

**SUPPLEMENT DATED 6 FEBRUARY TO THE PROSPECTUS DATED 28 JUNE 2019**

**BANCO BPI, S.A.**

(incorporated with limited liability in the Republic of Portugal)

**EUR 7,000,000,000 Euro Medium Term Note Programme**

**for the issue of Senior Notes, Dated Subordinated Notes, Undated Subordinated Notes and Undated Deeply Subordinated Notes**

This Supplement (the **Supplement**) to the Prospectus dated 28 June 2019 (the **Prospectus**) constitutes a supplement to the base prospectus for the purposes of article 13 of Part II of the Luxembourg act dated 10 July 2005 relating to prospectuses for securities (the **Prospectus Act**) and is prepared in connection with the EUR7,000,000,000 Euro Medium Term Note Programme (the **Programme**) for the issue of Senior Notes, Dated Subordinated Notes, Undated Subordinated Notes and Undated Deeply Subordinated Notes established by Banco BPI, S.A. (**BPI**). Terms defined in the Prospectus have the same meaning when used in this Supplement. This Supplement is supplemental to, and should be read in conjunction with the Prospectus and with the Supplements to the Prospectus dated 6 August 2019 and 10 September 2019.

The purpose of this Supplement is (i) to incorporate by reference (a) BPI'S presentation with its unaudited consolidated results for the year of 2019 and (b) BPI'S first Half 2019 Report (Audited consolidated financial statements), and (ii) to make certain clarifications in the Terms and Conditions of the Senior and the Subordinated Notes in respect of the regulatory capital instruments in light of the currently applicable legal regime of such instruments, including the Regulation (EU) 2019/876 (the **CRR2**), Directive (EU) 2019/878 (the **CRD V**) and Directive (EU) 2019/879 (the **BRRD 2**).

BPI accepts responsibility for the information contained in this Supplement. To the best of the knowledge of BPI (who has taken all reasonable care to ensure that such is the case) the information contained in this Supplement is in accordance with the facts and does not omit anything likely to affect the import of such information.

**1. SUMMARY**

**1.1. Element B.9 (“Profit Estimate”) of the Summary on page 5 shall be entirely replaced as follows:**

<b>B.9</b>	<b>Profit Estimate:</b>	Consolidated net income of BPI Group as of 31 December 2019 (unaudited results): 328 M€.
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**1.2. Element B.12 (“Selected Key Financial Information”) of the Summary on page 5 shall be entirely replaced as follows:**

<b>B.12</b>	<b><i>Selected Key Financial Information:</i></b>
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(Amounts expressed in M.€)

	<b><u>30 June 2019 – Audited Results</u></b>	<b><u>30 June 2018 – Audited Results</u></b>	<b><u>31 December 2019 - Unaudited Results</u></b>	<b><u>31 December 2018 - Audited Results</u></b>	<b><u>31 December 2017 - Audited Report</u></b>
Total assets	31 669,1	32 278,3	31 811,6	31 568,0	29 640,2
Total Liabilities	28 507,5	29 152,6	28 375,4	28 362,1	26 816,6
Shareholders' equity attributable to the shareholders of BPI	3 161,5	3 125,7	3 436,1	3 206,0	2 823,6
Total Shareholders' Equity	3 161,5	3 125,7	3 436,1	3 206,0	2 823,6
Total Liabilities and Shareholders' Equity	31 669,1	32 278,3	31 811,6	31 568,0	29 640,2

(Amounts expressed in M.€)

	<b><u>30 June 2019 – Audited Results</u></b>	<b><u>30 June 2018 – Audited Results</u></b>	<b><u>31 December 2019 - Unaudited Results</u></b>	<b><u>31 December 2018 - Audited Results (Restated)<sup>1</sup></u></b>	<b><u>31 December 2017 - Audited Report (Restated)<sup>2</sup></u></b>
Net interest income	214,8	207,2	436,3	422,6	388,1
Net fee and commission income	127,2	134,6	257,9	277,8	264,0
Gross income	387,1	573,0	751,0	1 022,3	773,5
Operating expenses	(223,9)	(221,7)	(448,1)	(458,9)	(542,5)
Net operating income	163,2	351,3	302,9	563,4	231,0
Net income before income tax	175,0	362,0	344,4	542,6	243,0
Net income	134,5	366,1	327,9	490,6	10,2

*There has been no material adverse change in the prospects of BPI since the publication of the first Half 2019 Report (Audited consolidated financial statements) as of 30 June 2019.*

*Not Applicable. There has been no significant change in the financial position of BPI and BPI Group since the publication of the Issuer's unaudited consolidated financial information as at 31 December 2019.*

**1.3. Element B.13 (“Recent Events”) of the Summary on page 6 shall be replaced as follows:**

<b>B.13</b>	<b><i>Recent Events:</i></b>	<i>Not Applicable. There have been no recent events particular to the Issuer which are material to the evaluation of the Issuer’s solvency since the publication of the Issuer's unaudited consolidated financial information as at 31 December 2019.</i>
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<sup>1</sup> Income statement structure presented in accordance with Banco BPI management information

<sup>2</sup> Income statement structure presented in accordance with Banco BPI management information

**1.4. The third paragraph under the heading “Events of Default” of Element C.8 (“The Rights Attaching to the Securities, including Ranking and Limitations to those Rights”) on page 11 shall be replaced as follows:**

*“[In case of Ordinary Senior Notes eligible to comply with TLAC/MREL Requirements and relating to Senior Non-Preferred Notes, then any holder of a Note may, by written notice, declare any Notes held by the holder to be forthwith due and payable together with any accrued interest thereon (i) if insolvency or liquidation proceedings are commenced by a court against the Issuer or the Issuer institutes such proceedings (or, if otherwise than on terms previously approved in writing by the Common Representative (if any) or by an Extraordinary Resolution of the Noteholders, an order is made or an effective resolution is passed by the Issuer’s shareholders for the liquidation of the Issuer); (ii) if so specified in the Final Terms and if one or more of the following events of default shall occur and be continuing: i) the Issuer fails to make payment of any principal or interest due in respect of the Notes and such failure to pay continues, in the case of principal, for a period of seven days or, in the case of interest, for a period of 14 days; or ii) the Issuer defaults in the performance or observance of or compliance with any other obligation on its part in respect of the Notes and (except where such default is not capable of remedy, where no such notice shall be required) such default shall continue for a period of 30 days after written notice of such default shall have been given to the Issuer by a holder of the Note; or iii) any order shall be made by any competent court or resolution passed for the dissolution of the Issuer, except in certain specific cases; or iv) in case the repayment of any indebtedness for borrowed money owing by the Issuer is accelerated by reason of default and such acceleration has not been rescinded or annulled, or the Issuer defaults in any payment of any indebtedness for borrowed money or in the honouring of any guarantee or indemnity in respect of any indebtedness.]*

**1.5. The title and corresponding paragraph of the risk factor “The Subordinated Notes, and (if so specified in the applicable Final Terms) the Ordinary Senior Notes eligible to comply with TLAC/MREL Requirements, the Senior Non Preferred Notes provide for limited events of default. Noteholders of Notes may not be able to exercise their rights on an event of default in the event of the adoption of any early intervention or resolution measure” of Element D.3 (“Risks Specific to the Notes”) on page 19 shall be replaced as follows:**

*“The Subordinated Notes, and the Ordinary Senior Notes eligible to comply with TLAC/MREL Requirements, the Senior Non Preferred Notes provide for limited events of default. Noteholders of Notes may not be able to exercise their rights on an event of default in the event of the adoption of any early intervention or resolution measure: Noteholders have no ability to accelerate the maturity of their Subordinated Notes, and their Ordinary Senior Notes eligible to comply with TLAC/MREL Requirements, and their Senior Non Preferred Notes. The terms and conditions of the Subordinated Notes, the Senior Non Preferred Notes and the Ordinary Senior Notes eligible to comply with TLAC/MREL Requirements do not provide for any events of default, other than in the case that insolvency or liquidation proceedings are commenced by a court against the Issuer or the Issuer institutes such proceedings (or, if otherwise than on terms previously approved in writing by the Common*

Representative (if any) or by an Extraordinary Resolution of the Noteholders, an order is made or an effective resolution is passed by the Issuer’s shareholders for the liquidation of the Issuer.”

## 2. BANCO BPI's FINANCIAL INFORMATION:

### 2.1. Consolidated information (unaudited results)

On the 3<sup>rd</sup> February 2020, BPI published a presentation with its unaudited consolidated results for the year of 2019 (see table below).

A copy of this presentation, which will be incorporated by reference in the Prospectus, can be obtained from the website of BPI (<http://bpi.bancobpi.pt/>) and from the website of *Comissão do Mercado de Valores Mobiliários* ([www.cmvm.pt](http://www.cmvm.pt)).

Information contained in the presentation with BPI’s unaudited consolidated results as at and for the year of 2019 expressly incorporated by reference herein:

<b><u>BPI consolidated results for the year of 2019 (unaudited)</u></b>	<b>Pages*</b>
<u>Consolidated Income Statement</u>	38
<u>Consolidated Balance Sheet</u>	39
<u>Consolidated profitability and efficiency metrics</u>	40

\* PDF pages

The information incorporated by reference that is not included in the cross-reference lists contained above, is considered as additional information and is not required by the relevant schedules of the Regulation (EC) No 809/2004 of 29 April 2004 implementing Directive 2003/71/EC, as amended (“Prospectus Regulation”).

The Issuer confirms that the financial information incorporated by reference from the “Results presentation with the unaudited consolidated results for the financial year ended 31 December 2019” has not been audited and is substantially consistent with the final figures to be published in the next annual audited consolidated financial statements.

### 2.2. Consolidated information (audited accounts)

On the 28<sup>th</sup> November 2019, BPI published the 2019 First Half Report (audited) (see table below).

A copy of the 2019 First Half Report, which will be incorporated by reference in the Prospectus, can be obtained from the website of BPI (<http://bpi.bancobpi.pt/>) and from the website of *Comissão do Mercado de Valores Mobiliários* ([www.cmvm.pt](http://www.cmvm.pt)).

Information contained in BPI’s 2019 First Half Report expressly incorporated by reference herein:

<b><u>BPI 2019 First Half Report (audited)</u></b>	<b>Pages*</b>
<u>Consolidated Balance Sheets</u>	36
<u>Consolidated Statements of Income</u>	37
<u>Consolidated Statements of Profit or Loss and other Comprehensive Income</u>	38

<u>Statements of changes in shareholders' equity</u>	39
<u>Consolidated Statements of Cash flows</u>	40
<u>Notes to the Consolidated Financial Statements</u>	41-117
<u>Auditors report</u>	118-119

\* PDF pages

The information incorporated by reference that is not included in the cross-reference lists contained above, is considered as additional information and is not required by the relevant schedules of the Regulation (EC) No 809/2004 of 29 April 2004 implementing Directive 2003/71/EC, as amended (“Prospectus Regulation”).

### 3. RISK FACTORS

**3.1 The title and first paragraph of the risk factor headed “*The Subordinated Notes, and (if so specified in the applicable Final Terms) the Ordinary Senior Notes eligible to comply with TLAC/MREL Requirements, the Senior Non Preferred Notes provide for limited events of default. Noteholders of Notes may not be able to exercise their rights on an event of default in the event of the adoption of any early intervention or resolution measure*” on page 63 shall be replaced with the following:**

***“The Subordinated Notes, and the Ordinary Senior Notes eligible to comply with TLAC/MREL Requirements, the Senior Non Preferred Notes provide for limited events of default. Noteholders of Notes may not be able to exercise their rights on an event of default in the event of the adoption of any early intervention or resolution measure.*”**

Noteholders have no ability to accelerate the maturity of their Subordinated Notes, and their Ordinary Senior Notes eligible to comply with TLAC/MREL Requirements, and their Senior Non Preferred Notes. The terms and conditions of the Subordinated Notes, and the Ordinary Senior Notes eligible to comply with TLAC/MREL Requirements, and the Senior Non Preferred Notes do not provide for any events of default, other than in the case that insolvency or liquidation proceedings are commenced by a court against the Issuer or the Issuer institutes such proceedings (or, if otherwise than on terms previously approved in writing by the Common Representative (if any) or by an Extraordinary Resolution of the Noteholders, an order is made or an effective resolution is passed by the Issuer’s shareholders for the liquidation of the Issuer). Accordingly, in the event that any payment on the Subordinated Notes, the Ordinary Senior Notes eligible to comply with TLAC/MREL Requirements and/or, as the case may be, the Senior Non Preferred Notes, is not made when due, each Noteholder may have a claim only for amounts then due and payable on their Subordinated Notes, their Senior Non Preferred Notes and their Ordinary Senior Notes eligible to comply with TLAC/MREL Requirements.”

### 4. TERMS AND CONDITIONS OF THE SENIOR AND THE SUBORDINATED NOTES

**4.1. A new disclaimer before Condition 2(a) on page 142 shall be included as follows:**

***“If the Issuer enters into resolution, its eligible liabilities (including the Senior Non Preferred Notes) will be subject to bail-in, meaning potential write-down or conversion into equity securities or other instruments. The*”**

*sequence of any resulting write-down or conversion of eligible instruments under Article 48 of the BRRD provides for claims to be written-down or converted into equity in accordance with the hierarchy of claims provided in the applicable insolvency legislation. Because the Senior Non Preferred Notes are senior non preferred liabilities, the Issuer expects them to be written down or converted in full after any subordinated obligations of the Issuer.”*

**4.2. A new paragraph is included after the final paragraph of Condition 2(a)(ii) on page 142 as follows:**

*“For the avoidance of doubt, the ranking of the Issuer’s liabilities under the Senior Non Preferred Notes in case of insolvency is determined by Article 8-A of Decree-Law 199/2006 of 25 October 2006, as amended or superseded (including by Law 23/2019 of 13 March 2019).”*

**4.3. The first sentence of Condition 9(b) on page 168 shall be entirely deleted.**

**4.4. The paragraph in item (i) of Condition 9(b) on page 168 shall be replaced with the following:**

*“(i) If insolvency proceedings are commenced by a court against the Issuer or the Issuer institutes such proceedings (or, if otherwise than on terms previously approved in writing by the Common Representative (if any) or by an Extraordinary Resolution of the Noteholders, an order is made or an effective resolution is passed by the Issuer’s shareholders for the liquidation of the Issuer) an Event of Default shall occur with respect to any Ordinary Senior Notes eligible to comply with TLAC/MREL Requirements and relating to Senior Non-Preferred Notes (any reference to “Note” and “Notes” shall be construed accordingly).”*

**4.5. A new paragraph at the end of Condition 9 (b) on page 168 shall be included as follows:**

*“Any redemption pursuant to this Condition 9(b) may only be made by the Issuer with the prior consent of the Competent Authority in accordance with the applicable Capital Regulations or other applicable banking laws and regulations in force at that time, including any Applicable TLAC/MREL Regulations.”*

## **5. GENERAL INFORMATION**

**5.1. The paragraph under the heading “Significant or Material Change” on page 226 shall be entirely replaced as follow:**

*“There has been no material adverse change in the prospects of the Issuer since the publication of the Issuer’s first Half 2019 Report (Audited consolidated financial statements) as of 30 June 2019, and no significant change in the financial information the Issuer and BPI Group since the publication of the Issuer’s unaudited consolidated financial information as at 31 December 2019.”*

**5.2. The paragraph under the heading “Litigation” on page 226 shall be entirely replaced as follow:**

*“On 2 February 2017 BPI informed the market that on 30 January 2017 was notified of a legal action challenging a corporate resolution.*

*Such legal action challenges the validity of Banco BPI's General Meeting resolution passed on December 13 2016 (the "Resolution"), which approved Banco BPI's Board of Directors proposal to sell to Unitel, S.A. a stakeholding comprised of 26 111 (twenty-six thousand, one hundred and eleven) shares, representing 2 per cent. (two per cent.) of the share capital of Banco de Fomento Angola, S.A., pursuant to the sale and purchase agreement mentioned above. The legal action was filed by 4 individuals (the "Claimants") who stated that they together held 175 920 shares, representing 0,0121 per cent. of Banco BPI's share capital. Banco BPI understands that the merits relied on to support the invalidity of the resolution do not proceed. In July 2019, the Court of First Instance issued its decision. This decision dismissed all the grounds alleged by the Authors to sustain the Resolution's invalidity and acquitted Banco BPI. This decision was appealed by the Claimants to the Court of Second Instance. This Court has not yet issued its decision. Although trusting that its position will prevail, BPI cannot predict the outcome of this decision. The abovementioned legal action and Banco BPI's notification in such action do not suspend the effects of the contested decision.*

*In 2012, the Portuguese Competition Authority (PCA), under the powers legally attributed to it, opened administrative infraction proceedings against 15 banks operating in the Portuguese market, including BPI, due to alleged competition restrictive practices. On 1 June 2015 Banco BPI was served the statement of objections, where it was accused of breaching the rules on competition.*

*On 27 September 2017 the Bank presented its defense. During the process, and whenever appropriate, Banco BPI appealed against several interlocutory rulings issued by the Competition Authority, which the Bank considered as susceptible of violating its rights.*

*On 9 September 2019, BPI was notified (Bank) of PCA's decision which concluded that (i) BPI and other Portuguese banks had engaged in an exchange of information regarding past credit volumes and regarding spreads that were due to be publically disclosed and enter into force in a matter of days and (ii) that such conduct should be considered as an infringement by object. As a result, PCA decided to impose fines to all banks involved. The fine imposed on BPI was of 30 million euros.*

*BPI appealed this decision to the Competition Court as it considers that has it has not committed the infringements attributed to it by the PCA and that therefore there should be no grounds for a conviction. As it shows in its appeal, BPI considers that (a) not only the alleged exchange of information did not occur as it is described by PCA (b) but also that (i) the exchange of information did not meet the conditions to be considered apt to result in negative effects to competition (ii) and it did not effectively caused any negative competitive effects, namely, it did not harm consumers. Although trusting that its position will prevail, BPI cannot predict the outcome of this appeal*

*Save as disclose above, there have been no governmental, legal or arbitration proceedings (including any proceedings which are pending or threatened of which the Issuer is aware) during the 12 months preceding the date of this Prospectus which may have or have had in the recent past a significant effect on the Issuer's financial position thereof."*

Copies of this Supplement can be obtained from the registered office of each BPI and from the specified offices of the Agent and the Paying Agent for the time being in Luxembourg as described on page 227 of the Prospectus.

In addition, copies of this Supplement and of the document incorporated by reference are available for viewing at the Luxembourg Stock Exchange's website ([www.bourse.lu](http://www.bourse.lu)).

To the extent that there is any inconsistency between (a) any statement in this Supplement or any statement incorporated by reference in the Prospectus by this Supplement and (b) any other statement in or incorporated by reference in the Prospectus, the statements in (a) above will prevail.

Any websites included in the Supplement are for information purposes only and do not form part of this Supplement.

Save as disclosed in this Supplement there has been no other significant new factor, material mistake or inaccuracy relating to information included in the Prospectus since the approval of the last supplement to the Prospectus (i.e. 10 September 2019).

In accordance with Article 13 paragraph 2 of the Luxembourg Law, investors who, before this Supplement is published, have already agreed to purchase or subscribe for any Notes to be issued under the Programme, have the right, exercisable within a time limit of two working days after the publication of this Supplement, which means 10 February 2020, to withdraw their acceptances.

Dated 6 February 2020