



**BANCO BPI, S.A.**

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**

In March 2019, a new law was approved in Portugal extending the creditors preference to all bank deposits over senior unsecured debt, thus reinforcing the protection of deposits in the event of resolution.

With this new legal framework, the rating agency Moody's reaffirmed today the Baa1 investment grade rating assigned to Banco BPI's long-term deposits, with "Stable" Outlook. Customer deposits represent Banco BPI's main source of funding, which was recently complemented with the successful issuance of a mortgage covered bond with Aa3 rating.

In addition, today Moody's revised the long-term issuer and senior unsecured debt ratings from Baa2 to Ba1, with "Stable" Outlook, as the extension of the creditors preference to all deposits translates into a reduction of the volume of loss-absorbing instruments that would rank at the level of senior unsecured debt in the event of resolution. The amount of Banco BPI's senior unsecured debt was only 12 M.€ as of 31 March 2019. The other short term debt rating was revised from P-2 to Not Prime.

The rating agency reaffirmed the remaining ratings assigned to Banco BPI. Additionally, Moody's assigned a Ba1 rating to long-term senior non-preferred debt that may be issued under the Euro Medium Term Notes (EMTN) programme.

In its release, Moody's highlighted the Bank's improving domestic profitability metrics, its adequate capital levels, the gradually improving asset-risk metrics, which compare favourably with domestic peers, and its adequate liquidity profile.

It is worth mentioning that both the international rating agencies S&P Global Ratings and Fitch Ratings have an investment grade rating of BBB for Banco BPI's long-term debt, with "Stable" Outlook.

Banco BPI, S.A.

Porto, 26 June 2019