

Acquisition of BPI

Creating a Portuguese leader in the European banking sector

March 13, 2006

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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

Transaction highlights

Strategic rationale

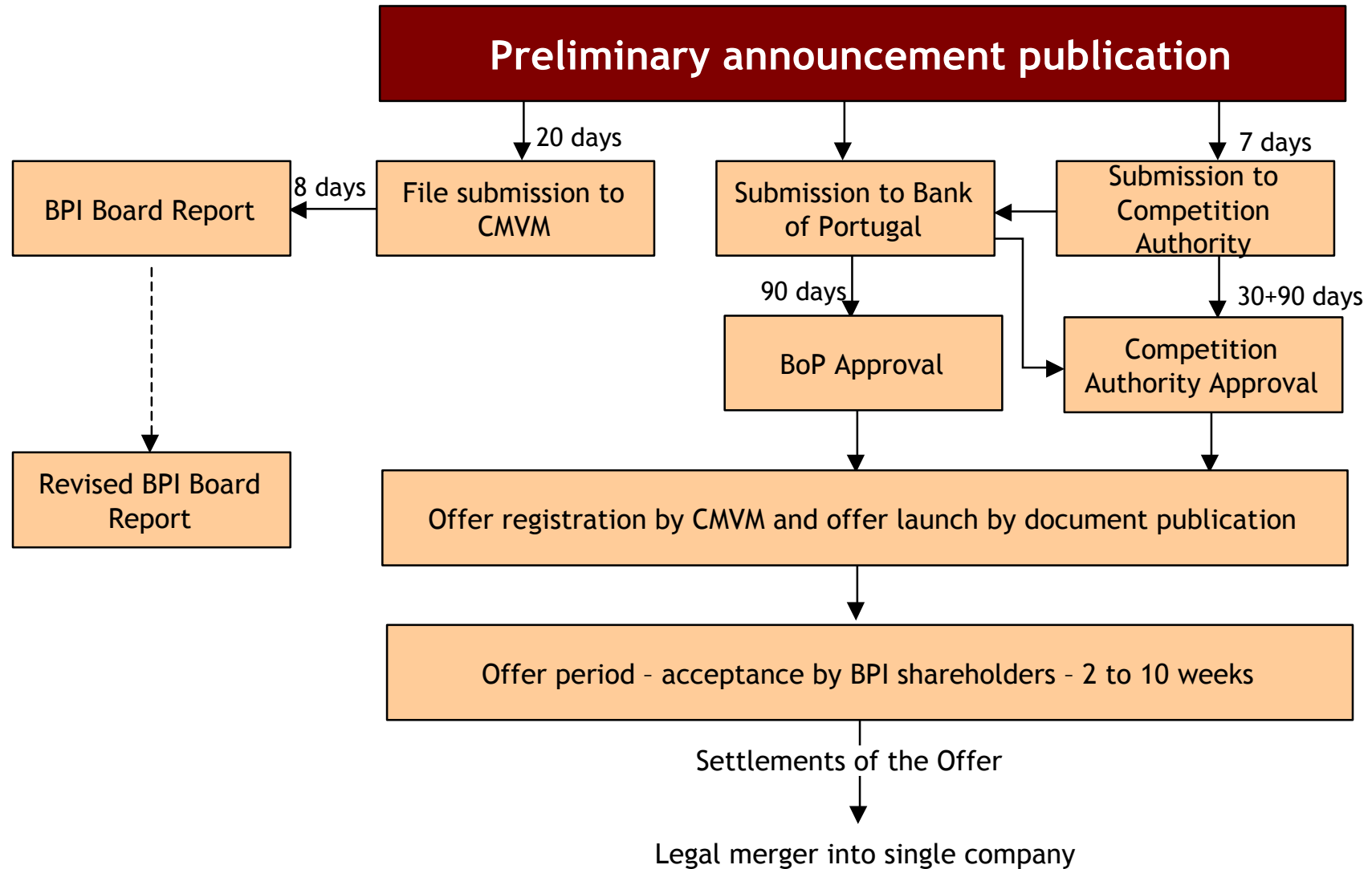
Financing structure and financial impacts

Price considerations

Transaction highlights

Transaction Structure	<ul style="list-style-type: none">➤ Public cash offer for 100% of BPI's share capital (760 million shares)➤ Subject to minimum acceptance level of 50% + 1 share
Price	<ul style="list-style-type: none">➤ € 5.70 per share (ex-2005 proposed dividend of € 0.12)➤ Attractive premium of 19% on share price as of March 10th and of 32% versus 3 months average➤ Adjusted for 2005 dividend, to be received by current BPI shareholders, premium is of 22% versus Friday, March 10th and 36% versus 3 months➤ 3,2x PBV 2006 and 13,6x consensus earnings 2008E (pre-synergies)➤ € 4 332 million for 100%
Conditions	<ul style="list-style-type: none">➤ BPI to remove voting restrictions in articles of association➤ No capital distributions to existing BPI shareholders in excess of proposed 2005 dividend of € 0.12
Timetable	<ul style="list-style-type: none">➤ Filing with CMVM, Bank of Portugal and Competition authorities➤ Launch of the offer subject to<ul style="list-style-type: none">▪ Regulatory approvals▪ BPI EGM removing voting restrictions➤ Completion expected at latest by the end of the Summer
Investment Case	<ul style="list-style-type: none">➤ Creating undisputed Portuguese leader➤ € 232 m of estimated annual cost synergies (pre-tax)➤ Complementarity across numerous areas➤ Earnings accretive transaction

Process flow highlights



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Combined entity with strong market presence

	<i>Millennium bcp</i>	<i>BPI</i>	<i>Millennium bcp + BPI</i>
Number of Customers (mn)	3,0	1,4	> 4
Branches (Portugal)	909	604	1.513
Total Assets (€ bn)	76,9	30,1	107,0
Loans to Customers (€ bn)	52,9	21,0	73,9
Customers Funds (€ bn)	56,4	22,2	78,5
Number of Employees ('000)	11,5	7,0	18,5
Market Share (Portugal):			
- Customer Funds	22%	9%	31%
- Credit	25%	10%	35%
Core Tier 1	5,3%	5,9%	5,5%
Shareholder's Equity (€ bn)	4,2	1,5	5,7
Market Cap. (€ bn)	9,1	3,6	12,7

Unique strategic fit

Market leadership across all segments and products

Clear leadership providing higher convenience for customers and more competitive products and services

- The largest distribution network, present “everywhere”
- Faster product innovation based upon stronger factories
- Maximum leverage of marketing investments

Top productivity due to strong cost synergies and sharing of best practices

Infrastructure combination allowing for substantial savings

- Branch network rationalization
- Integration of operations, IT and shared services
- Rationalization of central services
- Integration of remote channels

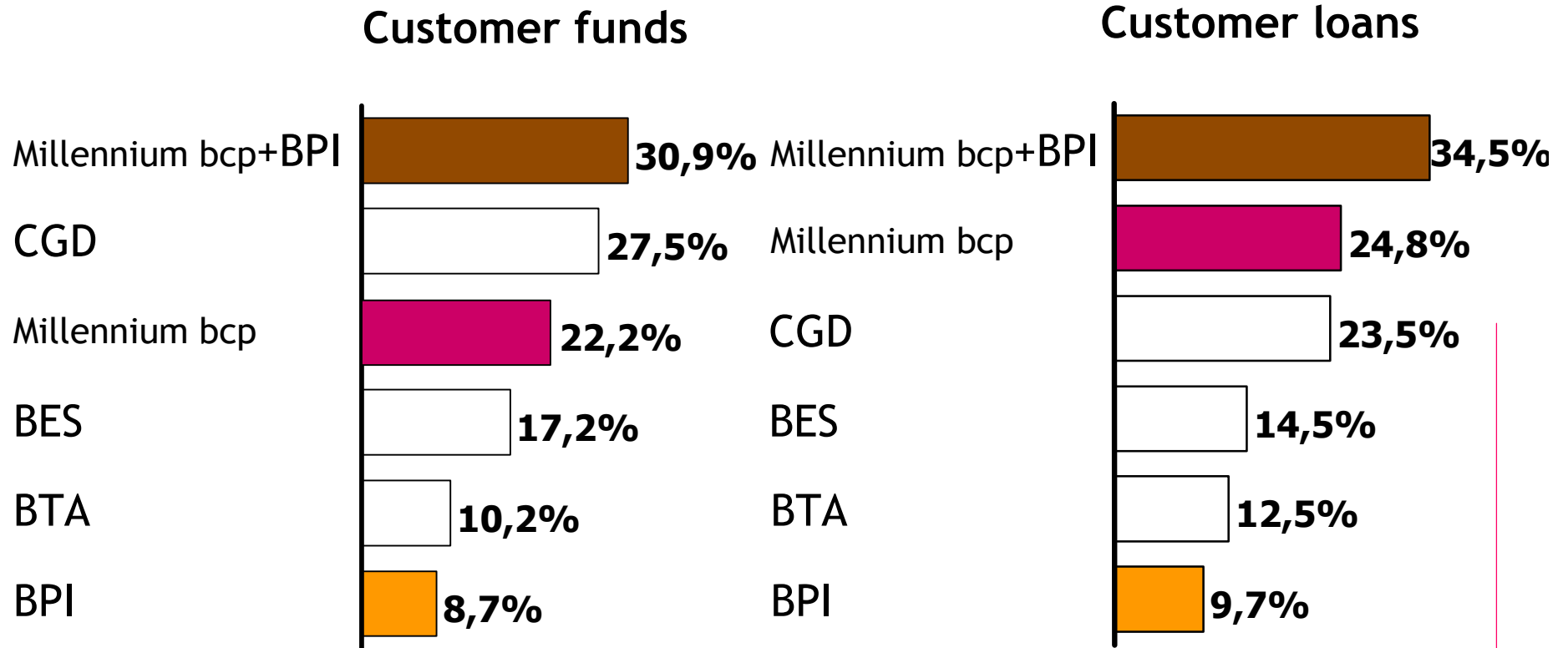
Scale to capture growth option in CEE

Increased scale strengthening Millennium bcp position as a strong player in CEE

- Poland and Greece continue to show strong development prospects in high growth environment
- Added scale positioning Millennium bcp as a long term player in the region

Clear leadership in the Portuguese market...

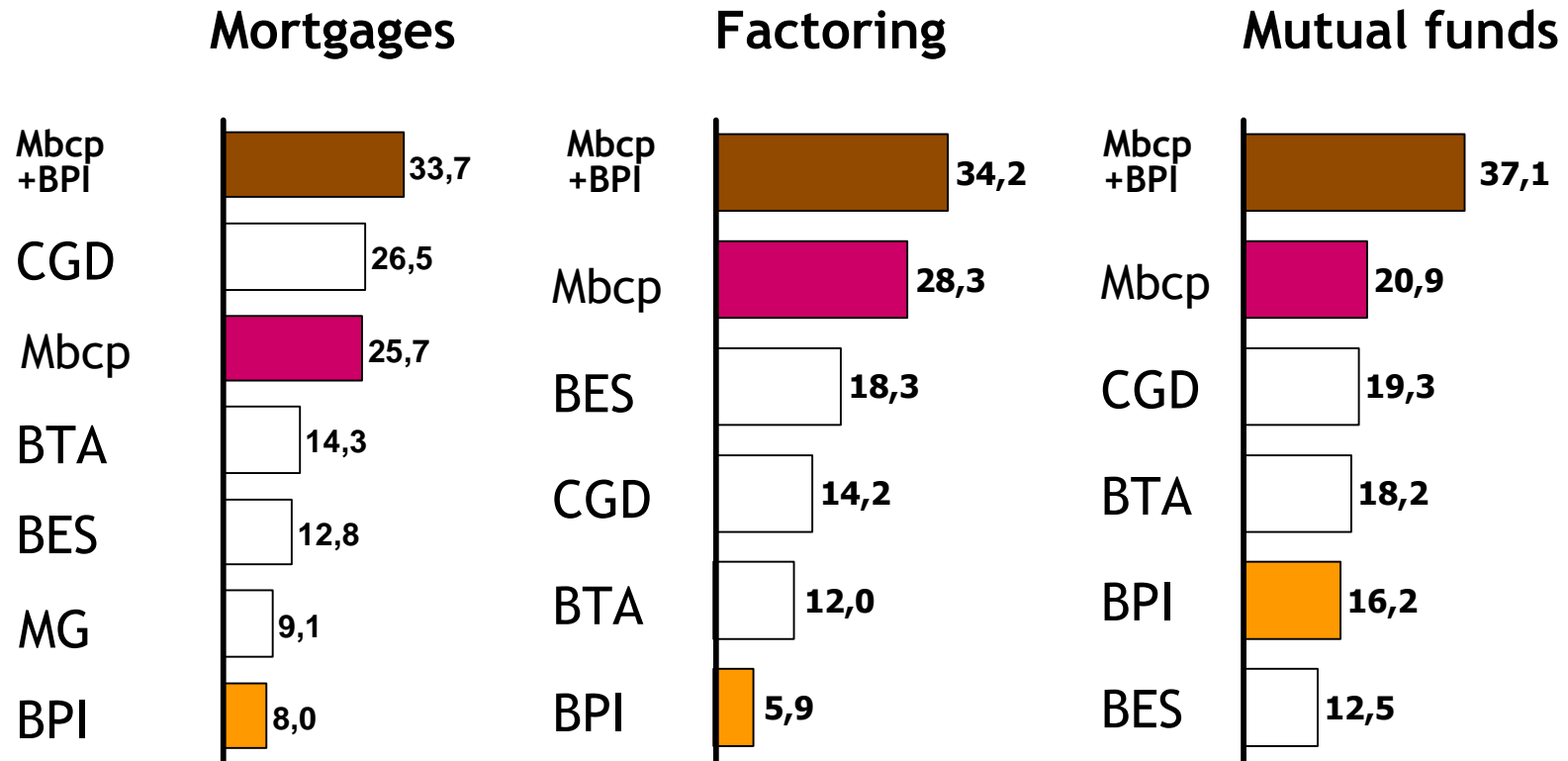
Market shares in Percentage



Creating a strong market leader in a open and competitive market

...across all banking product categories

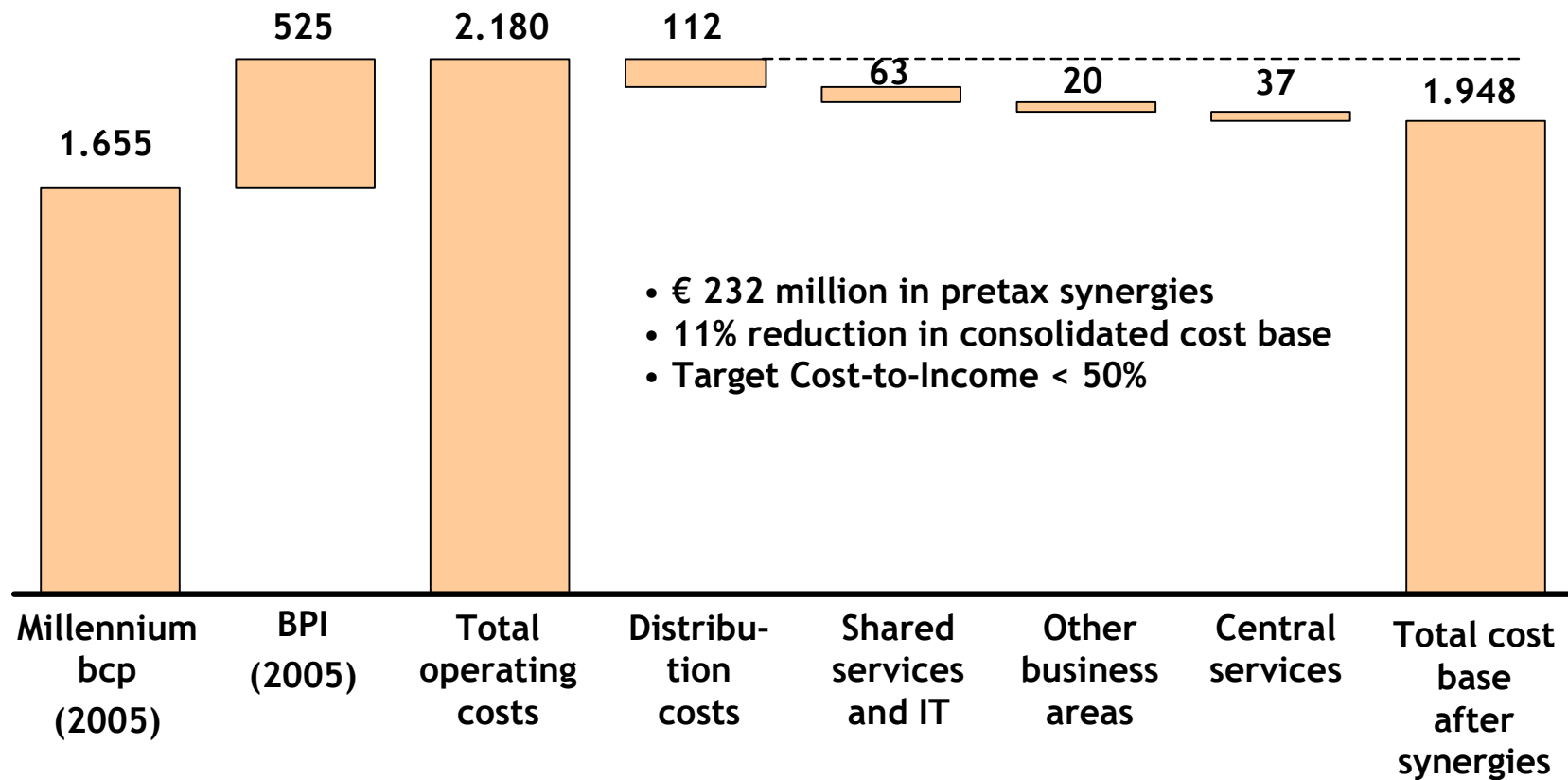
Market shares in Percentage



Creating a strong market leader in a open and competitive market

Significant value creation resulting from cost synergies

Cost-base improvement potential (2008)



Additional revenue synergies from integration

Sharing of sales best practices

- Mbcp is a market leader in sales productivity
- Established track record in transferring best practice across acquisitions (e.g., Atlântico, Mello, Sotto)
- Standard commercial approach (M3), also proven 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) not quantified yet

Integration plan

Integration of common infrastructure

- Corporate center and shared services
- Operations and IT
- Credit underwriting and recovery
- Product units (e.g. cards, mortgage, consumer credit, specialized credit)
- Purchasing

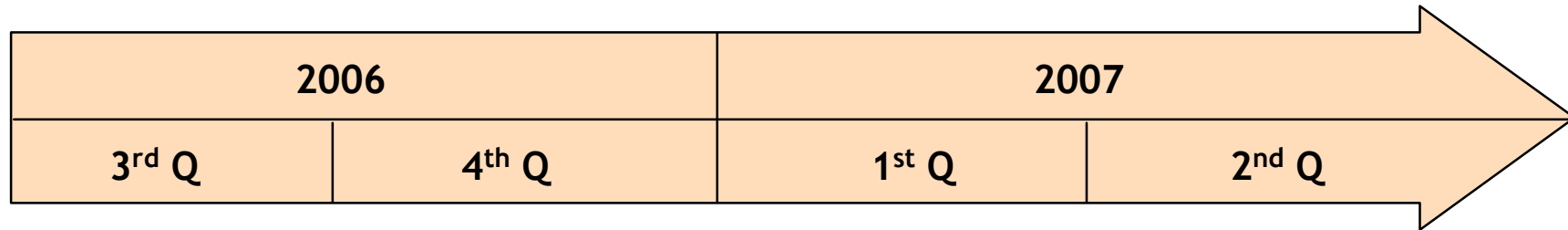
Rationalization of distribution platforms

- Integration and rationalization of branch networks
- Integration of corporate and SME networks
- Commercial coordination
- Remote channel integration (call center, e-banking, internet, ATM's)
- Investment Banking

Best practice sharing and development of complementary businesses

- Cross-selling optimization based upon M3
- Further development of mortgage shops and investment centers
- Best practice sharing in credit underwriting and recovery
- Further growth of Angola operations, based on Portuguese franchise

Integration timetable



- Integration planning
- Corporate center integration
- Purchasing integration
- Risk Management
- Process and system alignment
- Shared services
- Marketing and product units
- Integration of client databases
- Remote channels
- Operations
- Commercial coordination
- Branch networks

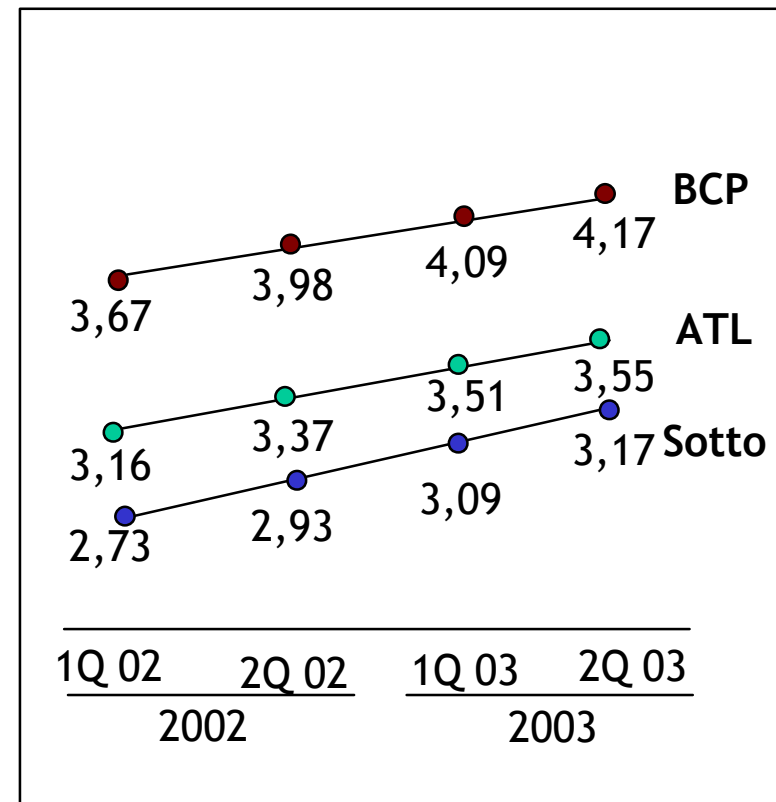
Value creation potential supported by track record

Cost reduction

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

Revenue increase through cross-selling

Products per customer



Building a stronger future for all stakeholders

Customers

- More competitive and innovative products and services
- More competitive prices due to higher efficiency
- More convenience - a branch network that “will be everywhere”

Employees

- Opportunity to be part of the leading Portuguese company
- More opportunities for growth and development, in Portugal and abroad
- Respect for each individual, based upon meritocracy principles

Shareholders

- Strong value creation potential
- Reference stock in Euronext Lisbon
- A stronger institution

Community

- Creation of an undisputed Portuguese leader
- Stronger competitive position in the European Banking context
- An institution to make us proud

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Price considerations

Financing structure and financial impacts

Capital Increase

- The acquisition will be financed 92% through capital increase, and 8% through internal resources
- Capital increase of € 4.0 bn through a 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

Resulting Capital Position

- Resulting core tier 1 ratio above 5% at year end 2006
- Strong recurrent organic capital generation of estimated 50-60bp per year ensuring adequate capital structure going forward
- Further disposals of non core assets will further strengthen capital base

Earnings Impact

- Earnings accretion from 2008 onwards (~5%) as cost synergies materialize
- Revenue synergies can be significant but are not quantified at this stage, leaving room to further earnings enhancement
- Potential to achieve combined cost-to-income ratio of 50% (post synergies) by 2008 in Portuguese operations

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Transaction Highlights

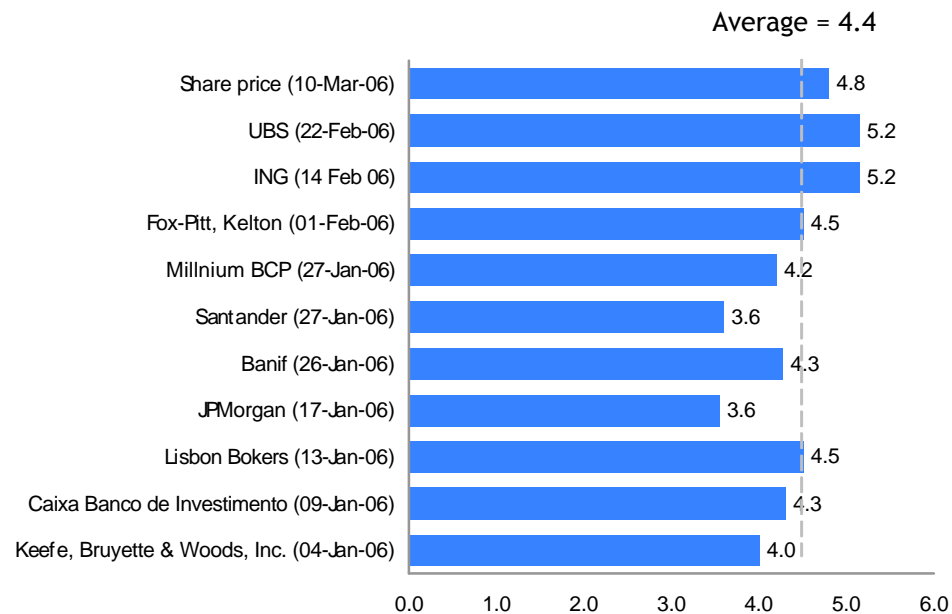
Review of strategic rationale

Financing structure and financial impacts

Price considerations

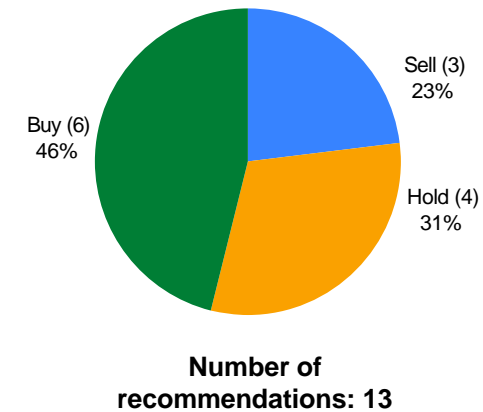
Analyst price targets and recommendations

Analyst price targets—post 9M 2005 results



Source: Reuters, Bloomberg

Analyst recommendations



Offer price represents 25% premium over 5 most recent analyst price targets

Trading multiples

Name	Market value (€bn)	P/Adj.E		P/Adj. BV			RoAdj.E		EPS CAGR 04A-07E (%)
		06E (x)	07E (x)	05E (x)	06E (x)	07E (x)	06E (%)	07E (%)	
BCP	9.1	12.7	11.0	2.3	2.1	1.9	19.0	19.1	-
BES	4.3	13.6	12.4	1.5	1.4	1.3	13.0	13.5	7.1
BPI	3.6	14.1	12.6	3.1	2.8	2.5	19.7	19.2	4.8
SCH	75.3	12.3	10.8	3.0	2.8	2.4	22.5	22.7	10.1
BBVA	57.6	13.1	11.4	3.7	3.2	2.8	24.5	24.5	10.0
Popular	13.9	13.6	12.0	2.8	2.5	2.2	18.4	18.6	9.2
Sabadell	7.8	14.9	12.8	2.3	2.1	1.9	14.2	15.2	10.4
UCI	62.9	13.7	11.6	2.3	2.1	1.9	15.5	16.5	15.2
Intesa	30.4	13.4	11.8	2.2	2.1	2.0	15.8	16.6	15.4
Sanpaolo IMI	24.0	14.4	12.7	2.2	2.1	1.9	14.4	15.1	12.3
BPVN	7.7	12.9	11.6	2.5	2.2	2.0	17.0	17.3	17.4
BPU	7.2	13.4	11.4	2.6	2.3	2.1	17.5	18.4	28.9
Mean		13.5	11.8	2.5	2.3	2.1	17.6	18.1	
BPI implied share price		4.6	4.5	3.8	4.0	4.1			

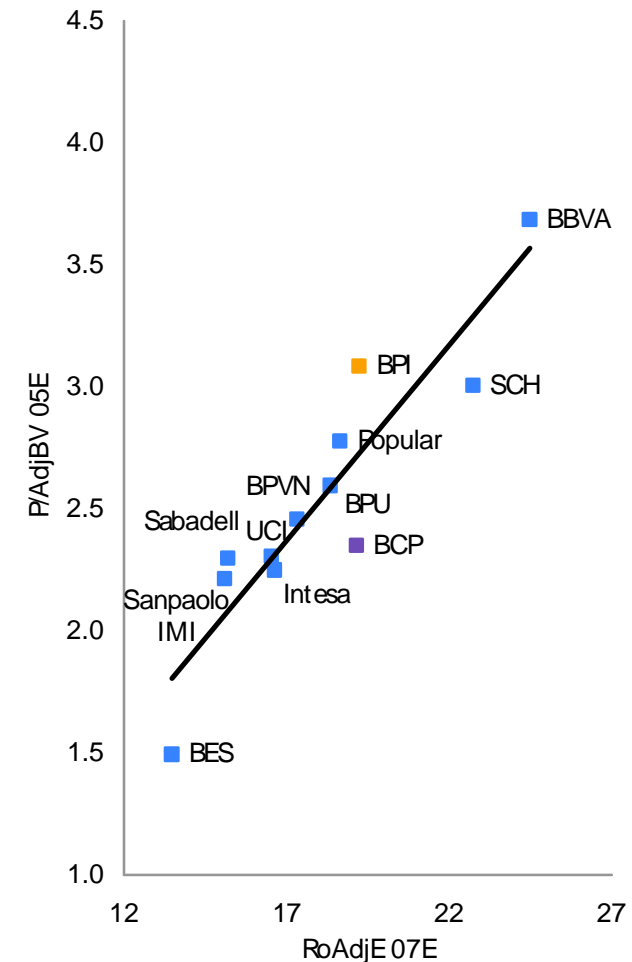
Source: IBES, UBS Investment Research, broker notes

Notes:

1 Share prices are closing prices as at 10 March 2006

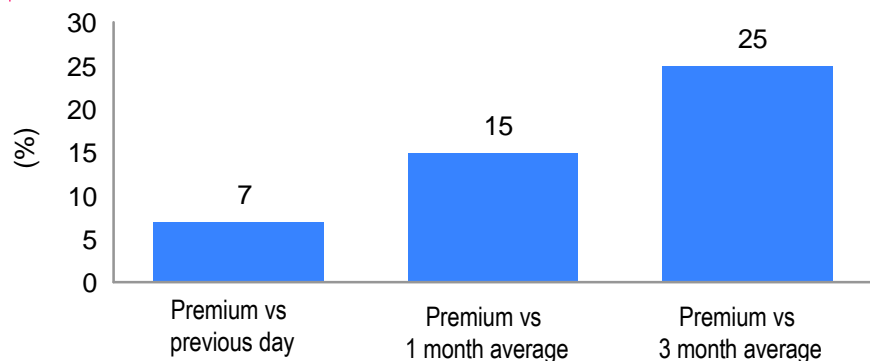
Pre announcement day price (10 March) suggests 5-10% M&A premium already included, after having appreciated 52% over last twelve months

P/Adj. BV 05E vs RoAdj.E 07E

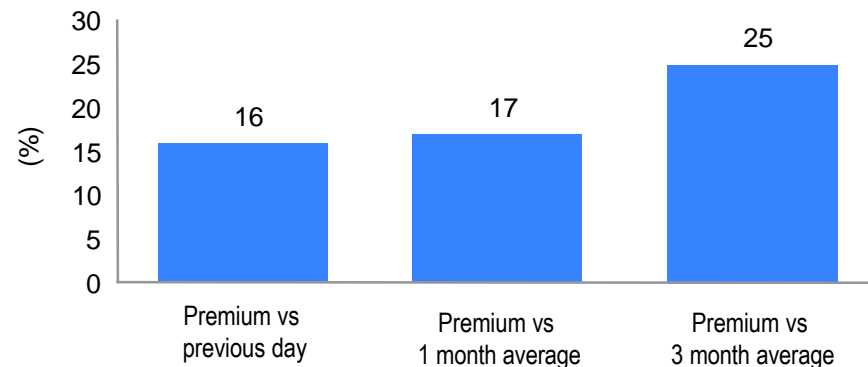


Attractive premium versus in-market banking precedents

Portugal 1



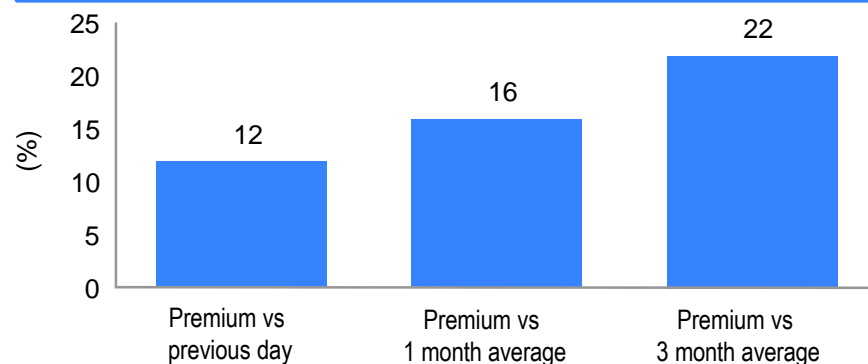
Iberia² 5



Offer premium attractive versus in-market precedents

Previous day	19% or 22% (ex-div)
1 month average	27% or 31% (ex-div)
3 months average	32% or 36% (ex-div)

Europe³ 29



● Number of transactions

Notes:

- 1 Only control-acquiring transactions since 1995 and excluding outliers. Using average premiums
- 2 Includes in-market transactions in Portugal and Spain and cross-border within Iberia
- 3 Portugal, Spain, Italy, France, Germany and UK

Conclusions

Undeniable value creation and strategic fit from creation of 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 synergies integrating operations and exploring complementarities in Portugal and abroad
- Stronger position to capture the growth opportunities held by both banks
- Attractive premium to BPI shareholders justified by synergies potential of combined entity

The logo consists of a dark red rectangular background. The word "Millennium" is written in a white, sans-serif font, starting with a large, stylized 'M' that has a white swoosh extending from its top left corner. Below "Millennium", the letters "bcp" are written in a smaller, white, lowercase sans-serif font.

Millennium

bcp