



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 S.A. (“BPI”) hereby reports that it was notified by the Bank of Portugal of its Minimum Requirements for Own Funds and Eligible Liabilities (“MREL”), as determined by the Single Resolution Board (“SRB”), with effect from 4 february 2021.

The requirements are based on the Bank Recovery and Resolution Directive (“BRRD2”), regulation applicable from 28 December 2020 onwards and are intended to ensure that banks have an amount of own funds and eligible debt which ensures their capacity to absorb losses in distressed scenarios and recapitalise internally, thus ensuring the continuity of their operations.

BRRD2 sets out that the final date for complying with MREL requirements is 1 January 2024, with an intermediate requirement to be met by 1 January 2022. Furthermore, BRRD2 establishes that the MREL must be expressed as a percentage of both Risk-Weighted Assets (“RWA”) and the Leverage Ratio Exposure (“LRE”).

As set out in the notification, BPI, on a sub-consolidated basis, must comply by 1 January 2024 with a minimum amount of own funds and eligible liabilities of 21.07% of RWA, which including the Combined Buffer Requirements (“CBR”)¹ amounts to 23.95%. As for the intermediate requirement, the SRB has decided that, by 1 January 2022, BPI must comply with a MREL requirement of 16.18% of RWA, which including the CBR amounts to 19.05%.

Furthermore, by 1 January 2022 BPI must comply with a MREL requirement of 5.91% of the LRE.

These MREL requirements are in line with BPI’s expectations. As of 31 December 2020, BPI already complies with the MREL Requirements established for 1 January 2022. Furthermore, BPI’s long-term funding plan foresees the reinforcement of the MREL ratios so that these are comfortably complied with in the future.

MREL including CBR vs current ratios

	Current 31 Dec. 2020	MREL Requirement	
		from 1 Jan. 2022	from 1 Jan. 2024
MREL requirement as % RWA	19.8%	19.05%	23.95%
MREL requirement as % LRE	9.3%	5.91%	

Porto, 5 february 2021

Banco BPI, S.A.

1) Combined Buffer Requirements amounts to 2.875% of RWA as of 31 December 2020.