

To:
Mr Artur Santos Silva
Chairman of the Board of Directors
Banco B.P.I., S.A.

October 30th, 2007

Dear Sir,

In the name of the Executive Board of Directors of Banco Comercial Português, it is my privilege to respond to your letter dated as of October 25th, 2007, for which I thank you, and to the merger proposal contained therein.

Banco Comercial Português has its own strategic path, and a programme for value creation that has been communicated to the market, to which it is firmly committed. Nevertheless, in the perspective of its Executive Board, and in full alignment with the views of both the Supervisory Board and the Senior Board, a transaction that brings together our two institutions would have ample economic potential, a compelling strategic rationale, and be in the best public interest, provided it is structured so as to result in an equitable solution and further provided that it adequately protects the legitimate interests of all stakeholders. The reasons behind these considerations have been the object of thorough public debate in the recent past, so I will not elaborate further on them.

Therefore, it was with keen interest that we undertook an analysis of the proposal submitted by the Board of Directors of Banco BPI. Such analysis, however, took us to the conclusion that the terms of your proposal are totally inadequate and unacceptable. I will not go into the detail of the many reasons that drove us to such conclusion, but I will, instead, focus on the core issue: it is, in effect, a proposal to acquire, substantially, management control, without paying the premium that BCP shareholders would legitimately expect in such circumstances.

Inevitably, the independent research analyst opinions published to date on the subject reach the same conclusion.

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In this context, and bearing in mind what I wrote above on the undeniable potential merits of bringing together our two institutions, the Executive Board of Directors of BCP, having consulted with the Supervisory Board and the Senior Board, has decided to express to the Board of Directors of Banco BPI its willingness to engage in discussions with the purpose of agreeing a merger, provided that such process is initiated free of any previously established terms or conditions, and is conducted with the ultimate objective of achieving an equitable transaction that gives rise to a strategically autonomous institution.

With my best regards,

Filipe Pinhal