



BANCO COMERCIAL PORTUGUÊS

July 1998

BANCO COMERCIAL PORTUGUÊS

as at June 30, 1998

- **Net Income to June 1998 of PTE 20.231 billion, an increase of 54% over June 1997**
- **Loans to customers increased 27%, reaching PTE 3,047 billion**
- **Total customers funds increased 19%, reaching PTE 5,922 billion**
- **Total Assets under Management of PTE 2,548 billion, a 38% increase over the same period of 1997**
- **Insurance premiums of PTE 87.0 billion, up PTE 18.9 billion over the same period of 1997 (28% increase)**

AGENDA

- ✓ **PURSUING BCP/ATLÂNTICO GROUP STRATEGIC OBJECTIVES**
- **ACTIVITY SUMMARY**
- **FINANCIAL PERFORMANCE**
- **CONTRIBUTION BY BUSINESS ACTIVITY**
 - **BANKING**
 - **INSURANCE**
 - **ASSET MANAGEMENT**

BCP/Atlântico Group Strategic Objectives

- Continue to differentiate and capitalise on strong (distinct) franchises of BCP and Atlântico**
- Effectively integrate back offices and systems operations**
- Expansion of international activities with the strategic partners**

Atlântico: clearly different from BCP

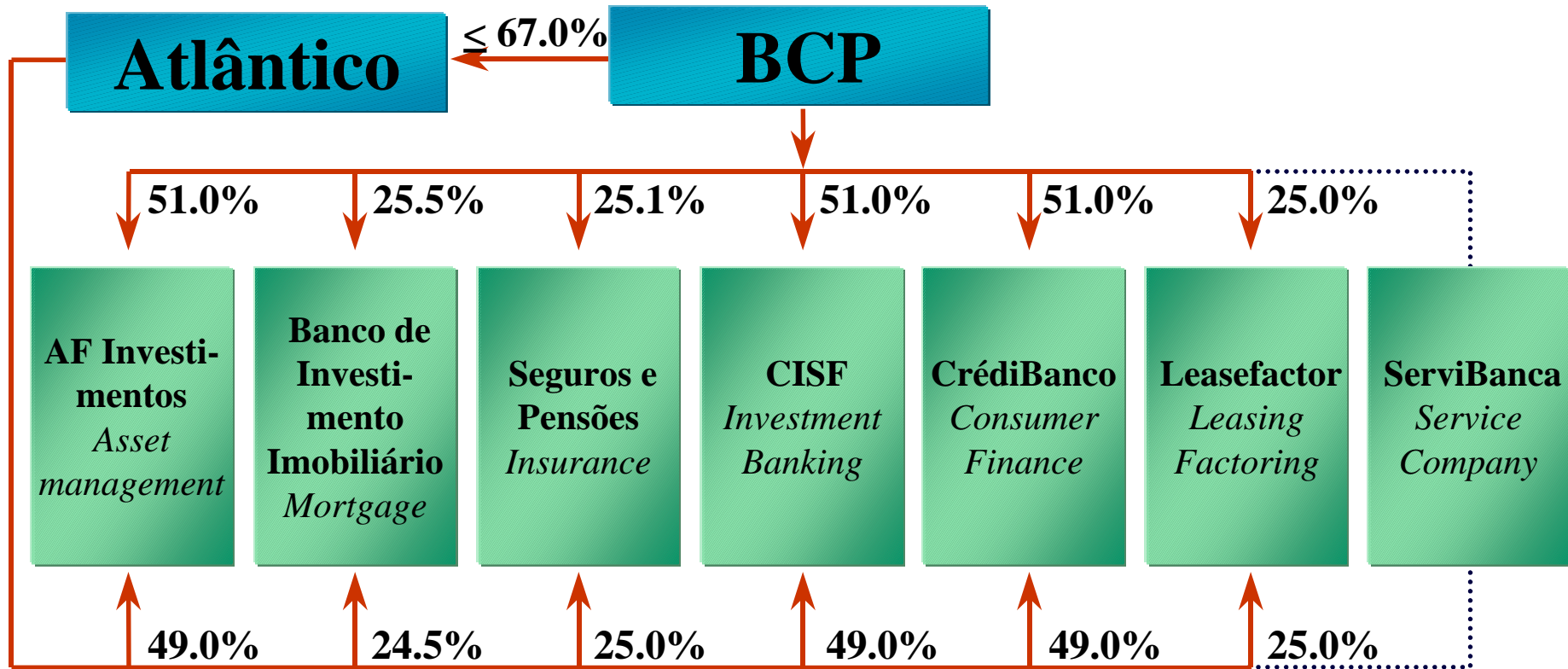


- **Domestic retail focus**
- **Strong growth prospect**
- **Single “core” brand name**
- **Excelent cross-selling opportunities**



- **Domestic and international**
- **Stable growth and profitability**
- **Segmented distribution networks and customer base**
- **Established cross-selling with increased value per client**

BCP/ATLÂNTICO GROUP STRUCTURE



SERVIBANCA - PHASE-IN OF FUNCTIONS

PHASE 1

Operations

PHASE 2

**Management
control functions**

PHASE 3

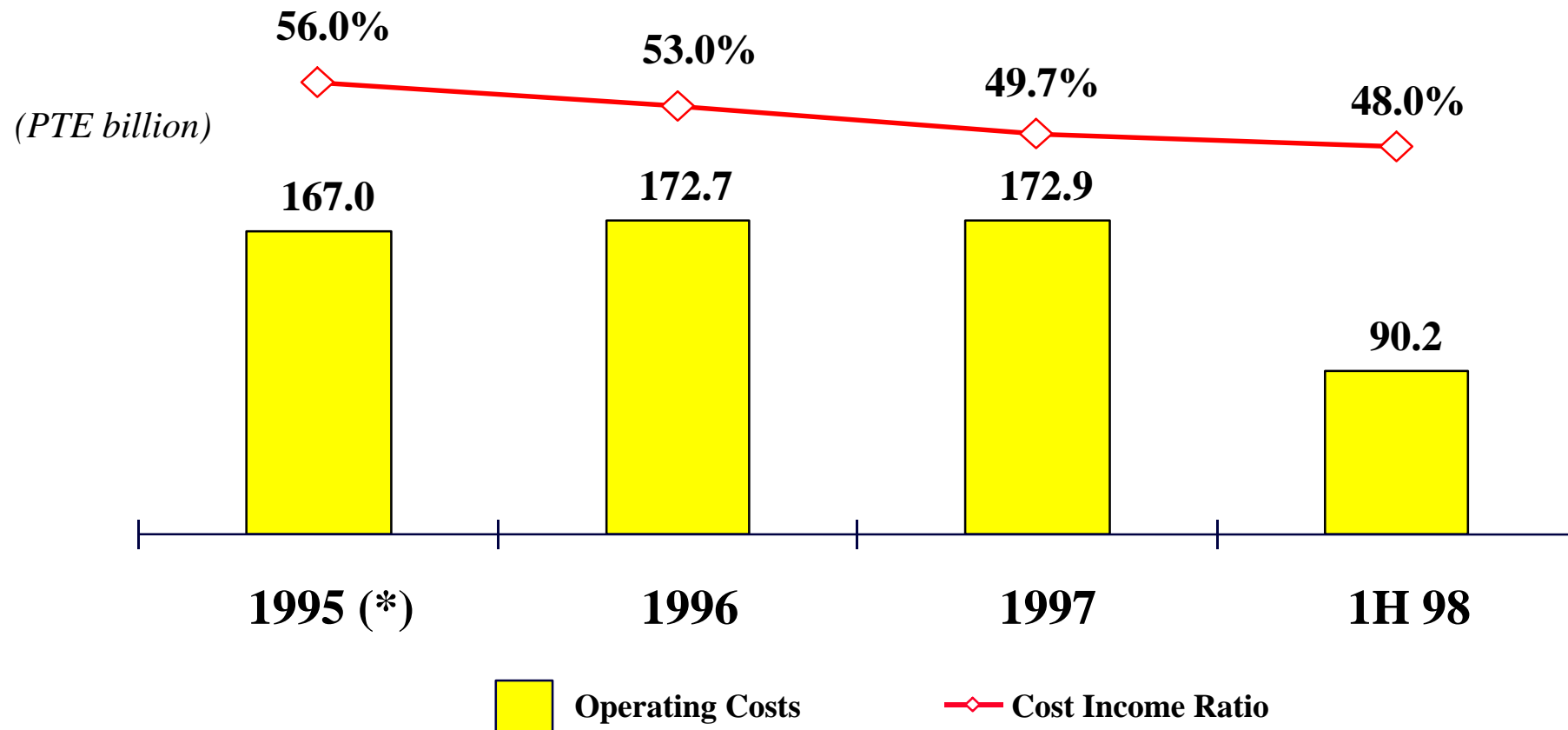
Marketing

PHASE 4

**Operations
Fine-tuning**

SERVIBANCA

Creating “merger like” cost synergies



(*) Adjusted (assuming Atlântico had been consolidated since 1 January)

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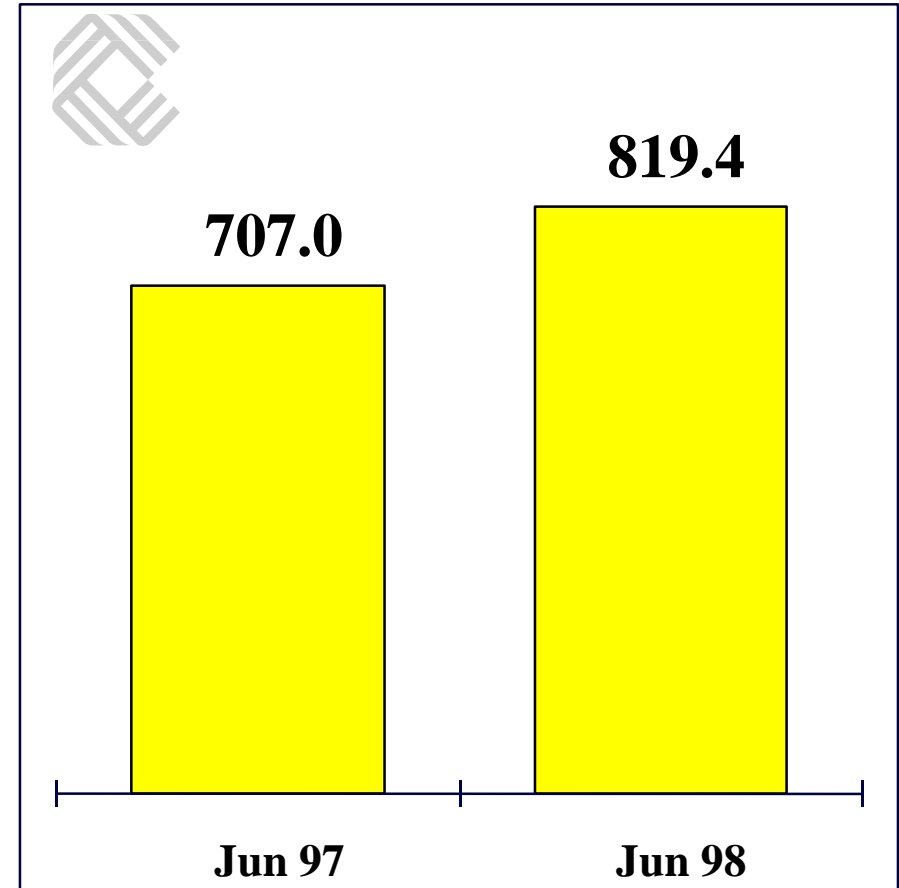
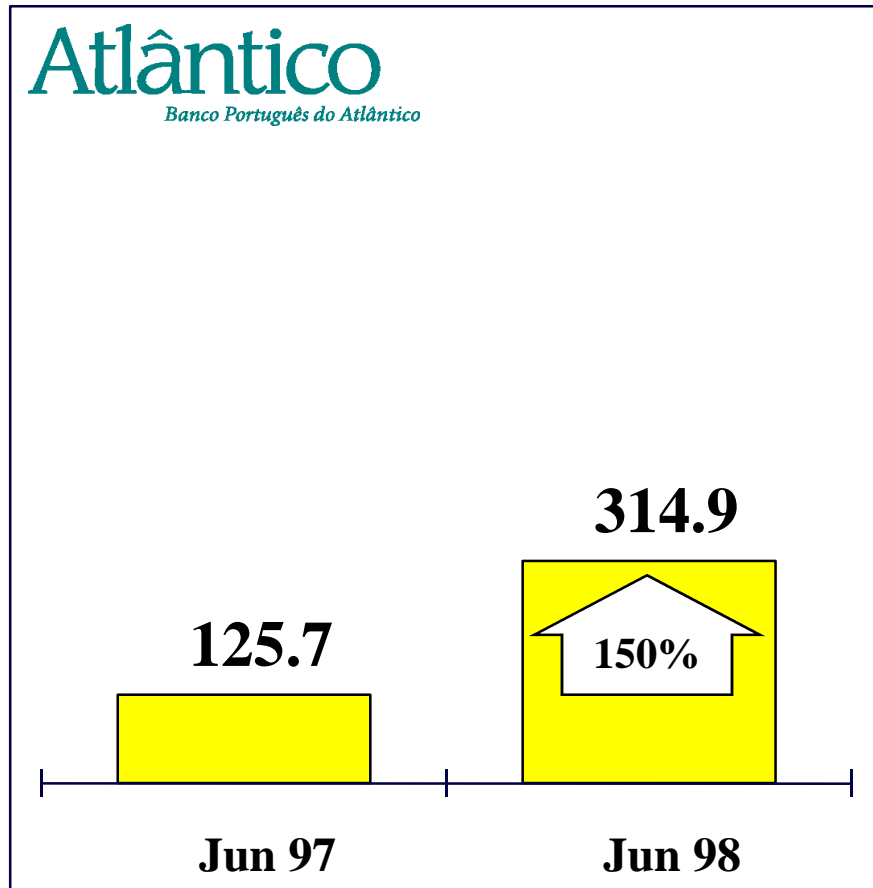
GROUP ACTIVITY SUMMARY

1st Half 1998

- **BCP increases its share capital to PTE 196.969 bln**
- **BCP buys 20.69% of Atlântico from Império**
- **The General Meeting of Shareholders of Atlântico approved a share capital increase from PTE 110 bln to PTE 126.1 bln through a rights issue**
- **Banco Expresso Atlântico opened its 105 th Store**
- **BCP buys 21.2 million shares in Big Bank Gdanski**
- **Fitch IBCA upgraded BCP, Atlântico and CISF from “A” to “A+”**

CROSS-SELLING - CARDS

Thousands



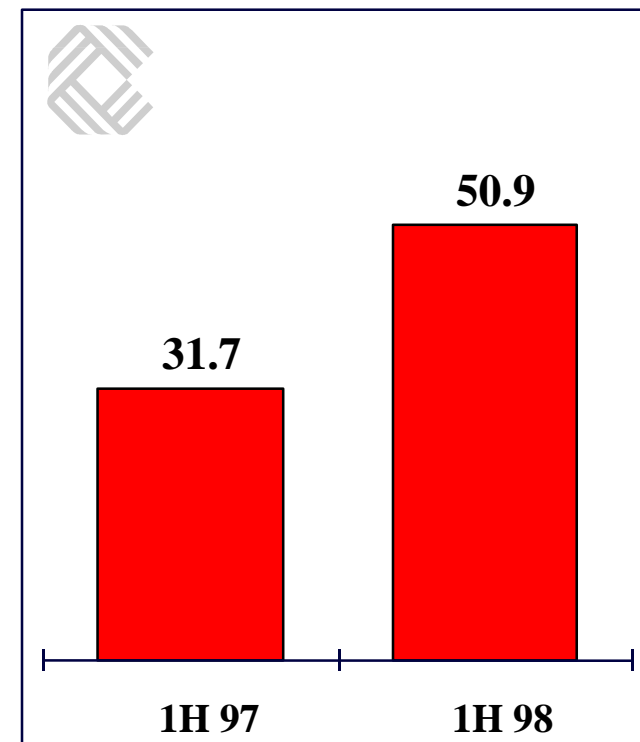
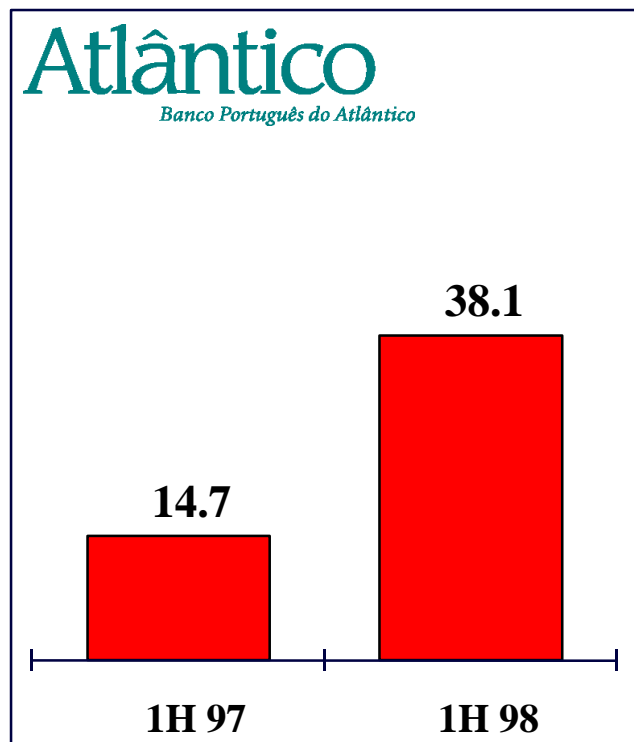
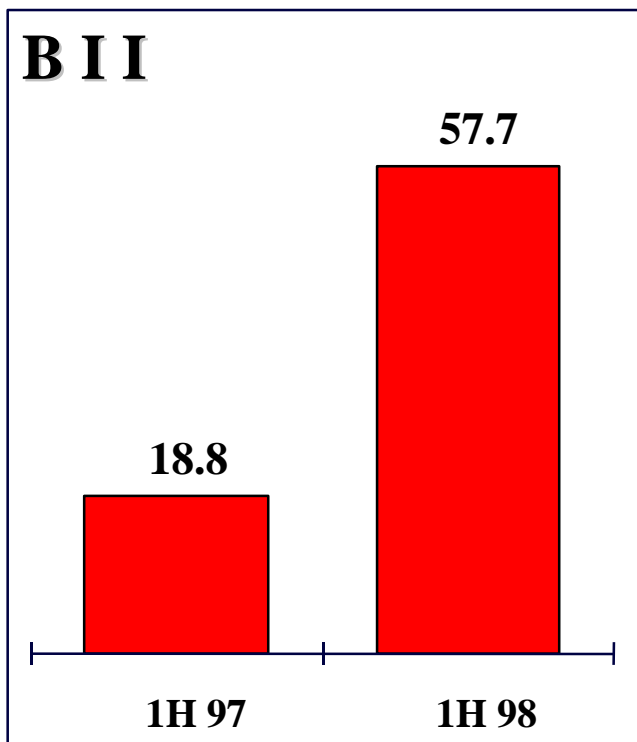
Billing (PTE billion)

17.3	31.7
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75.8	97.2
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CROSS-SELLING - MORTGAGES

Loans (PTE billion)



Loan Applications ('000)

2.1	5.6
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1.9	4.7
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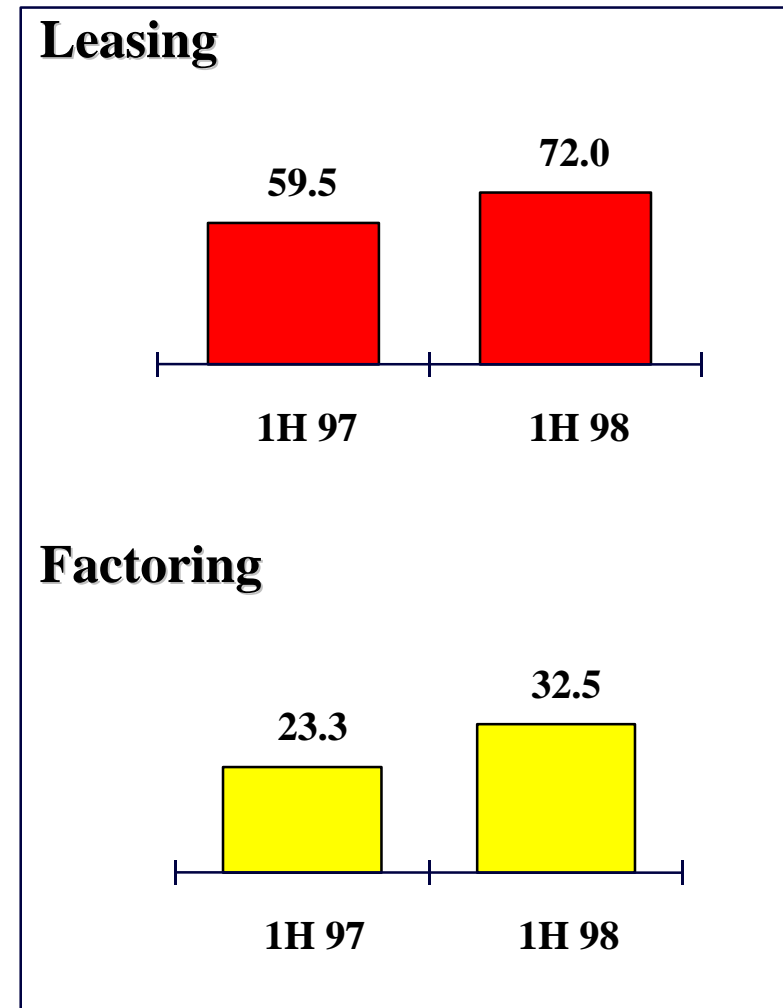
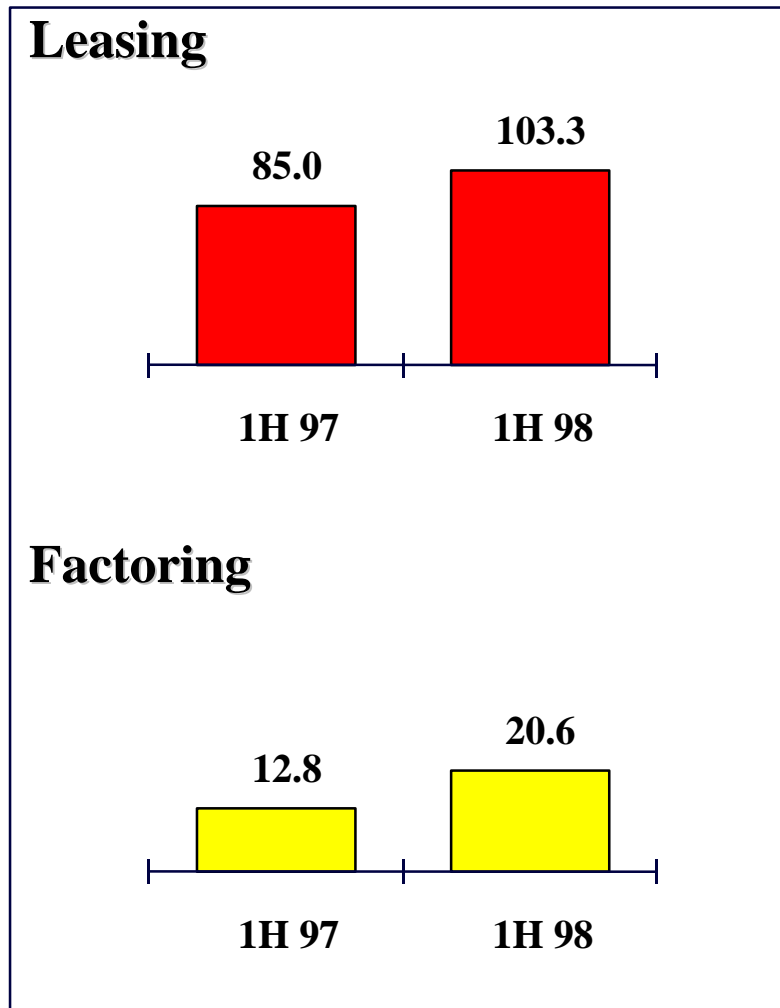
3.6	6.3
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CROSS-SELLING - LEASING & FACTORING

(PTE billion)

Atlântico

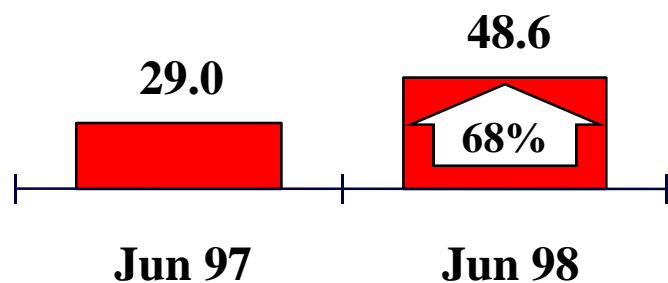
BCP



Leasing Production - Advances (Factoring)

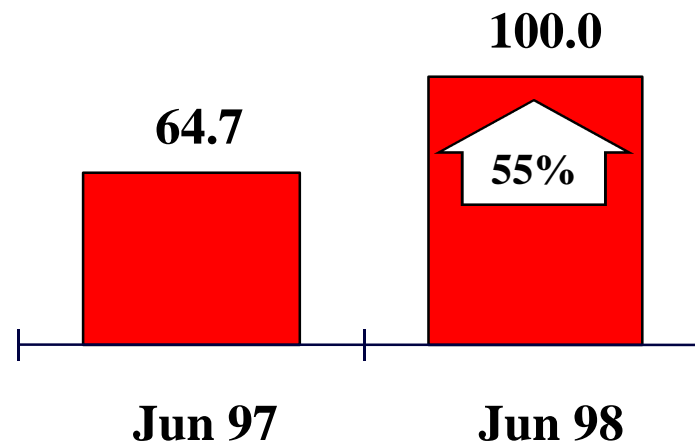
CROSS-SELLING - INSURANCE

Atlântico



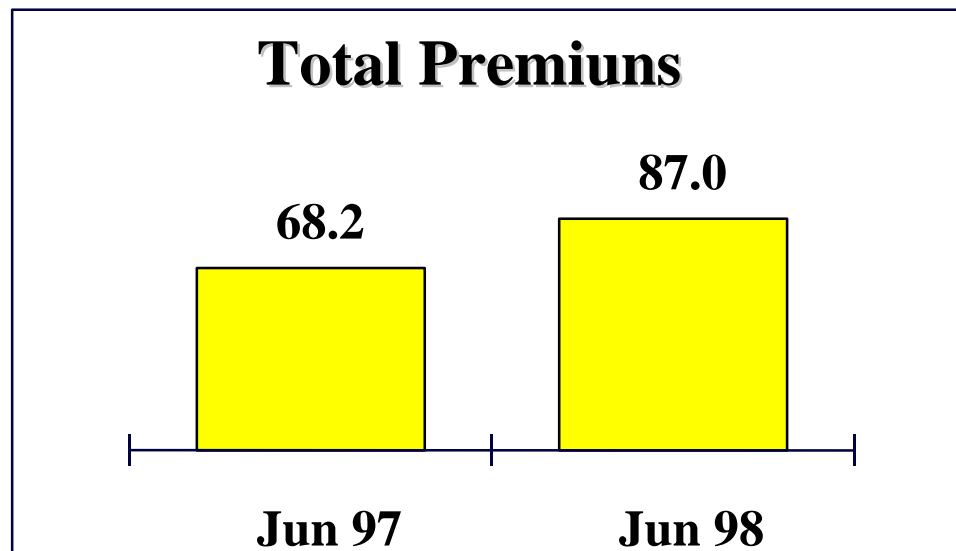
Ocidental

(Thousands of policies)



Total Premiums

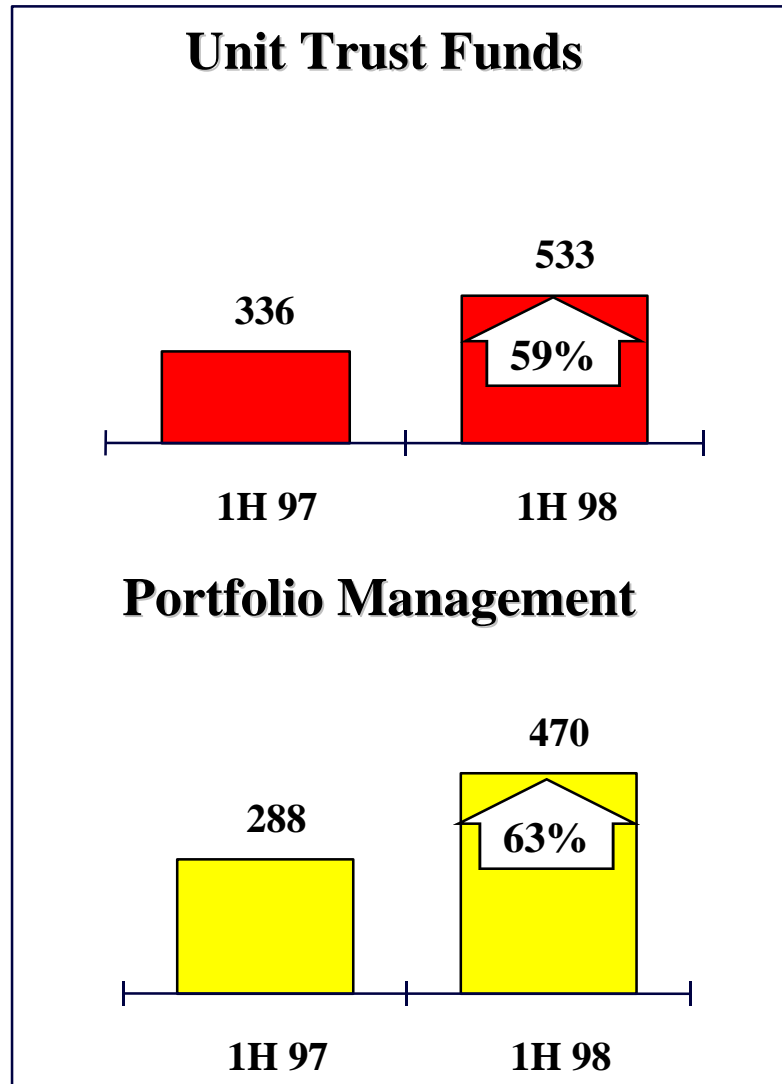
(PTE billion)



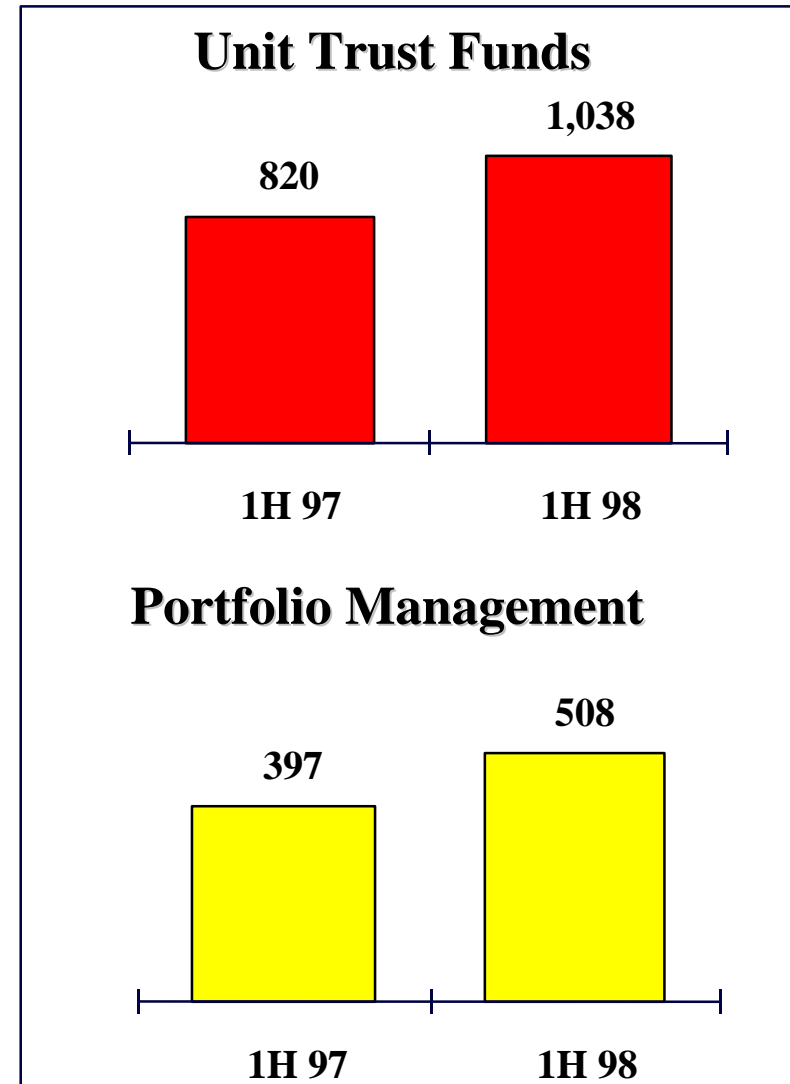
CROSS-SELLING - ASSET MANAGEMENT

(PTE billion)

Atlântico



BCP



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OVERALL GROWTH

Sustained growth ...

PTE billion

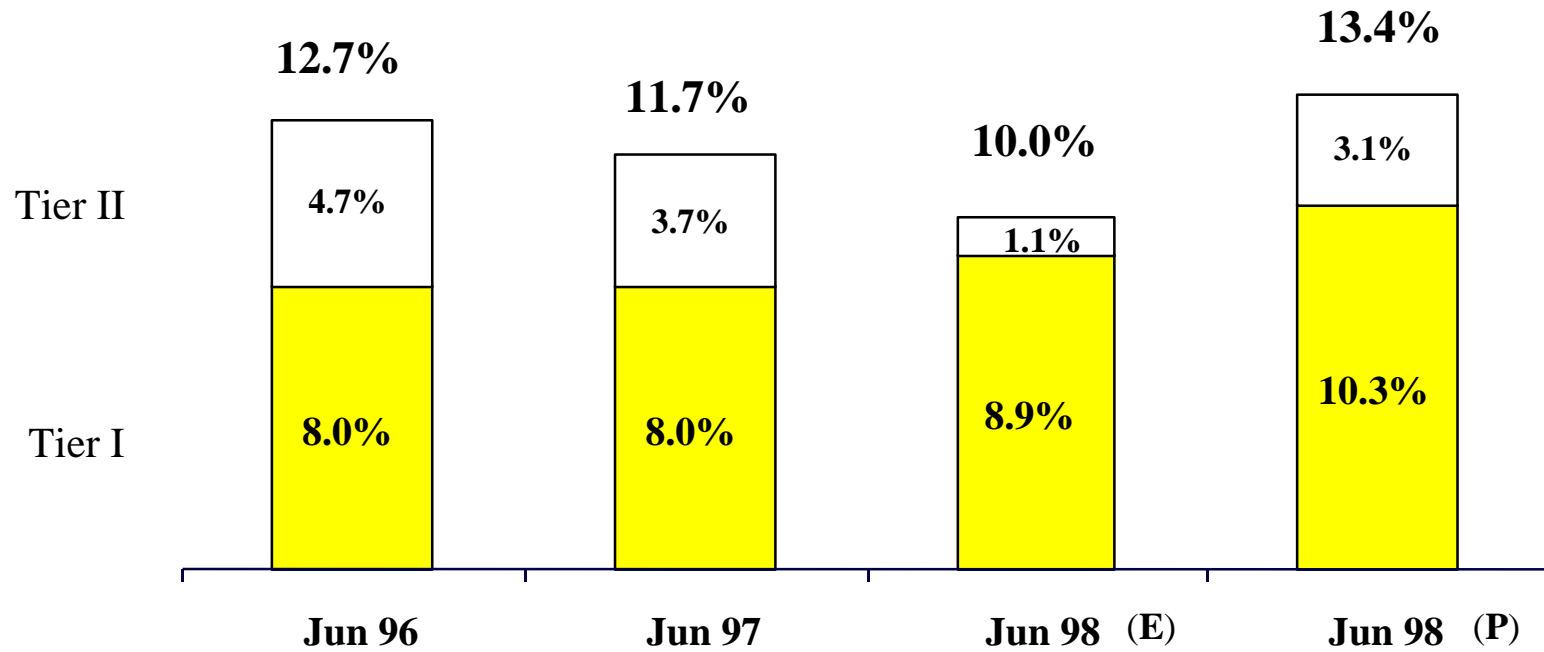
	30 Jun 1998	30 Jun 1997	Annual growth
Total Assets	6,024	5,622	7%
Loans to customers (net)	3,047	2,395	27%
Total customers funds	5,922	4,990	19%

GROUP PROFITABILITY

... strengthens profitability levels

	30 Jun 1998	30 Jun 1997	Annual growth
ROA (before minority interests)	1.1%	1.0%	14%
ROE	19.9%	13.0%	52%
EPS (PTE)	118.5	93.2	27%

GROUP SOLVENCY RATIO (BIS)



RWA (PTE billion)	Jun 96	Jun 97	Jun 98 (E)	Jun 98 (P)
	3,201	3,451	3,699	3,699

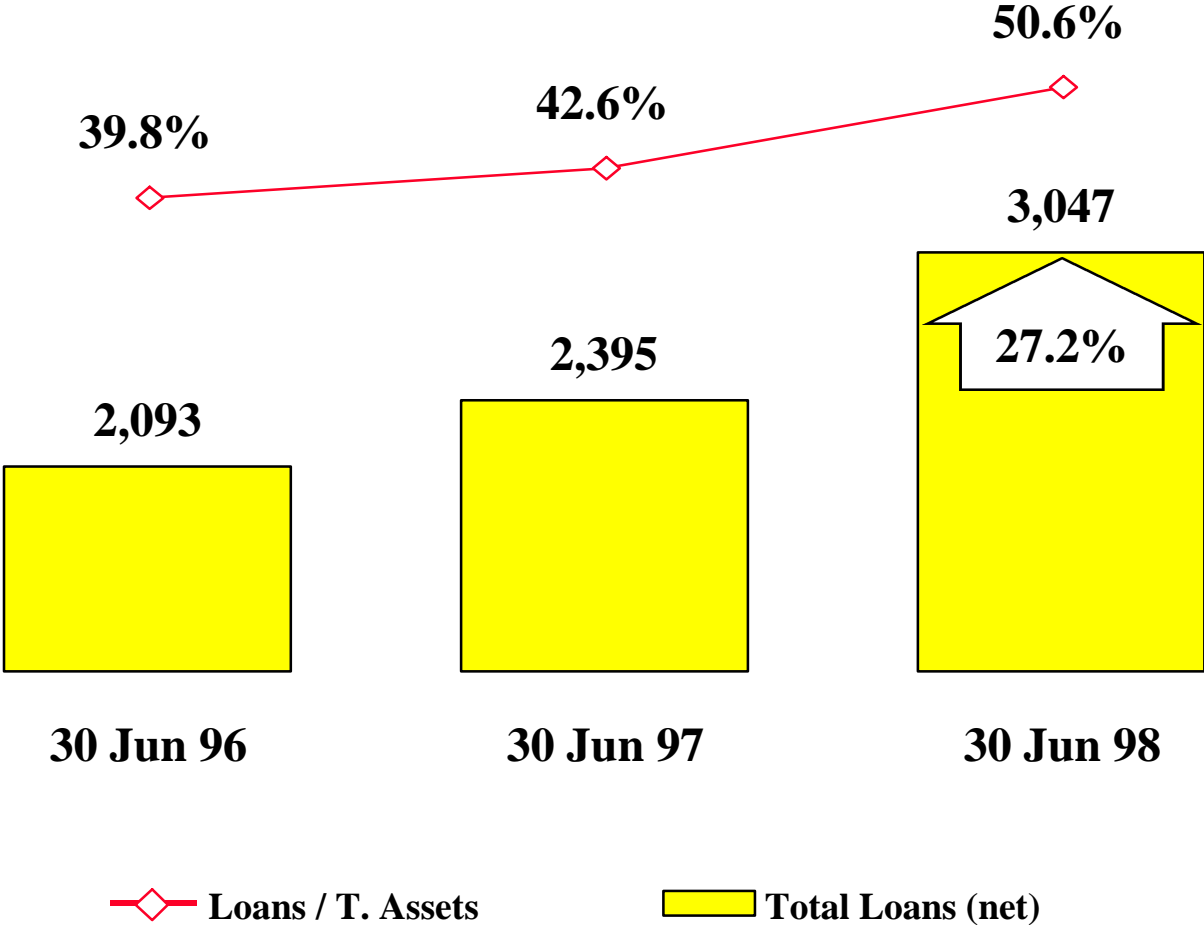
BP	11.9%	11.0%	9.2%	12.8%
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(E) Estimate

(P) Forecast after sale of 32.2% of Atlântico

GROUP LOAN PORTFOLIO

PTE billion



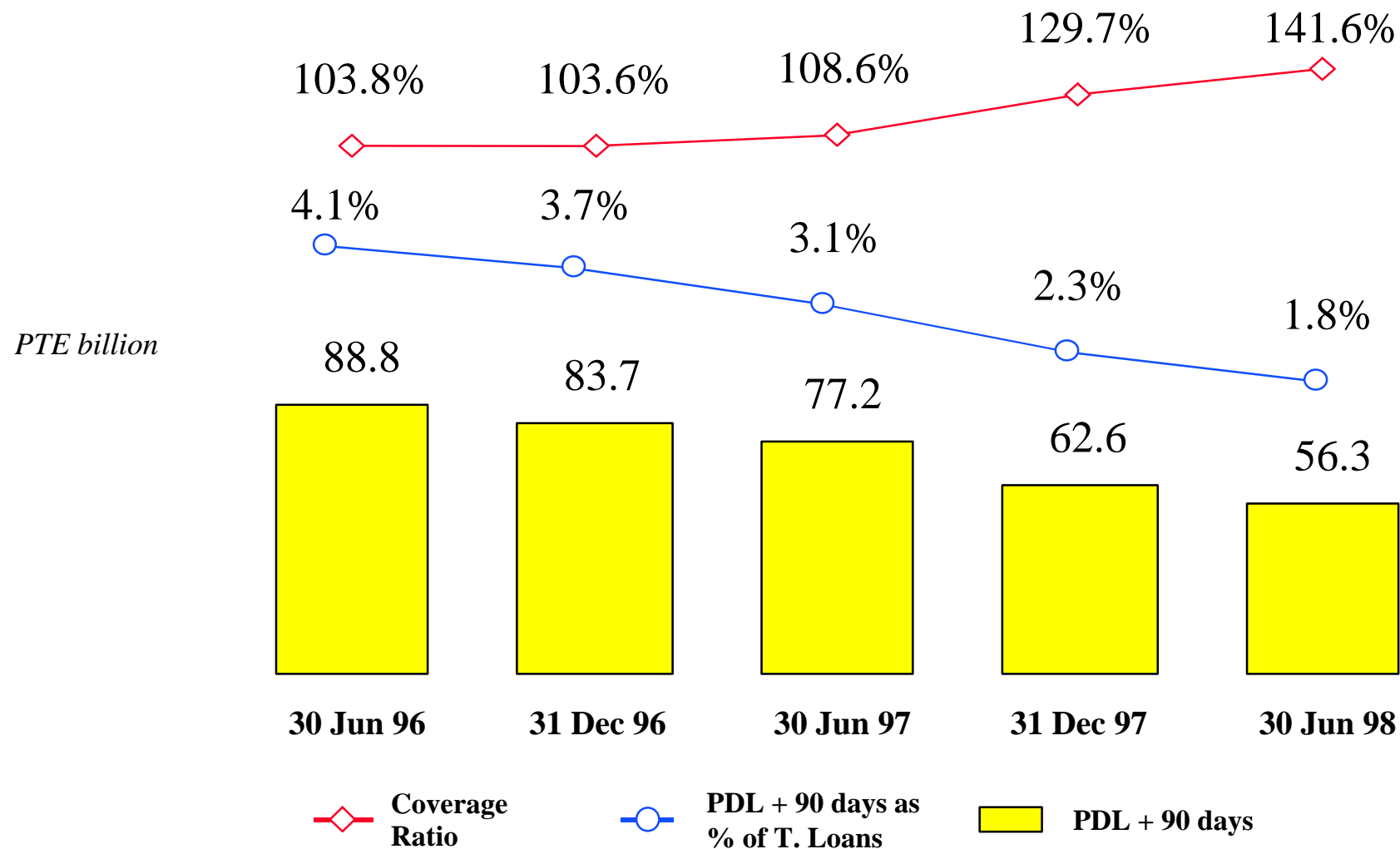
LOAN GROWTH

PTE billion

	30 Jun 1998	30 Jun 1997	Annual growth
Loans to customers (gross)	3,094	2,452	26%
• Services and Commerce	992	856	16%
<i>as a % of Loans</i>	32%	35%	
• Mortgage credit	785	540	45%
<i>as a % of Loans</i>	25%	22%	
• Consumer Credit	328	235	38%
<i>as a % of Loans</i>	11%	9%	

GROUP PAST DUE LOANS

Confirmation of trends



GROUP COMPANIES NET INCOME

PTE billion

	30 Jun 1998	30 Jun 1997	Annual growth
Atlântico	9.784	6.701	46%
Seguros e Pensões	4.021	2.413	67%
BII	3.272	2.734	20%
AF Investimentos	2.567	0.944	172%
Leasefactor	1.579	1.521	4%
Banco CISF	1.261	2.080	-39%
Consolidated Net Income	20.231	13.121	54%

CONSOLIDATED STATEMENT OF INCOME

PTE billion

	30 Jun 1998	30 Jun 1997	Annual growth
Net interest income	76.1	71.9	6%
Provision for loan losses	13.0	11.7	11%
Net interest income after provisions	63.1	60.2	5%
Other operating income	66.2	56.5	17%
Operating costs	90.2	85.0	6%
Income before taxes	39.1	31.7	23%
Provision for income taxes	7.1	5.2	36%
Minority interests	11.8	13.4	-12%
Net income	20.2	13.1	54%

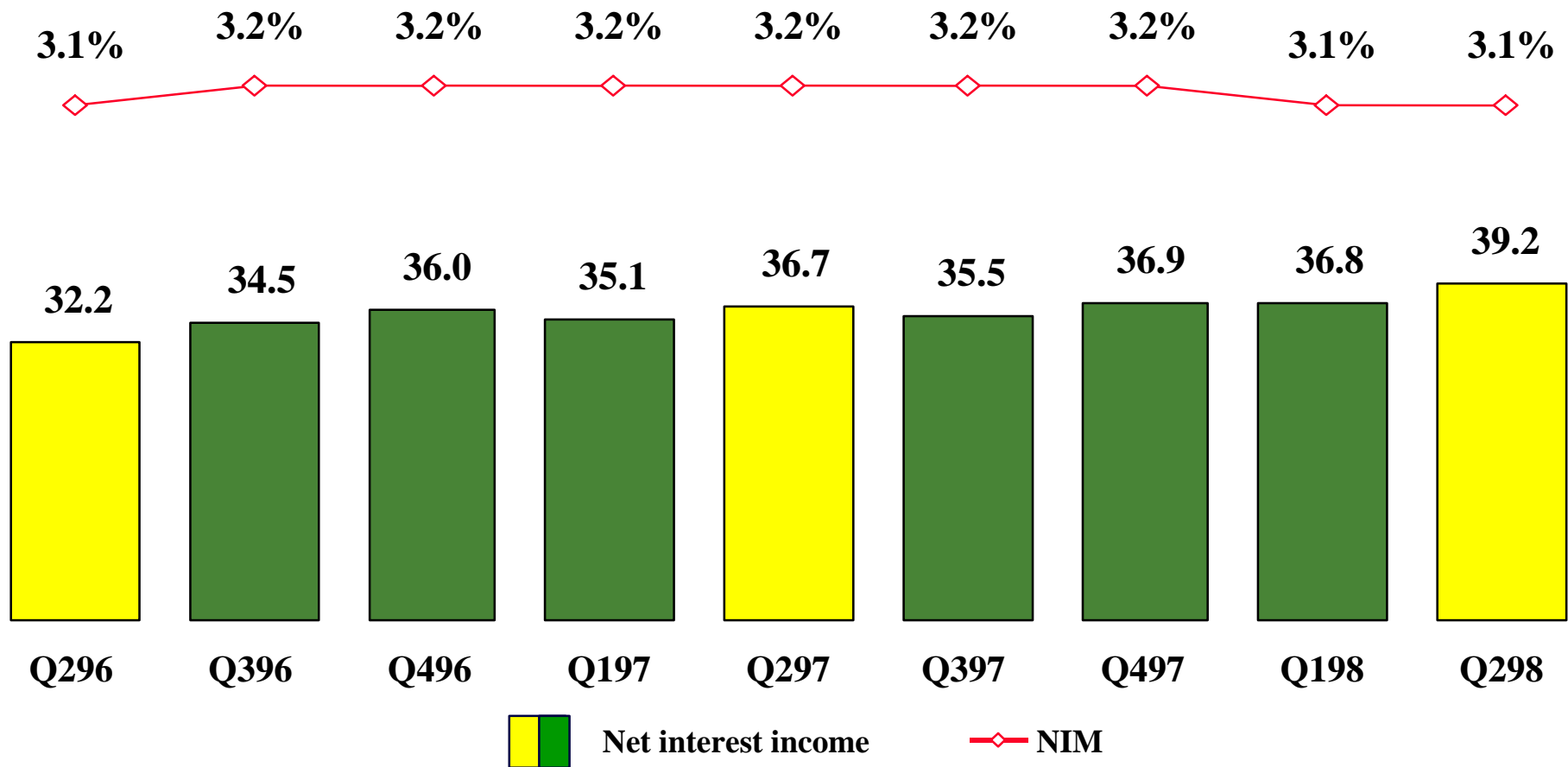
GROUP STATEMENT OF INCOME

Main indicators

	30 Jun 1998	30 Jun 1997
Net interest margin		
<i>as % of total interest earning assets</i>	3.1%	3.2%
Other income		
<i>as % of total income</i>	59.5%	54.9%
Operating costs		
<i>as % of total income</i>	48.0%	53.4%

GROUP NET INTEREST INCOME

PTE billion



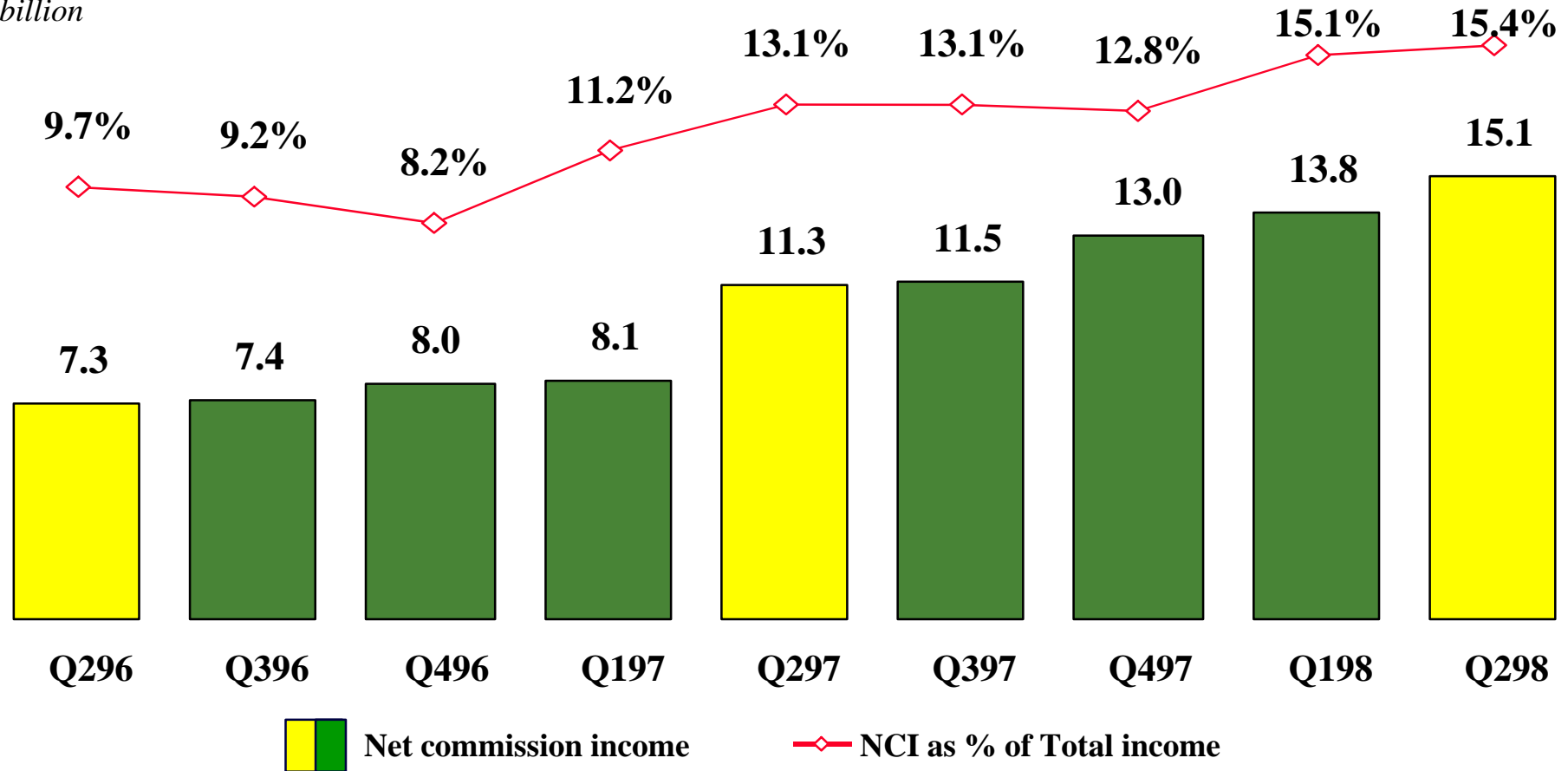
OTHER OPERATING INCOME EVOLUTION

PTE billion

	30 Jun 1998	30 Jun 1997	Annual growth
Income from securities	5.7	4.7	21%
Commissions (Net)	28.9	19.5	49%
Profits arising from trading activities (Net)	20.4	20.2	1%
Other operating income	11.2	12.1	-8%
Total	66.2	56.5	17%

GROUP NET COMMISSION INCOME

PTE billion



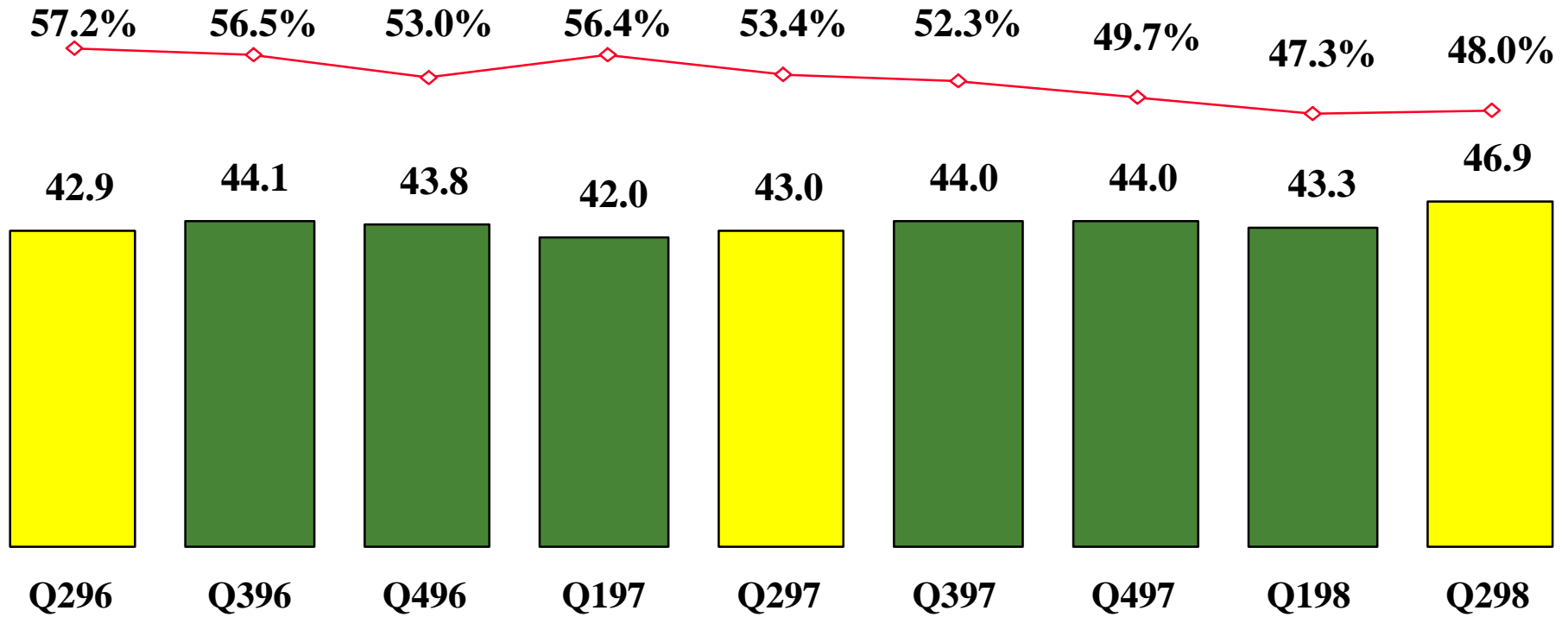
NET COMMISSION INCOME

PTE billion

	30 Jun 1998	30 Jun 1997	Annual growth
Banking	21.061	14.840	42%
(of which Cards)	4.708	3.914	24%
Asset Management	7.356	4.656	58%
Sub-Total	28.417	19.496	46%
Insurance	0.520	(0.037)	...
(of which Pensions)	0.758	0.607	25%
Total	28.937	19.459	49%

OPERATING COSTS

PTE billion



 Operating Costs

 Cost Income Ratio

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ATLÂNTICO

MAIN INDICATORS

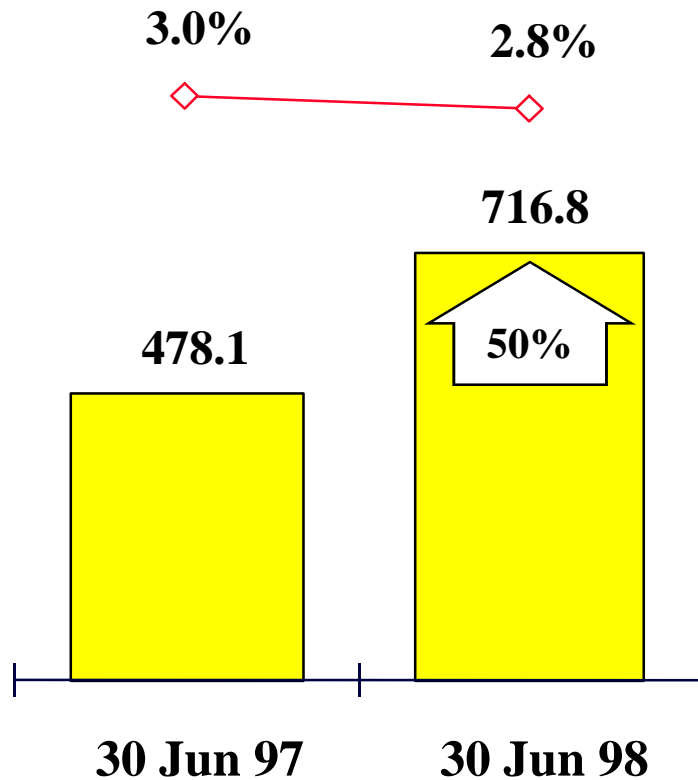
PTE billion

	30 Jun 1998	30 Jun 1997 (*)	Annual growth	30 Jun 1997
Net interest income	21.2	17.1	24%	21.7
Provisions for loan losses	3.6	3.3	11%	4.2
Other operating income	21.4	21.1	1%	21.7
Operating costs	29.1	28.0	4%	30.7
Income before taxes	9.9	6.9	43%	8.4
Net income	9.8	6.7	46%	6.7
Total Assets	3,742.2	3,744.0	0%	4,084.4
Loans to customers (net)	720.3	598.6	20%	824.5

(*) **Proforma** : Adjusted for consolidation perimeter changes

MORTGAGE LOANS

PTE billion



- Portugal's 2nd largest mortgage provider with 15.5% market share

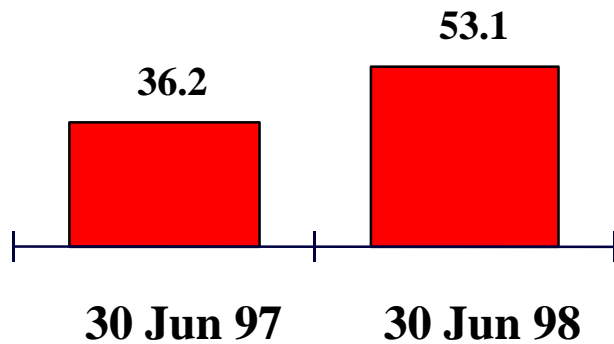
	30 Jun 1998	30 Jun 1997	Annual growth
Net interest income	10.6	7.8	37%
Operating costs	2.3	2.5	-8%
Net income	3.3	2.7	20%
ROA	0.9%	1.0%	
ROE	35.8%	30.8%	

Loan Portfolio (net)
 Net interest margin

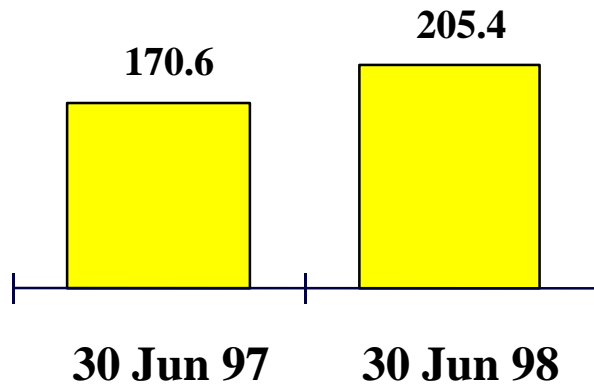
LEASING & FACTORING

PTE billion

Loans against collections



Loans to customers (Leasing)

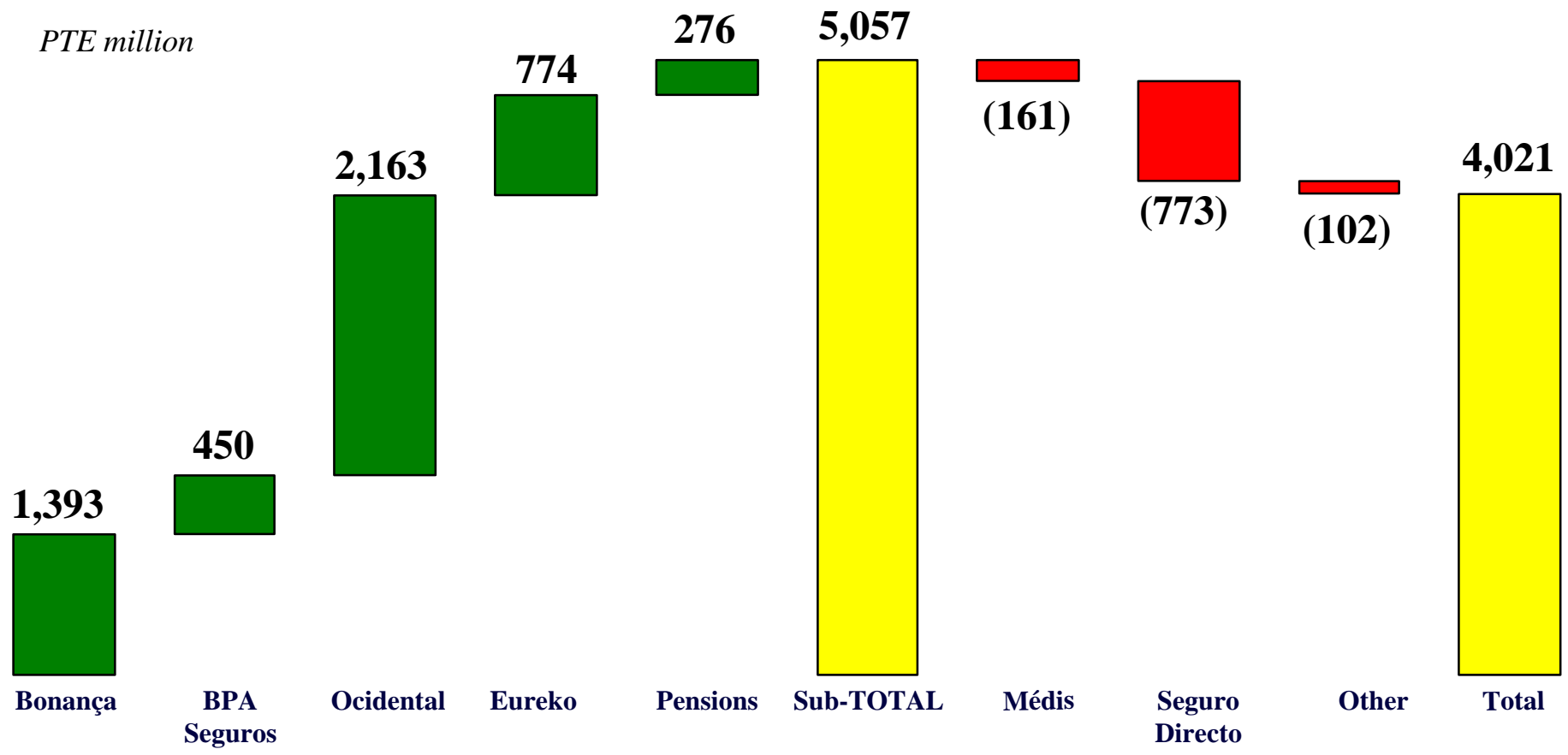


• Portugal's largest Leasing and Factoring Group

	30 Jun 1998	30 Jun 1997	Annual growth
Net interest income	4.2	3.4	24%
Operating costs	1.7	1.4	23%
Net income	1.6	1.5	4%
ROA	1.2%	1.5%	
ROE	27.1%	27.1%	

INSURANCE ACTIVITY

Net income contribution per company



INSURANCE ACTIVITY

Consolidated Statement of Income

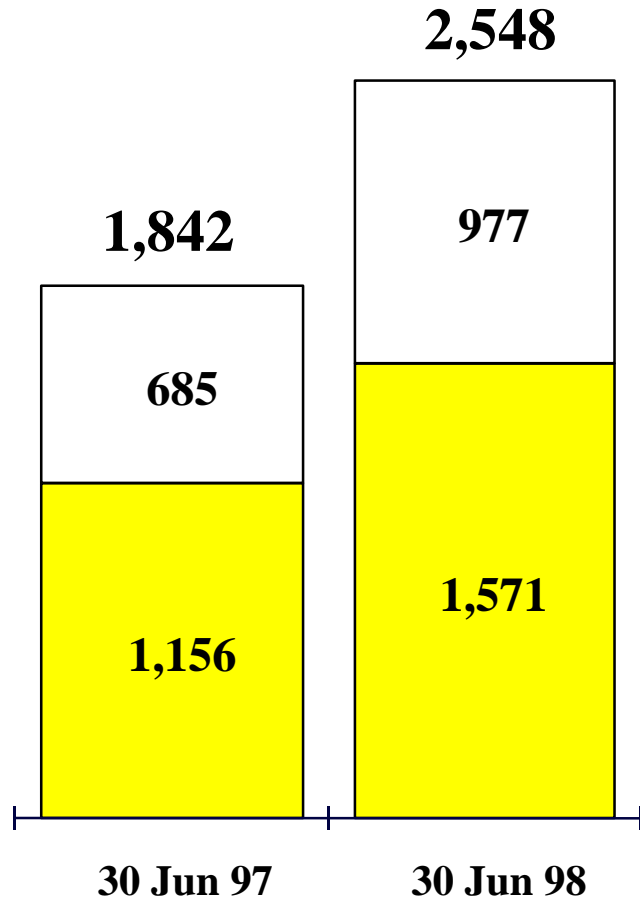
PTE billion

	30 Jun 1998	30 Jun 1997	Annual growth
Total Premiums	87.048	68.169	28%
Life	50.502	35.600	42%
Non-life	36.546	32.569	12%
Loss reserve	(30.989)	(25.132)	23%
Technical provisions	(45.539)	(29.416)	55%
Technical Margin	18.787	14.845	27%
Net income	4.021	2.413	67%

ASSET MANAGEMENT

Strong business growth

PTE billion



- Portugal's largest fund manager with 28.5% market share

	30 Jun 1998	30 Jun 1997	Annual growth
Commissions	4.5	2.6	70%
Operating costs	0.9	0.9	-2%
Net income	2.6	0.9	172%
ROE	91.2%	39.4%	

Portfolio management
 Investment Funds

The logo of Banco Comercial Português, featuring a stylized, interlocking geometric design in shades of gray.

BANCO COMERCIAL PORTUGUÊS

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