



CaixaBank, S.A.

Head Office: Avenida Diagonal, 621
Barcelona

Share Capital: € 5,981,483,031.00

Registered with the commercial registry of Barcelona
and C.I.F A-08663619

("Offeror")

PROSPECTUS OF THE

**GENERAL AND MANDATORY TENDER OFFER FOR THE
ACQUISITION BY CAIXABANK, S.A. OF THE SHARES
REPRESENTING THE SHARE CAPITAL OF**

BANCO BPI, S.A.

Public Company

Head Office: Rua Tenente Valadim, 284, OPorto

Share Capital: € 1,293,063,324.98

Registered with the Commercial Registry Department of OPorto

Under sole registration and tax payer number

501214534

("Target Company")

The following is an unofficial and non-binding English translation of the Portuguese prospectus that was registered with the Portuguese Securities Market Commission (Comissão do Mercado de Valores Mobiliários) on 16 January 2017 (the "Portuguese Prospectus"). The original Portuguese Prospectus, written in Portuguese, is the only legally binding version and CaixaBank, S.A. and the Financial Intermediary do not undertake any type liability or responsibility for any statements or representations made in the English translation. In cases of inconsistencies between the Portuguese Prospectus and the English translation of the Prospectus, the Portuguese Prospectus shall prevail.

ASSISTANCE

Deutsche Bank AG - Sucursal em Portugal

16 January 2017

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DEFINITIONS

Unless the context otherwise requires, the following terms, when used in this Prospectus, will have the meanings that is ascribed to each of them below:

"Share" or **"Shares"** – the ordinary, book-entry and nominative shares, with no nominal value, representing the share capital of the Target Company, which are the object of this Offer.

"Launch Announcement" – the launch announcement of the Offer as defined in article 183-A of the Portuguese Securities Code.

"Initial Preliminary Announcement" – the initial preliminary announcement of the general and voluntary tender offer of CaixaBank over the shares representing the share capital of BPI published in CMVM's Information Disclosure System ("Sistema de Difusão de Informação") on 18 April 2016.

"Updated Preliminary Announcement" – the updated preliminary announcement of the general and mandatory tender offer of CaixaBank over the shares representing the share capital of BPI published in CMVM's Information Disclosure System ("Sistema de Difusão de Informação") on 18 April 2016, following the conversion of the nature of the Offer from voluntary to mandatory.

"ECB" – European Central Bank.

"BCI" – Banco Comercial e de Investimentos, S.A.

"BFA" – Banco de Fomento Angola, S.A.

"BPI" or **"Target Company"** – Banco BPI, S.A.

"CaixaBank" or **"Offeror"** – CaixaBank, S.A.

"CET1" – *common equity tier 1* as determined by EBA (European Banking Authority) and in accordance with the CRD IV – CRR.

"CIRC" – the Portuguese Corporate Income Tax Code, approved by Decree-Law no. 442-B/88, of 30 November, as amended.

"CIRS" – the Portuguese Code of Personal Income Tax, approved by Decree-Law no. 442-A/88, of 30 November, as amended.

"CMVM" – the Portuguese Securities Market Commission.

"PSC" – the Portuguese Securities Code, approved by Decree-Law no. 486/99, of 13 November, as amended.

"Date of Conversion of the Offer" – the date of conversion of the Offer into a mandatory tender offer and on which the Updated Preliminary Announcement was published, i.e., 21 September 2016.

"Initial Preliminary Announcement Date" – the date of the initial Preliminary Announcement, i.e., 18 April 2016.

"EBF" – the Portuguese Tax Incentives Statute, approved by Decree-Law no. 215/89, 1 July, as amended.

"EUR", **"Euro"** or **"€"** – the official currency of the European Union's Member States that adopted the single currency set out in the Treaty on the Functioning of the European Union.

"Euronext" – the Euronext Lisbon - Sociedade Gestora de Mercados Regulamentados, S.A. that manages the Euronext Lisbon.

"Euronext Lisbon" – the regulated market managed by Euronext Lisbon – Sociedade Gestora de Mercados Regulamentados, S.A.

"Breach of Large Exposure Risks" – the situation of breach of large exposure risks resulting from BPI's shareholding in BFA, which BPI disclosed to the market on 16 December 2014.

"Target Company's Group" – commercial companies, with head office in Portugal or abroad, that are in group or control relationship with the Target Company, under Article 21 of the PSC.

"Interbolsa" – Interbolsa – Sociedade Gestora de Sistemas de Liquidação e de Sistemas Centralizados de Valores Mobiliários, S.A..

"Financial Intermediary" – Deutsche Bank AG - Sucursal em Portugal, the financial intermediary representing the Offeror and responsible for assisting the Offer, in accordance with article 113(1)(b) of the PSC.

"IRC" – Company Income Tax.

"IRS" – Personal Income Tax.

"ISIN" – international securities identification number.

"Offer" or **"Tender Offer"** – the General and Mandatory Tender Offer for the acquisition of shares representing the share capital of BPI.

"P/E" – the ratio between the price and the net profit (Price to Earnings ratio) of the last year or foreseen for the year end (e.g. *P/E 16E*).

"P/BV" – the ratio between the price and the book value (Price to Book Value) disclosed on the last quarterly accounts (e.g. *P/BV 9M16*), where the Book Value is the book value of the own funds at the end of a certain period.

"Offer's Period" – the Offer will start from 8h:30m on 17th of January of 2017 up to 15h:30m on 7th of February of 2017, unless extended under the applicable laws.

"GDP" – gross domestic product.

"2015 Tender Offer Period" – the period between the preliminary announcement of the 2015 Tender Offer of CaixaBank (17 February 2015) and its formal withdrawal (18 June 2015).

"Pre-2Mar Shares VWAP" – € 1.041 per Share which corresponds to the volume weighted average listing price, calculated in accordance with the Euronext data, for 6 months – from 2 September 2015 (inclusive) up until 1 March 2016 (inclusive).

"VWAP" – the volume weighted average listing price for a trading period (i.e. for a day, a month, etc.) calculated according to Euronext data.

"Offer Price" – the consideration offered by the Offeror, in the amount of € 1.134 (one euro and thirteen point four cents) per Share, deducted of any amount (gross) which may be attributed to each Share, such as dividends, advance profits of the financial year or distribution of reserves, such deduction being made immediately after the moment on which the right to the concerned amount has been detached from the Shares when such moment occurs prior to the settlement of the Offer.

"1-Mar Closing Price" – € 1.069 per Share that corresponds to the closing price of the Shares on 1 March 2016. On that day, after the markets close, the media published news regarding negotiations between CaixaBank and Santoro Finance in relation to BPI. On the following day, 2 March 2016, the trading of BPI shares was suspended at 10h55m by the CMVM after the price of the shares increased 10.4%.

On that same day during the afternoon, CaixaBank disclosed a relevant fact, in which it confirmed the existence of the referred negotiations.

“**Prospectus**” – this prospectus for the Tender Offer.

“**Regulation 2/2016 of Interbolsa**” – the Regulation on the general operational rules of the centralised securities systems and of the securities settlement systems managed by Interbolsa.

“**Regulation 3/2006 of CMVM**” – the CMVM’s Regulation no. 3/2006 on Offers and Issuers, as amended.

“**ROAE**” – ratio between the net profit and the own funds (return on average equity) measured as the real or estimated annualized net results over the real or estimated average of the own funds.

“**ROATE**” – ratio between the net results and the own funds excluding intangible assets (return on average tangible equity) measured as the real or estimated annualized net results over the real or estimated average tangible own funds.

“**Santoro Finance**” – Santoro Finance – Prestação de Serviços, S.A.

“**Special Regulated Market Session**” – the special Euronext Lisbon Regulated Market session, for the purposes of assessment of the Offer’s results, expected to take place on 8th of February of 2017, at the time to be indicated in the notice to be published by Euronext.

“**Settlement and Clearing System**” – the clearing and settlement system managed by Interbolsa.

“**S&P**” – Standard & Poor’s Financial Services LLC.

“**End of the Offer Period**” – at 15h:30m (Lisbon time) of 7th of February of 2017, last day of the Offer Period.

CHAPTER 0 – NOTICE / INTRODUCTION

0.1. Summary of the Offer

The Offeror

The Offeror is CaixaBank, S.A., a public limited company, C.I.F. A-08663619, with registered office at Avenida Diagonal, 621, Barcelona, Spain, registered with the Commercial Registry of Barcelona, on sheet B-41232 and registered with the Special Administrative Registry of the Bank of Spain with number 2100, with the share capital totally subscribed and paid-up of € 5,981,483,031.00.

The Target Company

The Target Company is Banco BPI, S.A., a public company, with registered office at Rua Tenente Valadim, 284, Porto, Portugal, registered with the commercial registry and taxpayer number 501214534, with a share capital totally subscribed and paid-up of € 1,293,063,324.98.

The share capital of the Target Company is represented by 1,456,924,237 (one thousand four hundred and fifty six millions, nine hundred and twenty four thousand, two hundred and thirty seven) ordinary, book-entry and nominative shares, with no nominal value, that are admitted to trading on the regulated market Euronext Lisbon with the ISIN PTBPIOAM0004.

Terms of the Offer

This Offer is general and mandatory and covers all the issued and outstanding Shares representing the share capital of the Target Company, excluding those that are held directly by the Offeror. The Offeror undertakes to, subject to the terms foreseen in the documentation of the Offer, acquire all the Shares object of this Offer, including the treasury shares of the Target Company, that, up until the end of the respective term, are object of valid acceptance by its addressees.

When the Offer was announced preliminarily through the Initial Preliminary Announcement published on 18 April 2016, the Offer did not have a mandatory nature given that, at that date, the CMVM's decision of 20 April 2012, which set aside the duty to launch a mandatory tender offer for the acquisition of BPI's Shares by virtue of the successful demonstration by CaixaBank before the CMVM of a negative proof of the existence of control over BPI, was still effective.

One of the assumptions of the CMVM's decision of 20 April 2012 was the existence of a statutory limitation on the counting or exercising voting rights in a BPI general meeting when issued by only one shareholder set forth in paragraphs 4 and 5 of article 12 of the bylaws of BPI.

On 21 September 2016, BPI's general meeting approved the elimination of the statutory limitation on the counting or exercising voting rights in a BPI general meeting when issued by only one shareholder set forth in paragraphs 4 and 5 of article 12 of the BPI's bylaws and, accordingly, the proof of the inexistence of control for the purposes article 187(2) of the PSC ceased and CaixaBank became bound to the duty of launching a public tender offer over BPI in accordance with article 187(3) of the PSC.

As a result of the referred end of the proof of inexistence of control and the consequent constitution, on 21 September 2016, of the obligation to launch a tender offer by CaixaBank over BPI, the legal nature of the tender offer, whose Initial Preliminary Announcement had been published on 18 April 2016, was converted into a mandatory tender offer. Therefore, CaixaBank had to amend the terms of the Offer in accordance with the regime of the mandatory offers set forth in articles 187 and seq. of the PSC and it had, for this purpose, to update the Initial Preliminary Announcement. CaixaBank published the Updated Preliminary Announcement on 21 September 2016.

To the best of its knowledge, at the date of the Launch Announcement, the Offeror holds, under the terms of Article 20(1) of the PSC, 45.66% (forty five point sixty six per cent) of the voting rights of the Target Company corresponding to 662,888,388 (six hundred and sixty two millions eight hundred and eighty eight thousand and three hundred and eighty eight) Shares, representing 45.50% (forty five point fifty per cent) of the share capital of the Target Company.

For this purposes, the percentage of the voting rights of the Offeror in the Target Company was calculated with reference to the total voting rights inherent to the total Shares whose voting rights are not suspended, considering, in accordance with the information transmitted by the Target Company, the existence on 9 December 2016 of 5,227,514 (five million, two hundred and twenty seven thousand five hundred and fourteen) treasury shares, corresponding to 0.36% (zero point thirty six per cent) of the share capital of the Target Company.

Considering the Shares currently held by the Offeror, the shares that can be tendered in the Offer are a maximum of 794,035,849 (seven hundred and ninety four millions thirty five thousand eight hundred and forty nine) Shares of the Target Company, corresponding to the difference between the total number of shares representing the share capital of the Target Company – 1,456,924,237 (one thousand four hundred and fifty six millions, nine hundred and twenty four thousand, two hundred and thirty seven) – and the number of shares representing the share capital of the Target Company held by the Offeror – 662,888,388 (six hundred sixty two millions eight hundred eighty eight thousand and three hundred eighty eight).

Consideration

The consideration offered is € 1.134 (one euro and thirteen point four cents) per Share, payable in cash, deducted of any amount (gross) which may be attributed to each Share, such as dividends, advance profits of the financial year or distribution of reserves, such deduction being made immediately after the moment on which the right to the concerned amount has been detached from the Shares when such moment occurs prior to the settlement of the Offer.

The Offer Price (€ 1.134 per Share) corresponds to the VWAP of the 6 months immediately preceding the Date of Conversion of the Offer, i.e., the VWAP corresponding to the period between 22 March 2016 (inclusive) and 21 September 2016 (inclusive).

The current Offer is mandatory, and the Offer Price meets the criteria set in article 188 of the PSC, given that (A) it is equal to the weighted average listing price of Shares on Euronext Lisbon during the six months immediately preceding the Date

of Conversion of the Offer, and (B) is higher than any price paid per Share during the same period by the Offeror or the persons that are with the latter in one of the circumstances set forth under article 20(1) of the PSC.

Conditions to the launching of the Offer

The Updated Preliminary Announcement of the Offer established the following conditions precedent to the launch of the Offer, which have already been satisfied:

- (i) Obtain the non-opposition of the European Central Bank, pursuant to Articles 102 and 103 of the General Framework for Credit Institutions and Financial Companies, approved by Decree-Law n.º 298/92, of December 31, 1992, as amended ("**RGICSF**") and the applicable provisions of Directive n.º 2013/36/EU, of the Parliament and the Council, of June 26, 2013, (EU) Regulation n.º 1024/2013, of the Council, of October 15, 2013, and (EU) Regulation n.º 468/2014, of the European Central Bank, of April 16, 2014;
- (ii) Obtain the non-opposition of the Portuguese Insurance and Pension Funds Supervisory Authority, pursuant to Article 44 of Decree-Law n.º 94-B/98, of April 17, 1998, as amended, and Article 38(2) of Decree-Law 12/2006, of January 20, 2006, as amended;
- (iii) Obtain the approval of the European Commission, pursuant to Regulation (EC) n.º 139/2004, of the Council, of January 20 of 2004, regarding the control of concentrations between undertakings;
- (iv) Obtain the authorization of the *Banco de España* for the acquisition of a significant indirect shareholdings of CaixaBank in Banco Fomento de Angola, S.A. ("**BFA**"), Banco de Comércio e Investimentos, S.A. ("**BCI**") and in Banco BPI Cayman Ltd.;
- (v) Obtain the non-opposition of the *Commission de Surveillance du Secteur Financier* of the Grand-Duchy of Luxembourg ("**CSSF**") for the acquisition of a qualified indirect shareholding of CaixaBank in the Luxembourg asset management company "BPI Global Investment Fund Management Company S.A.";
- (vi) Obtain the non-opposition of the *Cayman Islands Monetary Authority* of the Cayman Islands ("**CIMA**") for the acquisition, by CaixaBank, of control in the branch of BPI in Cayman Islands and of a qualified indirect shareholding in Banco BPI Cayman Ltd.;
- (vii) Obtain the authorization of the *Banco Nacional de Angola* for the acquisition of a qualified indirect holding of CaixaBank in BFA;
- (viii) Obtain the authorization of the *Banco de Moçambique* for the acquisition of a qualified indirect holding of CaixaBank in BCI; and
- (ix) Obtain prior registration of the Offer with the Portuguese Securities Market Commission ("**CMVM**"), pursuant to article 114 of the PSC, with a consideration €1.134 (one euro and thirteen point four cents) for Share.

Offer Period

The Offer Period will be from 8h:30m (Lisbon time) of 17th of January of 2017 up to 15h:30m (Lisbon time) of 7th of February of 2017. Selling orders may be received until the term of this period.

The holders of Shares that want to accept the Offer shall send the selling orders directly to the financial intermediaries with whom their securities accounts are held. The acceptance of the Offer by its addressees is subject to the fulfilment of the legal and regulatory requirements, including the ones resulting from foreign law when the addressees of the Offer are subject to said law.

In accordance with Portuguese law, namely with Article 183(2) of the PSC, the CMVM, on its own initiative or at the Offeror request, may extend the offer period in case of review of the Offer, launchment of a competing offer or if such extension is required to protect the interests of the addressees.

The holders of Shares that accept the Offer may revoke their acceptance statements through a written notification addressed to the financial intermediary that has received such declaration:

- a) in general, at any given moment, until the fifth calendar days before the end of the Offer Period, i.e., until 23h:59m (Lisbon time) of 2nd of February of 2017;
- b) in case of the launchment of a competing offer, until the last day of the Offer Period;
- c) in case of a CMVM's suspension of the Offer, until the fifth calendar day subsequent to the end of the suspension.

The results of the Offer will be determined in a Special Regulated Market Session of Euronext Lisbon, which is expected to take place on 8th of February of 2017, at a time to be indicated in the notice to be published by Euronext.

The physical and financial settlement of the Offer are expected to take place after the Special Regulated Market Session, in accordance with Regulation no. 2/2016 of Interbolsa and in accordance with the indications included in the notice to be published by Euronext.

The Offeror intends to acquire within the Offer a number of Shares of the Target Company (that are fully paid-up, with all inherent rights and free of any encumbrances, charges or liabilities, as well as any limitations or duties, notably regarding the respective economic and/or social rights and its transferability) representing 100% of the Target Company's share capital, excluding those that are directly held by the Offeror.

The Offeror intends that the Target Company continues to have its shares admitted to trading after the settlement of the Offer and it is counting with the shareholders – including those represented in the board of directors of the Target Company – that decide not to sell their shares in the Offer.

Without prejudice to the foregoing, after the analysis of the Offer results, and depending on the market conditions, namely the situation of the Target Company and the liquidity of the Shares after the Offer Period, and in case the Offeror reaches or exceeds, directly or in accordance with Article 20(1) of the PSC, (i) 90% (ninety per cent) of the voting rights corresponding to the share capital of the Target Company and (ii) 90% (ninety per cent) of the voting rights covered by the Offer as a result of the Offer or of any other transactions legally allowed and relevant for the calculation of said percentage, the Offeror reserves the right to use to the squeeze-out mechanism set forth in article 194 of the PSC, which will imply

the immediate exclusion from trading in a regulated market of the Shares and the prohibition of re-admission to trading for the period legally established.

In case the conditions for the use of the squeeze-out mechanism set forth in article 194 of the PSC referred in the previous paragraph are fulfilled and the Offeror decides not to use such mechanism, each of BPI's shareholders is entitled to, during the three months following the assessment of the tender offer's results referred in article 194(1) of the PSC, exercise the sell-out right in accordance with article 196 of the PSC.

The Offeror will not, following the Offer and under the terms of Article 27(1)(a) of the PSC, request the withdrawal of public company status of the Target Company, in which case the Shares of the Target Company shall continue to be traded in the regulated market of Euronext Lisbon.

In case the thresholds of 90% referred above are not reached, the Offeror does not have, at this stage, plans to propose any business concentration upon the conclusion of the Offer that result in an exchange of Shares that are not acquired in the Offer by other securities in the context of a merger or similar operation, although the Offeror reserves the right to propose such operation in the future.

The Offeror, acting directly or indirectly, already traded and may resume trading the Shares during the Offer through the purchase and sell of Shares in the regulated market of Euronext Lisbon. The referred trading may occur at any moment at market prices but, in principle, it will not be carried out by a superior price than the one proposed in the Offer otherwise the Offeror will have to increase the consideration offered for a price no less than to the highest price paid by the Shares thus acquired in accordance with article 180(3)(b) of the PSC. The trading of Shares will be carried out in accordance with article 180 of the PSC, in particular, (i) it may only be carried out in the regulated market of Euronext Lisbon, unless if authorized by CMVM, with prior opinion of the Target Company, and (ii) the Offeror and the entities which, being with it in any of the situations set forth in article 20(1) of the PSC shall inform CMVM on a daily basis regarding the transactions over the Shares carried out by each of them.

0.2. Registration Effects

The Offer has been registered with the CMVM, on 16th of January of 2017, under the number 9211.

Pursuant to Article 118(6) and (7) of the PSC *"the of the public takeover offer requires the approval of the prospectus and is based on legal criteria"* and *"The prospectus' approval and the registration do not involve any warranty concerning to the contents of the information, the economic or financial condition of the Offeror, the issuer or the guarantor, to the offer's viability or to quality of the securities"*.

The financial intermediary responsible for assisting the Offeror for the services of preparation, launching and execution of the Offer is Deutsche Bank AG – Sucursal em Portugal, with head office at Rua Castilho, no. 20, 1250-069 LISBOA, Portugal, under registration and tax payer number 980459079.

Declarations or statements relating to the future

This Prospectus includes declarations or statements relating to the future. All declarations contained or incorporated in this Prospectus — excluding the ones regarding historical facts, including, namely, the ones related to the financial situation, revenues and profitability (including, namely, any projections or financial or operational predictions), business strategy, future prospects, plans and management objectives for future operations, and macroeconomic conditions in Portugal, Europe or other local – constitute declarations relating to the future. Some of these declarations may be identified by terms such as “anticipate”, “believes”, “estimate”, “hopes”, “intends”, “predicts”, “forecasts”, “plans”, “may”, “can” and “might” or similar expressions. However, these expressions does not constitute the only way used to identify declarations relating to the future. These declarations relating to the future or any other projections contained in this Prospectus involve known and unknown risks, uncertainties and other factors that may determine that the effective results or performance or the conditions are substantially different from the ones resulting expressly or implicitly from the declarations relating to the future. In view of the above, the addressees of the Offer shall consider carefully these declarations relating to the future, which only apply at the date of this Prospectus, before any investment, decision is taken, regarding the Offer.

Several factors may determine that the future performance or the results are significantly different from the ones that expressly or implicitly result from de declarations relating to the future. In case any of these risks or uncertainties occur, or any of the suppositions were proved to be incorrect, the future described or mentioned perspectives in this Prospectus may not occur total or partially and the effective results may be significantly different from the ones described in the present Prospectus as anticipated, estimated, forecasted or predicted. These declarations relating to the future only refer to the date of the present Prospectus. Neither the Offeror neither the Financial Intermediary assume any obligation or commitment to disclose any updates or revisions to any declarations relating to the future contained in the present Prospectus in a manner to reflect any alteration of their expectations arising from any alteration to the facts, conditions or circumstances on which it were based, except as it may be required by applicable law.

CHAPTER 1 – PERSONS RESPONSIBLE FOR THE INFORMATION

The form and the contents of this Prospectus comply with the PSC, the Regulation no. 3/2006 of CMVM, and all other applicable laws and regulations.

The persons and entities listed below are, in accordance with the responsibility attributable by Articles 149 and 150 of the PSC, responsible for any damages caused by the non-compliance of this Prospectus' contents (as of its publication date) with the provisions of Article 135 of the PSC, except if they prove to have acted without fault.

a) the Offeror:

The Offeror is CaixaBank, S.A., public limited company, C.I.F. A-08663619, with registered office at Avenida Diagonal, 621, Barcelona, Spain, registered at the Commercial Registry of Barcelona, on sheet B-41232 and registered with the Special Administrative Registry of the Bank of Spain with number 2100, with the share capital totally subscribed and paid-up of € 5,981,483,031.00.

b) Offeror's Members of the Board of Directors:

- Jordi Gual Solé (Chairman of the Board of Directors)
- Antonio Massanell Lavilla (Deputy Chairman)
- Gonzalo Gortázar Rotaèche (Chief Executive Officer)
- Alejandro García-Bragado Dalmau (Director)
- Salvador Gabarró Serra (Director)
- Maria Teresa Bassons Boncompte (Director)
- María Verónica Fisas Vergés (Director)
- Fundación Cajasol (Director), represented by Guillermo Sierra Molina
- Javier Ibarz Alegría (Director)
- Alain Minc (Director)
- María Amparo Moraleda Martínez (Director)
- Antonio Sáinz de Vicuña y Barroso (Director)
- José Serna Masiá (Director)
- John Shepard Reed (Director)
- Juan Rosell Lastortras (Director)
- Koro Usarraga Unsain (Director)
- Xavier Vives Torrents (Director)

c) the Deutsche Bank AG – Sucursal em Portugal, as the Financial Intermediary assisting the Offer.

Pursuant to Article 149(2) of the PSC, the fault will be assessed under high standards of professional diligence.

Under Article 149(3) of the PSC, the liability of the persons mentioned above is excluded if it is proven that the addressees knew or should have known of this Prospectus' inaccuracy at the date of issuance of their statement of acceptance or until the moment where the revocation of the acceptance was still permitted.

Under Article 150(a) of the PSC, the Offeror will be liable, regardless of fault, in case of responsibility of its Board of Directors or of the Financial Intermediary, as being responsible for assisting the Offer.

The information contained in this Prospectus regarding the Target Company was obtained or is based on publicly available information, which has not been checked by the Offeror or the financial intermediary responsible for assisting the Offer. The Offeror and Deutsche Bank AG – Sucursal em Portugal are not aware of any events or circumstances indicating that any statement with reference to the Target Company and any other entity related to the Target Company, contained herein, is not true or is materially misleading. In addition, The Offeror and Deutsche Bank AG – Sucursal em Portugal responsible for assisting the Offer do not assume any responsibility for the non-compliance by the Target Company and/or any other entity related to the Target Company, of its obligation to disclose any events that may have occurred by virtue of which the information contained herein and the information on which the Offeror and Deutsche Bank AG – Sucursal em Portugal have based themselves, is capable of being inaccurate or misleading.

CHAPTER 2 – DESCRIPTION OF THE OFFER

2.1. Amount and nature of the transaction

The Offer is general and mandatory and covers the totality of the Shares issued and in negotiation representing the Target Company's share capital, excluding those held directly by the Offeror. The Offeror undertakes to, subject to the terms foreseen in the Offer documents, acquire the totality of the Shares object of the Offer that, until the end of the corresponding term, are object of a valid acceptance by the respective addressees.

When preliminarily announced through the Initial Preliminary Announcement published on 18 April 2016, this Offer did not have a mandatory nature given that, at that date, the CMVM's 20 April 2012 decision was effective and it considered that the duty to launch a mandatory tender offer over BPI did not exist as a result of CaixaBank's successful negative proof before the CMVM of the existence of control over BPI.

One of the factual fundamental assumptions of the CMVM's 20 April 2012 decision was the existence of a statutory limitation to the counting or exercise of voting rights in BPI's general meeting when issued by a single shareholder foreseen in the previous numbers 4 and 5 of Article 12 of BPI's by-laws.

On 21 September 2016, the shareholders' general meeting of BPI approved the elimination the statutory limitation to the counting or exercise of voting rights in BPI's general meetings when issued by a single shareholder foreseen in the previous numbers 4 and 5 of article 12 of BPI's by-laws. Accordingly, the proof of inexistence of control for the purposes of the Article 187(2) of the PSC cease and CaixaBank was vested in the duty of launching a mandatory tender offer over BPI, in accordance with the terms of Article 187(3) of the PSC.

As a result of the referred end of negative proof and the creation on 21 September 2016 of a duty to launch a mandatory tender offer of CaixaBank over BPI, the legal nature of the Offer, whose Initial Preliminary Announcement had been published on 18 April 2016, was converted into a mandatory tender offer and CaixaBank had to alter the terms of the Offer to conform with the mandatory tender offer legal regime foreseen in Articles 187 and following of the PSC and having, for that purpose, to update of the Initial Preliminary Announcement. CaixaBank published the Updated Initial Preliminary Announcement on 21 September 2016.

The Offer encompasses exclusively the Shares that, as of the Offer's term, are fully paid-up, with all inherent rights and free of any encumbrances, charges or liabilities, as well as any limitations or duties, notably regarding the respective economic and/or corporate rights and its transferability.

2.2. Amount, nature and class of securities that are object of the Offer

The Target Company's share capital is represented by 1,456,924,237 (one thousand four hundred and fifty six million nine hundred and twenty four thousand two hundred and thirty seven) ordinary, book-entry and nominative shares, with no nominative value, that are admitted to trading in the Euronext Lisbon regulated market under the ISIN PTBPI0AM0004.

To the best of its knowledge, at the date of the Launch Announcement, the Offeror holds, under the terms of Article 20(1) of the PSC, 45.66% (forty five point sixty six per cent) of the voting rights of the Target Company corresponding to 662,888,388 (six hundred and sixty two millions eight hundred and eighty eight thousand and three hundred and eighty eight) Shares, representing 45.50% (forty five point fifty per cent) of the share capital of the Target Company.

For this purposes, the percentage of the voting rights of the Offeror in the Target Company was calculated with reference to the total voting rights inherent to the total Shares, which voting rights are not suspended, considering, in accordance with the information transmitted by the Target Company, the existence, on 9 December 2016, of 5,227,514 (five million, two hundred and twenty seven thousand five hundred and fourteen) treasury shares, corresponding to 0.36% (zero point thirty six per cent) of the share capital of the Target Company.

Considering the Shares currently held by the Offeror, 794,035,849 (seven hundred and ninety four million thirty five thousand eight hundred and forty nine) of the Target Company's Shares can be object of acceptance in the Offer, corresponding to the difference between the total number of shares representing the share capital of the Target Company - 1,456,924,237 (one thousand four hundred and fifty six million, nine hundred and twenty four thousand, two hundred and thirty seven) - and the number of shares representing the share capital of the Target Company held by the Offeror - 662,888,388 (six hundred and sixty two million, eight hundred and eighty eight thousand three hundred and eighty eight).

The 794,035,849 (seven hundred and ninety four million thirty five thousand eight hundred and forty nine) Shares object of the Offer are representative of 45.50% (forty-five point fifty percent) of the Target Company's share capital.

As far as the Offeror is aware, the Target Company has not issued any other securities of the nature that is referred in article 187(1) of the PSC.

The Offer encompasses exclusively to the Shares that, as of the Offer's term, are fully paid-up, with all inherent rights and free of any encumbrances, charges or liabilities, as well as any limitations or duties, notably regarding the respective economic and/or corporate rights and its transferability.

The availability of the Offer and its acceptance by entities or persons not residents in Portugal might be affected by the laws of the relevant jurisdiction. Any non-resident person in Portugal must inform itself about the applicable legal requirements and comply with the latter.

2.3. Consideration offered and its justification

2.3.1. Amount of the consideration

The consideration offered is € 1.134 (one euro and thirteen point four cents) per Share, payable in cash, deducted of any amount (gross) which may be attributed to each Share, such as dividends, advance profits of the financial year or distribution of reserves, such deduction being made immediately after the moment on which the right to the concerned amount has been detached from the Shares when such moment occurs prior to the settlement of the Offer.

2.3.2. Justification of the consideration

This Offer is mandatory and the Offer Price complies with the criteria set out in Article 188 of the PSC, given that (A) it is equal to the volume weighted average price of the Shares in the Euronext Lisbon, in the six month period prior to the Date of Conversion of the Offer, and (B) it is higher than any price paid per Share during the same period by the Offeror or the persons that are with the latter in one of the circumstances set forth under Article 20(1) of the PSC.

- a) Average trading price during six months, three months, one month, last week and last day immediately preceding the Date of Conversion of the Offer

The Offer Price (€ 1.134 per Share) corresponds to the VWAP of the 6 months immediately preceding the Date of Conversion of the Offer, that is to say, the VWAP corresponds to the period comprised between 22 March 2016 and 21 September 2016.

The Offer Price represents a premium of 3.9% in relation to the closing price of the shares on the day before the Date of Conversion of the Offer (€ 1.091 per Share).

The table below shows the premium/discount of the Offer Price (€1.134 per Share) in relation to the different periods before the Date of Conversion of the Offer:

Considered period	Average volume (thousands of Shares)	VWAP (€)	Premium/(Discount) Implicit over the VWAP (%)
Last day (20-Sept-16)	814	1.096	3.5%
Last week (15-Sept-16 to 21-Sept-16)	1,305	1.069	6.1%
Last month (22-Aug-16 to 21-Sept-16)	774	1.074	5.6%
Last three months (22-Jun-16 to 21-Sept-16)	1,036	1.099	3.2%
Last six months (22-Mar-16 to 21-Sept-16)	1,732	1.134	0.0%

Note: Implicit premium of the Offer Price over the VWAP
Source: Bloomberg

The Target Company's closing Share price during the six months prior to the Date of Conversion of the Offer dropped -17.7%, while its Iberian peers suffered a devaluation of 13.0% and -66.0%, except Bankinter, which price rose by +2.5%:

BCP	CaixaBank	Bankia	Sabadell	Popular	Bankinter	Liberbank
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(66.0%)	(13.0%)	(19.8%)	(30.1%)	(47.1%)	2.5%	(33.7%)
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Source: FactSet (Santander and BBVA were not included because they are global banks of a considerable dimension).

b) Highest price paid per Share by the Offeror or by any entity related to the Offeror as set out in Article 20(1) of the PSC, in the six months preceding the Date of Conversion of the Offer

The Offeror declares that (i) it did not acquired Shares on the 6 months immediately preceding the Date of the Initial Preliminary Announcement and (ii) that it acquired, between 27 April 2016 and 19 August 2016, 20,425,852 BPI shares representing 1.4% of its share capital and 1.4% BPI's voting rights, for the total amount of €22,462,724.69, being the minimum acquisition price paid per Share of €1.061, the maximum acquisition price paid per Share of €1.112 and the average acquisition price per Share of €1.100.

The Offeror declares that it did not acquired, since the Initial Preliminary Announcement Date until registration of the Tender Offer, Shares of the Target Company by an acquisition price higher than €1.112 per Share.

No agreement was executed between CaixaBank and any Target Company's shareholder or with any other entity for the future acquisition of the Target Company's Shares after the closing of the Offer. No agreement was executed between the referred entities in respect of the acquisition of control over BPI. CaixaBank did not grant, nor promised to grant, any financing to any entity, State-owned or private, related with the acquisition of control of BPI

c) Target Company's book value

30-September-2016	
Book value(€m)	€2,386m
Number of Shares outstanding (#)	1,457m
Book value implied per Share (€)	1.64

Source: Target Company's Announcement regarding the results of the first 9 months of 2016.

31-December-2015	
Book Value (€m)	€2,407m
Number of Shares outstanding (#)	1,457m
Book value implied per Share (€)	1.65

Source: Target Company's Announcement regarding the results at 31/12/15.

d) Analysts' target prices

The following table shows the national and international analysts' recommendations and target prices for the Target Company and that had published their valuations regarding the following periods: (i) six months prior to the Date of the Initial Preliminary Announcement, (ii) six months prior to the Date of Conversion of the Offer (iii) since the Date of Conversion of the Offer until 31 December 2016:

Broker	18/09/15-17/04/15			22/03/16-21/09/16			22/09/16-31/12/16		
	Date	Rating ^(a)	Target price (€)	Date	Rating ^(a)	Target price (€)	Date	Rating ^(a)	Target price (€)
JB Capital Markets	Not covered			Not covered			25-Nov	H	1.32
Axia Ventures	Not published in Bloomberg			2-Aug	H	1.05	2-Aug	H	1.05
EVA Dimensions	4-Agu ^(b)	V	S.P.	3-Jun	B	N.P.	3-Jun	B	S.P.
Goldman Sachs	22-Jun ^(b)	N.R.	S.P.	10-May	N.R.	N.P.	10-May	N.R.	S.P.
BBVA	12-Apr	H	1.05	Not covered			Not covered		
CaixaBI	11-Apr	H	1.20	20-Sep	H	1.20	16-Dec	H	1.20
Fidentiis Equities	30-Mar	B	1.25	19-Jul	U.R.	E.R.	16-Dec	U.R.	E.R.
KBW	24-Mar	H	1.10	7-Sep	H	1.10	22-Nov	H	1.10
Santander	18-Mar	H	1.20	18-Mar	H	1.20	29-Nov	H	1.20
Citi	28-Jan	H	1.10	26-Jul	H	1.20	27-Oct	H	1.20
Haitong	19-Jan	H	1.20	13-Jul	H	1.11	13-Jul	H	1,11
Average			1.16			1.14			1.16
Median			1.20			1.16			1.16
Number of recommendations			8			7			8

(a) B = Buy; H = Hold; S = Sell; N.R. = No recommendation; U.R. = under review; N.P. = No price

(b) Year of 2015

Source: Bloomberg

The consideration offered is within the price targets' range of the analysts that follow BPI in the six months prior to the Date of the Initial Preliminary Announcement (€1.05 per Share – €1.25 per Share) and in the six months prior to the Date of Conversion of the Offer (€1.05 per Share – €1.20 per Share), as well as in the period after the Date of Conversion of the Offer up until 31 December 2016 (€1.05 per Share – €1.32 per Share).

The consideration offered is in line with the analysts' average price, in accordance with Bloomberg (€1.14 per Share), taking into consideration the target prices published by the analysts prior to the Date of Conversion of the Offer and -2% below the analysts' average price on the period preceding the Date of the Initial Preliminary Announcement and -2% below in the period after the Date of Conversion of the Offer up until 31 December 2016. The average analysts' recommendation is "Hold".

We emphasise that the majority of the analysts contemplate, in their target price analysis, a favourable solution for the situation of Breach of Large Exposure Risks in Angola.

e) Average trading price during the six months, three months, one month, one

week and one day immediately preceding 2 March 2016 and 18 April 2016¹

It should be noted that the price of the BPI's Shares suffered changes motivated by the great amount of news that anticipated a potential agreement between CaixaBank and Santoro Finance since the beginning of March 2016. In fact, on 2 March 2016 CaixaBank published a relevant fact communicating that it maintained contact with BPI and with the shareholder Santoro Finance regarding the situation of Breach of Large Exposure Risks to Angola. Following BPI's communication to the Bank of Portugal and ECB of the successful negotiation between CaixaBank and Santoro Finance to find a solution for the Breach of Large Exposure Risks, which were subject to the signing of the relevant written agreements, the trading of BPI's Shares on the regulated market was suspended by decision of the CMVM's Board of Directors on 11 April 2016. The Shares remained suspended all such week and up until 19 April 2016 (i) following the publication of privileged information by BPI informing that it had not been possible to sign the written agreements above mentioned and (ii) on the day that BPI informed the market with detail of what was the Breach of Large Exposure Risk situation at such date.

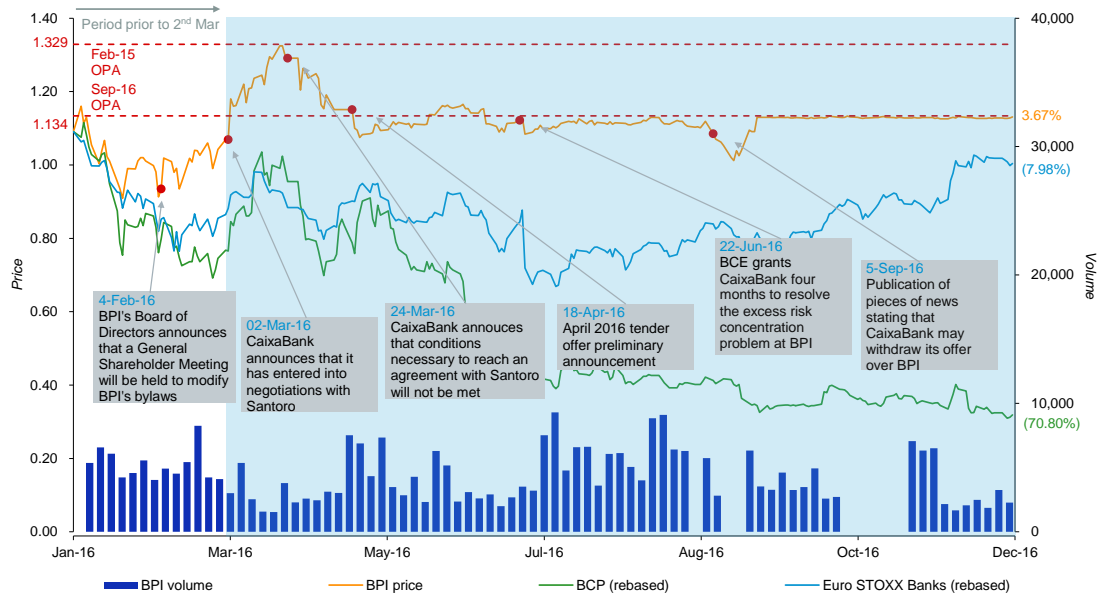
Thus, if we do not take into account the Share price in that period (2 March 2016 until 8 April 2016) where the same was influenced by said news, we conclude that the Offer Price represents a:

- (i) Premium of 6.1% in relation to the 1-Mar Closing Price (€ 1.069 per Share); and
- (ii) Premium of 8.9% in relation to the Pre-2Mar Shares VWAP (€ 1.041 per Share).

The chart below shows the evolution of the BPI Share prices since the beginning of the year and clearly reveals the way the said news influenced BPI's Shares. Thus, during the period between 2nd March 2016 and 8 April 2016:

- The average daily volume of trading of BPI's shares increased 128% in relation to the last 12 months volume, that is to say that, from 2.3 to 5.3 million shares;
- The share price increased 24%, reaching **€1.325** per share.

¹ We emphasise, however, that this is not the relevant legal period for the purposes for the determination of the consideration under Article 188(1) of the PSC.



Source: FactSet

Additionally, since the beginning of the current year (2016), the closing stock prices of the European banks suffered a considerable decrease that did not affect BPI mainly due to the news of a possible tender offer before the Date of the Initial Preliminary Announcement and after the disclosure of that announcement. Thus, since the beginning of January 2016 until 31 December 2016, the price of BPI's Shares increased by +3.7%, while, in the same period, the PSI20 Index fell -11.9%, the SX7E Banking Index fell -8.0% and the domestic Spanish banks performed as follows:

BCP	CaixaBank	Bankia	Sabadell	Popular	Bankinter	Liberbank
(70.8%)	(2.3%)	(9.6%)	(18.1%)	(66.4%)	12.5%	(43.6%)

Source: FactSet (Santander and BBVA was not included because they are global banks of considerable dimension).

In particular, the premiums paid in relation to the period prior to 2 March 2016 were the following:

Considered period	Average volume (thousands of Shares)	VWAP (€)	Premium/(Discount) Implicit over the VWAP (%)
Last day (01-Mar-16)	3,199	1.068	6.2%
Last week (24-Feb-16 to 1-Mar-16)	2,862	1039	9.2%
Last month (02-Feb-16 to 1-Mar-16)	3,878	1.009	12.4%
Last three months (02-Dez-15 to 1-Mar-16)	3,359	1.044	8.6%
Last six months (02-Sep-15 to 1-Mar-16)	3,088	1.041	9.0%

Note: Implicit premium of the Offer Price over the VWAP shares in the different periods considered Pre-2Mar.
Source: Bloomberg

The closing price of the Target Company's Shares during the six months prior to 2 March 2016 increased by 17,7%, whilst its Iberian peers suffered a decrease between -6,0% and -43,2%:

BCP	CaixaBank	Bankia	Sabadell	Popular	Bankinter	Liberbank
(42.8%)	(29.7%)	(24.4%)	(19.8%)	(39.2%)	(6.0%)	(43.2%)

Source: FactSet (Santander and BBVA was not included because they are global banks of considerable dimension).

f) Average trading price on 17 December 2014 on 1 March 2016 with and without the 2015 Tender Offer Period²

Since 16 December 2014, the date on which BPI reported, for the first time, to the market the situation of Breach of Large Exposure Risks, the price of BPI's Shares has been subject to great volatility.

Between 17 December 2014 and 1 March 2016, day before the disclosure of the relevant fact by CaixaBank about the negotiations between CaixaBank and Santoro Finance in respect of BPI, the price of BPI's Shares price ranged between a maximum of €1.521 per Share and a minimum of € 0.812 per Share, with a VWAP during that period of €1.113^(a) per Share. If we exclude, during that period the 2015 Tender Offer Period (that is to say, the days comprised between the CaixaBank's 2015 Tender Offer Preliminary Announcement over BPI and its formal withdrawal – 17 February 2015 to 18 June 2015), the price of BPI's Shares ranged between a maximum of €1.195 per Share and a minimum of €0.812 per Share, with a VWAP of €1.026^(a) per Share in that same period.

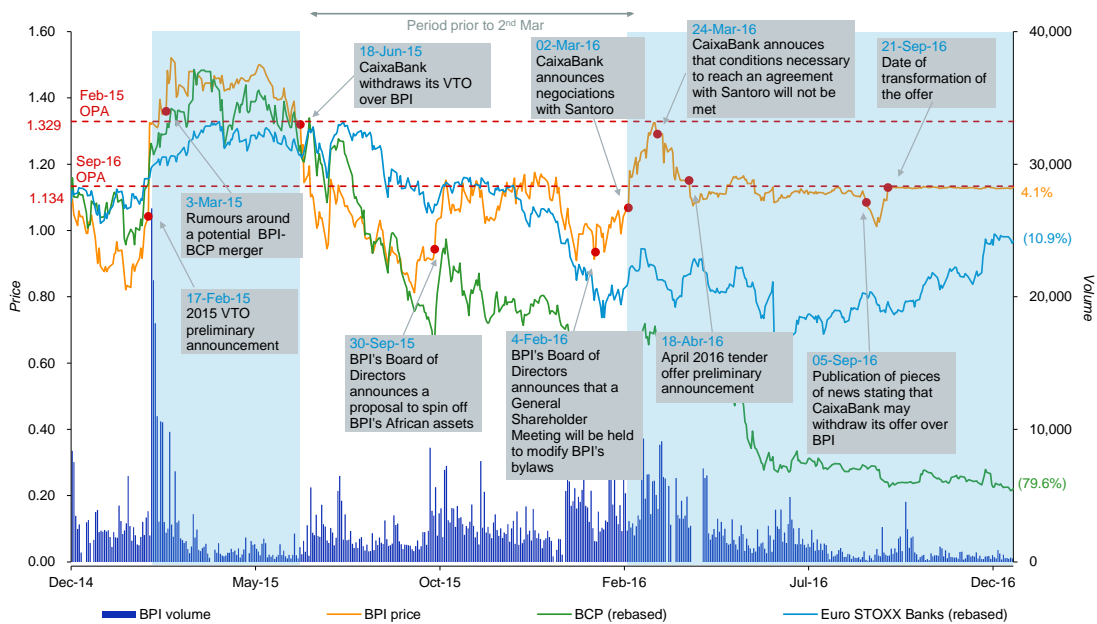
² We emphasise, however, that this is not the relevant legal period for the purposes for the determination of the consideration under Article 188(1) of the PSC.

(a) Source: Calculation carried out by the Offeror from information disclosed by Bloomberg regarding shares daily volume and volume expressed in euros of the daily trading.

Thus, considering this broader period of time that encompasses the public knowledge of the Excess of Concentration of Great Risks, we can see that the Offer Price represents a:

- (i) Premium of 1.9% in relation to the Shares VWAP in the period comprised between 17 December 2014 and 1 March 2016 (which is of €1.113 per Share);
- (ii) Premium of 10.5% in relation to the Shares VWAP in the period comprised between 17 December 2014 and 1 March 2016 (excluding the 2015 Tender Offer Period) (which is of €1.026 per Share).

The chart below shows the performance of the closing price of BPI's Share, since the formal communication to BPI of the need to solve the Breach of Large Exposure Risks and clearly reveals the way the trading of the Shares was influenced by several news regarding BPI.



Source: FactSet

g) Offer Price compared to similar transactions in the European banking sector

The table below, that includes the acquisitions of controlling stakes in Iberian banks with shares admitted to trading on a regulated market, and only considers transactions with a value higher than €100,000,000.00 (one hundred million euros), shows the difference between the premium/discount paid over the VWAP of the Shares in the last 6 months prior to the Date of Conversion of the Offer and the premium paid on European transactions in which a controlling stake was acquired:

	Premium in comparable transactions (*)		Premium/Discount implicit in the Offer Price (**)	
	Announcement Date	Acquirer's reference Date	Date of Conversion of the Offer	Date of 1-Mar
Last day	13.4%	19.4%	3.9%	6.1%
Last week	17.3%	18.8%	10.6%	14.5%
Last month	17.6%	16.4%	1.2%	15.6%
Las three months	12.6%	14.9%	1,1%	(2.1%)
Last six months	5.2%	4.6%	(14.4%)	24.9%

(*) Based on information contained in the operations prospectus and FactSet of acquisitions of a controlling stake of European banks with a price higher than €100 million since 2010 and information disclosed by the acquirers

(**) Premium/Discount calculated over the share closing price on the last day, last week, last month, last three months and last six months since the indicated date for each case.

Thus, the Offers Price over the closing price on the day before the Date of Conversion of the Offer is of 3.9%, which compares to the average of 13.4% in comparable transactions with a range between -11.5% and 32.6%. Applying the average of 13.4% (as resulting from the table below) over the closing price of the day prior to the Date of Conversion of the Offer, the Offer price would be of €1.237 per Share with a discount dispersion of -11.5% to a premium of 32.6%.

The Offer's premium of 3.9% over the closing price of the Date of Conversion of the Offer (€1.091 per Share) increases to 6.1% if the date of 1 March 2016 is considered compared with the comparable average transactions of 19.4% at the acquirer's reference date.

Operations for the acquisition of a controlling stake of Iberian banks with shares admitted to trading on a regulated market with a value higher than €100 million:

Target Company	Purchaser	An- nouncem ent Date	Premium/Discount over the share closing price				
			Last day	Last week	Last month	Last 3 months	Last 6 months
Banca Cívica	CaixaBank	26/03/2012	(11.5)%	(18.4)%	(11.6)%	(13.8)%	(8.1)%
Banco Pastor	Banco Popular Español	07/10/2011	32.6%	33.3%	31.2%	29.9%	13.0%
Finibanco Holding	Montepio Geral	30/07/2010	31.8%	54.8%	56.0%	46.6%	28.3%
Banco Guipuzcoano	Banco de Sabadell	25/06/2010	0.8%	(0.3)%	(5.3)%	(12.3)%	(12.3)%
Average			13.4%	17.3%	17.6%	12.6%	5.2%

Source: Share prices FactSet and information of prospectus of operations and FactSet of acquisitions of a controlling stake of European Banks with a price higher than €100 million since 2010.

h) Valuation multiples based on comparable transactions

The comparison and use of P/BV ratios are prevailing in the evaluation of financial institutions, namely banks, by financial analysts given that they reflect better the financial position of such institutions and its relative capacity to generate profits, thus the Offeror considers that, in the methodology of multiples analysis based on comparable transactions and multiples of comparable listed companies the P/BV ratio must be used for evaluation purposes. For illustrative purposes, the Offeror also includes in the analysis the PER ratios, which are however affected by accounting and/or short-term effects that difficult in a determinant way any comparative analysis.

The following table presents the transactions that took place in the Iberian Peninsula in the past years, without governmental entities assistance or public support, and where a controlling stake was acquired in the target company.

Operations for the acquisition of Iberian banks superior to €100 million, regardless being listed or not on a regulated market:

Target company	Purchaser	Announcement Date	P/BV	P/E ^(a)
Barclays Portugal (not listed)	Bankinter	02/09/2015	0.36x	n/a
Barclays Spain (not listed)	CaixaBank	31/08/2014	0.47x	n/a
Lloyds TSB Spain (not listed)	Banco de Sabadell	29/04/2013	0.19x	n/a
Banca Cívica	CaixaBank	26/03/2012	0.35x	5.3x
Banco Pastor	Banco Popular Espanol	07/10/2011	0.75x	21.1x
Finibanco Holding	Montepio Geral	30/07/2010	1.49x	n/a
Banco Guipuzcoano	Banco de Sabadell	25/06/2010	1.06x	26.5x
Average			0.67x	
Median			0.47x	

(a) n/a – means not available for Bankinter / Barclays Portugal operation; not relevant in the CaixaBank – Barclays Spain, Banco de Sabadell / Lloyds TSB Spain and Montepio Geral – Finibanco Holding operations, because the target companies had negative earnings. The P/E was calculated as the offer price divided by the last annual results.

Source: companies press releases and announcement presentations, annual and quarterly publications of results of the target companies before the transaction announcement.

The Offer evaluates the Target Company's business with a premium, in relation to the transactions occurred in the banking sector in the Iberian Peninsula:

	P/BV 9M16 multiple	Own capital attributable to BPI's shareholders	Implicit evaluation (€m)	Value per share
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		(€m)		
Offer	0.69x	2,386	1,652	1.134
Evaluation based on comparable transactions	0.47x	2,386	1,122	0.770

i) Market multiples of comparable listed companies calculated by FactSet and research analysts consensus

The comparison and use of P/BV ratios are prevailing in the evaluation of financial institutions, namely banks, by financial analysts, given that they reflect better the financial position of such institutions and its relative capacity to generate profits, thus the Offeror considers that in the methodology of multiples analysis based on comparable transactions and market multiples of comparable listed companies the P/BV ratio must be used for evaluation purposes. For illustrative purposes, the Offeror also includes in the analysis the PER ratios, which however are affected by accounting and/or short-term effects that difficult in a determinant way any comparative analysis.

This method implies an estimate of the value of 100% of the Target Company's share capital with multiples obtained from a sample of comparable banks with shares admitted to trading on regulated markets.

	Price / share	Market capitalization	P/BV	P/E	
			9M16	16E	17E
Target Company comparable					
BCP	1.071	€0.8bn	0.21x	n/m	5,1x
<i>Spanish domestic banks</i>					
CaixaBank	3.140	€18.8bn	0.78x	14.2x	11.9x
Bankia	0.971	€11.2bn	0.91x	12.9x	13.2x
Banco Sabadell	1.323	€7.4bn	0.58x	9.7x	10.5x
Banco Popular Español	0.918	€3.9bn	0.26x	n/m	9.1x
Bankinter	7.360	€6.6bn	1.68x	15.1x	14.6x
Liberbank	0.985	€0.9bn	0.38x	9.1x	9.9x
Target Company (at an Offer Price of €1.134 / share)	1.134	€1.7bn	0.69x	7.3x	7.1x

Premium / (discount) over BCP (%)	234.8%	n/m	40.3%
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N/m - means not relevant given that the target companies have negative earnings
 Source: company's information for historical data, Factset on 31 December 2016 for share prices and market estimates.

The consideration offered by the Offeror represents a significant premium over BCP's share price, only listed Portuguese bank:

	Multiple P/BV 9M16 implicit	Own capital attributable to the shareholders (€m)	Implicit evaluation (€m)	Share price
Offer	0.69x	2,386	1,652	1.134
Evaluation based on BCP multiples	0.21x	2,386	494	0.345

	Multiple P/E 17E implicit	BPI's earnings 2017E (€m)	Implicit evaluation (€m)	Share price
Offer	7.1x	232	1,652	1.134
Evaluation based on BCP multiples	5.1 x	232	1,177	0.808

Briefly, the evaluations that arise from the different evaluation methodologies are the ones that are explained in the table below:

Evaluation method	Evaluation(€/Share)	Premium/(Discount) implicit
VWAP last day (before 21-Sep)	1.096 For the date of 20 Sep 2016	3.5%
VWAP last week (before 21-Sep)	1.069 For the period between 15 Sep 2016 to 21 Sep 2016	6.1%
VWAP last month (before 21-Sep)	1.074 For the period between 22 Aug 2016 to 21 Sep 2016	5.6%
VWAP last three months (before 21-Sep)	1.099 For the period between 22 Jun 2016 to 21 Sep 2016	3.2%
VWAP last six months (before 21-Sep)	1.134 For the period between 22 Mar 2016 to 21 Sep 2016	0.0%
Highest price paid by	1.112	2.0%

the Offeror in the six months prior to the Date of Conversion of the Offer		
Book value	1.638	(30.8%)
Analysts target-prices on the last 6 months prior to the Initial Preliminary Announcement Date	1050 – 1.250	8.0% - (9.3)%
Analysts target-prices on the last 6 months prior to the Date of Conversion of the Offer	1.050 – 1.200	8.0% – (5.5)%
Analysts target-prices on the last 6 months after the Date of Conversion of the Offer and until 31 December 2016	1.050 – 1.320	8.0% - (14.1)%
P/BV similar transactions	0.770	47.3%
Premium vs day before in comparable transactions	1.237 Range: 0.966-1.447	(8.3%) Range: 17.4%-(21.6%)
VWAP last day (1-Mar) ^(a)	1.068 For the date of 01 Mar 2016	6.2%
VWAP last week (before 1-Mar) ^(a)	1.039 For the period between 24 Feb 2016 to 1 Mar 2016	9.2%
VWAP last month (before 1-Mar) ^(a)	1.009 For the period between 02 Feb 2016 to 01 Mar 2016	12.4%
VWAP last three months (before 1-Mar) ^(a)	1.044 For 02 Dec 2015 to 01 Mar 2016	8.6%
VWAP last six months (before 1-Mar) ^(a)	1,041 For the period between 02 Sep 2015 to 1 Mar 2016	9.0%
BCP 9M16 P/BV	0.339	234.8%
BCP 2017E P/E	0.808	40.3%

(a) We emphasise, however, that this is not the relevant legal period for the purposes for the fixation of the consideration under Article 188(1) of the PSC.

h) Elements for the evaluation of the Offer Price over the Target Company

It is necessary to consider the following elements for the evaluation of the Offer Price over the Target Company:

1. Operation with profitability highly dependent on its international activity (in particular of BFA/Angola).

In the first nine months of 2016, 43% (44% in 2015) of the gross margin of the Target Company was generated outside the domestic market. This ratio reduces to 37% in the case of BCP^(a) and to only 4% in the case of Spanish^(b) domestic banks. In the case of the Target Company, the net profit from international operations of BFA and BCI correspond to € 125.4 million in the first nine months of 2016, whilst the Portuguese operations were of € 57.5 million; that means that the net profit of BFA and BCI correspond, in the first nine months of 2016, to 69% (61% in 2015) of the total for BPI.

(a) Based on the banking product of BCP reported on the first nine months of 2016.

(b) It refers to the Spanish listed banks in 2015, with the exception of Santander and BBVA because those are global banks of considerable dimension.

The sale of 2% of BFA to Unitel does not change, in practice, the disproportionate contribution of BFA to BPI, given that BPI will continue to integrate, in its financial results, 48.1% of the BFA's results by the equivalent patrimonial method (versus the 50.1% that it currently integrates).

It should be underlined that this profitability is based in a pure accountable representation derived from consolidation method of BFA's participation in BPI's consolidated accounts and does not take into account the effective cash-flow for BPI, which is very limited as a result of the restrictions deriving from capital control rules on the payment of dividends of BFA that is referred in the next paragraph.

2. Evaluation of BFA's participation: The BFA's participation presents a series of risks that must be taken into account:

- a) **Location in an economy highly dependent on oil** - Historically, the economic development of Angola has been connected to the oil prices, with around 45% of GDP, 73% of the fiscal revenues and 98% of exports, generated directly or indirectly in sectors related to the oil industry, in accordance with OPEC; thus the fall in the oil prices increases considerably the external vulnerability of the country. Angola's rating (B, with a negative perspective since August of 2016) is significantly lower to that of the Portugal (BB+) or Spain (BBB+), in accordance with S&P rating agency.
- b) **Business model highly dependent on public debt** - It should be noted that BFA's business model is significantly different from BPI's domestic activity, given that the profitability is highly dependent on the revenues of Angola's Treasury bonds portfolio and of the deposits with Angola's Central Bank.
- c) **High devaluation of kwanza** - In the last 12 months (from 1 of January 2016 to 31 December 2016), Angola's monetary unit (kwanza) devaluated 16%^(a) compared to Euro and 20%^(a) compared to US Dollar. Such significant devaluation corresponds to a higher volatility on BPI's

results when compared to its Iberian and European peers.

(a) Source: Bloomberg

In accordance with the document published by BPI on the past 11 November under section "*transfer of exchange reserves to the results of the exercise*", the kwanza devaluation was being registered in the BPI's exchange reserves account on its consolidated balance without reflecting being reflected in the results. On 30 September 2016, the registered values on the exchange account of the consolidated balance amount to 182 million of euros. At the moment of deconsolidation from BPI, after the sale of 2% of BFA, the registered values on the exchange reserve will pass to the results account, thus, on 30 September 2016, that amount of 182 million of euros will result in a loss on the results account.

We note that the referred sale of 2% of BFA will not change the negative impact on the devaluation of Kwanza on BPI's consolidated own funds, given that it is an accountable reclassification of the balance exchange reserve on the results account.

- d) Restrictions on exchange operations** – In Angola there is a regime of control of the exchange operations that imposes restrictions on foreign exchange transfers, which, in BFA's case, involves a restriction to the payment of dividends by BPI. Thus, for example, the foreign exchange permits the payment of half the dividends related to the 2014 exercise and of the dividends regarding 2015 exercise was only obtained on December 2016.
- e) Illiquid participation:** BPI's participation in BFA, both prior to the sale of 2% under the terms of the shareholders' agreement, both after the referred sale with the current shareholders' agreement, is highly illiquid. Given Unitel's right of first refusal and the circumstances regarding the asset, it is, in practice, highly difficult to find investors different from Unitel willing to buy BPI's shares in BFA.

The research analysts that follow the Target Company and that apply a sum-of-the-parts methodology to evaluate their Shares, use an higher cost of equity, in a way to discount the earnings originated in the international business against the earnings that are originated on the domestic business (average cost of equity of 15.4%^(a) to the international business, against an average cost of equity of 9.9%^(a) to the domestic business).

(a) Based on the analyst' information published by Banco Santander (18-Mar-16), Haitong (13-Jul-16) and JBCapital (25-Nov-16)

Bearing in mind all these considerations, the Offeror considers that it is a very complex exercise to carry out a rigorous valuation of BFA based on standard valuation parameters for international investors' community, thus the only amount reasonably attributable to 48.1% of BFA can only be its accounting value (€381MM in 30 September 2016).

Under no circumstances, the Offeror considers that the selling price of 2% of BFA to Unitel may be relevant for the purposes of a valuation of BFA's or the remainder participation of 48.1% in BFA. The sale of a participation of 2% is

not a significant transaction to determine an asset's valuation with the characteristics and risks previously described.

3. Domestic business' profitability lower than its peers.

The year of 2015 was the first that registered a positive profitability since 2013. Furthermore, the Target Company's ROATE (domestic activity) for the period that ended on 30 September 2016 remained at 4.0%, against the average of the Spanish domestic banks^(a), that remained at 7.5%. The management of the credit risk sector was a key factor that allowed the preservation of the quality of BPI's balance sheet but the lack of other positive factors – endogenous and exogenous – determine that the expected return by analysts is at inferior levels compared to its peers.

(a) It refers to the listed Spanish banks, except Santander and BBVA given that they are global banks with considerable dimension.

The Offeror estimates that the cost of the issue of subordinated debt that BPI is foreseeing in order to meet the capital ratios arising from the SREP exercise, referred in the following section and for 350 million of euros, will be high and it will have a significant impact on BPI's results, which is not yet reflected by analysts in their estimates. According to the Offeror's estimates, and assuming an issue cost of 8%-10%^(a) and the IRC rate in Portugal of 29.5%, the annual estimated cost of the issue after taxes would be of €21m - €26m, or 23% - 28% of BPI's domestic results in 2015. This issue shall have a significant impact on BPI's domestic profitability. The Offeror estimates that the reported ROE for the domestic operations on the first 9 months of 2016 will have a loss of 4.0% (annualized) to 2.1%-2.5% after the emission cost of *Tier 2*.

(a) Estimate based on similar preceding operations performed by mid-sized domestic Spanish banks.

Additionally, the Target Company reported low efficiency levels relating to September of 2016 that are significantly lower than its peers (a relation of costs-to-income of 72% for the domestic activity, and 54% for the consolidated activity), compared to an average ratio of 49% for the domestic peers.

	Income ^(a) divided 2015		CIR ^(b)	ROATE ^(c) (%)		CET1 fully loaded ^(d)	Dividend yield ^(c)	
	Iberian	Foreigner		9M-16	2016E		2017E	9M-16
Target Company	56%	44%	72%	9.5%	9.2%	11.0%	0.0%	0.9%
BCP	63%	37%	47%	n/m	4.2%	9.5%	0.0%	0.0%
CaixaBank	100%	0%	50%	6.5%	7.5%	12.6%	4.2%	4.5%
Bankia	97%	3%	48%	7.2%	6.8%	13.2%	3.0%	3.2%
Banco Sabadell	85%	15%	52%	7.3%	6.3%	12.0%	4.8%	4.3%
Banco Popular Español	92%	8%	53%	n/m	4.4%	10.8% ^(e)	0.0%	2.4%
Bankinter	100%	0%	52%	12.2%	11.7%	11.5%	3.1%	3.4%
Liberbank	100%	0%	44%	4.4%	3.9%	11.9% ^(f)	1.7%	2.5%

n/m – means non available

(a) Income defined as the gross margin, except for CaixaBank, where it is referred as the total income. Source: Company accounts of 2015.

(b) Cost-to-income ratio referring to 30 September 2016, calculated as operational expenses (staff, board

members and amortisation) divided by the net banking income. To the Target Company and for BCP, the ratio only refers to Portugal.

- (c) Forward RoATE calculated as net income divided by the average of tangible own capital for the period, based on consensus estimates. Dividend yield calculated as annual dividends per share divided by the price per share. Source: FactSet, 14-Dec-2016.
- (d) CET1 Fully Loaded (percentage) based on the reported numbers for each company. CaixaBank, BCP, Liberbank and the Target Company include the unrealized gains on their portfolios (Available-For-Sale portfolios) on CET1 Fully Loaded ratio, while the remainder of the sample group excludes those unrealized gains. To the Target Company and BCP, the ratio reflects the impact caused by the Law 61/2014 (special regime applicable to assets by deferred taxes), altogether with the Notice of the Bank of Portugal no. 3/95. Source: Company's Information.
- (e) The proform ratio estimated by reference to the end of 2016, after the announced of the extraordinary provisions endowment for the non-productive assets portfolio of Banco Popular, fall in 10.8%.
- (f) Proform ratio, including the negative impact disclosed by the Asset Protection Scheme's company on December 2016 (estimated by the Offeror at 190bps in accordance with the company's guidelines).

Additionally, BPI has a regulatory capital level, with reference to September 2016 and measured from the fully loaded Basel III CET1 ratio, of 11.0% vs an average ratio of 11.9%^(a) from its Iberian peers (ratios arithmetic average reported by its Iberian peers). Accordingly to the Offeror's calculations, BPI would need to raise its CET1 capital in €215 million to reach a capital CET1 ratio of 11.9% (average ratio of its Iberian peers), which would have a negative impact on the BPI's domestic income.

(a) Assuming the Banco Popular's and Liberbank's proforma ratio referred on the quotes (e) and (f) of the previous table.

4. One of the two Iberian listed entities with the highest SREP requirements, in particular in which addresses to the Pillar 2, comparative to its peers.

The Target Company is one of the two entities with the highest CET1 Phasing-in and Pillar 2 requirements for 2017, as the table and the paragraphs below shows:

	SREP decision on the consolidated minimum requirements for CET1 Phasing-in for 2017 without P2G^(*)	Pillar 2 requirements for 2017
Target Company comparable		
BCP	8.15%	Non public
Domestic Spanish banks		
CaixaBank	7.38%	1.50%
Bankia	7.88%	2.00%
Banco Sabadell	7.38%	1.50%
Banco Popular Español	7.88%	2.00%
Bankinter	6.50%	0.75%
Liberbank	8.25%	2.50%
Target Company	8.25%	2.50%

(*) The Pillar 2 Guidance (P2G) was not disclosed to the market by the listed Iberian entities
Source: Companies information for historical data, CMVM, companies guidelines.

In this regard, and in accordance with the privileged information disclosed by BPI on 15 of December, following the SREP exercise (Supervisory Review and Evaluation Process) that ECB carried out to BPI, there will be, from 1 January 2017, a capital deficit to fulfil with the total minimum capital established at 11,75%. The minimum consolidated CET1 capital ratio (9.25% including 1.0% of Pillar 2 Guidance) and the Tier 1 minimum capital ratio (9.75%) will be complied by BPI.

In order to be able to fulfil the total minimum capital ratio of 11.75%, the Target Company's Board of Directors decided to carry out an issue of subordinated debt (Tier 2) in an amount up to 350 million of euros in terms yet to establish.

5. Shareholder's expected return by way of dividends below the average.

In accordance with the FactSet estimates, the Target Company's expected dividends return for 2016 and 2017 is 0.0% and 0.9%, below the estimated by the research analysts' consensus for the Spanish domestic banks on the same period, in part because of its minor solvency level in comparison to its peers.

2.4. Method of payment of the consideration

The consideration will be paid in cash and is expected that it will be available on the second working day after the Special Regulated Market Session.

It is expected that the physical and financial settlement of the Offer will occur on the second working day of the Special Regulated Market Session, as prescribed on the Regulation no. 2/2016 of Interbolsa, and on the Special Regulated Market

Session Notice regarding the Offer that will be published by Euronext, and such settlement is expected to take place on 10th of February of 2017.

2.5. Security or guarantee of the consideration

For the purposes of ensuring payment of the Offer's consideration, the Offeror deposited with BNP PARIBAS - Sucursal em Portugal, with head office at Torre Ocidente, Rua Galileu Galilei, no. 2, 13 Piso, 1500 - 392 Lisbon, with the allocated share capital of 29.280.000 Euros, registered with the Commercial Registry Office of Lisbon under registration and tax payer number 980 000 416, share capital €900,436,652.766 (nine hundred million, four hundred and thirty six thousand and fifty two euros and seventy and six point six cents), under article 177(2) of the PSC.

2.6. Classification of the Offer

The Offer is general and mandatory and covers all the issued and outstanding Shares representing the Target Company's share capital, excluding those that are directly held by the Offeror.

The Offeror undertakes, in accordance with this Prospectus and the other documents of the Offer, to acquire all the Shares of the Target Company, including the treasury shares held by the Target Company, which until the end of the respective term, are object of a valid acceptance by its addressees.

2.6.1. Conditions for the launchment of the Offer

The Updated Preliminary Announcement of the Offer established the following conditions precedent to the launch of the Offer, which have already been satisfied:

- (i) Obtain the non-opposition of the European Central Bank, pursuant to Articles 102 and 103 of the General Framework for Credit Institutions and Financial Companies, approved by Decree-Law n.º 298/92, of December 31, 1992, as amended ("**RGICSF**") and the applicable provisions of Directive n.º 2013/36/EU, of the Parliament and the Council, of June 26, 2013, (EU) Regulation n.º 1024/2013, of the Council, of October 15, 2013, and (EU) Regulation n.º 468/2014, of the European Central Bank, of April 16, 2014;
- (ii) Obtain the non-opposition of the Portuguese Insurance and Pension Funds Supervisory Authority, pursuant to Article 44 of Decree-Law n.º 94-B/98, of April 17, 1998, as amended, and Article 38(2) of Decree-Law 12/2006, of January 20, 2006, as amended;
- (iii) Obtain the approval of the European Commission, pursuant to Regulation (EC) n.º 139/2004, of the Council, of January 20 of 2004, regarding the control of concentrations between undertakings;
- (iv) Obtain the authorization of the *Banco de España* for the acquisition of a significant indirect shareholdings of CaixaBank in Banco Fomento de Angola, S.A. ("**BFA**"), Banco de Comércio e Investimentos, S.A. ("**BCI**") and in Banco BPI Cayman Ltd.;
- (v) Obtain the non-opposition of the *Commission de Surveillance du Secteur Financier* of the Grand-Duchy of Luxembourg ("**CSSF**") for the acquisition of a qualified indirect shareholding of CaixaBank in the Luxembourg asset

management company "BPI Global Investment Fund Management Company S.A.";

- (vi) Obtain the non-opposition of the *Cayman Islands Monetary Authority* of the Cayman Islands ("**CIMA**") for the acquisition, by CaixaBank, of control in the branch of BPI in Cayman Islands and of a qualified indirect shareholding in Banco BPI Cayman Ltd.;
- (vii) Obtain the authorization of the *Banco Nacional de Angola* for the acquisition of a qualified indirect holding of CaixaBank in BFA;
- (viii) Obtain the authorization of the *Banco de Moçambique* for the acquisition of a qualified indirect holding of CaixaBank in BCI; and
- (ix) Obtain prior registration of the Offer with the Portuguese Securities Market Commission ("**CMVM**"), pursuant to article 114 of the PSC, with a consideration €1.134 (one euro and thirteen point four cents) for Share.

2.6.2. Costs of the Offer

The Offeror will support the costs related with the Special Regulated Market Session.

All costs related to the sale of the Shares in the context of the Offer, including brokerage fees, commissions related to regulated market transaction, as well as taxes that fall within the taxable status of the vendor, will be borne by the addressees of the Offer. The relevant financial intermediaries shall indicate the above-mentioned costs at the moment of the delivery of the selling orders.

Financial Intermediation commissions are disclosed in the CMVM's website (www.cmvm.pt).

2.6.3. Tax regime

The text below summarizes the Portuguese tax regime, in force at the time of the current Prospectus, regarding certain relevant aspects of the taxation in Portugal of income arising from shares issued by a Portuguese resident company, of capital gains obtained from its onerous disposal or from its transfer for no consideration.

Being a summary, the framework described is necessarily generic and non-exhaustive, and thereby does not exempt the consultation of all applicable legislation, notably in what concerns the aspects herein not referred. Furthermore, said framework may be subject to changes or amendments, including some that may have retroactive effects.

No transitional or special legal regimes potentially applicable were taken into account, notably those applicable to a select group of investors. The tax consequences may vary according to provisions of Double Taxation Conventions ("**Conventions**") or to specific characteristics of the investors.

Potential investors shall consult with their tax consultants in what regards the tax consequences in Portugal arising from the acquisition, ownership or transfer of the Shares, as well in what concerns the tax consequences in foreign jurisdictions.

2.6.3.1 Individuals having tax residence in Portugal

Gains obtained from the onerous disposal of Shares (capital gains)

The positive annual balance between taxable capital gains and capital losses arising from the disposal of Shares is subject to Personal Income Tax ("PIT") at a flat rate of 28%, unless taxpayers opt to aggregate this income with the rest of taxable income (Article 72, no. 1, paragraph c) and no. 8 of the PIT Code).

In case the option for aggregation is exercised, the positive balance between capital gains and capital losses shall be aggregated with the remaining income, being subject to PIT taxation at the general and progressive PIT rates of up to 48% (Article 68 of the PIT Code), added by an additional solidarity tax of 2.5% applicable to the portion of the taxable income which exceeds € 80,000.00 and of 5% applicable to the taxable income which exceeds € 250,000.00 (Article 68-A of the PIT Code). Still in case of option for the aggregation, as far as taxpayers earning in 2017 PIT taxable income in excess of € 20,261.00, a progressive additional surtax of up to 3.21% (for income exceeding € 80,640.00) applies to taxable income that exceeds, per taxable person, the annual amount of the minimum guaranteed monthly wage (€ 7,798.00 in 2017).

The option for aggregation of these capital gains requires taxpayers to also aggregate all other income qualified as capital gains or capital losses obtained in the year, which will therefore be also subject to the general PIT rates, to the additional solidarity tax and to the progressive additional surtax (Article 22, no. 5 of the PIT Code).

For the purposes of calculating capital losses or capital gains arising from the disposal of Shares, the acquisition value of the Shares is corrected by applying currency devaluation coefficients duly approved by the member of the Government responsible for the Finance area, whenever more than 24 months have elapsed between the date of acquisition and the date of disposal of the Shares (Article 50, no. 1 of the PIT Code).

For the purposes of calculating losses or gains arising from the disposal of Shares, the acquisition value of said Shares shall be accrued of the necessary and incurred expenses inherent to the acquisition and disposal of the Shares (Article 51, paragraph b) of the PIT Code).

In order to calculate the balance, positive or negative, between capital gains and capital losses, the losses arising from the sale of Shares to an entity with registered office or domicile in a country, territory or region qualified as a Tax Haven, according to the list approved by Ordinance nr. 150/2004, of February 13 (as amended by Ordinance no. 292/2011, of November 8), shall not be taken into account (Article 43, no. 5 of the PIT Code).

Dividends arising from the ownership of the Shares

Dividends paid or made available to tax resident individuals are subject to PIT, through final withholding taxation at a rate of 28%, unless taxpayers opt to aggregate this income with the rest of taxable income (Article 71, no. 1, paragraph a) and no. 6 of the PIT Code).

In case the option for aggregation is exercised, dividends will be liable to PIT only in 50% of the respective amount (Article 40-A, no. 1 of the PIT Code), at the general and progressive PIT rates of up to 48%, added by an additional solidarity tax of 2.5% applicable to the portion of the taxable income which exceeds € 80,000.00 and of 5% applicable to the portion of the taxable income which exceeds € 250,000.00 (Articles 68 and 68-A of the PIT Code). Still in case of option for the aggregation, as far as taxpayers earning in 2017 PIT taxable income in excess of € 20,261.00, a progressive additional surtax of up to 3.21% (for income exceeding € 80,640.00) applies to taxable income that exceeds, per taxable person, the annual amount of the minimum guaranteed monthly wage (€ 7,798.00 in 2017).

In case of aggregation, the tax withheld is considered as a payment on account of the final tax due, and the taxpayer will be required to aggregate, in its corresponding annual income tax return, the entirety of the remaining income of the same category earned in the same year (Article 22, no. 5 of the PIT Code).

The withholding rate is of 35% and has a final nature, when the dividends are paid or made available in accounts opened in name of one or more account holders but on behalf of non-identified third parties, unless the effective beneficiary of the dividends is identified, in which case general rules referred to above apply.

Acquisition of Shares for no consideration

As a rule, the acquisition of shares for no consideration (by donation in life or upon decease) is subject to a Stamp Duty at a rate of 10% (Article 1, no. 3, paragraph c) of the Stamp Duty Code and paragraph 1.2 of the Stamp Tax Chart).

Spouses, co-habiting partners, ascendants or descendants benefit from a Stamp Duty exemption regarding such acquisitions (Article 6, paragraph e) of the Stamp Duty Code).

2.6.3.2. Non-resident individuals

Gains obtained from the onerous disposal of Shares (capital gains)

Capital gains realized by non-resident individuals upon disposal of Shares are exempt from PIT, except if (i) the individual disposing from the Shares is resident or domiciled in a country, territory or region qualified as a Tax Haven under the listing approved by Ordinance no. 150/2004, of February 13, as amended by Ordinance no. 292/2011, of November 8; or if (ii) the assets of the company whose shareholding is being disposed are comprised, in more than 50%, by real estate located in Portugal (Article 27 of the Portuguese Tax Benefits Statute, "TBS").

The positive annual balance between capital gains and capital losses realized in Portugal by non-resident individuals that do not benefit from the abovementioned exemption are subject to PIT at a flat rate of 28% (Article 72, no. 1, paragraph c) of the PIT Code). The non-resident individual is required to report this income by filling an annual income tax return.

In general terms, pursuant to the Conventions concluded by Portugal the source State (Portugal) usually has limited rights to tax said capital gains, though this has to be confirmed based on the applicable Convention on a case-by-case basis.

Dividends arising from the ownership of the Shares

Dividends paid or made available to non-resident individuals by Portuguese resident entities are subject to PIT, through final withholding taxation at a rate of 28% (Article 71, no. 1, paragraph a) of the PIT Code).

The aforementioned withholding tax rate may be reduced pursuant to a Convention concluded between Portugal and the country of residence of the beneficiary of the dividends, as long as some formalities, foreseen in Article 101-C of the PIT Code, are complied with.

A definitive withholding tax rate of 35% is applicable when the dividends are paid or made available (i) in accounts opened in name of one or more account holders but on behalf of non-identified third parties, unless the effective beneficiary of the dividends is identified, in which case general rules apply (Article 71, no. 12, paragraph a) of the PIT Code); or (ii) to individuals residing in a country, territory or region qualified as a Tax Haven under the listing approved by Ordinance no. 150/2004, of February 13, as amended by Ordinance no. 292/2011, of November 8 (Article 71, no. 12, paragraph b) of the PIT Code).

Acquisition of Shares for no consideration

The acquisition of Shares for no consideration by non-resident individuals, by donation in life or upon decease, is not subject to Stamp Duty (Article 4, no. 4, paragraph d) of the Stamp Duty Code).

2.6.3.3 Portuguese-resident companies or permanent establishments of non-resident entities to which income and gains from the Shares are attributable

Gains obtained from the onerous disposal of Shares (capital gains)

Capital gains and capital losses upon transfer of Shares are included in the Corporate Income Tax ("**CIT**") taxable income. Such gains and losses correspond to those obtained upon onerous transfer of Shares (or equity instruments associated to them, and other financial instruments), with exception to those considered for tax for fair value pursuant to Article 18, no. 9, paragraph a) of the CIT Code (Article 46, no. 1 of the CIT Code).

For the purposes of calculating the loss or gain arising from the disposal of Shares, their acquisition value is corrected by applying currency devaluation coefficients duly approved by the member of the Government responsible for the Finance area, whenever more than 24 months have elapsed between the date of acquisition and the date of disposal of the Shares (Article 47, no. 1 and 2 of the CIT Code).

The aforementioned balance, when positive, is subject to a CIT rate of 21% or, in the case of small and medium-sized companies, of 17% over the first € 15,000.00

of taxable income, being the remainder taxable income subject to the 21% rate (Article 87, no. 1 and 2 of the CIT Code).

The CIT rates above mentioned are added by a Municipal surtax (Article 18 of Law no. 73/2013, of September 3) of up to 1.5% of the year's taxable profit (*i.e.*, before deduction of any existing tax losses from prior years) subject and not exempt from CIT, as well as by a State surtax at a rate of 3% applicable to the portion of the taxable profit exceeding € 1,500,000.00 and equal or inferior to € 7,500,000.00, at a rate of 5% applicable to the portion of the taxable profit exceeding € 7,500,000.00 and equal or inferior to € 35,000,000.00 and at a rate of 7% applicable to the portion of the taxable profit exceeding € 35,000,000.00 (Article 87-A of the CIT Code).

Pursuant to the *Participation Exemption regime*, no taxation however applies over capital gains or capital losses from the onerous transfer of Shares and of other equity instruments associated with them, as long as the following requirements are met (Article 51-C of the CIT Code):

- (i) The shareholder holds, directly or directly and indirectly, Shares representing a shareholding equal or greater than 10% of the company's share capital or voting rights, and which were held, uninterrupted, in the year prior to the date of disposal; and
- (ii) The shareholder is not considered to be fiscally transparent.

Where the *Participation Exemption regime* is not applicable, the taxable profit for CIT purposes is not comprised of capital losses and other losses regarding equity instruments, in the part corresponding (i) to the amount of profits and reserves distributed, and/or (ii) to the amount of capital gains realized with the transfer for consideration of Shares of the same entity which, pursuant to the *Participation Exemption regime* or to a credit to eliminate economic international double taxation, were not subject to CIT in that same period or in any of the four prior taxation periods (Article 23-A, no. 2 of the CIT Code).

Dividends arising from the ownership of the Shares

Dividends paid or made available to Portuguese resident companies or to permanent establishments of non-resident entities located in Portugal to which dividends are attributed, are part of the taxable profit for CIT purposes, being therefore subject to a CIT rate of 21% or, in the case of small and medium-sized companies, at a rate of 17% over the initial € 15,000.00 of taxable income, being the remainder taxable income taxed at a rate of 21% (Article 87, no. 1 and 2 of the CIT Code).

The CIT rates above mentioned are added by a Municipal surtax (Article 18 of Law no. 73/2013, of September 3) of up to 1.5% of the year's taxable profit (*i.e.*, before deduction of any existing tax losses from prior years) subject and not exempt from CIT, as well as by a State surtax at a rate of 3% applicable to the portion of the taxable profit exceeding € 1,500,000.00 and equal or inferior to € 7,500,000.00, at a rate of 5% applicable to the portion of the taxable profit exceeding € 7,500,000.00 and equal or inferior to € 35,000,000.00 and at a rate of 7% applicable to the portion of the taxable profit exceeding € 35,000,000.00 (Article 87-A of the CIT Code).

When paid or made available to the beneficiary, dividends are subject to withholding tax at the rate of 25%, as a payment on account of the final CIT (Article 94, no. 3 and 4 of the CIT Code).

Pursuant to the *Participation Exemption regime*, dividends distributed in favor of resident CIT taxable person are however exempt from CIT, as long as the following requirements are met (Article 51 of the CIT Code):

- (i) The beneficiary taxpayer is not subject to the CIT transparency regime;
- (ii) The beneficiary taxpayer holds, directly or directly and indirectly, Shares representing a shareholding of at least 10% of the company's share capital or voting rights; and that
- (iii) The beneficiary taxpayer held said shareholding, uninterruptedly, for a period of at least one year, by reference to the date of the dividends' distribution or, if held for less than one year, that it commits to holding it until said one year period is elapsed.

Dividends distributed in favor of stock broking companies, regional development companies and investment companies benefit from the *Participation Exemption regime* regardless of the minimum holding and period requirements previously mentioned. This is also applicable the part of the income derived from Shares assigned to the technical provisions of insurance companies and mutual insurance companies, which are not attributable, directly or indirectly, to the policyholders (Article 51, no. 6 of the CIT Code).

Dividends distributed to entities that benefit from the *Participation Exemption regime* regarding dividends (see above) are exempt from withholding tax, as long as the shareholding has been held continuously during the year prior to the date when withholding taxation is due (Article 97, no. 1, paragraph c) of the CIT Code).

A final 35% withholding tax applies over dividends paid or made available in accounts opened on behalf of one or more accountholders but on behalf of unidentified third parties, except when the effective beneficiary of the dividends is identified, in which case the general rules apply (Article 94, no. 5 and Article 87, no. 4, paragraph h) of the CIT Code).

Acquisition of Shares for no consideration

As a rule, the acquisition of Shares for no consideration gives rise to a positive change in equity liable to CIT at the general rate of 21%, or, in the case of small and medium-sized companies, at a rate of 17% over the initial € 15,000.00 of taxable income, being the remainder taxable income taxed at the 21% rate (Article 87, no. 1 and 2 of the CIT Code).

The CIT rates above mentioned are added by a Municipal surtax (Article 18 of Law no. 73/2013, of September 3) of up to 1.5% of the year's taxable profit (i.e., before deduction of any existing tax losses from prior years) subject and not exempt from CIT, as well as by a State surtax at a rate of 3% applicable to the portion of the taxable profit exceeding € 1,500,000.00 and equal or inferior to € 7,500,000.00, at a rate of 5% applicable to the portion of the taxable profit

exceeding € 7,500,000.00 and equal or inferior to € 35,000,000.00 and at a rate of 7% applicable to the portion of the taxable profit exceeding € 35,000,000.00 (Article 87-A of the CIT Code).

The acquisition of Shares for no consideration is not subject to Stamp Duty (Article 1, no. 5, paragraph e) of the Stamp Duty Code).

2.6.3.4 Non-resident companies without permanent establishment in Portugal to which income and gains from the Shares are attributable

Gains with the transfer in consideration of Share (capital gains)

Capital gains realized by non-resident entities with the transfer for consideration of Shares are exempt from CIT, except in the cases where (i) the entity obtaining the gain is held in more than 25% by Portuguese resident individuals or entities, unless the necessary conditions and requirements are met and the entity obtaining the gain resides in another Member State of the European Union, in a Member State of the European Economic Area bound to administrative cooperation in the area of taxation equivalent to that established within the European Union or in a State with which Portugal has concluded a Convention setting forth the exchange of information; (ii) the entity obtaining the gain is resident or domiciled in a jurisdiction subject to a more favorable tax regime, included in the listing approved by approved by Ordinance no. 150/2004, of February 13, as amended by Ordinance no. 292/2011, of November 8; or (iii) the assets of the company whose shareholding is being disposed are comprised, in more than 50%, by real estate located in Portugal (Article 27 of the TBS).

Capital gains realized by non-resident entities that cannot benefit from the exemption aforementioned are subject to CIT at a rate of 25% (Article 87, no. 4 of the CIT Code).

In general terms, pursuant to the Conventions concluded by Portugal the source State (Portugal) usually has limited rights to tax said capital gains, though this has to be confirmed based on the applicable Convention on a case-by-case basis.

Dividends arising from the ownership of Shares

Dividends paid or made available to non-resident entities without a permanent establishment herein to which these dividends can be attributed to, are subject to final CIT withholding tax at a rate of 25% (Article 94, no. 3, paragraph b) and no. 5, and Article 87, no. 4 of the CIT Code).

A definitive withholding tax rate of 35% is applicable when the dividends are paid or made available (i) in accounts opened in name of one or more account holders but on behalf of non-identified third parties, unless the effective beneficiary of the dividends is identified, in which case general rules apply; or (ii) to individuals residing in a country, territory or region qualified as a Tax Haven under the listing approved by Ordinance no. 150/2004, of February 13, as amended by Ordinance no. 292/2011, of November 8 (Article 94, no. 3, paragraph b) and no. 5 and Article 87.^o, no. 4, paragraphs h) and i) of the CIT Code).

Dividends may however benefit from withholding tax exemption when the beneficiary is resident in another Member State of the European Union, or in a

Member State of the European Economic Area (in this case if it is bound to administrative cooperation in the area of taxation) or in a State with which Portugal has concluded a Convention designed to avoid double taxation (as long as setting forth the exchange of information), as long as the beneficiary company meets the following requirements (Article 14, no. 3 of the CIT Code):

- (i) It is subject and not exempt from one of the taxes foreseen in Article 2 of Directive 2011/96/EU, of the Council, of November 30, or from a tax identical or similar to Portuguese CIT, as long as, in case the beneficiary resides in a State with which Portugal has concluded a Convention, it is subject and not exempt from a corporate income tax rate not inferior to 60% of the Portuguese standard CIT rate – *i.e.*, 12.6% in 2016;
- (ii) It holds, directly or directly and indirectly, a shareholding not inferior to 10% of the share capital or voting rights of the company which distributes the dividends;
- (iii) It has uninterruptedly held said shareholding during the year previous to the date of the profits or reserves' distribution. If said one year period is concluded only after the date of payment, the withheld tax may be reimbursed.

The withholding exemption aforementioned is also applicable to the distribution of dividends in favor of entities residing in the Swiss Confederation, pursuant to the terms and conditions of Article 15 of the Agreement between the EU and the Swiss Confederation, which establishes measures equivalent to those foreseen in Directive 2003/48/CE, of the Council, of June 3, regarding the taxation of savings income in the form of interest payments, and as long as certain conditions are met, notably that (Article 14, no. 8 of the CIT Code):

- (i) The beneficiary company holds a minimum direct shareholding of 25% of the share capital of the entity distributing dividends;
- (ii) Such shareholdings have been held for at least two years;
- (iii) None of the entities are considered, pursuant to the terms of the Conventions concluded by Portugal and Switzerland with any third States, as fiscal resident in such third State; and
- (iv) Both entities take the form of limited company and are subject and not exempt from corporate income tax.

The withholding of CIT at the flat definitive rate of 25% may still be reduced pursuant to the provisions of a Convention concluded between Portugal and the country of residence of the income beneficiary, as long as certain formalities, set forth in Article 98 of the CIT Code, are met.

When higher, the difference between the tax withheld and that which would be due, considering all income obtained in Portugal and abroad, under standard CIT rate and of the State surtax is superior, it may be reimbursed to residents of another Member State of the European Union or of the European Economic Area (in this case if it is bound to administrative cooperation in the area of taxation equivalent to that within the European Union), as long as the conditions set forth in Article 2 of the Directive 2011/96/EU, of the Council, of November 30 2011, are met. In this case, all income shall be taken into account, including that obtained in Portuguese territory (Article 95, no. 2 and 3 of the CIT Code).

Acquisition of Shares for no consideration

The acquisition of Shares for no consideration by non-resident entities without permanent establishment located in Portugal to which said Shares have been attributed to, are subject to CIT at a rate of 25% (Article 87, no. 4 of the CIT). CIT is due over the market value of the Shares, but it cannot be inferior to the value arising from the applying the rules for determining the taxable amount set forth in the Stamp Duty Code.

The acquisition of Shares for no consideration are not subject to Stamp Duty (Article 1, no. 5, paragraph e) of the Stamp Duty Code).

2.7. Assistance

The financial intermediary representing the Offeror and responsible for assisting the Offer under Articles 113(1)(b) and 337(2) of the PSC, is Deutsche Bank AG – Sucursal em Portugal, with head office at Rua Castilho, n.º 20, 1250-069 Lisbon, Portugal, with sole registration and corporate entity number 980459079.

On 27 May 2016, the Offeror and the Financial Intermediary entered into a service and assistance agreement, under which the Financial Intermediary undertakes to provide to the Offeror the services of preparation, launching and execution of the Offer.

The mentioned agreement establishes several obligations, for both the Offeror and the Financial Intermediary regarding the Offer, including clauses concerning to fees, expenses, notifications and operational procedures related to the Offer.

2.8. Purposes of the acquisition

2.8.1 Maintenance or modification of the business activity developed by the Target Company, human resources policies and financial strategy of the Target Company and related entities upon the Offer

Purposes of the acquisition and plans for the Target Company

Complying with the approvals, non oppositions and administrative authorizations, the purpose of the acquisition of the Shares is that the Offeror complies with the duty to launch a mandatory tender offer over the Target Company – a strategic affiliated regarding to whom the Offeror is connected by its geographic and cultural proximity.

In relation to the Target Company's activities, the Offeror intends to maintain the Target Company's independent status, maintaining the current strategic line in respect of its activities.

The Offeror and the Target Company are listed companies with its shares admitted to trading in the Stock Market of Barcelona, Madrid, Valencia and Bilbao, and on the Euronext Lisbon, respectively, and are included in the IBEX35 and PSI20 Indexes, respectively. The capital markets have been an important source of financing for the growth of both companies.

Additionally, the Offeror is prepared to support the Target Company with financial and technological resources to increase its profitability and its growth in its main areas of practice.

The Offeror is market leader in the Spanish commercial banking and insurance sector, as stated in the FRS Inmark report of August 2016, with total assets amounting to circa 342,863 million of euros, own funds of 23,555 million of euros and a solid capital base with a CET1 “fully-loaded” ratio of 12.6%, on 30 September 2016, and a customer base exceeding 13,800,000 clients.

The Offeror will assure, in any case, the compliance with the best corporate governance practices according to the law and CMVM’s recommendations, and will endeavour for the existence, at any given moment, an appropriate number of independent directors of good repute, competence and experience in the banking sector.

Strengthening the competitive position of the Target Company through efficiency gains within the context of a more competitive Portuguese banking sector

Without prejudice of the remarkable efforts of the Target Company made last year to enhance its competitive position in Portugal, in particular with a reduction of costs, it is expected that, by belonging to a larger scale banking group, as it is the case of the Offeror’s group, it will allow for higher efficiency levels, productivity and profitability within the context of a more competitive and demanding domestic banking sector.

The Offeror will contribute with its expertise and additional competences on retail banking that will be essential to overcome the challenges currently faced by the Target Company, such as the low interest rate environment and the ongoing regulatory changes. In such environment, an increase on the banking operational efficiency is fundamental to reach a sustainable profitability. The Offeror’s management team has given proof of being highly innovative and capable of creating added value for the clients as well as for the shareholders in complex competitive circumstances, having been the major player on the consolidation of the Spanish banking sector. Upon the conclusion of the Offer, the Target Company will benefit of a close collaboration with the Offeror. It is expected that this will bring benefits to both the Offeror’s and the Target Company’s stakeholders, including shareholders, employees and clients.

Considering the strong position of the Target Company on the Portuguese market and the Offeror’s leadership in the Spanish market, the Offeror is confident that it can obtain an additional increase of the Target Company’s profits by means of costs and revenues synergies based on its experience in previous acquisitions in the banking sector (Caixa Girona, Bankpipe, Banca Cívica, Banco de Valência and Barclays Bank, S.A.U.).

The costs synergies estimated, on a preliminary basis, by the Offeror consist in general costs reductions resulting from the implementation of optimization processes and in personnel cost savings.

The Target Company has been reducing its branch network in Portugal up to the current 545. More specifically 52 branches on 2015 and additional 52 up to

September 2016. Maintaining this tendency on 2017, the Offeror does not anticipate any closing of further branches.

Regarding costs synergies, the Offeror estimates that the gradual implementation may generate up to €84 million per year on savings on the business of the Target Company in Portugal, before taxes (-17% of the Target Company's recurring domestic cost base), and is estimated to reach its peak in 2019:

- (i) approximately €45 million (-15% of the Target Company's recurring cost base), that would derive from the personnel costs savings.
- (ii) approximately €39 million (-20% of the Target Company's recurring cost base), that would derive from general costs savings;

The ratio on personnel costs by the Target Company's revenues on 2015 is 44% while its Iberian peers' ratio stays at 35%. The adjustment of this ratio of 44% of the Target Company for the referred 35% of its Iberian peers implies a reduction of 900 employees that, at an average BPI's employee cost, would correspond to the referred approximated saving of €45 million on personnel costs.

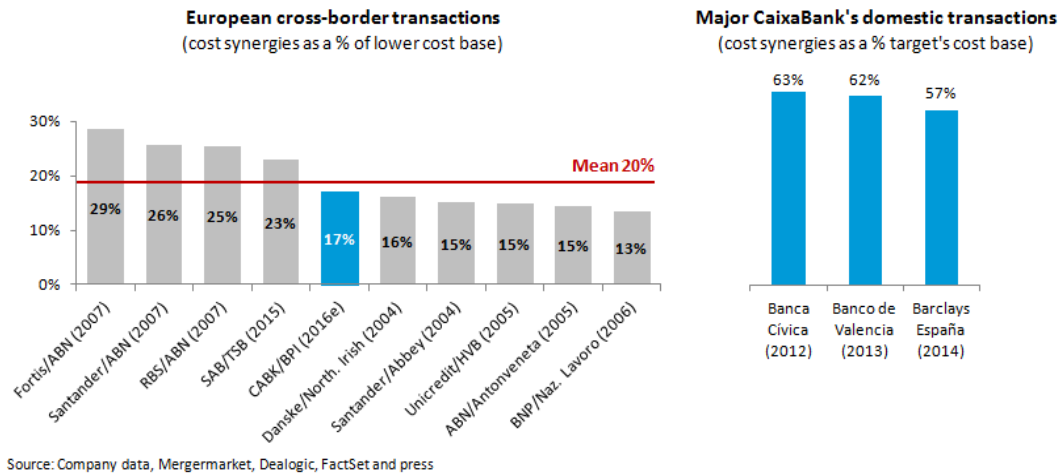
The Offeror would carry out the reduction of personnel costs resulting from any labour restructuring in strict compliance of the social parameters that have been observed by the Offeror in similar proceedings (including the Offeror's internal restructuring in 2013), giving priority to early retirements and incentivized lay-offs.

The costs savings derived from the implementation of optimization processes would consist, mostly, on the following:

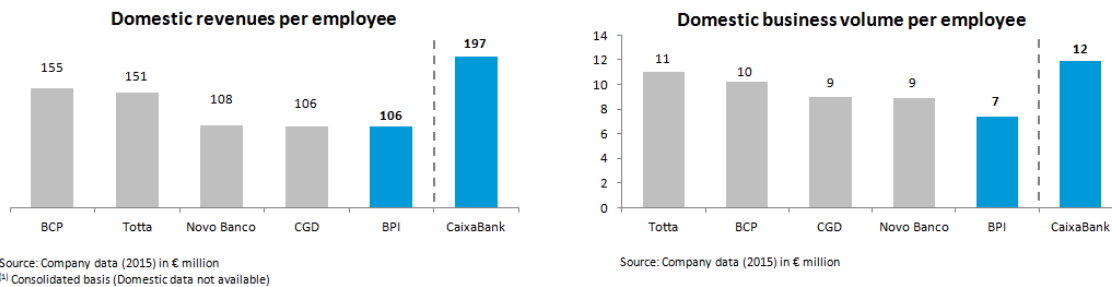
- (i) Streamlining of operational processes at a head office level. Areas and processes would be reviewed in order to optimize them, with special focus on the ones that may be digitalized, modernized or updated; the main working lines will be (i) identifying improvements to include on the processes, incorporating the "best practices" and CaixaBank's experience of other processes yet implemented, (ii) preparation in order to *outsource* certain activities and specially back office processes in a broad sense, and (iii) acquiring important knowledge on all BPI key areas that would allow the establishment of a corporate criteria, such as accounting and reporting, risks, compliance, money laundering, marketing of products and services;
- (ii) Scale benefits, with joint procedures for the award of public contracts:
 - The Target Company would have the possibility to use the innovative and virtual platform for the acquisition/bidding of services where the providers send and improve its offers, which would result in prices that are more competitive.
 - The Target Company's negotiation capacity would substantially increase because it belongs to a bigger group;
- (iii) IT infrastructures and architecture optimization, derived from:
 - Infrastructure optimization, such as the reduction on hosting costs (subcontracting data storage), taking advantage on the Offeror's experience;
 - Automation of processes, increasing of outsourcing levels and joint development of software applications;

- Benefits arising from new deals with Offeror’s associates and joint adjudication processes.
- (iv) Subcontracting several back-office services, distribution channels, product and other services and functions development with top Offeror associates, at a low cost, with high quality standards and a high flexibility level and capacity to adapt to new scenarios.

The expected synergies are in line with the ones reached in previous European cross-border operations that took place since 2004 and where it reached synergies between 13% and 29% of the Target Company’s cost base. Additionally, the Offeror has a strong record of accomplishment on the implementation of synergies on recent domestic operations.



Regarding revenue synergies, the Offeror intends to support the Target Company in the increase of cross-selling, through retail network, with special focus on the banking and insurance sector, given the current existing gap between the Target Company in Portugal and its major competitors in terms of recurrent domestic income (net interest rate margin and commissions) and domestic business volume (loans and deposits) per employee:



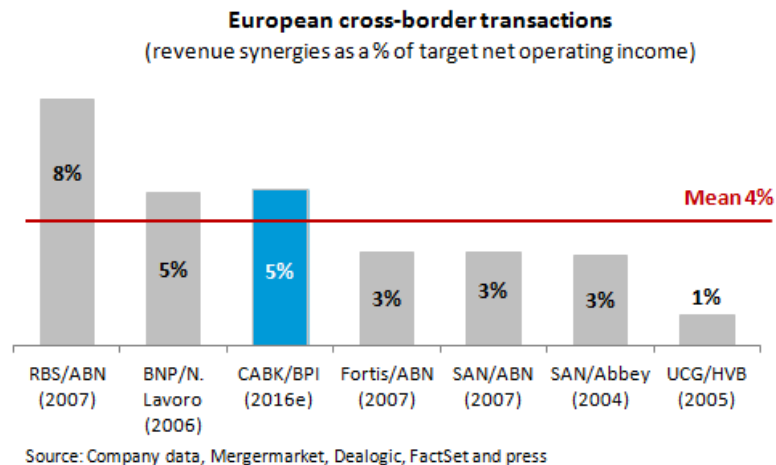
The Offeror intends to boost the plans regarding the Target Company’s commercial network, in order to improve its capacity to generate revenues.

Several business areas would be improved following the Offeror's business model, such as payments/credit cards (pre-paid, issuance, acquisition), consumer credit and asset management. The Offeror would also help the Target Company to promote a multichannel strategy, updating functionalities related to online and mobile banking.

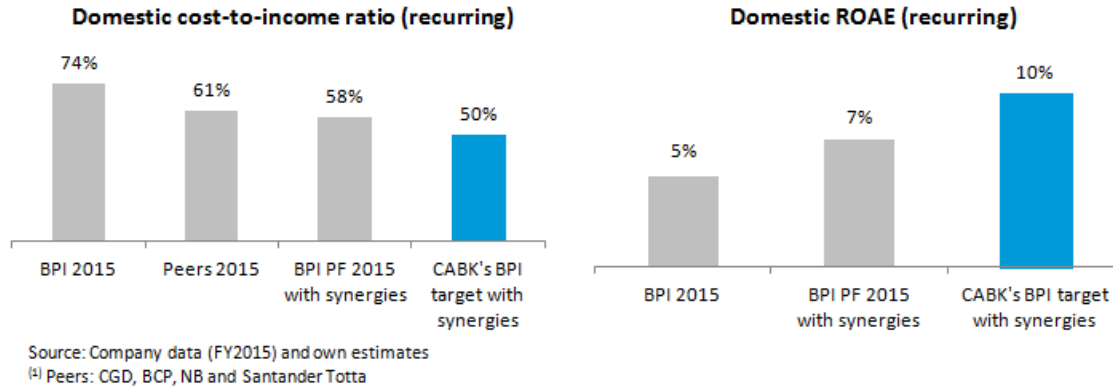
Furthermore, and working together with the Target Company's board, the Offeror would try to develop a cross-border cooperation regarding areas and specific segments, including investment banking, corporate banking and asset management, as well as risk management and the best audit practices.

Due to the implementation of these initiatives, the Offeror estimates synergies up to the amount of € 35 million euros before taxes (5% of the Target Company's total revenues).

The estimated revenue synergies are in line with the ones obtained in cross-border operations since 2004, which range between 1% and 8% of the Target Company's revenues.



Considering the costs and revenue synergies volume above mentioned, the Offeror estimates that the Target Company's recurring income-cost ratio evolves from the current 74% to around 50% or less in 2019, reaching a similar level of efficiency and productivity of its peers thus turning the Target Company in a more competitive entity. Furthermore, it will contribute to the improvement of the recurring ROAE on 2019, from the current +5% for a higher value of 10% in the medium-to-long term:



Financial and management support to fully explore the Portuguese economic recovery and to take advantage of the organic and inorganic growth opportunities in Portugal

The Offeror intends to acquire in the Offer, a number of the Target Company's Shares (which are fully paid-up, with all inherent rights and free of any encumbrances, charges or liabilities, as well as free of any limitations or duties, notably regarding the respective economic and/or corporate rights and its transferability), which may represent 100% of the Target Company's share capital, with the exception of the Target Company's Shares directly held by the Offeror.

The Offeror intends to continue supporting the Target Company's management team. CaixaBank shall take a decision on the recomposition of the board of directors of BPI after the end of the Offer in line with the control participation of CaixaBank in BPI and filing in the board vacancies that are open by member of the board of directors that decide not to continue.

Although the existing complex economic and financial environment in the Portuguese market, the Offeror is confident about the current Target Company management team's capacity to benefit from the expected Portuguese economic recovery and, together with the sharing of the best practices and export of know-how where such is presented as appropriate, reach the leadership in the retail banking sector in Portugal.

At the time of conclusion of the Offer, it is expected that the Target Company may also take advantage of the Offeror's experience and the financial strength in evaluating inorganic growth opportunities in Portugal. The high levels of liquidity, solvency and credit rating of the Offeror may allow the Target Company to be in a better position to take advantage of such growth opportunities.

In the same way, the Target Company may take advantage of an improvement on its financing costs, as a result of the reinforced capital and liquidity position resulting from a broader group.

Situation of Breach of Large Exposure Risks. BFA's participation.

The loss of control of BFA resulting from the combination of the sale of 2% of the BFA to Unitel, S.A. and the execution of a new shareholders agreement will allow BPI to solve, in a satisfactory way, the situation of non-compliance of the large exposure risks, which was a situation that was seriously threatening BPI to be object of significant economic sanctions imposed by ECB and important reputational risks.

This operation with Unitel constitutes, in the words of BPI's board of directors disclosed in the privileged information published on 26 October: "*the only solution to the problem of breaching the threshold of the large exposure risks that the Bank was facing since the end of 2014, which, after several initiatives to that effect developed by the board of directors, it was possible to achieve*".

This operation was approved by BPI's shareholders general meeting on 13 December 2016 with a majority of 83.3% of the casted votes, where the votes against (16.7%) only represented 3.7% of the Target Company's share capital.

In accordance with the document published by BPI on 11 November 2016 regarding the accounting impact of the sale of 2% of BFA, the net impact on the results of the sale of 2% - resulting of the change of the consolidation method would be proforma on 30 September 2016, of -209 million of euros. The amount of -209 million of euros corresponds to +8 million for the added value of the sale, -34 million for the deferred taxes of the remainder participation of 48.1% and -182 million correspond to the devaluation of the *kwanza* that until then was registered in the exchange reserves account of the consolidated balance sheet and that now passes to results.

The Offeror does not have, at the moment, any specific plan regarding BFA upon the new situation derived of the sale of 2% of BFA and the new shareholders agreement between BPI and Unitel. That being said, the ECB issued, in the document that authorised CaixaBank to acquire the control of the Target Company by this Tender Offer, a non-binding recommendation for the Offeror reduce gradually BPI's participation in BFA within a reasonable timeframe; to this effect, the Offeror will need to prepare a divestment plan in BFA. Any potential divestment, partial or total, in BFA shall need to comply with the shareholders agreement that binds BPI in relation to BFA and comply with the local banking legislation.

2.8.2 Trading in the Euronext Lisbon regulated market, maintenance of public company status and exclusion from trading in a regulated market

The Offeror intends to maintain the listed company status of the Target Company upon the liquidation of the Offer, counting with the shareholders – including those represented in the board of directors of the Target Company – that decide not to sell their shares in the Offer.

Without prejudice to the foregoing, upon assessment of the Offer's results, and in accordance with the market conditions, namely the situation of the Target Company and the liquidity of the Shares after the Offer Period, in case the Offeror reaches or exceeds, directly or in accordance with Article 20(1) of the PSC, (i) 90% (ninety per cent) of the voting rights corresponding to the share capital of the Target Company, and (ii) 90% (ninety per cent) of the voting rights encompassed by the Offer, as a consequence of the Offer or of any other transactions legally allowed and relevant

for the calculation of said percentage, the Offeror reserves the right to use the squeeze-out mechanism set forth in Article 194 of the PSC, which will imply the immediate exclusion from trading in a regulated market, being the respecting re-admission prohibited for the period established by law.

The Offeror is in a condition to exercise the referred rights if, at date of the physical and financial settlement of the Offer, it becomes the owner or if, in accordance with Article 20(1) of the PSC, are allocated to the Offeror voting rights corresponding to 1,311,231,814 (one thousand three hundred and eleven million, two hundred and thirty one thousand, eight hundred and fourteen) Shares (that is to say, 90% of the voting rights corresponding to the Target Company's share capital, assuming that all treasury shares are object of sale), of which 714,632,264 (seven hundred and fourteen million, six hundred and thirty two thousand two hundred and sixty four) Shares (that is to say, 90% of the voting rights encompassed in the Offer) must be acquired by the Offeror through acceptance of the Offer by its addressees or during the Offer Period.

In case the conditions for the use of the squeeze-out mechanism set forth in Article 194 of the PSC referred in the previous paragraphs are fully met and the Offeror decides not to use said mechanism, each BPI's shareholder may, on the three months following the assessment of the tender offer referred in Article 194(1) of the PSC, exercise the sell-out right in accordance with article 196 of the PSC.

The Offeror will not, following the Offer, under the terms of article 27(1)(a) of the PSC, request the loss of public company status of the Target Company, in which case the Shares of the Target Company shall continue to be traded in the regulated market of Euronext Lisbon.

In case the threshold of 90% above mentioned is not reached, the Offeror does not have, at this stage, plans to propose any business concentration upon the conclusion of the Offer that would result in an exchange of Shares not acquired in the Offer by other securities in the context of a merger or similar operation, although the Offeror reserves the right to propose such operation in the future.

The Offeror, acting directly or indirectly, already traded and may continue to trade Shares during the Offer through the purchase and sale of Shares in the regulated market of Euronext Lisbon. The referred trading may occur at any moment at market prices but, in principle, it will not be carried out price higher than the one proposed in the Offer, otherwise the Offeror will have to increase the consideration offered for a price not lower than the highest price paid by the Shares thus acquired in accordance with article 180(3)(b) of the PSC. The trading of Shares will be carried out in accordance with article 180 of the PSC, in particular, (i) it may only be carried out in the regulated market of Euronext Lisbon, unless if authorized by CMVM, with prior opinion of the Target Company, and (ii) the Offeror and the entities which, being with it in any of the situations set forth in article 20(1) of the PSC. shall inform CMVM on a daily basis regarding the transactions over the Shares carried out by any of them.

The Offeror declares that (i) it did not acquired Shares on the 6 months immediately prior to the Initial Preliminary Announcement and (ii) that it acquired, between 27 April 2016 and 19 August 2016, 20,425,852 BPI shares representing 1.4% of its share capital and 1.4% BPI's voting rights, for the total amount of €22,462,724.69, being the minimum acquisition price paid per Share of €1.061, the

maximum acquisition price paid per Share of €1.112 and the average acquisition price per Share of €1.100.

No agreement was executed between CaixaBank and any Target Company's shareholder or with any other entity for the future acquisition of the Target Company's Shares after the closing of the Offer. No agreement was executed between the referred entities in respect of the acquisition of control over BPI.

CaixaBank did not grant, nor promised to grant, any financing to any entity, State-owned or private, related with the acquisition of control of BPI.

Following the news that were published in the press as a result of the publication on the Official Gazette of Angola of the approval of a financing of 400 million euros of CaixaBank to the Republic of Angola, the Offeror clarifies that such approval refers to a project of an umbrella agreement, standard in the market, regarding the potential financing of eventual operations of buyer financing (*export finance*) subject to a case to case decision by CaixaBank and without CaixaBank having, in such agreement, any obligation of financing (i.e. on an uncommitted basis) and being the credit risk duly secured for any future operation, except residually, by an insurance credit company. At the current date, such umbrella agreement has not been executed and the Offeror has not undertaken any commitment to execute it.

2.8.3 Financing of the Offer

The financing of the Offer will be ensured by the Offeror's own resources.

On 22 September 2016, CaixaBank reported the market the sale of 585,000,000 treasury shares representing 9.9% of the CaixaBank's share capital through the private placement between qualified investors with which it received €1,322MM.

2.8.4 Impact of the success of the Offer on the financial condition of the Offeror

In accordance with internal calculations carried out by the Offeror, the Offeror's CET1 fully loaded capital ratio is of 12.6% as of 30 September 2016 and, upon conclusion of the transaction and depending on the acceptance level of the Offer, would fall between 11.2% and 11.8% on 30 September 2016.

2.9. Acceptance declarations

The Offer will start from 08h:30m (Lisbon time) of 17th of January of 2017 up to 15h:30m (Lisbon time) of 7th of February of 2017, where the selling orders may be received until the term of this period.

Under the Portuguese law, namely in accordance with article 183(2) of the PSC, the CMVM, by its own initiative or either at the Offeror's request, may extend the term of the Offer in case of revision, launching of a competing offer, or should extension be required to protect the interests of the addressees.

The operation will be made in the Euronext Lisbon regulated market, the acceptance of the Offer by its addressees shall be transmitted during the Offer Period, through selling orders transmitted to brokerage firms, brokerage financial

companies and to financial intermediaries qualified to provide the service of registration and deposit of securities.

The addressees of the Offer may revoke their acceptance statements through a written notification addressed to the financial intermediary that has received such declaration:

- e) in general, until 5 (five) calendar days before the end of the Offer Period, i.e., until 23h:59m (Lisbon time) of the day 2nd of February of 2017 (Article 126(2) of the PSC);
- f) in case of the launching of a competing offer, until the last day of the Offer Period (Article 185-A(6) of the PSC);
- g) in case of a suspension of the Offer, until the 5th (fifth) calendar day subsequent to the end of the suspension, with the right to restitution of all the Shares that have been object of acceptance (Article 133(3) of the PSC).

The financial intermediaries must provide the Financial Intermediary with daily information regarding the acceptance and revocation orders received, including the respective amounts, through the fax number +351 213 526 334 or e-mail tas.lisbon@list.db.com.

Financial intermediaries must report daily to Euronext the orders of their clients, through Central System of Public Offer Services, *via Serviço de Centralização*, between 08h:00m and 19h:00m, except as regards the last day of the Offer Period, where the period for the order transmission through the Public Offer Services will be between 08h:00m and 16h:30m.

2.10. Offer's results

The result of the Offer will be determined in the Special Regulated Market Session, expected to take place on 8th of February of 2017, the first business day after the term of the Offer, in a time to be established in the respective notice of the Special Regulated Market Session to be published by Euronext.

The Offer's results shall be disclosed by Euronext in its Official Bulletin (*Boletim de Cotações da Euronext*) and shall be available in CMVM's website (www.cmvm.pt). In addition, the Offeror will disclose a public announcement through a press release that will be available in its website (www.caixabank.com).

The Offer's physical and financial settlement is expected to occur on the 2nd business day after the Special Regulated Market Session, such settlement being expected to take place on 10th of February of 2017.

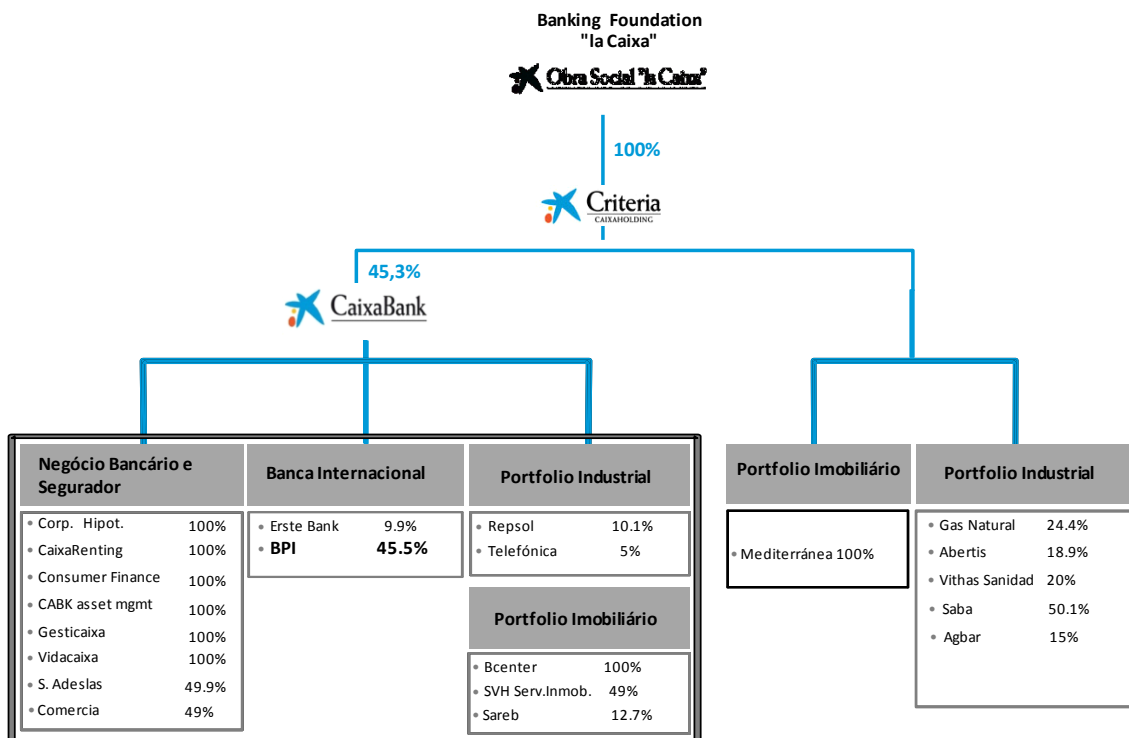
CHAPTER 3 – INFORMATION REGARDING THE OFFEROR, HOLDINGS AND SHAREHOLDERS AGREEMENTS

3.1. Identification of the Offeror

The Offeror is CaixaBank, S.A., public limited company, C.I.F. A-08663619, with registered office at Avenida Diagonal, 621, Barcelona, Spain, registered at the Commercial Registry of Barcelona, on sheet B-41232 and registered with the Special Administrative Registry of the Bank of Spain with number 2100, with the share capital totally subscribed and paid-up of € 5,981,483,031.00.

The share capital of the Offeror is represented by 5,981,483,031 book-entry shares, admitted to trading on Barcelona, Madrid, Bilbao and València regulated markets, and with the ISIN ES0140609019.

Here is a detailed chart of CaixaBank’s group:



The Offeror is, as of 30 September 2016, the main bank in one out of four clients in Spain, with a market share of 15.8% in the segment of financing and of 14.8% in the segment of deposits, having 342,863 million euros of total assets, 299,673 million euros of client assets, 205,100 million of loans to clients, 23,555 million of net assets, 5,089 branches in Spain, 9,476 bank cash machines, 32,315 employees and 13.8 million clients, a long-term rating of Baa2/BBB/BBB/A (low) assigned by Moody's, Standard & Poor's, Fitch and DBRS.

The Offeror's financial activity has its origins in the former *Caixa d'Estalvis i Pensions de Barcelona*, "la Caixa", which transferred to the Offeror all its financial activity, on June 2011. On October 2014, "la Caixa" was converted into a banking foundation in accordance with the applicable law and has been renamed as *Fundación Bancaria Caixa d'Estalvis i Pensions de Barcelona*, "la Caixa" and its participation in the Offeror was transferred to Criteria Caixa, SAU, subsidiary 100% held by *Fundación Bancaria "La Caixa"*. At present, *Fundación Bancaria "La Caixa"* participation in the Offeror, through Criteria Caixa, SAU, represents 45.3% of its share capital, and *Fundación Bancaria "La Caixa"* does not have any other direct participation in other company other than Criteria Caixa, SAU.

"La Caixa" Banking Foundation is the first private Foundation in Spain in terms of budget for its activities and develops activities in three main areas: social area, investigation field and culture and education fields.

The activity of "La Caixa" Banking Foundation is predominantly in the fields where the Offeror has its main business activities. Within this same line of conduct, if the Offeror takes control of BPI upon the success of the Tender Offer, it is expected that "La Caixa" Banking Foundation, directly and in cooperation with BPI, will develop in Portugal activities on the referred social, investigation and culture and education fields.

3.2. Attribution / Aggregation of voting rights

The entities under a relevant relationship with the Offeror, as laid down in Article 20(1) of the PSC are the following:

- a) Entities that are in a control or group relationship with the Offeror
- (i) Legal entities that control the Offeror:
- Criteria Caixa, S.A.U., holder of 45.3% of the Offeror's voting rights;
 - Fundación Bancaria Caixa d'Estalvis i Pensions de Barcelona "la Caixa", holder of 100% of the Criteria Caixa Holding, S.A.U.'s voting rights;
- (ii) Legal entities controlled by the Offeror: see table below.

Corporate name	Share (%)	
	Direct	Total
Acuigroup Mare Mar, SL	0,00	99,98
Aris Rosen, SAU	100,00	100,00
Arquitrabe activos, SL	100,00	100,00
Barclays Factoring, SA, EFC	100,00	100,00
Barclays Finance Agente de Banca, SA	99,98	99,98
Biodiesel Processing, SL	0,00	100,00
Bodega Sarría, SA	0,00	100,00
BuildingCenter, SAU	100,00	100,00
Caixa Capital Biomed, SCR de Régimen Simplificado	90,91	90,91
Caixa Capital Fondos, SCR de Régimen Simplificado, SAU	100,00	100,00

Corporate name	Share (%)	
Caixa Capital Micro, SCR de Régimen Simplificado, SAU	100,00	100,00
Caixa Capital TIC SCR de Régimen Simplificado, SA	80,65	80,65
Caixa Card 1 EFC, SA	100,00	100,00
Caixa Corp, SA	100,00	100,00
Caixa Emprendedor XXI, SA	0,00	100,00
Caixa Preference, SAU	100,00	100,00
CaixaBank Asset Management, SGIIC, SAU	100,00	100,00
CaixaBank Brasil Escritório de Representação, LTDA	100,00	100,00
CaixaBank Consumer Finance	100,00	100,00
CaixaBank Electronic Money, EDE, SL	0,00	80,00
CaixaRenting, SAU	100,00	100,00
Caja Guadalajara participaciones preferentes, SA	100,00	100,00
Caja San Fernando Finance, SA	100,00	100,00
Cajasol participaciones preferentes, SAU	100,00	100,00
Cestainmob, SL	0,00	100,00
Club Baloncesto Sevilla, SAD	99,99	99,99
Corporación Hipotecaria Mutua, EFC, SA	100,00	100,00
Credifimo - Unión de crédito para la financiación mobiliaria e inmobiliaria, EFC, SA	100,00	100,00
El monte capital, SA	100,00	100,00
e-la Caixa, SA	100,00	100,00
Estugest, SA	100,00	100,00
GDS-CUSA, SA	100,00	100,00
GestiCaixa, SGFT, SA	91,00	100,00
Grupo Aluminios de precisión, SL	65,00	65,00
Grupo Riberebro Integral, SL	0,00	60,00
Guadalcorchos, SA (L)	0,00	100,00
Guatazal, SL	0,00	100,00
HipoteCaixa 2, SL	100,00	100,00
Hiscan Patrimonio, SAU	100,00	100,00
Hodefi, SAS	0,00	100,00
Holret, SAU	100,00	100,00
Inversiones corporativas digitales, SL	0,00	100,00
Inversiones Inmobiliarias Oasis Resort, SL	60,00	60,00
Inversiones Inmobiliarias Teguisse Resort, SL	60,00	60,00
Inversiones Valencia Capital, SA	100,00	100,00
Inversiones Vitivinícolas, SL	0,00	100,00
Leucanto	0,00	100,00
Mediburgos XXI, SAU (L)	100,00	100,00
MediCaixa, SA	100,00	100,00

Corporate name	Share (%)	
Negocio de Finanzas e Inversiones II, SL	100,00	100,00
Nuevo MicroBank, SAU	100,00	100,00
PromoCaixa, SA	99,99	100,00
Puerto Triana, SA	100,00	100,00
Recouvrements Dulud, SA	0,00	100,00
Río Sevilla 98 promociones inmobiliarias, SL	0,00	51,01
Saldañuela residencial, SL	68,60	68,60
SegurCajasol, SL	0,00	100,00
Sercapgu, SL	100,00	100,00
Servicaican, SA (L)	100,00	100,00
Servicio de Prevención Mancomunado del Grupo la Caixa, CB	70,00	83,33
Silc Inmobles, SA	0,00	100,00
Silk Aplicaciones, SL	100,00	100,00
Sociedad de gestión hotelera de Barcelona	0,00	100,00
Suministros Urbanos y Mantenimientos, SA	100,00	100,00
Telefónica Consumer Finance, EFC, SA	0,00	50,00
Tenedora de Vehículos, SA	0,00	65,00
VidaCaixa Mediació, Sociedad de Agencia de Seguros Vinculada, SAU	0,00	100,00
VidaCaixa, SA de Seguros y Reaseguros Sociedad Unipersonal	100,00	100,00
Vipcartera,SL	0,00	84,22

(L) Company in liquidation

(iii) Legal entities that are in a control or group relationship with Criteria Caixa, S.A.U.:

Corporate name	Share (%)	
	Direct	Total
CaixaBank, S.A.	45,3	45,3
Inversiones Autopistas, S.L.	51,07	51,07
Mediterránea Beach & Golf Community, S.A.	100,00	100,00
Lumine Travel, S.A.	0,00	100,00
Saba Infraestructuras, S.A.	50,10	50,10
Servihabitat Alquiler II, S.L.	100,00	100,00
Servihabitat Alquiler IV, S.A.	100,00	100,00
Servihabitat Alquiler, S.L.	100,00	100,00
Foment Immobiliari Asequible, S.L.	100,00	100,00
Arrendament Immobiliari Asequible, S.L.	0,00	100,00

Corporate name	Share (%)	
Els Arbres de la Tardor, S.L.	100,00	100,00
Caixa Capital Risc, SGEGR, S.A.	99,99	100,00
Caixa Innvierte Industria, SCRRS, S.A.	00,00	55,69
Caixa Innvierte Biomed II, FCRRS	0,00	44,29
Caixa Capital TIC II, FCRRS	0,00	53,53
Caixa Capital Micro II, FCRRS	34,72	51,89
Criteria Venture Capital, S.A.	100,00	100,00
Caixa Assistance, S.A.	100,00	100,00
Caixa Títol, S.A.	100,00	100,00
Club Caixa I, S.A.	100,00	100,00
Caixa Podium I, S.A.	100,00	100,00
GrupCaixa, S.A.	100,00	100,00
Servicio Prevención Mancomunado del Grupo Caixa	10,00	99,98

b) Offeror's Members of the Board of Directors:

- Jordi Gual Solé (Chairman of the Board of Directors)
- Antonio Massanell Lavilla (Deputy Chairman)
- Gonzalo Gortázar Rotaecche (Chief Executive Officer)
- Alejandro García-Bragado Dalmau (Director)
- Salvador Gabarró Serra (Director)
- Maria Teresa Bassons Boncompte (Director)
- María Verónica Fisas Vergés (Director)
- Fundación Cajasol (Director), represented by Guillermo Sierra Molina
- Javier Ibarz Alegría (Director)
- Alain Minc (Director)
- María Amparo Moraleda Martínez (Director)
- Antonio Sáinz de Vicuña y Barroso (Director)
- José Serna Masiá (Director)
- John Shepard Reed (Director)
- Juan Rosell Lastortras (Director)
- Koro Usarraga Unsain (Director)
- Xavier Vives Torrents (Director)

The members of the board of directors and supervisory body of the companies identified in a).

3.3. Offeror's shareholding in the capital of the Target Company

To the best of its knowledge, at the date of the Updated Preliminary

Announcement, the Offeror holds, under the terms of article 20(1) of the PSC, 45.66% (forty five point sixty six per cent) of the voting rights of the Target Company corresponding to 662.888.388 (six hundred and sixty two million, eight hundred and eighty eight thousand and three hundred and eighty eight) Shares, representing 45.50% (forty five point fifty per cent) of the share capital of the Target Company.

The voting rights held by the Offeror in the Target Company are also attributable to, as at the date of the Launchment Announcement, Criteria Caixa, S.A.U., holder of 45.3% (forty five point three per cent) of the Offeror's voting rights, which, in turn, is controlled by Fundació Bancaria Caixa d'Estalvis i Pensions de Barcelona, "La Caixa", holder of 100% (one hundred per cent) of the respective voting rights, under article 20(1)(b) of the PSC.

For this purpose, the percentage of the voting rights of the Offeror in the Target Company was calculated with reference to the total voting rights inherent to the total Shares, which voting rights are not suspended, considering, in accordance with the information transmitted by the Target Company, the existence, on 9 December 2016, of 5,227,514 (five million, two hundred and twenty seven thousand, five hundred and fourteen) treasury shares, corresponding to 0.36% (zero point thirty six per cent) of the share capital of the Target Company.

The Offeror declares that (i) it did not acquired Shares on the 6 months immediately prior to the Date of Initial Preliminary Announcement and (ii) that it acquired, between 27 April 2016 and 19 August 2016, 20,425,852 BPI shares representing 1.4% of its share capital and 1.4% BPI's voting rights, for the total amount of €22,462,724.69, being the minimum acquisition price paid per Share of €1.061, the maximum acquisition price paid per Share of €1.112 and the average acquisition price per Share of €1.100.

The Offeror declares that it did not acquired, since the Initial Preliminary Announcement Date until registration of the tender offer, Target Company's Shares by an acquisition price superior to €1.112.

3.4. Target Company's voting rights and shareholdings in the Offeror

To the best of the Offeror's knowledge, the Target Company, nor any of the persons/entities that are with the Target Company in any of the situations laid down in article 20(1) of the PSC, holds any shares representing the share capital of the Offeror, nor are any voting rights in the Offeror attributable to them.

3.5. Shareholder agreements

There are no shareholder agreements or any memoranda of understanding established with any natural or legal persons to which the Offeror should transfer, upon the closing of the Offer, any Shares acquired through the Offer.

3.6. Agreements with members of the corporate bodies of the Target Company

There are no agreements entered into between the Offeror, or any other person/entity that are with the Offeror in any of the situations laid down in Article

20(1) of the PSC, and the members of the corporate bodies of the Target Company, nor were any special benefits established in favour of any members of the Target Company's corporate bodies, of immediate or deferred execution.

3.7. Representative for market relations

The Offeror's representative of the market relations is Mr. Edward O'Loghlen Velicia, responsible for the Investor Relations Office.

For the purposes regarding the performance of its duties, the address, telephone number, telefax number, and e-mail of the representative for market relations are the following:

E-mail: investors@caixabank.com

Address: Av. Diagonal, 621, 08028 Barcelona - Spain

Telephone: + (34) 93 404 72 97

Fax: + (34) 93 404 80 41

CHAPTER 4 – OTHER INFORMATION

- (i) The Initial Preliminary Announcement was published on 18 April 2016 and the Updated Preliminary Announcement, by the conversion of the Offer to mandatory, on 21 September 2016, both available on CMVM's website (www.cmvm.pt).
- (ii) The reports of the Target Company's Board of Directors were published on 17 May and 13 October 2016 on the CMVM's website (www.cmvm.pt).
- (iii) The Launching Announcement of the Offer was made public on 16 of January of 2017, on CMVM's website (www.cmvm.pt) and on the Euronext's Official Bulletin.
- (iv) This Prospectus is available for consultation, by any interested parties, at the following places:
 - At the Offeror's head office.
 - At the Financial Intermediary's head office.
 - On CMVM's website (www.cmvm.pt).
 - On Offeror's website (www.caixabank.com).

No other means of advertising have been used.

- (v) Regarding the Offeror's status under Articles 182 and 182-A of the PSC, it has to be noted the following, in accordance with the mentioned on the Updated Preliminary Announcement:
 - a) The Offeror is subject to provisions equivalent to those set forth in Article 182 of the PSC, whereby the Board of Directors of the Target Company are subject to the neutrality rule (passivity rule) provided in said Article. Regarding the matters provided in Article 182-A(1) of the PSC, the Offeror bylaws do not establish any restrictions on the transferability of shares or any other rights granting the right to its acquisition nor the exercise of the voting right. Notwithstanding, to the Offeror's knowledge, on August 1, 2012 it was signed and remains in force a shareholders agreement between a set of the Offeror's shareholders, that establishes certain restrictions to the transferability of the Offeror's shares held by such shareholders. The Offeror's bylaws do not include, in this regard, any provision that leads back to the figures provided in the Spanish law equivalent to the one provided in Article 182-A(1) of the PSC;
 - b) The articles of association of the Target Company does not have any statutory provision that leads back to any of figures provided in Article 182-A(1) of the PSC.
- (vi) Pursuant to Article 138(1) of the PSC, the sale and purchase agreements between the Offeror and the holders of the Shares that accept the Offer shall be governed by Portuguese law and any conflicts which may arise from said agreements shall be resolved by the Portuguese Courts.

The information contained in this Prospectus regarding the Target Company was obtained or is based on publicly available information, which has not been checked by the Offeror or the financial intermediary responsible for assisting the Offer.

This Prospectus is not a recommendation by the Offeror or by the Financial Intermediary nor is an invitation to sell Shares to the Offeror or to the Financial Intermediary. This Prospectus does not constitute an analysis of the Offer or a recommendation for the Target Company's shareholders to sell Shares.

The Prospectus represents an informative and mandatory document, under articles 134 and 138 of the PSC, necessary to make a public tender offer in Portugal.

The Offeror confirms that, for the cases the information was obtained with third parties, the information was accurately reproduced and, to the best of the Offeror's knowledge, and is able to ascertain based on documents published by third the referred parties, no facts have been omitted which would render the reproduced information inaccurate or misleading.

Any decision to sell shall be based on the information included in the Prospectus, considered as a whole and shall be taken following the independent assessment, by the shareholder and their advisors, of the economic and financial situation of the Target Company and of the Offeror, as well as of any other information regarding the Target Company and the Offeror.

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