

SUPPLEMENT DATED 6 DECEMBER 2023
TO THE BASE PROSPECTUS DATED 13 NOVEMBER 2023

Banco Comercial Português, S.A.

(Incorporated with limited liability under the laws of Portugal)

EUR12,500,000,000

Covered Bonds Programme

This Supplement (the "**Supplement**") to the Base Prospectus dated 13 November 2023 (the "**Base Prospectus**") constitutes a "supplement" for the purposes of Article 8 and 23 of Regulation (EU) 2017/1129 of the European Parliament and of the Council of 14 June 2017 on the prospectus to be published when securities are offered to the public or admitted to trading on a regulated market, as amended from time to time (the "**Prospectus Regulation**") and is prepared in connection with the EUR12,500,000,000 Covered Bonds Programme (the "**Programme**") established by Banco Comercial Português, S.A. ("**BCP**" or "**Issuer**"). This Supplement has been approved by the Central Bank of Ireland (the "**Central Bank**"), as competent authority under the Prospectus Regulation. The Central Bank only approves this Supplement as meeting the standards of completeness, comprehensibility and consistency imposed by the Prospectus Regulation. Such approval should not be considered as an endorsement of the Issuer or the quality of the Covered Bonds that are the subject of the Supplement. Investors should make their own assessment as to the suitability of investing in the Covered Bonds. This Supplement is supplemental to, and should be read in conjunction with, the Base Prospectus. Terms defined in the Base Prospectus have the same meaning when used in this Supplement.

The Issuer accepts responsibility for the information contained in this Supplement. To the best of the knowledge of the Issuer the information contained in this Supplement is in accordance with the facts and does not omit anything likely to affect the import of such information.

1. PURPOSE OF THE SUPPLEMENT

The purpose of this Supplement is to update the following sections and sub-sections of the Base Prospectus: (I) "Risk Factors" section; (II) "Developments in 2023" sub-section of the "Description of the Business of the Group" section; (III) "Framework" sub-section of the "The Legal Regime of Covered Bonds" section; and (IV) "Authorisation" sub-section of the "General Information" section.

2. RISK FACTORS

2.1. The "Risk Factors" section and more precisely the risk factor "Downgrades in the Bank's credit rating could increase the cost of borrowing funds and make the Bank's ability to raise new funds or renew maturing debt more difficult" on pages 48 and 49 of the Base Prospectus is amended as follows:

- (i) the first paragraph should be replaced with the following:

"The Bank's ratings are assigned by Moody's Investors Service España, S.A., S&P Global Ratings Europe Limited, Fitch Ratings Limited and DBRS Ratings GmbH, or any of its affiliates or successor. The current ratings are the following: (a) Moody's: "Baa2 (long-term)/P-2 (short-term)", (b) S&P Global Ratings Europe Limited: "BBB- (long-term)/A-3 (short-term)" (re-presented as at 12 September 2023), (c) Fitch Ratings Limited: "BBB- (long-term)/F3 (short-term)" (re-presented as at 21 September 2023) and (d) the relevant DBRS entity: "BBB(low) (long-term)/R-2 (middle) (short-term)" (re-presented as at 24 May 2023)."

- (ii) the fourth paragraph should be replaced with the following:

"In 2022 and 2023, some rating agencies took rating actions on BCP:

- (i) *on 16 September 2022, S&P upgraded senior unsecured debt ratings from BB/B to BB+/B. This rating action was prompted by the upgrade of Portugal's public debt rating from BBB/A-2 to BBB+/A-2 on 9 September 2022;*
- (ii) *on 29 September 2022, Fitch revised the Outlook to Positive and affirmed senior unsecured debt ratings at "BB". These actions by the rating agencies reflect the persistence of some risks, such as the legal risk associated with the loan portfolio denominated in CHF in Poland, the continuing high stock of NPEs albeit decreasing (some uncertainty regarding the evolution of the defaults) and the moderate levels, in relative terms, of capitalisation levels;*
- (iii) *on 17 March 2023, Fitch upgraded long-term senior unsecured debt rating from BB to BB+;*
- (iv) *on 12 September 2023, S&P Global Ratings upgraded long-term senior unsecured debt rating from BB+ to BBB-;*
- (v) *on 21 September 2023, Fitch Ratings Limited upgraded long-term senior unsecured debt rating from BB+ to BBB-; and*

- (vi) on 22 November 2023, Moody's upgraded senior unsecured debt ratings from Baa3/P-2 to Baa2/P-2."

2.2. On pages 53 and 54 of the Base Prospectus, in the section entitled "Risk Factors" and more precisely in the risk factor "*The results of additional stress tests could result in a need to increase capital or a loss of public confidence in the Group*", the sixth paragraph should be replaced with the following:

"As a consequence of SREP, excluding P2G, the minimum Group CET1 phased-in ratio required is 9.41% (4.5% Pillar 1, 1.41% Pillar 2 requirements, 2.5% CBR and 1.0% O-SIFI), the Group Tier 1 ratio is 11.38% and the Group total capital ratio is 14.0% from 1 January 2024, which remains unchanged when compared to the requirements in force in 2023. The Group's CET1 (fully implemented), Tier 1 and total capital ratios as at 31 December 2022 were 12.5%, 13.6% and 16.8%, respectively."

2.3. On pages 65 and 66 of the Base Prospectus, in the section entitled "Risk Factors" and more precisely in the risk factor "*Risks relating to the Nature of the Covered Bonds - Extended maturity of the Covered Bonds*", the fourth paragraph should be replaced with the following:

"Although the CMVM has approved the conversion of the Programme, no assurance can be given by the Issuer that the CMVM will not oppose the extension of any Series of Covered Bonds in the future."

3. DESCRIPTION OF THE BUSINESS OF THE GROUP

The "*Developments in 2023*" sub-section of the "*Description of the Business of the Group*" section on pages 173 to 177 of the Base Prospectus should be amended as follows:

- (i) at the end of the "*Developments in 2023*" sub-section and immediately prior to the "*Principal Markets and Competition*" subsection, the inclusion of the following paragraphs:

"On 13 November 2023, the Bank announced that it has received permission from the ECB to reduce its own funds, through the exercise of the early redemption option of the currently outstanding Additional Tier 1 instrument, considering that following the said reduction, BCP's own funds and eligible liabilities, on a consolidated basis, are expected to exceed the requirements laid down in Regulation (EU) 575/2013, Directive 2013/36/EU and Directive 2014/59/EU of the European Parliament and of the Council by a margin that ECB considers necessary."

On 17 November 2023, the Bank announced that it was notified by the Banco de Portugal on the decision to implement a reserve for sectoral systemic risk, which aims to reinforce the resilience of the banking sector of a potential deterioration in economic conditions and/or unexpected significant correction in residential property prices. The reserve for sectoral systemic risk complements the current prudential recommendation and consists of a preventive measure to address the possible materialization of potential risks."

The Banco de Portugal's decision translates into the requirement to comply with a reserve for sectoral systemic risk of 4% on the amount of risk exposures on the retail portfolio of loans to individuals"

collateralized by residential properties located in Portugal, calculated in pursuant to paragraph 3 of article 92 of Regulation (EU) 575/2013, from 1 October 2024, onwards, at the highest level of consolidation in Portugal, considering the applicable legal framework.

The Bank informed that the decision to impose this measure, that aims to create a reserve for sectoral systemic risk, would translate on a pro forma basis into an estimated increase in own funds requirements of 26 basis points.

On 22 November 2023, the Bank announced that Moody's rating agency upgraded the Bank's senior unsecured debt ratings from Baa3 to Baa2 and deposits ratings from Baa2 to A3, positioning the rating assigned to deposits at the same risk level to that assigned to the Portuguese Republic.

The upgrade of BCP's ratings by Moody's reflects the reduction in the stock of Non-Performing Assets, the improvement in capitalization levels as well as the improvement in domestic recurrent profitability. The rating action on BCP also reflects the recent upward revision of the Portuguese Republic's debt rating, from Baa2 to A3.

In the scope of the review carried out by Moody's, it was simultaneously communicated by the Bank that the upgrade of the base line credit assessment ("BCA") and adjusted BCA from Ba2 to Ba1, the junior senior debt rating to (P)Ba1, the dated subordinated debt to (P)Ba2 and the preference shares rating to B1(hyb).

The outlook on the long-term deposit and senior unsecured debt ratings is currently stable, reflecting Moody's view of the expected performance of the Bank over the next 12 to 18 months.

On 4 December 2023, the Bank informed that, under the context of the SREP, it has been notified of the decision of the ECB regarding minimum prudential requirements to be fulfilled on a consolidated basis from 1 January 2024. The minimum prudential requirements to be in force from January 2024 remain unchanged compared to the requirements in force in 2023.

The Bank also informed the decision from Banco de Portugal on its capital buffer requirement as an O-SII. The ECB's decision prescribes the following minimum ratios as a percentage of total RWA from 1 January 2024:

	September 30, 2023*	Minimum capital requirements			
BCP Consolidated	Fully implemented	Capital requirements	Of which:		
			Pillar 1	Pillar 2	Buffers
CET1	14.9%	9.41%	4.50%	1.41%	3.50%
Tier 1	16.2%	11.38%	6.00%	1.88%	3.50%
Total	19.4%	14.00%	8.00%	2.50%	3.50%

*Including unaudited earnings for the first nine months of 2023.

Buffers include the conservation buffer (2.5%), the countercyclical buffer (0%) and the buffer for other systemically important institutions (O-SII: 1.0%)."

4. THE LEGAL REGIME OF COVERED BONDS

On page 227 of the Base Prospectus, in the sub-section "*Framework*" of the "*The Legal Regime of Covered Bonds*" section should be replaced with the following:

"In accordance with the transitional provisions of Decree-Law 31/2022, of 6 May 2022, BCP as issuer of covered bonds applied to CMVM, as supervisory authority, for the conversion of its covered bonds programme, under the Covered Bonds Law, to a covered bonds programme compliant with the Legal Regime of Covered Bonds. CMVM has authorised such conversion and, as such all outstanding covered bonds of BCP issued under the Covered Bonds Law are now subject to the Legal Regime of Covered Bonds."

5. GENERAL INFORMATION

On page 248 of the Base Prospectus, the section "*General Information*" and more precisely in the "*Authorisation*" sub-section, the second and third paragraphs should be replaced with the following:

"The Issuer applied to CMVM to convert the Programme into a covered bonds programme compliant with the Legal Regime of Covered Bonds. The CMVM authorised such conversion on 5 December 2023. Listing Application has been made to Euronext Dublin for Covered Bonds issued under the Programme during the period of twelve months from the date of this Base Prospectus to be admitted to the Official List and to trading on the Euronext Dublin Regulated Market."

6. GENERAL

This Supplement includes in respect of the Issuer all information contained within this Supplement together with all documents incorporated herein by reference.

To the extent that there is any inconsistency between (a) any statement in this Supplement or any statement incorporated by reference into the Base Prospectus by this Supplement (if any) and (b) any other statement in or incorporated by reference in the Base Prospectus, the statements in (a) above will prevail.

Except as disclosed in this Supplement there has been no significant new factor, material mistake or material inaccuracy relating to information included in the Base Prospectus which is capable of affecting the assessment of the Covered Bonds issued under the Programme since the publication of the Base Prospectus.

Copies of this Supplement are available for viewing at the official website of Euronext Dublin (<https://live.euronext.com/en/product/bonds-detail/p972%7C24477/documents>).