



ANNUAL REPORT **2012**

# **CORPORATE GOVERNANCE REPORT**

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## INTRODUCTION

Banco Comercial Português, S.A., (hereinafter “Company, Banco, BCP, Millennium bcp”) draws up its Corporate Governance Report aimed at disclosing, in a clear and transparent manner, the regulatory practices adopted on the subject of Corporate Governance, in accordance with the legal and regulatory rules in force, with emphasis on the Companies Code, the Securities Market Code, namely article 245-A and complies with the model in Securities Market Commission (CMVM) Regulation number 1/2010 – Governance of Listed Companies, published on 1 February 2010 and with the recommendations in the Corporate Governance Code of the CMVM/2010, of January 2010.

This Report was also prepared in compliance with Bank of Portugal Notice nr. 10/2011 and taking into consideration the Individual information on the Level of Compliance with Recommendations on Corporate Governance based on the study conducted by Universidade Católica for AEM (Association of Companies Issuing Listed Securities), under which the Bank was attributed a compliance level index of 9,763.2 on a scale of 5,000 to 10,000 and an AAA rating.

Within the scope of strengthening the recapitalisation mechanisms of financial institutions, the Bank complied with and took into account the Law nr. 150-A/2012 of 17 May and the Ordinance nr. 8840-B/2012 of 3 July.

In the General Meeting of Shareholders held on 28 February 2012, Banco Comercial Português, S.A. approved an amendment of the articles of association including a change in the corporate governance model, resulting in a one-tier structure with a Board of Directors that includes an Executive Committee and Audit Committee, Remuneration Board and Board for International Strategy.

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# CHAPTER 0 – STATEMENT OF COMPLIANCE

## 0.1. Indication of the location where the texts on corporate governance codes to which the issuer is subject and, if applicable, those which it has voluntarily chosen to subject itself, are available to the public

In pursuing their corporate object, the Bank and all other companies of BCP Group (hereinafter “Group”) observe the applicable legal and regulatory rules, namely those in the Companies Code and in the Securities Code, those issued by the Bank of Portugal and Securities Market Commission (CMVM), and also adopt statutory and internal rules of procedure and of ethical nature, underlying management bound to the principles of diversification of risks, safety of investments and creation of value based on responsible governance in respect of the interests of the depositors, investors and other stakeholders, which can be consulted on the Bank’s Internet page with the following address:

[http://ind.millenniumbcp.pt/en/Institucional/governacao/Pages/normas\\_regulamentos.aspx](http://ind.millenniumbcp.pt/en/Institucional/governacao/Pages/normas_regulamentos.aspx)

In the preparation of the present Report, the Group voluntarily adopted the recommendations in the Corporate Governance Code of the Securities Market Commission (CMVM) of 2010, under article 245-A of the Securities Code and of CMVM Regulation nr. 1/2010, of 1 February, which can be consulted at the following address:

[http://www.cmvm.pt/CMVM/Legislacao\\_Regulamentos/Legislacao%20Complementar/Pages/default.aspx](http://www.cmvm.pt/CMVM/Legislacao_Regulamentos/Legislacao%20Complementar/Pages/default.aspx)

The Regulations of the Board of Directors, the Executive Committee and the Audit Committee establish their respective competences and scope of action, and regulate the functioning of these bodies in accordance with the Bank’s Articles of Association. These documents are provided to the members of each of these governing bodies, on the occasion of their election or appointment and are available on the internal portal, on the Bank’s Internet page with the following address:

[http://ind.millenniumbcp.pt/en/Institucional/governacao/Pages/normas\\_regulamentos.aspx](http://ind.millenniumbcp.pt/en/Institucional/governacao/Pages/normas_regulamentos.aspx)

The Codes of the Group, such as the Information Security Policy, the Code of Conduct, the Internal Regulations for Financial Intermediation Activities, and the Compliance Manual describe the duties and obligations applicable not only to the activities of Banco Comercial Português, as a cohesive and institutional entity, but also to the individual behaviour of each employee and member of the management bodies of the Bank and Group, in the performance of their respective duties.

The Group Code on Information Security Policy forms the basis of all internal standards associated to information security and defines in line with the Code of Conduct, the duties of suitable conduct for the positions held by all employees and external service providers that have access to the information or the respective systems that support it, regardless of their level of responsibility. The document is available to all employees on the internal portal.

The Code of Conduct aggregates the ethical pillars underpinning the banking and financial practice, and regarding securities or derivatives traded in organised markets, namely with respect to matters of conflict of interests, secrecy, incompatibilities, internal control system and cooperation with the supervisory authorities. The Code of Conduct is available to all employees on the internal portal, and on the Bank’s Internet page with the following address:

[http://ind.millenniumbcp.pt/en/Institucional/governacao/Pages/normas\\_regulamentos.aspx](http://ind.millenniumbcp.pt/en/Institucional/governacao/Pages/normas_regulamentos.aspx)

The Internal Regulations for Financial Intermediation Activities institute the fundamental rules and procedures, in addition to the general rules of conduct to be observed in the activity pursued by the Bank as a financial intermediary, and are available to all employees on the internal portal and on the Bank’s Internet page with the following address:

[http://ind.millenniumbcp.pt/en/Institucional/governacao/Pages/normas\\_regulamentos.aspx](http://ind.millenniumbcp.pt/en/Institucional/governacao/Pages/normas_regulamentos.aspx)

The Compliance Policies include a series of sectorial documents addressing different matters with an impact on the services provided by the Bank, for the purpose of ensuring that all the levels and activities of the Group achieve the highest standards of quality, adequacy, proficiency and suitability, on the part of the members of the management and supervisory bodies, of other directors and all other employees and, to the extent applicable, relative to shareholders, customers and the market in general.

The following documents are also part of the Compliance Policies: Customer Acceptance Policy; Customer Due Diligence Policy; Assessing and Monitoring High Risk Entities Policy; AML/CTF Policy; Order Execution Policy; Conflicts of Interest Policy; and the New Products Approval Policy (General Principles).

The documents above are available to all employees on the internal portal and on the Bank's Internet page with the following address:

[http://ind.millenniumbcp.pt/en/Institucional/governacao/Pages/compliance\\_policies.aspx](http://ind.millenniumbcp.pt/en/Institucional/governacao/Pages/compliance_policies.aspx)

**0.2. List of the recommendations, adopted and not adopted, contained in the Corporate Governance Code of the CMVM or other that the Company has decided to adopt, under the terms of the Regulation of which the present Annex is an integral part. For this effect, recommendations that have not been fully complied with are herein described as not adopted**

The following table lists the recommendations in the Corporate Governance Code disclosed by the CMVM, indicating which ones were adopted by BCP and which ones were not, even if only partially. When a recommendation is not fully adopted and is composed of sub-recommendations, the reasons for its non-partial adoption are set out in notes to the recommendations.

Recommendations of the CMVM	Statement of adoption	Information with reference to notes or to the Corporate Governance Report
<b>I. GENERAL MEETING</b>		
<b>I.1. BOARD OF THE GENERAL MEETING</b>		
I.1.1. The Chairman of the Board of the General Meeting must be provided with the supporting human and logistic resources appropriate to his needs, considering the economic situation of the company.	Adopted	Chapter I – General Meeting
I.1.2. The remuneration of the Chairman of the Board of the General Meeting must be disclosed in the annual report on Corporate Governance.	Adopted	Chapter I – I.3.
<b>I.2. PARTICIPATION IN THE MEETING</b>		
I.2.1. The period of time in advance imposed for the receipt, by the board, of the statements of deposit or blocking of shares for participation in the general meeting must not exceed five business days.	Derogated by Dec. Law nr: 49/2010, of 19 May	
I.2.2. In the case of the suspension of the general meeting, the company should not force the blocking to remain during the intermediate period until the session is resumed, with the period of time in advance required in the first session being sufficient.	Derogated by Dec. Law nr: 49/2010, of 19 May	Chapter I – I.5.
<b>I.3. VOTING AND THE EXERCISE OF VOTING RIGHTS</b>		
I.3.1. Companies must not establish any statutory restriction on voting by correspondence and, when adopted and admissible, on voting by electronic correspondence.	Adopted	Chapter I – I.9.
I.3.2. The statutory period of time in advance for the receipt of votes issued by correspondence must not be greater than three business days.	Adopted	Chapter I – I.III.
I.3.3. Companies must ensure proportionality between voting rights and shareholder participation, preferably through statutory provisions ensuring the correspondence of one vote to each share. Companies do not comply with proportionality when, namely, they: i) have shares that do not confer the right to vote; ii) establish that rights to vote above a certain number should not be counted, when cast by a single shareholder or by shareholders related to the former.	Partially Adopted	See Note I to the present table.

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Recommendations of the CMVM	Statement of adoption	Information with reference to notes or to the Corporate Governance Report
<b>I.4. DELIBERATIVE QUORUM</b>		
I.4.1. Companies must not establish a deliberative quorum higher than that established by law.	Not Adopted	See Note 2 to the present table.
<b>I.5. MINUTES AND INFORMATION ON THE ADOPTED DELIBERATIONS</b>		
I.5.1. Extracts of minutes of general meetings or equivalent documents should be made available to the shareholders on the company's Internet site within the period of five days, after the date of the general meeting, even if they do not constitute privileged information. The disclosed information should cover the deliberations taken, the share capital represented and the results of the voting. This information should be kept on the company's Internet site for at least three years.	Adopted	Chapter I – I.1. and I.13.
<b>I.6. MEASURES RELATIVE TO CORPORATE CONTROL</b>		
I.6.1. Any measures adopted with a view to preventing the success of public takeover offers should respect the interests of the company and its shareholders. Any articles of association of companies which, respecting that principle, establish the limitation of the number of votes which may be held or exercised by a single shareholder, individually or in combination with other shareholders, must also establish that every five years the maintenance of this statutory provision will be subject to a resolution by the General Meeting – without the requisites of a quorum larger than that legally established – and that in this resolution all the votes issued will count, without the application of that limitation.	Not Adopted	Chapter I – I.8. and I.19. See Note 3 to the present table
I.6.2. Defensive measures must not be adopted if they cause an automatic and serious erosion of company assets in the event of the transfer of control or change of the composition of the management body, thus being detrimental to the free transferability of shares and the free assessment by the shareholders of the performance of members of the management body.	Adopted	Chapter I – I.20. and I.21.
<b>II. MANAGEMENT AND SUPERVISORY BODIES</b>		
<b>II.1. GENERAL SUBJECTS</b>		
<b>II.1.1. Structure and competence</b>		
II.1.1.1. The management body must assess the adopted model in its annual Corporate Governance Report, identifying any constraints to its functioning and proposing measures of action that, in its judgement, are suitable to overcome them.	Adopted	Chapter II – Management and Supervisory Bodies
II.1.1.2. Companies should create internal risk control and management systems, so as to safeguard their assets and benefit the transparency of their corporate governance, enabling the detection and management of risks. These systems should include, at least, the following components:  i) establishment of the strategic objectives of the company on matters of risk-taking; ii) identification of the main risks linked to the specific activity performed and events which might lead to risks; iii) analysis and measurement of the impact and probability of occurrence of each potential risk; iv) risk management with a view to the alignment of the risks effectively incurred through the strategic decision of the company regarding risk-taking; v) control mechanisms for the execution of the adopted risk management measures and their effectiveness; vi) adoption of internal training and communication mechanisms for the different components of the system and notification of risks; vii) periodic assessment of the implemented system and adoption of any modifications deemed necessary.	Adopted	Chapter II – II.5.
II.1.1.3. The management body should ensure the creation and operation of the internal control and risk management systems, with the supervisory body being responsible for the assessment of the operation of these systems and proposing their respective adjustment to the company's needs.	Adopted	Chapter II – II.6.
II.1.1.4. Companies should, in their Annual Corporate Governance Report: i) identify the main economic, financial and legal risks to which the company is exposed during the exercise of its activity; ii) describe the action and efficacy of the risk management system.	Adopted	Chapter II – II.5.
II.1.1.5. The management and supervisory bodies must have operating regulations, which should be disclosed on the company's Internet site.	Adopted	Chapter II – II.7.

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Recommendations of the CMVM	Statement of adoption	Information with reference to notes or to the Corporate Governance Report
<b>II.1.2. INCOMPATIBILITIES AND INDEPENDENCE</b>		
II.1.2.1. The board of directors must include a sufficient number of non-executive members so as to guarantee effective capacity to manage, supervise and assess the activities of the executive members.	Adopted	Chapter II – II.1. and II.14.
II.1.2.2. Amongst the non-executive directors, there should be an adequate number of independent directors, taking into consideration the size of the company and its shareholder structure, which cannot under any circumstances, be less than one quarter of the total number of directors.	Adopted	Chapter II – II.1. and II.14.
II.1.2.3. The assessment of the independence of its non-executive members made by the management body should take into account the legal and regulatory rules in force on independence requirements and the incompatibilities system applicable to the members of the governing bodies, ensuring systematic coherence over time in the application of the independence criteria to the entire company. A director should not be considered independent if, in another governing body, he could not assume this capacity through force of the applicable rules.	Adopted	Chapter II – II.14. and II.15.
<b>II.1.3. ELIGIBILITY AND APPOINTMENT</b>		
II.1.3.1. According to the applicable model, the chairman of the supervisory board, audit committee or financial matters committee must be independent and possess adequate competences to perform the respective duties.	Adopted	Chapter II – II.2. e Annex II
II.1.3.2. The process of selection of candidates for non-executive directors should be designed so as to ensure the non-interference of the executive directors.	Adopted	Chapter II – II.16.
<b>II.1.4. POLICY ON COMMUNICATION OF IRREGULARITIES</b>		
II.1.4.1. The company must adopt a policy of communication of any alleged internal irregularities which might have occurred, with the following elements: i) indication of the means which may be used for the internal communication of irregular practices, including the persons with legitimacy to receive the communications; ii) indication of the treatment to be given to the communications, including confidential treatment, if this is wished by the declarant.	Adopted	Chapter II – II.35.
<b>II.1.5. REMUNERATION</b>		
II.1.5.1. The remuneration of the members of the management body should be structured in order to enable the alignment of their interests with the company's long term interests, based on performance assessment and discourage excessive risk-taking. For this purpose, the remunerations should be structured, namely, as follows:	Adopted	Chapter II – II.29. to II.34., inclusively.
<p>i) The remuneration of directors with executive duties should include a variable component whose determination depends on performance assessment, carried out by the competent bodies of the company, pursuant to predefined measurable criteria, which considers the real growth of the company and the wealth effectively created for the shareholders, its long term sustainability and the risks taken, as well as compliance with the rules applicable to the company's activity.</p> <p>ii) The variable component of the remuneration should be reasonable, as a whole, in relation to the fixed component of the remuneration, and maximum limits should be established for all components.</p> <p>iii) A significant portion of the variable remuneration should be deferred for a period of not less than three years, and its payment should be dependent on the continuation of the positive performance of the company over this period.</p> <p>iv) The members of the management body should not sign contracts, either with the company or with third parties, which have the effect of mitigating the risk inherent to the variability of their remuneration established by the company.</p> <p>v) Until the end of their term of office, executive directors must keep any company shares which have been acquired through variable remuneration schemes, up to the limit of twice the value of the annual total remuneration, with the exception of shares which need to be sold for the purpose of payment of taxes arising from the benefit of these same shares.</p>		

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Recommendations of the CMVM	Statement of adoption	Information with reference to notes or to the Corporate Governance Report
vi) When the variable remuneration includes the attribution of options, the beginning of the period of exercise should be deferred for a period of no less than three years.		
vii) Suitable legal instruments should be established so as to ensure that the compensation stipulated for any form of unfair dismissal of a director is not paid if the dismissal or termination through agreement is due to the inadequate performance of the director.		
viii) The remuneration of the non-executive members of the management board should not include any component whose value depends on the performance or value of the company.		
II.1.5.2. The statement on the remuneration policy of the management and supervisory bodies referred to in article 2 of Law nr. 28/2009, of 19 June, should, in addition to the content stipulated therein, contain sufficient information: i) on the groups of companies whose remunerative policy and practices were taken as benchmarks for the establishment of remuneration; ii) on payments relative to the dismissal or termination through agreement of directorship duties.	Adopted	Chapter II – II.29., II.33. I)
II.1.5.3. The statement on the remuneration policy referred to in article 2 of Law nr. 28/2009, should also cover the remunerations of the directors in observance of number 3 of article 248-B of the Securities Market Code and where this remuneration contains an important variable component. The statement should be detailed and the presented policy should take into account, namely, the long term performance of the company, compliance with the rules applicable to the company's activity and containment in risk-taking.	Adopted	Chapter II – II.29.
II.1.5.4. The proposal regarding the approval of plans to allocate shares and/or share purchase options, or based on share price variations, to members of the management and supervisory bodies and other directors should be submitted to the general meeting, in observance of number 3 of article 248-B of the Securities Market Code. The proposal should contain all the elements necessary for a correct assessment of the plan. The proposal should be accompanied by the regulations of the plan or, if these have not yet been prepared, of the general conditions with which it must comply. Likewise, the main characteristics of the retirement benefits system established in favour of the members of the management and supervisory bodies and other directors must be approved in the general meeting, in observance of nr. 3 of article 248-B of the Securities Market Code.	Adopted	Chapter I – I.17.
II.1.5.6. At least one representative of the remuneration committee must attend the annual general meetings of shareholders.	Adopted	Chapter I – I.15.
II.1.5.7. The annual Corporate Governance Report must disclose the value of the remuneration received, as a whole and individually, from other companies of the group and the pension rights acquired during the financial year in question.	Adopted	Chapter II – 31.
<b>II.2. BOARD OF DIRECTORS</b>		
II.2.1. Within the limits established by the law for each management and supervisory structure, and unless as a result of the small size of the company, the board of directors must delegate the daily management of the company, with the delegated duties being identified in the annual Corporate Governance Report.	Adopted	Chapter II – II.3.
II.2.2. The board of directors must ensure that the company acts in accordance with its objectives, and must not delegate its competence, namely, with respect to: i) the definition of the strategy and general policies of the company; ii) the definition of the group's business structure and iii) decisions which should be considered strategic due to their amount, risk or special characteristics.	Adopted	Chapter II – II.9. and II.10.

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Recommendations of the CMVM	Statement of adoption	Information with reference to notes or to the Corporate Governance Report
II.2.3. Should the chairman of the board of directors perform executive functions, the board of directors must find efficient mechanisms to coordinate the work of the non-executive members, which ensure, in particular, that they can make decisions in an independent and informed manner. The chairman should duly explain these mechanisms to the shareholders in the Corporate Governance Report.	Not Applicable	Chapter II – II.8.
II.2.4. The annual management report should include a description of the activity developed by the non-executive directors referring, namely, to any constraints that have been encountered.	Adopted	Chapter II – II.17.
II.2.5. The company should explain its policy on rotation of the areas of responsibility under the Board of Directors, namely of the chief financial officer; and provide information on this in the annual Corporate Governance Report.	Adopted	Chapter II – II.11 and note 4 to the present table
<b>II.3. CHIEF EXECUTIVE OFFICER, EXECUTIVE COMMITTEE AND EXECUTIVE BOARD OF DIRECTORS</b>		
II.3.1. When requested by other members of the governing bodies, the directors performing executive duties should provide, in due time and in a form appropriate to the request, any information requested by them.	Adopted	Chapter II.2.– A)
II.3.2. The chairman of the executive committee should send, respectively, to the chairman of the board of directors and, when applicable, the chairman of the audit board or audit committee, the call notices and minutes of the respective meetings.	Adopted	Chapter II – II.13.
II.3.3. The chairman of the executive board of directors should send to the chairman of the general and supervisory board and to the chairman of the financial matters committee, the call notices and minutes of the respective meetings.	Adopted	Chapter II – II.1.
<b>II.4. GENERAL AND SUPERVISORY BOARD, FINANCIAL MATTERS COMMITTEE, AUDIT COMMITTEE AND AUDIT BOARD</b>		
II.4.1. The general and supervisory board, in addition to the exercise of the supervisory duties entrusted to it, should also play an advisory role and ensure the follow-up and continuous assessment of the company's management by the executive board of directors. Amongst the matters on which the general and supervisory board should issue opinions, the following are included: i) the definition of the strategy and general policies of the company; ii) the group's business structure; and iii) decisions which should be considered strategic due to their amount, risk or special characteristics.	Not Applicable	
II.4.2. The annual reports on the activity developed by the general and supervisory board, financial matters committee, audit committee and audit board should be disclosed on the company's Internet site, together with the financial statements.	Adopted	Chapter II – II.1.
II.4.3. The annual reports on the activity developed by the general and supervisory board, financial matters committee, audit committee and audit board should include the description of the supervisory activities developed referring, namely, to any constraints which have been encountered.	Adopted	Chapter II.2. -B)
II.4.4. The general and supervisory board, audit committee and audit board, according to the applicable model, should represent the company, for all effects, before the external auditor; being responsible, namely, for proposing the provider of these services and respective remuneration, ensuring the existence of the appropriate conditions for the provision of the services within the company, as well as being the interlocutor of the company and first receiver of the respective reports.	Adopted	Chapter II – II.2.
II.4.5. The general and supervisory board, audit committee and audit board, according to the applicable model, should assess the external auditor on an annual basis and propose his dismissal to the general meeting whenever there are fair grounds for the effect.	Adopted	Chapter II.2. -B)
II.4.6. The internal audit services and others striving for compliance with the rules applied to the company (compliance services), should report functionally to the audit committee, to the general and supervisory board.	Adopted	Chapter II – II.3.

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Recommendations of the CMVM	Statement of adoption	Information with reference to notes or to the Corporate Governance Report
<b>II.5. SPECIALISED COMMISSIONS</b>		
II.5.1. Unless as a result of the small size of the company, the board of directors and general and supervisory board, according to the adopted model, should create the commissions which prove necessary for: i) ensuring a competent and independent assessment of the performance of the executive directors and for the assessment of their own overall performance, as well as that of the different existing commissions; ii) reflecting on the adopted governance system, verifying its efficacy and proposing to the competent bodies any measures to be taken with a view to their improvement; iii) identifying in due time potential candidates with the high profile required for the performance of directorship duties.	Adopted	Chapter II – II.2.
II.5.2. The members of the remuneration committee or equivalent should be independent from the members of the management body and include at least one member with knowledge and experience in matters of remuneration policy.	Adopted	Chapter II – II.1.
II.5.3. No natural or legal person who provides or has provided, over the last three years, services to any structure dependent on the board of directors, to the actual board of directors of the company or who has a current relationship with a consultant of the company should be contracted to support the remuneration committee in the performance of their duties. This recommendation is equally applicable to any natural or legal person related to the above through work or service contract.	Adopted	Chapter II – II.39.
II.5.4. All the commissions should prepare minutes of the meetings they hold.	Adopted	Chapter II – II.7.
<b>III. INFORMATION AND AUDITS</b>		
<b>III.1. GENERAL INFORMATION DUTIES</b>		
III.1.1. Companies should ensure the existence of permanent contact with the market, respecting the principle of shareholder equality and taking precautions against asymmetries in access to information on the part of investors. For this purpose, the company should maintain an investor support office.	Adopted	Chapter III – III.16.
III.1.2. The following information available on the company's Internet site should be disclosed in English: a) the firm, its status as a public company and the other elements mentioned in article 171 of the Companies Code; b) Articles of Association; c) identity of the members of the governing bodies and of the representative for market relations; d) Investor Support Office, respective functions and means of access; and) Documents presenting the accounts; f) six-monthly calendar of corporate events; g) proposals presented for discussion and vote at the general meeting; h) call notices for the holding of the general meeting.	Adopted	See Note 5 to the present table
III.1.3. Companies should promote the rotation of the auditor at the end of two or three terms of office, according to whether they are of four or three years. The auditor's maintenance beyond this period should be based on the grounds produced in a specific opinion issued by the supervisory body which explicitly weighs up the conditions of independence of the auditor and the advantages and costs of his replacement.	Adopted	Chapter III – III.18.
III.1.4. The external auditor should, under his duties, verify the application of the remuneration policies and systems, the efficacy and operation of the internal control mechanisms and report any failings to the supervisory body of the company.	Adopted	See the Auditors' Report.
III.1.5. The company should not contract from the external auditor, or from any entities which are in a holding relationship with it or are part of the same network, services other than audit services. Where there are motives for the contracting of such services – which should be approved by the supervisory body and explained in its annual Corporate Governance Report – they cannot represent a figure above 30% of the total value of the services provided to the company.	Adopted	Chapter III – III.17.

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Recommendations of the CMVM	Statement of adoption	Information with reference to notes or to the Corporate Governance Report
<b>IV. CONFLICT OF INTEREST</b>		
<b>IV. 1. RELATIONS WITH SHAREHOLDERS</b>		
IV.1. Company business with shareholders owning qualifying holdings or entities that are in any relationship with them, under the terms of article 20 of the Securities Market Code, should be carried out under normal market conditions	Adopted	Chapter III – III.14.
IV.1.2. Any business of significant importance with shareholders owning qualifying holdings or entities that are in any relationship with them, under the terms of article 20 of the Securities Market Code, should be submitted to the prior opinion of the supervisory body. This board should establish the necessary procedures and criteria for the definition of the level of significant importance of this business and other terms of its intervention.	Adopted	Chapter III – III.14.

## NOTES TO THE RECOMMENDATIONS

### NOTE 1

On 18 April 2011, an amendment of the Bank's Articles of Association was approved which accepted the principle of one vote for each share.

The Bank's Articles of Association do not lay down any rules with a view to preventing the success of public takeover offers. There is also no rule with the content expressed in the second part of the abovementioned recommendation, and its inclusion has never been requested either by shareholders or members of the governing bodies. Under the terms of the law, any shareholder or Group of Shareholders holding 2% or more of the share capital may request, at any time, that the suppression of the limit on the counting of the voting rights when issued by a single shareholder or by an economic group, in accordance with article 26 of the Bank's Articles of Association, should be voted on at the General Meeting. However, at the present date, as far as the Bank is aware, there are no shareholders covered by the abovementioned statutory provision. At the General Meeting held on 28 February 2012, during which a profound amendment of the Bank's Articles of Association was approved, this theme was not discussed, which may be interpreted as meaning that the shareholders upheld in 2012 the content of the limit stipulated in article 26 of the Bank's Articles of Association.

### NOTE 2

This recommendation establishes a formal reference to the Companies Code, by imposing on companies the duty of not establishing a deliberative quorum higher than that established by law. The Bank's Articles of Association, however, require majorities higher than those legally established in three circumstances:

The first, relative to the requirement of a constitutive quorum of two thirds of the share capital to enable the Meeting to be held on first call, while the law requires this quorum only for Meetings deliberating on amendment of the memorandum of association, merger, demerger, transformation, dissolution of the company or other affairs for which the law requires a qualified majority, without specifying.

The Bank and shareholders who approved the articles of association in force deemed that, since Banco Comercial Português is one of the companies with the largest free float of the Portuguese Stock Exchange, it is important to ensure that, whatever the circumstances, and not only for the cases identified in the law, the shareholders, independently of their respective representativeness, are certain that, on first call, the affairs taken to the General Meeting may only be decided if the share capital is minimally represented.

For a company which, during 2012, saw 180% of the shares representative of its share capital involved in transactions on the Stock Exchange, the guarantee of a minimum representativeness of the shareholders is an essential condition for the defence of the interests of the actual company, as well as its customers, employees and other stakeholders.

The second and third is related to the majority required for the approval of operations concerning the merger, demerger or transformation of the Bank, for which the law requires two thirds of the votes cast and the Bank's Articles of association require three quarters of the votes cast, as well as for deliberation on the dissolution of the company where, under the terms of the Articles of Association, a majority corresponding to three quarters of the paid-up share capital is required.

Also in this case, and in view of the importance of the matters in question, the arguments extended in the previous case are considered valid, with emphasis on the last paragraph.

### NOTE 3

Refers to note 1.

### NOTE 4

There is no rigid policy on rotation of areas of responsibility under the Board of Directors but the distribution of positions between the executive members of the Board of Directors, as described in Recommendation II.3. – Board of Directors, points to the existence of a structured mechanism of rotation of areas of responsibility. Nonetheless and during 2012, until 28 February the Chief Financial Officer was member and Vice-Chairman of the Executive Board of Directors and on 29 February, the new member of the Board of Directors and also Vice-Chairman of the Executive Committee was appointed to these positions

### NOTE 5

<http://www.millenniumbcp.pt/site/conteúdos/en/>

### 0.3. Without prejudice to the provisions in the previous number, the company can also make an overall assessment, provided that there are reasonable grounds to do so, of the degree of adoption of groups of recommendations of interrelated subjects

The recommendations described in the table above and the detailed manner in which the issues are addressed in the following chapters, are in conformity with the guiding principles of the Group's corporate governance policy, where the degree of observance of the recommendations is considered to be very comprehensive and complete, in particular according to their effective relevance and interests they seek to protect. In those situations in which there are deviations from the accepted recommendations, the grounds for non-acceptance are explained.

### 0.4. When the corporate governance structure or practices differ from the recommendations of the CMVM or other codes to which the company subscribes or has voluntarily adhered, the parts of each code which are not complied with or which the company considers are not applicable should be explained, as well as the respective grounds and other relevant observations, in addition to clear indication of the part of the Report where the description of this situation can be found

The answer required for this point is presented in the explanations given in the replies to the three preceding points. Notwithstanding this, the relevance of the issue requires a broader reference.

In fact, experience shows – not only in Portugal – that the alternative “comply or explain” formula has not been successful, in practice, in conveying its underlying and indeed, indispensable, equivalence. Hence, the compliance (or mere submission) has been more used and recognised than the legitimate alternative explanation, which has also unbalanced the respective compliance cost, making formal compliance simpler and more convenient (with or without concordance) than the effort of explaining, which is more cumbersome and less useful.

This situation – worsened by the more or less mechanical surveys, indices, scorings and rankings, deciding which companies comply more or simply do not comply – deeply jeopardises the essence of the comply or explain principle upon which the Corporate Governance Code is based and tends to eliminate the creativity and flexibility that it needs, tending to crystallise the recommendations, making them more rigid (regardless of their merit), more “common place”, depriving them of their real meaning.

Anyone wishing to base a group of recommendations upon the fundamental principle of comply or explain – as is, we repeat, the goal of the cited Directive 2006/46/EC and also predominant in most corporate governance codes of international companies – can no longer just state the principle without seeking to contribute to preserve its real meaning. On the other hand, the high number of recommendations without international correspondence which constitutes a phenomenon of excessive national over-regulation is noteworthy.

It is, therefore, crucial to stress the importance of a firm application of the comply or explain principle in all its aspects, strongly underlining the real exchangeability of both possibilities.

## CHAPTER I – GENERAL MEETING

The operation of the General Meeting of Banco Comercial Português, S.A., a public company, issuer of shares listed for trading on regulated markets, is ruled by the respective statutory rules and specific provisions of the Companies Code (CSC) and Securities Market Code (CVM).

The General Meeting, the highest governing body of the company, representing the entirety of the shareholders, is especially responsible for: electing and dissolving its own Board, as well as the members of the management bodies, its chairman and deputy chairmen, the members of the Remunerations and Welfare Board and elect, following a proposal of the Audit Committee, the Statutory Auditor; approving amendments to the articles of association; resolving, following a proposal of the Audit Committee, on the choice of the External Auditor; the management report and accounts, proposals for the appropriation of profits and any matters submitted at the request of the Board of Directors and, in general, resolving on all matters specifically attributed by the law or articles of association, or which are not included in the attributions of other corporate bodies.

The Chairman of the Board of the general meeting must be provided with the supporting human and logistic resources appropriate to the preparation and calling of the General Meeting, and shall have the support of the Company Secretary and respective services over the entire year. The whole process of preparation and holding of the three General Meetings in 2012 was supported by a vast multidisciplinary team composed of senior staff and employees of the Operations, Information Technology, Direct Banking and Audit Departments as well as the representative for Market Relations.

It should be noted that an international Audit firm has always been contracted to certify the voting and shareholder accreditation procedures.

### I.1. Identification of the members of the board of the general meeting

The Board of the General Meeting is composed of:

**Chairman:** António Manuel da Rocha e Menezes Cordeiro (Independent)

- Licentiate Degree and PhD in Law by the Faculty of Law of the Universidade de Lisboa and professor at the Universidade de Lisboa and the Universidade Católica Portuguesa
- Intervened in the preparation of various legislative texts, in the areas of Banking Law, Civil Law, Commercial Law and Economic Law
- Founding partner of the law firm António Menezes Cordeiro e Associados, Sociedade de Advogados

**Vice-Chairman:** Manuel António de Castro Portugal Carneiro da Frada (Independent)

- Licentiate degree in Law of the Universidade Católica do Porto and PhD from the Faculty of Law of the Universidade de Lisboa
- Professor at the Faculty of Law of the Universidade do Porto and visiting professor at the Faculty of Law of the Universidade Católica de Lisboa
- Author of various works, such as monographs, studies, essays, articles and scientific texts, in the areas of Civil Law, Corporate Law, Commercial Law and Case Law

Inherent to the position, the Board is supported by secretarial services administered by the Corporate Secretary, Ana Isabel dos Santos de Pina Cabral.

The members of the Board of the General Meeting may or may not be shareholders.



On its Internet site the Bank keeps the historical record, in Portuguese and English, of the relevant information relative to the General Meetings held in the last five years, disclosing, namely: the total number of votes cast, the percentage share capital represented corresponding to the total number of votes cast, the number of shares corresponding to the total number of votes cast, the company's identification, the name of the Chairman and Vice-Chairman of the Board, copy of the call notices, agendas, proposals and any other documents voted on.

The publication is available on the Bank's Internet site, on the page with the following address:  
<http://www.millenniumbcp.pt/pubs/pt/grupobcp/quemsomos/orgaossociais/>

Likewise, and independently of the number of shares owned, the Bank sends the minutes to shareholders who have participated in the General Meetings and request them, providing access to the attendance lists to shareholders who wish to validate their own registration on these lists.

## **I.2. Indication of the starting and ending date of the respective mandates**

The Chairman and the Deputy Chairman of the Board were elected at the General Meeting held on 18 April 2011, for the three-year period 2011/2013, and are holding a second term of office, continuously.

## **I.3. Indication of the remuneration of the chairman of the board of the general meeting**

The annual remuneration earned by the Chairman of the Board of the General Meeting amounts to 150,000 Euros and was established on 28 May 2007 by the Remuneration and Welfare Board elected by the General Meeting, with this value having remained unaltered since then.

During the holding of office and in observance of the rules of independence, the Chairman of the Board, with his considerable and recognised technical knowledge and legal strictness, supported the different Corporate Boards and Bodies of the Bank in all matters of corporate governance on which he was consulted.

## **I.4. Indication of the time in advance required for the blocking of shares for participation in the general meeting**

The Bank's Articles of Association include the amendments to the Securities Market Code approved by Decree-Law nr. 49/2010, which imposed on the Portuguese legal system and for companies issuing shares listed for trading on regulated market, the rule of the "date of registration".

This rule determines that the capacity to participate and vote in the General Meeting is assessed according to presentation of evidence of shareholder capacity at 0 hours GMT on the fifth trading day prior to the date of the meeting and the issue of a written statement, to the Chairman of the Board and the financial intermediary with which the individualised registry account is opened, until – at the very latest – the 6th trading day prior to the meeting, declaring the intention to participate in said meeting.

In the event of shares being sold by a shareholder during the period between the "date of registration" and date of the Meeting and the shareholder wishes to participate therein, the shareholder must inform the CMVM and Chairman of the Board of the Meeting of this fact.

## **I.5. Indication of the rules applicable to the blocking of shares in the case of suspension of the general meeting**

As provided in the above paragraph, this recommendation should be considered derogated.

## **I.6. Number of shares corresponding to one vote**

Under the Bank's articles of association, each share corresponds to one vote.

### **I.7. Indication of the statutory rules establishing the existence of shares which do not confer the right to vote or which establish that rights to vote above a certain number should not be counted, when issued by a single shareholder or by related shareholders**

Within the legal framework applicable to companies in general, and to credit institutions in particular, it is not possible to issue preferred shares without voting rights, if these do not confer to their holders, namely, priority minimum dividends from the distributable profit for the financial year.

Banco Comercial Português has never issued preferred shares without voting rights, in spite of enshrining this possibility in nr. 2 of article 4 of its Articles of Association, pursuant to the regulatory framework of the Companies Code on this matter.

The preferred shares with such features of preferred shares without voting rights allow financial investors to abdicate from actively intervening in the management of corporate business, against a guaranteed (minimum) return on their investment. Therefore, these shares cannot be freely compared with other ordinary shares, which bear voting rights that are indispensable and necessary for effective control of the company.

Hence, with respect to this category of shares (or type of securities), the fact that they do not grant voting rights does not affect the proportionality of the voting rights. Besides, under the terms of the law, if their preferred dividend is not paid for two consecutive financial years, these shares will gain voting rights, restoring the corporate balance and allowing their holders to actively participate in the company's life.

If, by any chance, it were to be interpreted as countering the possibility of issuing preferred shares without voting rights, the recommendation of the CMVM would, in fact, collide with the provisions established in Section V of Chapter II of the Companies Code, namely with the provisions in nr. 1 of article 341 and would ignore the content of article 384 of the same Code.

Regarding the provisions in article 26 of the Articles of Association of Banco Comercial Português, which determine that votes corresponding to more than 20% of the total share capital should not be counted when imputable to a single shareholder or in relation to shareholders connected to the former, Banco Comercial Português considers that this article was created to ensure that small and medium-sized shareholders have greater influence on any decisions that might be submitted to the General Meeting. The limits to voting rights stipulated in the Articles of Association, reflected in the adoption of a maximum statutory voting ceiling, sought to restrict the rights of the largest shareholders, thus defending the interests of small and medium-sized shareholders, whose vote thus achieves greater weight and representativeness relative to the most significant.

This statutory provision may be freely modified by the shareholders, at any time. It was renewed when amendments to the articles of association were approved by the General Meeting held on 28 February 2012 and, to the best of the company's knowledge, there are no shareholders to whom this limit is applicable.

### **I.8. Existence of statutory rights on the exercise of voting rights, including constitutive and deliberative quorums or systems emphasising rights related to assets**

The Bank's Articles of Association clearly and objectively enshrine the rules for the exercise of voting rights.

Article 24 of the Bank's Articles of Association establishes the requirement of a constitutive quorum of over one third of the share capital for the meeting to be able to deliberate on first call.

Regarding the deliberative quorum, the Articles of Association only diverge from the law with respect to deliberations on the merger, demerger and transformation of the company, which require approval by three quarters of the votes cast, and dissolution of the company where, under the terms of article 49 of the Articles of Association, a majority corresponding to three quarters of the paid-up share capital is required.

With the exception noted above in I.7., the Articles of Association do not establish limitations to the exercise of voting rights, nor do they stipulate any special voting or other rights.

### **I.9. Existence of statutory rules on the exercise of the right to vote by correspondence**

The Bank ensures the effective exercise of corporate rights by its shareholders who choose to exercise their vote by correspondence.

For such, and for each General Meeting, the Bank discloses this possibility widely and in due time.

As of the publication of the call notice, a specific page of the General Meeting is created on the Bank's institutional Internet site, where, complying with the legal deadlines, it is not only possible to consult and print all the documentation which, being known to the company, is prepared for appraisal by the shareholders, but also an explanatory note is also provided on how to participate, indicating the steps which must be taken to ensure the shareholder's presence at the Meeting and exercise of the right to vote, namely by correspondence.

<http://ind.millenniumbcp.pt/en/Institucional/investidores/Pages/AG.aspx>

### **I.10. Provision of a model for the exercise of the right to vote by correspondence**

The methodology to be adopted for the exercise of the right to vote by correspondence is published both on the call notice of the General Meeting as well as on the Bank's Internet site.

The ballot papers for postal correspondence and correspondence using electronic means are placed at the disposal of the shareholders on the Bank's Internet site from the moment the General Meeting is called, being updated in accordance with the proposals received and any alteration to the agenda.

The instructions for voting through electronic means are published at the same time as the call notice of the General Meeting on the Bank's Internet site, on the page with the following address:

<http://ind.millenniumbcp.pt/en/Institucional/investidores/Pages/AG.aspx>

### **I.11. Requirement of a period of time between the receipt of votes issued by correspondence and the date of the general meeting**

The Bank has established, as the deadline for the receipt of votes cast by correspondence, 17:00 hours of the penultimate business day before the date scheduled for the General Meeting, with this deadline coinciding with that established for the receipt of the rest of the documentation for the meeting, thus observing the rules in CMVM Regulation nr. 1/2010 – Governance of Listed Companies.

### **I.12. Exercise of the right to vote through electronic means**

Under the terms of article 27 of the Bank's Articles of Association, the exercise of the right to vote through electronic means covers all the matters presented on the call notice, with the Chairman of the Board of the General Meeting being responsible for verifying the existence of the means to ensure the security and confidentiality of votes cast in this manner:

As defined by the Bank, voting by correspondence through electronic means may be exercised by shareholders who have requested the respective code in due time.

The instructions for voting through electronic means are published at the same time as the call notice of the General Meeting on the Bank's Internet site, on the page with the following address:

<http://ind.millenniumbcp.pt/en/Institucional/investidores/Pages/AG.aspx>

### **I.13. Possibility of the shareholders accessing extracts of the minutes of the general meetings on the company's Internet site five days after the general meeting**

The Bank publishes, within a period of less than the recommended five days, the constitutive quorum, agenda, proposals and reports submitted to the Meeting, content of the deliberations taken and results of the voting, indicating the number of shareholders present at each voting session, number of shares and number of votes to which they correspond, sense of each of the votes exercised and result of the voting.

The abovementioned publication is available on the Bank's Internet site, on the page with the following address: <http://ind.millenniumbcp.pt/en/Institucional/investidores/Pages/AG.aspx>

### **I.14. Existence of an historical record on the company's Internet site, with the resolutions adopted in the company's general meetings, the share capital represented and the results of the voting, relative to the last three years**

On its Internet site, the Bank provides the historical record of the attendance, agendas, deliberations adopted and percentage of the votes cast at the General Meetings over the last five years, as well as all the other information referred to in the preceding number.

The abovementioned publication is available on the Bank's Internet site, on the page with the following address: <http://ind.millenniumbcp.pt/en/Institucional/investidores/Pages/AG.aspx>

### **I.15. Indication of the representative(s) of the remuneration committee present at the general meetings**

Members of the Remuneration and Welfare Board were present at the General Meetings held during 2012.

### **I.16. Information on the intervention of the general meeting relative to the Company's remuneration policy and assessment of the performance of the management board members and other senior executives**

The General Meeting held on 31 May 2012 deliberated, with a binding character, on the remuneration policies of the Board of Directors, including the Executive Committee and functional directors, senior staff and other employees, where the respective proposals were approved by 99.94% of the votes cast, and where the meeting was attended by shareholders or their representatives holding 41.60% of the share capital.

The approved proposals are available on the Bank's Internet site, on the page with the following address: <http://ind.millenniumbcp.pt/en/Institucional/investidores/Pages/AG.aspx>

During 2012, the Head of the Chairman's Office, the Compliance Officer, Group Treasurer, Representative for Investor Relations, Risk Officer, Company Secretary as well as the Head of Internal Audit, Head of Research, Planning and ALM Department and Head of the Board of Directors' Support Office were qualified as Directors of the Bank. Their respective remuneration does not contain any variable component, and is attributed casuistically by the Board of Directors on an annual basis, and is not considered an acquired right. During the financial year to which this report refers, no sum was attributed as variable remuneration to the directors in observance of nr. 3 of article 248-B of the Securities Market Code.

The policy of establishment of remuneration of these Directors is precisely the same as that for all other Coordinating Directors of the Bank and Group, whose competence the Board of Directors has delegated to the Commission for Nominations and Evaluations (Talent Management).

In line with the Bank's recapitalisation plan involving public investment, regulated in article 9 of Law nr. 63-A/2008, of 24 November, amended and republished by Law nr. 4/2012 of 11 January, Banco Comercial Português is bound, during the duration of the public investment, by article 12 of Regulation nr. 150-A/2012, regardless of the remuneration policy of its management bodies approved by the General Meeting held on 31 May 2012, to establish for the set of members of the management and supervisory bodies a remuneration that, for the purpose of calculating its fixed and variable component, does not exceed 50% of the respective average remuneration of the two previous years, which became effective as of July 2012.



**I.17. Information on the intervention of the general meeting with respect to the proposal regarding the approval of plans to allocate shares and/or share purchase options, or based on share price variations, to members of the management and supervisory boards and other directors, in observance of nr. 3 of article 248-B of the Securities Code, as well as on the elements provided to the general meeting with a view to a correct assessment of these plans**

There are no valid plans to allocate shares and/or share purchase options or based on share price variations.

**I.18. Information on the intervention of the general meeting regarding the approval of the main characteristics of the retirement benefits system extended to the members of the management and supervisory bodies and other senior executives, complying with nr. 3 of article 248-B of the Securities Code**

The retirement or disability benefit system of the members of the management board is stipulated in article 17 of the Bank's Articles of Association and in the Retirement Regulations of the Members of the Executive Board of Directors, approved by the Remuneration and Welfare Board and Annual General Meeting held on 31 May 2012, where the Remuneration and Welfare Board, on this issue and relative to the financial year of 2012, took the deliberation described in the table presented in paragraph II.33.o) of this Report, whose financial impact cannot be altered.

**I.19. Existence of a statutory rule establishing the duty to subject, at least every five years, to the general meeting, the maintenance or elimination of the statutory rule establishing the limitation of the number of votes which can be held or exercised by a single shareholder individually or in a concerted manner with other shareholders**

There is no rule in the Bank's Articles of Association with the content expressed in the present recommendation, and its inclusion has never been requested either by shareholders or members of the governing bodies.

**I.20. Indication of defensive measures which have the effect of automatically leading to a serious erosion of company assets in the event of the transfer of control or change of the composition of the management body**

The company's Articles of Association stipulate no measures with these characteristics.

**I.21. Significant agreements of which the company is a party and which enter into force, able of being altered or that cease to be in force in the case of the change of control of the company, as well as the respective effects, unless, due to their nature, their disclosure would be seriously harm the company, except if the company is specifically obliged to disclose this information due to other legal requirements**

There are no agreements with these characteristics.

**I.22. Agreements between the company and members of the management body and directors, in observance of nr. 3 of article 248-B of the Securities Market Code which establish compensation in the case of resignation, dismissal without fair grounds or termination of the work relation following a change in the control of the company**

The Company has undersigned no agreements with these characteristics.

## CHAPTER II – MANAGEMENT AND SUPERVISORY BODIES

Banco Comercial Português has developed permanent efforts to incorporate the criteria of the assessment of Good Corporate Governance – equity, accountability, transparency, diligence, technical and professional competence and internal alignment and loyalty and responsibility duties – simultaneously with the adoption of practices to ensure the achievement of the objectives of Corporate Governance – separation of duties, specialisation of supervision, financial and management control, risk control and monitoring, minimisation of conflicts of interests and orientation towards sustainability.

The awareness that confidence in the institution is a fundamental pillar towards achieving the objectives set forth, resulted in a profound and constant reflection on the best form of organising the company and of creating monitoring and control mechanisms regardless of their implementation that allow its credibility, solidity and sustainability, as well as the effective and informed participation of shareholders in the life of the company to improve.

On matters of corporate governance, the Anglo-saxonic model, namely through the so called one-tier sub-model is considered the preferred model from among the admissible models and is currently more suitable to a Group with the scale, characteristics and object of the BCP Group, enabling greater proximity, identity and organic responsibility which under the current circumstances best defends the interests of the company such as the capitalisation efforts and the development of the multi-domestic expansion strategy.

In that regard, in the General Meeting of Shareholders held on 28 February 2012, the shareholders approved, by a majority of 99.21% of the votes cast, the amendment and restructuring of the Articles of Association of Banco Comercial Português, with a view to adopting a one-tier model. Consequently, the management and supervisory structure began to include a board of directors, within the scope of which there is an audit committee, composed solely by non-executive directors and an executive committee. There is also a statutory auditor.

With the objective of ensuring the development of the international expansion strategy of the Bank and Group, a Board for International Strategy was also elected at the abovementioned General Meeting, entrusted with the analysis and reflection on this strategy, and supervision of its evolution and implementation.

### SECTION I – GENERAL ISSUES

#### II.1. Identification and composition of the governing bodies

In accordance with the said corporate governance model adopted by Banco Comercial Português during 2012, its management and supervision was structured as follows:

- Board of Directors which includes an Audit Committee (only with non-executive members) and an Executive Committee (the Bank's current management body);
- Board for International Strategy;
- Statutory Auditor;
- Remuneration and Welfare Board.

The Group also uses a company of external auditors to carry out the audits of the individual and consolidated accounts of Banco Comercial Português and of the different companies controlled by it, whose appointment was deliberated at the General Meeting.

#### A. Board of Directors

The Board of Directors (BoD) is the governing body of the Bank charged with, in accordance with the law and the articles of association, the most ample powers of management and representation of the Company.

The BoD currently in office was elected by the General Meeting held on 28 February 2012 for the three-year period 2012/2014.

Under the terms of the Articles of Association in force, the Board of Directors is composed of a minimum of seventeen and a maximum of twenty-five members with and without executive functions, elected by the General Meeting for a period of three years, who may be re-elected one or more times. The Chairman or whoever is replacing him at any given time has the casting vote. The Board of Directors has been ensured the broadest competence established in the law and Articles of Association of the Company, which covers, amongst others, the following duties:

- To resolve upon the change of head office and share capital increases, in accordance with the law and the articles of association;
- Approve mergers, demergers and other changes to the Company;
- Decide upon, in accordance with the law and the articles of association, the issuance of shares or other securities that imply or may imply a share capital increase by the Bank, establishing the conditions and carrying out, with them, all the operations permitted by law, abiding by any limits set by the General Meeting;
- Delegate on an Executive Committee composed of a minimum of six and a maximum of nine of its members the day-to-day management of the Bank, under the terms and with the scope of the resolution that delegates such powers, whether this scope is increased or decreased;
- Appoint the Company Secretary and the respective Alternate;
- Resolve upon the granting or termination of functions of all the employees who are managers and report directly to the Board of Directors or to any of its committees or commissions, including the Executive Committee, as well as of any members of corporate bodies appointed by the Bank, approve their salaries, social benefits and other payments;
- Approve the Annual Reports and the proposals to be submitted to the General Meeting that the management body is responsible for; namely the proposal for distribution of results;
- Define the general policies and strategy for the Bank and the Group;
- Approve the annual and pluriannual budgets and monitor their execution;
- Through its Audit Committee, ensure the issue of an opinion on credit concession operations or the engagement of services to members of governing bodies, holders of stakes above 2% of the Bank's share capital, computed according to article 20 of the Securities Code, as well as individuals or companies related to them;
- Hire and replace, under proposal of the Audit Committee, the external auditor appointed pursuant to article 23 (e) of the articles of association;
- Appointment of attorneys to carry out specific acts;
- Define and resolve on eventual changes to the group's corporate structure;
- Annually assess the Bank's governance model;
- Ensure that the Bank has efficient systems for internal control, risk management and internal audit;
- Appoint the members of the Board for International Strategy, an advisory body of the Bank composed of individuals with recognised merit and related with the countries where the Bank operates or intends to invest;
- Ensure the continuous follow-up of the financial reporting and risk management systems and process and of the activity of the Statutory Auditor and external auditor of the Company, propose their election and appointment, respectively, at the General Meeting, issue opinions on independence requirements and other

relations with the company, as well as their respective exoneration, a decision which, to the extent permitted by the law, will be binding, implying that the governing bodies must proceed in conformity;

- Assess and monitor the internal procedures relative to accounting matters, the effectiveness of the risk management system, of the internal control system and of the internal audit system, including the receipt and processing of related complaints and doubts, whether derived from employees or not;

The Bank's Board of Directors was elected on 28 February 2012 and on 31 December 2012 it was composed of the following members:

<b>Chairman:</b>	António Vítor Martins Monteiro (Independent)
<b>Vice-Chairmen:</b>	Carlos José da Silva (Not Independent, due to being bound to an entity owning a qualifying holding) Nuno Manuel da Silva Amado (Executive) Pedro Maria Calaiño Teixeira Duarte (Not Independent, due to being bound to an entity owning a qualifying holding)
<b>Members:</b>	Álvaro Roque de Pinho Bissaia Barreto (Independent) André Luiz Gomes (Independent) António Henriques de Pinho Cardão (Independent) António Luís Guerra Nunes Mexia (Not Independent, due to being bound to an entity owning a qualifying holding) António Manuel Costeira Faustino (Independent) Bernardo de Sá Braamcamp Sobral Sottomayor (Not Independent) (Appointed by the State for the period of enforcement of the public investment to strengthen the Bank's own funds.) César Paxi Manuel João Pedro (Not Independent, due to being bound to an entity owning a qualifying holding) Jaime de Macedo Santos Bastos (Independent) João Bernardo Bastos Mendes Resende (Not Independent, due to being bound to an entity owning a qualifying holding) João Manuel de Matos Loureiro (Independent) José Guilherme Xavier de Basto (Independent) José Jacinto Iglésias Soares (Executive) José Rodrigues de Jesus (Not Independent) (Appointed by the State for the period of enforcement of the public investment to strengthen the Bank's own funds.) Luís Maria França de Castro Pereira Coutinho (Executive) Maria da Conceição Mota Soares de Oliveira Callé Lucas (Executive) Miguel de Campos Pereira de Bragança (Executive) Miguel Maya Dias Pinheiro (Executive) Rui Manuel da Silva Teixeira (Executive)

Within the scope of the Bank's recapitalisation operation, and in conformity with the provisions in article 14, nr. 2, of Law nr. 63-A/2008 of 24 November (amended and republished by Law nr. 4/2012 of 11 January) and in nr. 2 of the Annex to the Ordinance nr. 8840-B/2012, of 28 June, the Government appointed, on 4 December 2012, as its representatives in the Bank's Board of Directors, Bernardo de Sá Braamcamp Sobral Sottomayor as non-executive director to the Commission for Nominations and Evaluations and José Rodrigues Jesus as second non-executive director to the Audit Committee.

The Board of Directors in office as at 31 December 2012 was composed of twenty-two permanent members, fifteen of its members are non-executive and seven are executive, the majority of directors was qualified as independent, only seven of its members do not meet the requisites of independence, five due to being related to entities with holdings greater than 2% of the Bank's capital and two due to having been appointed by the State for the period of enforcement of the public investment to strengthen the Bank's own funds. All the members complied with the rules on incompatibility established in nr. 1 of article 414-A, by virtue of article 423-B (3) of the Companies Code, regarding the members of the Audit Committee.



The directors perform their duties observing and following the duties of zeal, care and loyalty, pursuant to the high standards of professional diligence inherent to a careful and orderly manager and in the interests of the company. The directors are bound to secrecy in respect of any matters dealt with at the board meetings or that they become aware of due to the exercise of their functions, except when the Board of Directors sees the need to internally or publicly disclose its resolutions, or when such disclosure is imposed by law or by a decision of an administrative authority or of a court of law.

The Board of Directors delegated the day-to-day management of the Bank on an Executive Committee composed of seven of its members.

The Board of Directors approved regulations allowing the receipt of communications of irregularities submitted by shareholders, employees or others which are available on the Bank's Internet site, on the page with the following address:

<http://corpservices.pt/millenniumnet.net/pt/CI/Pages/welcome.aspx>

During 2012, the Board of Directors met 17 times and was supported by secretarial services administered by the Company Secretary.

## B. Board for International Strategy

Aiming to ensure the development of the international expansion strategy for BCP and for the Group, the Bank's articles of association provide for the existence of the Board for International Strategy (BIS), an advisory body composed of individuals with recognised merit and related with the countries where the Bank operates or intends to invest.

The Chairman and Vice-Chairmen of the Board of Directors and the Chief Executive Officer are also part of this Board, due to their functions.

The Board for International Strategy is responsible for, namely:

- Assessing and pondering on the Group's global strategy and on the strategy for each country, issuing, when deemed convenient, recommendations to the Board of Directors;
- Monitoring the implementation of the Group's international strategy and investment strategy, issuing, when deemed convenient, recommendations to the Board of Directors.

The Bank's Board for International Strategy was elected by the General Meeting held on 28 February 2012 for the 2012/2014 mandate and on 31 December 2012 it was composed of the following members:

**Chairman:** Carlos Jorge Ramalho dos Santos Ferreira

**Vice-Chairmen:** Francisco de Lemos José Maria  
Josep Olliu Creus

**Members due to their functions:** António Vítor Martins Monteiro  
Carlos José da Silva  
Nuno Manuel da Silva Amado  
Pedro Maria Caláinho Teixeira Duarte

## C. Statutory Auditor and External Auditors

The Statutory Auditor is responsible for the examination of the company's accounts, pursuant to article 446 of the Companies Code, and namely:

- Verifying the regularity of the accounting books and records;
- Verifying that the accounting policies and valuation criteria adopted lead to the correct assessment of net worth and net income;

- Verifying the accuracy of the financial statements;
- Auditing the accounts and other relevant services;
- Preparing a monthly report on its supervisory activities;
- Participating in the meetings of the Board of Directors and of the Executive Committee whenever its presence is deemed relevant, namely, at the time of the approval of the Company's accounts.

The Statutory Auditors, permanent and alternate, elected at the General Meeting held on 18 April 2011, to hold office for the three-year period of 2011/2013, are:

**Permanent:** KPMG & Associados – Sociedade de Revisores Oficiais de Contas, S.A., represented by their partner Ana Cristina Soares Valente Dourado, ROC, nr. 1011;

**Alternate:** KPMG & Associados – Sociedade de Revisores Oficiais de Contas, S.A., represented by João Albino Cordeiro Augusto, ROC, nr. 632.

As with all other members of the Bank's Governing Bodies, the Statutory Auditor is also bound to continue in office up to the General Meeting which proceeds with the election of a new Statutory Auditor.

Under the terms of article 41, nr. 1 and of article 23, subparagraphs d) and e) of the Bank's Articles of Association, the Audit Committee has the power to prepare a proposal, to be submitted to the General Meeting, on the choice of statutory auditor and respective alternate and on the choice of external auditor of the Group.

## **D. Remuneration and Welfare Board**

The Remuneration and Welfare Board, in which the General Meeting delegated, for the three year period 2012/2014, the competence to establish the remuneration of the members of the governing bodies, as at 31 December 2012, had the following composition:

**Chairman:** Baptista Muhongo Sumbe (Not Independent, due to being bound to an entity owning a qualifying holding)

**Members:** Manuel Soares Pinto Barbosa (Independent)  
José Manuel Archer Galvão Teles (Independent)  
José Luciano Vaz Marcos (Independent)

The members of the Remuneration and Welfare Board are independent from the members of the management body and, with the exception of the chairman, who is related to an owner of a qualifying holding, are also independent in relation to the Company as confirmed by the respective curricula attached to the present report.

During the financial year of 2012, the Remuneration and Welfare Board met three times.

Each of the members of the Remuneration and Welfare Board, qualified as independent, earns an annual remuneration of 20,000 euros.

The Remuneration and Welfare Board is supported by the secretarial services administered by the Company Secretary.

## **II.2. Identification and composition of the specialised committees constituted with competences in management or supervision matters of the company**

In order to ensure and contribute to the good performance of its management duties, the Board of Directors delegated the day-to-day management of the Bank on an Executive Committee and constituted, in addition to the Audit Committee, elected at the General Meeting, four specialised commissions, entrusted with the permanent monitoring of certain specific matters.

Below is a summarised description of the duties, competences and composition of each of these bodies:

## A. Executive Committee

On 1 March 2012 the Board of Directors appointed an Executive Committee, under the terms of article 407, nr. 3 and 4 of the Companies Code and of article 35 of the Bank's articles of association, composed of seven of its members, which performs all of the Bank's day-to-day management functions that are not to be solely exercised by the Board of Directors.

**Chairman:** Nuno Manuel da Silva Amado

**Vice-Chairmen:** Miguel Maya Dias Pinheiro  
Miguel de Campos Pereira de Bragança

**Members:** Luís Maria França de Castro Pereira Coutinho  
José Jacinto Iglésias Soares  
Maria da Conceição Mota Soares de Oliveira Callé Lucas  
Rui Manuel da Silva Teixeira

The Chief Executive Officer must:

- Ensure that all information is provided to the remaining members of the Board of Directors relating to the activity developed and the resolutions adopted by the Executive Committee;
- Ensure compliance with the limits to the delegation of management powers and with the Bank's strategy;
- Coordinate the activities of the Executive Committee, distributing among its members the preparation or follow-up of the issues assessed or decided by this committee, chairing its meetings and monitoring the execution of its resolutions.

All the executive Directors are considered independent and are recognised for their technical competence, knowledge and professional experience appropriate to the performance of their respective duties and areas of responsibility under the internal organisation, as may be concluded from the analysis of the curricula presented in Annex I to this report. During the performance of their duties, the executive Directors have operated with the diligence of a careful and orderly manager, observing duties of loyalty, acting in the interest of the company and in consideration of the long term interests of the Shareholders and other stakeholders.

In accordance with the provisions of the Regulations of the Executive Committee, all the members are prevented from accepting or performing duties of any nature by appointment to a corporate office or through a work contract, in any other commercial company in which the Group led by Banco Comercial Português has no interests, unless the explicit prior authorisation of the company has been obtained.

During the financial year of 2012, the Executive Committee met 45 times.

This Committee was supported by secretarial services administered by the Company Secretary.

The Executive Committee is organised by Areas of Responsibility, as represented in II.3.

## B. Audit Committee

The Audit Committee is responsible for supervising the observance of the law and of the Company's articles of association, under the provisions of article 423-C, nr. 1, and article 391 of the Companies Code. This Committee is composed of a minimum of three and a maximum of five members, appointed together with the remaining directors. The proposals for the election of the members of the Board of Directors must point out which members will be part of the Audit Committee and indicate the respective Chairman.

This Committee was elected at the General Meeting held on 28 February for the three-year period 2012-2014 and is foreseen in nos. 1 and 2 of article 423-B of the Companies Code and, in observance of article 423-F of that diploma and its own Regulations, it is entrusted, namely, with the matters of supervision and efficacy of the risk management systems, internal control system and internal audit system. Accesses the call notices and minutes of the Executive Committee and participates in the meetings of that Committee in which the annual accounts of the Bank are assessed, verifies the accuracy of the documents presenting the accounts, prepares an annual report on its supervisory activities and issues opinions on the management report and the

financial statements, expressly declaring that it is in agreement with the content of the certification of accounts, or concerning share capital increases by deliberation of the Board of Directors. Verifies the regularity of the books, accounting records and documents supporting them, as well as the accounting policies, ensures that the valuation criteria adopted lead to the correct assessment of net worth and net income and of the process of preparation and dissemination of financial information. Proposes to the General Meeting the appointment of the statutory auditor and of the external auditor; supervises their respective activity and independence, in particular regarding the provision of additional services, the supervision of internal audit activity and receipt of communications of irregularities submitted by shareholders, employees or others, ensuring their follow-up by the Internal Audit Department or Ombudsman Office. The Audit Committee also has the power to engage the provision of services by experts to assist one or several of its members in the exercise of his/her/their functions. This engagement and the remuneration of the experts must take into account the importance of the issues committed to them and the Bank's economic situation.

This Committee is also responsible for the issue of opinions on contracts celebrated between the Bank and members of its governing bodies, under the terms of article 397 of the Companies Code, and on credit concession contracts – in any form or modality – that the Bank or any of the Group's subsidiary companies celebrates with members of their governing bodies or shareholders with more than 2% of the share capital of the Bank, calculated under the terms of article 20 of the Securities Code, as well as with entities that, under the legal framework of Credit Institution and Financial Companies, are related with them.

The Audit Committee informs the Board of Directors on a quarterly basis, in writing, of the activities developed and conclusions obtained and prepares an annual report of its activity to be presented to the Chairman of the Board of Directors, meets regularly with the external auditors and must meet at the time of assessment of the company's quarterly, half-yearly and annual reports. The Audit Committee receives the Reports of the Internal Audit Department, Statutory Auditor and External Auditors. The Audit Committee meets regularly with the Chief Financial Officer, Risk Officer, Compliance Officer and Head of the Internal Audit Department, and has the power to summon any Coordinating Director it wishes to hear. The Audit Committee also approves the remuneration and conditions for the suitable performance of duties by the Statutory Auditor and External Auditors.

During the financial year of 2012, the Audit Committee was composed as follows:

**Chairman:** João Manuel de Matos Loureiro (Independent)

**Members:** Jaime de Macedo Santos Bastos (Independent)  
José Guilherme Xavier de Basto (Independent)  
José Rodrigues de Jesus (Not Independent, appointed by the State for the period of enforcement of the public investment to strengthen the Bank's own funds)

All the elected members of this Committee, with the exception of the director appointed by the State, were, pursuant to the legal and statutory criteria, qualified as independent, having the appropriate competences and professional experience for the performance of their respective duties, as confirmed by the respective curricula attached to the present report.

During 2012, the Board of Directors met 17 times and its secretarial services were administered by the Head of the Board of Directors Support Office.

### **C. Commission For Risk Assessment**

This Commission is responsible for advising the Board of Directors on matters related to the definition of risk strategy, capital and liquidity management and market risk management, whose execution it monitors.

During the financial year of 2012, the Commission for Risk Assessment was composed as follows:

**Chairman:** João Bernardo Bastos Mendes Resende (Not Independent, due to being bound to an entity owning a qualifying holding)



**Members:** António Henriques de Pinho Cardão (Independent)  
 Pedro Maria Calaínho Teixeira Duarte (Not Independent, due to being bound to an entity owning a qualifying holding), resigned in October 2012  
 Bernardo de Sá Braamcamp Sobral Sottomayor (Not Independent, appointed by the State for the period of enforcement of the public investment to strengthen the Bank's own funds)

During 2012, the Commission for Risk Assessment met ten times and its secretarial services were administered by the Head of the Board of Directors Support Office.

#### **D. Commission for Ethics and Professional Conduct**

This Commission is responsible for evaluating the compliance function and, simultaneously, appraising compliance with the ethical principles for professional conduct stated in the various internal regulations, issuing, pursuant to a request made by the Board of Directors, opinions on the Code of Conduct and other documents defining business ethical principles.

During the financial year of 2012, the Commission for Ethics and Professional Conduct was composed as follows:

**Chairman:** António Manuel Costeira Faustino (Independent)

**Members:** Álvaro Roque de Pinho Bissaia Barreto (Independent)  
 António Henriques de Pinho Cardão (Independent)

During the financial year of 2012, the Commission for Ethics and Professional Conduct met nine times and its secretarial services were administered by the Company Secretary.

#### **E. Commission for Corporate Governance**

This commission was responsible for the permanent evaluation and monitoring of corporate governance matters, namely recommending the adoption by the Board of Directors of policies, rules and procedures necessary for the compliance with the applicable legal, regulatory and statutory requirements, as well as of best national and international practices in corporate governance aimed at contributing to the pursuit of the objectives of the company's social responsibility and sustainability, including, among others, principles and values to safeguard customers' interests, social solidarity and environmental protection. This commission also supported the Board of Directors in the assessment of the systems for the identification and resolution of conflicts of interest, and also informs this governing body of any situations or occurrences that, in its opinion, could constitute failure to comply with the established corporate governance rules and practices. Cooperates in the preparation of the Annual Corporate Governance Report concerning all issues for which it is responsible.

During the financial year of 2012, the Commission for Corporate Governance was composed as follows:

**Chairman:** António Vítor Martins Monteiro (Independent)

**Members:** António Luís Guerra Nunes Mexia (Not Independent, due to being bound to an entity owning a qualifying holding)  
 César Paxi Manuel João Pedro (Not Independent, due to being bound to an entity owning a qualifying holding)

During the financial year of 2012, the Commission for Corporate Governance met once and its secretarial services were administered by the Company Secretary.

#### **F. Commission for Nominations and Evaluations (Talent Management)**

The main goal of this Commission is to contribute to the development of talent management in the Group, being responsible for: Making or conveying to the Board of Directors recommendations on the appointment of new members of the Executive Committee, on the appointment or cessation of functions of Employees who are managers and report directly to the Board of Directors or Executive Committee, including for the exercise of functions in other institutions in which the Group has interests; monitor the Bank's policies regarding human resources and staff; collaborate with the Remuneration and Welfare Board, in the preparation of the performance assessment model of the Executive Committee of the Board of Directors, as well as in all remuneration policy aspects regulated by Bank of Portugal Notice nr. 10/2011. This Commission also has the power to approve technical and professional profiles and appoint, by delegation of the Board of Directors, among other heads, the head of the audit division, in accordance with

the opinion issued by the Audit Committee, the head of investors relations, the risk officer; the compliance officer and the group treasurer who must have a suitable profile and qualifications to perform their respective duties.

During the financial year of 2012, the Commission for Nominations and Evaluations was composed as follows:

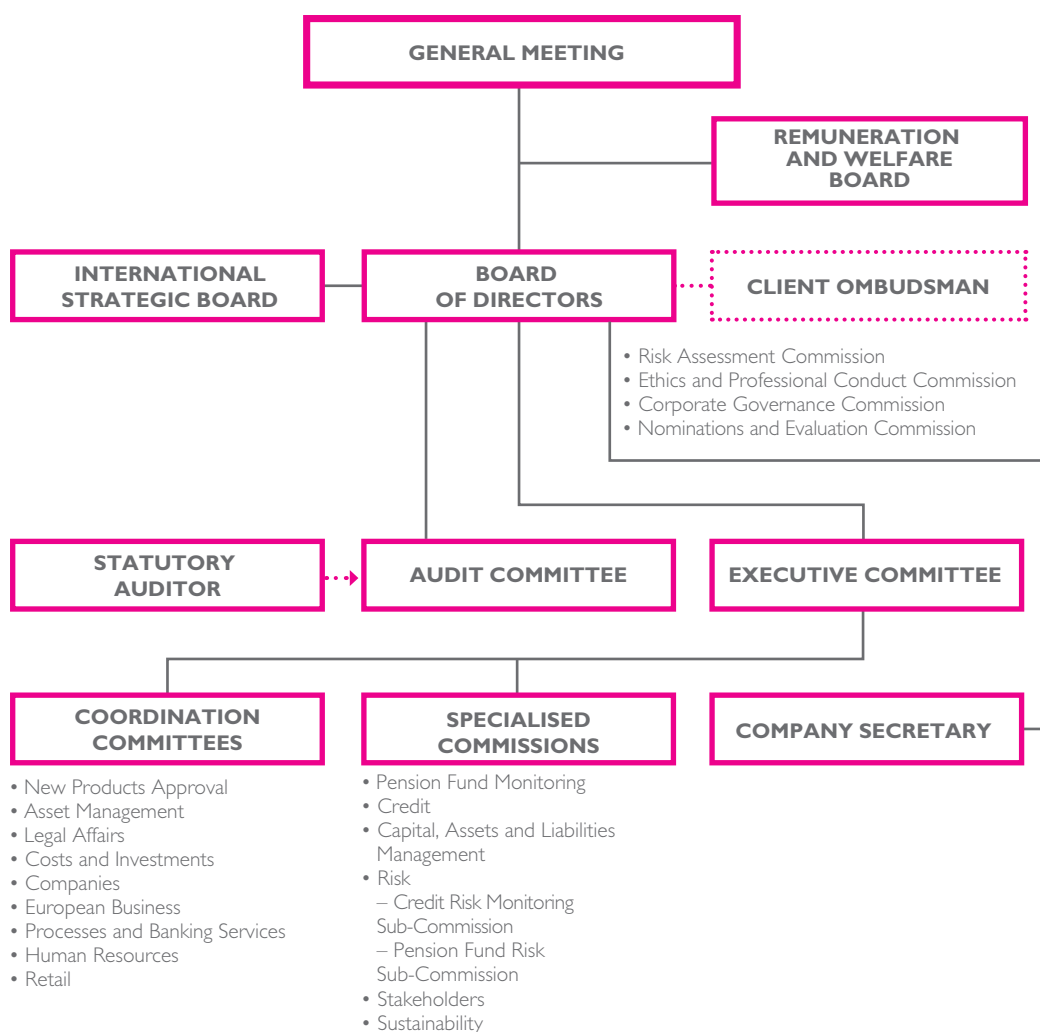
**Chairman:** Carlos José da Silva (Not Independent, due to being bound to an entity owning a qualifying holding)

**Members:** Álvaro Roque de Pinho Bissaia Barreto (Independent)  
Bernardo de Sá Braamcamp Sobral Sottomayor (Not Independent, appointed by the State for the period of enforcement of the public investment to strengthen the Bank's own funds)  
Nuno Manuel da Silva Amado (Executive)

During the financial year of 2012, the Commission for Nominations and Evaluations met six times and its secretarial services were administered by the Company Secretary.

**II.3. Organisational charts or flowcharts relative to the distribution of competences between the different governing bodies, committees, commissions and/or departments of the company, including information on the scope of the delegation of competences, in particular with respect to the delegation of the daily management of the company, or distribution of areas of responsibility amongst the members of the management or supervisory bodies, and list of matters which are not able to be delegated and of competences effectively delegated**

The diagram below represents the Corporate Governance Model structure of Millennium bcp in 2012:



Since the competences of the General Meeting, the Board of Directors and its specialised committees, and the Remuneration and Welfare Board and the Board for International Strategy have been addressed in detail in the points above, this number shall describe only the scope of action of the Ombudsman Office, the distribution of areas of responsibility of the Executive Committee and the main structures that report to them.

## OMBUDSMAN OFFICE

The Client Ombudsman Office of Millenium bcp has operating independence from the organic structure of the Bank, aimed at the defence and guarantee of the rights and interests of Customers.

The activity of the Client Ombudsman is based on principles of autonomy, impartiality, celerity, gratuitousness and confidentiality, governed by the Ombudsman's own Rules of Procedure, complying with the legal, prudential and recommendatory rules or internal procedures that regulates banking activity in general and the Bank in particular, and may, in making its assessment, adopt judgements of fairness with a view to obtaining the most suitable solutions.

Information on the Client Ombudsman and the services that support its activity, as well as the Rules of Procedure of the Client Ombudsman are available on the internal portal, on the Bank's Internet site, on the page with the following address:

<http://ind.millenniumbcp.pt/pt/Institucional/provedor/Pages/provedor.aspx>

During 2012, the position of Ombudsman continued to be held by Francisco José Anjos Salema Garção, a person of recognised competence and very considerable experience in the banking business, with no employment ties with Banco Comercial Português, S.A. or any company or institution controlled by the Bank.

During 2012, the Ombudsman Office received 1,427 communications from Customers, of which 66 were reported as appeals, 1,129 recorded as claims and 232 as requests.

Of the 66 appeals that were filed, all were appraised and concluded in 2012, with the average time of response having stood at 13 business days, representing a rate of conclusion in due time of 100%, and the percentage granted having been 30% of processes received. Four recommendations were formulated, two of which addressed to the Executive Committee of Millennium bcp and another two were addressed to the Board of Directors of Ocidental, which received the agreement of those bodies.

The appreciation of the 1,129 appeals was ensured with the collaboration of the Customer Attendance Service, with 1,052 appeals having been concluded in 2012. The rate of conclusion represented 93% of appeals, with 52% of the decisions being favourable to the claimants.

## EXECUTIVE COMMITTEE

Since this is an executive body of current management, there is no delegation of competences in the real sense of the term, but rather a clear distribution of areas of responsibility amongst the executive directors, who were assisted by various committees, commissions and departments during 2012.

The distribution of areas of responsibility amongst the members of the Executive Committee as at 31 December 2012 was as follows:

## EXECUTIVE COMMITTEE

Responsibilities and Alternate Directors

EXECUTIVE COMMITTEE			
<b>NUNO AMADO</b>			
Office of the Chairman of the EC			(MM)
Communications Division			(MM)
Human Resources Division			(MM)
<b>MIGUEL MAYA</b>		<b>MIGUEL BRAGANÇA</b>	
Risk Office	(MB)	Treasury and Markets Division	(MM)
Credit Division	(MB)	Investor Relations Division	(MM)
Rating and Evaluations Division	(MB)	Accounting and Consolidation Division	(MM)
Retail Recovery Division	(MB)	Research, Planning and ALM Division	(MM)
Specialised Recovery Division	(MB)	Performance and Costs Control Division	(MM)
Litigation Division	(MB)	Management Information Division	(MM)
Real Estate Business Division	(MB)	Tax Advisory Division	(MM)
Specialised Monitoring Division	(MB)	International Division	(MM)
<b>RUI MANUEL TEIXEIRA</b>		<b>LUÍS PEREIRA COUTINHO</b>	
Retail Banking Division – North	(LPC)	Companies Banking Division – North	(RMT)
Retail Banking Division – Centre North	(LPC)	Companies Banking Division – Centre	(RMT)
Retail Banking Division – Centre South	(LPC)	Companies Banking Division – South	(RMT)
Retail Banking Division – South	(LPC)	Companies Marketing Division	(RMT)
Retail Marketing Division	(LPC)	Foreign Business Support Office	(RMT)
Quality and Network Support Division	(LPC)	ActivoBank	(RMT)
Private Banking Division	(LPC)	Bank Millennium (Poland)	(RMT)
Millennium Gestão de Ativos	(LPC)	Millennium Bank (Greece)	(RMT)
Direct Banking Division	(LPC)	Banca Millennium (Romania)	(RMT)
Residents Abroad Division	(LPC)		
Banque Privée BCP (Switzerland)	(LPC)		
Millennium bcp Bank & Trust	(LPC)		
<b>CONCEIÇÃO LUCAS</b>		<b>IGLÉSIAS SOARES</b>	
Corporate Division	(IS)	Operations Division	(CL)
Large Corporate Division	(IS)	IT Division	(CL)
Investment Banking Division	(IS)	Logistics & Procurement Division	(CL)
International Strategic Research Office	(IS)	Legal Division	(CL)
Recapitalization Private Equity Fund	(IS)	Compliance Office	(CL)
Banco Millennium Angola (Angola)	(IS)	Audit Division	(CL)
Millennium BIM (Mozambique)	(IS)		
Millennium bcp Ageas	(IS)		

## COMPANY SECRETARY

The Company Secretary and the Alternate Company Secretary are appointed by the Board of Directors and their functions cease when the Board mandate reaches an end. Both were re-elected by the Board of Directors currently in office. Both have Law degrees, recognised technical and professional experience to perform the duties required by the position.

The duties of the Company Secretary include providing support to the Bank's governing bodies and respective committees in legal, administrative and logistics areas, ensuring their effective operation. It provides legal advice to the Bank and companies of the Group, on corporate and Corporate Governance matters, and is responsible for ensuring the registration process of the respective minutes both regarding the Supervisory Authorities and Trade Registers.

The Company Secretary is entrusted with the promotion and preparation of the General Meeting of Shareholders of the Bank and companies of the Group, answering requests made by shareholders and preparation of the Corporate Governance Report.

This unit also provides its contribution to and collaborates with all the Bank's areas, both executing and validating minutes or documents. It ensures the disclosure of internal institutional communications.

**Company Secretary:** Ana Isabel dos Santos de Pina Cabral

**Alternate Company Secretary:** António Augusto Amaral de Medeiros

## COMMITTEES, COMMISSIONS AND CORPORATE AREAS

Regarding the internal organisation and decision-making structure, in 2012 it is important to note the existence of a series of Committees and Commissions directly appointed by the Executive Committee which, apart from the Directors who were specifically entrusted with the monitoring of matters, include the Employees of the Bank or Group who are the Heads of their respective areas.

As at 31 December 2012 there were nine Committees, aimed at facilitating the coordination of current managerial decisions, involving the senior management of the units included in each Business Area, with a view to reconciling perspectives and supporting the managerial decision-making process of the Executive Committee.

### Committee for the Approval of New Products

The Committee for the Approval of New Products is composed of sixteen permanent members. In addition to five Directors with related areas of responsibility, Miguel Maya, Miguel Bragança, Iglésias Soares, Luís Pereira Coutinho e Rui Manuel Teixeira, this Committee is composed of the persons in charge of the Tax Advisory Department, Legal Department, Audit Department, Direct Banking Department, Compliance Office, which acted as secretary, Communication Department, Accounting Department, IT and Technology Department, Companies Marketing Department, Retail Marketing Department and Market Research.

This Committee had the primary mission and was entrusted with the analysis of the policy of approval, formalisation, and risk management inherent to the process of implementation, launch and commercialisation of new products and activities of the Institution, as well as correcting and rectifying specific characteristics of products or service or have them removed from the commercial circuit ensuring their suitability with the defined risk management policy and assessing any determinations or communications relative to the products or services issued by supervisory authorities.

### Asset Management Committee

The Asset Management Committee is composed of ten permanent members. The Head of the Group's insurance company participated by invitation. In addition to three Directors with related areas of responsibility, Luís Pereira Coutinho, Conceição Lucas and Rui Manuel Teixeira, this Committee is composed of the Heads of the Specialised Monitoring Department, Research, Planning and ALM Department, Companies Marketing Department, Private Banking Department, Treasury and Markets Department, through Banque Privée BCP Suisse and Market Research.

The mission of this Committee was to ensure the monitoring and coordination of investment processes and policies, benchmarks and guidelines of investment products managed and/or distributed by the Bank and Services of Asset Management, Management of Portfolios and Individual Customers, Treasury and Markets, Life Insurance and Private Banking, and high-level definition of scenarios of market evolution by relevant geographical area.

### Legal Affairs Committee

The Legal Affairs Committee is composed of eight permanent members. In addition to two Directors with related areas of responsibility, Miguel Maya and Iglésias Soares, this Committee is composed of the Heads of the Tax Advisory Department, Legal Department, Logistics & Procurement Department, Litigation Department, Cost Control and Performance Department and Company Secretary, which acted as secretary.

This Committee had the primary mission of ensuring an adequate coordination of the legal function between the different areas of the Bank and issuing an opinion on the external engagement of legal services.

This Committee was entrusted with the analysis of the suitability of the legal function relative to the objectives of the Bank and of the Group, promoting the effective coordination of the same, developing the awareness of Employees in general regarding legal affairs and encouraging the control and optimisation of internal and external legal means.

### Costs and Investments Committee

The Costs and Investments Committee is composed of seven permanent members and the Heads of other areas also participated by invitation only when justified by the topic under discussion. In addition to three Directors with related areas of responsibility, Miguel Maya, Miguel Bragança and Iglésias Soares, this Committee was composed of the Heads of the Purchase and Means Department, which acted as secretary, Cost Control and Performance Department, Management Information Department and Information Technology Department.

This Committee was entrusted with the regular monitoring of the operating evolution and optimisation of the processes involving negotiation and/or acquisition of the most relevant goods and services for the Bank and authorisation of charges and payments.

### **Companies Committee**

The Companies Committee is composed of fourteen permanent members, and the Heads of other areas also participated by invitation only when justified by the topic under discussion. In addition to the Directors with related areas of responsibility, Miguel Maya, Miguel Bragança, Luís Pereira Coutinho and Conceição Lucas, this Committee was composed of the Heads of the Specialised Monitoring Department, Investment Banking, Corporate Department, Companies Banking North, Centre and South, Large Corporates Department, Companies Marketing Department, which acted as secretary, Real Estate Business Department and Specialised Recovery Department.

This Committee ensured the analysis, preparation and planning of the monitoring and development of the Bank's business in the small and medium-sized enterprise (SME), Corporate, Large Corporates and Investment Banking segments and analysis of compliance with the objectives; definition of the priorities of the commercial action; approval of the products and services to be launched; analysis of the business context and proposal of commercial action and of the main risk indicators associated to the business, as well as analysis of the models of coordination of the business regarding their migration in the value proposal and their interconnection with the Bank's networks.

### **European Banking Committee**

The European Banking Committee is composed of four permanent members and included, in addition to the Director with the related area of responsibility and Luís Pereira Coutinho, the Heads of the Group's Banks in Poland, Greece and Romania.

This Committee ensured the monitoring of the activity of the Group's operations on European territory.

This Committee was entrusted with the analysis of the evolution of the activity in the different European operations; search for the best solutions to control costs; increase efficiency and streamline the activity of the different Banks; monitoring of the Process Management model and governance structure of the different operations and definition of the main policies on action and guidelines.

### **Banking Processes and Services Committee**

The Banking Processes and Services Committee is composed of nine permanent members. In addition to three Directors with related areas of responsibility, Iglésias Soares, Luís Pereira Coutinho and Rui Manuel Teixeira, this Committee is composed of Heads of the Purchase and Means Department, Cost Control and Performance Department, Information Technology Department, Operations Department, which acted as secretary, Quality and Network Support Department and Human Resources Department.

This Committee is entrusted with the monitoring of activity in the major areas of support to the Bank's front-end services; increase the number of mechanisms and processes to enhance efficiency, reduce costs and improve the business processes and monitoring of the management structure at the Bank, analysis of the evolution of the activities of areas involving the Committee, study of the best solutions to control costs, enhance efficiency and streamline the Bank's activity, definition and strengthening of the duties and competences of process owners, approval of proposals of innovation in the management of the Bank's resources and optimisation of their use; definition of policies regarding monitoring, procurement, control and contracting of outsourcing services to be used by the Bank; and definition of the analytical measurements and evolution of controllable variables by the Committee's areas, so as to ensure the continuous measurement of resource efficiency and productivity levels.

### **Human Resources Committee**

The Human Resources Committee is composed of four permanent members, and the Heads of other areas also participate by invitation only when justified by the topic under discussion. In addition to the three Directors with related areas of responsibility, Nuno Amado, Miguel Bragança and Iglésias Soares, the Head of the Human Resources Department was also a member of the committee and acted as secretary.



The primary mission of this Committee was the definition, decision and monitoring of the Bank's human resources policies to support the operating and business efficiency.

This Committee was entrusted with the definition of the strategy and approval of the Bank's human resource policies, namely monitoring of the top 10 KPIs of people management, hiring and internal mobility, intelligent rightsizing; compensation, benefits and programmes related to the recognition and involvement of employees, and talent management through the approval of mechanisms and timing of performance assessment, promotions, rotation and development plans, expatriation and acceleration of specific competences, as well as communication of human resources, internal, aimed at reinforcing the culture, expectations, strategic alignment and mobilisation of employees, and also branding and value proposal and the external image of human resources.

### **Retail Committee**

The Retail Committee is composed of thirteen permanent members and three non-permanent members who participated in meetings only when justified by the topic under discussion. In addition to the Directors with the related areas of responsibility, Miguel Bragança and Rui Manuel Teixeira, this Committee is composed of, as permanent members, the Heads of the Direct Banking Department, Communication Department, Management Information Department, Retail Marketing Department, which acted as secretary, Quality and Network Support Department, Retail Recovery Department, Foreign Residents Department, Retail Departments – North, Centre North, Centre South and South and, as non-permanent members, the Heads of the Real Estate Business, Human Resources and Insurance areas.

The main mission of this Committee was the monitoring and management of Retail Customers, with the objective of analysing the Bank's activity in this market segment and finding the best solutions for growth and enhancement of loyalty in this area. This Committee was entrusted with the monitoring of the activity and compliance with the objectives related with Individual and Business Customers; definition of the priorities of the commercial action; approval of products and services for Retail customers; analysis of the business context and proposal of commercial action so as to respond to this segment; and analysis of the models of coordination of the Individuals segment regarding their migration in the value proposition and networks of the Bank.

### **COMMISSIONS**

There were six Commissions in 2012, under the Executive Board of Directors, essentially with overall and transversal duties, responsible for pursuing the study and assessment, for each area of intervention, of the policies and principles which should guide the action of the Bank and Group.

#### **Pension Fund Monitoring Commission**

The mission of this Commission is the monitoring of Pension Funds. This Commission issues opinions on proposals to amend the respective constitutive contracts, and was established under the terms of article 53 of Decree-Law 12/2006, of 20 January, as amended by Decree-Law 180/2007, of 9 May.

Two permanent members of the Executive Committee are part of this Commission, one of which is the Vice-Chairman of the Executive Committee, Miguel Bragança and Rui Manuel Teixeira, member; and any other member of the Executive Committee, according to the themes scheduled, the Risk Officer, the Manager of Pensõesger (Pension Funds holding company), the Heads of the Research, Planning and Assets and Liabilities Management Department and of the Human Resources Department, which also performs secretarial duties for this Commission. The Bank invited the Workers Committee to send a representative to this Commission, having for this reason assigned one of the two places to which it was entitled. This Commission also includes three representatives of Bank Sector Unions.

#### **Capital Assets and Liabilities Management Commission (CALCO)**

The main duties of this Commission are the monitoring and management of market risks associated to the asset and liability structure, the planning and allocation of capital and definition of suitable policies for liquidity and market risk management, for the Group as a whole. Seven permanent members of the Executive Committee are part of this Commission, including the Chairman and the two Vice-Chairmen, as well as the Heads of the Corporate Department, Research, Planning and Assets and Liabilities Management Department, which acted as secretary, Management Information Department, Companies Marketing Department, Retail Marketing Department, Risk Officer, Treasury and Markets Department and the International Strategic Research Office, by invitation.

### **Credit Commission**

This Commission, with the composition and competences stipulated in the Credit Concession, Monitoring and Recovery Regulations, deliberates on the granting of loans and advances to customers (integrated or not in economic groups), whenever this involves an increase of exposure above 20 million euros, or, for situations where the Bank's exposure is above 50 million euros, for occasional operations above 10 million euros and for proposals of renewal or review of credit lines and ceilings which are within the preceding values.

The Credit Commission is composed of a minimum of three members of the Executive Committee, the Heads of the Credit Department, Specialised Recovery Department, Retail Recovery Department, Legal Department, Litigation Department, Rating and Assessment Department and the Risk Officer of the Group. This Commission also includes, according to the specific operations to be assessed and/or their nature, the Coordinating Directors of the Commercial Areas, Investment Banking Department, Specialised Monitoring Department and Real Estate Business Department, Level 3 Credit Directors and the Compliance Officer.

This Committee is supported by secretarial services administered by the Company Secretary.

### **Risk Commission**

This Commission is responsible for monitoring overall risk levels (credit, market, liquidity and operating risk), ensuring that these are compatible with the objectives, the available financial resources and strategies approved for the development of the Group's activity.

All the members of the Executive Committee, the Compliance Officer, the Risk Officer, which acted as secretary, the Heads of the Audit Department, Credit Department, Research, Planning and Assets and Liabilities Management Department, Management Information Department, Rating and Assessments Department and Treasury and Markets Department are part of this Commission.

Two Sub-Commissions operate under the Risk Commission, the Pension Fund Risk Sub-Commission and the Credit Risk Monitoring Sub-Commission.

The Pension Fund Risk Sub-Commission is responsible for monitoring the performance and risk of the Group's Pension Funds and defining suitable hedging and investment policy strategies.

Nuno Amado, Chairman of the Executive Committee, Miguel Bragança, Vice-Chairman and Conceição Lucas, member of the Executive Committee, as well as a representative of F&C, the General Manager of Pensões gere and the Heads of the Research, Planning and Assets and Liabilities Management Department, Human Resources Department and the Risk Officer, who administers the secretarial services for this Sub-Commission, are part of this Sub-Commission.

The Credit Risk Monitoring Sub-Commission is responsible for monitoring the evolution of credit exposure and of the contracting process, as well as the quality of the portfolio and key performance and risk indicators, as well as counterparty risk, risk of concentration of the highest exposures and the evolution of impairment and the main cases analysed at an individual level. This sub-commission also analyses the performance of the recovery processes and supervises the divestment of the real estate portfolio. It submits proposals for the definition of credit concession policies and regulations, PD and LGD models and the models underlying the calculation of impairment as well as the automatic decision-making and credit recovery processes.

Miguel Maya, Vice-Chairman of the Executive Committee and Luís Pereira Coutinho, Conceição Lucas and Rui Manuel Teixeira, members of the Executive Committee, as well as the Risk Officer, who administers the secretarial services, the Heads of the Corporate Department, Credit Department, Management Information Department, Companies Marketing Department, Retail Marketing Department, Real Estate Business Department, Rating and Assessments Department, Retail Recovery Department and Specialised Recovery Department are also members of this Sub-Commission.

### **Stakeholders Commission**

This Commission is responsible for relations with Stakeholders, functioning simultaneously as a privileged channel for the disclosure of internal information and as a forum of debate and strategic advice for the Board of Directors.

Some of its members are persons of high and publicly recognised merit and prestige, without ties to the Bank, and are invited amongst the main Stakeholders, namely shareholders, employees, customers and civil society.

The Chairman of the Board of Directors, the Chairman of the Executive Committee, three members of the Executive Committee, the Chairman of the Board of the General Meeting of the Bank, the Ombudsman of Millennium bcp, a representative of the Workers Commission, a representative of the Fundação Millennium bcp, a representative of Customers, a representative of Suppliers and a representative of Universities are part of this Commission.

### Sustainability Commission

This Commission is responsible for submitting proposals for decision-making on topics related to the action plan based on the sustainability policy, as well as monitoring and reporting on the degree of achievement of the approved initiatives, and supervision of the preparation of reports and other communication formats in the area of sustainability.

Miguel Maya, Iglésias Soares and Rui Manuel Teixeira, Vice-Chairman and member of the Executive Committee respectively, and the Heads of the Communication Department, Quality and Network Support Department, Purchases and Means Department, Companies Marketing Department, Retail Marketing Department, Human Resources Department, Cost Control and Performance Department, who administers the secretarial services, and a representative of the Fundação Millennium bcp are part of this Commission.

## BUSINESS AREAS AND SUPPORT UNITS

The chart below presents the Group's current organisation relative to business activity and support.

### INTERNAL ORGANIZATION MODEL

Business Areas and Support Units



Amongst the corporate areas, in view of the respective duties, it is considered that more detailed information should be presented relative to the Compliance Office, Audit Department and Risk Office.

## Compliance Office

The mission of the Compliance Office is to ensure that the management bodies, functional structures and all the Employees comply with the legal, regulatory and normative rules which guide the activity of the Bank and its associates.

In the performance of its duties, the Compliance Officer worked with the Executive Committee, to which it reports hierarchically and, in the matters defined by the latter, to the Audit Committee and to the Commission for Ethics and Professional Conduct. The Compliance Office performs its duties in an independent, continuous and effective manner, being responsible for namely:

- Monitoring the effective risk management in articulation with the other bodies of the internal control system and assessing the suitability and efficacy of the measures and procedures adopted to detect default risk, as well as providing, in this matter, advice to management bodies;
- Monitoring the internal control procedures, without prejudice to the competences of the other bodies of the internal control system;
- Preparing and submitting to the management and supervisory bodies, at least on an annual basis, a report identifying any non-compliance observed and the measures adopted to correct them;
- Promoting the development and implementation of a culture of compliance, intervening and participating in the preparation of the Group's relevant policies, such as the policy on the prevention of money laundering and combat against the financing of terrorism, the policy of acceptance of customers and policy on conflicts of interest, also participating actively in the policy on employee training, to ensure an adequate knowledge on topics related to compliance and the development of a culture of internal control within the Group.

The policies, principles and procedures in force are extended to all of the Group's international operations, through the action of the local Compliance Officers whose functional coordination ensures the alignment of strategies and the control and coordination of the compliance action plan. The Compliance function falls within the scope of the activities subject to assessment by the Commission for Ethics and Professional Conduct, which assesses the procedures established and the compliance observed.

**Head of Group Compliance:** Isabel Maria dos Santos Raposo

## Audit Department

The Audit Department is responsible for the Internal Audit function of Banco Comercial Português. This Department carries out its mission by adopting principles of internal auditing which are internationally recognised and accepted, applied from an integrated perspective, issuing recommendations based on the outcome of the assessments made, aimed at adding value to the organisation and improving the control and quality of the Bank's operations, contributing to the achievement of its strategic interests and ensuring that:

- The risks are duly identified and managed, and the implemented controls are correct and proportional to the risks;
- The system of assessment of the Bank's capital is adequate in relation to its level of exposure to risk;
- The operations are recorded correctly and the operational, financial and managerial information is rigorous, reliable and in due time;
- The safeguarding and security of the interests and assets of the Bank and Group or which were entrusted to them are duly ensured;
- The legal and regulatory matters of impact on the organisation are recognised, clearly understood and duly addressed.

The Audit Department's mission also includes activity relative to prevention, detection and control of non-compliance to internal rules and other rules applicable to the activity, as well as the occurrence of fraud.

The activity of the Audit Department contributes to the pursuit of the objectives defined in Bank of Portugal Notice nr. 5/2008 for the internal control system of institutions covered by the General Framework for Credit Institutions and Financial Companies, ensuring the existence of:

- An adequate control environment;
- A solid risk management system;
- An efficient information and communication system;
- An effective monitoring process.

In the performance of its duties the Audit Department relates with the Executive Committee, on which it depends hierarchically, and with the Audit Committee, to which it reports directly and functionally.

**Head of Audit:** Mário António Pinho Gaspar Neves

### **Risk Office**

The main function of the Risk Office is to support the Board of Directors in the development and implementation of risk management and internal control processes, as described in greater detail in point II.5.

In the performance of its duties, the Risk Officer relates with the Board of Directors, on which it depends, as well as the Audit Committee, to which it reports directly.

**Risk Officer:** José Miguel Bensliman Schorcht da Silva Pessanha

### **II.4. Reference to the fact that the annual reports on the activity developed by the General and Supervisory Board, the Financial Matters Committee, Audit Committee and Audit Board include a description of the supervisory activity carried out, noting any constraints detected, and are disclosed on the company's Internet site, together with the documents presenting the accounts**

The description of the supervisory activity carried out by the Audit Committee is in the annual report published together with the documents presenting the accounts, which are disclosed on the Bank's Internet site, on the page with the following direct address:

<http://ind.millenniumbcp.pt/en/Institucional/investidores/Pages/Inv.aspx>

### **II.5. Description of the internal control and risk management systems implemented in the company, namely, relative to the process of disclosure of financial information, mode of functioning of this system and its efficacy**

The Internal Control System is based on three control functions – Risk Management, Compliance and Internal Audit – to attain the goals set forth by Notice 5/2008 of Banco de Portugal:

- An efficient and profitable performance of the activity;
- That there is financial and management information that is complete, material, reliable and timely;
- Abidance by all applicable legal and regulatory provisos.

The three functions are exercised by specific Departments, for the entire Group, keeping a close relation with the Audit Committee of the Company. The respective Heads are appointed by the BoD of the Company and report to it directly.

Through the interaction of the internal control mechanisms implemented by these three functions (often involving other central structure units and units that directly support the BoD), the Company has a solid Risk Management System (SGR) and an effective Information and Communication System (SIC):

- The SGR ensures that the nature and seriousness of the underlying risks are adequately measured, as well as controlled, enabling an appropriate setup of the strategy and compliance with the institution's goals;
- The SCI carries out all the formal procedures to gather and handle information, adapted to the size, nature and complexity of the activities undertaken, meant to support the decision-making and to enable full compliance with the obligations to report to third parties, namely supervision authorities.

## **II.6. Responsibility of the management body and supervisory body in the creation and operation of the company's internal control and risk management systems, as well as in the assessment of their operation and adjustment to the company's needs**

### **RESPONSIBILITIES OF THE BOARD OF DIRECTORS WITHIN THE SCOPE OF THE INTERNAL CONTROL SYSTEM**

In the context of the Internal Control System and, more specifically, of the Risk Management System, the Board of Directors has adequate knowledge of the types of risks to which the institution is exposed and of the processes used to identify, assess, monitor and control these risks, as well as the legal obligations and duties to which the institution is subject, being responsible for ensuring that the Bank has effective internal control systems and promotes the development and maintenance of an appropriate and effective risk management system.

Hence, the management body of Banco Comercial Português:

- Defines and reviews the overall objectives and specific objectives for each functional area, with respect to the risk profile, decision levels and degree of tolerance relative to risk;
- Approves policies and procedures which are specific, effective and adequate for the identification, assessment, monitoring and control of the risks to which the institution is exposed, ensuring their implementation and compliance;
- Verifies, in a regular manner, compliance with the risk tolerance levels and risk management policies and procedures, assessing their efficacy and continuous adequacy to the institution's activity, so as to enable the detection and correction of any failings;
- Ensures that the risk management activities have sufficient independence, status and visibility and are subject to periodic reviews;
- Issues opinions on the reports prepared by the Risk Management and Compliance units, namely, on the recommendations for the adoption of preventive or corrective measures;
- Ensures the effective implementation of its guidelines and recommendations so as to introduce corrections and/or improvements in the Risk Management System.

The management body is also responsible for ensuring the implementation and maintenance of information and reporting processes which are suitable to the institution's activity and risks, for defining the accounting policies to be adopted, for establishing the guidelines and for defining the decisions which, in the context of such policies, must be taken, in order to ensure the reliability of the financial reporting. Therefore, and at a more operational level, it is responsible for approving the reporting or external disclosure outputs produced for this effect.

### **RESPONSIBILITIES OF THE AUDIT COMMITTEE AND STATUTORY AUDITOR IN THE CONTEXT OF THE INTERNAL CONTROL SYSTEM**

Regarding the Internal Control System and pursuant to Bank of Portugal Notice nr. 5/2008, the responsibilities of the supervisory body and Statutory Auditor are as follows:



- On an individual basis: issue of a detailed opinion by the supervisory board on the efficacy/adequacy of the Internal Control System and issue of an opinion by the Statutory Auditor on the process of preparation and disclosure of individual financial information (Financial Reporting); and
- On a consolidated basis: issue of an opinion by the supervisory body of the parent company of the Group, which should include a reflection on the consistency of the internal control systems of the subsidiaries, including subsidiaries abroad and off-shore establishments, where this opinion may be based on the respective opinions prepared for the effect by the supervisory bodies of each subsidiary, and issue of an opinion by the statutory auditor on the process of preparation and disclosure of consolidated financial information (Financial Reporting).

### **III.7. Indication of the existence of working regulations for the corporate bodies, or other rules relative to incompatibilities defined internally and the maximum number of positions which can be accumulated, and place where they can be consulted**

In addition to the legal and regulatory provisions to which these bodies and their members are subject on this matter, all the management and supervisory bodies have their own working Regulations, which may be consulted on the Bank's Internet site, on the page with the following direct address:

<http://www.millenniumbcp.pt/pubs/pt/investidores/governacaocorporativa/normas/regimentoca/>

In general terms, the incompatibilities system stipulated in the Companies Code, pursuant to the Bank's governance model during 2012, was applicable to the Board of Directors and prohibited members being persons who have interests in the company that might place in question the impartiality which should guide the action of members of a body with exclusive and full responsibility in the management and representation of the Company.

On this matter, the Articles of Association and Regulations of the Board of Directors also reveal, in article 12, nr. 1 and 4, under the title "independence", that "for the effect of the present articles of association, people who are not associated to any specific group of interests of the Bank, nor are under any circumstances able to affect their unbiased analysis or decision-making are deemed to be independent".

## **SECTION II – BOARD OF DIRECTORS**

### **II.8. Should the chairman of the management body perform executive duties, indication of the mechanisms for the coordination of the work of the non-executive members which ensure the independent and informed character of the decisions**

The Chairman of the Board of Directors does not have executive functions.

### **II.9. Identification of the main economic, financial and legal risks to which the company is exposed during the exercise of its activity**

On this issue, see the information provided in the Annual Report for 2012, Chapters – Risk Management and Main Risk Factors.

### **II.10. Powers of the management body, namely with respect to deliberations to increase share capital**

Under the terms of the Articles of Association of the Bank, the Board of Directors has powers to, when it believes this to be convenient and after having obtained the favourable opinion of the Audit Committee, increase the share capital, once or more times, until the limit of the value of the existing share capital when the authorisation was granted or at the time of the renewals of this authorisation.

At the present date the share capital of the Bank is 3,500,000,000 euros and at the date of the last renewal of the authorisation it was 3,000,000,000 euros.

The last authorisation to deliberate on a share capital increase was granted at the General Meeting held on 31 May 2012, where the amount used in 2012 was 500,000,000.00 euros. The share capital increase through new cash entries was intended for subscription by shareholders in the exercise of their legal pre-emptive right, of a total amount of 500 million euros, undertaken on 4 October 2012 at the price of €0.04 per share.

Moreover, the Bank's Articles of Association stipulate that, exclusively with respect to any possible increase or increases of share capital that might be deliberated by the Board of Directors, with the favourable opinion of the Audit Committee, through conversion of credit to which the State might be entitled as a result of execution of guarantees provided under Law nr: 60-A/2008, of 20 October; and which are legally considered share capital increases in cash, the authorisation stipulated above must have a maximum, autonomous and additional limit, equal to twice the current value of the Bank's share capital or existing share capital at the time of any renewal of this authorisation, where any possible increases through conversion of State credit do not count for the effect of use of the maximum amount established above, and where any shares to be issued may be preferred shares under the legal and statutory terms.

Regarding all other competences of the Board of Directors, see Chapter II.1 subparagraph A) of this Report where they have been enumerated briefly.

### **II.1.1. Information on the policy of rotation of the areas of responsibility within the Board of Directors, namely of the chief financial officer, as well as on the rules applicable to the nomination and replacement of members of the management and supervisory bodies**

There is no policy of rotation of the areas of responsibility within the Board of Directors.

The day-to-day management team – the Executive Committee – is chosen as a whole and with special focus on their respective cohesion, taking into account the capacities, qualifications and professional experience of each member; and considering that it would be counterproductive to have a rigid and abstract policy of rotation of areas of responsibility.

The action of Banco Comercial Português on this matter has been, at any given time and after careful consideration of the characteristics and personal and professional experience of each Executive Director, to proceed with the rotations deemed suitable to safeguard the interests of the Company. Therefore, the rotation of areas of responsibility has occurred with some regularity, which falls within the competence of the Board of Directors.

Miguel de Bragança, Chief Financial Officer in office as at 31 December, was appointed on 1 March 2012.

The Statutory Auditor and the external auditor are elected at the General Meeting, by proposal from the Audit Committee, and in the event of the occurrence of vacancies which cannot be filled by the elected alternate members, only the General Meeting can proceed with their respective appointment through a new election. Therefore, any rotation is entrusted solely to the shareholders.

Regarding the members of the Board of Directors, which are also elected at the General Meeting, in the event of a vacancy or temporary impediment of any of these members, this body is responsible for appointing an alternate member. The appointment of directors under the circumstances described above must, imperatively, be submitted for ratification at the first General Meeting after this appointment.

### **II.1.2. Number of meetings of the management and supervisory bodies and reference to the drawing up of the minutes of these meetings**

See the answer to II.1.3.

**II.13. Indication of the number of meetings of the Executive Committee or Executive Board of Directors, and reference to the drawing up of the minutes of these meetings and their remittance, accompanied by the call notices, as applicable, to the Chairman of the Board of Directors, to the Chairman of the Audit Board or of the Audit Committee, to the Chairman of the General and Supervisory Board and to the Chairman of the Financial Matters Committee**

During the financial year of 2012, the Board of Directors held 17 meetings, with an attendance rate of 96.20%. All absences were duly and previously justified.

During the financial year of 2012, the Executive Committee held 45 meetings, as a rule on a weekly basis, with an attendance rate of 93.33%. All absences were justified in due time.

During the financial year of 2012, the Audit Committee held 17 meetings, with an attendance rate of 100%. All absences were justified in due time.

Minutes were drawn up of all the meetings of the Board of Directors, Executive Committee and Audit Committee.

The supporting documentation of each meeting of the Board of Directors, including draft agendas, supporting documents and draft minutes for approval, was sent by the Company Secretary, as a rule, two business days in advance, to the members of the Board of Directors, the Supporting Office of the Board of Directors and the Executive Committee.

**II.14. Distinction between the executive and non-executive members and, amongst them, discrimination between the members which would comply, if the rules on incompatibilities established in nr. 1 of article 414-A of the Companies Code were applicable to them, with the exception stipulated in subparagraph b), and the independence criteria established in nr. 5 of article 414, both of the Companies Code**

The Board of Directors is currently composed of twenty-two members, of which seven are permanent and fifteen are non-permanent. The Bank considers that this composition guarantees the effective capacity to manage, supervise and assess the activities of the Executive Committee.

Of the fifteen non-executive directors, seven directors did not meet the requisites of independence, five due to being related to entities with holdings greater than 2% of the Bank's capital and two directors due to having been appointed by the State for the period of enforcement of the public investment to strengthen the Bank's own funds.

The non-executive directors qualified as independent represent a percentage of 53.33%, much higher than the minimum 25% of independent directors recommended by the CMVM. All the directors comply with the incompatibilities regime established in nr. 1 of article 414-A of the Companies Code and performed their respective duties observing the duties of zeal, care and loyalty, pursuant to the high standards of professional diligence.

The chairman of the Board of Directors, the directors that compose the Audit Committee, with exception of the State representative, and the members of the Commission for Ethics and Professional Conduct are qualified as independent directors.

The process of verification of the independence of the non-executive directors is described in chapter II.15.

The non-executive directors participate in all the meetings of the Board of Directors, accompanying in this way the evolution of the activity of the Bank, being able to formulate questions to other governing bodies or internal structures of the Bank. In the performance of duties in 2012, the Board of Directors did not detect any constraints.

## **II.15. Indication of the legal and regulatory rules and other criteria underlying the assessment of the independence of its members made by the management body**

The adopted qualification of independence incorporates the requirements stipulated in the Bank's Articles of association, in nr. 5 of article 414 of the Companies Code, by reference from article 423-B, nr. 3 of that diploma, as well as those of number 2 of the Corporate Governance Recommendation issued by the Bank of Portugal in the Circular Letter nr. 24/2009/DSB, of 27 February 2009.

The Board of Directors, in performing its duties relative to the assessment and monitoring of the structure, principles and practices of the corporate governance of the Bank confirmed the effective independence of the qualified members as independent directors.

The elected members of the Audit Committee are, under the terms of article 423-B, nos. 3, 4 and 5 of the Companies Code, subject to assessment of their independence and verification of the non-existence of situations considered incompatible with the performance of their position. Their performance must focus on a company monitoring/supervision function and, in this sense, each one is a disinterested outsider and/or an objective monitor.

At the start of the mandate, with the aim of collecting relevant information for the assessment of the abovementioned qualifications, questionnaires were prepared and sent to each Director, including the members of the Audit Committee, in order to be personally completed, signed and subsequently returned.

As a result of CMVM Regulation nr. 1/2010 which requires detailed information in the Corporate Governance Report on the non-executive directors that would meet, if applicable to them, the rules of incompatibility provided in nr. 1 of article 414-A, with the exception of that foreseen in sub-paragraph b), and the criteria of independence enshrined in nr. 5 of article 414 of the Companies Code, with the aim of collecting relevant information for the assessment of the abovementioned situations, questionnaires were also prepared and sent to each member of the Board of Directors, in order to be personally completed, signed and subsequently returned.

With regards to the members of the Board of the General Meeting who are, under the provisions of article 374-A, nr. 1 of the Companies Code, subject to assessment of their independence and verification of the non-existence of situations considered incompatible with the performance of their duties, each member was also sent a questionnaire in order to be personally completed, signed and subsequently returned.

The referred questionnaires serve as a basis for the collection of relevant information on the abovementioned assessment, setting out issues on requirements, in accordance with the Companies Code, which determine the quality of independence and on situations of incompatibilities enshrined in the same diploma.

## **II.16. Indication of the rules of the process of selection of candidates to non-executive directors and way they ensure the non-interference of the executive directors in this process**

The General Meeting freely elects the members of the Bank's Board of Directors, therefore the last word on the choice of directors belongs to the college of shareholders, according to article 376, nr. 1, sub-paragraph d) of the Companies Code. The executive directors are part of the Executive Committee, appointed by the Board of Directors, to which the latter delegates the management of the Bank. The executive directors do not therefore dominate or control the selection process. The non-executive directors, namely the independent ones, perform an important internal function of monitoring and supervision of the activities of the executive directors and of the governance activity in general, with a specific focus on the prevention and management of conflicts of interest. The Regulations, specifically for the non-executive directors, enables the maintenance of a proactive posture relative to management performance, questioning the decisions adopted and protecting the interests of the shareholders and other stakeholders.

The Commission for Nominations and Evaluations (Talent Management) composed of a majority of non-executive directors, has a relevant role in the preparation and support it provides to the Board of Directors, namely in the process of selection of candidates to fill any vacancies that may arise in that body.

#### **II.17. Reference to the fact that the company's annual management report should include a description of the activity developed by the non-executive directors and any constraints which have been detected**

Reference is made here to the Report of the Board of Directors and to the Annual Report of the Audit Committee – which are disclosed together with this Corporate Governance Report and are an integral part of the financial statements.

#### **II.18. Professional qualifications of the members of the Board of Directors, indication of the professional activities carried out by them, at least, over the past five years, number of company shares they own, date of the first nomination and date of the end of mandate**

Annexes I and II to this Report indicate the qualifications and professional activities carried out by the members of the Board of Directors, as well as the number of company shares they owned as at 31 December 2012.

The members of the Board of Directors were elected at the General Meeting that was held on 28 February 2012.

Within the scope of the Bank's recapitalisation operation, and in conformity with the provisions in article 14, nr. 2, of Law nr. 63-A/2008 of 24 November (amended and republished by Law nr. 4/2012 of 11 January) and in nr. 2 of the Annex to the Ordinance nr. 8840-B/2012, of 28 June, the State, through Ordinance nr. 15463-A/2012, published on 4 December 2012, appointed two directors as its representatives in the Bank's governing bodies.

#### **II.19. Positions held by members of the management body in other companies, detailing those held in other companies of the same group**

The positions held by members of the management board in other companies of the Group, in the interest of the Group or outside the Group, are indicated in Annex I to the present Report.

### **SECTION III – GENERAL AND SUPERVISORY BOARD, FINANCIAL MATTERS COMMITTEE AND AUDIT BOARD**

#### **II.21. to II.28.**

Not applicable.

#### **II.29. Description of the remuneration policy, including, namely, that of the directors in observance of number 3 of article 248-B of the Securities Market Code, and that of other workers whose professional activity might have a relevant impact on the company's risk profile and whose remuneration contains an important variable component**

On 31 May 2012, the Board of Directors submitted to the General Meeting, for deliberation with a binding character, the policy on the remuneration of the respective employees, directors, in observance of nr. 3 of article 248-B of the Securities Market Code, and other employees, prepared by it and approved pursuant to article 2, nr. 3 of Law nr. 28/2009, also taking into consideration the applicable rules and recommendations, namely the technical criteria of point XI of the annex to DL nr. 104/2007, of 3 April, introduced by article 4 of DL nr. 88/2011, of 20 July, as well as the provisos of CMVM Regulation nr. 1/2010 and Bank of Portugal Notice nr. 10/2011, published in Diário da República, Series II, nr. 6, of 9 January 2012, which established the recommendations and criteria to be followed in the definition of the remuneration policy to be adopted by the institutions covered by nr. 1 of article 1 of Bank of Portugal Notice nr. 10/2011.

The remuneration policy in force gained the approval of 99.97% of votes cast, with the meeting having been attended by shareholders or their representatives holding 41.60% of the share capital, its composition being as follows:

## **“REMUNERATION POLICY**

### **Framework**

1. The Conselho Nacional de Supervisores Financeiros (CNSF) (Portuguese Board of Financial Supervisors) recognizing the need to establish a common practice in what concerns remuneration policies, aligned with international recommendations and principles, promoted an initiative aimed at ensuring an appropriate and consistent compliance by the financial institutions with healthy and prudent remuneration policies.

Within this context, the Notice nr. 1/2010, dated 26 January of Banco de Portugal, established the information that must be disclosed on the remuneration policy of the members of management and supervision bodies and of Employees that, though they are not members of management and remuneration bodies, earn a variable remuneration and exercise control functions subject to Notice nr. 5/2008 dated 1 July of Banco de Portugal, exercise other professions that may have a material impact on the company's risk profile or have regular access to privileged information and take part in the management and strategy decisions of the company.

In addition, the Circular Letter nr. 2/10/DSBDR dated 1 February 2010 established the recommendations and criteria to observe in the definition of the remuneration policy to be adopted by the institutions ruled by Article 1 (1) of the Notice nr. 1/2010 of Banco de Portugal, from a “comply or explain” perspective, implying that the failure to adopt those recommendations and criteria by the supervised institutions must be duly explained.

### **General Principle**

2. The Remuneration Policy of Banco Comercial Português must be consistent with an efficient risk management control, avoiding excessive exposure to risk and also be coherent with the long-term objectives, values and interests of the institution, namely with its prospects in terms of sustained growth and profitability and with the protection of the interests of both customers and investors.

The Remuneration Policy also took into account the transparency and adequacy goals set in what regards the evaluation and supervision requisites established by Banco de Portugal.

The Staff Management Support Department coordinated the definition of the Remuneration Policy, which involved the participation of the people in charge of the control function. The opinion issued by external consultants was also taken into consideration.

### **Remuneration Policy Criteria**

3. The Remuneration Policy of Banco Comercial Português complies with all the criteria set forth by the Circular Letter nr. 2/10/DSBDR dated 1 February 2010, and therefore establishes the following:

- 3.a) The fixed remuneration of the senior executives has to represent a sufficiently high proportion of the total remuneration so as to enable the application of an extremely flexible policy on the variable portion of the remuneration, admitting the possibility of not paying any variable component;
- 3.b) The variable component of the remuneration of the senior executives is subject to a ceiling;
- 3.c) The payment of a significant portion of the variable remuneration component must be made by means of financial instruments, whose valuation is connected to the medium- and long-term performance of the institution;
- 3.d) The quantification of the variable component of the remuneration must additionally depend on non-financial criteria and must partially derive from the collective performance of the unit where the Employee works;
- 3.e) The variable remuneration must be attributed according to pre-determined measurable criteria and be based on a pluriannual framework;
- 3.f) The payment of part of the variable remuneration must be deferred;
- 3.g) The amount of the variable remuneration of the Employees that exercise control functions depends on the fulfilment of the objectives related to their respective functions and not those of the areas controlled by them.

**Composition of the Remuneration and Relation between the Fixed Remuneration and the Variable Remuneration**

4. The Employees of Banco Comercial Português earn a fixed Monthly Remuneration, paid 14 times/year, based on the amounts defined in the employment agreement. The nature of each function and the respective level of demand and responsibility determine the attribution of other remuneration components, namely a supplement and/or exemption of work schedule, which must be approved by the Executive Board of Directors or by those empowered for that purpose by the EBD.
5. The criteria approved for the Remuneration Policy of all Employees in general also apply when determining the variable annual component of the remuneration of Coordinating Managers, Heads of units that report directly to the Executive Board of Directors, Employees of the second structure level of the Audit Department, Compliance Office, Risk Office, Rating Department, Credit Department and Treasury and Markets Department, to other Employees who have regular access to privileged information and other Employees who earn a fixed remuneration of 100,000 euros/year or more.
6. The variable portion of the remuneration of the above mentioned Employees should not exceed 37.5% of the total annual remuneration.

The Executive Board of Directors may review this ceiling every year, based on the guidelines stated in the Circular Letter nr. 2/10/DSBDR.

7. The exact amount of the variable portion shall vary each year in view of the institution's earnings, the performance of the Unit where the Employee works and the fulfilment degree of the individual annual objectives, in accordance with the performance evaluation system in effect in Banco Comercial Português.

**Payment of the Variable Remuneration**

8. 45% of the variable remuneration shall be paid in cash, when applicable, in the year immediately after the results reference date, after the approval of the earnings of the financial year.

**Deferment of the Variable Remuneration**

9. The remaining 55% of the Variable Remuneration shall be paid with securities that will be subject to a pre-defined lock out period of at least three years.

**Other components of the Remuneration**

10. These Employees also receive, as everyone else, the benefits prescribed by the collective work agreements signed by the Bank and by the supplementary pension regime, the terms and conditions of which are stated in instruments that have been duly approved and disclosed by the Instituto de Seguros de Portugal (Portuguese Insurance Regulator)."

**SECTION IV – REMUNERATION****II.30. Description of the remuneration policy of the Management and Supervisory Bodies referred to in article 2 of Law number 28/2009, of 19 June**

In line with the Bank's recapitalisation plan involving public investment, regulated in article 9 of Law nr. 63-A/2008, of 24 November, amended and republished by Law nr. 4/2012 of 11 January, Banco Comercial Português is bound, during the duration of the public investment, by article 12 of Regulation nr. 150-A/2012, regardless of the remuneration policy of its management bodies approved by the General Meeting held on 31 May 2012, to establish for the set of members of the management and supervisory bodies a remuneration that, for the purpose of calculating its fixed and variable component, does not exceed 50% of the respective average remuneration of the two previous years.

The Remuneration and Welfare Board submitted to the General Meeting held on 31 May 2012, with a binding character, the Remuneration Model of the Board of Directors, including the Executive Committee, transcribed below, which was approved with 99.97% of the votes cast, and where the meeting was attended by shareholders or their representatives holding 41.60% of the share capital.



## **“A. REMUNERATIONS MODEL FOR THE EXECUTIVE COMMITTEE (EC)**

### **I.**

1) The remuneration of the Members of the Executive Committee of Banco Comercial Português, S.A. (Millennium bcp) is composed by:

a) The Monthly Fixed Remuneration, paid 14 times a year and defined based on the Bank's position in comparison with a benchmark of Portuguese and European companies, composed by companies listed in PSI-20 with size or features similar to those of Millennium bcp and to other financial institutions located inside the European Union.

b) The Annual Variable Remuneration, to be paid in the way mentioned below.

2) This definition of this variable remuneration depends on a benchmark based on the practices of the European financial sector. According to the legal requirements imposed by the European Union and to the Portuguese recommendations, the payment of the Variable Remuneration is subject to certain conditions, namely deferment.

3) If a director takes on functions while a term-of-office is underway, the Variable Remuneration shall be adjusted to the number of months completed in office, out of the total number of months in a complete term-of-office.

### **II.**

The Remunerations and Welfare Board will approve the two components of the remuneration listed above.

### **III.**

a) The Annual Variable Remuneration cannot surpass 130% of the Annual Fixed Remuneration;

b) The variable remuneration, as a whole and for all the Members of the Executive Committee, cannot surpass 2% of the net income achieved in the financial year.

### **IV.**

The approval of the Monthly Fixed Remuneration of the Members of the Executive Committee obeys the following rules:

a) Chairman – autonomous remuneration;

b) Vice-Chairmen – amount computed based on a percentage of the Chairman's Monthly Fixed Remuneration, varying between 70% and 80% of that remuneration. The Monthly Fixed Remuneration of each Vice-chairman may be the same or different, taking into consideration his seniority in the position and his performance assessment, to be approved by the Remunerations and Welfare Board pursuant to a proposal made by the Chairman of the Executive Committee;

c) Members – amount computed based on a percentage of the Chairman's Monthly Fixed Remuneration, varying between 60% and 70% of that remuneration, computed according to the criteria described in the previous paragraph for the Vice-Chairmen's Monthly Fixed Remuneration;

d) The Monthly Fixed Remuneration of the Members of the Executive Committee may be updated and/or raised pursuant to a proposal from the Remunerations and Welfare Board. These updates and/or rises must take into consideration the updates/rises given to Coordinating Managers.

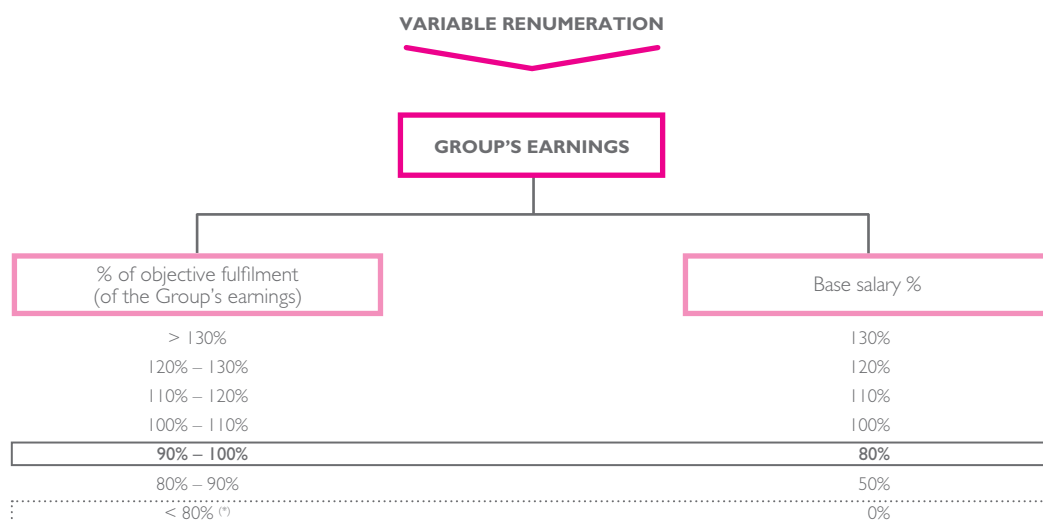
### **V.**

The Annual Variable Remuneration of the Members of the Executive Committee shall depend on the earnings resulting from the Group's economic performance, and be established by the Remunerations and Welfare Board in the same manner for all the Members of the Executive Committee.

The Annual Variable Remuneration is computed based on the degree of objective fulfilment of the Group's results, which will determine the percentage to be earned by the member of the Executive Committee as follows:

**TABLE I**

**PAYMENT FORMULA**



(\*) If the percentage of objective fulfilment falls below 80%, the Remuneration and Welfare Board may attribute a maximum premium of 50%.

a) Group's Income – for all the members of the Executive Committee.

- a. 1) The amounts may vary between 0 and 130% of the Annual Fixed Remuneration, being computed based on the fulfilment of the financial 'objectives' set forth for that financial year;
- a. 2) The assessment of each objective must be made taking into consideration its relative fulfilment in comparison with the BEBANKS in terms of value for the Shareholder and in comparison with the budget for other indicators. The 'Objectives' for Group earnings are computed as follows:

**TABLE 2**

**PERFORMANCE REMUNERATION**

Objectives for short-term incentives plan

**GROUP EARNINGS**  
EBD's approach to integrated performance

OBJECTIVE	PERFORMANCE INDICATOR	OBJECTIVE	VALUE	PERIOD OF TIME	EVOLUTION (ON THE OBJECTIVE)	PROPORTION
<b>GROWTH</b>	Operating income	Budget	20%	Annual	Earnings /Budget	
<b>COST-TO-INCOME</b>	Cost-to-income	Budget	20%	Annual	Earnings /Budget	
<b>EARNINGS</b>	Net income	Budget	20%	Annual	Earnings /Budget	If the percentage achieved is below 80% of the objective's evolution, it should be zero.
<b>PROFITABILITY</b>	ROE <sup>(1)</sup>	Budget	20%	Annual	Earnings /Budget	
<b>VALUE FOR THE SHAREHOLDER</b>	TSR <sup>(2)</sup>	Evolution of the BeBanks index with dividends	20%	Annual	BCP/BeBanks index	

(1) This objective presumes a Core Tier 1 ratio above 5.5%. Extraordinary situations, such as capital increases or reserves not foreseen when the objectives were defined, and decisions made by the shareholders may not be computed.

(2) In case of extraordinary situations (i.e. public offerings) the TSR computation must be adjusted accordingly.

a. 3) In case of extraordinary events, caused by factors outside the control of the management, the annual objectives set forth may be revised pursuant to a proposal made by the Chairman of the Executive Committee and its approval by the Remunerations and Welfare Board.

b) It is hereby created a scheme that defers the payment of the variable remuneration for periods of three years, which corresponds to the duration of the directors' term-of-office.

50 % of the Annual Variable Remuneration shall be deferred.

The amount deferred shall be paid half in cash and half in shares. 1/3 of the total amount deferred shall be paid to the director at the completion of each year in office.

For one year after the date of the payment of the Variable Remuneration in shares the EBD members cannot transfer or encumber those shares. After that lock up period, the shares will be fully transferable.

The amount of the Variable Remuneration that is not deferred shall be paid 50% in cash immediately and 50% in shares that cannot be transferred or encumbered for one year;

c) The incentive system applicable to the members of the Executive Committee subject to the deferred payment of the Variable Remuneration will incorporate provisions (bad actor provisions) for reduction or elimination of deferred variable pay as a result of the following actions carried out during the mandate of each director:

- Material misstatement of financial statements;
- Breach of the internal code of conduct;
- Poor financial performance of Millennium BCP.

These provisions and the impact they may have on releasing the deferred parts of the Variable Remuneration shall be evaluated by the Remunerations and Welfare Board on a yearly basis.

## VI.

Every member of the Executive Committee will sign a document in which he/she agrees not to enter into any hedging or risk-transfer agreements regarding any components of the deferred Variable Remuneration that may minimise the effects of the risk underlying the remuneration system.

## VII.

The Members of the Executive Committee are only entitled to the compensations disclosed and shall receive no additional compensations for their functions.

Hence, given that the remuneration of the Members of the Executive Committee is aimed at the direct compensation of the activities they carry out at the Bank and that for all duties performed at companies or corporate bodies to which they have been nominated by indication or in representation of the Bank, in this last case, the net value of the remunerations received annually for such duties by each Member of the Executive Committee will be deducted from their respective Annual Fixed Remuneration. It is the obligation and responsibility of each Member of the Executive Committee to inform the Bank of any additional compensations which might have been received, for the purposes of the procedure established above.

The existing benefits in terms of health insurance, credit card and mobile phones remain in effect, being the Chairman of the Executive Committee responsible for authorizing them.

Company vehicles do not fall under the competence of the Remunerations and Welfare Board and therefore the limits to their value shall be determined by the Executive Committee, taking into account the practice followed by other credit institutions of an equivalent size. The Remunerations and Welfare Board must be previously informed of this value.

## B. RETIREMENT REGULATIONS FOR MEMBERS OF THE EXECUTIVE COMMITTEE

Regarding the regulations for retirement on account of old age or disability of the Members of the Executive Committee, they are presently enshrined in the company's Articles of Association and in the Regulations that execute it, both approved at the Annual General Meeting of 2011."

The Model of Remuneration of the members of the Board of Directors, also transcribed below, was also submitted with a binding character to the General Meeting held on 18 April 2011, and was also approved by a majority of 99.94% of the votes cast, and where the meeting was attended by shareholders or their representatives holding 52.57% of the share capital.

### "Remunerations Model for the Board of Directors

1. The remunerations policy applicable to the corporate bodies of Banco Comercial Português, S.A. must be simple, transparent and competitive, thus ensuring the focus on the creation of added value for the Shareholders and Stakeholders.
2. Such remuneration must be set bearing in mind the effort towards greater alignment with the interests of Banco Comercial Português and of its Shareholders.
3. Thus, bearing in mind the principles listed above, as well as the practices of large Portuguese companies and the European practices, the responsibilities and functions of the members of the Board of Directors and the present market conditions, the Remuneration and Welfare Board adopted the following rules:
  - 3.1. The remuneration of the Board of Directors shall be composed by a fixed annual amount, paid in twelve instalments. The remuneration of the remaining members of the Board of Directors shall be computed based on a percentage of the remuneration of the Chairman of the Board of Directors, never surpassing it.

3.2. Chairman: autonomous remuneration;

Vice-Chairmen: between 50% and 75% of the Chairman's remuneration;

Chairman of the Audit Committee: between 50% and 75% of the Chairman's remuneration;

Other members of the Audit Committee: between 25% and 50% of the Chairman's remuneration;

Chairman of another Specialized Committee: between 25% and 75% of the Chairman's remuneration;

Other members of another Specialized Committee: between 10% and 25% of the Chairman's remuneration;

Other members of the Board of Directors not part of a Specialized Committee: between 10% and 25% of the Chairman's remuneration;

3.3. The remuneration of the Board of Directors does not include a variable remuneration or the attribution of shares as remuneration."

**II.3 I. Indication of the annual value of the remuneration earned individually by the members of the management and supervisory bodies of the company, including fixed and variable remuneration and, relative to it, reference to its different components, the deferred portion and portion which has already been paid**

During the financial year to which this report refers to, no annual or pluriannual variable remuneration was attributed to the Executive Directors.

The amounts paid to the members of the Board of Directors and the members of the Executive Committee are presented in detail in the tables below.

**A – Executive Directors that ceased functions on 28 February 2012 and that are not a part of the current Executive Committee**

Members of the Executive Board of Directors <sup>(*)</sup>	Euros			
	Remuneration			
	BCP	Other Companies	Total	IRS Withheld
Carlos Jorge Ramalho dos Santos Ferreira	123,987.00	15,300.00	139,287.00	49,594.00
Vítor Manuel Lopes Fernandes	142,144.65	6,427.35	148,572.00	56,858.00
António Manuel Palma Ramalho	142,144.65	20,083.94	148,572.00	49,911.00

(\*) Includes remunerations owed until the end of the interrupted term-of-office.

**B – Members of the Supervisory Board that ceased functions on 28 February 2012 and are not part of the current Board of Directors**

Euros

Members of the Supervisory Board	Remuneration	
	BCP	IRS Withheld
Daniel Bessa Fernandes Coelho	7,083.33	1,812.00
José Oliu Creus	4,166.66	894.00
José Vieira dos Reis	11,666.66	3,674.00
Luís de Mello Champalimaud	2,083.33	406.00
Manuel Alfredo Cunha José de Mello	10,000.00	2,875.00
Manuel Domingos Vicente	4,166.67	895.00
Maria Leonor Couceiro Pizarro Beleza de Mendonça Tavares	0.00	0.00
Pansy Catilina Ho Chiu King	4,166.66	894.00
Thomaz de Mello Paes de Vasconcellos	11,666.66	3,674.00
Vasco Esteves Fraga	8,333.34	3,332.00

**C – Members of the Executive Committee**

Euros

Members of the Executive Committee	Remuneration			
	BCP	Other Companies	Total	IRS Withheld
Nuno Manuel da Silva Amado	366,195.21	18,568.37	384,763.58	145,627.00
Miguel Maya Dias Pinheiro	380,714.36	0.00	380,714.36	152,281.00
Miguel de Campos Pereira de Bragança	288,734.70	19,076.20	307,810.90	112,442.01
José Jacinto Iglésias Soares	341,250.00	0.00	341,250.00	131,790.00
Luís Maria França de Castro Pereira Coutinho	308,803.53	32,446.47	341,250.00	123,521.00
Maria da Conceição Mota Soares de Oliveira Callé Lucas	259,772.16	9,562.30	269,334.46	101,507.01
Rui Manuel da Silva Teixeira	331,687.70	9,562.30	341,250.00	132,676.00

**D – Members of the Board of Directors**

Euros

Members of the Board of Directors	Remuneration			
	Amounts paid by BCP	Other Companies	Total	IRS Withheld
António Vítor Martins Monteiro	112,500.00	28,636.00	141,136.00	42,900.00
Carlos José da Silva	87,083.34			18,716.00
Pedro Maria Caláinho Teixeira Duarte	72,416.66			24,660.00
Álvaro Roque de Pinho Bissaia Barreto	39,166.66			13,706.00
André Magalhães Luiz Gomes	14,722.27			2,141.00
António Henriques de Pinho Cardão	37,500.00			14,436.00
António Luís Guerra Nunes Mexia	0.00			0.00
António Manuel Costeira Faustino	43,333.34			11,437.00
Bernardo de Sá Braamcamp Sobral Sottomayor	7,500.00			1,612.00
César Paxi Manuel João Pedro	29,444.44			6,322.00
Jaime de Macedo Santos Bastos	41,222.27			12,081.00
João Bernardo Bastos Mendes Resende	30,277.78			7,405.00
João Manuel de Matos Loureiro	101,250.00			35,037.00
José Guilherme Xavier de Basto	52,500.04			15,628.00
José Rodrigues de Jesus	5,625.00			1,715.00

**II.32. Information on the way the remuneration is structured so as to permit the alignment of the interests of the members of the management body with the long-term interests of the company, as well as on the manner in which it is based on the assessment of performance and discourages excessive risk taking**

In line with the Bank's recapitalisation plan involving public investment, regulated in article 9 of Law nr. 63-A/2008, of 24 November, amended and republished by Law nr. 4/2012 of 11 January, during the duration of the public investment, the remuneration of the executive directors shall not include any variable remuneration.

**II.33. Regarding the remuneration of the executive directors:**

**a) Reference to the fact that the remuneration of the executive directors includes a variable component and information on the way this component depends on the assessment of performance**

In the financial year to which this Report refers to, no remuneration of this type was foreseen.

**b) Indication of the governing bodies which are competent to carry out the assessment of the performance of the executive directors**

The assessment of the executive members of the Board of Directors was carried out by the Commission for Nominations and Evaluations and by the Board of Directors itself.

**c) Indication of the predetermined criteria for the assessment of the performance of the Executive Directors.**

Please refer to the remuneration policy for the executive members of the Board of Directors, which compose the Executive Committee, reproduced under item II.30.

**d) Detailed explanation of the relative importance of the variable and fixed components of the remuneration of the directors and indication of the maximum limits for each component**

There were none in 2012.

**e) Indication of the deferral of the payment of the variable component of the remuneration, indicating the period of deferral**

Vide previous paragraph.

**f) Explanation on the way the payment of the variable remuneration is subject to the continuation of the positive performance of the company over the period of deferral**

Vide previous paragraph.

**g) Sufficient information on the criteria underlying the attribution of variable remuneration in shares as well as on the holding, by the executive directors, of the shares to which the company has accessed, on any signing of contracts relative to these shares, namely, hedging or risk transfer contracts, the respective limit, and their relation to the value of the annual total remuneration.**

No variable remuneration, namely stock, is foreseen.

**h) Sufficient information on the criteria underlying the attribution of variable remuneration in options and indication of the deferral period and price for exercise of the option**

Vide previous paragraph.

**i) Identification of the main parameters and grounds of any system of annual bonuses and any other non-pecuniary benefits**

Not foreseen.



**j) Remuneration paid in the form of participation in profit and/or payment of premiums and the reasons for the concession of such premiums and/or participation in profit**

In the financial year to which this Report refers to no variable remunerations were foreseen, neither in cash, shares or any other type.

**l) Compensation paid or owed to former executive directors relative to their termination of office during the financial year**

In 2012 and following the changes to the corporate governance model approved at the General Meeting held on 28 February 2012, the Executive Directors that ceased functions before the end of their term-of-office were compensated for early termination of term-of-office, amounting the compensation to a total of 3,463,318.44 euros, corresponding to an Income Tax withholding of 1,385,326.00 euros.

**m) Reference to the contractual limitation established for the compensation payable for the unfair dismissal of a director and its relationship with the variable component of the remuneration**

There are no contractual limitations on this matter.

**n) Amounts paid, for any reason, by other companies controlled by the Bank or in the same group**

In view of the provisions in the remuneration policy of the members of the Board of Directors transcribed above, which establish that the net value of the remunerations gained on an annual basis by each member of the Executive Committee due to the performance of duties in companies or governing bodies to which they have been appointed through indication or in representation of the Bank, shall be deducted from the values of the respective annual fixed remuneration, see the A and C tables, in item II.31, in which, when this occurred, such deductions are clearly quantified.

**o) Description of the main characteristics of the regimes for the supplementary pensions or early retirement of the directors, indicating if they were, or not, subject to the assessment of the general meeting**

Under the terms of the Retirement Regulations transcribed in II.30.-B, the costs recorded by the Company for 2012 related to supplementary pensions and compulsory social security contributions of members of the Board of Directors were as follows:

**A – Executive Directors that ceased functions on 28 February 2012 and that are not a part of the current Executive Committee**

Euros			
Members of the Executive Board of Directors	Social Security Regime	Complementary	Compulsory
		Open-End Pension Fund	Social Security Charges
Carlos Jorge Ramalho dos Santos Ferreira	Statutory Bodies Regime	29,721.91	3,063.66
Vítor Manuel Lopes Fernandes	Statutory Bodies Regime	244,263.55	3,063.66
António Manuel Palma Ramalho	Statutory Bodies Regime	244,263.55	3,063.66

## B – Members of the Executive Committee

Euros

	Social Security Regime	Complementary		Compulsory	
		Open-End Pension Fund	Capitalisation Insurance	Social Security Charges	Pension Fund Charges <sup>(*)</sup>
Nuno Manuel da Silva Amado	Statutory Bodies Regime	76,848.02		10,280.28	
Miguel Maya Dias Pinheiro	General Regime (former CAFEB)		69,434.55	89,848.60	-4,641.43
Miguel de Campos Pereira de Bragança	Statutory Bodies Regime	59,148.88		10,280.28	
José Jacinto Iglésias Soares	General Regime (former CAFEB)	61,566.40		80,535.00	-6,254.21
Luís Maria França de Castro Pereira Coutinho	General Regime (former CAFEB)	61,566.40		72,877.63	-5,636.30
Maria da Conceição Mota Soares de Oliveira Callé Lucas	Statutory Bodies Regime	50,299.29		10,280.28	
Rui Manuel da Silva Teixeira	General Regime (former CAFEB)		61,566.40	78,278.30	-9,324.09

(\*) Resulting from the methodology imposed by the National Board of Financial Supervisors regarding the framework for the transfer of bank employees to the Social Security General Regime (DL 1-A/2011) the past liabilities with retirement benefits, for some employees, are higher than total liabilities, which is why the pension costs are negative for the target population, representing a profit for the Bank.

### p) Estimate of the value of the relevant non-pecuniary benefits considered as remuneration not covered in the previous situations

There are no benefits under the conditions referred to above.

### q) Existence of mechanisms preventing the directors from signing contracts which place in question the underlying rationale of the variable remuneration

The level of supervision of the activity of the Executive Committee, both by the Board of Directors and by the Audit Committee (which, it should be recalled, is the first receiver of the Internal and External Audit reports) provided mechanisms that are sufficient and adequate to the objective considered in this point.

Although the inclusion of the information provided below is not compulsory in this Report, Banco Comercial Português believes that, since it is an integral part of the financial statements, this is the most appropriate place to disclose the information referred to in Bank of Portugal Notice number 10/2011, when it is not presented in other numbers of this Report.

Hence, we disclose that:

1 – No provisions have been constituted for the payment of variable remuneration to Executive Members of the Board of Directors.

2 – The table below indicates the fixed and variable remunerations paid to Employees:

Euros

Date	Nr. Employees	Remuneration <sup>(*)</sup>		Total	IRS Withheld
		Fixa	Variável		
On 1/1/2012	9,959				
On 31/12/2012	8,982	352,203,887.19	6,113,126.23	358,317,013.42	77,631,273.00

- 3 – The provisions recorded as at 31 December 2012 for future payments regarding sums owed for the commercial incentives of Employees reached 5,406,697.00 euros.
- 4 – During 2012, 19 new open-ended employment contracts were signed.
- 5 – During 2012, 651 contracts were terminated, which implied the payment of severance pay which reached 65,277,986.86 euros, with the highest compensation reaching 1,495,340.00 euros.
- 6 – The number of Employees and the total remunerations paid to them during 2012, distributed by different business segments, are presented in the table below:

				Euros
Company	Business Segments	Nr. Employees <sup>(1)</sup>	Total Remunerations Paid <sup>(2)</sup>	IRS withheld
<b>Banco Comercial Português</b>	Retail	5835	182,236,544.83	34,990,132.00
	Companies	718	34,108,462.51	8,470,560.00
	Asset Management & PB & Treasury	269	14,464,989.77	3,792,491.00
	Central Services	2778	127,507,016.27	30,737,965.00

(1) The nr. of employees is the average number of employees for the year.

(2) Including incentives for Retail.

- 7 – Regarding the Employees covered by Notice 5/2008 of the Bank of Portugal, Compliance Officer; Group Auditor; Risk Officer; as well as the Group Treasurer; Head of the Research, Planning and ALM Department and Head of the Credit Department, the remunerations paid reached 1,014,991.48 euros, which corresponded to personal income tax withholdings of 355,458.00 Euros and charges related to Pension funds of less than 36,375.00 euros, vide note to table B – Members of the Executive Committee. It should be noted that these values have already been included in the amounts disclosed in points 2 and 6 above. In 2012 no variable remuneration was paid to these Employees.

#### **II.34. Reference to the fact that the remuneration of the non-executive directors of the management body does not include variable components**

The remuneration of the non-executive directors consists of a fixed sum, not including any variable component, the setting of the amount is carried out for each director, taking into account, namely, his/her participation in Specialised Committees of the Board of Directors, medium and long-term interests of the Bank and the non-incentive to excessive risk-taking.

#### **II.35. Information on the policy on the communication of irregular practices adopted by the company (means of communication, persons with legitimacy to receive the communications, treatment to be made of the communications and indication of the persons and bodies with access to the information and respective intervention in the procedure)**

Any Employee of Banco Comercial Português (or Companies included in the Group) who becomes aware of any situation or action that might indicate irregularities is responsible for reporting such events to the head of the organic unit of the employee(s) in question, who shall simultaneously inform the hierarchy, leading to their joint appraisal of the occurrence and deliberation on its forwarding to the Audit Department of Banco Comercial Português, for the pursuit of all measures deemed necessary.

Whenever the detected irregularities concern Employees part of the Audit Department, the reporting must be made directly to the Chairman of the Executive Committee, who will conduct all diligences deemed necessary by using means that do not belong to that department and will give cognisance of the same to the Audit Committee.

For the purpose of adopting the best corporate governance practices and strengthening the culture of responsibility and compliance that has always guided the Group's action, a system has been established for the communication of irregularities, namely for situations where communication via hierarchy might not achieve the intended objectives, which replaces the employee and relieves this employee from reporting the irregularity to the head of the department of the employee(s) in question.

For this purpose, an electronic email address has been specifically created, exclusively to receive the communication of alleged irregularities ([comunicar.irregularidade@millenniumbcp.pt](mailto:comunicar.irregularidade@millenniumbcp.pt)) that have occurred within the Group that are to be forwarded and managed by the Audit Committee.

In the event of the communication being related to any member of the Board of Directors or of any of its specialised committees or commissions, it should be sent to the Chairman of the Board of Directors through a specific electronic mail address ([presidente.ca@millenniumbcp.pt](mailto:presidente.ca@millenniumbcp.pt)).

The Audit Committee and the Audit Department decide on the treatment given to the communications received, namely concerning the need for additional investigation or submission of any disciplinary proceedings.

## **SECTION V – SPECIALISED COMMISSIONS**

**II.36. Identification of the members of the commissions constituted for the effects of the assessment of the individual and overall performance of the executive directors, reflection on the governance system adopted by the company and identification of potential candidates with the profile for the position of director**

See points II.1. D) and II.2. E).

**II.37. Number of meetings of the commissions constituted with competence in management and supervisory matters during the financial year in question, and reference to the drawing up of the minutes of these meetings**

See point II.2.

**II.38. Reference to the fact of a member of the remuneration commission having knowledge and experience on matters of remuneration policy**

The curricula and professional activities of the members of the Remuneration and Welfare Board, in office in 2012, presented in Annex II to the present report, show their respective experience and knowledge.

**II.39. Reference to the independence of the natural or legal persons contracted by the remuneration commission through a work or service contract relative to the board of directors as well as, when applicable, to the fact that these persons have a current relationship with a consultant of the company**

At the time of the contracting of Mercer Portugal – Recursos Humanos, Lda. promoted by the Remuneration and Welfare Board, the Board of Directors together with the Remuneration and Welfare Board deliberated requesting from this firm the analysis of the policy on remuneration of the Directors of the Bank, for the purpose of ensuring consistency in the policies to be implemented and streamlining of costs related to consultants.

For this reason, and since neither this consultant nor any of its senior staff maintain any privileged relations with the Board of Directors or any of its members, it is deemed that its contracting for the provision of the service with the broad scope referred to in the preceding paragraph can in no manner affect the independence of this consultant in relation to the Bank or its Board of Directors.

## CHAPTER III – INFORMATION AND AUDITS

### III.1. Structure of the share capital, including indication of the non-tradable shares, different categories of shares, their inherent rights and duties and percentage of share capital that each category represents

All the shares issued by Banco Comercial Português are tradable, of a single category and confer the same rights and duties. Consequently, there are no shareholders with special rights.

### III.2. Qualifying holdings in the share capital of the issuer, calculated under the terms of article 20 of the Securities Market Code

On this issue, see the information provided in the Annual Report and Accounts for 2012, Qualifying Holdings Chapter:

### III.3. Identification of Shareholders with special rights and description of these rights

There are no shareholders with special rights.

### III.4. Any restrictions to the transferability of the shares, such as clauses of consent for sale or limitations to the ownership of shares

There are no statutory restrictions to the free transferability of shares.

### III.5. Shareholders' agreements that are known to the company and could lead to restrictions on matters of the transmission of securities or voting rights

The Company is not aware of the existence of any shareholders' agreements that limit the ability to transfer the securities or condition the exercise of voting rights.

### III.6. Rules applicable to the alteration of the articles of association of the company

#### A) Constitutive quorum – Article 24 of the Articles of Association

The General Meeting may deliberate, on first call, only when the shareholders present or represented own over one third of the share capital.

On second call, the General Meeting may be held and deliberate independently of the number of shareholders present or represented and amount of share capital they correspond to.

#### B) Deliberative quorum – Article 25 of the Articles of Association

The deliberative quorum required under the Bank's articles of association corresponds to the legal requirement, that is, whether the Meeting is held on first or second call, any amendments to the Articles of Association must be approved by two thirds of the votes cast. Under the terms of article 49 of the Articles of Association, a majority of three quarters of the paid-up share capital is required for deliberation on the dissolution of the Company.

### III.7. Control mechanisms established for any system of participation of the workers in the share capital to the extent that voting rights are not exercised directly by them

No system whatsoever has been established with these characteristics. The workers holding shares are not discriminated, due to their capacity as such, and hence benefit from the same rights as any other shareholder.

**III.8. Description of the evolution of the prices of the shares of the issuer, taking into account, namely:**

See the Annual Report for 2012, Chapter: BCP Shares

**III.9. Description of the policy on the distribution of dividends adopted by the company, identifying, namely, the value of the dividend per share distributed over the last three financial years**

See the preceding number:

**III.10. Description of the main characteristics of plans to attribute shares and plans to attribute share purchase options which have been adopted or were in force during the financial year in question, namely, justification for the adoption of the plan, category and number of beneficiaries of the plan, conditions of attribution, clauses on the inability to dispose of shares, criteria relative to the price of shares and price for the exercise of options, period during which the options can be exercised, characteristics of the shares to be attributed, existence of incentives for the acquisition of shares and/or exercise of options and competence of the management body to implement or modify the plan**

Currently, there are no plans to attribute shares or share purchase options.

**III.11. Description of the main elements of the businesses and operations carried out between, on the one hand, the company and, on the other hand, the members of its management and supervisory bodies or companies controlled by the Bank or in the same group, provided that they are significant in economic terms for any of the parties involved, except with respect to businesses or operations which, cumulatively, are carried out under normal market conditions for similar operations and are part of the current activity of the company**

All the operations addressed in this number were carried out under normal market conditions for similar operations and are part of the current activity of the Company, and were, independently of their value, approved by the Board of Directors and submitted to the opinion of the Audit Committee.

**III.12. Description of the fundamental elements of the businesses and operations carried out between the company and owners of qualifying holdings or entities that are in any relationship with it, under the terms of article 20 of the Securities Code, outside of normal market conditions**

All the operations addressed in this number were carried out under normal market conditions for similar operations and are part of the current activity of the company, and were, independently of their value, approved by the Board of Directors and submitted to the opinion of the Audit Committee.

**III.13. Description of the procedures and criteria applicable to the intervention of the Supervisory Body for the effects of the prior evaluation of the business to be carried out between the company and carried out between the company and owners of the qualifying holdings or entities which are in any relationship with it, under the terms of article 20 of the Securities Market Code**

Any business to be carried out between the Company and owners of qualifying holdings or entities which are in any relationship with it, are the object of exclusive assessment by the Board of Directors, supported by analyses and technical opinions issued by the Credit Department, in reports prepared by the Audit Department and are subject to the opinion of the Audit Committee.

### III.14. Description of the statistics (number, average value and maximum value) relative to the business subject to the prior intervention of the Supervisory Body

During 2012, the Audit Department analysed proposals of operations relative to members of the governing bodies and owners of qualifying holdings and entities related to them. The opinions issued by the Audit Department were included in the respective processes of approval of the management body and issue of opinions by the supervisory body of the Bank, to which such operations are subject. Over the same period, 30 operations relative to such entities were approved, with the supervisory body having issued an opinion on them. All business was conducted under market conditions. The average value of the 30 operations in 2012 was 176 million euros and the individual maximum value was 1,327 million euros.

### III.15. Indication of the provision, on the company's Internet site, of the annual reports on the activity developed by the general and supervisory board, financial matters committee, audit committee and supervisory board, including indication of any constraints which have been detected, together with the presentation of accounts

Of the reports referred to in this point, the only one that is relevant for the Bank is the report prepared by the Audit Committee, which is part of the financial statements, where this volume is an integral part of this Report, and is available on the Bank's Internet site, on the page with the following direct address:  
<http://ind.millenniumbcp.pt/en/Institucional/investidores/Pages/RelatorioContas.aspx>

### III.16. Reference to the existence of an investor support office or other similar service, mentioning:

The Investor Relations Department helps the Bank establish a permanent dialogue with the financial universe – Shareholders, Investors, Analysts and Rating Agencies – as well as with the financial markets in general and respective regulatory entities.

#### a) Duties of the Investor Relations Department

The main duties of the Investor Relations Department are the following:

- Monitor the trading of securities issued by the Group with a view to updating the evolution of the Institution's shareholder structure;
- Manage the relationship with the rating agencies, including the preparation and sending of relevant information regularly or related with important events;
- Prepare and publish the Annual Report, half-yearly report and quarterly report of the Bank;
- Prepare the prospectuses of issues carried out by the Bank;
- Collaboration with the areas responsible for the Group's debt issuance and investor relations areas of subsidiary companies, namely by providing information and coordinating activities;
- Cooperation with the different areas of the Bank in the provision of institutional information and disclosure of the Group's activity.

#### b) Type of information provided by the Investor Relations Department

During 2012, as in previous years, the Bank pursued broad activity related to communication with the market, adopting the recommendations of the Portuguese Securities Market Commission (CMVM) and the best international practices in terms of financial and institutional communication.

In compliance with its legal and regulatory reporting obligations, the Bank discloses information on its results and business activity on a quarterly basis. Press conferences and conference calls with Analysts and Investors are held, which were attended by members of the Board of Directors.

It also discloses its Annual Report, a half-yearly report and financial statements quarterly information, and publishes all the relevant and mandatory information through the information disclosure system of Comissão do Mercado de Valores Mobiliários.

In 2012, the Bank issued 2,316 press releases, of which 293 were related to privileged information and participated in various events, having held road shows at two major world financial markets – London and Paris – where it should be noted that this was carried out in a context of a share capital increase. The Bank also participated in ten conferences of investors, organised by other banks such as Banco Espírito Santo, HSBC, Goldman Sachs, Morgan Stanley, Merrill Lynch, Caixa Banco de Investimento, Banco Santander and Commerzbank, and in Euronext Portuguese Day in New York, where institutional presentations were made and one-to-one meetings were held with investors.

During 2012, 180 meetings were held with investors, where it should be highlighted that there was a significant increase of contacts with Investors of Bank debt.

In order to deepen relations with its shareholder base, the Bank created a telephone line to support Shareholders, free of charge and available from 9h00 to 19h00, every business day. Created in June, following the announcement of the recapitalisation plan of the Bank, the line has had an intensive use, totalling 2,144 contacts in 2012, with special focus on the period that preceded the General Meeting of Shareholders held on 25 June and during the period of subscription to the Bank's share capital increase. All the information of institutional nature that is public and relevant is available on the Bank's Internet site, in Portuguese and in the English version, on the page with the following address:  
[www.millenniumbcp.pt](http://www.millenniumbcp.pt)

**c) Forms of access to the Investor Relations Department**

Telephone: + 351 21 113 10 84

Fax: + 351 21 113 69 82

Address: Av. Prof. Doutor Cavaco Silva, Edifício 1 Piso 0B  
2744-002 Porto Salvo, Portugal

E-mail: [investors@millenniumbcp.pt](mailto:investors@millenniumbcp.pt)

**d) The Company's Internet site**

[www.millenniumbcp.pt](http://www.millenniumbcp.pt)

**e) Identification of the representative for market relations**

The Bank's representative for market relations is Rui Pedro da Conceição Coimbra Fernandes, also Head of the Investor Relations Department.

**III.17. Indication of the value of the annual remuneration paid to the auditor and to other natural or legal persons belonging to the same network supported by the company or by legal persons controlled by the Bank or in the same group, as well as details of the percentage relative to the following services: a) Legal accounts review services; b) Other guarantee and reliability services; c) Tax consultancy services; d) Services other than accounts legal review services. If the auditor provides any of the services described in sub-paragraphs c) and d), a description should be made of the means to safeguard the independence of the auditor. For the effects of this information, the concept of network is as defined in Recommendation of the European Commission nr. C (2002) 1873, of 16 May**

## **RELATIONS WITH THE INDEPENDENT AUDITORS**

### **Activity Monitoring**

Monitoring of the activity of the Group Auditor, KPMG & Associados, SROC, S.A. (KPMG) is ensured by the Board of Directors, through the Audit Committee, which is also responsible for proposing the election and appointment of the Group Auditor to the General Meeting, as well as issuing its opinion on Auditor independence conditions and other relations between the Auditor and the Group.

As was the case in previous years, the abovementioned monitoring is achieved through regular contact with KPMG, which includes the participation of the Statutory Auditor in the monthly meetings of the Audit Committee and enables the timely discussion by the Board of Directors and Audit Committee of situations and criteria arising from the audit work.



**Services provided by the External Auditor (KPMG) in 2012**

In 2012, the statutory auditor of Banco Comercial Português – KPMG – earned a total of 2,935,571.00 euros in Portugal, of which 175,480.00 euros refer to “Tax Consultancy Services” and “Services other than legal review or audit”, corresponding to 6% of the total.

In 2012, KPMG earned a total of 1,272,160.00 euros in the foreign subsidiaries, of which 39,826.00 euros refer to “Tax Consultancy Services” and “Services other than legal review or audit”, corresponding to 3.16% of the total. Thus, in consolidated results, i.e. including the international operations, this percentage accounts for 5.1% of the total services provided by the external auditor, being thus within the standards recommended by the CMVM (<30%).

The table below illustrates, in summary form, the activity of the external auditor in Portugal and Abroad in 2012.

	Euros					
	PORTUGAL	%	ABROAD	%	TOTAL	%
Legal accounts review services	1.828.091,00		779.686,00		2.607.777,00	
Other guarantee and reliability services	932.000,00		452.648,00		1.384.648,00	
<b>1. TOTAL AUDIT SERVICES</b>	<b>2.760.091,00</b>	<b>94,0%</b>	<b>1.232.334,00</b>	<b>96,9%</b>	<b>3.992.425,00</b>	<b>94,9%</b>
Tax consultancy services	40.000,00		3.125,00		43.125,00	
Services other than legal accounts review	135.480,00		36.701,00		172.181,00	
<b>2. TOTAL OTHER SERVICES</b>	<b>175.480,00</b>	<b>6,0%</b>	<b>39.826,00</b>	<b>3,1%</b>	<b>215.306,00</b>	<b>5,1%</b>
	<b>2.935.571,00</b>	<b>100,0%</b>	<b>1.272.160,00</b>	<b>100,0%</b>	<b>4.207.731,00</b>	<b>100,0%</b>

The values of the “Legal accounts review services” include provisions constituted in 2012, for payment of services provided relative to that financial year and that shall be invoiced in 2013.

A description is presented below of the main services included in each category of services provided by KPMG, relative to 31 December 2012.

**1 – AUDIT SERVICES****Legal accounts review services**

Includes the fees charged by KPMG relative to the auditing and legal review of the consolidated accounts of the Group and its various companies on an individual basis, auditing of subsidiaries for consolidation purposes and other services associated to the legal review of the accounts relative to 31 December and the limited review relative to 30 June.

**Other guarantee and reliability services**

Includes the fees charged by KPMG relative to the provision of services that, in view of their characteristics, are related to the auditing work and should, in many cases, be provided by statutory auditors, namely: issue of comfort letters and opinions on specific subjects (internal control pursuant to Notice nr. 5/2008, safeguarding of assets pursuant to the provisions of the CMVM, services related to verification of the sustainability report and other permitted accountancy services).

**2 – OTHER SERVICES****Tax consultancy services**

Includes the fees charged by KPMG relative to tax advisory services provided to the Group for the review of the tax obligations of the different companies in Portugal and abroad.

**Services other than legal accounts review**

Includes the fees charged by KPMG relative to services other than legal review services, permitted in accordance with the defined rules of independence and subject to monitoring by the Audit Committee.

### **Approval of services**

Millennium bcp maintains a very strict policy of independence so as to prevent any conflicts of interest in the use of the services of its external auditors. As auditor of the BCP Group, KPMG complies with the rules on independence defined by the Group, including those established by the 8<sup>th</sup> Directive of the European Commission, reviewed by Directive 2006/43/EC of Parliament and the Council of 17 May 2006, partially transposed into Portuguese Legislation by Decree-Law nr. 224/2008, of 20 November; in addition to the rules on independence defined by KPMG, through the application of the International Standards on Auditing issued by the International Federation of Accountants.

In order to safeguard the independence of the Auditor; and pursuant to the national and international good practices and standards, series of regulatory principles were approved through the Bank's Audit Committee, as described below:

KPMG and the companies or legal persons belonging to it ("Network") cannot provide services to the Bank or Group, which are deemed forbidden under the rules referred to above;

Although it is generally considered that the independence of external auditors could be affected by the provision to the Group of services unrelated to legal review or audit, the Audit Committee identified a set of services that may be undertaken by the external auditors without jeopardising their independence. These services are authorised by the Group Compliance Officer and subject to the ratification of the Audit Committee.

## **THE KPMG RISK MANAGEMENT AND QUALITY CONTROL PROCESS**

### **Risk management**

KPMG is responsible for ensuring that these services do not place in question its independence as auditor of the BCP Group. The requirements on the auditor's independence are determined based on a combination of the BCP Group's policies on the independence of the external auditors, on the national rules of each country, when they are more demanding, and on the internal rules of KPMG. Once a year, KPMG reports to the Board of Directors and Audit Committee on all the measures established to safeguard its independence as auditor of the BCP Group.

KPMG has implemented a system at an international level, called "Sentinel", which conditions the provision of services by any office of the entire KPMG Network to the authorisation of the "Global Lead Partner" responsible for the customer. This procedure implies that the KPMG Units from which the service in question is requested must obtain previous authorisation from the said Global Lead Partner. This request includes the presentation of justifications for the work requested, in particular; the factors which enable assessment of compliance with the applicable risk management rules and, consequently, of the independence of KPMG.

The Global Lead Partner is also responsible for verifying that service proposals presented through "Sentinel" comply with service pre-approval rules and, when applicable, proceeds with any necessary diligences before the Audit Committee, with a view to strict compliance with applicable independence rulings.

All the employees of KPMG undertake to comply with the rules on independence defined in the Risk Management Manual of KPMG International, and to fully comply with the rules established by the Portuguese Institute of Statutory Auditors and, when applicable, of the Independence Standards Board and other regulatory entities.

All KPMG professionals are responsible for maintaining their independence, being obliged to review their financial interests, as well as their personal and professional relationships on a regular basis, so as to ensure strict compliance with the requirements on the independence of KPMG and their profession. KPMG employees are forbidden from collaborating with any other entities or organisations (customers or not), such as directors, executives, independent professionals or employees.

In order to ensure its independence and that of its professionals, both in fact and substance, KPMG has developed an application – KPMG Independence Compliance System (KICS) – which includes information relative to the

rules on independence, a search engine to access the list of restricted entities, in which its employees cannot hold financial interests and a reporting system for the financial investments of its employees, where each professional records the name of the financial interests owned. In this way, this application meets the requirements of AICPA on independence, without compromising privacy policies.

All KPMG professionals are required to issue an annual statement of independence, signed on the occasion of their recruitment and renewed on an annual basis, where they undertake not to acquire financial interests, directly or indirectly, in KPMG customers, keep all information they might have access to confidential and avoid any relationships with customer employees which might compromise the independence and objectiveness of KPMG.

## QUALITY CONTROL

### Quality control by internal teams of the national offices

With a view to guaranteeing the quality of its services provided to its customers, KPMG annually promotes the quality control of its activities, which essentially consists of the following aspects:

Review of each activity by the team involved, allowing identification of areas requiring additional work on a particular component of the customer's financial demonstrations, before the work in question is concluded;

Annual review, by a team of KPMG's more experienced professionals, of a representative sample of its customers' documents, with a view to ensuring that the planning of the work was carried out in the most effective manner; that the information collected during this phase allowed for the structuring and design of adequate and substantive internal control tests, and permitted ensuring the analysis of all risk areas identified in the work planning phases.

### Quality control by internal teams of the international offices

In addition to the quality control activities continuously carried out by the professionals at the offices in Portugal, KPMG also promotes, on an annual basis, quality audits of the general and risk evaluation procedures and of the quality of the work executed. The staff of the international offices of KPMG, who are suitably trained to carry out these control activities, performs these audits.

These control activities permit the sharing and harmonisation of KPMG knowledge at a world level, allowing for the identification of risk and use of specific risk analysis and mitigation tools that have been developed in other countries. The quality assessment and control procedures performed by the staff at the offices in Portugal and abroad are supported by an information technology tool especially developed for this purpose.

The aforementioned monitoring is achieved through regular contact with KPMG, allowing the Board of Directors and the Audit Committee to discuss solutions and criteria resulting from audit activities in a timely manner.

## III.18. Reference to the rotation period of the external auditor

Decree-Law nr. 224/2008, of 20 November; in nr. 2 of article 54, establishes that the maximum period for the performance of audit duties by the Partner responsible for the supervision or direct implementation of the legal certification of accounts is seven years, counting from the date of his appointment. On the other hand, the recommendation of the CMVM Corporate Governance Code stipulates that the maintenance of the External Auditor beyond the rotation period should be justified in a specific opinion of the supervisory body which explicitly weighs up the conditions of independence of the auditor and advantages and costs of his replacement, an opinion which was submitted to the Annual General Meeting, which was elective and was held on 18 April 2011.

The internal supervision conducted by the Audit Committee concerning the independence of the External Auditor; namely with respect to the provision of additional services, as well as the respective assessment of his performance over the term of office, concluded that the duties of the External Auditor were performed adequately, showing professionalism and quality in the work carried out.

# ANNEX I

## CURRICULA VITAE OF THE MEMBERS OF THE BOARD OF DIRECTORS OF BANCO COMERCIAL PORTUGUÊS, S.A.

### António Vítor Martins Monteiro

#### Personal details:

- Date of birth: 22 January 1944
- Nationality: Portuguese
- Position: Chairman of the Board of Directors
- Beginning of term of office: 28 February 2012
- Current Term of office: 2012/2014

#### Positions held in the Group:

##### In Portugal:

- Chairman of the Board of Directors of Banco Comercial Português, S.A.
- Chairman of the Board of Curators and of the International Board of the Fundação Millennium bcp
- Chairman of the Commission for Corporate Governance of the Board of Directors of Banco Comercial Português, S.A.

#### Direct responsibilities:

- Supporting Office of the Board of Directors
- Company Secretariat
- Fundação Millennium bcp
- Client Ombudsman Office

#### Positions held outside the Group:

- Member of the Board of Directors of Banco Sabadell
- Non-executive member of the Board of Directors of SOCO International, plc
- Member of the General Board of the School of Humanities and Social Sciences of Universidade Nova de Lisboa
- Non-executive member of the Board of Directors of Banco Privado do Atlântico – Angola
- Chairman of the Board of Curators of Fundação Luso-Brasileira.

#### Academic qualifications:

- Licentiate Degree in Law from the Law School of the University of Lisbon
- Passed the admission contest for positions of embassy attaché, opened on 11 September 1967

**Professional experience in the last ten years relevant to the position:**

- 2001/2004 and 2006/2009 – Portugal's Representative at the European Space Agency (ESA)
- 2002/2009 – Member of the Ambassadors Forum – Agência Portuguesa para o Investimento
- 2003 – Member of the Advisory Board of the Oceans Strategic Committee
- 2004/2005 – Minister of Foreign Affairs and of the Portuguese Communities;
- 2005/2006 – High Commissioner of the UN for the Elections in the Ivory Coast;
- 2006/2009 – Ambassador of Portugal in France.
- 2010/2011 – Member of the Panel of the UN Secretary General for Referendums in Sudan
- 2011 – Member of the work group created by the Prime Minister for the internationalisation and development of the Portuguese economy
- March 2009/February 2012 – Member of the Supervisory Board of Banco Comercial Português S.A.
- April 2011/February 2012 – Chairman of the Supervisory Board and Member of the Remuneration and Welfare Board of Banco Comercial Português S.A.
- February 2012/October 2012 – Chairman of the Board of Directors of the Fundação Millennium bcp

## **Carlos José da Silva**

### **Personal details:**

- Date of birth: 6 January 1966
- Nationality: Angolan
- Position: Vice-Chairman of the Board of Directors
- Beginning of term of office: 28 February 2012
- Current term of office: 2012/2014

### **Positions held in the Group:**

#### **In Portugal:**

- Vice-Chairman of the Board of Directors of Banco Comercial Português, S.A.
- Chairman of the Commission for Nominations and Evaluations (Talent Management) of Banco Comercial Português, S.A.
- Vice-Chairman of the Board of Curators of the Fundação Millennium bcp.

#### **Positions held outside the Group:**

- Executive Director of Banco Espírito Santo Angola (Besa)
- Since 2006 – Founder and CEO of Banco Privado Atlântico Founder of Banco de Investimento Privado in Angola
- Since 2009 – Founder and Chairman of Banco Privado Atlântico Europa
- Since 2010 – Vice-Chairman of Sociedade Baia de Luanda
- Since 2010 – Chairman of Interoceânico Capital S.G.P.S., S.A.
- Since 2010 – Chairman of Angola Management School

#### **Academic qualifications:**

- Licentiate degree in Legal Sciences at the Faculty of Law of the Universidade de Lisboa

#### **Professional experience in the last ten years relevant to the position:**

- 2001/2005 – Founder and Executive Director of Banco Espírito Santo Angola (Besa)
- Until 28 February 2012 – Member of the Supervisory Board of Banco Comercial Português, S.A.
- 28 February 2012/19 October 2012 – Vice-Chairman of the Board of Directors of the Fundação Millennium bcp

## Nuno Manuel da Silva Amado

### Personal details:

- Date of birth: 14 August 1957
- Nationality: Portuguese
- Position: Vice-Chairman of the Board of Directors and Chairman of the Executive Committee
- Beginning of term of office: 28 February 2012
- Current term of office: 2012/2014

### Positions held in the Group:

#### In Portugal:

- Vice-Chairman of the Board of Directors and Chairman of the Executive Committee of Banco Comercial Português, S.A.
- Member of the Commission for Nominations and Evaluations (Talent Management) of Banco Comercial Português, S.A.
- Member of the Board of Curators of the Fundação Millennium bcp.

#### Abroad:

- Vice-Chairman of the Supervisory Board of Bank Millennium, S.A. (Poland).

### Direct responsibilities:

- Office of the Chairman
- Communication Department
- Human Resources Department

### Positions held outside the Group:

- Member of the Board of APB – Associação Portuguesa de Bancos in representation of Banco Comercial Português, S.A.
- Member of the Institut International D'Etudes Bancaires
- Member of the Audit Board of the Bial Foundation

### Academic qualifications:

- Licentiate Degree in Corporate Organization and Management at Instituto Superior das Ciências do Trabalho e da Empresa (ISCTE)
- Advanced Management Programme at INSEAD, Fontainebleau

### Professional experience in the last ten years relevant to the position:

- 2001/2004 – Vice-Chairman of the Executive Committee and 2000/2004 – Member of the Board of Directors of Crédito Predial Português
- 2001/2004 – Vice-Chairman of the Executive Committee and 2000/2004 – Member of the Board of Directors of Banco Totta & Açores
- 1997/2006 – Member of the Executive Committee and of the Board of Directors of Banco Santander de Negócios Portugal

- 2005/2006 – Vice-Chairman of the Executive Committee and member of the Board of Directors of Banco Santander Totta, S.A.
- 2005/2006 – Vice-Chairman of the Executive Committee and member of the Board of Directors of Banco Santander Totta, S.G.P.S.
- August 2006/January 2012 – Vice-Chairman of the Board of Directors of Portal Universia Portugal
- August 2006/January 2012 – General Manager and Member of the Management Committee of Banco Santander Central Hispano
- August 2006/January 2012 – Chairman of the Executive Committee and Vice-Chairman of the Board of Directors of Banco Santander Totta, S.A.
- August 2006/January 2012 – Chairman of the Executive Committee and Vice-Chairman of the Board of Directors of Banco Santander Totta, S.G.P.S.
- 28 February 2012/19 October 2012 – Vice-Chairman of the Board of Directors of the Fundação Millennium bcp.



## Pedro Maria Caláinho Teixeira Duarte

### Personal details:

- Date of birth: 6 May 1954
- Nationality: Portuguese
- Position: Vice-Chairman of the Board of Directors
- Beginning of term of office: 28 February 2012
- Current term of office: 2012/2014

### Positions held in the Group:

- Vice-Chairman of the Board of Directors of Banco Comercial Português, S.A.
- Member of the Board of Curators of the Fundação Millennium bcp.

### Positions held outside the Group:

- Chairman of the Board of Directors of Teixeira Duarte, S.A.
- Chairman of the Board of Directors of Teixeira Duarte – Engenharia e Construções, S.A.
- Chairman of the Board of Directors of Teixeira Duarte – Sociedade Gestora de Participações Sociais, S.A.
- Chairman of the Board of Directors of PASIM – Sociedade Imobiliária, S.A.
- Chairman of the Board of Directors of PACIM – Soc. Gestora de Participações Sociais, S.A.

### Academic qualifications:

- Licentiate degree in Business Administration from the Universidade Católica Portuguesa (Portuguese Catholic University)

### Professional experience in the last ten years relevant to the position:

- Chief Executive Officer of Teixeira Duarte – Engenharia e Construções, S.A.
- Director of Teixeira Duarte – Engenharia e Construções (Macau), Lda.
- Vice-Chairman of the Senior Board of Banco Comercial Português, S.A.
- Vice-Chairman of the Supervisory Board of Banco Comercial Português, S.A.
- Member of the Remunerations and Welfare Board of Banco Comercial Português, S.A.
- Member of the Supervisory Board of Millennium Bank, S.A. (Polónia)
- Director of CIMPOR – Cimentos de Portugal, S.G.P.S., S.A.
- 28 February 2012/19 October 2012 – Vice-Chairman of the Board of Directors of the Fundação Millennium bcp
- March/October 2012 – Member of the Commission for Risk Assessment (Renounced)

## **Álvaro Roque de Pinho de Bissaia Barreto**

### **Personal details:**

- Date of birth: 1 January 1936
- Nationality: Portuguese
- Position: Member of the Board of Directors
- Beginning of term of office: 28 February 2012
- Current term of office: 2012/2014

### **Positions held in the Group:**

- Member of the Board of Directors of Banco Comercial Português, S.A.
- Member of the Commission for Nominations and Evaluations and of the Commission for Ethics and Professional Conduct of Banco Comercial Português, S.A.

### **Positions held outside the Group:**

- Chairman of the Board of Directors of Tejo Energia, S.A.
- Non-executive director of Nutrinveste – Soc. Gestora de Part. Sociais, S.A.
- Non-executive director of MELLOL – Soc. Gestora de Participações Sociais, S.A.
- Chairman of the Board of the General Meeting of Prime Drinks, S.A.
- Non-executive director of Beralt Tin & Wolfram (Portugal), S.A.

### **Academic qualifications:**

- Licentiate degree in Civil Engineering at Instituto Superior Técnico
- Management Course (American Management Association) (1961)
- Program on Management Development (Harvard Business School) (1969)

### **Professional experience in the last ten years relevant to the position:**

- 1998/2004 – Member of the Portuguese Council and the International Council of INSEAD
- 1999/2004 – Member of Parliament
- 2000/2004 – Vice-Chairman of the Department of IBET – Instituto de Biologia Experimental e Tecnológica
- 2001/2004 – Non-executive director of Nova Robbialac – Indústria Ibérica de Tintas, S.A.
- 2001/2004 – Chairman of the Parliamentary Commission on Agriculture, Rural Development and Fisheries
- 2002/2004 – Member of the Lisbon Municipal Assembly
- 2004/2005 – Minister of State, Economic Activities and Labour
- 2006/2012 – Non-executive director of SAIP – Sociedade Alentejana de Investimento e Participações, S.G.P.S., S.A.
- Since 2006 – Non-executive director of Beralt tin & Wolfram (Portugal), S.A.
- April 2011/28 February 2012 – Member of the Supervisory Board, Chairman of the Commission for Ethics and Professional Conduct and Member of the Commission for Risk Assessment of Banco Comercial Português, S.A.

## André Magalhães Luíz Gomes

### Personal details:

- Date of birth: 20 February 1966
- Nationality: Portuguese
- Position: Member of the Board of Directors
- Beginning of term of office: 28 February 2012
- Current term of office: 2012/2014

### Positions held in the Group:

- Member of the Board of Directors of Banco Comercial Português, S.A.

### Positions held outside the Group:

- Partner of Cuatrecasas, Gonçalves Pereira & Associados, Sociedade de Advogados, R.L.
- Member of the Board of Directors of the Fundação de Arte Moderna e Contemporânea – Coleção Berardo
- Member of the Board of Directors of Bacalhôa – Vinhos de Portugal, S.A.
- Member of the Board of Directors of Matiz Sociedade Imobiliária, S.A.
- Member of the Board of Directors of Atram – Sociedade Imobiliária S.A.
- Sole Director of Imobiliária de São Joaquim S.A.
- Director of Digiátomo – Sociedade Imobiliária, S.A.
- Director of Dichiarato, S.A.
- Manager of Brightmelody Unipessoal, Lda.
- Director of Gauluna, S.A.
- Manager of New Property – Sociedade Imobiliária, Lda.
- Chairman of the Board of the General Meeting of FGA Capital Instituição Financeira de Crédito, S.A.
- Chairman of the Board of the General Meeting of FGA Distribuidora Portugal, S.A.
- Chairman of the Board of the General Meeting of Fiat Group Automobiles Portugal, S.A.
- Chairman of the Board of the General Meeting of Rentipar Financeira, S.G.PS – S.A.
- Chairman of the Board of the General Meeting of Carmo – Sociedade Agrícola S.A.
- Chairman of the Board of the General Meeting of Explorer Investments, Sociedade Capital de Risco S.A.
- Chairman of the Board of the General Meeting of Explorer Investments, S.G.PS. S.A.

### Academic qualifications:

- Licentiate degree in Law from the Faculty of Law of Lisbon University

### Professional experience in the last ten years relevant to the position:

- Member of the Board of Directors of Metalgest – Sociedade de Gestão, S.G.PS. S.A.
- Member of the Board of Directors – Moagens Associadas, S.A.
- Expert of the Remunerations and Welfare Board of Banco Comercial Português, S.A.
- 28 February 2012/19 October 2012 – Member of the Board of Directors of the Fundação Millennium bcp

## **António Henriques de Pinho Cardão**

### **Personal details:**

- Date of birth: 31 May 1943
- Nationality: Portuguese
- Position: Member of the Board of Directors
- Beginning of term of office: 28 February 2012
- Current term of office: 2012/2014

### **Positions held in the Group:**

- Member of the Board of Directors of Banco Comercial Português, S.A.
- Member of the Commission for Risk Assessment and of the Commission for Ethics and Professional Conduct of Banco Comercial Português, S.A.

### **Academic qualifications:**

- Licentiate degree in Finance by Instituto Superior de Ciências Económicas e Financeiras

### **Professional experience in the last ten years relevant to the position:**

- 1997/1999 – Director of Crèdibanco-Banco de Crédito Pessoal, S.A. – Grupo BCP
- 1999/2002 – General Director of Credit of Banco Comercial Português – BCP Group
- March 2002/March 2005 – Member of Parliament as Independent Deputy in the Parliamentary Group of PSD, on an exclusive basis.
- 2005/2012 – Economist, self-employed: consultancy, preparation of economic and financial studies, company assessments.
- 2005/2012 – Economist, self-employed: consultancy, preparation of economic and financial studies, company assessments.
- 2006/2012 – CHairman of the Board of Auditors of the company Vila Galé, S.A.
- 2009/2012 – Member of the Board of Auditors of companies of the Monte & Monte Group and namely, of the holding, Monte & Monte, S.G.P.S., S.A.
- April 2011/February 2012 – Member of the Supervisory Board of Banco Comercial Português S.A.

## António Luís Guerra Nunes Mexia

### Personal details:

- Date of birth: 12 July 1957
- Nationality: Portuguese
- Position: Member of the Board of Directors
- Beginning of term of office: 28 February 2012
- Current term of office: 2012/2014

### Positions held in the Group:

- Member of the Board of Directors of Banco Comercial Português, S.A.
- Member of the Commission for Corporate Governance of Banco Comercial Português, S.A.

### Positions held outside the Group:

- Chief Executive Officer of EDP-Energias de Portugal, SA.
- Vice-Chairman of Associação Industrial Portuguesa
- Representative of the Portuguese Government to the European Union in the work group for the development of trans-European networks

### Academic qualifications:

- Licentiate degree in Economic by the University of Geneva (Switzerland)

### Professional experience in the last ten years relevant to the position:

- 2001/2004- Chief Executive Officer of Galp Energia and Chairman of the Board of Directors of Petrogal, Gás de Portugal, Transgás and Transgás-Atlântico
- 2002/2004 – Chairman of the General Board of Ambeli
- 2004 – Minister of Public Works, Transports and Communications of the 16<sup>th</sup> Constitutional Government
- 2008/2012 – Member of the Supervisory Board of Banco Comercial Português, S.A., having previously been a member of the Senior Board of this Bank
- 28 February 2012/19 October 2012 – Member of the Board of Directors of the Fundação Millennium bcp

## **António Manuel Costeira Faustino**

### **Personal details:**

- Date of birth: 31 March 1957
- Nationality: Portuguese
- Position: Member of the Board of Directors
- Beginning of term of office: 28 February 2012
- Current term of office: 2012/2014

### **Positions held in the Group:**

- Member of the Board of Directors of Banco Comercial Português, S.A.
- Chairman of the Commission for Ethics and Professional Conduct of Banco Comercial Português, S.A.

### **Positions held outside the Group:**

- Lawyer (self-employed)
- Managing partner of the company Ricardo Aires – Gestão e Prestação de Serviços, Lda.

### **Academic qualifications:**

- Licentiate Degree in Law from the Faculty of Law of Universidade Clássica de Lisboa;

### **Professional experience in the last ten years relevant to the position:**

- 2001/2003 – Member of the Board of the General Meeting of C+P.A. – Cimento e Produtos Associados, S.A.
- 2002/2005 – Vice-Chairman of the Lisbon District Council of the Portuguese Bar Association
- 2005/2007 – Vice-Chairman of the General Council of the Portuguese Bar Association
- 2005/2007 – Advisor to the General Council of the Pension Fund for Lawyers and Solicitors
- 2007/2009 – Member of the Board of the General Meeting of AEDL – Auto-Estradas do Douro Litoral, S.A.
- 13 March 2011/28 February 2012 – Member of the Supervisory Board of Banco Comercial Português, S.A.
- 28 February 2012/19 October 2012 – Member of the Board of Directors of the Fundação Millennium bcp

## Bernardo de Sá Braamcamp Sobral Sottomayor

### Personal details:

- Date of birth: 18 May 1973
- Nationality: Portuguese
- Position: Member of the Board of Directors
- Beginning of term of office: 4 December 2013
- Current term of office: Member appointed by the State for the period of enforcement of the public investment to strengthen own funds.

### Positions held in the Group:

- Member of the Board of Directors of Banco Comercial Português, S.A.
- Member of the Commission for Nominations and Evaluations (Talent Management) and Member of the Commission for Risk Assessment of Banco Comercial Português, S.A.

### Positions held outside the Group:

- Since 2006 – Managing Director at Deutsche Bank – RREEF Infrastructure

### Academic qualifications:

- Licentiate degree in Economics, by the Faculty of Economics of Universidade Nova de Lisboa
- Specialisation in Econometrics, International Economics and Monetary Economics
- Study grant British Chevening Scholarship attributed by the British Council for post-graduation studies in the United Kingdom (not used).
- Investment Management Certificate – qualification required by the Financial Services Authority for the exercise of the financial duties that he currently performs in the City of London

### Professional experience in the last ten years relevant to the position:

- 2000/2013 – Director of the Business Analysis Office (Mergers and Acquisitions) at EDP – Energias de Portugal
- 2004/2006 – Director – European Team of Utilities in Citigroup – Corporate Finance and Mergers and Acquisitions
- Director at Deutsche Bank – RREEF Infrastructure

## **César Paxi Manuel João Pedro**

### **Personal details:**

- Date of birth: 13 October 1974
- Nationality: Angolan
- Position: Member of the Board of Directors
- Beginning of term of office: 28 February 2012
- Current term of office: 2012/2014

### **Positions held in the Group:**

- Member of the Board of Directors of Banco Comercial Português, S.A.
- Member of the Commission for Corporate Governance of Banco Comercial Português, S.A.

### **Positions held outside the Group:**

- Head of the Legal Department of the Sonangol Group

### **Academic qualifications:**

- Licentiate degree in Law – Universidade Agostinho Neto

### **Professional experience in the last ten years relevant to the position:**

- 2003/2005 – Senior Legal Counsel responsible for the negotiations of the Operating Contracts of the Operating Blocks and Non-Operating Blocks of Sonangol Pesquisa e Produção S.A.
- 2005/2008 – Team Leader of the Legal Office of Sonangol Pesquisa e Produção, S.A.
- 2008/2010 – Head of the Legal Department of Operating Businesses and Concessions of the Legal Services Department of Sonangol, E.P.
- 2010/2012 – General Counsel – Sonangol E.P.
- 28 February 2012/19 October 2012 – Member of the Board of Directors of the Fundação Millennium bcp



## Jaime de Macedo Santos Bastos

### Personal details:

- Date of birth: 26 November 1956
- Nationality: Portuguese
- Position: Member of the Board of Directors
- Beginning of term of office: 28 February 2012
- Current term of office: 2012/2014

### Positions held in the Group:

- Member of the Board of Directors of Banco Comercial Português, S.A.
- Member of the Audit Committee of Banco Comercial Português, S.A.

### Positions held outside the Group:

- Statutory Auditor of several companies
- Member of the Audit Board of CIMPOR, in representation of J. Bastos, C. Sousa Góis & Associados, Srocl

### Academic qualifications:

- Licentiate degree in Business Administration from the Universidade Católica Portuguesa
- Various post-graduation courses

### Professional experience in the last ten years relevant to the position:

- Information Systems Consultant
- Staff member of Arthur Andersen & Co.
- Assistant Professor at the Universidade Católica Portuguesa
- Member of the Audit Board of the Ordem dos Revisores Oficiais de Contas (Portuguese Statutory Auditors Association).
- 28 February 2012/19 October 2012 – Member of the Board of Directors of the Fundação Millennium bcp

## João Bernardo Bastos Mendes Resende

### Personal details:

- Date of birth: 16 June 1963
- Nationality: Portuguese
- Position: Member of the Board of Directors
- Beginning of term of office: 28 February 2012
- Current term of office: 2012/2014

### Positions held in the Group:

- Member of the Board of Directors of Banco Comercial Português, S.A.
- Chairman of the Commission for Risk Assessment of Banco Comercial Português, S.A.

### Positions held outside the Group:

- Since 2009 – Member of the Board of Directors of Banco Urquijo (Grupo Banco Sabadell)
- Member of the Governing Council of the Institute of Economic Studies
- Member of the Spanish Institute of Financial Analysts
- Member of the Governing Council of the Spanish Securities Market Association
- Member of the Board of Directors of Cajastur Servicios Financieros
- 28 February 2012/19 October 2012 – Member of the Board of Directors of the Fundação Millennium bcp

### Academic qualifications:

- Licentiate Degree in Economic and Corporate Sciences with a Specialisation in Finance, at the University College of Financial Studies CUNEF, Universidad Complutense, Madrid
- M.B.A. – in Company Management, at Instituto de Estudos Superiores da Empresa (IESE Business School).

### Professional experience in the last ten years relevant to the position:

- 2000/June 2009 – Vice-Chairman and General Director of Ibersecurities, Sociedad de Valores y Bolsa, S.A.
- 2000/2003 – Chief Executive Officer of ActivoBank (Banco Sabadell Group, BCP Group)
- 2002/2009 – Member of the Commercial Committee of Banco Sabadell
- 28 February 2012/19 October 2012 – Member of the Board of Directors of the Fundação Millennium bcp

## João Manuel de Matos Loureiro

### Personal details:

- Date of birth: 4 October 1959
- Nationality: Portuguese
- Position: Member of the Board of Directors
- Beginning of term of office: 28 February 2012
- Current term of office: 2012/2014

### Positions held in the Group:

- Member of the Board of Directors of Banco Comercial Português, S.A.
- Chairman of the Audit Committee of Banco Comercial Português, S.A.

### Positions held outside the Group

- Since 1984 – Teacher at the School of Economics of Universidade do Porto, currently Associate Professor
- Since 2008 – Head of the Post Graduation Degree in Company Management of Porto Business School (PBS)
- Since 2010 – Member of the Council of Representatives of the School of Economics of Universidade do Porto

### Academic qualifications:

- Licentiate Degree in Economics, from the School of Economics of Universidade do Porto.
- PhD in Economics (specialisation in International Macroeconomics and Finance), from the University of Gothenburg, Sweden

### Professional experience in the last ten years relevant to the position:

- 2000/2008 – Head of the MBA in Finance from the School of Economics of Porto Business School
- 2002/2008 – Chairman of the Pedagogic Council of the School of Economics of Universidade do Porto;
- 2007/2008 – Coordinator of the Budgeting per Programs Committee, Ministry of Finance
- 2008/2011 – Member of the General Council of Porto Business School
- 2008 – Consultant for the assessment of the foreign exchange regime in Cape Verde
- 30 March 2009/28 February 2012 – Member of the Supervisory Board of Banco Comercial Português, S.A.
- 16 April 2009/28 February 2012 – Chairman of the Audit Committee of Banco Comercial Português, S.A.
- 29 May 2009/28 February 2012 – Chairman of the Audit Board of Banco ActivoBank, S.A.
- 22 March 2010/28 February 2012 – Chairman of the Audit Board of Banco Banco BII – Banco de Investimento Imobiliário, S.A.
- 28 February 2012/19 October 2012 – Member of the Board of Directors of the Fundação Millennium bcp

## **José Guilherme Xavier de Basto**

### **Personal details:**

- Date of birth: 19 November 1938
- Nationality: Portuguese
- Position: Member of the Board of Directors and of the Audit Committee
- Beginning of term of office: 28 February 2012
- Current term of office: 2012/2014

### **Positions held in the Group:**

- Member of the Board of Directors of Banco Comercial Português, S.A.
- Member of the Audit Committee of Banco Comercial Português, S.A.

### **Positions held outside the Group:**

- Since 2007 – non-executive director of Portugal Telecom, SGPS, S.A., being a member of its Audit Committee

### **Academic qualifications:**

- Licentiate Degree in Law from the Universidade de Coimbra
- Additional Course of Political-Economic Sciences

### **Professional experience in the last ten years relevant to the position:**

- 1974/2004 (retirement) – taught the subjects of Taxation and Tax Harmonisation at the Faculty of Economics of Universidade de Coimbra
- On 20 December 1988, was appointed member of the Privatisation Monitoring Commission, position which he held until 2007
- Has published books and articles on taxation and Fiscal Law, about VAT and personal income tax in particular. Is Chairman of the Audit Board of the Portuguese Fiscal Association and Chairman of the General Meeting of the Portuguese Tax Consultants Association. Is a member of the Research Office of the Statutory Auditors Association
- 30 March 2009/28 February 2012 – Member of the Supervisory Board of Banco Comercial Português, S.A.
- 16 April 2009/28 February 2012 – Member of the Audit Committee of Banco Comercial Português, S.A.
- 28 February 2012/19 October 2012 – Member of the Board of Directors of the Fundação Millennium bcp

## José Jacinto Iglésias Soares

### Personal details:

- Date of birth: 25 June 1960
- Nationality: Portuguese and Angolan
- Position: Member of the Board of Directors and of the Executive Committee
- Beginning of term of office: 28 February 2012
- Current term of office: 2012/2014

### Positions held in the Group:

- Member of the Board of Directors and of the Executive Committee of Banco Comercial Português, S.A.
- Chairman of the Board of Directors of Millennium bcp Prestação de Serviços, ACE

### Direct responsibilities:

- Compliance Office
- Legal Department
- Audit Department
- Purchases and Means Department
- Information Technology Department
- Operations Department

### Positions held outside the Group:

- Non-executive director of SIBS, S.G.P.S., S.A. and SIBS Forward Payment Solutions, S.A.
- Member of the Remunerations Committee of UNICRE – Instituição Financeira de Crédito, S.A.
- Vice-Chairman of the General Council of the Portuguese Industrial Association – Chamber of Commerce and Industry, in representation of Banco Comercial Português, S.A.

### Academic qualifications:

- Licentiate degree in Law from the Faculty of Law of Universidade de Lisboa
- Post-Graduation in Commercial Law and Commercial Companies from Universidade Católica de Lisboa
- Corporate Senior Management Programme – AESE
- Post-Graduation in Accountancy and Finance from Universidade Católica de Lisboa

### Professional experience in the last ten years relevant to the position:

- 1986/2004 – Employee of Banco Comercial Português, S.A., having performed the following duties:
  - Account Manager at the Av. 5 de Outubro branch – Lisbon
  - Director of the Cascais branch
  - Deputy Coordinating Director of the Individuals Network
  - Commercial Director at NovaRede and Atlântico
  - Director at the Tax Advisory Services
- 2004/2005 – Chairman of Instituto Português de Apoio ao Desenvolvimento (IPAD)
- 2005/2007 – Director of the Legal Support Division of the Compliance Office of Banco Comercial Português, S.A.
- 2008/2009 – Managing Director of the External Relations Division of Banco Privado Atlântico (Angola)
- 2009/2011 – Executive Director of Banco Privado Atlântico – Europe, responsible for the areas of Compliance, Legal Advisory Services and Internal Audits
- 18 April 2011/28 February 2012 – Member of the Executive Board of Directors of Banco Comercial Português, S.A.
- 18 April 2011/19 October 2012 – Member of the Board of Directors of the Fundação Millennium bcp.

## **José Rodrigues de Jesus**

### **Personal details:**

- Date of birth: 16 October 1944
- Nationality: Portuguese
- Position: Member of the Board of Directors
- Beginning of term of office: 4 December 2012
- Current term of office: Member appointed by the State for the period of enforcement of the public investment to strengthen own funds.

### **Positions held in the Group:**

- Member of the Board of Directors of Banco Comercial Português, S.A.
- Member of the Audit Committee of Banco Comercial Português, S.A.
- Member of the Audit Board of Millenniumbcp Ageas Grupo Segurador S.G.P.S., S.A.

### **Positions held outside the Group:**

- Single Auditor of various companies

### **Academic qualifications:**

- Licentiate degree in Economics, from the School of Economics of Universidade do Porto.

### **Professional experience in the last ten years relevant to the position:**

- 1968/2005 – Assistant professor at the School of Economics of Universidade do Porto, currently participating in post-graduation courses at Porto Business School
- 1974/2012 – Economist, Consultant and Member of the Supervisory Boards of Finibanco Holding, S.G.P.S., S.A. and Finibanco, S.A.
- 2012/present: Member of the Audit Board of Mota-Engil, S.G.P.S., S.A., Millenniumbcp AGEAS Grupo Segurador S.G.P.S., S.A. and Germen – Moagem de Cereais, S.A.
- 1976/2012 – As Statutory Auditor; performed duties on the Supervisory Boards of various companies;

## Luís Maria França de Castro Pereira Coutinho

### Personal details:

- Date of birth: 2 March 1962
- Nationality: Portuguese
- Position: Member of the Board of Directors and of the Executive Committee
- Beginning of term of office: 28 February 2012
- Current term of office: 2012/2014

### Positions held in the Group:

#### In Portugal:

- Member of the Board of Directors and of the Executive Committee of Banco Comercial Português, S.A.
- Chairman of the Board of Directors of Banco ActivoBank, S.A.

#### Abroad:

- Chairman of the Board of Directors of Banque Privée BCP (Suisse), S.A.
- Member of the Board of Directors of Millennium Bank, S.A. (Greece)
- Member of the Supervisory Board of Bank Millennium, S.A. (Poland)
- Chairman of the Board of Directors of Banca Millennium, S.A. (Romania)

### Direct responsibilities:

- ActivoBank
- Companies Banking Centre
- Companies Banking North
- Companies Banking South
- Companies Marketing Department
- Foreign Business Support Office
- Bank Millennium (Poland)
- Banca Millennium (Romania)
- Millennium Bank (Greece)

### Academic qualifications:

- 1984 – Licentiate degree in Economics from Universidade Católica Portuguesa

**Professional experience in the last ten years relevant to the position:**

- 2001/2003 – Head of the Office of the Chairman of the Board of Directors of Banco Comercial Português, S.A.
- 2003/February 2009 – Vice-Chairman of the Executive Board of Directors of Bank Millennium, S.A. (Poland)
- May 2003/March 2009 – Member of the Supervisory Board of Millennium Leasing Sp Zoo (Poland)
- May 2003/March 2009 – Member of the Supervisory Board of Millennium Dom Maklerski S.A. (Poland)
- May 2003/March 2009 – Member of the Supervisory Board of Millennium Lease Sp Zoo (Poland)
- February/December 2008 – Manager of BCP Participações Financeiras, SGPS, Sociedade Unipessoal, Lda.
- February 2008/March 2009 – Manager of BCP Internacional II, Sociedade Unipessoal, SGPS, Lda.
- February 2008/March 2009 – Member of the Board of Directors of Millennium bcp – Prestação de Serviços, ACE
- February 2008/December 2009 – Member of the Board of Directors of Banco Activobank (Portugal), S.A., presently Banco ActivoBank, S.A.
- May 2008/May 2010 – Vice-Chairman of the Board of Directors of Millennium Banque, S.A. (Greece)
- July 2008/October 2010 – Chairman of the Board of Directors of BCP Holdings (USA), Inc. (United States of America)
- 15 January 2008/28 February 2012 – Member of the Executive Board of Directors of Banco Comercial Português, S.A.
- 15 January 2008/19 October 2012 – Member of the Board of Directors of the Fundação Millennium bcp.



## Maria da Conceição Mota Soares de Oliveira Callé Lucas

### Personal details:

- Date of birth: 24 January 1956
- Nationality: Portuguese
- Position: Member of the Board of Directors and of the Executive Committee
- Beginning of term of office: 28 February 2012
- Current term of office: 2012/2014

### Positions held in the Group:

#### In Portugal:

- Member of the Board of Directors and of the Executive Committee of Banco Comercial Português, S.A.
- Vice-Chairman of the Board of Directors and Chairman of the Audit Committee of Millennium bcp Ageas Grupo Segurador, SGPS, S.A.
- Vice-Chairman of the Board of Directors and Chairman of the Audit Committee of Médis – Companhia Portuguesa de Seguros de Saúde, S.A.
- Vice-Chairman of the Board of Directors and Chairman of the Audit Committee of Ocidental – Companhia Portuguesa de Seguros, S.A.
- Vice-Chairman of the Board of Directors and Chairman of the Audit Committee of Ocidental – Companhia Portuguesa de Seguros de Vida, S.A.
- Vice-Chairman of the Board of Directors and Chairman of the Audit Committee of Pensões Gere – Sociedade Gestora de Fundos de Pensões, S.A.

#### Abroad:

- Member of the Board of Directors of BIM – Banco Internacional de Moçambique, S.A.
- Member of the Supervisory Board of Bank Millennium, S.A. (Poland)
- Member of the Board of Directors of Banco Millennium Angola, S.A.

### Direct responsibilities:

- Investment Banking Department
- Corporate Department
- Large Corporate Department
- International Strategic Research Office
- Private Equity Recapitalisation Fund
- Banco Millennium Angola (Angola)
- Millenniumbcp Ageas
- Millennium BIM (Mozambique)

**Academic qualifications:**

- 1978 – Licentiate degree in Business Administration from the Universidade Católica Portuguesa
- 1979 – Post-graduation in Higher European Studies specialising in Economic Issues from Collège d'Europe, in Bruges
- 1980 – Master of Science from the London School of Economics, University of London

**Professional experience in the last ten years relevant to the position:**

- 2002/2008 – Representative – Société Générale, Portugal
- 2008/2009 – Ifogest – Consultoria e Investimentos, S.A.
- 2009/February 2012 – Directress of Banco Privado Atlântico-Europa, S.A.
- 28 February 2012/19 October 2012 – Member of the Board of Directors of the Fundação Millennium bcp
- 29 March 2012/19 December 2012 – Chairman of the Board of Directors of Millennium bcp Gestão de Activos – Sociedade Gestora de Fundos de Investimento, S.A.

## Miguel de Campos Pereira de Bragança

### Personal details:

- Date of birth: 25 June 1966
- Place of birth: Lisbon
- Nationality: Portuguese
- Position: Vice-Chairman of the Executive Committee and Member of the Board of Directors
- Beginning of term of office: 28 February 2012
- Current term of office: 2012/2014

### Positions held in the Group:

#### In Portugal:

- Member of the Board of Directors and Vice-Chairman of the Executive Committee of Banco Comercial Português, S.A.
- Chairman of the Board of Directors of Banco de Investimento Imobiliário, S.A.
- Manager of the company Millennium bcp Participações, S.G.P.S., Sociedade Unipessoal, Lda.

#### Abroad:

- Member of the Supervisory Board of Bank Millennium, S.A. (Poland)

### Direct responsibilities:

- Tax Advisory Services Department
- Accounting and Consolidation Department
- Cost Control and Performance Department
- Research, Planning and ALM Department
- Management Information Department
- Investor Relations Department
- International Department
- Treasury and Markets Department

### Academic qualifications:

- Licentiate degree in Business Administration from the Universidade Católica Portuguesa
- INSEAD, Fontainebleau, MBA programme. Henry Ford II Prize, awarded each year to students that complete the year with the highest average

### Professional experience in the last ten years relevant to the position:

- 2000/2006 – Director, Head of the Finance, Accountancy and Management Control, Marketing and Products areas at Banco Santander Totta and Santander Totta S.G.P.S.
- 2007/2008 – Executive Director with the areas of responsibility of Marketing Products, having accumulated since June the responsibilities for the Telephone Channel, Internet and Business Banking at Abbey National PLC (presently Santander UK)
- 2008/February 2012 – Director responsible for the Finance, Accountancy and Management Control, Marketing and Products areas at Banco Santander Totta, S.A., Santander Totta S.G.P.S. and Banco Santander de Negócios (Portugal)
- 28 February 2012/19 October 2012 – Member of the Board of Directors of the Fundação Millennium bcp.

## **Miguel Maya Dias Pinheiro**

### **Personal details:**

- Date of birth: 16 June 1964
- Nationality: Portuguese
- Position: Member of the Board of Directors and Vice-Chairman of the Executive Committee
- Beginning of term of office: 28 February 2012
- Current term of office: 2012/2014

### **Positions held in the Group:**

#### **In Portugal:**

- Member of the Board of Directors and Vice-Chairman of the Executive Committee of Banco Comercial Português, S.A.
- Chairman of the Board of Directors of Interfundos – Gestão de Fundos de Investimento Imobiliário, S.A.

#### **Abroad:**

- Member of the Board of Directors of Banco Millennium Angola, S.A. (Angola)
- Vice-Chairman of the Board of Directors of BIM – Banco Internacional de Moçambique, S.A.

### **Direct responsibilities:**

- Specialised Monitoring Department
- Litigation Department
- Credit Department
- Real Estate Business Department
- Rating and Assessments Department
- Retail Recovery Department
- Specialised Recovery Department
- Risk Office

### **Positions held outside the Group:**

- Member of the Audit Board of Portugal Capital Ventures – Sociedade de Capital de Risco S.A., in representation of Banco Comercial Português, S.A.

### **Academic qualifications:**

- Licentiate Degree in Corporate Organization and Management at Instituto Superior das Ciências do Trabalho e da Empresa (ISCTE)
- Corporate Senior Management Programme (PADE) – AESE
- Advanced Management Programme – INSEAD

**Professional experience in the last ten years relevant to the position:**

- Since 1996 – Employee of Grupo Banco Comercial Português, participating in the teams that incorporated BPA into BCP, responsible for coordinating the integration project and defining the value proposition for the companies segment
- 2001 to 2003 – Deployed in Barcelona, Spain, having performed the duties of CEO of Managerland, S.A. (Internet banking operations of the BCP Group and Sabadell)
- 2003/2005 – Banco Comercial Português/Servibanca – General Manager, in charge of the Contact Centre (Internet, Phone Banking and Customer Centre operations)
- 2005/September 2007 – General Manager of Banco Comercial Português, S.A., member of the Retail Executive Committee
- 2005/September 2007 – Head of the Innovation and Commercial Promotion Department at BCP
- Fevereiro 2005/September 2007 – Director of Millenniumbcp Gestão de Fundos de Investimento, S.A.
- March 2005/September 2007 – Chairman of the Board of Directors of Millenniumbcp Teleserviços, Serviços de Comercio Electrónico, S.A.
- March/October 2007 – Manager of AF Internacional, S.G.P.S. Sociedade Unipessoal, Lda.
- 2005/September 2007 – Member of the Executive Committee of CISP
- August 2007/November 2009 – Head of the Office of the Chairman of the Executive Board of Directors of Banco Comercial Português, S.A.
- December 2009/May 2011 – Chairman of the Board of Directors of Banco ActivoBank, S.A.
- November 2009/February 2012 – Member of the Executive Board of Directors of Banco Comercial Português, S.A.
- March/June 2007 – Chairman of the Board of Directors of Banco de Investimento Imobiliário, S.A.
- 3 November 2009/19 October 2012 – Member of the Board of Directors of the Fundação Millennium bcp.

## **Rui Manuel da Silva Teixeira**

### **Personal details:**

- Date of birth: 4 September 1960
- Nationality: Portuguese
- Position: Member of the Board of Directors and of the Executive Committee
- Beginning of term of office: 28 February 2012
- Current term of office: 2012/2014

### **Positions held in the Group:**

#### **In Portugal:**

- Member of the Board of Directors and of the Executive Committee of Banco Comercial Português, S.A.
- Chairman of the Board of Directors of Millennium bcp Gestão de Activos – Sociedade Gestora de Fundos de Investimento, S.A.

#### **Abroad:**

- Member of the Supervisory Board of Bank Millennium, S.A. (Poland)
- Chairman of the Board of Directors of Banque Privée BCP (Suisse), S.A.

### **Direct responsibilities:**

- Direct Banking Department
- Quality and Network Support Department
- Retail Marketing Department
- Private Banking Department
- Foreign Residents Department
- Retail Department – Centre South
- Retail Department – Centre North
- Retail Department – North
- Retail Department – South
- Millennium bcp Bank & Trust
- Millennium Gestão de Ativos
- Banque Privée BCP (Switzerland)

### **Positions held outside the Group:**

- Member of the Board of Directors of UNICRE – Instituição Financeira de Crédito, S.A., as representative of Banco Comercial Português, S.A.
- Member of the Remuneration and Welfare Board of SIBS, SGPS, S.A. and SIBS Forward Payment Solutions, S.A.

**Academic qualifications:**

- Licenciature degree in Electrical Engineering from the Faculty of Engineering of Universidade do Porto
- Specialisation Course in "Industrial Management" from INEGI of FEUP

**Professional experience in the last 10 years relevant to the position:**

- Since 1987 – Employee of Banco Comercial Português, managerial position since 1990, member of the Senior Management of the Group since 1994 and Managing Director since 2006, having performed the following duties:
  - 2001/2003 – Head of the Mortgage Loan Product Unit
  - 2003 – Head of the Retail Marketing Department at Bank Millennium S.A. (Poland)
  - 2003/2006 – Executive Director of Bank Millennium S.A. (Poland) and member of the Supervisory Boards of Millennium Dom Maklerski S.A., BEL Leasing Sp Zoo and FORIN Sp Zoo
  - 2006/2009 – Head of the IT Global Division (Group) and member of the Banking Services Coordination Committee
  - 2009/2010 – Vice-Chairman of the Executive Board of Directors of Bank Millennium S.A. (Poland) and member of the European Banking Coordination Committee and member of the Supervisory Boards of Millennium Dom Maklerski S.A., Millennium Leasing Sp Zoo and Millennium Lease Sp Zoo
  - May 2011/April 2011 – Head of the Marketing Department, member of the Retail and Companies Coordinating Committees and responsible, in addition, for the M Project.
  - 18 April 2011/February 2012 – Member of the Executive Board of Directors of Banco Comercial Português, S.A.
  - 19 April 2011/19 October 2012 – Member of the Board of Directors of the Fundação Millennium bcp

## ANNEX II

### CURRICULA VITAE OF THE MEMBERS OF THE REMUNERATION AND WELFARE BOARD OF BANCO COMERCIAL PORTUGUÊS, S.A.

#### **Baptista Muhongo Sumbe**

**Personal details:**

- Date of birth: 11 March 1961
- Nationality: Angolan
- Position: Chairman of the Remuneration and Welfare Board.
- Beginning of term of office: 28 February 2012
- Current term of office: 2012/2014

**Academic qualifications:**

- Licentiate degree in Economics from Universidade Agostinho Neto in Luanda (specialisation in accountancy and finance)

**Professional experience in the last ten years relevant to the position:**

- 2002/2009 – Executive Chairman of the Board of Directors and Chairman of the Executive Committee of Sonangol USA Houston, TX- USA
- Since 2009 – Chairman of the Board of Directors of Sonangol Holdings
- Since 2009 – Chairman of Baía de Luanda and Chairman of the Board of Directors of EIH (Energias Inovação Holdings)
- Since May 2010 – Executive Director of Sonangol E.P. and Vice-Chairman of ATLANTICO (Banco Privado Atlântico)

#### **José Luciano Vaz Marcos**

**Personal details:**

- Date of birth: 1 October 1961
- Nationality: Portuguese
- Position: Member of the Remunerations and Welfare Board
- Beginning of term of office: 28 February 2012
- Current term of office: 2012/2014

**Academic qualifications:**

- Licentiate degree in Law from the Faculty of Human Sciences of Universidade Católica Portuguesa

**Professional experience in the last ten years relevant to the position:**

- Since 1986 – Legal Practice
- Provision of consultancy services to companies in the real estate, tourism, leisure, industrial parks and urban restructuring operations areas
- Provision of consultancy services to companies in the Public Procurement area



## José Manuel Archer Galvão Teles

### Personal details:

- Date of birth: 6 April 1938
- Nationality: Portuguese
- Position: Member of the Remunerations and Welfare Board
- Beginning of term of office: 28 February 2012
- Current term of office: 2012/2014

### Academic qualifications:

- Licentiate Degree in Law from the Faculty of Law of Universidade Clássica de Lisboa

### Professional experience in the last ten years relevant to the position:

- Legal Practice, senior partner of Morais Leitão, Galvão Teles, Soares da Silva & Associados
- 1996/2006 – Member of the Portuguese Council of State by appointment of the then President of the Republic, Jorge Sampaio
- He is currently Chairman of the General Meetings of the following companies: SantanderTotta, S.G.P.S., Auchan, S.G.P.S. and Sonagi, S.G.P.S.

## Manuel Soares Pinto Barbosa

### Personal details:

- Date of birth: 20 May 1944
- Nationality: Portuguese
- Position: Member of the Remunerations and Welfare Board
- Beginning of term of office: 28 February 2012
- Current term of office: 2012/2014

### Academic qualifications:

- Licentiate degree in Finance at the Economic and Financial Sciences Institute of Universidade Técnica de Lisboa
- Masters from Yale University
- PhD from Yale University
- Teaching recognition from the Universidade Nova de Lisboa

### Professional experience in the last ten years relevant to the position:

- Since 2005 – Chairman of the Audit Board of TAP, S.G.P.S., S.A.
- Since 2007 – Chairman of the Remunerations Committee of Cimpor – Cimentos de Portugal, S.G.P.S., S.A.
- He is currently Chairman of the Board of Directors of Nova Forum – School of Business & Economics

## ANNEX III

**Millennium**  
bcp

### Earnings Press Release

Reuters>bcp.ls Exchange>MCP Bloomberg>bcp.pl ISIN PTBCP0AM0007

8 February 2013

### Millennium bcp earnings release as at 31 December 2012

#### LIQUIDITY significantly reinforced

- Initiated discussions of an exclusive nature with Piraeus Bank with regards to a potential sale of the Greek operation. No final decision has yet been made and therefore no investment decision should be made in reliance upon the outcome of these discussions

- **Commercial gap improvement:** commercial gap reduction by Euro 7.3 billion from December 2011, with loan to deposits ratio (BoP) at 129% and net loans to balance sheet customer funds standing at 112%

- **Balance sheet customer funds up 5.1%** versus last year, with customer deposits growth in Portugal

- Loans to customers evolution in line with liquidity plan: -6.5% versus December 2011

#### CAPITAL comfortably above requirements

- **Core tier I reaches 12.4% according to BoP**, already including the 2012 results, significantly higher than the 9.3% as at December 2011  
**Core tier I reaches 9.8% according to EBA (11.4% adjusted for 31 December 2012 buffer values)**

#### PROFITABILITY showing signs of recovery

- **Consolidated net income at Euro -1.219 million**, penalised by impairment for estimated losses and results associated with the Greek operation in the amount of Euro -694 million

- Net income in Poland, Mozambique and Angola of Euro 236 million

- **Creating the conditions to recover profitability in Portugal:** :
  - reversing net interest income trend
  - implementing the restructuring programme with future annual savings above Euro 30 million
  - lower past due loans entries

**With the restructuring carried out (capital and liquidity reinforcement and organisation streamlining) we are better prepared for the future and to support the economy**

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## Millennium bcp

## Earnings Press Release

Reuters>bcp.ls Exchange>MCP Bloomberg>bcp.pl ISIN PTBCP0AM0007

### Financial Highlights

	Euro million	31 Dec. 12	31 Dec. 11	Change 12 / 11
<b>Balance sheet</b>				
Total assets		89,744	93,482	-4.0%
Loans to customers (gross)		66,861	71,533	-6.5%
Total customer funds		68,547	65,530	4.6%
Balance sheet customer funds		55,768	53,060	5.1%
Customer deposits		49,390	47,516	3.9%
Loans to customers, net / Customer deposits <sup>(1)</sup>		128%	145%	
Loans to customers, net / Customer deposits <sup>(2)</sup>		129%	143%	
<b>Results</b>				
Net income		(1,219.1)	(848.6)	
Net interest income		1,023.6	1,579.3	-35.2%
Net operating revenues		2,180.6	2,569.6	-15.1%
Operating costs		1,458.6	1,634.2	-10.7%
Loan impairment charges (net of recoveries)		1,684.2	1,331.9	26.4%
Other impairment and provisions		352.8	825.1	-57.2%
Income taxes				
Current		81.7	66.9	22.2%
Deferred		(259.5)	(525.7)	-
<b>Profitability</b>				
Net operating revenues / Average net assets <sup>(1)</sup>		2.4%	2.6%	
Return on average assets (ROA) <sup>(3)</sup>		-1.3%	-0.8%	
Income before taxes and non-controlling interests / Average net assets <sup>(1)</sup>		-1.4%	-1.3%	
Return on average equity (ROE)		-35.4%	-22.0%	
Income before taxes and non-controlling interests / Average equity <sup>(1)</sup>		-32.6%	-28.0%	
<b>Credit quality</b>				
Overdue and doubtful loans / Total loans <sup>(1)</sup>		8.1%	6.2%	
Overdue and doubtful loans, net / Total loans, net <sup>(1)</sup>		1.9%	1.4%	
Credit at risk / Total loans <sup>(1)</sup>		13.1%	10.1%	
Credit at risk, net / Total loans, net <sup>(1)</sup>		7.2%	5.5%	
Impairment for loan losses / Overdue loans by more than 90 days <sup>(1) (4)</sup>		101.6%	109.1%	
<b>Efficiency ratios</b>				
Operating costs / Net operating revenues		66.6%	58.6%	
Operating costs / Net operating revenues (Portugal)		69.1%	60.2%	
Staff costs / Net operating revenues		37.1%	32.1%	
<b>Capital</b>				
Own funds		6,773	5,263	
Risk weighted assets		53,271	55,455	
Core Tier I <sup>(1)</sup>		12.4%	9.3%	
Tier I <sup>(1)</sup>		11.7%	8.6%	
Total <sup>(1)</sup>		12.7%	9.5%	
<b>Branches</b>				
Portugal activity		839	885	-5.2%
Foreign activity		860	837	2.7%
<b>Employees</b>				
Portugal activity		8,982	9,959	-9.8%
Foreign activity		11,383	11,549	-1.4%

<sup>(1)</sup> According to Instruction no. 23/2011 from the Bank of Portugal.

<sup>(2)</sup> Calculated in accordance with the definition from the Bank of Portugal.

<sup>(3)</sup> Considering net income before non-controlling interests.

<sup>(4)</sup> Excludes the impact of specific items.

## RESULTS AND ACTIVITY IN 2012

### RESULTS

Millennium bcp's **consolidated net income** was negative by Euro 1,219.1 million in 2012, compared with a negative amount of Euro 848.6 million posted in 2011.

Consolidated net income was hindered by the accounting of impairment for estimated losses together with the net losses posted by the subsidiary in Greece, in the global amount of Euro 693.6 million. Excluding this impact, consolidated net income was Euro -525.4 million in 2012.

Consolidated net income was also penalised by the impairment and provision charged in the activity in Portugal, in the amount of Euro 1,236.0 million, which includes the reinforcement in impairment charges in 2012, in the scope of the On-site Inspections Programme ("OIP"), in the amount of Euro 290.0 million.

In the international activity, highlights include the favourable performance of Bank Millennium in Poland, excluding the foreign exchange effect of the zloty against the euro, and of Banco Millennium Angola.

Consolidated net income for 2012 also includes:

- the unfavourable impact on net interest income of the liability management operations, completed in 2011, in the amount of Euro 195.3 million, and of the issuance in 2012 of hybrid securities subscribed by the Portuguese State, in the amount of Euro 134.9 million;
- the accounting of a cost in the amount of Euro 69.2 million related to commissions from the issuance by the Bank of debt securities guaranteed by the Portuguese Republic;
- the accounting under staff costs of a component associated with the restructuring programme and early retirements, in the global amount of Euro 69.4 million, despite the favourable impact of the legislative change related to the mortality allowance, of Euro 64.0 million;
- the repurchase of own debt securities which led to a capital gain of Euro 184.3 million; and
- the gains associated with Portuguese sovereign debt of Euro 106.0 million.

Consolidated net income for 2011 comprises:

- the losses associated with the portfolio of Portuguese sovereign debt of Euro 128.2 million;
- the reinforcement of impairment charges, in the scope of the Special Inspections Programme ("SIP"), in the amount of Euro 381.0 million;
- the accounting recognition of impairment losses of Greek sovereign debt securities in the amount of Euro 533.5 million;
- the recognition of impairment relative to the remaining goodwill of Millennium bank in Greece of Euro 147.1 million;
- the costs associated to the partial transfer of liabilities with pensions of retired employees and pensioners to the General Social Security Scheme of Euro 164.8 million;
- the recording of early retirements costs of Euro 12.3 million;
- the reversal of provisions related to the pension fund of former members of the Executive Board of Directors and the complementary plan for employees, in the global amount of Euro 48.3 million; and
- the recognition of deferred tax assets in the amount of Euro 132.5 million in the scope of the restructuring process of the Group's shareholdings.

**Net interest income** totalled Euro 1,023.6 million in 2012, compared with Euro 1,579.3 million in 2011.

The performance of net interest income in the activity in Portugal was hindered (i) by the evolution in opposite directions of the 3-month Euribor interest rate and the average costs of customer deposits and (ii) by the negative business volume effect, reflecting mostly the performance of the portfolio of loans to customers.

In 2012, net interest income includes the impacts associated with the issuance of hybrid securities subscribed by the Portuguese State, with the liability management operation completed in the second half of 2011 and with the higher cost related to term deposits compared with the previous year, while, benefiting from the adjustment of credit pricing to customer risk profiles.

## Millennium bcp

## Earnings Press Release

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income in Portugal showed a positive evolution when compared with the preceding quarter, reversing the trend seen in previous quarters, particularly because of the downward trend of the remuneration of term deposits during the year.

In the international activity, the performance of net interest income was hindered by Millennium bank in Greece, despite the favourable evolution evidenced in Bank Millennium in Poland and in Banco Millennium Angola.

The net interest margin stood at 1.23% in 2012, which compares with 1.74% in 2011.

### AVERAGE BALANCES

	31 Dec. 12		31 Dec. 11	
	Balance	Yield %	Balance	Yield %
Deposits in banks	4,458	1.36	4,363	1.67
Financial assets	11,080	4.36	12,247	4.16
Loans and advances to customers	66,355	4.48	72,783	4.45
Interest earning assets	81,893	4.29	89,393	4.27
Non-interest earning assets	8,736		7,838	
	<b>90,629</b>		<b>97,231</b>	
Amounts owed to credit institutions	17,048	1.41	19,956	1.71
Amounts owed to customers	47,747	3.18	46,821	2.92
Debt issued and financial liabilities	15,591	3.56	19,732	2.55
Subordinated debt	2,764	7.13	1,504	3.18
Interest bearing liabilities	83,150	3.02	88,013	2.57
Non-interest bearing liabilities	3,273		3,708	
Shareholders' equity and non-controlling interests	4,206		5,510	
	<b>90,629</b>		<b>97,231</b>	
Net interest margin		1.23		1.74

Note: Interest related to hedge derivatives were allocated, in December 2012 and 2011, to the respective balance sheet item.

**Net commissions** totalled Euro 690.8 million in 2012, which compares with Euro 789.4 million 2011, reflecting the cost related to guarantee granted by the Portuguese State to debt securities issued by the Bank. Excluding this impact, net commissions decreased 3.7% from 2011.

The performance of net commissions in 2012 reflected essentially:

- a lower level of net commissions related with the banking business (-2.0%), influenced by the activity in Portugal, despite the increase of 10.6% in the international activity. Nevertheless, commissions associated with universal banking services provided showed a favourable evolution from the previous year, benefiting from the review of transactional pricing, including fees associated with overdrafts and intervention;
- a drop in commissions related with the financial markets (-13.0%), reflecting the evolution in both the activity in Portugal and the international activity due to the persistence of uncertainty in capital markets, leading to an unfavourable performance in the management of financial investments; and
- the cost associated with the issuance of debt securities by the Bank guaranteed by the Portuguese Republic, in the amount of Euro 69.2 million, posted in 2012.

**The net trading income** stood at Euro 462.8 million in 2012, which compares with Euro 207.6 million in 2011.

Net trading income in 2012 includes, fundamentally, the gains accounted in the activity in Portugal related to the capital gain from the repurchase of debt securities issued by the Bank, in the amount of Euro 184.3 million, and the gains associated with Portuguese sovereign debt securities of Euro 106.0 million. These impacts were

## Millennium bcp

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partially offset by the losses related to financial instruments at fair value option, in the amount of Euro 30.0 million, and to the sales of loan operations, in the amount of Euro 25.6 million.

Net trading income in 2011 was influenced by the losses related to Portuguese sovereign debt securities (Euro 128.2 million), by the change in fair value related to credit risk of financial instruments at fair value option (Euro 20.6 million) and by the sales of loan operations (Euro 57.2 million), only partially offset by the gains from the repurchase operations of own debt securities issued.

In the international activity, net trading income went from Euro 243.7 million in 2011 to Euro 150.9 million in 2012, essentially reflecting the evolution of trading and derivative operations, despite the higher results from foreign exchange activity.

**Other net operating income** was negative by Euro 56.1 million in 2012, compared with net losses of Euro 22.7 million in the previous year. In 2011, other net operating income in Portugal comprised the positive impact from the adjustment of insurance premiums related with pensions, in the amount of Euro 18.9 million.

The evolution of other net operating income was mostly influenced by the activity in Portugal, due to the impact in the costs component of taxes determined in the amount of Euro 30.4 million in 2012 (Euro 22.0 million in 2011) and of the extraordinary tax contribution from the banking sector of Euro 33.9 million (Euro 32.0 million in 2011), in conjunction with the losses associated with the re-evaluation of assets (including repossessed assets), despite the favourable effect of gains obtained from banking services provided.

**Equity accounted earnings** were up to Euro 55.7 million in 2012 from Euro 14.6 million posted in 2011, driven by the favourable performance of Millenniumbcp Ageas and the consequent higher appropriation of results associated to the 49% shareholding in this insurance Group.

### OTHER NET INCOME

	31 Dec. 12	31 Dec. 11	Euro million Change 12/11
<b>Net commissions</b>	<b>690.8</b>	<b>789.4</b>	<b>-12.5%</b>
Banking commissions	655.0	668.7	-2.0%
Cards	182.6	184.5	-1.1%
Credit and guarantees	175.2	184.9	-5.2%
Bancassurance	60.4	72.7	-16.9%
Other commissions	236.9	226.6	4.5%
Market related commissions	104.9	120.7	-13.0%
Securities	62.3	73.8	-15.5%
Asset management	42.6	46.9	-9.1%
Commissions related with the State guarantee	(69.2)	-	-
<b>Net trading income</b>	<b>462.8</b>	<b>207.6</b>	<b>122.9%</b>
<b>Other net operating income</b>	<b>(56.1)</b>	<b>(22.7)</b>	<b>-</b>
<b>Dividends from equity instruments</b>	<b>3.9</b>	<b>1.4</b>	<b>-</b>
<b>Equity accounted earnings</b>	<b>55.7</b>	<b>14.6</b>	<b>-</b>
<b>Total other net income</b>	<b>1,157.0</b>	<b>990.3</b>	<b>16.8%</b>
Other net income / Net operating revenues	53.1%	38.5%	

**Operating costs** declined 10.7% to Euro 1,458.6 million in 2012, from Euro 1,634.2 million accounted in 2011.

The evolution of operating costs includes: (i) the favourable impact of the legislative change related to the mortality allowance, in the amount of Euro 64.0 million, accounted in the second quarter of 2012; (ii) the accounting of costs associated with early retirements and mutually agreed exits, in particular as part of the restructuring programme, in the global amount of Euro 69.4 million in 2012 (Euro 12.3 million in 2011 related to early retirements costs); (iii) the reversal of provisions related to the pension fund of former members of the Executive Board of Directors and the complementary plan for employees, in the global amount of Euro 48.3

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million, posted in 2011; and (iv) the expenses associated with the partial transfer of liabilities with pensions of retired employees and pensioners to the General Social Security Scheme, in the amount of Euro 164.8 million posted in 2011.

Excluding these impacts, operating costs were down by 3.5%, benefiting from the decreases of 3.3% in other administrative costs, of 18.8% in depreciation, and of 1.8% in staff costs.

In the activity in Portugal, operating costs include the effects previously mentioned. Excluding these effects, costs decreased 5.0% from 2011, reflecting the lower costs associated with other administrative costs (-6.4%), staff costs (-3.2%) and depreciation (-15.5%).

In the international activity, operating costs were down by 1.1% to Euro 587.1 million in 2012, compared to Euro 593.8 million in 2011, benefiting from the reduction of costs evidenced by the subsidiary companies in Greece and in Poland, which more than offset the increases in Millennium bim in Mozambique and in Banco Millennium Angola, reflecting the reinforcement of the operational infrastructure and the support for the organic growth strategy underway in these two markets.

The consolidated cost-to-income ratio, excluding specific items, stood at 66.6% in 2012, which compares with 58.6% in 2011, while the activity in Portugal stood at 69.1% in 2012, compared with 60.2% in 2011.

**Staff costs** stood at Euro 815.4 million in 2012 (Euro 953.6 million in 2011). However, staff costs excluding the previously mentioned impacts stood at Euro 810.0 million in 2012, evidencing a decrease of 1.8% from Euro 824.9 million posted in 2011.

This evolution of staff costs were influenced by the 3.2% decrease in the activity in Portugal, despite the increase of 1.0% in the international activity.

In the international activity, staff costs reflect the increase posted by the subsidiary companies in Mozambique, Angola and Poland, driven by the impact of the rise in the number of employees, from the end of 2011, in those two operations, aiming to reinforce their operational capabilities associated with expansion of the respective distribution networks.

**Other administrative costs** fell 3.3% to Euro 565.2 million in 2012, from Euro 584.5 million in 2011, benefiting from the efforts carried out by the Group to rationalise and contain costs and, especially, the resizing of the branch network in Portugal, highlighting the savings achieved in costs associated with outsourcing, insurance, rent, advertising and travelling.

In the activity in Portugal, other administrative costs declined 6.4%, in particular due to the effect aforementioned of the distribution network resizing, while in the international activity they rose slightly (+0.4%), reflecting the higher expenses evidenced by the subsidiary companies in Mozambique and Angola, following the expansion of the local distribution networks, an effect which was largely offset by the reductions in other administrative costs in Millennium bank in Greece and Bank Millennium in Poland.

**Depreciation costs** fell 18.8% to Euro 78.1 million in 2012, from Euro 96.1 million in 2011.

This evolution reflect the 15.5% decrease, from 2011, in depreciation costs posted in the activity in Portugal, benefiting from the reduction in the level of depreciation overall line items, in particular in depreciation associated with buildings and equipment.

In the international activity, depreciation costs fell by 22.0%, over the same period of 2011, as a result of the reduction in depreciation costs in the subsidiary companies in Poland, Greece and Romania, combined with the slowing down in the depreciation level posted by Banco Millennium Angola, despite the increase showed by Millennium bim in Mozambique.

**OPERATING COSTS**

	31 Dec. 12	31 Dec. 11	Euro million Change 12/11
Staff costs <sup>(1)</sup>	810.0	824.9	-1.8%
Other administrative costs	565.2	584.5	-3.3%
Depreciation	78.1	96.1	-18.8%
	<b>1,453.2</b>	<b>1,505.4</b>	<b>-3.5%</b>
Legislative change related to mortality allowance and reversal of provisions	(64.0)	(48.3)	
Partial transfer of liabilities with pensions	-	164.8	
Restructuring programme and early retirements	69.4	12.3	
	<b>1,458.6</b>	<b>1,634.2</b>	<b>-10.7%</b>
Of which:			
Portugal activity	871.5	1,040.4	-16.2%
Foreign activity	587.1	593.8	-1.1%
Operating costs / Net operating revenues <sup>(2) (3)</sup>	69.1%	60.2%	

<sup>(1)</sup> Excludes the impacts of the legislative change related to mortality allowance in the second quarter of 2012 (Euro 64.0 million), the reversal of provisions associated with pensions in 2011 (Euro 48.3 million), the expenses associated with the partial transfer in 2011 of liabilities with pensions of retired employees and pensioners to the General Social Security Scheme (Euro 164.8 million) and the costs associated with early retirements and mutually agreed exits, in particular in the scope of the restructuring plan (Euro 69.4 million in 2012, of which: Euro 2.7 million with early retirements posted in the second quarter of 2012; Euro 12.3 million of early retirements in 2011).

<sup>(2)</sup> Activity in Portugal. According to Instruction no. 23/2011 from the Bank of Portugal.

<sup>(3)</sup> Excludes the impact of specific items.

**Impairment for loan losses** (net of recoveries) totalled Euro 1,684.2 million in 2012, which compares with Euro 1,331.9 million in 2011. This evolution was influenced by the impact of impairment charges for loan losses related with the subsidiary company in Greece, which reached Euro 702.4 million in 2012, compared with Euro 89.5 million in 2011, together with the reinforcement in impairment charges posted in the scope of the Inspections Programmes in the amount of Euro 290.0 million in 2012 as part of OIP (Euro 381.0 million in 2011 as part of SIP).

The performance of impairment for loan losses (net of recoveries) in the activity in Portugal reflects the persistence of an adverse macroeconomic and financial framework and consequently the worsening of the economic and financial situation of Portuguese households and companies, materialised in the aggravation of credit risk indicators and in the maintenance of high levels of loan impairment charges.

In the international activity, impairment for loan losses (net of recoveries) shows essentially the reinforcement of impairment charges in the subsidiary companies in Greece and Poland.

The cost of risk stood at 252 basis points in 2012, compared with 186 basis points in 2011.

**Other impairment and provisions** stood at Euro 352.8 million in 2012, which compares with Euro 825.1 million in 2011.

The other impairment and provisions posted in 2012 include mainly the reinforcement of provision charges in the activity in Portugal related to impairment losses of financial assets, in particular to repossessed assets, which, in the process of regular re-evaluation of these assets, showed a decline in their respective market values.

The evolution of other impairment and provisions, from the previous year, was essentially influenced by the recognition in 2011 of impairment losses associated with Greek sovereign debt securities, in the amount of Euro 533.5 million, together with the accounting of impairment related to the goodwill of Millennium bank in Greece, in the amount of Euro 147.1 million.



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**Income tax (current and deferred)** totalled Euro -177.8 million in 2012, which compares with Euro -458.9 million in 2011.

The income tax item includes the expenses of current tax in the amount of Euro 81.7 million (Euro 66.9 million in 2011), net of a deferred tax asset in the amount of Euro 259.5 million (Euro 525.7 million in 2011), mainly due to the non-deductible impairment losses for the purposes of determining taxable income for 2012 and to the calculated tax losses for the year.

### BALANCE SHEET

**Total assets** totalled Euro 89,744 million as at 31 December 2012, which compares with Euro 93,482 million as at 31 December 2011.

**Loans to customers (gross)** was down by 6.5% to Euro 66,861 million as at 31 December 2012, from Euro 71,533 million at the end of 2011.

The decrease in the loan portfolio, from the end of 2011, was determined by the 9.1% decrease posted by the activity in Portugal. In the international activity, the loan portfolio was up by 1.8%, from 31 December 2011, influenced by the foreign exchange rate effect of the appreciation of the zloty against the euro. Therefore, excluding the foreign exchange rate effect, loans to customers in the international activity reduced in most subsidiaries, despite the growth shown by Banco Millennium Angola and Millennium bim in Mozambique.

The evolution of the loans portfolio reflects the decrease in loans to companies (-9.9%) and in loans to individuals (-3.0%), driven by the ongoing process of balance sheet adjustment in order to gradually deleverage the financial intermediation activity.

Between the end of December 2011 and the end of December 2012, the structure of the loans to customers' portfolio showed identical levels of diversification, with loans to companies representing 49.5% of total loans to customers as at 31 December 2012, while loans to individuals represented 50.5% of total loans.

<b>LOANS TO CUSTOMERS (GROSS)</b>		<i>Euro million</i>	
	31 Dec. 12	31 Dec. 11	Change 12/11
<b>Individuals</b>	<b>33,756</b>	<b>34,805</b>	<b>-3.0%</b>
Mortgage loans	29,509	30,308	-2.6%
Consumer loans	4,247	4,497	-5.6%
<b>Companies</b>	<b>33,105</b>	<b>36,728</b>	<b>-9.9%</b>
Services	13,524	14,802	-8.6%
Commerce	3,490	4,254	-17.9%
Construction and Other	16,091	17,672	-8.9%
<b>Total</b>	<b>66,861</b>	<b>71,533</b>	<b>-6.5%</b>
Of which:			
Portugal activity	49,581	54,552	-9.1%
Foreign activity	17,280	16,981	1.8%

**Credit quality**, measured by the loans overdue by more than 90 days as a percentage of total loans, stood at 6.2% as at 31 December 2012 (4.5% at the end of 2011), reflecting the impact of the evolution of the portfolio of loans to companies.

The coverage ratio for loans overdue by more than 90 days stood at 101.6% as at 31 December 2012, which compares with 109.1% at the end of 2011. The coverage ratio of the total loan portfolio to impairments increased to 6.3% as at 31 December 2012 (4.9% at the end of 2011).

The overdue and doubtful loans stood at 8.1% of total loans as at 31 December 2012, compared to 6.2% posted at the end of 2011 and credit at risk stood at 13.1% of total loans as at 31 December 2012 (10.1% as at 31 December 2011).

**OVERDUE LOANS BY MORE THAN 90 DAYS AND IMPAIRMENTS AS AT 31 DECEMBER 2012**

	Overdue loans by more than 90 days	Impairment for loan losses	Overdue loans by more than 90 days /Total loans	<i>Euro million</i> Coverage ratio (Impairment/ Overdue >90 days)
<b>Individuals</b>	<b>1,056</b>	<b>936</b>	<b>3.1%</b>	<b>88.6%</b>
Mortgage loans	279	296	0.9%	106.0%
Consumer loans	777	640	18.3%	82.3%
<b>Companies</b>	<b>3,118</b>	<b>3,307</b>	<b>9.4%</b>	<b>106.1%</b>
Services	836	1,226	6.2%	146.7%
Commerce	451	381	12.9%	84.5%
Construction and Other	1,831	1,700	11.4%	92.8%
<b>Total</b>	<b>4,175</b>	<b>4,243</b>	<b>6.2%</b>	<b>101.6%</b>

**Total customer funds** grew 4.6% to Euro 68,547 million as at 31 December 2012, from Euro 65,530 million posted at the end of 2011.

The increase of total customer funds was sustained by the rise of 5.1% in balance sheet customer funds, from the end of 2011, benefiting from the performance of both customer deposits (+3.9%) and debt securities (+15.0%), reflecting the focus in retention and further increasing stable funding resources. Simultaneously, off-balance sheet customer funds increase 2.5%, from 31 December 2011, boosted by capitalisation products (+2.9%) and assets under management (+1.6%).

In the activity in Portugal, total customer funds grew 1.6% to Euro 50,386 million as at 31 December 2012 (Euro 49,615 million as at 31 December 2011). In the international activity, total customer funds increased 14.1% to Euro 18,161 million, supported by the increase in both balance sheet customer funds and off-balance sheet customer funds, benefiting from the favourable performance of the subsidiary companies in Poland, Mozambique, Angola and Romania.

As at 31 December 2012, the structure of total customer funds comprised mostly balance sheet customer funds, which represented 81% of total customer funds, highlighting the component of customer deposits, which represented 72% of total customer funds.

**TOTAL CUSTOMER FUNDS**

	31 Dec. 12	31 Dec. 11	<i>Euro million</i> Change 12/11
<b>Balance sheet customer funds</b>	<b>55,768</b>	<b>53,060</b>	<b>5.1%</b>
Deposits	49,390	47,516	3.9%
Debt securities	6,378	5,544	15.0%
<b>Off-balance sheet customer funds</b>	<b>12,779</b>	<b>12,470</b>	<b>2.5%</b>
Assets under management	3,798	3,739	1.6%
Capitalisation products	8,981	8,731	2.9%
<b>Total</b>	<b>68,547</b>	<b>65,530</b>	<b>4.6%</b>
Of which:			
Portugal activity	50,386	49,615	1.6%
Foreign activity	18,161	15,915	14.1%

The **securities portfolio** totalled Euro 14,488 million as at 31 December 2012, up by Euro 2,407 million from Euro 12,080 million posted on 31 December 2011.

This evolution was mostly influenced by the increase in sovereign debt financial instruments, in particular, Portuguese and Polish sovereign debt securities, which offset the reduction in exposure to Greek sovereign debt securities.

#### LIQUIDITY MANAGEMENT

2012 was characterised by the widespread difficulty of Portuguese banks in accessing short-, medium- and long-term funding markets. Even so, in the second half there were modest improvements as demonstrated by the first issues made by some Portuguese banks on the international wholesale funding market, a situation which had not take place since the first quarter of 2010.

In December 2011, the Board of the European Central Bank ("ECB") approved a set of additional measures aimed at promoting liquidity and the normalisation of the monetary markets functioning within the Euro Zone, broadening, amongst others, the criteria for the determination of the eligibility of the assets to be used as collateral in the Eurosystem's monetary policy operations.

The main priorities defined in the Bank's Liquidity Plan for 2012 are based on the reinforcement and preservation of the portfolio of eligible assets for discount at the ECB, in order to mitigate and compensate the effects of the loss of eligibility of some securitisations and other assets. The achievement of this objective implied the development and implementation of the following actions:

- I. Issue and incorporation of two new issues of debt guaranteed by the Portuguese State in the pool of eligible assets at the ECB: Euro 1.4 billion and Euro 1.5 billion, reaching a total amount of approximately Euro 2.4 billion after haircuts, carried out in the first half of 2012;
- II. Incorporation, in the pool of assets, of credit accepted by the Bank of Portugal, benefiting from the temporary broadening of the acceptance criteria for eligible assets announced in December 2011 by the ECB;
- III. Optimisation of the management of eligible assets, namely through a new issue of covered bonds.

The bank's Liquidity Plan also established the continuity of the deleveraging policy, implemented successfully through the reduction of the commercial gap by Euro 7.3 billion, in consolidated terms. This fact simultaneously enabled the amortisation of the medium- and long-term debt that was redeemed in 2012 (Euro 3.9 billion), the undertaking of two liability management operations (Euro 1.4 billion, in the first half of 2012) and other repurchases (Euro 0.2 billion), in the global amount of Euro 5.5 billion.

The issue of Euro 3 billion of hybrid capital instruments eligible as Core Tier I, underwritten by the Portuguese State, enabled the amortisation of wholesale debt with a material reduction in the net exposure to the ECB from Euro 12.7 billion at the end of 2011 to Euro 10.6 billion as at 31 December 2012, thus maintaining the amount of the non-pledged eligible assets at the ECB at comfortable levels.

Following the accomplishment of another of the main goals of the Liquidity Plan for 2012, the time-frame of the Bank's wholesale funding was extended, by resorting to a second ECB's long-term refinancing operation ("LTRO"), which enabled the Bank to increase the total amount borrowed for 3 years from Euro 5.1 billion at the end of 2011 to Euro 12.1 billion as at 31 December 2012.

## CAPITAL

Following the request submitted by Millennium bcp, the Bank of Portugal authorised the adoption of methodologies based on Internal Rating models ("IRB") for the calculation of capital requirements for credit and counterparty risk, covering a substantial part of the risk from the activity in Portugal as from 31 December 2010. In the scope of the gradual adoption of the IRB methodologies for the calculation of capital requirements for credit and counterparty risk, the Bank of Portugal authorised the extension of this methodology to the subclasses of risk "Renewable Retail Positions" and "Other Retail Positions" in Portugal with effect as from 31 December 2011. Afterwards, with effect as from 31 December 2012, the Bank of Portugal authorised the use of own estimates of Credit Conversion Factors ("CCF") for exposures of the class of risk "Companies" in Portugal and the adoption of IRB methodologies for "Loans secured by residential real estate" and "Renewable positions" of the Retail portfolio in Poland.

The Core Tier I ratio stood at 12.4% in accordance with the Bank of Portugal rules and at 9.8% in accordance with EBA rules (11.9% and 9.4%, respectively, at the end of September 2012), reflecting the positive performance in the fourth quarter of 2012 of both Core Tier I (Euro 57 million in accordance with Bank of Portugal rules and Euro 67 million with EBA rules) and risk weighted assets (that decreased by Euro 1,577 million).

The increase of Core Tier I calculated by the rules of the Bank of Portugal was mainly due to the share capital increase concluded in October 2012 (Euro 500 million) and the increase of minority interests (Euro 20 million), whose impacts were in part offset by the net loss recorded in the quarter of 2012 (Euro 423 million) and by the amortisation of the deferred impacts permitted by the Bank of Portugal (Euro 40 million). The Core Tier I calculated by the rules of the EBA also benefited from the decrease of the deduction related to the significant investments and the shortfall of impairment to expected loss (Euro 10 million), that resulted from the positive effect of using own estimates of Credit Conversion Factors for exposures of the class of risk "Companies" on 31 December 2011.

The decrease of risk weighted assets mainly reflect the adoption of IRB methodologies in Poland (Euro -294 million), the decrease of the requirements to operational risk (Euro -281 million) and the effects of deleverage and optimisation of risk weighted assets that took place in this period, despite the negative impact of the market risk (Euro +124 million).

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### SOLVENCY

	Euro million	
	31 Dec. 12	30 Sep. 12
<b>Own Funds</b>		
Core Tier I	6,579	6,522
Preference shares and Perpetual subordinated debt securities with conditional coupons	173	172
Other deduction <sup>(1)</sup>	(530)	(540)
Tier I Capital	6,223	6,154
Tier II Capital	697	678
Deductions to Total Regulatory Capital	(146)	(139)
<b>Total Regulatory Capital</b>	<b>6,773</b>	<b>6,693</b>
<b>Risk Weighted Assets</b>	<b>53,271</b>	<b>54,847</b>
<b>Solvency Ratios</b>		
Core Tier I	12.4%	11.9%
Tier I	11.7%	11.2%
Tier II	1.0%	1.0%
Total	12.7%	12.2%
<b>Core Tier I ratio EBA <sup>(2)</sup></b>	<b>9.8%</b>	<b>9.4%</b>

<sup>(1)</sup> Includes deductions related to the shortfall of the stock of impairment to estimated losses and to significant shareholdings in unconsolidated financial institutions, in particular to the shareholdings held in Millenniumbcp Ageas and Banque BCP (France and Luxembourg).

<sup>(2)</sup> Core Tier I ratio in accordance with the criteria of EBA. In this scope, Core Tier I in accordance with the rules of the Bank of Portugal was deducted of the "Other deductions (1)" and of the buffer to sovereign risks (Euro 848 million); the risk weighted assets do not have adjustments.

Note: The Bank received authorisation from the Bank of Portugal (BoP) to adopt IRB approaches for the calculation of capital requirements for credit risks, as from 31 December 2010. In the scope of the gradual adoption of the IRB methodologies for the calculation of capital requirements for credit and counterparty risk, the Bank of Portugal authorised the extension of this methodology to the subclasses of risk "Renewable Retail Positions" and "Other Retail Positions" in Portugal with effect as from 31 December 2011. Afterwards, with effect as from 31 December 2012, the Bank of Portugal authorised the use of own estimates of Credit Conversion Factors ("CCF") for exposures of the class of risk "Companies" in Portugal and the adoption of IRB methodologies for "Loans secured by residential real estate" and "Renewable positions" of the Retail portfolio in Poland. In the 1<sup>st</sup> half of 2009, the Bank received authorisation from BoP to adopt the advanced approaches (internal models) to the generic market risk and the standard method for the operational risk.

### PENSIONS FUND

In 31 December 2012, pension liabilities were fully funded and kept at a higher level than minimum set by Bank of Portugal, with a 119% coverage rate. Pension liabilities reached Euro 2,293 million at the year-end 2012, against Euro 2,452 million in 31 December 2011. The positive 1.6% return of the pension fund registered in 2012 compared with a negative 0.7% return in 2011.

In 2012, the bank changed actuarial assumptions for the pension fund, leaving the discount rate at 4.5% (5.5% in 2011), the salary growth rate at 1% until 2016 and 1.75% after 2017 (2% in 2011) and the pension growth rate at 0% until 2016 and 0.75% after 2017 (1% in 2011). Actuarial differences in 2012, all financial, non-financial and resulting from assumption changes, reached Euro164 million (of which Euro 155 million recognised in the first half 2012).

Actuarial differences in 2012 had a negative impact after tax and after corridor impact of 25 basis points in the Group's Core Tier I ratio (no significant impact in the second half 2012). However, the impact in 2012 increases to 133 basis points considering negative effects from the transfer of pension liabilities to the Social Security (neutralised at the year-end 2011) and from depreciation of deferred impacts allowed by Bank of Portugal.

**SIGNIFICANT EVENTS**

The continuation of the 1<sup>st</sup> stage of the Bank's Strategic Plan, which is to be implemented by the end of 2013 and has as priorities to achieve comfortable capital ratios, improve liquidity position, reflected in the reduction of commercial gap, and strengthening the provisions, following the inspections programme carried out under the Economic and Financial Assistance Programme, and the preparation and submission to the Government of a restructuring plan required by national law and applicable European rules on State aid, which was formally submitted by the State to the European Commission were the most significant events in the Bank's activity in the 4<sup>th</sup> quarter of 2012. For this period, it is worth mentioning the following:

- In implementing the Bank's Capitalisation Plan, the share capital increase was successfully completed, through the issue of ordinary shares in the amount of Euro 500 million, through subscription reserved for shareholders exercising their legal preference right, of 12.5 billion new shares.
- Announcement on 3 October by the European Banking Authority ("EBA") and by the Bank of Portugal, regarding the final assessment of the capital exercise and fulfilment of the EBA December 2011 Recommendation, informing that Banco Comercial Português surpassed the minimum requirement of 9% Core Tier I ratio including the sovereign buffer as stated in the aforementioned EBA recommendation.
- Preparation and submission to the Government, on 19 October, of a restructuring plan required by national law and applicable European rules on State aid, which was formally submitted to the European Commission by the State respecting the maximum period of six months after the approval of the said Decision nr. 8840-B/2012 of the Minister of State and Finance of 28 June 2012, published in Diário da República Supplement, 2. series of 3 July 2012.
- The Government's appointment of two representatives in the Bank's corporate bodies, Bernardo Sottomayor, as first non-executive director, José Rodrigues Jesus, as second non-executive director (also member of the Audit Committee), as required by the Bank's recapitalisation operation and in accordance with article 14 (2) of Law 63-A/2008 (altered and republished by Law 4/2012) and Decision nr. 8840-B/2012, dated 28 June.
- The On-site Inspections Programme ("OIP") for the exposures to construction and real estate promotion sectors in Spain and Portugal, with reference to 30 June 2012, was completed. The Bank communicated the need to reinforce the recorded impairment by a total amount of Euro 290 million.
- Formalisation of accession to the European Progress Microfinance Facility, with the Bank becoming the 1<sup>st</sup> bank in Portugal to access this mechanism, which aims to ensure Microcredit operations through support to micro entrepreneurs and creation of self employment in Portugal.
- Conducting the first auction of properties across borders, through video conferencing, enabling the sale of 40 properties.
- Using the latest technologies to present its activity in two categories (Coin Museum and Shared Art Exhibit), the Millennium bcp Foundation launched the Millennium bcp Foundation "app" in December.
- Included in Social Responsibility policy of the Bank, the Millennium bcp Foundation and the Institute of Molecular Medicine ("IMM") signed a protocol, for three years, establishing the donation of a total amount of Euro 150 thousand, which will be used by a number of IMM Research and development efforts on the treatment of brain tumors.
- As part of the Social responsibility policy, the Millennium bcp Foundation signed a protocol for three years with the League of Friends of the Santa Marta Hospital, through which it will donate a total of Euro 180 thousand, for the purpose of developing of a project researching cases of congenital heart disease.
- Millennium bcp received the exhibition "Alegria Matta Alegria", at the Millennium Gallery, in partnership with the House of Latin America and the City of Lisbon. The exhibition ran until the end of December.
- The launch, in partnership with the Expresso newspaper, of the Conference Series "Windows to the World", to inform Portuguese entrepreneurs of the options for internationalisation in markets such as Mozambique, Angola, Poland and China.

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- Launch by Banco Millennium Angola, the Subsidised Loans to Micro, Small and Medium Enterprises, in the scope of the program Angola Investe, aimed at funding investment in tangible assets and / or strengthening working capital.
- Promotion by Millennium bim of the lecture series “More Knowledge for All”, involving the participation of customers, business partners and employees, and covering topics of high importance for organisations such as Management, Organisational Culture and Leadership.
- Included in the program “More Sport for All”, Millennium bim organised another edition of the “Millennium bim Race” which attracted many participants including various emblematic figures in the world of sport Mozambique.
- Continuing the Social Responsibility Project “More Mozambique for Me”, Millennium bim promoted an action performed in the Provincial Hospital of Xai-Xai, for the renovation and provision of furniture and courseware and other materials, for two rooms in the pediatrics wing.
- Recognition of Millennium bcp site as “Best Online Banking Website” by the prestigious “PCGuia Readers Award”.
- Top Rated classifications for “Leading Clients” and “Crossborder” by the renowned magazine *Global Custodian*, the highest rating for International Institutional Custody.
- “Effectiveness of Communication 2012” awards by the Portuguese Association of Advertisers in the category of financial services, for the 2<sup>nd</sup> consecutive year, and recognition as a Portuguese Superbrand, a distinction of “Brands of Excellence in Portugal” which annually elects the best Portuguese brands.
- “Best Consumer Internet Bank in 2012” in Europe for ActivoBank from the prestigious international financial magazine *Global Finance*.
- Distinction of Bank Millennium in Poland, with 4 stars (second place) in the ranking of banks with best offer for companies by *Forbes* magazine.
- “Friendliest and Best Internet Bank” to Bank Millennium by *Newsweek* in the annual “Friendly Bank - Internet Banking” ranking.
- “Best Banking Group in Mozambique” award was granted to Millennium bim, for the 4<sup>th</sup> year in a row by *EMEA Finance* magazine.
- “Bank of the Year in Mozambique” in 2012, for the 7<sup>th</sup> consecutive year, from *The Banker* magazine.
- “Best Brand of Mozambique” in the banking sector for Millennium bim, for the 4<sup>th</sup> year in a row, resulting from a study conducted in all provinces by the company *GfK-Intercampus*.
- Reflecting the impact of credit risk deterioration resulting from the downwards revision of growth projections for the Portuguese economy in 2013, Moody’s Rating Agency downgraded BCP’s long term ratings from “Ba3” to “B1” on 4 December, maintaining the negative outlook.
- Following the confirmation of the long-term rating of the Portuguese Republic at “BBB (low)”, DBRS Rating Agency as affirmed, on 5 December, BCP’s long-term rating on senior debt and deposits at “BBB (low)” and BCP’s short-term deposits and debt at “R2 (middle)”, maintaining the negative trend.

BANCO COMERCIAL PORTUGUÊS, S.A., a public company (sociedade aberta) having its registered office at Praça D. João I, 28, Oporto, registered at the Commercial Registry of Oporto, with the single commercial and tax identification number 501 525 882 and the share capital of EUR 3,500,000,000.00.



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### MACROECONOMIC ENVIRONMENT

The world economy is expected to have slowed in the fourth quarter of 2012 due to the cooling of the most developed countries, while emerging markets exhibited tentative signs of strength. Notwithstanding, sentiment in financial markets denoted a favourable trend.

The IMF estimates that the World GDP growth rate will increase slightly from 3.2% in 2012 to 3.5 % in 2013, with a persisting wedge between the performance of emerging economies (expected expansion of 5.5%) and that of advanced economies (growth projected at 1.4%). The euro area economy, which absorbs more than 70% of Portuguese exports, is expected to contract.

Within the sphere of central banks it is worth highlighting the change introduced by the U.S. Federal Reserve in its monetary policy goals, namely by establishing quantified, albeit non-binding, thresholds for the inflation and unemployment rates. The significant gap still prevailing between the established targets and economic reality led the Federal Reserve to intensify its debt purchase program, which together with the expansionary measures adopted by other central banks, including those of several emerging market countries, contributed to extend the degree of accommodation of monetary conditions at the global scale.

During the fourth quarter two relevant decisions designed to dissipate the risks of disintegration of the European Monetary Union were taken. The first involved the renegotiation of the conditions of the Greek financial assistance programme, which resulted in a new restructuring of the Hellenic public debt. The second consisted of the formalisation of a banking union aimed at centralising the supervision of the credit institutions in the euro area and of those of the remaining countries of the European Union that eventually decide to participate.

The abundance of liquidity at the global level and the climate of greater confidence towards the euro area had a beneficial effect on financial markets, which translated into a generalised recovery of the main equity indices and in the compression of the spreads of the riskier debt securities in both the corporate and the sovereign segments, including the significant decline of Portuguese government debt yields. The improved risk aversion mood favoured the extension of the euro's rising trend against the US dollar.

The Bank of Portugal revised lower its projections for the growth of the Portuguese economy in 2013 from -1.6% to -1.9%, reflecting a less favourable appraisal of the behaviour of external demand. If confirmed, this scenario configures an attenuation of the economic contraction vis-à-vis 2012, something which is in line with the recent improvement of some activity indicators. The lagging nature of the labour market reaction to the underlying economic conditions hints at an additional worsening of unemployment in the coming quarters. The fiscal execution of the Portuguese state in the whole of 2012 should allow for the fulfilment of the target established in the economic and financial assistance programme (meanwhile revised from 4.5% to 5%), albeit at the expense of non-recurrent operations without which the deficit goal would not have been reached.

Despite the easing of restrictions in the access to liquidity and of the high level of capitalisation of domestic banks, total credit remained on a downward trajectory largely due to the weakness of demand intrinsic to the current recessive environment. The contraction of credit was widespread across households and firms, though regarding the latter the rise of loans extended to the exporting units is worth mentioning. The fragility of economic activity and the rise of unemployment continued to hinder the banks asset's quality.

The widening trend of the recession perimeter that took hold during 2012 in Europe acquired added relevance with the sudden weakening of activity in the Eastern European countries, a development that could be ascribed to the deterioration of external demand and the adverse effects on domestic demand coming from the on-going fiscal consolidation. This less favourable setting triggered a determined response from the Polish central bank in the form of a cut in the key interest rates, a movement not replicated in Romania due to the need to subordinate monetary policy to the control of inflation and the stability of the leu, a goal that was achieved at the end of the year. The resilience of the commodity markets that the economies of Angola and Mozambique rest upon has allowed these two countries to sustain a steady growth pace, which combined with the macroeconomic stabilisation and the improvement of the institutional framework has continued to encourage foreign direct investment, not only in the energy sector but also in infrastructures.

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## GLOSSARY

**Capitalisation products** - debt securities issued by the Bank and placed with customers.

**Cost of risk** - ratio of impairment charges (net of recoveries) to the loan portfolio.

**Credit at risk** - definition that, according to the Bank of Portugal, is broader than the overdue loans by more than 90 days + doubtful loans, including, in particular, the possibility that debtors with overdue payments still do not fulfil their credit responsibilities. For detailed definition see instruction no. 23/2011 from the Bank of Portugal.

**Debt securities** - debt securities issued by the Bank and placed with customers.

**Dividends from equity instruments** - dividends received from investments in financial assets available for sale.

**Equity accounted earnings** - results appropriated by the Group related to the consolidation of entities where, despite having a significant influence, the Group does not control the financial and operational policies.

**Net interest margin** - net interest income as a percentage of average interest earning assets.

**Net operating revenues** - net interest income, dividends from equity instruments, net commissions, net trading income, equity accounted earnings and other net operating income.

**Net trading income** - net gains/losses arising from trading and hedging activities, net gains/losses arising from available for sale financial assets, net gains/losses arising from financial assets held to maturity.

**Operating costs** - staff costs, other administrative costs and depreciation.

**Other impairment and provisions** - other financial assets impairment, other assets impairment, in particular provision charges related to assets received as payment in kind not fully covered by collateral, goodwill impairment and other provisions.

**Other net income** - net commissions, net trading income, other net operating income, dividends from equity instruments and equity accounted earnings.

**Other net operating income** - other operating income, other net income from non-banking activities and gains from the sale of subsidiaries and other assets.

**Overdue and doubtful loans** - loans overdue by more than 90 days and the doubtful loans reclassified as overdue loans for provisioning purposes.

**Securities portfolio** - financial assets held for trading, financial assets available for sale, assets with repurchase agreement and financial assets held to maturity.

**Total customer funds** - amounts due to customers (including securities), assets under management and capitalisation products.

## "Disclaimer"

This document is not an offer of securities for sale in the United States, Canada, Australia, Japan or any other jurisdiction. Securities may not be offered or sold in the United States unless they are registered pursuant to the US Securities Act of 1933 or are exempt from such registration. Any public offering of securities in the United States, Canada, Australia or Japan would be made by means of a prospectus that will contain detailed information about the company and management, including financial statements.

The financial information in this presentation has been prepared under the scope of the International Financial Reporting Standards ('IFRS') of BCP Group for the purposes of the preparation of the consolidated financial statements under Regulation (CE) 1606/2002.

The figures presented do not constitute any form of commitment by BCP in regard to future earnings.

**CONSOLIDATED INDICATORS: ACTIVITY IN PORTUGAL AND INTERNATIONAL ACTIVITY**

Euro million

	Consolidated			Activity in Portugal			International activity		
	31 Dec. 12	31 Dec. 11	Change 12/11	31 Dec. 12	31 Dec. 11	Change 12/11	31 Dec. 12	31 Dec. 11	Change 12/11
<b>Income statement</b>									
Net interest income	1,023.6	1,579.3	-35.2%	492.7	998.8	-50.7%	530.9	580.5	-8.5%
Dividends from equity instruments	3.9	1.4	-	2.8	0.8	-	1.0	0.5	-
Net fees and commission income	690.8	789.4	-12.5%	452.0	560.9	-19.4%	238.8	228.5	4.5%
Other operating income	(56.1)	(22.7)	-	(60.1)	(24.3)	-	4.0	1.6	-
Net trading income	462.8	207.6	122.9%	312.0	(36.1)	-	150.9	243.7	-38.1%
Equity accounted earnings	55.7	14.6	-	54.3	14.6	-	1.4	-	-
<b>Net operating revenues</b>	<b>2,180.6</b>	<b>2,569.6</b>	<b>-15.1%</b>	<b>1,253.6</b>	<b>1,514.7</b>	<b>-17.2%</b>	<b>927.0</b>	<b>1,054.9</b>	<b>-12.1%</b>
Staff costs	815.4	953.6	-14.5%	532.3	673.3	-20.9%	283.1	280.3	1.0%
Other administrative costs	565.2	584.5	-3.3%	298.7	319.2	-6.4%	266.4	265.3	0.4%
Depreciation	78.1	96.1	-18.8%	40.5	47.9	-15.5%	37.6	48.2	-22.0%
<b>Operating costs</b>	<b>1,458.6</b>	<b>1,634.2</b>	<b>-10.7%</b>	<b>871.5</b>	<b>1,040.4</b>	<b>-16.2%</b>	<b>587.1</b>	<b>593.8</b>	<b>-1.1%</b>
<b>Operating profit before impairment</b>	<b>722.0</b>	<b>935.4</b>	<b>-22.8%</b>	<b>382.1</b>	<b>474.3</b>	<b>-19.4%</b>	<b>339.8</b>	<b>461.1</b>	<b>-26.3%</b>
Loans impairment (net of recoveries)	1,257.0	1,331.9	-5.6%	889.0	1,136.7	-21.8%	368.0	195.2	88.5%
Other impairment and provisions	352.8	825.1	-57.2%	347.0	821.8	-57.8%	5.9	3.3	-
<b>Profit before income tax</b>	<b>(887.8)</b>	<b>(1,221.6)</b>	<b>-</b>	<b>(853.8)</b>	<b>(1,484.2)</b>	<b>-</b>	<b>(34.0)</b>	<b>262.6</b>	<b>-</b>
Income tax	(177.8)	(458.9)	-	(179.8)	(513.2)	-	2.0	54.3	-
Non-controlling interests	81.8	85.9	-4.7%	(5.1)	0.3	-	87.0	85.6	1.6%
<b>Net income before imp. estimated losses</b>	<b>(791.8)</b>	<b>(848.6)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Impairment for estimated losses (*)	427.2	-	-	-	-	-	-	-	-
<b>Net income</b>	<b>(1,219.1)</b>	<b>(848.6)</b>	<b>-</b>	<b>(668.9)</b>	<b>(971.3)</b>	<b>-</b>	<b>(123.0)</b>	<b>122.7</b>	<b>-</b>
<b>Balance sheet and activity indicators</b>									
<b>Total assets</b>	<b>89,744</b>	<b>93,482</b>	<b>-4.0%</b>	<b>67,459</b>	<b>71,156</b>	<b>-5.2%</b>	<b>22,285</b>	<b>22,326</b>	<b>-0.2%</b>
<b>Total customer funds</b>	<b>68,547</b>	<b>65,530</b>	<b>4.6%</b>	<b>50,386</b>	<b>49,615</b>	<b>1.6%</b>	<b>18,161</b>	<b>15,914</b>	<b>14.1%</b>
<b>Balance sheet customer funds</b>	<b>55,768</b>	<b>53,060</b>	<b>5.1%</b>	<b>38,767</b>	<b>37,948</b>	<b>2.2%</b>	<b>17,001</b>	<b>15,112</b>	<b>12.5%</b>
Deposits	49,390	47,516	3.9%	32,604	32,522	0.3%	16,786	14,994	12.0%
Debt securities	6,378	5,544	15.0%	6,163	5,425	13.6%	215	119	81.1%
<b>Off-balance sheet customer funds</b>	<b>12,779</b>	<b>12,470</b>	<b>2.5%</b>	<b>11,619</b>	<b>11,668</b>	<b>-0.4%</b>	<b>1,161</b>	<b>802</b>	<b>44.7%</b>
Assets under management	3,798	3,739	1.6%	3,025	3,203	-5.6%	773	536	44.2%
Capitalisation products	8,981	8,731	2.9%	8,594	8,465	1.5%	387	266	45.5%
<b>Loans to customers (gross)</b>	<b>66,861</b>	<b>71,533</b>	<b>-6.5%</b>	<b>49,581</b>	<b>54,552</b>	<b>-9.1%</b>	<b>17,280</b>	<b>16,981</b>	<b>1.8%</b>
<b>Individuals</b>	<b>33,756</b>	<b>34,805</b>	<b>-3.0%</b>	<b>23,138</b>	<b>24,458</b>	<b>-5.4%</b>	<b>10,618</b>	<b>10,348</b>	<b>2.6%</b>
Mortgage loans	29,509	30,308	-2.6%	20,669	21,768	-5.1%	8,840	8,540	3.5%
Consumer loans	4,247	4,497	-5.6%	2,469	2,689	-8.2%	1,778	1,808	-1.6%
<b>Companies</b>	<b>33,105</b>	<b>36,728</b>	<b>-9.9%</b>	<b>26,443</b>	<b>30,094</b>	<b>-12.1%</b>	<b>6,662</b>	<b>6,634</b>	<b>0.4%</b>
Services	13,524	14,802	-8.6%	11,600	12,751	-9.0%	1,924	2,051	-6.2%
Commerce	3,490	4,254	-17.9%	2,313	3,036	-23.8%	1,178	1,218	-3.3%
Construction and Other	16,091	17,672	-8.9%	12,530	14,307	-12.4%	3,561	3,365	5.8%
<b>Credit quality</b>									
Total overdue loans	4,362	3,476	25.5%	3,318	2,696	23.1%	1,043	780	33.7%
Overdue loans by more than 90 days	4,175	3,196	30.6%	3,204	2,497	28.3%	971	699	38.9%
Overdue loans by more than 90 days /Total loans	6.2%	4.5%		6.5%	4.6%		5.6%	4.1%	
Total impairment (balance sheet)	4,243	3,488	21.7%	2,863	2,813	1.8%	953	675	41.2%
Total impairment (balance sheet) /Total loans	6.3%	4.9%		5.8%	5.2%		5.5%	4.0%	
Total impairment (balance sheet) /Overdue loans by more than 90 days	101.6%	109.1%		89.4%	112.6%		98.2%	96.6%	
Cost of risk (net of recoveries, in b.p.)	252	186		179	208		213	115	

(\*) Impairment charges related to the estimated losses in the subsidiary company in Greece, which, together with the reinforcement of impairments posted in the subsidiary's P&L, showed an increase in the level of impairment from the previous year achieving Euro 702.4 million in 2012.

**BANCO COMERCIAL PORTUGUÊS**

Consolidated Income Statement  
for the years ended 31 December 2012 and 2011

	2012	2011
	(Thousands of Euros)	
Interest and similar income	3,615,922	4,060,136
Interest expense and similar charges	(2,592,337)	(2,480,862)
Net interest income	1,023,585	1,579,274
Dividends from equity instruments	3,873	1,379
Net fees and commission income	690,776	789,372
Net gains / losses arising from trading and hedging activities	401,128	204,379
Net gains / losses arising from available for sale financial assets	46,206	3,253
Net gains / (losses) arising from financial assets held to maturity	15,513	-
Other operating income	(52,047)	(22,793)
	2,129,034	2,554,864
Other net income from non banking activity	20,093	26,974
Total operating income	2,149,127	2,581,838
Staff costs	815,413	953,649
Other administrative costs	565,161	584,459
Depreciation	78,065	96,110
Operating costs	1,458,639	1,634,218
Operating net income before provisions and impairments	690,488	947,620
Loans impairment	(1,684,179)	(1,331,910)
Other financial assets impairment	(74,699)	(549,850)
Other assets impairment	(260,655)	(128,565)
Goodwill impairment	-	(160,649)
Other provisions	(17,463)	13,979
Operating net income	(1,346,508)	(1,209,375)
Share of profit of associates under the equity method	55,659	14,620
Gains / (losses) from the sale of subsidiaries and other assets	(24,193)	(26,872)
Net income before income tax	(1,315,042)	(1,221,627)
Income tax		
Current	(81,696)	(66,857)
Deferred	259,529	525,714
Net income after income tax	(1,137,209)	(762,770)
Attributable to:		
Shareholders of the Bank	(1,219,053)	(848,623)
Non-controlling interests	81,844	85,853
Net income for the period	(1,137,209)	(762,770)
Earnings per share (in euros)		
Basic	(0.10)	(0.05)
Diluted	(0.10)	(0.05)

BANCO COMERCIAL PORTUGUÊS, S.A., a public company (sociedade aberta) having its registered office at Praça D. João I, 28, Oporto, registered at the Commercial Registry of Oporto, with the single commercial and tax identification number 501 525 882 and the share capital of EUR 3,500,000,000.00.

**BANCO COMERCIAL PORTUGUÊS**

Consolidated Balance Sheet as at 31 December 2012 and 2011

	2012	2011
	(Thousands of Euros)	
<b>Assets</b>		
Cash and deposits at central banks	3,580,546	2,115,945
Loans and advances to credit institutions		
Repayable on demand	829,684	1,577,410
Other loans and advances	1,887,389	2,913,015
Loans and advances to customers	62,618,235	68,045,535
Financial assets held for trading	1,690,926	2,145,330
Financial assets available for sale	9,223,411	4,774,114
Assets with repurchase agreement	4,288	495
Hedging derivatives	186,032	495,879
Financial assets held to maturity	3,568,966	5,160,180
Investments in associated companies	516,980	305,075
Non current assets held for sale	1,284,126	1,104,650
Investment property	554,233	560,567
Property and equipment	626,398	624,599
Goodwill and intangible assets	259,054	251,266
Current tax assets	34,037	52,828
Deferred tax assets	1,755,411	1,564,538
Other assets	1,124,323	1,790,650
	<b>89,744,039</b>	<b>93,482,076</b>
<b>Liabilities</b>		
Amounts owed to credit institutions	15,265,760	17,723,419
Amounts owed to customers	49,389,866	47,516,110
Debt securities	13,548,263	16,236,202
Financial liabilities held for trading	1,393,194	1,478,680
Other financial liabilities at fair value through profit and loss	329,267	2,578,990
Hedging derivatives	301,315	508,032
Provisions for liabilities and charges	253,328	246,100
Subordinated debt	4,298,773	1,146,543
Current income tax liabilities	15,588	24,037
Deferred income tax liabilities	2,868	2,385
Other liabilities	945,629	1,647,208
Total Liabilities	<b>85,743,851</b>	<b>89,107,706</b>
<b>Equity</b>		
Share capital	3,500,000	6,065,000
Treasury stock	(14,212)	(11,422)
Share premium	71,722	71,722
Preference shares	171,175	171,175
Other capital instruments	9,853	9,853
Fair value reserves	2,668	(389,460)
Reserves and retained earnings	850,021	(1,241,490)
Net income for the period attributable to Shareholders	(1,219,053)	(848,623)
Total Equity attributable to Shareholders of the Bank	<b>3,372,174</b>	<b>3,826,755</b>
Non-controlling interests	628,014	547,615
Total Equity	<b>4,000,188</b>	<b>4,374,370</b>
	<b>89,744,039</b>	<b>93,482,076</b>

BANCO COMERCIAL PORTUGUÊS, S.A., a public company (sociedade aberta) having its registered office at Praça D. João I, 28, Oporto, registered at the Commercial Registry of Oporto, with the single commercial and tax identification number 501 525 882 and the share capital of EUR 3,500,000,000.



19/19

## ANNEX IV

### STATEMENT OF THE REMUNERATION AND WELFARE BOARD

The Remuneration and Welfare Board, with the assistance of the Human Resources Division and Mercer Portugal – Recursos Humanos, Lda., a leading company in the advising services in the areas of talent and performance of human resources, analysed the remuneration policies of the corporate bodies of Banco Comercial Português, as well as the Remuneration Plans.

The Remuneration and Welfare Board considers that the remuneration policy, adopted as described in the statement on the remuneration policy for members of management and supervision bodies, approved by the Board, is aligned with the Bank's recapitalisation plan through state aid, namely with the provisos of article 12 of the Ordinance 150-A/2012, and is duly implemented, translating, in the Board's opinion, a prudent management of institution's risk, capital and liquidity. This policy shall be presented to the General Meeting of Shareholders that will take place on 20 May 2013.

Lisbon, 22 April 2013

The Remuneration and Welfare Board

Baptista Muhongo Sumbe

Manuel Soares Pinto Barbosa

José Manuel Archer Galvão Teles

José Luciano Vaz Marcos

## OPINION OF THE REMUNERATION AND WELFARE BOARD

1. The Remuneration and Welfare Board analysed the document containing the principles and rules of the remuneration policy of the members of the management and supervision bodies approved at the General Meeting of Shareholders held on 31 May 2012.
2. The Remuneration and Welfare Board also took under consideration the adjustments introduced in that policy to be in force while the Capital Core Tier 1 instruments subscribed by the State have not been fully paid. These adjustments consist in the reduction of the value of the group of the remunerations of the members of the Board of Directors to 50% of the average value of the remunerations paid to the members of those bodies during 2010 and 2011;
3. The Remuneration and Welfare Board will not issue an opinion on the adjustments mentioned above since the same result from the application of the legal requirements ruling recapitalisation operations.
4. The Remuneration and Welfare Board takes into consideration the way according to which the policy described above was applied in 2012 namely what, on this aspect, is reported in the Annual Report and in the Corporate Governance Report and also the main values of the costs incurred by the Bank with the remuneration of the members of the Board of Directors.
5. The Remuneration and Welfare Board considers that the above-mentioned policy is compatible with the principles of alignment of the company's interests with those of its shareholders and remaining stakeholders, maintains own funds at appropriate levels and complies with the applicable ratios and with a healthy and efficient assumption and management of risks.
6. The Remuneration and Welfare Board approved the remuneration policy to be presented to the General Meeting of Shareholders and recommends that the same be approved.

Lisbon, 22 April 2013

The Remuneration and Welfare Board

Baptista Muhongo Sumbe

Manuel Soares Pinto Barbosa

José Manuel Archer Galvão Teles

José Luciano Vaz Marcos

# ANNEX V

## SHARES AND BONDS HELD BY THE MEMBERS OF CORPORATE BODIES AND OFFICERS, SO CLASSIFIED UNDER THE TERMS OF ARTICLE 248-B (3) OF THE SECURITIES CODE AND BY THE PEOPLE CLOSELY RELATED TO THEM

Shareholders/Bondholders	Security	Nr. share as at		Type of deal and nr. of securities traded			Price/unit euros
Members of Corporate Bodies, Officers and People Closely Related to them		31-12-2011 <sup>(a)</sup>	12/31/12	Purchases	Sales	Date	
<b>MEMBERS OF CORPORATE BODIES</b>							
António Vítor Martins Monteiro <sup>(1)</sup>	BCP shares	2,410	6,589	4,179		04/10/2012	0.04
Carlos José da Silva	BCP shares	151,438	414,089	262,651		04/10/2012	0.04
	Obrig BCP Ret Sem Cresc III/12EUR 3/2013	0	300	300		22/03/2012	1,000.00
Nuno Manuel da Silva Amado	BCP shares	200,000	1,003,297	803,297		04/10/2012	0.04
Pedro Maria Calafino Teixeira Duarte	BCP shares	0	0				
Álvaro Roque de Pinho Bissaia Barreto	BCP shares	0	0				
André Luiz Gomes	BCP shares	6,784	19,437	12,653		04/10/2012	0.04
António Henriques de Pinho Cardão <sup>(2)</sup>	BCP shares	102,778	281,034	178,256		04/10/2012	0.04
António Luís Guerra Nunes Mexia	BCP shares	1,507	4,120	2,613		04/10/2012	0.04
António Manuel Costeira Faustino	BCP shares	0	0				
Bernardo de Sá Braamcamp Sobral Sottomayor	BCP shares	0	0				
César Paxi Manuel João Pedro	BCP shares	0	0				
Jaime de Macedo Santos Bastos	BCP shares	537	1,468	931		04/10/2012	0.04
João Bernardo Bastos Mendes Resende	BCP shares	0	0				
João Manuel de Matos Loureiro	BCP shares	1,753	4,793	3,040		04/10/2012	0.04
José Guilherme Xavier de Basto	BCP shares	1,811	4,951	3,140		04/10/2012	0.04
	Obrig BCP Mill Rend Sem Mar 10/13	5	5				
José Jacinto Iglésias Soares	BCP shares	130,743 <sup>(b)</sup>	384,002	253,259		04/10/2012	0.04
José Rodrigues de Jesus	BCP shares	0	0	0			
Luis Maria França de Castro Pereira Coutinho	BCP shares	286,914	822,123	535,209		04/10/2012	0.04
Maria da Conceicao Mota Soares de Oliveira Callé Lucas	BCP shares	0	100,001	100,001		04/10/2012	0.04
Miguel de Campos Pereira de Bragança	BCP shares	0	623,813	623,813		04/10/2012	0.04
Miguel Maya Dias Pinheiro	BCP shares	210,000	601,733	391,733		04/10/2012	0.04
Rui Manuel da Silva Teixeira <sup>(3)</sup>	BCP shares	31,982	134,687	102,705		04/10/2012	0.04
<b>OFFICERS</b>							
Ana Isabel dos Santos de Pina Cabral <sup>(4)</sup>	BCP shares	(c)	74,550	47,286		04/10/2012	0.04
Dulce Maria Pereira Cardoso Mota Jorge Jacinto	BCP shares	(c)	82,031	52,031		04/10/2012	0.04
Fernando Manuel Majer de Faria	BCP shares	(c)	624,219	395,934		04/10/2012	0.04
Filipe Maria de Sousa Ferreira Abecasis	BCP shares	(c)	0				
Isabel Maria dos Santos Raposo	BCP shares	(c)	0				

(continues)

(Continuation)

Shareholders/Bondholders	Security	Nr. share as at		Type of deal and nr. of securities traded			Price/unit euros
Members of Corporate Bodies, Officers and People Closely Related to them		31-12-2011 <sup>(a)</sup>	12/31/12	Aquisições	Alienações	Data	
José Miguel Bensliman Schorcht da Silva Pessanha	BCP shares	(c)	20,879				
Mário António Pinho Gaspar Neves	BCP shares	(c)	31,500	21,500		04/10/2012	0.04
	Obrig BCP Mill Rend Trim Nov 09/14	(c)	5				
	Obrig BCP Mill Rend Sem Mar 10/13	(c)	7				
	Obrig BCP Rend Mais Abr/12	(c)	0		5	27/04/2012	1000
	Obrig BCP Invest Tot Dez 2012	(c)	0		5	21/12/2012	1000
Pedro Manuel Rendas Duarte Turras	BCP shares	(c)	25,207	22,880		04/10/2012	0.04
Rui Pedro da Conceição Coimbra Fernandes	BCP shares	(c)	0				
<b>PEOPLE CLOSELY RELATED TO THEM</b>							
Isabel Maria V Leite P Martins Monteiro (1)	BCP shares	1,854	5,311	3,457		04/10/2012	0.04
Maria da Graça dos Santos Fernandes de Pinho Cardão (2)	BCP shares	3,835	10,485	6,650		04/10/2012	0.04
Maria Helena Espassandim Catão (3)	BCP shares	253	1,000	747		04/10/2012	0.04
José Manuel de Vasconcelos Mendes Ferreira (4)	BCP shares	(c)	4,577	3,613		04/10/2012	0.04

(a) (a) When the person began functions after 31 December 2011, the date considered was that of the beginning of functions

(b) Correction of a graphical error in the shareholding position reported in the 2011 Annual Report Volume II

(c) The information provided regards only 2012, based on the provisos of § 4 of nr. 1.2.2, of the CMVM Circular dated of 28/01/2012

Notes (1) to (4): Persons closely related to Members of Corporate Bodies and Officers.

All the operations were made through NYSE Euronext Lisbon – Lisbon Stock Exchange