

PROPOSAL IN CONNECTION WITH ITEM 4-B OF THE AGENDA

ANNEX III

ANNUAL GENERAL MEETING OF BANCO COMERCIAL PORTUGUÊS,  
S.A.

18 April 2011

PROPOSAL

Considering:

- A) That, after weighing the net income of the financial year, the best interests of the company and of the shareholders and the advantages of reinforcing the company's own funds, this meeting resolved, in what concerns the appropriation of the year-end results, to exclusively allocate them to reserves, without distribution of dividends;
- B) The existence of issue premium reserves in the balance sheet approved by this Meeting, as of 31 December 2010, amounting to 192,121,552.82 Euros;
- C) That the free transfer of new shares per incorporation of reserves, although it is not a distribution of dividends, is somewhat similar to the scrip dividend (as bonus shares) and presents advantages for the shareholders while it also safeguards the company's best interests and, furthermore, does not affect the approved guideline of maintaining the financial funds and strengthening own funds;
- D) That on the other hand, considering the current complex and delicate international context, it would be appropriate to submit to the General Meeting, for appraisal and approval, an articulated operation aligned with the intention to optimise the components of own funds and the conditions to meet eventual needs for reinforcing the Bank's own funds;
- E) That, to obtain such optimization, it is of the utmost importance to replace the own funds components with smaller weight, such as the perpetual subordinated securities with conditioned interest previously issued, by common shares representing the share capital, by means of a share capital increase in kind integrated in an exchange public offer;
- F) That, considering the current difficulties, it is also convenient for purposes of transparency and clarity to foresee, with confirmed approval of the shareholders, the possibility of, in case of incomplete subscription of the share capital increase by new contributions in kind (exchange offer on perpetual subordinated securities with conditioned interest), the EBD completing (or complementing) the incomplete subscription by resolving to increase the share capital in cash, with preference rights to the shareholders, although always without prejudice or limitation to the statutory powers of the Executive Board of Directors (EBD) or to

the evaluation that the EBD may make of the convenience or need to increase own funds.

**We do hereby propose that the General Meeting resolves as follows:**

1. To increase the share capital by 1,120,400,000 Euros, being the increase composed by:

a) An increase of 120,400,000 Euros, by incorporation of reserves of issue Premium through the issue of new shares without nominal value and with the issue value corresponding to the weighted average per volumes of the price of the company's shares in the regulated market Euronext Lisbon in the 5 trading days immediately before the date of this General Meeting (18 April 2011), to be attributed to the shareholders pursuant to the law (for that purpose, without damaging the transfer of the respective rights, will be considered the shareholders registered on the date the general Meeting takes place, and therefore the shareholders who become so as a result of the share capital increase mentioned in b) will not be considered).

b) A share capital increase amounting to 1,000,000,000 Euros, by the issue of new shares without nominal value, for new contributions in kind, and the new contributions will be composed by securities named "Valores Mobiliários Perpétuos Subordinados com Juros Condicionados" (subordinated perpetual securities with conditioned interest), part of any of the four series issued by the Bank with the nominal amount of 1000 euros each and under the codes ISIN PTBCPMOM0002, PTBCPYOM0024, PTBCLZOM0019 and PTBAI8OM0069 (the Securities). This increase is meant to be subscribed by the holders of the Securities and subject to the following terms and conditions, without prejudice to eventual amendments and additions defined by the Executive Board of Directors:

(i) Presuming the approval of the increase by incorporation of reserves object of item 1.a, the share capital is increased from 4,815,000,000 Euros to 5,815,000,000 Euros.

(ii) These new shares will be issued without premium and their issue value corresponds to the weighted average per volumes of the BCP share price in the regulated market Euronext Lisbon, in the five trading days immediately before the exchange public offer is launched, though subject to the minimum limit of 0.625 Euro (therefore, in case of a complete subscription, the maximum number of shares to be issued cannot surpass 1,600,000,000).

(iii) The number of shares to issue in consideration for each Security results from the following formula:

$$\text{Nominal value of the Security} / \text{Max (P5;0,625)}$$

in which:

P5 is the weighted average per volumes of the price of the Company's shares in the regulated market of Euronext Lisbon in the 5 trading days immediately prior to the date when the exchange public offer is launched.

If this calculation does not result in a whole number and because the Bank cannot attribute fractions of shares, the result will be rounded downwards to a whole number of shares and the holders will be entitled

to receive, in cash the amount equivalent to the remaining fraction, computed by multiplying the fraction by the issue value;

- (iv) In case the subscription remains incomplete, the capital increase will be limited to the subscriptions obtained;
  - (v) The new shares to issue will be paid up at the moment of the subscription and settlement of the increase in consideration for the return of the Securities;
  - (vi) The new shares issued shall grant, as of their issue, the same rights as the existing shares, (and therefore will not grant the right to participate in the share capital increase by incorporation of reserves mentioned in 1.a);
  - (vii) The subscription period will be set by the EBD based on, the date this resolution enters into effect and the date of the launch of the exchange offer and namely, the date the Offer's Prospectus is approved by Comissão do Mercado de Valores Mobiliários;
2. To amend, pursuant to the resolution in the previous item, article 4 (1) of the Bank's Articles of Association, which, except if the subscription is incomplete (in which case the text below shall be automatically adjusted to the limits to the capital increase), shall read as follows, being the number of shares the one resulting from the number of shares effectively issued:

*“Article 4*

***Share capital***

- 1. *The share capital amounts to 5,815,000,000 euros, corresponding to [●] registered and book-entry shares, without a nominal value, fully paid up.*
- 2. (...)
- 3. (...)
- 4. (...)

3. That, besides complying with the legal requirements for validity and effectiveness, namely the registry by Comissão do Mercado de Valores Mobiliários of the exchange public offer herein foreseen, this resolution shall be subject to the entrance into effect of the amendment to the articles of association under item 4 of the Agenda, regarding the total conversion of the shares into shares without nominal value.
4. Entrust the Executive Board of Directors with, with such latitude as may be permitted by law, the task to adapt the terms or establish the remaining specific conditions of the share capital increase, namely in what concerns the eventual deferred date of execution or entering into force of the resolutions if convenient for articulation between operations or compliance with execution deadlines or registration duties.
5. Empower any member of the Executive Board of Directors to, alone, issue the statement mentioned in article 88 (2) of the Companies Code.
6. Without prejudice or limitation to the statutory powers of the Executive Board of Directors (EBD) or to the evaluation that the EBD may make of the convenience

or need to increase own funds, approve, so as to complement the amount of the increase mentioned in 1.b) above, the eventual subsequent share capital increase in cash, with preference rights to the shareholders (including the shareholders that received or subscribed shares in any of the share capital increases described in 1.a) e 1.b)), to be resolved by the EBD, by an amount corresponding to the portion not subscribed, or, should the subscription percentage be 75% or more, corresponding to the not subscribed amount plus 250,000,000 euros.

Lisbon, 29 March 2011

### **The Proposing Shareholders**

Sonangol – Soc. Nacional Combustíveis Angolana, E.P.

Metalgest, S.A.

Fundação José Berardo

Banco Sabadell

EDP – Imobiliária e Participações, S.A.

Sogema, SGPS, S.A.

IPG – Investimentos, Participações e Gestão, SGPS, S.A.

SFGP Investimentos e Participações, SGPS, S.A.

Luís de Mello Champalimaud