REPORT REFERRED TO ON ARTICLE 298, NR. 3 OF THE COMPANIES CODE

I

Subject

Article 298, nr. 3 of the Companies Code provides that "*If the issue of shares with no par value is carried out at an issue value of less than the issue value of shares previously issued, the board of directors shall issue a report on the value set and on the financial consequences of the issue for the shareholders*".

The object of this report is the compliance with this legal provision, in relation to the Bank's share capital increase by means of new contributions in kind, through the issue of up to 5,350,000,000 new ordinary, book entry and registered shares with no par value, to be resolved by the General Meeting of Shareholders. The new contributions shall consist of securities with the features of subordinated debt instruments, hybrid instruments issued by the Bank and preference shares issued by its subsidiary BCP Finance Company Ltd. of the types and categories identified below.

II

Issue Value

It is proposed that the issue price of the new shares be set in accordance with the market value of the shares of the Bank in the regulated market of Euronext Lisbon at the relevant moment.

The issue price proposed will be set taking into account in particular *(a)* the variation of the volume weighted average price of the Company's shares in the regulated market of Euronext Lisbon in the 5 trading days preceding the launch of the public exchange offer, and *(b)* that the maximum number of shares to be issued will not be higher than 5,350,000,000 shares, the share capital increase being limited to the amount corresponding to the shares issued, the issue value of the new shares being lower than the issue value of shares previously issued by the Bank.

The ordinary shares with no par value previously issued were solely issued in June 2011, October 2012 and July 2014, at an issue value of €0.36 (higher than the value now being set), €0.04 and €0.065 per share, respectively. Previously, there have been several other issues, always at higher values than the issue value now at stake, but in respect of shares with par value.

As it is widely accepted, the issuance of new shares at a price linked to its respective market value corresponds not only to one of the clearest ways of limiting or minimizing financial consequences adverse to the shareholders (aspect that will be considered below), but also to a choice in itself representative of rationality and of consideration shown for the various relevant interests.

III

Financial Consequences of the issue for the shareholders

First of all, as referred to before, the fact that in this issue it is intended to have a price set around the market value of the shares, i.e., a price set by reference to such market value and with a discount of 7% to the market price, not only clarifies and quantifies the potential immediate financial consequences of the issue, but also corresponds to the mitigation of one of the typical adverse consequences that may arise out of share capital increases without preference rights of the shareholders: economic dilution.

As commonly known, if this issue were reserved to the shareholders, the issue value would tend to be indifferent, as the shareholders could always exercise their rights or sell them at their market price. However, when the issue is aimed at third-parties, as is necessarily always the case in share capital increases by new contributions in kind, the interests of the shareholders must be accounted for, the power of deciding its respective conditions being always theirs.

In the case of the proposed transaction, it is important to note that the addressees already hold securities representing own funds of the Group, which par value has already been entirely accounted for such own funds. The securities are now received in exchange for the valuation price, which is lower than such par value previously contributed. Besides, the maximum number of shares to be issued in order to satisfy the exchange will never be higher than approximately 9% of the total number of shares after the share capital increase.

The value attributed to the contributions in kind of each type and category of Securities will result from the application of the percentages identified in the following table to the par value of each Security ("Value of the Contribution"), the sum of those values which holders subscribe the new shares being referred to as "Global Value of the Contributions":

#	ISIN Code	Issuer	Type	Unitary Par Value	Total par value of the Securities not held by the BCP Group (on 31.03.2015)	Value of the Contribution
A	XS0194093844	BCP Finance Company	Preference Shares: Perpetual Non-cumulative Guaranteed Non-Voting Step-Up Preference Shares	€100	€96,328,900	Par value of the security x 60%
B	XS0231958520	BCP Finance Company	Preference Shares: Perpetual Non-cumulative Guaranteed Non-Voting Step-Up Preference Shares	Minimum of €50,000 and in multiples of €1,000	€69,062,000	Par value of the security x 61%
C	PTBCPMOM0002	BCP	Hybrid Instruments:	€1,000	€8,018,000	Par value of the security x

			Perpetual Subordinated Securities with Conditioned Interest			68%
D	PTBCLWXE0003	BCP	Subordinated Debt Instruments: Subordinated Cash Bonds	€50	€250,972,400	Par value of the security x 92.50%
E	PTBCPPZOE023	BCP	Subordinated Debt Instruments: Subordinated Cash Bonds	€50	€70,727,400	Par value of the security x 92.50%
F	PTBIPNOM0062	BCP	Subordinated Debt Instruments: Subordinated Fixed to Floating Rate Notes	€1,000	€87,178,000	Par value of the security x 86.50%
G	PTBCTCOM0026	BCP	Subordinated Debt Instruments: Subordinated Fixed to Floating Rate Notes	€1,000	€53,298,000	Par value of the security x 88.50%

After due consideration, in particular of these factors, the Board of Directors, bearing in mind the interests and the financial consequences of the share capital increase to the Shareholders, has decided to propose that the issue price be set at 93% of the volume weighted average price of the Company's shares in the regulated market of Euronext Lisbon in the 5 trading days preceding the day of the launch of the public exchange offer, the issue price of up to € 0.08 per share corresponding, without prejudice to the minimum legal value, to the issue value and the surplus corresponding to share premium.

Lisbon, 17 April 2015