

**BANCO BPI, S.A.****Public Company**

Registered office: Rua Tenente Valadim, 284, Porto

Registered at Commercial Registry of Porto under

Unique taxpayer reference number 501 214 534

Share capital: € 1 293 063 324.98

**ANNOUNCEMENT**

1. Banco BPI informs that today, and following the acquisition proposals presented to it by its shareholder CaixaBank, S.A. (CaixaBank) and the approval by its Board of Directors and that of CaixaBank, the contracts relating to the following transactions were signed:

- 1.1. Sale of the shares representing the total share capital of BPI Vida e Pensões, Companhia de Seguros, S.A. (hereinafter BPI Vida), the company which is currently responsible for the life assurance and pension-fund management activities.

The sale of the shares representing the share capital of BPI Vida will be effected to the CaixaBank Group company VidaCaixa S.A.U. de Seguros y Reaseguros and will be realised for the price of 135 million euro.

- 1.2. The sale of the shares representing the total share capital of the companies BPI Gestão de Activos, Sociedade Gestora de Fundos de Investimento, S.A. (hereinafter BPI GA) and BPI Global Investment Fund Management Company S.A. (hereinafter BPI GIF), which companies are currently responsible for the BPI Group's unit-trust funds' management activities.

The sale of the shares representing BPI GA's and BPI GIF's share capital will be effected to the CaixaBank Group company CaixaBank Asset Management SGIIC, S.A.U, for a consideration of 75 million euro, in the case of BPI GA, and 8 million euro in the case of BPI GIF.

Banco BPI will maintain, even after the completion of the abovementioned transactions, the relationship with the customers of the activities concerned, which it will carry out in the capacity of agent of the respective companies BPI Vida, BPI GA and BPI GIF.

Within the framework of the transactions described above, a number of service contracts will be signed in terms of which Banco BPI will render a series of instrumental services to the aforesaid companies for performing the activities involved in those transactions.

The transactions concerned will not entail the relocation of the relevant activities or the transfer of Banco BPI or its group companies' employees. The companies whose shares are

sold (BPI Vida, BPI GA and BPI GIF) will continue to carry out their activity in Portugal and in Luxembourg, as has been the case until now.

The transactions concerned will not entail any modification to the insurance distribution contracts entered into between BPI Group and Allianz Portugal.

Banco BPI's Board of Directors approved the transactions described above with the aim of improving over the medium and long term the commercial service to its customers, creating synergies with the CaixaBank Group and enabling Banco BPI to concentrate on the banking business.

2. Today also saw the signing of a contract providing for the sale by Banco Português de Investimento, S.A., a company wholly controlled by Banco BPI, to CaixaBank of the legal positions which form part of and are utilized in the stock broking, equities research and corporate finance operations of the aforesaid Banco Português de Investimento. The sale shall be realised for a consideration equivalent to the book value of the net operating assets of those activities on the transaction closing date, which amount is estimated to be around 4 million euro.

Banco BPI's Board of Directors approved this transaction on the grounds that it concerns activities whose target market has an Iberian scope. In order to carry out the activities to which this transaction refers, CaixaBank intends to set up a branch in Portugal, to which Banco Português de Investimento employees deployed in these activities will be transferred.

3. The financial impacts for Banco BPI of the transactions outlined above will be as follows:
  - a) pre-tax gain of 73 million euro<sup>1</sup>
  - b) increase in the CET1 ratio (fully loaded) of roughly 130 b.p.

Projecting the effects of the transactions in question on Banco BPI's capital ratios (fully loaded) at 30 September 2017, these ratios undergo the following changes:

- a) Total capital ratio: increase from 13.3% to 14.6%;
- b) CET1: up from 11.5% to 12.8%.

Given that the transactions concerned constitute operations between related parties, the resolutions of the Board of Directors were preceded by the following:

- Analysis and issue of opinion on each one of the transactions by a Board of Directors committee composed of the following non-executive members of the Board of

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1) Estimated gains based on the values projected for 31 December 2017. The actual amount of the gains to be recognized in Banco BPI's consolidated accounts will depend on the book value of the companies on the sale date.

Directors: Fernando Ulrich, who chaired the committee, António Lobo Xavier, Carla Bambulo, Cristina Rios Amorim and Tomás Jervell;

- Analysis and issue of opinion on each one of the transactions by the Supervisory Board.

In addition, the relevant resolutions were passed without the presence of the Banco BPI's non-executive directors related to CaixaBank nor the executive directors.

In these transactions, Banco BPI counted with:

- the collaboration of KPMG, as financial advisor;
- the legal advice of Campos Ferreira, Sá Carneiro & Associados (CS ASSOCIADOS) regarding the legal rules and recommendations applicable to transactions between related parties.

4. In accordance with the provisions of the respective contracts, the transactions under review will become effective as soon as the authorisations are obtained from the authorities that in each case may be applicable.

Lisbon, 23 November 2017

Banco BPI, S.A.