

**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

Banco BPI informs that it has been notified of the European Central Bank's (ECB) decision regarding minimum prudential requirements to be fulfilled from the 1st of January 2018 onwards, a decision based on the results of the Supervisory Review and Evaluation Process (SREP). In addition, Banco BPI was informed by Bank of Portugal on the capital buffer requirement for the Bank as "Other Systemically Important Institution" (O-SII).

In what concerns the minimum own funds requirements to be observed from the referred date onwards, the SREP's decision determines the following ratios, calculated relative to the total risk weighted assets (RWA):

	Capital ratios 30 September 2017			Minimum capital ratios requirements - Banco BPI consolidated ¹⁾							
Banco BPI consolidated	Phase-in	Fully loaded	Fully loaded pro-forma ²⁾	Phase-in 2018	Of which:			Fully loaded	Of which:		
					Pillar 1	Pillar 2	Buffers ³⁾		Pillar 1	Pillar 2	Buffers ³⁾
CET1	12.5%	11.5%	12.8%	8.75%	4.5%	2.25%	2.0%	9.75%	4.5%	2.25%	3.0%
T1	12.5%	11.5%	12.8%	10.25%	6.0%	2.25%	2.0%	11.25%	6.0%	2.25%	3.0%
Total ratio	13.9%	13.3%	14.6%	12.25%	8.0%	2.25%	2.0%	13.25%	8.0%	2.25%	3.0%

1) The SREP Decision for 2018 only applies to Banco BPI's ratios on a consolidated basis, contrary to what happened with the SREP Decision for 2017, which also applied to Banco BPI ratios on an individual basis. Thus, from 1 January 2018 onwards, the CET1 requirement on an individual basis is 6.5%, less restrictive than the one for the consolidated. At 30 September 2017, CET1 fully loaded on an individual basis was 11.5%.

2) Fully loaded ratios pro-forma after the transactions with Caixabank disclosed to the market on the 23 November 2017.

3) The capital conservation buffer increases linearly over a 4 year period from 2016 to 2019, reaching 2.5% (in 2018 will be 1.875%). The counter-cyclical buffer is currently set at 0% in Portugal. The O-SII buffer increases linearly over 4 years starting in 2018 to reach 0.5% by 2021.

According to the ECB's decision under the SREP, **the Pillar 2 requirement for Banco BPI in 2018 is 2.25%, which corresponds to a 0.25 pp decrease relative to 2017.**

Taking into account the ratios observed at 30 September 2017, Banco BPI complies with the new minimum capital ratios requirements for CET1 (Common Equity Tier 1), Tier 1 and total ratio.

Porto, 13 December 2016

Banco BPI, S.A.