

BANCO BPI, S.A.

Public Company

Registered office: Rua Tenente Valadim, 284, Porto

Registered at Commercial Registry of Porto under

Unique taxpayer reference number 501 214 534

Share capital: € 1 293 063 324.98

ANNOUNCEMENT

1. It is hereby informed that the Board of Directors has decided today:

- a) to issue Eur 300,000,000 Floating Rate Dated Subordinated Notes under the Eur 7,000,000,000 Euro Medium Term Note Program (the "Issue" and "Subordinated Notes") whose prospectus, dated 17 February 2017, was approved by the Commission de Surveillance du Secteur Financier of Luxembourg;
- b) to agree to the full subscription of the Issue by CaixaBank, S.A. (CaixaBank).

The Issue and its subscription by CaixaBank merited the prior favourable opinion from the Supervisory Board. It was also previously obtained an opinion from an independent auditor, which confirmed that the pricing conditions of the issue are within the range of current market conditions.

- 2. Bearing in mind the resolution mentioned in the previous point, it was also signed today between Banco BPI and CaixaBank the Subordinated Notes subscription agreement.
- 3. Following the Issue, Banco BPI's capital ratios, calculated by reference to 31.12.2016, will be as follows:

Ratios at 31 December 2016 proforma

M.€	Consolidated	Banco BPI non-consolidated
31 December 2016 proforma (1)		
CET1	11.0%	10.7%
T1	11.0%	10.7%
Total Capital Ratio	11.0%	10.7%
31 December 2016 proforma after the issue of 300 M.€ of subordinated debt		
CET1	11.4%	10.8%
T1	11.4%	10.8%
Total Capital Ratio	12.8%	12.6%

1) Ratios at 31 December 2016, calculated using phasing-in factors for 2017 and after the sale of 2% of BFA.

Minimum requirements for 2017 (minimum prudential requirements to be fulfilled by Banco BPI from the 1st of January 2017 onwards, according to the decision taken in the context of the Supervisory Review and Evaluation Process (SREP))

Phasing in		
CET1	9.25%	8.25%
T1	9.75%	9.75%
Total Capital Ratio	11.75%	11.75%

4. The Subordinated Notes have a nominal value of Euro 100,000.00, are issued at an issue price of 100% and interest will be recorded from (and including) the issue date to (and excluding) 24 March 2027, at an interest rate equal to EURIBOR 6 months + 5.74%.

The maturity of the Subordinated Notes will occur on 24 March 2027 and the Notes may be repaid in advance by Banco BPI on 24 March 2022, subject to prior authorisation from the competent authority. Subordinated Notes may also be reimbursed in advance at any time if there is a change in the applicable tax regime or a capital event, subject to the compliance with the requirements applicable to such early repayment and to the competent authority prior authorisation.

The characteristics of the aforementioned Subordinated Notes have been set in such a way as to fulfil the conditions laid down in Regulation 575/2013 for their classification as a Tier 2 capital instrument (Tier 2)

The issue and the settlement date of the Issue shall occur on 24 March 2017; its admission to trading on the Euronext Lisbon regulated market will be requested.

Porto, 17 March 2017