



BANCO BPI, S.A.

Registered office: Rua Tenente Valadim, 284, Porto

Registered at Commercial Registry of Porto under

registration number PTIRNMJ 501 214 534

Share capital: € 1 293 063 324.98

ANNOUNCEMENT

Issuance of €275M of Undated Deeply Subordinated Notes (AT1)¹

1. Banco BPI, S.A. hereby reports that it has decided to issue undated deeply subordinated notes - Additional Tier 1 (AT1) capital instruments for a nominal amount of Euro 275 000 000 which terms have been set today. This issue will be fully subscribed by CaixaBank, S.A.

The issuance of the undated deeply subordinated notes (AT1) seeks a more optimised capital structure of the CET1, Tier 1 and Total Capital requirements as set in the CRR².

2. The securities have a nominal amount of Euro 500 000 each, will be issued at a price of 100% and the initial distribution rate on the securities is 6,50% (payable quarterly) up to the first call date (5-year Mid-Swap rate plus a spread of 713.1 basis points). If the call is not exercised, the annual coupon rate will be reset for the following 5 years by adding the spread at issuance to the prevailing 5-year Mid-Swap rate at the time.

An independent audit firm issued an opinion to confirm that the economic terms of this issue are appropriate to the current market conditions.

3. The undated deeply subordinated notes (AT1) are perpetual securities, with an issuer option for early repayment on or after the 5th year, that can be exercised on the dates of the each quarterly payment date (subject to the authorization of the Supervisory Authority) and have an automatic loss absorbing mechanism ("temporary write-down").

If the consolidated or individual CET1 ratio were to fall below 5.125% ("trigger level"), the loss-absorbing mechanism determines the automatic reduction ("write-down") of the undated deeply subordinated notes (AT1) nominal value in an amount sufficient to reinstate the CET1 ratio to that trigger level. The reduction in the nominal amount of the undated deeply subordinated notes (AT1) may be reversed ("write-up") at the discretion of the issuer provided that the requirements of applicable laws and regulation are met so that such reversal may occur.

1) Undated deeply subordinated notes (Additional Tier 1 capital instruments - AT1) that will be issued under Euro Medium Term Note Programme.

2) Regulation (EU) No 575/2013 of the European Parliament and of the Council on prudential requirements for credit institutions and investment firms (Capital Requirements Regulation – CRR).

4. The features of the aforementioned undated deeply subordinated notes (AT1) have been set in order to fulfil the conditions laid down in Regulation (EU) No 575/2013 of the European Parliament and of the Council for their classification as a Tier 1 (Additional Tier 1) capital instrument.

The issue will have a positive impact on the consolidated Tier 1 and total capital ratios of 1.6 p.p. for Banco BPI, S.A., calculated by reference to 30 June 2019.

5. The issue and settlement date is expected to take place on 19 September 2019.

Porto, 9 September 2019

Banco BPI, S.A.