

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

Registered office: Rua Tenente Valadim, 284, Porto

Registered at Commercial Registry of Porto under

Sole 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 containing the main terms relating to the following transactions were signed:

- 1.1. Sale of the legal positions which constitute and are used in the business activity involving the issue of payment instruments (debit and credit cards) to CaixaBank Payments Establecimiento Financiero de Credito de Entidades de Pago S.A. (hereinafter referred to as CB Payments), a company 100% held by CaixaBank, for a consideration of 53 million euro. The sale includes the outstanding credit arising from the utilization of credit cards whose contracts were assigned, which outstanding credit will be assigned at their book value net of impairments less the amount corresponding to the respective capital requirements.
- 1.2. Sale of the legal positions which constitute and are used in the business activity involving the merchant acquiring business to Comercia Global Payments, Entidad de Pago, S.L. (hereinafter referred to as Comercia), for a consideration of 60 million euro. Comercia is a joint venture vehicle of CaixaBank and Global Payments Inc.

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 CB Payments and Comercia.

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

In addition, Banco BPI will grant to CB Payments the funding of the loans which, in the scope of the activity referred to in 1.1., are advanced to customers, and to Comercia the funding of the amounts due, in the scope of the activity referred to in 1.2., to the merchants.

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 CB Payments and Comercia will carry out their activity in Portugal in accordance with the European regime for the free provision of services, and it will be ensured, as referred to above, by means of the agency contract between them and Banco BPI, that the relationship with relevant customers will be handled via Banco BPI.

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 core banking business.

2. The financial impacts for Banco BPI of the transactions outlined above will be as follows:

- a) pre-tax gain of 99 million euro<sup>1</sup>
- b) increase in the CET1 ratio (fully loaded) of roughly 46 b.p.

Projecting the effects of the transactions in question on Banco BPI's capital ratios (fully loaded) at 30 September 2017, and also taking into account the transactions announced by Banco BPI to the market on 23 November, these ratios would change as follows:

<b>Banco BPI consolidated</b>	<b>Capital ratios (fully loaded)</b>		
	30 Sep. 17	Proforma after transactions announced at 23 Nov.	Proforma after transactions announced at 23 Nov. and 21 Dec.
CET1	11.5%	12.8%	13.2%
T1	11.5%	12.8%	13.2%
Total ratio	13.3%	14.6%	15.0%

3. 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 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 participation of neither the Banco BPI's non-executive directors related to CaixaBank nor the executive directors.

In these transactions, Banco BPI counted with:

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

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1) Estimated gains based on the values observed at 30 September 2017. The actual amount of the gains to be recognized in Banco BPI's consolidated accounts will depend on the book value of the businesses on the sale date.

4. In accordance with the provisions of the abovementioned contracts, the transactions under review will become effective as soon as the suspensive conditions to which they are subject are verified, which include the authorisations of the authorities that in each case may be applicable.

Lisbon, 21 December 2017

Banco BPI, S.A.