

The logo is a stylized, geometric emblem composed of thick, grey, interlocking lines that form a complex, diamond-like shape with internal patterns. It is centered behind the main text.

BANCO COMERCIAL PORTUGUÊS

January 1998

BANCO COMERCIAL PORTUGUÊS

as at December 31 1997

- **Net Income for 1997 of PTE 36.135 billion (US\$ 197.1 mln.), an increase of 55.3% over 1996**
- **Leading Portuguese Private Financial Group with Total Assets PTE 5,907 billion (US\$ 32.2 bln.) and Customer Funds PTE 5,670 billion (US\$ 30.9 bln.)**
- **Total Assets under Management PTE 2,253.2 billion (US\$ 12.3 bln.)**
- **Market leader in Insurance**
- **BCP market capitalization PTE 587 billion (US\$ 3.2 bln.)**

BCP / Atlântico Group

Confirming Market Leadership in 1997

	<u>Ranking</u>	<u>Share</u>
Banking* <i>Loans</i>	2 nd	19.5%, <i>up by 0.6%</i>
Cards	1 st	21.3%, <i>up by 2.9%</i>
Insurance	1 st	16.8%, <i>up by 1.8%</i>
Asset Mgt.	1 st	28.5%, <i>up by 0.2%</i>
Leasing*	1 st	21.7%, <i>up by 1.5%</i>

* September - 9 month Estimate

AGENDA

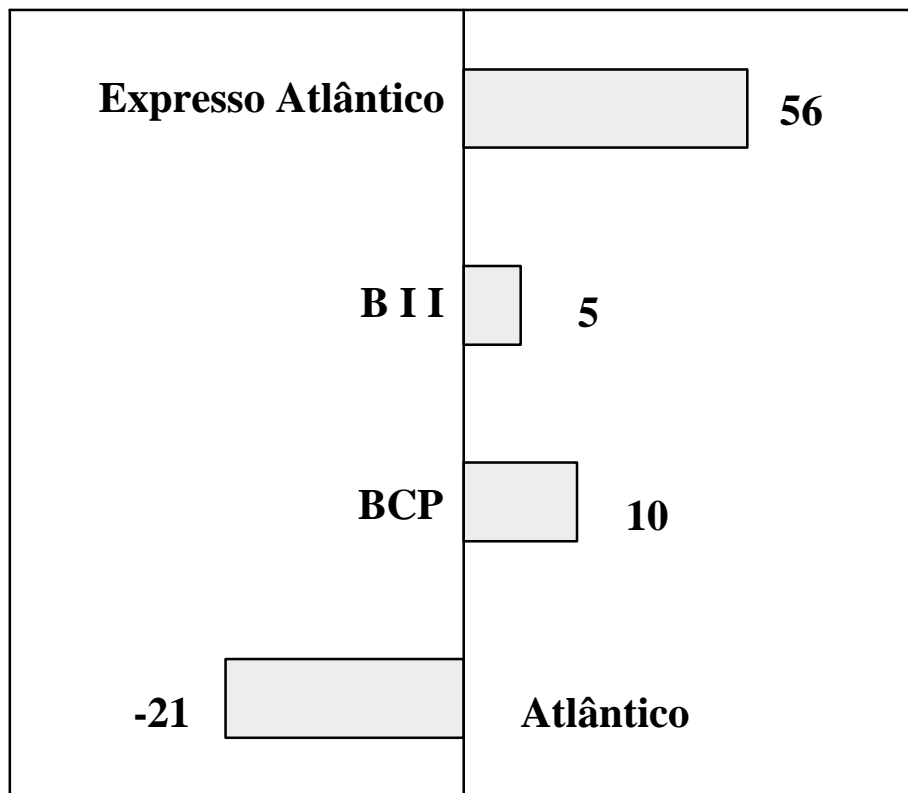
- ✓ **ACTIVITY OF THE BCP/ATLÂNTICO GROUP**
- **FINANCIAL PERFORMANCE**
- **CONTRIBUTION BY BUSINESS ACTIVITY**
 - **BANKING**
 - **INSURANCE**
 - **ASSET MANAGEMENT**

MAIN STRATEGIC DEVELOPMENTS IN 1997

- Optimizing traditional distribution networks and consolidating innovative concepts (Atlântico, Expresso Atlântico, Banco7, Seguro Directo, Médis)
- Merger of all support units (ServiBanca)
- Consolidation of strategic investments (Atlântico, AF Investimentos) and divesting non-strategic assets (Colombo, Mundial Confiança)

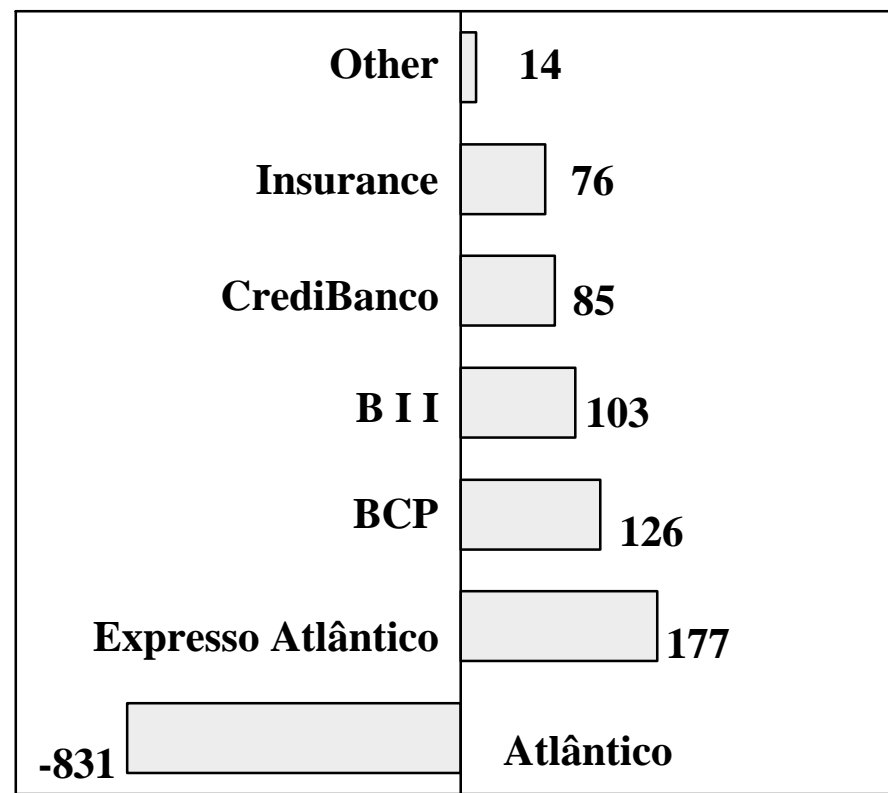
EXPANDING THE NEW PLATFORMS

Changes in Domestic Branch Networks



	Domestic	Total
1997	742	780
1996	692	730

Group Employees

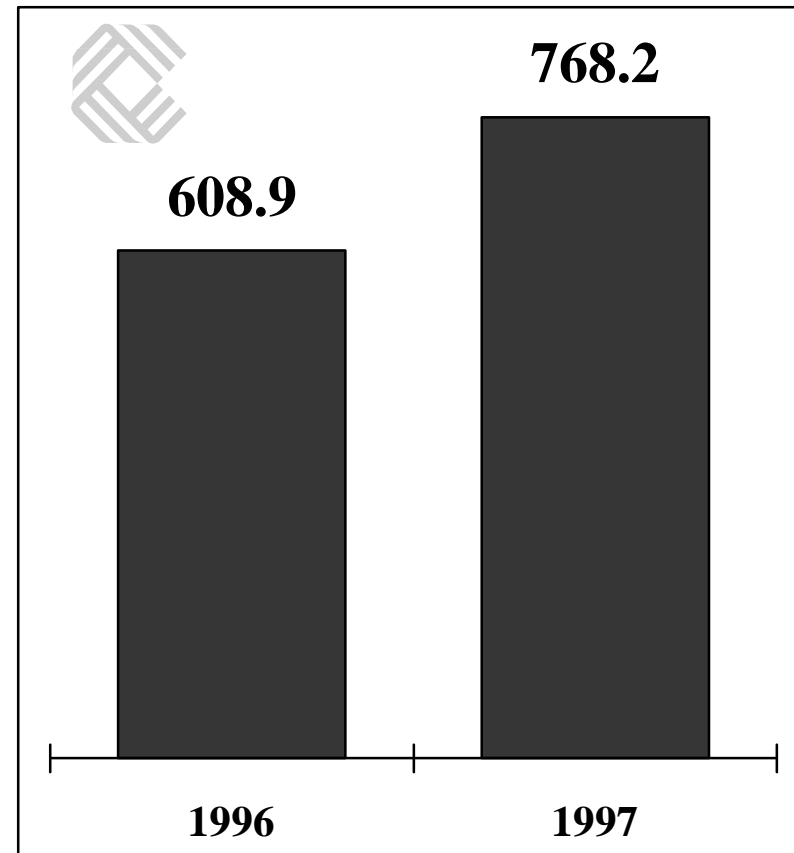
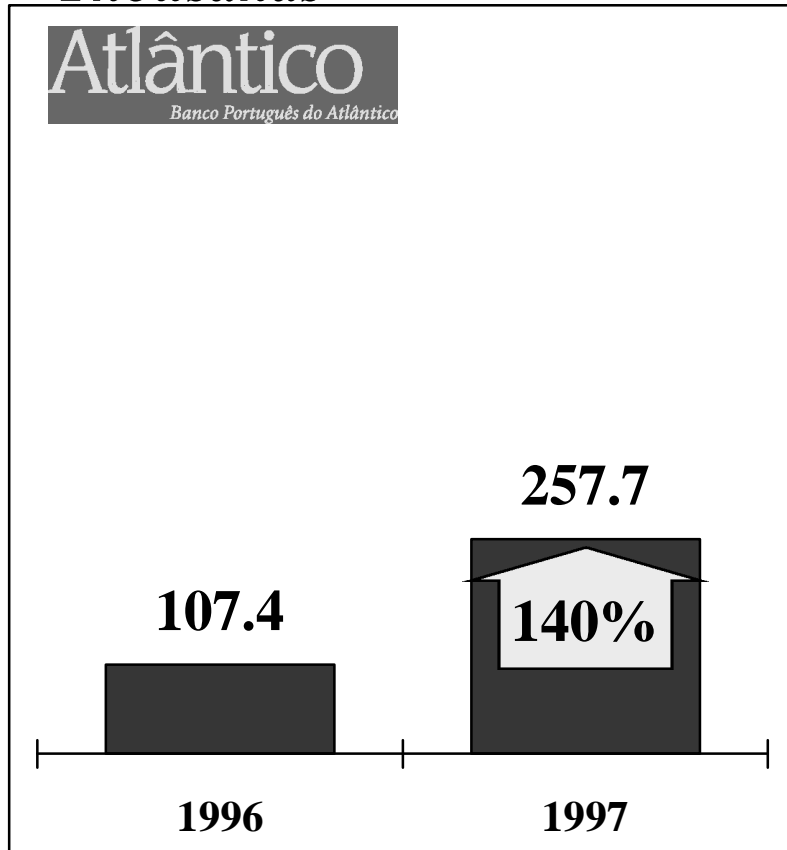


	Total
1997	10,913
1996	11,163

CROSS-SELLING - CARDS

Over 1,000,000 Cards

Thousands



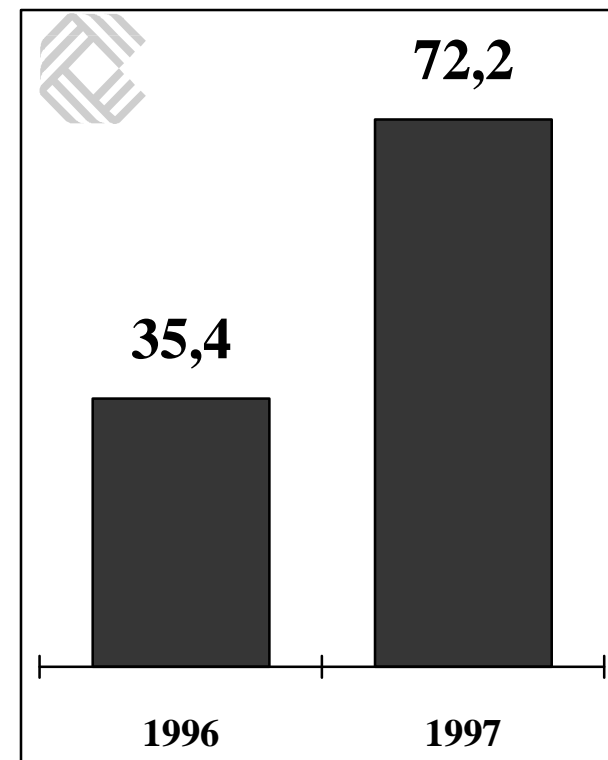
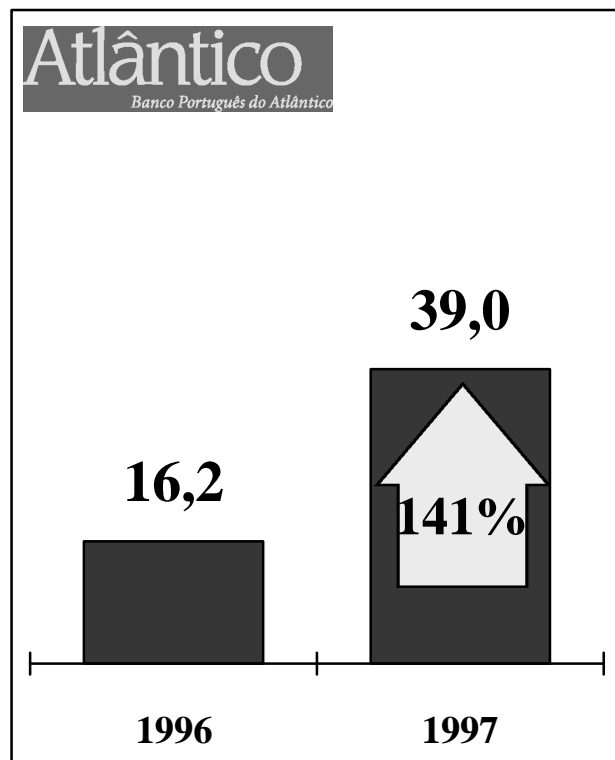
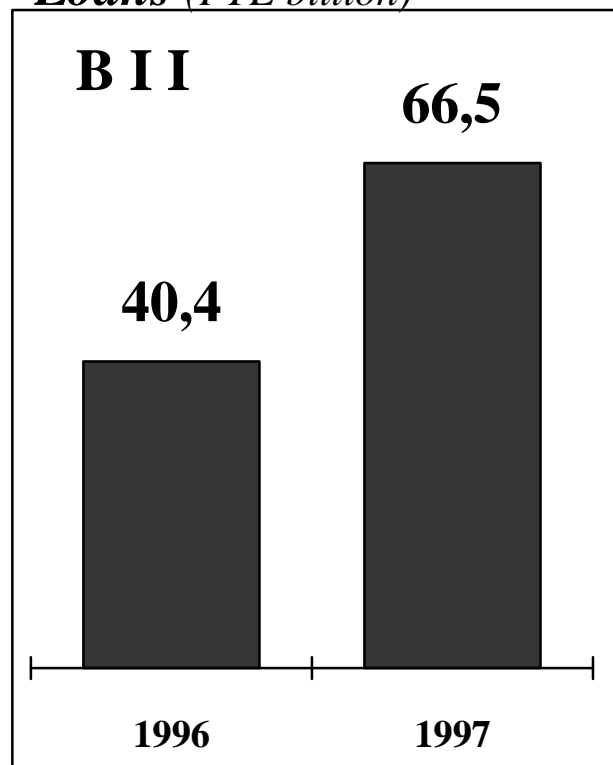
Turnover (PTE Billion)

1996	1997
175,485	221,780

CROSS-SELLING - MORTGAGES

Atlântico leads in volume growth

Loans (PTE billion)



Loan Applications (thousands)

5.5	9.1
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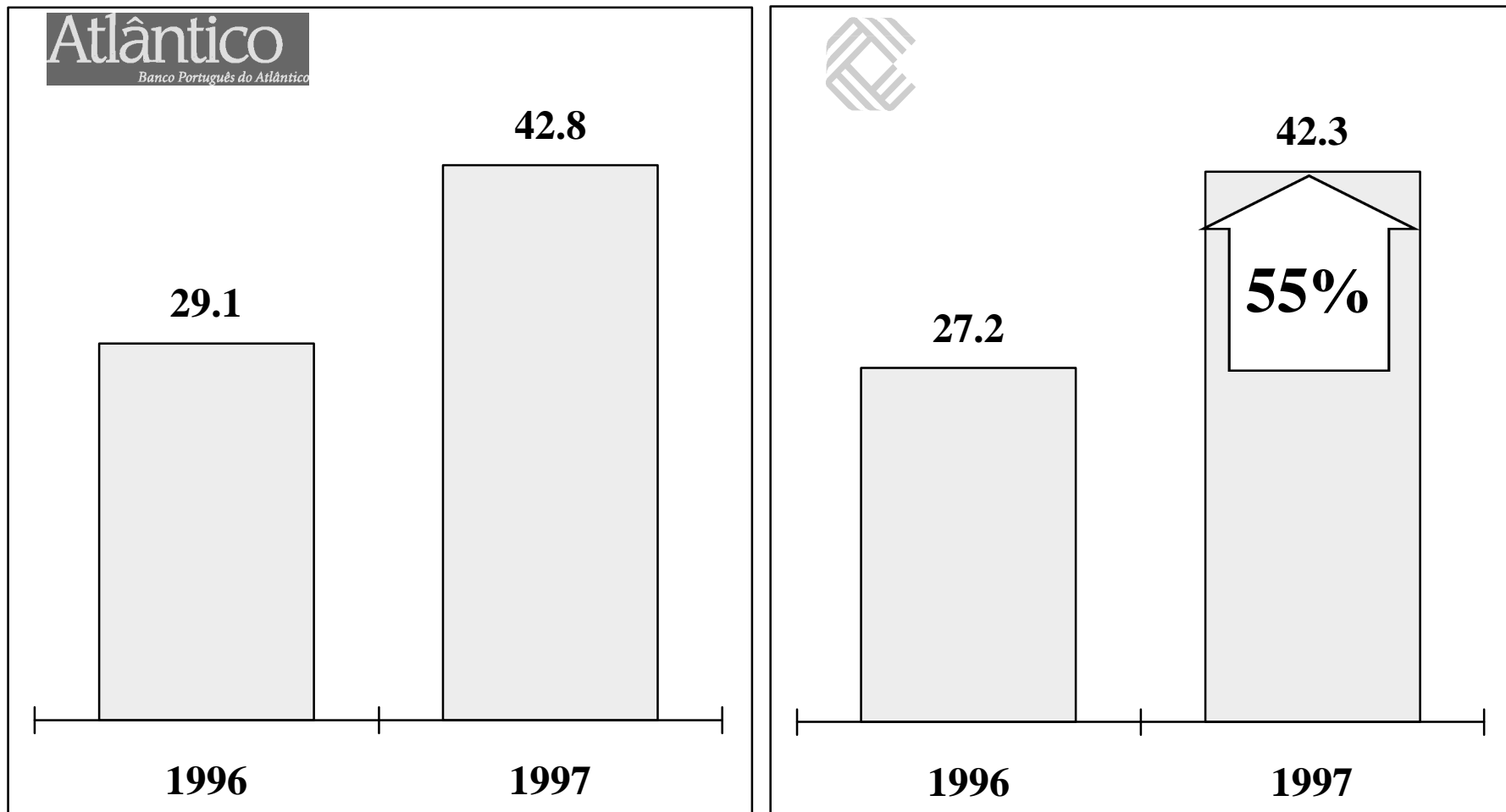
3.4	7.5
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6.1	10.7
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CROSS-SELLING - LEASING

Growing at an equal pace

PTE billion

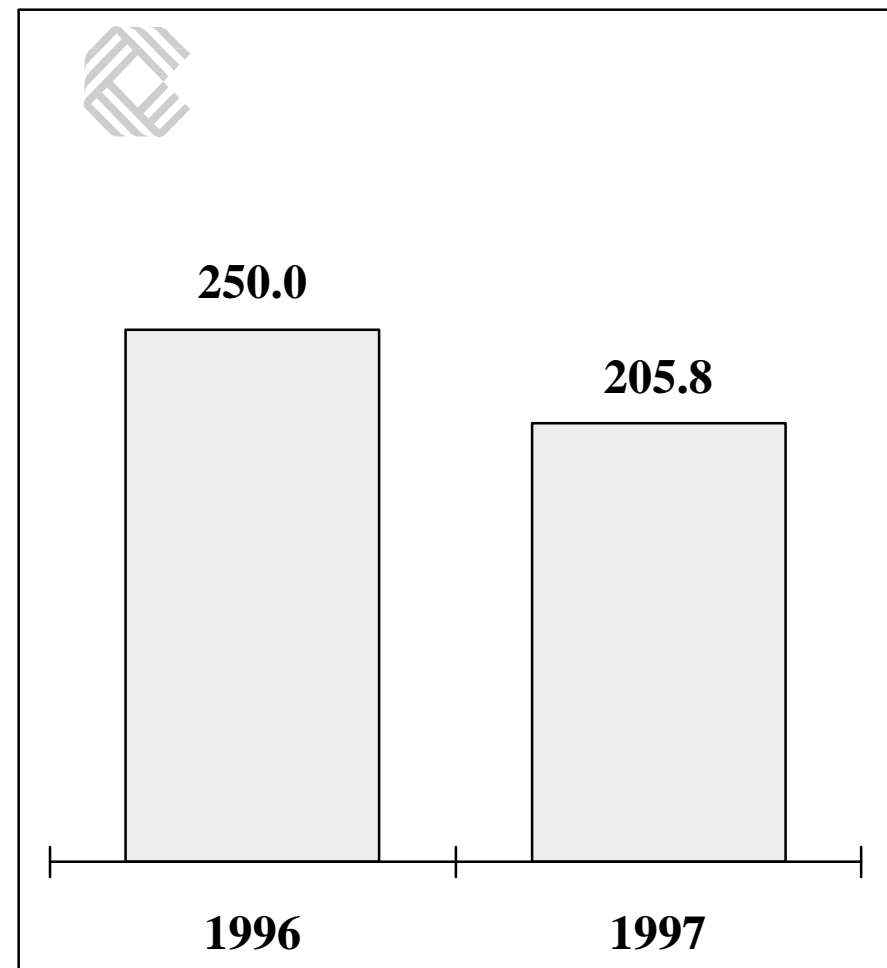
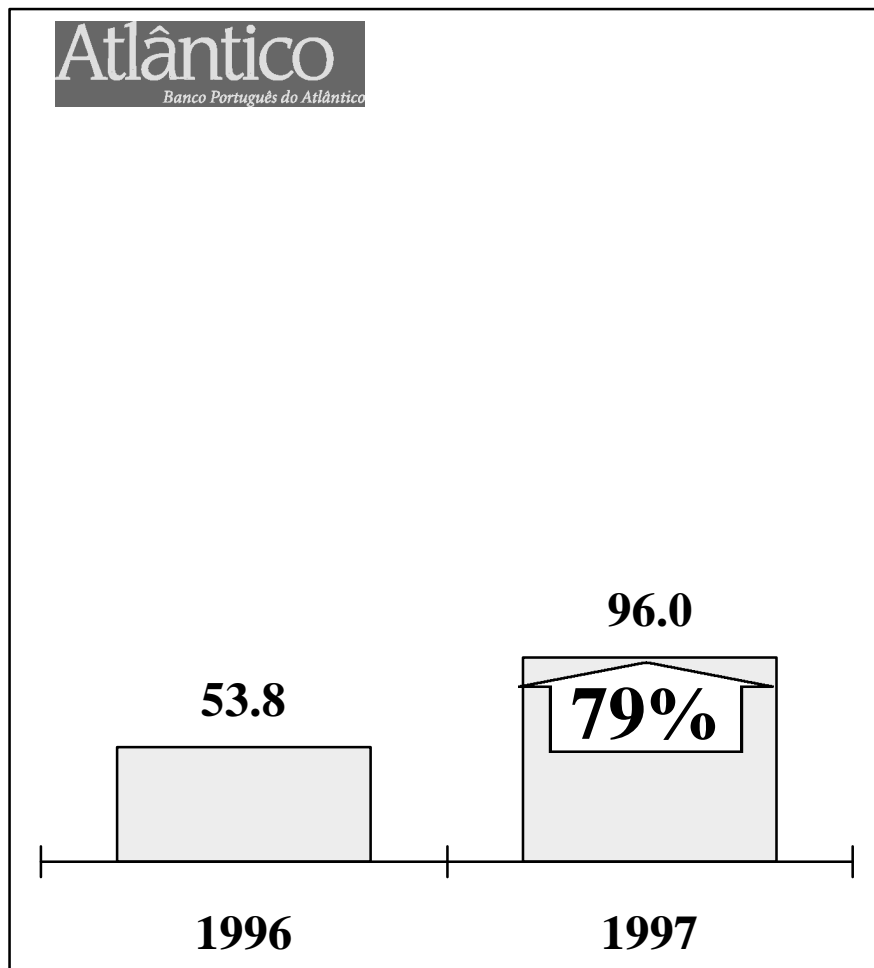


New Production

CROSS-SELLING - FACTORING

Aligning Market Strategies

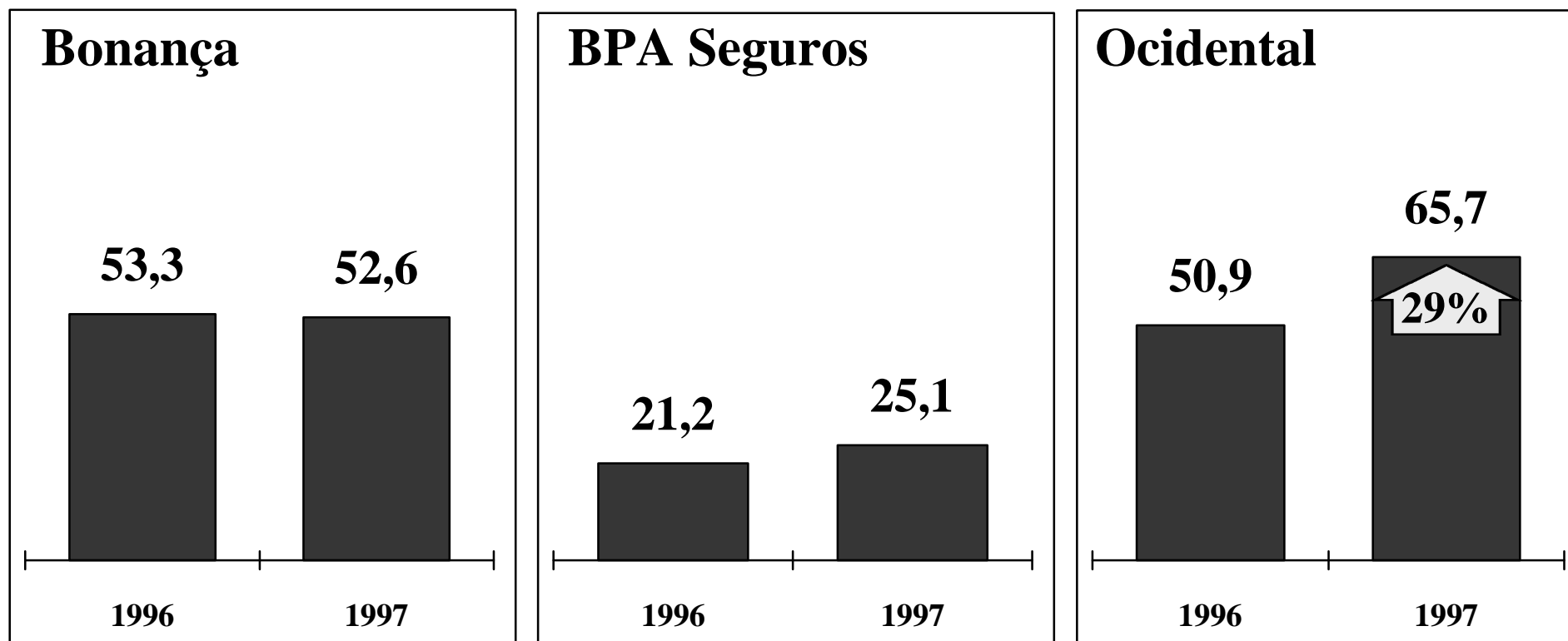
PTE billion



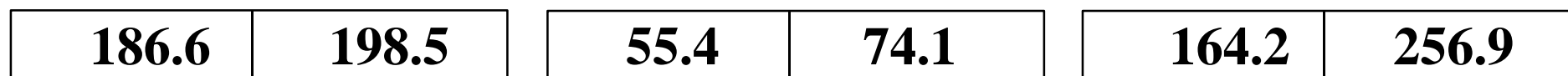
CROSS-SELLING - INSURANCE

BCP network excels in 1997

Production (PTE billion)



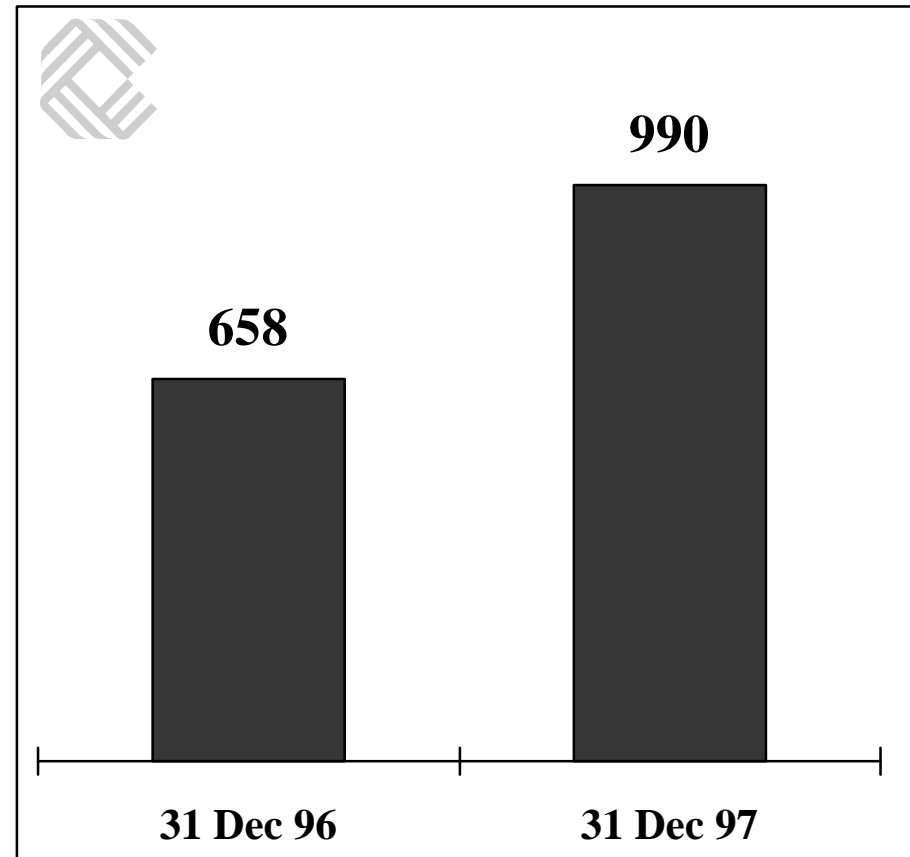
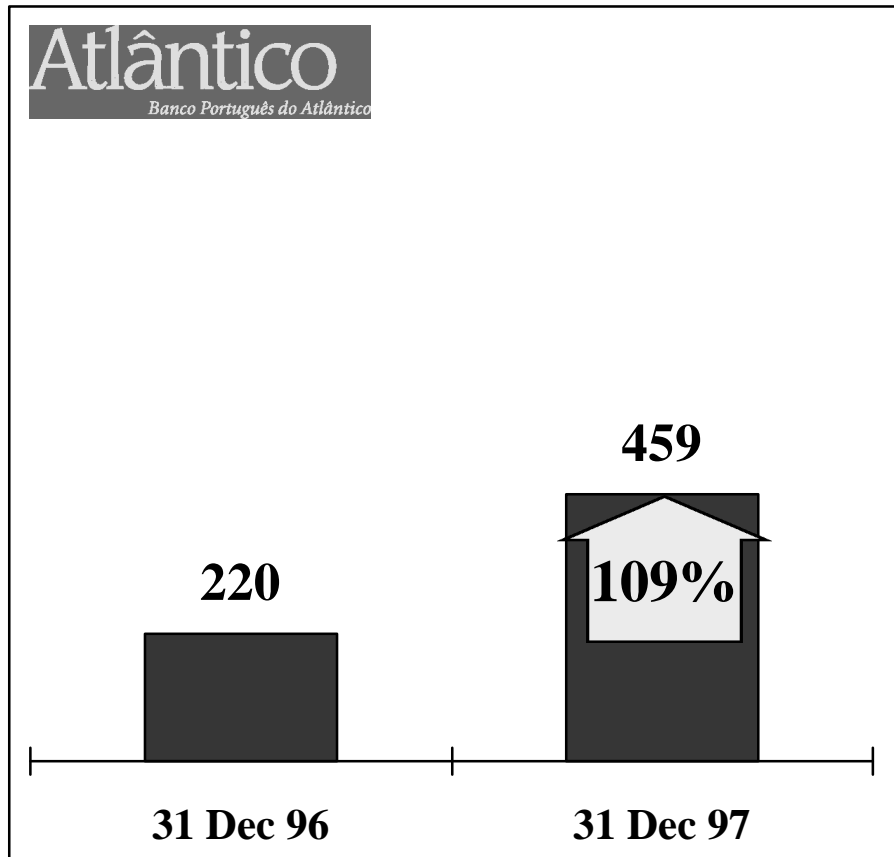
Policies sold (000)



CROSS-SELLING - ASSET MANAGEMENT

Fast progress at Atlântico

Investment Funds (PTE billion)



AGENDA

- **ACTIVITY OF THE BCP/ATLÂNTICO GROUP**
- ✓ **FINANCIAL PERFORMANCE**
- **CONTRIBUTION BY BUSINESS ACTIVITY**
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OVERALL GROWTH

Confirmation of Trends

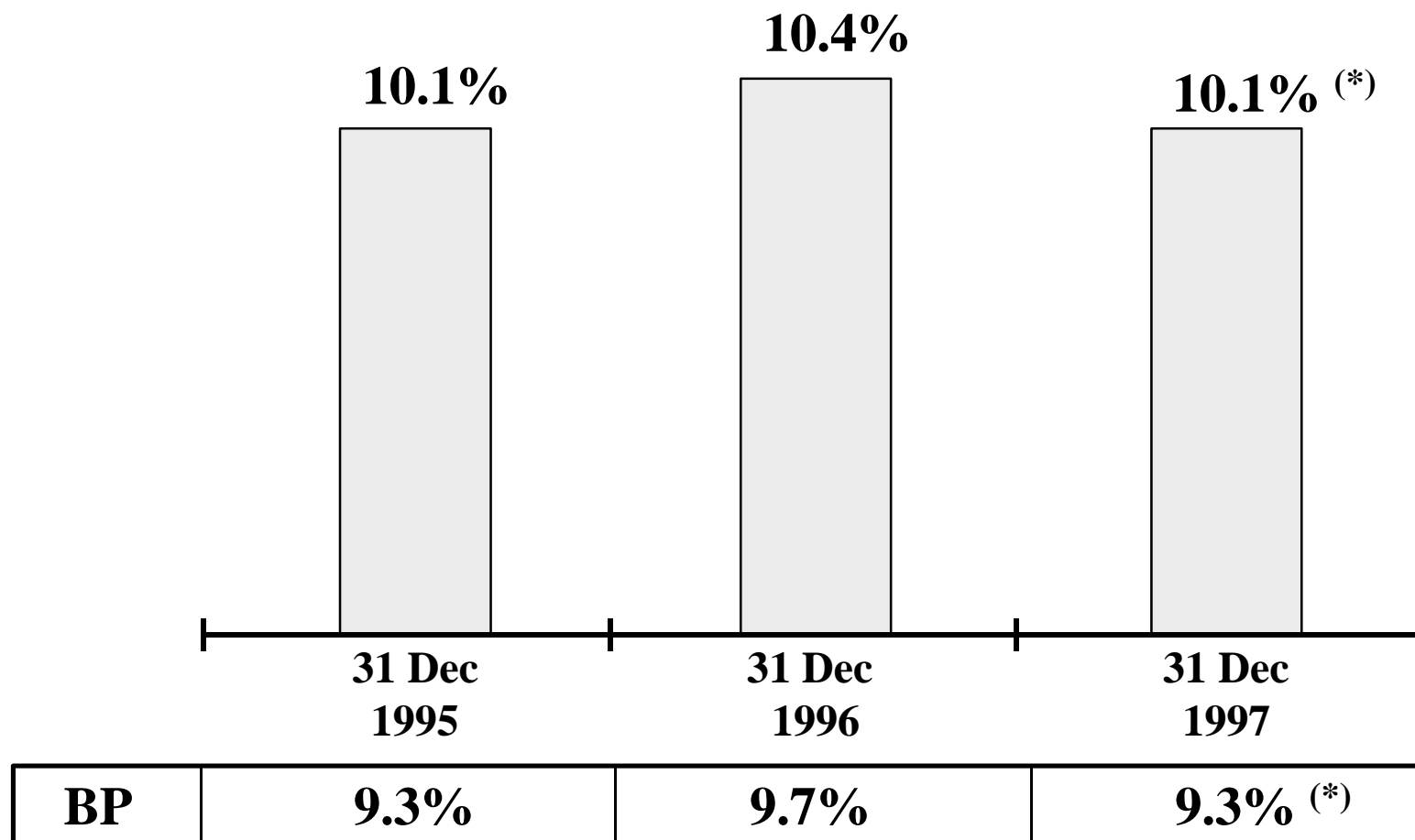
PTE billion

	US\$ bn	31 Dec 1997	31 Dec 1996	<i>Annual growth</i>
Assets	32.2	5,907	5,468	+ 8%
Loans to customers (net)	14.6	2,682	2,187	+ 23%
Total customers' funds	30.9	5,670	4,556	+24%

GROUP PROFITABILITY

	31 Dec 1997	31 Dec 1996
ROA (before minority interests)	1.1 %	0.9 %
ROE	17.7%	12.0 %
EPS (PTE)	248.5	184.9

GROUP SOLVENCY RATIO (*BIS*)

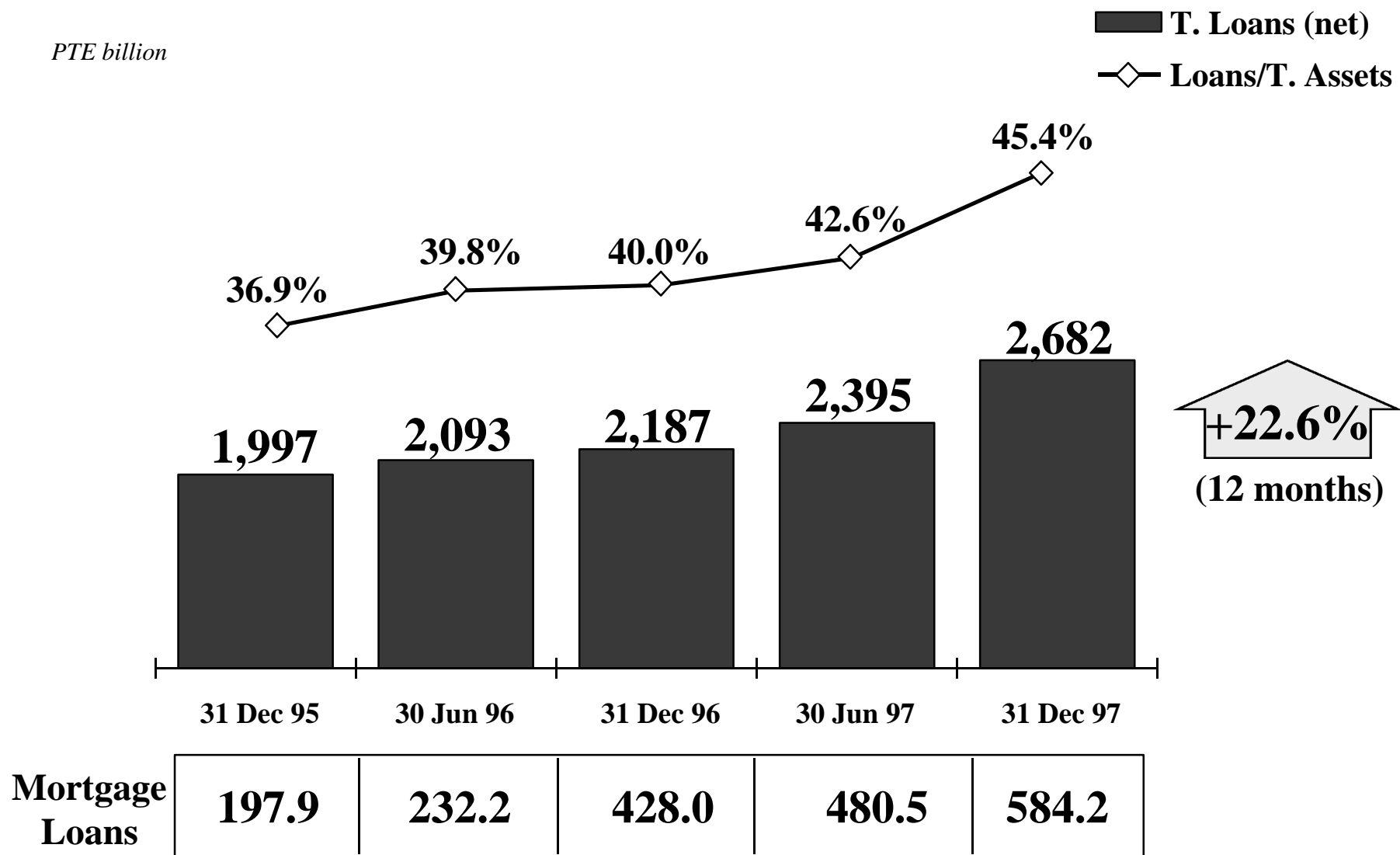


(*) Estimate

GROUP LOAN PORTFOLIO

Greater balance sheet efficiency

PTE billion



LOAN GROWTH

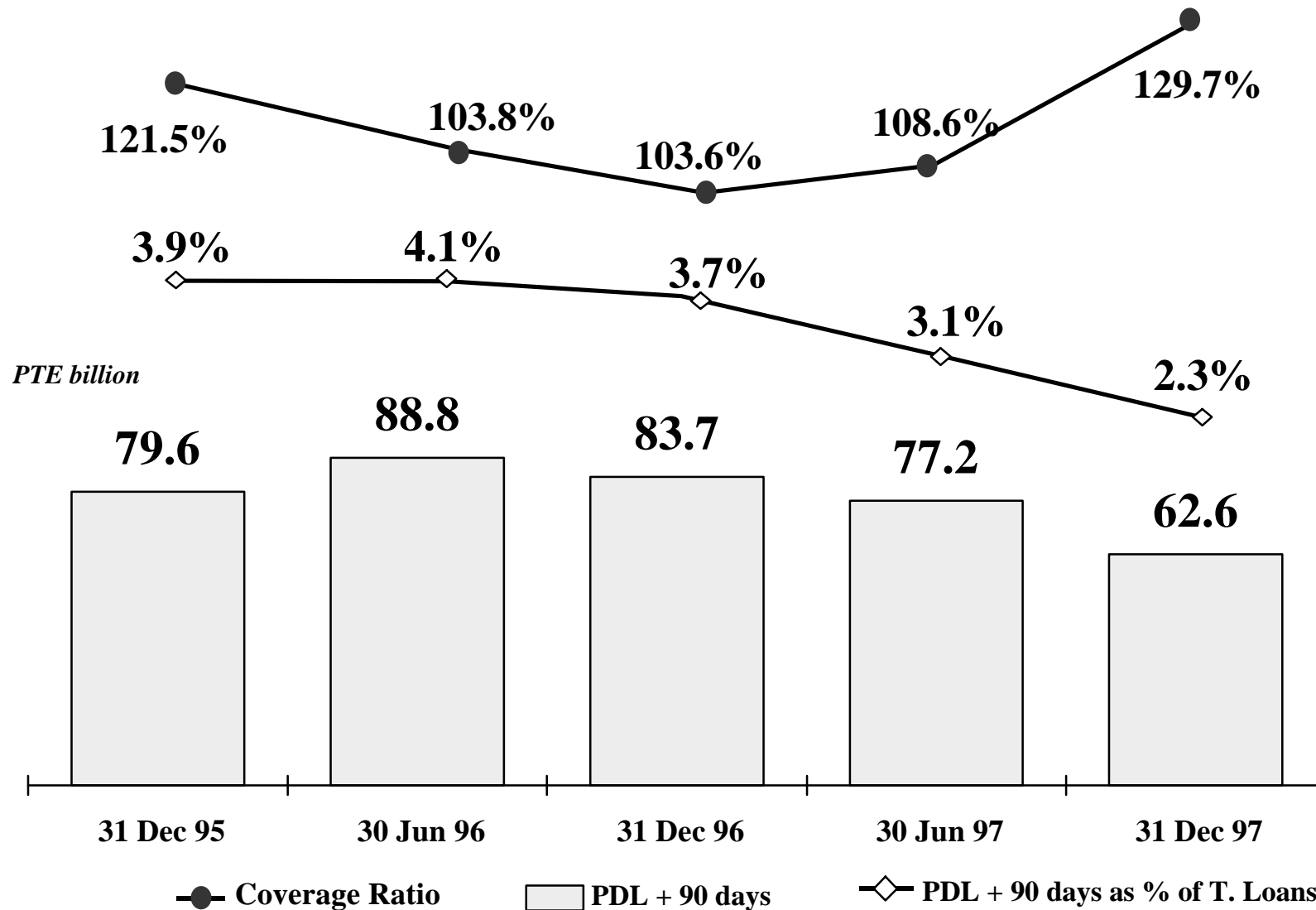
Individual Banking continues to rise

PTE billion

	US\$ bn	31 Dec 1997	31 Dec 1996	Annual growth
Loans to customers (Gross)	14.9	2,734	2,246	22%
• Services and Commerce	4.9	891	801	11%
<i>as a % of Loans</i>		33%	36%	
• Mortgage credit	3.5	639	480	33%
<i>as a % of Loans</i>		23%	21%	
• Consumer Credit	1.5	273	191	43%
<i>as a % of Loans</i>		10%	9%	

GROUP PAST DUE LOANS

Absolute and relative improvements



GROUP'S COMPANIES NET INCOME

PTE billion

	US\$ million	31 Dec 1997	31 Dec 1996	Annual Growth
Atlântico	85.4	15,656	13,734	14%
Seguros e Pensões	28.4	5,204	4,061	28%
AF Investimentos	17.3	3,162	1,117	183%
Banco Cif	17.4	3,199	1,033	210%
BII	23.6	4,332	2,063	110%
Leasefactor	12.1	2,215	1,914	16%
CrédiBanco	3.9	718	505	42%

Consolidated Net Income	197.1	36,135	23,268	55%
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BCP / Atlântico

CONSOLIDATED STATEMENT OF INCOME

PTE billion

	US\$ million	31 Dec 1997	31 Dec 1996	Annual Growth
Net interest income	786.9	144.3	134.5	7.2%
Provisions for loan losses	<u>138.5</u>	<u>25.4</u>	<u>28.7</u>	-11.7%
Net interest income after provisions	648.4	118.9	105.8	12.4%
Other operating income	716.6	131.3	117.8	11.6%
Operating costs	<u>943.1</u>	<u>172.9</u>	<u>172.7</u>	0.1%
Income before taxes	421.9	77.3	50.9	52.1%
Provision for income taxes	84.7	15.5	6.1	154.3%
Minority interests	<u>140.1</u>	<u>25.7</u>	<u>21.5</u>	19.5%
Net income	<u><u>197.1</u></u>	<u><u>36.1</u></u>	<u><u>23.3</u></u>	55.3%

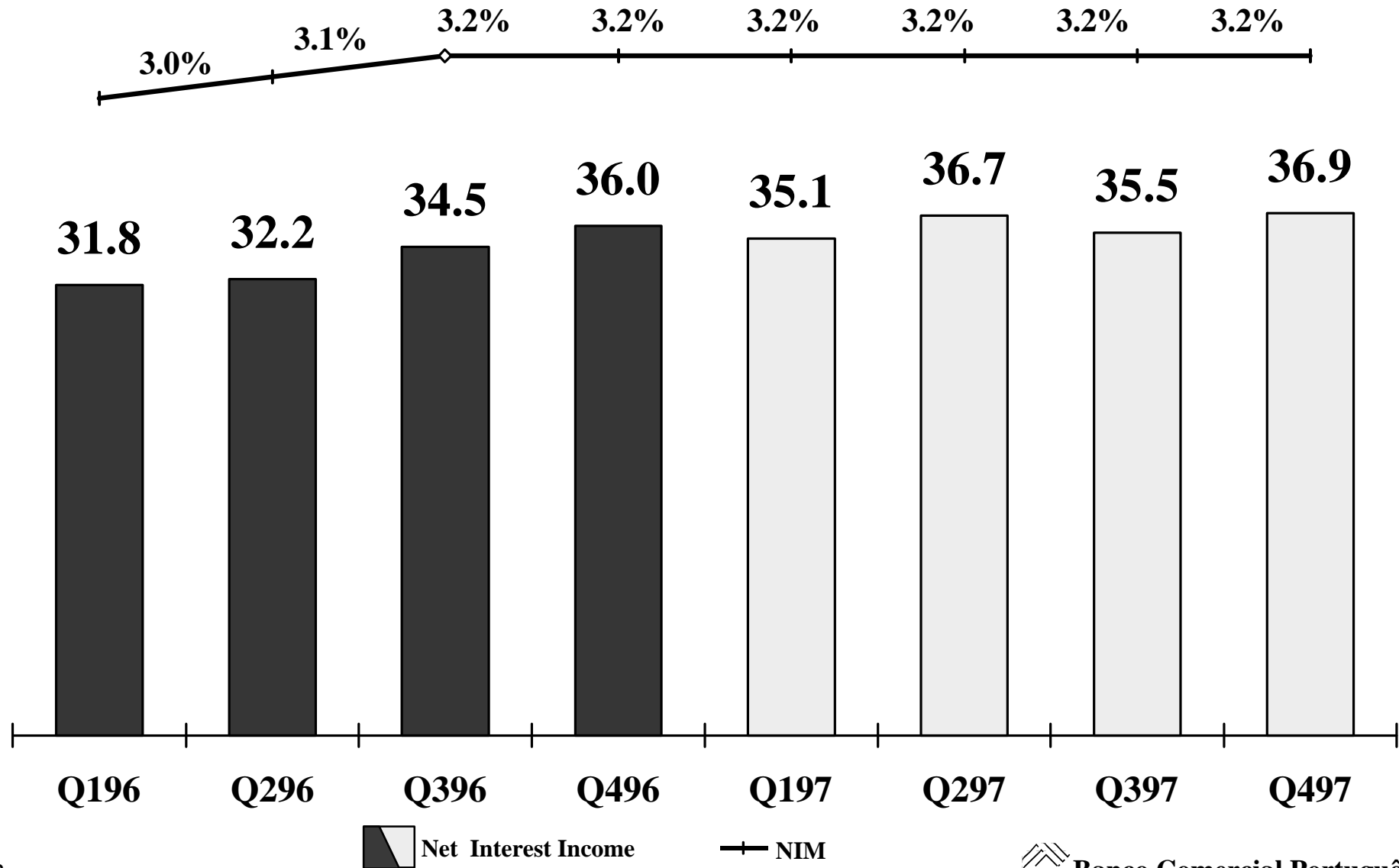
GROUP STATEMENT OF INCOME

Main indicators

	31 Dec 1997	31 Dec 1996
Net interest margin as % of total interest earning assets	3.2%	3.2%
Other income as % of total income	58.5%	58.7%
Operating costs as % of total income	49.7%	53.0%

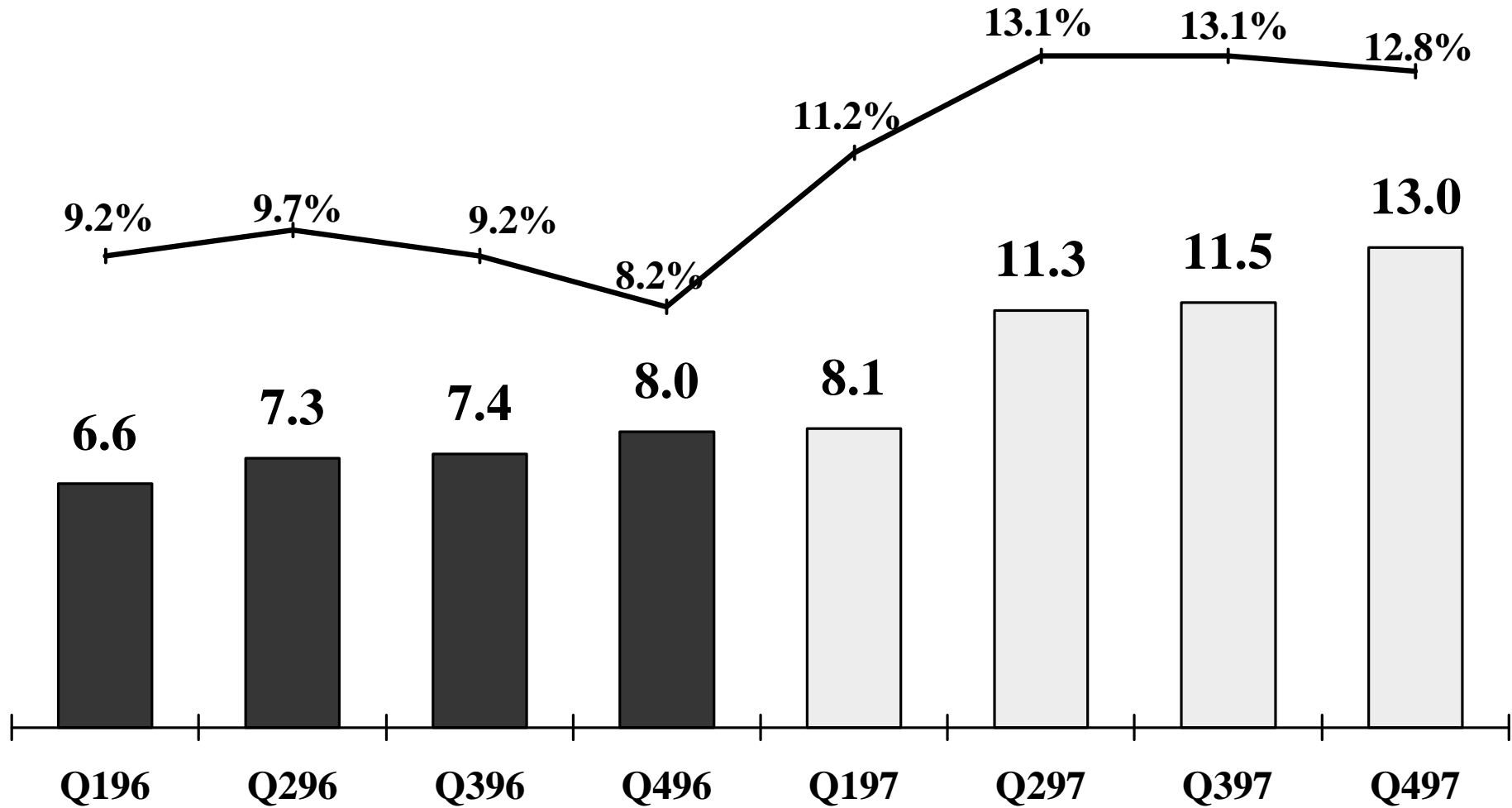
GROUP NET INTEREST INCOME

PTE billion



GROUP NET COMMISSION INCOME

PTE billion



Net Commission Income



NCI as % of Total Income



Banco Comercial Português

NET COMMISSION INCOME

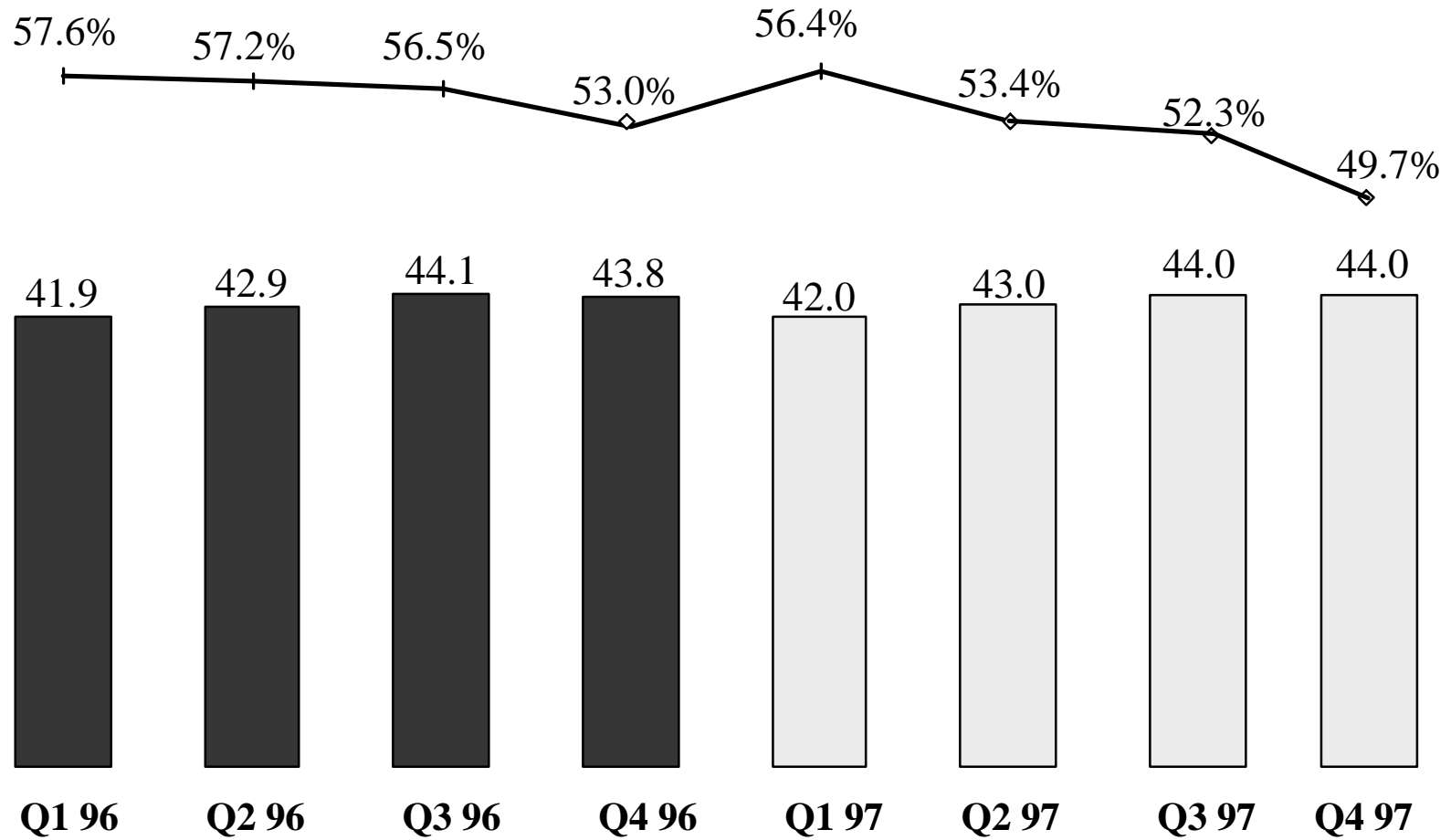
Consolidated by activity



PTE billion

	US\$ million	31 Dec 1997	31 Dec 1996	<i>Annual growth</i>
Banking	193.3	35.439	27.357	30%
(of which Cards)	47.9	8.787	6.793	29%
Asset Management	46.8	8.574	3.451	148%
Sub-Total	240.1	44.013	30.808	43%
Insurance	(0.3)	(51)	(1.484)	...
Total	<u>239.8</u>	<u>43.962</u>	<u>29.324</u>	50%

OPERATING COSTS

PTE billion



 Operating Costs
  Cost Income Ratio

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ATLÂNTICO

MAIN INDICATORS

PTE billion

	US\$ million	31 Dec 1997	31 Dec 1996*	Annual Growth
Net interest income	237.3	43.5	41.9	3.7%
Loan loss provisions	51.8	9.5	15.4	-37.9%
Other operating income	253.6	46.5	47.2	-1.6%
Operating costs	336.0	61.7	64.6	-4.4%
Income before taxes	101.5	18.6	14.2	31.0%
Net Income	85.6	15.7	13.0	20.8%
Total Assets	21,380.0	3,919.5	3,441.2	13.9%
Total Loans (net)	3,887.1	712.6	624.6	14.1%

* **Proforma:** Adjusting for consolidation perimeter changes and mortgage loan book transfer to BII

MORTGAGE LOANS

Banco de Investimento Imobiliário

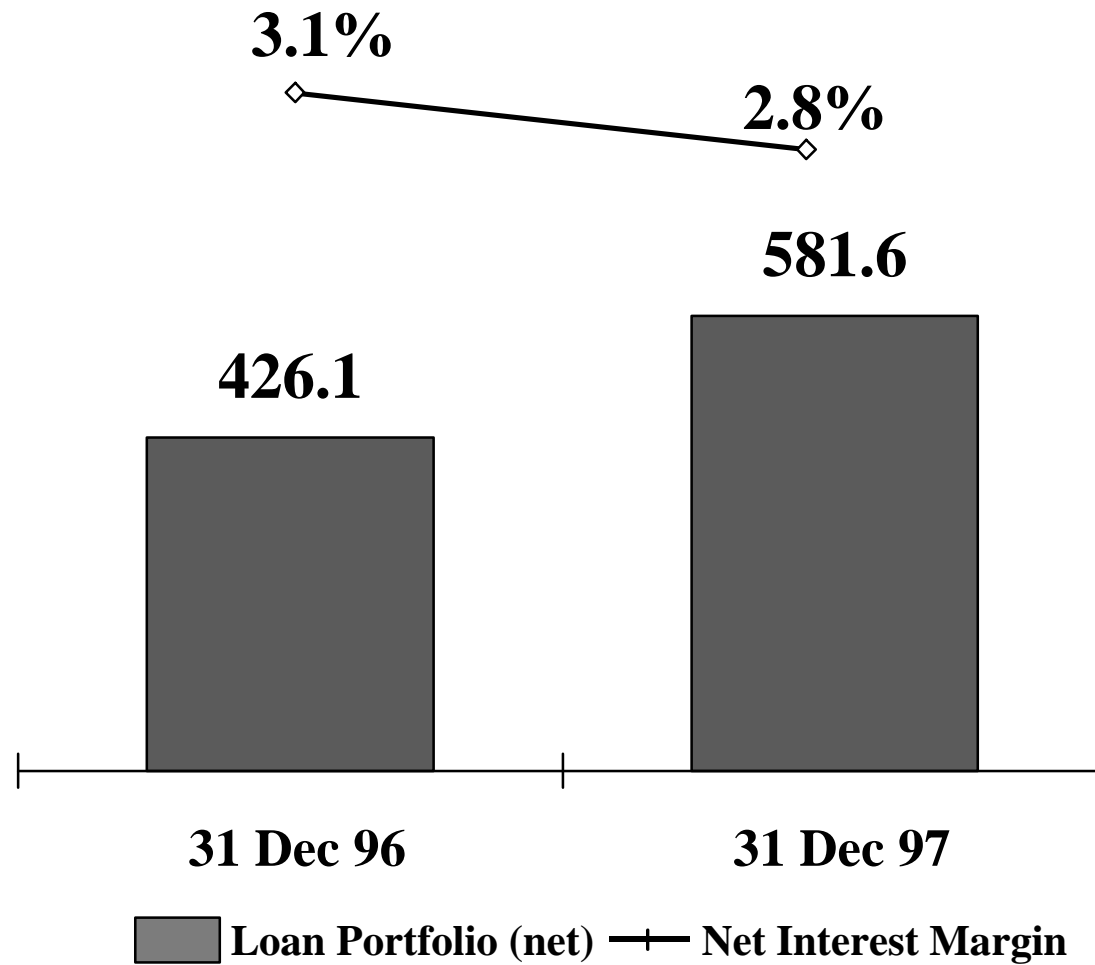
PTE billion

	US\$ million	31 Dec 1997	31 Dec 1996	<i>Annual growth</i>
Net interest income	85.8	15.7	9.6	64%
Operating costs	38.6	7.1	4.1	72%
Net income	23.6	4.3	2.1	110%
Cash-flow	51.2	9.4	6.1	54%
Total assets	3,693	677.0	508.8	33%
Loans to customers (net)	3,173	581.6	426.1	36%

MORTGAGE LOANS

Volume/Margin evolution

PTE billion



LEASING & FACTORING

Leading in Leasing

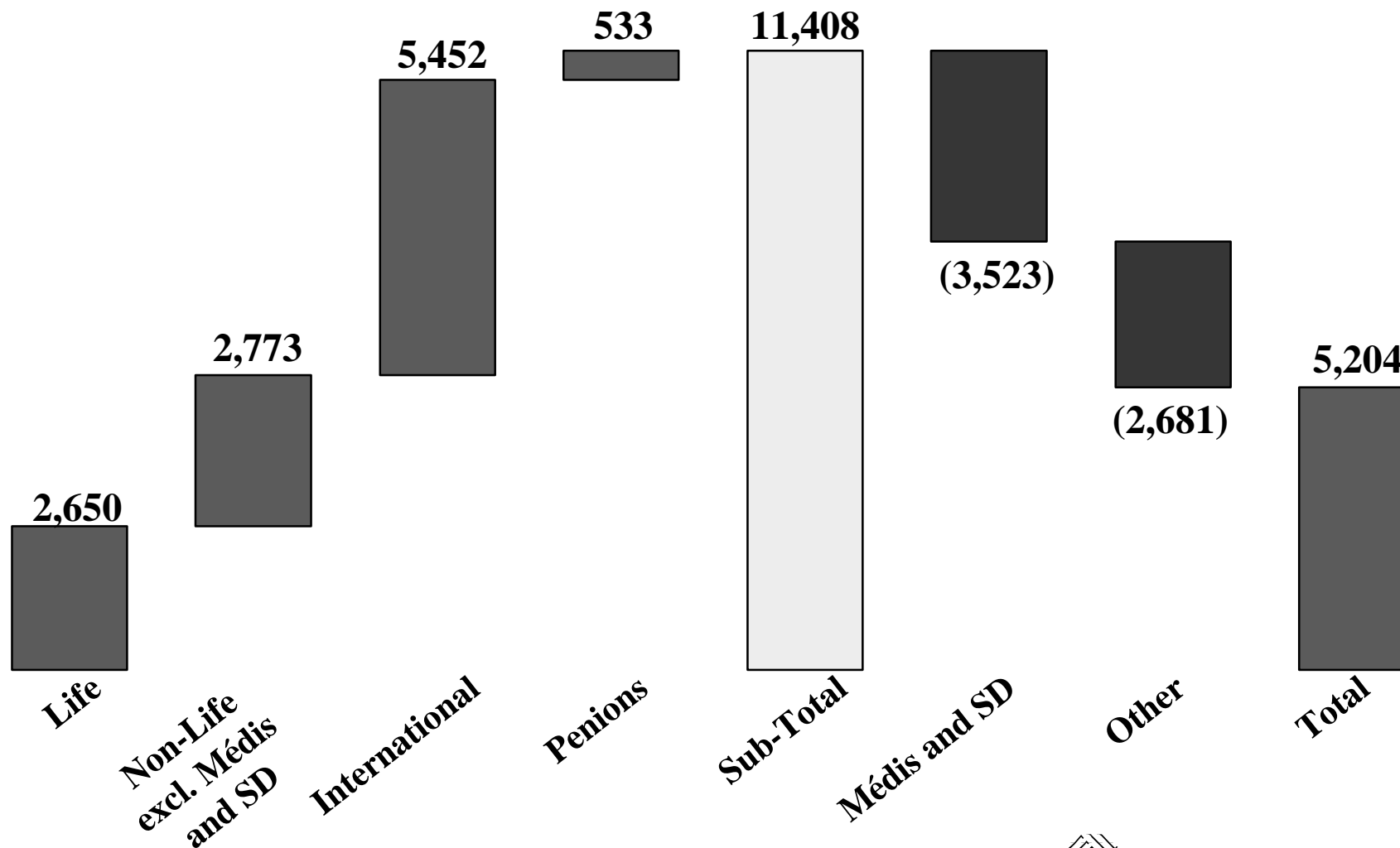
PTE billion

	US\$ million	31 Dec 1997	31 Dec 1996	<i>Annual growth</i>
Leasing (new contracts)	561.8	103.0	56.4	83%
Leasing (loans to customers)	1,023.3	187.6	131.0	43%
Invoices for collection	1,646.8	301.9	303.8	-1%
Loans against collections	406.9	74.6	69.5	7%
Net interest income	40.2	7.37	7.17	3%
Net income	12.1	2.22	1.91	16%

INSURANCE ACTIVITY

Net income contribution per function

PTE million



INSURANCE ACTIVITY

Consolidated Statement of Income

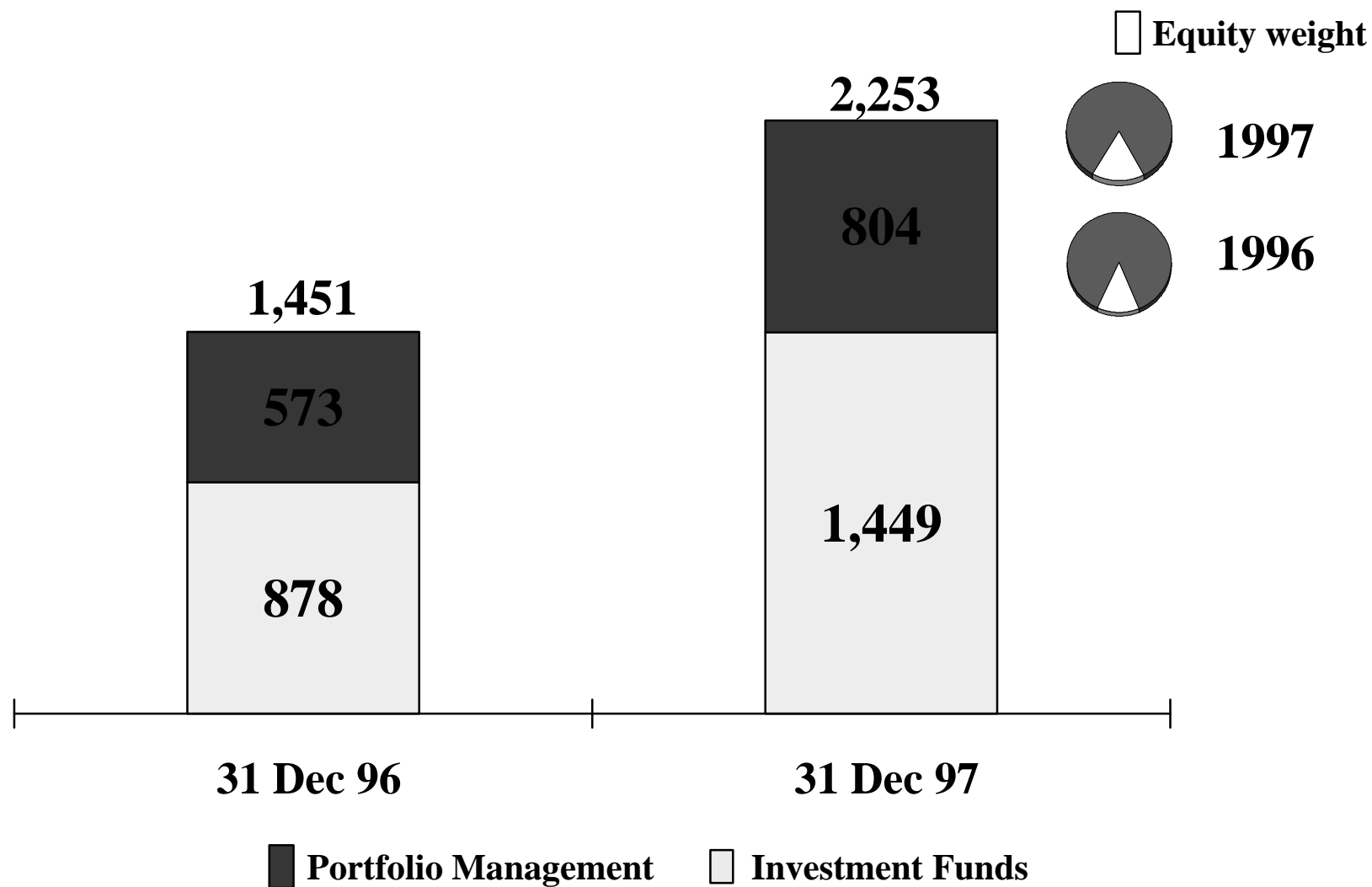
PTE billion

	US\$ million	31 Dec 1997	31 Dec 1996	<i>Annual growth</i>
Total Premiums	887.8	162.759	140.962	15%
Life	529.1	97.004	79.894	21%
Non-life	358.7	65.755	61.068	8%
Loss reserve	(309.3)	(56.697)	(49.433)	15%
Technical provisions	(462.5)	(84.781)	(70.652)	20%
Technical Margin	156.6	28.714	27.889	3%
Operating Costs	(121.0)	(22.179)	(21.045)	5%
Net Income	28.4	5.204	4.061	28%

ASSETS UNDER MANAGEMENT

Strong business growth

PTE billion



ASSET MANAGEMENT

AF Investimentos

PTE billion

	US\$ million	31 Dec 1997	31 Dec 1996	<i>Annual growth</i>
Net commission income	30.3	5.56	3.10	80%
Operating costs	8.6	1.57	1.40	12%
Net income	17.2	3.16	1.12	183%
Cash flow	24.1	4.41	2.09	111%
Assets under management	12,286.7	2,253.2	1,450.8	55%

OUTLOOK FOR 1998

- Improve profitability
- Pursue objectives of sustained business growth
- Improve overall efficiency and productivity
- Explore new markets and business opportunities
- To carry on investments to respond to external challenges

OUTLOOK (Continued)

A zoom in . . .

- **Explore new markets and business opportunities**
 - Expansion of international activities within the UE with the insurance strategic partners
 - New initiatives in Eastern Europe and across the Atlantic
- **To carry on investments to respond to external challenges**
 - Increasing the shareholding in Banco Português do Atlântico until April 2000



BANCO COMERCIAL PORTUGUÊS