

GENERAL MEETING OF BANCO COMERCIAL PORTUGUÊS, S.A.
(27.06.2011)

PROPOSAL IN CONNECTION WITH ITEM 2 OF THE AGENDA

Considering:

- A)** The proposal made in item 1 of the Agenda for this General Meeting, providing for the possibility of the Executive Board of Directors, on one or more occasions, with the favourable opinion of the Supervisory Board, requesting and arranging the granting of State guarantees for funding, namely by issuing debt securities, of the Bank or a controlled company, under Law nr. 60-A/2008, of 20 October;
- B)** That article 10 of Ordinance nr. 1219-A/2008, of 23 October sets forth 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;”*
- C)** 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;
- D)** That it is in the best interest and convenience of Banco Comercial Português to be able to have available the use of the State Guarantees for funding, namely by issuing debt securities. Therefore, this corporate interest demands compliance with the aforementioned conditions set by Banco de Portugal for granting the authorization, though these are only possible, cautionary and preventive measures;
- E)** That, as per the provisos of art. 25 (1 and 3) of Law nr. 63-A/2008, of 24 November, the possible share capital increases by conversion of State credits shall be considered share capital increases in cash, meaning that the Bank's shareholders shall have preference rights in the subscription of new shares to issue;

- F) That, although the existence of preference rights for the shareholders may be abstractly considered compatible with the defence of the State's property, it is important, in order to fully uphold the Bank's corporate interests in obtaining the collateral, to foresee and consider the possibility of the State having a different understanding, i.e., that such rights must be suppressed so as to not damage the possibility of the State completing the conversion of its possible credit;
- G) The contents of the report with the grounds for suppressing the preference rights, drawn up by the Executive Board of Directors pursuant to article 460 of the Companies Code, hereto attached;

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

To suppress, in accordance with the legal and regulatory terms in effect, and namely as the State deems it necessary to protect its property, the preference rights of the shareholders in case of a possible share capital increase or increases to be resolved by the Executive Board of Directors, with the approval of the Supervisory Board, for the conversion into capital of the credits that may be held by the State pursuant to a possible execution of a guarantee or guarantees provided on funding or debt securities issued by Banco Comercial Português, S.A. or by a controlled company, amounting the increase to the possible credits resulting from the execution of a guarantee or guarantees requested until this moment or that may be requested pursuant to the resolutions adopted under item 1 of the Agenda for this general meeting, and the shares to be issued may be preferential shares, as provided by the legal and statutory terms.

Oeiras, 31 May 2011

THE EXECUTIVE BOARD OF DIRECTORS