Banco BPI

Consolidated results in the 1st quarter 2018

20 April 2018

In accordance with IFRS 5 - Non-current assets held for sale and discontinued operations, BPI Vida e Pensões, BPI Gestão de Activos and BPI GIF were classified as discontinued operations on December 31, 2017, following the signature of the sale contracts disclosed to the market on November 23, 2017.

Consequently, the assets and liabilities of these units are presented in the consolidated balance sheet of Banco BPI under the captions "Non-current assets / liabilities held for sale and discontinued operations" and the respective contribution to consolidated results is presented under the caption “Results of discontinued operations".

The items in the profit and loss account of 2017 (and respective quarters) were restated recognizing the contribution of BPI Vida e Pensões, BPI Gestão de Ativos and BPI GIF to the consolidated results in accordance with IFRS 5 (Proforma figures).

Acronyms and designations adopted

ytd	*Year-to-date*
yoy	*Year-on-year*
qoq	quarter-on-quarter
RCL	Reclassified
ECB	European Central Bank
BoP	Bank of Portugal
CMVM	*Comissão do Mercado of Valores Mobiliários* (Securities Market Commission)
APM	Alternative Performance Measures
IMM	Interbank Money Market
T1	Tier 1
CET1	Common Equity Tier 1
RWA	Risk weighted assets
TLTRO	Targeted longer-term refinancing operations
LCR	Liquidity coverage ratio

Units, conventional signs and abbreviations

€, Euros, EUR	euros
M.€, M. euros	million euros
th.€, th. euros	thousand euros
Δ	change
n.a.	not available
0, –	null or irrelevant
vs.	versus
b.p.	basis points
p.p.	percentage point
E	Estimate
F	Forecast

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Results in the 1st quarter 2018

BPI consolidated results in the 1st quarter 2018

Recurring net income increases in Portugal and in the consolidated	▪ **Consolidated net profit of 210 M.€.** ▪ **Net income in the activity in Portugal of 118 M.€ in the first quarter 2018 increases by 175% compared to the 43 M.€ recorded in the first quarter 2017.** ▪ **Recurring net income in the activity in Portugal of 58 M.€** (excluding gains of 60 M.€ with the revaluation of the stake in Viacer following the sale agreement), increases by 24% over the first quarter 2017. ▪ **Contribution of the stakes in BFA and BCI of 91 M.€**.
Customer loans and resources increase	▪ **Loans to companies in Portugal increase by 251 M.€** (+3.5% ytd) ▪ **Deposits from Customers increase 3.1% ytd**
Core revenues rise and recurring costs fall	▪ **Financial margin up 3.6%** in the 1st quarter 2018 (yoy) ▪ **Commissions increase 11.9%** in the 1st quarter 2018 (yoy) ▪ **Reduction of overhead costs by 0.5% (yoy). Personnel costs fall 7.3%** (yoy; excluding non-recurring[1]).
Low cost of credit risk	▪ **Reversals of impairments for loans and guarantees of 7.7 M.€** in the 1st quarter 2018 ▪ **Recoveries[2] amounted to 3.6 M.€** (vs. 6.2 M.€ in the 1st quarter 2017)
Strong capitalisation	▪ **NPE ratio[3] decreases from** 5.1% in Dec.17 to **4.6% in Mar.18** ▪ **NPE coverage of 122%** by impairments and collaterals ▪ **Fully loaded capital ratios[4]: CET1 of 11.4% and total of 13.2%** ▪ **Fully loaded leverage ratio[4] of 6.4%**

1) Costs from voluntary terminations and early retirements.
2) Recoveries from loans previously written off.
3) According to EBA (European Banking Authority) criteria; considering the prudential supervision perimeter.
4) As there is no decision on the earnings distribution for the year, for regulatory and prudential reasons, the net income for the first quarter of 2018 was deducted in the calculation of the capital ratios.

Consolidated net income of 210 M.€

- **Consolidated net income of 210 M.€** in the 1st quarter 2018
- Activity in **Portugal contributes with 56% of consolidated** profit

CONSOLIDATED RESULTS

In M.€	1Q 17	1Q 18	Δ%
Net profit in Portugal	**43**	**118**	**+175%**
Recurring net profit	47	58	**+24%**
Non-recurring impacts	-4	60	
BFA and BCI contribution	**-165**	**91**	
Consolidated net profit	**-122**	**210**	

1) In the first quarter of 2017, it includes the negative impact of 212 M.€ from the sale of 2% of BFA and deconsolidation, of which -182 M.€ corresponded to the transfer to the income statement of accumulated negative foreign exchange reserves that resulted from the translation of BFA financial statements from AKZ to EUR.

Net income of 118 M.€ in Portugal

NET INCOME FROM THE ACTIVITY IN PORTUGAL

In M.€	1Q 17	2Q 17	3Q 17	4Q 17	2017	1Q 18
Net income	**43**	**-32**	**65**	**48**	**124**	**118**
Non-recurring impacts						
Costs with voluntary terminations and early retirements	-8	-69	0	0	**-77**	-2
Gains with the sale of shareholdings[1)]				9	**9**	60
Net income from discontinued operations	5	4	6	8	**23**	2
Other	-1				**-1**	
Recurring net income	**47**	**32**	**58**	**33**	**170**	**58**

SALE OF SUBSIDIARIES AND BUSINESSES ANNOUNCED IN NOVEMBER AND DECEMBER 2017

- The sale of BPI Vida e Pensões took place in Dec.17 and was recognized in the financial accounts for the year.
- BPI obtained the necessary authorizations related to the sale of BPI Gestão de Activos and BPI GIF
- These transactions (BPI GA and BPI GIF) are expected to be completed in the 2nd quarter 2018

Transactions to be completed in 2018

- BPI Gestão de Activos
- BPI GIF
- Equities and corporate finance
- Cards issuance
- Merchant acquiring

- Net profit from the activity in Portugal of **118 M.€** in the 1st quarter 2018 benefits from the 60 M.€ gain with the revaluation of Viacer's stake to the agreed value of the sale, following the signing of the sale contract in February 2018.
- **Recurring net income** of the activity in Portugal of **58 M.€** increases 24% when compared to the same quarter of 2017.

1) In the fourth quarter of 2017, gain with the sale of BPI Vida e Pensões; in the 1st quarter of 2018, revaluation of the stake in Viacer to the agreed value of the sale.

Contribution from BFA and BCI of 91 M.€

CONTRIBUTION FROM BFA AND BCI

In M.€	1Q 17	2Q 17	3Q 17	4Q 17	2017	1Q 18
[1.] BFA contribution	**-168**	**52**	**58**	**-61**	**-119**	**86** 1)
Of which						
Impact from the sale of 2% of BFA and deconsolidation	-212				**-212**	
High inflation (IAS 29) and provision for general risks 2)				-107	**-107**	8
High inflation in 2018 (IAS 29)						-13
[2.] BCI contribution	**2**	**2**	**2**	**1**	**8**	**5**
[3.] Other	**0**	**-1**	**0**	**-1**	**-2**	**0**
[4.] Total [=1+2+3]	**-165**	**53**	**60**	**-61**	**-113**	**91**

- Contribution from BFA of **86 M.€** in the 1st quarter 2018, includes impacts from the recognition of BFA stake in accordance with IAS 29 and depreciation of AKZ.
- During the 1Q 2108 the Angolan local currency (AKZ) showed a devaluation of 30% vs EUR, and BFA recorded strong, non-recurrent trading gains, of which BPI appropriated 62 M.€ (after taxes). This compares with an average quarterly appropriation of 6 M.€ in 2017.
- Contribution from BCI of **5 M.€** in the 1st quarter 2018.

IMPACT OF AKZ DEVALUATION ON THE EVOLUTION OF THE VALUE OF STAKE IN BFA

- On 4 Jan.18, the National Bank of Angola (BNA) adopted a new exchange regime with an exchange rate fluctuation band. The exchange rate is now determined in currency auctions.
- In the 1st quarter 2018, AKZ devaluated about 30% against the Euro.

EVOLUTION OF THE VALUE OF THE STAKE IN BFA

	M.€
Book value of stake in BFA at 31 dec.17	**576**
Change from earnings generated in 2018	**100**
Change in foreign exchange revaluation reserves	**-147**
Book value of stake in BFA at 31 mar.18	**530**

Note: amounts before deferred taxes.

BNA REFERENCE RATES

	31 Dec.17	31 Mar.18	Δ% x / 1 AKZ 3)
AKZ / 1 EUR	**185.4**	**264.4**	**-30%**
AKZ / 1 USD	165.9	214.6	**-23%**

Average rate of purchase and sale.

3) Change in the AKZ value when expressed in EUR or USD.

1) Includes results booked in earnings of associated companies (equity method) (100 M.€), net income on financial operations (-6 M.€) and income taxes (8 M.€).

2) In the fourth quarter 2017 it includes the impact of the application of IAS 29 ("high inflation") and the constitution of a provision for general risks in BFA. In the first quarter 2018 it includes the adjustment to the impact of IAS 29 and the reversal of the abovementioned provision.

Recurring ROTE in Portugal of 8.8%

- **Consolidated ROTE of 13.0%**
- **Recurring ROTE in the activity in Portugal of 8.8%**

RETURN ON TANGIBLE EQUITY (ROTE) (last 12 months)

	Mar.17 (last12 months)	Mar.18 (last 12 months)
Consolidated		
Adjusted allocated capital (M.€) 1)	2 509	2 640
ROTE	**5.8%**	**13.0%**
Activity in Portugal		
Adjusted allocated capital (M.€)1)	1 874	2 058
Recurring ROTE	**9.7%**	**8.8%**

BPI expects to achieve in the activity in Portugal a **ROTE > 10%** (recurring) **in 2020**

- The evolution of the recurring ROTE in the activity in Portugal reflects the increase in tangible capital (denominator) through the retention of earnings generated.

1) The average capital considered in the calculation of ROTE excludes the average balance of intangible assets (average consolidated balance in 12 months until march 2018: 30 M.€.) and other comprehensive income (reserves) (average consolidated balance in 12 months until march 2018: 56 M.€.)

Results in the 1st quarter 2018

1. Highlights

2. Commercial activity

3. Results

4. Balance Sheet

5. Closing remarks

Annexes

Total Customer deposits increase 3.1% ytd

CUSTOMER RESOURCES

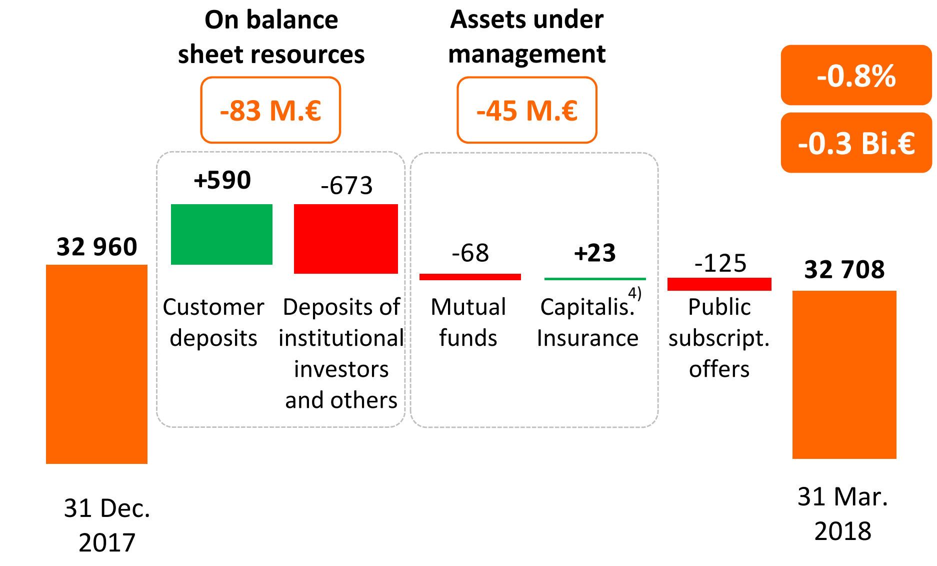
In M.€	mar-18	dec-17	YtD
I. On-balance sheet resources	**20 603**	**20 686**	**-0.4%**
Customer deposits[1]	19 615	19 025	3.1%
Institutional and financial investors deposits	988	1 661	-40.5%
II. Assets under management	**10 079**	**10 123**	**-0.4%**
Mutual funds	5 959	6 027	-1.1%
Capitalisation insurance	4 120	4 096	0.6%
III. Public offerings	**2 026**	**2 151**	**-5.8%**
Total	**32 708**	**32 960**	**-0.8%**

Market shares	**28 Feb. 18**
Total deposits [2]	9.9%
Mutual funds [3]	15.9%
PPR's[3]	12.6%
Capitalisation insurance[3]	14.7%

1) Includes retail obligations of 28 M.€ on Mar.18 and 35 M.€ on Dec.17.
2) Market share in Jan.18. Does not include the effect of securitization operations (BPI calculation).
3) PPR's include PPR in the form of mutual funds and capitalization insurance. For that reason those PPRs are excluded in the calculation of the mutual funds and insurance capitalisation market shares. The market share of BPI Gestão de Activos in mutual funds is 24.8% in Feb.18 (25.3% in Mar.18).

GROWTH DRIVERS

In M.€



- Customer deposits increased by 3.1% ytd (+ 590 M.€)
- The Bank has been actively reducing its deposits offer to institutional investors to optimize liquidity ratios (LCR).

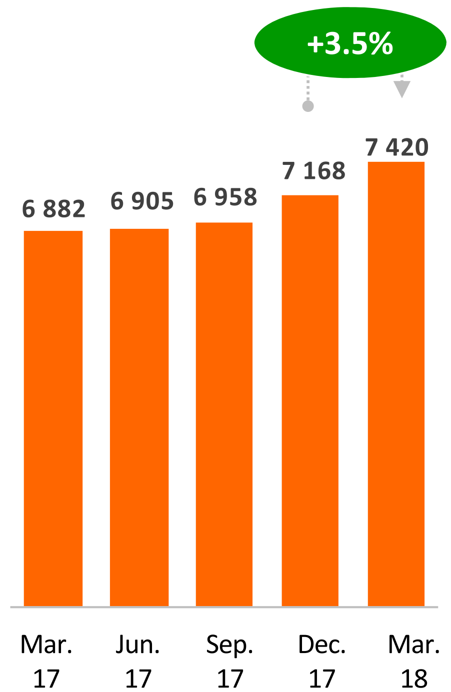
Sources: Banco BPI, Banco of Portugal, APS – Ass. Portuguesa of Seguradores, APFIPP – Ass. Portuguesa of Fundos of Investimento, Pensões e Patrimónios, IGCP.

Loans to companies in Portugal increase by 3.5% YtD

LOANS TO CUSTOMERS BY SEGMENTS

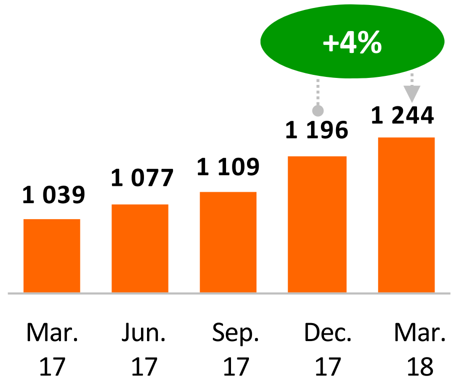
Gross portfolio, in M.€	mar-18	dec-17	YtD
I. Loans to individuals	**12 371**	**12 280**	**0.7%**
Mortgage loans	11 127	11 084	0.4%
Other loans to individuals	1 244	1 196	4.0%
II. Loans to Companies	**8 734**	**8 515**	**2.6%**
Large corporates and Corporate & Investment Banking	2 456	2 238	9.8%
Medium sized companies	2 820	2 813	0.3%
Small businesses	2 143	2 117	1.2%
Total Companies in Portugal	7 420	7 168	3.5%
Project finance and Madrid Branch	1 314	1 347	(2.4%)
III. Public sector	**1 424**	**1 305**	**9.1%**
IV. Other	**168**	**144**	**17.2%**
Total	**22 697**	**22 244**	**2.0%**
Note:			
Net loan portfolio	22 085	21 659	2.0%

LOANS TO COMPANIES IN PORTUGAL[1)]



OTHER LOANS TO INDIVIDUALS

Consumer, credit cards and car financing



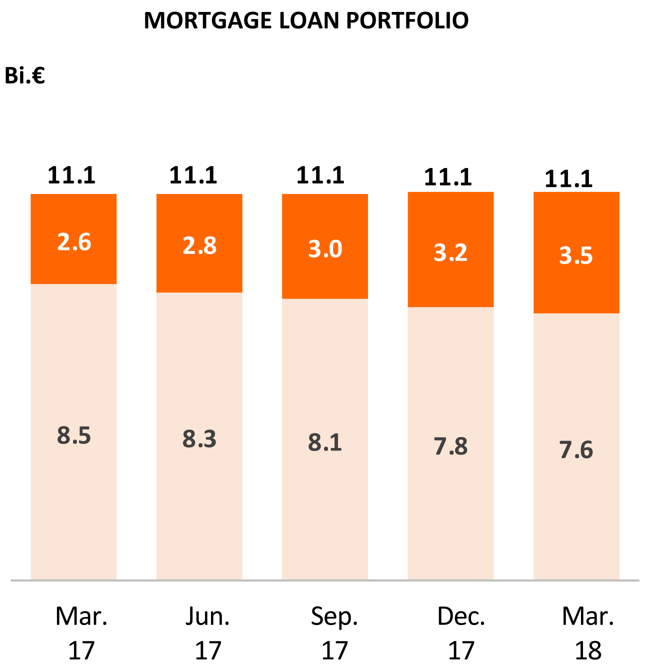
1) Large and medium-sized companies and small business in Portugal. Excludes project finance and Madrid branch loan portfolio. Balances from March 17 to September 17 adjusted by migration of loans between segments.

Growth trends continue in the 1st quarter

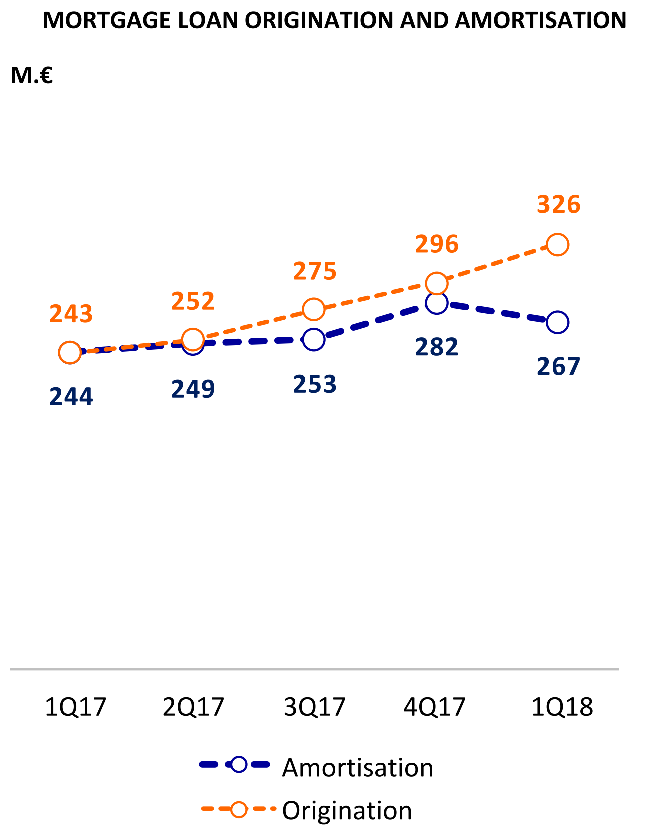
- Loans to corporates and small businesses increase by +3.5% ytd.
- Mortgage loan portfolio increases 0.4% and consumer loans increase 4.0% ytd.
- Total loan portfolio increases 2% ytd.

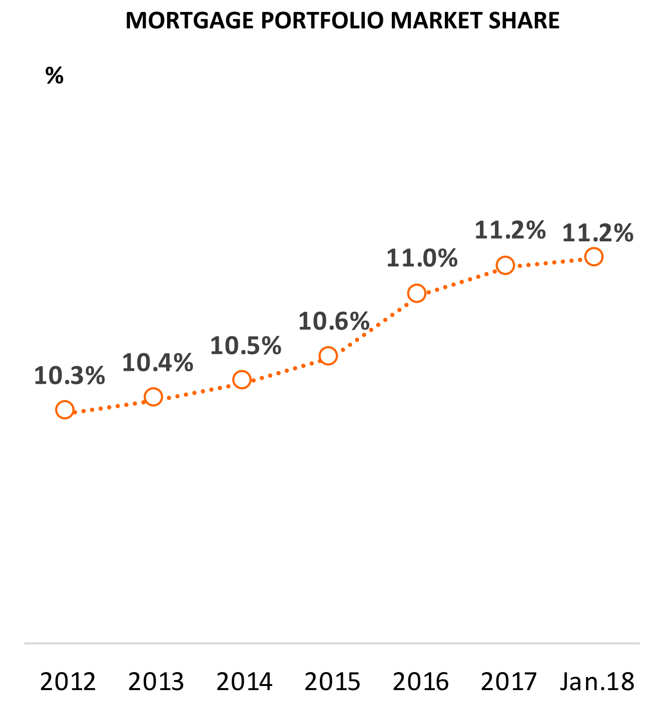
Mortgage loan origination increases by 35% yoy in the 1st quarter 2018

Mortgage loans



In Feb.18	% of total[1)]	Average spread (p.p.)
Loans advanced after Dec. 10	33%	2.3
Loans advanced before Dec. 10	67%	0.8



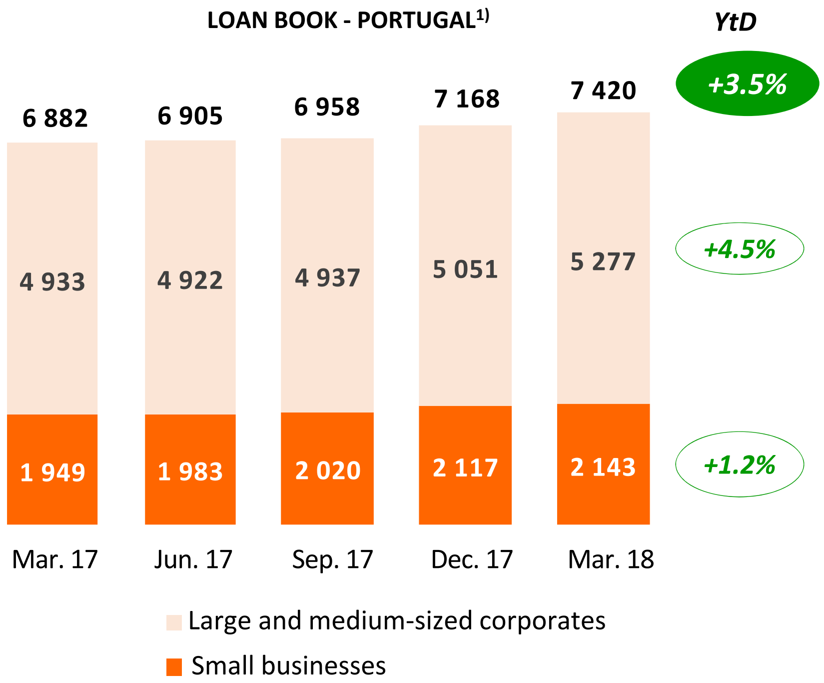


- Origination of mortgage loans increases by 35% yoy to 326 M.€ in the 1st quarter 2018.
- Origination exceeds amortisations since the 3rd quarter of 2017 and signals reversal of the reduction trend of the portfolio.
- Consistent increase in the loan portfolio market share (11.2% as of January 2018) in a segment of the market that is still shrinking.

1) As percentage of the performing loan portfolio.

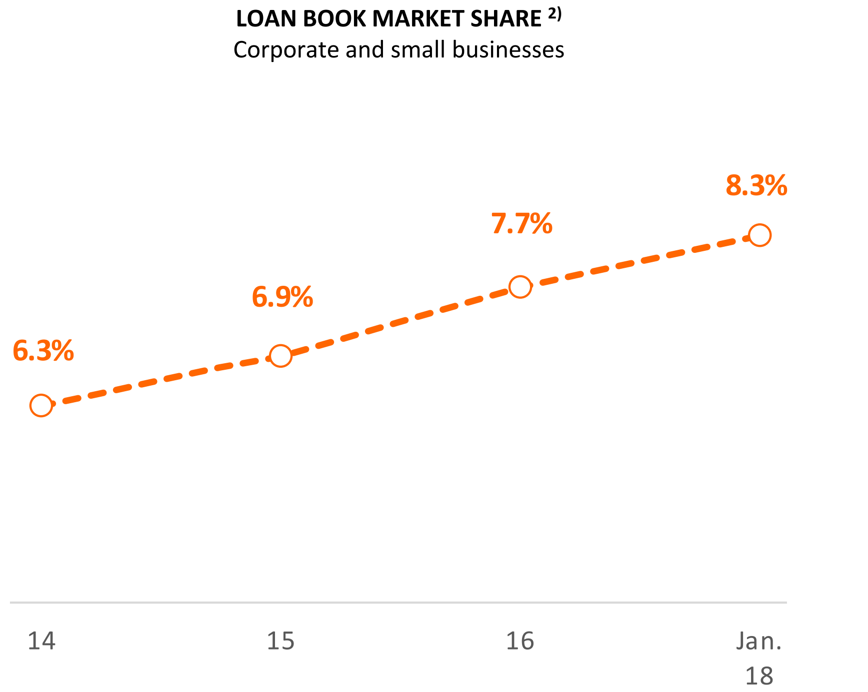
Corporate and small businesses loans in Portugal increase by 3.5% YtD. Increase in BPI market share

Corporate and small businesses loans



1) Does not include project finance nor Madrid branch loan portfolio.

Balances from Mar.17 to Sep.17 adjusted for loans migrations between segments.



Source: BPI and BoP.
2) Loans to non financial domestic companies

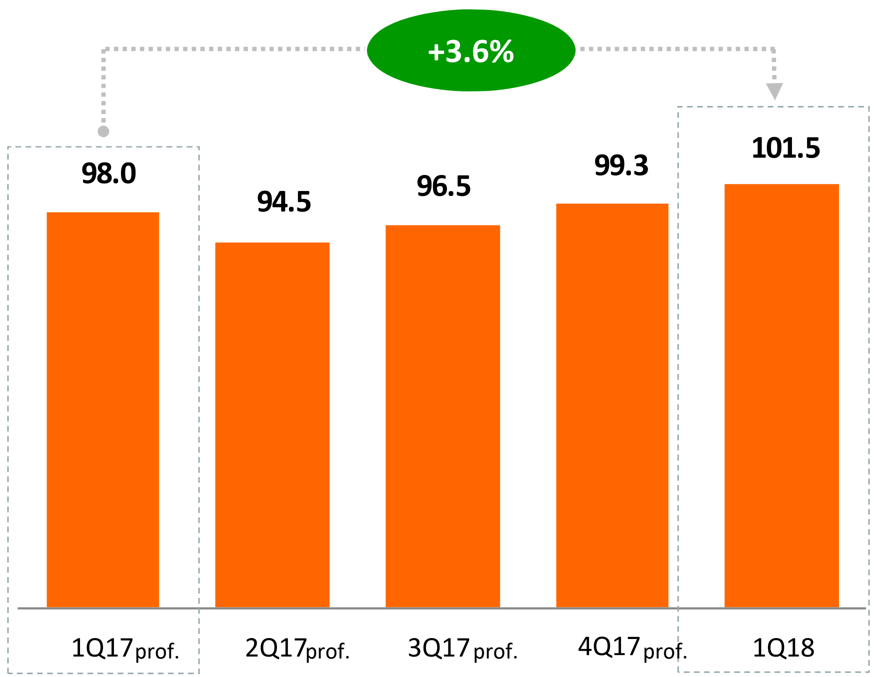
- Growth of 4.5% (YtD) in loans to Large and Medium-sized companies in Portugal (excludes project finance and Madrid branch loan portfolio).
- Growth of 1.2% (YtD) in loans to small businesses.
- Gradual increase in market share (8.3% in January 2018).

Results in the 1st quarter 2018

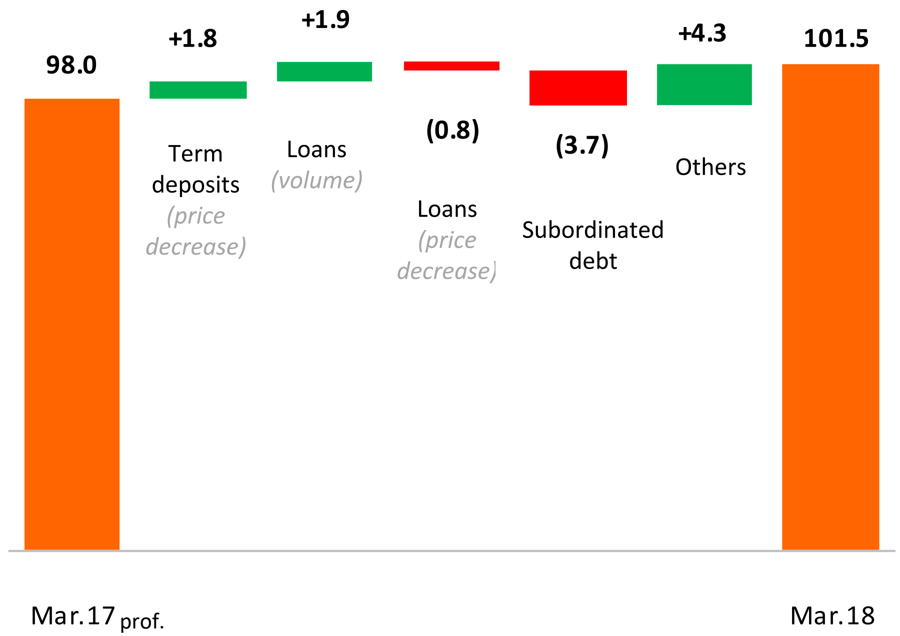
Financial margin increases 3.6% yoy in the 1st quarter 2018

- Financial margin increases 3.6% yoy, despite the cost of 4 M.€ with subordinated debt issued in Mar. 17

FINANCIAL MARGIN, IN M.€



FINANCIAL MARGIN
FACTORS EXPLAINING THE YOY EVOLUTION, IN M.€
YOY



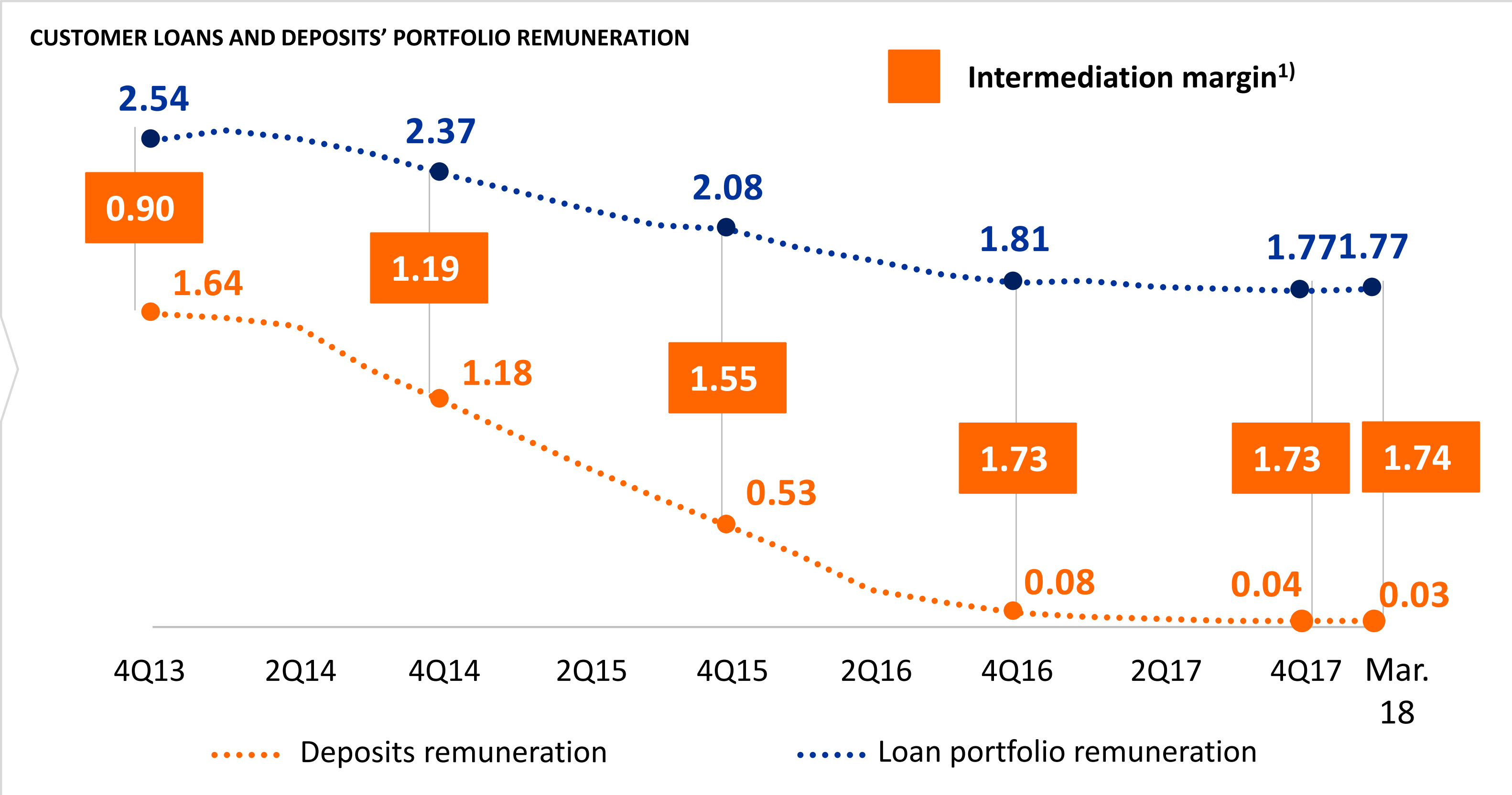
Trends in margin evolution:

- Reduction in the average cost of term deposits (in euro) to 0.07% in 1Q18
- Growth of loan portfolio in Portugal
- Reduction in the spreads of corporate loans
- Cost of 4 M.€ in 1Q18 from the subordinated Tier II debt issued on 24 Mar.17 (remuneration Euribor 6M + 5.74%)

The designation "proforma" reflects the restatement of the contribution of BPI Vida e Pensões, BPI Gestão de Activos and BPI GIF for the consolidated net income in conformity with IFRS 5 rules, that is recorded in the net income from discontinued operations.

Intermediation margin improves slightly to 174 basis points

- Slight reduction in the cost of funding in the 1Q18



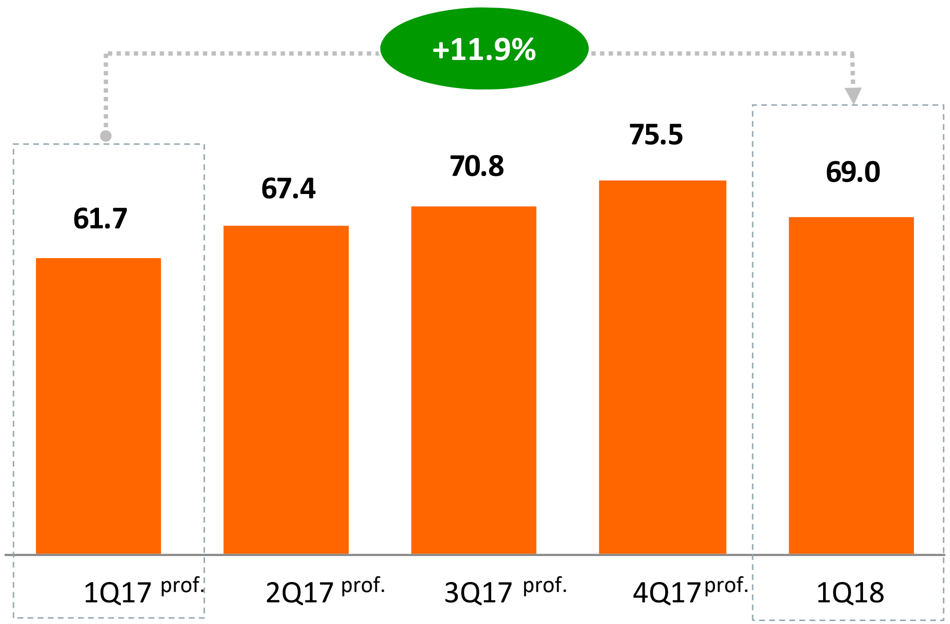
- Adjustment of the cost of time deposits has been the main factor for the improvement of the intermediation margin, more than compensating the narrowing of loans spreads.
- Average remuneration of time-deposits is close to zero.
- Average remuneration of the loan portfolio is stable.

1) From 4Q16 onwards (inclusive) it refers to the deposits' remuneration contracted in euros.

Commissions increase by 11.9% yoy

Commissions

NET COMMISSIONS, M.€



Of which, securities-related services, consulting and evaluation (M.€):

5.6	7.7	9.5	8.9	5.6

Commissions by business area

NET COMMISSIONS, M,€

In M.€	1Q 18	1Q 17 prof.	YoY
Banking commissions	50	44	13.0%
Insurance intermediation	16	15	8.6%
Asset management 1)	3	2	11.7%
Total	**69**	**62**	**11.9%**

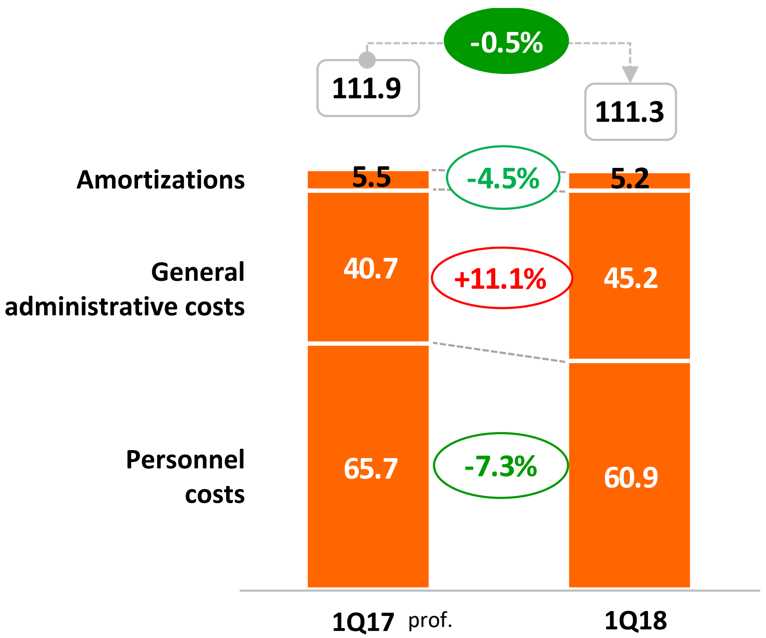
1) BPI Alternative Fund ceased to be consolidated in Banco BPI accounts from March 2017 onwards. In the consolidation of that fund, net commissions paid by the BPI Alternative Fund of 2.2 M.€ in the 1Q17 were recorded.

- Net commissions increase 11.9% yoy in 1Q18 (+8.1% yoy, adjusted by the deconsolidation of BPI Alternative Fund).
- Banking commissions increase 13.0% yoy in 1Q18
- The reduction in total comissions vis-à-vis the 4Q17 reflects the seasonality in the collection of commissions.

The designation "proforma" reflects the restatement of the contribution of BPI Vida e Pensões, BPI Gestão de Activos and BPI GIF for the consolidated net income in conformity with IFRS 5 rules, that is recorded in the net income from discontinued operations.

Recurring overhead costs decrease 0.5% yoy

RECURRING OVERHEAD COSTS, IN M.€



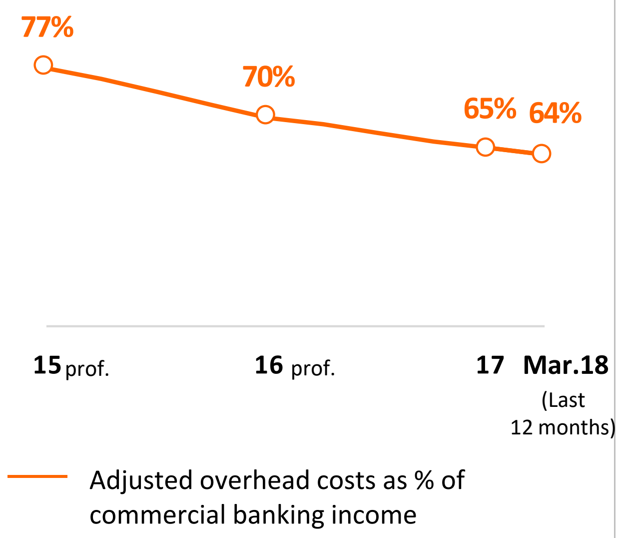
Non recurring impacts

	1Q17 prof.	1Q18
Early retirements and terminations	10.7	2.7
Costs "as reported"	**122.6**	**114.0**

STAFF AND DISTRIBUTION NETWORK

Nº	Dec.17	Change	Mar.18
Staff	4 930	-34	4 896
Branch network[1]	431	-2	429

COST TO INCOME

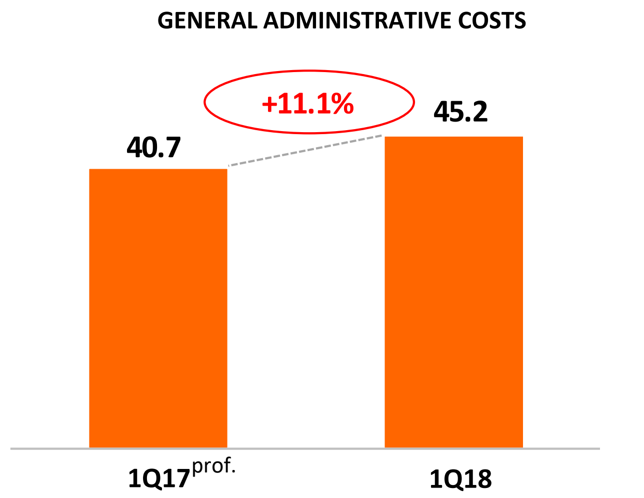


Overhead costs adjusted in % of commercial banking income = (Overhead costs – Costs from early retirements and voluntary terminations - gains with ACT revision) / (Financial margin + commissions (includes gross margin on unit links) + Equity accounted income (excluding BFA and BCI contribution) + Income from equity instruments)

- Overhead costs excluding costs from voluntary terminations and early retirements decrease by 0.5 M.€ (-0.5%) yoy
- Recurring personnel costs fell by 4.8 M.€ (-7.3%) yoy
- BPI expects to reach a cost-to-income close to 50% in 2020

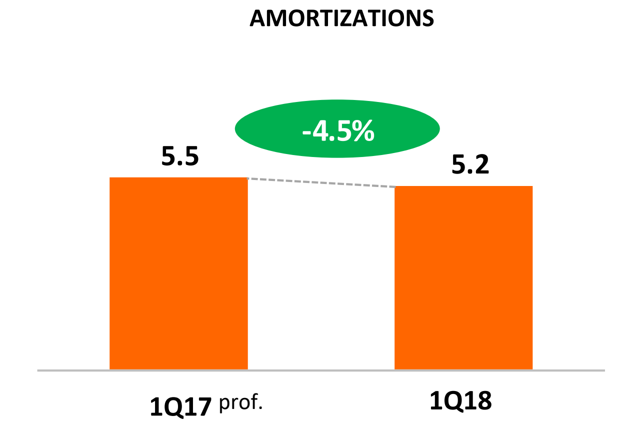
1) Additionally, at Mar.18, BPI had 39 investment centres and 35 corporate centers in Portugal, thus totalling 503 business units.
The designation "proforma" reflects the restatement of the contribution of BPI Vida e Pensões, BPI Gestão de Activos and BPI GIF for the consolidated net income in conformity with IFRS 5 rules, that is recorded in the net income from discontinued operations.

Evolution of general administrative costs in 1Q18 in line with expected



- General administrative costs of 45.2 M. € in the first quarter 2018 are in line with budget forecast.
- The year-on-year increase (+11%) in general administrative costs is mainly explained by the investment required to implement the synergies plan, IT costs and legal and adaptation costs, which will not be meaningful in the evolution of costs in the following year.
- It is expected that a path of cost reduction will begin in 2019.

- The synergies impact (in personnel costs and general administrative costs) in the 1Q18 is around 16 M.€, of which 3 M.€ refer to general and administrative costs.
- As previously reported to the market, this impact is still partial in 2018 and only after 2019 will be fully reflected.



- Amortizations are expected to increase in line with the investment plan foreseen for the coming years.

The designation "proforma" reflects the restatement of the contribution of BPI Vida e Pensões, BPI Gestão de Activos and BPI GIF for the consolidated net income in conformity with IFRS 5 rules, that is recorded in the net income from discontinued operations.

Employee pension liabilities covered at 104%

Pension fund return (March 2018) **4.4%**

EMPLOYEE PENSION LIABILITIES, M.€

M.€	31 Dec. 17	31 Mar. 18
Total past service liability	1 604	1 576
Net assets of the pension funds	1 568	1 632
Degree of coverage of pension liabilities	98%	104%
Discount rate	2.00%	2.08%
Salary growth rate	1.00%	1.00%
Pensions growth rate	0.50%	0.50%
Mortality table: Men	TV 88/ 90	TV 88/ 90
Mortality table: Women	TV 88/ 90 – 3 years[1)]	TV 88/ 90 – 3 years[1)]

1) For the target population, the age below the actual age of beneficiaries is two years for men and three years for women respectively, which is equivalent to considering a higher life expectancy.

ACTUARIAL DEVIATIONS IN THE PERIOD[2)], M.€

	M.€
Total actuarial deviations at 31 Dec.17	**(211)**
Pension funds income deviation	60
Change in the discount rate	23
Other	(1)
Total actuarial deviations at 31 Mar.18	**(129)**

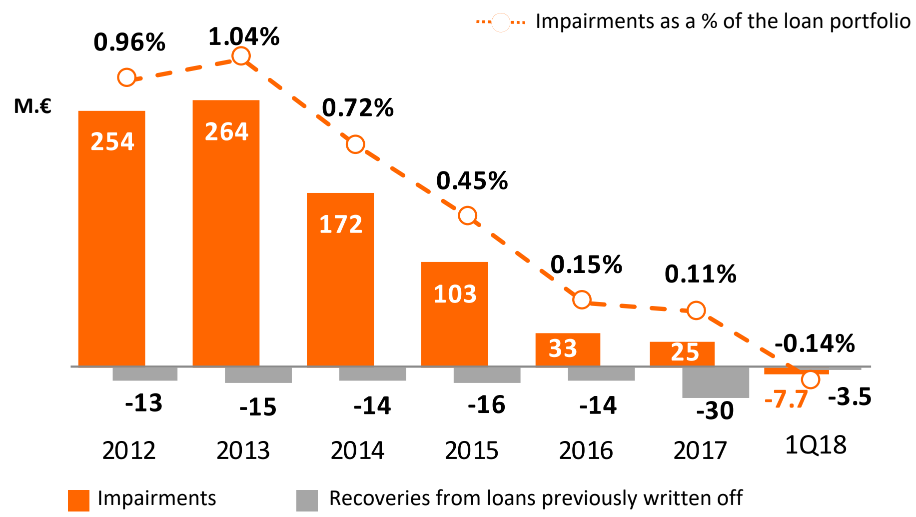
2) Recognised directly in shareholders, in accordance with IAS19.

- Pension fund return of 4.4% (non anualized) in 1Q18 with a positive impact of 60 M.€ in actuarial deviations.
- Employee pension liabilities covered at 104%.

Loan impairment reversals of 7.7 M.€ and recoveries of 3.5 M.€ in 1Q18

Cost of credit risk1)

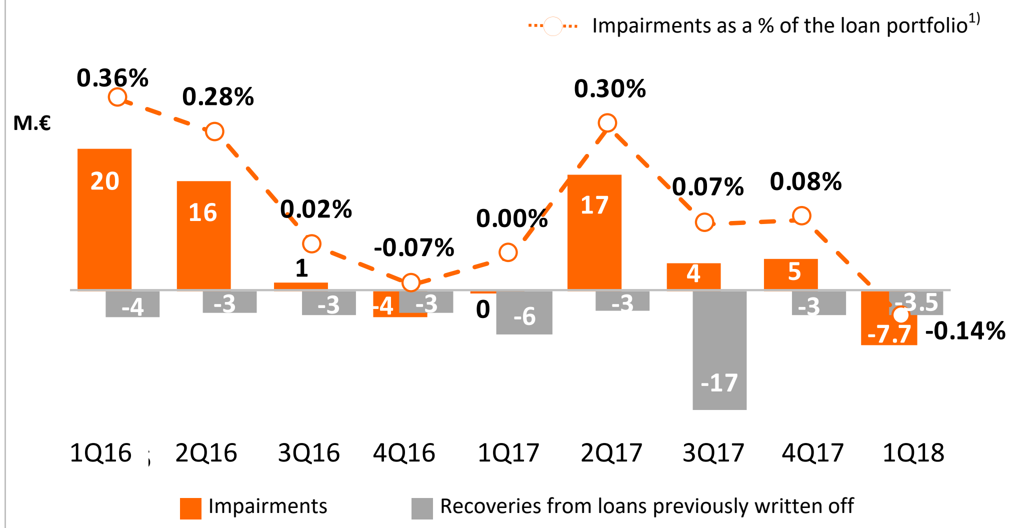
YOY EVOLUTION OF COST OF CREDIT RISK



COST OF CREDIT RISK
(Impairments after deducting recoveries from loans previously written off)

	2012	2013	2014	2015	2016	2017	1Q18
M.€	242	249	158	87	19	-5	-11
% loan porfolio	0.91%	0.98%	0.66%	0.38%	0.09%	-0.02%	-0.21%

QOQ EVOLUTION OF COST OF CREDIT RISK



COST OF CREDIT RISK
(Impairments after deducting recoveries from loans previously written off)

	1Q16	2Q16	3Q16	4Q16	1Q17	2Q17	3Q17	4Q17	1Q18
M.€	16	12	-2	-7	-6	14	-13	1	-11
% loan porfolio1	0.29%	0.22%	-0.04%	-0.12%	-0.11%	0.24%	-0.04%	0.02%	-0.21%
% loan portfolio (last 12 months)	0.32%	0.24%	0.16%	0.09%	-0.01%	-0.01%	-0.06%	-0.02%	-0.04%

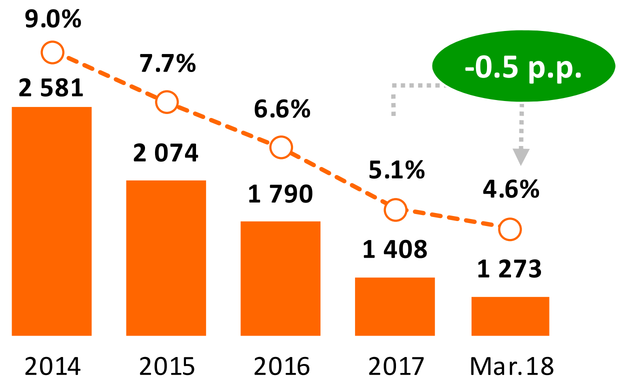
- Impairment reversals of 7.7 M.€ were recorded in 1Q18.
- Loan recoveries previously written off amounted to 3.5 M.€ in 1Q18.
- The application of IFRS 9 led to an increase of 35 M.€ in loan impairments, which was directly recognized in shareholders' equity, and an impact in shareholders' equity of -26 M.€.

1) In annualised terms. In the annualisation of the indicator, a recovery of 14.2 M.€ in 3Q17 related to a single situation was not annualised.

Results in the 1st quarter 2018

NPE ratio decreases from 5.1% to 4.6%

Non-performing exposures - NPE (EBA criteria[2)])

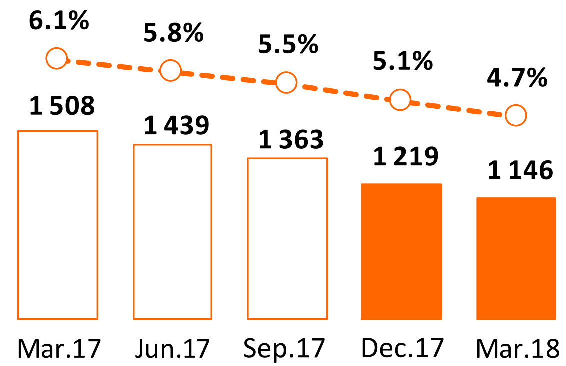


Coverage ratio[1)]	38%	43%	39%	43%	50%

NPE ratio (EBA criteria)

- NPE ratio decreases 0.5 p.p. in 1Q18, to 4.6%;
- Coverage of 50%[1)] by impairments and 122% by impairments and collateral

Non performing loans ratio (Bank of Spain criteria)



Coverage ratio[1)]	47%	48%	48%	50%	55%

Non performing loans ratio (Bank of Spain criteria)

- Non performing loans ratio of 4.7%
- Coverage of 55% by impairments and 123% by impairments and collaterals

Forborne exposures (EBA criteria[2)])

31 Mar. 2018	Performing loans	Included in NPE	Total
Forborne (M.€)	474	660	1 134
Forborne ratio (as % of gross credit exposure)	1.6%	2.2%	3.7%

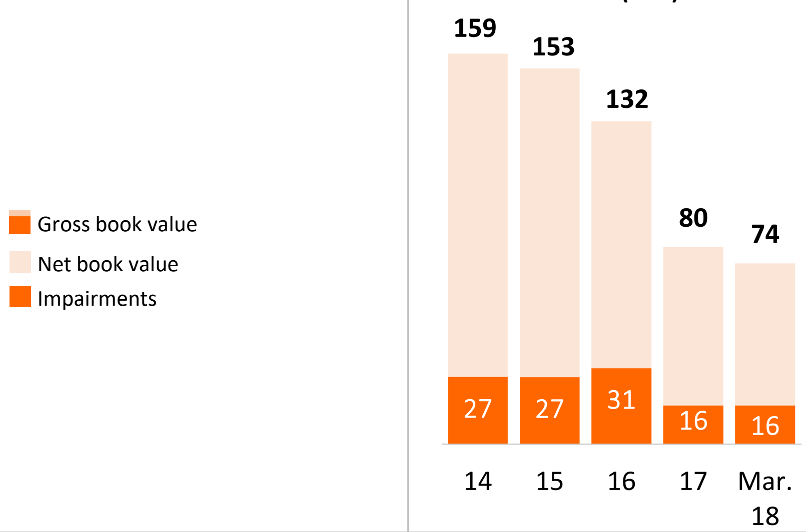
Forborne exposures (EBA criteria)

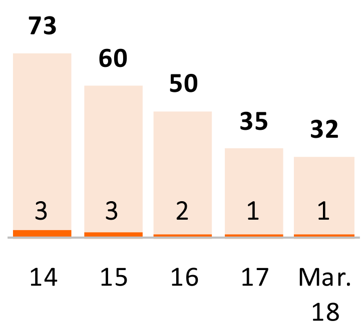
- 42% of forborne exposures are performing loans

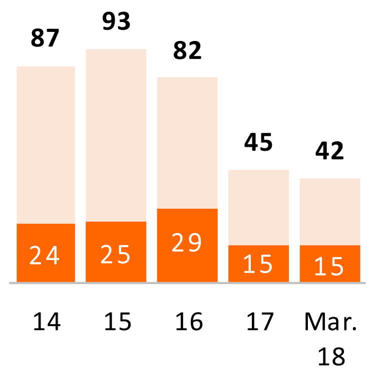
1) Cover by impairments accumulated in the balance sheet for loans and guarantees; does not consider collaterals.
2) NPE ratio and forborne ratio considering the prudential supervision perimeter.

Foreclosed properties at very low levels in BPI

Foreclosed properties of 58 M.€ (net of impairments)







	TOTAL (M.€)	MORTGAGE (M.€)	OTHER (M.€)
Impairment coverage (% gross value)	21%	4%	35%
Valuation (% net book value)	126%	128%	124%
Average age of the portfolio (years)	5.0	2.8	6.6
Stock of properties	813	492	321
- properties inflows (yoy)[1]	45	33	12
- properties outflows (yoy)[1]	103	78	25

MAIN RECOVERY / RESTRUCTURING FUNDS

	Capital subscribed
Market	4.7 Bi.€
By BPI	100.1 M.€
% BPI	2 %

M.€	Subs-cribed	Reali-sed
RF	95.6	86.5
CRF	4.5	3.9
Total	**100.1**	**90.4**
Revaluation [2]		(35.0)
Net exposure		**55.4**

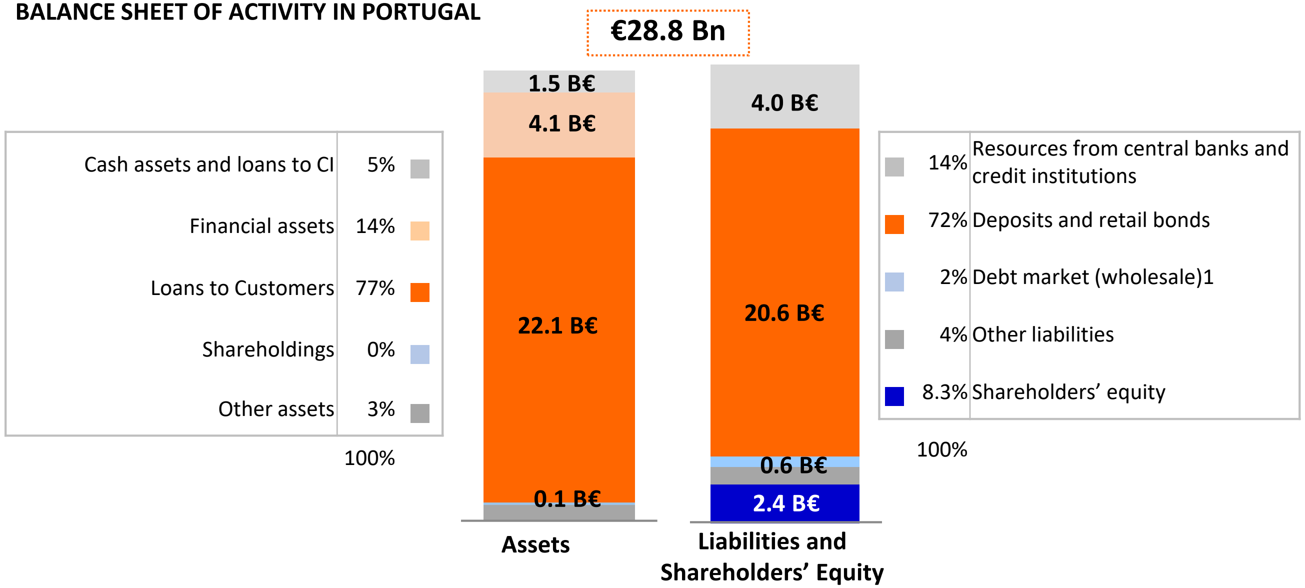
RF – Recovery Fund, FCR
CRF – Corporate Restructuring Fund, FCR

- Sale of 103 properties in 1Q18 for 9 M.€. Positive impact in profits before taxes of 0.8 M.€.

1) Jan. – Mar. 2018.
2) Includes 34.7 M.€ of impairments booked in the P&L account until 31 Dec. 2017 and 0.3 M.€ of potential capital losses in the date of transition of IFRS9.

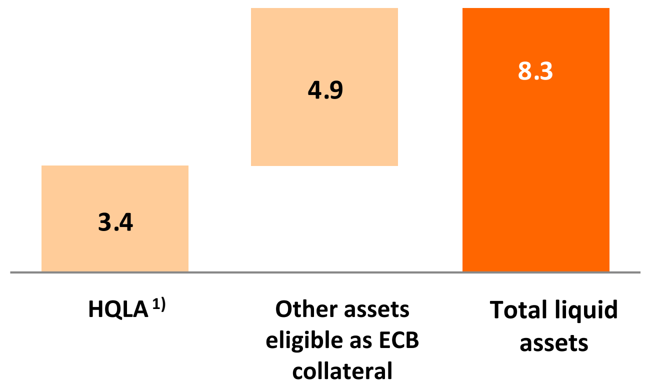
Balanced funding structure and comfortable liquidity position

BALANCE SHEET OF ACTIVITY IN PORTUGAL



TOTAL LIQUID ASSETS

(In Bi.€, Mar. 18)



Financing with the ECB **2.0 Bi.€**

1) High Quality Liquid Asset.

COMFORTABLE LIQUIDITY METRICS

Loans/deposits (BoP supervision perimeter): **107%**

Liquidity coverage ratio (average 12 months, according to EBA guidance): **172%** 2)

- Client Resources are the main source of funding of the balance sheet (72% of assets).
- Loan to Deposit ratio of 107%.
- 2.0 Bi.€ of funds obtained with the ECB (TLTRO). BPI still has 8.3 Bi.€ of high quality liquid assets and assets eligible as collateral for additional funding from the ECB.
- Portfolio of short term public debt of 1.2 Bi.€
- Portfolio of medium and long term public debt of 2.2 Bi.€. In 1Q18 BPI bought a portfolio of MLT public debt of 1.7 Bi.€, with an average residual maturity of 3 years.
- Recourse to wholesale debt market is small (2% of assets).

M.€	Book value (M.€)	Potential capital gains/ (losses)	Residual maturity, years
At fair value through other comprehensive income			
Short-term public debt 3)	1 206	0	0.5
MLT public debt 4)	513	1	1.1
Equity, corporate bonds and other	77	59	0
At amortised cost			
MLT public debt 5)	1 673	-	3.0
Total	**3 469**	**60**	0

1) Includes 300 M.€ of subordinated debt issued in the 1Q17.
2) Average amount (last 12 months) of LCR components calculation: Liquidity Reserves (3 974 M.€); Total net outflows (2 317 M.€).
3) Portugal. 4) Portugal (64%), Italy (36%). 5) Portugal (33%), Spain (37%), Italy (30%).

As of 20 April 2018

BPI has *investment grade* long-term credit rating from two agencies

Investment Grade / Non-Investment grade

S&P Global	Moody's	Fitch Ratings	DBRS
… AA-, AA, AA+ and AAA	… Aa3, Aa2, Aa1 and Aaa	… AA-, AA, AA+ and AAA	… AA, AA (high), AAA
			AA (low) BPI Mortgage bonds
A+	A1 BPI Mortgage bonds	A+	A (high)
A	A2	A	A Bank 1
A-	A3	A-	A (low)
BBB+	Baa1	BBB+ Bank 1	BBB (high)
BBB	Baa2	BBB Portugal	BBB
BBB- Portugal BPI Bank 1	Baa3	BBB- BPI	BBB (low) Portugal Bank 3
BB+	Ba1 Portugal BPI Bank 1	BB+	BB (high) Bank 2
BB	Ba2	BB	BB Bank 4
BB- Bank 2	Ba3 Bank 3	BB- Bank 2 Bank 3	BB (low)
B+	B1 Bank 2	B+ Bank 4	B (high)
B	B2	B	B
B-	B3 Bank 4	B-	B (low)
CCC+	Caa1	CCC+	CCC (high) Bank 5
… CCC, CCC-, CC, C and D	Caa2 Bank 5	… CCC, CCC-, CC, C and D	… CCC, CCC (low), CC (high), CC, CC (low), C (high), C, C (low), D
	… Caa3, Ca and C		
Investment grade BBB -		Investment grade BBB -	

- BPI has "investment grade" ratings from Standard & Poor's and Fitch Ratings
- BPI is one of two banks in Portugal to have investment grade ratings from 2 or more rating agencies, which is a necessary condition to be able to grant international guarantees.

BPI

Results in the 1st quarter 2018

Results in 1Q18 - highlights

Good results from commercial activity in Portugal	**Loans to companies** **+ 251 M.€** 1Q18, YtD	**Customer deposits** **+3.1%** 1Q18, YtD	**Financial margin** **+ 3.6%** 1Q18, yoy	**Commissions** **+ 11.9%** 1Q18, yoy
Improved efficiency, risk and capitalisation	**Costs** **- 0.5%** 1Q18, yoy	**Cost-to-income** **64%**	**NPE ratio** **4.6%**	**CET1 FL** **11.4%** 1) **Total FL** **13.2%** 1)
Profit increases in Portugal and in consolidated	**Consolidated profit** **210 M.€** **Profit in Portugal** **118 M.€** 1Q18	**Targets Portugal - 2020** (Excl. shareholdings in African banks)	**ROTE** **> 10%**	**Cost-to-income** **≈ 50%**

1) As there is no decision on the earnings distribution for the year, for regulatory and prudential reasons, the net income for the first quarter of 2018 was deducted in the calculation of the capital ratios.

BPI

1Q18 results

Annexes

- Income Statements and Balance sheet in accordance with IAS / IFRS
- Profitability and efficiency
  as in the Bank of Portugal’s Instruction no. 16/2004
- Alternative Performance Measures

Income Statement of activity in Portugal

Income Statement

In M.€	1st quarter 2018			1st quarter 2017 proforma[1)]			Δ%
	As reported	Non recurr.[2)]	Excl. non recurr.[2)]	As reported	Non recurr.[2)]	Excl. non recurr.[2)]	Excl. non recurr.[2)]
Financial margin - RCL	102		102	98		98	3.6%
Income from equity instruments - RCL	0		0	0		0	-80.8%
Earnings of associated companies (equity method) - RCL	3		3	4		4	-42.2%
Net commission income - RCL	69		69	62		62	11.9%
Net income on financial operations	72	60	13	7		7	72.5%
Operating income and expenses	0		0	(1)	(1)	0	s.s.
Operating income from banking activity - RCL	**246**	**60**	**186**	**171**	**(1)**	**172**	**8.5%**
Personnel costs	(64)	(3)	(61)	(76)	(11)	(66)	-7.3%
General administrative costs	(45)		(45)	(41)		(41)	11.1%
Depreciation and amortisation	(5)		(5)	(5)		(5)	-4.5%
Overhead costs	**(114)**	**(3)**	**(111)**	**(123)**	**(11)**	**(112)**	**-0.5%**
Net operating income before impairments and provisions	**132**	**57**	**75**	**48**	**(11)**	**60**	**25.4%**
Impairments and provisions net of recoveries of loans, interest and expenses	10		10	10		10	3.1%
Net income before income tax	**142**	**57**	**85**	**58**	**(11)**	**70**	**22.2%**
Income tax	(26)	1	(27)	(20)	3	(23)	18.0%
Net income from continuing operations	**116**	**58**	**58**	**38**	**(8)**	**47**	**24.3%**
Net income from discontinued operations	2	2		5	5		
Income attributable to non-controlling interests				(0)		(0)	
Net income	**118**	**60**	**58**	**43**	**(4)**	**47**	**24.3%**

Net profit of 118 M.€ in 1Q18 from activity in Portugal

Recurring net profit of 58 M.€ in Portugal, increases 24% yoy

Recurring operating income increases +8.5% yoy (+15 M.€):

- Commissions grow 11.9% yoy (+7 M.€)
- Financial margin goes up 3.6% (+4 M.€)

Recurring overhead costs fall by 0.5% yoy (-0.5 M.€);

- Personnel costs decrease by 7.3% yoy (-5 M.€)

Impairment reversals (net of recoveries) of 10 M.€ in 1Q18

Non recurring items in 1Q18:

- Gain of 60 M.€ (after taxes) with revaluation of the stake in Viacer to the agreed sale price
- Costs with early retirements of 2 M.€ (3 M.€ before taxes)
- Income from discontinued operations of 2 M.€

1) The designation "proforma" reflects the restatement of the contribution of BPI Vida e Pensões, BPI Gestão de Activos and BPI GIF for the consolidated net income in conformity with IFRS 5 rules, that is recorded in the net income from discontinued operations.

2) Costs from voluntary terminations and early retirements and (in 1Q17) impact of the sale of 2% of BFA (-0.7 M.€ recorded in the activity in Portugal) and (in 1Q18) gain with the revaluation of the stake in Viacer to the agreed sale price.

Captions reclassified according to the format used by CaixaBank (BPI's consolidating entity). The underlying accounting criteria were not affected by the change in the format adopted.

Income Statement of activity in Portugal

With reclassification of the contribution of BPI Vida e Pensões, BPI Gestão de Activos and BPI GIF to "Net income from discontinued operations" (IFRS 5)

Captions reclassified according to the format used by CaixaBank (BPI's consolidating entity). The underlying accounting criteria were not affected by the change in the format adopted.

In M.€	1Q 17 proforma[1)]	2Q 17 proforma[1)]	3Q 17 proforma[1)]	4Q 17 proforma[1)]	2017	1Q 18
Financial margin - RCL	98.0	94.5	96.5	99.3	388.3	101.5
Income from equity instruments - RCL	0.1	6.3	0.1	0.1	6.5	0.0
Earnings of associated companies (equity method) - RCL	4.4	4.6	5.8	(1.4)	13.4	2.5
Net commission income - RCL	61.7	67.4	70.8	75.5	275.4	69.0
Net income on financial operations	7.4	6.8	7.8	(8.2)	13.8	72.4
Operating income and expenses	(0.7)	(14.7)	(0.9)	7.2	(9.1)	0.3
Operating income from banking activity - RCL	**170.9**	**164.9**	**180.1**	**172.5**	**688.4**	**245.8**
Personnel costs	(76.5)	(161.2)	(65.7)	(64.7)	(368.1)	(63.6)
Of which: Recurring personnal costs	(65.7)	(66.8)	(65.7)	(64.1)	(262.3)	(60.9)
Non-recurring costs[2)]	(10.7)	(94.4)	(0.1)	(0.6)	(105.8)	(2.7)
General administrative costs	(40.7)	(43.6)	(41.3)	(37.4)	(163.0)	(45.2)
Depreciation and amortisation	(5.5)	(5.5)	(5.6)	(5.3)	(21.8)	(5.2)
Overhead costs	**(122.6)**	**(210.4)**	**(112.6)**	**(107.4)**	**(552.9)**	**(114.0)**
Net operating income before impairments and provisions	**48.3**	**(45.4)**	**67.6**	**65.1**	**135.5**	**131.7**
Impairments and provisions net of recoveries of loans, interest and expenses	9.8	(13.7)	12.4	(3.3)	5.3	10.1
Net income before income tax	**58.1**	**(59.1)**	**80.0**	**61.8**	**140.8**	**141.9**
Income tax	(19.7)	22.6	(21.7)	(21.1)	(39.8)	(25.9)
Net income from continuing operations	**38.5**	**(36.5)**	**58.3**	**40.7**	**101.0**	**115.9**
Net income from discontinued operations	4.6	4.1	6.3	7.7	22.7	2.5
Income attributable to non-controlling interests	(0.0)	(0.0)	0.0		(0.0)	
Net income	**43.1**	**(32.4)**	**64.6**	**48.4**	**123.7**	**118.4**

1) The designation "proforma" reflects the reclassification of the contribution of BPI Vida e Pensões, BPI Gestão de Activos e BPI GIF to the consolidated net income in accordance with IFRS 5 rules, that is recorded in the net income from discontinued operations.
2) Costs from voluntary terminations and early retirements.

Consolidated income statement

With reclassification of the contribution of BPI Vida e Pensões, BPI Gestão de Activos and BPI GIF to "Net income from discontinued operations" (IFRS 5)

Captions reclassified according to the format used by CaixaBank (BPI's consolidating entity). The underlying accounting criteria were not affected by the change in the format adopted.

In M.€	1Q 17 proforma[1)]	2Q 17 proforma[1)]	3Q 17 proforma[1)]	4Q 17 proforma[1)]	2017	1Q 18
Financial margin - RCL	97.9	94.5	96.4	99.2	388.1	101.5
Income from equity instruments - RCL	0.1	6.3	0.1	0.1	6.5	0.0
Earnings of associated companies (equity method) - RCL	56.1	64.6	72.1	(68.0)	124.8	108.6
Net commission income - RCL	62.0	67.7	71.1	75.6	276.4	69.0
Net income on financial operations	7.4	6.8	7.8	(8.2)	13.8	66.5
Operating income and expenses	(175.5)	(14.7)	(0.9)	6.4	(184.7)	0.3
Operating income from banking activity - RCL	**48.0**	**225.1**	**246.6**	**105.2**	**624.9**	**346.0**
Personnel costs	(76.9)	(161.6)	(65.9)	(64.7)	(369.1)	(63.6)
Of which: Recurring personnal costs	(66.1)	(67.2)	(65.8)	(64.1)	(263.3)	(60.9)
Non-recurring costs[2)]	(10.7)	(94.4)	(0.1)	(0.6)	(105.8)	(2.7)
General administrative costs	(40.8)	(43.8)	(41.3)	(37.5)	(163.4)	(45.2)
Depreciation and amortisation	(5.5)	(5.5)	(5.6)	(5.3)	(21.9)	(5.2)
Overhead costs	**(123.1)**	**(210.9)**	**(112.8)**	**(107.5)**	**(554.3)**	**(114.1)**
Net operating income before impairments and provisions	**(75.1)**	**14.2**	**133.8**	**(2.4)**	**70.6**	**231.9**
Impairments and provisions net of recoveries of loans, interest and expenses	9.8	(14.4)	12.4	(3.3)	4.6	10.3
Net income before income tax	**(65.3)**	**(0.1)**	**146.2**	**(5.6)**	**75.2**	**242.3**
Income tax	(61.6)	16.7	(28.3)	(14.4)	(87.7)	(34.8)
Net income from continuing operations	**(126.9)**	**16.5**	**117.9**	**(20.0)**	**(12.5)**	**207.4**
Net income from discontinued operations	4.6	4.1	6.3	7.7	22.7	2.5
Income attributable to non-controlling interests	(0.0)	(0.0)	0.0		(0.0)	
Net income	**(122.3)**	**20.6**	**124.3**	**(12.3)**	**10.2**	**209.9**

1) The designation "proforma" reflects the reclassification of the contribution of BPI Vida e Pensões, BPI Gestão de Activos e BPI GIF to the consolidated net income in accordance with IFRS 5 rules, that is recorded in the net income from discontinued operations.
2) Costs from voluntary terminations and early retirements.

Consolidated Balance Sheet

With the entry into force of IFRS 9, Banco BPI decided to adopt a structure of the individual and consolidated financial statements in line with the guidelines of Regulation (EU) 2017/1443 of June 29, 2017 and with the structure of the financial statements presented by CaixaBank (the consolidating entity of Banco BPI).

In M.€	31 Mar. 17	30 Jun. 17	30 Sep. 17	31 Dec. 17	31 Mar. 18
Assets					
Cash, deposits at Central Banks and other demand deposits	1 512.4	1 219.3	1 400.6	1 094.1	826.8
Financial assets held for trading, at fair value through profit or loss and at fair value through other comprehensive income	6 238.3	6 189.0	6 590.2	4 175.9	2 467.2
Financial assets at amortised cost	23 657.7	23 711.8	23 676.3	22 529.3	24 448.7
Of which:	0.0	0.0	0.0	0.0	0.0
Loans to Customers	22 718.4	22 819.8	22 708.0	21 658.8	22 085.1
Investments in subsidiaries, associated companies and jointly	681.6	675.0	749.3	794.5	752.2
Tangible assets	48.0	43.7	41.7	45.3	42.4
Intangible assets	24.6	24.7	24.3	42.3	40.1
Tax assets	462.0	491.0	459.6	453.2	401.5
Non-current assets held for sale and discontinued operations	87.1	80.3	77.2	73.3	64.8
Other assets	265.0	316.6	259.7	432.3	320.5
Total assets	**32 976.7**	**32 751.4**	**33 279.0**	**29 640.2**	**29 364.2**
Liabilities and shareholders' equity					
Financial liabilities held for trading	208.7	185.8	179.0	170.0	170.3
Financial liabilities at amortised cost	29 569.0	29 341.0	29 548.5	25 961.6	25 802.0
Central Banks and Credit Institutions deposits	3 834.5	3 769.5	3 960.1	3 978.0	4 038.7
Customers deposits	22 413.5	22 321.1	22 424.6	20 769.7	20 966.7
Technical provisions	1 985.2	1 923.6	1 868.3	0.0	0.0
Debt securities issued	658.5	642.7	633.7	542.1	328.2
Of which: subordinated debt	369.9	373.8	369.6	305.1	300.3
Other financial liabilities	677.5	684.1	661.8	671.9	468.4
Provisions	69.3	68.8	66.5	64.2	64.2
Tax liabilities	66.5	67.1	71.2	70.6	73.8
Non-current liabilities held for sale and discontinued operations	0.0	0.0	0.0	4.5	4.6
Other liabilities	528.4	526.4	693.0	545.6	316.6
Total liabilities	30 442.0	30 189.1	30 558.1	26 816.6	26 431.5
Shareholders' equity attributable to the shareholders of BPI	2 533.0	2 560.6	2 720.9	2 823.6	2 932.7
Non controlling interests	1.8	1.8	0.0	0.0	0.0
Total Shareholders’ equity	2 534.7	2 562.3	2 720.9	2 823.6	2 932.7
Total liabilities and Shareholders' equity	**32 976.7**	**32 751.4**	**33 279.0**	**29 640.2**	**29 364.2**

Consolidated profitability and efficiency metrics

According to Bank of Portugal Instruction no. 16/2004 with the amendments of Instruction 6/2018

	31 Mar. 17 as reported	31 Mar. 17 excl. the impact of the sale of 2% BFA and deconsolidation	**31 Mar. 18 as reported**	**31 Mar. 18 excl. non-recurring impacts[1)]**
Operating income from banking activity and results of equity accounted subsidiaries / ATA	0.7%	0.8%	**1.6%**	**0.5%**
Profit before taxation and income attributable to non-controlling interests / ATA	-0.7%	1.3%	**1.1%**	**0.8%**
Profit before taxation and income attributable to non-controlling interests / average shareholders' equity (including non-controlling interests)	-9.3%	17.6%	**11.6%**	**8.7%**
Personnel costs / Operating income from banking activity and results of equity accounted subsidiaries [2]	120.7%	100.3%	**17.6%**	**52.6%**
Overhead costs / Operating income from banking activity and results of equity accounted subsidiaries [2]	204.9%	170.3%	**32.2%**	**96.1%**
Loans (net) to deposits ratio	104%		**107%**	

1) Excluding early-retirement costs, revaluation of the stake in Viacer and contribution of subsidiaries reclassified to discontinued operations. Figures not adjusted for non-recurring impacts in BFA and BCI contribution.

2) Excluding early-retirement costs.

ALTERNATIVE PERFORMANCE MEASURES

In addition to the financial information prepared in accordance with the International Financial Reporting Standards (IFRS), BPI uses a number of indicators in the analysis of the performance and financial position which are classified as Alternative Performance Indicators (APM) in accordance with the guidelines set by the European Securities and Markets Authority or ESMA about the disclosure of Alternative Performance Measures by entities published on 5 October 2015 (ESMA / 2015/ 1415). These indicators, which were not audited, are considered additional disclosures and in no case replace the financial information prepared in accordance with the IFRS. In addition, the way Banco BPI defined and calculated these indicators may differ from the way similar indicators are computed by other companies and may therefore not be comparable. The following is a list of alternative performance indicators used by BPI, together with a reconciliation between certain management indicators and the consolidated financial statements and their notes prepared in accordance with IFRS.

EARNINGS, EFFICIENCY AND PROFITABILITY INDICATORS

Financial margin (RCL) = Financial margin (narrow sense) + Technical result of insurance contracts + Net commissions relating to amortised cost

Net commissions income (RCL) = Net commissions income + Gross margin on unit links

Operating income from banking activity (RCL) = Financial margin (RCL) + Income from equity instruments (RCL) + Net commissions income (RCL) + Earnings of associated companies (equity method) (RCL) + Net income on financial operations + Operating income and expenses

Commercial banking income = Financial margin (RCL) + Income from equity instruments (RCL) + Net commissions income (RCL) + Earnings of associated companies (equity method) (RCL) excluding the contribution of stakes in African banks

Overhead costs = Personnel costs + General administrative expenses + Depreciation and amortisation

Adjusted overhead costs = Personnel costs excluding cost with early retirements and voluntary terminations and (only in 2016) gains with the revision of the Collective Labour Agreement (ACT) + General administrative expenses + Depreciation and amortisation

Net operating income before impairments and provisions (RCL) = Operating income from banking activity (RCL) - Overhead costs

Net income before income tax (RCL) = Net operating income before impairments and provisions (RCL) + Recovery of loans, interest and expenses - Impairment losses and provisions for loans and guarantees, net - Impairment losses and other provisions, net

Cost-to-income ratio (efficiency ratio) [1)] = Overhead costs / Operating income from banking activity (RCL)

Adjusted overhead costs-to-commercial banking income [1)] = Overhead costs, excluding costs with early-retirements and voluntary terminations and (only in 2016) gains with the revision of the Collective Labour Agreement (ACT) / Commercial banking income

Return on Equity (ROE) [1)] = Net income for the period / Average value in the period of shareholders' equity attributable to BPI shareholders after deduction of the fair value reserve (net of deferred taxes) related to financial assets available for sale

Return on Tangible Equity (ROTE) [1)] = Net income for the period / Average value in the period of shareholders' equity attributable to BPI shareholders after deduction of intangible net assets and other comprehensive income (reserves).

Return on Assets (ROA) [1)] = (Net income attributable to BPI shareholders + Income attributable to non-controlling interests - preference shares dividends paid) / Average value in the period of net total assets

Unitary intermediation margin = Loan portfolio average interest rate, excluding loans to Employees - Deposits average interest rate

Note:
The term **"RCL"** or **"Reclassified captions"** identifies income and costs captions that have been reclassified in this earnings release, and repositioned in the structure of the income statement according to the format used by CaixaBank (BPI's consolidating entity). The underlying accounting criteria were not affected by the change in the format adopted.

1) Ratio referring to the last 12 months, except when indicated otherwise.
The ratio can be computed for the cumulative period since the beginning of the year, in annualised terms, the cases in which it will be clearly marked.

ALTERNATIVE PERFORMANCE MEASURES

BALANCE SHEET AND FUNDING INDICATORS

On-balance sheet Customer resources = Deposits + Capitalisation insurance of subsidiaries fully consolidated + Participating units in consolidated mutual funds

Being:

- Deposits = Demand deposits and other + Term and savings deposits + Accrued interest + Retail bonds (Fixed / variable rate bonds and structured products placed with Customers + Deposits certificates + Subordinated bonds placed with Customers)
- Capitalisation insurance of subsidiaries fully consolidated (BPI Vida e Pensões sold on Dec.17) = Unit links capitalisation insurance and “Aforro” capitalisation insurance and others (Technical provisions + Guaranteed rate and guaranteed retirement capitalisation insurance)

Note: The amount of on-balance sheet Customer resources is not deducted from the applications of off-balance sheets products (mutual funds and pension plans) in on-balance sheet products.

Assets under management = Mutual funds + Capitalisation insurance + Pension plans

- Mutual funds = Unit trust funds + Real estate investment funds + Retirement-savings and equity-savings plans (PPR and PPA) + Hedge funds + Funds assets under BPI Suisse management + Third-party unit trust funds placed with Customers
- Capitalisation Insurance = Third-party capitalisation insurance placed with Customers
- Pension plans = pension plans under BPI management (includes pension plans of BPI Group)

Notes:

(i) Amounts deducted from participating units in the Group banks' portfolios and from off-balance sheet products investments (mutual funds and pension plans) in other off-balance sheet products.

(ii) Following the sale of BPI Vida e Pensões in Dec.17, the capitalisation insurance placed with BPI's Customers are recorded off balance sheet, as "third-party capitalisation insurance placed with Customers”, and pension funds management is excluded from BPI's consolidation perimeter.

Subscriptions in public offerings = Customers subscriptions in third parties’ public offerings

Total Customer Resources = On-balance sheet Customer Resources + Assets under management + Subscriptions in public offerings

Loan-to-deposit ratio = Net loans to Customers / Customer deposits

ASSET QUALITY INDICATORS

Impairments for loans and guarantees as % of the loan portfolio [1]= Impairment losses and provisions for loans and guarantees, net / Average value in the period of the performing loan portfolio

Cost of credit risk as % of the loan portfolio [1]= (Impairment losses and provisions for loans and guarantees, net - Recovery of loans, interest and expenses) / Average value in the period of the performing loan portfolio

Performing loans portfolio = Gross customer loans - (Overdue loans and interest + Receivable interests and other)

NPE ratio = Ratio of non-performing exposures (NPE) according to EBA criteria (prudential perimeter)

Coverage of NPE by impairments = (Loan impairments + Impairments and provisions for guarantees and commitments) / Non-performing exposures (NPE)

Coverage of NPE by impairments and associated collateral = (Loan impairments + Impairments and provisions for guarantees and commitments + Collateral associated to credit) / Non-performing exposures (NPE)

1) Ratio referring to the last 12 months, except when indicated otherwise.
2) The ratio can be computed for the cumulative period since the beginning of the year or for the quarter, both in annualised terms, the cases in which it will be clearly marked.

ALTERNATIVE PERFORMANCE MEASURES

ASSET QUALITY INDICATORS

Non performing loans ratio (Bank of Spain criteria) = Non performing loans (Bank of Spain criteria) / (Gross customer loans + guarantees)

Non performing loans (Bank of Spain criteria) coverage ratio = (Loans impairments + Impairments and provisions for guarantees and commitments) / Non performing loans (Bank of Spain criteria)

Coverage of non performing loans (Bank of Spain criteria) by impairments and associated collateral = (Loans impairments + Impairments and provisions for guarantees and commitments + Collateral associated to credit) / Non performing loans (Bank of Spain criteria)

Impairments cover of foreclosed properties = Impairments for real estate received in settlement of defaulting loans / Gross value of real estate received in settlement of defaulting loans

MARKET INDICATORS

Earnings per share (EPS) = Net income / Weighted average no. of shares in the period (basic or diluted)

The earnings per shares (basic or diluted) is calculated in accordance with IAS 33 - Earnings per share.

Cash-flow after taxes (CF per share or CFPS) = Cash-flow after taxes / Weighted average no. of shares in the period.
Note: the denominator corresponds to the weighted average no. of shares used in the calculation of earnings per share (basic or diluted).

Book value per share (BV per share or BVPS) = Shareholders' equity attributable to BPI shareholders / No. of shares at the end of the period
Note: the denominator corresponds to the outstanding number of shares after deducting the treasury stocks portfolio and is adjusted for capital increases, whether by incorporation of reserves (bonus issue) or subscription reserved for shareholders (rights issue), amongst other events, in a similar way to the calculation of earnings per share.

Price to earnings ratio (PER) = Stock market share price / Earnings per share (EPS)

Price to cash flow (PCH) = Stock market share price / Cash-flow after taxes (CFPS)

Price to book value (PBV) = Stock market share price / Book value per share (BVPS)

Earnings yield = Earnings per share (EPS) in the year / Stock market share price (at beginning or end of the year)

Dividend yield = Dividend per share relating to the year / Stock market share price (at beginning or end of the year)

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