

8 October 2015

Banco Comercial Português, S.A. to strengthen partnership with Banco Privado Atlântico, S.A. in the Angolan market

Banco Comercial Português, S.A. is strengthening its capacity to grow in Angola through a merger of Banco Millennium Angola, S.A. with Banco Privado Atlântico, S.A., thereby creating the conditions for growth in adverse conditions and simultaneously adapting the bank to the implications of recent changes in supervisory equivalence.

Banco Comercial Português, S.A. ("Millennium bcp") informs that it signed today a memorandum of understanding with the main shareholder of Banco Privado Atlântico, S.A. (Global Pactum - Gestão de Ativos, S.A.), to merge Banco Millennium Angola, S.A. ("BMA") with Banco Privado Atlântico, S.A. ("ATLANTICO"), resulting in the second-largest private sector bank in terms of loans to the economy, with a market share of approximately 10% by business volume.

Joining the complementary capacities of BMA and ATLANTICO generates opportunities for growth and maximizes the ability to create value in Angola, making it possible to maintain the contribution from activities in the country at levels in line with Millennium bcp's ambitions, and allowing returns on invested capital around 20%, compensating for the slowing-down of the Angolan economy compared to initial plans.

The agreement defines mechanisms that ensure effective control and management of risks, in accordance with best practices, in particular by attributing to the board members named by Millennium bcp responsibility for the Risk Office and for Credit. The memorandum of understanding states that the new entity will have a Board with 15 members, of which 5 will be named by Millennium bcp, as well as an Executive Committee with 7 members, 2 of which to be named by Millennium bcp. Millennium bcp will also name one of the Vice-Chairmen of the Board, who will preside over the Risk Committee or the Audit Committee, as well as one of the Vice-Chairmen of the Executive Committee.

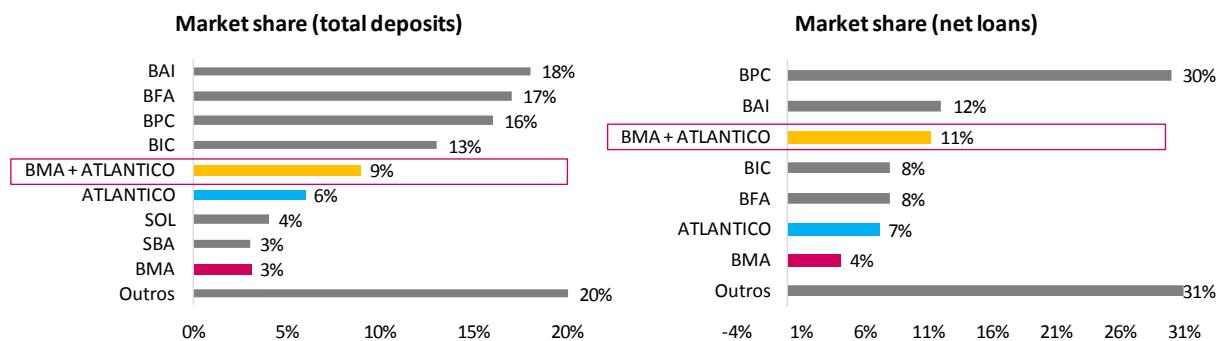
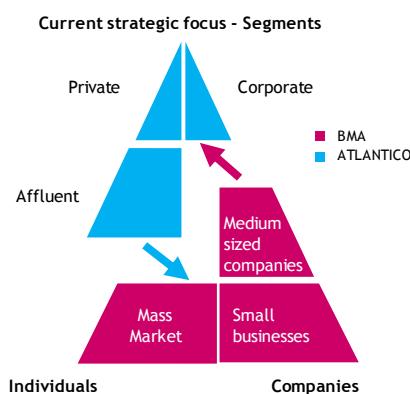
The valuation of the stakes of the two merged banks will be calculated based on their respective book values, subject to due diligence by an independent auditor. Millennium bcp is expected to hold a stake of around 20% in the merged entity, with any eventual adjustment to Millennium bcp's stake to be valued at a multiple of 1.6x book value.

This operation will generate a positive impact, estimated at 37 basis points, for Millennium bcp's common equity tier 1 capital ratio, on a phased-in basis. The completion of this transaction is subject to approval by BMA and ATLANTICO shareholders, as well by regulatory and supervisory entities.

Additional information

BMA is the 6th largest bank in the Angolan financial system on the basis of loans and the 8th largest in terms of deposits, with market shares of 4% and 3%, respectively. It had total assets of 287 billion kwanza, loans to Customers of 129 billion kwanza and Customer deposits of 204 billion kwanza at the end of June 2015. BMA is an universal bank, offering a complete range of financial services to individuals and companies, with a diversified and innovative portfolio of products and services. BMA is present in all of Angola's provinces.

ATLANTICO is the 5th largest bank in Angola in terms of loans and deposits, with market share of 7% and 6%, respectively. ATLANTICO's total assets reached 449 billion kwanza on June 30, 2015, with loans to Customers of 241 billion kwanza and deposits of 353 billion kwanza. Since it was founded in 2006, ATLANTICO has registered strong organic growth, and is today one of the main reference institutions in the Angolan market for investment banking and in the corporate and private banking segments.



1 euro ≈ 152 kwanzas.

End of statement

Banco Comercial Português, S.A.