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Banco Comercial Português, S.A. informs about capital strengthening transactions

As announced in its earnings release for 2014, the consolidated common equity tier 1 (“CET1”) ratios of Banco Comercial Português, S.A. (“BCP” or “Bank”) stood at 8.9% under fully implemented principles and at 12.0% according to phased-in criteria at year-end 2014. BCP additionally expects to generate a significant amount of capital during the 2015-2017 period stemming from a return to consolidated profits, as reflected in the publicly available strategic plan.

However, capital benchmarks for European banks (10% to 13% under a fully implemented base and 10% to 15% according to phased-in principle, at end-2014¹) currently exceed BCP’s figures, whereas equity markets show appetite for financial institutions with strong capital positions. Frontloading BCP’s capital to figures in line with European best practices is thus desirable.

Aiming at this goal, the following is worth-noting:

- BCP profitability has improved significantly over the last quarters and is expected to continue to do so in the first quarter of 2015, the earnings of which will be announced on May 4;
- The placement of shares representing 15.41% of the share capital of Bank Millennium, S.A. with institutional investors, which resulted in the CET1 ratio to be reinforced by 46 basis points (“bps”) under a fully implemented basis and by 64 bps according to phased-in criteria, from end-2014;
- The public exchange offer (“Offer”), today submitted to the resolution of BCP’s General Meeting of Shareholders, which, according to the expected acceptance, is estimated to reinforce CET1 ratios by approximately 70 bps when compared to December 2014. Furthermore, the Offer prevents future hits to capital, as eligibility for capital purposes of the securities

ANNOUNCEMENT

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being targeted by the Offer will cease over the coming years reflecting EU's Regulation n.º 575/2013 ("Capital Requirements Regulation" or "CRR") and Directive 2013/36/EU ("Capital Requirements Directive" or "CRD4", as transposed into Portuguese law by Law n.º 46/2008), which became effective from January 1, 2014.

Following these measures, on a "pro forma" basis, BCP's capital ratios are expected to exceed 10% in accordance with fully implemented principles and 12% according to phased-in criteria. Such figures are in line with European benchmarks, even before further capital accretion up to the end of 2017.

End of announcement

Banco Comercial Português, S.A.

¹ Range for the fully implemented and phased-in capital ratios of the 3 largest listed banks in Spain, Italy, France and Germany. End-2014 figures adjusted by capital-enhancing transactions announced after that date.