

Activity Report 1999



Banco Comercial Português

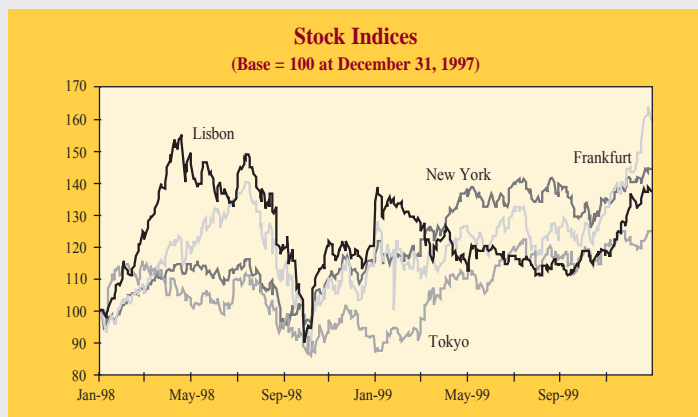
ACTIVITY REPORT 1999

ECONOMIC ENVIRONMENT

The international macroeconomic environment in 1999 was a positive one, showing an increase in the world GDP of 3%. This was stimulated by continued strong growth in the USA and the United Kingdom – supported by dynamic private consumption and investment, based on an increase in job creation and on the valuation of stock markets – by the economic upturn seen in the main countries of Euroland – stimulated by an increase in foreign demand and expansionary monetary conditions – by the end of economic recession in Japan – as a reaction to public investment and to tax reduction programmes, as well to short term interest rates decreasing to around zero – and by the recovery of South-eastern Asia economies, reflecting the impact of effective exchange rate depreciation, the adoption of structural reforms and the return of foreign investors. In Latin America and East Europe, the growth was less pronounced in 1999, although there are expectations of an improvement in the short-term. Despite the acceleration of world-wide economic activity and the pronounced increase in raw material and energy prices, the control of wages and productivity gains resulting from investment in new technology contributed to low levels of inflation.

One of the main events of 1999 was the adoption of the euro by 11 countries of the European Union, signalling the beginning of the third phase of Economic and Monetary Union. Affected by the low levels of economic growth and by lower interest rates in Europe compared with the USA, and weakened by the war in Kosovo, by the dismissal of the European Commission, by the differing opinions of those responsible for the euro's evolution, and by the non-intervention of the European Central Bank in the exchange markets, the euro depreciated approximately 14%, standing close to parity against the US dollar by the end of year.

The acceleration in activity and the outbreak of inflation expectations led to an increase in intervention interest rates in the USA (from 4.75% to 5.5%, in three stages since June) and by the European Central Bank (from 2.5% to 3%, in November). The replacement of less expansionary monetary conditions, the control of crises in emerging countries, the significant increase in energy prices and the rearrangement of asset portfolios, with increased exposure to stock markets, have determined the increase of 150 b.p. in Bond yields (10 years) to around 6.4% by the end of 1999, and also determined the increase of Bund yields (of about 130 b.p.).

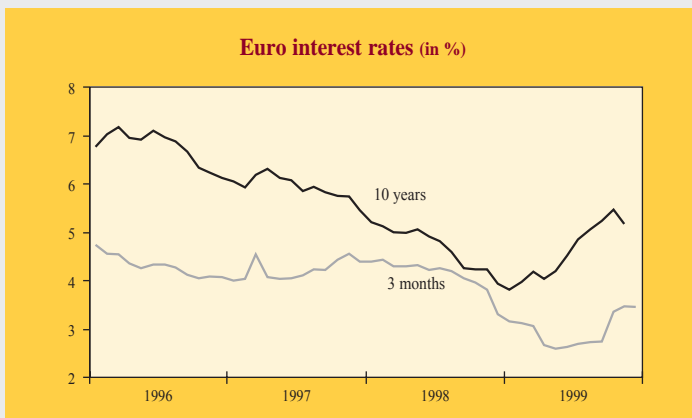


In 1999 the main international stock markets showed significant increases, and stock indices reached successive records in the USA and some European countries. The Dow Jones index increased by 25.2%, reaching a record level by the end of 1999; on the other hand, NASDAQ index – with a portfolio predominantly composed of IT and communications companies – grew 85.6%. The confirmation of the European economic upturn, the intensification of domestic and international concentration, the increasing integration of markets after the adoption of the euro, the relative attractiveness of European companies stock prices compared with similar American companies, and the completion of millennium transition preparations, also supported the increases in the main European stock indices, in 1999.

In Portugal, despite the activity slowdown at the beginning of the year which was explained by the reduction of exports to EC countries and the slowdown of public works, the recovery in foreign demand in the second half and the sustained dynamism of private consumption, and in housing construction and equipment and transport materials investment, led to a GDP growth rate of 3.3% for the full year (which compares with 3.8% in 1998), achieving a level 1 p.p. above the EC average. The average inflation rate stood at 2.3% at the end of 1999, benefiting from the dilution of the impact of previous increases in prices, the slowdown of unprocessed food prices, the reduction of taxes on oil products – which absorbed the impact of oil price increases – and, the slowdown of inflationary expectations. In an environment characterised by a falling unemployment rate (from 5% to 4.4%, between 1998 and 1999) and by the sustained increase of the

activity rate, nominal wages showed a modest growth (around 3%), allowing the coexistence of an increase in the real purchasing power (of about 1 p.p.) and the maintenance of external competitiveness.

The different evolution of domestic and foreign demand, the worsening of trade terms and the continuing reduction in emigrants' transfers worsened the Current Account deficit, reaching 7% of GDP, in 1999. Given the level of investment in foreign countries associated with the internationalisation strategies of Portuguese businesses, the increase in institutional investors exposure to euro area assets and the reduced entry of foreign investors in Portuguese financial markets, there was a strong increase in the external liabilities of the banking sector. The Government Deficit stood at around 1.8% of GDP in 1999, a value below the forecast in the Stability and Growth Program. This improvement resulted mainly from the increase in indirect taxes and social transfers – resultant from private consumption and employment dynamism –, as well from the non-inclusion of some items of public expenditures in the Balance Sheets, offsetting the lower increase in revenue taxes and the significant increase in current expenditures.



The amount of credit granted to companies and individuals kept its considerable momentum, showing a growth rate of around 25%; the maintenance of interest rates in very low levels, the improvement in consumers and entrepreneurs confidence and the aggressive commercial strategies of financial institutions have contributed to the strengthening of credit demand. On the other hand, the reduction of the savings rate and the low performance of stock markets have contributed to the modest growth in total customers funds as well as an interruption of the trend towards savings desintermediation, involving the movement of funds from time deposits to investment funds, insurance products and investments in stock markets. In Portugal, interest rates followed the trend of other European countries. Although short-term interest rates decreased about 50 b.p. in the first quarter of 1999, reversing this movement by the end of the year, long-term interest rates increased about 160 b.p., which was reflected in the increase of the yield curve to 2.2 p.p. by the year end.

The launch of several Public Tender Offers, the positive outlook for economic growth and the anticipation of good corporate results, the agreement between Grupo Champalimaud, BSCH and the Portuguese Government, the entry of the first "Internet stocks" in the Portuguese market and the increase of liquidity reflecting several stock split operations led to the reversal of the falling values and low liquidity in Lisbon Stock Exchange in the fourth quarter of 1999. Showing an increase of 26.2% from the annual low, between September and the end of 1999, the PSI-20 index as up 8.7% at the year-end when compared to December of 1998, supported by optimism about the evolution of telecoms, by the perspectives of concentration in the distribution sector and by the favourable trends in the main international financial markets.

FINANCIAL PERFORMANCE

Net income of Banco Comercial Português for 1999 amounted to EUR 430 million (PTE 86.3 billion), an increase of 59.2% over Net income of EUR 270 million for 1998. Earnings per share increased to EUR 0.43 (PTE 86.5) from EUR 0.29, while Return on equity improved to 25.0% and Return on assets to 1.2%.

Net income for 1999 also includes net capital gains in the sale of holdings and the one-off provisioning for pension funds, to fully cover non-compulsory employees' benefits and early retirement charges. Excluding these impacts and compared to Net income for 1998, deducted from the net gain of the flotation of 32.2% of BCP's shareholding in Atlântico, Net income would have increased by 29.4%, amounting to EUR 270 million (PTE 54.1 billion).

Business growth and profitability objectives were fully accomplished in 1999 through a commercial position supported by a wide range of innovative proposals that strengthened the Group's presence in several areas of the financial business. The success in the implementation of a structure based on "factories" of financial products and services, made available through innovative and effective distribution networks using different channels (branches, ATMs, telephone, internet, dealers and agents), was

reflected in the growth of net interest income, commissions and the main business indicators.

The growth of Loans to customers led Net interest income to increase to EUR 864 million (PTE 173.3 billion) in 1999, up 8.9% from EUR 794 million in 1998, compensating for the effect of the reduction of the Net interest margin to 2.9% in 1999 from 3.1% in 1998.

The strategic focus on the growth of cross-selling income was intensified during 1999, more than offsetting the impact of the net interest margin decrease and more intense competition. The weight of Other income as a percentage of Total income increased to 63.3%, benefiting from the good performance of commissions related to cards, mutual funds and personalised asset management.

Operating costs showed controlled growth in accordance with the strategic goal of reducing their impact on earnings. The benefits of an organisational structure based on the integration of support services and common units under a single platform (ServiBanca) were once again confirmed by the improving trend in operating efficiency. Operating costs decreased as a percentage of Total income to 42.4% in 1999 from 45.4% in 1998, despite the impact of preparations for Y2K, the advertising of the Group's supply, the launching of new business initiatives and the expansion of the distribution network to 915 branches at the end of 1999 from 826 branches at year-end 1998.

Loans to customers amounted to EUR 23,736 million (PTE 4,759 billion) at the end of 1999, up 30.6% from EUR 18,171 million at December 31, 1998. This was mainly due to the growth of loans to both individuals and to services and commerce companies.

Total customers' funds – Customers' deposits, Certificates of deposit, Assets under management and Capitalisation insurance – stood at EUR 32,483 million (PTE 6,512 billion) at December 31, 1999, up 7.3% from EUR 30,260 million the end of 1998, despite the economic framework, which favoured consumption more than savings, and the poor performance of the domestic stock market which limited the growth of assets under management and discouraged potential investors.

Despite the continued favourable credit environment, characterised by low interest rates and intense competition, the Group kept a prudent credit underwriting policy, reflected in low loan loss levels and high provision coverage. Loans overdue amounted to EUR 272 million (PTE 54.6 billion) at the end of 1999, compared to EUR 296 million at year-end 1998. Total loans overdue accounted for 1.1% of Total loans at December 31, 1999, compared to 1.6% at the end 1998, while coverage by provisions of Loans overdue increased to 177.8% at the end of 1999 (143.7% at December 31, 1998).

Reflecting continued high solvency levels, own funds – comprised of Shareholders' equity, Preference shares and Subordinated debt – amounted to EUR 3,482 million (PTE 698 billion) at December 31, 1999, up 26.0% on EUR 2,763 million at the end of 1998. The Solvency ratio, estimated in accordance with the rules of the Bank of Portugal, stood at 10.1% at the end of 1999 (11.0% according to BIS).

MOST SIGNIFICANT DEVELOPMENTS IN 1999

Given the strategic importance of BCP of reaching a dimension compatible with the objective of strengthening its awareness and leadership in several areas of the Portuguese financial sector – particularly the opportunities and challenges resulting from the creation of the European Monetary Union and from the acceleration of consolidation processes on a world-wide level – the BCPAtlântico Group tried, during 1999, to explore opportunities to gain market share, and so to create value for shareholders, through the acquisition of other financial institutions as well through strong organic growth of its specialised commercial platforms. Expansion in the domestic market was complemented by the strengthening of international strategy, supported by the successful agreements with foreign financial institutions, carried out through specific joint-ventures in specific markets with high potential of profitability and growth.

Amongst the most important business developments in 1999 it is worth mentioning:

Intervention in the concentration process of the Portuguese financial sector

- Banco Comercial Português launched a Public Exchange Offer for 48,600,000 shares representing the entire share capital of Companhia de Seguros Mundial-Confiança (June); Amendment to the preliminary announcement of the public tender offer for the entire share capital of Companhia de Seguros Mundial-Confiança: BCP reserved the right to acquire all Mundial-Confiança shares tendered in the offer, provided it acquired at least the majority of the share capital and voting rights of Mundial-Confiança's subsidiaries (July).
- Banco Comercial Português launched a Public Exchange Offer for the entire share capital of Banco Pinto & Sotto Mayor (comprising an obligation to acquire the outstanding minority shareholdings in Banco Totta & Açores, a subsidiary company) and of Crédito Predial Português.
- BCP's General Shareholders Meeting in Oporto (July 26) which approved the initial proposal to increase the share capital to support the public tender offer launched by BCP to acquire Companhia de Seguros Mundial-Confiança and Banco Pinto & Sotto Mayor; a new General Shareholders Meeting strengthened the deliberations previously taken on July 26.

- Following the agreement between Caixa Geral de Depósitos, Mr. Champalimaud and Banco Santander Central Hispano, BCP withdrew the public tender offers for the share capital of Mundial Confiança, Crédito Predial Português and Banco Totta & Açores, keeping only the offer for the share capital of Banco Pinto & Sotto Mayor, offering an exchange of 125 of its own shares for 27 shares of BPSM, or, alternatively, payment, entirely in cash, at EUR 23.1560 (PTE 4,642) per BPSM share.

Distribution network expansion

- Pursuant to the programme of network expansion, the BCPAtlântico Group opened 3 branches of BCP, 32 branches of NovaRede, 43 “Lojas Atlântico”, 7 “Lojas Expresso Atlântico” and 3 branches of BII.
- Implementation of the renovation of the branding and layout of NovaRede branches (“NovaRede 21st Century”). Apart from the branches that had been changed, most of the points of sale inaugurated in 1999 had the new institutional image.
- Launch by Banco Expresso Atlântico of a network of automatic points of sale, in order to explore the attendance of customers in smaller supermarkets. These stores with automatic management operate without a permanent staff and are equipped with ATMs, telephones and promotional merchandising.

Launch of innovative financial products and services

- Commercialisation of alternative investment products: “Poupança 7” (by Banco 7) and “Conta Atlântico” and “Atlântico 80 Anos” (by Atlântico).
 - Launch by AF Investimentos of several investment funds: “AF Euro Utilities” and “AF Euro Financeiras”, two equity funds with an investment policy by sectors of activity; “Ciclo de Vida AF Prestige (2015, 2025 and 2035)”, the first “thematic” funds in the Portuguese market; and the fund “Saúde e Lazer 2004”, an equity fund with capital guaranteed.
 - Commercialisation by the BCPAtlântico Group of several bond loan issues: “Obrigações de Taxa Fixa 3,25%”, “Obrigações de Capital Garantido PSI20”, “Capital Garantido Internet 2004”, “Obrigações Investimento Real 99/06”, “Obrigações Investimento Taxa Crescente” and “Obrigações de Capital Garantido USD-JPY”.
 - Participation of BCPA (as Banco Cif is now known) as Global Co-ordinator in the Soporcel Public Offer and in the third Brisa privatisation; participation and organisation in the second Deutsche Telekom Public Offer, the first Pan-European offer targeting retail investors.
 - Customers of the BCPAtlântico Group were provided with the facility of trading and custody services of securities listed on European Stock markets in Euroland.
 - Launch by Atlântico of a new product in the consumer loans area: the “Crédito Mealheiro”, consisting of a revolving credit line backed-up by an associated mortgage, allowing larger amounts of credit and larger settlement periods.
 - Introduction by BII of an innovative product protected against significant interest rate changes – the “Protecting Rate” – a facility available for loans indexed to a variable rate, supported in the contract of a derivative “collar”, which guarantees the permanence of the interest rate contracted by the customer when market interest rates change within a pre-determined range; start-up of the project to sell American Express Cards (Gold, Green and Blue) to non-customers of the BCPAtlântico Group.
 - Launching of the “NovaRede EuroNegócio”, a set of new financial products available at the NovaRede network, targeting medium and small companies, independent professionals and small businesses; trading by BCP of four new treasury management products aimed at medium and large companies: Solução de Distribuição, Edibanca, Corporate Direct and Emissão de Carta-Cheque; partnership between BCP and Commerzbank for the launching of the service “Euro Cash Pooling”, designed to centralise the treasury management of multinational corporations into one bank account.
- ### **Share capital changes**
- Banco Comercial Português' share capital was increased from PTE 196.969 billion to PTE 200 billion through the issue of 3,031,000 new shares, corresponding to the exercise of conversion rights associated to part of the exchangeable preference shares issued by BCP International Bank Limited in June 1996.
 - Redenomination to euros from escudos of the share capital of Banco Comercial Português and Banco Português do Atlântico, followed by a share capital increase through the incorporation of reserves, amounting to PTE 482 million and PTE 303.901 million, respectively. After this operation, BCP share capital amounted to one billion euros while Banco Português do Atlântico's share capital amounted to EUR 630,500,000.
 - First share capital renomination by a company listed in the Lisbon Stock Exchange, through the split of Atlântico's shares from a par value of 5 Euros to 1 Euro. Atlântico's share capital became represented by a total of 630,500,000 shares. Later, BCP performed the same operation and, after that, its share capital became represented by a total of 1,000 million shares.
 - Partnership agreement between Banco Comercial Português and SIVA, SGPS, S.A., involving the majority shareholder of SIVA taking a share in BCP and the acquisition of Interbanco by the two entities, in order to develop this platform of specialised credit, supported by capabilities of management of financial business and specialised distribution of car loans.

Capital market operations

- Start-up of the BCP “Euro Medium Term Notes” (EMTN) programme, with a first issue of a bond loan amounting to EUR 400 million; beginning of the BCP “Euro Commercial Paper” programme amounting to USA 1.5 billion.
- Issuance by BCP Finance Company of non-cumulative, non-voting, and with undefined maturity, preference shares amounting to EUR 400 million; launch by BCP Finance of a variable interest rate bond loan totalling 200 million Euros, financed by Banco Cisf and Deutsche Bank.
- Participation of BCPA as senior co-leader in a non-cumulative preference shares issue for Banca Intesa, totalling EUR 125 million (PTE 25 billion); organisation by the same bank of a financing operation, amounting to EUR 300 million, to the Mediatecom consortium, the second mobile network operator in Morocco, led by Portugal Telecom and Telefónica.
- Leadership by BIM Investimento of the first issue of private debt in the Mozambican capital market, for the Madal Group, one of the most important institutions in the country.

Strengthening of the internationalisation strategy

- Rescission by mutual agreement of the strategic alliance between Banco Comercial Português and Banco Santander Central Hispano (BSCH). Following the dissolution of the agreement, BCP and BSCH sold their respective cross shareholdings and investments in common joint-ventures: BCP acquired 50% of the share capital of Leasefactor SGPS and, simultaneously, BSCH acquired 50% of the share capital of BANIF-Banqueros Personales.
- Agreement between BCP and Interamerican, Greece’s leading insurance company, to launch a joint banking operation in the Greek market. The new bank will focus in the retail banking market, expecting to operate a network of over 120 branches in three years, involving a total investment of approximately EUR 70 million.
- Strategic partnership agreement between BCP, Eureko BV and BIG Bank Gdanski S.A. (BBG), aimed at the development of a partnership between the three financial groups in order to explore expansion opportunities in different areas of the Polish financial sector. In this context, BCP reinforced its shareholding in BBG to 15% of its share capital and a consortium between Eureko and BIG Bank GDANSKI was set up in order to acquire 30% of the share capital of Powszechny Zaklad Ubezpieczen (PZU), the biggest Polish insurance company.

Rationalisation of operative units

- Creation of the Credit Recovery Division and Internet Division, both integrated in ServiBanca; conclusion of the integration process of the banking operation call-centers (excluding Banco 7) on a unified platform.
- Integration of the French branches of Banco Português do Atlântico into the network of Banco Popular Comercial, thus increasing the financial products and services available to Atlântico customers to a total of 30 branches in France.
- Management of all Y2K initiatives assuring the compatibility of information systems of all Group and a transition without problems at the IT and operational levels.

Promotion of new initiatives

- Integration of the BCPAtlântico Group in one of the most important Euro payment systems: the EBA (“Euro Banking Association”).
- Launching of “Linha Saúde 24”, a free telephone-based service of Médis for the Health Ministry aimed at providing counselling and courses of action in situations related to child diseases and care.
- Commercialisation of a credit line to health services providers, which allows them to anticipate by approximately 5 months the payment of services provided to users of the National Health Service.
- Signature of agreements between the Group networks and several entities of different activity areas: between BCP and National Association for the Right to Credit and APOMEPA; and between CrédiBanco and the Engineers’ Association.

Sundry

- Celebration of the 80th anniversary of Banco Português do Atlântico, with several communication and marketing campaigns targeting the opening of new accounts, the expansion of the distribution network, the reinforcement of involvement with customers, particularly the increase of customer’s funds, and the active promotion of consumer and mortgage credit.
- Change of the name of Banco Cisf to BCPA-Banco de Investimento, S.A., reflecting its role as the investment bank of the Group, and reinforcing its identity with shareholders.
- Upward revision of several ratings by the main international agencies: Standard & Poor’s, Moody’s, Fitch IBCA and Thomson Financial Bank Watch, to the different companies of BCPAtlântico Group: Banco Comercial Português, Banco Português do Atlântico, BCPA and, for the first time, to the holding companies of Seguros & Pensões Gere, SGPS.

FINANCIAL HIGHLIGHTS (*)

	31 December 1999 (Millions of Euros)	31 December 1999 (Millions of Escudos)	31 December 1998	Change
Total assets	39,179	7,854,753	6,423,104	22.3%
Loans and advances to customers	23,736	4,758,543	3,643,010	30.6%
Customers’ funds	32,483	6,512,218	6,066,582	7.3%
Shareholders’ equity, Subordinated debt and Preference shares	3,482	698,126	553,936	26.0%
Interest income	1,648	330,454	350,208	-5.6%
Interest expense	784	157,140	191,121	-17.8%
Net interest income	864	173,314	159,087	8.9%
Other income ⁽¹⁾	2,435	488,179	374,953	30.2%
Other costs ⁽²⁾	2,523	505,872	415,348	21.8%
Net income attributable to the Bank	430	86,285	54,205	59.2%
Solvency ratio		10.1%	10.4%	
Return on average total assets (ROA)		1.2%	0.9%	
ROA before Minority interests		1.6%	1.2%	
Return on average shareholders’ equity (ROE)		25.0%	21.7%	
Loans more than 90 days past due / Total loans		1.0%	1.5%	
Provisions for loan losses / Total past due loans		177.8%	143.7%	
Provisions for loan losses / Loans more than 90 days past due		202.3%	157.9%	
Market capitalisation (Year-end)	5,510	1,104,656	1,033,890	6.8%
Earnings per share (EPS)	0.43	86.5	58.9	46.7%
Market prices per share				
Maximum	5.76	1,155	1,346	
Minimum	4.69	940	689	
Year-end	5.51	1,105	1,050	5.2%
Price / Earnings Ratio (PER)		12.8	17.8	
Number of branches in Portugal				
BCP		455	419	8.6%
BCPAtlântico Group		915	826	10.8%
Number of employees				
BCP		3,877	3,688	5.1%
BCPAtlântico Group		12,598	12,006	4.9%

(1) Net of trading losses.

(2) Excluding trading losses.

(*) Figures extracted from the consolidated financial statements incorporating the insurance subsidiary companies by the full consolidation method.

BCP Share Prices vs BVL30 Index
(Base = 100 at December 31, 1996)



**CONSOLIDATED BALANCE SHEET
AS AT 31 DECEMBER, 1999 AND 1998 (*)**

**CONSOLIDATED STATEMENT OF INCOME
FOR THE YEARS ENDED 31 DECEMBER, 1999 AND 1998 (*)**

ASSETS	1999	1999	1998
	(Thousands of Euros)	(Thousands of Escudos)	
Cash and deposits at the central banks	879,208	176,265,403	81,482,586
Loans and advances to credit institutions			
Repayable on demand	734,821	147,318,334	132,699,343
Other loans and advances	2,220,900	445,250,412	588,457,567
Loans and advances to customers	23,735,512	4,758,542,903	3,643,010,496
Securities	6,610,770	1,325,340,346	1,160,347,213
Treasury stock	249,328	49,985,676	4,724,100
Investments	705,254	141,390,805	101,393,186
Intangible assets	608,237	121,940,626	151,965,861
Tangible assets	1,005,187	201,521,978	196,026,191
Other debtors	1,002,406	200,964,446	182,648,471
Prepayments and accrued income	1,427,719	286,232,000	180,348,985
	39,179,342	7,854,752,929	6,423,103,999
LIABILITIES			
Amounts owed to credit institutions			
Repayable on demand	92,055	18,455,286	119,930,649
With agreed maturity date	11,065,557	2,218,445,042	1,527,021,549
Amounts owed to customers			
Repayable on demand	7,132,907	1,430,019,529	1,237,810,456
With agreed maturity date	8,312,899	1,666,586,576	1,715,609,828
Debt securities	3,348,929	671,400,070	253,768,815
Other liabilities	586,194	117,521,315	140,734,187
Accruals and deferred income	976,808	195,832,358	218,423,532
Provision for liabilities and charges	3,596,367	721,006,826	536,649,002
Subordinated debt	751,460	150,654,295	149,250,872
Total Liabilities	35,863,176	7,189,921,297	5,899,198,890
SHAREHOLDERS' EQUITY			
Share capital	1,000,000	200,482,000	196,969,000
Share premium	587,202	117,723,467	115,197,231
Reserves and retained earnings	226,028	45,314,449	(3,587,416)
Total Shareholders' Equity	1,813,230	363,519,916	308,578,815
Minority interests	585,387	117,359,712	119,220,410
Minority interests in preference shares	917,549	183,952,004	96,105,884
Total Minority Interests	1,502,936	301,311,716	215,326,294
	39,179,342	7,854,752,929	6,423,103,999

	1999	1999	1998
	(Thousands of Euros)	(Thousands of Escudos)	
Interest income	1,648,298	330,454,171	350,208,087
Interest expense	783,811	157,139,960	191,120,896
Net interest income	864,487	173,314,211	159,087,191
Provision for loan losses	150,532	30,178,943	29,495,016
Net interest income after provision for loan losses	713,955	143,135,268	129,592,175
Other operating income			
Income from securities	76,565	15,349,819	13,011,707
Commissions	396,466	79,484,197	71,645,148
Profit arising from trading activity	345,452	69,256,999	88,150,866
Insurance premiums	1,236,129	247,821,590	192,151,093
Other income	168,189	33,718,906	26,085,635
Gains on sale of shares of subsidiaries and associated companies	392,601	78,709,481	35,850,337
	2,615,402	524,340,992	426,894,786
Other operating expenses			
Commissions	61,286	12,286,792	11,162,289
Losses arising from trading activity	180,376	36,162,187	51,942,205
Staff costs	513,689	102,985,483	92,239,562
Other administrative costs	334,863	67,133,993	62,605,118
Depreciation	149,996	30,071,501	30,363,619
Other provisions	973,698	195,208,959	139,594,744
Claims incurred in the insurance activity	442,327	88,678,527	69,191,546
Other expenses	47,418	9,506,440	10,191,416
	2,703,653	542,033,882	467,290,499
Income before income taxes	625,704	125,442,378	89,196,462
Income taxes	65,438	13,119,225	13,143,433
Net income	560,266	112,323,153	76,053,029
Minority interests	129,879	26,038,386	21,847,796
Net income attributable to the Bank	430,387	86,284,767	54,205,233

(*) Figures extracted from the consolidated financial statements incorporating the insurance subsidiary companies by the full consolidation

Banco Comercial Português

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