BANCO BPI, S.A.

(*incorporated with limited liability in the Republic of Portugal*)

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

(the "*Programme*")

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

This Base Prospectus has been approved by the *Commission de surveillance du secteur financier* (the "**CSSF**") of the Grand Duchy of Luxembourg in its capacity as competent authority under Regulation (EU) 2017/1129 of the European Parliament and of the Council of 14 June 2017 (the "**Prospectus Regulation***")* and the Luxembourg act relating to prospectuses for securities dated 16 July 2019 (*loi du 16 juillet 2019 relative aux prospectus pour valeurs mobilières et portant mise en oeuvre du règlement (UE) 2017/1129*). The CSSF only approves this Base Prospectus as meeting the standards of completeness, comprehensibility and consistency imposed by the Prospectus Regulation. Approval by the CSSF should not be considered as an endorsement of the Issuer or of the quality of the Notes. Investors should make their own assessment as to the suitability of investing in the Notes. The CSSF assumes no responsibility for the economic and financial soundness of the transactions contemplated by this Base Prospectus or the quality or solvency of the Issuer. Application has been made to the Luxembourg Stock Exchange for Notes issued under the Programme to be admitted to trading on the Bourse de Luxembourg (the regulated market of the Luxembourg Stock Exchange), and to be listed on the Official List of the Luxembourg Stock Exchange (the "**Official List**"). Banco BPI, S.A. (the "**Issuer**") may request the CSSF to provide competent authorities in host Member States within the European Economic Area (the "**EEA**") with a certificate of approval attesting that this Base Prospectus has been drawn up in accordance with the *loi relative aux prospectus pour valeurs mobilières* which implements the Prospectus Regulation into Luxembourg law. The Luxembourg Stock Exchange's regulated market is a regulated market for the purposes of Directive 2014/65/EU (as amended "**MiFiD II**").

Details of the aggregate nominal amount of Notes, interest (if any) payable in respect of Notes and the issue price of Notes for each Tranche of Notes will be set out in the relevant Final Terms which, with respect to Notes to be admitted to the Official List and to trading on the Luxembourg Stock Exchange, will be delivered to the CSSF and the Luxembourg Stock Exchange on or before the date of issue of the Notes of such Tranche.

This Base Prospectus (as supplemented as at the relevant time, if applicable) is valid until 9 September 2022 in relation to Notes which are to be admitted to trading on a regulated market in the EEA. The obligation to supplement this Base Prospectus in the event of a significant new factor, material mistake or material inaccuracy does not apply when this Base Prospectus is no longer valid.

The Notes will be issued in dematerialised book entry form (*forma escritural*), integrated in and held through Interbolsa – Sociedade Gestora de Sistemas de Liquidação e de Sistemas Centralizados de Valores Mobiliários, S.A. ("**Interbolsa**"), as operator of the Portuguese centralised securities system, Central de Valores Mobiliários ("**CVM**"), and will be in nominative form (*nominativas*) and therefore Interbolsa, at the request of the Issuer, can ask the Affiliate Members of

Interbolsa for information regarding the identity of the Noteholders and transmit such information to the Issuer. The CVM currently has links in place with Euroclear Bank, S.A./N.V. ("**Euroclear**") and Clearstream Banking, S.A. ("**CBL**") through accounts held by Euroclear and CBL with Interbolsa Affiliate Members (as described below).

This Base Prospectus constitutes a base prospectus for the purposes of Article 8 of the Prospectus Regulation.

AN INVESTMENT IN THE NOTES INVOLVES CERTAIN RISKS. FOR DISCUSSION OF THE MORE RELEVANT RISKS AFFECTING THE ISSUER AND THE NOTES, SEE "RISK FACTORS" ON PAGE 14 OF THIS BASE *PROSPECTUS. INVESTORS SHOULD ALSO SEE THE "TERMS AND CONDITIONS OF THE SENIOR AND SUBORDINATED NOTES" ON PAGE 113, THE "TERMS AND CONDITIONS OF THE UNDATED DEEPLY SUBORDINATED NOTES" ON PAGE 166 AND "TAXATION" ON PAGE 218 IN RESPECT OF PROCEDURES TO BE FOLLOWED TO RECEIVE PAYMENTS UNDER THE INTERBOLSA NOTES (AS DEFINED BELOW). NOTEHOLDERS ARE REQUIRED TO TAKE AFFIRMATIVE ACTION AS DESCRIBED HEREIN IN ORDER TO RECEIVE PAYMENTS ON THE INTERBOLSA NOTES FREE FROM PORTUGUESE WITHHOLDING TAX. NOTEHOLDERS MUST RELY ON THE PROCEDURES OF INTERBOLSA TO RECEIVE PAYMENTS UNDER THE INTERBOLSA NOTES.*

In respect of Undated Deeply Subordinated Notes only and in the case of the Notes with loss absorption mechanism: If at any time the CET1 Ratio of the Issuer and/or the Group falls below 5.125 per cent., the outstanding principal amount of the Undated Deeply Subordinated Notes will be Written Down by the Write-Down Amount, as further provided in Condition 2(b)(i) (*Loss Absorption Event*). The outstanding principal amount may, in the sole and absolute discretion of the Issuer and subject to certain conditions, be subsequently reinstated (in whole or in part) out of any net profits generated by the Issuer or the Group, as further described in Condition 2(b)(iii) (*Return to Financial Health*).

The Notes have not been and will not be registered under the United States Securities Act of 1933, as amended (the *"***Securities Act***"*), or any U.S. State securities laws, and may not be offered or sold in the United States or to, or for the account or benefit of, U.S. persons, as defined in Regulation S under the Securities Act ("**Regulation S**"), unless an exemption from the registration requirements of the Securities Act is available and in accordance with all applicable securities laws of any state of the United States and any other jurisdiction (see *"Subscription and Sale"* below**).**

The long term/short term ratings currently assigned to the Issuer are Baa2/P-2 with stable outlook by Moody's Investors Service España, S.A. (Sociedad Unipersonal) ("**Moody's**"), BBB/F2 with negative outlook by Fitch Ratings Ireland Limited ("**Fitch**") and BBB/A-2 with stable outlook by S&P Global Ratings Europe Limited ("**S&P**").

Each of Moody's, S&P and Fitch is established in the EEA and registered under Regulation (EC) No. 1060/2009 (as amended) (the "**CRA Regulation**").

The ratings issued by Moody's, S&P and Fitch have been endorsed by Moody's Investors Service Ltd, Fitch Ratings Limited and S&P Global Ratings UK Limited , respectively in accordance with CRA Regulation as it forms part of United Kingdom ("**UK**") domestic law by virtue of the European Union (Withdrawal) Act 2018 (the "**UK CRA Regulation**"). Moody's Investors Service Ltd, Fitch Ratings Limited and S&P Global Ratings UK Limited are established in the UK and registered under the UK CRA Regulation. As such, the ratings issued by Moody's, S&P and Fitch may also be used for regulatory purposes in the UK in accordance with the UK CRA Regulation. The list of registered and certified rating

agencies is published by the European Securities and Markets Authority ("**ESMA**") on its website (https://www.esma.europa.eu/supervision/credit-rating-agencies/risk) in accordance with the CRA Regulation and by the UK Financial Conduct Authority ("**FCA**") on its website (https://www.fca.org.uk/markets/credit-rating-agencies/registered-certified-cras) in accordance with the UK CRA Regulation.

Certain Series of Notes to be issued under the Programme may be rated or unrated. Where a Tranche of Notes is rated, such rating will be disclosed in the applicable Final Terms and will not necessarily be the same as the rating assigned to any other Notes. A security rating is not a recommendation to buy, sell or hold securities and may be subject to suspension, reduction or withdrawal at any time by the assigning rating agency. Whether or not each credit rating applied for in relation to or assigned to a relevant Series of Notes will be issued by a credit rating agency established in the EEA or the UK and registered under the CRA Regulation or the UK CRA Regulation will be disclosed in the applicable Final Terms.

Dealers

Banco BPI, S.A.

CaixaBank, S.A.

This Base Prospectus will be published in electronic form on the website of the Luxembourg Stock Exchange (www.bourse.lu) and on the website of Banco BPI, S.A. (www.ir.bpi.pt).

The date of this Base Prospectus is 9 September 2021.

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OVERVIEW OF THE PROGRAMME

The following overview does not purport to be complete and is taken from, and is qualified in its entirety by, the remainder of this Base Prospectus and, in relation to the terms and conditions of any particular Tranche of Notes, the applicable Final Terms. The Issuer and any relevant Dealer may agree that Notes shall be issued in a form other than that contemplated in the Terms and Conditions, in which event, in the case of listed Notes and, if appropriate, a supplement to this Base Prospectus or a new base prospectus will be published.

This Overview constitutes a general description of the Programme for the purposes of Article 25(1) of Commission Delegated Regulation (EU) No 2019/980.

The applicable terms of any Notes will be agreed between the Issuer and the relevant Dealer prior to the issue of the Notes and will be set out either in the "Terms and Conditions of the Senior and Subordinated Notes" or in the "Terms and Conditions of the Undated Deeply Subordinated Notes" endorsed on or incorporated into, the Notes, as completed by Part A of the applicable Final Terms endorsed on or incorporated into such Notes, as more fully described under "Form of the Notes" below. A an individual issue-specific summary will be attached to the Final Terms of the relevant Notes which are admitted to trading on a regulated market and/or are offered to the public in the EEA, in accordance with Article 8(9) of Regulation (EU) No. 2017/1129.

Words and expressions defined in the "Form of Final Terms" and in the "Terms and Conditions of the Senior and Subordinated Notes" or the "Terms and Conditions of the Undated Deeply Subordinated Notes" shall have the same meanings in this Overview.

Issuer:	Banco BPI, S.A. (hereinafter "**Banco BPI**", "**BPI**", the "**Issuer**" or the "**Bank**")
Issuer Legal Entity Identifier (LEI)	3DM5DPGI3W6OU6GJ4N92
Risk Factors:	There are certain factors that may affect the Issuer's ability to fulfil its obligations under Notes issued under the Programme. In addition, there are certain factors which are material for the purpose of assessing the market risks associated with Notes issued under the Programme and risks relating to the structure of a particular Series of Notes issued under the Programme. All of these are set out under "*Risk Factors*".
Dealers:	Banco BPI, S.A. CaixaBank, S.A. and any other Dealers appointed in accordance with the Programme Agreement.
Agent:	Deutsche Bank AG, London Branch

Paying Agent:	Banco BPI, S.A.
Programme Size:	Up to EUR 7,000,000,000 (or its equivalent in other currencies calculated as described in the Programme Agreement) outstanding at any time. The Issuer may increase the amount of the Programme in accordance with the terms of the Programme Agreement.
Distribution:	Notes may be distributed by way of private placement or public offer and in each case on a syndicated or non-syndicated basis (subject to applicable tax and legal requirements). Only Ordinary Senior Notes not eligible to comply with MREL Requirements may be distributed by way of a public offer. Any other types of Notes will only be issued with a denomination of at least EURO 100,000 (or, if the Notes are denominated in a currency other than euro, the equivalent amount in such currency), or if issued with a lower denomination and admitted to trading on a regulated market, provided that it is a regulated market or a segment thereof only accessible by qualified (professional) investors.
Listing and Admission to trading:	Applications have been made for Notes to be admitted to trading, during the period of twelve months after the date hereof, on the Bourse de Luxembourg (the regulated market of the Luxembourg Stock Exchange) and to be listed on the Official List of the Luxembourg Stock Exchange. The Programme also permits Notes to be issued on the basis that they will not be admitted to trading, listed on the Official List of the Luxembourg Stock Exchange (or any other stock exchange) and/or admitted to quotation by any competent authority, stock exchange and/or quotation system or to be admitted to trading, listed and/or admitted to quotation by such other or further competent authorities, stock exchanges and/or quotation systems as may be agreed with the Issuer.
Currencies:	Notes can only be issued in such currencies as Interbolsa may from time to time accept. For the time being, Interbolsa will only settle and clear Notes denominated in Euro, U.S. dollars, Sterling, Japanese Yen, Swiss francs, Australian dollars and Canadian dollars.
Issue Restrictions:	Each issue of Notes denominated in a Specified Currency in respect of which particular laws, guidelines, regulations, restrictions or reporting requirements apply will only be issued in circumstances which comply

with such laws, guidelines, regulations, restrictions or reporting requirements from time to time.

Maturities: Such maturities as may be agreed between the Issuer and the relevant Dealer, subject to such minimum or maximum maturities as may be allowed or required from time to time by the relevant regulatory authority or any laws or regulations applicable to the Issuer or the specific type of Notes or the relevant Specified Currency, save that (i) in the case of Dated Subordinated Notes, the minimum maturity will be five years, (ii) in the case of Undated Subordinated Notes and Undated Deeply Subordinated Notes, there will be no final maturity date, (iii) any other Notes will not be issued with a maturity of less than 398 (three hundred and ninety eight) days.

Issue Price: Notes may be issued on a fully-paid basis and at an issue price which is at par or at a discount to, or premium over, par, as set out in the applicable Final Terms.

Form of Notes: The Notes issued in dematerialised book-entry form (*forma escritural*) are and will be registered (*nominativas*) notes, integrated in and held through Interbolsa – Sociedade Gestora de Sistemas de Liquidação e de Sistemas Centralizados de Valores Mobiliários, S.A. (Interbolsa), as operator of the Portuguese centralised securities system. The Notes will be held through the accounts of Interbolsa Affiliate Members. CVM currently has links in place with Euroclear Bank, S.A./N.V. ("**Euroclear**") and Clearstream Banking, S.A., Luxembourg ("**CBL**") through accounts held by the latter two with Interbolsa Affiliate Members. The form of the Notes is described more comprehensively in "*Form of the Notes, Clearing and Payment*".

The appropriate ISIN and Common Code for each Tranche of Notes allocated by Interbolsa or by Euroclear / CBL will be specified in the applicable Final Terms.

Fixed Rate Notes: Fixed interest will be payable on such date or dates as may be agreed between the Issuer and the relevant Dealer and on redemption, and will be calculated on the basis of such day count fraction (the "**Day Count Fraction**") as may be agreed between the Issuer and the relevant Dealer. If Reset Provisions are applicable the fixed interest will be reset on one or more date(s) as specified in the applicable Final Terms.

Floating Rate Notes: Notes for which the interest rate is variable will be payable on such basis as may be agreed between the Issuer and the relevant Dealer. The margin of the Notes, if any, relating to such variable rate will be agreed between the Issuer and the relevant Dealer for each Tranche of Floating Rate Notes. The periods of interests for Floating Rate Notes will be of one, two, three, six or twelve months or such other period(s) as may be agreed between the Issuer and the relevant Dealer.

Zero Coupon Notes: These Notes will be offered and sold at a discount to their nominal amount and will not bear interest.

Redemption: The Final Terms relating to each Tranche of Notes will indicate either that the relevant Notes cannot be redeemed prior to their stated maturity (other than for taxation reasons or following an Event of Default, except that no maturity will apply to any Undated Deeply Subordinated Notes (or Undated Subordinated Notes) and no Event of Default will apply to any Undated Deeply Subordinated Notes) or that such Notes will be redeemable at the option of the Issuer (following or not a particular regulatory event, as applicable) and/or (only in respect of Ordinary Senior Notes not eligible to comply with MREL Requirements) the Noteholders upon giving not less than 15 nor more than 30 days' irrevocable notice (or such other notice period (if any) as is indicated in the applicable Final Terms) to the Noteholders or the relevant Issuer, as the case may be, on a date or dates specified prior to such stated maturity and at a price or prices and on such other terms as are indicated in the applicable Final Terms.

Redemption of the Subordinated Notes at the option of the Issuer may only take place after five years from their date of issuance or any different minimum period permitted under Capital Regulations.

Any early redemption of Ordinary Senior Notes eligible to comply with MREL Requirements, Senior Non Preferred Notes, Subordinated Notes or Undated Deeply Subordinated Notes will be subject to (as applicable) the prior consent of the Competent Authority and/or the Resolution Authority, as applicable, in accordance with the applicable Capital Regulations, including any Applicable MREL Regulations. Subordinated Notes, Senior Non Preferred Notes or certain Ordinary Senior Notes eligible to comply with MREL Requirements where the MREL Disqualification Event has been specified as applicable in the relevant Final Terms may be redeemed pursuant to a MREL

	Disqualification Event only after five years from their date of issuance or such other minimum period permitted under the Capital Regulations (including, for the avoidance of doubt, Applicable MREL Regulations). Unless previously redeemed or purchased and cancelled, and unless otherwise determined in the relevant Final Terms, each Note will be redeemed by the Issuer at a price equal to at least 100 per cent. (at par) of its nominal value on its scheduled maturity date.
Denomination of Notes:	Notes will be issued in such denominations as may be agreed between the Issuer and the relevant Dealer and as indicated in the applicable Final Terms save that the minimum denomination of each Note will be such as may be allowed or required from time to time by the relevant central bank (or equivalent body) or any laws or regulations applicable to the relevant Specified Currency and save that the minimum denomination of each Note that will be admitted to trading on a regulated market will be EUR 1,000, or, if the Notes are denominated in a currency other than euro, the equivalent amount in such currency. In the latter case, the equivalent amount shall be determined, at the discretion of the Issuer, either as of the date on which agreement is reached for the issue of Notes or on the preceding day on which commercial banks and foreign exchange markets are open for general business in Lisbon, in each case on the basis of the spot rate for the sale of the euro against the purchase of such Specified Currency in the foreign exchange market quoted by any leading international bank selected by the Issuer on the relevant day of calculation.
Taxation:	All payments in respect of the Notes by the Issuer will be made without deduction for or on account of withholding taxes imposed by the Republic of Portugal / Tax Jurisdiction, subject as provided in Condition 7 of the Notes. In the event that any such deduction is made, the Issuer, save in certain limited circumstances provided in Condition 7, will not be required to pay additional amounts to cover the amounts so deducted.
Negative Pledge:	Only the Notes which are Ordinary Senior Notes not eligible to comply with MREL Requirements will have the benefit of a negative pledge in respect of Indebtedness which is in the form of or represented by bonds, notes, debentures or other securities (not comprising, for the avoidance of doubt, preference shares or other equity securities) but excluding any Covered Bonds.

Limited Rights of Acceleration: A Noteholder's rights to accelerate Ordinary Senior Notes eligible to comply with MREL Requirements, Senior Non Preferred Notes or Subordinated Notes are limited to winding up, as further described in Condition 9. Undated Deeply Subordinated Notes do not award any right of acceleration.

Status of the Senior Notes: The Senior Notes which specify their status as Ordinary Senior Notes ("**Ordinary Senior Notes**") or as Senior Non Preferred Notes ("**Senior Non Preferred Notes**", together with the Ordinary Senior Notes, the "**Senior Notes**") in the relevant Final Terms constitute direct, unconditional, unsecured (subject to the provisions of Condition 3) and unsubordinated obligations of the Issuer.

Ordinary Senior Notes will rank senior to any Senior Non Preferred Notes and pari passu among themselves and (save for certain obligations required to be preferred by law) pari passu with all other present and future unsecured (subject as aforesaid) and unsubordinated obligations of the Issuer, from time to time outstanding.

Senior Non Preferred Notes will rank pari passu among themselves and pari passu with Senior Non Preferred Liabilities, from time to time outstanding.

Accordingly, the payment obligations in respect of principal and interest rank:

(i) in the case of Ordinary Senior Notes:

(a) pari passu among themselves and with any Senior Higher Priority Liabilities; and

(b) senior to (i) Senior Non Preferred Liabilities and (ii) any present and future subordinated obligations (créditos subordinados) of the Issuer; and

(ii) in the case of Senior Non Preferred Notes:

(a) pari passu among themselves and with any Senior Non Preferred Liabilities;

(b) junior to the Senior Higher Priority Liabilities (and, accordingly, upon the insolvency of the Issuer the claims in respect of Senior Non

Preferred Notes will be met after payment in full of the Senior Higher Priority Liabilities); and

(c) senior to any present and future subordinated obligations (*créditos subordinados*) of the Issuer.

Status of the Subordinated Notes:

The Subordinated Notes are direct, unsecured and subordinated obligations of the Issuer as provided below and rank and will rank pari passu without any preference among themselves and at least pari passu with all other present and future obligations or securities of the Issuer which constitute Tier 2 Capital of the Issuer or are expressed to rank by law or pursuant their terms pari passu with the Subordinated Notes (if any).

In the event of insolvency or winding-up of the Issuer the claims of the holders of Subordinated Notes against the Issuer in respect of payments of principal and interest (if any) on the Subordinated Notes (to the extent permitted by Portuguese law) will:

(i) be subordinated in the manner described in the Terms and Conditions to the claims of all Senior Creditors;

(ii) rank at least pari passu with the claims of holders of all obligations or securities of the Issuer which constitute Tier 2 Capital of the Issuer or otherwise by law rank, or by their terms are expressed to rank, pari passu with the Subordinated Notes and/or the Tier 2 Capital of the Issuer and

(iii) rank senior to: (1) the claims of the holders of all obligations or securities of the Issuer which constitute Tier 1 Capital of the Issuer, (2) the claims of holders of all other obligations or securities of the Issuer which by law rank, or by their terms are expressed to rank junior to the Subordinated Notes and/or Tier 2 Capital of the Issuer and (3) claims of holders of all share capital and/or preference shares of the Issuer.

Status of the Undated Deeply Subordinated Notes:

The Undated Deeply Subordinated Notes are direct, unsecured and, in accordance with paragraph (iv) below, deeply subordinated obligations of the Issuer, and rank and will rank at all times pari passu without any preference among themselves.

The claims of the Noteholders of the Undated Deeply Subordinated Notes will, in the event of a voluntary or involuntary liquidation, insolvency or similar proceeding, be subordinated in right of payment in the manner provided in the Terms and Conditions, and will rank:

A. Junior to present or future claims of (a) unsubordinated creditors of the Issuer and (b) subordinated creditors of the Issuer including Tier 2 holders other than the present or future claims of creditors that rank or are expressed to rank pari passu with or junior to the Undated Deeply Subordinated Notes ("**Senior Creditors**");

B. Senior to holders of Issuer's Common Equity Tier 1 instruments and any other obligations or capital instruments of the Issuer that rank or are expressed to rank junior to the Undated Deeply Subordinated Notes on a liquidation or bankruptcy of the Issuer and the right to receive repayment of capital on a liquidation or bankruptcy of the Issuer, and

C. Pari passu without any preference among themselves and pari passu with (a) the existing Additional Tier 1 Instruments of the Issuer, and (b) any other obligations or capital instruments of the Issuer that rank or are expressed to rank equally with the Undated Deeply Subordinated Notes on a liquidation or bankruptcy of the Issuer and the right to receive repayment of capital on a liquidation or bankruptcy of the Issuer.

Governing Law: The Notes and any obligation arising from it will be governed by and construed in accordance with Portuguese law. In accordance with Portuguese law, Undated Subordinated Notes and Undated Deeply Subordinated Notes are not classified as bonds (*obrigações*).

Selling and Transferability Restrictions: The Issuer and the Dealers have agreed certain restrictions on offers, sales and deliveries of Notes and on the distribution of offering material. There are restrictions on the offer, sale and transfer of the Notes in the United States, Singapore, Switzerland, Japan, UK and the EEA (including Belgium, Portugal and France) and such other restrictions as may be required in connection with the offering and sale of a particular Tranche of Notes, see "*Subscription and Sale*" below.

No Noteholder will be able to transfer the Notes, or any interest therein, except in accordance with Portuguese law and regulations. Notes may only be transferred in accordance with the applicable procedures established by the Portuguese Securities Code and the regulations issued by the *Comissão do Mercado de Valores Mobiliários* ("**CMVM**" or the "**Portuguese Securities Market Commission**") or Interbolsa, as the case may be, and the relevant Affiliate Members of Interbolsa through which the Notes are held.

United States Selling Restrictions:	The Notes have not been and will not be registered under the Securities Act and may not be offered or sold in the United States or to, or for the account or benefit of, U.S. persons except in a transaction exempt from or not subject to the registration requirements of the Securities Act. Accordingly, the Notes are being offered and sold only outside the United States in reliance upon Regulation S under the Securities Act. There are also restrictions under United States tax laws on the offer or sale of the Notes. The applicable Final Terms will specify if TEFRA C is applicable, or, alternatively if TEFRA is not applicable, see "*Subscription and Sale*" below.
Clearance and Settlement:	Notes will be accepted for clearance through one or more Clearing Systems as specified in the applicable Final Terms. These systems will include those operated by CBL, Euroclear and CVM, the clearing system operated at Interbolsa. The appropriate Common Code and ISIN for each Tranche of Notes allocated by Euroclear, CBL or Interbolsa will be specified in the applicable Final Terms.
Rating:	Series of Notes issued under the Programme may be rated or unrated. Where a Series of Notes is rated, such rating will be disclosed in the applicable Final Terms and will not necessarily be the same as the ratings assigned to any other Notes. A security rating is not a recommendation to buy, sell or hold securities and may be subject to suspension, reduction or withdrawal at any time by the assigning rating agency.
Representation of the holders of the Notes:	Holders of the Notes may appoint a common representative.

RISK FACTORS

The Issuer believes that the following factors may significantly affect its ability to fulfil its obligations under Notes issued under the Programme. All of these factors are contingencies, which may or may not occur and the Issuer is not in a position to express a view on the likelihood of any such contingency occurring.

The Issuer believes that the factors described below represent the principal risks inherent in investing in Notes issued under the Programme, but the inability of the Issuer to pay interest, principal or other amounts on or in connection with any Notes may be jeopardised by other causes which may not be considered significant risks by the Issuer based on information currently available or which the Issuer may not currently be able to anticipate. Prospective investors should also read the detailed information set out elsewhere in this Base Prospectus or incorporated by reference herein and reach their own views prior to making any investment decision.

Consequently, the risks and uncertainties discussed below are those that the Issuer views as material, specific and relevant for an investor to make an informed decision and are supported by the content of this Base Prospectus, but these risks and uncertainties are not the only ones faced by it. Emerging risks and uncertainties, including risks that are not known to the Issuer at present or that the Issuer currently deems immaterial, may also arise or become material in the future, which could lead to a decline in the value of the Notes and a loss of part or all of the investment made by any Noteholder.

In addition, factors which are material for the purpose of assessing the market risks associated with Notes issued under the Programme are also described below.

In particular, potential Notesholders are alerted to the statements under "Taxation" regarding the tax treatment in Portugal of income in respect of the Notes. Prospective investors must seek their own advice to ensure that they comply with all applicable procedures and to ensure the correct tax treatment of their Notes.

The risk factors have been organised into the following categories:

- Risk Factors Relating to the Issuer and to the Issuer's business;
- Risk Factors which are Material for the purpose of assessing the Market and Other Risks associated with Notes issued under the Programme;
- Risks related to the structure of a particular issue of Notes;
- Certain Tax and Regulatory Risks Related to Notes generally;
- Risks related to the Market generally; and
- Other Risks.

The Issuer has assessed the relative materiality of the risk factors based on the probability of their occurrence and the expected magnitude of their negative impact. The order of the categories does not imply that any category of risk is more material than any other category. Within each category, the most material risks, in the assessment of the Issuer, are set out first.

1. RISK FACTORS RELATING TO THE ISSUER AND TO THE ISSUER'S BUSINESS

1.1. Risks relating to the Economic and Financial Environment

The Issuer is sensitive to changes in the Portuguese economy

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One year since the start of the coronavirus ("**COVID-19**") pandemic, the economy is still subject to significant restrictions limiting freedom of movement and the free exercise of economic activity, particularly for services involving greater personal interaction. Consequently, in 2020, Gross Domestic Product ("**GDP**") in Portugal fell by 7.6 per cent. The renewed tightening of restrictions decreed in Portugal in mid-January 2021 to control the pandemic interrupted the recovery seen from the 2nd quarter of 2020, causing economic activity to decline once again in early 2021. The third wave of the pandemic, which hit Portugal in January, is now affecting central and eastern Europe, further delaying economic recovery. However, recovery is expected from the 2nd quarter of 2021 onwards. Furthermore, the approval and growing availability of vaccines against COVID-19 increases the likelihood for a gradual but definitive lifting of restrictions, despite lingering concerns about the effectiveness of some of the vaccines against emerging new variants. In a scenario of unchanged policies, a growth of 3.3 per cent. is expected this year, followed by a more expressive recovery in 2022 (4.9 per cent.) and around 2 per cent. growth for the remaining years of the projection (until 2025).

The effects of the pandemic were strongly reflected in Portuguese public accounts, most visibly in public debt, which increased by 20,514 million euros in 2020, representing 133.6 per cent. of GDP. This increase of 16.8 percentual points ("**p.p.**") of GDP in a single year contrasts sharply with the cumulative reduction of 9.3 p.p. of GDP achieved in the previous two years. The denominator effect (6.6 p.p. of GDP) resulting from the significant reduction in nominal growth, the fiscal imbalance and unfavorable deficit-debt adjustment (4.5 p.p. of GDP) almost entirely due to the increase in general government deposits all contributed to this deterioration. The impact of the support measures and the reduction of nominal GDP compared to the pre-pandemic level will also be felt in the budgetary balance ratio for 2021, projecting a deficit of 4.1 per cent. of GDP (which would have been 4.4 per cent.). Assuming the non-renewal of the restrictive measures discussed above and the recovery of economic activity, a reduction of the budget deficit to below 3 per cent. of GDP from 2022 onwards is projected over the remaining time horizon.

In this scenario, the Portuguese economy is expected to recover to the pre-pandemic 2019 level of real GDP in 2022. In the medium-term, in the absence of additional policy measures, growth in economic activity should converge to potential GDP growth (1.7 per cent.). (*Source: Conselho das Finanças Públicas, Report on Economic and Budgetary perspectives 2021-2025, March 2021*).

The deleveraging and financial rebalancing of all business sectors resulted in a surplus in current and capital accounts, in excess of 1.0 per cent. of GDP since 2013 and up to 1.4 per cent. until 2019. It fell below 1.2 per cent. in 2019 but remained positive at 0.1 per cent. in 2020 (*Source: Bank of Portugal, Economic Bulletin June 2021*).

Factors such as interest rates, security prices, credit spreads, liquidity spreads, exchange rates, consumer spending, changes in client behaviour, business investment, real estate values and private equity valuations, government spending, inflation or deflation, the volatility and strength of the capital markets, political events and trends, terrorism, pandemics and epidemics or other widespread health emergencies (such as COVID-19, in relation to which see the risk factor entitled "*The COVID-19 pandemic and potential similar future outbreaks may have an adverse effect on the Issuer's ability to*

make payments under the Notes" below) all impact the economy and financial markets, whether directly or indirectly, including by increasing the sovereign debt of certain countries, intensifying volatility and widening credit spreads, which could in turn have a material adverse effect on the Issuer's business, results and financial condition and their ability to access capital and liquidity on acceptable financial terms.

The COVID-19 Pandemic and potential similar future outbreaks may have an adverse effect on the Issuer's ability to make payments under the Notes

COVID-19, identified in China in late 2019, has spread throughout the world and on 11 March 2020, the World Health Organization confirmed that its spread and severity had escalated to the point of a pandemic. The outbreak of COVID-19 has resulted in national and international authorities implementing numerous measures to try to contain the virus, such as travel bans and restrictions, curfews, lockdowns, quarantines and shutdowns of business and workplaces, and has led to materially increased volatility and declines in financial markets and significant worsening of the macroeconomic outlook. The duration of such restrictions is highly uncertain, but could be prolonged, and even stricter measures may be put in place.

The spread of such diseases amongst the Issuer's employees, or within their facilities, or any quarantine measures affecting the Issuer's employees, may reduce the Issuer's personnel's ability to carry out their work, thus affecting the Issuer's operations. Any quarantines or spread of virus may affect clients' capacity to carry out their business operations, which may consequently adversely affect the Issuer's own capacity to carry out their business as normal. The current pandemic and any potential similar future outbreaks may also have an adverse effect on the Issuer's counterparties and/or clients, resulting in additional risks in the performance of the obligations assumed by them for the Issuer, as and when the same fall due, and ultimately exposing the Issuers to an increased number of defaults and insolvencies among their counterparties and/or clients.

Depending on the depth and extent of the disruptive impacts, the Issuer's business and profitability will be affected to a greater or lesser degree. Any of the factors outlined above could have an adverse effect on the Issuer's profits and financial position, thereby affecting the Issuer's ability to make the payments under the Notes.

Decree-Law No. 10-J/2020, of 26 March 2020, as amended, establishes extraordinary measures for debt protection in the context of the COVID-19 pandemic, to which a range of borrowers may adhere. Moratoria measures include: (i) prohibition of revocation of contracted credit lines and granted loans; (ii) extension of contracts with capital payment at the end of the contract; (iii) suspension of payments in respect of claims which are to be repaid in instalments or in respect of other instalments (and adjustment of the instalments calendar accordingly); and (iv) suspension of interest due during the extension period which will be capitalised into the value of the loan. Following the approval of Decree-Law No. 78-A/2020, of 29 September, the moratorium will remain in force until 30 September 2021. However, as of 1 April 2021, except for mortgage loans, consumer credit and for beneficiaries operating in sectors which were particularly affected by the COVID-19 pandemic, this only applies to suspension of capital payments which would otherwise become due. Those entities from sectors that were more heavily affected by the COVID-19 pandemic, which are identified in Decree-Law No. 10-J/2020, of 26 March, may benefit from an extension of the maturity of their loans until 30 September 2022.

Interested entities were able to request access to the moratorium until 30 September 2020 (following the approval of Decree-Law 26/2020, of 16 June and Law 27-A/2020 of 27 July) and again between 1 January 2021 and 31 March 2021

(following the approval of Decree-Law No. 107/2020, of 31 December), with the entities adhering in the latter period benefiting from a maximum moratorium period of 9 months as of their adherence, even if that such period extends beyond 30 September 2021.

The Portuguese Parliament has, on 18 June 2021, approved Decree-Law 50/2021, of 30 July on the extension of the moratorium for mortgage loans, consumer credit and for beneficiaries operating in sectors which were particularly affected by the COVID-19 pandemic, for those cases where beneficiaries were already covered by the moratorium on 1 October 2020, until 31 December 2021, beyond the 30 September 2021 deadline resulting from Decree-Law No. 78-A/2020, of 29 September. However, according to the referred Decree-law 50/2021, of 30 July, the execution of this framework shall be subject to the re-activation of the regulatory and supervisory framework established by the EBA guidelines of 2 April 2020 on payment moratoria, EBA/GL/2020/02, the Portuguese Government being responsible to implement any measures required to adapt the national legislative framework with further EBA guidelines and their prudential treatment of the moratoria. However, following the approval of the aforementioned decree, the EBA has delivered its opinion, dated 24 June 2021, to the Portuguese Parliament, on whether it would support such envisaged extension of loan moratoria, and it refused backing up any such extension on the grounds that its risks would outweigh any potential benefits for corporates and families. The effectiveness of the aforementioned decree, even if it is promulgated by the President of the Portuguese Republic and published in the official journal (*Diário da República*), is thus largely hindered, considering the drafting which was finally approved by the Portuguese Parliament.

At 30 June 2021, BPI had an outstanding moratoria of €3.9 Bn. (of which €1.6 Bn.corresponds to principal and interest and represents 15% of the loan portfolio.

On the same date, 98 per cent. of the loan moratoria were performing, divided by mortgage loans (corresponding to €1.5 Bn.of which 99.2% were performing) and corporate loans (corresponding to €2.4 Bn.€ of which 97.1% were performing).

At the beginning of April 2021, BPI had moratoria on a total of €1.2 Bn. in loans (of which €1.0 Bn in mortgage loans) came to an end.

Following the guidance issued by the European Banking Authority ("**EBA**") on public and private moratoria applied to credit operations in the context of the COVID-19 pandemic, the Portuguese Banking Association (*Associação Portuguesa de Bancos*) provided for two private moratoria open to natural persons, residents or non-residents in Portugal. One covers non-mortgage loans (i.e. personal or car loans) and the other mortgage loans. The deadline for the latter has expired on 31 March 2021, whereas the non-mortgage loan moratorium has a maximum extension period of 12 months as of the date of adherence, but in no event after 30 June 2021.

On 29 July 2021, the Portuguese Council of Ministers has approved Decree-Law No. 70-B/2021, of 6 August, being enacted on 4 August 2021, establishing protective measures for banking clients covered by exceptional and temporary credit protection measures, such as moratorium for mortgage loans or consumer credits. The aforementioned Decree-Law stipulates that credit institutions, financial companies, payment institutions and electronic money institutions, which have entered into credit agreements concerning real estate secured by mortgage or consumer credit agreements shall perform a special monitoring process of banking clients who have benefited, before the entry into force of Decree-Law No. 70-B/2021, from an exceptional credit protection measure under Decree-Law No. 10-J/2020 or a private general moratorium on payments.

In addition, for banking clients currently benefiting from an exceptional credit protection measure under Decree-Law No. 10-J/2020, credit institutions, financial companies, payment institutions and electronic money instituitions shall:

(a) Up to 30 days prior to the date of termination of the effects of the excecional measure, promote the necessary diligence whenever they detect any signs of deteoration in the banking client's financial capacity to comply with the credit agreement or whenever the banking client transmits any fact that indicates a potential risk of default; and

(b) Make proposal that are appropriate to the financial situation, objectives and needs of the banking client, such as:

  (i) The celebration of a new credit agreement with the purpose of refinancing the debt of the existing credit agreement;

  (ii) The amendment of one or more conditions of the credit agreement (e.g., the extension of repayment period, the establishment of a grace period for repayment of principal or repayment of principal and interest, the deferral of part of the principal to an instalment at future date or the reduction of the applicable interest rate during a certain period of time; or

  (iii) The consolidation of several credit agreements.

Accordingly to the aforementioned, it is considered as signs of deteoration in the banking client's financial capacity to comply with the obligations arising from the credit agreement: (i) the existence of defaults registered in the Bank of Portugal's Central Credit Responsibilities; (ii) the return and inhibition of the use of cheque and the corresponding insertion in the list of cheque users who offer risk; (iii) the existence of tax and social security debts; (iv) insolvency; (v) the existence of legal proceedings and litigation; (vi) the pledging of bank accounts; (vii) being unemployed, loss of income or significant unfavourable evolution in the performance of the economic sector in which the bank customer does business; and (viii) the existence of defaults on other agreements entered into with the credit institution.

Decree-Law No. 70-B/2021 also allows banking clients who benefit or have benefitted from exceptional credit protection measures to have access to and be included in the extrajudicial procedure for the regularisation of default situations.

The exceptional circumstances and extensive effects of the COVID-19 pandemic, together with the measures taken from time to time by the Portuguese Government or adopted by the Issuer at its own initiative to address this situation, notably those relating to moratoria on loans granted to individuals and companies, permitting borrowers to postpone regular payments for certain periods, to the extent applicable, may generally affect the Issuer's capacity to carry out their business as normal. It is not possible at this stage to assess all the effects of the COVID-19 pandemic on the Issuer.

With regard to the risks linked to the evolution of markets, including investment portfolios in debt instruments and investee undertakings, the materiality of the same could increase significantly as a result of the high levels of volatility observed in global financial markets. In this regard, it is also worth highlighting the risk of significant falls in the price of debt instruments issued by BPI.

Risks arising from unfavourable global economic conditions may have a corresponding effect on the Issuer's business, results of operations and financial condition

The deterioration of the European economy as a whole or of the individual countries remains a risk that could adversely

affect the cost and availability of funding for Portuguese and European companies, including the Issuer and its Group.

In particular, the COVID-19 pandemic that unfolded in Europe since early 2020, poses unprecedented health, economic, and financial stability challenges. Following the COVID-19 outbreak, the prices of risk assets collapsed and market volatility increased, while expectations of widespread defaults led to a surge in borrowing costs. According to the International Monetary Fund ("**IMF**"), several factors amplified asset price moves: previously overstretched asset valuations, pressures to unwind leveraged trades, dealers' balance-sheet constraints, and a deterioration in market liquidity. Emerging market economies experienced the sharpest reversal of portfolio flows on record. As a result, financial conditions tightened at an unprecedented speed. Decisive monetary, financial, and fiscal policy actions - aimed at containing the fallout from the pandemic - managed to stabilize investor sentiment since late March - early April, with markets paring back most of their losses.

Progress in the rolling out of vaccination programmes, aggressive fiscal and monetary policy stimuli and the gradual lifting of restrictions on economic activity is also expected to support growth in other economies. However, this scenario is still uncertain and there is a possibility that mutations and new variants of SARS-Cov-2 might be resistant to current vaccines and lead to increases in new cases and delays in the reopening of the main economies worldwide.

In addition, on 31 January 2020 at 11pm (GMT) ("**exit day**"), the UK left the EU. Prior to exit day and pursuant to Articles 126 and 127 of the withdrawal agreement between the UK and the EU (the "**Withdrawal Agreement"**), the UK entered an implementation period ("**IP**") focused on negotiating the terms of its future relationship with the EU. During this period which ended on 31 December 2020 at 11pm ("**IP completion day**"), EU law generally continued to apply in the UK. Following negotiations, on 24 December 2020, the UK and EU concluded a free trade agreement known as the 'EU-UK Trade and Cooperation Agreement' (the "**TCA**"), to govern the future relations between the EU and the UK following the end of the transition period. The TCA was signed on 30 December 2020. The TCA has provisional application until the EU and UK complete their ratification procedures. On 29 April 2021, the EU Council ratified the TCA. The TCA does not create a detailed framework to govern the cross-border provision of regulated financial services from the UK into the EU and from the EU into the UK. Following the IP Completion Day, the Treaty on the European Union and the Treaty on the Functioning of the European Union have ceased to apply to the UK. The EUWA (as amended by the European Union (Withdrawal Agreement) Act 2020) and secondary legislation made under it ensure there is a functioning statute book in the UK.

Notwithstanding the conclusion of the Withdrawal Agreement, the application of the TCA by the EU and the UK and the implementation by the UK of retained EU law, there remain significant uncertainties with regard to the political and economic outlook of the UK and the EU. There is a risk of one or more EU Member States deciding either (i) to hold referenda as to their membership of the EU or (ii) in the case of EU Member States that adopted the Euro as their national currency, to adopt an alternative currency. A materialisation of these risks could have a significant negative impact on global economic conditions and the stability of international financial markets. This could include further volatility in equity markets and in the value of pounds sterling and/or the Euro, a reduction in global market liquidity with a potential negative impact on asset prices, operating results and capital, and the market value and/or liquidity of the Notes in the secondary market. Furthermore, if an EU Member State that adopted the Euro as its national currency decides to exit the Eurozone and adopt an alternative currency, there is uncertainty regarding how a Member State would carry out such exit and subsequently manage its current assets and liabilities denominated in Euros and the exchange rate between the newly

adopted currency and the Euro. A collapse of the Eurozone could lead to the deterioration of the EU's economic and financial situation with a significant negative effect on the entire financial sector, creating new difficulties in the granting of sovereign loans and loans to businesses, and considerable changes to financial activities both at market and retail level. This situation could have a negative impact on the Issuers' operating results and capital and financial position and/or the Issuer's ability to pay interest and repay principal under the Notes, as well as the market value and/or liquidity of the Notes in the secondary market.

Factors such as interest rates, securities prices, credit spreads, liquidity spreads, exchange rates, consumer spending, changes in client behaviour, business investment, real estate values and private equity valuations, government spending, inflation or deflation, the volatility and strength of the capital markets, political events and trends, terrorism, pandemics and epidemics or other widespread health emergencies all impact the economy and financial markets, whether direct or indirect, such as by increasing sovereign debt of certain countries which may result in increased volatility and widening credit spreads, which could in turn have a material adverse effect on the Issuer's business, results and financial condition and ability to access capital and liquidity on financial terms acceptable to the Issuer.

These factors, among other things, mays restrict the European economic recovery and the global economy, with a corresponding effect on the Issuer's business, results of operations and financial condition.

Economic activity in Portugal may adversely affect the business and performance of the Issuer

As the Issuer currently conducts the majority of its business in Portugal, its performance is influenced by the level and cyclical nature of business activity in Portugal, which is in turn affected by both domestic and international economic and political events. Thus, a decline in Portuguese economic activity may have a material effect on the Issuer's financial condition and on the results of its operations. A deterioration in Portugal's international economic performance and/or uncertainty regarding implemented political measures may also have a material effect on the Issuer's financial condition and on the results of its operations.

A weaker international economic outlook, together with high geopolitical uncertainty and trade tensions, pose additional challenges to the stability of the global financial system and to the Portuguese economy.

The risks identified may interact together and, should they materialise, mutually enhance one another, having a negative impact, namely, on (i) the Issuer's cost of funding and its ability to issue Notes under the Programme; and (ii) the Portuguese economy, which, in turn, would have a negative impact on the business of the Issuer.

The Issuer's business activities (including mortgage lending activities) are dependent on the level of banking and financial services required by its customers and borrowers in Portugal which are, in turn, influenced by the evolution of economic activity, saving levels, investment and employment. In particular, levels of borrowing are heavily dependent on customer confidence, employment trends, and the condition of the Portuguese economy and market interest rates.

Several challenges persist as private and public debt levels remain high and productivity remains structurally low, preventing the country to rapidly converge towards European peers' living standards.

The current economic environment is still a source of challenge for the Issuer, and may adversely affect its business, reputation, financial condition and results of operations or prospects. The adverse macroeconomic conditions in Portugal have significantly affected, and may continue to adversely affect, the behaviour and the financial situation of the Issuer's

clients, and consequently, the supply and demand of the products and services that the Issuer has to offer. In particular, limited growth in customer loans is expected in the coming years, which may make it difficult for the Issuer to generate enough interest income to maintain its net interest margin. Additionally, an environment of extremely low or even negative interest rates is expected to continue, which limits the Issuer's ability to increase net interest margin and profitability, given that the majority of the Issuer's loan portfolio is composed of floating interest rate loans.

Although, since 2015, the Portuguese economy has shown features that seem to support expectations of sustained growth in economic activity and the degree of openness of the economy substantially increased since 2015, the COVID-19 pandemic has interrupted the positive cyle. Portugal's GDP fell 7.6 per cent. in 2020 (*Source: INE, Quarterly National Accounts, May 2021*). The gradual lifting of containment measures as a result of progression made in the rolling out of vaccination programmes and other relative pandemic controls is likely to result in the recovery of economic activity during 2021 and onwards. The Bank of Portugal foresees GDP growth of approximately 4.8 per cent. in 2021 and 5.6 per cent. in 2022 (*Source: Bank of Portugal, Economic Bulletin, June 2021*). In fact, the effects of the graudual lifting of the containment measures as a result of progression made in the rolling out of vaccination programmes are beginning to be noticed, as Portugal's GDP increased by 15.5 per cent year-on-year and 4.9 per cent quarter-on-quarter, in the second quarter of 2021 (*Source: INE, Quarterly National Accounts, August 2021*).

Progress in the rolling out of vaccination programmes, aggressive fiscal and monetary policy stimuli and the gradual lifting of restrictions on economic activity is also expected to support growth in other economies. The IMF expects the global economy to grow by 6 per cent. in 2021 and 4.9 per cent. in 2022, after a 3.2 per cent. contraction in 2020. For the Euro Area, the IMF foresees GDP growth of approximately 4.6 per cent. in 2021 and 4.3 per cent. in 2022 (*Source: IMF, World Economic Outlook July 2021*). However, this scenario is still uncertain and there is a possibility that mutations and new variants of SARS-Cov-2 might be resistant to current vaccines and lead to increases in new cases and delays in the reopening of the main economies worldwide. Additionally, the deterioration of the Portuguese economy's productive capacity could be more permanent, particularly in sectors associated with tourism and hospitality, which have been more adversely affected by the pandemic and related lockdown measures.

The macroeconomic conditions in Portugal could affect the behaviour and the financial condition of the Issuer's clients and, consequently, the demand for the products and services that the Issuer offers. In particular, the evolution of the COVID-19 pandemic poses significant risks of an increased unemployment rate, low profitability, and a steep increase in the level of company indebtedness, having longer-term adverse effects on the global economy and financial markets at a time when the monetary and other policy measures to be taken by the European Central Bank ("**ECB**") in this context cannot be yet predicted with a high degree of certainty.

A negative development of any of the above factors may adversely affect the business and performance of the Issuer.

The impact of the financial and credit crisis may have an adverse effect on the business, reputation, financial condition and results of operation or prospects of the Issuer

The capital and credit markets have experienced several periods of volatility and disruption, since 2008. The market dislocations have led to the failure of several substantial financial institutions, causing widespread liquidation of assets and further constraining the credit markets. These asset sales, along with asset sales by other leveraged investors, including some hedge funds, have driven down prices and valuations across a wide variety of traded asset classes. Asset

price deterioration has a negative effect on the valuation of many of the asset categories represented on the balance sheet of the Issuer, and reduces its ability to sell assets at prices deemed acceptable.

If current levels of market volatility worsen significantly, the Issuer's ability to access the capital markets and obtain the necessary funding to support its business activities on acceptable terms may be adversely affected. Among other things, an inability to refinance assets on the balance sheet or maintain appropriate levels of capital to protect against deteriorations in their value could force the Issuer to liquidate assets held at depressed prices or on unfavourable terms.

These factors could have an adverse effect on the business, reputation, financial condition and results of operation or prospects of the Issuer.

1.2. Risks relating to the Issuer's business

The inability of clients and other counterparties to meet their financial obligations or the Issuer's inability to fully enforce its rights against counterparties could have a material adverse effect on the Issuer's results

The Issuer is exposed to the credit risk of its customers, to concentration risk in its credit exposure and to the credit risk of its other counterparties. Risks arising from changes in credit quality and the repayment of loans and amounts due from borrowers and counterparties are inherent in a wide range of the Issuer's businesses. Adverse changes in the credit quality of the Issuer's borrowers and counterparties or a general deterioration in Portuguese or global economic conditions, or arising from systemic risks in financial systems, could affect recovery and, accordingly, the value of the Issuer's assets and require an increase in the Issuer's provision for credit impairment and other related provisions, and accordingly would have a material adverse effect on the financial condition and capital position of the Issuer and/or the Group and on the results of the Issuer and/or the Group's operations.

In addition, the Issuer is subject to the risk that its rights against third parties may not be enforceable in all circumstances. The deterioration or perceived deterioration in the credit quality of third parties whose securities or obligations the Issuer holds could result in losses and/ or adversely affect its ability to rehypothecate or otherwise use those securities or obligations for liquidity purposes. The termination of contracts and the foreclosure on collateral may subject the Issuer to claims. Bankruptcies, downgrades and disputes with counterparties as to the valuation of collateral tend to increase in times of market stress and illiquidity. Any of these developments or losses could materially and adversely affect the Issuer's business and results.

As at 31 December 2020, the Issuer's total credit risk exposure was €36,264 million[1] (€30,019 million as at 31 December 2019). The balance of Non-Performing Exposures ("**NPEs**") amounted to €611 million as at 31 December 2020[1], representing 1.7 per cent. of the Issuer's gross credit exposure (EBA criteria).

Market Risk faced by the Issuer could have a material adverse effect on the Issuer's results

The Issuer's businesses by their nature, do not produce predictable earnings and are materially affected by conditions in the global financial markets and economic conditions generally, both directly and through their impact on client activity levels and creditworthiness.

Market risk reflects the potential loss that can be registered in a given asset portfolio as a result of changes in the market interest and exchange rates and/or in the market prices of the various financial instruments which comprise that asset

[1] Source: Issuer's 2020 Report (audited).

portfolio, taking into account the correlation and volatilities between those assets.

Risk analysis and management is performed on an integrated basis, involving the whole Group, by BPI's risk division.

It is difficult to predict with accuracy changes in economic or market conditions and to anticipate the effects that such changes could have on the Issuer's financial condition and results of operations.

The most significant market risk the Issuer faces is the interest rate risk. Changes in interest rate levels, yield curves and spreads may affect the interest rate margin realised between lending and borrowing costs.

The Issuer has implemented risk management methods intended to mitigate and control this and other market risks, and exposure to such risks is constantly measured and monitored. However, it is difficult to predict with accuracy changes in economic or market conditions and to anticipate the effects that such changes could have on the Issuer's business activity, financial condition and on the results of its operations.

A significant downward movement in global capital markets could have an adverse impact on activity, results and on the value of the assets comprising the Issuer's investment portfolio, as well as on the value of the assets that comprise its pension fund portfolio. If the value of the assets in the Issuer's pension fund deteriorates, the Issuer may be required to make additional contributions to the fund and, consequently, this may have a negative impact on the Issuer's ability to allocate its net profit to the development of its business activity.

The impact of a change in interest rates could have an adverse effect on the Issuer's profit and loss and/or net interest income. As at 31 December 2020, a decrease in interest rates by 2 percentage points would have led to a decrease in the expected financial margin of the bank portfolio of approximately 10.9 per cent.

Implications of a negative EURIBOR on credit agreements for consumers relating to residential real estate property

The Portuguese Parliament has approved a law under which banking institutions are obliged to reflect negative index interest rates in the calculation of loan interest rates in consumer and residential loan agreements. Law 32/2018, of 18 July (the "**Negative Interest Rate Law**"), amends Decree-Law no. 74-A/2017, of 23 June (the "**Residential Loans Law**"), which partially transposed EU Directive 2014/17 of the European Parliament and of the Council of 4 February, on credit agreements for consumers relating to residential immovable property (the "**Residential Loans Directive**").

The Negative Interest Rate Law establishes that negative index interest rates have to be deducted from the principal amounts of outstanding debts. This law also offers banks the possibility of attributing their clients a credit corresponding to the negative interest rate, which may subsequently be set-off against positive interest rates.

The Issuer has decided to apply the first option, i.e., to deduct the negative index interest rates from the principal amounts of outstanding debts.

The Negative Interest Rate Law applies to loans which are currently in place, irrespective of specific contractual clauses.

The Issuer cannot predict how this law may affect Issuer results. This may negatively affect the Issuer's business, financial condition and results of operation or prospects.

Operational Risks faced by the Issuer such as systems disruptions or failures, breaches of security, cyber-attacks, human error, changes in operational practices, inadequate controls including in respect of third parties with which the Issuer does business, may adversely impact its reputation, business and results

Operational risk represents the risk of losses or of a negative impact on the relationship with clients or other stakeholders resulting from inadequate or negligent application of internal procedures, or from people behaviour, information systems, or external events. Operational risk also includes the business/strategic risk (*i.e.*, the risk of losses through fluctuations in volume, business, earnings, prices or costs) and legal risk (i.e. the risk of losses arising from non-compliance with the regulations in force or resulting from legal action).

The Issuer's business is dependent on its ability to process a very large number of transactions efficiently and accurately. Operational risk and losses can result from fraud, errors by employees, failure to document transactions properly or to obtain proper internal authorisation, failure to comply with regulatory requirements and conduct of business rules, equipment failures (including due to a computer virus or a failure to anticipate or prevent cyber attacks or other attempts to gain unauthorised access to digital systems for purposes of misappropriating assets or sensitive information, corrupting data, or impairing operational performance, or security breaches by third parties), natural disasters or the failure of external systems such as, for example, those of the Issuer's suppliers or counterparties.

In addition, the Issuer and its activities are increasingly dependent on highly sophisticated information technology (IT) systems. IT systems are vulnerable to a number of problems, such as software or hardware malfunctions, computer viruses, hacking and physical damage to vital IT centres. IT systems need regular upgrading and banks, including the Issuer, may not be able to implement necessary upgrades on a timely basis or upgrades may fail to function as planned. Furthermore, failure to protect financial industry operations from cyberattacks could result in the loss or compromise of customer data or other sensitive information. A breach of sensitive customer data, such as account numbers, could have a significant reputational impact and significant legal and/or regulatory costs for the Issuer. These threats are increasingly sophisticated and any failure to execute the Issuer's risk management and control policies successfully, particularly, any loss in the integrity and resilience of key systems and processes, data thefts, cyber-attacks, denial of service attacks or breaches of data protection requirements, may adversely affect the Issuer's business, reputation, financial condition and results of operation or prospects.

The Issuer's risk and exposure to these matters remains heightened, namely during current COVID-19 pandemic, because of the evolving nature and complexity of these threats from cybercriminals and hackers, its plans to continue to provide internet banking and mobile banking channels, and its plans to develop additional remote connectivity solutions to serve its customers. The Issuer may incur increasing costs in seeking to minimise these risks and could be held liable for any security breach or data loss.

Liquidity risk faced by the Issuer which may depend on the ECB for funding

Liquidity risk reflects the risk of the inability of the Issuer to fulfil its payment obligations upon maturity without significant losses arising from a deterioration of the financing conditions (financing risk) and/or from the sale of its assets for a value below market values (market liquidity risk).

The Issuer's practices reflect the utilisation of diversified financing sources, focusing on stable sources, in particular deposits, as well as the maintenance of highly liquid assets, which comply with the ECB's eligibility criteria.

Basel III recommendations endorse the implementation of short and medium/long-term liquidity coverage ratios, known as Liquidity Coverage Ratio ("**LCR**") and Net Stable Funding Ratio ("**NSFR**"). The LCR addresses the sufficiency of high quality liquidity assets to meet short-term liquidity needs in a severe stress scenario.

The LCR and NSFR of the Issuer, computed in line with the CRD IV standards and EBA guidelines, was 260 per cent. and 151 per cent., respectively, as at 31 December 2020.

On 12 March 2020, the ECB announced that institutions would be allowed to substantially and temporarily use their liquidity buffers, including LCR, as part of a package of measures to mitigate the negative effects of the COVID-19 pandemic on the real economy (see the risk factors entitled "*The Issuer is sensitive to changes in the Portuguese economy*" and "*The COVID-19 pandemic and potential similar future outbreaks may have an adverse effect on the Issuer's ability to make payments under the Notes*"). The Issuer's LCR may reduce during 2021, eventually below 100 per cent. Should this occur or be expected to occur at any time, the Issuer will have to submit to the competent authorities a plan for the timely restoration of compliance with the legally prescribed minimum ratios.

The ECB currently makes funding available to European banks that satisfy certain conditions, including pledging eligible collateral. As at 31 December 2020, the Issuer had 4.42 billion of funding from the ECB (€1.38 bilion in December 2019).

As at 31 December 2020, the Issuer's portfolio of securities eligible for rediscount with the ECB was of €11.0 bilion, compared to €9.3 billion as at 31 December 2019.

The Issuer continuously tracks the evolution of its liquidity, monitoring incoming and outgoing funds in real time. Projections of short and medium term liquidity are carried out in order to help plan the funding strategy in the monetary and capital markets. Total funding obtained by the Issuer from the ECB amounted to €4.42 billion at the end of December 2020, corresponding entirely to funds raised under the TLTRO (Targeted Longer-term Refinancing Operations).

In March 2019, the ECB announced that a series of new quarterly targeted longer-term refinancing operations ("**TLTRO-III**") would be launched, starting in September 2019 and ending in March 2021, each with a maturity of two years, to help preserve favourable bank lending conditions and the smooth transmission of monetary policy. On 12 March 2020, in the context of the spread COVID-19, the ECB further announced the easing of conditions for TLTRO III operations. These more favourable conditions are aimed at supporting bank lending to those most affected by the pandemic, particularly households and small and medium-sized enterprises. The eased conditions include:

(a) lower interest rates from June 2020 to June 2021 for all TLTRO III operations outstanding during that period;

(b) raised borrowing allowance; and

(c) removal of bid limit per operation on all future operations.

At the date of this Base Prospectus, the Issuer had a total ECB financing amount of €4.86 billion, corresponding entirely to funds raised under TLTRO III.

On 18 March 2020, the ECB announced its decision to launch a temporary asset purchase programme of private and public sector securities of up to €750,000,000,000 to protect monetary policy transmission in the Eurozone (the "**PEPP**"). Purchases under PEPP will be conducted until the end of 2020. The ECB expanded the range of eligible assets under the corporate sector purchase programme ("**CSPP**"), which now includes non-financial commercial paper of sufficient credit quality.

On 7 April 2020, the ECB further announced the relaxation of collateral eligibility requirements for participation in liquidity providing operations, including TLTRO III operations, such as:

(a) temporary increase in the maximum share of unsecured debt instruments issued by credit institutions;

(b) waiver of the minimum credit quality requirement for marketable debt instruments issued by Greece for acceptance as collateral in Eurosystem credit operations, subject to specific margin assessments; and

(c) temporary increase in its risk tolerance level in credit operations through a general reduction of collateral valuation haircuts.

On 30 April 2020, the ECB further eased TLTRO III operations, notably by reducing the interest rate on these operations from June 2020 to June 2021. The ECB also introduced a series of non-targeted pandemic emergency longer-term refinancing operations – seven refinancing offerings commencing in May 2020 and maturing from July to September 2021.

On 10 December 2020, the ECB decided to extend the period of reduction of interest rate on TLTRO III until June 2022, subject to the achievment by the banks of a new lending performance target, to introduce three additional refiniancing operations between June and December 2021 and to raise the total amount that Eurosystem counterparties are entitled to borrow in TLTRO III from 50 per cent to 55 per cent of their stock of eligible loans.

Bearing in mind that the measures announced from 12 March 2020 are only temporary and specifically aimed at tackling the impact of the COVID-19 pandemic on the real economy, the duration, extent and continued existence of ECB liquidity support cannot be predicted. If it were to be withdrawn or reduced, the Issuer would need to find alternative sources of funding, which may not be as attractive or even available.

The inability of the Issuer, to anticipate and provide for unforeseen decreases or changes in funding sources could have consequences on the Issuer's ability to meet its obligations when they fall due.

The Issuer operates in highly competitive markets, including its home market, it may not be able to increase or maintain its market share, which may have an adverse effect on its results

Structural changes in the Portuguese economy over the past several years have significantly increased competition in the Portuguese banking sector.

The Issuer faces intense competition in all of its areas of operation (including, among others, banking, investment banking, specialised credit and asset management). The competitors of the Issuer in the Portuguese market are Portuguese commercial banks, savings and investment banks and foreign banks that entered the Portuguese market. The principal competitors of the Issuer in the banking sector (ranking in terms of assets as at 31 December 2020) are Banco Santander Totta, Caixa Geral de Depósitos, the Millennium BCP and the Novo Banco.

Mergers and acquisitions involving the largest Portuguese banks have resulted in a significant concentration of market share.

Competition could also increase due to new entrants (including non-bank and financial technology competitors) in the markets in which the Issuer operates that may have new operating models that are not burdened by potentially costly legacy operations and that are subject to reduced regulation. New entrants may rely on new technologies, advanced data

and analytic tools, lower cost to serve, reduced regulatory burden and/or faster processes in order to challenge traditional banks. Developments in technology have also accelerated the use of new business models and the Issuer may not be successful in adapting to this pace of change or may incur significant costs in adapting its business and operations to meet such changes. In particular, the emergence of disintermediation in the financial sector resulting from new banking, lending and payment solutions offered by rapidly evolving incumbents, challengers and new entrants, in particular with respect to payment services and products (e.g. Fintechs), and the introduction of disruptive technology, may impede the Issuer's ability to grow or retain its market share and impact its revenues and profitability

There is no assurance that the Issuer will be able to compete effectively in some or all segments in which it operates, or that it will be able to maintain or increase the level of its results of operations.

Additionally, the business, earnings and financial condition of the Issuer have been affected by the crisis in the global financial markets and the global economic outlook. The earnings and financial condition of the Issuer have been, and their respective future earnings and financial condition are likely to continue to be, affected by depressed asset valuations resulting from poor market conditions. The actual or perceived failure or worsening credit of other financial institutions and counterparties could adversely affect the Issuer.

Credit ratings are not recommendations and ratings may be lowered, withdrawn or qualified

One or more independent credit rating agencies may assign credit ratings to the Notes. The Issuer is under no obligation to maintain any rating for itself or for the Notes. Ratings may not reflect the potential impact of all risks discussed in this section and any other factors that may affect the value of the Notes.

A securities rating is not a recommendation to buy, sell or hold securities and may be subject to revision, suspension or withdrawal at any time by the assigning rating organisation. Each securities rating should be evaluated independently of any other securities rating. In the event that any rating initially assigned to the Notes is subsequently lowered, withdrawn or qualified for any reason, the Issuer will not be obliged to provide any credit facilities or credit enhancement to restore the original rating. Any such lowering, withdrawal or qualification of a rating may have an adverse effect on the liquidity and market price of the Notes.

Ratings assigned to the Notes assess the likelihood of full and timely payment of the interest due on each Interest Payment Date to holders of the Notes, and of the ultimate payment of principal in relation to the Notes either on their Final Maturity Date or on the Extended Maturity Date, as applicable. Ratings only address the credit risks associated with the transaction. Other non-credit risks are not addressed, but may have a significant effect on yield for investors. Due to the methodology used by the main rating agencies, the Issuer's credit rating may be affected by the rating of Portugal's sovereign debt. If Portugal's sovereign debt is downgraded, the Issuer's credit rating is likely to be downgraded by an equivalent amount.

In addition, the negative economic impact which may be caused by events such as certain meteorological conditions, natural disasters, fires or widespread health crises or the fear of such crises (such as COVID-19) may result in downgrades to the ratings assigned to the Notes. If any rating assigned to the Notes is lowered or withdrawn, the market value of the Notes may be reduced.

European regulated institutions are in general restricted from using credit ratings for regulatory purposes in the EEA under the CRA Regulation, unless such ratings are issued by a credit rating agency established in the EEA and registered under the CRA Regulation (and such registration has not been withdrawn or suspended), subject to transitional provisions

that apply in certain circumstances whilst the registration application is pending. Such general restriction will also apply in the case of credit ratings issued by third country non-EEA credit rating agencies, unless the relevant credit ratings are endorsed by an EEA-registered credit rating agency or the relevant third country rating agency is certified in accordance with the CRA Regulation (and such endorsement action or certification, as the case may be, has not been withdrawn or suspended, subject to transitional provisions that apply in certain circumstances).

Investors regulated in the UK are subject to similar restrictions under the UK CRA Regulation. As such, UK regulated investors are required to use for UK regulatory purposes ratings issued by a credit rating agency established in the UK and registered under the UK CRA Regulation. In the case of ratings issued by third country non-UK credit rating agencies, third country credit ratings can either be: (a) endorsed by a UK registered credit rating agency; or (b) issued by a third country credit rating agency that is certified in accordance with the UK CRA Regulation. Note this is subject, in each case, to (a) the relevant UK registration, certification or endorsement, as the case may be, not having been withdrawn or suspended, and (b) transitional provisions that apply in certain circumstances. In the case of third country ratings, for a certain limited period of time, transitional relief accommodates continued use for regulatory purposes in the UK, of existing pre-2021 ratings, provided the relevant conditions are satisfied.

If the status of the rating agency rating the Notes changes for the purposes of the CRA Regulation or the UK CRA Regulation, relevant regulated investors may no longer be able to use the rating for regulatory purposes in the EEA or the UK, as applicable, and the Notes may have a different regulatory treatment, which may impact the value of the Notes and their liquidity in the secondary market. Certain information with respect to the credit rating agencies and ratings is set out on the cover of this Base Prospectus.

The Issuer has not requested a rating of the Notes from any rating agency other than the Rating Agencies. However, there can be no assurance as to whether any other rating agency will rate the Notes and what rating it may assign the Notes.

The long term/short term ratings currently assigned to the Issuer are Baa2/P-2 with stable outlook by Moody's, BBB/F2 with negative outlook by Fitch and BBB/A-2 with stable outlook by S&P.

International Financial equity holdings and currency risk

The Issuer holds financial investments in two African banks: 48.1 per cent. stake in Banco de Fomento Angola ("**BFA**") capital, which operates in commercial banking in Angola and a 35.7 per cent. stake in Banco Comercial e de Investimentos ("**BCI**"), which operates in commercial banking in Mozambique.

The Issuer's international equity holdings are exposed to the risk of adverse political, governmental or economic developments in the countries in which it operates. These factors could have a material adverse effect on the Issuer's financial condition, business and its results of operations.

In addition, international equity holdings are exposed to foreign exchange risk, which is reflected mainly in the statements of income and in the balance sheets of BFA and BCI. It is relevant for these purposes the changes in the exchange rates of local currencies against the euro and in the exchange rate of the U.S. dollar against the euro, due to the high use of the U.S. dollar in these economies, which explains that a significant share of business customer is expressed in U.S. dollars.

Consequently, even if the amount of revenues, costs and profits of the Issuer's Group remain unchanged in local currency, changes in exchange rates may affect the amount of income, costs and profits declared in the statement of income of the

Issuer's Group.

The currency exposure of the Issuer results mainly from the banking activity of BFA in Angola, but also, although to a much lesser extent, the activity of BCI in Mozambique. The currency of Angola is the Kwanza, but the high use of the U.S. dollar in the Angolan economy explains that a considerable share of business with clients of BFA is expressed in U.S. dollars.

A substantial portion of revenue and costs are thus expressed in U.S. dollars or indexed to it.

If the value of the euro was to rise significantly against other currencies, especially the U.S. dollar and the Kwanza, the values of equity method consolidated income expressed in these currencies would translate into relatively lower values when converted to euros.

Risk of changes in the organization of partnerships may adversely affect the business and activities of the Issuer's Group

There are some activities of the Issuer's Group which are partially related to partnerships in various activities with other companies that are not under the control of the Issuer's Group, in particular the activities of bancassurance. These activities depend in part on such partners which the Issuer's Group does not control. A change in any of these partnerships may adversely affect the business and activities of the Issuer's Group.

1.3. Legal and Regulatory Risks

The Issuer is subject to substantial regulation, as well as regulatory and governmental oversight. Adverse regulatory developments or changes in government policy could have a material adverse effect on its business, results of operations and financial condition

The Issuer operates in a highly regulated industry and, accordingly, could be adversely affected by regulatory changes in Portugal, the EU or foreing countries in which it operates. Although the Issuer works closely with its regulators and continually monitors this situation, future changes in regulation, taxation or other policies can be unpredictable and are beyond its control. Extensive regulation by, among others, the ECB, the Bank of Portugal, EBA, ESMA, the European Insurance and Occupational Pensions Authority ("**EIOPA**"), the CMVM and the Insurance and Pensions Funds Supervisory Authority ("**ASF**"), as well as other supervisory authorities, from the EU and the countries in which the Issuer conducts its activities could hinder the Issuer's growth by increasing compliance costs and/or reducing profitability.

Those regulations are complex and its fulfilment entails high costs as regards time spending and other resources. Additionally, non-compliance with the applicable regulations may cause damages to the Issuer's reputation, application of penalties and even loss of authorization to carry out its activities.

The implementation in the EU of Basel III has led to the approval of the package comprised of Directive 2013/36/EU (as amended, the "**CRD IV**"), implemented in Portugal by Decree-Law 157/2014, of 24 October 2014, and Regulation (EU) no. 575/2013 of the European Parliament and of the Council of 26 June 2013, on prudential requirements for credit institutions and investment firms, amending Regulation (EU) no. 648/2012 (as amended, the "**CRR**", and, together with the CRD IV, "**CRD IV/CRR**"). The CRD IV/CRR reinforced the capital requirements of banks, imposing different minimum capital ratios (e.g. CET1 ratio, Tier 1 ratio and total ratio), and changed the definition of regulatory capital. The CRD IV includes general rules, supervision powers, and requirements relating to wages, governance and disclosure, having also introduced the following additional capital buffers, to be met with CET1:

(a) capital conservation buffer of 2.5 per cent. of RWA;

(b) countercyclical capital buffer rate of between 0 and 2.5 per cent. of RWA, pursuant to the conditions to be established by the competent authorities; and

(c) systemic risk buffer: (i) applicable to institutions of global systemic importance: between 1 and 3.5 per cent. of RWA; (ii) applicable to other institutions of systemic importance: between 0 and 2 per cent. of RWA; and (iii) macroprudential systemic risk: between 1 and 3 per cent. or between 3 and 5 per cent. of RWA, depending on the economic situation.

As of 30 June, Issuer's capital ratios were[2]: the CET1 ratio reached 14.3 per cent., the Tier 1 ratio 15.8 per cent., the total capital ratio 17.4 per cent. and the leverage ratio stood at 7.2 per cent.. The Liquidity Coverage Ratio of the Issuer was 286 per cent.[3] and the Net Stable Funding Ratio[4] was 153 per cent..

With a view to incorporating flexibility to accounting and prudential rules, the European Commission proposed a few targeted "*quick fix*" amendments to the EU's banking prudential rules in order to maximise banks' ability to lend and absorb losses related to COVID-19. On 28 June 2020, Regulation 2020/873 of the European Parliament and of the Council, of 24 June, entered into force setting out exceptional temporary measures to alleviate the immediate negative impact of COVID-19 related developments, by adapting the timeline of application of international accounting standards to banks' capital, by treating more favourably public guarantees granted during this crisis, by postponing the date of application of the leverage ratio buffer, by setting a temporary prudential filter to mitigate the considerable negative impact of the volatility in central government debt markets during the COVID-19 pandemic on institutions, by modifying the exclusion of certain exposures from the calculation of the leverage ratio, by advancing the date of application of several agreed measures that encourage banks to finance employees, SMEs and infrastructure projects, and by aligning the minimum coverage requirements for non-performing loans that benefit from public guarantees with those benefitting from guarantees granted by official export credit agencies.

In order to comply with the applicable ratios, the Issuer's Group may be requested in the future to issue additional liabilities subject to bail-in provisions.

The CRD IV and CRR were further strengthened by Regulation (EU) 2019/876 of the European Parliament and of the Council of 20 May 2019, amending the CRR as regards the leverage ratio, the NSFR, requirements for own funds and eligible liabilities, counterparty credit risk, market risk, exposures to central counterparties, exposures to collective investment undertakings, large exposures, and reporting and disclosure requirements (as amended, "**CRR II**"), and by Directive (EU) 2019/878 of the European Parliament and of the Council of 20 May 2019, amending the CRD IV as regards exempted entities, financial holding companies, mixed financial holding companies, remuneration, supervisory measures and powers, and capital conservation measures (as amended, "**CRD V**"). The CRR II and CRD V introduce a new market risk framework, revisions to the large exposures regime and NSFR. The NSFR is intended to ensure that institutions are not overly reliant on short-term funding. The CRR II's application is staggered, in accordance with Article

[2] Source: Issuer's first semester 2021 consolidated results presentation (unaudited)
[3] Average 12 months, according to EBA guidance. Average amount (last 12 months) of LCR components calculation: Liquidity Reserves (9.745 M.€); Total net outflows (3.407 M.€).
[4] Regulatory minimum from June 2021

3 of the CRR II, from 27 June 2019 to 28 June 2023. The CRD V amends the CRD IV and requires national transposition of the majority of its provisions by 28 December 2020.

Recent developments in the banking market suggest that even stricter rules may be applied by a new framework ("**Basel IV**"), which would require more stringent capital requirements and greater financial disclosure. Basel IV is likely to introduce higher leverage ratios, more detailed disclosure of reserves and the use of standardised models, rather than banks' internal models, for the calculation of capital requirements. Following the publication of Directive (EU) 2019/879 of the European Parliament and of the Council of 20 May 2019 amending the BRRD ("**BRRD2**"), credit institutions will also be subject to more burdensome capital and other legal requirements, as these become applicable. The BRRD2 should have been transposed into domestic laws by 28 December 2020. Certain of the BRRD2's requirements relate to the implementation of the total loss absorbing capacity ("**TLAC**") standard, applicable from January 2022. The TLAC standard requires global systemically important banks to hold certain ratios of instruments and liabilities (as a percentage of their respective RWA), which should be available during resolution to absorb losses.

Implementation of the TLAC/MREL Requirements will be phased-in from 1 January 2019 (a 16 per cent. minimum TLAC requirement) to 1 January 2022 (a 18 per cent. minimum TLAC requirement).

In addition to the above, on 26 January 2021, the European Commission launched a targeted public consultation on technical aspects of a new review of BRRD ("**BRRD III**"), the SRM Regulation ("**SRM III**"), and Directive 2014/49/EU of the European Parliament and of the Council of 16 April 2014 on deposit guarantee schemes ("**DGSD II**"). This public consultation was open until 20 April 2021 and split into two main sections: a section covering the general objectives of the review, and a section seeking technical feedback on stakeholders' experience with the current COVID-19 crisis and framework and the need for changes in the future framework, notably regarding (i) resolution, liquidation and other available measures to handle banking crises, (ii) level of harmonisation of creditor hierarchy in the EU and impact on the 'no creditor worse off' principle, and (iii) depositor insurance. Legislative proposals for BRRD III, SRM III and DGSD II are to be tabled during the fourth quarter of 2021.

Under the new legal framework, there is the risk that the Issuer is not able to comply with stricter and more demanding regulatory requirements regarding capital, liquidity, leverage, and others in a timely manner. A failure to comply with the applicable regulations could have a material adverse effect on the Issuer as it could result in damages to the Issuer's reputation, administrative action, application of penalties or regulatory sanctions, and even loss of authorisation to carry out its activities.

Changes to supervisory rules and regulations in respect of the Issuer's activities, in particular in Portugal, may have a negative impact on the Issuer's business, the products and services it offers and/or the value of its assets. Future regulatory changes, changes in tax laws or other alterations may be unpredictable and are outside the Issuer's control.

Borrower's protection laws may limit the Issuer's actions and have a material adverse effect on the Issuer's business, reputation, financial condition and results of operations or prospects

Existing legal and regulatory frameworks impose obligations for credit institutions to ensure protection for borrowers, including, implementing procedures for gathering information, contacting borrowers, monitoring the execution of loan agreements and managing default risk situations; the duty to assess the financial capacity of borrowers and present default correction proposals adapted to the borrower's situation; and drawing up a plan for restructuring debts emerging from

home loans or replacing mortgage foreclosures that in some cases of extra-judicial procedures may restrict the Issuer's options to (i) terminate the relevant agreements; (ii) initiate judicial proceedings against the borrower; (iii) assign its credits over the borrower; or (iv) transfer its contractual position to a third party. These legal and regulatory frameworks for borrower's protection are expected to continue in the future.

Any existing or future legislation and regulation for the protection of borrowers may limit the Issuer's rights with respect to their powers over defaulting clients and, as a result, may have a material adverse effect on the Issuer's business, reputation, financial condition and results of operations or prospects.

Potential impact of the recovery and resolution measures on BPI's activity

In May 2014, the EU Council and the EU Parliament approved a Directive establishing a framework for the recovery and resolution of credit institutions and investment firms (Directive 2014/59/EU of the European Parliament and of the Council, of 15 May 2014, establishing a framework for the recovery and resolution of credit institutions and investment firms, as amended, the "**BRRD**"). The BRRD aims to equip national authorities with harmonised tools and powers to promptly tackle crises in banks and investment firms and to minimise costs for taxpayers. These tools and powers include:

(a) preparatory and preventive measures (including the requirement for banks to have recovery and resolution plans);

(b) early supervisory intervention (including powers for authorities to take early action to address emerging problems); and

(c) resolution tools, including bail-in, which are intended to ensure the continuity of essential services and manage the failure of a credit institution in an orderly way; these tools may be used when the authorities consider an institution's failure has become highly likely and a threat is posed to public interest.

The BRRD was implemented in Portugal by a number of legislative acts, including Law no. 23-A/2015, of 26 March, as amended, which have amended the Portuguese Legal Framework of Credit Institutions and Financial Companies (hereinafter, "**RGICSF**") (enacted by Decree-Law no. 298/92, of 31 December, as amended or supersed), including the requirements for the application of preventive measures, supervisory intervention and resolution tools to credit institutions and investment firms in Portugal.

The implementation of resolution measures must pursue any of the following objectives:

- Ensure the continuity of essential financial services;
- Prevent serious consequences to financial stability;
- Safeguard public treasury and taxpayers' interests by minimising the use of public funds;
- Safeguard depositors and investors' confidence; or
- Protect the funds and assets held for and on behalf of clients and related investment services.

For the purposes of applying resolution measures, an institution is considered to be failing or likely to fail when, in the near future:

- The institution is, or is likely to be, in breach of its requirements for maintaining its licence;

- The institution's assets have or are likely to become lower than its liabilities;
- The institution is, or is likely to be, unable to pay its debt as it falls due; or
- Extraordinary public financial support is required.

Upon the entry into force, on 1 January 2016, of Regulation (EU) no. 806/2014, of 15 July 2014, establishing uniform rules and a uniform procedure for the resolution of credit institutions and certain investment firms in the framework of a Single Resolution Mechanism and a Single Resolution Fund, amending Regulation (EU) No 1093/2010 ("**SRM Regulation**"), as amended by Regulation (EU) 2019/877 of the European Parliament and of the Council of 20 May 2019, the Bank of Portugal's powers as resolution authority in relation to certain credit institutions, including the Issuers, were transferred to the resolution authority within the Banking Union established by the SRM Regulation - the "**Single Resolution Board**".

The resolution measures that can be implemented by the resolution authority, either individually or in conjunction, are, notably:

(i) Sale of business tool: transfer to a purchaser, by decision of the resolution authority, of shares or other ownership instruments or of some or all rights and obligations, corresponding to assets, liabilities, off-balance sheet items and assets under management, of the institution under resolution, without the consent of its shareholders or of any third party other than the acquirer;

(ii) Bridge institution tool: establishment of a bridge institution by the resolution authority, to which shares or other ownership instruments or some or all rights and obligations, corresponding to assets, liabilities, off-balance sheet items and assets under management, of the institution under resolution are transferred without the consent of its shareholders or of any third party;

(iii) Asset separation tool (to be used only in conjunction with another resolution measure): transfer, by decision of the resolution authority, of rights and obligations, corresponding to assets, liabilities, off-balance sheet items and assets under management, of an institution under resolution or of a bridge institution to one or more asset management vehicles, without the consent of the shareholders of the institutions under resolution or of any third party other than the bridge institution. Asset management vehicles are legal persons fully or partially owned by the relevant resolution fund;

(iv) Bail-in tool: write-down or conversion by the resolution authority of certain obligations of an institution under resolution, as defined under the applicable law (other than, for instance, covered deposits and secured obligations, such as covered bonds). In exceptional circumstances, when the bail-in tool is implemented, the resolution authority may exclude or partially exclude certain liabilities from the application of the write-down or conversion powers. This exception shall apply when strictly necessary and proportionate and shall fall under the specific requirements provided by law. Resolution measures may be applied to institutions if the resolution authority considers that an institution and/or certain other members of the institution's group meet the following conditions ("**Resolution Conditions**"): (a) they are failing or likely to fail, (b) there is no reasonable prospect that such failure will be avoided within a reasonable timeframe by the adoption of measures by the institution and/or certain other members of its group, the application of early intervention measures or of a Non-Viability

Loss Absorption Measure (as defined below), (c) a resolution action pursues any of the public interests listed below and (d) which would not be pursued more effectively by the commencement of winding-up proceedings against the relevant institution.

When applying any resolution measure, the resolution authority shall ensure that an institution's first losses are borne by its shareholders, followed by its creditors (except depositors covered by a deposit guarantee scheme), in an equitable manner and in accordance with the order of priority of the various classes of creditors under normal insolvency proceedings. Resolution measures are not subject to the prior consent of an institution's shareholders or of the contractual parties related to assets, liabilities, off-balance sheet items and assets under management to be sold or transferred. These actions may have a direct impact on shareholders and on the Issuer Group expected returns and an indirect impact through changes to the institution's business activities.

If an order were to be made under the RGICSF currently in force in respect of an entity (including the Issuers), such action may affect the entity's ability to satisfy its existing contractual obligations (including limiting its capacity to meet repayment obligations). The use of resolution tools could result in the cancellation, modification or conversion of any unsecured portion of the liability in respect of the Notes and/or in other modifications to the Terms and Conditions of the Notes and/or the Programme Documents.

The bail-in resolution tool may be used alone or in combination with other resolution tools, where the resolution authority considers that an institution meets the Resolution Conditions. This empowers the resolution authority to write down certain claims of unsecured creditors of a failing institution and/or to convert certain unsecured debt claims into equity, potentially subject to any future application of the general bail-in tool.

Although there are pre-conditions for the exercise of the bail-in power, there remains uncertainty regarding the specific factors which the relevant resolution authority may consider in deciding whether or not to exercise the bail-in power with respect to the relevant financial institution and/or securities issued by that institution.

In addition to the resolution tools described above, the RGICSF further empowers the resolution authorities to permanently write-down or convert into equity (CET1 instruments) capital instruments such as Tier 2 instruments and Additional Tier 1 capital instruments at the point of non-viability of an institution or such institution's group and before any other resolution action has been taken (the "**Non-Viability Loss Absorption Measure**"). Under the RGICSF, the point of non-viability is when any of the following conditions is met:

- the resolution authority determines that an institution or its group meets any of the Resolution Conditions and no resolution measure has been applied yet;
- the resolution authority determines that an institution or its group will no longer be viable unless the relevant capital instruments are written-down or converted; or
- extraordinary public support is required and without such support the institution would no longer be viable.

The write-down and conversion tools may be exercised independently of, or in combination with, the resolution tool. The implementation of write-down or conversion tools in relation to any of the Issuer Group entities could have a material adverse impact on the Issuer's business, financial condition and results of operations. Furthermore, where capital instruments are converted into equity securities under the mandatory conversion tool, those equity securities may be

subject to bail-in powers in resolution, resulting in their cancellation, significant dilution or transfer away from their investors.

The exercise of any resolution powers under the RGICSF and/or any write-down or conversion into equity could adversely affect the rights of Noteholders, the price or value of their investment in the Notes and/or the Issuer's ability to satisfy their obligations under the Notes. Prospective investors in the Notes should consider the risk of losing their full investment, including principal and any accrued interest, if resolution measures are applied.

The Issuer may not be able to issue certain MREL-eligible instruments and therefore be either unable to meet its MREL or capital requirements

In accordance with Article 145-Y of the RGICSF, financial institutions will be required to meet a Minimum Requirement for own funds and Eligible Liabilities ("**MREL**") requirement set by Bank of Portugal.

However, in order to meet in the future MREL requirements, the Issuer may need to issue MREL-eligible instruments, affecting its funding structure and financing costs. Such mechanisms and procedures, besides having the capacity to restrain the Issuer's strategy, could increase the average cost of the Issuer's liabilities, in particular, without limitation, to the cost of additional Tier 1 and Tier 2 instruments and thus negatively affect the Issuer's earnings. Tier 1 instruments may also result in a potential dilution of the percentage of ownership of existing shareholders, if they include convertibility features.

Directive (EU) 2017/2399 of the European Parliament and of the Council of 12 December 2017 amending Directive 2014/59/EU regarding the ranking of unsecured debt instruments in the insolvency hierarchy was transposed into the Portuguese legal framework by Law No. 23/2019, of 13 March 2019 which, in addition to governing the position of unsecured debt instruments in the insolvency hierarchy, providing greater legal certainty to the issuance of non-preferred debt, also confers a preferential claim to all deposits vis-a-vis unsecured senior debt.

On 4 February 2021 the Bank of Portugal notified the Issuer about the minimum requirement for own funds and eligible liabilities. Under the new Bank Recovery and Resolution Directive, as from 1 January 2022, the Issuer, on a sub-consolidated basis, must comply with the MREL requirement of 19.05% of RWA (including CBR - combined buffer requirement) and 5.91% of the total leverage ratio exposure (LRE), and, as from 1 January 2024, with the MREL requirement of 23.95% of RWA (including CBR). As at 31 December 2020, the MREL ratio to the LRE is 9.3%.

The Issuer may not be able to issue the necessary MREL-eligible instruments, due to adverse market conditions or to investors' negative perception of the Issuer, which could lead to a failure to comply with the regulatory requirements, or, alternatively, if the Issuer is able to issue the above mentioned instruments, there is a risk that market conditions will be such that the Issuer will need to issue those instruments at a higher premium. These requirements could therefore have an adverse effect on the business, reputation, financial condition and results of operation or prospects of the Issuer.

The impact on BPI of the resolution measures occurred in the past in Portugal and funding of possible future resolutions cannot be anticipated

Following the decision of Bank of Portugal on 3 August 2014 to apply a resolution measure to Banco Espírito Santo ("**BES**"), most of its business was transferred to a bridge bank, Novo Banco, specifically set up for that purpose and capitalised by the resolution fund – as created by Decree-Law no. 31-A/2012, of 10 February (the "**Resolution Fund**").

The Resolution Fund is funded by contributions from the institutions participating in the Resolution Fund and contributions from the Portuguese banking sector – with an initial share capital of €4.9 billion. Of this amount, €300 million corresponded to the Resolution Fund's own financial resources, €3.9 billion resulted from a loan granted by the Portuguese State (the "**2014 Portuguese State Loan**"), €700 million from a loan granted by a group of credit institutions that are members of the Resolution Fund including the Issuer (the "**Participants' Loan**"). The Issuer's share of the Participants' Loan was of 116.2 million.

In January 2013, Banco Internacional do Funchal, S.A. ("**Banif**") was recapitalised by the Portuguese State in the amount of €1,100 million (€700 million under the form of special shares and €400 million in hybrid instruments). This recapitalisation plan also included a capital increase by private investors in the amount of €450 million, which was concluded in June 2014. Since then, Banif reimbursed the Portuguese State of €275 million of hybrid instruments, but was not able to reimburse a €125 million tranche in December 2014.

Banif's sale process was previous initiated, but on 19 December 2015 the Ministry of Finance informed the Bank of Portugal that such voluntary sale was not feasible and thus the sale would have to be made in the context of a resolution procedure, as described below.

On 20 December 2015, the sale of the business of Banif and of most of its assets and liabilities to Banco Santander Totta, S.A. ("**Banco Santander Totta**") for the amount of €150 million was announced. Accordingly, the overall activity of Banif was transferred to Banco Santander Totta except for the assets transferred to an asset management vehicle (Oitante, S.A.) set up in the context of the application by the Bank of Portugal of the aforementioned resolution measure. This transaction involved an estimated public support of €2,255 million to cover future contingencies, of which €489 million was provided by the Resolution Fund (which was financed by a loan in the same amount granted by the Portuguese State (the "**2015 Portuguese State Loan**")) and €1,766 million directly by the Portuguese State, as a result of the determination of the assets and liabilities to be sold as agreed between the Portuguese authorities, European bodies and Banco Santander Totta.

The Issuer's pro rata share in the Resolution Fund will vary from time to time according to the Issuer's liabilities and own funds, when compared to the other institutions participating in the Resolution Fund. Contributions to the Resolution Fund are adjusted to reflect the risk profile, the systemic relevance and the solvency position of each participating institution.

In 2019, and in accordance with Decree-Law no. 24/2013, of 19 February, Issuer's Resolution Fund periodic contribution amount totaled €7.3 million corresponding to 9.4 per cent. of the total of contributions (€74.1 million).

In relation to the contribution on the banking sector in 2019, the Issuer paid €15.3 million corresponding to 8.5 per cent of total contributions (€179.2 million) which were transferred by the Portuguese State to the Resolution Fund.

The periodic contribution created within the scope of BRRD transposition paid by the Issuer in 2020 was €13.4 million, including contributions collected under the combined terms of the scheme transposing BRRD and the SRM Regulation to the institutions covered by the SRM, which was therefore almost entirely transferred to the SRF under Intergovernmental Agreement.

On 31 May 2021, the Portuguese Resolution Fund signed a credit line with a group of Portuguese financial institutions of up to € 475 million, of which BPI participation is up to €87.4 million. On 4 June 2021, the Portuguese Resolution Fund

withdrew €317 million in order to comply with Novo Banco's contingent capital mechanism, of which € 58.3 million from BPI. An additional payment from the Portuguese Resolution Fund to Novo Banco is still under analysis.

The negative impact on the Issuer of the resolutions of BES and Banif cannot be anticipated, as there is the risk the Resolution Fund may need further recapitalisation while both resolutions are not totally settled.

Furthermore, there is the risk that the resolution measures applied to BES and Banif may prejudice investors' and economic agents' positive perception of the Portuguese financial system and the Issuer as a participant thereto.

Risks relating to changes in legislation on deferred tax assets

As at 31 December 2020, the Issuer had registered Deferred Tax Assets ("**DTAs**") of €267 million (as at 31 December 2019: €263 million), of which €110 million were not dependent on future profitability (as at 31 December 2019: €109 million).

According to current legislation, if the Issuer incurs losses, there is the risk that the Portuguese Government will become a shareholder of Banco BPI by virtue of the DTA conversion into ordinary shares.

The Issuer may not generate enough future profits to allow for the deduction of the DTAs and hence the DTA could have a material adverse effect on the Issuer's business, reputation, financial condition and results of operation or prospects.

1.4. Other risks that may affect Issuer's Business

Risk to Business Profitability

The risk to business profitability concerns the possibility of obtaining lower earnings than those expected by shareholders, or targeted by the Issuer, which ultimately may lead to not achieving sustainable profitability (above the cost of capital).

Actuarial Risk

At the Issuer, this risk is defined as the risk of loss or deterioration of the value of commitments assumed under insurance or pension agreements entered into with clients or employees, as a result of differences between the assumptions used to estimate the actuarial variables used to calculate the responsibilities and their actual evolution.

2. RISK FACTORS WHICH ARE MATERIAL FOR THE PURPOSE OF ASSESSING THE MARKET AND OTHER RISKS ASSOCIATED WITH NOTES ISSUED UNDER THE PROGRAMME

Risks related to the structure of the Senior Notes

The Issuer is not prohibited from issuing, guaranteeing or otherwise incurring further notes or debt ranking *pari passu* with its obligations under the Notes. The terms of the Senior Notes contain a negative pledge provision as further described in Condition 3 of the Terms and Conditions of the Senior and Subordinated Notes; but such negative pledge only applies to Ordinary Senior Notes which are not eligible to comply with MREL Requirements.

The obligations of the Issuer under the Senior Notes are subject to the exercise of any power pursuant to the BRRD and the RGICSF, or other applicable laws relating to recovery and resolution of credit institutions and investment firms in Portugal. In accordance with the BRRD and the RGICSF, the relevant resolution authorities may write-down and/or convert into more subordinated instruments or obligations, including ordinary shares of the Issuer (which instruments, obligations or ordinary shares could also be subject to any further write-down or conversion) any obligations of an

institution under resolution, including Senior Notes, except for some obligations, as defined under the applicable law. Other powers contained in the BRRD and in the RGICSF could materially affect the rights of the Noteholders under, and the value of, any Senior Notes.

In accordance with applicable laws, all deposits benefit from creditor privilege (including all deposits not guaranteed by the deposit guarantee fund) constituting secured liabilities of the Issuer ranking ahead of the Senior Notes in respect of the Issuer's assets.

Risks related to the structure of the Senior Non Preferred Notes

The Senior Non Preferred Notes are senior non preferred obligations and are junior to deposits, to other obligations under any Ordinary Senior Notes and to other unsecured and unsubordinated obligations of the Issuer.

The Senior Non Preferred Notes constitute direct, unconditional, unsubordinated and unsecured senior non preferred obligations of the Issuer in accordance with Law 23/2019, of 13 March. Upon the insolvency or winding-up of the Issuer, the payment obligations of the Issuer in respect of principal and interest under the Senior Non Preferred Notes rank, subject to any other ranking that may apply as a result of any mandatory provision of law (or otherwise), (a) *pari passu* among themselves and with any Senior Non Preferred Liabilities (as defined in the Terms and Conditions), (b) junior to the Senior Higher Priority Liabilities (as defined in the Terms and Conditions) and, accordingly, upon the insolvency or widing-up of the Issuer, the claims in respect of Senior Non Preferred Notes will be met after payment in full of the Senior Higher Priority Liabilities (for the avoidance of doubt, upon the insolvency or winding-up of the Issuer the claims in respect of Senior Non Preferred Notes will in any case be met only after payment in full of the liabilities defined as "excluded liabilities" under Article 72a(2) of the CRR), and (c) senior to any present and future subordinated obligations (*créditos subordinados*) of the Issuer.

If the Issuer were wound up, liquidated or dissolved, the insolvency administrator would apply the assets which are available to satisfy all claims in respect of its unsubordinated and unsecured liabilities, first to satisfy all claims of all other creditors ranking ahead of the holders of Senior Non Preferred Notes, including, without limitation, any deposits for the purposes of Article 166-A(5) of the RGICSF which shall be paid in full before and holders of Senior Higher Priority Liabilities, and then to satisfy all claims in respect of the Senior Non Preferred Notes (and other Senior Non Preferred Liabilities).

If the Issuer does not have sufficient assets to settle the claims of higher ranking creditors in full, the claims of the Holders under the Senior Non Preferred Notes will not be satisfied. Holders of Senior Non Preferred Notes will share equally in any distribution of assets available to satisfy all claims in respect of its unsubordinated and unsecured liabilities with the creditors under any other Senior Parity Liabilities if the Issuer does not have sufficient funds to make full payment to all of them.

In addition, 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.

As a consequence, holders of the Senior Non Preferred Notes would bear significantly more risk and could lose all or a significant part of their investment if the Issuer were to become (i) subject to resolution under the BRRD and the Senior Non Preferred Notes become subject to the application of the bail-in or (ii) insolvent.

Risks related to the structure of the Subordinated Notes

The Subordinated Notes are direct and unsecured obligations of the Issuer subordinated as provided below and rank and will rank *pari passu* without any preference among themselves, as described under the risk factor "*The Issuer's obligations under Subordinated Notes are subordinated"*.

The Dated Subordinated Notes have an original maturity of at least five years. The Undated Subordinated Notes do not have a stated maturity (*perpetual*). The Issuer shall have the right to call, redeem, repay or repurchase the Subordinated Notes only in accordance (and subject to) the conditions set out in Articles 77 and 78 of the CRR being met and not before five years from issuance, except where the conditions set out in Article 78(4) of the CRR are met or, in the case of repurchase for market-making purposes, where the conditions set out in Article 29 of the Commission Delegated Regulation (EU) No 241/2014 of 7 January 2014 (the regulatory technical standards RTS in own funds) ("**CDR**") are met and particularly with respect to the predetermined amount defined by the Competent Authority as per Article 29(3)(b) of the CDR.

Holders of Subordinated Notes have no right to accelerate the future scheduled payment of interest or principal, other than in the insolvency or liquidation of the Issuer.

The obligations of the Issuer under the Subordinated Notes are subject to the exercise of any power pursuant to the BRRD and the RGICSF, or other applicable laws relating to recovery and resolution of credit institutions and investment firms in Portugal. The Subordinated Notes may be subject to the exercise of a bail-in by the relevant resolution authorities as described under the risk factor "*Potential impact of the recovery and resolution measures"*.

The Subordinated Notes may be written-down or may be converted into Common Equity Tier 1 instruments

The BRRD and the RGICSF provide for the relevant resolution authorities to have the further power to permanently write-down or convert into equity (Common Equity Tier 1 instruments), capital instruments such as Tier 2 capital instruments (including the Subordinated Notes) and Additional Tier 1 capital instruments at the point of non-viability and before any other resolution action is taken (non-viability loss absorption). Any shares issued to holders of the Subordinated Notes upon any such conversion into equity may also be subject to any application of the bail-in tool.

For the purposes of the application of any non-viability loss absorption measure, the point of non-viability under the BRRD is the point at which the relevant resolution authorities determines that the institution meets the conditions for resolution or that the institution will no longer be viable unless the relevant capital instruments (such as the Subordinated Notes) are written-down or converted or extraordinary public support is required and without such support the institution would no longer be viable.

Other powers contained in the BRRD and in the RGICSF could materially affect the rights of the Noteholders under, and the value of, any Subordinated Notes as described under the risk factor "*Potential impact of the recovery and resolution measures"*.

The Subordinated Notes, and the Ordinary Senior Notes eligible to comply with 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 MREL Requirements, their Senior Non Preferred Notes. The terms and conditions of the Subordinated Notes, and the Ordinary Senior Notes eligible to comply with MREL Requirements, 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 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 MREL Requirements.

As mentioned above, the Issuer may be subject to a procedure of early intervention or resolution pursuant to the BRRD. The adoption of any early intervention or resolution procedure shall not itself constitute an event of default or entitle any counterparty of the Issuer to exercise any rights it may otherwise have in respect thereof. Any provision providing for such rights shall further be deemed not to apply, although this does not limit the ability of a counterparty to declare any event of default and exercise its rights accordingly where an event of default arises either before or after the exercise of any such procedure and does not necessarily relate to the exercise of any relevant measure or power which has been applied.

Any enforcement by a Noteholder of its rights under the above Notes upon the occurrence of an event of default following the adoption of any early intervention or any resolution procedure will, therefore, be subject to the relevant provisions of the Capital Regulations or other banking and resolution laws and regulations in force at that time, in relation to the exercise of the relevant measures and powers pursuant to such procedure. There can be no assurance that the taking of any such action would not adversely affect the rights of such Noteholders, the price or value of their investment in such Notes and/or the ability of the Issuer to satisfy its obligations under such Notes and the enforcement by a Noteholder of any rights it may otherwise have on the occurrence of any event of default may be limited in these circumstances.

The Subordinated Notes, the Senior Non Preferred Notes and certain Ordinary Senior Notes eligible to comply with MREL Requirements may be redeemed prior to maturity upon the occurrence of a Capital Event or a MREL Disqualification Event as applicable

The Issuer may, at its option, redeem all, but not some only, of the Subordinated Notes, the Senior Non Preferred Notes or certain Ordinary Senior Notes eligible to comply with MREL Requirements where the MREL Disqualification Event has been specified as applicable in the relevant Final Terms, as applicable, at any time at their early redemption amount, together with accrued but unpaid interest up to (but excluding) the date of redemption, upon or following the occurrence of a Capital Event (in the case of Tier 2 Subordinated Instruments only) or a MREL Disqualification Event (in case of the Senior Non Preferred Notes or Ordinary Senior Notes eligible to comply with MREL Requirements), as these terms are defined in the Terms and Conditions.

The early redemption of the Subordinated Notes, the Senior Non Preferred Notes or the Ordinary Senior Notes eligible to comply with MREL Requirements upon the occurrence of a Capital Event or a MREL Disqualification Event, as applicable and where it has been so specified in the relevant Final Terms, will be subject to the prior consent of the Competent Authority or Resolution Authority (as applicable) if and as required therefor under Capital Regulations, including any applicable MREL Regulations, in force at the relevant time, and it is uncertain whether or not such consent will be obtained.

Early redemption features (including any redemption of the Notes pursuant to Condition 6(f) or pursuant to Condition 6(c) are likely to limit the market value of the Notes. During any period when the Issuer may redeem the Notes, the market value of those Notes generally will not rise substantially above the price at which they can be redeemed. This also may be true prior to any redemption period or at any time where there is any actual increase in the likelihood that the Issuer will be able to redeem the Notes early. The Issuer may be expected to redeem the Notes when its cost of borrowing is lower than the interest rate on the Notes. At those times, an investor generally would not be able to reinvest the redemption proceeds at an effective interest rate as high as the interest rate on the Notes being redeemed and may only be able to do so at a significantly lower rate.

The Noteholders may be subject to substitution and/or variation without Noteholder consent

The (i) Ordinary Senior Notes eligible to comply with MREL Requirements, Senior Non Preferred Notes and Subordinated Notes subject as provided herein, in particular to the provisions of Condition 6(c), (b) (f), if a Capital Event, a MREL Disqualification Event or a circumstance giving rise to the right to early redeem the Notes for taxation reasons, occurs, and (ii) Undated Deeply Subordinated Notes subject as provided herein, in particular to the provisions of Condition 6(b) and (d), if a Capital Event, or a circumstance giving rise to the right of the Issuer to redeem the Notes for taxation reasons, occurs, the Issuer may, at its option, and without the consent or approval of the Noteholders, elect either (1) to substitute all (but not some only) of the Notes or (2) to modify the terms of all (but not some only) of such Notes, in each case so that they are substituted for, or varied to, become, or remain Qualifying Notes or in the case of (ii) above) Qualifying Additional Tier 1 Notes, as applicable. While Qualifying Notes or Qualifying Additional Tier 1 Notes, as applicable, generally must contain terms that are materially no less favourable to Noteholders as the original terms of the Notes, there can be no assurance that the terms of any Qualifying Notes or Qualifying Additional Tier 1 Notes, as applicable, will be viewed by the market as equally favourable, or that the Qualifying Notes or Qualifying Additional Tier 1 Notes, as applicable, will trade at prices that are equal to the prices at which the Notes would have traded on the basis of their original terms.

Additionally, any redemption, variation or substitution of the Notes may be subject to (i) approval of the Competent Authority or Resolution Authority (as applicable) and (ii) compliance with any other pre-conditions to, or requirements applicable to such redemption, variation or substitution.

Further, prior to the making of any such substitution or variation, the Issuer shall not be obliged to have regard to the tax position of individual Noteholders or to the tax consequences of any such substitution or variation for individual Noteholders. No Noteholder shall be entitled to claim, whether from the Issuer, the Paying Agent, or any other person, any indemnification or payment in respect of any tax consequence of any such substitution or variation upon individual holder of Notes.

No right of set-off or counterclaim

The Terms and Conditions provide that Noteholders waive any set-off, netting or compensation rights against any right, claim, or liability the Issuer has, may have or acquire against any holder, directly or indirectly, howsoever arising. As a result,

Noteholders will not at any time be entitled to set-off the Issuer's obligations under the Notes against obligations owed by them to the Bank.

The Undated Deeply Subordinated Notes are deeply subordinated obligations and will be subordinated to all of the Issuer's existing and future indebtedness and rank and will rank pari passu without preference among themselves.

The Undated Deeply Subordinated Notes are by their terms deeply subordinated in right of payment to all current and future unsubordinated and subordinated (other than deeply subordinated) indebtedness of the Issuer, as described under the risk factor "*The Issuer's obligations under Undated Deeply Subordinated Notes constitutute deeply subordinated obligations of the Issuer"*. In the event of a distribution of the assets in the winding-up or liquidation of the Issuer the rights of payment of the holders of Undated Deeply Subordinated Notes will be subordinated in right of payment to the claims of all Senior Creditors (as specified in the relevant Terms and Conditions) including subordinated debt of the Issuer, to which a higher ranking has been assigned, will rank in priority to the ordinary share capital of the Issuer and other instruments which are treated as CET1 of the Issuer in accordance with the requirements of Article 28 of the CRR and *pari passu* with the credits arising from other instruments which are treated as additional tier 1 capital in accordance with the requirements of Article 52 of the CRR. In the event of incomplete payment of unsubordinated creditors, the obligations of the Issuer in connection with the Undated Deeply Subordinated Notes will be terminated.

Although the Undated Deeply Subordinated Notes may pay a higher rate of interest than comparable notes which are not deeply subordinated, there is a greater potential risk that an investor in the Undated Deeply Subordinated Notes will lose all or some of its investment should the Issuer become insolvent.

The Issuer is not prohibited from issuing further debt, which may rank pari passu with or senior to the Undated Deeply Subordinated Notes

There is no restriction on the amount of debt that the Issuer may issue that ranks senior to the Undated Deeply Subordinated Notes or on the amount of securities that it may issue that rank *pari passu* with the Undated Deeply Subordinated Notes. The issue of any such debt or securities may reduce the amount recoverable by investors upon the insolvency or liquidation of the Issuer. If the Issuer's financial condition were to deteriorate, the holders of Undated Deeply Subordinated Notes could suffer direct and materially adverse consequences, including cancellation of interest and reduction of interest and principal and, if the Issuer was liquidated (whether voluntarily or involuntarily), the holders of Undated Deeply Subordinated Notes could suffer loss of their entire investment.

There are no events of default under the Undated Deeply Subordinated Notes allowing acceleration of the Notes.

If certain events occur, for example, if the Issuer fails to pay any amount of interest or principal when due, the holders of Undated Deeply Subordinated Notes will not have the right to accelerate the future scheduled payment of interest or principal or to initiate insolvency or liquidation proceedings against the Issuer for failure of any payment under the Undated Deeply Subordinated Notes.

In a winding-up of the Issuer, the Noteholder of any Undated Deeply Subordinated Note may prove or claim in such proceedings in respect of such Undated Deeply Subordinated Note, such claim being for payment of the Current Principal Amount of such Undated Deeply Subordinated Notes at the time of commencement of such winding-up together with any interest accrued and unpaid on such Note (to the extent that the same is not cancelled in accordance with the terms of the notes) from (and including) the Interest Payment Date immediately preceding commencement of such winding-up

and any other amounts payable on such Undated Deeply Subordinated Note under the Terms and Conditions of the Undated Deeply Subordinated Notes.

There is no scheduled redemption date for the Undated Deeply Subordinated Notes and Noteholders have no right to require redemption. The Issuer may redeem the Undated Deeply Subordinated Notes in certain circumstances

The Undated Deeply Subordinated Notes have no fixed maturity. The Issuer has no obligation at any time to redeem the Undated Deeply Subordinated Notes at any time, and the Noteholders have no rights to require redemption or purchase of the Undated Deeply Subordinated Notes by the Issuer at any time.

Although the Terms and Conditions of the Undated Deeply Subordinated Notes provide options for the Issuer to redeem the Undated Deeply Subordinated Notes, there is no contractual incentive for the Issuer to exercise any of such options and the Issuer has full discretion under the Terms and Conditions of the Undated Deeply Subordinated Notes not to do so for any reason.

This means that the Noteholders have no ability to cash in their investment, except: (i) if the Issuer exercises its rights to redeem (where the applicable redemption option) is specified in the relevant Final Terms or purchases the Undated Deeply Subordinated Notes in its sole discretion, subject to the approval of the Competent Authority (in accordance with Articles 77 and 78 of the CRR, Article 29 of the Commission Delegated Regulation (EU) 241/2014 and/or any other Own Funds Requirements Regulations then in force, as applicable), on any Interest Payment Date on or after the fifth anniversary of the issue date of the Notes (except that in certain circumstances, for relevant unforeseen capital or tax events, a redemption or repurchase may occur sooner, subject to the Competent Authority's approval), or (ii) by selling the Undated Deeply Subordinated Notes; (iii) or by claiming for any principal amounts due and not paid in case of winding-up or liquidation of the Issuer.

Accordingly there is uncertainly as to when (if ever) an investor in the Undated Deeply Subordinated Notes will recover its investment. At any time when the Undated Deeply Subordinated Notes may be redeemed by the Issuer or the market anticipates that the redemption right will become available, the market price of the Notes is unlikely to substantially exceed the price at which the Issuer may elect to redeem the Undated Deeply Subordinated Notes. If the Issuer redeems the Undated Deeply Subordinated Notes in any of the circumstances mentioned above, there is a risk that the Undated Deeply Subordinated Notes may be redeemed at times when the redemption proceeds are less than the current market value of the Undated Deeply Subordinated Notes or when prevailing interest rates may be relatively low, in which latter case Noteholders may only be able to reinvest the redemption proceeds in Undated Deeply Subordinated Notes with a lower yield.

The principal amount of the Undated Deeply Subordinated Notes may be reduced to absorb losses or written-down on a permanent or temporary basis or may be converted to Common Equity Tier 1 instruments (CET1)

The Undated Deeply Subordinated Notes are being issued for capital adequacy regulatory purposes with the intention and purpose of being eligible as Additional Tier 1 Capital of the Issuer (see Condition 2 of the Terms and Conditions of the Undated Deeply Subordinated Notes). Such eligibility depends upon a number of conditions being satisfied, which are reflected in the "*Terms and Conditions of the Undated Deeply Subordinated Notes*". One of these relates to the ability of the Undated Deeply Subordinated Notes and the proceeds of their issue to be available to absorb any losses of the Issuer. Accordingly, in certain circumstances and/or upon the occurrence of certain events, payments of interest under the Undated

Deeply Subordinated Notes may be restricted and, in certain cases, forfeited and the amount of interest and the principal amount of the Undated Deeply Subordinated Notes may be reduced (see Conditions 2 and 4 of the "*Terms and Conditions of the Undated Deeply Subordinated Notes"*). Accordingly, if the Issuer's then applicable CET 1 ratio falls below 5.125% (or such other higher ratio as specified in the applicable Final Terms) on an individual or consolidated basis, the outstanding principal amount of the Undated Deeply Subordinated Notes will be Written Down by the Write-Down Amount, as further provided in Condition 2(b)(i) of the "*Terms and Conditions of the Undated Deeply Subordinated Notes"*). The market price of the Notes is expected to be affected by fluctuations in the Issuer's consolidated CET 1 ratio. Any indication that the Issuer's individual or consolidated CET1 ratio is trending towards 5.125% (or such other higher ratio as specified in the applicable Final Terms) may have an adverse effect on the market price of the Undated Deeply Subordinated Notes. The level of the Issuer's consolidated CET 1 ratio may significantly affect the trading price of the Undated Deeply Subordinated Notes.

In the circumstances mentioned in (i) above the nominal amount of the Undated Deeply Subordinated Notes will be reduced to the extent necessary to absorb the Issuer's losses, whenever the Issuer is at risk of non-compliance with the Own Funds Requirements Regulations (as defined in the "*Terms and Conditions of the Undated Deeply Subordinated Notes*"). The nominal amount so reduced will only be reinstated and recorded as a subordinated credit in certain specified circumstances. The potential reduction of the nominal amount will very likely negatively affect the market value of the Undated Deeply Subordinated Notes then outstanding and will increase the risk of capital loss under the investment in the Undated Deeply Subordinated Notes, either in whole or in part, considering that such reduced amount will only be reinstated in certain circumstances.

For avoidance of any doubt, upon the occurrence of any Writte-Down (i) the claim of the holders of the Undated Deeply Subordinated Notes in the insolvency or liquidation of the Issuer; (ii) the amount required to be paid by the Issuer in the event of call or redemption of the Undated Deeply Subordinated Notes; and (iii) the payment of interest (if any) on the Undated Deeply Subordinated Notes, will be calculated based on the Current Principal Amount of each outstanding Undated Deeply Subordinated Note at the time of such claim or payment.

3. RISKS RELATED TO THE STRUCTURE OF A PARTICULAR ISSUE OF NOTES

A range of Notes may be issued under the Programme. A number of these Notes may have features which contain particular risks for potential investors. Set out below is a description of the most common such features:

If, in relation to any particular issue of Notes, the Issuer has the right to redeem any Notes at its option, this may limit the market value of the Notes concerned and an investor may not be able to reinvest the redemption proceeds in a manner which achieves a similar effective return

An optional redemption feature of Notes is likely to limit their market value. During any period when the Issuer may elect to redeem Notes, the market value of those Notes generally will not rise substantially above the price at which they can be redeemed. This also may be true prior to any redemption period.

The Issuer may be expected to redeem Notes when its cost of borrowing is lower than the interest rate on the Notes. At those times, an investor generally would not be able to reinvest the redemption proceeds at an effective interest rate as high as the interest rate on the Notes being redeemed and may only be able to do so at a significantly lower rate. Potential investors should consider reinvestment risk in light of other investments available at that time.

If, in relation to any particular issue of Notes, the Issuer has the right to convert the interest rate on any Notes from a fixed rate to a floating rate, or vice versa, this may affect the secondary market and the market value of the Notes concerned

Fixed/Floating Rate Notes may bear interest at a rate that the Issuer may elect to convert from a fixed rate to a floating rate, or from a floating rate to a fixed rate. The Issuer's ability to convert the interest rate will affect the secondary market and the market value of the Notes since the Issuer may be expected to convert the rate when it is likely to produce a lower overall cost of borrowing. If the Issuer converts from a fixed rate to a floating rate, the spread on the Fixed/Floating Rate Notes may be less favourable than then prevailing spreads on comparable Floating Rate Notes tied to the same reference rate. In addition, the new floating rate at any time may be lower than the rates on other Notes. If the Issuer converts from a floating rate to a fixed rate, the fixed rate may be lower than then prevailing rates on its Notes and thus could affect the market value and an investment in the relevant Notes.

Notes that are issued at a substantial discount or premium may experience price volatility in response to changes in market interest rates

The market values of securities issued at a substantial discount or premium from their principal amount tend to fluctuate more in relation to general changes in interest rates than do prices for conventional interest-bearing securities. Generally, the longer the remaining term of the securities, the greater the price volatility as compared to conventional interest-bearing securities with comparable maturities.

The Issuer's obligations under Subordinated Notes are subordinated

The Issuer's obligations under Subordinated Notes will be unsecured and subordinated and will rank junior in priority of payment under all Senior Creditors, as specified below.

The Subordinated Notes are direct, unsecured and subordinated obligations of the Issuer, and rank and will rank pari passu without any preference among themselves, as described under the risk factor "*Risks related to the structure of the Subordinated Notes*".

In the event of insolvency or winding-up of the Issuer the claims of the holders of Subordinated Notes against the Issuer in respect of payments of principal and interest (if any) on the Subordinated Notes (to the extent permitted by Portuguese law) will: (i) be subordinated in the manner described in the *Terms and Conditions of the Senior and the Subordinated Notes* to the claims of all Senior Creditors; (ii) rank at least *pari passu* with the claims of holders of all obligations or securities of the Issuer which constitute Tier 2 Capital of the Issuer or otherwise by law rank, or by their terms are expressed to rank, *pari passu* with the Subordinated Notes and/or the Tier 2 Capital of the Issuer and (iii) rank *senior* to: (1) the claims of the holders of all obligations or securities of the Issuer which constitute Tier 1 Capital of the Issuer, (2) the claims of holders of all other obligations or securities of the Issuer which by law rank, or by their terms are expressed to rank *junior* to the Subordinated Notes and/or Tier 2 Capital of the Issuer and (3) claims of holders of all share capital and/or preference shares of the Issuer.

Holders of the Subordinated Notes may lose all or some of its investment in the event of the voluntary or involuntary liquidation or bankruptcy of the relevant Issuer.

The Issuer's obligations under Undated Deeply Subordinated Notes constitutute deeply subordinated obligations of the Issuer

The Undated Deeply Subordinated Notes are direct, unsecured and deeply subordinated obligations of the Issuer, and rank and will rank *pari passu* without any preference among themselves.

If the Issuer becomes the subject of a voluntary or involuntary liquidation, insolvency or similar proceeding (to the extent permitted by applicable law), the holders of Undated Deeply Subordinated Notes will be entitled to the repayment of the then outstanding nominal amount of the Undated Deeply Subordinated Notes (being the nominal amount prevailing at the relevant time) plus accrued interest, if any, on such nominal amount from and including the Issue Date (if such event occurs in the first Interest Period after the Issue Date) or the preceding Interest Payment Date on which interest was either paid or cancelled pursuant to Condition 4 (if such event occurs after the first Interest Period), to the extent that there are available funds to this effect after payment to the higher ranking creditors of the Issuer as described below. The claims of the holders of the Undated Deeply Subordinated Notes will, in the event of a voluntary or involuntary liquidation, insolvency or similar proceeding, be subordinated in right of payment in the manner provided herein, and will rank:

A. Junior to present or future claims of (a) unsubordinated creditors of the Issuer and (b) subordinated creditors of the Issuer including Tier 2 holders other than the present or future claims of creditors that rank or are expressed to rank *pari passu* with or junior to the Undated Deeply Subordinated Notes ("**Senior Creditors**");

B. Senior to holders of Issuer's Common Equity Tier 1 instruments and any other obligations or capital instruments of the Issuer that rank or are expressed to rank junior to the Undated Deeply Subordinated Notes on a liquidation or bankruptcy of the Issuer and the right to receive repayment of capital on a liquidation or bankruptcy of the Issuer; and

C. *Pari passu* without any preference among themselves and *pari passu* with (a) the existing Additional Tier 1 instruments of the Issuer, and (b) any other obligations or capital instruments of the Issuer that rank or are expressed to rank equally with the Undated Deeply Subordinated Notes on a liquidation or bankruptcy of the Issuer and the right to receive repayment of capital on a liquidation or bankruptcy of the Issuer.

No security or guarantee of any kind is, or shall at any time be, provided by the Issuer or any other person securing the rights of the Noteholders.

In the event of any voluntary or involuntary liquidation, insolvency or similar proceeding with respect to the Issuer, no holder of an Undated Deeply Subordinated Note will, if such holder is indebted or under liability to the Issuer be entitled to exercise any right of set-off or counterclaim against moneys owed by the Issuer in respect of such Deeply Subordinated Note.

A Loss Absorption Notice or a conversion notice (as applicable) to Noteholders (in accordance with Condition 11 of the Terms and Conditions of the Undated Deeply Subordinated Notes) should be given by the Issuer. Failure or delay by the Issuer to deliver a notice to the Noteholders will not affect the validity or enforceability of the *Write-Down* or conversion (as applicable).

Any payment of interest on the Undated Deeply Subordinated Notes will be made subject to the provisions of the Condition 4 and will be subject to a full discretionary decision of the Board of Directors or the Executive Committee of the Issuer, as the case may be. If the Board of Directors or the Executive Committee of the Issuer, as the case may be, decides not to make any payment on any Interest Payment Date, the amount of such interest payment will not be due, and

will be forfeited. Distributions under the Undated Deeply Subordinated Notes are paid out of Distributable Items of the Issuer and the Issuer has full discretion at all times to cancel the payments, for an unlimited period and on a non cumulative basis, as defined below.

See Conditions 2, 4 and 6 of the Terms and Conditions of Undated Deeply Subordinated Notes for a full description of deeply subordination and the payment obligations of Banco BPI under the Undated Deeply Subordinated Notes.

The level of the Issuer's Distributable Items is affected by a number of factors and insufficient Distributable Items will restrict the ability of the Issuer to make interest payments on the Undated Deeply Subordinated Notes

The Issuer will cancel any payment of interest (in whole or in part) which could otherwise be paid on an Interest Payment Date if and to the extent that payment of such interest would, when aggregated with other relevant stipulated payments or distributions, exceed the Distributable Items of the Issuer.

Distributable Items relate to the Issuer's profits and distributable reserves determined on the basis of the Issuer's non-consolidated accounts as further described in the Terms and Conditions of the Undated Deeply Subordinated Notes. The level of the Issuer's Distributable Items is affected by a number of factors. The Issuer's future Distributable Items, and therefore the ability of the Issuer to make interest payments under the Notes, are a function of the Issuer's existing Distributable Items and its future profitability. The Issuer's Distributable Items may be adversely affected, inter alia, by the servicing of more senior instruments or parity ranking instruments, including by other discretionary interest payments on other (existing or future) capital instruments, including CET1 Capital distributions and any write-ups of principal amounts of other Loss Absorbing Instrument (if any).

The level of the Issuer's Distributable Items may also be affected by changes to the law, accounting rules, regulation or the requirements and expectations of applicable regulatory authorities. Any such potential changes could adversely affect the Issuer's Distributable Items in the future.

The Issuer's Distributable Items, and therefore the Issuer's ability to make interest payments under the Notes, may be adversely affected by the performance of the business of the Group in general, factors affecting its financial position (including capital and leverage), the economic environment in which the Group operates and other factors outside of the Issuer's control.

Payments on the Undated Deeply Subordinated Notes cannot exceed the Maximum Distributable Amount

No payments will be made on the Undated Deeply Subordinated Notes if and to the extent that such payment would, when aggregated together with other Relevant Distributions (being distributions on any other Tier 1 capital instruments and any other payments which at the relevant time are subject to a Maximum Distributable Amount restriction) cause the Maximum Distributable Amount (if any) then applicable to the Issuer to be exceeded. Under Articles 138 AA and 138 AB of the RGICSF, institutions which fail to fully meet their combined buffer requirement will be subject to restricted "discretionary payments", including payments relating to common equity and additional tier 1 capital instruments (such as the Undated Deeply Subordinated Notes) and variable remuneration to staff. Further, there can be no assurance that any of the combined buffer requirements applicable to the Issuer and/or the Group will not be increased in the future, which may exacerbate the risk that discretionary payments, including payments of interest on the Undated Deeply Subordinated Notes, are cancelled. The restrictions will be scaled according to the extent of the breach of the combined buffer requirement and calculated as a percentage of the profits of the relevant institution since the last distribution of

profits or other relevant "discretionary payment". Such calculation will result in a "maximum distributable amount" in each relevant period. As an example, the scaling is such that in the bottom quartile of the "combined buffer requirement", no "discretionary payments" will be permitted to be paid. As a consequence, in the event of breach of the combined buffer requirement by the Issuer and/or the Group, it may be necessary to reduce discretionary payments, including potentially cancelling (in whole or in part) interest payments in respect of the Notes.

Pursuant to Article 23(5) of Decree-Law no. 157/2014, restrictions on "discretionary payments" will also apply during the phase-in period to institutions which fail to fully meet their phased-in combined buffer requirements.

Moreover, institutions which fail to fully meet their combined buffer requirements (including those applicable during the phase-in period) will be required to prepare and submit to the competent supervisory authorities a capital conservation plan as provided in Article 138-AD of the RGICSF. If the competent supervisory authorities consider that the implementation of the plan would not be reasonably likely to conserve or raise sufficient capital to enable the institution to meet its combined buffer requirements within a period deemed appropriate, the plan will not be approved and the competent supervisory authorities shall require the institution to increase own funds to specified levels within specified periods and/or impose more stringent restrictions on "discretionary payments".

Any actual or perceived indication that the relevant Maximum Distributable Amount may not be sufficient to make part or all discretionary payments which otherwise could have been done at the discretion of the Bank can be expected to have a material adverse effect on the market price of the Undated Deeply Subordinated Notes.

Following the publication of CRD V, the Issuer will become subject to additional capital and other legal requirements. CRD V shall be transposed into national law by 28 December 2020. Any difficulty or failure to comply with such requirements may have a material adverse effect on the Issuer's business, financial condition and the results of its operations and/or on Notes issued.

Any failure by the Issuer and/or the Group to comply with its MREL requirement could result, among other things, in the imposition of restrictions or prohibitions on discretionary payments by the Issuer, including interest payments on the Undated Deeply Subordinated Notes

A failure by the Issuer to comply with any applicable minimum requirement of own fnds and eligible liabilities (MREL) requirements means the Issuer could become subject to the Maximum Distributable Amount restrictions on certain discretionary payments, including payments on Additional Tier 1 Capital instruments such as the Undated Deeply Subordinated Notes, as the required amount of MREL 'sits below' the combined buffer requirements. Furthermore, resolution authorities may require institutions to meet higher levels of MREL in order to cover losses in resolution above the level of the existing own funds requirements and to ensure a sufficient market confidence in the entity post-resolution (i.e. on top of the required recapitalisation amount).

Investors shall have no further rights in respect of any interest not paid and shall not be entitled to any compensation or to take any action to cause the liquidation of the Issuer in the event any interest is not paid. Furthermore, cancellation of interest payments shall not in any way impose restrictions on the Issuer, including restricting the Issuer from making distributions or equivalent payments in connection with obligations junior to, or *pari passu* with, the Notes. Any actual or anticipated cancellation of interest on the Notes will likely have an adverse effect on the market price of the Notes. Furthermore, the Notes may trade with accrued interest, which may be reflected in the trading price of the Undated Deeply

Subordinated Notes. However, if a payment of interest on any Interest Payment Date is cancelled (in whole or in part) as described herein and thus is not due and payable, purchasers of such Undated Deeply Subordinated Notes will not be entitled to such interest payment on the relevant Interest Payment Date.

The Issuer, in its full discretion, may at any time elect, and in certain circumstances shall be required, not to make interest payments on the Undated Deeply Subordinated Notes

The Issuer may at any time elect, in its full and sole discretion, to cancel any interest payment (in whole or in part) on the Undated Deeply Subordinated Notes which would otherwise be due on any Interest Payment Date. Additionally, the Competent Authority may have the power to direct the Issuer to exercise its discretion to cancel any interest payment (in whole or in part) on the Undated Deeply Subordinated Notes.

Furthermore, the Issuer will cancel any interest payment (in whole or in part) which would otherwise fall due on an Interest Payment Date if and to the extent that payment of such interest would: (i) when aggregated with other Relevant Distributions and the amount of any Reinstatement, where applicable, exceed the Distributable Items of the Issuer; or (ii) when aggregated with other Relevant Distributions, other relevant distributions referred to in Article 141 of the CRD IV or any analogous payment restrictions arising in respect of capital buffers under the Capital Regulations or the BRRD and the amount of any Discretionary Reinstatement, cause the Maximum Distributable Amount then applicable to the Issuer and/or the Group to be exceeded.

In addition, if a Capital Ratio Event occurs, the Issuer will cancel all interest accrued up to (and including) the relevant date of Write-Down.

Any interest which is cancelled as a result of optional or mandatory cancellation as described above shall not accumulate and shall no longer be due and payable by the Issuer. A cancellation of interest in accordance with the Terms and Conditions of the Undated Deeply Subordinated Notes will not constitute a default of the Issuer under the Undated Deeply Subordinated Notes for any purpose and shall not entitle Noteholders to petition for the winding-up of the Issuer, and Noteholders will have no right to such cancelled interest, or any amount in respect thereof, at any time (including in a winding-up of the Issuer).

If the Issuer elects to cancel, or is prohibited from paying, interest on the Notes at any time, there is no restriction under the terms of the Undated Deeply Subordinated Notes on the Issuer from otherwise paying dividends, interest or other distributions on, or redeeming or repurchasing, any of its other liabilities (including liabilities which rank *pari passu* with, or junior to, the Undated Deeply Subordinated Notes) or any of its share capital. The obligations of the Issuer under the Undated Deeply Subordinated Notes are senior in ranking to the ordinary shares of the Issuer. It is the Issuer's current intention that, whenever exercising its discretion to propose any dividend or distributions in respect of its ordinary shares, or its discretion to cancel any payment of interest, it will take into account the relative ranking of these instruments in its capital structure. However, the Issuer may at any time decide otherwise at its sole discretion and without notice to any person (including the Noteholders), and as further set out in this risk factor, in accordance with the Capital Regulations and the Terms and Conditions of the Undated Deeply Subordinated Notes, it may in its discretion elect to cancel any payment of interest in respect of the Undated Deeply Subordinated Notes at any time and for any reason.

Any actual or anticipated cancellation of interest on the Undated Deeply Subordinated Notes will likely have an adverse effect on the current market value of the Undated Deeply Subordinated Notes.

Because the Notes are held through accounts of affiliate members of Interbolsa, investors will have to rely on various Interbolsa procedures with respect to the following:

Form and Transfer of the Notes

Notes held through accounts of Affiliate Members of Interbolsa will be represented in dematerialised book entry form (*forma escritural*) and are registered (*nominativas*) notes. The Notes will be registered in the issue account opened by the Issuer with Interbolsa and will be held in control accounts by the Affiliate Members of Interbolsa on behalf of the relevant Noteholders. Such control accounts will reflect at all times the aggregate number of Notes held in the individual securities accounts opened by the clients of the Affiliate Members of Interbolsa which include Euroclear and CBL. The transfer of Notes and their beneficial interests will be made through Interbolsa.

Payment Procedures of the Notes

Payments inherent to the Notes (including the payment of accrued interest, coupons and principal) will be (i) **if made in euro** (a) credited, according to the procedures and regulations of Interbolsa, by the Paying Agent (acting on behalf of the Issuer) to the payment current-accounts used by the Affiliate Members of Interbolsa for payments in respect of securities held through Interbolsa and thereafter (b) credited by such Affiliate Members of Interbolsa from the aforementioned payment current-accounts to the accounts of the owners of those Notes or through Euroclear and CBL, to the accounts with Euroclear and CBL of the beneficial owners of those Notes, in accordance with the rules and procedures of Interbolsa, Euroclear or CBL as the case may be; (ii) **if made in currencies other than euro** (a) transferred, on the payment date and according to the procedures and regulations of Interbolsa, from the account held by the Paying Agent in the Foreign Currency Settlement System ("*Sistema de Liquidação em Moeda Estrangeira*"), managed by Caixa Geral de Depósitos, S.A., to the relevant accounts of the relevant Affiliate Members of Interbolsa, and thereafter (b) transferred by such Affiliate Members of Interbolsa from such relevant accounts to the accounts of the owners of Notes or through Euroclear and CBL to the accounts with Euroclear and CBL of the owners of Notes, in accordance with the rules and procedures of Interbolsa, Euroclear or CBL, as the case may be.

The Noteholders must rely on the procedures of Interbolsa to receive payment under the Notes. The Issuer will have no responsibility or liability for the records relating to payments made in respect of beneficial interests in the Notes.

Notice to the Noteholders

Notices to the Noteholders may be given in accordance with Portuguese Securities Code and Interbolsa's rules on notices to investors, notably the disclosure of information through the CMVM official website (www.cmvm.pt).

Meetings of holders of Notes are governed by the Portuguese Commercial Companies Code ("Código das Sociedades Comerciais")

Mandatory provisions of the Portuguese Commercial Companies Code apply to meetings of holders of Notes. Meetings of holders of such Notes may be convened by a common representative. If the holders of Notes have not appointed a common representative or if the same refuses to convene a Noteholders meeting, holders of such Notes holding not less than 5 per cent. in principal amount of such Notes for the time being outstanding may request the chairman of the general meeting of shareholders of Banco BPI to convene a Noteholders meeting.

The quorum required for a meeting convened to pass a resolution other than an extraordinary resolution will be any person or persons holding or representing Notes then outstanding, regardless of the principal amount thereof; and the quorum required for a meeting convened to pass an extraordinary resolution will be a person or persons holding or representing at least 50 per cent. of the Notes then outstanding or, at any adjourned meeting, any person or persons holding or representing any of such Notes then outstanding, regardless of the principal amount thereof.

The number of votes required to pass a resolution other than an extraordinary resolution is a majority of the votes cast at the relevant meeting; the majority required to pass an extraordinary resolution, including, without limitation, a resolution relating to the modification or abrogation of certain of the provisions of the Terms and Conditions, is at least 50 per cent. of the principal amount of the Notes then outstanding or, at any adjourned meeting, two-thirds of the votes cast at the relevant meeting regardless of any quorum. Resolutions passed at any meeting of the Noteholders will be binding on all Noteholders, whether or not they are present at the meeting or have voted against the approved resolutions.

Risks related to Withholding Tax

Investment income derived from Notes issued by Banco BPI are currently subject to Portuguese withholding tax (except where the Noteholder is either a Portuguese resident financial institution or a non-resident financial institution having a permanent establishment in the Portuguese territory to which the income is attributable or benefits from a reduction or withholding tax exemption as specified by current Portuguese tax law) and there will be no gross-up for amounts withheld on such Notes.

Pursuant to Decree-Law no. 193/2005, of 7 November 2005, as amended from time to time (the "**Decree-Law**"), including the evidence requirements of non-residence status foreseen therein, investment income obtained in Portuguese territory and paid to beneficiaries of Notes held through an EU or EEA based international clearing system (provided, in the latter case, that the EEA State is bound to cooperate with Portugal under an administrative cooperation arrangement in tax matters similar to the exchange of information schemes in relation to tax matters existing within the EU Member States) that are non-residents in the Republic of Portugal, as well as capital gains derived from a sale or other disposition of such Notes, will be exempt from Portuguese income tax.

Under the Decree-Law, the obligation to collect from the Noteholders proof of their non-Portuguese resident status and of compliance with the other requirements for the exemption rests with the direct registering entities (*entidades registadoras diretas*) or with their representatives (resident entity designated by non-resident direct registering entities or by entities managing the international clearing systems) and with the entities managing the international clearing systems.

The procedures and certifications are set out in "*Taxation*" beginning on page 167 hereof and may be revised from time to time in accordance with Portuguese law and regulations, further clarification from the Portuguese tax authorities regarding such laws and regulations and the operational procedures of the clearing systems.

Failure to comply with these procedures and certifications will result in the application of Portuguese withholding tax at a rate of 25 per cent. (in case of non-resident entities), or a rate of 28 per cent. (in case of non-resident individuals) or at a rate of 35 per cent. (in case of investment income payments (i) to individuals or companies domiciled in a "low tax jurisdiction" list approved by Ministerial Order (*Portaria*) no. 150/2004, of 13 February 2004, as amended from time to time, or (ii) to accounts opened in the name of one or more accountholders acting on behalf of one or more unidentified third parties, in which the relevant beneficial owner(s) of the income is/are not identified), as the case may be, at the date

of this Base Prospectus, or if applicable, at reduced withholding tax rates pursuant to tax treaties signed by the Republic of Portugal, provided that the procedures and certification requirements established by the relevant tax treaty are complied with (see "*Taxation*").

Banco BPI will not gross up payments in respect of any such withholding tax in any of the cases indicated in Condition 7 of the Terms and Conditions of the Notes including failure to deliver the certificate or declaration referred to above. Accordingly, Noteholders must seek their own advice to ensure that they comply with all procedures to ensure correct tax treatment of the Notes. None of Banco BPI, the Dealers, the Paying Agent or the clearing systems assume any responsibility therefor.

4. *CERTAIN TAX AND REGULATORY RISKS RELATED TO NOTES GENERALLY*

Set out below is a brief description of certain risks relating to the Notes generally:

CRS and Directive 2014/107/EU

The OECD approved, in 2014, a Common Reporting Standard ("**CRS**") with the aim of providing comprehensive and multilateral automatic exchange of financial account information ("**AEOI**") on a global basis. This goal is achieved through an annual exchange of information between the governments of the more than 100 jurisdictions ("**participating jurisdictions**") that have already adopted the CRS.

Under the CRS, reporting financial institutions are required to identify the holders of financial assets, and determine whether these holders are tax resident in a participating jurisdiction. If so, financial institutions are required to report to the competent tax authorities the financial account information of the account holder (which includes certain entities and their controlling persons), which subsequently are reported to the tax authorities of the country of residence of the holder. As such, a financial institution may require Investors do provide further information and/or documentation in relation to their identity and tax residence, in order to ascertain their CRS status.

On 9 December 2014, Council Directive 2014/107/EU amending Directive 2011/16/EU as regards mandatory automatic exchange of information in the field of taxation was adopted in order to implement the CRS among the Member States. This Directive was transposed to Portuguese national law on October 2016, via Decree-Law no. 64/2016, of October 11 ("**Portuguese CRS Law**"), which amended Decree-Law number 61/2013, of 10 May 2013, which transposed Directive 2011/16/EU. The Portuguese CRS Law and Decree-Law no. 61/2013, have been amended by Law no. 98/2017, of 24 August 2017 and Law no. 17/2019, of 14 February 2019.

U.S. Foreign Account Tax Compliance Withholding

The Issuer and other non-US financial institutions through which payments on the Notes are made may be required to withhold US tax at a rate of 30 per cent. or at a rate resulting from multiplying 30 per cent. by the positive "passthrough percentage" (as defined in US Foreign Account Tax Compliance Act ("**FATCA**")) of the Issuer or of the other non-US financial institutions through which payments on the Notes are made, to the payments made after 31 December 2014 in respect of (i) any Notes issued after 18 March 2012 and (ii) any Notes which are treated as equity for US federal tax purposes, whenever issued, pursuant to the FATCA.

This withholding tax may be triggered if (i) the Issuer is a foreign financial institution ("**FFI**") (as defined in FATCA) which enters into and complies with an agreement with the US Internal Revenue Service ("**IRS**") to provide certain

information on its account holders (a term which includes the holders of its debt or equity interests that are not regularly traded on an established securities market) (making the Issuer a participating FFI), and (ii) (a) an investor does not provide information sufficient for the participating FFI to determine whether the investor is a US person or should otherwise be treated as holding a "United States Account" of the Issuer, or (b) any FFI through which payment on such Notes is made is not a participating FFI.

If an amount in respect of US withholding tax were to be deducted or withheld from interest, principal or other payments on the Notes as a result of a holder's failure to comply with these rules or as a result of the presence in the payment chain of a non-participating FFI, neither the Issuer nor any paying agent nor any other person would, pursuant to the conditions of the Notes be required to pay additional amounts as a result of the deduction or withholding of such tax. As a result, investors may receive less interest or principal than expected. Holders of Notes should consult their own tax advisers on how these rules may apply to payments they receive under the Notes.

Portugal has implemented, through Law no. 82-B/2014, of 31 December 2014, the legal framework based on reciprocal exchange of information on financial accounts subject to disclosure in order to comply with FATCA. In addition, Portugal has signed the Intergovernmental Agreement ("**IGA**") with the US on 6 August 2015. The IGA has entered into force in 10 August 2016, and through the Decree-Law no. 64/2016, of 11 October 2016, amended by Law no. 98/2017, of 24 August 2017 and by Law no. 17/2019, of 14 February 2019, Portuguese government approved the complementary regulation required to comply with FATCA. Under the referred legislation the Issuer is required to obtain information regarding certain accountholders and report such information to the Portuguese Tax Authorities, which, in turn, will report such information to the IRS. In view of the abovementioned regime, all information regarding the registration of the financial institution, the procedures to comply with the reporting obligations and the forms to use for that end were provided by the Ministry of Finance through Ministerial Order (*Portaria*) no. 302-A/2016, of 2 December 2016, amended by Ministerial Order (*Portaria*) no. 169/2017, of 25 May 2017.

FATCA is particularly complex and its application is uncertain at this time. The above description is based in part on regulations that are subject to change.

The value of the Notes could be adversely affected by a change in Portuguese law or administrative practice

The Terms and Conditions of the Notes are based on Portuguese law in effect as at the date of this Base Prospectus. No assurance can be given as to the impact of any possible judicial decision or change to Portuguese law or administrative practice after the date of this Base Prospectus and any such change could materially adversely impact the value of any Notes affected by it.

The regulation and reform of "benchmarks" may adversely affect the value of Floating Rate Notes or Reset Notes linked to or referencing such "benchmarks"

Interest rates and indices which are deemed to be "benchmarks" (including London Interbank Offered Rate ("**LIBOR**") and Euro Interbank Offered Rate ("**EURIBOR**")) are the subject of recent national and international regulatory guidance and proposals for reform. Some of these reforms are already effective whilst others are still to be implemented. These reforms may cause such benchmarks to perform differently than in the past, to disappear entirely, or have other consequences which cannot be predicted. Any such consequence could have a material adverse effect on any Notes referencing such a benchmark. Regulation (EU) No. 2016/1011 (the "**EU Benchmarks Regulation**") applies, subject to

certain transitional provisions, to the provision of benchmarks, the contribution of input data to a benchmark and the use of a benchmark within the EU. Among other things, it (i) requires benchmark administrators to be authorised or registered (or, if non-EU-based, to be subject to an equivalent regime or otherwise recognised or endorsed) and (ii) prevents certain uses by EU supervised entities (such as the Issuer) of benchmarks of administrators that are not authorised or registered (or, if non-EU based, not deemed equivalent or recognised or endorsed). Regulation (EU) 2016/1011 as it forms part of UK domestic law by virtue of the EUWA (the "**UK Benchmarks Regulation**") among other things, applies to the provision of benchmarks and the use of a benchmark in the UK. Similarly, it prohibits the use in the UK by UK supervised entities of benchmarks of administrators that are not authorised by the FCA or registered on the FCA register (or, if non-UK based, not deemed equivalent or recognised or endorsed).

The EU Benchmarks Regulation and/or the UK Benchmarks Regulation, as applicable, could have a material impact on any Notes linked to or referencing a benchmark, in particular, if the methodology or other terms of the benchmark are changed in order to comply with the requirements of the EU Benchmarks Regulation and/or UK Benchmarks Regulation, as applicable. Such changes could, among other things, have the effect of reducing, increasing or otherwise affecting the volatility of the published rate or level of the relevant benchmark (including EURIBOR).

More broadly, any of the international or national reforms, or the general increased regulatory scrutiny of benchmarks, could increase the costs and risks of administering or otherwise participating in the setting of a benchmark and complying with any such regulations or requirements.

Specifically, the sustainability of LIBOR has been questioned as a result of the absence of relevant active underlying markets and possible disincentives (including possibly as a result of benchmark reforms) for market participants to continue contributing to such benchmarks. The FCA has indicated through a series of announcements that the continuation of LIBOR on the current basis cannot and will not be guaranteed after 2021. On 5 March 2021, ICE Benchmark Administration Limited ("**IBA**"), the administrator of LIBOR, published a statement confirming its intention to cease publication of all LIBOR settings, together with the dates on which this will occur, subject to the FCA exercising its powers to require IBA to continue publishing such LIBOR settings using a changed methodology (the "**IBA announcement**"). Concurrently, the FCA published a statement on the future cessation and loss of representativeness of all LIBOR currencies and tenors, following the dates on which IBA has indicated it will cease publication (the "**FCA announcement**"). Permanent cessation will occur immediately after 31 December 2021 for all euro and Swiss franc LIBOR tenors and certain Sterling, Japanese yen and U.S. dollar LIBOR settings and immediately after 30 June 2023, for certain other U.S. dollar LIBOR settings. In relation to the remaining LIBOR settings (1-month, 3-month and 6-month Sterling, U.S. dollar and Japanese yen LIBOR settings), the FCA will consult on, or continue to consider the case for, using its powers to require IBA to continue their publication under a changed methodology for a further period after end-2021 (end-June 2023 in the case of U.S. dollar LIBOR). The FCA announcement states that consequently, these LIBOR settings will no longer be representative of the underlying market that such settings are intended to measure immediately after 31 December 2021, in the case of the Sterling and Japanese yen LIBOR settings and immediately after 30 June 2023, in the case of the U.S. dollar LIBOR settings. Any continued publication of the Japanese yen LIBOR settings will also cease permanently at the end of 2022.

Separately, on 21 January 2019, the euro risk free-rate working group for the euro area published a set of guiding principles for fallback provisions in new euro denominated cash products (including bonds). The guiding principles

indicate, amongst other things, that continuing to reference EURIBOR in relevant contracts (without robust fallback provisions) may increase the risk to the euro area financial system. On 23 November 2020, the euro risk-free rate working group published consultations on EURIBOR fallback trigger events and fallback rates and recommendations have been published on 11 May 2021.

In this context, relevant authorities are strongly encouraging the transition away from Interbank Offered Rates ("**IBORs**"), such as LIBOR and EURIBOR, and have identified "risk free rates" to eventually take the place of such IBORs as primary benchmarks. This includes for sterling LIBOR, a reformed Sterling Overnight Index Average ("**SONIA**"), so that SONIA may be established as the primary sterling interest rate benchmark by the end of 2021. The risk free rates have a different methodology and other important differences from the IBORs they will eventually replace and have little, if any, historical track record and may be subject to changes in their methodology (in relation to SONIA, see the risk factor entitled "*SONIA has a limited history, the administrator of SONIA may make changes that could change the value of SONIA or discontinue SONIA and the market continues to develop in relation to SONIA as a reference rate for Floating Rate Notes*" below).

Such factors may have (without limitation) the following effects on certain benchmarks (including LIBOR or EURIBOR): (i) discouraging market participants from continuing to administer or contribute to a benchmark; (ii) triggering changes in the rules or methodologies used in the benchmark and/or (iii) leading to the disappearance of the benchmark. Any of the above changes or any other consequential changes as a result of international or national reforms or other initiatives or investigations, could have a material adverse effect on the value of and return on any Notes linked to, referencing, or otherwise dependent (in whole or in part) upon, a benchmark.

Investors in Floating Rate Notes or Reset Notes which reference a benchmark should be mindful of the applicable interest rate fall-back provisions applicable to such Notes and the adverse effect this may have on the value or liquidity of, and return on, any Floating Rate Notes or Reset Notes which are linked to or referencing a benchmark.

In addition, any changes to the administration of a benchmark or screen rate or the emergence of alternatives to such benchmark or screen rate as a result of these potential reforms, may cause the benchmark or screen rate to perform differently from in the past or to be discontinued, or there could be other consequences which cannot be predicted. The potential discontinuation of a benchmark or screen rate or changes to its administration could require changes to the way in which the Rate of Interest is calculated on Notes referencing such benchmark or screen rate (as applicable). Uncertainty as to the nature of alternative reference rates and as to potential changes to the benchmarks or screen rates referenced by the Notes may adversely affect the return on the Notes and the trading market for securities referencing such benchmark or screen rate. The development of alternatives to benchmarks or screen rates may result in Notes referencing such benchmarks or screen rates performing differently than would otherwise have been the case if such alternatives had not developed. Any such consequence could have a material adverse effect on the value of, and return on, any Notes referencing a benchmark or screen rate.

The Terms and Conditions also provide for certain fall-back arrangements in the event that a Benchmark Event occurs in relation to Notes for which Screen Rate Determination applies. The IBA announcement and the FCA announcement referred to above each constitutes such a Benchmark Event and, accordingly, a Benchmark Event would occur ipon the issuance of any applicable Reset Notes or Floating Rate Notes issued on or after the date of this Base Prospectus. Either (i) the relevant Issuer will appoint an Independent Adviser to determine a Successor Rate or, failing which, an Alternative Reference Rate to be used in place of the Original Reference Rate or (ii) if the relevant Issuer is unable to appoint an

Independent Adviser or the Independent Adviser appointed is unable to determine the relevant rates, such Issuer may (after consulting with the Independent Adviser (if any)) determine a Successor Rate or, failing which an Alternative Reference Rate to be used in place of the Original Reference Rate. The use of any such Successor Rate or Alternative Reference Rate to determine the Rate of Interest may result in the Notes performing differently (including paying a lower Rate of Interest for any Interest Period) than they would do if the Original Reference Rate were to continue to apply.

Furthermore, if a Successor Rate or Alternative Reference Rate is determined by an Independent Adviser or the relevant Issuer, as the case may be, the Terms and Conditions provide that such Issuer may vary the Terms and Conditions as necessary, to ensure the proper operation of such Successor Rate or Alternative Reference Rate, without any requirement for consent or approval of the holders of the Notes.

If a Successor Rate or Alternative Reference Rate is determined by an Independent Adviser or, as the case may be, the relevant Issuer, the Terms and Conditions also provide that an Adjustment Spread may be determined by the Independent Adviser or, as the case may be, such Issuer to be applied to such Successor Rate or Alternative Reference Rate. The aim of the Adjustment Spread is to reduce or eliminate, so far as is reasonably practicable in the relevant circumstances, any economic prejudice or benefit (as the case may be) to holders of the Notes as a result of the replacement of the Original Reference Rate with the Successor Rate or the Alternative Reference Rate. However, there is no guarantee that such an Adjustment Spread will be determined or applied, or that the application of an Adjustment Spread will either reduce or eliminate economic prejudice to holders of the Notes. If no Adjustment Spread is determined, a Successor Rate or Alternative Reference Rate may nonetheless be used to determine the Rate of Interest. Furthermore, there is no guarantee that a Successor Rate or an Alternative Reference Rate will be determined or applied. Any of the foregoing could have an adverse effect on the value or liquidity of, and return on the Notes.

If, following the occurrence of a Benchmark Event, no Successor Rate or Alternative Reference Rate is determined, the ultimate fallback for the purposes of calculation of the Rate of Interest for a particular Interest Period or Reset Period, as the case may be, may result in the Rate of Interest for the last preceding Interest Period or Reset Period, as the case may be, being used. This may result in the effective application of a fixed rate for Floating Rate Notes or Reset Notes, as the case may be, based on the rate which was last observed on the Relevant Screen Page.

Any of the above matters or any other significant change to the setting or existence of the Original Reference Rate could adversely affect the ability of the relevant Issuer to meet its obligations under the Notes and could have a material adverse effect on the value or liquidity of, and the amount payable under, the Notes.

Investors should consult their own independent advisers and make their own assessment about the potential risks imposed by the EU Benchmarks Regulation and/or the UK Benchmarks Regulation, as applicable, or any of the international or national reforms and the possible application of the benchmark replacement provisions of the Notes in making any investment decision with respect to any Notes linked to or referencing a benchmark.

SONIA and SOFR both have a limited history, the administrator of SONIA or SOFR may make changes that could change the value of SONIA or SOFR or discontinue SONIA or SOFR, the market continues to develop in relation to SONIA or SOFR as a reference rate for Floating Rate Notes, investors may not be able to estimate reliably the amount of interest which will be payable on the relevant Notes and any failure of SOFR to gain market acceptance could adversely affect Noteholders

Where the relevant Final Terms for a Series of Floating Rate Notes identifies that the Rate of Interest for such Notes will be determined by reference to SONIA or SOFR, the Rate of Interest will be determined by reference to Compounded Daily SONIA, Compounded Daily SONIA Index, Weighted Average SONIA, Compounded Daily SOFR (including on the basis of the SOFR Index published on the NY Federal Reserve's Website) or SOFR Arithmetic Mean. In each case such rate will differ from the relevant EURIBOR rate in a number of material respects, including (without limitation) that a compounded daily rate or weighted average rate is a backwards-looking, risk-free overnight rate, and a single daily rate is a risk-free overnight non-term rate, whereas EURIBOR is expressed on the basis of a forward-looking term and include a risk-element based on inter-bank lending. As such, investors should be aware that EURIBOR, SONIA and SOFR may behave materially differently as interest reference rates for Notes issued under the Programme.

The market continues to develop in relation to risk-free rates (including SONIA and SOFR) as reference rates for floating rate Notes in the capital markets and their adoption as alternatives to the relevant interbank offered rates. In addition, market participants and relevant working groups are exploring alternative reference rates based on SONIA or SOFR, including term SONIA and term SOFR reference rates (which seek to measure the market's forward expectation of an average SONIA or SOFR rate over a designated term). Such risk-free rates have a limited performance history and the future performance of such risk-free rates is impossible to predict. As a consequence no future performance of the relevant risk-free rate or Notes referencing such risk-free rate may be inferred from any of the hypothetical or actual historical performance data. In addition, investors should be aware that risk-free rates may behave materially differently to interbank offered rates as interest reference rates. For example, since publication of SOFR began daily changes in SOFR have, on occasion, been more.

Interest is calculated on the basis of the compounded risk-free rate or an arithmetic average of the risk-free rate. For this and other reasons, the interest rate on the Notes during any Interest Period will not be the same as the interest rate on other investments linked to the risk-free rate that use an alternative basis to determine the applicable interest rate.

In addition, market conventions for calculating the interest rate for bonds referencing risk-free rates continue to develop and market participants and relevant working groups are exploring alternative reference rates based on risk-free rates. For example, on 2 March 2020, the Federal Reserve Bank of New York, as administrator of SOFR, began publishing the SOFR Compounded Index, and on 3 August 2020, the Bank of England, as the administrator of SONIA, began publishing the SONIA Compounded Index. Accordingly, the specific formula for calculating the rate used in the Notes issued under this Base Prospectus may not be widely adopted by other market participants, if at all. The Issuer may in the future also issue Notes referencing risk-free rates that differ materially in terms of interest determination when compared with any previous Notes referencing risk-free rate rates issued by it. If the market adopts a different calculation method, that could adversely affect the market value of Notes issued pursuant to this Base Prospectus.

Interest on Notes which reference a risk-free rate is only capable of being determined immediately prior to the relevant Interest Payment Date. It may be difficult for investors in Notes which reference risk-free rates to reliably estimate the amount of interest which will be payable on such Notes.

Each risk-free rate is published and calculated by third parties based on data received from other sources and the Issuer has no control over their respective determinations, calculations or publications. There can be no guarantee that the relevant risk-free rate (or the SOFR Compounded Index or the SONIA Compounded Index) will not be discontinued or fundamentally altered in a manner that is materially adverse to the interests of investors in Notes linked to or which reference such risk-free rate (or that any applicable benchmark fallback provisions provided for in the Conditions of the Notes will provide a rate which is economically equivalent for Noteholders). The Bank of England, has no obligation to consider the interests of Noteholders in calculating, adjusting, converting, revising or discontinuing the relevant risk-free rate (or the SOFR Compounded Index or SONIA Compounded Index). If the manner in which the relevant risk-free rate is calculated is changed, that change may result in a reduction of the amount of interest payable on such Notes and the trading prices of such Notes.

The market or a significant part thereof may adopt an application of risk-free rates that differs significantly from that set out in the Conditions and used in relation to Notes that reference a risk-free rate issued under this Base Prospectus. Investors should carefully consider how any mismatch between the adoption of such reference rates in the bond, loan and derivatives markets may impact any hedging or other financial arrangements which they may put in place in connection with any acquisition, holding or disposal of any Notes.

5. *RISKS RELATED TO THE MARKET* GENERALLY

Set out below is a brief description of the principal market risks, including liquidity risk, exchange rate risk, interest rate risk and credit risk:

An active secondary market in respect of the Notes may never be established or may be illiquid and this would adversely affect the value at which an investor could sell its Notes

Notes may have no established trading market when issued, and one may never develop. If a market does develop, it may not be very liquid. Therefore, investors may not be able to sell their Notes easily or at prices that will provide them with a yield comparable to similar investments that have a developed secondary market. This is particularly the case for Notes that are especially sensitive to interest rate, currency or market risks, are designed for specific investment objectives or strategies or have been structured to meet the investment requirements of limited categories of investors. These types of Notes generally would have a more limited secondary market and more price volatility than conventional debt securities. Illiquidity may have a severely adverse effect on the market value of Notes.

If an investor holds Notes which are not denominated in the investor's home currency, he will be exposed to movements in exchange rates adversely affecting the value of his holding. In addition, the imposition of exchange controls in relation to any Notes could result in an investor not receiving payments in those Notes

The Issuer will pay principal and interest on the Notes in the Specified Currency. This presents certain risks relating to currency conversions if an investor's financial activities are denominated principally in a currency or currency unit (the "**Investor's Currency**") other than the Specified Currency. These include the risk that exchange rates may significantly change (including changes due to devaluation of the Specified Currency or revaluation of the Investor's Currency) and

the risk that authorities with jurisdiction over the Investor's Currency may impose or modify exchange controls. An appreciation in the value of the Investor's Currency relative to the Specified Currency would decrease (1) the Investor's Currency-equivalent yield on the Notes, (2) the Investor's Currency-equivalent value of the principal payable on the Notes and (3) the Investor's Currency-equivalent market value of the Notes.

Government and monetary authorities may impose (as some have done in the past) exchange controls that could adversely affect an applicable exchange rate. As a result, investors may receive less interest or principal than expected, or no interest or principal.

The value of Fixed Rate Notes may be adversely affected by movements in market interest rates

Investment in Fixed Rate Notes involves the risk that subsequent changes in market interest rates may adversely affect the value of the Fixed Rate Notes.

Legal investment considerations may restrict certain investments

The investment activities of certain investors are subject to legal investment laws and regulations, or review or regulation by certain authorities. Each potential investor should consult its legal advisers to determine whether and to what extent (1) Notes are legal investments for it, (2) Notes can be used as collateral for various types of borrowing and (3) other restrictions apply to its purchase or pledge of any Notes. Financial institutions should consult their legal advisors or the appropriate regulators to determine the appropriate treatment of Notes under any applicable risk-based capital or similar rules.

6. *OTHER RISKS*

Notes issued as "green", "sustainable" or other equivalently-labelled bond ("Green Notes") may not be a suitable investment for all investors seeking exposure to eligible assets

The Final Terms relating to any specific issue of Notes may provide that it will be the Issuer's intention to apply the proceeds from an offer of those Notes specifically towards projects and activities that promote climate-friendly and other environmental purposes.

Prospective investors should determine the relevance of such information for the purpose of any investment in such Notes together with any other investigation such investors deem necessary. In particular no assurance is given by the Issuer that the use of such proceeds towards such projects will satisfy, whether in whole or in part, any present or future investor expectations or requirements as regards any investment criteria or guidelines with which such investor or its investments are required to comply, whether by any present or future applicable law or regulations or by its own by-laws or other governing rules or investment portfolio mandates, in particular with regard to any direct or indirect environmental, sustainability or social impact of any projects or uses.

Furthermore, it should be noted that there is currently no market consensus as to what constitutes a "green" or "sustainable" or an equivalently labelled use or as to what precise attributes are required for a particular use to be defined as "green" or "sustainable" or such other equivalent label nor can any assurance be given that such a clear definition or consensus will develop over time. On 18 December 2019, the Council and the European Parliament reached a political agreement on a regulation to establish a framework to facility sustainable development, further developed under the Regulation (EU) 2020/852 of the European Parliament and of the Council, of 18 June 2020 (the "**Taxonomy**

Regulation"), that was published in the Official Journal of the EU on 22 June 2020 and entered into force on 12 July 2020 (albeit key provisions will be developed by delegated acts and will only come into force at a later date). Within the framework of the Taxonomy Regulation, the Technical Expert Group on Sutainable Finance ("**TEG**") was asked to develop recommendations for technical screening criteria for economic activities that can make a substantial contribution to climate change mitigation or adaption. On 9 March 2020, the TEG published its final report on the EU taxonomy. The report contained recommendations relating to the overarching design of the EU taxonomy, as well as extensive implementation guidance on how companies and financial institutions can use and disclose against the taxonomy. The TEG's recommendations are designed to support the European Commision in the development of the delegated act on climate change mitigation and climate change adaption under the Taxonomy Regulation.

In the event that any such Note are listed or admitted to trading on any dedicated "green", "environmental", "sustainable" or other equivalently-labelled segment of any stock exchange or securities market (whether or not regulated), no representation or assurance is given by the Issuer, the Dealers or any other person that such listing or admission satisfies, whether in whole or in part, any present or future investor expectations or requirements as regards any investment criteria or guidelines with which such investor or its investments are required to comply, whether by any present or future applicable law or regulations or by its own by-laws or other governing rules or investment portfolio mandates, in particular with regard to any direct or indirect environmental, sustainability or social impact of any uses, the subject of or related to, Green Notes. Furthermore, it should be noted that the criteria for any such listings or admission to trading may vary from one stock exchange or securities market to another and no representation or assurance given or made by the Issuer, the Dealers or any other person that any such listing or admission to trading will be obtained in respect of any such Notes or, if obtained, that any such listing or admission to trading will be maintained.

While it is the intention of the Issuer to apply the proceeds of the Notes so specified for environmentally sustainable projects, there can be no assurance that the relevant project(s) or use(s) will be capable of being implemented in or substantially in such manner and/or accordance with any timing schedule and that accordingly such proceeds will be totally or partially disbursed for such projects. Nor can there be any assurance that such projects will be completed within any specified period or at all or with the results or outcome (whether or not related to the environment) as originally expected or anticipated by the Issuer. Any such event or failure by the Issuer will not constitute an event of default under the Notes.

Any such event or failure to apply the proceeds of the Notes as aforesaid and/or withdrawal of any such compliance opinion or certification or any such compliance opinion or certification attesting that the Issuer is not complying in whole or in part with any matters for which such compliance opinion or certification is opining or certifying on and/or any such Notes no longer being listed or admitted to trading on any stock exchange or securities market as aforesaid may have a material adverse effect on the value and or trading price of the Notes and also potentially the value of any other notes which are intended to finance environmentally sustainable projects and/or result in adverse consequences for certain investors with portfolio mandates to invest in securities to be used for a particular purpose.

Additionally, any such event or failure to apply the net proceeds of the Notes for any eligible sustainable projects or to obtain and publish any such reports, assessments, opinions and certifications will not (i) lead to an obligation of the Issuer to redeem the Notes or (ii) jeopardise their qualification for the purpose of regulatory capital requirements applicable to the Issuer.

RESPONSIBILITY STATEMENT

Banco BPI (the "**Responsible Person**") is responsible for the information contained in this Base Prospectus. The Responsible Person declares that, having taken all reasonable care to ensure that such is the case, the information contained in this Base Prospectus is, to the best knowledge of the Responsible Person, in accordance with the facts and contains no omission likely to affect the import of such information.

The Dealers have not independently verified the information contained herein, any document incorporated herein by reference, or any supplement to this Base Prospectus. Accordingly, no representation, warranty or undertaking, express or implied, is made and no responsibility or liability is accepted by the Dealers as to the accuracy or completeness of the information contained or incorporated in this Base Prospectus or any other information provided by the Issuer in connection with the Programme. The Dealers do not accept any liability in relation to the information contained or incorporated by reference in this Base Prospectus or any other information provided by the Issuer in connection with the Programme.

IMPORTANT INFORMATION

This Base Prospectus comprises a base prospectus for the purposes of Article 8 of the Prospectus Regulation. When used in this Base Prospectus, "**Prospectus Regulation**" means Regulation (EU) 2017/1129 of the European Parliament and of the Council of 14 June 2017 and "**UK Prospectus Regulation**" means Regulation (EU) 2017/1129 as it forms part of UK domestic law by virtue of the European (Union) Withdrawal Act 2018 ("**EUWA**").

This Base Prospectus should be read and understood in conjunction with any supplement to this Base Prospectus and with any other documents incorporated herein by reference (see "*Documents Incorporated by Reference*"). Full information on the Issuer and any Tranche of Notes is only available on the basis of the combination of this Base Prospectus and the relevant Final Terms (as defined herein).

Under this EUR 7,000,000,000 Euro Medium Term Note Programme, Banco BPI may from time to time issue notes (the "**Notes**", which will include Senior Notes, Dated Subordinated Notes, Undated Subordinated Notes and Undated Deeply Subordinated Notes (as such terms are defined below)) denominated in any currency agreed between the Issuer and the relevant Dealer (as defined herein).

Other than in relation to the documents which are deemed to be incorporated by reference (see "*Documents Incorporated by Reference*"), the information on the websites to which this Base Prospectus refers does not form part of this Base Prospectus and has not been scrutinised or approved by the CSSF.

The maximum aggregate nominal amount of all Notes from time to time outstanding under the Programme will not exceed EUR 7,000,000,000 (or its equivalent in other currencies calculated as described herein), subject to increase as described herein.

The Final Terms (as defined below) for each Tranche (as defined in the Terms and Conditions (the "*Terms and Conditions*" which term shall include, depending of the Tranche (whether it is a Senior Note, a Subordinated Note or an Undated Deeply Subordinated Note), the *Terms and Conditions of the Senior and Subordinated Notes* or the *Terms and Conditions of the Undated Deeply Subordinated Notes*) of Notes will state whether the Notes of such Tranche are to be (i) senior Notes ("**Senior Notes**"), (ii) dated subordinated Notes ("**Dated Subordinated Notes**"), (iii) undated subordinated Notes ("**Undated Subordinated Notes**"), or (v) undated deeply subordinated notes ("**Undated Deeply Subordinated Notes**"). Dated Subordinated Notes and Undated Subordinated Notes are together referred to as "**Subordinated Notes**".

The Notes will be issued on a continuing basis to one or more of the Dealers specified under "*Overview of the Programme*" and any additional Dealer appointed under the Programme from time to time by the Issuer (each a "**Dealer**" and together the "**Dealers**"), which appointment may be for a specific issue or on an ongoing basis. References in this Prospectus to the *relevant Dealer* shall, in the case of an issue of Notes being (or intended to be) subscribed by more than one Dealer, be to all Dealers agreeing to purchase such Notes.

The Luxembourg Stock Exchange's regulated market is a regulated market for the purposes of the Markets in Financial Instruments Directive (Directive 2014/65/EU of the European Parliament an of the Council of 15 May 2014, as amended - "**MiFID II**").

Notice of the aggregate nominal amount or principal amount of, the interest (if any) payable in respect of, the issue price of, and any terms and conditions which are applicable to each Tranche (as defined under "*Terms and Conditions*") of Notes will be completed and set out in the final terms of each Tranche (the "**Final Terms**") which, with respect to Notes to be admitted to trading on the Bourse de Luxembourg (the regulated market of the Luxembourg Stock Exchange) and to be listed on the Official List of the Luxembourg Stock Exchange, will be filed with the Luxembourg Stock Exchange and the CSSF. Each Final Terms will contain the final terms of each Tranche of Notes for the purposes of Article 8 of the Prospectus Regulation. The Programme provides that Notes may, after notification in accordance with Article 25 of the Prospectus Regulation, be admitted to trading on the regulated markets of and/or admitted to listing on the stock exchanges of a number of member states of the EEA and/or offered to the public within the EEA. Unlisted Notes and/or Notes not admitted to trading on any market may also be issued.

The Programme provides that Notes may be listed on such other or further stock exchange(s) as may be agreed between the Issuer and the relevant Dealer.

No person is or has been authorised by the Issuer to give any information or to make any representation not contained in or not consistent with this Base Prospectus or any other information supplied in connection with the Programme or the Notes and, if given or made, such information or representation must not be relied upon as having been authorised by the Issuer or the Dealers.

Neither this Base Prospectus nor any other information supplied in connection with the Programme or any Notes (i) is intended to provide the basis of any credit or other evaluation or (ii) should be considered as a recommendation by the Issuer or any of the Dealers that any recipient of this Base Prospectus or any other information supplied in connection with the Programme or any Notes should purchase any Notes. Each investor contemplating purchasing any Notes should make its own independent investigation of the financial condition and affairs, and its own appraisal of the creditworthiness, of the Issuer. Neither this Base Prospectus nor any other information supplied in connection with the Programme nor the issue of any Notes constitutes an offer or invitation by or on behalf of the Issuer or any of the Dealers to any person to subscribe for or to purchase any Notes.

Neither the delivery of this Base Prospectus or any document incorporated herein by reference nor the offering, sale or delivery of any Notes shall in any circumstances imply that the information contained herein concerning the Issuer is correct at any time subsequent to the date hereof or that any other information supplied in connection with the Programme is correct as of any time subsequent to the date indicated in the document containing the same. The Dealers expressly do not undertake to review the financial condition or affairs of the Issuer during the life of the Programme or to advise any investor in the Notes of any information coming to their attention. Investors should review, inter alia, the most recently published documents incorporated by reference into this Base Prospectus when deciding whether or not to purchase any Notes.

The Notes have not been and will not be registered under the United States Securities Act of 1933, as amended (the "**Securities Act**"), or any U.S. State securities laws, and may not be offered or sold in the United States or to, or for the account or benefit of, U.S. persons, as defined in Regulation S, unless an exemption from the registration requirements of the Securities Act is available and in accordance with all applicable securities laws of any state of the United States and any other jurisdiction (see "*Subscription and Sale*" below). Neither this Base Prospectus nor any Final Terms

constitute an offer to sell or the solicitation of an offer to buy any Notes in any jurisdiction to any person to whom it is unlawful to make the offer or solicitation in such jurisdiction.

The distribution of this Base Prospectus, any document incorporated herein by reference and the offer or sale of Notes may be restricted by law in certain jurisdictions. The Issuer and the Dealers do not represent that this Base Prospectus may be lawfully distributed, or that any Notes may be lawfully offered, in compliance with any applicable registration or other requirements in any such jurisdiction, or pursuant to an exemption available thereunder, or assume any responsibility for facilitating any such distribution or offering. In particular, no action has been taken by the Issuer or the Dealers which is intended to permit a public offering of any Notes outside Luxembourg or distribution of this document in any jurisdiction where action for that purpose is required. Accordingly, no Notes may be offered or sold, directly or indirectly, and neither this Base Prospectus, any document incorporated herein by reference nor any advertisement or other offering material may be distributed or published in any jurisdiction, except under circumstances that will result in compliance with any applicable laws and regulations. Persons into whose possession this Base Prospectus or any Notes may come must inform themselves about, and observe, any such restrictions on the distribution of this Base Prospectus and the offering and sale of Notes. In particular, there are restrictions on the distribution of this Base Prospectus and the offer or sale of Notes in the United States, Singapore, Japan, Switzerland, UK and the EEA (including Belgium, Portugal and France) (see "*Subscription and Sale*").

IMPORTANT – EEA Retail Investors – If the Final Terms in respect of any Notes includes a legend entitled "Prohibition of Sales to EEA Retail Investors", the Notes are not intended to be offered, sold or otherwise made available to any retail investor in the EEA. For these purposes, a retail investor means a person who is one (or more) of: (i) a retail client as defined in point (11) of Article 4(1) of MiFID II; (ii) a customer within the meaning of Directive (EU) 2016/97 of the European Parliament and of the Council of 20 January 2016 on insurance distribution (recast), where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II; or (iii) not a qualified investor as defined in the Prospectus Regulation. Consequently, no key information document required by Regulation (EC) 1286/2014 of 26 November 2014 (the "**PRIIPs Regulation**") for offering or selling the Notes or otherwise making them available to retail investors in the EEA has been prepared and therefore offering or selling the Notes or otherwise making them available to any retail investor in the EEA may be unlawful under the PRIIPs Regulation.

IMPORTANT – UK RETAIL INVESTORS –If the Final Terms in respect of any Notes includes a legend entitled "Prohibition of Sales to UK Retail Investors", the Notes are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the UK. For these purposes, a retail investor means a person who is one (or more) of: (i) a retail client, as defined in point (8) of Article 2 of Regulation (EU) No 2017/565 as it forms part of UK domestic law by virtue of the EUWA; or (ii) a customer within the meaning of the provisions of the Financial Services and Markets Act 2000 ("**FSMA**") and any rules or regulations made under the FSMA to implement Directive (EU) 2016/97, where that customer would not qualify as a professional client, as defined in point (8) of Article 2(1) of Regulation (EU) No 600/2014 as it forms part of UK domestic law by virtue of the EUWA; or (iii) not a qualified investor as defined in the UK Prospectus Regulation. Consequently, no key information document required by Regulation (EU) No 1286/2014 as it forms part of UK domestic law by virtue of the EUWA (the "**UK PRIIPs Regulation**") for offering or selling the Notes or otherwise making them available to retail investors in the UK has been prepared and therefore offering or selling the Notes or otherwise making them available to any retail investor in the UK may be unlawful under the UK PRIIPs Regulation.

Singapore SFA Product Classification – In connection with Section 309B of the Securities and Futures Act (Chapter 289) of Singapore (as modified or amended from time to time, the "**SFA**") and the Securities and Futures (Capital Markets Products) Regulations 2018 of Singapore (the "**CMP Regulations 2018**"), unless otherwise specified before an offer of Notes, the Issuers have each determined, and hereby notify all relevant persons (as defined in Section 309A(1) of the SFA), that the Notes are 'prescribed capital markets products' (as defined in the CMP Regulations 2018) and Excluded Investment Products (as defined in MAS Notice SFA 04-N12: Notice on the Sale of Investment Products and MAS Notice FAA-N16: Notice on Recommendations on Investment Products).

MiFID II product governance / target market – The Final Terms in respect of any Notes may include a legend entitled "*MiFID II product governance*" which will outline the target market assessment in respect of the Notes and which channels for distribution of the Notes are appropriate. Any person subsequently offering, selling or recommending the Notes (a "**distributor**") should take into consideration the target market assessment; however, a distributor subject to MiFID II is responsible for undertaking its own target market assessment in respect of the Notes (by either adopting or refining the target market assessment) and determining appropriate distribution channels.

A determination will be made in relation to each issue about whether, for the purpose of the Product Governance rules under EU Delegated Directive 2017/593 (the "MiFID Product Governance Rules"), any Dealer subscribing for any Notes is a manufacturer in respect of such Notes, but otherwise neither the Arranger nor the Dealers nor any of their respective affiliates will be a manufacturer for the purpose of the MIFID Product Governance Rules.

UK MiFIR product governance / target market – The Final Terms in respect of any Notes may include a legend entitled "*UK MiFIR Product Governance*" which will outline the target market assessment in respect of the Notes and which channels for distribution of the Notes are appropriate. Any person subsequently offering, selling or recommending the Notes (a "**UK distributor**") should take into consideration the target market assessment; however, a UK distributor subject to the FCA Handbook Product Intervention and Product Governance Sourcebook (the "**UK MiFIR Product Governance Rules**") is responsible for undertaking its own target market assessment in respect of the Notes (by either adopting or refining the target market assessment) and determining appropriate distribution channels.

A determination will be made in relation to each issue about whether, for the purpose of the UK MiFIR Product Governance Rules, any Dealer subscribing for any Notes is a manufacturer in respect of such Notes, but otherwise neither the Arranger nor the Dealers nor any of their respective affiliates will be a manufacturer for the purpose of the UK MIFIR Product Governance Rules.

Benchmark Regulation - Amounts payable under the Notes may be calculated by reference to the EURIBOR or SONIA, which are administered by the European Money Markets Institute ("**EMMI**") and the Bank of England, respectively or any other benchmark, in each case as specified in the applicable Final Terms. As at the date of this Base Prospectus, EMMI does appear on the register of administrators and benchmarks established and maintained by ESMA pursuant to Article 36 of the EU Benchmarks Regulation. As far as the Issuer is aware, the Bank of England does not appear in ESMA's register of administrators and benchmarks under Article 36 of the EU Benchmarks Regulation and is not required to be registered by virtue of Article 2 of the Benchmarks Regulation.

Subject as provided in the applicable Final Terms, the only persons authorised to use this Base Prospectus in connection with an offer of Notes are the persons named in the applicable Final Terms as the relevant Dealer, the Managers or the Financial Intermediaries, as the case may be.

STABILISATION

In connection with the issue of any Tranche of Notes under the Programme, the Dealer or Dealers (if any) named as the Stabilising Manager(s) (or persons acting on behalf of any Stabilising Manager(s)) in the *applicable* Final Terms may over-allot Notes or effect transactions with a view to supporting the market price of the Notes of the Series (as defined below) of which such Tranche forms part at a level higher than that which might otherwise prevail. However, there is no assurance that the Stabilising Manager(s) (or persons acting on behalf of a Stabilising Manager) will undertake stabilisation action. Any stabilisation action may begin on or after the date on which adequate public disclosure of the terms of the offer of the relevant Tranche of Notes is made and, if begun, may be ended at any time, but it must end no later than the earlier of 30 days after the issue date of the relevant Tranche of Notes and 60 days after the date of the allotment of the relevant Tranche of Notes. Any stabilisation action or over-allotment must be conducted by the relevant Stabilising Manager(s) (or persons acting on behalf of any Stabilising Manager(s)) in accordance with all applicable laws and rules.

If a benchmark (in particular, other than EURIBOR or SONIA) is specified in the applicable Final Terms, the applicable Final Terms will indicate whether or not the benchmark is provided by an administrator included in the register of administrators and benchmarks established and maintained by ESMA pursuant to Article 36 of the BMR.

FULFILLMENT OF ANY ENVIRONMENTAL, SUSTAINABILITY, SOCIAL AND/OR OTHER CRITERIA

No assurance or representation is given as to the suitability or reliability for any purpose whatsoever of any opinion, rating or certification of any third party (whether or not solicited by the Issuer) which may be made available in connection with the issue of any Notes issued as Green Bonds and in particular with any proceeds related to this issue to fulfil any environmental, sustainability, social and/or other criteria (including, but not limited to, criteria aligned with those recognised by Green Bond Principles administered by the International Capital Market Association and duly reviewed in accordance with the market standard principles). For the avoidance of doubt, any such opinion, rating or certification is not, nor shall be deemed to be, incorporated in and/or form part of this Base Prospectus. Any such opinion, rating or certification is not, nor should be deemed to be, a recommendation by the Issuer, the Dealers or any other person to buy, sell or hold any such Notes. Any such opinion, rating or certification is only current as of the date that opinion, rating or certification was initially issued.

Prospective investors must determine for themselves the relevance of any such opinion, rating or certification and/or the information contained therein and/or the provider of such opinion, rating or certification for the purpose of any investment in such Notes. Currently, the providers of such opinions, ratings and certifications are not subject to any specific regulatory or other regime or oversight.

PRESENTATION OF INFORMATION

All references in this document to U.S. dollars, U.S. and $ refer to United States dollars and to Sterling and £ refer to pounds sterling. In addition, all references in this document to euro, EUR and € refer to the single currency of certain

member states of the European Union. All references in this Base Prospectus to the United States refer to the United States of America, its territories and possessions.

Certain figures in this Base Prospectus have been subject to rounding adjustments. Accordingly, amounts shown as totals in tables or elsewhere may not be an arithmetic aggregation of the figures which precede them.

The language of this Base Prospectus is English.

Where information has been sourced from a third party, the Responsible Persons confirm that to the best of their knowledge this information has been accurately reproduced and that so far as the Responsible Persons are aware and able to ascertain from information published by such third party, no facts have been omitted which would render the reproduced information inaccurate or misleading.

If so specified in the Final Terms in respect to any issue of Notes, the Issuer consents to the use of this Base Prospectus in Luxembourg and in Portugal in connection with an offer to the public of the Notes by any of the Dealers of the Programme or by any financial intermediary which is authorised to make such offers under MiFID II ("**Authorised Offeror**") and accepts responsibility for the content of this Base Prospectus also with respect to subsequent resale or final placement of securities by any Dealer which was given consent to use this Base Prospectus.

Information with respect to new Dealers of the Programme or additional Authorised Offerors will be disclosed by the relevant means, including in the applicable Final Terms for such offer and / or the website of the Issuer and the relevant Dealer or Authorised Offeror.

The consent referred to above relates to Offer Periods occurring during 12 months from the date of this Base Prospectus.

An investor intending to acquire or acquiring any Notes from an Authorised Offeror will do so, and offers and sales of the Notes to an investor by an Authorised Offeror will be made, in accordance with any terms and other arrangements in place between such Authorised Offeror and such investor including as to price, allocation, settlement arrangements and any expenses or taxes to be charged to the investor (the "Terms and Conditions"). The Issuer, if applicable, will not be a party to any such arrangements with investors (other than Dealers) in connection with the offer or sale of the Notes and, accordingly, this Base Prospectus and any Final Terms will not contain such information. The Terms and Conditions of the Public Offer and a statement on the use of this Base Prospectus in accordance with the consent and with the relevant conditions shall be disclosed by that Authorised Offeror on its website at the relevant time. The Issuer or any of the other Authorised Offerors have no responsibility or liability for such information.

DESCRIPTION OF THE ISSUER

The Issuer is wholly owned by CaixaBank and focuses on the commercial banking business in Portugal, using its distribution network and digital channels to offer services and financial products to corporate, institutional and individual customers.

Banco BPI serves 1.9 million customers in the domestic market and is the fifth largest financial institution operating in Portugal[5] by assets (€37.8 billion[6]), with market shares above 10 per cent. in loans and in Customer deposits.

BPI offers its customers investment and savings products – mutual funds, retirement savings plans and capitalisation insurance – mainly provided by BPI Vida e Pensões and BPI Gestão de Ativos, companies sold to CaixaBank Group.

In the insurance business area, the Issuer has a 35 per cent. stake in the share capital of Allianz Portugal and a distribution agreement for non-life insurance. The life-risk insurance distribution agreement with Allianz terminated in 2020, and the Issuer now distributes the life-risk products of BPI Vida e Pensões. In credit insurance, the Issuer holds a 50 per cent. stake in COSEC. The Issuer distributes other products and services centrally sourced from CaixaBank Group: debit and credit cards from CaixaBank Payments & Consumer, acquiring and POS from Comercia Global Payments, equipment renting from CaixaBank Equipment Finance, and investment banking services from CaixaBank's Branch in Portugal.

The Issuer holds minority interest in African banks, namely, 48.1% in Banco de Fomento Angola ("**BFA**"), which operates in commercial banking in Angola, and 35.8% in Banco Comercial e de Investimentos ("**BCI**"), which operates in commercial banking in Mozambique.

At 31 December 2020, the physical distribution network comprised 422 business units, namely 360 retail branches, 1 mobile branch, 27 premier centres, and specialist branches and units serving corporate and institutional customers, including 27 corporate and institutional banking centres, 2 real estate business centres and 3 corporate and investment banking centres. For individual customers with a digital profile who prefer to communicate and carry out operations remotely, BPI also has 1 InTouch centre.

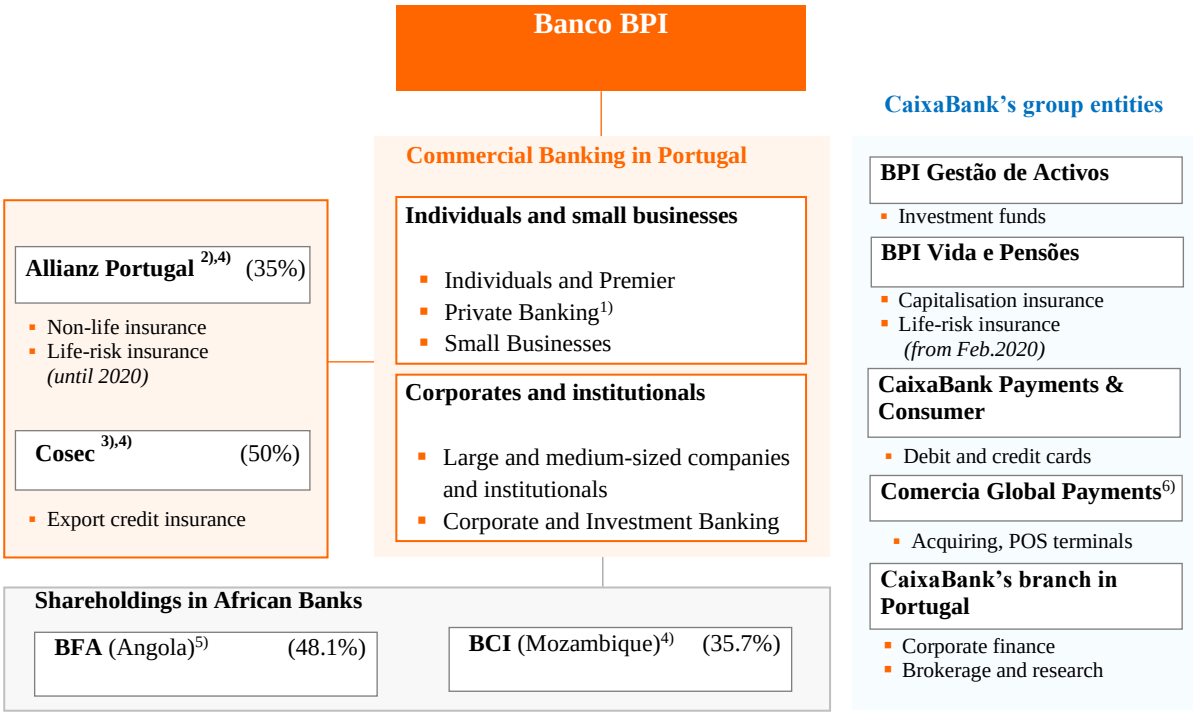
The network articulates with virtual channels, which include homebanking services (BPI Net and BPI Net Empresas), telephone banking (*BPI Direct*) and mobile applications (BPI Apps).

Among main banks in Portugal, in the individual customers' segment, the Issuer ranks #1 in "satisfaction with the digital channels ('digital presence' dimension)" and #2 in "Internet and Mobile Banking penetration". In the corporate segment, the Issuer ranks #1 in "market share of Net and Mobile Banking" and #2 in "satisfaction with NetBanking service"[7].

[5] In terms of total assets as of 30 June 2020. Source Associação Portuguesa de Bancos (APB - Portuguese Banking Association), Statistics; and banks earnings disclosure

[6] As of 31 December 2020. Source: BPI calculations using public information

[7] Sources: BASEF, DATA-E and CSI Banca.



(% of capital held by Banco BPI)

1) Includes the activity of BPI Suisse (100 per cent. held).

2) In association with Allianz, which holds 65 per cent. of the capital.

3) In association with Euler Hermes, a company of Allianz Group.

4)Equity-accounted subsidiaries.

5) At the end of 2018 BPI changed the accounting classification of its equity holding in BFA, from "associated company", consolidated by the equity method, to "financial investment", recognised under "shares at fair value through other comprehensive income".

6) Joint venture between CaixaBank and Global Payments Inc.

HISTORY

BPI's origins date back to 1981 with the establishment of SPI - Sociedade Portuguesa de Investimentos, which had a diversified shareholder base, mainly composed of national companies, including 100 of the most dynamic Portuguese firms and four of the most important international financial institutions.

In 1985 SPI underwent a transformation that gave rise to BPI, the first Portuguese private bank set up following the reopening of the sector to private initiative, after the nationalisations of 1975. In 1986, BPI became the first bank listed on the Portuguese stock exchange.

In 1991, ten years after its creation, BPI, which in the meantime had already achieved a clear leadership in the main areas of Investment Banking, expanded its business to commercial banking through the acquisition of BFB.

In 1995 the institution was converted into a bank holding company. This reorganisation, which led to the specialisation of the Group's units, was accompanied by an important reinforcement of its shareholder structure with the entry of two new strategic partners of considerable size to team up with Itaú Group: La Caixa Group and Allianz Group.

In 1998 a pioneering merger process created a single bank under a single brand: Banco BPI.

From 1996 to 2005 the Bank pursued its growth path through mergers and acquisitions of other banks. Banco de Fomento, in Angola, was also incorporated in this period (2002), resulting from the transformation of Banco BPI's Luanda branch into a fully-fledged Angolan-law bank. In 2008 a 49.9 per cent. stake in Banco de Fomento was sold to Unitel.

In 2006 BPI completed 25 years of activity, always upholding its strategy of sustained value creation for Shareholders, Employees and Customers.

In 2012 BPI implemented a Recapitalisation Plan that involved an issue of €1.5 billion of contingent convertible subordinated bonds ("**CoCos**") subscribed by the Portuguese State, aimed at fulfilling the recapitalisation exercise proposed by the EBA. In 2014 Banco BPI fully reimbursed the CoCos, completing the reimbursement to the State three years ahead of schedule.

In April 2016 CaixaBank, S.A., a shareholder holding on that date 44.1 per cent of Banco BPI's share capital, released a preliminary announcement of a public, general and voluntary tender offer on all the shares of Banco BPI, at the price of €1.113 per share. In September 2016, BPI's General Meeting approved the elimination of the statutory limit on the counting of votes cast by any single shareholder. As a result, a new preliminary announcement of the tender offer was published to take into account the alterations stemming from the change of the nature of the offer from voluntary to mandatory, namely in the price, now established at €1.134 per share, and in the terms of the takeover.

In 2017 the Issuer sold to Unitel an equity interest representing 2 per cent. of Banco de Fomento Angola capital. Following that transaction, the shareholdings of Banco BPI and Unitel in BFA were 48.1 per cent. and 51.9 per cent., respectively.

In February 2017, upon completion of a public tender offer, CaixaBank took over control of BPI, raising its stake from 45 per cent. to 84.51 per cent..

In May 2018 CaixaBank acquired from Allianz the entire 8,425 per cent. stake held by the latter in Banco BPI, after which it held 92.935 per cent. of BPI. On the same date, Caixabank announced it was its intention to acquire the remaining shares to reach 100 per cent. of Banco BPI' capital.

The de-listing of the Issuer and the compulsory acquisition of any remaining shares of the Issuer by CaixaBank was concluded at the end of December 2018. As at the date of this Base Prospectus, CaixaBank owns 100 per cent. of the share capital of the Issuer.

In November 2018, BPI presented its Strategic Plan 2019-21 to the market. Under this Plan, the Issuer has five strategic priorities that aim to sustainably grow profitability, accelerate the transformation of the customer experience, develop human resources, improve efficiency and consolidate BPI's strong reputation based on the quality of service towards customers and society.

In 31 December 2018, following the loss of the Issuer's significant influence over Banco de Fomento Angola ("**BFA**"), the equity holding in BFA was reclassified in the consolidated balance sheet from Investments in joint ventures and

associates to financial assets at fair value through other comprehensive income - equity instruments, and revalued at fair value.

In January 2019, that sale of the legal positions related to share brokerage, research and corporate finance activities to Caixabank was realized by the Issuer at the book value of the net assets of those activities at the closing date of the transaction (3.9 million euros).

ESTABLISHMENT AND DOMICILE

The Issuer is domiciled in Rua Tenente Valadim, 284, 4100-476 Porto, Portugal. The telephone number of the Issuer is +351 22 2075000.

LEGAL FORM

The Issuer is registered as a bank with the Bank of Portugal and operates under the legal name of "Banco BPI, S.A.". The Issuer also operates under the commercial name of "*BPI*". It is a limited liability company ("*Sociedade Anónima*") under Portuguese law registered for an indefinite term in the Commercial Register of Porto, under no. 501 214 534 as at 23 October 1981.

LEGAL ENTITY IDENTIFIER

The Legal Entity Identifier (LEI) code of the Issuer is 3DM5DPGI3W6OU6GJ4N92.

ISSUER'S WEBSITE

The Issuer's website is www.bancobpi.pt. Unless specifically incorporated by reference into this Base Prospectus, information contained on the website does not form part of this Base Prospectus and has not been scrutinized or approved by the competent authority.

OBJECT AND PURPOSE

According to its constitutional documents (in particular to article 3 of the Issuer's Memorandum and Articles of Association), the scope of the Issuer is to carry on banking business including any additional, related or similar operations compatible with the said business to the full extent permitted by law. The Issuer may also participate in partnership association agreements, complementary corporate conglomerates or European conglomerates of economic interest and may acquire, either originally or subsequently, shares or portions of capital in public limited companies and interests in unlimited liability companies of any object whatsoever and even if subject to special laws.

SHAREHOLDER

The Issuer's sole shareholder as of 30 June 2021 is:

Shareholder	**No. of shares held**	**% of capital held**
CaixaBank, S.A.	1 456 924 237	100 per cent.

Source: BPI communication to the market dated 27 December 2018 "*Perda de qualidade de sociedade aberta do Banco BPI, S.A. – 3º Anúncio*". Following the exercise by CaixaBank of the right for the compulsory acquisition of the remaining shares on the 27 Dec. 2018, CaixaBank now holds 100 per cent. of Banco BPI's capital and as per public information disclosed to the market.

Currently the Issuer has a set of internal procedures and regulations which define the functions of the Executive Committee of Board of Directors, of the Nominations, Evaluation and Remunerations Committee, of the Risk Committee, of the Audit and Internal Control Committee and of the Corporate Social Responsibility Committee. These internal procedures and rules comply with applicable laws and regulations in force and governance best practices, namely in what concerns transactions with related parties and these measures implemented by the Issuer are also thought to avoid the major shareholder position's abuse.

BUSINESS OVERVIEW OF THE ISSUER

The Issuer's business is focused on commercial banking in Portugal and is it organised around two main segments: (i) Individuals and businesses and (ii) Corporates and Institutions.

Individuals and Small Businesses

Individuals, Businesses, Premier and InTouch Banking is responsible for commercial initiatives with individual customers, entrepreneurs, and small businesses. The Branch network is geared towards mass-market customers and small businesses. For the affluent customers – high net worth customers or customers with potential for wealth accumulation – the Issuer has a network of Financial Advisors working on Premier Centres or specific retail Branches, who provide specialised financial advisory services.

In 2020, the Issuer opened its first InTouch Centre, offering a new commercial approach, where individual customers have at their disposal a dedicated Manager with whom they can communicate by telephone or by chat via BPI App, from anywhere and during extended hours.

BPI's Private Banking, made up of a team of experts in Portugal and also comprising a 100 per cent. held subsidiary in Switzerland - BPI Suisse - provides discretionary management and financial advice specialist services to high net worth individual customers.

Corporates and Institutional Clients

Through a specialised network, Corporate and Institutional Banking serves companies and institutional customers, namely Public Sector and state-controlled organisations. The network includes two Real Estate Business Centres, which are designed to offer a more focused support to customers, developers and builders, involved in large residential real estate projects.

Corporate and Investment Banking, manages the relationship with the largest Portuguese corporate groups, insurance companies and subsidiaries of the largest Spanish companies.

SHARE CAPITAL

As at 30 June 2021 Banco BPI's share capital amounted to €1,293,063,324.98 and was represented by 1,456,924,237 ordinary shares with no nominal value (all issued shares are fully paid).

SELECTED HISTORICAL KEY FINANCIAL INFORMATION

The following tables contain selected key financial information for the period ended 30 June 2021 (unaudited) and for the years ended 31 December 2019 and 2020 (audited).

CONSOLIDATED INCOME STATEMENTS

In M.€	jun 20	Reclassif. (1)	Jun 20 adjusted	Jun 21
Net interest income	220,0		220,0	227,1
Dividend income	42,3		42,3	99,7
Equity accounted income	11,3		11,3	20,7
Net fee and commission income	118,1	-0,8	117,4	130,2
Gains/(losses) on financial assets and liabilities and other	-17,9		-17,9	14,1
Other operating income and expenses	-27,1	3,2	-24,0	-39,5
Gross income	**346,6**	**2,4**	**349,0**	**452,3**
Staff expenses	-122,4	-0,8	-123,2	-122,6
Of which: Recurrent staff expenses	*-122,4*	*-0,8*	*-123,2*	*-115,9*
Non-recurrent costs				*-6,6*
Other administrative expenses	-70,7	-1,6	-72,3	-71,9
Depreciation and amortisation	-22,8		-22,8	-29,0
Operating expenses	**-215,9**	**-2,4**	**-218,2**	**-223,5**
Net operating income	**130,8**		**130,8**	**228,8**
Impairment losses and other provisions	-84,0		-84,0	-10,2
Gains and losses in other assets	0,7		0,7	0,3
Net income before income tax	**47,5**		**47,5**	**219,0**
Income tax	-5,0		-5,0	-33,9

EARNINGS PER SHARE	Jun 20	Jun 21
Earnings per share (€)	0,02	0,12
Average weighted nr. of shares (in millions)	1.456,9	1.456,9

CONSOLIDATED BALANCE SHEET

In M.€	Dec 20	Jun 21
ASSETS		
Cash and cash balances at central banks and other demand deposits	4.535,2	5.083,0
Financial assets held for trading, at fair value through profit or loss and at fair value through other comprehensive income	2.258,5	2.068,8
Financial assets at amortised cost	30.004,0	31.220,4
Loans to Customers	25.207,8	25.962,4
Investments in joint ventures and associates	238,2	253,9
Tangible assets	152,9	194,4
Intangible assets	87,0	89,6
Tax assets	271,0	239,7

Non-current assets and disposal groups classified as held for sale	7,9	6,3
Other assets	231,0	433,1
Total assets	**37.785,6**	**39.589,3**
LIABILITIES		
Financial liabilities held for trading	141,3	120,0
Financial liabilities at amortised cost	33.695,7	35.341,2
Deposits - Central Banks and Credit Institutions	5.504,3	5.763,3
Deposits - Customers	26.008,6	27.660,6
Debt securities issued	1.804,9	1.502,6
Memorandum items: subordinated liabilities	304,3	304,3
Other financial liabilities	378,0	414,7
Provisions	48,7	49,3
Tax liabilities	23,2	22,6
Other liabilities	620,3	514,6
Total Liabilities	**34.529,3**	**36.047,6**
Shareholders' equity attributable to the shareholders of BPI	3.256,3	3.541,7
Non controlling interests	0,0	0,0
Total Shareholders' equity	**3.256,3**	**3.541,7**

CONSOLIDATED BALANCE SHEETS AS OF 31 DECEMBER 2020 AND 2019

(Amounts expressed in thousand euros)

	Notes	31-12-2020	31-12-2019
ASSETS			
Cash and cash balances at central banks and other demand deposits	**9**	**1 068 261**	**2 452 916**
Financial assets held for trading	**10**	**234 476**	**226 772**
Financial assets not designated for trading compulsorily measured at fair value through profit or loss	**11**	**206 066**	**228 582**
Equity instruments		143 221	168 594
Debt securities		62 845	59 988
Financial assets at fair value through other comprehensive income	**12**	**1 886 212**	**1 875 160**
Equity instruments		509 168	597 740
Debt securities		1 377 044	1 277 420
Financial assets at amortised cost	**13**	**27 439 314**	**25 671 943**
Debt securities		4 029 677	3 516 814
Loans and advances - Central Banks and other Credit Institutions		1 452 687	790 659
Loans and advances - Customers		21 956 950	21 364 470
Derivatives - Hedge accounting	**14**	**30 709**	**14 320**
Fair value changes of the hedged items in portfolio hedge of interest rate risk	**14**	**48 818**	**26 719**
Investments in joint ventures and associates	**15**	**247 190**	**209 144**
Tangible assets	**16**	**169 564**	**67 252**
Intangible assets	**17**	**65 848**	**55 126**
Tax assets	**25**	**272 456**	**352 763**
Other assets	**18**	**128 077**	**353 422**
Non-current assets and disposal groups classified as held for sale	**19**	**14 561**	**33 896**
Total assets		**31 811 552**	**31 568 015**
LIABILITIES			
Financial liabilities held for trading	**10**	**146 167**	**141 335**
Financial liabilities at amortised cost	**20**	**27 640 187**	**27 515 745**
Deposits - Central Banks		1 374 229	1 352 843
Deposits - Credit Institutions		1 402 879	1 853 501
Deposits - Customers		23 231 413	22 960 252

Debt securities issued		1 358 699	1 118 195
Memorandum items: subordinated liabilities		304 440	304 514
Other financial liabilities		272 967	230 954
Derivatives - Hedge accounting	**14**	**72 799**	**56 010**
Fair value changes of the hedged items in portfolio hedge of interest rate risk	**14**	**9 656**	**3 594**
Provisions	**21**	**44 392**	**65 457**
Pending legal issues and tax litigation		25 656	42 245
Commitments and guarantees given		18 736	23 212
Tax liabilities	**25**	**17 239**	**73 802**
Other liabilities	**22**	**444 975**	**506 120**
Total Liabilities		**28 375 415**	**28 362 063**
SHAREHOLDERS' EQUITY			
Capital	**24**	**1 293 063**	**1 293 063**
Equity instruments issued other than capital	**24**	**275 000**	
Other equity	**24**	**0**	**371**
Accumulated other comprehensive income	**24**	**(345 273)**	**(253 402)**
Items that will not be reclassified to profit or loss		(335 851)	(232 788)
Tangible assets		703	703
Actuarial gains/ (losses) on defined benefit pension plans		(303 951)	(288 248)
Share of other recognised income and expense of investments in subsidiaries, joint ventures and associates		(416)	(1 858)
Fair value changes of equity instruments measured at fair value through other comprehensive income		(32 187)	56 615
Items that may be reclassified to profit or loss		(9 422)	(20 614)
Foreign currency translation		(33 552)	(35 802)
Fair value changes of debt instruments measured at fair value through other comprehensive income		4 502	1 927
Share of other recognised income and expense of investments in subsidiaries, joint ventures and associates		19 628	13 261
Retained earnings	**24**	**1 769 451**	**1 548 458**
Other reserves	**24**	**116 042**	**126 824**
Profit/(loss) attributable to owners of the parent		**327 854**	**490 638**
Total Equity		**3 436 137**	**3 205 952**
Total Equity and Total Liabilities		**31 811 552**	**31 568 015**

CONSOLIDATED STATEMENTS OF PROFIT OR LOSS FOR THE YEARS ENDED ON 31 DECEMBER 2020 AND 2019

(Amounts expressed in thousand euros)

	Notes	31-12-2020	31-12-2019 Restated
Interest income	**27**	528 404	510 264
Interest expenses	**27**	(92 130)	(87 688)
NET INTEREST INCOME		**436 274**	**422 576**
Dividend income	**28**	49 351	1 723
Share of profit/(loss) of entities accounted for using the equity method	**15**	40 726	271 556
Fee and commission income	**29**	280 979	319 009
Fee and commission expenses	**29**	(23 079)	(41 239)
Gains/(losses) on derecognition of financial assets and liabilities not measured at fair value through profit or loss, net	**30**	(94)	1 457
Gains/(losses) on financial assets and liabilities held for trading, net	**30**	4 961	39 027
Gains/(losses) on financial assets not designated for trading compulsorily measured at fair value through profit or loss, net	**30**	(9 753)	60 321
Gains/(losses) from hedge accounting, net	**30**	3 115	1 398
Exchange differences (gain/loss), net	**30**	(5 672)	(25 328)

Other operating income	**31**	32 840	27 331
Other operating expenses	**31**	(58 644)	(55 532)
GROSS INCOME		**751 004**	**1 022 299**
Administrative expenses		**(394 154)**	**(435 092)**
Staff expenses	**32**	(246 093)	(262 214)
Other administrative expenses	**33**	(148 061)	(172 878)
Depreciation and amortisation		(53 906)	(23 827)
Provisions or reversal of provisions	**21**	**(2 273)**	**(1 072)**
Commitments and guarantees given		4 175	(4 161)
Other provisions		(6 448)	3 089
Impairment/(reversal) of impairment losses on financial assets not measured at fair value through profit or loss	**34**	**39 061**	**48 967**
Financial assets at amortised cost		39 061	48 967
Impairment/(reversal) of impairment in subsidiaries, joint ventures and associates	**15**	1 028	(6 689)
Impairment/(reversal) of impairment on non-financial assets		1 672	(1 672)
Gains/(losses) on derecognition of non-financial assets, net	**36**	(1 441)	(55 145)
Profit/(loss) from non-current assets and disposal groups classified as held for sale not qualifying as discontinued operations	**37**	3 400	(5 131)
PROFIT/(LOSS) BEFORE TAX FROM CONTINUING OPERATIONS		**344 391**	**542 638**
Tax expense or income related to profit or loss from continuing operations		(16 537)	(116 214)
PROFIT/(LOSS) AFTER TAX FROM CONTINUING OPERATIONS		**327 854**	**426 424**
Profit/(loss) after tax from discontinued operations	**38**	**0**	**64 214**
Profit/(loss) before tax from discontinued operations		0	64 955
Tax expense or income related to profit or loss from discontinued operations		0	(741)
PROFIT/(LOSS) FOR THE YEAR		**327 854**	**490 638**
PROFIT OR LOSS (-) FOR THE YEAR ATTRIBUTABLE TO OWNERS OF THE PARENT	**39**	**327 854**	**490 638**

Earnings per share (euros)			
Basic	**6**	0,222	0,337
Diluted	**6**	0,222	0,337
Earnings per share from continuing operations (euros)			
Basic	**6**	0,222	0,293
Diluted	**6**	0,222	0,293
Earnings per share from discontinued operations (euros)			
Basic	**6**	0,000	0,044
Diluted	**6**	0,000	0,044

CONSOLIDATED STATEMENTS OF PROFIT AND LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE YEARS ENDED ON 31 DECEMBER 2020 AND 2019

(Amounts expressed in thousand euros)

	31-12-2020	**31-12-2019**
PROFIT/(LOSS) FOR THE YEAR	**327 854**	**490 638**
Other comprehensive income	**(91 870)**	**(67 103)**
Items that will not be reclassified to profit or loss	**(103 063)**	**19 955**
Actuarial gains/ (losses) on defined benefit pension plans	(21 769)	(6 367)
Share of other recognised income and expense of investments in joint ventures and associates	1 442	(316)
Fair value changes of equity instruments measured at fair value through other comprehensive income	(88 135)	(4 778)

Income tax relating to items that will not be reclassified	5 399	31 416
Items that may be reclassified to profit or loss	**11 193**	**(87 058)**
Foreign currency translation	2 250	(87 764)
Translation gains/(losses) taken to equity	2 250	(245 340)
Transferred to profit or loss	0	157 576
Debt instruments classified as fair value financial assets through other comprehensive income	3 547	1 640
Valuation gains/(losses) taken to equity	4 332	1 562
Transferred to profit or loss	(785)	81
Other reclassifications	0	(3)
Share of other recognised income and expense of investments in joint ventures and associates	6 367	(11 578)
Income tax relating to items that may be reclassified to profit or loss	(971)	10 644
Total comprehensive income for the year	**235 984**	**423 535**
Attributable to owners of the parent	235 984	423 535

The auditor's reports on the consolidated financial statements of the Issuer for the years ended on 31 December 2020 and on 31 December 2019 did not include any reserves.

Please refer to the complete versions of the auditor's reports included in the annual reports and half year report of the Issuer, together with the respective financial statements, which are incorporated by reference in this Base Prospectus.

INVESTMENTS

There have been no material investments by the Issuer since 30 june 2021.

CORPORATE GOVERNANCE

The Issuer's governance model is structured in compliance with the Portuguese Commercial Companies Code as follows:

- the company's management is entrusted to the Board of Directors which includes an Executive Committee to which the Board has delegated wide management powers for conducting the day-to-day activity. Within the ambit of the Board of Directors, two specialist commissions function, composed exclusively of non-executive members: (i) the Risk Committee and (ii) the Nominations, Evaluation and Remuneration Committee. In September 2017, as foreseen in the corporate statues a Corporate Social Responsibility Committee was created.

- the oversight functions are attributed to the Audit Committee ("*Comissão de Auditoria*") – whose key terms of reference include supervising the management of the company, ensuring compliance with the legal and regulatory provisions, the statutes and provisions issued by the supervisory authorities, as well as general policies, provisions and practices adopted internally, setting the terms of its coordination with the Risk Committee, including the work to be developed and the report to be carried out by the latter, with a view to assisting the performance of the Audit Committee's functions, following up on the situation and the evolution of all risks to which the Bank is subject, relying, for this purpose, on the assistance of the Risks Committee and any related work, analyses and recommendations that this Committee presents to the Audit Committee, verifying the adequacy of and supervising compliance with the policies, criteria and accounting practices adopted and any supporting documents in accordance with accounting standards, supervising the statutory audit of accounts, issuing an opinion on the report, accounts and proposals presented by the Board of Directors, supervising the process of preparing and disclosing financial information, supervising the effectiveness of the internal control, internal, assessing and supervising the Statutory Auditor's independence, particularly when he or she provides additional services to the company,

receiving communications concerning any irregularities occurring within the company and submitted by shareholders, employees or others and fulfilling any other duties assigned to it by law.

- the General Shareholders' Meeting, composed of all the shareholders of the Issuer, deliberates on the issues which are specifically attributed to it by the law or by the Articles of Association – including the election of the governing bodies, the approval of the directors' reports, the annual accounts, the distribution of profits, and capital increases –, as well as if so solicited by the Board of Directors, on matters dealing with the company's management.
- the Company Secretary is appointed by the Board of Directors and performs the functions contemplated in the law and others attributed pursuant to the Articles of Association of the Issuer.

MANAGEMENT

The following is a list of the members of the Board of Directors, approved by the Sole Shareholder in November 30, 2020, for the 2020/2022 term of office. The business address of each of the below-mentioned members of the Board of Directors is Banco BPI, S.A., Largo Jean Monnet, 1, 1269-067 Lisbon, Portugal.

Board of Directors:

Chairman:	Fernando Ulrich
Non-executive Deputy-Chairman:	António Lobo Xavier
Chief Executive Officer	João Oliveira e Costa
Members:	
Non-executive member	Cristina Rios Amorim
Non-executive member	Elsa Maria Roncon
Executive member	Francisco Artur Matos
Executive member	Francisco Manuel Barbeira
Non-executive member	Gonzalo Gortázar Rotaeche
Executive member	Ignacio Alvarez-Rendueles
Non-executive member	Javier Pano Riera
Non-executive member	Lluís Vendrell Pi
Non-executive member	Manuel Ramos Sebastião

Non-executive member	Maria de Fátima Barros Bertoldi
Non-executive member	Natividad Pifarre
Executive member	Pedro Barreto

Position in other companies of BPI Group

Name	Position	Companies
Pedro Barreto	Non-executive Deputy-Chairman	BCI – Banco Comercial e de Investimentos, S.A. (35.67 per cent.)
Ignacio Alvarez-Rendueles	Non-Executive Diretor	Inter-Risco, Sociedade de Capital de Risco, S.A. (49 per cent.)

Relevant activities outside BPI Group

Name	Position	Companies
Fernando Ulrich	Non-Executive Diretor	CaixaBank, S.A.
António Lobo Xavier	Non-Executive Director	NOS, SGPS, S.A.
	Non-Executive Director	Fábrica Têxtil Riopele, S.A.
	Non-Executive Director	BA Glass, Serviços de Gestão e Investimento, S.A.
	President of General Meeting of Shareholders	Têxtil Manuel Gonçalves, S.A.
	President of General Meeting of Shareholders	Mysticinvest – Holding S.A.
	Partner	Morais Leitão & Associados
	Member of Advisory Council	Council of State Presidency of Portuguese Republic
	Member of "Conselho de Curadores"	Fundação Belmiro de Azevedo
João Oliveira Costa	Not applicable*	Not applicable*

Cristina Rios Amorim	Non-Executive Vice-president	Amorim Investimentos e Participações, SGPS, S.A.
	Non-Executive Director	Amorim, SGPS, S.A.
	Executive Director and CFO	Corticeira Amorim, SGPS, S.A.
Elsa Maria Roncon	Not applicable*	Not applicable*
Francisco Artur Matos	Not applicable*	Not applicable*
Francisco Manuel Barbeira	Non-Executive Director	SIBS, SGPS, S.A.
Gonzalo Gortázar	Chief Executive Officer	CaixaBank, S.A.
	Non-Executive Chairman	VidaCaixa
Ignacio Alvarez-Rendueles	Not applicable*	Not applicable*
Javier Pano	Chief Financial Officer	CaixaBank, S.A.
	Non-Executive Director	Cecabank, S.A.
Lluís Vendrell	Corporate Manager M&A	CaixaBank, S.A.
	Non-Executive Director	Bankia Mapfre Seguros, S.A.
Manuel Ramos Sebastião	Non-Executive Director	REN SGPS SA
	President of the Audit Committee	
	Chairman of the Supervisory Body	IPCG – Instituto Português de Corporate Governane
	Chairman of the Board	Ulisses Foundation (Lisbon MBA)
	Member of the Disciplinary Board	Ordem dos Economistas
	Member of the Strategic Council	ISCAC – Instituto Superior de Contabilidade e Administração de Coimbra

	Member of the Audit Committee	AiR351 –Art in Residence Association
Maria de Fátima Bertoldi	Non-Executive Director	Fundação Francisco Manuel dos Santos
	Member of the Corporate Governance and Social Responsibility Committee	Jerónimo Martins, SGPS, SA
	Non-Executive Director	Brisa Concessão Rodoviária, S.A.
	Non-Executive Supervisory Board Member	Warta, Retail & Services Investments, BV
Natividad Pifarre	Head of Global Risk	CaixaBank, S.A.
	Non-Executive Director	Vida Caixa, S.A.
	Non-Executive Director	CaixaBank Wealth Management Luxembourg, S.A.
Pedro Barreto	Not applicable*	Not applicable*

Note: "Not applicable*" means no activities outside the BPI Group.

CONFLICTS OF INTEREST

The Issuer is not aware of any potential conflicts of interests between any duties to the Issuer by any of the members of either the Board of Directors or the Executive Committee of the Board of Directors in respect of their private interests and/or other duties.

AUDIT COMMITTEE

The Audit Committee performs the functions attributed to it by law, the Articles of Association and the Issuer's internal regulations.

The following is a list of the members of the Audit Committee , designated by the sole Shareholder on November 30, 2020, for term of office 2020-2022:

Chairman:	Manuel Ramos de Sousa Sebastião
Members:	António Lobo Xavier

Elsa Maria Roncon Santos

Fátima Barros

Lluis Vendrell

Relevant activities of the members of the Audit Committee outside BPI Group

Please see table above concerning the Board of Directors.

The composition of the Audit Committee is deliberated upon by the General Shareholders' Meeting of the Issuer. The Audit Committee exercises its function for terms of three years.

Besides any other competence set out in law or in the Bank's articles of association, the Audit Committee is responsible for:

- supervising the management of the company;
- ensuring compliance with the legal and regulatory provisions, the statutes and provisions issued by the supervisory authorities, as well as general policies, provisions and practices adopted internally;
- setting the terms of its coordination with the Risk Committee, including the work to be developed and the report to be carried out by the latter, with a view to assisting the performance of the Audit Committee's functions;
- following up on the situation and the evolution of all risks to which the Bank is subject, relying, for this purpose, on the assistance of the Risks Committee and any related work, analyses and recommendations that this Committee presents to the Audit Committee;
- verifying the adequacy of and supervising compliance with the policies, criteria and accounting practices adopted and any supporting documents in accordance with accounting standards;
- supervising the statutory audit of accounts;
- issuing an opinion on the report, accounts and proposals presented by the Board of Directors;
- supervising the process of preparing and disclosing financial information;
- supervising the effectiveness of the internal control, internal;
- assessing and supervising the Statutory Auditor's independence, particularly when he or she provides additional services to the company;
- receiving communications concerning any irregularities occurring within the company and submitted by shareholders, employees or others;
- and fulfilling any other duties assigned to it by law.

The Audit Committee meets every month.

The Issuer is not aware of any potential conflicts of interest between any duties *vis-à-vis* the Issuer of the members of the Audit Committee and their private interests or other duties.

STATUTORY AUDITOR

Taking in consideration that the term of office of the Statutory Auditor ("*Revisor Oficial de Contas*") is of four years, the General Meeting of Shareholders elected on April 26, 2017:

- Deloitte & Associados, SROC, S.A. as the Statutory Auditor for the fiscal year of 2017; and
- PricewaterhouseCoopers, SROC, S.A. as the Statutory Auditor for the remaining years of the 2018-2020 mandate.

CaixaBank, S.A. as the sole shareholder elected in April 15, 2021 PricewaterhouseCoopers, SROC, S.A. as the Statutory Auditor for the 2020-2022 mandate.

PricewaterhouseCoopers, SROC, S.A., member of the Portuguese Association of the Chartered Accountants ("*Ordem dos Revisores Oficiais de Contas*"), with registered office at Palácio Sottomayor, Rua Sousa Martins, 1-3rd, 1069-316 Lisbon, as designated José Manuel Henriques Bernardo and/or Cláudia Sofia Parente Gonçalves da Palma, to represent it, who are also a members of the Portuguese Association of the Chartered Accountants.

The alternate member is Ana Maria Ávila de Oliveira Lopes Bertão.

There are no potential conflicts of interest between the duties to the Bank of the persons listed above and their private interest or duties.

FORM OF THE NOTES, CLEARING AND PAYMENTS

Form of the Notes

The Notes will be represented in dematerialised book entry form (*forma escritural*) and are registered (*nominativas*). The Notes will be held through the accounts of affiliate members of the Portuguese central securities depositary and the manager of the Portuguese settlement system, *Interbolsa–Sociedade Gestora de Sistemas de Liquidação e de Sistemas Centralizados de Valores Mobiliários, S.A.* ("**Interbolsa**"), as operator and manager of the *Central de Valores Mobiliários* (the "**CVM**").

Clearing and Settlement

Interbolsa manages the operation of the central securities depositary in the Republic of Portugal known as *sistema centralizado* in which securities in book entry form can be registered (the "**Book Entry Registry**" and each entry a "**Book Entry**"). The CVM is composed of interconnected securities accounts, through which securities (and inherent rights) are created, held and transferred. This allows Interbolsa to control the amount of securities created, held and transferred. Issuer of securities, financial intermediaries which are Affiliate Members (Direct Registration Entities) of Interbolsa and the Bank of Portugal, all participate in the CVM.

The CVM provides for all the procedures which allow the owners of securities to exercise their rights.

In relation to each issue of securities, CVM comprises *inter alia*, (i) the issue account, opened by the issuer in the CVM and which reflects the full amount of securities issued and (ii) the control accounts opened by each of the financial intermediaries which participate in Interbolsa's centralised system, and which reflect, at all times, the aggregate nominal amount of securities held in the individual securities accounts opened by holders of securities with each of the Affiliate Members of Interbolsa (as defined below).

Title to the Notes passes upon registration in the records of an Affiliate Member of Interbolsa. Each person shown in the records of an Affiliate Member of Interbolsa as having an interest in Notes shall be treated as the holder of the principal amount of the Notes recorded.

The expression "**Affiliate Member of Interbolsa**" means any authorised financial intermediary entitled to hold control accounts with Interbolsa on behalf of Noteholders and includes any depository banks appointed by: (i) Euroclear and CBL, for the purposes of holding accounts on behalf of Euroclear and CBL with Interbolsa; or (ii) other financial intermediaries that do not hold control accounts directly with Interbolsa, but which hold accounts with an Affiliate Member of Interbolsa, which in turn has an account with Interbolsa.

Notes registered with Interbolsa will be attributed an International Securities Identification Number (ISIN) code through Interbolsa's codification system and will be accepted for clearing through CVM, the clearing system operated at Interbolsa as well as through the clearing systems operated by Euroclear and CBL and settled by Interbolsa's settlement system.

Payments

Payment of principal and interest in respect of the Notes will be subject to Portuguese laws and regulations, notably the regulations from time to time issued and applied by the CMVM and Interbolsa.

The Issuer must give Interbolsa advance notice of all payments and provide all necessary information for that purpose, notably the identity of the financial intermediary integrated in Interbolsa appointed by the Issuer to act as the paying agent in respect of the Notes (the "**Paying Agent**") responsible for the relevant payment.

Prior to any payment the Paying Agent shall provide Interbolsa with a statement of acceptance of its role of Paying Agent.

Interbolsa must notify the Paying Agent of the amounts to be settled, which will be determined by Interbolsa on the basis of the account balances of the accounts of the Affiliate Members of Interbolsa.

On the date on which any payment in respect of the Notes is to be made, the corresponding entries and counter-entries will be made by Interbolsa in the Bank of Portugal current accounts held by the Paying Agent and by the Affiliate Members of Interbolsa.

Accordingly, payments of principal and interest in respect of the Notes will be (i) **if made in euro** (a) credited, according to the procedures and regulations of Interbolsa, by the Paying Agent (acting on behalf of the Issuer) to the payment current-accounts used by the Affiliate Members of Interbolsa for payments in respect of securities held through Interbolsa and thereafter (b) credited by such Affiliate Members of Interbolsa from the aforementioned payment current-accounts to the accounts of the owners of those Notes or through Euroclear and CBL, to the accounts with Euroclear and CBL of the beneficial owners of those Notes, in accordance with the rules and procedures of Interbolsa, Euroclear or CBL as the case may be; (ii) **if made in currencies other than euro** (a) transferred, on the payment date and according to the procedures and regulations of Interbolsa, from the account held by the Paying Agent in the Foreign Currency Settlement System ("*Sistema de Liquidação em Moeda Estrangeira*"), managed by Caixa Geral de Depósitos, S.A., to the relevant accounts of the relevant Affiliate Members of Interbolsa, and thereafter (b) transferred by such Affiliate Members of Interbolsa from such relevant accounts to the accounts of the owners of Notes or through Euroclear and CBL to the accounts with Euroclear and CBL of the owners of Notes, in accordance with the rules and procedures of Interbolsa, Euroclear or CBL, as the case may be.

In the case of Notes admitted to trading on the Bourse de Luxembourg (the regulated market of the Luxembourg Stock Exchange) and listed on the Official List of the Luxembourg Stock Exchange or offered to the public in the Grand Duchy of Luxembourg, the Final Terms will be displayed on the website of the Luxembourg Stock Exchange (www.bourse.lu). In the case of Notes listed on any other stock exchange or offered to the public in one or more member states of the European Economic Area other than the Grand Duchy of Luxembourg, the Final Terms will be displayed on the website (www.ir.bpi.pt) of the Issuer or in accordance with the requirements of the laws and regulations of that member state.

FORM OF FINAL TERMS

Set out below is the form of Final Terms which will be completed for each Tranche of Notes issued under the Programme with a denomination of less than EUR 100,000 (or its equivalent in another currency).

[**PROHIBITION OF SALES TO EEA RETAIL INVESTORS**

*The Notes are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the European Economic Area ("**EEA**"). For these purposes, a retail investor means a person who is one (or more) of: (i) a retail client as defined in point (11) of Article 4(1) of Directive 2014/65/EU (as amended, "**MiFID II**"); (ii) a customer within the meaning of Directive (EU) 2016/97, where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II; or (iii) not a qualified investor as defined in Regulation (EU) 2017/1129 (the "**Prospectus Regulation**"). Consequently, no key information document required by regulation (EU) No 1286/2014 (as amended, the "**PRIIPs Regulation**") for offering or selling the notes or otherwise making them available to retail investors in the EEA has been prepared and therefore offering or selling the Notes or otherwise making them available to any retail investor in the EEA may be unlawful under the PRIIPs Regulation.]*[8]

[**PROHIBITION OF SALES TO UK RETAIL INVESTORS**

*The Notes are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the United Kingdom ("**UK**"). For these purposes, a retail investor means a person who is one (or more) of: (i) a retail client, as defined in point (8) of Article 2 of Regulation (EU) No 2017/565 as it forms part of UK domestic law by virtue of the European Union (Withdrawal) Act 2018 ("**EUWA**"); (ii) a customer within the meaning of the provisions of the Financial Services and Markets Act 2000 ("**FSMA**") and any rules or regulations made under the FSMA to implement Directive (EU) 2016/97, where that customer would not qualify as a professional client, as defined in point (8) of Article 2(1) of Regulation (EU) No 600/2014 as it forms part of UK domestic law by virtue of the EUWA; or (iii) not a qualified investor as defined in Article 2 of Regulation (EU) 2017/1129 as it forms part of UK domestic law by virtue of the EUWA. Consequently, no key information document required by Regulation (EU) No 1286/2014 as it forms part of UK domestic law by virtue of the EUWA (the "**UK PRIIPs Regulation**") for offering or selling the Notes or otherwise making them available to retail investors in the UK has been prepared and therefore offering or selling the Notes or otherwise making them available to any retail investor in the UK may be unlawful under the UK PRIIPs Regulation.]*[9]

*[**MiFID II PRODUCT GOVERNANCE/PROFESSIONAL INVESTORS AND ELIGIBLE COUNTERPARTIES ONLY TARGET MARKET –** Solely for the purposes of [the/each] manufacturer's product approval process, the target market assessment in respect of the Notes has led to the conclusion that: (i) the target market for the Notes is eligible counterparties and professional clients only, each as defined in [Directive 2014/65/EU (as amended, "**MiFID II**")][MiFID II]; and (ii) all channels for distribution of the Notes to eligible counterparties and professional clients are*

[8] Legend to be included on front of the Final Terms if the Notes potentially constitute "packaged" products or the Issuer wishes to prohibit offers to EEA retail investors for any other reason, in which case the selling restriction should be specified to be "Applicable".

[9] Legend to be included on front of the Final Terms if the Notes potentially constitute "packaged" products or the Issuer wishes to prohibit offers to UK retail investors for any other reason, in which case the selling restriction should be specified to be "Applicable".

*appropriate. Any person subsequently offering, selling or recommending the Notes (a "**distributor**") should take into consideration the manufacturer ['s/s'] target market assessment; however, a distributor subject to MiFID II is responsible for undertaking its own target market assessment in respect of the Notes (by either adopting or refining the manufacturer ['s/s'] target market assessment) and determining appropriate distribution channels.]*

***[UK MiFIR PRODUCT GOVERNANCE/PROFESSIONAL INVESTORS AND ELIGIBLE COUNTERPARTIES ONLY TARGET MARKET** – Solely for the purposes of [the/each] manufacturer's product approval process, the target market assessment in respect of the Notes has led to the conclusion that: (i) the target market for the Notes is only eligible counterparties, as defined in the FCA Handbook Conduct of Business Sourcebook ("**COBS**"), and professional clients, as defined in Regulation (EU) No 600/2014 as it forms part of UK domestic law by virtue of the [European Union (Withdrawal) Act 2018/EUWA] ("**UK MiFIR**"); and (ii) all channels for distribution of the Notes to eligible counterparties and professional clients are appropriate. Any person subsequently offering, selling or recommending the Notes (a "UK distributor") should take into consideration the manufacturer['s/s'] target market assessment; however, a UK distributor subject to the FCA Handbook Product Intervention and Product Governance Sourcebook (the "UK MiFIR Product Governance Rules") is responsible for undertaking its own target market assessment in respect of the Notes (by either adopting or refining the manufacturer['s/s'] target market assessment) and determining appropriate distribution channels.]*

*[**NOTIFICATION UNDER SECTION 309B(1)(c) OF THE SECURITIES AND FUTURES ACT (CHAPTER 289) OF SINGAPORE** (as amended or modified from time to time, the **"SFA"**) - [Insert notice if classification of the Notes is not "prescribed capital markets products", pursuant to Section 309B of the SFA or Excluded Investment Products (as defined in MAS Notice SFA 04-N12: Notice on the Sale of Investment Products and MAS Notice FAA-N16: Notice on Recommendations on Investment Products)].][10]*

[The Notes will only be admitted to trading on [insert name of relevant QI market/segment], which is [an EEA regulated market/a specific segment of an EEA regulated market] (as defined in MiFID II), to which only qualified investors (as defined in the Prospectus Regulation) can have access and shall not be offered or sold to non-qualified investors.][11]

*[Amounts payable under the Notes may be calculated by reference to [specify benchmark (as this term is [defined in the Benchmark Regulation)] which is provided by [legal name of the benchmark administrator]. As at the date of this Final Terms, [legal name of the benchmark administrator] [appears / does not appear] on the register of administrators and benchmarks established and maintained by the European Securities and Markets Authority pursuant to Article 36 of the Benchmark Regulation (Regulation (EU) 2016/1011) ("**Benchmark Regulation**").*

[As far as the Issuer is aware, [specify benchmark (as this term is defined in the Benchmark Regulation)] [does not fall within the scope of the Benchmark Regulation / the transitional provisions in Article 51 of the Benchmark Regulation apply] such that [legal name of the benchmark administrator] is not currently required to obtain authorisation or registration (or, if located outside the EU, recognition, endorsement or equivalence).]]

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10 Relevant Manager(s)/Dealer(s) to consider whether it / they have received the necessary product classification from the Issuer prior to the launch of the offer, pursuant to Section 309B of the SFA.

11 Legend to be included for Notes with a minimum denomination of less than EUR 100,000 (or equivalent in another currency) which will only be admitted to trading on a regulated market, or a specific segment of a regulated market, to which only qualified investors can have access.

[*Date*]

Banco BPI, S.A.

(*incorporated with limited liability in the Republic of Portugal*)

Issue of [Aggregate Nominal Amount of Tranche] [Title of Notes]

under the 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

PART A – CONTRACTUAL TERMS

Terms used herein shall be deemed to be defined as such for the purposes of the "*Terms and Conditions of the Senior and Subordinated Notes*"/"*Terms and Conditions of the Undated Deeply Subordinated Notes*" (the "***Conditions***") set forth in the Base Prospectus dated 9 September 2021 [and the supplement dated [●]], which [together] constitute[s] a base prospectus for the purposes of the Prospectus Regulation (Regulation (EU) 2017/1129). This document (including any Schedule hereto) constitutes the Final Terms of the Notes described herein for the purposes of the Prospectus Regulation and must be read in conjunction with the Base Prospectus [as so supplemented] in order to obtain all the relevant information. The Base Prospectus [as so supplemented] [*Insert for Notes listed on the Official List of the Luxembourg Stock Exchange or offered to the public in Luxembourg:* and the Final Terms] [is][are] available for viewing on the website of the Luxembourg Stock Exchange (www.bourse.lu) and at www.ir.bpi.pt, and for collection from Rua Tenente Valadim, 284, Porto, Portugal. [*For Notes listed on a stock exchange other than Luxembourg Stock Exchange insert:* The Final Terms are available for viewing on the website of [*Insert details of the relevant stock exchange and website address*], and for collection from Rua Tenente Valadim, 284, Porto, Portugal.] A summary of the individual issue is annexed to the Final Terms.

[Include whichever of the following apply or specify as "Not Applicable" (N/A). Note that the numbering should remain as set out below, even if "Not Applicable" is indicated for individual paragraphs or subparagraphs. Italics denote directions for completing the Final Terms.]

[*When adding any other final terms or information consideration should be given as to whether such terms or information constitute "significant new factors" and consequently trigger the need for a supplement to the Base Prospectus under Article 23 of the Prospectus Regulation.*]

1.	(a)	Series Number:	[ ]
	(b)	Tranche Number:	[ ]
	(c)	Date on which the Notes become fungible:	[Not Applicable/The Notes shall be consolidated, form a single series and be interchangeable for trading purposes with the [*Series number*] on [*insert date*/the Issue Date]]

2.	Specified Currency or Currencies[12]:	[ ]
3.	Aggregate Nominal Amount [of Notes admitted to trading]:	
	(a) [Series:	[ ]]
	(b) [Tranche:	[ ]]
4.	Issue Price:	[ ] per cent. of the Aggregate Nominal Amount [plus accrued interest from [*insert date*] (if applicable)
5.	(a) Specified Denomination:	[ ] *(N.B. the minimum denomination of each Note admitted to trading on a European Economic Area exchange or offered to the public in a Member State of the European Economic Area in circumstances which require the publication of a prospectus under the Prospectus Regulation will be EUR 1,000 (or, if the Notes are denominated in a currency other than euro, the equivalent amount in such currency) or such other higher amount as may be allowed or required from time to time by the relevant central bank (or equivalent body) or any laws or regulations applicable to the relevant Specified Currency.*) (*N.B. If an issue of Notes is (i) NOT admitted to trading on an European Economic Area exchange; and (ii) only offered in the European Economic Area or in the UK in circumstances where a prospectus is not required to be published under the Prospectus Regulation the [EUR 1,000] minimum denominations is not required.* *The Notes will only be tradeable in one Specified Denomination)*
	(b) Calculation Amount:	[ ]
6.	(a) Issue Date:	[ ]
	(b) Interest Commencement Date:	[*specify*/Issue Date/Not Applicable] (*N.B. Not relevant for Zero Coupon Notes*.)
7.	Maturity Date:	[*Fixed rate - specify date/ Floating rate* - Interest Payment Date falling in or nearest to [*specify month and year*] (the "*Scheduled Maturity Date*")/ Not Applicable]
8.	Interest Basis:	[[ ] per cent. Fixed Rate, Reset provisions [Applicable/Not applicable]] [[EURIBOR/SONIA/SOFR] +/- [ ] per cent. Floating Rate] [Zero Coupon] (further particulars specified below)
9.	Redemption/Payment Basis:	[Redemption at par]
10.	Put/Call Options:	[Investor Put] [Issuer Call]

[12] The minimum denomination of the Notes will be, if in euro, EUR 1,000, if in any currency other than euro, in an amount in such other currency exceeding the equivalent of EUR 1,000 at the time of the issue of the Notes.

		[Not Applicable]
		[(further particulars specified below)]
11. (a)	Status of the Notes:	Ordinary Senior Notes not eligible to comply with MREL Requirements
(b)	[Date [Board] approval for issuance of Notes obtained:	[ ]
		(*N.B. Only relevant where Board (or similar) authorisation is required for the particular tranche of Notes*)
12. Method of distribution:		[Syndicated/Non-syndicated]

PROVISIONS RELATING TO INTEREST (IF ANY) PAYABLE

13. Fixed Rate Note Provisions:		[Applicable/ [as per 14 (b) below] / Not Applicable]
		(*If not applicable, delete the remaining subparagraphs of this paragraph*)
(a)	Rate(s) of Interest:	[ ] per cent. per annum [payable
		[annually/semi-annually/quarterly/monthly] in arrear]
(i)	Fixed Coupon Amount:	[ ]/[Not Applicable]
(ii)	Broken Amount(s):	[ ]/[Not Applicable]
(b)	Reset Provisions:	[Applicable/Not Applicable]
		(If not applicable, delete the remaining lines of this subparagraph)
(i)	Rate of Interest before the First Reset Date:	[ ] per cent. per annum payable in arrears
(ii)	First Margin	[[+/-][ ] per cent. per annum]/[Not Applicable]
(iii)	Fixed Coupon Amount up to (but excluding) the First Reset Date:	[ ]
(iv)	Subsequent Margin:	[+/-][ ] per cent. per annum /[Not Applicable]
(v)	First Reset Date	[ ]
(vi)	Second Reset Date:	[ ]/[Not Applicable]
(vii)	Subsequent Reset Date(s):	[ ]/[Not Applicable]
(viii)	Determination Procedure:	[screen page determination]
(ix)	Relevant Screen Page	[ ]
(x)	Reset Determination Date(s):	[ ]
(xi)	Mid-Swap Rate:	[ ]
(xii)	Mid-Swap Maturity:	[ ]
(xiii)	Reference Banks:	[ ]
(xiv)	Calculation Agent:	[ ]
(xv)	Mid-Swap Floating Leg Benchmark Rate:	[ ]
(xvi)	Other terms relating to the method of calculating interest:	[None] / [ ]

(c)	Interest Payment Date(s):	[[ ] in each year] (*N.B. This will need to be completed in the case of long or short coupons*)
(d)	Day Count Fraction:	[30/360 / Actual/Actual (ICMA)/ Actual /Actual (ICMA Rule 251) / 1/1]]
(e)	Determination Date(s):	[Not Applicable/ [ ] in each year] [*Insert regular interest payment dates, ignoring issue date or maturity date in the case of a long or short first or last coupon.* *N.B. This will need to be amended in the case of regular interest payment dates which are not of equal duration.* *N.B. Only relevant where Day Count Fraction is Actual/Actual (ICMA)*]
14. Floating Rate Note Provisions:		[Applicable/Not Applicable] (*If not applicable, delete the remaining subparagraphs of this paragraph*)
(a)	Specified Period(s)/Specified Interest Payment Dates:	[ ]
(b)	Business Day Convention:	[Floating Rate Convention/Following Business Day Convention/Modified Following Business Day Convention/ Preceding Business Day Convention]
(c)	Additional Business Centre(s):	[ ]
(d)	Manner in which the Rate of Interest and Interest Amount is to be determined:	[Screen Rate Determination/ISDA Determination]
(e)	Party responsible for calculating the Rate of Interest and Interest Amount (if not the Agent):	[ ]
(f)	Screen Rate Determination:	[Applicable / Not Applicable]
	• Reference Rate:	[ ] (*Either EURIBOR, SONIA or SOFR – including fallback provisions in the Agency Agreement, and without prejudice to Condition 4(e)*)
	• Interest Determination Date(s):	[ ] (*Second day on which the TARGET 2 System is open prior to the start of each Interest Period if EURIBOR*) *(in the case of Notes where the Reference Rate is SONIA*): [As defined in Condition 4(c)(ii)(C)] (*in the case of Notes where the Reference Rate is SOFR*): [[•] U.S. Government Securities Business Days prior to each Interest Payment Date]
	• Relevant Screen Page:	[ ]

(*In the case of EURIBOR, if not Reuters EURIBOR01 ensure it is a page which shows a composite rate or amend the fallback provisions appropriately*)

- [Calculation Method: *Include where the Reference Rate is SONIA: [SONIA Compounded Daily]/[SONIA Index Compounded Daily]/[SONIA Weighted Average]]*

  [Include where the Reference Rate is SOFR: [SOFR Arithmetic Mean]/[SOFR Compound: [SOFR Compound with Lookback]/[SOFR Compound with Observation Period Shift]/]/[SOFR Compound with Payment Delay]/[SOFR Index with Observation Shift]]]

- Observation Method *[Include where the Calculation Method is SONIA Compounded Daily: [Lag]/[Lock-out]/[Shift]]*

- p (for the purposes of the Observation Period) : [*[specify] [London Banking Days]/[U.S. Government Securities Business Days]/[As per the Conditions]/[Not applicable]*]

  (*Include where the Reference Rate is SONIA or SOFR (where the Calculation Method is SOFR Compound: SOFR Compound with Lookback*))

- [Observation Shift Days: [[*specify] U.S. Government Securities Business Days]/[As per the Conditions]/[Not Applicable*]]

  (*Include where the Reference Rate is SOFR and the Calculation Method is SOFR Compound: SOFR with Observation Period Shift or SOFR Index with Observation Shift*)

- Interest Payment Delay [*Not Applicable / [ ] U.S. Government Securities Business Day(s)*]]

- Interest Period End Dates: [*specify] [The Interest Payment Date for such Interest Period] [Not Applicable*]

  (*Include where the Reference Rate is SONIA and the Observation Method is "Shift" or SOFR and the Calculation Method is Compound with Payment Delay*)

- [SOFR Cut-Off Date: [*As per Conditions]/[[specify] U.S. Government Securities Business Days]/[Not Applicable*]]

  (*Include where the Reference Rate is SOFR. Must apply where the Calculation Method is SOFR Arithmetic Mean*)

- [SOFR Replacement Alternatives Priority: [*As per Conditions]/[specify order of priority of SOFR Replacement Alternatives listed in Condition* [•].]]

(g) ISDA Determination: [Applicable / Not Applicable]

- Floating Rate Option: [ ]
- Designated Maturity: [ ]
- Reset Date: [ ]

(h) Margin(s): [+/-] [ ] per cent. per annum

(i) Minimum Rate of Interest: [Not Applicable / [ ] per cent. per annum]

(j) Maximum Rate of Interest: [Not Applicable / [ ] per cent. per annum]

(k)	Day Count Fraction:	[Actual/Actual (ISDA) Actual/365 (Fixed) Actual/365 (Sterling) Actual/360 30E/360 30E/360 (ISDA) 1/1] (*See Condition 4 for alternatives*)
15.	Zero Coupon Note Provisions:	[Applicable/Not Applicable] (*If not applicable, delete the remaining subparagraphs of this paragraph*)
(a)	Accrual Yield:	[ ] per cent. per annum
(b)	Reference Price:	[ ]

PROVISIONS RELATING TO REDEMPTION

16.	Issuer Call:	[Applicable/Not Applicable] (*If not applicable, delete the remaining subparagraphs of this paragraph*)
(a)	Optional Redemption Date(s):	[ ]
(b)	Optional Redemption Amount and method, if any, of calculation of such amount(s):	[ ] per Calculation Amount
(c)	If redeemable in part:	
(i)	Minimum Redemption Amount:	[ ]
(ii)	Maximum Redemption Amount:	[ ]
(d)	Notice period:	[From [*date*] until [*date*]/ On [*date*]]
17.	Investor Put:	[Applicable/Not Applicable] (*If not applicable, delete the remaining subparagraphs of this paragraph*)
(a)	Optional Redemption Date(s):	[ ]
(b)	Optional Redemption Amount and method, if any, of calculation of such amount(s):	[ ] per Calculation Amount
(c)	Notice period:	[From [*date*] until [*date*]/ On [*date*]]
18.	Final Redemption Amount:	[ ] per Calculation Amount

GENERAL PROVISIONS APPLICABLE TO THE NOTES

19.	Form of Notes:	Dematerialised book entry form, registered (*nominativas)* Notes
20.	Additional Financial Centre(s) or other special provisions relating to Payment Days:	[Not Applicable/[ ]] (*Note that this item relates to the place of payment and not Interest Period end dates to which item 15(c) relates*)

DISTRIBUTION

21. (a) If syndicated, names and addresses of Managers [and underwriting commitments]:	[Not Applicable/*give names and addresses [and underwriting commitments*]] (*Include names and addresses of entities agreeing to underwrite the issue on a firm commitment basis and names and addresses of the entities agreeing to place the issue without a firm commitment or on a* "*best efforts*" *basis if such entities are not the same as the Managers*)
(b) Date of [Subscription] Agreement:	[ ]
(c) Stabilising Manager (if any):	[Not Applicable/*give name*]
22. If non-syndicated, name [and address] of relevant Dealer:	[Not Applicable/Name [and address]]
23. Total commission and concession:	[ ] per cent. of the Aggregate Nominal Amount
24. U.S. Selling Restrictions:	[Reg. S Compliance Category/ Not Applicable] [TEFRA C/TEFRA not applicable]
25. Non-exempt Offer:	[Not Applicable] [An offer of the Notes may be made by the Managers [and [*specify names of other financial intermediaries/placers making non-exempt offers, to the extent known OR consider a generic description of other parties involved in non-exempt offers (e.g. "other parties authorised by the Managers") or (if relevant) note that other parties may make non-exempt offers in the Public Offer Jurisdictions during the Offer Period, if not known*]] (together with the Managers, the "***Financial Intermediaries***") other than pursuant to Article 1(4) of the Prospectus Regulation in [*specify relevant Member State(s) - which must be jurisdictions where the Base Prospectus and any supplements have been passported (in addition to the jurisdiction where approved and published*)] ("***Public Offer Jurisdictions***") during the period from [*specify date*] until [*specify date or a formula such as "the Issue Date" or "the date which falls [•] Business Days thereafter*"] ("***Offer Period***") See Part B below (*N.B. Consider any local regulatory requirements necessary to be fulfilled so as to be able to make a non-exempt offer in relevant jurisdictions. No such offer should be made in any relevant jurisdiction until those requirements have been met. Non-exempt offers may only be made into jurisdictions in which the base prospectus (and any supplement) has been notified/passported*.)
26. Prohibition of Sales to EEA Retail Investors:	[Applicable / Not Applicable] (*If the Notes clearly do not constitute "packaged" products or the Notes do constitute "packaged" products and a key information document will be prepared, "Not Applicable" should be specified. If the Notes may constitute "packaged" products and no KID will be prepared in the EEA, "Applicable" should be specified*.)
27. Prohibition of Sales to UK Retail Investors:	[Applicable / Not Applicable] *If the Notes clearly do not constitute "packaged" products or the Notes do constitute "packaged" products and a key*

	information document will be prepared, "Not Applicable" should be specified. If the Notes may constitute "packaged" products and no KID will be prepared in the UK, "Applicable" should be specified
28. Relevant Benchmark[s]:	[Amounts payable under the Notes will be calculated by reference to [] which is provided by []. As at [], [] [appears/does not appear] on the register of administrators and benchmarks established and maintained by the European Securities and Markets Authority pursuant to Article 36 of the Benchmark Regulation (Regulation (EU) 2016/1011) (the "EU Benchmarks Regulation").] [As at the date of these Final Terms, [insert legal name(s) of the benchmark administrator(s)] [is/are] [not] included in the register of administrators established and maintained by the Financial Conduct Authority pursuant to Article 36 of Regulation (EU) 2016/1011 as it forms part of domestic law by virtue of the EUWA (the "UK Benchmarks Regulation").] [As far as the Issuer is aware, [specify benchmark(s) (as this term is defined in the UK Benchmarks Regulation)] [does/do] not fall within the scope of the UK Benchmarks Regulation/the transitional provisions in Article 51 of the UK Benchmarks Regulation apply] such that [insert legal name(s) of the benchmark administrator(s)] [is/are] not currently required to obtain authorisation or registration (or, if located outside the UK, recognition, endorsement or equivalence).]] /[Not Applicable]

PURPOSE OF FINAL TERMS

These Final Terms comprise the final terms required for issue [and] [offer to the public in the Public Offer Jurisdictions] [and] admission to Listing on [the Official List of the Luxembourg Stock Exchange/[*other*]] and to trading on the regulated market of [the Luxembourg Stock Exchange/[*other*]] of the Notes described herein pursuant to the EUR 7,000,000,000 Euro Medium Term Note Programme of Banco BPI, S.A..

[THIRD PARTY INFORMATION

[*Relevant third party information*] has been extracted from [*specify source*]. The Issuer confirms that such information has been accurately reproduced and that, so far as it is aware and is able to ascertain from information published by [*specify source*], no facts have been omitted which would render the reproduced information inaccurate or misleading.]

Signed on behalf of the Issuer:

By: .....

Duly authorised

By: .....

Duly authorised

PART B – OTHER INFORMATION

1. LISTING AND ADMISSION TO TRADING

[Application [has been/will be] made by the Issuer (or on its behalf) for the Notes [to be admitted to listing to the Official List of the [Luxembourg Stock Exchange/OTHER] and] to be admitted to trading on the [non/]regulated market of the [Luxembourg Stock Exchange/OTHER] from [ ].] [Not Applicable.]

(Where documenting a fungible issue need to indicate that original notes are already admitted to trading.)

2. RATINGS

Ratings:

[The Notes to be issued [[have been]/[are expected to be]] rated [*insert details*] by [*insert the legal name of the relevant credit rating agency entity(ies) and associated defined terms*]. Each of [*defined terms*] is established in the [European Economic Area ("*EEA*") / United Kingdom (*"UK*")] and is registered under [Regulation (EC) No. 1060/2009 (as amended) (the "*CRA Regulation*") / Regulation (EC) No. 1060/2009 as it forms part of UK domestic law by virtue of the European Union (Withdrawal) Act 2018 (the "*UK CRA Regulation*")].

[[*Insert the legal name of the relevant non-EEA / non-UK CRA entity*] is not established in the [EEA / UK] and has not applied for registration under the [CRA Regulation / UK CRA Regulation]. The ratings have been endorsed by [*insert the legal name of the relevant EEA-registered / UK-registered CRA entity*] in accordance with the [CRA Regulation / UK CRA Regulation]. [*Insert the legal name of the relevant EEA CRA / UK CRA entity*] is established in the [EEA / UK] and registered under the [CRA Regulation / UK CRA Regulation]]. The list of registered and certified rating agencies is published by the European Securities and Markets Authority ("***ESMA***") on its website (https://www.esma.europa.eu/supervision/credit-rating-agencies/risk) in accordance with the CRA Regulation. [ESMA has indicated that ratings issued in [the United States/Canada/Hong Kong/Singapore/Argentina/Mexico/UK (*delete as appropriate*)] which have been endorsed by [*insert the legal name of the relevant EEA CRA entity that applied for registration*] may be used in the EEA by the relevant market participants.]]]/[Not Applicable.]

(*The above disclosure should reflect the rating allocated to Notes of the type being issued under the Programme generally or, where the issue has been specifically rated, that rating.*)

[*Need to include a brief explanation of the meaning of the ratings if this has previously been published by the rating provider.*]

3. INTERESTS OF NATURAL AND LEGAL PERSONS INVOLVED IN THE ISSUE

[Save for any fees payable to the [Managers/Dealers], so far as the Issuer is aware, no person involved in the issue of the Notes has an interest material to the offer. - *Amend as appropriate if there are other interests*]

[(*When adding any other description, consideration should be given as to whether such matters described constitute "significant new factors" and consequently trigger the need for a supplement to the Base Prospectus under Article 23 of the Prospectus Regulation.*)]

4. REASONS FOR THE OFFER, ESTIMATED NET PROCEEDS AND TOTAL EXPENSES

(i)	Reasons for the offer	[*See "Use of Proceeds" in the Base Prospectus [ ]]* *(See "Use of Proceeds" wording in the Base Prospectus - if reasons for offer different from what is disclosed in the Base Prospectus, include those reasons here*)
[(ii)	Estimated net proceeds:	[ ] (*If proceeds are intended for more than one use will need to split out and present in order of priority. If proceeds insufficient to fund all proposed uses state amount and sources of other funding.*)]
[(iii)	Estimated total expenses:	[ ]. (*Expenses are required to be broken down into each principal intended "use" and presented in order of priority of such "uses".)]*

5. YIELD *(Fixed Rate Notes only)*

Indication of yield:	*[Based upon the Issue Price of [ ], at the Issue Date the anticipated yield of the Notes is [ ] per cent. per annum./ Not Applicable]*

6. HISTORIC INTEREST RATES (*Floating Rate Notes Only*)

[Details of historic EURIBOR rates can be obtained from Reuters/ Not Applicable.]

7. OPERATIONAL INFORMATION

ISIN Code:	[ ]
Common Code:	[ ]/[Not Applicable]/[Not Available]
CFI:	[[*Include code*], as updated, as set out on the website of the Association of National Numbering Agencies (ANNA) or alternatively sourced from the responsible National Numbering Agency that assigned the ISIN]/[Not Applicable]/[Not Available]
FISN:	[[*Include code*], as updated, as set out on the website of the Association of National Numbering Agencies (ANNA) or alternatively sourced from the responsible National Numbering Agency that assigned the ISIN]/[Not Applicable]/[Not Available]
Any clearing system(s) other than Euroclear Bank S.A./N.V., Clearstream Banking, S.A. or Interbolsa and the relevant identification number(s):	[Not Applicable/give name(s) and number(s)]
Delivery:	Delivery [against/free of] payment
Names and addresses of Additional Paying Agent(s) (if any):	[ ]/[Not Applicable]
[Intended to be held in a manner which would allow Eurosystem eligibility:	[Yes] [No]

[Note that the designation "yes" simply means that the Notes are intended upon issue to be registered with Interbolsa – Sociedade Gestora de Sistemas de Liquidação e de Sistemas Centralizados de Valores Mobiliários, S.A. in its capacity as a securities settlement system, and does not necessarily mean that the Notes will be recognised as eligible collateral for Eurosystem monetary policy and intra-day credit operations by the Eurosystem either upon issue or at any or all times during their life. Such recognition will depend upon satisfaction of the Eurosystem eligibility criteria.] [*Include this text if "Yes" is selected*]

8. TERMS AND CONDITIONS OF THE OFFER

Offer Period:	[From [ ] to [ ]/ Not applicable]
Offer Price:	[Issue Price/Not applicable/*specify*]
[Conditions to which the offer is subject:]	[Not applicable/[ ]]
[Description of the application process]:	[Not applicable/[ ]]
[Description of the option to reduce subscriptions and the process for refunding excess amounts paid by applicants:]	[Not Applicable/[ ]]
[Details of the minimum and/or maximum amount of application]:	[Not applicable/[ ]]
[Description of possibility to reduce subscriptions and manner for refunding excess amount paid by applicants]:	[Not applicable/[ ]]
[Details of the method and time limits for paying up and delivering the Notes:]	[Not applicable/[ ]]
[Manner in and date on which results of the offer are to be made public:]	[Not applicable/insert manner and date]
[Procedure for exercise of any right of pre-emption, negotiability of subscription rights and treatment of subscription rights not exercised:]	[Not applicable/[ ]]
[Categories of potential investors to which the Notes are offered and whether Tranche(s) have been reserved for certain countries:]	[Qualified investors/non-qualified investors/Not Applicable]
[Process for notification to applicants of the amount allotted and the indication whether dealing may begin before notification is made:]	[Not applicable/[ ]]
[Amount of any expenses and taxes specifically charged to the subscriber or purchaser:]	[Not applicable/*give details*]

[Name(s) and address(es), to the extent known to the Issuer, of the placers in the various countries where the offer takes place.]	[Not applicable/*give details*]

An issue-specifc summary of the Notes is annexed to these Final Terms. [*To be prepared and attached pursuant to Article 8(9) of the Prospectus Regulation.*]

FORM OF FINAL TERMS

Set out below is the form of Final Terms which will be completed for each Tranche of Notes issued under the Programme with a denomination of (i) at least EUR 100,000 (or its equivalent in another currency) and/or (ii) are to be admitted to trading only on a regulated market, or a specific segment of a regulated market, to which only qualified investors (as defined in the Prospectus Regulation) have access.

[**PROHIBITION OF SALES TO EEA RETAIL INVESTORS**

*The Notes are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the European Economic Area ("**EEA**"). For these purposes, a retail investor means a person who is one (or more) of: (i) a retail client as defined in point (11) of Article 4(1) of Directive 2014/65/EU (as amended, "**MiFID II**"); (ii) a customer within the meaning of Directive (EU) 2016/97, where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II; or (iii) not a qualified investor as defined in Regulation (EU) 2017/1129 (the "**Prospectus Regulation**"). Consequently, no key information document required by regulation (EU) No 1286/2014 (as amended, the "**PRIIPs Regulation**") for offering or selling the notes or otherwise making them available to retail investors in the EEA has been prepared and therefore offering or selling the Notes or otherwise making them available to any retail investor in the EEA may be unlawful under the PRIIPs Regulation.]*[13]

[**PROHIBITION OF SALES TO UK RETAIL INVESTORS**

*The Notes are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the United Kingdom ("**UK**"). For these purposes, a retail investor means a person who is one (or more) of: (i) a retail client, as defined in point (8) of Article 2 of Regulation (EU) No 2017/565 as it forms part of UK domestic law by virtue of the European Union (Withdrawal) Act 2018 ("**EUWA**"); (ii) a customer within the meaning of the provisions of the Financial Services and Markets Act 2000 ("**FSMA**") and any rules or regulations made under the FSMA to implement Directive (EU) 2016/97, where that customer would not qualify as a professional client, as defined in point (8) of Article 2(1) of Regulation (EU) No 600/2014 as it forms part of UK domestic law by virtue of the EUWA; or (iii) not a qualified investor as defined in Article 2 of Regulation (EU) 2017/1129 as it forms part of UK domestic law by virtue of the EUWA. Consequently, no key information document required by Regulation (EU) No 1286/2014 as it forms part of UK domestic law by virtue of the EUWA (the "**UK PRIIPs Regulation**") for offering or selling the Notes or otherwise making them available to retail investors in the UK has been prepared and therefore offering or selling the Notes or otherwise making them available to any retail investor in the UK may be unlawful under the UK PRIIPs Regulation.]*[14]

*[**MiFID II PRODUCT GOVERNANCE/PROFESSIONAL INVESTORS AND ELIGIBLE COUNTERPARTIES ONLY TARGET MARKET –** Solely for the purposes of [the/each] manufacturer's product approval process, the target market assessment in respect of the Notes has led to the conclusion that: (i) the target market for the Notes is eligible*

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13 Legend to be included on front of the Final Terms if the Notes potentially constitute "packaged" products or the Issuer wishes to prohibit offers to EEA retail investors for any other reason, in which case the selling restriction should be specified to be "Applicable".

14 Legend to be included on front of the Final Terms if the Notes potentially constitute "packaged" products or the Issuer wishes to prohibit offers to UK retail investors for any other reason, in which case the selling restriction should be specified to be "Applicable".

*counterparties and professional clients only, each as defined in [Directive 2014/65/EU (as amended, "**MiFID II**")][MiFID II]; and (ii) all channels for distribution of the Notes to eligible counterparties and professional clients are appropriate. Any person subsequently offering, selling or recommending the Notes (a "**distributor**") should take into consideration the manufacturer ['s/s'] target market assessment; however, a distributor subject to MiFID II is responsible for undertaking its own target market assessment in respect of the Notes (by either adopting or refining the manufacturer ['s/s'] target market assessment) and determining appropriate distribution channels.]*

***[UK MiFIR PRODUCT GOVERNANCE/PROFESSIONAL INVESTORS AND ELIGIBLE COUNTERPARTIES ONLY TARGET MARKET** – Solely for the purposes of [the/each] manufacturer's product approval process, the target market assessment in respect of the Notes has led to the conclusion that: (i) the target market for the Notes is only eligible counterparties, as defined in the FCA Handbook Conduct of Business Sourcebook ("**COBS**"), and professional clients, as defined in Regulation (EU) No 600/2014 as it forms part of UK domestic law by virtue of the [European Union (Withdrawal) Act 2018/EUWA] ("**UK MiFIR**"); and (ii) all channels for distribution of the Notes to eligible counterparties and professional clients are appropriate. Any person subsequently offering, selling or recommending the Notes (a "UK distributor") should take into consideration the manufacturer['s/s'] target market assessment; however, a UK distributor subject to the FCA Handbook Product Intervention and Product Governance Sourcebook (the "UK MiFIR Product Governance Rules") is responsible for undertaking its own target market assessment in respect of the Notes (by either adopting or refining the manufacturer['s/s'] target market assessment) and determining appropriate distribution channels.]*

*[**NOTIFICATION UNDER SECTION 309B(1)(c) OF THE SECURITIES AND FUTURES ACT (CHAPTER 289) OF SINGAPORE** (as amended or modified from time to time, the **"SFA"**) - [Insert notice if classification of the Notes is not "prescribed capital markets products", pursuant to Section 309B of the SFA or Excluded Investment Products (as defined in MAS Notice SFA 04-N12: Notice on the Sale of Investment Products and MAS Notice FAA-N16: Notice on Recommendations on Investment Products)].][15]*

[The Notes will only be admitted to trading on [insert name of relevant QI market/segment], which is [an EEA regulated market/a specific segment of an EEA regulated market] (as defined in MiFID II), to which only qualified investors (as defined in the Prospectus Regulation) can have access and shall not be offered or sold to non-qualified investors.][16]

*[Amounts payable under the Notes may be calculated by reference to [specify benchmark (as this term is [defined in the Benchmark Regulation)] which is provided by [legal name of the benchmark administrator]. As at the date of this Final Terms, [legal name of the benchmark administrator] [appears / does not appear] on the register of administrators and benchmarks established and maintained by the European Securities and Markets Authority pursuant to Article 36 of the Benchmark Regulation (Regulation (EU) 2016/1011) ("**Benchmark Regulation**").*

[As far as the Issuer is aware, [specify benchmark (as this term is defined in the Benchmark Regulation)] [does not fall within the scope of the Benchmark Regulation / the transitional provisions in Article 51 of the Benchmark Regulation

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15 Relevant Manager(s)/Dealer(s) to consider whether it / they have received the necessary product classification from the Issuer prior to the launch of the offer, pursuant to Section 309B of the SFA.

16 Legend to be included for Notes with a minimum denomination of less than EUR 100,000 (or equivalent in another currency) which will only be admitted to trading on a regulated market, or a specific segment of a regulated market, to which only qualified investors can have access.

apply] such that [legal name of the benchmark administrator] is not currently required to obtain authorisation or registration (or, if located outside the EU, recognition, endorsement or equivalence).]]

[The Notes will only be admitted to trading on [insert name of relevant QI market/segment], which is [an EEA regulated market/a specific segment of an EEA regulated market] [(and, for these purposes, reference to the EEA includes the United Kingdom)] (as defined in MiFID II), to which only qualified investors (as defined in the Prospectus Regulation) can have access and shall not be offered or sold to non-qualified investors.][17]

[Date]

Banco BPI, S.A.

(*incorporated with limited liability in the Republic of Portugal*)

Issue of [Aggregate Nominal Amount of Tranche] [Title of Notes]

under the 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

PART A – CONTRACTUAL TERMS

Terms used herein shall be deemed to be defined as such for the purposes of the ["*Terms and Conditions of the Senior and Subordinated Notes*"/"*Terms and Conditions of the Undated Deeply Subordinated Notes*"] (the "**Conditions**") set forth in the Base Prospectus dated 9 September 2021 [and the supplement dated [●]], which [together] constitute[s] a base prospectus for the purposes of the Prospectus Regulation (Regulation (EU) 2017/1129). This document constitutes the Final Terms of the Notes described herein for the purposes of the Prospectus Regulation and must be read in conjunction with the Base Prospectus [as so supplemented] in order to obtain all the relevant information. Full information on the Issuer and the offer of the Notes is only available on the basis of the combination of these Final Terms and the Base Prospectus [as so supplemented]. The Base Prospectus [as so supplemented] [*For Notes listed on the Official List of the Luxembourg Stock Exchange or offered to the public in Luxembourg insert:* and the Final Terms] [is][are] available for viewing on the website of the Luxembourg Stock Exchange (www.bourse.lu) and at www.ir.bpi.pt, and for collection from Rua Tenente Valadim, 284, Porto. [*For Notes listed on a stock exchange other than Luxembourg Stock Exchange insert:* The Final Terms are available for viewing on the website of [*Insert details of the relevant stock exchange or competent authority and website address*], and for collection from Rua Tenente Valadim, 284, Porto, Portugal.]

[17] *Legend to be considered for inclusion for Notes with a minimum denomination of at least EUR 100,000 (or equivalent in another currency), and which will only be admitted to trading on a regulated market, or a specific segment of a regulated market, to which only qualified investors can have access.*

[Include whichever of the following apply or specify as "Not Applicable" (N/A). Note that the numbering should remain as set out below, even if "Not Applicable" is indicated for individual paragraphs or subparagraphs. Italics denote directions for completing the Final Terms.]

[*When adding any other final terms or information consideration should be given as to whether such terms or information constitute "significant new factors" and consequently trigger the need for a supplement to the Base Prospectus under Article 23 of the Prospectus Regulation.*]

1.	(a)	Series Number:	[ ]
	(b)	Tranche Number:	[ ]
	(c)	Date on which the Notes become fungible:	[Not Applicable/The Notes shall be consolidated, form a single series and be interchangeable for trading purposes with the [*Series number*] on [*insert date*/the Issue Date]]
2.		Specified Currency or Currencies:[18]	[ ]
3.		Aggregate Nominal Amount	
	(a)	Series:	[ ]
	(b)	Tranche:	[ ]
4.		Issue Price:	[ ] per cent. of the Aggregate Nominal Amount [plus accrued interest from [*insert date*] *(if applicable)*
5.		(a) Specified Denominations:	[ ] *(N.B. Notes must have a minimum denomination of EUR 100,000 (or equivalent) in order to benefit from the wholesale exemption set out in Article 1(4)(c) of the Prospectus Regulation.)* *(N.B. If an issue of Notes is (i) NOT admitted to trading on an European Economic Area exchange; and (ii) only offered in the European Economic Area in circumstances where a prospectus is not required to be published under the Prospectus Regulation the [EUR 100,000] minimum denomination is not required.* *The Notes will only be tradeable in one Specified Denomination)*
	(b)	Calculation Amount:	[ ]
6.	(a)	Issue Date:	[ ]
	(b)	Interest Commencement Date:	[*specify*/Issue Date/Not Applicable (*NB: Not relevant for Zero Coupon Notes*]
7.		Maturity Date[19]:	[Fixed rate - specify date/ *Floating rate* - Interest Payment Date falling in or nearest to [*specify month and year*] (the "**Scheduled Maturity Date**")/ Not applicable]

[18] The minimum denomination of the Notes will be, if in euro, EUR 100,000, if in any currency other than euro, in an amount in such other currency exceeding the equivalent of EUR 100,000 at the time of the issue of the Notes.

[19] There will be no final Maturity Date in the case of Undated Subordinated Notes and Undated Deeply Subordinated Notes.

8.	Interest Basis:	[[ ] per cent. Fixed Rate, Reset provisions [Applicable/Not applicable]] [[EURIBOR/SONIA] +/- [ ] per cent. Floating Rate] [Zero Coupon] (further particulars specified below)
9.	Redemption/Payment Basis:	[Redemption at par[20] / Current Principal Amount[21]]
10.	Put/Call Options:	[Investor Put[22] [Issuer Call] [Not Applicable] [(further particulars specified below)]
11.	(a) Status of the Notes:	[Ordinary Senior Notes not eligible to comply with MREL Requirements / Ordinary Senior Notes eligible to comply with MREL Requirements Condition 9(a) [Applicable / Not Applicable] / Condition 9(b) [Applicable/ Not Applicable / Senior Non Preferred Notes / [Dated/Undated] [Subordinated/Deeply Subordinated] [If undated Deeply Subordinated: [Condition 2(c) Conversion: [Applicable][Not Applicable]]
	(b) [Date [Board] approval for issuance of Notes obtained:	[ ] (*N.B. Only relevant where Board (or similar) authorisation is required for the particular tranche of Notes.*)
12.	Method of distribution:	[Syndicated/Non-syndicated]
13.	Capital Ratio Event (if different from Condition 2(b)(i)):	(*N.B. Only applicable to the Undated Deeply Subordinated Notes. Please specify the relevant percentage if higher than 5.125 per cent.]*

PROVISIONS RELATING TO INTEREST (IF ANY) PAYABLE

14.	Fixed Rate Note Provisions:	[Applicable/ [as per 14 (b) below]/ Not Applicable] (*If not applicable, delete the remaining subparagraphs of this paragraph*)
	(a) Rate(s) of Interest:	[ ] per cent. per annum [payable [annually/semi-annually/quarterly/ monthly] in arrear]
	(i) Fixed Coupon Amount:	[ ]/[Not Applicable]
	(ii) Broken Amount(s):	[ ]/[Not Applicable]
	(b) Reset Provisions:	[Applicable/Not Applicable] *(If not applicable, delete the remaining lines of this subparagraph)*

[20] Applicable to all Notes, other than Undated Deeply Subordinated Notes.
[21] Applicable only to Undated Deeply Subordinated Notes.
[22] Only applicable to Ordinary Senior Notes not eligible to comply with MREL Requirements.

(i) Rate of Interest before the First Reset Date: [ ] per cent. per annum payable in arrears

(ii) First Margin [[+/-][ ] per cent. per annum]/[Not Applicable]

(iii) Fixed Coupon Amount up to (but excluding) the First Reset Date: [ ]

(iv) Subsequent Margin: [+/-][ ] per cent. per annum /[Not Applicable]

(v) First Reset Date [ ]

(vi) Second Reset Date: [ ] Not Applicable]

(vii) Subsequent Reset Date(s): [ ] /[Not Applicable]

(viii) Determination Procedure: [screen page determination/[ ]]

(ix) Relevant Screen Page [ ]

(x) Reset Determination Date(s): [ ]

(xi) Mid-Swap Rate: [ ]

(xii) Mid-Swap Maturity: [ ]

(xiii) Reference Banks: [ ]

(xiv) Calculation Agent: [ ]

(xv) Mid-Swap Floating Leg Benchmark Rate: [ ]

(xvi) Other terms relating to the method of calculating interest [None]/[[ ]]

(c) Interest Payment Date(s): [Subject to Condition 4][23] [[ ] in each year]

(*N.B. This will need to be completed in the case of long or short coupons*)

(d) Day Count Fraction: [30/360 / Actual/Actual (ICMA)/ Actual /Actual (ICMA Rule 251) / 1/1]]

(e) Determination Date(s): [Not Applicable/ [ ] in each year]

[*Insert regular interest payment dates, ignoring issue date or maturity date in the case of a long or short first or last coupon.*

N.B. This will need to be amended in the case of regular interest payment dates which are not of equal duration.

N.B. Only relevant where Day Count Fraction is Actual/Actual (ICMA)]

15. Floating Rate Note Provisions: [Applicable/Not Applicable] [Subject to Condition 4]

(*If not applicable, delete the remaining subparagraphs of this paragraph*)

(a) Specified Period(s)/Specified Interest Payment Dates: [ ]

(b) Business Day Convention: [Floating Rate Convention/Following Business Day Convention/Modified Following Business Day Convention/ Preceding Business Day Convention]

(c) Additional Business Centre(s): [ ]

(d)	Manner in which the Rate of Interest and Interest Amount is to be determined:	[Screen Rate Determination/ISDA Determination]
(e)	Party responsible for calculating the Rate of Interest and Interest Amount (if not the Paying Agent):	[ ]
(f)	Screen Rate Determination:	[Applicable / Not Applicable]
	• Reference Rate:	[ ] (*Either EURIBOR, SONIA or SOFR – including fallback provisions in the Agency Agreement, and without prejudice to Condition 4(e)*)
	• Interest Determination Date(s):	[ ] (*Second day on which the TARGET 2 System is open prior to the start of each Interest Period if EURIBOR*) *(in the case of Notes where the Reference Rate is SONIA*): [As defined in Condition 4(c)(ii)(C)] (*in the case of Notes where the Reference Rate is SOFR*): [[•] U.S. Government Securities Business Days prior to each Interest Payment Date]
	• Relevant Screen Page:	[ ] (*In the case of EURIBOR, if not Reuters EURIBOR01 ensure it is a page which shows a composite rate or amend the fallback provisions appropriately*)
	• [Calculation Method:	*Include where the Reference Rate is SONIA: [SONIA Compounded Daily]/[SONIA Index Compounded Daily]/[SONIA Weighted Average]]* *[Include where the Reference Rate is SOFR: [SOFR Arithmetic Mean]/[SOFR Compound: [SOFR Compound with Lookback]/[SOFR Compound with Observation Period Shift]/]/[SOFR Compound with Payment Delay]/[SOFR Index with Observation Shift]]]*
	• Observation Method	*[Include where the Calculation Method is SONIA Compounded Daily: [Lag]/[Lock-out]/[Shift]]*
	• p (for the purposes of the Observation Period) :	[*[specify] [London Banking Days]/[U.S. Government Securities Business Days]/[As per the Conditions]/[Not applicable]*] (*Include where the Reference Rate is SONIA or SOFR (where the Calculation Method is SOFR Compound: SOFR Compound with Lookback*))
	• [Observation Shift Days:	[[*specify] U.S. Government Securities Business Days]/[As per the Conditions]/[Not Applicable*]] (*Include where the Reference Rate is SOFR and the Calculation Method is SOFR Compound: SOFR with Observation Period Shift or SOFR Index with Observation Shift*)
	• Interest Payment Delay	[*Not Applicable / [ ] U.S. Government Securities Business Day(s)*]]

- Interest Period End Dates: [*specify] [The Interest Payment Date for such Interest Period] [Not Applicable*]

  (*Include where the Reference Rate is SONIA and the Observation Method is "Shift" or SOFR and the Calculation Method is Compound with Payment Delay*)

- [SOFR Cut-Off Date: [*As per Conditions]/[[specify] U.S. Government Securities Business Days]/[Not Applicable*]]

  (*Include where the Reference Rate is SOFR. Must apply where the Calculation Method is SOFR Arithmetic Mean*)

- [SOFR Replacement Alternatives Priority: [*As per Conditions]/[specify order of priority of SOFR Replacement Alternatives listed in Condition* [•].]]

(g) ISDA Determination: [Applicable / Not Applicable]

- Floating Rate Option: [ ]
- Designated Maturity: [ ]
- Reset Date: [ ]

(h) Margin(s): [+/-] [ ] per cent. per annum

(i) Minimum Rate of Interest: [Not Applicable / [ ] per cent. per annum]

(j) Maximum Rate of Interest: [Not Applicable / [ ] per cent. per annum]

(k) Day Count Fraction: [Actual/Actual (ISDA)

Actual/365 (Fixed)

Actual/365 (Sterling)

Actual/360

30/360

30E/360

30E/360 (ISDA)

1/1]

(*See Condition 4 for alternatives*)

16. Zero Coupon Note Provisions: [24] [Applicable/Not Applicable]
(*If not applicable, delete the remaining subparagraphs of this paragraph*)

(a) Accrual Yield: [ ] per cent. per annum
(b) Reference Price: [ ]

PROVISIONS RELATING TO REDEMPTION

17. Issuer Call: [Applicable/Not Applicable]

(*If not applicable, delete the remaining subparagraphs of this paragraph*)

(a) Optional Redemption Date(s): [ ]

(b) Optional Redemption Amount and method, if any, of calculation of such amount(s): [ ] per Calculation Amount

(c) If redeemable in part:

[24] Not applicable to Undated Deeply Subordinated Notes.

(i)	Minimum Redemption Amount:	[ ]
(ii)	Maximum Redemption Amount:	[ ]
(d)	Notice period:	[From [*date*] until [*date*]/ On [*date*]]
18.	Investor Put:	[Applicable/Not Applicable] (*If not applicable, delete the remaining subparagraphs of this paragraph*)
(a)	Optional Redemption Date(s):	[ ]
(b)	Optional Redemption Amount and method, if any, of calculation of such amount(s):	[ ] per Calculation Amount
(c)	Notice period:	[From [*date*] until [*date*]/ On [*date*]]
19.	Final Redemption Amount:	[ ] per Calculation Amount
20. (i)	MREL Disqualification Event	[Applicable/Not Applicable]
(ii)	Early Redemption Amount payable on redemption for taxation or regulatory reasons or on event of default, if applicable, or on an illegality and/or the method of calculating the same or upon the occurrence of a Capital Event or a MREL Disqualification Event (if required or if different from that set out in Condition 6 regarding the Terms and Conditions of the Senior and Subordinated Notes and Condition 6 regarding the Terms and Conditions of the Undated Deeply Subordinated Notes)):	[ ] per Calculation Amount

GENERAL PROVISIONS APPLICABLE TO THE NOTES

21.	Form of Notes:	Dematerialised book entry form, registered (*nominativas)* Notes
22.	Additional Financial Centre(s) or other special provisions relating to Payment Days:	[Not Applicable/[ ]] (*Note that this item relates to the place of payment and not Interest Period end dates to which item 15(c) relates*)

DISTRIBUTION

23.	(a)	If syndicated, names of Managers:	[Not Applicable/*give names]*
	(b)	Date of [Subscription] Agreement:	[ ]
	(c)	Stabilising Manager (if any):	[Not Applicable/give name]
24.	If non-syndicated, name [and address] of relevant Dealer:		[Not Applicable/Name [and address]]
25.	Total commission and concession:		[ ] per cent. of the Aggregate Nominal Amount
26.	U.S. Selling Restrictions:		[Reg. S Compliance Category/ Not Applicable] [TEFRA C/TEFRA not applicable]
27.	Prohibition of Sales to EEA Retail Investors:		[Applicable / Not Applicable] (*If the Notes clearly do not constitute "packaged" products or the Notes do constitute "packaged" products and a key information document will be prepared, "Not Applicable" should be specified. If the Notes may constitute "packaged" products and no*

KID will be prepared in the EEA, "Applicable" should be specified.)

28. Prohibition of Sales to UK Retail Investors: [Applicable / Not Applicable]

If the Notes clearly do not constitute "packaged" products or the Notes do constitute "packaged" products and a key information document will be prepared, "Not Applicable" should be specified. If the Notes may constitute "packaged" products and no KID will be prepared in the UK, "Applicable" should be specified

29. Relevant Benchmark[s]: [Amounts payable under the Notes will be calculated by reference to [] which is provided by []. As at [], [] [appears/does not appear] on the register of administrators and benchmarks established and maintained by the European Securities and Markets Authority pursuant to Article 36 of the Benchmark Regulation (Regulation (EU) 2016/1011) (the "EU Benchmarks Regulation").]

[As at the date of these Final Terms, [insert legal name(s) of the benchmark administrator(s)] [is/are] [not] included in the register of administrators established and maintained by the Financial Conduct Authority pursuant to Article 36 of Regulation (EU) 2016/1011 as it forms part of domestic law by virtue of the EUWA (the "UK Benchmarks Regulation").]

[As far as the Issuer is aware, [specify benchmark(s) (as this term is defined in the UK Benchmarks Regulation)] [does/do] not fall within the scope of the UK Benchmarks Regulation/the transitional provisions in Article 51 of the UK Benchmarks Regulation apply] such that [insert legal name(s) of the benchmark administrator(s)] [is/are] not currently required to obtain authorisation or registration (or, if located outside the UK, recognition, endorsement or equivalence).]] /[Not Applicable]

PURPOSE OF FINAL TERMS

These Final Terms comprise the final terms required for issue [and] admission to Listing on [the Official List of the Luxembourg Stock Exchange/[*OTHER*]] and to trading on the regulated market of the [Luxembourg Stock Exchange/[*OTHER*]] of the Notes described herein pursuant to the EUR 7,000,000,000 Euro Medium Term Note Programme of Banco BPI, S.A..

[THIRD PARTY INFORMATION

[Relevant third party information] has been extracted from [*specify source*]. The Issuer confirms that such information has been accurately reproduced and that, so far as it is aware and is able to ascertain from information published by [*specify source*], no facts have been omitted which would render the reproduced information inaccurate or misleading.]

Signed on behalf of the Issuer:

By: .....

Duly authorised

Signed on behalf of the Issuer:

By:

Duly authorised

PART B – OTHER INFORMATION

1. LISTING AND ADMISSION TO TRADING

(a)	Listing and Admission to Trading	[Application [has been/will be] made by the Issuer (or on its behalf) for the Notes [to be admitted to listing on the [Official List of the Luxembourg Stock Exchange/OTHER] and] to be admitted to trading on the [non/regulated market [of the Luxembourg Stock Exchange/OTHER] from [ ].] [Not Applicable.]
(b)	Estimate of total expenses relating to admission to trading:	[ ]

2. RATINGS

Ratings: [The Notes to be issued [[have been]/[are expected to be]] rated [*insert details*] by [*insert the legal name of the relevant credit rating agency entity(ies) and associated defined terms*]. Each of [*defined terms*] is established in the [European Economic Area ("***EEA***") / United Kingdom (*"**UK***")] and is registered under [Regulation (EC) No. 1060/2009 (as amended) (the "*CRA Regulation*") / Regulation (EC) No. 1060/2009 as it forms part of UK domestic law by virtue of the European Union (Withdrawal) Act 2018 (the "*UK CRA Regulation*")].

[[*Insert the legal name of the relevant non-EEA / non-UK CRA entity*] is not established in the [EEA / UK] and has not applied for registration under the [CRA Regulation / UK CRA Regulation]. The ratings have been endorsed by [*insert the legal name of the relevant EEA-registered / UK-registered CRA entity*] in accordance with the [CRA Regulation / UK CRA Regulation]. [*Insert the legal name of the relevant EEA CRA / UK CRA entity*] is established in the [EEA / UK] and registered under the [CRA Regulation / UK CRA Regulation]]. The list of registered and certified rating agencies is published by the European Securities and Markets Authority ("***ESMA***") on its website (https://www.esma.europa.eu/supervision/credit-rating-agencies/risk) in accordance with the CRA Regulation. [ESMA has indicated that ratings issued in [the United States/Canada/Hong Kong/Singapore/Argentina/Mexico/UK (*delete as appropriate*)] which have been endorsed by [*insert the legal name of the relevant EEA CRA entity that applied for registration*] may be used in the EEA by the relevant market participants.]]]/[Not Applicable.]

(*The above disclosure should reflect the rating allocated to Notes of the type being issued under the Programme generally or, where the issue has been specifically rated, that rating.*)

[*Need to include a brief explanation of the meaning of the ratings if this has previously been published by the rating provider.*]

3. INTERESTS OF NATURAL AND LEGAL PERSONS INVOLVED IN THE ISSUE

[Save for any fees payable to the [Managers/Dealers], so far as the Issuer is aware, no person involved in the issue of the Notes has an interest material to the offer. - *Amend as appropriate if there are other interests*]

[*(When adding any other description, consideration should be given as to whether such matters described constitute "significant new factors" and consequently trigger the need for a supplement to the Base Prospectus under Article 23 of the Prospectus Regulation.*)]

4. YIELD *(FIXED RATE NOTES ONLY)*

Indication of yield:	[Based upon the Issue Price of [ ], at the Issue Date the anticipated yield of the Notes is [ ] per cent. per annum./ Not Applicable]

5. OPERATIONAL INFORMATION

ISIN Code:	[ ]
Common Code:	[ ]/[Not Applicable/[Not Availale]
CFI	[[*Include code*], as updated, as set out on the website of the Association of National Numbering Agencies (ANNA) or alternatively sourced from the responsible National Numbering Agency that assigned the ISIN]/[Not Applicable]/[Not Available]
FISN	[[*Include code*], as updated, as set out on the website of the Association of National Numbering Agencies (ANNA) or alternatively sourced from the responsible National Numbering Agency that assigned the ISIN]/[Not Applicable]/[Not Available]
Any clearing system(s) other than Euroclear Bank S.A./N.V., Clearstream Banking, S.A. or Interbolsa and the relevant identification number(s)	[Not Applicable/*give name(s) and number(s)]*
Delivery:	Delivery [against/free of] payment
Names and addresses of Additional Paying Agent(s) (if any):	[ ]/[Not Applicable]
[Intended to be held in a manner which would allow Eurosystem eligibility:	[Yes] [No] *[Note that the designation "yes" simply means that the Notes are intended upon issue to be registered with Interbolsa – Sociedade Gestora de Sistemas de Liquidação e de Sistemas Centralizados de Valores Mobiliários, S.A. in its capacity as a securities settlement system, and does not necessarily mean that the Notes will be recognised as eligible collateral for Eurosystem monetary policy and intra-day credit operations by the Eurosystem either upon issue or at any or all times during their life. Such recognition will depend upon satisfaction of the Eurosystem eligibility criteria.] [Include this text if "Yes" is selected]*

TERMS AND CONDITIONS OF THE SENIOR AND THE SUBORDINATED NOTES

The following are (i) the Terms and Conditions of the Senior Notes and (ii) the Terms and Conditions of the Subordinated Notes, which will be incorporated into each Note settled by Central de Valores Mobiliários, the clearing system operated at Interbolsa – Sociedade Gestora de Sistemas de Liquidação e de Sistemas Centralizados de Valores Mobiliários S.A.. The Terms and Conditions of the Senior Notes and the Terms and Conditions of the Subordinated Notes are hereinafter referred as the "Terms and Conditions of the Senior and the Subordinated Notes" ***The Terms and Conditions of the Senior and the Subordinated Notesabove have not been approved (i) by the competent banking prudential supervisory authority (the "Competent Authority"), in this case the European Central Bank, the Bank of Portugal, or such other or successor authority which is responsible for prudential supervision and/or empowered by national law to supervise the Issuer and Group as part of the supervisory system in operation in Portugal, or (ii) by such authority which is the resolution authority (as defined in the CRR), in this case the Ringle Resolution Board or such other or successor authority which is the relevant resolution authority in respect of the Issuer and the Group (the "Resolution Authority")****. If any amendments to the Terms and Conditions of the Senior Notes and the Subordinated Notes are required by the Competent Authority or the Resolution Authority, a new Supplement to the Base Prospectus will be made by the* Banco BPI, S.A. (the "***Issuer***" or "***Banco BPI*****").** *The applicable Final Terms in relation to any Tranche of Notes may specify terms and conditions which shall, to the extent so specified in the following Terms and Conditions, complete the following Terms and Conditions for the purpose of such Notes. The applicable Final Terms (or the relevant provisions thereof) will be incorporated into and applicable to each Note.*

This Note is one of a Series (as defined below) of Notes issued by the Issuer pursuant to the Agency Agreement (as defined below).

References herein to the "*Notes*" shall be references to the Notes of this Series and shall mean any Note. In accordance with Portuguese Law, Undated Subordinated Notes are not classified as bonds (*obrigações*).

The Notes have the benefit of an Agency Agreement (such Agency Agreement as amended and/or supplemented and/or restated from time to time, the "**Agency Agreement**") dated 9 September 2021, and made between, *inter alia*, the Issuer, Banco BPI, S.A. as paying agent in Portugal (the "**Paying Agent**" which expression shall include any successor paying agent) and Deutsche Bank AG, London Branch as agent bank (the "**Agent**", which expression shall include any successor agent).

The Final Terms for this Note (or the relevant provisions thereof) are incorporated into this Note and supplements these Terms and Conditions and may specify other terms and conditions which shall, to the extent so specified in these Terms and Conditions, complete these Terms and Conditions for the purposes of this Note. References to the "**Applicable Final Terms**" mean the Final Terms (or the relevant provisions thereof) incorporated into this Note in relation to a specific issue and following the "**Form of Final Terms**".

The applicable final terms for each Tranche of Notes will state in particular whether this Note is (i) an Ordinary Senior Note ("**Ordinary Senior Note**") (and whether it is or not eligible to comply with MREL Requirements), (ii) a Non Preferred Senior Note ("**Non Preferred Senior Note**") (Ordinary Senior Notes and Non Preferred Senior Notes are together referred as "**Senior Notes**"), (iii) a dated subordinated Note (a "**Dated Subordinated Note**") or (iv) an undated

subordinated Note (an "**Undated Subordinated Note**"). Dated Subordinated Notes and Undated Subordinated Notes are together referred as "**Subordinated Notes**".

Any reference to "**Noteholders**" or "**holders**" in relation to any Notes shall mean each person shown in the book entry records of a financial institution, which is licensed to act as a financial intermediary under the Portuguese Securities Code ("*Código dos Valores Mobiliários*" or the "*Portuguese Securities Code*") and the regulations issued by Comissão do Mercado de Valores Mobiliários (Portuguese Securities Market Commission, the "**CMVM**"), by Interbolsa – Sociedade Gestora de Sistemas de Liquidação e de Sistemas Centralizados de Valores Mobiliários, S.A. ("**Interbolsa**"), as operator of the Portuguese centralised securities system (*"***CVM***"*), or otherwise applicable rules and regulations and which is entitled to hold control accounts (each such institution an "**Affiliate Member of Interbolsa**"), as having an interest in the principal amount of the Notes.

As used herein, "**Tranche**" means Notes which are identical in all respects (including as to listing) and "**Series**" means a Tranche of Notes together with any further Tranche or Tranches of Notes which are (i) expressed to be consolidated and form a single series and (ii) identical in all respects (including as to listing) except for their respective Issue Dates, Interest Commencement Dates and/or Issue Prices.

Copies of the Agency Agreement are available for viewing during normal business hours at the specified office of the Paying Agent. Copies of the applicable Final Terms are available for viewing and obtainable during normal business hours at the registered office of the Issuer and of the Paying Agent save that, if this Note is an unlisted Note of any Series, the applicable Final Terms will only be obtainable by a Noteholder holding one or more unlisted Notes of that Series and such Noteholder must produce evidence satisfactory to the Issuer and the Paying Agent as to its holding of such Notes and identity. The Noteholders are deemed to have notice of, and are entitled to the benefit of, all the provisions of the Agency Agreement and the applicable Final Terms which are applicable to them. The statements in these Terms and Conditions include summaries of, and are subject to, the detailed provisions of the Agency Agreement.

Words and expressions defined in the Agency Agreement or used in the applicable Final Terms shall have the same meanings where used in these Terms and Conditions unless the context otherwise requires or unless otherwise stated and provided that, in the event of inconsistency between the Agency Agreement and the applicable Final Terms, the applicable Final Terms will prevail.

1. FORM, DENOMINATION, TITLE AND TRANSFER

The Notes are represented in dematerialised book entry (*forma escritural*) and registered (*nominativas*), in the currency ("**Specified Currency**") [25] and denomination ("**Specified Denomination***"*) as specified in the applicable Final Terms. This Note may be a Senior Note, a Dated Subordinated Note or an Undated Subordinated Note, as indicated in the applicable Final Terms.

This Note may be a Fixed Rate Note (with or without Reset Provisions applicable), a Floating Rate Note or a Zero Coupon Note, depending upon the interest basis shown in the applicable Final Terms.

[25] The minimum denomination of Notes will be, if in euro, EUR 1,000, or if in any currency other than Euro, in an amount in such other currency equal to or exceeding the equivalent of EUR 1,000.

References to Euroclear and/or CBL and/or Interbolsa shall, whenever the context so permits, be deemed to include a reference to any additional or alternative clearing system specified in the applicable Final Terms.

Title to the Notes will be evidenced by book entries in accordance with the Portuguese Securities Code and the regulations issued by the CMVM, by Interbolsa or otherwise applicable thereto. Each person shown in the book entry records of an Affiliate Member of Interbolsa as having an interest in the Notes shall be deemed to be the holder of the principal amount of the Notes recorded.

Title to the Notes is subject to compliance with all rules, restrictions and requirements applicable to the activities of Interbolsa.

One or more certificates in relation to the Notes (each, a "**Certificate**") will be delivered by the relevant Affiliate Member of Interbolsa in respect of a registered holding of Notes upon the request by the relevant Noteholder and in accordance with that Affiliate Member of Interbolsa's procedures pursuant to Article 78 of the Portuguese Securities Code.

The Notes will be registered in the relevant issue account of the Issuer with Interbolsa and will be held in control accounts opened by each Affiliate Member of Interbolsa on behalf of the Noteholders. The control account of a given Affiliate Member of Interbolsa will reflect at all times the aggregate principal amount of Notes held in the individual securities' accounts of the Noteholders with that Affiliate Member of Interbolsa.

The person or entity registered in the book entry registry of the Central de Valores Mobiliários (the "**Book Entry Registry**" and each such entry therein, a "**Book Entry**") as the holder of any Note shall (except as otherwise required by law) be treated as its absolute owner for all purposes (whether or not it is overdue and regardless of any notice of ownership, trust or any other interest therein).

The Issuer and the Paying Agent may (to the fullest extent permitted by applicable law) deem and treat the person or entity registered in the Book Entry Registry as the holder of any Note and the absolute owner for all purposes. Proof of such registration is made by means of a Certificate issued by the relevant Affiliate Member of Interbolsa pursuant to Article 78 of the Portuguese Securities Code.

No Noteholder will be able to transfer Notes, or any interest therein, except in accordance with Portuguese law and regulations. Notes may only be transferred in accordance with the applicable procedures established by the Portuguese Securities Code and the regulations issued by the CMVM or Interbolsa, as the case may be, and the relevant Affiliate Members of Interbolsa through which the Notes are held.

2. STATUS OF THE NOTES

Important: as a result of applicable laws or regulations, including any EU Directive or Regulation, establishing a framework for the recovery and resolution of credit institutions (namely Directive 2014/59/EU of the European Parliament and of the Council of 15 May 2014 establishing a framework for the recovery and resolution of credit institutions and investment firms) and any implementation thereof into Portugal, the Notes may be mandatorily written-down or converted into more subordinated instruments, including ordinary shares of the Issuer.

If the Issuer enters into resolution, its eligible liabilities (including the Senior Non Preferred Notes, and which may include as well Ordinary Senior Notes eligible to comply with MREL Requirements and Ordinary Senior Notes not eligible to

comply with MREL Requirement) 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, and prior to any Ordinary Senior Notes eligible to comply with MREL Requirements and Ordinary Senior Notes not eligible to comply with MREL Requirements.

(a) Status of the Senior Notes

The Senior Notes which specify their status as Ordinary Senior Notes ("**Ordinary Senior Notes**") or as Senior Non Preferred Notes ("**Senior Non Preferred Notes**", together with the Ordinary Senior Notes, the "**Senior Notes**") in the relevant Final Terms constitute direct, unconditional, unsecured (subject to the provisions of Condition 3) and unsubordinated obligations of the Issuer. Ordinary Senior Notes will rank senior to any Senior Non Preferred Notes and *pari passu* among themselves and (save for certain obligations required to be preferred by law) *pari passu* with all other present and future unsecured (subject as aforesaid) and unsubordinated obligations of the Issuer, from time to time outstanding. Senior Non Preferred Notes will rank *pari passu* among themselves and *pari passu* with Senior Non Preferred Liabilities, from time to time outstanding. Accordingly, the payment obligations in respect of principal and interest rank:

(i) in the case of Ordinary Senior Notes:

(a) pari passu among themselves and with any Senior Higher Priority Liabilities; and

(b) senior to (i) Senior Non Preferred Liabilities and (ii) any present and future subordinated obligations (créditos subordinados) of the Issuer (including, for the avoidance of doubt, all Subordinated Notes); and

(ii) in the case of Senior Non Preferred Notes:

(a) *pari passu* among themselves and with any Senior Non Preferred Liabilities;

(b) junior to the Senior Higher Priority Liabilities (and, accordingly, upon the insolvency or winding-up of the Issuer the claims in respect of Senior Non Preferred Notes will be met after payment in full of the Senior Higher Priority Liabilities; for the avoidance of doubt, upon the insolvency or winding-up of the Issuer the claims in respect of Senior Non Preferred Notes will in any case be met only after payment in full of the the liabilities defined as "excluded liabilities" under Article 72a(2) of the CRR); and

(c) senior to any present and future subordinated obligations (*créditos subordinados*) of the Issuer (including, for the avoidance of doubt, all Subordinated Notes).

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).

(b) *Status of the Subordinated Notes*

The Subordinated Notes are direct, unsecured and subordinated obligations of the Issuer as provided below and rank and will rank *pari passu* without any preference among themselves and at least *pari passu* with all other present and future

obligations or securities of the Issuer which constitute Tier 2 Capital of the Issuer or are expressed to rank by law or pursuant their terms *pari passu* with the Subordinated Notes (if any).

In the event of insolvency or winding-up of the Issuer the claims of the holders of Subordinated Notes against the Issuer in respect of payments of principal and interest (if any) on the Subordinated Notes (to the extent permitted by Portuguese law) will: (i) be subordinated in the manner described in these Conditions to the claims of all Senior Creditors; (ii) rank at least *pari passu* with the claims of holders of all obligations or securities of the Issuer which constitute Tier 2 Capital of the Issuer or otherwise by law rank, or by their terms are expressed to rank, *pari passu* with the Subordinated Notes and/or the Tier 2 Capital of the Issuer and (iii) rank *senior* to: (1) the claims of the holders of all obligations or securities of the Issuer which constitute Tier 1 Capital of the Issuer, (2) the claims of holders of all other obligations or securities of the Issuer which by law rank, or by their terms are expressed to rank *junior* to the Subordinated Notes and/or Tier 2 Capital of the Issuer and (3) claims of holders of all share capital and/or preference shares of the Issuer.

(c) *Definitions*

For the purpose of Condition 2(a):

"**Senior Higher Priority Liabilities**" means any obligations in respect of principal and interest of the Issuer under any Ordinary Senior Notes and any other unsecured and unsubordinated obligations (*créditos comuns*) of the Issuer, other than the Senior Non Preferred Liabilities; and

"**Senior Non Preferred Liabilities**" means any unsubordinated and unsecured senior non preferred obligations of the Issuer under Article 8-A of Decree-law 199/2006, of 25 October, as amended by Law 23/2019, of 13 March, which provides for the legal recognition of unsubordinated and unsecured senior non preferred obligations in Portugal.

For the purpose of Condition 2(b):

"**Senior Creditors**" means creditors of the Issuer (A) who are depositors and/or other unsubordinated creditors of the Issuer or (B) whose claims are subordinated to the claims of other creditors of the Issuer other than those creditors: (i) whose claims relate to obligations or securities which constitute Tier 1 Capital of the Issuer or Tier 2 Capital of the Issuer or (ii) whose claims rank by law, or by their terms are expressed to rank, *pari passu* with, or junior to, the claims of the holders of the Subordinated Notes.

"**Tier 1 Capital**" and "**Tier 2 Capital**" each have the respective meaning given to such terms under the CRR.

In accordance with Article 145-I of the RGICSF and the BRRD, the resolution authority may, in the exercise of its powers, and subject to the conditions therein, including to restore the credit institution's viability, (a) reduce (up to zero) the nominal amount of the Subordinated Notes or (b) convert them to ordinary shares of the Issuer.

In accordance with Article 145-U (bail-in) of the RGICSF and the BRRD, the resolution authority may, in the exercise of its powers, and subject to the conditions therein, including to restore the credit institution's viability, (a) reduce (up to zero) the nominal amount of the Senior Non Preferred Notes (as well as other Senior Notes) or (b) convert them to ordinary shares of the Issuer.

This Condition 2 describes the legal and regulatory regime applicable to the Notes and accordingly the provisions of this Condition 2 are subject to any changes in that legal and regulatory regime.

For the avoidance of doubt, when used in these Conditions, any, direct or indirect, reference to CRR, CRD IV and BRRD includes in each case any past or (if applicable) future amendments to Regulation (EU) No 575/2013 (the "**CRR**"), Directive 2013/36/EU (the "**CRD IV**") and Directive 2014/59/EU (the "**BRRD**") since its respective publication, including, as respectively applicable, by Regulation (EU) 2019/876 (the "**CRR 2**"), by Directive (EU) 2019/878 (the "**CRD V**") and by Directive (EU) 2019/879 (the "**BRRD 2**").

3. NEGATIVE PLEDGE

This Condition 3 shall apply only to Ordinary Senior Notes which are not eligible to comply with MREL Requirements and references to "*Notes*" and "*Noteholders*" shall be construed accordingly.

So long as any of the above Notes remains outstanding, the Issuer shall not create or permit to be outstanding any mortgage, charge, lien, pledge or other similar encumbrance or security interest upon the whole or any part of its undertaking or assets, present or future (including any uncalled capital), to secure any Indebtedness (as defined below) or any guarantee or indemnity given in respect of any Indebtedness, without, in the case of the creation of an encumbrance or security interest, at the same time and, in any other case, promptly according to the Noteholders an equal and rateable interest in the same or providing to the Noteholders such other security as shall be approved by an Extraordinary Resolution of the Noteholders.

As used herein:

"*Indebtedness*" means any borrowings having an original maturity of more than one year in the form of or represented by bonds, notes, debentures or other securities (not comprising, for the avoidance of doubt, preference shares or other equity securities) but excluding any Covered Bonds (as defined below):

(i) where more than 50 per cent. in aggregate principal amount of such bonds, notes, debentures or other securities are initially offered outside the Republic of Portugal by or with the authorisation of the Issuer; and

(ii) which with the authorisation of the Issuer are, or are intended to be, listed or traded on any stock exchange, over-the-counter or other organised market for securities (whether or not initially distributed by way of private placing).

"*Covered Bonds*" means any bonds or notes issued by the Issuer, the obligations of which benefit from a special creditor privilege ("*privilégio creditório especial*") as a result of them being collateralised by a defined pool of assets comprised of mortgage loans or other loans permitted by applicable Portuguese legislation to be included in the pool of assets and where the requirements for that collateralisation are regulated by applicable Portuguese legislation.

4. INTEREST

(a) Interest on Fixed Rate Notes

Each Fixed Rate Note bears interest from (and including) the interest commencement date (i.e. the Issue Date of the Notes or such other date as may be specified as the Interest Commencement Date in the relevant Final Terms and hereinafter "**Interest Commencement Date**") at a certain rate of interest (i.e. the rate or rates (expressed as a percentage per annum) payable in respect of the Notes specified in the relevant Final Terms or calculated or determined in accordance with the provisions of these conditions and/or the relevant Final Terms. Hereinafter "**Rate of Interest**"). Interest will be payable

in arrears on the Interest Payment Date(s) in each year up to (and including) the Maturity Date. Interest will be calculated on the full nominal amount outstanding of the Fixed Rate Notes and will be paid to Interbolsa for distribution by them to entitled accountholders in accordance with their usual rules and operating procedures.

As used in these Terms and Conditions, "**Fixed Interest Period**" means the period from (and including) an Interest Payment Date (or the Interest Commencement Date) to (but excluding) the next (or first) Interest Payment Date.

If interest is required to be calculated for a period other than a Fixed Interest Period, such interest shall be calculated by applying the Rate of Interest to the full nominal amount outstanding of the Fixed Rate Notes and, in each case, multiplying such sum by the applicable Day Count Fraction, and rounding the resultant figure to the nearest sub-unit of the relevant Specified Currency, half of any such sub-unit being rounded upwards or otherwise in accordance with applicable market convention.

"**Day Count Fraction**" means, in respect of the calculation of an amount of interest in accordance with this Condition 4(a):

(i) if "*Actual/Actual (ICMA Rule 251)*" is specified in the applicable Final Terms, the number of days in the Accrual Period (as defined below) divided by the number of days in the Fixed Interest Period;

(ii) if "*Actual/Actual (ICMA)*" is specified in the applicable Final Terms;

(a) in the case of Notes where the number of days in the relevant period from (and including) the most recent Interest Payment Date (or, if none, the Interest Commencement Date) to (but excluding) the relevant payment date (the "Accrual Period") is equal to or shorter than the Determination Period during which the Accrual Period ends, the number of days in such Accrual Period divided by the product of (1) the number of days in such Determination Period and (2) the number of Determination Dates (as specified in the applicable Final Terms) that would occur in one calendar year; or

(b) in the case of Notes where the Accrual Period is longer than the Determination Period during which the Accrual Period ends, the sum of:

(1) the number of days in such Accrual Period falling in the Determination Period in which the Accrual Period begins divided by the product of (x) the number of days in such Determination Period and (y) the number of Determination Dates (as specified in the applicable Final Terms) that would occur in one calendar year; and

(2) the number of days in such Accrual Period falling in the next Determination Period divided by the product of (x) the number of days in such Determination Period and (y) the number of Determination Dates that would occur in one calendar year;

(iii) if "*30/360*" is specified in the applicable Final Terms, the number of days in the period from (and including) the most recent Interest Payment Date (or, if none, the Interest Commencement Date) to (but excluding) the relevant payment date (such number of days being calculated on the basis of a year of 360 days with 12 30-day months) divided by 360; and

(iv) if "*1/1*" is specified in the applicable Final Terms, 1.

(b) Reset Provisions on Fixed Rate Notes

These provisions are applicable to the Notes only if Reset Provisions are specified in the relevant Final Terms as being applicable:

(i) Each Fixed Rate Reset Note bears interest (a) from (and including) the interest commencement date (i.e. the Issue Date of the Notes or such other date as may be specified as the Interest Commencement Date in the relevant Final Terms and hereinafter "**Interest Commencement Date**") to (but excluding) the First Reset Date at the rate per annum equal to the Rate of Interest before the First Reset Date; (b) from (and including) the First Reset Date until (but excluding) the Second Reset Date or, if no such Second Reset Date is specified in the relevant Final Terms, the Maturity Date at the rate per annum equal to the First Reset Rate of Interest; and (c) for each subsequent interest period thereafter (if any), at the rate per annum equal to the relevant Subsequent Reset Rate of Interest, payable in each case, in arrears on the Interest Payment Date(s) so specified in the relevant Final Terms.

(ii) If on any Reset Determination Date the Relevant Screen Page is not available or the Mid-Swap Rate does not appear on the Relevant Screen Page, the Calculation Agent shall request each of the Reference Banks to provide the Calculation Agent with its Mid-Market Swap Rate Quotation as at approximately 12 (noon) in the Relevant Financial Centre of the Specified Currency on the Reset Determination Date in question. If two or more of the Reference Banks provide the Calculation Agent with Mid- Market Swap Rate Quotations, the First Reset Rate of Interest or the Subsequent Reset Rate of Interest (as applicable) for the relevant Reset Period shall be the sum of the arithmetic mean (rounded, if necessary, to the nearest 0.001 per cent. (0.0005 per cent. being rounded upwards)) of the relevant Mid-Market Swap Rate Quotations and the First Margin or Subsequent Margin (as applicable), all as determined by the Calculation Agent. If on any Reset Determination Date only one or none of the Reference Banks provides the Calculation Agent with a Mid-Market Swap Rate Quotation as provided in the foregoing provisions of this paragraph, the First Reset Rate of Interest or the Subsequent Reset Rate of Interest (as applicable) shall be determined to be the Rate of Interest as at the last preceding Reset Date or, in the case of the first Reset Determination Date, the First Reset Rate of Interest shall be the Rate of Interest before the First Reset Date.

For the purposes of these Terms and Conditions:

"**Determination Date**" means the date specified as such in the applicable Final Terms;

"**Determination Period**" means each period from (and including) a Determination Date to but excluding the next Determination Date (including, where either the Interest Commencement Date or the final Interest Payment Date is not a Determination Date, the period commencing on the first Determination Date prior to, and ending on the first Determination Date falling after, such date);

"**First Margin**" means the margin specified as such in the relevant Final Terms;

"**First Reset Date**" means the date specified in the relevant Final Terms;

"**First Reset Period**" means the period from (and including) the First Reset Date until (but excluding) the Second Reset Date or, if no such Second Reset Date is specified in the relevant Final Terms, the Maturity Date;

"**First Reset Rate of Interest**" means, in respect of the First Reset Period and subject to Condition 4(b)(ii), the rate of interest determined by the Calculation Agent on the relevant Reset Determination Date as the sum of the relevant Mid-Swap Rate and the First Margin;

"**Mid-Swap Maturity**" has the meaning given in the relevant Final Terms;

"**Mid-Market Swap Rate**" means for any Reset Period the mean of the bid and offered rates for the fixed leg payable with a frequency equivalent to the frequency with which scheduled interest payments are payable on the Notes during the relevant Reset Period (calculated on the day count basis customary for fixed rate payments in the Specified Currency, such day count basis as determined by the Calculation Agent) of a fixed for floating interest rate swap transaction in the Specified Currency which transaction (i) has a term equal to the relevant Reset Period and commencing on the relevant Reset Date, (ii) is in an amount that is representative for a single transaction in the relevant market at the relevant time with an acknowledged dealer of good credit in the swap market and (iii) has a floating leg based on the Mid-Swap Floating Leg Benchmark Rate for the Mid-Swap Maturity (as specified in the relevant Final Terms) (calculated on the day count basis customary for floating rate payments in the Specified Currency, such day count basis as determined by the Calculation Agent);

"**Mid-Market Swap Rate Quotation**" means a quotation (expressed as a percentage rate per annum) for the relevant Mid-Market Swap Rate;

"**Mid-Swap Floating Leg Benchmark Rate**" means the rate as specified in the relevant Final Terms;

"**Mid-Swap Rate**" means, in relation to a Reset Determination Date and subject to Condition 4(b)(ii), either:

(a) if Single Mid-Swap Rate is specified in the relevant Final Terms, the rate for swaps in the Specified Currency:

a. with a term equal to the relevant Reset Period; and

b. commencing on the relevant Reset Date,

which appears on the Relevant Screen Page; or

(b) if Mean Mid-Swap Rate is specified in the relevant Final Terms, the arithmetic mean (expressed as a percentage rate per annum and rounded, if necessary, to the nearest 0.001 per cent. (0.0005 per cent. being rounded upwards)) of the bid and offered swap rate quotations for swaps in the Specified Currency:

a. with a term equal to the relevant Reset Period; and

b. commencing on the relevant Reset Date,

which appear on the Relevant Screen Page,

in either case, as at approximately 11.00 a.m. in the Relevant Financial Centre of the Specified Currency on such Reset Determination Date, all as determined by the Calculation Agent;

"**Reference Banks**" has the meaning given in the relevant Final Terms or, if none, four major banks in the swap, money, securities or other market most closely connected with the relevant Mid-Swap Rate as selected by the Issuer on the advice of an investment bank of international repute;

"**Relevant Screen Page**" means the page specified in the relevant Final Terms;

"**Reset Date**" means the First Reset Date, the Second Reset Date and each Subsequent Reset Date (as applicable), in each case as adjusted (if so specified in the relevant Final terms) in accordance with Condition 4 as if the relevant Reset Date was an Interest Payment Date;

"**Reset Determination Date**" means, in respect of the First Reset Period, the second Business Day prior to the First Reset Date, in respect of the first Subsequent Reset Period, the second Business Day prior to the Second Reset Date and, in respect of each Subsequent Reset Period thereafter, the second Business Day prior to the first day of each such Subsequent Reset Period, or in each case as specified in the relevant Final Terms;

"**Reset Note**" means a Note on which interest is calculated at reset rates payable in arrear on a fixed date or dates in each year and/or at intervals of one, two, three, six or 12 months or at such other date or intervals as may be agreed between the Issuer and the relevant dealer(s) (as indicated in the relevant Final Terms);

"**Reset Period**" means the First Reset Period or a Subsequent Reset Period, as the case may be;

"**Second Reset Date**" means the date specified in the relevant Final Terms;

"**Subsequent Margin**" means the margin specified as such in the relevant Final Terms;

"**Subsequent Reset Date**" means the date or dates specified in the relevant Final Terms;

"**Subsequent Reset Period**" means the period from (and including) the Second Reset Date to (but excluding) the next Subsequent Reset Date, and each successive period from (and including) a Subsequent Reset Date to (but excluding) the next succeeding Subsequent Reset Date;

"**Subsequent Reset Rate of Interest**" means, in respect of any Subsequent Reset Period and subject to Condition 4(b)(ii), the rate of interest determined by the Calculation Agent on the relevant Reset Determination Date as the sum of the relevant Mid-Swap Rate and the relevant Subsequent Margin. For avoidance of doubt, if the Subsequent Reset Rate of Interest is a floating interest provisions regarding Floating Rate Notes shall apply and if the Subsequent Reset Rate of Interest is a fixed interest provisions regarding Fixed Rate Notes shall apply; and

"**sub-unit**" means, with respect to any currency other than euro, the lowest amount of such currency that is available as legal tender in the country of such currency and, with respect to euro, means 1 cent.

(c) Interest on Floating Rate Notes

(i) Interest Payment Dates

Each Floating Rate Note bears interest from (and including) the Interest Commencement Date and such interest will be payable in arrears on either:

(A) the Specified Interest Payment Date(s) in each year specified in the applicable Final Terms; or

(B) if no Specified Interest Payment Date(s) is/are specified in the applicable Final Terms, each date (each such date, together with each Specified Interest Payment Date, an "**Interest Payment Date**") which falls the number of months or other period specified as the Specified Period in the applicable Final Terms after the preceding Interest Payment Date or, in the case of the first Interest Payment Date, after the Interest Commencement Date.

Such interest will be payable in respect of each Interest Period (which expression shall, in these Terms and Conditions, mean the period from (and including) an Interest Payment Date (or the Interest Commencement Date) to (but excluding) the next (or the first) Interest Payment Date). Interest will be calculated on the full nominal amount outstanding of the relevant Notes and will be paid to Interbolsa for distribution by them to entitled accountholders in accordance with their usual rules and operating procedures.

If a Business Day Convention is specified in the applicable Final Terms and (x) if there is no numerically corresponding day in the calendar month in which an Interest Payment Date should occur or (y) if any Interest Payment Date would otherwise fall on a day which is not a Business Day, then, if the Business Day Convention specified is:

(1) in any case where Specified Periods are specified in accordance with Condition 4(c)(i)(B) above, the Floating Rate Convention, such Interest Payment Date (i) in the case of (x) above, shall be the last Business Day in the relevant month and the provisions of (B) below shall apply *mutatis mutandis* or (ii) in the case of (y) above, shall be postponed to the next Business Day unless it would thereby fall into the next calendar month, in which event (A) such Interest Payment Date shall be brought forward to the immediately preceding Business Day and (B) each subsequent Interest Payment Date shall be the last Business Day in the month which falls the Specified Period after the preceding applicable Interest Payment Date occurred; or

(2) the Following Business Day Convention, such Interest Payment Date shall be postponed to the next Business Day; or

(3) the Modified Following Business Day Convention, such Interest Payment Date shall be postponed to the next Business Day unless it would thereby fall into the next calendar month, in which event such Interest Payment Date shall be brought forward to the immediately preceding Business Day; or

(4) the Preceding Business Day Convention, such Interest Payment Date shall be brought forward to the immediately preceding Business Day.

In these Terms and Conditions, "**Business Day**" means a day which is both:

(A) a day on which commercial banks and foreign exchange markets settle payments and are open for general business (including dealing in foreign exchange and foreign currency deposits) in Lisbon and each Additional Business Centre specified in the applicable Final Terms; and

(B) either (1) in relation to any sum payable in a Specified Currency other than euro, a day on which commercial banks and foreign exchange markets settle payments and are open for general business (including dealing in foreign exchange and foreign currency deposits) in the principal financial centre of the country of the relevant Specified Currency or (2) in relation to any sum payable in euro, a day on which Trans-European Automated Real-Time Gross Settlement Express Transfer (TARGET 2) System (the "**TARGET 2 System**") is open.

"**Business Day Convention**", in relation to any particular date, has the meaning given in the relevant Final Terms and, if so specified in the relevant Final Terms, may have different meanings in relation to different dates and, in this context, the following expressions shall have the following meanings:

(A) "**Following Business Day Convention**" means that the relevant date shall be postponed to the first following day that is a Business Day;

(B) "**Modified Following Business Day Convention**" or "**Modified Business Day Convention**" means that the relevant date shall be postponed to the first following day that is a Business Day unless that day falls in the next calendar month in which case that date will be the first preceding day that is a Business Day;

(C) "**Preceding Business Day Convention**" means that the relevant date shall be brought forward to the first preceding day that is a Business Day;

(ii) Rate of Interest

The Rate of Interest payable from time to time in respect of Floating Rate Notes will be determined in the manner specified in the applicable Final Terms.

(A) ISDA Determination for Floating Rate Notes

Where ISDA Determination is specified in the applicable Final Terms as the manner in which the Rate of Interest is to be determined, the Rate of Interest for each Interest Period will be the relevant ISDA Rate plus or minus (as indicated in the applicable Final Terms) the Margin (if any). For the purposes of this subparagraph (A), "**ISDA Rate**" for an Interest Period means a rate equal to the Floating Rate that would be determined by the Agent under an interest rate swap transaction if the Agent were acting as Calculation Agent for that swap transaction under the terms of an agreement incorporating the 2006 ISDA Definitions, as published by the International Swaps and Derivatives Association, Inc. and as amended and updated as at the Issue Date of the first Tranche of the Notes (the "**ISDA Definitions**") and under which:

(1) the Floating Rate Option is as specified in the applicable Final Terms;

(2) the Designated Maturity is a period specified in the applicable Final Terms; and

(3) the relevant Reset Date is the day specified in the applicable Final Terms

For the purposes of this subparagraph (A), "*Floating Rate*", "*Calculation Agent*", "*Floating Rate Option*", "*Designated Maturity*" and "*Reset Date*" have the meanings given to those terms in the ISDA Definitions.

"*Margin*" has the meaning given in the applicable Final Terms.

Unless otherwise stated in the applicable Final Terms, the Minimum Rate of Interest shall be deemed to be zero.

(B) Screen Rate Determination for Floating Rate Notes, referencing EURIBOR

Where Screen Rate Determination is specified in the applicable Final Terms as the manner in which the Rate of Interest is to be determined and the applicable Final Terms specifiy that the Reference Rate is EURIBOR, the Rate of Interest for each Interest Period will, subject as provided below, be either:

(1) the offered quotation; or

(2) the arithmetic mean of the offered quotations,

(expressed as a percentage rate per annum) for the Reference Rate (EURIBOR, as specified in the applicable Final Terms) which appears or appear, as the case may be, on the Relevant Screen Page as at 11.00 a.m.

(Brussels time) on the Interest Determination Date in question plus or minus (as indicated in the applicable Final Terms) the Margin (if any), all as determined by the Agent. If five or more of such offered quotations are available on the Relevant Screen Page, the highest (or, if there is more than one such highest quotation, one only of such quotations) and the lowest (or, if there is more than one such lowest quotation, one only of such quotations) shall be disregarded by the Agent for the purpose of determining the arithmetic mean (rounded as provided above) of such offered quotations.

If the Relevant Screen Page is not available or if, in the case of subclause 4(c)(ii)(B)(1), no offered quotation appears or, in the case of subclause 4(c)(ii)(B)(2), fewer than three offered quotations appear, in each case as at the Specified Time, the Issuer shall request each of the Reference Banks to provide its offered quotation (expressed as a percentage rate per annum) for the Reference Rate at approximately the Specified Time on the Interest Determination Date in question. If two or more of the Reference Banks provide the Issuer with offered quotations, the Rate of Interest for the Interest Period shall be the arithmetic mean (rounded if necessary to the fifth decimal place with 0.000005 being rounded upwards) of the offered quotations plus or minus (as appropriate) the Margin (if any), all as determined by the Issuer. If on any Interest Determination Date one only or none of the Reference Banks provides the Issuer with an offered quotation as provided in the preceding paragraph, the Rate of Interest for the relevant Interest Period shall be the rate per annum which the Issuerdetermines as being the arithmetic mean (rounded if necessary to the fifth decimal place, with 0.000005 being rounded upwards) of the rates, as communicated to (and at the request of) the Issuer by the Reference Banks or any two or more of them, at which such banks were offered, at approximately the Specified Time on the relevant Interest Determination Date, deposits in the Specified Currency for a period equal to that which would have been used for the Reference Rate by leading banks in the Euro-zone inter-bank market or the inter-bank market of the relevant financial centre (if any other Reference Rate is used) plus or minus (as appropriate) the Margin (if any) or, if fewer than two of the Reference Banks provide the Issuer with offered rates, the offered rate for deposits in the Specified Currency for a period equal to that which would have been used for the Reference Rate, or the arithmetic mean (rounded as provided above) of the offered rates for deposits in the Specified Currency for a period equal to that which would have been used for the Reference Rate, at which, at approximately the Specified Time on the relevant Interest Determination Date, any one or more banks (which bank or banks is or are in the opinion of the Issuer suitable for the purpose) informs the Issuer it is quoting to leading banks in the Euro-zone inter-bank market or the inter-bank market of the relevant financial centre (if any other Reference Rate is used) plus or minus (as appropriate) the Margin (if any), provided that, if the Rate of Interest cannot be determined in accordance with the foregoing provisions of this paragraph, the Rate of Interest shall be determined as at the last preceding Interest Determination Date (though substituting, where a different Margin is to be applied to the relevant Interest Period from that which applied to the last preceding Interest Period, the Margin relating to the relevant Interest Period in place of the Margin relating to that last preceding Interest Period).

In these Conditions:

"**Reference Banks**" means, in the case of a determination of EURIBOR, the principal Euro-zone office of four major banks in the Euro-zone inter-bank market, selected by the Issuer acting in good faith and in a commercially reasonable manner, and by reference to such sources as it deems appropriate.

The Agency Agreement contains provisions for determining the Rate of Interest in the event that the Relevant Screen Page is not available or if, in the case of (1) above, no such offered quotation appears or, in the case of (2) above, fewer than three such offered quotations appear, in each case as at the time specified in the preceding paragraph.

If the Reference Rate from time to time in respect of Floating Rate Notes is specified in the applicable Final Terms as being other than EURIBOR, the Rate of Interest in respect of such Notes will be determined as provided in the applicable Final Terms.

(C) Screen Rate Determination for Floating Rate Notes, referencing SONIA

Where Screen Rate Determination is specified in the applicable Final Terms as the manner in which the Rate of Interest is to be determined and the applicable Final Terms specify that the Reference Rate is SONIA, the Rate of Interest for each Interest Period will, as provided below, be Compounded Daily SONIA, where:

(A) Where the Calculation Method is specified in the applicable Final Terms as being "**SONIA Compounded Daily**", the Rate of Interest for each Interest Period will be the Compounded Daily SONIA plus or minus (as indicated in the applicable Final Terms) the Margin (if any), all as determined by the Calculation Agent as at the Interest Determination Date and the resulting percentage being rounded (if necessary) to the fifth decimal place, with 0.000005 being rounded upward.

The following definitions shall apply for the purpose of the Conditions:

"**Compounded Daily SONIA**" means with respect to an Interest Period, the rate of return of a daily compound interest investment in Sterling during the Observation Period corresponding to such Interest Period (with the daily Sterling Overnight Index Average ("**SONIA**"), as reference rate for the calculation of interest) and will be calculated by the Calculation Agent as at the relevant Interest Determination Date, as follows, and the resulting percentage will be rounded if necessary to the fourth decimal place, with 0.00005 being rounded up:

(x) If "Lag" or "Lock-out" is specified on the Observation Method in the applicable Final Terms, in accordance with the following formula:

$$\left[\prod_{i=1}^{d_0}\left(1+\frac{SONIAi-pLBD\times n_i}{365}\right)-1\right]\times\frac{365}{d};\text{ or}$$

(y) if "Shift" is specified as the Observation Method in the applicable Final Terms, in accordance with the following formula:

$$\left[\prod_{i=1}^{d_0}\left(1+\frac{SONIAi \times n_i}{365}\right)-1\right]\times\frac{365}{d}$$

where:

"**d**" is, for any Observation Period, the number of calendar days in such Observation Period;

"**d_0**" is, for any Observation Period, the number of London Banking Days in such Observation Period;

"**i**" is, for any Observation Period, a series of whole numbers from one to d0, each representing the relevant London Banking Day in chronological order from, and including, the first London Banking Day in such Observation Period to, and including, the last London Banking Day in such Observation Period;

"**Interest Determination Date**" means, in respect of any Interest Period, the date falling p London Banking Days prior to the Interest Payment Date for such Interest Period (or the date falling p London Banking Days prior to such earlier date, if any, on which the Notes are due and payable);

"**Lock-out Period**" means, in respect of an Interest Period, the period from and including the day following the Interest Determination Date to, but excluding, the Interest Period End Date falling at the end of such Interest Period;

"**London Banking Day or LBD**" means any day on which commercial banks are open for general business (including dealing in foreign exchange and foreign currency deposits) in London;

"**n_i**", for any London Banking Day "i" in the relevant Observation Period, means the number of calendar days from and including such London Banking Day "i" up to but excluding the following London Banking Day;

"**Observation Period**" means, in respect of an Interest Period, the period from and including the date falling "p" London Banking Days prior to the first day of such Interest Period (and the first Interest Period shall begin on and include the Interest Commencement Date) and ending on, but excluding, the date falling "p" London Banking Days prior to the Interest Payment Date for such Interest Period (or the date falling "p" London Banking Days prior to such earlier date, in any, on which the Notes become due and payable);

"**p**" means, for any Interest Period, the number of London Banking Days by which an Observation Period precedes an Interest Period, as specified in the applicable Final Terms (or, if no such number is specified, five London Banking Days);

"**Reference Day**" means each London Banking Day in the relevant Interest Period that is not a London Banking Day falling in the Lock-out Period;

the "**SONIA reference rate**" means, in respect of any London Banking Day, a reference rate equal to the daily Sterling Overnight Index Average (SONIA) rate for such London Banking Day as provided by the administrator of SONIA to authorised distributors and as then published on the Relevant Screen Page or, if the Relevant Screen Page is unavailable, as otherwise published by such authorised distributors (in each case on the London Banking Day immediately following such London Banking Day); and

"***SONIAi***" means, in respect of any London Banking Day "i":

(x) if "Lag" is specified as the Observation Method in the applicable Final Terms, the SONIA reference rate in respect of pLBD in respect of such London Banking Dayi; or

(y) if "Lock-out" is specified as the Observation Method in the applicable Final Terms:

1) in respect of any London Banking Dayi that is a Reference Day, the SONIA reference rate in respect of the London Banking Day immediately preceding such Reference Day; otherwise

2) the SONIA reference rate in respect of the London Banking Day immediately preceding the Interest Determination Date for the relevant Interest Period;

(z) if "Shift" is specified as the Observation Method in the applicable Final Terms, the SONIA reference rate for such London Banking Dayi; and

"**$SONIA_{i\text{-}pLBD}$**" means:

(x) if "Lag" is specified as the Observation Method in the applicable Final Terms, in respect of a London Banking Dayi, SONIAi in respect of the London Banking Day falling "p" London Banking Days prior to such London Banking Dayi (pLBD); or

(y) if "Lock-out" is specified as the Observation Method in the applicable Final Terms, in respect of a London Banking Dayi, SONIAi in respect of such London Banking Dayi

(B) Where the Calculation Method is specified in the applicable Final Terms as being "SONIA Index Compounded Daily", the Rate of Interest for each Interest Period will be the Compounded Daily SONIA Index plus or minus (as indicated in the applicable Final Terms) the Margin (if any), all as determined by the Calculation Agent as at the Interest Determination Date and the resulting percentage being rounded (if necessary) to the fifth decimal place, with 0.000005 being rounded upwards..

The following definitions shall apply for the purpose of the Conditions:

"**Compounded Daily SONIA Index**"means with respect to an Interest Period, the rate of return of a daily compound interest investment in Sterling (with the daily Sterling Overnight Index Average (SONIA) as a reference rate for the calculation of interest) by reference to the screen rate or index for compounded daily SONIA rates administered by the administrator of the SONIA reference rate that is published or displayed by such administrator or other information service from time to time on the relevant Interest Determination Date, as further specified in the applicable Final Terms (the "**SONIA Compounded Index**") and will be calculated as follows:

$$\left(\frac{SONIA\ Compounded\ Index_{\text{end}}}{SONIA\ Compounded\ Index_{\text{start}}} - 1\right) x\ \frac{365}{d}$$

Where, in each case:

"**d**" is the number of calendar days from (and including) the day in relation to which SONIA Compounded IndexStart is determined to (but excluding) the day in relation to which SONIA Compounded IndexEnd is determined;

"**London Banking Day**" or "**LBD**" means any day on which commercial banks are open for general business (including dealing in foreign exchange and foreign currency deposits) in London;

"**p**" means five London Banking Days or such greater number of days as specified in the applicable Final Terms;

"**Compounded IndexStart**" means, with respect to an Interest Period, the SONIA Compounded Index determined in relation to the day falling "p" London Banking Days prior to the first day of such Interest Period; and

"**SONIA Compounded IndexEnd**" means, with respect to an Interest Period, the SONIA Compounded Index determined in relation to the day falling "p" London Banking Days prior to the Interest Period End Date for such Interest Period (or the date falling "p" London Banking Days prior to such earlier date, if any, on which the Notes become due and payable).

(C) Where the Calculation Method is specified in the applicable Final Terms as being "SONIA Weighted Average", the Rate of Interest for each Interest Period will be the Weighted Average SONIA plus or minus (as indicated in the applicable Final Terms) the Margin (if any), all as determined by the Calculation Agent as at the Interest Determination Date and the resulting percentage being rounded (if necessary) to the fifth decimal place, with 0.000005 being rounded upwards.

The following definitions shall apply for the purposes of the Conditions:

"**Weighted Average SONIA**" means:

(x) where "Lag" is specified as the Observation Method in the applicable Final Terms, the sum of the SONIA reference rate in respect of each calendar day during the relevant Observation Period divided by the number of calendar days during such Observation Period. For these purposes, the SONIA reference rate in respect of any calendar day which is not a London Banking Day shall be deemed to be the SONIA reference rate in respect of the London Banking Day immediately preceding such calendar day; or

(y) where "Lock-out" is specified as the Observation Method in the applicable Final Terms, the sum of the SONIA reference rate in respect of each calendar day during the relevant Interest Period divided by the number of calendar days in the relevant Interest Period, provided that, for any calendar day of such Interest Period falling in the Lock-out Period for the relevant Interest Period, the SONIA reference rate for such calendar day will be deemed to be the SONIA reference rate in respect of the London Banking Day immediately preceding the first day of such Lock-out Period. For these purposes, the SONIA reference rate in respect of any calendar day which is not a London Banking Day shall, subject to the preceding proviso, be deemed to be the SONIA reference rate in respect of the London Banking Day immediately preceding such calendar day.

(D) Where the Rate of Interest for each Interest Period is calculated in accordance with Condition 4(c)(ii)(C)(B) above, if the relevant SONIA Compounded Index is not published or displayed by the administrator of the SONIA reference rate or other information service by 5.00 p.m. (London time) (or, if later, by the time falling one hour after the customary or scheduled time for publication thereof in accordance with the then-prevailing operational procedures of the administrator of the SONIA reference rate or of such other information service, as the case may be) on the relevant Interest Determination Date, the Rate of Interest shall be calculated for the Interest Period for which the SONIA Compounded Index is not available in accordance with Condition 4(c)(ii)(C)(A) above and for these purposes the "Observation Method" shall be deemed to be "Shift.

(E) If, in respect of any London Banking Day, the Calculation Agent determines that the SONIA reference rate is not available on the Relevant Screen Page or has not otherwise been published by the relevant authorised distributors, such SONIA reference rate shall be:

(i) (a) the Bank of England's Bank Rate (the Bank Rate) prevailing at close of business on the relevant London Banking Day; plus (b) the arithmetic mean of the spread of the SONIA reference rate to the Bank Rate over the previous five London Banking Days on which the SONIA reference rate has been published, excluding the highest spread (or, if there is more than one highest spread, one only of those highest spreads) and lowest spread (or, if there is more than one lowest spread, one only of those lowest spreads) to the Bank Rate, or

(ii) if such Bank Rate is not available, the SONIA reference rate published on the Relevant Screen Page (or otherwise published by the relevant authorised distributors) for the first preceding London Banking Day on which the SONIA reference rate was published on the Relevant Screen Page (or otherwise published by the relevant authorised distributors).

Notwithstanding the foregoing, in the event of the Bank of England publishing guidance as to (a) how the SONIA reference is to be determined or (b) any rate that is to replace the SONIA reference rate, the Calculation Agent, as applicable, shall follow such guidance to determine the SONIA reference rate for so long as the SONIA reference is not available or has not been published by the authorised distributors.

If, in respect of any London Business Day in the relevant Observation Period, the Calculation Agent determines that the SONIA reference rate is not available on the Relevant Screen Page or has not otherwise been published by the relevant authorised distributors, such SONIA reference rate shall be:

(A) (I) the Bank of England's Bank Rate (the Bank Rate) prevailing at close of business on the relevant London Banking Day; plus (II) the mean of the spread of the SONIA reference rate to the Bank Rate over the previous five London Banking Days on which the SONIA reference rate has been published, excluding the highest spread (or, if there is more than one highest spread, one only of those highest spreads) and lowest spread (or, if there is more than one lowest spread, one only of those lowest spreads) to the Bank Rate, or

(B) if such Bank Rate is not available, the SONIA reference rate published on the Relevant Screen Page (or otherwise published by the relevant authorised distributors) for the first preceding London Business Day on

which the SONIA reference rate was published on the Relevant Screen Page (or otherwise published by the relevant authorised distributors).

If the Interest Rate cannot be determined in accordance with the foregoing provisions of this Condition, the Interest Rate shall be (A) that determined as at the last preceding Interest Determination Date (though substituting, where a different Margin is to be applied to the relevant Interest Period from that which applied to the last preceding Interest Period, the Margin relating to the relevant Interest Period, in place of the Margin relating to that last preceding Interest Period) or (B) if there is no such preceding Interest Determination Date, the initial Interest Rate which would have been applicable to the Notes for the first Interest Period had the Notes been in issue for a period equal in duration to the scheduled first Interest Period but ending on (and excluding) the Interest Commencement Date (but applying the Margin applicable to the first Interest Period).

If the relevant Series of Notes become due and payable in accordance with Condition 9, the final Interest Determination Date shall, notwithstanding the definition specified above, be deemed to be the date on which such Notes became due and payable and the Rate of Interest on such Notes shall, for so long as any such Note remains outstanding, be that determined on such date.

(D) Screen Rate Determination for Floating Rate Notes referencing SOFR

Where Screen Rate Determination is specified in the applicable Final Terms as the manner in which the Rate of Interest is to be determined and the applicable Final Terms specify that the Reference Rate is SOFR, the Rate of Interest for each Interest Period will, as provided below, be calculated in accordance with the following Conditions:

(A) Where the Calculation Method is specified in the applicable Final Terms as being "SOFR Arithmetic Mean", the Rate of Interest for each Interest Period will be the SOFR Arithmetic Mean plus or minus (as indicated in the applicable Final Terms) the Margin (if any), all as determined by the Calculation Agent as at the relevant Interest Determination Date, as follows, and the resulting percentage will be rounded if necessary to the fifth decimal place, with 0.000005 being rounded upwards.

(B) Where the Calculation Method is specified in the applicable Final Terms as being "SOFR Compound", the Rate of Interest for each Interest Period will be the Compounded Daily SOFR on the relevant Interest Determination Date plus or minus (as indicated in the applicable Final Terms) the Margin (if any), all as determined by the Calculation Agent with the resulting percentage being rounded, if necessary, to the fifth decimal place, with 0.000005 being rounded upwards.

The following definitions shall apply for the purpose of the Conditions:

"**Bloomberg Screen SOFRRATE Page**" means the Bloomberg screen designated "SOFRRATE" or any successor page or service;

"**Compounded Daily SOFR**" means with respect to an Interest Period, an amount equal to the rate of return for each calendar day during the Interest Period, compounded daily, calculated by the Calculation Agent on the Interest Determination Date, as follows:

(a) if "SOFR Compound with Lookback" is specified in the applicable Final Terms:

$$\left[\prod_{i=1}^{d_0}\left(1+\frac{SOFRi-pUSBD\times n_i}{365}\right)-1\right]\times\frac{360}{d};$$

where:

"**d**" means, in respect of an Interest Period, the number of calendar days in such Interest Period;

"**d0**" means, in respect of an Interest Period, the number of U.S. Government Securities Business Days in the relevant Interest Period;

"**i**" means a series of whole numbers from one to d0, each representing the relevant U.S. Government Securities Business Days in chronological order from, and including, the first U.S. Government Securities Business Day in the relevant Interest Period;

"**Lookback Period**" or p means five U.S. Government Securities Business Days or such larger number of days as specified in the applicable Final Terms;

"**ni**" means, in respect of a U.S. Government Securities Business Dayi, the number of calendar days from, and including, such U.S. Government Securities Business Dayi up to, but excluding, the following U.S. Government Securities Business Day;

"**SOFRi**" means, in respect of each U.S. Government Securities Business Dayi, the SOFR in respect of such U.S. Government Securities Business Day; and

"**SOFRi-pUSBD**" means, in respect of a U.S. Government Securities Business Dayi, SOFRi in respect of the U.S. Government Securities Business Day falling the number of U.S. Government Securities Business Days equal to the Lookback Period prior to such U.S. Government Securities Business Dayi (pUSBD), provided that, unless SOFR Cut-Off Date is specified as not applicable in the applicable Final Terms, SOFRi in respect of each U.S. Government Securities Business Dayi in the period from, and including, the SOFR Cut-Off Date to, but excluding, the next occurring Interest Period End Date, will be SOFRi in respect of the SOFR Cut-Off Date for such Interest Period

(b) if "SOFR Compound with Observation Period Shift" is specified in the applicable Final Terms:

$$\left[\prod_{i=1}^{d_0}\left(1+\frac{SOFRi-\times n_i}{365}\right)-1\right]\times\frac{360}{d};$$

where:

"**d**" means, in respect of an Observation Period, the number of calendar days in such Observation Period;

"**d0**" means, in respect of an Observation Period, the number of U.S. Government Securities Business Days in the relevant Observation Period;

"**i**" means a series of whole numbers from one to d0, each representing the relevant U.S. Government Securities Business Days in chronological order from, and including, the first U.S. Government Securities Business Day in the relevant Observation Period;

"**ni**" means, in respect of a U.S. Government Securities Business Dayi, the number of calendar days from, and including, such U.S. Government Securities Business Dayi up to, but excluding, the following U.S. Government Securities Business Day;

"**Observation Period**" means, in respect of an Interest Period, the period from, and including, the date falling the number of Observation Shift Days prior to the first day of such Interest Period and ending on, but excluding, the date that is the number of Observation Shift Days prior to the next occurring Interest Period End Date for such Interest Period

"**Observation Shift Days**" means five U.S. Government Securities Business Days or such larger number of days as specified in the applicable Final Terms; and

"**SOFRi**" means, in respect of each U.S. Government Securities Business Dayi, the SOFR in respect of such U.S. Government Securities Business Day.

(c) if "SOFR Compound with Payment Delay" is specified in the applicable Final Terms:

$$\left[\prod_{i=1}^{d_0}\left(1+\frac{SOFRi -\times n_i}{360}\right) - 1\right]\times\frac{360}{d};$$

where:

"**d**" means, in respect of an Interest Period, the number of calendar days in such Interest Period;

"**d0**" means, in respect of an Interest Period, the number of U.S. Government Securities Business Days in the relevant Interest Period;

"**i**" means a series of whole numbers from one to d0, each representing the relevant U.S. Government Securities Business Days in chronological order from, and including, the first U.S. Government Securities Business Day in the relevant Interest Period;

"**Interest Period End Dates**" shall have the meaning specified in the applicable Final Terms; Interest Payment Dates shall be the dates occurring the number of Business Days equal to the Interest Payment Delay following each Interest Period End Date; provided that the Interest Payment Date with respect to the final Interest Period will be the Maturity Date or, if the Notes are to be redeemed prior to the Maturity Date, such earlier date on which the Notes become due and payable;

"**Interest Payment Delay**" means the number of U.S. Government Securities Business Days specified in the applicable Final Terms;

"**Interest Determination Date**" shall be the Interest Period End Date at the end of each Interest Period; provided that the Interest Determination Date with respect to the final Interest Period will be the SOFR Cut-Off Date;

"**ni**" means, in respect of a U.S. Government Securities Business Dayi the number of calendar days from, and including, such U.S. Government Securities Business Dayi up to, but excluding, the following U.S. Government Securities Business Dayi; and

"**SOFRi**" means, for any U.S. Government Securities Business Dayi in the relevant Interest Period, the SOFR in respect of such U.S. Government Securities Business Dayi.

For purposes of calculating SOFR Compound with Payment Delay with respect to the final Interest Period, the level of SOFR for each U.S. Government Securities Business Day in the period from and including the SOFR Cut-Off Date to but excluding the Maturity Date or any earlier date on which the Notes become due and payable, as applicable, shall be the level of SOFR in respect of such SOFR Cut-Off Date.

(d) if "SOFR Index with Observation Shift" is specified in the applicable Final Terms:

$$\left[\prod_{i=1}^{d_0}\left(\frac{SOFR \times Index_{\text{Final}}}{SOFR \times Index_{\text{Initial}}}\right) - 1\right] \times \frac{360}{d_c};$$

where:

"**dc**" means, in respect of each Interest Period, the number of calendar days in the relevant Interest Period;

"**Interest Period End Dates**" shall have the meaning specified in the applicable Final Terms;

"**Observation Shift Days**" means five U.S. Government Securities Business Days or such larger number of days as specified in the applicable Final Terms;

"**SOFR Index**" means with respect to any U.S. Government Securities Business Day, (i) the SOFR Index value as published by the NY Federal Reserve as such index appears on the NY Federal Reserve's Website at the SOFR Determination Time; or (ii) if the SOFR Index specified in (i) above does not so appear, unless both a SOFR Transition Event and its related SOFR Replacement Date have occurred, the SOFR Index as published in respect of the first preceding U.S. Government Securities Business Day for which the SOFR Index was published on the NY Federal Reserve's Website;

"**SOFR IndexFinal**" means, in respect of an Interest Period, the value of the SOFR Index on the date falling the number of U.S. Government Securities Business Days equal to the Observation Shift Days prior to the next occurring Interest Period End Date for such Interest Period;

"**SOFR IndexInitial**" means, in respect of an Interest Period, the value of the SOFR Index on the date falling the number of U.S. Government Securities Business Days equal to the Observation Shift Days prior to the first day of such Interest Period (or, in the case of the first Interest Period, the Interest Commencement Date);

"**NY Federal Reserve**" means the Federal Reserve Bank of New York;

"**NY Federal Reserve's Website**" means the website of the NY Federal Reserve, currently at www.newyorkfed.org, or any successor website of the NY Federal Reserve or the website of any successor administrator of SOFR;

"**Reuters Page USDSOFR=**" means the Reuters page designated "USDSOFR=" or any successor page or service

"**SOFR**" means the rate determined by the Calculation Agent in respect of a U.S. Government Securities Business Day, in accordance with the following provisions:

(i) the Secured Overnight Financing Rate in respect of such U.S. Government Securities Business Day that appears at approximately 3:00 p.m. (New York City time) (the "**SOFR Determination Time**") on the NY Federal Reserve's Website on such U.S. Government Securities Business Day, as such rate is reported on the Bloomberg Screen SOFRRATE Page for such U.S. Government Securities Business Day or, if no such rate is reported on the Bloomberg Screen SOFRRATE Page, then the Secured Overnight Financing Rate that is reported on the Reuters Page USDSOFR= or, if no such rate is reported on the Reuters Page USDSOFR=, then the Secured Overnight Financing Rate that appears at approximately 3:00 p.m. (New York City time) on the NY Federal Reserve's Website on such U.S. Government Securities Business Day (the "**SOFR Screen Page**"); or

(ii) if the rate specified in (i) above does not so appear and the Calculation Agent determines that a SOFR Transition Event has not occurred, the Secured Overnight Financing Rate published on the NY Federal Reserve's Website for the first preceding U.S. Government Securities Business Day for which the Secured Overnight Financing Rate was published on the NY Federal Reserve's Website;

"**SOFR Arithmetic Mean**" means, with respect to an Interest Period, the arithmetic mean of SOFR for each calendar day during such Interest Period, as calculated by the Calculation Agent, provided that, SOFR in respect of each calendar day during the period from, and including, the SOFR Cut-Off Date to, but excluding, the next occurring Interest Period End Date will be SOFR on the SOFR Cut-Off Date. For these purposes, SOFR in respect of any calendar day which is not a U.S. Government Securities Business Day shall, subject to the preceding proviso, be deemed to be SOFR in respect of the U.S. Government Securities Business Day immediately preceding such calendar day;

"**SOFR Cut-Off Date**" means, unless specified as not applicable in the applicable Final Terms, in respect of an Interest Period, the fourth U.S. Government Securities Business Day prior to the next occurring Interest Period End Date for such Interest Period (or such other number of U.S. Government Securities Business Days specified in the applicable Final Terms); and

"**U.S. Government Securities Business Day**" means any day except for a Saturday, Sunday or a day on which the Securities Industry and Financial Markets Association (SIFMA) recommends that the fixed income departments of its members be closed for the entire day for purposes of trading in U.S. government securities.

Notwithstanding Conditions 4(ii)(D)(A) to 4(ii)(D)(B) above, if the Calculation Agent determines on or prior to the SOFR Determination Time, that a SOFR Transition Event and its related SOFR Replacement Date have occurred with respect to the relevant SOFR Benchmark (as defined below), then the provisions set forth in Condition below will apply to all determinations of the Rate of Interest for each Interest Period thereafter.

(C) SOFR Replacement Provision

If the Issuer (in consultation with the Calculation Agent) , determines at any time prior to the SOFR Determination Time on any U.S. Government Securities Business Day that a SOFR Transition Event and the

related SOFR Replacement Date have occurred, the Issuer will appoint an agent (the Replacement Rate Determination Agent) which will determine the SOFR Replacement. The Replacement Rate Determination Agent may be (x) a leading bank, broker-dealer or benchmark agent in the principal financial centre of the Specified Currency as appointed by the Issuer, (y) the Issuer, (z) an affiliate of the Issuer or the Calculation Agent or (zz) such other entity that the Issuer determines to be competent to carry out such role.

In connection with the determination of the SOFR Replacement, the Replacement Rate Determination Agent will determine appropriate SOFR Replacement Conforming Changes.

Any determination, decision or election that may be made by the Issuer (in consultation with the Calculation Agent) or Replacement Rate Determination Agent (as the case may be) pursuant to these provisions, will (in the absence of manifest error) be conclusive and binding on the Issuer, the Calculation Agent, the Agent and the Noteholders.

Following the designation of a SOFR Replacement, the Issuer (in consultation with the Calculation Agent) may subsequently determine that a SOFR Transition Event and a related SOFR Replacement Date have occurred in respect of such SOFR Replacement, provided that the SOFR Benchmark has already been substituted by the SOFR Replacement and any SOFR Replacement Conforming Changes in connection with such substitution have been applied. In such circumstances, the SOFR Replacement shall be deemed to be the SOFR Benchmark and all relevant definitions shall be construed accordingly.

In connection with the SOFR Replacement Provisions above, the following definitions shall apply:

"**ISDA Definitions**" means the 2006 ISDA Definitions published by the International Swaps and Derivatives Association, Inc. or any successor thereto, as amended or supplemented from time to time, or any successor definitional booklet for interest rate derivatives published from time to time;

"**ISDA Fallback Adjustment**" means the spread adjustment (which may be a positive or negative value or zero) that would apply for derivatives transactions referencing the ISDA Definitions to be determined upon the occurrence of an index cessation event with respect to SOFR for the applicable tenor;

"**ISDA Fallback Rate**" means the rate that would apply for derivatives transactions referencing the ISDA Definitions to be effective upon the occurrence of a SOFR Transition Event with respect to SOFR for the applicable tenor excluding the applicable ISDA Fallback Adjustment;

"**Relevant Governmental Body**" means the Board of Governors of the Federal Reserve System and/or the NY Federal Reserve or a committee officially endorsed or convened by the Board of Governors of the Federal Reserve System and/or the NY Federal Reserve or any successor thereto;

"**SOFR Benchmark**" means (a) (unless "SOFR Index with Observation Shift" is specified in the applicable Final Terms) SOFR or (b) SOFR Index (each as defined in Condition 4(ii)(D)(B) above);

"**SOFR Replacement**" means any one (or more) of the SOFR Replacement Alternatives to be determined by the Replacement Rate Determination Agent as of the SOFR Replacement Date if the Issuer (in consultation with the Calculation Agent) determines that a SOFR Transition Event and its related SOFR Replacement Date

have occurred on or prior to the SOFR Determination Time in respect of any determination of the SOFR Benchmark on any U.S. Government Securities Business Day in accordance with:

(i) the order of priority specified SOFR Replacement Alternatives Priority in the applicable Final Terms; or

(ii) if no such order of priority is specified, in accordance with the priority set forth below:

- Relevant Governmental Body Replacement;
- ISDA Fallback Replacement; and
- Industry Replacement,

provided that, in each case, if the Replacement Rate Determination Agent is unable to determine the SOFR Replacement in accordance with the first SOFR Replacement Alternative listed, it shall attempt to determine the SOFR Replacement in accordance with each subsequent SOFR Replacement Alternative until a SOFR Replacement is determined. The SOFR Replacement will replace the then-current SOFR Benchmark for the purpose of determining the relevant Rate of Interest in respect of the relevant Interest Period and each subsequent Interest Period, subject to the occurrence of a subsequent SOFR Transition Event and related SOFR Replacement Date;

"**SOFR Replacement Alternatives**" means: (a) the sum of: (i) the alternative rate that has been selected or recommended by the Relevant Governmental Body as the replacement for the then-current SOFR Benchmark for the relevant Interest Period and (ii) the SOFR Replacement Adjustment (the Relevant Governmental Body Replacement); (b) the sum of: (i) the ISDA Fallback Rate and (ii) the SOFR Replacement Adjustment (the ISDA Fallback Replacement); or (c) the sum of: (i) the alternative rate that has been selected by the Replacement Rate Determination Agent as the replacement for the then-current SOFR Benchmark for the relevant Interest Period giving due consideration to any industry-accepted rate as a replacement for the then-current SOFR Benchmark for U.S. dollar-denominated floating rate securities at such time and (ii) the SOFR Replacement Adjustment (the Industry Replacement);

"**SOFR Replacement Conforming Changes**" means, with respect to any SOFR Replacement, any technical, administrative or operational changes (including, but not limited to, changes to timing and frequency of determining rates with respect to each interest period and making payments of interest, rounding of amounts or tenors, day count fractions, business day convention and other administrative matters) that the Replacement Rate Determination Agent decides may be appropriate to reflect the adoption of such SOFR Replacement in a manner substantially consistent with market practice (or, if the Replacement Rate Determination Agent determines that adoption of any portion of such market practice is not administratively feasible or if the Replacement Rate Determination Agent determines that no market practice for use of the SOFR Replacement exists, in such other manner as the Replacement Rate Determination Agent or the Calculation Agent, as the case may be, determines is reasonably necessary, acting in good faith and in a commercially reasonable manner);

"**SOFR Replacement Date**" means the earliest to occur of the following events with respect to the then-current SOFR Benchmark (including the daily published component used in the calculation thereof): (a) in the case of sub-paragraphs (a) or (b) of the definition of "SOFR Transition Event" the later of (i) the date of the public statement or publication of information referenced therein and (ii) the date on which the administrator of the SOFR Benchmark permanently or indefinitely ceases to provide the SOFR Benchmark (or such component); or (b) in the case of sub-paragraph (c) of the definition of "SOFR Transition Event" the date of the public statement or publication of information referenced therein; or (c) in the case of sub-paragraph (d), the last such consecutive U.S. Government Securities Business Day on which the SOFR Benchmark has not been published,

provided that, in the event of any public statements or publications of information as referenced in sub-paragraphs (a) or (b)above, should such event or circumstance referred to in such a public statement or publication occur on a date falling later than three months after the relevant public statement or publication, the SOFR Transition Event shall be deemed to occur on the date falling three months prior to such specified date (and not the date of the relevant public statement or publication).

For the avoidance of doubt, if the event giving rise to the SOFR Replacement Date occurs on the same day as, but earlier than, the SOFR Determination Time in respect of any determination, the SOFR Replacement Date will be deemed to have occurred prior to the SOFR Determination Time for such determination.

"**SOFR Transition Event**" means the occurrence of any one or more of the following events with respect to the then-current SOFR Benchmark (including the daily published component used in the calculation thereof): (a) a public statement or publication of information by or on behalf of the administrator of the SOFR Benchmark (or such component, if relevant) announcing that such administrator has ceased or will cease to provide the SOFR Benchmark (or such component, if relevant), permanently or indefinitely, provided that, at the time of such statement or publication, there is no successor administrator that will continue to provide the SOFR Benchmark (or such component, if relevant); (b) a public statement or publication of information by the regulatory supervisor for the administrator of the Benchmark (or such component, if relevant), the central bank for the currency of the SOFR Benchmark (or such component, if relevant), an insolvency official with jurisdiction over the administrator for the SOFR Benchmark (or such component, if relevant), a resolution authority with jurisdiction over the administrator for SOFR Benchmark (or such component, if relevant) or a court or an entity with similar insolvency or resolution authority over the administrator for the SOFR Benchmark (or such component, if relevant), which states that the administrator of the SOFR Benchmark (or such component, if relevant) has ceased or will cease to provide the SOFR Benchmark (or such component, if relevant) permanently or indefinitely, provided that, at the time of such statement or publication, there is no successor administrator that will continue to provide the SOFR Benchmark (or such component, if relevant); (c) a public statement or publication of information by the regulatory supervisor for the administrator of the SOFR Benchmark (or such component, if relevant) announcing that the SOFR Benchmark (or such component, if relevant) is no longer representative, the SOFR Benchmark (or such

component, if relevant) has been or will be prohibited from being used or that its use has been or will be subject to restrictions or adverse consequences, either generally or in respect of the Notes; or (d) the SOFR Benchmark is not published by its administrator (or a successor administrator) for six consecutive U.S. Government Securities Business Days; and

"**Unadjusted SOFR Replacement**" means the SOFR Replacement prior to the application of any SOFR Replacement Adjustment.

(iii) Minimum Rate of Interest and/or Maximum Rate of Interest

If the applicable Final Terms specify a Minimum Rate of Interest for any Interest Period, then, in the event that the Rate of Interest in respect of such Interest Period determined in accordance with the provisions of paragraph (ii) above is less than such Minimum Rate of Interest, the Rate of Interest for such Interest Period shall be such Minimum Rate of Interest.

If the applicable Final Terms specify a Maximum Rate of Interest for any Interest Period, then, in the event that the Rate of Interest in respect of such Interest Period determined in accordance with the provisions of paragraph (ii) above is greater than such Maximum Rate of Interest, the Rate of Interest for such Interest Period shall be such Maximum Rate of Interest.

(iv) Determination of Rate of Interest and Calculation of Interest Amounts

The Agent, in the case of Floating Rate Notes will at or as soon as practicable after each time at which the Rate of Interest is to be determined, determine the Rate of Interest for the relevant Interest Period.

The Agent will calculate the amount of interest (the "**Interest Amount**") payable on the Floating Rate Notes for the relevant Interest Period by applying the Rate of Interest to the full nominal amount outstanding of the relevant Notes and, in each case, multiplying such sum by the applicable Day Count Fraction, and rounding the resultant figure to the nearest sub-unit of the relevant Specified Currency, half of any such sub-unit being rounded upwards or otherwise in accordance with applicable market convention. Where the Specified Denomination of a Floating Rate Note comprises more than one Calculation Amount, the Interest Amount payable in respect of such Note shall be the aggregate of the amounts (determined in the manner provided above) for each Calculation Amount comprising the Specified Denomination without any further rounding.

"**Day Count Fraction**" means, in respect of the calculation of an amount of interest for any Interest Period:

(A) if "*Actual/Actual (ISDA)*" or "*Actual/Actual*" is specified in the applicable Final Terms, the actual number of days in the Interest Period divided by 365 (or, if any portion of that Interest Period falls in a leap year, the sum of (A) the actual number of days in that portion of the Interest Period falling in a leap year divided by 366 and (B) the actual number of days in that portion of the Interest Period falling in a non-leap year divided by 365);

(B) if "*Actual/365 (Fixed)*" is specified in the applicable Final Terms, the actual number of days in the Interest Period divided by 365;

(C) if "*Actual/365 (Sterling)*" is specified in the applicable Final Terms, the actual number of days in the Interest Period divided by 365 or, in the case of an Interest Payment Date falling in a leap year, 366;

(D) if "*Actual/360*" is specified in the applicable Final Terms, the actual number of days in the Interest Period divided by 360;

(E) if "*30/360*", "*360/360*" or "*Bond Basis*" is specified in the applicable Final Terms, the number of days in the Interest Period divided by 360, calculated on a formula basis as follows:

DayCount Fraction=([360×(Y2-Y1)]+[30×(M2-M1)]+(D2-D1))/([360])

where:

"Y_1" is the year, expressed as a number, in which the first day of the Interest Period falls;

"Y_2" is the year, expressed as a number, in which the day immediately following the last day of the Interest Period falls;

"M_1" is the calendar month, expressed as a number, in which the first day of the Interest Period falls;

"M_2" is the calendar month, expressed as a number, in which the day immediately following the last day of the Interest Period falls;

"D_1" is the first calendar day, expressed as a number, of the Interest Period, unless such number is 31, in which case D_1 will be 30; and

"D_2" is the calendar day, expressed as a number, immediately following the last day included in the Interest Period, unless such number would be 31 and D_1 is greater than 29, in which case D_2 will be 30;

(F) if "*30E/360*" or "*Eurobond Basis*" is specified in the applicable Final Terms, the number of days in the Interest Period divided by 360, calculated on a formula basis as follows:

DayCount Fraction=([360×(Y2-Y1)]+[30×(M2-M1)]+(D2-D1))/([360])

where:

"$\mathbf{Y_1}$" is the year, expressed as a number, in which the first day of the Interest Period falls;

"$\mathbf{Y_2}$" is the year, expressed as a number, in which the day immediately following the last day of the Interest Period falls;

"$\mathbf{M_1}$" is the calendar month, expressed as a number, in which the first day of the Interest Period falls;

"$\mathbf{M_2}$" is the calendar month, expressed as a number, in which the day immediately following the last day of the Interest Period falls;

"$\mathbf{D_1}$" is the first calendar day, expressed as a number, of the Interest Period, unless such number would be 31, in which case D_1 will be 30; and

"$\mathbf{D_2}$" is the calendar day, expressed as a number, immediately following the last day included in the Interest Period, unless such number would be 31, in which case D_2 will be 30;

(G) if "*30E/360 (ISDA)*" is specified in the applicable Final Terms, the number of days in the Interest Period divided by 360, calculated on a formula basis as follows:

DayCount Fraction=([360×(Y2-Y1)]+[30×(M2-M1)]+(D2-D1))/([360])

where:

"$\mathbf{Y_1}$" is the year, expressed as a number, in which the first day of the Interest Period falls;

"$\mathbf{Y_2}$" is the year, expressed as a number, in which the day immediately following the last day of the Interest Period falls;

"$\mathbf{M_1}$" is the calendar month, expressed as a number, in which the first day of the Interest Period falls;

"**M_2**" is the calendar month, expressed as a number, in which the day immediately following the last day of the Interest Period falls;

"**D_1**" is the first calendar day, expressed as a number, of the Interest Period, unless (i) that day is the last day of February or (ii) such number would be 31, in which case D_1 will be 30; and

"**D2**" is the calendar day, expressed as a number, immediately following the last day included in the Interest Period, unless (i) that day is the last day of February but not the Maturity Date or (ii) such number would be 31, in which case D2 will be 30; and

(H) if "*1/1*" is specified in the applicable Final Terms, 1.

(v) Notification of Rate of Interest and Interest Amounts

The Agent will cause the Rate of Interest and each Interest Amount for each Interest Period and the relevant Interest Payment Date to be notified to the Issuer and any stock exchange on which the relevant Floating Rate Notes are for the time being listed (by no later than the first day of each Interest Period) and notice thereof to be published in accordance with Condition 13 as soon as possible after their determination but in no event later than the fourth London Business Day thereafter. Each Interest Amount and Interest Payment Date so notified may subsequently be amended (or appropriate alternative arrangements made by way of adjustment) without prior notice in the event of an extension or shortening of the Interest Period. Any such amendment will be promptly notified to each stock exchange on which the relevant Floating Rate Notes are for the time being listed and to the Noteholders in accordance with Condition 13. For the purposes of this paragraph, the expression "**London Business Day**" means a day (other than a Saturday or a Sunday) on which banks and foreign exchange markets are open for general business in London.

(vi) Certificates to be final

All certificates, communications, opinions, determinations, calculations, quotations and decisions given, expressed, made or obtained for the purposes of the provisions of this Condition 4(c), whether by the Agent or, if applicable, the Calculation Agent, shall (in the absence of wilful default, bad faith or manifest error) be binding on the Issuer, the Agent, the Calculation Agent (if applicable), the Paying Agent and all Noteholders, and (in the absence of wilful default, bad faith or manifest error) no liability to the Issuer, or the Noteholders, shall attach to the Agent or the Calculation Agent (if applicable) in connection with the exercise or non-exercise by it of its powers, duties and discretions pursuant to such provisions.

For the avoidance of doubt, any amount of interest calculated and due on the Subordinated Notes will not be amended pursuant to these Conditions on the basis of the credit standing of the Issuer.

(d) Accrual of interest

Each Note (or in the case of the redemption of part only of a Note, that part only of such Note) will cease to bear interest (if any) from the date for its redemption.

(e) Benchmark discontinuation

(i) Independent Adviser

If a Benchmark Event occurs in relation to an Original Reference Rate when any Rate of Interest (or any component part thereof) remains to be determined by reference to such Original Reference Rate, then the Issuer shall use its reasonable

endeavours to appoint an Independent Adviser, as soon as reasonably practicable, with a view to the Issuer determining a Successor Rate (subject to the terms of this Condition 4 (e), failing which an Alternative Rate (in accordance with Condition 4(e)(ii)) and, in either case, an Adjustment Spread if any (in accordance with Condition 4(e)(iii)) and any Benchmark Amendments (in accordance with Condition 4(e)(iv)).

An Independent Adviser appointed pursuant to this Condition 4(e) shall act in good faith and in a commercially reasonable manner as an expert. In the absence of bad faith or fraud, the Independent Adviser shall have no liability whatsoever to the Issuer, the Paying Agent, or the Noteholders for any advice given to the Issuer in connection with any determination made by the Issuer, pursuant to this Condition 4(e)(i).

If (1) the Issuer is unable to appoint an Independent Adviser; or (2) the Issuer fails to determine a Successor Rate or, failing which, an Alternative Rate in accordance with this Condition 4(e)(i) prior to the relevant Reset Determination Date or Interest Determination Date, as applicable, the Rate of Interest applicable to the next succeeding Reset Period or Interest Period, as applicable, shall be equal to the Rate of Interest last determined in relation to the Notes in respect of the immediately preceding Reset Period or Interest Period, respectively. If there has not been a first Interest Payment Date, the Rate of Interest shall be the Initial Rate of Interest. Where a different First Margin or Subsequent Margin is to be applied to the relevant Reset Period or Interest Period, as applicable, from that which applied to the last preceding Reset Period or Interest Period, respectively, the First Margin orSubsequent Margin, relating to the relevant Reset Period or Interest Period, respectively, shall be substituted in place of the First Margin or Subsequent Margin, relating to that last preceding Reset Period or Interest Period, respectively. For the avoidance of doubt, this Condition 4(e)(i) shall apply to the relevant next succeeding Reset Period or Interest Period only and any subsequent Reset Periods or Interest Periods are subject to the subsequent operation of, and to adjustment as provided in, this Condition 4(e)(i).

(ii) Successor Rate or Alternative Rate

If the Issuer, following consultation with the Independent Adviser and acting in good faith and in a commercially reasonable manner, determines that: (1) there is a Successor Rate, then such Successor Rate shall (subject to adjustment as provided in Condition 4(e)(iii) subsequently be used in place of the Original Reference Rate to determine the Rate of Interest (or the relevant component part thereof), as applicable, for all future payments of interest on the Notes (subject to the operation of this Condition 4(e); or (2) there is no Successor Rate but that there is an Alternative Rate, then such Alternative Rate shall (subject to adjustment as provided in Condition 4(e)(iii) subsequently be used in place of the Original Reference Rate to determine the Rate of Interest (or the relevant component part thereof), as applicable, for all future payments of interest on the Notes (subject to the operation of this Condition 4(e).

(iii) Adjustment Spread

If the Issuer, following consultation with the Independent Adviser and acting in good faith and in a commercially reasonable manner, determines (1) that an Adjustment Spread is required to be applied to the Successor Rate or the Alternative Rate (as the case may be) and (2) the quantum of, or a formula or methodology for determining, such Adjustment Spread, then such Adjustment Spread shall be applied to the Successor Rate or the Alternative Rate (as the case may be).

(iv) Benchmark Amendments

If any Successor Rate, Alternative Rate or Adjustment Spread is determined in accordance with this Condition 4(e) and the Issuer, following consultation with the Independent Adviser and acting in good faith and in a commercially reasonable manner, determines (i) that amendments to these Terms and Conditions are necessary to ensure the proper operation of such Successor Rate, Alternative Rate and/or Adjustment Spread (such amendments, the "Benchmark Amendments") and (ii) the terms of the Benchmark Amendments, then the Issuer shall, subject to giving notice thereof in accordance with Condition 4(e)(v), without any requirement for the consent or approval of Noteholders, vary these Terms and Conditions to give effect to such Benchmark Amendments with effect from the date specified in such notice.

Notwithstanding any other provision of this Condition 4, the Calculation Agent or any Paying Agent is not obliged to concur with the Issuer or the Independent Adviser in respect of any changes or amendments as contemplated under this Condition 4(e)(iv) to which, in the sole opinion of the Calculation Agent or the relevant Paying Agent, as the case may be, would impose more onerous obligations upon it or expose it to any additional duties, responsibilities or liabilities or reduce or amend the protective provisions afforded to the Calculation Agent or the relevant Paying Agent (as applicable) in the Agency Agreement and/or these Conditions.

In connection with any such variation in accordance with this Condition 4(e)(iv), the Issuer shall comply with the rules of any stock exchange on which the Notes are for the time being listed or admitted to trading.

Notwithstanding any other provision of this Condition 4(e), no Successor Rate or Alternative Rate will be adopted, nor any Adjustment Spread applied, nor will any Benchmark Amendments be made, if and to the extent that, in the determination of the Issuer, the same could reasonably be expected to prejudice the qualification of the Notes as Tier 2 Subordinated Notes or MREL-Eligible Instruments for the purposes of the Capital Regulations, including any Applicable MREL Regulations.

(v) Notices, etc.

Any Successor Rate, Alternative Rate, Adjustment Spread and the specific terms of any Benchmark Amendments, determined under this Condition 4(e) will be notified promptly by the Issuer to the Calculation Agent, the Paying Agents and, in accordance with Condition 13, the Noteholders. Such notice shall be irrevocable and shall specify the effective date of the Benchmark Amendments, if any.

(vi) Survival of Original Reference Rate

Without prejudice to the obligations of the Issuer under Conditions 4(e)(i), 4(e)(ii),4(e)(iii) and 4(e)(iv), the Original Reference Rate will continue to apply unless and until a Benchmark Event has occurred. Upon the occurrence of a Benchmark Event, this Condition 4(e) shall prevail.

No later than the date on which the Issuer notifies the Noteholders of the same, the Issuer shall deliver to the Calculation Agent and the Paying Agents a certificate signed by two authorised signatories of the Issuer:

(i) confirming (A) that a Benchmark Event has occurred, (B) the Successor Rate or, as the case may be, the Alternative Rate, (C) any Adjustment Spread and (D) the specific terms of the Benchmark Amendments (if any), in each case as determined in accordance with the provisions of this Condition 4;

(ii) certifying that the Benchmark Amendments (if any) are necessary to ensure the proper operation of such Successor or Alternative Rate and any Adjustment Spread.

The Agent shall display such certificate at its offices, for inspection by the Noteholders, at all reasonable times during normal business house.

Each of the Agent, the Calculation Agent and the Paying Agents shall be entitled to rely on such certificate (without liability to any person) as sufficient evidence thereof. The Successor Rate or Alternative Rate and the Adjustment Spread and the Benchmark Amendments (if any) specified in such certificate will (in the absence of manifest error or bad faith in the determination of the Successor Rate or Alternative Rate and the Adjustment Spread and the Benchmark Amendments (if any) and without prejudice to the Agent's or the Calculation Agent's or the Paying Agents' ability to rely on such certificate as aforesaid) be binding on the Issuer, the Agent, the Calculation Agent, the Paying Agents and the Noteholders.

Notwithstanding any other provision of this Condition 4, if following the determination of any Successor Rate, Alternative Rate, Adjustment Spread or Benchmark Amendments (if any), in the Calculation Agent's opinion there is any uncertainty between two or more alternative courses of action in making any determination or calculation under this Condition 4, the Calculation Agent shall promptly notify the Issuer thereof and the Issuer shall direct the Calculation Agent in writing as to which alternative course of action to adopt. If the Calculation Agent is not promptly provided with such direction, or is otherwise unable (other than due to its own gross negligence, wilful default or fraud) to make such calculation or determination for any reason, it shall notify the Issuer thereof and the Calculation Agent shall be under no obligation to make such calculation or determination and (in the absence of such gross negligence, wilful default or fraud) shall not incur any liability for not doing so.

(vii) Notwithstanding any other provision of this Condition 4(e), if in the Calculation Agent’s opinion there is any uncertainty between two or more alternative courses of action in making any determination or calculation under this Condition 4(e), the Calculation Agent shall promptly notify the Issuer thereof and the Issuer shall direct the Calculation Agent in writing as to which alternative course of action to adopt. If the Calculation Agent is not promptly provided with such direction, or is otherwise unable to make such calculation or determination for any reason, it shall notify the Issuer thereof and the Calculation Agent shall be under no obligation to make such calculation or determination and shall not incur any liability for not doing so.

(viii) Notwithstanding any other provision of this Condition 4(e) neither the Agent, nor the Calculation Agent shall be obliged to concur with the Issuer and / or the Independent Advisor in respect of any Benchmark Amendments which, in the sole opinion of the Agent or the Calculation Agent (as applicable), would have the effect of (i) exposing the Agent or Calculation Agent (as applicable) to any liability against which it has not been indemnified and/or secured and/or prefunded to its satisfaction or (ii) increasing the obligations or duties, or decreasing the rights or protections, of the Agent or the Calculation Agent (as applicable) in the Agency Agreement and/or these Conditions.

(ix) *Definitions:*

As used in this Condition 4(e):

"**Adjustment Spread**" means either a spread (which may be positive or negative), or the formula or methodology for calculating a spread, in either case, which the Issuer, following consultation with the Independent Adviser and acting in good faith and in a commercially reasonable manner, determines is required to be applied to the Successor Rate or the Alternative Rate (as the case may be) to reduce or eliminate, to the extent reasonably practicable in the circumstances, any economic prejudice or benefit (as the case may be) to Noteholders as a result of the replacement of the Original Reference Rate with the Successor Rate or the Alternative Rate (as the case may be) and is the spread, formula or methodology which: (1) in the case of a Successor Rate, is formally recommended in relation to the replacement of the Original Reference Rate with the Successor Rate by any Relevant Nominating Body; or (if no such recommendation has been made, or in the case of an Alternative Rate); (2) the Issuer, following consultation with the Independent Adviser and acting in good faith and in a commercially reasonable manner, determines, is recognised or acknowledged as being the industry standard for over-the-counter derivative transactions which reference the Original Reference Rate, where such rate has been replaced by the Successor Rate or the Alternative Rate (as the case may be); (or if the Issuer determines that no such industry standard is recognised or acknowledged); (3) the Issuer, in its discretion, following consultation with the Independent Adviser and acting in good faith and in a commercially reasonable manner, determines to be appropriate.

"**Alternative Rate**" means an alternative benchmark or screen rate which the Issuer following consultation with the Independent Adviser and acting in good faith and in a commercially reasonable manner, determines in accordance with Condition 4(e)(ii) is customary in market usage in the international debt capital markets for the purposes of determining rates of interest (or the relevant component part thereof) in the same Specified Currency as the Notes.

"**Benchmark Amendments**" has the meaning given to it in Condition 4(e)(iv).

"**Benchmark Event**" means:

(1) the Original Reference Rate ceasing to exist or ceasing to be published for a period of at least 5 Business Days in relation to a Rate of Interest of Floating Rate Notes or 5 Reset Business Days in relation to a Reset Notes; or

(2) a public statement by the administrator of the Original Reference Rate that it will, by a specified date within the following six months, cease publishing the Original Reference Rate permanently or indefinitely (in circumstances where no successor administrator has been appointed that will continue publication of the Original Reference Rate); or

(3) a public statement by the supervisor of the administrator of the Original Reference Rate, that the Original Reference Rate has been or will, by a specified date within the following six months, be permanently or indefinitely discontinued; or

(4) a public statement by the supervisor of the administrator of the Original Reference Rate as a consequence of which the Original Reference Rate will be prohibited from being used either generally, or in respect of the Notes, in each case within the following six months; or

(5) it has become unlawful for the Paying Agent, Calculation Agent, the Issuer or other party to calculate any payments due to be made to any Noteholder using the Original Reference Rate,

the occurrence of any such events (1) to (5) above to be determined by the Issuer.

"**Independent Adviser**" means an independent financial institution of international repute or an independent financial adviser with appropriate expertise appointed by the Issuer under Condition 4(e)(i).

"**Original Reference Rate**" means the originally-specified benchmark or screen rate (as applicable) used to determine the Rate of Interest (or any component part thereof), as applicable, on the Notes.

"**Relevant Nominating Body**" means, in respect of a benchmark or screen rate (as applicable):

(1) the central bank for the currency to which the benchmark or screen rate (as applicable) relates, or any central bank or other supervisory authority which is responsible for supervising the administrator of the benchmark or screen rate (as applicable); or

(2) any working group or committee sponsored by, chaired or co-chaired by or constituted at the request of (a) the central bank for the currency to which the benchmark or screen rate (as applicable) relates, (b) any central bank or other supervisory authority which is responsible for supervising the administrator of the benchmark or screen rate (as applicable), (c) a group of the aforementioned central banks or other supervisory authorities or (d) the Financial Stability Board or any part thereof.

"**Successor Rate**" means a successor to or replacement of the Original Reference Rate which is formally recommended by any Relevant Nominating Body.

5. PAYMENTS

(a) *Fiscal and other laws*

Payments will be subject in all cases to any fiscal or other laws and regulations applicable thereto in the place of payment or other laws and regulation to which the Issuer or its Agents are subject, but without prejudice to the provisions of Condition 7.

(b) *Payments in respect of the Notes*

Payment of principal and interest in respect of Notes will be (i) **if made in euro** (a) credited, according to the procedures and regulations of Interbolsa, by the Paying Agent (acting on behalf of the Issuer) to the payment current-accounts used by the Affiliate Members of Interbolsa for payments in respect of securities held through Interbolsa and thereafter (b) credited by such Affiliate Members of Interbolsa from the aforementioned payment current-accounts to the accounts of the owners of those Notes or through Euroclear and CBL, to the accounts with Euroclear and CBL of the beneficial owners of those Notes, in accordance with the rules and procedures of Interbolsa, Euroclear or CBL as the case may be; (ii) **if made in currencies other than euro** (a) transferred, on the payment date and according to the procedures and regulations of Interbolsa, from the account held by the Paying Agent in the Foreign Currency Settlement System ("*Sistema de Liquidação em Moeda Estrangeira*"), managed by Caixa Geral de Depósitos, S.A., to the relevant accounts of the relevant Affiliate Members of Interbolsa, and thereafter (b) transferred by such Affiliate Members of Interbolsa from such relevant accounts to the accounts of the owners of Notes or through Euroclear and CBL to the accounts with Euroclear and CBL of the owners of Notes, in accordance with the rules and procedures of Interbolsa, Euroclear or CBL, as the case may be.

The holders of Notes are reliant upon the procedures of Interbolsa to receive payment in respect of Notes.

(c) *General provisions applicable to payments*

The Issuer will be discharged by payment to Interbolsa in respect of each amount so paid. Each of the entities shown in the records of Interbolsa as the beneficial holder of a particular nominal amount of Notes must look solely to Interbolsa for his share of each payment so made by the Issuer to, or to the order of, the holder of such Notes.

(d) *Payment Day for the Notes*

If the date for payment of any amount in respect of any Note is not a Payment Day, the holder thereof shall not be entitled to payment until the next following Payment Day in the relevant place and shall not be entitled to further interest or other payment in respect of such delay. For these purposes, "**Payment Day**" means any day which (subject to Condition 9) is:

a. a day on which commercial banks and foreign exchange markets settle payments and are open for general business (including dealing in foreign exchange and foreign currency deposits) in Lisbon; and

b. either (A) in relation to any sum payable in a Specified Currency other than euro, a day on which commercial banks and foreign exchange markets settle payments and are open for general business (including dealing in foreign exchange and foreign currency deposits) in the principal financial centre of the country of the relevant Specified Currency (if other than London and any Additional Financial Centre) or (B) in relation to any sum payable in euro, a day on which the TARGET 2 System is open and Interbolsa, Euroclear and/or CBL, as the case may be, are open for general business.

(e) *Interpretation of principal and interest*

Any reference in these Terms and Conditions to principal in respect of the Notes shall be deemed to include, as applicable:

(i) any additional amounts which may be payable with respect to principal under Condition 7;

(ii) the Final Redemption Amount of the Notes;

(iii) the Early Redemption Amount of the Notes;

(iv) the Optional Redemption Amount(s) (if any) of the Notes;

(v) any premium and any other amounts (other than interest) which may be payable by the Issuer under or in respect of the Notes.

Any reference in these Terms and Conditions to interest in respect of the Notes shall be deemed to include, as applicable, any additional amounts which may be payable with respect to interest under Condition 7.

6. REDEMPTION AND PURCHASE

(a) Redemption

Unless previously redeemed or purchased and cancelled as specified below, each Note will be redeemed by the Issuer at the amount specified in, or determined in the manner specified in, the applicable Final Terms in the relevant Specified Currency on the Maturity Date (if applicable) (the "**Final Redemption Amount**").

The minimum maturity of any Notes will be 398 (three hundred and ninety eight) days from their Issue Date.

Senior Non Preferred Notes and Ordinary Senior Notes eligible to comply with MREL Requirements

Without prejudice to the foregoing, the original maturity date of any Senior Non Preferred Notes and Ordinary Senior Notes eligible to comply with MREL Requirements will also be subject to such minimum or maximum maturity from their date of effective disbursement as may be required from time to time by Capital Regulations or other applicable banking laws and regulations in force at that time, including any Applicable MREL Regulations.

Subordinated Notes

The Dated Subordinated Notes have an original maturity of at least five years and redemption at the option of the Issuer may only take place after five years from their date of issuance or any different minimum period permitted under Capital Regulations. The Undated Subordinated Notes do not have a stated maturity (*perpetual*).

The Subordinated Notes can only be early redeemed or called in prior to the date of their contractual maturity in accordance with (and subject to) the conditions set out in Articles 77 and 78 of the CRR being met and not before five years from the date of issuance.

The Subordinated Notes can only be early redeemed or called before five years from the date of issuance where the conditions set out in Article 78(4) of the CRR are met or if the Issuer becomes insolvent or liquidated.

Accordingly, the Subordinated Notes are only subject to be called or early redeemed within 5 years from its issue date pursuant to Condition 6(b), 6(f) and 9(b).

Any call option or early redemption in respect of the Subordinated Notes are subject to both of the following conditions:

(i) The Issuer obtaining prior permission of the Competent Authority in accordance with Article 78 of the CRR, where either:

1. The Issuer has replaced the Notes with own funds instruments of equal or higher quality at terms that are sustainable for the income capacity of the Issuer earlier than, or at the same time as, the call or early redemption; or

2. The Issuer has demonstrated to the satisfaction of the Competent Authority that the own funds of the Issuer would following such call or early redemption exceed the requirements laid down in Article 92(1) of the CRR and the combined buffer requirement as defined in Portuguese legislation transposing point (6) of Article 128 of the CRD IV by a margin that the Competent Authority considers necessary on the basis of Portuguese legislation transposing Article 104(3) of the CRD IV;

(ii) In addition to (i), in respect of a redemption prior to the fifth anniversary of the issuance, if and to the extent required under Article 78(4) of the CRR:

1. In the case of Condition 6(b) (*Redemption for Tax Reasons*), the Issuer has demonstrated to the satisfaction of the Competent Authority that the change in the applicable tax treatment of the Notes is material and was not reasonably foreseeable as at the Issue Date; or

2. In the case of Condition 6(f) (*Redemption due to the occurrence of a Capital Event*), the Issuer has demonstrated to the satisfaction of the Competent Authority that the change in the regulatory classification of the Notes was not reasonably foreseeable as at the Issue Date.

For this purposes a "**Capital Event**" is deemed to have occurred when the Issuer determines after consultation with the Competent Authority that there is a change in the regulatory classification of the Subordinated Notes under the Capital Regulations that was not reasonably foreseeable at the time of the Subordinated Notes issuance and that would result in their exclusion in full or in part from the Issuer's [or the Group's] own funds (other than as a consequence of write-down or conversion, where applicable) or in reclassification as a lower quality form of the Issuer's [or the Group's] own funds and that the Competent Authority considers to be sufficiently certain. For the avoidance of doubt, (i) the foregoing does not comprise the result of any applicable limitation on the amount of such capital as applicable to the Issuer; (ii) any amortisation of Subordinated Notes pursuant to Article 64 of the CRR (or any equivalent or successor provision) shall not constitute a Capital Event.

"**Capital Regulations**" means at any time any requirements of Portuguese law or contained in the relevant rules of European Union law that are then in effect in Portugal relating to capital adequacy and applicable to the Issuer or to its Group, including but not limited to the CRR, MREL regulations, national laws and regulations implementing the CRD V, the BRRD, the SRM Regulations, and those regulations, requirements, guidelines and policies relating to capital adequacy, minimum requirements for eligible liabilities, resolution and/or solvency then in effect of the European Central Bank, the Competent Authority or such other or successor governmental authority exercising primary bank supervisory authority from time to time, in each case with respect to prudential or resolution matters in relation to the Issuer, in each case to the extent then in effect in Portugal including the RGICSF (whether or not such requirements, guidelines or policies have the force of law and whether or not they are applied generally or specifically to the Issuer).

For the avoidance of doubt, the Competent Authority is not obliged to provide such permission (if requested by the Issuer) and there is no assurance that the Competent Authority will provide such permission (if requested). For the avoidance of doubt, any refusal of the Competent Authority to grant permission in accordance with Article 78 of the CRR shall not constitute a default for any purpose.

Any redemption under this Condition may only be made if it is done in accordance with Articles 77 and 78a of the CRR, Article 29 of the Commission Delegated Regulation (EU) 241/2014 and/or any other Own Funds Requirements Regulations then in force, as applicable.

(b) Redemption for tax reasons

The Notes may be redeemed at the option of the Issuer, in whole or in part, on giving not less than 30 nor more than 60 days' notice to the Agent and, in accordance with Condition 11, the Noteholders (which notice shall be irrevocable):

(i) (A) If, with the exception of Notes issued by the Issuer, which are not issued by the Issuer within the scope of the Decree-Law no. 193/2005, of 7 November, as amended (the "**Decree-Law**"), on the occasion of the next payment due under the Notes, the Issuer has or will become obliged to pay additional amounts as provided or referred to in Condition 7 (*Taxation*) in each case as a result of any change in, or amendment to, the laws or regulations of the Tax Jurisdiction (as defined in Condition 7 (*Taxation*)) or (B) if in the case of Subordinated

Notes and Senior Non Preferred Notes eligible to comply with TLAC/MREL Requirements, the Issuer would not be entitled to claim a deduction in computing taxation liabilities in the Tax Jurisdiction (as defined in Condition 7 (*Taxation*)) in respect of any payment of interest to be made on the Notes on the occasion of the next payment date due under the Notes or the value of such deduction to the Issuer would be materially reduced, in each case as a result of any change in, or amendment to, the laws or regulations of the Tax Jurisdiction or any change in the application or official interpretation of such laws or regulations, which change or amendment becomes effective on or after the date on which agreement is reached to issue the first Tranche of a Series of Notes or the Issuer would be adversely affected by a material change in the applicable tax treatment of the Notes; and

(ii) In case of Subordinated Notes subject also to the requirements described under Condition 6(a) *Redemption* (i) and (ii).

(iii) Such obligation cannot be avoided by the Issuer taking reasonable measures available to it, provided that no such notice of redemption shall be given earlier than 90 days prior to the earliest date on which the Issuer would be obliged to pay such additional amounts were a payment in respect of the Notes then due; and

(iv) In the case of Senior Non Preferred Notes or Ordinary Senior Notes eligible to comply with MREL Requirements, subject to the applicable prior consent of the Resolution Authority in accordance with the applicable Capital Regulations, including any Applicable MREL Regulations.

Prior to the publication of any notice of redemption pursuant to this Condition, the Issuer shall deliver to the Agent a certificate signed by two Directors of the Issuer, stating that the Issuer is entitled to effect such redemption and setting forth a statement of facts showing that the conditions precedent to the right of the Issuer so to redeem have occurred, and an opinion of independent legal advisers of recognised standing to the effect that the Issuer (i) has or will become obliged to pay such additional amounts as a result of such change or amendment or (ii) will not be entitled to claim a deduction in computing taxation liabilities of the Tax Jurisdiction (as defined in Condition 7) or the value of such redemption would be materially reduced, as applicable.

Notes redeemed pursuant to this Condition 6(b) will be redeemed at their Early Redemption Amount referred to in 6(h) below together (if appropriate) with interest accrued to (but excluding) the date of redemption.

(c) Redemption due to MREL Disqualification Event

If, in the case of Senior Non Preferred Notes and of Ordinary Senior Notes eligible to comply with MREL Requirements where the MREL Disqualification Event has been specified as applicable in the relevant Final Terms only, a MREL Disqualification Event has occurred and is continuing, then the Issuer may, at its option, elect to redeem in accordance with these Conditions all, but not some only, of the relevant Notes (as applicable). Any such election and redemption is subject to the applicable prior consent of the Resolution Authority in accordance with the applicable Capital Regulations, including any Applicable MREL Regulations.

(d) Definitions

"**Applicable MREL Regulations**" means, at any time, the laws, regulations, requirements, guidelines and policies then in effect in Portugal giving effect to the MREL Requirement then applicable to the Issuer and/or the Group, including,

without limitation to the generality of the foregoing, CRD IV, the BRRD and those regulations, requirements, guidelines and policies giving effect to the MREL Requirement (whether or not such requirements, guidelines or policies have the force of law and whether or not they are applied generally or specifically to the Issuer and/or the Group), all the foregoing as amended or superseded from time to time;

"**Group**" means the Issuer and its subsidiaries taken as a whole;

A "**MREL Disqualification Event**" occurs when the Issuer determines, after consultation with the Resolution Authority (and, if relevant, the Competent Authority), in respect of Senior Non Preferred Notes or Ordinary Senior Notes eligible to comply with MREL Requirements that, all or part of the outstanding nominal amount of the relevant Notes does not fully qualify as MREL Eligible Instruments of the Issuer and/or the Group, except where such non-qualification (a) is due solely to the remaining maturity of the relevant Notes being less than any period required for such Notes to be considered MREL Eligible Instruments by Applicable MREL Regulations then in force, (b) any applicable limits on the amount of "eligible liabilities" (or any equivalent or successor term) permitted or allowed to meet any MREL Requirement(s) being exceeded or (c) is as a result of the relevant Notes being bought back by (or on behalf of) the Issuer or by a third party funded by the Issuer;

"**MREL-Eligible Instrument**" means an instrument that complies with the MREL Requirements; and

"**MREL Requirements**" means the minimum requirement for own funds and eligible liabilities applicable to the Issuer and/or the Group under the Applicable MREL Regulations.

(e) Redemption at the option of the Issuer (Issuer Call)

If Issuer Call is specified in the applicable Final Terms, the Issuer may, at its sole discretion, having given:

(i) not less than 15 nor more than 30 days' notice to the Noteholders in accordance with Condition 13; and

(ii) not less than 15 days before the giving of the notice referred to in (i), notice to the Agent;

(which notices shall be irrevocable and shall specify the date fixed for redemption), redeem all or some only of the Notes then outstanding on any Optional Redemption Date and at the Optional Redemption Amount(s) specified in, or determined in the manner specified in, the applicable Final Terms together, if appropriate, with interest accrued to (but excluding) the relevant Optional Redemption Date. Any such redemption must be of a nominal amount not less than the Minimum Redemption Amount or not more than a Higher Redemption Amount, in each case as may be specified in the applicable Final Terms. In the case of a partial redemption of Notes, the Notes shall be redeemed pari passu and on a pro rata basis in accordance with the rules of Interbolsa.

In the case of Subordinated Notes, the Issuer has the right, but not the duty, to redeem the Subordinated Notes. Such right may only be exercised after obtaining the consent of the Competent Authority and (with the exceptions provided for under Article 78(4) of the CRR) only after 5 (five) years from its issue date. The Competent Authority is not obliged to consent with the early redemption requested by the Issuer (if requested) and there is no assurance that the Competent Authority will consent to such early redemption request.

In case of Senior Non Preferred Notes and Ordinary Senior Notes eligible to comply with MREL Requirements, these may only be redeemed or called by the Issuer with the prior consent of the Resolution Authority in accordance with the applicable Capital Regulations, including any Applicable MREL Regulations.

(f) Redemption due to the occurrence of a Capital Event

The Subordinated Notes may be redeemed, in whole, by the Issuer, if a Capital Events occurs, as defined above, that the Competent Authority considers to be sufficient certain and subject to requirements described under Condition 6 (a) (*Redemption*) (i) and (ii).

(g) Redemption at the option of the Noteholders of Ordinary Senior Notes not eligible to comply with MREL Requirements (Investor Put)

In accordance with the Capital Regulations or other applicable banking laws and regulations in force at that time, including any Applicable MREL Regulations Investor Put is not permitted for Subordinated Notes, as well as (except with certain consequences) for Senior Non Preferred Notes and Ordinary Senior Notes eligible to comply with MREL Requirements.

If Investor Put is specified in the applicable Final Terms of the Ordinary Senior Notes, upon the holder of any Note giving to the Issuer in accordance with Condition 13 not less than 15 nor more than 30 days' notice the Issuer will, upon the expiry of such notice, redeem, subject to, and in accordance with, the terms specified in the applicable Final Terms, such Note on the Optional Redemption Date and at the Optional Redemption Amount together, if appropriate, with interest accrued to (but excluding) the Optional Redemption Date. It may be that before an Investor Put can be exercised, certain conditions and/or circumstances will need to be satisfied. Where relevant, the provisions will be set out in the applicable Final Terms.

To exercise the right to require redemption of this Note the holder of this Note must, within the notice period, give notice by way of a put notice (the "**Put Notice**") to the Paying Agent of such exercise in accordance with the standard procedures of Interbolsa in a form acceptable to Interbolsa from time to time and, at the same time present or procure the presentation of a Certificate to the Paying Agent.

Any Put Notice given by a holder of any Note pursuant to this paragraph shall be irrevocable except where prior to the due date of redemption an Event of Default has occurred and continues, in which event such holder, at its option, may elect by notice to the Issuer to withdraw the notice given pursuant to this paragraph and instead to declare such Note forthwith due and payable pursuant to Condition 9.

(h) Early Redemption Amounts

Early Redemption Amounts

For the purpose of paragraph 6(b), paragraph 6(c) and paragraph 6(f) above and Condition 9, each Note will be redeemed at the Early Redemption Amount calculated as follows:

a. in the case of a Note with a Final Redemption Amount equal to the Issue Price, at the Final Redemption Amount thereof;

b. in the case of a Note with a Final Redemption Amount (other than a Zero Coupon Note) which is or may be less or greater than the Issue Price or which is payable in a Specified Currency other than that in which the Note is denominated, at the amount specified in, or determined in the manner specified in, the applicable Final Terms or, if no such amount or manner is so specified in the applicable Final Terms, at its nominal amount;

c. in the case of a Zero Coupon Note, at an amount (the "**Amortised Face Amount**") calculated in accordance with the following formula:

Early Redemption Amount = RP x (1 + AY)y

where:

"**RP**" means the Reference Price;

"**AY**" means the Accrual Yield expressed as a decimal; and

"**y**" is a fraction the numerator of which is equal to the number of days (calculated on the basis of a 360-day year consisting of 12 months of 30 days each) from (and including) the Issue Date of the first Tranche of the Notes to (but excluding) the date fixed for redemption or (as the case may be) the date upon which such Note becomes due and repayable and the denominator of which is 360,

or on such other calculation basis as may be specified in the applicable Final Terms.

(i) Purchases

Subject to the next paragraphs, the Issuer or any of its subsidiaries may at any time purchase Notes at any price in the open market or otherwise.

In respect of the Subordinated Notes, the Issuer or any of its subsidiaries shall have the right to purchase Subordinated Notes only in accordance (and subject to) the conditions set out in Articles 77 and 78 of the CRR being met and not before five years from issuance, except where the conditions set out in Article 78(4) of the CRR are met or, in the case of repurchase for market-making purposes, where the conditions set out in Article 29 of the Commission Delegated Regulation (EU) 241/2014 (the regulatory technical standards RTS in own funds) ("**CDR**") are met and particularly with respect to the predetermined amount defined by the Competent Authority as per Article 29(3)(b) of the CDR.

In respect of the Senior Non Preferred Notes and Ordinary Senior Notes eligible to comply with MREL Requirements, a purchase of the relevant Notes by the Issuer or any of its subsidiaries may take place only in accordance with Capital Regulations, including any Applicable MREL Regulations, including by complying with the conditions set out under Articles 77 and 78a of the CRR, and will be subject to the prior consent of the Resolution Authority, without prejudice to any other requirements.

Subject to the Capital Regulations, including any Applicable MREL Regulations, the Notes may be held, resold or, at the option of the Issuer or the relevant subsidiary, cancelled by Interbolsa following receipt by Interbolsa of notice thereof by or on behalf of the Issuer. Notes purchased, while held by or on behalf of the Issuer or any subsidiary of the Issuer shall not entitle the holder to vote at any meetings of the Noteholders and shall not be deemed to be outstanding for the purposes of calculating quorums at meetings of the Noteholders or for the purposes of Condition 14 or the Agency Agreement.

(j) Cancellation

All Notes which are redeemed will forthwith be cancelled. All Notes so cancelled and any Notes purchased and cancelled pursuant to paragraph (g) above cannot be reissued or resold.

Regarding Subordinated Notes, Senior Non Preferred Notes and Ordinary Senior Notes eligible to comply with MREL Requirements, this Condition 6 describes the legal and regulatory regime applicable thereto and accordingly the provisions of this Condition 6 are subject to any changes in that legal and regulatory regime.

7. TAXATION

(a) ***Taxation relating to all payments by the Issuer in respect of Notes not issued within the scope of Decree-Law no. 193/2005, of 7 November 2015***

All payments of principal and interest in respect of the Notes by the Issuer and not issued within the scope of the Decree-Law no. 193/2005, of 7 November 2015 ("**Decree Law**") will be made after withholding (except where the Noteholder is either a Portuguese resident financial institution or a non-resident financial institution having a permanent establishment in the Portuguese territory to which the income is attributable or benefits from a reduction or withholding tax exemption as specified by current Portuguese tax law) or deduction for or on account of any present or future taxes or duties of whatever nature imposed or levied by or on behalf of the Republic of Portugal which are required by law. No additional amounts will be paid by the Issuer in respect of such withholding or deduction.

(b) ***Taxation relating to all payments by the Issuer in respect of the Notes issued within the scope of the Decree-Law***

All payments of principal and interest in respect of the Notes issued within the scope of the Decree-Law by the Issuer will be made without withholding or deduction for or on account of any present or future taxes or duties of whatever nature imposed or levied by or on behalf of the Tax Jurisdiction unless such withholding or deduction is required by law or regulation. In such event, the Issuer will pay such additional amounts as shall be necessary in order that the net amounts received by the holders of the Notes after such withholding or deduction shall equal the respective amounts of principal and interest which would otherwise have been receivable in respect of the Notes issued within the scope of the Decree-Law in relation to any payment in the absence of such withholding or deduction; except that no such additional amounts shall be payable:

(i) to, or to a third party on behalf of, a Noteholder in the Tax Jurisdiction; and/or

(ii) to, or to a third party on behalf of, a Noteholder who is liable for such taxes or duties in respect of such Note by reason of his having some connection with a Tax Jurisdiction other than the mere holding of such Note; and/or

(iii) where the relevant Certificate is presented for payment more than 30 days after the Relevant Date (as defined below) except to the extent that the holder thereof would have been entitled to an additional amount on presenting the same for payment on such 30th day assuming that day to have been a Payment Day (as defined in Condition 5(d)); and/or

(iv) to, or to a third party on behalf of, a Noteholder in respect of whom the information (which may include certificates) required in order to comply with the Decree-Law, and any implementing legislation, is not received by no later than the second ICSD Business Day prior to Relevant Date, or which does not comply with the formalities in order to benefit from tax treaty benefits, when applicable; and/or

(v) to, or to a third party on behalf of, a Noteholder (i) resident for tax purposes in the Tax Jurisdiction or when the investment income is imputable to a permanent establishment of the Noteholder located in Portuguese territory or (ii) resident in a tax haven jurisdiction as defined in Ministerial Order (*Portaria*) no. 150/2004, of 13 February 2004, as amended from time to time, with the exception of (a) central banks and governmental agencies, as well as international institutions recognised by the Tax Jurisdiction, of those tax haven jurisdictions, and (b) tax haven jurisdictions which have a double taxation treaty in force or a tax information exchange agreement in place with the Tax Jurisdiction provided that all procedures and information required under Decree-Law no. 193/2005, of 7 November 2005, as amended, regarding (a) and (b) above are complied with; and/or

(vi) to, or to a third party on behalf of (a) a Portuguese resident legal entity subject to Portuguese corporation tax (with the exception of entities that benefit from a waiver of Portuguese withholding tax or from Portuguese income tax exemptions), or (b) a legal entity not resident in the Republic of Portugal acting with respect to the holding of the Notes through a permanent establishment located in the Portuguese territory (with the exception of permanent establishments that benefit from a waiver of Portuguese withholding tax).

For the purposes of this Condition 7:

"**ICSD Business Day**" means any day which:

(i) is not a Saturday or Sunday; and

(ii) is not 25 December or 31 December.

"**Relevant Date**" means the date on which such payment first becomes due, except that, if the full amount of the moneys payable has not been duly received by the Paying Agent on or prior to such due date, it means the date on which, the full amount of such moneys having been so received, notice to that effect is duly given to the Noteholders in accordance with Condition 13.

For the purposes of these Conditions:

"**Tax Jurisdiction**" means the Republic of Portugal or any political subdivision or any authority thereof or therein having power to tax.

Any obligation to pay additional amounts provided for in this Condition 7 will be limited to cover withholdings or deductions in respect of payments of interest (and not, for the avoidance of doubt, payments of principal or any other amounts) in respect of Ordinary Senior Notes eligible to comply with MREL Requirements, Senior Non-Preferred Notes or Subordinated Notes.

8. PRESCRIPTION

Claims for principal and interest in respect of the Notes shall become void unless the relevant Certificates are surrendered within twenty years and five years respectively of the Relevant Date.

9. EVENTS OF DEFAULT

(a) Events of Default relating to Ordinary Senior Notes not eligible to comply with MREL Requirements and relating to Ordinary Senior Notes eligible to comply with MREL Requirements (if so specified in the relevant Final Terms)

If one or more of the following events (each an "**Event of Default**") shall occur and be continuing with respect to any Senior Note (any reference to "*Note*" and "*Notes*" shall be construed accordingly):

(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) insolvency or liquidation proceedings are commenced by a court against the Issuer or the Issuer institutes such proceedings or suspends payments or offers or makes a general arrangement for the benefit of all its creditors; or

(iv) any order shall be made by any competent court or resolution passed for the winding-up or liquidation of the Issuer, except for the purposes of a Permitted Reorganisation; or

(v) the repayment of any Indebtedness for Borrowed Money (as defined in Condition 9(c)) owing by the Issuer is accelerated by reason of default and such acceleration has not been rescinded or annulled, or the Issuer defaults (after whichever is the longer of any originally applicable period of grace and 14 days after the due date) in any payment of any Indebtedness for Borrowed Money or in the honouring of any guarantee or indemnity in respect of any Indebtedness for Borrowed Money provided that no such event referred to in this subparagraph (v) shall constitute an Event of Default unless the Indebtedness for Borrowed Money whether alone or when aggregated with other Indebtedness for Borrowed Money relating to all (if any) other such events which shall have occurred shall exceed EUR 25,000,000 (or its equivalent in any other currency or currencies) or, if greater, an amount equal to 1 per cent. of BPI's Shareholders' Funds (as defined in Condition 9(c));

then any holder of a Note may, by written notice to the Issuer at the specified office of the Agent, effective upon the date of receipt thereof by the Agent, declare any Notes held by the holder to be forthwith due and payable whereupon the same shall become forthwith due and payable at the Early Redemption Amount (as described in Condition 6(h)), together with accrued interest (if any) to the date of repayment, without presentment, demand, protest or other notice of any kind.

(b) Events of Default relating to Ordinary Senior Notes eligible to comply with MREL Requirements (where so specified in the relevant Final Terms) and relating to Senior Non- Preferred Notes

If one or more of the following events (each an "**Event of Default**") shall occur and be continuing with respect to any Ordinary Senior Note eligible to comply with MREL Requirements or Senior Non Preferred Note:

(i) insolvency proceedings are commenced by a court against the Issuer or the Issuer institutes such proceedings; or

(ii) 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;

then any holder of a such a Note may, by written notice to the Issuer at the specified office of the Agent, effective upon the date of receipt thereof by the Agent, declare any such Note held by the holder to be forthwith due and payable whereupon the same shall, when permitted by the applicable Capital Regulations, including any Applicable MREL Regulations, become forthwith due and payable at the Early Redemption Amount (as described in Condition 6(h)), together with accrued interest (if any) to the date of repayment, without presentment, demand, protest or other notice of any kind.

Without prejudice to (i) and (ii) above, if the Issuer breaches any of its obligations under these Notes, the Common Representative (if any) may, subject as provided below, at its discretion and without further notice, institute such proceedings as it may think fit to enforce such obligations provided that the Issuer shall not as a consequence of such proceeding be obliged to pay any sum or sums sooner than the same would otherwise have been payable by it.

For the avoidance of doubts, the provisions of these Conditions governing the Ordinary Senior Notes eligible to comply with MREL Requirements and Senior Non Preferred Notes do not give any holder thereof or the Common Representative (if any, acting at its discretion, or if so directed by an Extraordinary Resolution of the Noteholders) the right to accelerate the future scheduled payment of interest or principal, other than in case of the insolvency or liquidation of the Issuer, as provided for in the relevant provisions of the CRR being Article 63(l) and (in the case of MREL-Eligible Instruments which are not Subordinated Notes) Article 72b(2)(l). Accordingly, resolution proceedings or a moratorium imposed by a resolution authority in respect of the relevant Issuer shall not constitute an Event of Default.

However, nothing in this Condition 9 shall prevent the Common Representative from instituting proceedings for the winding-up of the Issuer (to the extent permitted by law at the relevant time) and/or proving in any winding-up of the Issuer in respect of any payment obligations of the Issuer pursuant to or arising from such Notes (including any damages awarded for breach of any such obligations).

Any redemption pursuant to this Condition 9(b) prior to the relevant maturity date may only be made by the Issuer with the prior consent of the Resolution Authority, in accordance with the applicable Capital Regulations including any Applicable MREL Regulations.

(c) Events of Default relating to Subordinated Notes

If one or more of the following events (each an "**Event of Default**") shall occur and be continuing with respect to any Subordinated Notes:

(i) insolvency proceedings are commenced by a court against the Issuer or the Issuer institutes such proceedings; or

(ii) 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;

then any holder of a Subordinated Note may, by written notice to the Issuer at the specified office of the Agent, effective upon the date of receipt thereof by the Agent, declare any Subordinated Notes held by the holder to be forthwith due and payable whereupon the same shall, when permitted by the applicable Capital Regulations, become forthwith due and payable at the Early Redemption Amount (as described in Condition 6(h)), together with accrued interest (if any) to the date of repayment, without presentment, demand, protest or other notice of any kind.

Without prejudice to (i) and (ii) above, if the Issuer breaches any of its obligations under the Notes, the Common Representative (if any) may, subject as provided below, at its discretion and without further notice, institute such proceedings as it may think fit to enforce such obligations provided that the Issuer shall not as a consequence of such proceeding be obliged to pay any sum or sums sooner than the same would otherwise have been payable by it.

For the avoidance of doubts, the provisions of these Conditions governing the Subordinated Note do not give any holder of Subordinated Notes or the Common Representative (if any, acting at its discretion, or if so directed by an Extraordinary Resolution of the Noteholders) the right to accelerate the future scheduled payment of interest or principal, other than in the insolvency or liquidation of the Issuer, as provided for in the relevant provisions of the CRR being (in the case of Subordinated Notes) Article 63(l). Accordingly, resolution proceedings or a moratorium imposed by a resolution authority in respect of the relevant Issuer shall not constitute an Event of Default.

However, nothing in this Condition 9 shall prevent the Common Representative from instituting proceedings for the winding-up of the Issuer (to the extent permitted by law at the relevant time) and/or proving in any winding-up of the Issuer in respect of any payment obligations of the Issuer pursuant to or arising from the Notes (including any damages awarded for breach of any such obligations).

Any redemption pursuant to this Condition 9(c) prior to the relevant maturity date may only be made by the Issuer with the prior consent of the Competent Authority, in accordance with the applicable Capital Regulations.

(d) Definitions

For the purposes of this Condition 9:

"**Indebtedness for Borrowed Money**" means any present or future indebtedness for or in respect of (i) money borrowed, or (ii) any notes, bonds, debentures, loan stock or other securities offered, issued or distributed whether by way of offer to the public, private placement, acquisition consideration or otherwise and whether issued in cash or in whole or in part for consideration other than cash; and

"**BPI's Shareholders' Funds**" means, at any relevant time, a sum equal to the aggregate of Banco BPI's shareholders' equity as certified by the independent auditors of Banco BPI by reference to the latest audited consolidated financial statements of Banco BPI.

"**Permitted Reorganisation**" means a reconstruction, merger or amalgamation (i) which has been approved by an Extraordinary Resolution at a meeting of Noteholders; or (ii) where the entity resulting from any such reconstruction, merger or amalgamation is a credit institution ("*instituição de crédito*") under Article 3 of RGICSF, as amended and restated (or superseded) and has a rating for long term/short term ratings assigned by Moody's, Fitch and/or S&P, equivalent to or higher than the long term/short term ratings of the Issuer, immediately prior to such reconstruction, merger or amalgamation.

10 WAIVER OF SET-OFF

No Noteholder may at any time exercise or claim any Waived Set-Off Rights against any right, claim, or liability the Issuer has or may have or acquire against such Noteholder, directly or indirectly, howsoever arising (and, for the avoidance of doubt, including all such rights, claims and liabilities arising under or in relation to any and all agreements or other instruments of any sort, whether or not relating to such Note) and each Noteholder shall be deemed to have waived all Waived Set-Off Rights to the fullest extent permitted by applicable law in relation to all such actual and potential rights, claims and liabilities. Notwithstanding the preceding sentence, if any of the amounts owing to any Noteholder by the Issuer in respect of, or arising under or in connection with the Notes is discharged by exercising a right comprised within the Waived Set-Off Rights, such Noteholder shall, subject to applicable law, immediately pay an amount equal to the amount of such discharge to the Issuer and, until such time as payment is made, shall hold an amount equal to such amount in trust for the Issuer and accordingly any such discharge shall be deemed not to have taken place.

For the avoidance of doubt, nothing in this Condition is intended to provide, or shall be construed as acknowledging, any right of deduction, set-off, netting, compensation, retention or counterclaim or that any such right is or would be available to any Noteholder of any Note but for this Condition.

(a) Definitions

"**Waived Set-Off Rights**" means any and all rights of or claims of any Noteholder for deduction, set-off, netting, compensation, retention or counterclaim arising directly or indirectly under or in connection with any Note.

11 SUBSTITUTION AND VARIATION

This Condition 11 applies to Ordinary Senior Notes eligible to comply with MREL Requirements, Senior Non Preferred Notes and Subordinated Notes. If a Capital Event, a MREL Disqualification Event or a circumstance giving rise to the right of the Issuer to redeem the Notes for taxation reasons under Condition 6 (b) occurs and is continuing, the Issuer may substitute all (but not some only) of the Notes (as the case may be) or modify the terms of all (but not some only) of the Notes, without any requirement for the consent or approval of the Noteholders, so that they are substituted for, or varied to, become, or remain, Qualifying Notes, subject to having given not less than 15 nor more than 30 days' notice to the Noteholders in accordance with Condition 13, the Agent (which notice shall be irrevocable and shall specify the date for substitution or, as applicable, variation), and subject to obtaining the prior consent of the Competent Authority and/or the

Resolution Authority, as applicable, in accordance with the applicable Capital Regulations, including any Applicable MREL Regulations, if and as required for such purpose thereunder.

Any such notice shall specify the relevant details of the manner in which such substitution or variation shall take effect and where the Noteholders can inspect or obtain copies of the new terms and conditions of the Notes. Such substitution or variation will be effected without any cost or charge to the Noteholders.

Noteholders shall, by virtue of subscribing and/or purchasing and holding any Notes, be deemed to accept the substitution or variation of the terms of such Notes and to grant to the Issuer full power and authority to take any action and/or to execute and deliver any document in the name and/or on behalf of the Noteholders which is necessary or convenient to complete the substitution or variation of the terms of the Notes.

(a) Definitions:

"**Qualifying Notes**" means, at any time, any securities denominated in the Specified Currency and issued directly by the Issuer not otherwise materially less favourable to the Noteholders than the terms of the Notes provided that such securities shall:

(i) (a) in the case of Ordinary Senior Notes eligible to comply with MREL Requirements or Senior Non Preferred Notes, contain terms which comply with the then current requirements for MREL-Eligible Instruments as embodied in the Applicable MREL Regulations, and (b) in the case of Tier 2 Subordinated Notes, contain terms which comply with the then current requirements for their inclusion in the Tier 2 Capital of the Issuer; and

(ii) carry the same rate of interest as the Notes prior to the relevant substitution or variation pursuant to this Condition 11; and

(iii) have the same denomination and aggregate outstanding principal amount as the Notes prior to the relevant substitution or variation pursuant to this Condition 11; and

(iv) have the same date of maturity and the same dates for payment of interest as the Notes prior to the relevant substitution or variation pursuant to this Condition 11; and

(v) have at least the same ranking as set out in Condition 2; and

(vi) not, immediately following such substitution or variation, be subject to a Capital Event, a MREL Disqualification Event and/or an early redemption right for taxation reasons according to Condition 6(b), as applicable; and

(vii) be listed or admitted to trading on any stock exchange as selected by the Issuer, if the Notes were listed or admitted to trading on a stock exchange immediately prior to the relevant substitution or variation pursuant to this Condition 11.

For the avoidance of doubt, any variation in the ranking of the relevant Notes as set out in Condition 2 resulting from any such substitution or modification shall be deemed not to be materially less favourable to the interests of the Noteholders of the Notes where the ranking of such Notes following such substitution or modification is at least the same ranking as is applicable to such Notes under Condition 2 on the issue date of such Notes.

12. PAYING AGENT

The name of the initial Paying Agent and its initial specified office are set out below.

The Issuer is entitled to vary or terminate the appointment of the Paying Agent and/or appoint additional or other paying agents and/or approve any change in the specified office through which any paying agent acts, provided that:

(a) there will at all times be a paying agent with its specified office in a country outside the Tax Jurisdiction;

(b) so long as the Notes are listed on any stock exchange or admitted to listing by any other relevant authority, there will at all times be a paying agent with a specified office in such place as may be required by the rules and regulations of the relevant stock exchange (or any other relevant authority); and

(c) there will at all times be a paying agent in Portugal capable of making payment in respect of the Notes as contemplated by these terms and conditions of the Notes, the Agency Agreement and applicable Portuguese law and regulation.

In acting under the Agency Agreement, the paying agents act solely as agents of the Issuer and do not assume any obligation to, or relationship of agency or trust with, any Noteholders. The Agency Agreement contains provisions permitting any entity into which any paying agent is merged or converted or with which it is consolidated or to which it transfers all or substantially all of its assets to become the successor paying agent.

13. NOTICES

All notices regarding the Notes will be deemed to be validly given on the date of such publication if published (i) if and for so long as the Notes are admitted to trading on the Bourse de Luxembourg (the regulated market of the Luxembourg Stock Exchange) and to listing on the Official List of the Luxembourg Stock Exchange, by means of electronic publication on the website of the Luxembourg Stock Exchange (www.bourse.lu) (ii) by registered mail or by any other way which complies with the Portuguese Securities Code and Interbolsa's rules on notices to investors, notably the disclosure of information through the CMVM's official website (www.cmvm.pt). The Issuer shall also ensure that notices are duly published in a manner which complies with the rules and regulations of any stock exchange (or any other relevant authority) on which the Notes are for the time being listed. Any such notice will be deemed to have been given on the date of the first publication or, where required to be published in more than one newspaper, on the date of the first publication in all required newspapers, and, in the case of publication on the website of the Luxembourg Stock Exchange (www.bourse.lu), or on CMVM's official website (www.cmvm.pt) on the date of such publication.

14. MEETINGS OF NOTEHOLDERS, MODIFICATION AND WAIVER

Meetings may be convened by the Common Representative (if any) or, if (i) no Common Representative has been appointed or (ii) if appointed, the relevant Common Representative has failed to convene a meeting, by the chairman of the general meeting of shareholders of the Issuer, and shall be convened if requested by Noteholders holding not less than 5 per cent. in principal amount of the Notes for the time being outstanding. The quorum required for a meeting convened to pass a resolution other than an Extraordinary Resolution will be any person or persons holding or representing Notes then outstanding, regardless of the principal amount thereof; and the quorum required for a meeting convened to pass an Extraordinary Resolution will be a person or persons holding or representing at least 50 per cent. of the Notes then

outstanding or, at any adjourned meeting, any person or persons holding or representing any of the Notes then outstanding, regardless of the principal amount thereof.

The number of votes required to pass a resolution other than an Extraordinary Resolution is a majority of the votes cast at the relevant meeting; the majority required to pass an Extraordinary Resolution, including, without limitation, a resolution relating to the modification or abrogation of certain of the provisions of these Conditions, is at least 50 per cent. of the principal amount of the Notes then outstanding or, at any adjourned meeting, two-thirds of the votes cast at the relevant meeting regardless of any quorum. Resolutions passed at any meeting of the Noteholders will be binding on all Noteholders, whether or not they are present at the meeting or have voted against the approved resolutions.

"**Extraordinary Resolution**" means a resolution passed at a meeting of Noteholders in respect of any of the following matters:

(i) any modification or abrogation of any Condition (including without limiting, modifying the date of maturity of the Notes or any date for payment of interest thereon, reducing or cancelling the amount of principal or the rate of interest payable in respect of the Notes or altering the currency of payment of the Notes); or

(ii) to approve any amendment to this definition.

The Agent or the Calculation Agent (if any) and the Issuer may agree, without the consent of the Noteholders, to:

(i) any modification (except as mentioned above) of the Notes or Agency Agreement (in this case with the agreement of the Agent) which is not prejudicial to the interests of the Noteholders; or

(ii) any modification of the Notes, or the Agency Agreement (in this case with the agreement of the Agent) which is of a formal, minor or technical nature or is made to correct a manifest error or to comply with mandatory provisions of law.

Any such modification shall be binding on the Noteholders and any such modification shall be notified to the Noteholders in accordance with Condition 13 as soon as practicable thereafter.

For the avoidance of doubt, in the case of Subordinated Notes, any modifications (with or without the consent of the Noteholders) to their respective terms may only be made with the prior consent or non-opposition of the Competent Authority and shall not take effect until that is obtained, except if otherwise permitted by the Capital Regulations.

For the avoidance of doubt, in the case of Ordinary Senior Notes eligible to comply with MREL Requirements or Senior Non Preferred Notes, any modifications (with or without the consent of the Noteholders) to their respective terms may only be made with the prior consent or non-opposition of the Resolution Authority (and, if relevant, the Competent Authority) and shall not take effect until that is obtained, , except if otherwise permitted by the Capital Regulations, including any Applicable MREL Regulations.

15. FURTHER ISSUES

The Issuer shall be at liberty from time to time without the consent of the Noteholders to create and issue further notes:

(a) having terms and conditions the same as the Notes or the same in all respects save for the amount and date of the first payment of interest thereon and so that the same shall be consolidated and form a single Series with the outstanding Notes; and

(b) having the same or different terms and conditions as the Notes and form a different Series, complying with the minimum requirements for own funds and eligible liabilities under the European Union framework for recovery and resolution of credit institutions.

16. GOVERNING LAW AND SUBMISSION TO JURISDICTION

(a) Governing law

The Notes and any non-contractual obligations arising from it shall be construed in accordance with Portuguese law.

(b) Submission to jurisdiction

The Issuer agrees, for the exclusive benefit of the Noteholders, that the courts of Portugal are to have jurisdiction to settle any disputes which may arise out of or in connection with the Notes, including any non-contractual obligations arising from it, and that accordingly any suit, action or proceedings (together referred to as "*Proceedings*") arising out of or in connection with the Notes may be brought in such courts.

The Issuer hereby irrevocably waives any objection which it may have now or hereafter to the laying of the venue of any such Proceedings in any such court and any claim that any such Proceedings have been brought in an inconvenient forum and hereby further irrevocably agrees that a judgment in any such Proceedings brought in the Portuguese courts shall be conclusive and binding upon it and may be enforced in the courts of any other jurisdiction.

Nothing contained in this Condition shall limit any right to take Proceedings against the Issuer in any other court of competent jurisdiction, nor shall the taking of Proceedings in one or more jurisdictions preclude the taking of Proceedings in any other jurisdiction, whether concurrently or not.

17. COMMON REPRESENTATIVE

The holders of the Notes shall at all times be entitled to appoint and dismiss a Common Representative by means of a Resolution. Upon the appointment of a new Common Representative by the holders of the Notes pursuant to this Condition, any previously appointed and dismissed Common Representative will immediately cease its engagement and will be under the obligation immediately to transfer to the new Common Representative appointed by the holders of the Notes all documents and information then held by such Common Representative pertaining to the Notes.

As used herein: "**Common Representative**" means a law firm, an accountant's firm, a financial intermediary, an entity authorised to provide proxy services in a member-state or an individual person (which may not be a holder of Notes), which may be appointed by the holders of Notes under Article 358 of the Portuguese Commercial Companies Code.

18. ACKNOWLEDGEMENT OF PORTUGUESE STATUTORY LOSS ABSORPTION POWERS

Notwithstanding any other term of the Notes or any other agreement, arrangement or understanding between the Issuer and the Noteholders, by its subscription and/or purchase and holding of the Notes, each Noteholder (which for the purposes of this Condition 18 includes each holder of a beneficial interest in the Notes) acknowledges, accepts, consents and agrees:

(i) to be bound by the effect of the exercise of the Bail-in Power by the Relevant Resolution Authority, which may include and result in any of the following, or some combination thereof:

(A) the reduction of all, or a portion, of the Amounts Due on a permanent basis;

(B) the conversion of all, or a portion, of the Amounts Due into shares, other securities or other obligations of the Issuer or another person (and the issue to the holder of such shares, securities or obligations), including by means of an amendment, modification or variation of the terms of the Notes, in which case the Noteholder agrees to accept in lieu of its rights under the Notes any such shares, other securities or other obligations of the Issuer or another person;

(C) the cancellation of the Notes or Amounts Due; or

(D) the amendment or alteration of the maturity of the Notes or amendment of the Interest Amount payable on the Notes, or the date on which the interest becomes payable, including by suspending payment for a temporary period; and

(ii) that the terms of the Notes are subject to, and may be varied, if necessary, to give effect to, the exercise of the Bail-in Power by the Relevant Resolution Authority.

No repayment or payment of Amounts Due on the Notes or the Coupons will become due and payable or be paid after the exercise of any Bail-in Power if and to the extent that such amounts have been reduced, converted, cancelled, suspended (for so long as such suspension or moratorium is outstanding), amended or altered as a result of such exercise.

Upon the Issuer being informed or notified by the Relevant Resolution Authority of the actual exercise of any Bail-in Power with respect to the Notes, the Issuer shall notify the Noteholders without delay. Any delay or failure by the Issuer to give notice shall not affect the validity and enforceability of the Bail-in Power nor the effects on the Notes described in this Condition 18.

The exercise of the Bail-in Power by the Relevant Resolution Authority with respect to the Notes shall not constitute a default or an event of default for any purpose and the Conditions of the Notes shall continue to apply in relation to the residual principal amount of, or outstanding amount payable with respect to, the Notes subject to any modification of the amount of distributions payable to reflect the reduction of the principal amount, and any further modification of the terms that the Relevant Resolution Authority may decide in accordance with applicable laws and regulations, including the RGICSF and the SRM Regulation, relating to the resolution of credit institutions, investment firms incorporated in Portugal.

Each Noteholder also acknowledges and agrees that this provision is exhaustive on the matters described herein to the exclusion of any other agreements, arrangements or understandings relating to the application of any Bail-in Power to the Notes.

The exercise of the Bail-Power by the Relevant Resolution Authority pursuant to any relevant laws, regulations, rules or requirements in effect in the Republic of Portugal is not dependent on the application of this Condition 18.

For the purposes of this Condition 18:

"**Amounts Due**" means the principal amount, together with any accrued but unpaid interest, and any additional amounts referred to in Condition 7, if any, due on the Notes. References to such amounts will include amounts that have become due and payable, but which have not been paid, prior to the exercise of the Bail-in Power by the Relevant Resolution Authority;

"**Bail-in Power**" means any statutory write-down, conversion, transfer, modification, or suspension power existing from time to time under, and exercised in compliance with, any laws, regulations, rules or requirements relating to the resolution of credit institutions and investment firms incorporated in the Republic of Portugal, in effect and applicable to the Issuer, including the laws, regulations, rules or requirements relating to (A) the transposition of the BRRD (including, but not limited to, Law No. 23-A/2015 of 26 March 2015, which amended the RGICSF), (B) SRM Regulation and (C) the instruments, rules and standards created thereunder, pursuant to which any obligation of certain entities as set out in such law, regulation, rules or requirements can be reduced, cancelled, suspended, modified, or converted into shares, other securities, or other obligations;

"**Relevant Resolution Authority**" means any authority lawfully entitled to exercise or participate in the exercise of any Bail-in Power from time to time; and

Regulation (EU) No. 806/2014 of the European Parliament and of the Council of 15 July 2014, establishing uniform rules and a uniform procedure for the resolution of credit institutions and certain investment firms in the framework of the Single Resolution Mechanism and the Single Resolution Fund and amending Regulation (EU) No. 1093/2010, as amended or superseded from time to time.

TERMS AND CONDITIONS OF THE UNDATED DEEPLY SUBORDINATED NOTES

*The following are the Terms and Conditions of the Undated Deeply Subordinated Notes (the "Notes" or the "Undated Deeply Subordinated Notes") which will be incorporated into each Undated Deeply Subordinated Note settled by Central de Valores Mobiliários, the clearing system operated at Interbolsa – Sociedade Gestora de Sistemas de Liquidação e de Sistemas Centralizados de Valores Mobiliários S.A.. **The Terms and Conditions of the Undated Deeply Subordinated Notes have not been approved by the competent banking prudential supervisory authority (the "Competent Authority"), in this case the European Central Bank, the Bank of Portugal, or such other successor authority which is responsible for prudential supervision and/or empowered by national law to supervise the Isuser and Group as part of the supervisory sysem in Portugal**. If any amendments to the Terms and Conditions of the Undated Deeply Subordinated Notes are required by the Competent Authority, a new Supplement to the Base Prospectus will be made by the* Banco BPI, S.A. (the "**Issuer**" or "**Banco BPI**"). *The applicable Final Terms in relation to any Tranche of Notes may specify terms and conditions which shall, to the extent so specified in the following Terms and Conditions, complete the following Terms and Conditions for the purpose of such Notes. The applicable Final Terms (or the relevant provisions thereof) will be incorporated into and applicable to each Note.*

This Note is one of a Series (as defined below) of Notes issued by the *Issuer* pursuant to the Agency Agreement (as defined below).

References herein to the "*Notes*" or to the "*Undated Deeply Subordinated Notes*" shall be references to the Notes of this Series and shall mean any Note. In accordance with Portuguese Law, Undated Deeply Subordinated Notes are not classified as bonds (*obrigações*).

The Notes have the benefit of an Agency Agreement (such Agency Agreement as amended and/or supplemented and/or restated from time to time, the "**Agency Agreement**") dated 9 September 2021,and made between, *inter alia*, the Issuer, Banco BPI, S.A. as paying agent in Portugal (the "**Paying Agent**" which expression shall include any successor paying agent) and Deutsche Bank AG, London Branch as agent bank (the "**Agent**", which expression shall include any successor agent).

The Final Terms for this Note (or the relevant provisions thereof) are incorporated into this Note and supplements these Terms and Conditions and may specify other terms and conditions which shall, to the extent so specified in these Terms and Conditions, complete these Terms and Conditions for the purposes of this Note. References to the "*Applicable Final Terms*" mean the Final Terms (or the relevant provisions thereof) incorporated into this Note in relation to a specific issue and following the "*Form of Final Terms*".

Any reference to "*Noteholders*" or "*holders*" in relation to any Notes shall mean each person shown in the book entry records of a financial institution, which is licensed to act as a financial intermediary under the Portuguese Securities Code ("*Código dos Valores Mobiliários*" or the "*Portuguese Securities Code*") and the regulations issued by Comissão do Mercado de Valores Mobiliários (Portuguese Securities Market Commission, the "**CMVM**"), by Interbolsa – Sociedade Gestora de Sistemas de Liquidação e de Sistemas Centralizados de Valores Mobiliários, S.A. ("**Interbolsa**"), as operator of the Portuguese centralised securities system ("**CVM**"), or otherwise applicable rules and regulations and which is

entitled to hold control accounts (each such institution an "**Affiliate Member of Interbolsa**"), as having an interest in the principal amount of the Notes.

As used herein, "**Tranche**" means Notes which are identical in all respects (including as to listing) and "**Series**" means a Tranche of Notes together with any further Tranche or Tranches of Notes which are (i) expressed to be consolidated and form a single series and (ii) identical in all respects (including as to listing) except for their respective Issue Dates, Interest Commencement Dates and/or Issue Prices.

Copies of the Agency Agreement are available for viewing during normal business hours at the specified office of the Paying Agent. Copies of the applicable Final Terms are available for viewing and obtainable during normal business hours at the registered office of the Issuer and of the Paying Agent save that, if this Note is an unlisted Note of any Series, the applicable Final Terms will only be obtainable by a Noteholder holding one or more unlisted Notes of that Series and such Noteholder must produce evidence satisfactory to the Issuer and the Paying Agent as to its holding of such Notes and identity. The Noteholders are deemed to have notice of, and are entitled to the benefit of, all the provisions of the Agency Agreement and the applicable Final Terms which are applicable to them. The statements in these Terms and Conditions include summaries of, and are subject to, the detailed provisions of the Agency Agreement.

Words and expressions defined in the Agency Agreement or used in the applicable Final Terms shall have the same meanings where used in these Terms and Conditions unless the context otherwise requires or unless otherwise stated and provided that, in the event of inconsistency between the Agency Agreement and the applicable Final Terms, the applicable Final Terms will prevail.

1. FORM, DENOMINATION, TITLE AND TRANSFER

The Notes are represented in dematerialised book entry (*forma escritural*) and registered (*nominativas*), in the currency ("**Specified Currency**")[26] and denomination ("**Specified Denomination**") as specified in the applicable Final Terms.

This Note is an Undated Deeply Subordinated Note (*perpetual*) as indicated on the applicable Final Terms, with no scheduled maturity date.

This Undated Deeply Subordinated Note may be a Fixed Rate Note (with or without Reset Provisions applicable) or a Floating Rate Note, depending upon the interest basis shown in the applicable Final Terms, subject to the restrictions defined under Condition 4.

References to Euroclear Bank S.A./N.V., ("**Euroclear**") and/or Clearstream Banking, S.A., Luxembourg ("**CBL**") and/or Interbolsa (as defined above) shall, whenever the context so permits, be deemed to include a reference to any additional or alternative clearing system specified in the applicable Final Terms.

Title to the Undated Deeply Subordinated Notes held through Interbolsa (each an "**Interbolsa Note**") will be evidenced by book entries in accordance with the Portuguese Securities Code and the regulations issued by the CMVM, by Interbolsa or otherwise applicable thereto. Each person shown in the book entry records of an Affiliate Member of Interbolsa as having an interest in the Notes shall be deemed to be the holder of the principal amount of the Notes recorded.

[26] The minimum denomination of Notes will be, if in euro, EUR 200,000, or if in any currency other than Euro, in an amount in such other currency equal to or exceeding the equivalent of EUR 200,000.

Title to the Notes is subject to compliance with all rules, restrictions and requirements applicable to the activities of Interbolsa.

One or more certificates in relation to the Notes (each, a "**Certificate**") will be delivered by the relevant Affiliate Member of Interbolsa in respect of a registered holding of Notes upon the request by the relevant Noteholder and in accordance with that Affiliate Member of Interbolsa's procedures pursuant to Article 78 of the Portuguese Securities Code.

The Notes will be registered in the relevant issue account of the Issuer with Interbolsa and will be held in control accounts opened by each Affiliate Member of Interbolsa on behalf of the Noteholders. The control account of a given Affiliate Member of Interbolsa will reflect at all times the aggregate principal amount of Notes held in the individual securities' accounts of the Noteholders with that Affiliate Member of Interbolsa.

The person or entity registered in the book entry registry of the Central de Valores Mobiliários (the "**Book Entry Registry**" and each such entry therein, a "**Book Entry**") as the holder of any Note shall (except as otherwise required by law) be treated as its absolute owner for all purposes (whether or not it is overdue and regardless of any notice of ownership, trust or any other interest therein).

The Issuer and the Paying Agent may (to the fullest extent permitted by applicable law) deem and treat the person or entity registered in the Book Entry Registry as the holder of any Note and the absolute owner for all purposes. Proof of such registration is made by means of a Certificate issued by the relevant Affiliate Member of Interbolsa pursuant to Article 78 of the Portuguese Securities Code.

No Noteholder will be able to transfer Notes, or any interest therein, except in accordance with Portuguese law and regulations. Notes may only be transferred in accordance with the applicable procedures established by the Portuguese Securities Code and the regulations issued by the CMVM or Interbolsa, as the case may be, and the relevant Affiliate Members of Interbolsa through which the Notes are held.

2. STATUS OF THE NOTES

(a) Status and Subordination of the Undated Deeply Subordinated Notes

(i) The Undated Deeply Subordinated Notes are direct, unsecured and, in accordance with paragraph (iv) below, deeply subordinated obligations of the Issuer, and rank and will rank at all times *pari passu* without any preference among themselves.

(ii) The proceeds of the issue of the Undated Deeply Subordinated Notes will be treated for regulatory purposes as additional tier 1 capital instruments of the Issuer, in accordance with the requirement of Article 52 of Regulation (EU) No 575/2013 of the European Parliament and of the Council of 26 June 2013, on prudential requirements for credit institutions and investment firms and amending Regulation (EU) No 648/2012 (hereinafter "**CRR**").

(iii) For the avoidance of doubts, the Undated Deeply Subordinated Notes do not contribute to a determination that the liabilities of an institution exceed its assets, where such a determination constitutes a test of insolvency under the Own Funds Requirements Regulations.

(iv) If the Issuer becomes the subject of a voluntary or involuntary liquidation, insolvency or similar proceeding, (to the extent permitted by applicable law) the Noteholders of Undated Deeply Subordinated Notes will be entitled to the repayment of the then outstanding nominal amount of the Undated Deeply Subordinated Notes, (being the nominal amount prevailing at the relevant time plus accrued interest, if any, on such nominal amount from and including the Issue Date (if such event occurs in the first Interest Period after the Issue Date) or the preceding Interest Payment Date on which interest was either paid or cancelled pursuant to Condition 4 (if such event occurs after the first Interest Period)), to the extent that there are available funds to this effect after payment to the higher ranking creditors of the Issuer as described below. The claims of the Noteholders of the Undated Deeply Subordinated Notes will, in the event of a voluntary or involuntary liquidation, insolvency or similar proceeding, be subordinated in right of payment in the manner provided herein, and will rank:

A. Junior to present or future claims of (a) unsubordinated creditors of the Issuer and (b) subordinated creditors of the Issuer including Tier 2 holders other than the present or future claims of creditors that rank or are expressed to rank *pari passu* with or junior to the Undated Deeply Subordinated Notes ("**Senior Creditors**");

B. Senior to holders of Issuer's Common Equity Tier 1 instruments and any other obligations or capital instruments of the Issuer that rank or are expressed to rank junior to the Undated Deeply Subordinated Notes on a liquidation or bankruptcy of the Issuer and the right to receive repayment of capital on a liquidation or bankruptcy of the Issuer, and

C. Pari passu without any preference among themselves and pari passu with (a) the existing Additional Tier 1 Instruments of the Issuer, and (b) any other obligations or capital instruments of the Issuer that rank or are expressed to rank equally with the Undated Deeply Subordinated Notes on a liquidation or bankruptcy of the Issuer and the right to receive repayment of capital on a liquidation or bankruptcy of the Issuer.

The subordination of the Notes is for the benefit of the Issuer and all Senior Creditors.

No security or guarantee of any kind is, or shall at any time be, provided by the Issuer or any other person securing the rights of the Noteholders.

(b) Loss absorption

(i) Loss Absorption Event

Upon the confirmation that a Capital Ratio Event has occurred, the Issuer shall immediately notify the Competent Authority of the occurrence of the Capital Ratio Event and, within one month (or other period of time determined by the Competent Authority) from the confirmation of the occurrence of the relevant Capital Ratio Event, *pro rata* with the other Undated Deeply Subordinated Notes of the Issuer and any other Loss Absorbing Instruments (with a similar loss absorption mechanism) irrevocably (without the need for the consent of Noteholders) reduce the then Current Principal Amount of each Note by the relevant Write-Down Amount (such reduction being referred to as a "*Write-Down*", and "*Written Down*" being construed accordingly) (a "**Loss Absorption Event**") and cancel all interest accrued (but

excluding) up to the relevant date on which the relevant Write Down will take effect (whether or not such interest has become due for payment and including any interest scheduled for payment on such date). For avoidance of doubt, if the cancellation of interest pursuant to this Condition would result in an increase in the common equity tier 1 capital ratio of the Issuer, any such increase shall be disregarded for the purposes of calculating such Write-Down Amount in respect of such Capital Ratio Event. In addition, and for the avoidance of doubt, if at any time the Issuer has given notice that it intends to substitute or vary the terms of the Notes and, prior to the date of such substitution or variation, a Capital Event occurs, the relevant substitution or variation notice shall not be automatically rescinded, notwithstanding that a Write Down of the Notes will occur in accordance with the terms of this Condition.

A Loss Absorption Notice to Noteholders (with such content as provided in the definition of "**Loss Absorption Notice**" below) shall be given by the Issuer with not less than 15 nor more than 30 days' notice to the Noteholders in accordance with Condition 11 and to the Competent Authority. Failure or delay by the Issuer to deliver a notice to the Noteholders will not affect the validity or enforceability of any Write Down, or give Noteholders any rights as a result of such failure or delay, and shall not constitute a default by the Issuer under the Notes or for any purpose.

A "**Capital Ratio Event**" will be deemed to, occur if at any time the Issuer's consolidated or individual common equity tier 1 capital ratio, as defined in the Own Funds Requirements Regulations, falls below 5.125 per cent. (or such other percentage specified on the issue date of the Undated Deeply Subordinated Notes in the applicable Final Terms, in accordance with the Own Funds Requirements Regulations) as determined at any time by the Issuer and/or the Competent Authority.

"**Write-Down Amount**" means, on any Loss Absorption Effective Date, the amount by which the then Current Principal Amount of each outstanding Note is to be Written Down on such date, being the minimum of:

(1) the amount (together with the Write-Down of the other Notes and the write-down or, as the case may be, the conversion of any Loss Absorbing Instruments) that would be sufficient to cure the Capital Ratio Event; or

(2) if that Write-Down (together with the Write-Down of the other Notes and the write down or, as the case may be, the conversion of any Loss Absorbing Instruments) would be insufficient to cure the Capital Ratio Event, or the Capital Ratio Event is not capable of being cured, the amount necessary to reduce the Current Principal Amount of the Note to one cent.

"**Loss Absorbing Instrument**" means, at any time, any instrument (other than the Notes) issued directly or indirectly by the Issuer which qualifies as Additional Tier 1 capital of the Issuer and which has terms pursuant to which all or some of its principal amount may be written down (whether on a permanent or temporary basis) or converted into equity (in each case in accordance with its conditions) on the occurrence, or as a result, of a trigger set by reference to the common equity tier 1 capital ratio of the Issuer falling below a specific threshold.

For the avoidance of doubt, reduction(s) of Current Principal Amount of the Notes, in accordance with the foregoing, is only dependent on the occurrence of a Capital Ratio Event, in accordance with the above terms, and is not subject to any prior, simultaneous or subsequent conversion or writing down of any other liabilities of the Issuer.

(ii) *Consequences of a Loss Absorption Event*

A Loss Absorption Event may occur on more than one occasion and the Notes may be Written Down on more than one occasion. For the avoidance of doubt, the principal amount of a Note may never be reduced to below one cent.

Following the giving of a Loss Absorption Notice which specifies a Write-Down of the Notes, the Issuer shall procure that:

(1) a similar notice is, or has been, given in respect of other Loss Absorbing Instruments (in accordance with their terms); and

(2) the principal amount of each series of Loss Absorbing Instruments outstanding with a similar loss absorption mechanism (if any) is written-down on a *pro rata* basis with the Current Principal Amount of the Notes as soon as reasonably practicable following the giving of such Loss Absorption Notice.

"**Loss Absorption Notice**" means a notice which specifies that a Capital Ratio Event has occurred, the Write-Down Amount and the Loss Absorption Effective Date. Any Loss Absorption Notice must be accompanied by a certificate signed by two directors of the Issuer stating that the relevant Capital Ratio Event has occurred and setting out the method of calculation of the relevant Write-Down Amount. If the relevant Write-Down Amount has not been determined when the Loss Absorption Notice is given, the Issuer shall, as soon as reasonably practicable following such determination, notify the Noteholders of the Write-Down Amount in accordance with Condition 11 (*Notices*). If at any time the Issuer has given a Loss Absorption Notice, the Issuer shall not subsequently give a notice that it intends to redeem, substitute or vary the Notes until after the Write Down date specifiefs in such Loss Absorption Notice have passed.

For avoidance of any doubt, upon the occurrence of any Write-Down (i) the claim of the holders of the Undated Deeply Subordinated Notes in the insolvency or liquidation of the Issuer; (ii) the amount required to be paid by the Issuer in the event of call or redemption of the Undated Deeply Subordinated Notes; and (iii) the payment of interest (if any) on the Undated Deeply Subordinated Notes, will be calculated based on the Current Principal Amount of each outstanding Undated Deeply Subordinated Note at the time of that claim or payment. To the extent that the Issuer is unable to write down or convert any Loss Absorbing Instruments as aforesaid, any Write-Down Amount determined in accordance with part (i) of the definition of Write Down Amount will be calculated on the basis that such Loss Absorbing Instruments are not available to be written down or converted, and accordingly the relevant Write-Down Amount determined in accordance with that part (i) will be higher than it would otherwise have been if such Loss Absorbing Instruments had been available to be written down or converted.

(iii) *Return to Financial Health*

Subject to compliance with the Own Funds Requirements Regulations, if a positive Consolidated Net Income is recorded at any time while the Current Principal Amount is less than the Original Principal Amount (a "**Return to Financial Health"),** the Issuer may, at its full discretion and subject to:

(i) not being subject to the occurrence of a Capital Ratio Event;

(ii) not being subject to the occurrence of a Capital Ratio Event as a consequence of exercising the Reinstatement; and

(iii) the Maximum Distributable Amount (when aggregated together with other Relevant Distributions, being distributions on any other Tier 1 capital instruments and any other payments which at the relevant time are subject to a Maximum Distributable Amount restriction) not being exceeded thereby, increase the Current Principal Amount of each Note (a "**Reinstatement**") up to a maximum of the Original Principal Amount, on a pro rata basis with the other Notes and with any other Discretionary Temporary Write-Down Instruments, provided that the sum of:

(1) the aggregate amount of the relevant Reinstatement on all the Notes;

(2) the aggregate amount of previous Reinstatements on all the Notes; and

(3) the aggregate amount of any Interest Amounts (or portion of an Interest Amount) on the Notes that were calculated or paid on the basis of a Current Principal Amount lower than the Original Principal Amount at any time after the end of the previous financial year,

does not exceed the Maximum Write-Up Amount. For the avoidance of doubt, this calculation shall be made at the moment when the write-up is operated.

The "**Maximum Write-Up Amount**" means the lower of (i) the Individual Net Income and (ii) the Consolidated Net Income, multiplied by the result of the division between the aggregate issued principal amount (before any writte down) of all Written Down Additional Tier 1 Instruments and the total tier 1 capital of the Issuer as at the date of the relevant Reinstatement.

The Issuer will not reinstate the principal amount of any Discretionary Temporary Write-Down Instruments unless it does so on a *pro rata* basis with a Reinstatement on the Notes.

Reinstatement may be made on one or more occasions in accordance with this Condition 2 (b) (iii) until the Current Principal Amount of the Notes has been reinstated to the Original Principal Amount (save in the event of occurrence of another Loss Absorption Event) and such Reinstatement shall not be operated whilst a Capital Ratio Event has occurred and is continuing and shall not result in the occurrence of a Capital Ratio Event.

The Issuer has no obligation to operate or accelerate a Reinstatement upon specific circumstances. Any decision by the Issuer to effect or not to effect any Reinstatement pursuant to this Condition 2 (b) (iii) on any occasion shall not preclude it from effecting or not effecting any Reinstatement on any other occasion pursuant to this Condition.

If the Issuer decides to effect a Reinstatement pursuant to this Condition 2 (b) (iii), notice of any Return to Financial Health and the amount of Reinstatement (as a percentage of the Original Principal Amount of a Note) shall be given to holders in accordance with Condition 11. Such notice shall be given at least seven Business Days prior to the date on which the relevant Reinstatement becomes effective.

(c) Conversion

Instead, as specified in the applicable Final Terms, to Condition 2(b) above, if a Capital Ratio Event occurs the Undated Deeply Subordinated Notes may be converted into common equity tier 1 capital instruments of the Issuer within one month (or other period of time determined by the Competent Authority) from the confirmation of the occurrence of the relevant Capital Ratio Event, in accordance with the Own Funds Requirements Regulations and subject to a resolution

by the general meeting of shareholders of the Issuer and any other applicable corporate actions or resolutions, and to the prior consent of the Competent Authority, as well as the approval of a supplement to this Base Prospectus, setting out the specific conditions of such conversion, pursuant to the Own Funds Requirements Regulations.

For the avoidance of doubt, conversion(s) of Notes, in accordance with the foregoing, is only dependent on the occurrence of a Capital Ratio Event, in accordance with the above terms, and is not subject to any prior, simultaneous or subsequent conversion or writing down of any other liabilities of the Issuer.

A conversion notice to Noteholders (in accordance with Condition 11) and to the Competent Authority should be given by the Issuer, but failure to provide such notice will not in any way on the effectiveness of, or otherwise invalidate, any conversion or give Noteholders any rights as a result of such failure or delay, and shall not constitute a default by the Issuer under the Notes or to any purpose.

(d) **Definitions**

For the purpose of Conditions 2 and 4:

(i) "**Additional Tier 1**" has the respective meaning given to it under the CRR, as amended from time to time;

(ii) *"***Additional Tier 1 Instrument**" has the respective meaning given to it under the CRR, as amended from time to time

(iii) "**Common Equity Tier 1 Instrument**" has the respective meaning given to it under the CRR, as amended from time to time;

(iv) "**Consolidated Net Income**" means the consolidated net income (excluding minority interests) of the Issuer, as calculated and set out in the last audited annual consolidated accounts of the Issuer adopted by the Issuer's shareholders' general meeting;

(v) "**Current Principal Amount**" means in respect of each Note, at any time, the outstanding principal amount of such Note being the Original Principal Amount of such Note as such amount may be reduced, on one or more occasions, pursuant to the application of the loss absorption mechanism and/or reinstated on one or more occasions following a Return to Financial Health, as the case may be, as such terms are defined in, and pursuant to, Conditions 2(b)(i) and 2(b)(iii), respectively, and/or as such amount may be reduced, on one or more occasions, pursuant to any write-down or conversion imposed by the Relevant Resolution Authority pursuant to any Bail-in Power;

(vi) "**Discretionary Temporary Write-Down Instrument**" means at any time any instrument (other than the Notes and the ordinary shares of the Issuer) issued directly or indirectly by the Issuer which at such time (a) qualifies as tier 1 capital of the Issuer and its consolidated subsidiaries, in accordance with the Own Funds Requirements Regulations; (b) has had all or some of its principal amount written-down; (c) has terms providing for a reinstatement of its principal amount upon a Return to Financial Health at the Issuer's discretion; and (d) is not subject to any transitional arrangements under the Own Funds Requirements Regulations;

(vii) "**Distributable Items**" means (subject as otherwise defined in the Own Funds Requirements Regulations from time to time), in relation to an Interest Amount otherwise scheduled to be paid on an Interest Payment Date, the amount of the profits of the Issuer at the end of the financial year immediately preceding that Interest Payment Date plus (i) any profits brought forward and reserves available for that purpose before distributions to holders of the Issuer's own funds instruments (not including, for the avoidance of doubt, any Tier 2 capital instruments) less (ii) any losses brought forward, profits which are non-distributable pursuant to provisions in legislation or the Issuer's by-laws and sums placed to non-distributable reserves, those profits, losses and reserves being determined on the basis of the individual accounts of the Issuer and not on the basis of its consolidated accounts;

(viii) "**Individual Net Income**" means the individual net income (excluding minority interests) of the Issuer, as calculated and set out in the last audited annual individual accounts of the Issuer adopted by the Issuer's shareholders' general meeting;

(ix) "**Loss Absorption Effective Date**" means the date that will be specified as such in any Loss Absorption Notice;

(x) "**Loss Absorbing Instrument**" means at any time any instrument (other than the Notes and the ordinary shares of the Issuer) issued directly or indirectly by the Issuer which at such time (a) qualifies as tier 1 capital of the Issuer and its consolidated subsidiaries; and (b) which also has all or some of its principal amount written-down on the occurrence, or as a result, of a Capital Ratio Event, as defined above;

(xi) "**Maximum Distributable Amount**" means any maximum distributable amount relating to the Issuer required to be calculated in accordance with the Articles 138-AA and 138-AB of the RGICSF, which implement Article 141 of CRD IV or any analogous payment restrictions arising in respect of capital buffers under the Own Funds Requirements Regulations or the BRRD including, for the avoidance of doubt, any payment restrictions arising under CRR 2, CRD V or BRRD 2 (as defined below);

(xii) "**Original Principal Amount**" means, in respect of each Note, the amount of the denomination of such Note on the Issue Date, not taking into account any Write-Down or Reinstatement pursuant to Conditions 2(b)(i) and 2(b)(ii).

(xiii) "**Own Funds Requirements Regulations**" means, at any given time, all regulations, requirements, directions and policies then in force relating to own funds requirements, including CRD IV, as implemented in Portugal from time to time and CRR, and any such regulations, requirements, directions and policies, issued by the Competent Authority, as may be applicable in the future specifically to the Issuer;

(xiv) "**Tier 2**" has the respective meaning given to it under the CRR, as amended from time to time.

For the avoidance of doubt, when used in these Conditions, any reference to CRR, CRD IV and BRRD includes in each case any past or (if applicable) future amendments to CRR, Directive 2013/36/EU (the "**CRD IV**") and Directive 2014/59/EU (the "**BRRD**") since its respective publication, including, as respectively applicable, by Regulation (EU) 2019/876 (the "**CRR 2**"), by Directive (EU) 2019/878 (the "**CRD V**") and by Directive (EU) 2019/879 (the "**BRRD 2**").

If for any reason the Issuer is unable to effect the concurrent write down or conversion of any Loss Absorbing Instruments within the period required by the Competent Authority, the Notes will be Written Down or converted, as applicable, notwithstanding that the relevant Loss Absorbing Instruments are not also written down or comverted.

Condition 2 describes the legal and regulatory regime applicable to Undated Deeply Subordinated Notes and accordingly the provisions of Condition are subject to any changes in that legal and regulatory regime.

Additionally, as a result of applicable laws or regulations, including any EU Directive or Regulation, establishing a framework for the recovery and resolution of credit institutions (namely Directive 2014/59/EU of the European Parliament and of the Council of 15 May 2014 establishing a framework for the recovery and resolution of credit institutions and investment firms), and any implementation thereof into Portugal, the Undated Deeply Subordinated Notes may be mandatorily written-down or converted into more subordinated instruments, including ordinary shares of the Issuer. For the avoidance of doubt, the potential write-down or conversion in connection with such framework is separate and distinct from a write-down or conversion following a Capital Ratio Event, although these events may occur consecutively.

In accordance with article 145-I of the RGICSF and the BRRD, the resolution authority may, in the exercise of its powers, and subject to the conditions therein, including to restore the credit institution's viability, (a) reduce (up to zero) the nominal amount of the Undated Deeply Subordinated Notes or (b) convert them to ordinary shares of the Issuer.

3. NEGATIVE PLEDGE

There is no negative pledge in respect of the Undated Deeply Subordinated Notes.

4. INTEREST AND INTEREST CANCELLATION

Any payment of interest on the Undated Deeply Subordinated Notes will be made subject to the provisions of this Condition 4 and will be subject to a full discretionary decision of the Board of Directors or the Executive Committee of the Issuer, as the case may be. If the Board of Directors or the Executive Committee of the Issuer, as the case may be, decides not to make any payment on any Interest Payment Date, the amount of such interest payment will not be due, and will be forfeited. Distributions under the Undated Deeply Subordinated Notes are paid out of Distributable Items of the Issuer and the Issuer has full discretion at all times to cancel the payments, for an unlimited period and on a non cumulative basis, as defined below.

Payments on the Undated Deeply Subordinated Notes will accrue on the basis of the Current Principal Amount.

Any accrued but unpaid interest up to (and including) a Capital Ratio Event, if this takes place, shall be automatically cancelled, even if no notice of interest cancellation has been given to that effect. For the avoidance of doubt, any accrued but unpaid interest from the Capital Ratio Event up to the Loss Absorption Effective Date shall also be automatically cancelled, even if no notice of interest cancellation has been given to that effect.

The Issuer may use such cancelled interest without restrictions to meet its obligations as they fall due. The cancellation of interest by the Issuer does not impose any restriction on the Issuer.

(a) Interest on Fixed Rate Notes

Subject to Condition 4(d), each Fixed Rate Note bears interest from (and including) the interest commencement date (i.e. the Issue Date of the Notes or such other date as may be specified as the Interest Commencement Date in the relevant Final Terms and hereinafter "**Interest Commencement Date**") at a specific rate of interest (i.e. the rate or rates (expressed as a percentage per annum) payable in respect of the Notes specified in the relevant Final Terms or calculated or determined in accordance with the provisions of these conditions and/or the relevant Final Terms, hereinafter "**Rate of Interest**"). Subject to Condition 4(d), interest will be payable in arrears on the Interest Payment Date(s) in each year. Interest will be paid to Interbolsa for distribution by them to entitled accountholders in accordance with their usual rules and operating procedures.

As used in these Terms and Conditions:

"**Fixed Interest Period**" means the period from (and including) an Interest Payment Date (or the Interest Commencement Date) to (but excluding) the next (or first) Interest Payment Date.

If interest is required to be calculated for a period other than a Fixed Interest Period, such interest shall be calculated by applying the Rate of Interest to the full nominal amount outstanding of the Fixed Rate Notes and, in each case, multiplying such sum by the applicable Day Count Fraction, and rounding the resultant figure to the nearest sub-unit of the relevant Specified Currency, half of any such sub-unit being rounded upwards or otherwise in accordance with applicable market convention.

"**Day Count Fraction**" means, in respect of the calculation of an amount of interest in accordance with this Condition 4(a):

(i) if "*Actual/Actual (ICMA Rule 251)*" is specified in the applicable Final Terms, the number of days in the Accrual Period (as defined below) divided by the number of days in the Fixed Interest Period;

(ii) if "*Actual/Actual (ICMA)*" is specified in the applicable Final Terms;

(a) in the case of Notes where the number of days in the relevant period from (and including) the most recent Interest Payment Date (or, if none, the Interest Commencement Date) to (but excluding) the relevant payment date (the "**Accrual Period**") is equal to or shorter than the Determination Period during which the Accrual Period ends, the number of days in such Accrual Period divided by the product of (1) the number of days in such Determination Period and (2) the number of Determination Dates (as specified in the applicable Final Terms) that would occur in one calendar year; or

(b) in the case of Notes where the Accrual Period is longer than the Determination Period during which the Accrual Period ends, the sum of:

(1) the number of days in such Accrual Period falling in the Determination Period in which the Accrual Period begins divided by the product of (x) the number of days in such Determination Period and (y) the number of Determination Dates (as specified in the applicable Final Terms) that would occur in one calendar year; and

(2) the number of days in such Accrual Period falling in the next Determination Period divided by the product of (x) the number of days in such Determination Period and (y) the number of Determination Dates that would occur in one calendar year;

(iii) if "*30/360*" is specified in the applicable Final Terms, the number of days in the period from (and including) the most recent Interest Payment Date (or, if none, the Interest Commencement Date) to (but excluding) the relevant payment date (such number of days being calculated on the basis of a year of 360 days with twelve 30-day months) divided by 360; and

(iv) if "*1/1*" is specified in the applicable Final Terms, 1.

(b) Reset Provisions on Fixed Rate Notes

These provisions are applicable to the Notes only if Reset Provisions are specified in the relevant Final Terms as being applicable:

(i) Each Fixed Rate Reset Note bears interest (a) from (and including) the interest commencement date (i.e. the Issue Date of the Notes or such other date as may be specified as the Interest Commencement Date in the relevant Final Terms and hereinafter "**Interest Commencement Date**") to (but excluding) the First Reset Date at the rate per annum equal to the Rate of Interest before the First Reset Date; (b) from (and including) the First Reset Date until (but excluding) the Second Reset Date at the rate per annum equal to the First Reset Rate of Interest; and (c) for each subsequent interest period thereafter (if any), at the rate per annum equal to the relevant Subsequent Reset Rate of Interest, payable in each case, in arrears on the Interest Payment Date(s) so specified in the relevant Final Terms.

(ii) If on any Reset Determination Date the Relevant Screen Page is not available or the Mid-Swap Rate does not appear on the Relevant Screen Page, the Calculation Agent shall request each of the Reference Banks to provide the Calculation Agent with its Mid-Market Swap Rate Quotation as at approximately 12 (noon) in the Relevant Financial Centre of the Specified Currency on the Reset Determination Date in question. If two or more of the Reference Banks provide the Calculation Agent with Mid- Market Swap Rate Quotations, the First Reset Rate of Interest or the Subsequent Reset Rate of Interest (as applicable) for the relevant Reset Period shall be the sum of the arithmetic mean (rounded, if necessary, to the nearest 0.001 per cent. (0.0005 per cent. being rounded upwards)) of the relevant Mid-Market Swap Rate Quotations and the First Margin or Subsequent Margin (as applicable), all as determined by the Calculation Agent. If on any Reset Determination Date only one or none of the Reference Banks provides the Calculation Agent with a Mid-Market Swap Rate Quotation as provided in the foregoing provisions of this paragraph, the First Reset Rate of Interest or the Subsequent Reset Rate of Interest (as applicable) shall be determined to be the Rate of Interest as at the last preceding Reset Date or, in the case of the first Reset Determination Date, the First Reset Rate of Interest shall be the Rate of Interest before the First Reset Date.

For the purposes of these Terms and Conditions:

"**Determination Date**" means the date specified as such in the applicable Final Terms;

"**Determination Period**" means each period from (and including) a Determination Date to but excluding the next Determination Date (including, where either the Interest Commencement Date or the final Interest Payment Date is not a Determination Date, the period commencing on the first Determination Date prior to, and ending on the first Determination Date falling after, such date);

"**First Margin**" means the margin specified as such in the relevant Final Terms;

"**First Reset Date**" means the date specified in the relevant Final Terms;

"**First Reset Period**" means the period from (and including) the First Reset Date until (but excluding) the Second Reset Date or, if no such Second Reset Date is specified in the relevant Final Terms, the Maturity Date;

"**First Reset Rate of Interest**" means, in respect of the First Reset Period and subject to Condition 4(b)(ii), the rate of interest determined by the Calculation Agent on the relevant Reset Determination Date as the sum of the relevant Mid-Swap Rate and the First Margin;

"**Mid-Swap Maturity**" has the meaning given in the relevant Final Terms;

"**Mid-Market Swap Rate**" means for any Reset Period the mean of the bid and offered rates for the fixed leg payable with a frequency equivalent to the frequency with which scheduled interest payments are payable on the Notes during the relevant Reset Period (calculated on the day count basis customary for fixed rate payments in the Specified Currency, such day count basis as determined by the Calculation Agent) of a fixed for floating interest rate swap transaction in the Specified Currency which transaction (i) has a term equal to the relevant Reset Period and commencing on the relevant Reset Date, (ii) is in an amount that is representative for a single transaction in the relevant market at the relevant time with an acknowledged dealer of good credit in the swap market and (iii) has a floating leg based on the Mid-Swap Floating Leg Benchmark Rate for the Mid-Swap Maturity (as specified in the relevant Final Terms) (calculated on the day count basis customary for floating rate payments in the Specified Currency, such day count basis as determined by the Calculation Agent);

"**Mid-Market Swap Rate Quotation**" means a quotation (expressed as a percentage rate per annum) for the relevant Mid-Market Swap Rate;

"**Mid-Swap Floating Leg Benchmark Rate**" means the rate as specified in the relevant Final Terms;

"**Mid-Swap Rate**" means, in relation to a Reset Determination Date and subject to Condition 4(b)(ii), either:

(a) if Single Mid-Swap Rate is specified in the relevant Final Terms, the rate for swaps in the Specified Currency:

i. with a term equal to the relevant Reset Period; and

ii. commencing on the relevant Reset Date,

which appears on the Relevant Screen Page; or

(b) if Mean Mid-Swap Rate is specified in the relevant Final Terms, the arithmetic mean (expressed as a percentage rate per annum and rounded, if necessary, to the nearest 0.001 per cent. (0.0005 per cent. being rounded upwards)) of the bid and offered swap rate quotations for swaps in the Specified Currency:

i. with a term equal to the relevant Reset Period; and

ii. commencing on the relevant Reset Date,

which appear on the Relevant Screen Page,

in either case, as at approximately 11.00 a.m. in the Relevant Financial Centre of the Specified Currency on such Reset Determination Date, all as determined by the Calculation Agent;

"**Reference Banks**" has the meaning given in the relevant Final Terms or, if none, four major banks in the swap, money, securities or other market most closely connected with the relevant Mid-Swap Rate as selected by the Issuer on the advice of an investment bank of international repute;

"**Relevant Screen Page**" means the page specified in the relevant Final Terms;

"**Reset Date**" means the First Reset Date, the Second Reset Date and each Subsequent Reset Date (as applicable), in each case as adjusted (if so specified in the relevant Final terms) in accordance with Condition 4 as if the relevant Reset Date was an Interest Payment Date;

"**Reset Determination Date**" means, in respect of the First Reset Period, the second Business Day prior to the First Reset Date, in respect of the first Subsequent Reset Period, the second Business Day prior to the Second Reset Date and, in respect of each Subsequent Reset Period thereafter, the second Business Day prior to the first day of each such Subsequent Reset Period, or in each case as specified in the relevant Final Terms;

"**Reset Note**" means a Note on which interest is calculated at reset rates payable in arrear on a fixed date or dates in each year and/or at intervals of one, two, three, six or 12 months or at such other date or intervals as may be agreed between the Issuer and the relevant dealer(s) (as indicated in the relevant Final Terms);

"**Reset Period**" means the First Reset Period or a Subsequent Reset Period, as the case may be;

"**Second Reset Date**" means the date specified in the relevant Final Terms;

"**Subsequent Margin**" means the margin specified as such in the relevant Final Terms;

"**Subsequent Reset Date**" means the date or dates specified in the relevant Final Terms;

"**Subsequent Reset Period**" means the period from (and including) the Second Reset Date to (but excluding) the next Subsequent Reset Date, and each successive period from (and including) a Subsequent Reset Date to (but excluding) the next succeeding Subsequent Reset Date;

"**Subsequent Reset Rate of Interest**" means, in respect of any Subsequent Reset Period and subject to Condition 4(b)(ii), the rate of interest determined by the Calculation Agent on the relevant Reset Determination Date as the sum of the relevant Mid-Swap Rate and the relevant Subsequent Margin. For avoidance of doubt, if the Subsequent Reset Rate of Interest is a floating interest provisions regarding Floating Rate Notes shall apply and if the Subsequent Reset Rate of Interest is a fixed interest provisions regarding Fixed Rate Notes shall apply; and

"**sub-unit**" means, with respect to any currency other than euro, the lowest amount of such currency that is available as legal tender in the country of such currency and, with respect to euro, means one cent.

(c) Interest on Floating Rate Notes

(i) *Interest Payment Dates*

Subject to Condition 4(d), each Floating Rate Note bears interest from (and including) the Interest Commencement Date and such interest will be payable in arrears on either:

(A) the Specified Interest Payment Date(s) in each year specified in the applicable Final Terms; or

(B) if no Specified Interest Payment Date(s) is/are specified in the applicable Final Terms, each date (each such date, together with each Specified Interest Payment Date, an "*Interest Payment Date*") which falls the number of months or other period specified as the Specified Period in the applicable Final Terms after the preceding Interest Payment Date or, in the case of the first Interest Payment Date, after the Interest Commencement Date.

Subject to Condition 4(d), interest will be payable in respect of each Interest Period (which expression shall, in these Terms and Conditions, mean the period from (and including) an Interest Payment Date (or the Interest Commencement Date) to (but excluding) the next (or the first) Interest Payment Date). Interest will be calculated on the full nominal amount outstanding of the relevant Notes (if applicable in accordance with Condition 2(b)) and will be paid to Interbolsa for distribution by them to entitled accountholders in accordance with their usual rules and operating procedures.

If a Business Day Convention is specified in the applicable Final Terms and (x) if there is no numerically corresponding day in the calendar month in which an Interest Payment Date should occur or (y) if any Interest Payment Date would otherwise fall on a day which is not a Business Day, then, if the Business Day Convention specified is:

(1) in any case where Specified Periods are specified in accordance with Condition 4(i)(2)(B), the Floating Rate Convention, such Interest Payment Date (i) in the case of (x) above, shall be the last Business Day in the relevant month and the provisions of (B) below shall apply *mutatis mutandis* or (ii) in the case of (y) above, shall be postponed to the next Business Day unless it would thereby fall into the next calendar month, in which event (A) such Interest Payment Date shall be brought forward to the immediately preceding Business Day and (B) each subsequent Interest Payment Date shall be the last Business Day in the month which falls the Specified Period after the preceding applicable Interest Payment Date occurred; or

(2) the Following Business Day Convention, such Interest Payment Date shall be postponed to the next Business Day; or the Modified Following Business Day Convention, such Interest Payment Date shall be postponed to the next Business Day unless it would thereby fall into the next calendar month, in which event such Interest Payment Date shall be brought forward to the immediately preceding Business Day; or

(3) the Preceding Business Day Convention, such Interest Payment Date shall be brought forward to the immediately preceding Business Day.

In these Terms and Conditions,

"**Business Day**" means a day which is both:

(A) a day on which commercial banks and foreign exchange markets settle payments and are open for general business (including dealing in foreign exchange and foreign currency deposits) in London, Lisbon and each Additional Business Centre specified in the applicable Final Terms; and

(B) either (1) in relation to any sum payable in a Specified Currency other than euro, a day on which commercial banks and foreign exchange markets settle payments and are open for general business (including dealing in foreign exchange and foreign currency deposits) in the principal financial centre of the country of the relevant Specified Currency or (2) in relation to any sum payable in euro, a day on which Trans-European Automated Real-Time Gross Settlement Express Transfer (TARGET 2) System (the "**TARGET 2 System**") is open.

"**Business Day Convention**", in relation to any particular date, has the meaning given in the relevant Final Terms and, if so specified in the relevant Final Terms, may have different meanings in relation to different dates and, in this context, the following expressions shall have the following meanings:

(1) "**Following Business Day Convention**" means that the relevant date shall be postponed to the first following Business Day;

(2) "**Modified Following Business Day Convention**" or "**Modified Business Day Convention**" means that the relevant date shall be postponed to the first following Business Day unless that day falls in the next calendar month in which case that date will be the first preceding Business Day;

(3) "**Preceding Business Day Convention**" means that the relevant date shall be brought forward to the first preceding Business Day;

(ii) Rate of Interest

The Rate of Interest payable from time to time in respect of Floating Rate Notes will be determined in the manner specified in the applicable Final Terms.

(A) ISDA Determination for Floating Rate Notes

Where ISDA Determination is specified in the applicable Final Terms as the manner in which the Rate of Interest is to be determined, the Rate of Interest for each Interest Period will be the relevant ISDA Rate plus or minus (as indicated in the applicable Final Terms) the Margin (if any). For the purposes of this sub-paragraph (A), "**ISDA Rate**" for an Interest Period means a rate equal to the Floating Rate that would be determined by the Agent under an interest rate swap transaction if the Agent were acting as Calculation Agent for that swap transaction under the terms of an agreement incorporating the 2006 ISDA Definitions, as published by the International Swaps and Derivatives Association, Inc. and as amended and updated as at the Issue Date of the first Tranche of the Notes (the "**ISDA Definitions**") and under which:

(1) the Floating Rate Option is as specified in the applicable Final Terms;

(2) the Designated Maturity (if any) is a period specified in the applicable Final Terms; and

(3) the relevant Reset Date is either (i) if the applicable Floating Rate Option is based on the Euro-zone inter-bank offered rate ("**EURIBOR**"), the first day of that Interest Period or (ii) in any other case, as specified in the applicable Final Terms.

For the purposes of this sub-paragraph (A), "*Floating Rate*", "*Calculation Agent*", "*Floating Rate Option*", "*Designated Maturity*" and "*Reset Date*" have the meanings given to those terms in the ISDA Definitions.

"*Margin*" has the meaning given in the relevant Final Terms.

Unless otherwise stated in the applicable Final Terms, the Minimum Rate of Interest shall be deemed to be zero.

(B) Screen Rate Determination for Floating Rate Notes, referencing EURIBOR

Where Screen Rate Determination is specified in the applicable Final Terms as the manner in which the Rate of Interest is to be determined and the applicable Final Terms specifiy that the Reference Rate is EURIBOR, the Rate of Interest for each Interest Period will, subject as provided below, be either:

(1) the offered quotation; or

(2) the arithmetic mean [(rounded if necessary to, if the Reference Rate is EURIBOR, the third decimal place, with 0.0005 being rounded upwards or, if the Reference Rate is not EURIBOR, to the fifth decimal place, with 0.000005 being rounded upwards)] of the offered quotations,

(expressed as a percentage rate per annum) for the Reference Rate (EURIBOR, as specified in the applicable Final Terms) which appears or appear, as the case may be, on the Relevant Screen Page as at 11.00 a.m. (Brussels time) on the Interest Determination Date in question plus or minus (as indicated in the applicable Final Terms) the Margin (if any), all as determined by the Agent. If five or more of such offered quotations are available on the Relevant Screen Page, the highest (or, if there is more than one such highest quotation, one only of such quotations) and the lowest (or, if there is more than one such lowest quotation, one only of such quotations) shall be disregarded by the Agent for the purpose of determining the arithmetic mean (rounded as provided above) of such offered quotations.

In these Conditions:

"**Reference Banks**" means, in the case of a determination of EURIBOR, the principal Euro-zone office of four major banks in the Euro-zone inter-bank market, selected by the Issuer acting in good faith and in a commercially reasonable manner, and by reference to such sources as it deems appropriate.

The Agency Agreement contains provisions for determining the Rate of Interest in the event that the Relevant Screen Page is not available or if, in the case of (1) above, no such offered quotation appears or, in the case of (2) above, fewer than three such offered quotations appear, in each case as at the time specified in the preceding paragraph.

If the Reference Rate from time to time in respect of Floating Rate Notes is specified in the applicable Final Terms as being other than EURIBOR, the Rate of Interest in respect of such Notes will be determined as provided in the applicable Final Terms.

(C) Screen Rate Determination for Floating Rate Notes, referencing SONIA

Where Screen Rate Determination is specified in the applicable Final Terms as the manner in which the Rate of Interest is to be determined and the applicable Final Terms specify that the Reference Rate is SONIA, the Rate of Interest for each Interest Period will, as provided below, be Compounded Daily SONIA, where:

(A) Where the Calculation Method is specified in the applicable Final Terms as being "SONIA Compounded Daily", the Rate of Interest for each Interest Period will be the Compounded Daily SONIA plus or minus (as indicated in the applicable Final Terms) the Margin (if any), all as determined by the Calculation Agent as at the Interest

Determination Date and the resulting percentage being rounded (if necessary) to the fifth decimal place, with 0.000005 being rounded upward.

The following definitions shall apply for the purpose of the Conditions:

"**Compounded Daily SONIA**" means with respect to an Interest Period, the rate of return of a daily compound interest investment in Sterling during the Observation Period corresponding to such Interest Period (with the daily Sterling Overnight Index Average ("**SONIA**"), as reference rate for the calculation of interest) and will be calculated by the Calculation Agent as at the relevant Interest Determination Date, as follows, and the resulting percentage will be rounded if necessary to the fourth decimal place, with 0.00005 being rounded up:

(x) If "Lag" or "Lock-out" is specified on the Observation Method in the applicable Final Terms, in accordance with the following formula:

$$\left[\prod_{i=1}^{d_0}\left(1+\frac{SONIAi-pLBD\times n_i}{365}\right)-1\right]\times\frac{365}{d};\text{ or}$$

(y) if "Shift" is specified as the Observation Method in the applicable Final Terms, in accordance with the following formula:

$$\left[\prod_{i=1}^{d_0}\left(1+\frac{SONIAi\times n_i}{365}\right)-1\right]\times\frac{365}{d}$$

where:

"**d**" is, for any Observation Period, the number of calendar days in such Observation Period;

"$\mathbf{d_0}$" is, for any Observation Period, the number of London Banking Days in such Observation Period;"*i*" is, for any Observation Period, a series of whole numbers from one to d0, each representing the relevant London Banking Day in chronological order from, and including, the first London Banking Day in such Observation Period to, and including, the last London Banking Day in such Observation Period;

"**Interest Determination Date**" means, in respect of any Interest Period, the date falling p London Banking Days prior to the Interest Payment Date for such Interest Period (or the date falling p London Banking Days prior to such earlier date, if any, on which the Notes are due and payable);

"**Lock-out Period**" means, in respect of an Interest Period, the period from and including the day following the Interest Determination Date to, but excluding, the Interest Period End Date falling at the end of such Interest Period;

"**London Banking Day or LBD**" means any day on which commercial banks are open for general business (including dealing in foreign exchange and foreign currency deposits) in London;

"n_i", for any London Banking Day "i" in the relevant Observation Period, means the number of calendar days from and including such London Banking Day "i" up to but excluding the following London Banking Day;

"**Observation Period**" means, in respect of an Interest Period, the period from and including the date falling "p" London Banking Days prior to the first day of such Interest Period (and the first Interest Period shall begin on and include the Interest Commencement Date) and ending on, but excluding, the date falling "p" London Banking Days prior to the Interest Payment Date for such Interest Period (or the date falling "p" London Banking Days prior to such earlier date, in any, on which the Notes become due and payable);

"**p**" means, for any Interest Period, the number of London Banking Days by which an Observation Period precedes an Interest Period, as specified in the applicable Final Terms (or, if no such number is specified, five London Banking Days);

"**Reference Day**" means each London Banking Day in the relevant Interest Period that is not a London Banking Day falling in the Lock-out Period;

the "**SONIA reference rate**" means, in respect of any London Banking Day, a reference rate equal to the daily Sterling Overnight Index Average (SONIA) rate for such London Banking Day as provided by the administrator of SONIA to authorised distributors and as then published on the Relevant Screen Page or, if the Relevant Screen Page is unavailable, as otherwise published by such authorised distributors (in each case on the London Banking Day immediately following such London Banking Day); and

"***SONIAi***" means, in respect of any London Banking Day "i":

(x) if "Lag" is specified as the Observation Method in the applicable Final Terms, the SONIA reference rate in respect of pLBD in respect of such London Banking Dayi; or

(y) if "Lock-out" is specified as the Observation Method in the applicable Final Terms:

1) in respect of any London Banking Dayi that is a Reference Day, the SONIA reference rate in respect of the London Banking Day immediately preceding such Reference Day; otherwise

2) the SONIA reference rate in respect of the London Banking Day immediately preceding the Interest Determination Date for the relevant Interest Period;

(z) if "Shift" is specified as the Observation Method in the applicable Final Terms, the SONIA reference rate for such London Banking Dayi; and

"**SONIA$_{i\text{-}pLBD}$**" means:

(x) if "Lag" is specified as the Observation Method in the applicable Final Terms, in respect of a London Banking Dayi, SONIAi in respect of the London Banking Day falling "p" London Banking Days prior to such London Banking Dayi (pLBD); or

(y) if "Lock-out" is specified as the Observation Method in the applicable Final Terms, in respect of a London Banking Dayi, SONIAi in respect of such London Banking Dayi

(B) Where the Calculation Method is specified in the applicable Final Terms as being "SONIA Index Compounded Daily", the Rate of Interest for each Interest Period will be the Compounded Daily SONIA Index plus or minus (as indicated in the applicable Final Terms) the Margin (if any), all as determined by the Calculation Agent as at the Interest Determination Date and the resulting percentage being rounded (if necessary) to the fifth decimal place, with 0.000005 being rounded upwards..

The following definitions shall apply for the purpose of the Conditions:

"**Compounded Daily SONIA Index**"means with respect to an Interest Period, the rate of return of a daily compound interest investment in Sterling (with the daily Sterling Overnight Index Average (SONIA) as a reference rate for the calculation of interest) by reference to the screen rate or index for compounded daily SONIA rates administered by the administrator of the SONIA reference rate that is published or displayed by such administrator or other information service from time to time on the relevant Interest Determination Date, as further specified in the applicable Final Terms (the "**SONIA Compounded Index**") and will be calculated as follows:

$$\left(\frac{SONIA\ Compounded\ Index_{\text{end}}}{SONIA\ Compounded\ Index_{\text{start}}} - 1\right) x\ \frac{365}{d}$$

Where, in each case:

"**d**" is the number of calendar days from (and including) the day in relation to which SONIA Compounded IndexStart is determined to (but excluding) the day in relation to which SONIA Compounded IndexEnd is determined;

"**London Banking Day**" or "**LBD**" means any day on which commercial banks are open for general business (including dealing in foreign exchange and foreign currency deposits) in London;

"**p**" means five London Banking Days or such greater number of days as specified in the applicable Final Terms;

"**Compounded IndexStart**" means, with respect to an Interest Period, the SONIA Compounded Index determined in relation to the day falling "p" London Banking Days prior to the first day of such Interest Period; and

"**SONIA Compounded IndexEnd**" means, with respect to an Interest Period, the SONIA Compounded Index determined in relation to the day falling "p" London Banking Days prior to the Interest Period End Date for such Interest Period (or the date falling "p" London Banking Days prior to such earlier date, if any, on which the Notes become due and payable).

(C) Where the Calculation Method is specified in the applicable Final Terms as being "SONIA Weighted Average", the Rate of Interest for each Interest Period will be the Weighted Average SONIA plus or minus (as indicated in the applicable Final Terms) the Margin (if any), all as determined by the Calculation Agent as at the Interest Determination Date and the resulting percentage being rounded (if necessary) to the fifth decimal place, with 0.000005 being rounded upwards.

The following definitions shall apply for the purposes of the Conditions:

"**Weighted Average SONIA**" means:

(x) where "Lag" is specified as the Observation Method in the applicable Final Terms, the sum of the SONIA reference rate in respect of each calendar day during the relevant Observation Period divided by the number of calendar days during such Observation Period. For these purposes, the SONIA reference rate in respect of any calendar day which is not a London Banking Day shall be deemed to be the SONIA reference rate in respect of the London Banking Day immediately preceding such calendar day; or

(y) where "Lock-out" is specified as the Observation Method in the applicable Final Terms, the sum of the SONIA reference rate in respect of each calendar day during the relevant Interest Period divided by the number of calendar days in the relevant Interest Period, provided that, for any calendar day of such Interest Period falling in the Lock-out Period for the relevant Interest Period, the SONIA reference rate for such calendar day will be deemed to be the SONIA reference rate in respect of the London Banking Day immediately preceding the first day of such Lock-out Period. For these purposes, the SONIA reference rate in respect of any calendar day which is not a London Banking Day shall, subject to the preceding proviso, be deemed to be the SONIA reference rate in respect of the London Banking Day immediately preceding such calendar day.

(D) Where the Rate of Interest for each Interest Period is calculated in accordance with Condition 4(c)(ii)(C)(B) above, if the relevant SONIA Compounded Index is not published or displayed by the administrator of the SONIA reference rate or other information service by 5.00 p.m. (London time) (or, if later, by the time falling one hour after the customary or scheduled time for publication thereof in accordance with the then-prevailing operational procedures of the administrator of the SONIA reference rate or of such other information service, as the case may be) on the relevant Interest Determination Date, the Rate of Interest shall be calculated for the Interest Period for which the SONIA Compounded Index is not available in accordance with Condition 4(c)(ii)(C)(A) above and for these purposes the "Observation Method" shall be deemed to be "Shift.

(E) If, in respect of any London Banking Day, the Calculation Agent determines that the SONIA reference rate is not available on the Relevant Screen Page or has not otherwise been published by the relevant authorised distributors, such SONIA reference rate shall be:

(i) (a) the Bank of England's Bank Rate (the Bank Rate) prevailing at close of business on the relevant London Banking Day; plus (b) the arithmetic mean of the spread of the SONIA reference rate to the Bank Rate over the previous five London Banking Days on which the SONIA reference rate has been published, excluding the highest spread (or, if there is more than one highest spread, one only of those highest spreads) and lowest spread (or, if there is more than one lowest spread, one only of those lowest spreads) to the Bank Rate, or

(ii) if such Bank Rate is not available, the SONIA reference rate published on the Relevant Screen Page (or otherwise published by the relevant authorised distributors) for the first preceding London Banking Day

on which the SONIA reference rate was published on the Relevant Screen Page (or otherwise published by the relevant authorised distributors).

Notwithstanding the foregoing, in the event of the Bank of England publishing guidance as to (a) how the SONIA reference is to be determined or (b) any rate that is to replace the SONIA reference rate, the Calculation Agent, as applicable, shall follow such guidance to determine the SONIA reference rate for so long as the SONIA reference is not available or has not been published by the authorised distributors.

If, in respect of any London Business Day in the relevant Observation Period, the Calculation Agent determines that the SONIA reference rate is not available on the Relevant Screen Page or has not otherwise been published by the relevant authorised distributors, such SONIA reference rate shall be:

(A) (I) the Bank of England's Bank Rate (the Bank Rate) prevailing at close of business on the relevant London Banking Day; plus (II) the mean of the spread of the SONIA reference rate to the Bank Rate over the previous five London Banking Days on which the SONIA reference rate has been published, excluding the highest spread (or, if there is more than one highest spread, one only of those highest spreads) and lowest spread (or, if there is more than one lowest spread, one only of those lowest spreads) to the Bank Rate, or

(B) if such Bank Rate is not available, the SONIA reference rate published on the Relevant Screen Page (or otherwise published by the relevant authorised distributors) for the first preceding London Business Day on which the SONIA reference rate was published on the Relevant Screen Page (or otherwise published by the relevant authorised distributors).

If the Interest Rate cannot be determined in accordance with the foregoing provisions of this Condition, the Interest Rate shall be (A) that determined as at the last preceding Interest Determination Date (though substituting, where a different Margin is to be applied to the relevant Interest Period from that which applied to the last preceding Interest Period, the Margin relating to the relevant Interest Period, in place of the Margin relating to that last preceding Interest Period) or (B) if there is no such preceding Interest Determination Date, the initial Interest Rate which would have been applicable to the Notes for the first Interest Period had the Notes been in issue for a period equal in duration to the scheduled first Interest Period but ending on (and excluding) the Interest Commencement Date (but applying the Margin applicable to the first Interest Period).

If the relevant Series of Notes become due and payable in accordance with Condition 9, the final Interest Determination Date shall, notwithstanding the definition specified above, be deemed to be the date on which such Notes became due and payable and the Rate of Interest on such Notes shall, for so long as any such Note remains outstanding, be that determined on such date.

(D) Screen Rate Determination for Floating Rate Notes referencing SOFR

Where Screen Rate Determination is specified in the applicable Final Terms as the manner in which the Rate of Interest is to be determined and the applicable Final Terms specify that the Reference Rate is SOFR, the Rate of Interest for each Interest Period will, as provided below, be calculated in accordance with the following Conditions:

(A) Where the Calculation Method is specified in the applicable Final Terms as being "SOFR Arithmetic Mean", the Rate of Interest for each Interest Period will be the SOFR Arithmetic Mean plus or minus (as indicated in

the applicable Final Terms) the Margin (if any), all as determined by the Calculation Agent as at the relevant Interest Determination Date, as follows, and the resulting percentage will be rounded if necessary to the fifth decimal place, with 0.000005 being rounded upwards.

(B) Where the Calculation Method is specified in the applicable Final Terms as being "SOFR Compound", the Rate of Interest for each Interest Period will be the Compounded Daily SOFR on the relevant Interest Determination Date plus or minus (as indicated in the applicable Final Terms) the Margin (if any), all as determined by the Calculation Agent with the resulting percentage being rounded, if necessary, to the fifth decimal place, with 0.000005 being rounded upwards.

The following definitions shall apply for the purpose of the Conditions:

"**Bloomberg Screen SOFRRATE Page**" means the Bloomberg screen designated "SOFRRATE" or any successor page or service;

"**Compounded Daily SOFR**" means with respect to an Interest Period, an amount equal to the rate of return for each calendar day during the Interest Period, compounded daily, calculated by the Calculation Agent on the Interest Determination Date, as follows:

(a) if "SOFR Compound with Lookback" is specified in the applicable Final Terms:

$$\left[\prod_{i=1}^{d_0}\left(1+\frac{SOFRi-pUSBD\times n_i}{365}\right)-1\right]\times\frac{360}{d};$$

where:

"**d**" means, in respect of an Interest Period, the number of calendar days in such Interest Period;

"**d0**" means, in respect of an Interest Period, the number of U.S. Government Securities Business Days in the relevant Interest Period;

"**i**" means a series of whole numbers from one to d0, each representing the relevant U.S. Government Securities Business Days in chronological order from, and including, the first U.S. Government Securities Business Day in the relevant Interest Period;

"**Lookback Period**" or p means five U.S. Government Securities Business Days or such larger number of days as specified in the applicable Final Terms;

"**ni**" means, in respect of a U.S. Government Securities Business Dayi, the number of calendar days from, and including, such U.S. Government Securities Business Dayi up to, but excluding, the following U.S. Government Securities Business Day;

"**SOFRi**" means, in respect of each U.S. Government Securities Business Dayi, the SOFR in respect of such U.S. Government Securities Business Day; and

"**SOFRi-pUSBD**" means, in respect of a U.S. Government Securities Business Dayi, SOFRi in respect of the U.S. Government Securities Business Day falling the number of U.S. Government Securities Business

Days equal to the Lookback Period prior to such U.S. Government Securities Business Dayi (pUSBD), provided that, unless SOFR Cut-Off Date is specified as not applicable in the applicable Final Terms, SOFRi in respect of each U.S. Government Securities Business Dayi in the period from, and including, the SOFR Cut-Off Date to, but excluding, the next occurring Interest Period End Date, will be SOFRi in respect of the SOFR Cut-Off Date for such Interest Period

(b) if "SOFR Compound with Observation Period Shift" is specified in the applicable Final Terms:

$$\left[\prod_{i=1}^{d_0}\left(1+\frac{SOFRi -\times n_i}{365}\right) - 1\right]\times\frac{360}{d};$$

where:

"**d**" means, in respect of an Observation Period, the number of calendar days in such Observation Period;

"**d0**" means, in respect of an Observation Period, the number of U.S. Government Securities Business Days in the relevant Observation Period;

"**i**" means a series of whole numbers from one to d0, each representing the relevant U.S. Government Securities Business Days in chronological order from, and including, the first U.S. Government Securities Business Day in the relevant Observation Period;

"**ni**" means, in respect of a U.S. Government Securities Business Dayi, the number of calendar days from, and including, such U.S. Government Securities Business Dayi up to, but excluding, the following U.S. Government Securities Business Day;

"**Observation Period**" means, in respect of an Interest Period, the period from, and including, the date falling the number of Observation Shift Days prior to the first day of such Interest Period and ending on, but excluding, the date that is the number of Observation Shift Days prior to the next occurring Interest Period End Date for such Interest Period

"**Observation Shift Days**" means five U.S. Government Securities Business Days or such larger number of days as specified in the applicable Final Terms; and

"**SOFRi**" means, in respect of each U.S. Government Securities Business Dayi, the SOFR in respect of such U.S. Government Securities Business Day.

(c) if "SOFR Compound with Payment Delay" is specified in the applicable Final Terms:

$$\left[\prod_{i=1}^{d_0}\left(1+\frac{SOFRi -\times n_i}{360}\right) - 1\right]\times\frac{360}{d};$$

where:

"**d**" means, in respect of an Interest Period, the number of calendar days in such Interest Period;

"**d0**" means, in respect of an Interest Period, the number of U.S. Government Securities Business Days in the relevant Interest Period;

"**i**" means a series of whole numbers from one to d0, each representing the relevant U.S. Government Securities Business Days in chronological order from, and including, the first U.S. Government Securities Business Day in the relevant Interest Period;

"**Interest Period End Dates**" shall have the meaning specified in the applicable Final Terms; Interest Payment Dates shall be the dates occurring the number of Business Days equal to the Interest Payment Delay following each Interest Period End Date; provided that the Interest Payment Date with respect to the final Interest Period will be the Maturity Date or, if the Notes are to be redeemed prior to the Maturity Date, such earlier date on which the Notes become due and payable;

"**Interest Payment Delay**" means the number of U.S. Government Securities Business Days specified in the applicable Final Terms;

"**Interest Determination Date**" shall be the Interest Period End Date at the end of each Interest Period; provided that the Interest Determination Date with respect to the final Interest Period will be the SOFR Cut-Off Date;

"**ni**" means, in respect of a U.S. Government Securities Business Dayi the number of calendar days from, and including, such U.S. Government Securities Business Dayi up to, but excluding, the following U.S. Government Securities Business Dayi; and

"**SOFRi**" means, for any U.S. Government Securities Business Dayi in the relevant Interest Period, the SOFR in respect of such U.S. Government Securities Business Dayi.

For purposes of calculating SOFR Compound with Payment Delay with respect to the final Interest Period, the level of SOFR for each U.S. Government Securities Business Day in the period from and including the SOFR Cut-Off Date to but excluding the Maturity Date or any earlier date on which the Notes become due and payable, as applicable, shall be the level of SOFR in respect of such SOFR Cut-Off Date.

(d) if "SOFR Index with Observation Shift" is specified in the applicable Final Terms:

$$\left[\prod_{i=1}^{d_0}\left(\frac{SOFR \times Index_{\text{Final}}}{SOFR \times Index_{\text{Initial}}}\right) - 1\right] \times \frac{360}{d_c};$$

where:

"**dc**" means, in respect of each Interest Period, the number of calendar days in the relevant Interest Period;

"**Interest Period End Dates**" shall have the meaning specified in the applicable Final Terms;

"**Observation Shift Days**" means five U.S. Government Securities Business Days or such larger number of days as specified in the applicable Final Terms;

"**SOFR Index**" means with respect to any U.S. Government Securities Business Day, (i) the SOFR Index value as published by the NY Federal Reserve as such index appears on the NY Federal Reserve's Website at the SOFR Determination Time; or (ii) if the SOFR Index specified in (i) above does not so appear, unless both a SOFR Transition Event and its related SOFR Replacement Date have occurred, the SOFR Index as published in respect of the first preceding U.S. Government Securities Business Day for which the SOFR Index was published on the NY Federal Reserve's Website;

"**SOFR IndexFinal**" means, in respect of an Interest Period, the value of the SOFR Index on the date falling the number of U.S. Government Securities Business Days equal to the Observation Shift Days prior to the next occurring Interest Period End Date for such Interest Period;

"**SOFR IndexInitial**" means, in respect of an Interest Period, the value of the SOFR Index on the date falling the number of U.S. Government Securities Business Days equal to the Observation Shift Days prior to the first day of such Interest Period (or, in the case of the first Interest Period, the Interest Commencement Date);

"**NY Federal Reserve**" means the Federal Reserve Bank of New York;

"**NY Federal Reserve's Website**" means the website of the NY Federal Reserve, currently at www.newyorkfed.org, or any successor website of the NY Federal Reserve or the website of any successor administrator of SOFR;

"**Reuters Page USDSOFR=**" means the Reuters page designated "USDSOFR=" or any successor page or service

"**SOFR**" means the rate determined by the Calculation Agent in respect of a U.S. Government Securities Business Day, in accordance with the following provisions:

(i) the Secured Overnight Financing Rate in respect of such U.S. Government Securities Business Day that appears at approximately 3:00 p.m. (New York City time) (the "**SOFR Determination Time**") on the NY Federal Reserve's Website on such U.S. Government Securities Business Day, as such rate is reported on the Bloomberg Screen SOFRRATE Page for such U.S. Government Securities Business Day or, if no such rate is reported on the Bloomberg Screen SOFRRATE Page, then the Secured Overnight Financing Rate that is reported on the Reuters Page USDSOFR= or, if no such rate is reported on the Reuters Page USDSOFR=, then the Secured Overnight Financing Rate that appears at approximately 3:00 p.m. (New York City time) on the NY Federal Reserve's Website on such U.S. Government Securities Business Day (the "**SOFR Screen Page**"); or

(ii) if the rate specified in (i) above does not so appear and the Calculation Agent determines that a SOFR Transition Event has not occurred, the Secured Overnight Financing Rate published on the NY Federal Reserve's Website for the first preceding U.S. Government Securities Business Day for which the Secured Overnight Financing Rate was published on the NY Federal Reserve's Website;

"**SOFR Arithmetic Mean**" means, with respect to an Interest Period, the arithmetic mean of SOFR for each calendar day during such Interest Period, as calculated by the Calculation Agent, provided that, SOFR in respect of each calendar day during the period from, and including, the SOFR Cut-Off Date to, but excluding,

the next occurring Interest Period End Date will be SOFR on the SOFR Cut-Off Date. For these purposes, SOFR in respect of any calendar day which is not a U.S. Government Securities Business Day shall, subject to the preceding proviso, be deemed to be SOFR in respect of the U.S. Government Securities Business Day immediately preceding such calendar day;

"**SOFR Cut-Off Date**" means, unless specified as not applicable in the applicable Final Terms, in respect of an Interest Period, the fourth U.S. Government Securities Business Day prior to the next occurring Interest Period End Date for such Interest Period (or such other number of U.S. Government Securities Business Days specified in the applicable Final Terms); and

"**U.S. Government Securities Business Day**" means any day except for a Saturday, Sunday or a day on which the Securities Industry and Financial Markets Association (SIFMA) recommends that the fixed income departments of its members be closed for the entire day for purposes of trading in U.S. government securities.

Notwithstanding Conditions 4(ii)(D)(A) to 4(ii)(D)(B) above, if the Calculation Agent determines on or prior to the SOFR Determination Time, that a SOFR Transition Event and its related SOFR Replacement Date have occurred with respect to the relevant SOFR Benchmark (as defined below), then the provisions set forth in Condition below will apply to all determinations of the Rate of Interest for each Interest Period thereafter.

(C) SOFR Replacement Provision

If the Issuer (in consultation with the Calculation Agent) , determines at any time prior to the SOFR Determination Time on any U.S. Government Securities Business Day that a SOFR Transition Event and the related SOFR Replacement Date have occurred, the Issuer will appoint an agent (the Replacement Rate Determination Agent) which will determine the SOFR Replacement. The Replacement Rate Determination Agent may be (x) a leading bank, broker-dealer or benchmark agent in the principal financial centre of the Specified Currency as appointed by the Issuer, (y) the Issuer, (z) an affiliate of the Issuer or the Calculation Agent or (zz) such other entity that the Issuer determines to be competent to carry out such role.

In connection with the determination of the SOFR Replacement, the Replacement Rate Determination Agent will determine appropriate SOFR Replacement Conforming Changes.

Any determination, decision or election that may be made by the Issuer (in consultation with the Calculation Agent) or Replacement Rate Determination Agent (as the case may be) pursuant to these provisions, will (in the absence of manifest error) be conclusive and binding on the Issuer, the Calculation Agent, the Agent and the Noteholders.

Following the designation of a SOFR Replacement, the Issuer (in consultation with the Calculation Agent) may subsequently determine that a SOFR Transition Event and a related SOFR Replacement Date have occurred in respect of such SOFR Replacement, provided that the SOFR Benchmark has already been substituted by the SOFR Replacement and any SOFR Replacement Conforming Changes in connection with such substitution have been applied. In such circumstances, the SOFR Replacement shall be deemed to be the SOFR Benchmark and all relevant definitions shall be construed accordingly.

In connection with the SOFR Replacement Provisions above, the following definitions shall apply:

"**ISDA Definitions**" means the 2006 ISDA Definitions published by the International Swaps and Derivatives Association, Inc. or any successor thereto, as amended or supplemented from time to time, or any successor definitional booklet for interest rate derivatives published from time to time;

"**ISDA Fallback Adjustment**" means the spread adjustment (which may be a positive or negative value or zero) that would apply for derivatives transactions referencing the ISDA Definitions to be determined upon the occurrence of an index cessation event with respect to SOFR for the applicable tenor;

"**ISDA Fallback Rate**" means the rate that would apply for derivatives transactions referencing the ISDA Definitions to be effective upon the occurrence of a SOFR Transition Event with respect to SOFR for the applicable tenor excluding the applicable ISDA Fallback Adjustment;

"**Relevant Governmental Body**" means the Board of Governors of the Federal Reserve System and/or the NY Federal Reserve or a committee officially endorsed or convened by the Board of Governors of the Federal Reserve System and/or the NY Federal Reserve or any successor thereto;

"**SOFR Benchmark**" means (a) (unless "SOFR Index with Observation Shift" is specified in the applicable Final Terms) SOFR or (b) SOFR Index (each as defined in Condition 4(ii)(D)(B) above);

"**SOFR Replacement**" means any one (or more) of the SOFR Replacement Alternatives to be determined by the Replacement Rate Determination Agent as of the SOFR Replacement Date if the Issuer (in consultation with the Calculation Agent) determines that a SOFR Transition Event and its related SOFR Replacement Date have occurred on or prior to the SOFR Determination Time in respect of any determination of the SOFR Benchmark on any U.S. Government Securities Business Day in accordance with:

(i) the order of priority specified SOFR Replacement Alternatives Priority in the applicable Final Terms; or

(ii) if no such order of priority is specified, in accordance with the priority set forth below:

- Relevant Governmental Body Replacement;
- ISDA Fallback Replacement; and
- Industry Replacement,

provided that, in each case, if the Replacement Rate Determination Agent is unable to determine the SOFR Replacement in accordance with the first SOFR Replacement Alternative listed, it shall attempt to determine the SOFR Replacement in accordance with each subsequent SOFR Replacement Alternative until a SOFR Replacement is determined. The SOFR Replacement will replace the then-current SOFR Benchmark for the purpose of determining the relevant Rate of Interest in respect of the relevant Interest Period and each subsequent Interest Period, subject to the occurrence of a subsequent SOFR Transition Event and related SOFR Replacement Date;

"**SOFR Replacement Alternatives**" means: (a) the sum of: (i) the alternative rate that has been selected or recommended by the Relevant Governmental Body as the replacement for the then-current SOFR

Benchmark for the relevant Interest Period and (ii) the SOFR Replacement Adjustment (the Relevant Governmental Body Replacement); (b) the sum of: (i) the ISDA Fallback Rate and (ii) the SOFR Replacement Adjustment (the ISDA Fallback Replacement); or (c) the sum of: (i) the alternative rate that has been selected by the Replacement Rate Determination Agent as the replacement for the then-current SOFR Benchmark for the relevant Interest Period giving due consideration to any industry-accepted rate as a replacement for the then-current SOFR Benchmark for U.S. dollar-denominated floating rate securities at such time and (ii) the SOFR Replacement Adjustment (the Industry Replacement);

"**SOFR Replacement Conforming Changes**" means, with respect to any SOFR Replacement, any technical, administrative or operational changes (including, but not limited to, changes to timing and frequency of determining rates with respect to each interest period and making payments of interest, rounding of amounts or tenors, day count fractions, business day convention and other administrative matters) that the Replacement Rate Determination Agent decides may be appropriate to reflect the adoption of such SOFR Replacement in a manner substantially consistent with market practice (or, if the Replacement Rate Determination Agent determines that adoption of any portion of such market practice is not administratively feasible or if the Replacement Rate Determination Agent determines that no market practice for use of the SOFR Replacement exists, in such other manner as the Replacement Rate Determination Agent or the Calculation Agent, as the case may be, determines is reasonably necessary, acting in good faith and in a commercially reasonable manner);

"**SOFR Replacement Date**" means the earliest to occur of the following events with respect to the then-current SOFR Benchmark (including the daily published component used in the calculation thereof): (a) in the case of sub-paragraphs (a) or (b) of the definition of "SOFR Transition Event" the later of (i) the date of the public statement or publication of information referenced therein and (ii) the date on which the administrator of the SOFR Benchmark permanently or indefinitely ceases to provide the SOFR Benchmark (or such component); or (b) in the case of sub-paragraph (c) of the definition of "SOFR Transition Event" the date of the public statement or publication of information referenced therein; or (c) in the case of sub-paragraph (d), the last such consecutive U.S. Government Securities Business Day on which the SOFR Benchmark has not been published,

provided that, in the event of any public statements or publications of information as referenced in sub-paragraphs (a) or (b)above, should such event or circumstance referred to in such a public statement or publication occur on a date falling later than three months after the relevant public statement or publication, the SOFR Transition Event shall be deemed to occur on the date falling three months prior to such specified date (and not the date of the relevant public statement or publication).

For the avoidance of doubt, if the event giving rise to the SOFR Replacement Date occurs on the same day as, but earlier than, the SOFR Determination Time in respect of any determination, the SOFR Replacement Date will be deemed to have occurred prior to the SOFR Determination Time for such determination.

"**SOFR Transition Event**" means the occurrence of any one or more of the following events with respect to the then-current SOFR Benchmark (including the daily published component used in the calculation thereof): (a) a public statement or publication of information by or on behalf of the administrator of the SOFR Benchmark (or such component, if relevant) announcing that such administrator has ceased or will cease to provide the SOFR Benchmark (or such component, if relevant), permanently or indefinitely, provided that, at the time of such statement or publication, there is no successor administrator that will continue to provide the SOFR Benchmark (or such component, if relevant); (b) a public statement or publication of information by the regulatory supervisor for the administrator of the Benchmark (or such component, if relevant), the central bank for the currency of the SOFR Benchmark (or such component, if relevant), an insolvency official with jurisdiction over the administrator for the SOFR Benchmark (or such component, if relevant), a resolution authority with jurisdiction over the administrator for SOFR Benchmark (or such component, if relevant) or a court or an entity with similar insolvency or resolution authority over the administrator for the SOFR Benchmark (or such component, if relevant), which states that the administrator of the SOFR Benchmark (or such component, if relevant) has ceased or will cease to provide the SOFR Benchmark (or such component, if relevant) permanently or indefinitely, provided that, at the time of such statement or publication, there is no successor administrator that will continue to provide the SOFR Benchmark (or such component, if relevant); (c) a public statement or publication of information by the regulatory supervisor for the administrator of the SOFR Benchmark (or such component, if relevant) announcing that the SOFR Benchmark (or such component, if relevant) is no longer representative, the SOFR Benchmark (or such component, if relevant) has been or will be prohibited from being used or that its use has been or will be subject to restrictions or adverse consequences, either generally or in respect of the Notes; or (d) the SOFR Benchmark is not published by its administrator (or a successor administrator) for six consecutive U.S. Government Securities Business Days; and

"**Unadjusted SOFR Replacement**" means the SOFR Replacement prior to the application of any SOFR Replacement Adjustment.

(i) *Determination of Rate of Interest and Calculation of Interest Amounts*

The Agent will at or as soon as practicable after each time at which the Rate of Interest is to be determined, determine the Rate of Interest for the relevant Interest Period.

The Agent will calculate the amount of interest (the "**Interest Amount**") payable on the Floating Rate Notes for the relevant Interest Period by applying the Rate of Interest to the full nominal amount outstanding of the relevant Notes and, in each case, multiplying such sum by the applicable Day Count Fraction, and rounding the resultant figure to the nearest sub-unit of the relevant Specified Currency, half of any such sub-unit being rounded upwards or otherwise in accordance with applicable market convention.

"**Day Count Fraction**" means, in respect of the calculation of an amount of interest for any Interest Period:

(A) if "*Actual/Actual (ISDA)*" or "*Actual/Actual*" is specified in the applicable Final Terms, the actual number of days in the Interest Period divided by 365 (or, if any portion of that Interest Period falls in a leap year, the sum

of (A) the actual number of days in that portion of the Interest Period falling in a leap year divided by 366 and (B) the actual number of days in that portion of the Interest Period falling in a non-leap year divided by 365);

(B) if "*Actual/*365 *(Fixed)*" is specified in the applicable Final Terms, the actual number of days in the Interest Period divided by 365;

(C) if "*Actual/365 (Sterling)*" is specified in the applicable Final Terms, the actual number of days in the Interest Period divided by 365 or, in the case of an Interest Payment Date falling in a leap year, 366;

(D) if "*Actual/360*" is specified in the applicable Final Terms, the actual number of days in the Interest Period divided by 360;

(E) if "*30/360*", "*360/360*" or "*Bond Basis*" is specified in the applicable Final Terms, the number of days in the Interest Period divided by 360, calculated on a formula basis as follows:

DayCount Fraction=([360×(Y2-Y1)]+[30×(M2-M1)]+(D2-D1))/([360])

where:

"**Y_1**" is the year, expressed as a number, in which the first day of the Interest Period falls;

"**Y_2**" is the year, expressed as a number, in which the day immediately following the last day of the Interest Period falls;

"**M_1**" is the calendar month, expressed as a number, in which the first day of the Interest Period falls;

"**M_2**" is the calendar month, expressed as a number, in which the day immediately following the last day of the Interest Period falls;

"**D_1**" is the first calendar day, expressed as a number, of the Interest Period, unless such number is 31, in which case D_1 will be 30; and

"**D_2**" is the calendar day, expressed as a number, immediately following the last day included in the Interest Period, unless such number would be 31 and D_1 is greater than 29, in which case D_2 will be 30;

(F) if "*30E/360*" or "*Eurobond Basis*" is specified in the applicable Final Terms, the number of days in the Interest Period divided by 360, calculated on a formula basis as follows:

DayCount Fraction=([360×(Y2-Y1)]+[30×(M2-M1)]+(D2-D1))/([360])

where:

"**Y_1**" is the year, expressed as a number, in which the first day of the Interest Period falls;

"**Y_2**" is the year, expressed as a number, in which the day immediately following the last day of the Interest Period falls;

"**M_1**" is the calendar month, expressed as a number, in which the first day of the Interest Period falls;

"**M_2**" is the calendar month, expressed as a number, in which the day immediately following the last day of the Interest Period falls;

"**D_1**" is the first calendar day, expressed as a number, of the Interest Period, unless such number would be 31, in which case D_1 will be 30; and

"**D_2**" is the calendar day, expressed as a number, immediately following the last day included in the Interest Period, unless such number would be 31, in which case D_2 will be 30;

(G) if "30E*/360 (ISDA)*" is specified in the applicable Final Terms, the number of days in the Interest Period divided by 360, calculated on a formula basis as follows:

DayCount Fraction=([360×(Y2-Y1)]+[30×(M2-M1)]+(D2-D1))/([360])

where:

"**Y_1**" is the year, expressed as a number, in which the first day of the Interest Period falls;

"**Y_2**" is the year, expressed as a number, in which the day immediately following the last day of the Interest Period falls;

"**M_1**" is the calendar month, expressed as a number, in which the first day of the Interest Period falls;

"**M_2**" is the calendar month, expressed as a number, in which the day immediately following the last day of the Interest Period falls;

"**D_1**" is the first calendar day, expressed as a number, of the Interest Period, unless (i) that day is the last day of February or (ii) such number would be 31, in which case D_1 will be 30; and

"**D_2**" is the calendar day, expressed as a number, immediately following the last day included in the Interest Period, unless (i) that day is the last day of February but not the date on which the Notes are (if applicable) to be redeemed or (ii) such number would be 31, in which case D2 will be 30; and

(H) if "*1/1*" is specified in the applicable Final Terms, 1.

(ii) Notification of Rate of Interest and Interest Amounts

Subject to the provisions of Condition 4(d), the Agent will cause the Rate of Interest and each Interest Amount for each Interest Period and the relevant Interest Payment Date to be notified to the Issuer and any stock exchange on which the relevant Floating Rate Notes are for the time being listed (by no later than the first day of each Interest Period) and notice thereof to be published in accordance with Condition 11 as soon as possible after their determination but in no event later than the fourth London Business Day thereafter. Each Interest Amount and Interest Payment Date so notified may subsequently be amended (or appropriate alternative arrangements made by way of adjustment) without prior notice in the event of an extension or shortening of the Interest Period. Any such amendment will be promptly notified to each stock exchange on which the relevant Floating Rate Notes are for the time being listed and to the Noteholders in accordance with Condition 11. For the purposes of this paragraph, the expression "**London Business Day**" means a day (other than a Saturday or a Sunday) on which banks and foreign exchange markets are open for general business in London.

(iii) Certificates to be final

All certificates, communications, opinions, determinations, calculations, quotations and decisions given, expressed, made or obtained for the purposes of the provisions of this Condition 4(c) whether by the Agent or, if applicable, the Calculation Agent, shall (in the absence of wilful default, bad faith or manifest error) be binding on the Issuer, the Agent, the Calculation Agent (if applicable), the Paying Agent and all Noteholders and (in the absence of wilful default, bad faith or manifest error) no liability to the Issuer, or the Noteholders shall attach to the Agent or the Calculation Agent (if applicable) in connection with the exercise or non-exercise by it of its powers, duties and discretions pursuant to such provisions.

(c) Interest Cancellation

The Issuer may elect, at its full discretion and at any time, to cancel (in whole or in part), for an unlimited period of time and on a non-cumulative basis, the Interest Amount otherwise scheduled to be paid on an Interest Payment Date notwithstanding it has Distributable Items or the Maximum Distributable Amount is greater than zero.

The Issuer will, in any case, mandatorily cancel the payment of an Interest Amount (in whole or, as the case may be, in part) if any of the following events occurs:

(1) the Competent Authority, notifies the Issuer that, in its sole discretion, it has determined that the Interest Amount (in whole or in part) should be cancelled based on its assessment of the financial and solvency situation of the Issuer

(2) According to the Own Funds Requirements Regulations:

1) to the extent that the Interest Amounts, when aggregated together with distributions on all other own funds instruments (not including, for the avoidance of doubt, any Tier 2 capital instruments, in accordance with the Own Funds Requirements Regulations), scheduled for payment in the then current financial year exceed the amount of Distributable Items, the Issuer will cancel the payment (in whole or, as the case may be, in part) of such Interest Amounts; or

2) to the extent that the payment of the Interest Amounts (in whole or, as the case may be, in part) would not cause, when aggregated together with other Relevant Distributions, cause the Maximum Distributable Amount (if any) then applicable to the Issuer to be exceeded. For this purpose, "**Relevant Distributions**" means distributions on any other Tier 1 capital instruments and any other payments which at the relevant time are subject to a Maximum Distributable Amount restriction.

Notice of any cancellation (voluntarily or mandatorily) of payment of a scheduled Interest Amount must be given to the Noteholders (in accordance with Condition 11) as soon as possible, but not more than 60 calendar days prior to the relevant Interest Payment Date. For the avoidance of doubt:

(A) the cancellation of any Interest Amount in accordance with this Condition shall not constitute a default for any purpose on the part of the Issuer;

(B) interest payments are non-cumulative and any Interest Amount so cancelled shall be cancelled definitively and no payments shall be made nor shall any Noteholder be entitled to any payment or indemnity in respect thereof;

(C) the cancelation of the payment of interest does not constitute an event of default of the Issuer;

(D) any failure to give a notice of any cancellation of payment of a scheduled Interest Amount shall not affect the interest cancellation and does not constitute a default of the Issuer;

(E) any amount of interest calculated and due will not be amended pursuant to these Conditions on the basis of the credit standing of the Issuer; and

(F) The Issuer is not obliged:

(i) To pay any Interest Amounts on the Undated Deeply Subordinated Notes in the event of a distribution being made on an instrument issued by the Issuer that ranks to the same degree as, or more junior than, the Undated Deeply Subordinated Notes, including a Common Equity Tier 1 Instrument; or

(ii) To cancel distributions on Common Equity Tier 1, Additional Tier 1 or Tier 2 instruments in the event that distributions are not made on the Undated Deeply Subordinated Notes; or

(iii) To substitute the payment of Interest Amounts by a payment in any other form.

(d) Accrual of interest

Without prejudice to Condition 4(d), each Note (or in the case of the redemption of part only of a Note, that part only of such Note) will cease to bear interest (if any) from the date of its redemption. In addition, following a reduction of the then Current Principal of the Notes as described above, interest will accrue on the reduced Outstanding Principal Amount of each Note from (and including) the relevant Loss Absorption Effective Date, and (for the avoidance of doubt) such interest will be subject to Condition 4(d) (Interest Cancellation) and Condition 2(b) (Loss Absorption Event).

(f) ***Benchmark discontinuation***

(i) Independent Adviser

If a Benchmark Event occurs in relation to an Original Reference Rate when any Rate of Interest (or any component part thereof) remains to be determined by reference to such Original Reference Rate, then the Issuer shall use its reasonable endeavours to appoint an Independent Adviser, as soon as reasonably practicable, with a view to the Issuer determining a Successor Rate (subject to the terms of this Condition 4 (f), failing which an Alternative Rate (in accordance with Condition 4(f)(ii)) and, in either case, an Adjustment Spread if any (in accordance with Condition 4(f)(iii)) and any Benchmark Amendments (in accordance with Condition 4(f)(iv)).

An Independent Adviser appointed pursuant to this Condition 4(f) shall act in good faith and in a commercially reasonable manner as an expert. In the absence of bad faith or fraud, the Independent Adviser shall have no liability whatsoever to the Issuer, the Paying Agent, or the Noteholders for any advice given to the Issuer in connection with any determination made by the Issuer, pursuant to this Condition 4(f)(i).

If (1) the Issuer is unable to appoint an Independent Adviser; or (2) the Issuer fails to determine a Successor Rate or, failing which, an Alternative Rate in accordance with this Condition 4(f)(i) prior to the relevant Reset Determination Date or Interest Determination Date, as applicable, the Rate of Interest applicable to the next succeeding Reset Period or Interest Period, as applicable, shall be equal to the Rate of Interest last determined in relation to the Notes in respect of the immediately preceding Reset Period or Interest Period, respectively. If there has not been a first Interest Payment Date, the Rate of Interest shall be the Initial Rate of Interest. Where a different First Margin or Subsequent Margin is to be applied to the relevant Reset Period or Interest Period, as applicable, from that which applied to the last preceding Reset Period or Interest Period, respectively, the First Margin orSubsequent Margin, relating to the relevant Reset Period or Interest Period, respectively, shall be substituted in place of the First Margin or Subsequent Margin, relating to that last preceding Reset Period or Interest Period, respectively. For the avoidance of doubt, this Condition 4(f)(i) shall apply to the relevant next succeeding Reset Period or Interest Period only and any subsequent Reset Periods or Interest Periods are subject to the subsequent operation of, and to adjustment as provided in, this Condition 4(f)(i).

(ii) Successor Rate or Alternative Rate

If the Issuer, following consultation with the Independent Adviser and acting in good faith and in a commercially reasonable manner, determines that: (1) there is a Successor Rate, then such Successor Rate shall (subject to adjustment as provided in Condition 4(f)(iii) subsequently be used in place of the Original Reference Rate to determine the Rate of Interest (or the relevant component part thereof), as applicable, for all future payments of interest on the Notes (subject to the operation of this Condition 4(f); or (2) there is no Successor Rate but that there is an Alternative Rate, then such Alternative Rate shall (subject to adjustment as provided in Condition 4(f)(iii) subsequently be used in place of the Original Reference Rate to determine the Rate of Interest (or the relevant component part thereof), as applicable, for all future payments of interest on the Notes (subject to the operation of this Condition 4(f).

(iii) Adjustment Spread

If the Issuer, following consultation with the Independent Adviser and acting in good faith and in a commercially reasonable manner, determines (1) that an Adjustment Spread is required to be applied to the Successor Rate or the Alternative Rate (as the case may be) and (2) the quantum of, or a formula or methodology for determining, such Adjustment Spread, then such Adjustment Spread shall be applied to the Successor Rate or the Alternative Rate (as the case may be).

(iv) Benchmark Amendments

If any Successor Rate, Alternative Rate or Adjustment Spread is determined in accordance with this Condition 4(e) and the Issuer, following consultation with the Independent Adviser and acting in good faith and in a commercially reasonable manner, determines (i) that amendments to these Terms and Conditions are necessary to ensure the proper operation of such Successor Rate, Alternative Rate and/or Adjustment Spread (such amendments, the "**Benchmark Amendments**") and (ii) the terms of the Benchmark Amendments, then the Issuer shall, subject to giving notice thereof in accordance with Condition 4(f)(v), without any requirement for the consent or approval of Noteholders, vary these Terms and Conditions to give effect to such Benchmark Amendments with effect from the date specified in such notice.

Notwithstanding any other provision of this Condition 4, the Calculation Agent or any Paying Agent is not obliged to concur with the Issuer or the Independent Adviser in respect of any changes or amendments as contemplated under this Condition 4(f)(iv) to which, in the sole opinion of the Calculation Agent or the relevant Paying Agent, as the case may be, would impose more onerous obligations upon it or expose it to any additional duties, responsibilities or liabilities or reduce or amend the protective provisions afforded to the Calculation Agent or the relevant Paying Agent (as applicable) in the Agency Agreement and/or these Conditions.

In connection with any such variation in accordance with this Condition 4(f)(iv), the Issuer shall comply with the rules of any stock exchange on which the Notes are for the time being listed or admitted to trading.

Notwithstanding any other provision of this Condition 4(f), no Successor Rate or Alternative Rate will be adopted, nor any Adjustment Spread applied, nor will any Benchmark Amendments be made, if and to the extent that, in the determination of the Issuer, the same could reasonably be expected to prejudice the qualification of the Notes as Additional Tier 1 Notes for the purposes of the Capital Regulations.

(v) Notices, etc.

Any Successor Rate, Alternative Rate, Adjustment Spread and the specific terms of any Benchmark Amendments, determined under this Condition 4(f) will be notified promptly by the Issuer to the Calculation Agent, the Paying Agent and, in accordance with Condition 13, the Noteholders. Such notice shall be irrevocable and shall specify the effective date of the Benchmark Amendments, if any.

(vi) Survival of Original Reference Rate

Without prejudice to the obligations of the Issuer under Conditions 4(f)(i), 4(f)(ii),4(f)(iii) and 4(f)(iv), the Original Reference Rate will continue to apply unless and until a Benchmark Event has occurred. Upon the occurrence of a Benchmark Event, this Condition 4(f) shall prevail.

No later than the date on which the Issuer notifies the Noteholders of the same, the Issuer shall deliver to the Calculation Agent and the paying agent a certificate signed by two authorised signatories of the Issuer:

(i) confirming (A) that a Benchmark Event has occurred, (B) the Successor Rate or, as the case may be, the Alternative Rate, (C) any Adjustment Spread and (D) the specific terms of the Benchmark Amendments (if any), in each case as determined in accordance with the provisions of this Condition 4;

(ii) certifying that the Benchmark Amendments (if any) are necessary to ensure the proper operation of such Successor or Alternative Rate and any Adjustment Spread.

The Agent shall display such certificate at its offices, for inspection by the Noteholders, at all reasonable times during normal business house.

Each of the Agent, the Calculation Agent and the paying agent shall be entitled to rely on such certificate (without liability to any person) as sufficient evidence thereof. The Successor Rate or Alternative Rate and the Adjustment Spread and the Benchmark Amendments (if any) specified in such certificate will (in the absence of manifest error or bad faith in the determination of the Successor Rate or Alternative Rate and the Adjustment Spread and the Benchmark Amendments (if any) and without prejudice to the Agent's or the Calculation Agent's or the paying Agent' ability to rely on such certificate as aforesaid) be binding on the Issuer, the Agent, the Calculation Agent, the paying agent and the Noteholders.

Notwithstanding any other provision of this Condition 4, if following the determination of any Successor Rate, Alternative Rate, Adjustment Spread or Benchmark Amendments (if any), in the Calculation Agent's opinion there is any uncertainty between two or more alternative courses of action in making any determination or calculation under this Condition 4, the Calculation Agent shall promptly notify the Issuer thereof and the Issuer shall direct the Calculation Agent in writing as to which alternative course of action to adopt. If the Calculation Agent is not promptly provided with such direction, or is otherwise unable (other than due to its own gross negligence, wilful default or fraud) to make such calculation or determination for any reason, it shall notify the Issuer thereof and the Calculation Agent shall be under no obligation to make such calculation or determination and (in the absence of such gross negligence, wilful default or fraud) shall not incur any liability for not doing so.

(vii) Notwithstanding any other provision of this Condition 4(f), if in the Calculation Agent's opinion there is any uncertainty between two or more alternative courses of action in making any determination or calculation *under* this Condition 4(f), the Calculation Agent shall promptly notify the Issuer thereof and the Issuer shall direct the Calculation Agent in writing as to which alternative course of action to adopt. If the Calculation Agent is

not promptly provided with such direction, or is otherwise unable to make such calculation or determination for any reason, it shall notify the Issuer thereof and the Calculation Agent shall be under no obligation to make such calculation or determination and shall not incur any liability for not doing so.

(viii) Notwithstanding any other provision of this Condition 4(f) neither the Agent, nor the Calculation Agent shall be obliged to concur with the Issuer and / or the Independent Advisor in respect of any Benchmark Amendments which, in the sole opinion of the Agent or the Calculation Agent (as applicable), would have the effect of (i) exposing the Agent or Calculation Agent (as applicable) to any liability against which it has not been indemnified and/or secured and/or prefunded to its satisfaction or (ii) increasing the obligations or duties, or decreasing the rights or protections, of the Agent or the Calculation Agent (as applicable) in the Agency Agreement and/or these Conditions.

(ix) ***Definitions:***

As used in this Condition 4(f):

"**Adjustment Spread**" means either a spread (which may be positive or negative), or the formula or methodology for calculating a spread, in either case, which the Issuer, following consultation with the Independent Adviser and acting in good faith and in a commercially reasonable manner, determines is required to be applied to the Successor Rate or the Alternative Rate (as the case may be) to reduce or eliminate, to the extent reasonably practicable in the circumstances, any economic prejudice or benefit (as the case may be) to Noteholders as a result of the replacement of the Original Reference Rate with the Successor Rate or the Alternative Rate (as the case may be) and is the spread, formula or methodology which: (1) in the case of a Successor Rate, is formally recommended in relation to the replacement of the Original Reference Rate with the Successor Rate by any Relevant Nominating Body; or (if no such recommendation has been made, or in the case of an Alternative Rate); (2) the Issuer, following consultation with the Independent Adviser and acting in good faith and in a commercially reasonable manner, determines, is recognised or acknowledged as being the industry standard for over-the-counter derivative transactions which reference the Original Reference Rate, where such rate has been replaced by the Successor Rate or the Alternative Rate (as the case may be); (or if the Issuer determines that no such industry standard is recognised or acknowledged); (3) the Issuer, in its discretion, following consultation with the Independent Adviser and acting in good faith and in a commercially reasonable manner, determines to be appropriate.

"**Alternative Rate**" means an alternative benchmark or screen rate which the Issuer following consultation with the Independent Adviser and acting in good faith and in a commercially reasonable manner, determines in accordance with Condition 4(f)(ii) is customary in market usage in the international debt capital markets for the purposes of determining rates of interest (or the relevant component part thereof) in the same Specified Currency as the Notes.

"**Benchmark Amendments**" has the meaning given to it in Condition 4(f)(iv).

"**Benchmark Event**" means:

(1) the Original Reference Rate ceasing to exist or ceasing to be published for a period of at least 5 Business Days in relation to a Rate of Interest of Floating Rate Notes or 5 Reset Business Days in relation to a Reset Notes; or

(2) a public statement by the administrator of the Original Reference Rate that it will, by a specified date within the following six months, cease publishing the Original Reference Rate permanently or indefinitely (in circumstances where no successor administrator has been appointed that will continue publication of the Original Reference Rate); or

(3) a public statement by the supervisor of the administrator of the Original Reference Rate, that the Original Reference Rate has been or will, by a specified date within the following six months, be permanently or indefinitely discontinued; or

(4) a public statement by the supervisor of the administrator of the Original Reference Rate as a consequence of which the Original Reference Rate will be prohibited from being used either generally, or in respect of the Notes, in each case within the following six months; or

(5) it has become unlawful for the Paying Agent, Calculation Agent, the Issuer or other party to calculate any payments due to be made to any Noteholder using the Original Reference Rate,

the occurrence of any such events (1) to (5) above to be determined by the Issuer.

"**Independent Adviser**" means an independent financial institution of international repute or an independent financial adviser with appropriate expertise appointed by the Issuer under Condition 4(f)(i).

"**Original Reference Rate**" means the originally-specified benchmark or screen rate (as applicable) used to determine the Rate of Interest (or any component part thereof), as applicable, on the Notes.

"**Relevant Nominating Body**" means, in respect of a benchmark or screen rate (as applicable):

(1) the central bank for the currency to which the benchmark or screen rate (as applicable) relates, or any central bank or other supervisory authority which is responsible for supervising the administrator of the benchmark or screen rate (as applicable); or

(2) any working group or committee sponsored by, chaired or co-chaired by or constituted at the request of (a) the central bank for the currency to which the benchmark or screen rate (as applicable) relates, (b) any central bank or other supervisory authority which is responsible for supervising the administrator of the benchmark or screen rate (as applicable), (c) a group of the aforementioned central banks or other supervisory authorities or (d) the Financial Stability Board or any part thereof.

"**Successor Rate**" means a successor to or replacement of the Original Reference Rate which is formally recommended by any Relevant Nominating Body.

Condition 4 describes the legal and regulatory regime applicable to Undated Deeply Subordinated Notes and accordingly the provisions of Condition 4 are subject to any changes in that legal and regulatory regime.

5. PAYMENTS

(a) Fiscal and other laws

Payments will be subject in all cases to any fiscal or other laws and regulations applicable thereto in the place of payment or other laws and regulation to which the Issuer or its Agents are subject, but without prejudice to the provisions of Condition 7.

(b) Payments in respect of the Notes

Payment of principal and interest in respect of Notes will be (i) **if made in euro** (a) credited, according to the procedures and regulations of Interbolsa, by the Paying Agent (acting on behalf of the Issuer) to the payment current-accounts used by the Affiliate Members of Interbolsa for payments in respect of securities held through Interbolsa and thereafter (b) credited by such Affiliate Members of Interbolsa from the aforementioned payment current-accounts to the accounts of the owners of those Notes or through Euroclear and CBL, to the accounts with Euroclear and CBL of the beneficial owners of those Notes, in accordance with the rules and procedures of Interbolsa, Euroclear or CBL as the case may be; (ii**) if made in currencies other than euro** (a) transferred, on the payment date and according to the procedures and regulations of Interbolsa, from the account held by the Paying Agent in the Foreign Currency Settlement System ("*Sistema de Liquidação em Moeda Estrangeira*"), managed by Caixa Geral de Depósitos, S.A., to the relevant accounts of the relevant Affiliate Members of Interbolsa, and thereafter (b) transferred by such Affiliate Members of Interbolsa from such relevant accounts to the accounts of the owners of Notes or through Euroclear and CBL to the accounts with Euroclear and CBL of the owners of Notes, in accordance with the rules and procedures of Interbolsa, Euroclear or CBL, as the case may be.

The holders of the Notes are reliant upon the procedures of Interbolsa to receive payment in respect of the Notes.

(c) General provisions applicable to payments

The Issuer will be discharged by payment to Interbolsa in respect of each amount so paid. Each of the entities shown in the records of Interbolsa as the beneficial holder of a particular nominal amount of Interbolsa Notes must look solely to Interbolsa for his share of each payment so made by the Issuer to, or to the order of, the holder of such Notes.

Notwithstanding the foregoing provisions of this Condition, if any amount of principal and/or interest in respect of Notes is payable in U.S. dollars, such U.S. dollars payments of principal and/or interest in respect of such Notes will be made at the specified office of a paying agent in the United States if:

(i) the Issuer has appointed paying agents with specified offices outside the United States with the reasonable expectation that such paying agents would be able to make payment in U.S. dollars at such specified offices outside the United States of the full amount of principal and interest on the Notes in the manner provided above when due;

(ii) payment of the full amount of such principal and interest at all such specified offices outside the United States is illegal or effectively precluded by exchange controls or other similar restrictions on the full payment or receipt of principal and interest in U.S. dollars; and

(iii) such payment is then permitted under United States law without involving, in the opinion of the Issuer adverse tax consequences to the Issuer.

(d) Payment Day for the Notes

If the date for payment of any amount in respect of any Note is not a Payment Day, the holder thereof shall not be entitled to payment until the next following Payment Day in the relevant place and shall not be entitled to further interest or other payment in respect of such delay. For these purposes, *"***Payment Day***"* means any day which (subject to Condition 8) is:

(i) a day on which commercial banks and foreign exchange markets settle payments and are open for general business (including dealing in foreign exchange and foreign currency deposits) in:

(A) London;

(B) Lisbon;

(C) each Additional Financial Centre specified in the applicable Final Terms; and

(ii) either (A) in relation to any sum payable in a Specified Currency other than euro, a day on which commercial banks and foreign exchange markets settle payments and are open for general business (including dealing in foreign exchange and foreign currency deposits) in the principal financial centre of the country of the relevant Specified Currency or (B) in relation to any sum payable in euro, a day on which the TARGET 2 System is open and Interbolsa, Euroclear and/or CBL, as the case may be, are open for general business.

(e) Interpretation of principal and interest

Any reference in these Terms and Conditions to principal in respect of the Notes shall be deemed to include, as applicable:

(i) any additional amounts which may be payable with respect to principal under Condition 7;

(ii) the Final Redemption Amount of the Notes;

(iii) the Optional Redemption Amount(s) (if any) of the Notes;

(iv) any premium and any other amounts (other than interest), which may be payable by the Issuer under or in respect of the Notes.

Any reference in these Terms and Conditions to interest in respect of the Notes shall be deemed to include, as applicable, any additional amounts which may be payable with respect to interest under Condition 7.

6. REDEMPTION AND PURCHASE

(a) Redemption

The Undated Deeply Subordinated Notes are not subject to mandatory redemption by the Issuer and will only be redeemed in the circumstances referred to under this Condition 6, in any case provided that such redemption has been expressly authorised by the Competent Authority.

The Issuer is not entitled to redeem the Undated Subordinated Notes before the fifth anniversary of their issue date other than in the specific circumstances described in paragraphs (b) and (d) below and in any case with the prior consent of the Competent Authority. For the avoidance of any doubt, the Competent Authority is not obliged to provide such consent and any refusal to grant such consent shall not constitute a default for any purpose.

The Undated Deeply Subordinated Notes are not redeemable at the option of the Noteholders and have no fixed maturity.

For the avoidance of doubts, (i) if a Capital Ratio Event occurs after a notice of redemption is given, but before the envisaged redemption date, such redemption shall not be made and the respective notice of redemption shall be considered revoked and (ii) the Issuer should not give a notice of redemption after the occurrence of a Capital Ratio Event.

Any call option or early redemption of the Undated Deeply Subordinated Notes are subject to both of the following conditions:

(i) The Issuer obtaining prior permission of the Competent Authority in accordance with Article 78 of the CRR, where either:

1. The Issuer has replaced the Notes with own funds instruments of equal or higher quality at terms that are sustainable for the income capacity of the Issuer earlier than, or at the same time as, the call or early redemption; or

2. The Issuer has demonstrated to the satisfaction of the Competent Authority that the own funds of the Issuer would following such call or early redemption exceed the requirements laid down in Article 92(1) of the CRR and the combined buffer requirement as defined in Portuguese legislation transposing point (6) of Article 128 of the CRD IV by a margin that the Competent Authority considers necessary on the basis of Portuguese legislation transposing Article 104(3) of the CRD IV;

(ii) In addition to (i), in respect of a redemption prior to the fifth anniversary of the issuance, if and to the extent required under Article 78(4) of the CRR:

1. In the case of Condition 6(b) (*Redemption for Tax Reasons*), the Issuer has demonstrated to the satisfaction of the Competent Authority that the change in the applicable tax treatment of the Notes is material and was not reasonably foreseeable as at the Issue Date; or

2. In the case of Condition 6(d) (*Redemption due to the occurrence of a Capital Event*), the Issuer has demonstrated to the satisfaction of the Competent Authority that the change in the regulatory classification of the Notes was not reasonably foreseeable as at the Issue Date.

For this purposes a "*Capital Event*" is deemed to have occurred if there is a change in the regulatory classification of the Undated Deeply Subordinated Notes under the Capital Regulations that was not reasonably foreseeable at the time of the Notes issuance and that would result, or would likely to result, in their exclusion in full or in part from the Issuer's Additional Tier 1 capital (on consolidated or individual basis, and other than as a consequence of write-down or conversion, where applicable) or in reclassification as a lower quality form of the Issuer's own funds (on consolidated or individual basis) and that the Competent Authority considers to be sufficiently certain.

"***Capital Regulations***" means any requirements of Portuguese law or contained in the relevant rules of European Union law that are then in effect in Portugal relating to capital adequacy and applicable to the Issuer, including but not limited to the CRR, national laws and regulations implementing the CRD V the BRRD, the SRM Regulations, and those regulations, requirements, guidelines and policies relating to capital adequacy, minimum requirements for eligible liabilities, resolution and/or solvency then in effect of the European Central Bank, the Competent Authority or such other or successor governmental authority exercising primary bank supervisory authority from time to time, in each case with respect to prudential or resolution matters in relation to the Issuer, in each case to the extent then in effect in Portugal including the RGICSF (whether or not such requirements, guidelines or policies have the force of law and whether or not they are applied generally or specifically to the Issuer.

For the avoidance of doubt, the Competent Authority is not obliged to provide such permission (if requested by the Issuer) and there is no assurance that the Competent Authority will provide such permission (if requested) and any refusal of the Competent Authority to grant permission in accordance with Article 78 of the CRR shall not constitute a default for any purpose.

Any redemption under this Condition may only be made if it is done in accordance with Articles 77 and 78a of the CRR, Article 29 of the Commission Delegated Regulation (EU) 241/2014 and/or any other Own Funds Requirements Regulations then in force, as applicable.

(b) Redemption for tax reasons

The Notes may be redeemed at the option of the Issuer (after obtaining the consent of the Competent Authority), in whole or in part, on giving not less than 30 nor more than 60 days' notice to the Agent and, in accordance with Condition 11, the Noteholders (which notice shall be irrevocable)):

(i) (A) If, with the exception of Notes issued by the Issuer which are not issued within the scope of the Decree-Law no. 193/2005, of 7 November 2005, as amended (the "**Decree-Law**"), on the occasion of the next payment due under the Notes, the Issuer has or will become obliged to pay additional amounts as provided or referred to in Condition 7 (*Taxation*) in each case as a result of any change in, or amendment to, the laws or regulations of the Tax Jurisdiction (as defined in Condition 7 (*Taxation*)), or any change in the application or official interpretation of such laws or regulations or (B) if the Issuer would not be entitled to claim a deduction in computing taxation liabilities in the Tax Jurisdiction (as defined in Condition 7 (*Taxation*)) in respect of any payment of interest to be made on the Notes on the occasion of the next payment date due under the Notes or the value of such deduction to the Issuer would be reduced, in each case as a result of any change in, or amendment to, the laws or regulations of the Tax Jurisdiction or any change in the application or official interpretation of such laws or regulations, which change or amendment becomes effective on or after the date on which agreement is reached to issue the first Tranche of a Series of Notes or the Issuer would be required to bring into account a taxable income if the principal amount of the Notes was written down, where the Issuer was not so required prior to the relevant change, or would be adversely affected by a material change in the applicable tax treatment of the Notes; and

(ii) Subject to the requirements described under Condition 6. (a) *Redemption* (i) and (ii); and

(iii) In the case of (i)(A) above such obligation cannot be avoided by the Issuer taking reasonable measures available to it, provided that such notice of redemption shall be given not less than 30 and not more than 60 days prior to the earliest date on which the Issuer would be obliged to pay such additional amounts were a payment in respect of the Notes then due.

Prior to the publication of any notice of redemption pursuant to this Condition, the Issuer shall deliver to the Agent a certificate signed by two Directors of the Issuer, stating that the Issuer is entitled to effect such redemption and setting forth a statement of facts showing that the conditions precedent to the right of the Issuer so to redeem have occurred, and an opinion of independent legal advisers of recognised standing to the effect that the Issuer (i) has or will become obliged to pay such additional amounts as a result of such change or amendment or (ii) will not be entitled to claim a deduction

in computing taxation liabilities of the Tax Jurisdiction (as defined in Condition 7) or the value of such deduction would be materially reduced, as applicable.

(c) Redemption at the option of the Issuer (Issuer Call)

If Issuer Call is specified in the applicable Final Terms, the Issuer may, at its sole discretion (subject to the prior consent of the Competent Authority and only after 5 years from its issue date), having given:

(i) not less than 15 nor more than 30 days' notice to the Noteholders in accordance with Condition 11; and

(ii) not less than 15 days before the giving of the notice referred to in (i), notice to the Agent;

(which notices shall be irrevocable and shall specify the date fixed for redemption), redeem all or only some of the Notes then outstanding on any Optional Redemption Date and at the Optional Redemption Amount(s) specified in, or determined in the manner specified in, the applicable Final Terms together, if appropriate, with interest accrued to (but excluding) the relevant Optional Redemption Date. Any such redemption must be of a nominal amount not less than the Minimum Redemption Amount or not more than a Higher Redemption Amount, in each case as may be specified in the applicable Final Terms. The applicable Final Terms may specify that the redemption of the Undated Deeply Subordinated Notes may only occur, subject to the other conditions described above, if the Current Principal Amount of each Note was previously increased to its Original Principal amount (a Reinstatement event, as defined above), if applicable. In the case of a partial redemption of Notes, the Notes shall be redeemed pari passu and on a pro rata basis in accordance with the rules of Interbolsa.

The Issuer has the right, but not the duty to redeem the Undated Deeply Subordinated Notes. The Competent Authority is not obliged to consent with the early redemption requested by the Issuer (if requested) and there is no assurance that the Competent Authority will consent to an early redemption.

If at any time the Notes have been Written Down following a Loss Absorption Event, the Issuer shall not be entitled to exercise its option until the principal amount of the Notes so Written Down has been fully reinstated pursuant to Condition 2 (b) (iii).

(d) Redemption due to the occurrence of a Capital Event

The Undated Deeply Subordinated Notes may be redeemed, only in whole, by the Issuer, if a Capital Event occurs, as defined above, that the Competent Authority considers to be sufficient certain and subject to the requirements described under Condition 6 (a) *Redemption* (i) and (ii).

(e) Redemption Amounts

For the purpose of sub-paragraphs (b), (c) and (d), each Note will be redeemed at the Redemption Amount calculated as follows:

a. in the case of a Note with a Final Redemption Amount equal to the Issue Price, at the Final Redemption Amount thereof; or

b. in the case of a Note with a Final Redemption Amount which is or may be less than the Issue Price or which is payable in a Specified Currency other than that in which the Note is denominated, at the amount specified

in, or determined in the manner specified in, the applicable Final Terms or, if no such amount or manner is so specified in the applicable Final Terms, at its nominal amount,

provided that, if a Write-Down Amount has been applied to the relevant Note in accordance with Condition 2(b), the Redemption Amount to be paid is subject to the terms thereof, including that the amount required to be paid by the Issuer will be calculated based on the Current Principal Amount of each outstanding Note at the time of such payment.

(f) Purchases

The Issuer or any of its subsidiaries shall have the right to purchase Undated Deeply Subordinated Notes only in accordance (and subject to) the conditions set out in Articles 77 and 78 of the CRR, or subject to any other conditions that may be in force from time to time, being met and may only take place after five years from their date of issuance or any differente minimum period permitted under Capital Regulations, except where the conditions set out in Article 78(4) of the CRR are met or, in the case of repurchase for market-making purposes, where the conditions set out in Article 29 of the Commission Delegated Regulation No (EU) 241/2014 (the regulatory technical standards RTS in own funds) ("**CDR**") are met and particularly with respect to the predetermined amount defined by the Competent Authority as per Article 29(3)(b) of the CDR.

For the avoidance of any doubt, the Competent Authority is not obliged to provide the consent for any purchase and any refusal to grant such consent shall not constitute a default for any purpose.

If a purchase by the Issuer takes place without fulfilment by the Issuer of the conditions of the above paragraph, the purchase will be canceled and the holder of the Undated Deeply Subordinated Notes will be obliged to repay or return to the Issuer all amounts received from the Issuer.

Such Notes purchased in accordance with the first paragraph above may be held, resold or, at the option of the Issuer or the relevant subsidiary, cancelled by Interbolsa following receipt by Interbolsa of notice thereof by or on behalf of the Issuer. Notes purchased, while held by or on behalf of the Issuer or any subsidiary of the Issuer shall not entitle the holder to vote at any meetings of the Noteholders and shall not be deemed to be outstanding for the purposes of calculating quorums at meetings of the Noteholders or for the purposes of Condition 14 or the Agency Agreement.

(g) Cancellation

All Notes which are redeemed will forthwith be cancelled. All Notes so cancelled and any Notes purchased or substituted and cancelled pursuant to paragraph (f) above or Condition 18 below cannot be reissued or resold.

Condition 6 describes the legal and regulatory regime applicable to Undated Deeply Subordinated Notes and accordingly the provisions of Condition 6 are subject to any changes in that legal and regulatory regime

7. TAXATION

(a) Taxation relating to all payments by the Issuer in respect of Notes not issued within the scope of Decree-Law no. 193/2005, of 7 November 2005

All payments of interest in respect of the Notes by the Issuer and not issued within the scope of the Decree-Law no. 193/2005, of 7 November 2005 (the "**Decree-Law**") will be made after withholding (except where the Noteholder is either a Portuguese resident financial institution or a non-resident financial institution having a permanent establishment

in the Portuguese territory to which the income is attributable or benefits from a reduction or withholding tax exemption as specified by current Portuguese tax law) or deduction for or on account of any present or future taxes or duties of whatever nature imposed or levied by or on behalf of the Republic of Portugal which are required by law. No additional amounts will be paid by the Issuer in respect of such withholding or deduction.

(b) *Taxation relating to all payments by the Issuer in respect of the Notes issued within the scope of the Decree-Law*

All payments of principal and interest in respect of the Notes issued within the scope of the Decree-Law by the Issuer will be made without withholding or deduction for or on account of any present or future taxes or duties of whatever nature imposed or levied by or on behalf of the Tax Jurisdiction unless such withholding or deduction is required by law or regulation. In such event, the Issuer will pay such additional amounts as shall be necessary in order that the net amounts received by the holders of the Notes after such withholding or deduction shall equal the respective amounts of interest which would otherwise have been receivable in respect of the Notes issued within the scope of the Decree-Law in relation to any payment of interest in the absence of such withholding or deduction; except that no such additional amounts shall be payable:

(i) to, or to a third party on behalf of, a Noteholder in the Tax Jurisdiction; and/or

(ii) to, or to a third party on behalf of, a Noteholder who is liable for such taxes or duties in respect of such Note by reason of his having some connection with a Tax Jurisdiction other than the mere holding of such Note; and/or

(iii) where the relevant Certificate is presented for payment more than 30 days after the Relevant Date (as defined below) except to the extent that the holder thereof would have been entitled to an additional amount on presenting the same for payment on such 30th day assuming that day to have been a Payment Day (as defined in Condition 5(d)); and/or

(iv) to, or to a third party on behalf of, a Noteholder in respect of whom the information (which may include certificates) required in order to comply with the Decree-Law, and any implementing legislation, is not received by no later than the second ICSD Business Day prior to Relevant Date, or which does not comply with the formalities in order to benefit from tax treaty benefits, when applicable; and/or

(v) to, or to a third party on behalf of, a Noteholder (i) resident for tax purposes in the Tax Jurisdiction or when the investment income is imputable to a permanent establishment of the Noteholder located in Portuguese territory or (ii) resident in a tax haven jurisdiction as defined in Ministerial Order (*Portaria*) no. 150/2004, of 13 February 2004, as amended from time to time, with the exception of (a) central banks and governmental agencies, as well as international institutions recognised by the Tax Jurisdiction, of those tax haven jurisdictions, and (b) tax haven jurisdictions which have a double taxation treaty in force or a tax information exchange agreement in place with the Tax Jurisdiction provided that all procedures and information required under Decree-Law no. 193/2005, of 7 november 2005, as amended, regarding (a) and (b) above are complied with; and/or

(vi) to, or to a third party on behalf of (a) a Portuguese resident legal entity subject to Portuguese corporation tax (with the exception of entities that benefit from a waiver of Portuguese withholding tax or from Portuguese

income tax exemptions), or (b) a legal entity not resident in the Republic of Portugal acting with respect to the holding of the Notes through a permanent establishment located in the Portuguese territory (with the exception of permanent establishments that benefit from a waiver of Portuguese withholding tax).

For the purposes of this Condition 7:

"**ICSD Business Day**" means any day which

(i) is not a Saturday or Sunday; and

(ii) is not 25 December or 31 December.

"**Relevant Date**" means the date on which such payment first becomes due, except that, if the full amount of the moneys payable has not been duly received by the Paying Agent on or prior to such due date, it means the date on which, the full amount of such moneys having been so received, notice to that effect is duly given to the Noteholders in accordance with Condition 11.

For the purposes of these Conditions:

"**Tax Jurisdiction**" means the Republic of Portugal or any political subdivision or any authority thereof or therein having power to tax.

The payment of any additional amount by the Issuer is only possible if it does not exceed its Distributable Items.

Any obligation to pay additional amounts provided for in this Condition 7 will be limited to cover withholdings or deductions in respect of payments of interest (and not, for the avoidance of doubt, payments of principal or any other amounts) in respect of the Notes.

8. PRESCRIPTION

Claims for principal and interest in respect of the Notes shall become void unless the relevant Certificates are surrendered within twenty years and five years respectively of the Relevant Date.

9. EVENTS OF DEFAULT

There will be no events of default in respect of the Undated Deeply Subordinated Notes.

10. PAYING AGENT

The name of the initial Paying Agent and its initial specified office are set out below.

The Issuer is entitled to vary or terminate the appointment of the Paying Agent and/or appoint additional or other paying agents and/or approve any change in the specified office through which any paying agent acts, provided that:

(a) there will at all times be a paying agent with its specified office in a country outside the Tax Jurisdiction;

(b) so long as the Notes are listed on any stock exchange or admitted to listing by any other relevant authority, there will at all times be a paying agent with a specified office in such place as may be required by the rules and regulations of the relevant stock exchange (or any other relevant authority); and

(c) there will at all times be a paying agent in Portugal capable of making payment in respect of the Notes as contemplated by these terms and conditions of the Notes, the Agency Agreement and applicable Portuguese law and regulation.

In acting under the Agency Agreement, the paying agents act solely as agents of the Issuer and do not assume any obligation to, or relationship of agency or trust with, any Noteholders. The Agency Agreement contains provisions permitting any entity into which any paying agent is merged or converted or with which it is consolidated or to which it transfers all or substantially all of its assets to become the successor paying agent.

11. NOTICES

All notices regarding the Notes will be deemed to be validly given on the date of such publication if published (i) if and for so long as the Notes are admitted to trading on the Bourse de Luxembourg (the regulated market of the Luxembourg Stock Exchange) and to listing on the Official List of the Luxembourg Stock Exchange, by means of electronic publication on the website of the Luxembourg Stock Exchange (www.bourse.lu) (ii) by registered mail or by any other way which complies with the Portuguese Securities Code and Interbolsa's rules on notices to investors, notably the disclosure of information through the CMVM's official website (www.cmvm.pt). The Issuer shall also ensure that notices are duly published in a manner which complies with the rules and regulations of any stock exchange (or any other relevant authority) on which the Notes are for the time being listed. Any such notice will be deemed to have been given on the date of the first publication or, where required to be published in more than one newspaper, on the date of the first publication in all required newspapers, and, in the case of publication on the websites of the Luxembourg Stock Exchange (www.bourse.lu) or of CMVM (www.cmvm.pt) on the date of such publication.

Any holder of a Note may give notice to the Paying Agent through Interbolsa in such manner as the Paying Agent, the Agent and Interbolsa may approve for this purpose.

12. MEETINGS OF NOTEHOLDERS, MODIFICATION AND WAIVER

Meetings may be convened by the Common Representative (if any) or, if (i) no Common Representative has been appointed or (ii) if appointed, the relevant Common Representative has failed to convene a meeting, by the chairman of the general meeting of shareholders of the Issuer, and shall be convened if requested by Noteholders holding not less than 5 per cent. in principal amount of the Notes for the time being outstanding. The quorum required for a meeting convened to pass a resolution other than an Extraordinary Resolution will be any person or persons holding or representing Notes then outstanding, regardless of the principal amount thereof; and the quorum required for a meeting convened to pass an Extraordinary Resolution will be a person or persons holding or representing at least 50 per cent. of the Notes then outstanding or, at any adjourned meeting, any person or persons holding or representing any of the Notes then outstanding, regardless of the principal amount thereof.

The number of votes required to pass a resolution other than an Extraordinary Resolution is a majority of the votes cast at the relevant meeting; the majority required to pass an Extraordinary Resolution, including, without limitation, a resolution relating to the modification or abrogation of certain of the provisions of these Conditions, is at least 50 per cent. of the principal amount of the Notes then outstanding or, at any adjourned meeting, two-thirds of the votes cast at

the relevant meeting regardless of any quorum. Resolutions passed at any meeting of the Noteholders will be binding on all Noteholders, whether or not they are present at the meeting or have voted against the approved resolutions.

Without prejudice to the provision of Condition 2, Condition 4 and Condition 6, an "**Extraordinary Resolution**" means a resolution passed at a meeting of Noteholders in respect of any of the following matters:

(i) any modification or abrogation of any Condition (including without limiting, modifying any date for payment of interest thereon, reducing or cancelling the amount of principal or the rate of interest payable in respect of the Notes or altering the currency of payment of the Notes); or

(ii) to approve any amendment to this definition.

Without prejudice to the provision of Condition 4, the Agent or the Calculation Agent (if any) and the Issuer may agree, without the consent of the Noteholders, to:

(i) any modification (except as mentioned above) of the Notes or Agency Agreement (in this case with the agreement of the Agent) which is not prejudicial to the interests of the Noteholders; or

(ii) any modification of the Notes, or the Agency Agreement (in this case with the agreement of the Agent) which is of a formal, minor or technical nature or is made to correct a manifest error or to comply with mandatory provisions of law.

Any such modification shall be binding on the Noteholders and any such modification shall be notified to the Noteholders in accordance with Condition 11 as soon as practicable thereafter.

For the avoidance of doubt any modifications (with or without the consent of the Noteholders) to the terms of the Notes may only be made with the prior consent of the Competent Authority and shall not take effect until such consent is obtained.

13. GOVERNING LAW AND SUBMISSION TO JURISDICTION

(a) Governing law

The Notes and any non-contractual obligations arising from it shall be construed in accordance with Portuguese law.

(b) Submission to jurisdiction

The Issuer agrees, for the exclusive benefit of the Noteholders, that the courts of Portugal are to have jurisdiction to settle any disputes which may arise out of or in connection with the Notes, including any non-contractual obligations arising from it and that accordingly any suit, action or proceedings (together referred to as "**Proceedings**") arising out of or in connection with the Notes may be brought in such courts.

The Issuer hereby irrevocably waives any objection which it may have now or hereafter to the laying of the venue of any such Proceedings in any such court and any claim that any such Proceedings have been brought in an inconvenient forum and hereby further irrevocably agrees that a judgment in any such Proceedings brought in the Portuguese courts shall be conclusive and binding upon it and may be enforced in the courts of any other jurisdiction.

Nothing contained in this Condition shall limit any right to take Proceedings against the Issuer in any other court of competent jurisdiction, nor shall the taking of Proceedings in one or more jurisdictions preclude the taking of Proceedings in any other jurisdiction, whether concurrently or not.

14. COMMON REPRESENTATIVE

The holders of the Notes shall at all times be entitled to appoint and dismiss a Common Representative by means of a Resolution. Upon the appointment of a new Common Representative by the holders of the Notes pursuant to this Condition, any previously appointed and dismissed Common Representative will immediately cease its engagement and will be under the obligation immediately to transfer to the new Common Representative appointed by the holders of the Notes all documents and information then held by such Common Representative pertaining to the Notes.

As used herein: "**Common Representative**" means a law firm, an accountant's firm, a financial intermediary, an entity authorised to provide proxy services in a member-state or an individual person (which may not be a holder of Notes), which may be appointed by the holders of Notes under Article 358 of the Portuguese Commercial Companies Code.

15. ACKNOWLEDGEMENT OF PORTUGUESE STATUTORY LOSS ABSORPTION POWERS

Notwithstanding any other term of the Notes or any other agreement, arrangement or understanding between the Issuer and the Noteholders, by its subscription and/or purchase and holding of the Notes, each Noteholder (which for the purposes of this Condition 15 includes each holder of a beneficial interest in the Notes) acknowledges, accepts, consents and agrees:

(i) to be bound by the effect of the exercise of the Bail-in Power by the Relevant Resolution Authority, which may include and result in any of the following, or some combination thereof:

(A) the reduction of all, or a portion, of the Amounts Due on a permanent basis;

(B) the conversion of all, or a portion, of the Amounts Due into shares, other securities or other obligations of the Issuer or another person (and the issue to the holder of such shares, securities or obligations), including by means of an amendment, modification or variation of the terms of the Notes, in which case the Noteholder agrees to accept in lieu of its rights under the Notes any such shares, other securities or other obligations of the Issuer or another person;

(C) the cancellation of the Notes or Amounts Due; or

(D) the amendment or alteration of the maturity of the Notes or amendment of the Interest Amount payable on the Notes, or the date on which the interest becomes payable, including by suspending payment for a temporary period; and

(ii) that the terms of the Notes are subject to, and may be varied, if necessary, to give effect to, the exercise of the Bail-in Power by the Relevant Resolution Authority.

No repayment or payment of Amounts Due on the Notes or the Coupons will become due and payable or be paid after the exercise of any Bail-in Power if and to the extent that such amounts have been reduced, converted, cancelled, suspended (for so long as such suspension or moratorium is outstanding), amended or altered as a result of such exercise.

Upon the Issuer being informed or notified by the Relevant Resolution Authority of the actual exercise of any Bail-in Power with respect to the Notes, the Issuer shall notify the Noteholders without delay. Any delay or failure by the Issuer to give notice shall not affect the validity and enforceability of the Bail-in Power nor the effects on the Notes described in this Condition 15.

The exercise of the Bail-in Power by the Relevant Resolution Authority with respect to the Notes shall not constitute a default or an event of default for any purpose and the Conditions of the Notes shall continue to apply in relation to the residual principal amount of, or outstanding amount payable with respect to, the Notes subject to any modification of the amount of distributions payable to reflect the reduction of the principal amount, and any further modification of the terms that the Relevant Resolution Authority may decide in accordance with applicable laws and regulations, including the RGICSF and the SRM Regulation, relating to the resolution of credit institutions, investment firms incorporated in Portugal.

Each Noteholder also acknowledges and agrees that this provision is exhaustive on the matters described herein to the exclusion of any other agreements, arrangements or understandings relating to the application of any Bail-in Power to the Notes.

The exercise of the Bail-Power by the Relevant Resolution Authority pursuant to any relevant laws, regulations, rules or requirements in effect in the Republic of Portugal is not dependent on the application of this Condition 15.

For the purposes of this Condition 15:

"**Amounts Due**" means the principal amount, together with any accrued but unpaid interest, and any additional amounts referred to in Condition 7, if any, due on the Notes. References to such amounts will include amounts that have become due and payable, but which have not been paid, prior to the exercise of the Bail-in Power by the Relevant Resolution Authority;

"**Bail-in Power**" means any statutory write-down, conversion, transfer, modification, or suspension power existing from time to time under, and exercised in compliance with, any laws, regulations, rules or requirements relating to the resolution of credit institutions and investment firms incorporated in the Republic of Portugal, in effect and applicable to the Issuer, including the laws, regulations, rules or requirements relating to relating to (A) the transposition of the BRRD (including, but not limited to, Law No. 23-A/2015 of 26 March 2015, which amended the RGICSF), (B) SRM Regulation and (C) the instruments, rules and standards created thereunder, pursuant to which any obligation of certain entities as set out in such law, regulation, rules or requirements can be reduced, cancelled, suspended, modified, or converted into shares, other securities, or other obligations;

"**Relevant Resolution Authority**" means any authority lawfully entitled to exercise or participate in the exercise of any Bail-in Power from time to time; and

Regulation (EU) No. 806/2014 of the European Parliament and of the Council of 15 July 2014, establishing uniform rules and a uniform procedure for the resolution of credit institutions and certain investment firms in the framework of the Single Resolution Mechanism and the Single Resolution Fund and amending Regulation (EU) No. 1093/2010, as amended or superseded from time to time.

16. WAIVER OF SET-OFF

No Noteholder may at any time exercise or claim any Waived Set-Off Rights against any right, claim, or liability the Issuer has or may have or acquire against such Noteholder, directly or indirectly, howsoever arising (and, for the avoidance of doubt, including all such rights, claims and liabilities arising under or in relation to any and all agreements or other instruments of any sort, whether or not relating to such Note) and each Noteholder shall be deemed to have waived all Waived Set-Off Rights to the fullest extent permitted by applicable law in relation to all such actual and potential rights, claims and liabilities. Notwithstanding the preceding sentence, if any of the amounts owing to any Noteholder by the Issuer in respect of, or arising under or in connection with the Notes is discharged exercising a right comprised within the Waived Set-Off Rights, such Noteholder shall, subject to applicable law, immediately pay an amount equal to the amount of such discharge to the Issuer and, until such time as payment is made, shall hold an amount equal to such amount in trust for the Issuer and accordingly any such discharge shall be deemed not to have taken place.

For the avoidance of doubt, nothing in this Condition is intended to provide, or shall be construed as acknowledging, any right of deduction, set-off, netting, compensation, retention or counterclaim or that any such right is or would be available to any Noteholder of any Note but for this Condition.

(a) Definitions

"Waived Set-Off Rights" means any and all rights of or claims of any Noteholder for deduction, set-off, netting, compensation, retention or counterclaim arising directly or indirectly under or in connection with any Note.Undertakings

So long as any Notes remains outstanding, the Issuer commits not to perform any action that would result in a Capital Ratio Event.

17. SUBSTITUTION AND VARIATION

If a Capital Event, or a circumstance giving rise to the right of the Issuer to redeem the Notes for taxation reasons under Condition 6 (b) occurs and is continuing, the Issuer may substitute all (but not some only) of the Notes (as the case may be) or modify the terms of all (but not some only) of the Notes, without any requirement for the consent or approval of the Noteholders, so that they are substituted for, or varied to, become, or remain, Qualifying Additional Tier 1 Notes, subject to having given not less than 15 nor more than 30 days' notice to the Noteholders in accordance with Condition 11, the Agent (which notice shall be irrevocable and shall specify the date for substitution or, as applicable, variation), and subject to obtaining the prior consent of the Competent Authority if and as required therefor under Capital Regulations in force at the relevant time.

Any such notice shall specify the relevant details of the manner in which such substitution or variation shall take effect and where the Noteholders can inspect or obtain copies of the new terms and conditions of the Notes. Such substitution or variation will be effected without any cost or charge to the Noteholders.

Noteholders shall, by virtue of subscribing and/or purchasing and holding any Notes, be deemed to accept the substitution or variation of the terms of such Notes and to grant to the Issuer full power and authority to take any action and/or to execute and deliver any document in the name and/or on behalf of the Noteholders which is necessary or convenient to complete the substitution or variation of the terms of the Notes.

(a) Definitions:

"**Qualifying Additional Tier 1 Notes**" means, at any time, any securities denominated in the Specified Currency and issued directly by the Issuer not otherwise materially less favourable to the Noteholders than the terms of the Notes provided that such securities shall:

(i) contain terms such that they comply with the applicable regulatory capital requirements in relation to Additional Tier 1 capital pursuant to the Capital Regulations in force at the relevant time;

(ii) carry the same rate of interest as the Notes prior to the relevant substitution or variation pursuant to this Condition 18; and

(iii) have the same denomination and aggregate outstanding principal amount as the Notes prior to the relevant substitution or variation pursuant to this Condition 18; and

(iv) have the same dates for payment of interest as the Notes prior to the relevant substitution or variation pursuant to this Condition 18; and

(v) have at least the same ranking as set out in Condition 2; and

(vi) without prejudice of Condition 4(e) (*Accrual of Interest*) preserve any existing rights to any accrued and unpaid interest and any other amounts payable under the Notes which has accrued to Noteholders and has not been paid; and

(vii) be listed or admitted to trading on any stock exchange as selected by the Issuer, if the Notes were listed or admitted to trading on a stock exchange immediately prior to the relevant substitution or variation pursuant to this Condition 18.

For the avoidance of doubt, any variation in the ranking of the relevant Notes as set out in Condition 2 resulting from any such substitution or modification shall be deemed not to be materially less favourable to the interests of the Noteholders of the Notes where the ranking of such Notes following such substitution or modification is at least the same ranking as is applicable to such Notes under Condition 2 on the issue date of such Notes.

TAXATION

The tax legislation of the investor's Member State and of the Issuer's country of incorporation may have an impact on the income received from the Notes. This section (Taxation) contains information on the taxation treatment of the Notes. However, prospective purchasers of Notes are advised to consult their tax advisers on the tax consequences, under the tax laws of the country in which they are resident, of a purchase of Notes, including, but not limited to, the consequences of receipts deriving from interest, as well as from the sale or redemption of Notes.

The following descriptions are general summaries of certain taxation matters based on applicable law and practice currently in effect in the relevant jurisdictions. Nothing in this section constitutes tax, legal or financial advice, and the summaries contained herein are of a general nature and do not cover all aspects of taxation in the relevant jurisdictions that may be relevant to any particular holder of Notes. Prospective investors in the Notes should consult their professional advisers on the tax implications for them of an investment in the Notes.

Luxembourg Taxation

Withholding Tax

(i) Non-resident holders of Notes

Under Luxembourg general tax laws currently in force, there is no withholding tax on payments of principal, premium or interest made to non-resident holders of Notes, nor on accrued but unpaid interest in respect of the Notes, nor is any Luxembourg withholding tax payable upon redemption or repurchase of the Notes held by non-resident holders of Notes.

(ii) Resident holders of Notes

Under Luxembourg general tax laws currently in force and subject to the law of 23 December 2005, as amended (the "**Law**"), there is no withholding tax on payments of principal, premium or interest made to Luxembourg resident holders of Notes, nor on accrued but unpaid interest in respect of Notes, nor is any Luxembourg withholding tax payable upon redemption or repurchase of Notes held by Luxembourg resident holders of Notes.

Under the Law, payments of interest or similar income made or ascribed by a paying agent established in Luxembourg to an individual beneficial owner who is resident of Luxembourg will be subject to a withholding tax of 20 per cent.. Such withholding tax will be in full discharge of income tax if the beneficial owner is an individual acting in the course of the management of his/her private wealth. Responsibility for the withholding of the tax will be assumed by the Luxembourg paying agent. Payments of interest under the Notes coming within the scope of the Law will be subject to a withholding tax at a rate of 20 per cent..

Republic of Portugal Taxation

The following description summarises the material anticipated tax consequences relating to an investment in the Notes according to Portuguese law. The description does not deal with all possible consequences of an investment in the Notes and is not intended as tax advice. Accordingly, each prospective investor should consult its own professional advisor regarding the tax consequences to it of an investment in the Notes under local or foreign laws to which it may be subject. This summary is based upon the law as in effect on the date of this Base Prospectus and is subject to any change in law that may take effect after such date.

Portuguese taxation relating to all payments by the Issuer in respect of Notes issued within the scope of the Decree-Law

This section summarises the tax consequences of holding Notes issued by the Issuer when such Notes are centralised within an EU or EEA based international clearing system (provided, in the latter case, that the EEA State is bound to cooperate with Portugal under an administrative cooperation arrangement in tax matters similar to the exchange of information schemes in relation to tax matters existing within the EU Member States) and have been issued within the scope of the Decree-Law. References in this section are construed accordingly.

Investment income (i.e. economic benefits derived from interest, amortisation or reimbursement premiums as well as other forms of remuneration which may be paid under the Notes) on the Notes, paid to a corporate holder of the Notes (who is the effective beneficiary thereof (the "**Beneficiary**")) resident for tax purposes in Portuguese territory or to a non-Portuguese resident having a permanent establishment therein to which income is imputable, is subject to withholding tax currently at a rate of 25 per cent., except where the Beneficiary is a Portuguese resident financial institution (or a non-resident financial institution having a permanent establishment in the Portuguese territory to which income is imputable), a collective investment undertakings constituted and operating under the laws of Portugalor benefits from a reduction or a withholding tax exemption as specified by current Portuguese tax law (such as pension funds, retirement and/or education savings funds, venture capital funds constituted and operating under the laws of Portugal). In relation to Beneficiaries that are corporate entities resident in Portuguese territory (or non-residents having a permanent establishment therein to which income is imputable), withholding tax is treated as a payment in advance and, therefore, such Beneficiaries are entitled to claim appropriate credit against their final corporate income tax liability.

If the payment of interest or other investment income on Notes is made available to Portuguese resident individuals, withholding tax applies at a rate of 28 per cent., which is the final tax on that income unless the individual elects to include such income in his taxable income, subject to tax at progressive income tax rates of up to 48 per cent.. In the latter circumstance an additional income tax will be due on the part of the taxable income exceeding EUR as follows: (i) 2.5 per cent. on the part of the taxable income exceeding EUR 80,000 up to EUR 250,000, and (ii) 5 per cent. on the remaining part (if any) of the taxable income exceeding EUR 250,000. Investment income paid or made available on accounts held by one or more parties on account of unidentified third parties is subject to a withholding tax rate of 35 per cent., except where the beneficial owner of the income is identified, in which case the general rules will apply.

Investment income paid or made available on accounts held by one or more parties on account of unidentified third parties is subject to a withholding tax rate of 35 per cent., except where the beneficial owner of the income is identified, in which case the general rules will apply.

Under the Decree Law, investment income classified as obtained in Portuguese territory paid to Beneficiaries considered non-Portuguese resident in respect of debt securities integrated in (i) a centralised system for securities managed by an entity resident for tax purposes in Portugal (such as CVM managed by Interbolsa), or (ii) an international clearing system operated by a managing entity established in a member state of the EU other than Portugal (e.g. Euroclear or Clearstream, Luxembourg) or in a European Economic Area Member State provided, in this case, that such State is bound to cooperate with Portugal under an administrative cooperation arrangement in tax matters similar to the exchange of information schemes in relation to tax matters existing within the EU Member States or (iii) integrated in other centralised systems not covered above provided that, in this last case, the Portuguese Government authorises the application of the Decree-Law, as well as capital gains derived from a sale or other disposition of such Notes, will be exempt from Portuguese taxation.

For the withholding tax exemption to apply, the Decree-Law requires that the Beneficiary are: (i) central banks and agencies bearing governmental nature; or (ii) international bodies recognised by the Portuguese State; or (iii) entities

resident in countries with whom Portugal has in force a double tax treaty or a tax information exchange agreement; or (iv) other entities without headquarters, effective management or a permanent establishment in the Portuguese territory to which the relevant income is attributable and which are not domiciled in a blacklisted jurisdiction as set out in the Ministerial Order (*Portaria*) no. 150/2004, of 13 February 2014, as amended.

In addition, the Beneficiary shall comply with the evidence requirements and procedures of non-residence status set forth in the Decree Law. If the procedures and certifications of non-residence status or the requirements to benefit from the withholding tax exemption are not complied with a Portuguese withholding tax will apply at a rate of 25 per cent. (in case of non-resident entities), at a rate of 28 per cent. (in case of non-resident individuals) or at a rate of 35 per cent. (in case of investment income payments (i) to individuals or companies domiciled in a "low tax jurisdiction" list approved by Ministerial Order (*Portaria*) no. 150/2004, of 13 February 2004, as amended from time to time or (ii) to accounts opened in the name of one or more accountholders acting on behalf of one or more unidentified third parties, in which the relevant beneficial owner(s) of the income is/are not identified), as the case may be, or if applicable, at reduced withholding tax rates pursuant to tax treaties signed by the Republic of Portugal, provided that the procedures and certification requirements established by the relevant tax treaty are complied with.

Under the Decree-Law, the Notes must be held through an account with one of the following entities: (i) a direct registered entity, which is the entity with which the debt securities accounts that are integrated in the centralised system are opened ; (ii) an indirect registered entity, which, although not assuming the role of the "*direct registered entities*", is a client of the latter; or (iii) an entity managing international clearing system which is an entity that proceeds, in the international market, to clear, settle or transfer securities which are integrated in centralised systems or in their own registration systems Capital gains obtained on the disposal of Notes issued by Banco BPI through its Lisbon office, by individuals and by corporate entities not resident in the Republic of Portugal and without a permanent establishment therein to which the income or gain are attributable for tax purposes are exempt of taxation. This exemption shall not apply, if the Noteholder (i) is an entity with headquarters, effective management or a permanent establishment in the Portuguese territory to which the relevant income is attributable or (ii) is resident in a jurisdiction with a more favourable tax regime than Portugal, as in Ministerial Order *(Portaria*) no. 150/2004, of 13 February 2004, as amended from time to time, with whom Portugal has not in force a double tax treaty or a tax information exchange agreement.

If the above exemption does not apply, and the holder is a corporate entity the gains will be subject to corporate income tax at a rate of 25 per cent.. Capital gains obtained by individuals that are not entitled to said exemption will be subject to a 28 per cent. flat rate. Under the tax treaties entered into by Portugal, such gains are usually not subject to Portuguese corporate income tax, but the applicable rules should be confirmed on a case by case basis.

Capital gains obtained on the disposal of Notes issued by the Issuer, by corporate entities resident for tax purposes in the Republic of Portugal and by non-residents corporate entities with a permanent establishment therein to which the income or gain are attributable are included in their taxable income and are subject to a corporate tax at a rate of (i) 21 per cent. or (ii) if the taxpayer is a small or medium enterprise as established in Decree-Law no. 372/2007, of 6 November 2007, 17 per cent. for taxable profits up to EUR 25,000 and 21 per cent. on profits in excess thereof to which may be added a municipal surcharge (*derrama municipal*) of up to 1.5 per cent. of its taxable income. Corporate taxpayers with a taxable income of more than EUR 1,500,000 are also subject to State surcharge (*derrama estadual*) of (i) 3 per cent. on the part of its taxable profits exceeding EUR 1,500,000 up to EUR 7,500,000, (ii) 5 per cent. on the part of the taxable profits that exceeds EUR 7,500,000 up to EUR 35,000,000, and (iii) 9 per cent. on the part of the taxable profits that exceeds EUR 35,000,000.

Capital gains obtained on the disposal of Notes issued by the Issuer, by individuals resident for tax purposes in the Republic of Portugal are subject to tax at a rate of 28 per cent. levied on the positive difference between the capital gains and capital losses of each year, unless the individual elects to include such income in his taxable income, subject to tax at progressive income tax rates of up to 48 per cent. In the latter circumstance an additional income tax will be due on the part of the taxable income exceeding EUR 80,000 as follows: (i) 2.5 per cent. on the part of the taxable income exceeding EUR 80,000 up to EUR 250,000 and (ii) 5 per cent. on the remaining part (if any) of the taxable income exceeding EUR 250,000.

Domestic Cleared Notes – held through a direct registered entity

Direct registered entities are required to register the Noteholders in one of two accounts: (i) an exempt account or (ii) a non-exempt account. Registration in the exempt account is crucial for the tax exemption to apply upfront and requires evidence of the non-resident status of the Beneficiary, to be provided by the Noteholder to the direct registered entity (this will have to be made by no later than the second ICSD Business Day prior to the Relevant Date, as defined in Condition 7 of the Terms and Conditions of the Notes (*Taxation*)), as follows:

(i) if the Beneficiary is a central bank, an international body recognised as such by the Portuguese State, or a public law entity and respective agencies, a declaration issued by the beneficial owner of the Notes itself duly signed and authenticated, or proof of non-residence pursuant to (iv) below. The respective proof of non-residence in Portugal is provided once, its periodical renewal not being necessary and the beneficial owner should inform the direct register entity immediately of any change in the requisite conditions that may prevent the tax exemption from applying;

(ii) if the Beneficiary is a credit institution, a financial company, a pension fund or an insurance company domiciled in any OECD country or in a country with which Portugal has entered into a double taxation treaty, certification shall be made by means of the following: (A) its tax identification official document; or (B) a certificate issued by the entity responsible for such supervision or registration, or by tax authorities, confirming the legal existence of the beneficial owner of the Notes and its domicile; or (C) proof of non-residence pursuant to (iv) below. The respective proof of non-residence in Portugal is provided once, its periodical renewal not being necessary and the beneficial owner should inform the direct register entity immediately of any change in the requisite conditions that may prevent the tax exemption from applying;

(iii) if the Beneficiary is an investment fund or other collective investment scheme domiciled in any OECD country or in a country with which the Republic of Portugal has entered into a double tax treaty in force or a tax information exchange agreement in force, it must provide (a) a declaration issued by the entity responsible for its supervision or registration or by the relevant tax authority, confirming its legal existence, domicile and law of incorporation; or (b) proof of non-residence pursuant to the terms of paragraph (iv) below; The respective proof of non-residence in Portugal is provided once, its periodical renewal not being necessary and the beneficial owner should inform the direct register entity immediately of any change in the requisite conditions that may prevent the tax exemption from applying;

(iv) other investors will be required to prove of their non-resident status by way of: (a) a certificate of residence or equivalent document issued by the relevant tax authorities; (b) a document issued by the relevant Portuguese Consulate certifying residence abroad; or (c) a document specifically issued by an official entity which forms part of the public administration (either central, regional or peripheral, indirect or autonomous) of the relevant country. The Beneficiary must provide an original or a certified copy of such documents and, as a rule, if such documents do not refer to a specific year and do not expire, they must have been

issued within the three years prior to the relevant payment or maturity dates or, if issued after the relevant payment or maturity dates, within the following three months. The Beneficiary must inform the direct registering entity immediately of any change in the requirement conditions that may eliminate the tax exemption.

Internationally Cleared Notes – held through an entity managing an international clearing system

Pursuant to the requirements set forth in the tax regime, if the Notes are registered in an account held by an international clearing system operated by a managing entity, the latter shall transmit, on each interest payment date and each relevant redemption date, to the direct register entity or to its representative, and with respect to all accounts under its management, the identification and quantity of securities, as well as the amount of income, and, when applicable, the amount of tax withheld, segregated by the following categories of beneficiaries:

(a) Entities with residence, headquarters, effective management or permanent establishment to which the income would be imputable and which are non-exempt and subject to withholding;

(b) Entities which have residence in country, territory or region with a more favourable tax regime, included in the Portuguese "blacklist" (countries and territories listed in Ministerial Order (*Portaria*) no. 150/2004, of 13 February 2004, as amended from time to time and which are non-exempt and subject to withholding;

(c) Entities with residence, headquarters, effective management or permanent establishment to which the income would be imputable, and which are exempt or not subject to withholding;

(d) Other entities which do not have residence, headquarters, effective management or permanent establishment to which the income generated by the securities would be imputable.

On each interest payment date and each relevant redemption date, the following information with respect to the beneficiaries that fall within the categories mentioned in paragraphs (a), (b) and (c) above, should also be transmitted:

(a) Name and address;

(b) Tax identification number (if applicable);

(c) Identification and quantity of the securities held; and

(d) Amount of income generated by the securities.

If the conditions for the exemption to apply are met, but, due to inaccurate or insufficient information, tax was withheld, a special refund procedure is available under the special regime approved by Decree-law 193/2005, of 7 November 2005, as amended from time to time. The refund claim is to be submitted to the direct register entity of the Notes within 6 months from the date the withholding took place. Following the amendments to Decree-Law no. 193/2005 of 7 November 2005, as amended, a new special tax form for these purposes was approved by Order *("Despacho")* no. 2937/2014, published in the Portuguese official gazette, second series, no. 37, of 21 February 2014, issued by the Secretary of State of Tax Affairs (*"Secretário de Estado dos Assuntos Fiscais"*).

The refund of withholding tax after the above six-month period is to be claimed from the Portuguese tax authorities within two years, starting from the term of the year in which the withholding took place.

The absence of evidence of non-residence in respect to any non-resident entity which benefits from the above mentioned tax exemption regime shall result in the loss of the tax exemption and consequent submission to applicable Portuguese general tax provisions.

Common Reporting Standard and Directive 2014/107/EU

The OECD approved, in 2014, a Common Reporting Standard ("**CRS**") with the aim of providing comprehensive and multilateral automatic exchange of financial account information ("**AEOI**") on a global basis. This goal is achieved through an annual exchange of information between the governments of the more than 100 jurisdictions ("**participating jurisdictions**") that have already adopted the CRS.

Under the CRS, reporting financial institutions are required to identify the holders of financial assets, and determine whether these holders are tax resident in a participating jurisdiction. If so, financial institutions are required to report to the competent tax authorities the financial account information of the account holder (which includes certain entities and their controlling persons), which subsequently are reported to the tax authorities of the country of residence of the holder. As such, a financial institution may require Investors do provide further information and/or documentation in relation to their identity and tax residence, in order to ascertain their CRS status.

On 9 December 2014, Council Directive 2014/107/EU amending Directive 2011/16/EU as regards mandatory automatic exchange of information in the field of taxation was adopted in order to implement the CRS among the Member States. This Directive was transposed to Portuguese national law on October 2016, via Decree-Law no. 64/2016, of October 11 ("**Portuguese CRS Law**"), which amended Decree-Law number 61/2013, of 10 May 2013, which transposed Directive 2011/16/EU. The Portuguese CRS Law and Decree-Law no. 61/2013, have been amended by Law no. 98/2017, of 24 August 2017 and Law no. 17/2019, of 14 February 2019.

FATCA

The Issuer and other non-US financial institutions through which payments on the Notes are made may be required to withhold US tax at a rate of 30 per cent. or at a rate resulting from multiplying 30 per cent. by the positive "passthrough percentage" (as defined in US Foreign Account Tax Compliance Act ("**FATCA**")) of the Issuer or of the other non-US financial institutions through which payments on the Notes are made, to the payments made after 31 December 2014 in respect of (i) any Notes issued after 18 March 2012 and (ii) any Notes which are treated as equity for US federal tax purposes, whenever issued, pursuant to the FATCA.

This withholding tax may be triggered if (i) the Issuer is a foreign financial institution ("**FFI**") (as defined in FATCA) which enters into and complies with an agreement with the US Internal Revenue Service ("**IRS**") to provide certain information on its account holders (a term which includes the holders of its debt or equity interests that are not regularly traded on an established securities market) (making the Issuer a participating FFI), and (ii) (a) an investor does not provide information sufficient for the participating FFI to determine whether the investor is a US person or should otherwise be treated as holding a "United States Account" of the Issuer, or (b) any FFI through which payment on such Notes is made is not a participating FFI.

If an amount in respect of US withholding tax were to be deducted or withheld from interest, principal or other payments on the Notes as a result of a holder's failure to comply with these rules or as a result of the presence in the payment chain of a non-participating FFI, neither the Issuer nor any paying agent nor any other person would, pursuant to the conditions of the Notes be required to pay additional amounts as a result of the deduction or withholding of such tax. As a result, investors may receive less interest or principal than expected. Holders of Notes should consult their own tax advisers on how these rules may apply to payments they receive under the Notes.

Portugal has implemented, through Law no. 82-B/2014, of 31 December 2014, and Decree Law no. 64/2016, of 11 of October, amended by Law no. 98/2017, of 24 August 2017 and Law no. 17/2019, of 14 February 2019, the legal framework agreed with the United States of America regarding the reciprocal exchange of information on financial

accounts subject to disclosure in order to comply with FATCA. The United States has entered into a Model 1 intergovernmental agreement with Portugal ("**IGA**"), signed on 6 August 2015 and ratified by Portugal on 5 August 2016. In view of the abovementioned regime, all information regarding the registration of the financial institution, the procedures to comply with the reporting obligations and the forms to use for that end were provided by the Ministry of Finance through Ministerial Order (*Portaria*) no. 302-A/2016, of 2 December 2016, as amended from time to time. Under this legislation, the Issuer is required to obtain information regarding certain accountholders and report such information to the Portuguese Tax Authorities, which, in turn, will report such information to the Internal Revenue Standard.

The proposed financial transaction tax ("FTT")

The EC has published a proposal for a Directive for a common FTT in Belgium, Germany, Estonia, Greece, Spain, France, Italy, Austria, Portugal, Slovenia and Slovakia (the "**participating Member States**"). However, Estonia has since stated that it will not participate.

The proposed FTT has very broad scope and could, if introduced in its current form, apply to certain dealings in Notes (including secondary market transactions) in certain circumstances. The issuance and subscription of Notes should, however, be exempt.

Under current proposals, the FTT could apply in certain circumstances to persons both within and outside of the participating Member States. Generally, it would apply to certain dealings in Notes where at least one party is a financial institution, and at least one party is established in a participating Member State. A financial institution may be, or be deemed to be, "established" in a participating Member State in a broad range of circumstances, including (a) by transacting with a person established in a participating Member State or (b) where the financial instrument which is subject to the dealings is issued in a participating Member State.

The FTT proposal remains subject to negotiation (renewed discussions took place in June 2019) between the participating Member States (closely modelled on the existing Italian and French FTT) and is the subject of legal challenge. It may therefore be altered prior to any implementation, the timing of which remains unclear. Additional EU Member States may decide to participate. Prospective holders of Notes are advised to seek their own professional advice in relation to the FTT.

SUBSCRIPTION AND SALE

The Dealers have, in an amended and restated programme agreement (the "**Programme Agreement**") dated 9 September 2021, agreed with the Issuer a basis upon which they or any of them may from time to time agree to purchase Notes. Any such agreement will extend to those matters stated under "*Form of the Notes, Clearing and Payments*", "*Terms and Conditions of the Senior and the Subordinated Notes*" and "*Terms and Conditions of the Undated Deeply Subordinated Notes*". In the Programme Agreement, the Issuer has agreed to reimburse the Dealers for certain of their expenses in connection with the establishment and any future update of the Programme and the issue of Notes under the Programme and to indemnify the Dealers against certain liabilities incurred by them in connection therewith.

United States

The Notes have not been and will not be registered under the Securities Act or the securities laws of any state of other jurisdiction of the United States and may not be offered or sold within the United States or to, or for the account or benefit of, U.S. persons except in certain transactions exempt from or not subject to, the registration requirements of the Securities Act. Terms used in this paragraph and the following paragraph have the meanings given to them by Regulation S.

Each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that it has not offered or sold, and will not offer or sell, any Notes (i) as part of their distribution at any time or (ii) otherwise until 40 days after the completion of the distribution of an identifiable tranche of which such Notes are a part, except in accordance with Rule 903 of Regulation S under the Securities Act. Accordingly, each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that neither it, its affiliates nor any persons acting on its or their behalf have engaged or will engage in any directed selling efforts with respect to any Notes, and that it and they have complied with and will comply with the offering restrictions requirement of Regulation S.

Each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that, at or prior to confirmation of sale of Notes, it will have sent to each distributor, dealer or person receiving a selling concession, fee or other remuneration that purchases Notes from it during the distribution compliance period a confirmation or notice to substantially the following effect:

"The Notes covered hereby have not been registered under the U.S. Securities Act of 1933, as amended (the "**Securities Act**"), and may not be offered or sold within the United States or to, or for the account or benefit of, U.S. persons (i) as part of their distribution at any time or (ii) otherwise until 40 days after the completion of the distribution of the Notes, and except in either case in accordance with Regulation S under the Securities Act. Terms used above have the meanings given to them by Regulation S."

In addition, until 40 days after the commencement of the offering of any Series of Notes, an offer or sale of such Notes within the United States by any dealer (whether or not participating in the offering) may violate the registration requirements of the Securities Act if such offer or sale is made otherwise than in accordance with an available exemption from registration under the Securities Act.

The applicable Final Terms will specify if TEFRA C is applicable, or, alternatively if TEFRA is not applicable.

Prohibition of Sales to EEA Retail Investors

Unless the Final Terms in respect of any Notes specifies "Prohibition of Sales to EEA Retail Investors" as "Not Applicable", each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that it has not offered, sold or otherwise made available and will not offer, sell or otherwise make available any Notes which are the subject of the offering contemplated by this Base Prospectus as completed by the Final Terms in relation thereto to any retail investor in the EEA. For the purposes of this provision:

(a) the expression "**retail investor**" means a person who is one (or more) of the following: (i) a retail client as defined in point (11) of Article 4(1) of MiFID II; or (ii) a customer within the meaning of Directive (EU) 2016/97, where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II; or (iii) not a qualified investor as defined in the Prospectus Regulation (as amended or superseded); and

(b) the expression an "**offer**" includes the communication in any form and by any means of sufficient information on the terms of the offer and the Notes to be offered so as to enable an investor to decide to purchase or subscribe for the Notes.

If the Final Terms in respect of any Notes specifies "Prohibition of Sales to EEA Retail Investors" as "Not Applicable" in relation to each Member State of the EEA , each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that it has not made and will not make an offer of Notes which are the subject of the offering contemplated by this Base Prospectus as completed by the Final Terms in relation thereto to the public in that Member State except that it may make an offer of such Notes to the public in that Member State:

(a) at any time to any legal entity which is a qualified investor as defined in the Prospectus Regulation;

(b) at any time to fewer than 150 natural or legal persons (other than qualified investors as defined in the Prospectus Regulation) subject to obtaining the prior consent of the relevant Dealer or Dealers nominated by the Issuer for any such offer; or

(c) at any time in any other circumstances falling within Article 1(4) or Article 3(2) of the Prospectus Regulation,

provided that no such offer of Notes referred to in (b) to (d) above shall require the Issuer or any Dealer to publish a prospectus pursuant to Article 3 of the Prospectus Regulation or supplement a prospectus pursuant to Article 23 of the Prospectus Regulation.

For the purposes of this provision:

- the expression an "**offer of Notes to the public**" in relation to any Notes in any Member State means the communication in any form and by any means of sufficient information on the terms of the offer and the Notes to be offered so as to enable an investor to decide to purchase or subscribe for the Notes; and
- the expression "**Prospectus Regulation***"* means Regulation (EU) 2017/1129.

United Kingdom

Prohibition of Sales to UK Retail Investors

Unless the Final Terms in respect of any Notes specifies "Prohibition of Sales to UK Retail Investors" as "Not Applicable", each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that it has not offered, sold or otherwise made available and will not offer, sell or

otherwise make available any Notes which are the subject of the offering contemplated by this Base Prospectus as completed by the Final Terms in relation thereto to any retail investor in the UK. For the purposes of this provision:

(a) the expression "**retail investor**" means a person who is one (or more) of the following:

(i) a retail client, as defined in point (8) of Article 2 of Regulation (EU) No 2017/565 as it forms part of UK domestic law by virtue of the European Union (Withdrawal) Act 2018 ("**EUWA**"); or

(ii) a customer within the meaning of the provisions of the FSMA and any rules or regulations made under the FSMA to implement Directive (EU) 2016/97, where that customer would not qualify as a professional client, as defined in point (8) of Article 2(1) of Regulation (EU) No 600/2014 as it forms part of UK domestic law by virtue of the EUWA; or

(iii) not a qualified investor as defined in Article 2 of the UK Prospectus Regulation; and

(b) the expression an "**offer**" includes the communication in any form and by any means of sufficient information on the terms of the offer and the Notes to be offered so as to enable an investor to decide to purchase or subscribe for the Notes.

If the Final Terms in respect of any Notes specifies "Prohibition of Sales to UK Retail Investors" as "Not Applicable", each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that it has not made and will not make an offer of Notes which are the subject of the offering contemplated by this Base Prospectus as completed by the Final Terms in relation thereto to the public in the UK, except that it may, make an offer of such Notes to the public in the UK:

(a) at any time to any legal entity which is a qualified investor as defined in Article 2 of the UK Prospectus Regulation;

(b) at any time to fewer than 150 natural or legal persons (other than qualified investors as defined in Article 2 of the UK Prospectus Regulation) in the UK subject to obtaining the prior consent of the relevant Dealer or Dealers nominated by the relevant Issuer for any such offer; or

(c) at any time in any other circumstances falling within section 86 of the FSMA,

provided that no such offer of Notes referred to in (a) to (c) above shall require the relevant Issuer or any Dealer to publish a prospectus pursuant to section 85 of the FSMA or supplement a prospectus pursuant to Article 23 of the UK Prospectus Regulation.

For the purposes of this provision:

- the expression an "*offer of Notes to the public*" in relation to any Notes means the communication in any form and by any means of sufficient information on the terms of the offer and the Notes to be offered so as to enable an investor to decide to purchase or subscribe for the Notes; and
- the expression "*UK Prospectus Regulation*" when used herein means Regulation (EU) 2017/1129 as it forms part of UK domestic law by virtue of the EUWA.

Other regulatory restrictions

Each Dealer has represented and agreed that:

(a) it has only communicated or caused to be communicated and will only communicate or cause to be communicated an invitation or inducement to engage in investment activity (within the meaning of Section

21 of the FSMA received by it in connection with the issue or sale of any Notes in circumstances in which Section 21(1) of the FSMA does not apply to the Issuer; and

(b) it has complied and will comply with all applicable provisions of the FSMA with respect to anything done by it in relation to such Notes in, from or otherwise involving, the UK.

Belgium

Other than in respect of Notes for which "Prohibition of Sales to Belgian Consumers" is specified as "Not Applicable" in the applicable Final Terms, each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that an offering of Notes may not be advertised to any individual in Belgium qualifying as a consumer within the meaning of Article I.1 of the Belgian Code of Economic Law, as amended from time to time (a "**Belgian Consumer**") and that it has not offered, sold or resold, transferred or delivered, and will not offer, sell, resell, transfer or deliver, the Notes, and that it has not distributed, and will not distribute, any prospectus, memorandum, information circular, brochure or any similar documents in relation to the Notes, directly or indirectly, to any Belgian Consumer.

Singapore

Each Dealer has acknowledged, and each further Dealer appointed under the Programme will be required to acknowledge, that this Base Prospectus has not been registered as a prospectus with the Monetary Authority of Singapore (the "**MAS**"). Accordingly, each Dealer has represented, warranted and agreed, and each further Dealer appointed under the Programme will be required to represent, warrant and agree, that it has not offered or sold any Notes or caused the Notes to be made the subject of an invitation for subscription or purchase and will not offer or sell any Notes or cause the Notes to be made the subject of an invitation for subscription or purchase, and has not circulated or distributed, nor will it circulate or distribute, this Base Prospectus or any other document or material in connection with the offer or sale, or invitation for subscription or purchase, of the Notes, whether directly or indirectly, to any person in Singapore other than (i) to an institutional investor (as defined in Section 4A of the Securities and Futures Act (Chapter 289) of Singapore (as amended or modified from time to time, the "**SFA**") pursuant to Section 274 of the SFA, (ii) to a relevant person (as defined in Section 275(2) of the SFA) pursuant to Section 275(1) of the SFA, or any person pursuant to Section 275(1A) of the SFA, and in accordance with the conditions specified in Section 275 of the SFA, or (iii) otherwise pursuant to, and in accordance with the conditions of, any other applicable provision of the SFA.

Where the Notes are subscribed or purchased under Section 275 of the SFA by a relevant person which is:

(a) a corporation (which is not an accredited investor (as defined in Section 4A of the SFA)) the sole business of which is to hold investments and the entire share capital of which is owned by one or more individuals, each of whom is an accredited investor; or

(b) a trust (where the trustee is not an accredited investor) whose sole purpose is to hold investments and each beneficiary of the trust is an individual who is an accredited investor,

securities or securities-based derivatives contracts (each term as defined in Section 2(1) of the SFA) or securities-based derivative contracts (as defined in Section 2(1) of the SFA) of that corporation or the beneficiaries' rights and interest (howsoever described) in that trust shall not be transferred within six months after that corporation or that trust has acquired the Notes pursuant to an offer made under Section 275 of the SFA except:

(i) to an institutional investor or to a relevant person or to any person arising from an offer referred to in Section 275(1A) or Section 276(4)(i)(B) of the SFA;

(ii) where no consideration is or will be given for the transfer;

(iii) where the transfer is by operation of law;

(iv) as specified in Section 276(7) of the SFA; or

(v) as specified in Regulation 37A of the Securities and Futures (Offers of Investments) (Securities and Securities-based Derivatives Contracts) Regulations 2018 of Singapore.

Notification under Section 309B(1)(c) of the SFA – Unless otherwise stated in the Final Terms in respect of any Notes, all Notes issued or to be issued under the Programme shall be prescribed capital markets products (as defined in the Securities and Futures (Capital Markets Products) Regulations 2018 of Singapore) and Excluded Investment Products (as defined in MAS Notice SFA 04-N12: Notice on the Sale of Investment Products and MAS Notice FAA-N16: Notice on Recommendations on Investment Products).

Switzerland

Each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that this Base Prospectus is not intended to constitute an offer or solicitation to purchase or invest in the Notes and the Notes may not be publicly offered, directly or indirectly, in Switzerland within the meaning of the Swiss Financial Services Act ("**FinSA**") and no application has or will be made to admit the Notes to trading on any trading venue (exchange or multilateral trading facility) in Switzerland. Neither this Base Prospectus nor any other offering or marketing material relating to the Notes constitutes a prospectus pursuant to the FinSA, and neither this Base Prospectus nor any other offering or marketing material relating to the Notes may be publicly distributed or otherwise made publicly available in Switzerland.

France

Each of the Dealers and the Issuer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that it undertakes to comply with applicable French laws and regulations in force regarding the offer, the placement or the sale of the Notes and the distribution in France of this Base Prospectus or any other offering material relating to the Notes.

Portugal

In relation to the Notes, each Dealer has represented, warranted and agreed with the Issuer, and each further Dealer appointed under the Programme will be required to represent and agree, that regarding any offer or sale of Notes by it in Portugal or to individuals resident in Portugal or having a permanent establishment in the Portuguese territory (pr tp whom Portuguese laws and regulations applicable to the placement of financial instruments otherwise apply), it will comply with all laws and regulations in force in Portugal, including (without limitation) the Portuguese Securities Code ("*Código dos Valores Mobiliários"*), any regulations issued by the Portuguese Securities Market Commission ("*Comissão do Mercado de Valores Mobiliários"*) and the Prospectus Regulation and any regulation amending or supplementing the above, and (i) it has not directly or indirectly taken any action or offered, advertised, marketed, invited to subscribe, gathered investment intentions, sold, re-sold, re-offered or delivered and will not directly or indirectly take any action, offer, advertise, market, invite to subscribe, gather investment intentions, sell, re-sell, re-offer or deliver any Notes in circumstances which could qualify as a public offer ("*oferta pública"*) of securities pursuant to the Portuguese Securities Code (or to any legislation which may replace it or complement it in this respect

from time to time) and other applicable securities legislation and regulations, notably in circumstances which could qualify as a public offer addressed to individuals or entities resident in Portugal or having permanent establishment located in Portugal, as the case may be; (ii) all offers, sales and distributions by it of the Notes have been and will only be made in Portugal in circumstances that, pursuant to the Portuguese Securities Code (or to any legislation which may replace it or complement it in this respect from time to time), qualify as a private placement of Notes only ("*oferta particular"*); (iii) it has not distributed, made available or caused to be distributed and will not distribute, make available or cause to be distributed this Base Prospectus or any other offering material relating to the Notes to the public in Portugal. Furthermore, (a) if the Notes are subject to a private placement addressed (i) exclusively to professional investors ("*investidores profissionais"*) as defined, from time to time, in the relevant provisions of the Portuguese Securities Code (or any legislation which may replace it or complement it in this respect from time to time); or to (ii) less than 150 non-qualified investors, such private placement will be considered as a private placement of securities pursuant to the Portuguese Securities Code (or to any legislation which may replace it or complement it in this respect from time to time); (b) private placements addressed by companies open to public investment ("*sociedades abertas"*) or by issuers of securities listed on a regulated market shall be subsequently notified to the Portuguese Securities Market Commission for statistics purposes.

Japan

The Notes have not been and will not be registered under the Financial Instruments and Exchange Act of Japan (Act No. 25 of 1948, as amended; the "**FIEA**") and accordingly, each of the Dealer has represented and agreed and each further Dealer appointed under the Programme will be required to represent and agree that it has not offered or sold and will not offer or sell any Notes, directly or indirectly, in Japan or to, or for the benefit of, a resident of Japan (as defined under Item 5, Paragraph 1, Article 6 of the Foreign Exchange and Foreign Trade Act (Act No. 228 of 1949, as amended)), or to others for re-offering or resale, directly or indirectly, in Japan or to, or for the benefit of, a resident of Japan except pursuant to an exemption from the registration requirements of, and otherwise in compliance with, the FIEA and any other applicable laws, regulations and ministerial guidelines of Japan.

General

Each Dealer has agreed, and each further Dealer appointed under the Programme will be required to agree, that it will (to the best of its knowledge and belief) comply with all applicable securities laws and regulations in force in any jurisdiction in which it purchases, offers, sells or delivers Notes or possesses or distributes this Base Prospectus and will obtain any consent, approval or permission required by it for the purchase, offer, sale or delivery by it of Notes under the laws and regulations in force in any jurisdiction to which it is subject or in which it makes such purchases, offers, sales or deliveries and neither the Issuer nor any of the other Dealers shall have any responsibility therefor.
None of the Issuer and the Dealers represents that Notes may at any time lawfully be sold in compliance with any applicable registration or other requirements in any jurisdiction, or pursuant to any exemption available thereunder, or assumes any responsibility for facilitating such sale.

GENERAL INFORMATION

Authorisation

The establishment of the Programme and the issue of Notes have been duly authorised by a resolution of the Board of Directors of Banco BPI, dated 7 December 2000, and approved by the Supervisory Board of Banco BPI on 7 December 2000. The update and maintenance of the Programme have been duly authorised by a resolution of the Board of Directors of Banco BPI, dated 20 March 2019, and approved by a resolution of the Executive Committee of the Board of Directors of Banco BPI, dated 9 April 2019.

Use of Proceeds

The net proceeds from each issue of Notes will be applied by Banco BPI for its general corporate purposes. If, in respect of an issue, there is a particular identified use of proceeds, this will be stated in the applicable Final Terms.

Borrowing and Funding Structure

Since the end of financial year 2020, BPI accessed €442 million additional ECB long-term funding (TLTRO) and did not issue any Notes. During this period, the Issuer repurchased (by exercising a call option) a €300 million mortgage covered bond, in June 2021, with a residual maturity of one and a half years.

Description of the expected financing of BPI's activities

BPI expects to finance its activities through client deposits, resources from central banks and credit institutions and wholesale debt market.

Significant or Material Change

There has been (A) no material adverse change in the prospects of the Issuer since the publication of the Issuer's 2020 Report (Audited consolidated financial statements) as of 31 December 2020, and (B) no significant change in the financial performance or position of the Issuer and BPI Group since the publication of the Issuer's unaudited consolidated financial information as at 30 June 2021.

Litigation

On 2 February 2017, the Issuer 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 the Issuer's General Meeting resolution passed on 13 December 2016 (the "**Resolution**"), which approved the Issuer'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. 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 the Issuer's share capital. The Issuer 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 the Issuer. This decision was appealed by the Claimants to the Court of Second Instance. This Court confirmed the decision from the Court of First Instance. The Claimants appealed the decision from the Court of Second Instance to the Supreme Court. In February 2021, the Supreme Court confirmed that the appeal was admissible and that it would therefore hear the appeal but it has not yet issued its decision. Although trusting that its position will prevail, the Issuer cannot predict the outcome

of this decision. The abovementioned legal action and the Issuer' 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 the Issuer, due to alleged competition restrictive practices. On 1 June 2015, the Issuer was served the statement of objections, where it was accused of breaching the rules on competition.

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

On 9 September 2019, the Issuer was notified of PCA's decision which concluded that (i) the Issuer 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.

The Issuer 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, the Issuer 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, the Issuer cannot predict the outcome of this appeal.

On December 2020, BPI presented to the Court a bank guarantee in a an amount corresponding to half of the amount of the fine imposed by the appealed decision. This bank guarantee was accepted by the Court and, as a result, the decision's effects are now suspended until a final court decision is reached on the case.
In the meantime, the Court decided to schedule the start of the case's hearing for next September. The case's hearing is scheduled to last at least until December 2021.

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 Base Prospectus which may have or have had in the recent past a significant effect on the Issuer's financial position there.

Ratings Information

The ratings assigned to the Issuer from time to time are available for consultation at https://bpi.bancobpi.pt/index.asp?riIdArea=AreaDivida&riId=DRatings. The long term/short term ratings currently assigned to the Issuer are Baa2/P-2 with stable outlook by Moody's, BBB / F2 with negative outlook by Fitch and BBB/A-2 with stable outlook by S&P.

Pursuant to Moody's rating definitions, the long term issuer rating assigned to Banco BPI means that "obligations rated Baa are judged to be medium-grade and subject to moderate credit risk and as such may possess certain speculative characteristics". The modifier "2" indicates a mid-range ranking in this generic rating category and "stable outlook" indicates the likely direction of the rating over the medium term.

Pursuant to Fitch's rating definitions, the long term issuer rating assigned to Banco BPI means that "BBB ratings indicate that expectations of default risk are currently low. The capacity for payment of financial commitments is considered adequate, but adverse business or economic conditions are more likely to impair this capacity". "Negative outlook" indicates the direction the rating is likely to move over a one- to two-year period.

Pursuant to Standard & Poor's rating definitions, the long term issuer rating assigned to Banco BPI means that "an obligor rated BBB has adequate capacity to meet its financial commitments. However, adverse economic conditions or changing circumstances are more likely to weaken the obligor's capacity to meet its financial commitments". "Stable outlook" indicates that the rating is not likely to change over the intermediate term (typically six months to two years).

Each of Fitch, S&P and Moody's is established in the EEA and has been registered in accordance with the CRA Regulation. The full list of credit rating agencies that are registered under the CRA Regulation can be found at ESMA's website.

A rating is not a recommendation to buy, sell or hold securities and may be subject to suspension, reduction or withdrawal at any time by the assigning rating agency.

Auditors

PricewaterhouseCoopers & Associados – Sociedade de Revisores Oficiais de Contas, Lda., associated with Ordem dos Revisores Oficiais de Contas ("**OROC**") under no. 183 and registered with CMVM under no. 20161485, have audited the accounts of Banco BPI, in accordance with generally accepted auditing standards in Portugal, including the International Standards on Auditing, for the years ended 31 December 2019 and 31 December 2020.

For additional information regarding the Auditors please refer to the information under the heading "*Statutory Auditor*", which could be found on page 83 of the Base Prospectus.

Listing and Admission to Trading Information

Application has been made to the Luxembourg Stock Exchange for Notes issued under the Programme to be admitted to trading on the Bourse de Luxembourg (the regulated market of the Luxembourg Stock Exchange), and to be listed on the Official List of the Luxembourg Stock Exchange. The Regulated Market of the Luxembourg Stock Exchange is a regulated market for the purposes of MiFID II.

However, Notes may be issued pursuant to the Programme which will not be admitted to trading on the Bourse de Luxembourg (the regulated market of the Luxembourg Stock Exchange), or listed on the Official List of the Luxembourg Stock Exchange or any other stock exchange or which will be listed on such stock exchange as the Issuer and the relevant Dealer(s) may agree, according to the applicable Final Terms.

Documents Available

For the period of 12 months following the date of this Base Prospectus, copies of the following documents will, when published, be available for inspection:

(a) a copy of this Base Prospectus (which will also be available on the website of Banco BPI (www.ir.bpi.pt));

(b) Final Terms to this Base Prospectus (save that the Final Terms relating to an unlisted Note will only be available for inspection by a holder of such Note and such holder must produce evidence satisfactory to the Issuer and the Paying Agent as to its holding of Notes and identity), any future prospectuses, information

memoranda and supplements to the Base Prospectus including and any other documents incorporated herein or therein by reference (https://bpi.bancobpi.pt/index.asp?riIdArea=AreaDivida&riId=SOutstanding); and

(c) Banco BPI

(i) the constitutional documents including the by laws (in English) of Banco BPI (https://rep.bancobpi.pt/RepMultimedia/getMultimedia.asp?channel=Multimedia%20-%20RI%20-%20Informa%E7%E3o%20Obrig%20Investidores&content=Estatutos_Contrato_BancoBPI_EN);

(ii) the consolidated audited financial statements of Banco BPI and Auditors' reports contained in Banco BPI's Annual Report in respect of the financial years ended 31 December 2019 (https://bpi.bancobpi.pt/en/files/Reports/BancoBPIRelatorioContas2019_EN.pdf) and 31 December 2020 (https://bpi.bancobpi.pt/storage/download/ficheiro.54C95FF4-1295-42C6-A4F3-BBC3C15A35F2.1.pt.asp?id=8314B4E9-1C51-4B8A-8A96-D32A9768C560); and

(iii) the results presentation relating to the unaudited consolidated results for the first semester 2021 (https://bpi.bancobpi.pt/storage/download/ficheiro2.54C95FF4-1295-42C6-A4F3-BBC3C15A35F2.1.pt.asp?id=E85E10FE-49F4-462A-9B41-299B519FACB8).

In addition, copies of this Base Prospectus and each document incorporated by reference are available on the Luxembourg Stock Exchange's website (www.bourse.lu) and on the Issuer's website (www.ir.bpi.pt) and copies of the documents set out in (b), (c) and (d) above can be obtained free of charge from the specified office of the Paying Agent where so required by the rules of the relevant stock exchange on which any Series of Notes is to be listed. Copies of this Base Prospectus and any other documents incorporated herein shall remain publicly available in electronic form for at least 10 years after its publication.

Clearing Systems

The Notes will be integrated in and held through Interbolsa as operator of the CVM. The appropriate Portuguese securities code for each Tranche of Notes allocated by Interbolsa will be specified in the Final Terms.

The address of Interbolsa is Avenida da Boavista, 3433, 4100-138 Porto, Portugal.

For the time being, Interbolsa will only settle and clear Notes denominated in euro, Canadian Dollars, Swiss Francs, U.S. dollars, Sterling and Japanese yen and Notes denominated in any other currency upon prior request and approval.

Prudential Requirements

No Subordinated Notes or Undated Deeply Subordinated Notes shall be redeemed unless in compliance with the applicable capital adequacy regulations from time to time in force. At the date hereof, such redemption may not occur within and after five years from the Issue Date of the relevant Notes (except in a few cases subject to certain conditions and also subject to the prior consent of the Competent Authority, as specified in the Terms and Conditions of the Senior and Subordinated Notes and Terms and Conditions of the Undated Deeply Subordinated Notes) and may only occur with the prior consent of the Competent Authority.

No Senior Non Preferred Notes Ordinary Senior Notes eligible to comply with MREL Requirements shall be redeemed unless in compliance with the applicable minimum requirement of own funds and eligible liabilities in force from time to time in force. At the date hereof, such redemption may not occur without the prior consent of the Competent Authority, and subject to the applicable requirements, as specified in Terms and Conditions of the Senior and Subordinated Notes.

Conditions for determining price

The price (issue price and offer price) and amount of Notes to be issued under the Programme will be determined by the Issuer and the relevant Dealer at the time of issue (in case of a public offer at the time of the public offer) in accordance with prevailing market conditions. The price will normally correspond to a percentage of the nominal value of such Notes and shall be disclosed on the applicable Final Terms, which shall be available at headquarters of the Issuer and the Paying Agent.

Dealers transacting with the Issuer

Certain of the Dealers and their affiliates have engaged, and may in the future engage, in investment banking and/or commercial banking transactions with, and may perform services to the Issuer and its affiliates in the ordinary course of business.

Yield

The yield for any particular Series of Notes will be specified in the applicable Final Terms and will be calculated on the basis of the compound annual rate of return if the relevant Notes were to be purchased at the Issue Price on the Issue Date and held to maturity. Set out below is a formula for the purposes of calculating the yield of Fixed Rate Notes. The applicable Final Terms in respect of any Floating Rate Notes will not include any indication of yield.

Issue Price=Coupon/m×(1-[1/(1+Yield/m)^(n×m)])/(Yield/m)+[FinalRedemptionAmount×[1/(1+Yield/m)^(n×m)]]

Where:

"Coupon" means the annual coupon as specified in the applicable Final Terms;

"Yield" means the annual yield to maturity;

"m" means the number of interest payments in a year; and

"n" means the number of years to maturity.

DOCUMENTS INCORPORATED BY REFERENCE

The following documents which have previously been published or are published simultaneously with this Base Prospectus and have been filed with the Competent Authority shall be incorporated by reference in, and form part of, this Base Prospectus:

Banco BPI

1. Results presentation with the unaudited consolidated results for the first semester 2021 (which can be found at https://bpi.bancobpi.pt/storage/download/ficheiro2.54C95FF4-1295-42C6-A4F3-BBC3C15A35F2.1.pt.asp?id=E85E10FE-49F4-462A-9B41-299B519FACB8).

2. Annual report 2020 (which can be found at https://bpi.bancobpi.pt/storage/download/ficheiro.54C95FF4-1295-42C6-A4F3-BBC3C15A35F2.1.pt.asp?id=8314B4E9-1C51-4B8A-8A96-D32A9768C560).

3. Annual report 2019 (which can be found at https://bpi.bancobpi.pt/en/files/Reports/BancoBPIRelatorioContas2019_EN.pdf).

Following the publication of this Base Prospectus, a supplement to this Base Prospectus approved by the CSSF, as competent authority and pursuant to Article 23 of the Prospectus Regulation, may be prepared by the Issuer (a "*Prospectus Supplement*"). Statements contained in any such supplement (or contained in any document incorporated by reference therein) shall, to the extent applicable (whether expressly, by implication or otherwise), be deemed to modify or supersede statements contained in this Base Prospectus or in a document which is incorporated by reference in this Base Prospectus. Any statement so modified or superseded shall not, except as so modified or superseded, constitute a part of this Base Prospectus.

The Issuer will, in the event of any significant new factor, material mistake or material inaccuracy relating to information included in this Base Prospectus which is capable of affecting the assessment of any Notes, prepare a supplement to this Base Prospectus or publish a new Base Prospectus for use in connection with any subsequent issue of Notes. Furthermore, the Issuer has given an undertaking to the Dealers that if at any time during the duration of the Programme there is a significant change affecting any matter contained in this Base Prospectus, including any modification of the terms and conditions or any material adverse change in the financial position of such Issuer, whose inclusion would reasonably be required by investors and their professional advisers, and would reasonably be expected by them to be found in this Base Prospectus, for the purpose of making an informed assessment of the assets and liabilities, financial position, profits and losses and prospects of such Issuer and the rights attaching to the Notes, the Issuer shall prepare an supplement to this Base Prospectus or publish a replacement Base Prospectus for use in connection with any subsequent offering of the Notes and shall supply to each Dealer such number of copies of such supplement to this Base Prospectus as such Dealer may reasonably request.

Banco BPI

Information incorporated by reference	**Reference**
Results presentation with the unaudited consolidated results for the first semester 2021	
Consolidated Income Statements	Page 40
Consolidated Balance Sheet	Page 41
Annual report 2020	
Auditors' report relating to the accounts for the period ended 31 December 2020	Pages 360-371
Consolidated balance sheets	Page 172
Consolidated statements of profit or loss	Page 173
Consolidated statements of profit or loss and other comprehensive income	Pages 174
Consolidated statements of cash flows	Pages 177
Statements of changes in shareholders' equity	Pages 175
Notes to the consolidated financial statements	Pages 178-359
Annual report 2019	
Auditors' report relating to the accounts for the period ended 31 December 2019	Pages 262-273
Consolidated balance sheets	Page 102
Consolidated statements of profit or loss	Page 103
Consolidated statements of profit or loss and other comprehensive income	Page 104
Consolidated statements of cash flows	Page 106
Statements of changes in shareholders' equity	Page 105
Notes to the consolidated financial statements	Pages 107-261

The page references for both 2019 and 2020 annual reports refer to the documents in PDF format.

The information incorporated by reference that is not included in the cross-reference list, is considered as additional information and is not required by the relevant schedules of the Delegated Regulation (EU) No 2019/980, as amended from time to time.

ANNEX – ALTERNATIVE PERFORMANCE MEASURES

The European Securities and Markets Authority (ESMA) published on 5th October 2015 a set of guidelines relating to the disclosure of Alternative Performance Measures by entities (ESMA/2015/1415). These guidelines are mandatory to issuers with effect from 3rd July 2016.

In addition to the financial information prepared in accordance with the International Financial Reporting Standards (IFRS), BPI uses a set of indicators for the analysis of performance and financial position, which are classified as Alternative Performance Measures, in accordance with the abovementioned ESMA guidelines. The information relating to those indicators has already been the object of disclosure, as required by ESMA guidelines.

The following table shows, for the consolidated profit & loss account, the reconciliation of the structure used in this document (Results' Presentation) with the structure adopted in the financial statements and respective notes of the Report and Accounts.

These indicators, which were not audited, are considered additional disclosures and in no case replace the financial information prepared in accordance with the IFRS. In addition, the way the Issuer defined and calculated these indicators may differ from the way similar indicators are computed by other companies and may therefore not be comparable.

ESMA Guidelines define an APM as a financial measure of historical or future financial performance, financial position, or cash flows, other than a financial measure defined or specified in the applicable financial reporting framework. Following the recommendations of ESMA Guidelines, the Issuer has copied hereunder its latest list of APMs.

Reconciliation of

the consolidated profit & loss account structure

Structure used in the Results' Presentation	Jun 21	Jun 21	Structure presented in the financial statements and respective notes
Net interest income	227,1	227,1	Net interest income
Dividend income	99,7	99,7	Dividend income
Equity accounted income	20,7	20,7	Share of the profit or (-) loss of investments in subsidiaries, joint ventures and associates accounted for using the equity method
Net fee and commission income	130,2	142,1	Fee and commission income
		-11,8	Fee and commission expenses
Gains/(losses) on financial assets and liabilities and other	14,1	0,0	Gains or (-) losses on derecognition of financial assets and liabilities not measured at fair value through profit or loss, net
		3,4	Gains or (-) losses on financial assets and liabilities held for trading, net
		4,4	Gains or (-) losses on non-trading financial assets mandatorily at fair value through profit or loss, net
		-1,1	Gains or (-) losses from hedge accounting, net
		7,4	Exchange differences [gain or (-) loss], net
Other operating income and expenses	-39,5	19,6	Other operating income
		-59,1	Other operating expenses
Gross income	**452,3**	**452,3**	**GROSS INCOME**
Staff expenses	-122,6	-122,6	Staff expenses
Other administrative expenses	-71,9	-71,9	Other administrative expenses
Depreciation and amortisation	-29,0	-29,0	Depreciation
Operating expenses	**-223,5**	**-223,5**	**Administrative expenses and depreciation**
Net operating income	**228,8**	**228,8**	
Impairment losses and other provisions	-10,2	-1,1	Provisions or (-) reversal of provisions
		-9,1	Impairment or (-) reversal of impairment on financial assets not measured at fair value through profit or loss
Gains and losses in other assets	0,3		Impairment or (-) reversal of impairment of investments in subsidiaries, joint ventures and associates
			Impairment or (-) reversal of impairment on non-financial assets
		0,0	Gains or (-) losses on derecognition of non financial assets, net
	0,3		Profit or (-) loss from non-current assets and disposal groups classified as held for sale not qualifying as discontinued operations
Net income before income tax	**219,0**	**219,0**	**PROFIT OR (-) LOSS BEFORE TAX FROM CONTINUING OPERATIONS**
Income tax	-33,9	-33,9	Tax expense or income related to profit or loss from continuing operations
Net income from continuing operations	**185,1**	**185,1**	**PROFIT OR (-) LOSS AFTER TAX FROM CONTINUING OPERATIONS**

Net income from discontinued operations			Profit or (-) loss after tax from discontinued operations
Income attributable to non-controlling interests			Profit or (-) loss for the period attributable to non-controlling interests
Net income	**185,1**	**185,1**	**PROFIT OR (-) LOSS FOR THE PERIOD ATTRIBUTABLE TO OWNERS OF THE PARENT**

EARNINGS, EFFICIENCY AND PROFITABILITY INDICATORS **The following earnings, efficiency and profitability indicators are defined by reference to the above structure of the profit and loss account used in this document.**	
Gross income	Net interest income + Dividend income + Net fee and commission income + Equity accounted income + Gains/(losses) on financial assets and liabilities and other + Other operating income and expenses
Commercial banking gross income	Net interest income + Dividend income + Net fee and commission income + Equity accounted income excluding the contribution of stakes in African banks
Operating expenses	Staff expenses + Other administrative expenses + Depreciation and amortisation
Net operating income	Gross income – Operating expenses
Net income before income tax	Net operating income – Impairment losses and other provisions + Gains and losses in other assets
Cost-to-income ratio (efficiency ratio)[27]	Operating expenses / Gross income
Core cost-to-income ratio (core efficiency ratio)[38]	Operating expenses, excluding costs with early-retirements and voluntary terminations and (only in 2016) gains with the revision of the Collective Labour Agreement (ACT) – Income from services rendered to CaixaBank Group (recorded under Other operating income and expenses) / Commercial banking gross income
Return on Equity (ROE)[38]	Net income for the period, less the interest cost of AT1 capital instruments recorded directly in shareholders' equity / Average value in the period of shareholders' equity attributable to BPI shareholders, excluding AT1 capital instruments

[27] Ratio referring to the last 12 months, except when indicated otherwise. The ratio can be computed for the cumulative period since the beginning of the year, in annualised terms.

Return on Tangible Equity (ROTE) [38]	Net income for the period, less the interest cost of AT1 capital instruments recorded directly in shareholders' equity / Average value in the period of shareholders' equity attributable to BPI shareholders (excl. AT1 capital instruments) after deduction of intangible net assets and goodwill of equity holdings
Return on Assets (ROA)[38]	(Net income attributable to BPI shareholders + Income attributable to non-controlling interests - preference shares dividends paid) / Average value in the period of net total assets
Unitary intermediation margin	Loan portfolio average interest rate, excluding loans to employees – Deposits average interest rate
BALANCE SHEET AND FUNDING INDICATORS	
On-balance sheet Customer resources[28]	Deposits + Capitalisation insurance of fully consolidated subsidiaries + Participating units in consolidated mutual funds ▪ Deposits = Demand deposits and other + Term and savings deposits + Interest payable + Retail bonds (Fixed rate bonds placed with Customers) ▪ Capitalisation insurance of fully consolidated subsidiaries (BPI Vida e Pensões sold on Dec.17)
Assets under management[29]	Mutual funds + Capitalisation insurance + Pension plans ▪ Mutual funds = Unit trust funds + Real estate investment funds + Retirement-savings and equity-savings plans (PPR and PPA) + Hedge funds + Assets from the funds under BPI Suisse management + Third-party unit trust funds placed with Customers. ▪ Capitalisation insurance[30] = Third-party capitalisation insurance placed with Customers ▪ Pension plans[41] = Pension plans under BPI management (includes BPI pension plans)
Subscriptions in public offerings	Customers subscriptions in third parties' public offerings

[28] The amount of on-balance sheet Customer resources is not deducted from the applications of off-balance sheets products (mutual funds and pension plans) in on-balance sheet products.
[29] Amounts deducted from participating units in the Group banks' portfolios and from off-balance sheet products investments (mutual funds and pension plans) in other off-balance sheet products.
[30] Following the sale of BPI Vida e Pensões in Dec.17, the capitalisation insurance placed with BPI's Customers are recorded off balance sheet, as "third-party capitalisation insurance placed with customers" and pension funds management is excluded from BPI's consolidation perimeter.

BALANCE SHEET AND FUNDING INDICATORS (continuation)	
Total Customer resources	On-balance sheet Customer resources + Assets under management + Subscriptions in public offerings
Gross loans to customers	Gross loans and advances to Customers (financial assets at amortised cost), excluding other assets (guarantee accounts and others) and reverse repos + Gross debt securities issued by Customers (financial assets at amortised cost) *Note: gross loans = performing loans + loans in arrears + receivable interests*
Net loans to Customers	Gross loans to Customers – Impairments for loans to Customers
Loan-to-deposit ratio (CaixaBank criteria)	(Net loans to Customers - Funding obtained from the EIB, which is used to provide credit) / Deposits and retail bonds
ASSET QUALITY INDICATORS	
Impairments and provisions for loans and guarantees (income statement)	Impairment or reversal of impairment on financial assets not measured at fair value through profit or loss relative to loans and advances to Customers and to debt securities issued by Customers (financial assets at amortised cost), before deduction of recoveries of loans previously written off from assets, interest and others + Provisions or reversal of provisions for commitments and guarantees
Cost of credit risk	Impairments and provisions for loans and guarantees - Recoveries of loans previously written off from assets, interest and other
Cost of credit risk as % of loan portfolio[31]	(Impairments and provisions for loans and guarantees - Recoveries of loans previously written off from assets, interest and other) / Average value in the period of the gross loans and guarantees portfolio.
Performing loans portfolio	Gross Customer loans - (Overdue loans and interest + Receivable interests and other)
NPE Ratio	Ratio of non-performing exposures (NPE) in accordance with the EBA criteria (prudential perimeter)
Coverage of NPE	[Impairments for loans and advances to Customers (financial assets at amortised cost) + Impairments for debt securities issued by Customers (financial assets at amortised cost) + Impairments and provisions for guarantees and commitments] / Non-performing exposures (NPE)

[31] Ratio referring to the last 12 months, except when indicated otherwise. The ratio can be computed for the cumulative period since the beginning of the year, in annualised terms.

Coverage of NPE by impairments and associated collaterals	[Impairments for loans and advances to Customers (financial assets at amortised cost) + Impairments for debt securities issued by Customers (financial assets at amortised cost) + Impairments and provisions for guarantees and commitments + Collaterals associated to NPE] / Non-performing exposures (NPE)
Non-performing loans ratio ("credito dudoso", Bank of Spain criteria)	Non performing loans ("credito dudoso", Bank of Spain criteria) / (Gross Customer loans + guarantees)
Non-performing loans coverage ratio	[Impairments for loans and advances to Customers (financial assets at amortised cost) + Impairments for debt securities issued by Customers (financial assets at amortised cost) + Impairments and provisions for guarantees and commitments] / Non performing loans ("credito dudoso", Bank of Spain criteria)
Coverage of non-performing loans by impairments and associated collaterals	[Impairments for loans and advances to Customers (financial assets at amortised cost) + Impairments for debt securities issued by Customers (financial assets at amortised cost) + Impairments and provisions for guarantees and commitments + Collateral associated to credit] / Non performing loans ("credito dudoso", Bank of Spain criteria)
Impairments cover of foreclosed properties	Impairments for real estate received in settlement of defaulting loans / Gross value of real estate received in settlement of defaulting loans

Adopted acronyms and designations

YtD:	Year-to-date change
YoY:	Year-on-year change
QoQ:	quarter-on-quarter change
ECB:	European Central Bank
BoP:	Bank of Portugal
CMVM:	Securities Market Commission
APM:	Alternative Performance Measures
MMI:	Interbank Money Market
T1:	Tier 1
CET1:	Common Equity Tier 1
RWA:	Risk weighted assets
TLTRO:	Targeted longer-term refinancing operations
LCR:	Liquidity coverage ratio
NSFR:	Net stable funding ratio

Units, conventional sings and abbreviations

€, Euros, EUR:	euros
th.€, th.euros:	thousand euros
M.€, M.euros:	million euros
Bn.€, Bi.€ :	billion euros
D:	change
n.a. :	not available
0, –:	null or irrelevant
vs. :	versus
b.p. :	basis points
p.p. :	percentage points
E:	Estimate
F:	Forecast

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