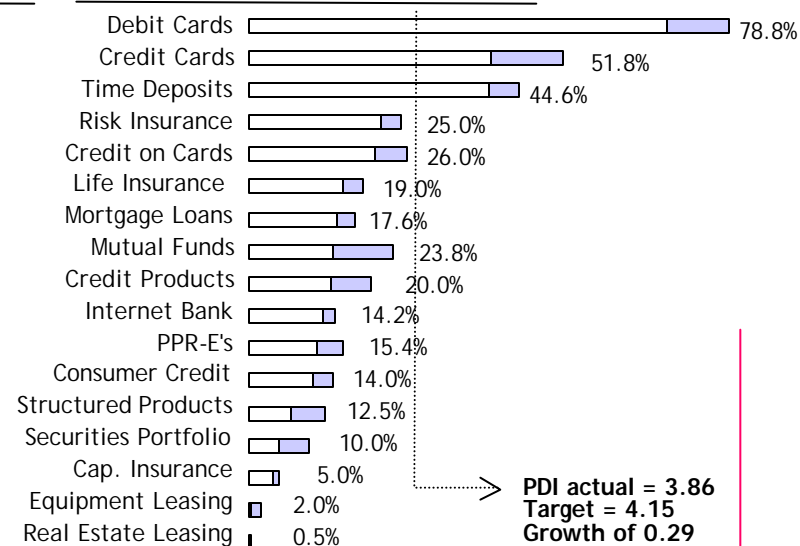
Corporate Banking Increase revenues per Client



Based on existing commercial gaps between the two banks for several activity ratios, in both business volumes and profitability per client, significant revenues synergies can be achieved through improvement in cross-selling and profitability / pricing uniformization

Profitability and cross-selling Product Detention Indices (PDI)

BPI's actual levels vs benchmark ¹



Estimated sale of
~ 350.000 new products
to BPI customer base

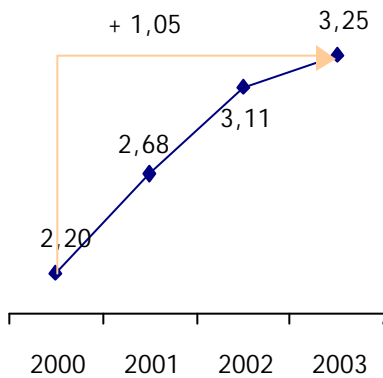
Revenues synergies:
(per year)

- Retail and SME: + € 94 million
- Corporate: + € 24 million

Realistic revenues synergies targets



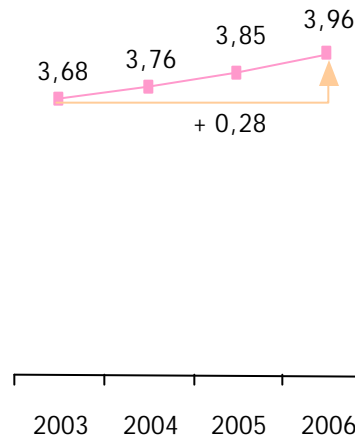
Products per client



Increase in cross selling was impressive in the integration of SottoMayor, although the starting point was significant lower than that of BPI's.

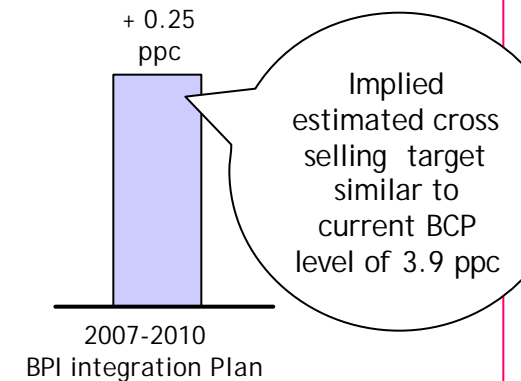
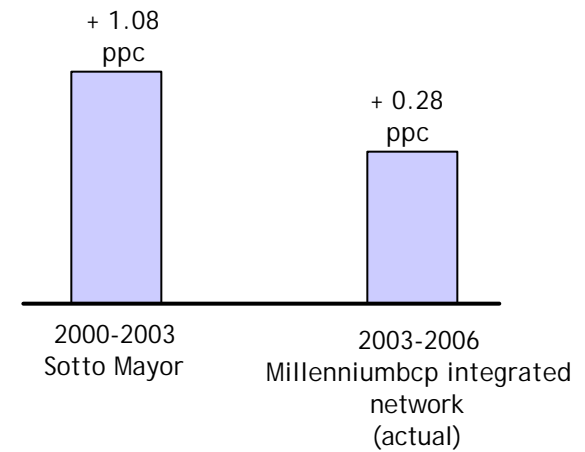


Products per client



The recent performance confirms BCP expertise in cross selling. The target for BCP for the next three years is to increase ppc by 0.56, based on current sales improvement initiatives.

Realistic revenues synergies vis-a-vis past experiences



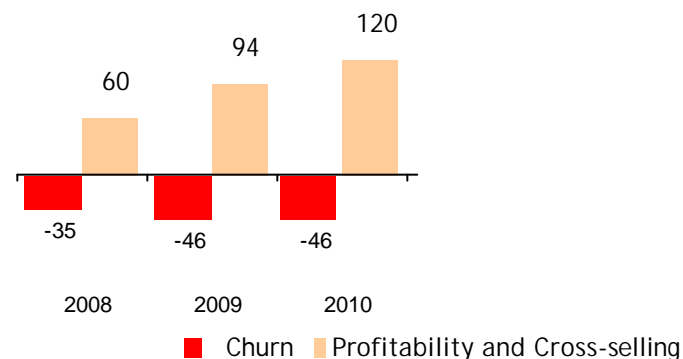
Ppc: product per client

Revenues Synergies

Total Revenue Synergies

Estimated revenues synergies should be achieved over a period of six years, taking into consideration BCP's past acquisition integration experiences. Conservatively, only a three-year period of convergence have been assumed.

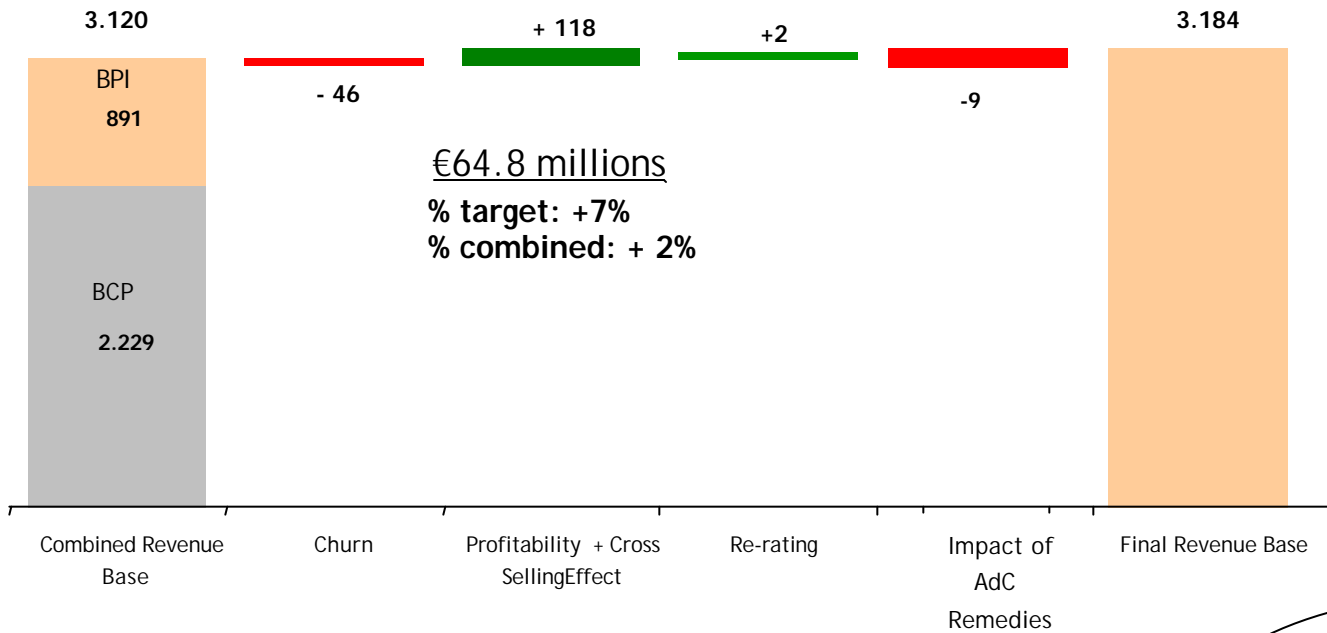
Synergy's capture plan (3 years accumulated targets)



Businesses	<u>Integration and Branch closing</u> Loss of 5 - 7.5% of Gross Margin	<u>Profitability + Cross selling</u> Increase in BPI profitability per client and increase in number of products, assuming profitability per new product sold at BPI network will be in line with BCP practice.	TOTAL Per year
Retail and SME	-33 M€	+94 M€	+61 M€
Corporate	-13 M€	+24 M€	+11 M€
Improvement of Rating		+2 M€	+2 M€
TOTAL	- 46 M€	+ 120 M€	+ 74 M€

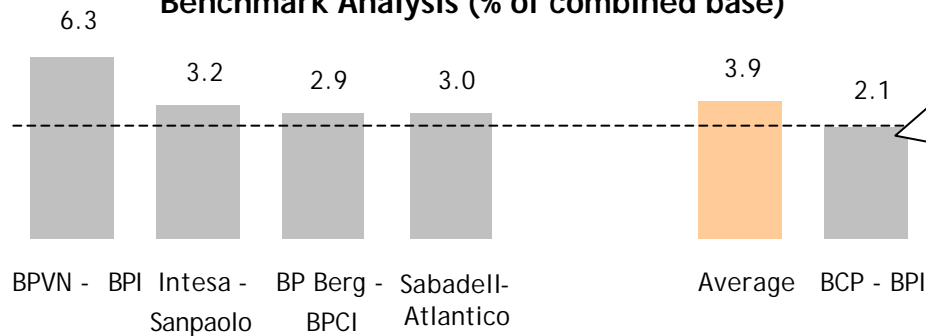
Revenues Synergies

Revenue Synergies (Improvement potential) Euro Millions



€64.8 millions
 % target: +7%
 % combined: + 2%

Benchmark Analysis (% of combined base)



Estimated revenue synergies below average given current high sales levels of both banks

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2. **Project Welcome - Integration Plan**
3. **Cost Synergies**
4. **Revenue Synergies**
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Final offer price represents 20% premium vs analysts price target

Analyst price targets—post 2006 results

Analyst	Date	Recommendation	Price Target (€)
JP Morgan	03-Apr-07	Neutral	4.90
Espirito Santo	08-Mar-07	Neutral	5.70
ING	09-Mar-07	Hold	5.50
Banif	02-Mar-07	Neutral	5.56
Lisbon Brokers	28-Feb-07	Hold	6.90
Lehman Brothers	12-Feb-07	Underweight	5.60
Credit Suisse	29-Jan-07	Overweight	6.82
KBW	29-Jan-07	Market perform	6.30
Caixa BI	26-Jan-07	Hold	5.30
Average			5.84
Median			5.60

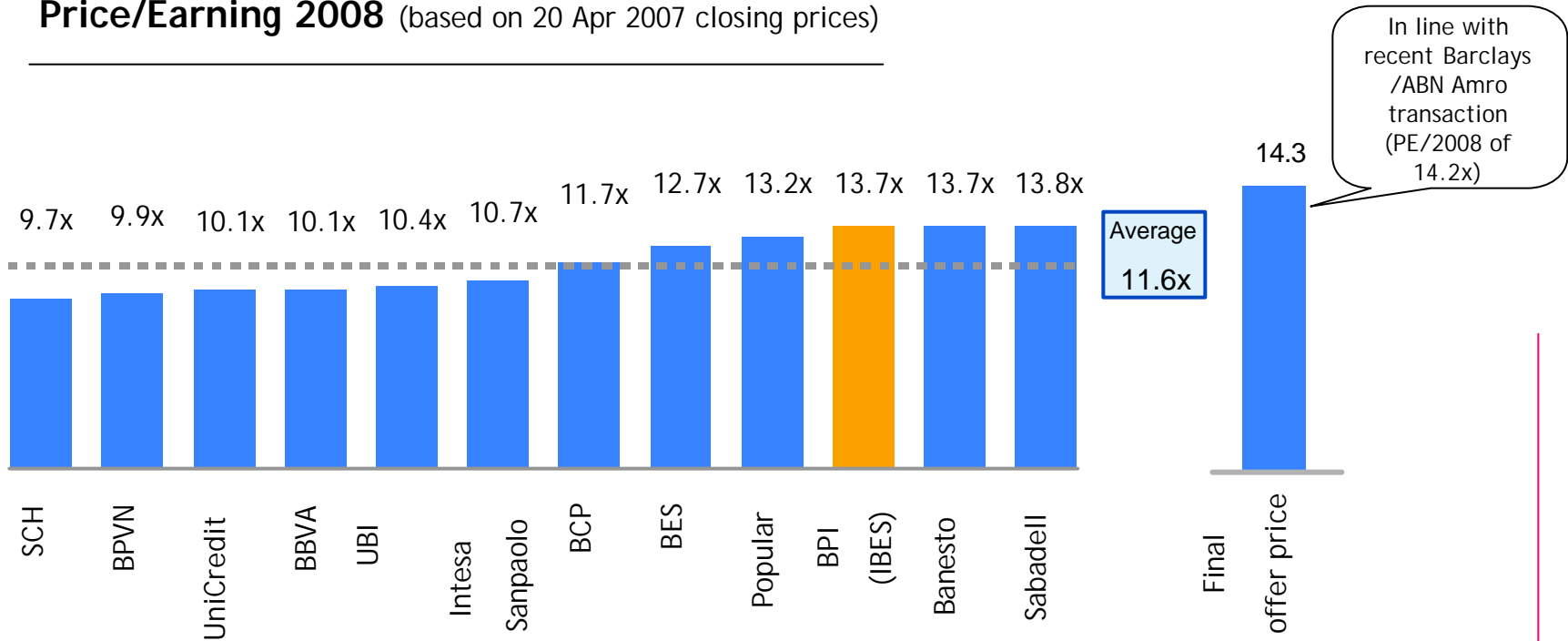


Final offer price of €7.00 represents 20% premium versus most recent analyst price targets

Final offer price represents 23% premium vs trading multiples

Trading multiples

Price/Earning 2008 (based on 20 Apr 2007 closing prices)



Final offer price of €7.00 represents a premium of 23% on average market multiples valuation

Estimated financial impact of offer price on BCP shares

- **Estimated earnings impact**
(versus BCP stand-alone targets)

EPS accretion (*)

Consensus
for BPI
earnings

2008 +4%

2009 +6%

(*) assuming BCP cum-right price in line with market price before the announcement of the revised price

Transaction with strong financial support

- **Fairness opinion** issued by Citigroup confirming fair offer price.
- **Capital increase (rights issue)** up to 5.0 billion euros (final amount depending on number of BPI shares tendered); core tier 1 of 5.4% after the completion of transaction and 5.6% by 2007 year-end, total tier 1 of 7%.
- **Underwriting** by five International Investment Banks (UBS, Citigroup, Merrill Lynch, JP Morgan and Credit Suisse) chosen in a highly competitive process.

Attractive offer price based on fair sharing of value

Attractive offer price based on fair sharing of unique synergies potential between BPI and BCP shareholders, also incorporating overall appreciation of stock market.

- Estimated annual cost synergies of €215 million (net of impact of commitments with Competition Authority), representing 10% of the combined cost base, to be captured in 2008 (75%), 2009 (90%) and 2010 (100%).
- Estimated annual revenue synergies of €74 million, to be achieved by the third year, already net of €46 million revenue attrition anticipated to occur on first two years; revenue synergies will be generated via increase of cross-selling and profitability per customer, in line with BCP experience on the last three years.
- Price revision also reflects overall stock market appreciation, that since the announcement of the offer (13th March 2006) to date (23rd April), raised by 15.5% (Eurostoxx 50).
- The price revision takes place at the last allowed date, being the final offer of BCP.

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Conclusions

Banco Comercial Português reiterates the unique value and strategic fit resulting from the creation of a Portuguese leader

- **High quality franchise with strong asset quality, modern branch network and experienced professionals**
- **Undisputed market leadership in most of banking product areas creating a genuine Portuguese leader within the top 5 Iberian players**
- **Significant room to extract in-market cost and revenues synergies by integrating operations and exploring complementarities in Portugal and abroad**
- **Stronger position to capture the growth opportunities of both banks, in the respective core markets**
- **Attractive premium to BPI shareholders justified by unique position of BCP to generate significant synergies from the combined entity**



Exhibits



Combined entity with strong market presence

31 December 2006

	<i>Millennium bcp</i>	<i>BPI</i>	<i>Millennium bcp + BPI</i>
Number of Customers (mn)	3,0	1,4	> 4
Branches (Portugal)	864	600	1.464
Total Assets (€ bn)	79.3	35.6	114.9
Loans to Customers (€ bn)	56.7	24.6	81.3
Customers Funds (€ bn)	57.2	24.6	81.8
Number of Employees ('000)	10.9	7,0	17.9
Market Shares:			
- Customer Funds	21%	9%	30%
- Credit	25%	11%	36%
Core Tier 1	5,5%	5,9%	5,6%
Shareholder's Equity (€ bn)	4,8	1,5	5,7
Market Cap. (€ bn)	9,3	5.0	14.3

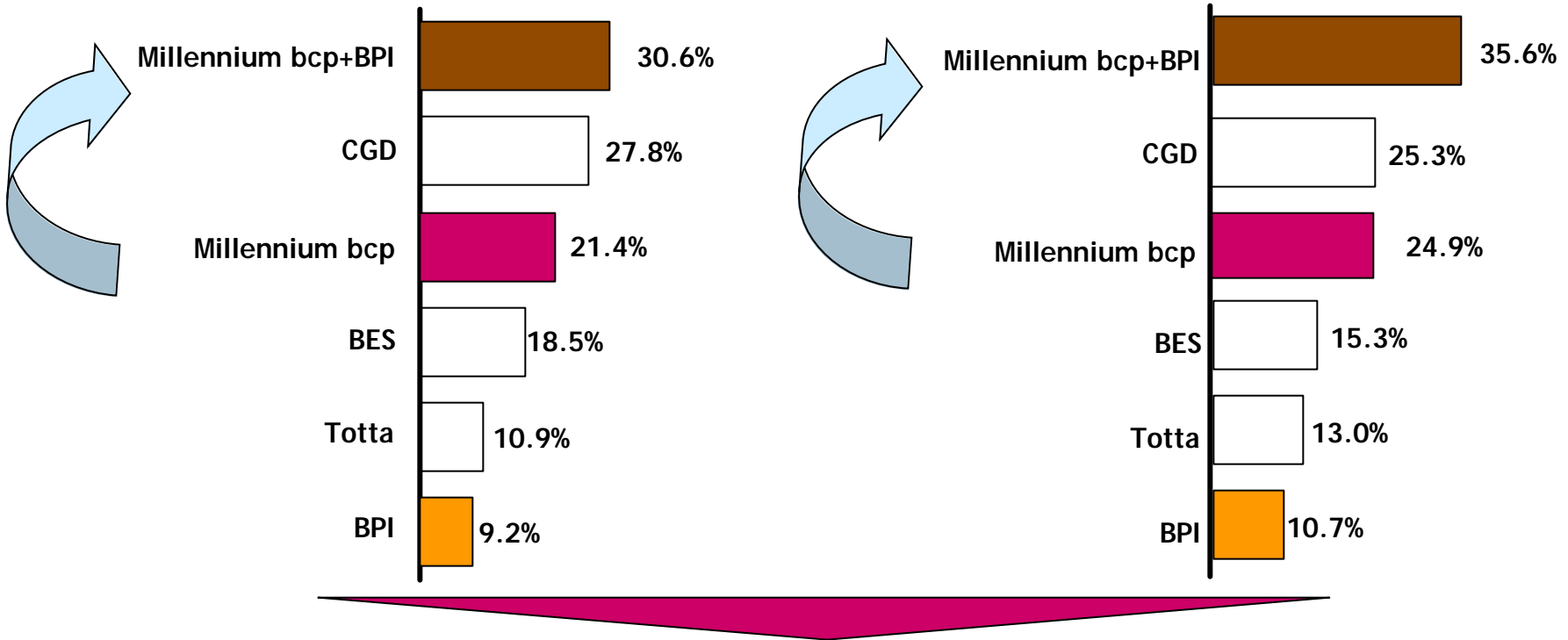
Creating an undisputed leader in Portugal

Market shares - 2006
(estimates)

Consolidated figures

Customer funds (on-and off balance sheet)

Loans to customers



Creating a strong market leader in a open and competitive market

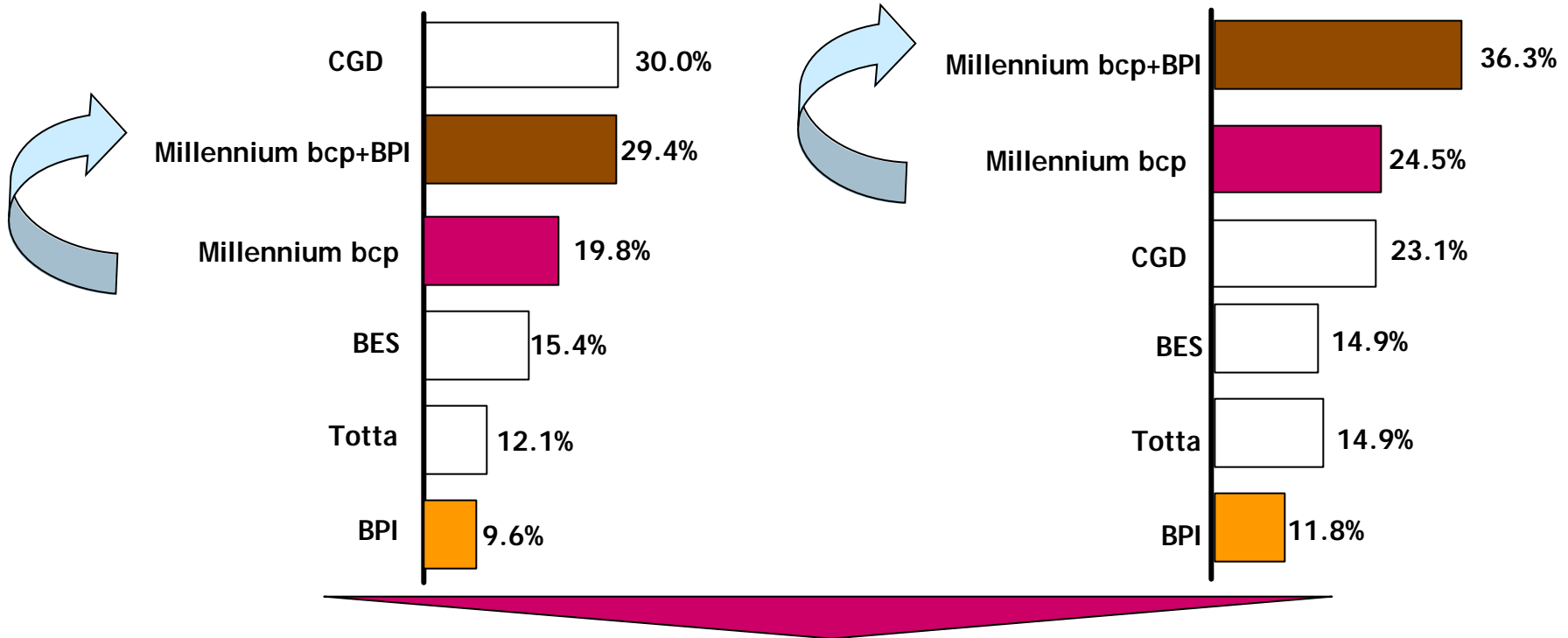
Creating an undisputed leader in Portugal

Market shares - 2006
(estimates)

Portugal activity only

Customer funds (on-and off balance sheet)

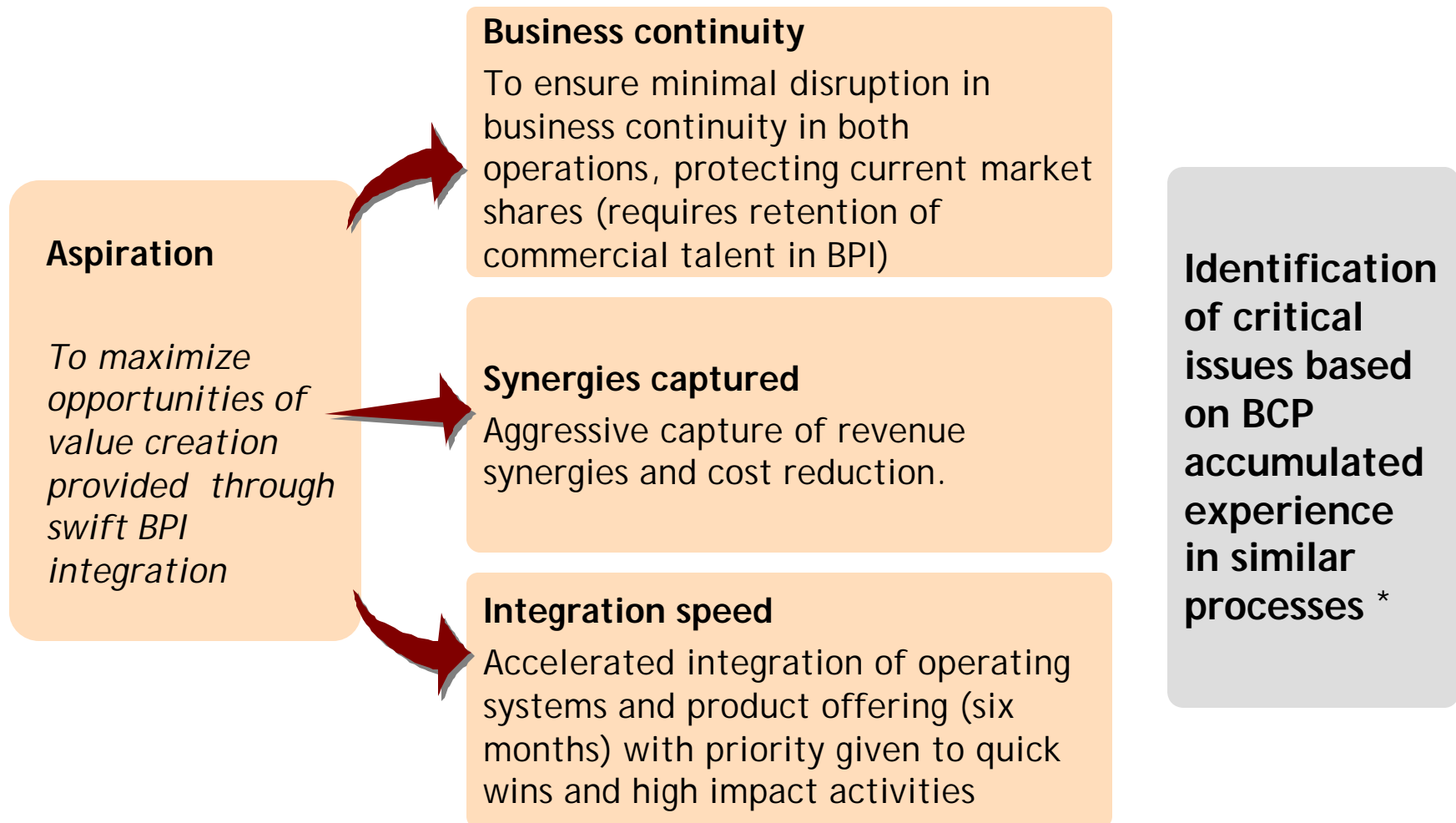
Loans to customers



Creating a strong market leader in a open and competitive market

Execution risks minimised by in-depth preparation since announcement

3 Instrumental goals

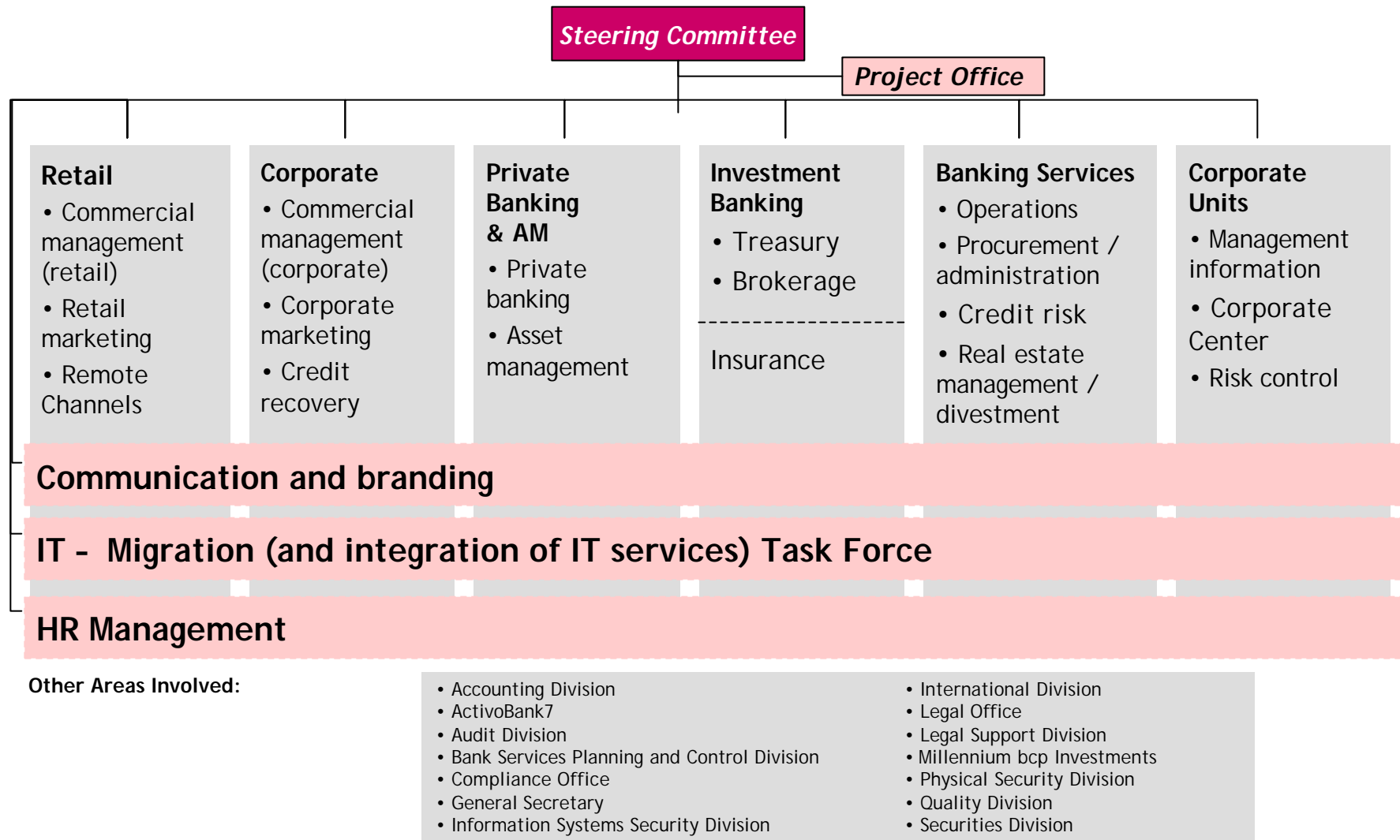


* Based on improvements achieved in former integration processes: 8-9 months with Mello; 18 months with Atlântico and 12 months with Sotto Mayor

Key steps of the integration process



Management platform already in place for operational integration



Detailed action plan

Team	N. of initiatives	N. of Tasks
Communication	61	380
Human Resources	7	127
Retail Network Management	10	183
Retail Marketing	11	100
Remote Channels	23	320
MIS	22	43
SME and Corporate	11	250
Customer Loans	10	190
Credit Recovery	16	100
Risk Management	8	17
Private Banking and Asset Management	4 6	150 70
Procurement	8	27
Insurance	7	25
Operations	9	20
Treasury and Brokerage	33	150



**250
Initiatives**

**2.150
Tasks**

Millennium

bcp