

BANCO BPI, S.A.

Registered office: Rua Tenente Valadim, 284, Porto
 Registered at Commercial Registry of Porto
 under registration number PTIRNMJ 501 214 534
 and tax identification number 501 214 534
 Share capital: € 1 293 063 324.98

ANNOUNCEMENT

Banco BPI informs that it has received the European Central Bank's (ECB) decision regarding the minimum prudential capital requirements to be fulfilled from the 1st of January 2020, a decision based on the results of the Supervisory Review and Evaluation Process (SREP). In addition, the Bank of Portugal announced, in a statement released on the 29th of November 2019, the capital buffer that Banco BPI has to comply with as "Other Systemically Important Institution" (O-SII).

Regarding the minimum own funds requirements to be complied with, the above mentioned decision determines the following minimum ratios relative to the total risk weighted assets (RWA):

	Capital ratios at 30.09.2019	Minimum capital ratios requirements							
Banco BPI consolidated	Fully loaded	Phase-in	Of which:			Fully loaded	Of which:		
			Pillar 1	Pillar 2 ⁽¹⁾	Buffers ⁽²⁾		Pillar 1	Pillar 2 ⁽¹⁾	Buffers ⁽²⁾
CET1	12.7%	9.38%	4.5%	2.0%	2.88%	9.5%	4.5%	2.0%	3.0%
T1	14.2%	10.88%	6.0%	2.0%	2.88%	11.0%	6.0%	2.0%	3.0%
Total ratio	15.9%	12.88%	8.0%	2.0%	2.88%	13.0%	8.0%	2.0%	3.0%

(1) Pillar 2 requirement only applies to Banco BPI's ratios on a consolidated basis.

(2) The capital conservation buffer for 2020 is 2.5%. The counter-cyclical buffer was kept at 0% for Portugal, being revised quarterly. The O-SII buffer, which only applies on a consolidated basis, was changed from 0.25% in 2019 to 0.375% in 2020 and will be 0.5% in 2021.

According to the ECB's decision under the SREP, **the Pillar 2 requirement for Banco BPI in 2020 will be 2.0%, unchanged relative to 2019.**

Taking into account the ratios calculated as of 30th September 2019, Banco BPI complies with the new minimum capital requirements for CET1 (Common Equity Tier 1), Tier 1 and Total ratios.

These requirements imply that the minimum CET1 threshold below which Banco BPI would have restrictions in 2020 on distributions in the form of dividends, variable remuneration or coupons of Additional Tier 1 equity instruments, commonly referred to as Maximum Distributable Amount trigger (MDA trigger) is 9.38%, to which must be added, at all times, the potential capital deficits of the Additional Tier 1 or Tier 2 relative to the minimum Pillar 1 levels of 1.5% and 2%, respectively.

Given Banco BPI's current capital levels on a consolidated basis, these requirements do not imply any restrictions on the aforementioned distributions.

Porto, 9 December 2019