

## FINAL TERMS

25 February 2014

**Banco Comercial Português, S.A. (the “Bank”)**

**Issue of EUR 500,000,000 3.375 per cent. Fixed Rate Notes due 27 February 2017  
under the EUR 25,000,000,000  
Euro Note Programme**

### PART A – CONTRACTUAL TERMS

Terms used herein shall be deemed to be defined as such for the purposes of the Conditions set forth in the Offering Circular dated 17 July 2013 and the supplement to it dated 14 February 2014 which together constitute a base prospectus for the purposes of the Prospectus Directive (the “**Offering Circular**”). This document constitutes the Final Terms of the Notes described herein for the purposes of Article 5.4 of the Prospectus Directive and must be read in conjunction with the Offering Circular. Full information on the Issuer and the offer of the Notes is only available on the basis of the combination of these Final Terms and the Offering Circular. A summary of the Notes (which comprises the summary in the Offering Circular as amended to reflect the provisions of these Final Terms) is annexed to these Final Terms. The Offering Circular has been published on the Issuer’s website ([www.millenniumbcp.pt](http://www.millenniumbcp.pt)) and on the website of the London Stock Exchange plc (<http://www.londonstockexchange.com/exchange/news/market-news/market-news-home.html>).

- |    |       |  |   |
|----|-------|--|---|
| 1. | (i)   | Issuer:  | Banco Comercial Português, S.A.                                     |
|    | (ii)  | Guarantor:   | Not Applicable  |
| 2. | (i)   | Series Number:   | 852   |
|    | (ii)  | Tranche Number:  | 1   |
|    | (iii) | Date on which the Notes will be consolidated and form a single Series: | Not Applicable  |
| 3. |       | Specified Currency:  | Euro (“ <b>EUR</b> ”)   |
| 4. |       | Aggregate Nominal Amount   |   |
|    | –     | Tranche:   | EUR 500,000,000   |
|    | –     | Series:  | EUR 500,000,000   |
| 5. |       | Issue Price of Tranche:  | 99.868 per cent. of the Aggregate Nominal Amount                    |
| 6. | (i)   | Specified Denomination(s):   | EUR 100,000   |
|    | (ii)  | Calculation Amount:  | EUR 100,000   |
| 7. | (i)   | Issue Date:  | 27 February 2014  |
|    | (ii)  | Interest Commencement Date:  | Issue Date  |
| 8. |       | Maturity Date:   | 27 February 2017  |
| 9. |       | Interest Basis:  | 3.375 per cent. Fixed Rate<br>(further particulars specified below) |

10.	Redemption Basis:	Subject to any purchase and cancellation or early redemption, the Notes will be redeemed on the Maturity Date at 100 per cent. of their nominal amount
11.	Change of Interest Basis:	Not Applicable
12.	Put/Call Options:	Not Applicable
13.	(i) Status of the Notes:	Senior
	(ii) Status of the Guarantee:	Not Applicable
	(iii) Date of Board approval:	18 February 2014

#### PROVISIONS RELATING TO INTEREST (IF ANY) PAYABLE

14.	<b>Fixed Rate Note Provisions</b>	Applicable
	(i) Rate(s) of Interest:	3.375 per cent. per annum payable in arrear on each Interest Payment Date
	(ii) Interest Payment Date(s):	27 February in each year from and including 27 February 2015 up to and including the Maturity Date
	(iii) Fixed Coupon Amount(s): (Applicable to Notes in definitive form)	EUR 3,375 per Calculation Amount
	(iv) Broken Amount(s): (Applicable to Notes in definitive form)	Not Applicable
	(v) Day Count Fraction:	Actual/Actual (ICMA)
	(vi) Determination Date(s):	27 February in each year
15.	<b>Floating Rate Note Provisions</b>	Not Applicable
16.	<b>Zero Coupon Note Provisions</b>	Not Applicable

#### PROVISIONS RELATING TO REDEMPTION

17.	Notice periods for Condition 7(b) ( <i>Taxation</i> ):	Minimum period: 30 days Maximum period: 60 days
18.	<b>Issuer Call</b>	Not Applicable
19.	<b>Investor Put</b>	Not Applicable
20.	Final Redemption Amount of each Note:	EUR 100,000 per Calculation Amount
21.	Early Redemption Amount payable on redemption for taxation reasons or on event of default:	EUR 100,000 per Calculation Amount

## GENERAL PROVISIONS APPLICABLE TO THE NOTES

### 22. Form of Notes

(a) Form: Book Entry Notes: *nominativas*

(b) New Global Note: No

23. Additional Financial Centre(s): Not Applicable

24. Talons for future Coupons to be attached to  
Definitive Bearer Notes: No

Signed on behalf of the Issuer:

By: .....  
*Duly authorised*

By: .....  
*Duly authorised*

## PART B – OTHER INFORMATION

1. **Listing and Admission to Trading**
  - (i) Listing and admission to trading: Application has been made by the Issuer (or on its behalf) for the Notes to be admitted to trading on the London Stock Exchange’s regulated market and, if relevant, listing on the Official List of the UK Listing Authority with effect from the Issue Date.
  - (ii) Estimate of total expenses related to admission to trading: £3,650
2. Ratings: The Notes to be issued have been rated:  
  
B1 by Moody’s Investors Service España, S.A. (“**Moody’s**”)  
B by Standard & Poor’s Credit Market Services Europe Limited (“**Standard & Poor’s**”)  
BB+ by Fitch Ratings Limited (“**Fitch**”)  
BBB (low) by DBRS, Inc. (“**DBRS**”)
3. Interests of natural and legal persons involved in the issue: Save for any fees payable to the Joint Lead Managers, so far as the Issuer is aware, no person involved in the issue of the Notes has an interest material to the issue. The Joint Lead Managers and their affiliates have engaged, and may in the future engage, in investment banking and or commercial banking transactions with, and may perform other services for, the Issuer and its affiliates in the ordinary course of business.
4. Indication of yield (Fixed Rate Notes only): 3.422 per cent. per annum
5. Historic Interest Rates (Floating Rate Notes only): Not Applicable
6. **Operational Information**
  - (i) ISIN Code: PTBITIOM0057
  - (ii) Common Code: 103925215
  - (iii) Any clearing system(s) other than Euroclear and Clearstream, Luxembourg and the relevant identification number(s): Interbolsa – Sociedade Gestora de Sistemas de Liquidação e de Sistemas Centralizados de Valores Mobiliários, S.A.
  - (iv) Delivery: Delivery against payment
  - (v) Names and addresses of additional Paying Agent(s) (if any): Not Applicable
  - (vi) Deemed delivery of clearing system notices for the purposes of Condition 15: Any notice delivered to Noteholders through Euroclear and/or Clearstream, Luxembourg will be deemed to have been given on the immediately following business day on which Euroclear and Clearstream, Luxembourg

are open for business after the day on which it was given to Euroclear and/or Clearstream, Luxembourg.

7. **Distribution**

- |       |   |   |
|-------|---|---|
| (i)   | If syndicated, names of Managers:           | Banco Comercial Português, S.A.<br>Credit Suisse Securities (Europe) Limited<br>Goldman Sachs International<br>J.P. Morgan Securities plc<br>Morgan Stanley & Co. International plc |
| (ii)  | Date of Syndication Agreement:              | 25 February 2014  |
| (iii) | If non-syndicated, name of relevant Dealer: | Not Applicable  |
| (iv)  | U.S. Selling Restrictions:                  | Reg. S Compliance Category 2; TEFRA C   |

8. **Third Party Information**

Not Applicable

## ANNEX SUMMARY OF THE NOTES

### Section A – Introduction and warnings

Element	
A.1	<p><b>Warning that:</b></p> <ul style="list-style-type: none"> <li>• This summary should be read as an introduction to the prospectus and the applicable Final Terms;</li> <li>• Any decision to invest in the securities should be based on consideration of the prospectus as a whole by the investor, including any documents incorporated by reference and the applicable Final Terms;</li> <li>• Where a claim relating to information contained in the prospectus and the applicable Final Terms is brought before a court, the plaintiff might, under the national legislation of the Member States, have to bear the costs of translating the prospectus and the applicable Final Terms before the legal proceedings are initiated; and</li> <li>• Civil liability attaches only to those persons who have tabled the summary including any translation thereof, but only if the summary is misleading, inaccurate or inconsistent when read together with the other parts of the prospectus or it does not provide, when read together with the other parts of the prospectus, key information in order to aid investors when considering whether to invest in such securities.</li> </ul>
A.2	<p><b><i>Issue specific summary:</i></b></p> <p>Not Applicable – the Notes are issued in denominations of at least EUR 100,000 (or its equivalent in any other currency).</p>

### Section B – Issuer

Element	Title	
B.1	Legal and commercial name of the Issuer	Banco Comercial Português, S.A. (“BCP” or the “Issuer”)
B.2	Domicile/ legal form/ legislation/ country of incorporation	BCP is a limited liability company incorporated and domiciled in Portugal under the Portuguese Companies Code and General Framework of Credit Institutions and Financial Companies.
B.4b	Trend information	<p>The volumes of the Portuguese banks and in particular of BCP should continue to fall, amid deleveraging of non-financial sectors of the economy, leading to lower demand for credit. The commercial gap should continue to narrow gradually leading to a situation where the credit is almost entirely funded by on balance sheet customer funds, thereby reducing dependence on the ECB and Wholesale Funding (“WSF”) markets and improving the liquidity position of BCP.</p> <p>Although it is foreseen a progressive opening of International Money Market and</p>

Element	Title	
		<p>financial markets, the resort of Portuguese banks to Eurosystem funding should remain above the euro area average in 2014. Overcome the constraints that prevent the normal functioning of markets it will be seen a progressive reduction in the use of ECB funding offset by debt issues in WSF market. BCP expects to issue 2.5 billion euros on average per year during the 2014-17 period, which will be used to reduce dependence on ECB funding.</p> <p>The profitability of Portuguese banks is expected to remain weak in 2014, reflecting lower net interest income, the negative effect in terms of business volumes and impairments. The low levels of interest rates currently observed affect banks' profitability, despite the positive effect on impairments. The ability to generate capital remains a major challenge to the banking business in the medium term. Although BCP is taking steps to reach its objective of approaching break even in Portugal in the 2nd half of 2014, its consolidated results should be constrained by low interest rates, reduced volumes, the cost of contingent convertibles ("CoCos"), the cost of liability operations management conducted in 2011 and higher impairment charges, partially offset by lower spreads on deposits, carry trade, results of international operations and cutting costs as a result of further reduction in the number of branches and employees.</p> <p>Basel III rules that will become in force in 2014 will require higher capital requirements and a wider range of risks covered. However there is a phasing in period to the new regulatory requirements that will allow this transition to occur smoothly.</p> <p>On 30 November 2013, the Spanish Government enacted legislation improving the regulatory treatment of deferred tax assets ("DTAs") and allowing certain DTAs to be swapped for transferable tax credits. The outcome is that these DTAs will no longer be deducted from CET1 under CRD4, thus significantly boosting fully loaded capital ratios for the Spanish banks. The Portuguese government has confirmed that discussions are underway to achieve a similar goal in Portugal.</p> <p>The implementation of the single supervisory mechanism under the Banking Union project will involve conducting a thorough review of the major banks by the ECB, covering about 85% of the banking system of the euro area, to reinforce confidence in the soundness and quality of banks' balance sheets in the euro area. This exercise includes three elements: risk assessment for supervisory purposes, the analysis of asset quality, to increase transparency about the exposure of banks, and conducting a stress test for assessing the resilience of banks' balance sheets under adverse scenarios. This exercise should be completed by the ECB to assume its supervisory role in November 2014. Following this exercise, the ECB will undertake a unique and comprehensive release of the results and any recommendations in terms of supervisory measures to be applied.</p>
<b>B.5</b>	Description of the Group	BCP is the ultimate parent company of the group (BCP and its subsidiaries together constitute the " <b>Group</b> ").
<b>B.9</b>	Profit forecast or estimate	Not applicable – No profit forecasts or estimates have been made in the Offering Circular.
<b>B.10</b>	Audit report qualifications	Not Applicable – No qualifications are contained in any audit report included in the Offering Circular.

Element	Title			
B.12	Selected historical key financial information:			
	<b>BCP</b>			
	The table below sets out summary information extracted from BCP's audited financial statements for each of the two years ended 31 December 2011 and 31 December 2012 and from BCP's unaudited results for the 12 month period ended 31 December 2013, respectively:			
		2013	2012	2011
	<b>Balance sheet</b>			
	Total assets	82.007	89,744	93,482
	Loans to customers (gross) (1)	59.734	61.715	68,046
	Total customers funds (1)	64.261	63.936	65,530
	<b>Profitability</b>			
	Return on average shareholders' equity (ROE)	-26,5%	-35.4%	-22.0%
	Income before tax and non-controlling interests / Average equity (2)	-24,9%	-31,5%	-28.0%
	Return on average total assets (ROA) (3)	-0,8%	-1.3%	-0.8%
	Income before taxes and non-controlling interests / Average net assets (2)	-1,0%	-1.4%	-1.3%
	<b>Efficiency ratios (2) (4)</b>			
	Operating costs / Net operating revenues	66,5%	62,6%	
	Operating costs / Net operating revenues (Portugal)	80,9%	68,9%	
	Cost to income (2) (4)		66.6%	58.6%
	Cost to income - Activity in Portugal (4)		69.1%	60.2%
	Staff costs / Net operating revenues	36,8%	35,5%	32.1%
	<b>Credit Quality</b>			
	Overdue loans (>90 days) + doubtful loans / Total loans (2)	9,2%	8.1%	6.2%
	Overdue loans (>90 days) + doubtful loans, net / Total loans, net (2)	3,7%	1.9%	1.4%
	Credit at risk / Total loans (2)	11,9%	13.1%	10.1%
	Credit at risk, net / Total loans, net (2)	6,6%	7.2%	5.5%
	<b>Capital (*)</b>			
	Own Funds	6.421	6,773	5,263
	Risk Weighted Assets	43.926	53,271	55,455
Core Tier I (2)	13,8%	12.4%	9.3%	
Tier I (2)	12,9%	11.7%	8.6%	
Total (2)	14,6%	12.7%	9.5%	
Note: million Euros, except percentages				
(1) Adjusted from the effect related to the sale of Millennium bank in Greece and the classification of Millennium bank in Romania and Millennium bcp Gestão de Activos as discontinued operation.				
(2) According to Instruction no. 16/2004 from the Bank of Portugal, as the currently existing version.				
(3) Considering net income before non-controlling interests.				
(4) Excludes the impact of specific items.				
(*) Capital ratios based on the IFRB approach in 2012, 2011 and 2010 and in accordance with the standard approach in 2009 and in 2008 (detailed information in the section "Capital Management").				
<b>Statements of no significant or material adverse change</b>				
Save as disclosed in the section entitled "Recent Developments in 2013" on pages 153 and 154 of the Offering Circular, there has been no significant change in the financial or trading position of the Group since 31 December 2013. There has been no material adverse change in the prospects of BCP or the Group since the date of the last audited annual accounts, 31 December 2012.				
B.13	Events impacting the Issuer's solvency	Save as disclosed in the "Evolution of the Solvency Ratio on the first quarter of 2013" section on pages 172 and 173 of the Offering Circular, there are no recent events particular to BCP which are to a material extent relevant to the evaluation of its solvency.		
B.14	Dependence upon other	BCP is, directly or indirectly, the ultimate holding company of all the companies in the Group and is not dependent upon other entities within the Group. However,		



Element	Title	
	group entities	being the ultimate holding company of the Groups the activities developed by the other members of the Group have an impact on BCP. Please also refer to Element B.5.
<b>B.15</b>	Principal activities	The Group is engaged in a wide variety of banking and related financial services activities, including investment banking, asset management and insurance, in Portugal and internationally. BCP's operations are primarily in retail banking, but it also offers a complete range of additional financial services.
<b>B.16</b>	Controlling shareholders	BCP is not aware of any shareholder or group of connected shareholders who directly or indirectly control the BCP.
<b>B.17</b>	Credit ratings	<b><i>Issue specific summary:</i></b> The Notes have been rated B1, B, BB+ and BBB (low) by Moody's Investors Service España, S.A., Standard & Poor's Credit Market Services Europe Limited, Fitch Ratings Limited and DBRS, Inc. respectively. A security rating is not a recommendation to buy, sell or hold securities and may be subject to suspension, reduction or withdrawal at any time by the assigning rating agency.

### Section C – Securities

Element	Title	
<b>C.1</b>	Description of Notes/ISIN	<b><i>Issue specific summary:</i></b> The Notes are EUR 500,000,000 3.375 per cent. Fixed Rate Notes due 27 February 2017. International Securities Identification Number (ISIN): PTBITION0057
<b>C.2</b>	Currency	<b><i>Issue specific summary:</i></b> The currency of this Series of Notes is Euro.
<b>C.5</b>	Restrictions on transferability	Not Applicable – There are no restrictions on the free transferability of the Notes.
<b>C.8</b>	Rights attached to the Notes, including ranking and limitations on those rights	<b><i>Issue specific summary:</i></b> The Notes will have terms and conditions relating to, among other matters: <b><i>Status and Subordination</i></b> This Series of Notes is issued on a senior basis. <b><i>Taxation</i></b> All payments in respect of the Notes will be made without deduction for or on account of any withholding taxes imposed by Portugal unless such deduction or withholding is required by law. In the event that any such deduction is made, the Issuer will, save in certain limited circumstances, be required to pay additional amounts to cover the amounts so deducted. Currently, payments of interest and other revenues to be made by BCP directly to non-Portuguese residents is subject to Portuguese withholding tax at 25% (collective

Element	Title	
		<p>entities), 28% (individuals) or 35% if the payment is made to an account held on behalf of undisclosed beneficial owners, unless they are disclosed for these purposes or, when applicable, to reduced withholding tax rates under the tax treaties entered into by Portugal. The 35% rate also applies to payments of interest and other investment income to entities that are domiciled in a country included in the Portuguese “tax havens” list. Euroclear and Clearstream, Luxembourg do not offer any tax relief services to holders of Notes (other than Book Entry Notes) issued by BCP. Payments of interest or other revenues to be made by BCP thereunder will be subject to Portuguese taxation rules.</p> <p>All payments in respect of the Notes will be subject in all cases to (i) any fiscal or other laws and regulations applicable thereto in the place of payment and (ii) any withholding or deduction required pursuant to an agreement described in Section 1471(b) of the U.S. Internal Revenue Code of 1986 (the “<b>Code</b>”) or otherwise imposed pursuant to Sections 1471 through 1474 of the Code, any regulations or agreements thereunder, official interpretations thereof, or any law implementing an intergovernmental approach thereto.</p> <p><b><i>Negative pledge</i></b></p> <p>The terms of the Senior Notes will contain a negative pledge provision to the effect that, so long as any of the Senior Notes remains outstanding, neither the Issuer nor the Guarantor (as the case may be) shall create or permit to be outstanding any mortgage, charge, lien, pledge or other similar encumbrance or security interest (subject to certain exceptions with respect to assets that belonged to a third company and were acquired pursuant to an amalgamation or merger, securitisations, asset-backed financing or like arrangements, and mortgage-backed bonds or covered bonds) upon the whole or any part of its undertaking or assets, present or future, to secure any Indebtedness or to secure any guarantee or indemnity given in respect of any Indebtedness, without at the same time or prior thereto securing the Notes equally and rateably therewith or providing other security for the Notes.</p> <p><b>Indebtedness</b> means any borrowings having an original maturity of more than one year in the form of or represented by bonds, notes, debentures or other securities which with the consent of the Issuer or the Guarantor, as the case may be, are, or are intended to be, listed or traded on any stock exchange or other organised market for securities other than a borrowing which is entirely or substantially placed in Portugal.</p> <p>The terms of the Subordinated Notes will not contain a negative pledge provision.</p> <p><b><i>Events of default</i></b></p> <p>The terms of the Notes contain, amongst others, the following events of default:</p> <ul style="list-style-type: none"> <li>(a) default in payment of any principal or interest due in respect of the Notes, continuing for a specified period of time;</li> <li>(b) non-performance or non-observance by the Issuer of any of their respective other obligations (i.e. under the conditions of the Notes), in certain cases continuing for a specified period of time;</li> <li>(c) acceleration by reason of default of the repayment of any indebtedness or default in any payment of any indebtedness or in the honouring of any guarantee or indemnity in respect of any indebtedness by the Issuer, in any case so long as any such indebtedness exceeds the specified threshold; and</li> <li>(d) events relating to the winding up or dissolution of the Issuer.</li> </ul>

Element	Title	
		<p><b>Meetings</b></p> <p>The terms of the Notes will contain provisions for calling meetings of holders of such Notes to consider matters affecting their interests generally. These provisions permit defined majorities to bind all holders, including holders who did not attend and vote at the relevant meeting and holders who voted in a manner contrary to the majority.</p> <p><b>Governing law</b></p> <p>English law, except that the form and transfer of the Notes, the creation of security over the Notes and the Interbolsa procedures for the exercise of rights under the Notes will be governed by Portuguese law.</p>
C.9	Interest/ Redemption/ Representative of holders	<p><b>Interest</b></p> <p><i>Issue specific summary:</i></p> <p>The Notes bear interest from their date of issue at the fixed rate of 3.375 per cent. per annum. Interest will be paid annually in arrear on 27 February in each year. The first interest payment will be made on 27 February 2015.</p> <p>The yield on the Notes is 3.422 per cent. per annum. The yield is calculated at the issue date of the Notes on the basis of the issue price of the Notes of 99.868 per cent. It is not an indication of future yield.</p> <p><b>Redemption</b></p> <p><i>Issue specific summary:</i></p> <p>Subject to any purchase and cancellation or early redemption, the Notes will be redeemed on 27 February 2017 at 100 per cent. of their nominal amount.</p> <p>The Notes may be redeemed early for tax reasons or following an Event of Default at 100 per cent. of their nominal amount.</p> <p><b>Trustee</b></p> <p>The Issuer has appointed The Law Debenture Trust Corporation p.l.c. (the “Trustee”) to act as trustee for the Notes. The Trustee may, without the consent of any holders and without regard to the interests of particular holders, agree to (i) any modification of, or to the waiver or authorisation of any breach or proposed breach of, any of the provisions of the Notes or (ii) determine without the consent of any holders that an event of default or potential event of default shall not be treated as such or (iii) the substitution of another company as principal debtor under the Notes in place of the relevant Issuer, subject to fulfilment of certain conditions.</p> <p>Please also refer to Element C.8.</p>
C.10	Derivative component in the interest payments	<p>Not applicable – There is no derivative component in the interest payments.</p> <p>Please also refer to Element C.9.</p>
C.21	Admission to trading	<p><b>Issue specific summary:</b></p> <p>Application has been made by the Issuer (or on its behalf) for the Notes to be admitted to trading on the regulated market of the London Stock Exchange.</p>

## Section D – Risks

Element	Title	
D.2	Key risks regarding the Issuer	<p>In purchasing Notes, investors assume the risk that the Issuer may become insolvent or otherwise be unable to make all payments due in respect of the Notes. There is a wide range of factors which individually or together could result in the Issuer becoming unable to make all payments due in respect of the Notes. It is not possible to identify all such factors or to determine which factors are most likely to occur, as the Issuer may not be aware of all relevant factors and certain factors which they currently deem not to be material may become material as a result of the occurrence of events outside the Issuer's control. The Issuer has identified a number of factors which could materially adversely affect their businesses and ability to make payments due under the Notes. The paragraphs below include a list of some of such identified risks. The order according to which the risks are presented herein is not an indication of their relevance or occurrence probability. Investors must carefully read the information contained in the Offering Circular or included therein by reference and reach their own conclusions before taking any investment decision.</p> <p><b><i>Risks relating to BCP:</i></b></p> <p><i>Risk factors relating to the economic and financial crisis of the Portuguese Republic, which include, inter alia, i) BCP is highly sensitive to the evolution of the Portuguese economy, which is undergoing a process of far reaching reforms that might allow for some instability; ii) The PAEF constitutes an important focus point for the evolution of the expectations of economic agents, with direct repercussion on economic activity, market behaviour and business conditions faced by BCP; iii) The funding capacity and conditions of the Portuguese economy, public and private entities, constitute an uncertainty factor over the medium term and may negatively affect the evolution of economic activity and financial conditions of BCP's customers and, consequently, have repercussions on the development of the business, profitability and solvency of BCP; iv) Alterations in the Portuguese government or in its policy may negatively influence BCP's activities; and v) The Portuguese Republic may be subject to rating reviews by the rating agencies, with implications on the funding of the economy and on BCP's activity.</i></p> <p><i>Risk factors relating to the sovereign debt in Europe which include, inter alia, the sovereign debt crisis of the euro zone constitutes a potential source of turbulence for the markets and evolution of economic activity, in general, with impact in BCP's activity.</i></p> <p><i>Risks relating to volatility in the Global Financial Markets which include, inter alia, the recent volatility in the financial markets, especially in the inter-banking and debt markets led to BCP's dependence on the ECB for funding.</i></p> <p><i>Risks relating to BCP's Business, which include, inter alia, i) BCP is exposed to credit risk and further deterioration of asset quality; ii) In addition to its exposure to the Portuguese economy, BCP faces exposure to macroeconomic risks in its businesses in Europe (Poland and Romania) and Africa (Angola and Mozambique); iii) The results of additional stress tests could result in a need to increase capital or a loss of public confidence in the Group may occur; iv) BCP is exposed to market risk, which may translate into the risk of devaluating the investment holdings or affect its trading results activities; v) BCP is exposed to contingent risks for the implementation of its strategy, and may not, totally or partially, achieve the objectives in its Strategic Plan 2012-2017; and vi) BCP is subject to operational risks, which may include interruptions in the services provided, errors, fraud attributable to third parties, omissions and delays in the provision of services and implementation of requirements for risk management.</i></p> <p><i>Risks relating to BCP Recapitalisation Plan, which include, inter alia i) BCP issued hybrid instruments subscribed by the State that are remunerated at a high and growing cost and it does not have investments being paid at rates equal or higher to those and able of ensuring this payment. Therefore, there is the risk that BCP may not be able to ensure the payment of the interests and repayment of the issue, a fact that would imply the conversion of those amounts into shares and might render the State the</i></p>

Element	Title	
		<p>majority shareholder of BCP; and ii) BCP's bonds guaranteed by the Portuguese Republic may entitle the Portuguese Republic to exercise certain management rights and to acquire Special Shares.</p> <p><i>Legal and Regulatory Risks, which include, inter alia,</i> BCP's activity may be affected by potential changes in the regulatory framework of the banking activity, including, among other factors, in what concerns capital and liquidity requirements.</p> <p><i>Risks Relating to Administrative Proceedings by the CMVM and the Bank of Portugal.</i></p> <p>BCP has been accused and condemned by the CMVM and (not definitively) by Banco de Portugal in infringement proceedings related to operations, including the financing of the acquisition of shares issued by BCP, carried out with companies, namely based in off-shore centres, and, in this context, has proceed with the precautionary recording of an adjustment of Euro 300 million (Euro 220.5 million net of tax) to its financial statements of the fiscal year of 2006. BCP has contested these infringement proceedings and taken legal action against the condemnatory decisions of Banco de Portugal and the CMVM, where the final decision relative to the infringement proceeding of the CMVM is already known, which maintained the condemnation of BCP to pay a fine of Euro 5,000,000 and determined the suspension, for the period of two years, of the enforcement of half the value of this fine.</p>
D.3	Key risks regarding the Notes	<p>There are also risks associated with the Notes. These include a range of market risks (including that any credit rating assigned to the Notes may not adequately reflect all the risks associated with an investment in the Notes, that changes in market interest rates will affect the value of the Notes and that there may be no or only a limited secondary market in the Notes), the fact that the conditions of the Notes may be modified without the consent of the holder in certain circumstances, that the holder may not receive payment of the full amounts due in respect of the Notes as a result of amounts being withheld by the Issuer in order to comply with applicable law and that investors are exposed to the risk of changes in law or regulation (including in respect of taxation) affecting the value of Notes held by them.</p>

## Section E – Offer

Element	Title	
E.2b	Use of proceeds	<p><b><i>Issue specific summary:</i></b></p> <p>The net proceeds from the issue of Notes will be applied by the Issuer for its general corporate purposes, which include making a profit.</p>
E.3	Terms and conditions of the offer	<p><b><i>Issue specific summary:</i></b></p> <p>Not Applicable – the Notes are issued in denominations of at least EUR 100,000 (or its equivalent in any other currency.)</p> <p>The issue price of the Notes is 99.868 per cent. of their nominal amount.</p>
E.4	Interest of natural and legal persons involved in the issue/offer	<p>The relevant Dealers may be paid fees in relation to any issue of Notes under the Programme. Any such Dealer and its affiliates may also have engaged, and may in the future engage, in investment banking and/or commercial banking transactions with, and may perform other services for BCP and their affiliates in the ordinary course of business. In addition, in the ordinary course of their business activities, the Dealers and their affiliates may make or hold a broad array of investments and actively trade debt and equity securities (or related derivative securities) and financial instruments (including bank loans) for their own account and for the accounts of their customers. Such investments and securities activities may involve securities</p>

		<p>and/or instruments of the Issuer, BCP or their affiliates. Certain of the Dealers or their affiliates that have a lending relationship with BCP routinely hedge their credit exposure to BCP in a way consistent with their customary risk management policies. Typically, such Dealers and their affiliates would hedge such exposure by entering into transactions which consist of either the purchase of credit default swaps or the creation of short positions in securities, including potentially the Notes issued under the Programme. Any such short positions could adversely affect future trading prices of Notes issued under the Programme. The Dealers and their affiliates may also make investment recommendations and/or publish or express independent research views in respect of such securities or financial instruments and may hold, or recommend to clients that they acquire, long and/or short positions in such securities and instruments.</p> <p><b><i>Issue specific summary</i></b></p> <p>Other than as mentioned above, so far as the Issuer is aware, no person involved in the issue of the Notes has an interest material to the offer, including conflicting interests.</p>
<b>E.7</b>	Expenses charged to the investor by the Issuer	Not Applicable – No expenses will be charged to investors by the Issuer.