

**GENERAL MEETING OF SHAREHOLDERS OF BANCO COMERCIAL
PORTUGUÊS, S.A.**

(27.06.2011)

PROPOSAL IN CONNECTION WITH ITEM 1 OF THE AGENDA

Whereas:

- A)** The current situation of some of the economies of the euro area and the potential impact of the financial aid programs have significantly conditioned the access to the capital market by the majority of the Portuguese credit institutions, thus affecting their capacity to continue granting credit to domestic companies and to their individual customers;
- B)** The legal procedures envisaged aiming at the establishment of measures to increase financial strength and liquidity in the financial markets, foresee, within that scope, that, extraordinarily, the State will be able to provide guarantees, pursuant to, namely, the provisos of Law nr. 60-A/2008, dated 20 October and article 25 of Law 63-A/2008 , dated 24 November;
- C)** The fact that, within this framework, it is in the best interest and convenience of Banco Comercial Português to be able to use the guarantees provided by the State for funding, namely by issuing debt securities of the Bank or of a controlled company;
- D)** The article 10 of the Ordinance nr. 1219-A/2008, dated 23 October establishes that *“In the event of the guarantee’s execution as the result of default by the beneficiary entity, the State is subrogated to the rights of the creditor until full repayment of the loan, and the State can, if and to the extent deemed necessary to protect its property: a) Convert the credit it holds in the beneficiary entity into share capital in the same, namely through the issue of preferential shares, following the consultation of the Portuguese Central Bank;”*
- E)** That, for purposes of the required authorization for issuing guarantees, Banco de Portugal adopted the position, in line with most banks interested, to require that the Bank's General Meeting previously adopt the measures meant to specifically consider the aforementioned conditional and possible right of the State to, in the event of the guarantee’s execution (and, as quoted above, if and to the extent deemed necessary to protect its property), convert the possible credit into share capital, namely represented by preference shares, making it necessary, in order to protect the company's interests, to meet this requirement and adopt the pertinent previous and cautionary measures,

We do hereby propose that the General Meeting resolves to:

1. Authorize, including in that authorization all the acts already carried out, the Executive Board of Directors to, on one or more occasions, and always after obtaining the favourable opinion of the Supervisory Board and complying with the requirements established in article 5 (5) of the articles of association, request or promote, within the scope of its competences, the provision of State guarantees for funding, namely through the issue of debt securities of the Bank or of a company controlled by it, up to a maximum amount equal to the current share capital of the Bank or the share capital existing on the date the funding or the securities issue is resolved, taking into consideration the aggregated total of previous State guarantees in force, empowering the same to adopt all the measures foreseen in Law nr. 60-A/2008, dated 20 October and, as applicable, in Law nr. 63-A/2008, dated 24 November.
2. Likewise, and as a precaution in case it is deemed necessary, alter the current article 5. of the articles of association, by adding a new nr. 6, that will read as follows:

“1. (...).

2. (...).

3. (...).

4. (...).

5. (...).

6. *Exclusively regarding a possible increase or increases of capital that may be resolved by the Executive Board of Directors after obtaining the favourable opinion of the Supervisory Board in accordance with the provisos of nr.5, through a conversion of credits that the State may hold by virtue of the execution of the guarantees provided under the Law nr. 60-A/2008, dated 20 October that are legally considered as capital increases in cash, the authorization foreseen in nr. 1 has a maximum, autonomous and additional limit, equal to the amount of the current share capital of the Bank or to the capital existing on the date of possible renewals of this authorization. These possible increases, through the conversion of State credits, shall not be taken into consideration for the purposes of using the maximum amount established in nr. 1 and the shares to issue may be preferential shares, in accordance with legal requirements and the Bank's articles of association.”*

Oeiras, 31 May 2011

THE EXECUTIVE BOARD OF DIRECTORS