

September 9, 2019

Banco Comercial Português, S.A. informs of the notification from the Competition Authority

Banco Comercial Português, SA (“BCP”) informs that it has been notified by the Portuguese Competition Authority (“AdC”) of the decision to impose a fine in proceedings related to alleged restrictive competition practices regarding the sharing of sensitive commercial information between credit institutions, in the mortgage lending, consumer lending and corporate credit segments. BCP was one of the banks the AdC decided to fine in the total amount of EUR 225 million, for engaging in the exchange of sensitive commercial information. The fine imposed on BCP amounts to 60 million euros.

Throughout this process, initiated by the AdC in 2012, BCP has had the opportunity to provide the AdC with all the clarifications requested and to explain why it considers that the accusations addressed to the bank are not adequately supported and substantiated.

It is not apparent from the AdC’s decision that the information sharing practices imputed to BCP had any negative effect on consumers. It should be noted, moreover, that the period covered by the decision includes the pre-financial crisis period of 2008, in which very competitive commercial practices between Institutions were observed, with a view to strengthening their market shares, which were subsequently and publicly recognized by analysts and the media in general as resulting in very low credit spreads. After 2008, BCP’s pricing references reflected the widespread increase in credit spreads as a result of the economic and financial crisis and the country’s financing conditions. It is also important to note that the information exchanged by the Marketing Departments corresponded, in BCP’s case, to spreads which are disclosed through the general price table and not the prices that were then applied in individual negotiations with Customers.

ANNOUNCEMENT

Reuters>bcp.ls Exchange>BCP Bloomberg>bcp pl ISIN PTBCP0AM0015

BCP has a public commitment to operate in the market in strict compliance with competition rules, with which it identifies and to which it is committed, and does not accept any behaviour aimed at distorting competition or harming consumers, or even challenging decisions of the Authorities that it considers balanced. In this decision, this is clearly not the case, as the information exchange has not resulted in any demonstrable harm to Customers, meaning the fine is unjustified and unbalanced.

BCP's Executive Board, in view of the notification of the decision and bearing in mind its knowledge of this process, which it closely monitored, has decided that it will proceed with the respective legal challenge of the decision in the competent courts.

End of announcement

Banco Comercial Português, S.A.