

July 29, 2016

Banco Comercial Português informs about Stress Test results

Banco Comercial Português, S.A. ("BCP") informs that the European Banking Authority (EBA) has published today the results of the 2016 EU-wide stress test, which has involved a significant sample of banks in the European Union, and disclosed the outcomes for 51 banks, of which 37 are directly supervised by the ECB, covering 70% of banking assets in the euro area.

The EBA-led stress test was conducted in articulation with the ECB. Besides the coordination of the exercise, the EBA was responsible for running the exercise for the major banks in the Euro Area. ECB has conducted a parallel stress test for additional significant banks under its supervision, including BCP.

No minimum capital threshold to which the banks have to comply with was set, but the stress tests results will be taken as an input for the overall 2016 Supervisory Review and Evaluation Processes (SREP). The minimum 5.5% CET1 ratio (phased-in) required in 2014 was kept as a reference in the adverse scenario.

As regard the Portuguese banks, the adverse scenario consisted of an economic recession, together with deflation, increase in unemployment, increase in public debt yields and massive real estate devaluation:

ANNOUNCEMENT

Reuters>bcp.ls Exchange>MCP Bloomberg>bcp pl ISIN PTBCP0AM00007

Adverse scenario	Euro Area			Portugal		
	2016	2017	2018	2016	2017	2018
GDP growth	-1.0%	-1.3%	0.6%	-2.1%	-2.6%	-0.6%
HIPC inflation	-0.9%	-0.1%	0.1%	-1.3%	-1.9%	-1.0%
Unemployment rates	11.0%	11.7%	12.4%	12.4%	13.3%	15.2%
Residential property prices	-7.3%	-2.3%	0.1%	-7.3%	-3.4%	-1.2%
Prime commercial property prices	-4.5%	-5.7%	-1.5%	-4.9%	-5.9%	-2.0%
Public debt long term yields	2.1%	2.4%	2.3%	3.8%	3.9%	3.8%

BCP's CET1 phased-in ratio stood at 7.2% under the adverse scenario (2.99% in the stress test of 2014):

CET1 ratio	Adverse scenario		
	2016	2017	2018
Phased-in	9.9%	8.6%	7.2%
Fully Loaded	6.3%	6.3%	6.1%

The European Central Bank (ECB) did not require or endorsed the publication of the outcome of the stress tests referred herein. Any references are to the stress test's bottom-up outcome, and it is not possible to infer from such references any information regarding the ECB's top-down projections or issues discussed in the quality assurance process.

End of announcement

Banco Comercial Português, S.A.