Banco BPI

Consolidated results at 30 September 2018

23 October 2018

Discontinued operations in accordance with IFRS 5

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".

Adoption of a new structure of the financial statements

With the entry into force of IFRS 9, in the beginning of 2018, 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).

Reclassification of costs from General Administrative Costs to Commissions paid

Until 31 December 2017, Banco BPI followed the Chart of Accounts of Banco of Portugal defined in Instruction 9/2005, which specified the inclusion of some costs in General Administrative Costs. Taking into account the revocation of the instruction and the integration / alignment of accounting policies with CaixaBank, costs that depend on the evolution of the business and which have as a counterpart a benefit charged to the clients, were reclassified from General Administrative Costs to Commissions paid.

Profit and loss account of 2017 proforma

The items in the profit and loss account of 2017 (and respective quarters) were restated (Proforma figures) recognizing the contribution of BPI Vida e Pensões, BPI Gestão de Ativos and BPI GIF to the consolidated results in accordance with IFRS 5, the adoption of a new structure of the financial statements, with the entry into force of IFRS 9, as well as the reclassification of costs from General Administrative Costs to Commissions paid as mentioned above**.**

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
Liq.	liquid
vs.	versus
b.p.	basis points
p.p.	percentage point
E	Estimate
F	Forecast

"Disclaimer"

The purpose of this presentation is purely informative and should not be considered as a service or offer of any financial product, service or advice, nor should it be interpreted as, an offer to sell or exchange or acquire, or an invitation for offers to buy securities issued by Banco BPI ("BPI") or any of the companies mentioned herein. The information contained herein is subject to, and must be read in conjunction with, all other publicly available information. Any person at any time acquiring securities must do so only on the basis of such person's own judgment as to the merits or the suitability of the securities for its purpose and only on such information as is contained in such public information set out in the relevant documentation filed by the issuer, having taken all such professional or other advice as it considers necessary or appropriate in the circumstances and not in reliance on the information contained in this presentation.

BPI cautions that this presentation might contain forward-looking statements concerning the development of its business and economic performance. While these statements are based on BPI's current projections, judgments and future expectations concerning the development of the Bank's business, a number of risks, uncertainties and other important factors could cause actual developments and results to differ materially from BPI's expectations. Such factors include, but are not limited to the market general situation, macroeconomic factors, regulatory, political or government guidelines and trends, movements in domestic and international securities markets, currency exchange rates and interest rates, changes in the financial position, creditworthiness or solvency of BPI customers, debtors or counterparts.

Statements as to historical performance, historical share price or financial accretion are not intended to mean that future performance, future share price or future earnings for any period will necessarily match or exceed those of any prior year. Nothing in this presentation should be construed as a profit forecast. In addition, it should be noted that although this presentation has been prepared based on accounting registers kept by BPI and by the rest of the Group companies it may contain certain adjustments and reclassifications in order to harmonize the accounting principles and criteria followed by such companies with those followed by BPI.

In particular, regarding the data provided by third parties, neither BPI, nor any of its administrators, directors or employees, either explicitly or implicitly, guarantees that these contents are exact, accurate, comprehensive or complete, nor are they obliged to keep them updated, nor to correct them in the case that any deficiency, error or omission were to be detected. Moreover, in reproducing these contents by any means, BPI may introduce any changes it deems suitable, may omit partially or completely any of the elements of this document, and in case of any deviation between such a version and this one, BPI assumes no liability for any discrepancy.

In relation to Alternative Performance Measures (APMs) as defined in the guidelines on Alternative Performance Measures issued by the European Securities and Markets Authority on 5 October 2015 (ESMA/2015/1415), this report uses certain APMs, which have not been audited, for a better understanding of the company's financial performance. These measures are considered additional disclosures and in no case replace the financial information prepared under the International Financial Reporting Standards (IFRS). Moreover, the way the Group defines and calculates these measures may differ to the way similar measures are calculated by other companies. Accordingly, they may not be comparable. Please refer to the Glossary section for a list of the APMs used along with the relevant reconciliation between certain indicators.

This document has not been submitted to the Comissão do Mercado of Valores Mobiliários (CMVM) (Autoridade Portuguesa do Mercado of Capitais) for review or for approval. Its content is regulated by the Portuguese law applicable at the date hereto, and it is not addressed to any person or any legal entity located in any other jurisdiction. For this reason it may not necessarily comply with the prevailing norms or legal requisites as required in other jurisdictions.

Notwithstanding any legal requirements, or any limitations imposed by BPI which may be applicable, permission is hereby expressly refused for any type of use or exploitation of the content of this presentation, and for any use of the signs, trademarks and logotypes contained herein. This prohibition extends to any kind of reproduction, distribution, transmission to third parties, public communication or conversion by any other mean, for commercial purposes, without the previous express consent of BPI and/or other respective proprietary title holders. Any failure to observe this restriction may constitute a legal offence which may be sanctioned by the prevailing laws in such cases.

Index

Results in 30 September 2018

BPI consolidated results at 30 September 2018

Recurring net income increases in Portugal and in the consolidated

- **Consolidated net profit of 529.1 M.€** in Sep. 2018
- **Net profit in Portugal of 324.4 M.€** in Sep. 2018
- **Recurring net profit in Portugal of 164.2 M.€[1], increases 20%** yoy

Strong growth in deposits and loans in Portugal

- **Customer deposits grow 1 343 M.€ (+6.9% ytd)**
- **Loans to companies in Portugal increase 846 M.€ (+12.0% ytd)**

High asset quality

- **Non-performing exposures ratio - NPE[2]** (EBA criteria) **of 3.8% in Sep.18**, improves 1.3 p.p. over Dec.17
- **Coverage by impairments and collateral of non-performing exposures (NPE) of 126%**

Strong capitalisation

- **Fully loaded capital ratios: CET1 of 13.1% and total of 14.8%**
- **Fully loaded leverage ratio of 7.2%**

Upgrade in ratings BPI's long-term debt reaches investment grade by Fitch, Moody's and S&P

- **Moody's** (16 Oct.) **upgraded by 2 notches** BPI's **long-term debt rating** from **Ba1 to Baa2 and** the **long-term deposits** rating from **Baa3 to Baa1**, with a stable Outlook
- **Fitch** (11 Oct.) **upgraded by 1 notch BPI's long-term debt** rating, **from BBB- to BBB**, with a stable Outlook
- **S&P** (9 Oct.) upgraded by 2 notches BPI's standalone rating, from bb- to bb+, and reaffirmed the **BBB- long-term debt** rating, with a positive Outlook.

1) Excluding non recurring gains of 160.2 M.€: gain of 60 M.€ with the sale of the stake in Viacer; gain of 62 M.€ with the sale of subsidiaries (BPI Gestão de Ativos and BPI GIF), gain of 42 M.€ with the sale of acquiring / POS businesses, cost of 5.5 M.€ (after taxes) with early retirements and results from discontinued operations of 2.5 M.€.
2) According to EBA (European Banking Authority) criteria; considering the prudential supervision perimeter.

Consolidated net profit of 529.1 M.€

- **Consolidated net profit of 529.1 M.€** from Jan-Sep 2018
- Activity in **Portugal contributes 61% to consolidated profit**

CONSOLIDATED RESULTS

In M.€	Sep. 2017	Sep. 2018
Activity in Portugal		
Recurring net profit	137.3	164.2
Non-recurring impacts 1)	(62.0)	160.2
Net profit in Portugal	**75.3**	**324.4**
BFA and BCI contribution	(52.7)	204.6
Consolidated net profit	**22.6**	**529.1**

1)Non recurring impacts:

In 30 September 2017 - negative impact of 212 M.€ from the sale of 2% of BFA and deconsolidation (of which -182 M.€ corresponded to the transfer to net income of accumulated negative foreign exchange reserves that resulted from the translation of BFA financial statements from AKZ to EUR), cost of 76 M.€ (after taxes) with early retirements and voluntary terminations and results from discontinued operations of 14 M.€.

In 30 September 2018- gain of 60 M.€ with the sale of the stake in Viacer, gain of 62 M.€ with the sale of subsidiaries (BPI Gestão de Ativos e BPI GIF), gain of 42 M.€ with the sale of acquiring / POS businesses, cost of 5.5 M.€ (after taxes) with early retirements and results from discontinued operations of 2.5 M.€.

Recurring net income in Portugal increases 20% yoy to 164.2 M.€

NET INCOME IN THE ACTIVITY IN PORTUGAL

In M.€	Sep 17	Sep 18	Δ%
Recurring net income in Portugal	**137.3**	**164.2**	**+ 20%**
Non-recurring impacts			
Costs with voluntary terminations and early retirements[1)]	(76.4)	(5.5)	
Gains with the sale of shareholdings		163.3	
Net income from discontinued operations	14.3	2.5	
Non-recurring impacts	**(62.0)**	**160.2**	
Net income in Portugal	**75.3**	**324.4**	

Sale of Viacer stake (1st quarter)	59.6 M.€
Sale of BPI Gestão de Ativos and BPI GIF (2nd quarter)	61.8 M.€
Sale of acquiring / TPA businesses (3rd quarter)	42.0 M.€

Transactions to be completed in 2018 [2)]

- Equities and corporate finance
- Cards issuance

1) After taxes.
2) Estimated capital gain of 41 M.€ before taxes.

Contribution from BFA and BCI of 204.6 M.€

CONTRIBUTION FROM BFA AND BCI

In M.€	Sep. 17	Sep. 18
[1.] BFA contribution	**(58.0)**	**193.7** [1]
Of which,		
Impact from the sale of 2% of BFA and deconsolidation	(211.6)	
High inflation (IAS 29)		(37.6)
[2.] BCI contribution	**6.7**	**10.8**
[3.] Other [2]	**(1.4)**	**0.2**
[4.] Total [=1+2+3]	**(52.7)**	**204.6**

- Contribution from BFA of **193.7 M.€** in Sep. 18, includes impacts from the recognition of the stake in BFA in accordance with IAS 29 and from the depreciation of AKZ.
- Until Sep. 18, the Angolan local currency (AKZ) depreciated by 46% against the Euro, and BFA recorded significant non recurring gains with financial operations, 145.4 M.€ of which were appropriated by BPI (after taxes). That amount compares with an average value appropriated by BPI in 2017 of 18 M.€ for 9 months.
- Contribution of BCI of **10.8 M.€** in Sep. 18.

1) Includes results booked in earnings of associated companies (equity method) (221 M.€), net income on financial operations (-8 M.€) and income taxes (20 M.€).
2) Contribution of BPI Moçambique and BPI Capital África.

Impact of AKZ devaluation on the evolution of the value of stake in BFA

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	221
Distribution of 2017 dividends	-48
Change in foreign exchange revaluation reserves and other	-253
Book value of stake in BFA at 30 Sep.18	**497**

Note: amounts before deferred taxes.

BNA REFERENCE RATES

	31 Dec.17	30 Sep.18	Δ% x / 1 AKZ[1)]
AKZ / 1 EUR	**185.4**	**343.6**	**-46%**
AKZ / 1 USD	165.9	296.4	**-44%**

Average rate of purchase and sale.
1) Change in the AKZ value when expressed in EUR or USD.

- 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.
- Until September 2018, AKZ devaluated about 46% against the Euro.

Recurring ROTE in Portugal of 8.6%

- **Consolidated ROTE of 17.7%**
- **Recurring ROTE in the activity in Portugal of 8.6%**

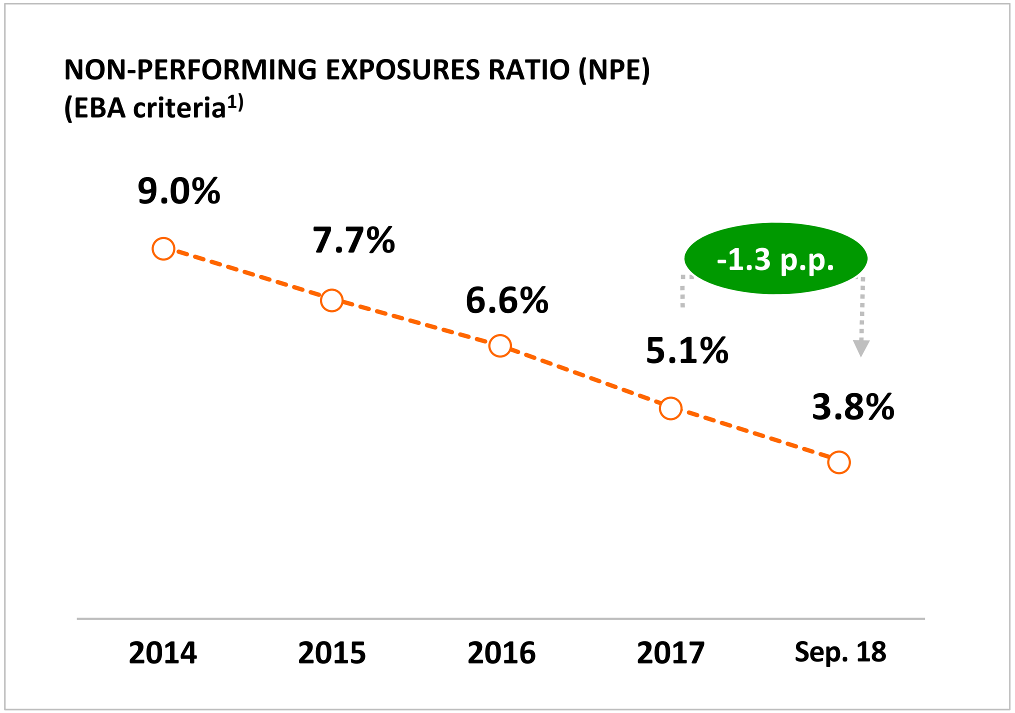
RETURN ON TANGIBLE EQUITY (ROTE) (last 12 months)

	Sep.17 (last12 months)	**Sep.18** (last 12 months)
Consolidated		
Adjusted allocated capital (M.€) [1)]	2 541	2 917
ROTE	**6.0%**	**17.7%**
Portugal		
Adjusted allocated capital (M.€)[1)]	1 950	2 285
Recurring ROTE	**11.7%**	**8.6%**

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

1) The average capital considered in the calculation of ROTE excludes the average balance of intangible assets (average consolidated balance in 12 months until September 2018: 39 M.€.) and other comprehensive income (reserves) (average consolidated balance in 12 months until September 2018: -7 M.€.)

High asset quality



Coverage by impairments and collateral	**126%** Sep.18

- Low levels of defaulted loans; asset quality indicators continue to improve
- NPE ratio of 3.8%
- Coverage by impairments and collateral of NPE of 126%

1) According to EBA (European Banking Authority) criteria; considering the prudential supervision perimeter.

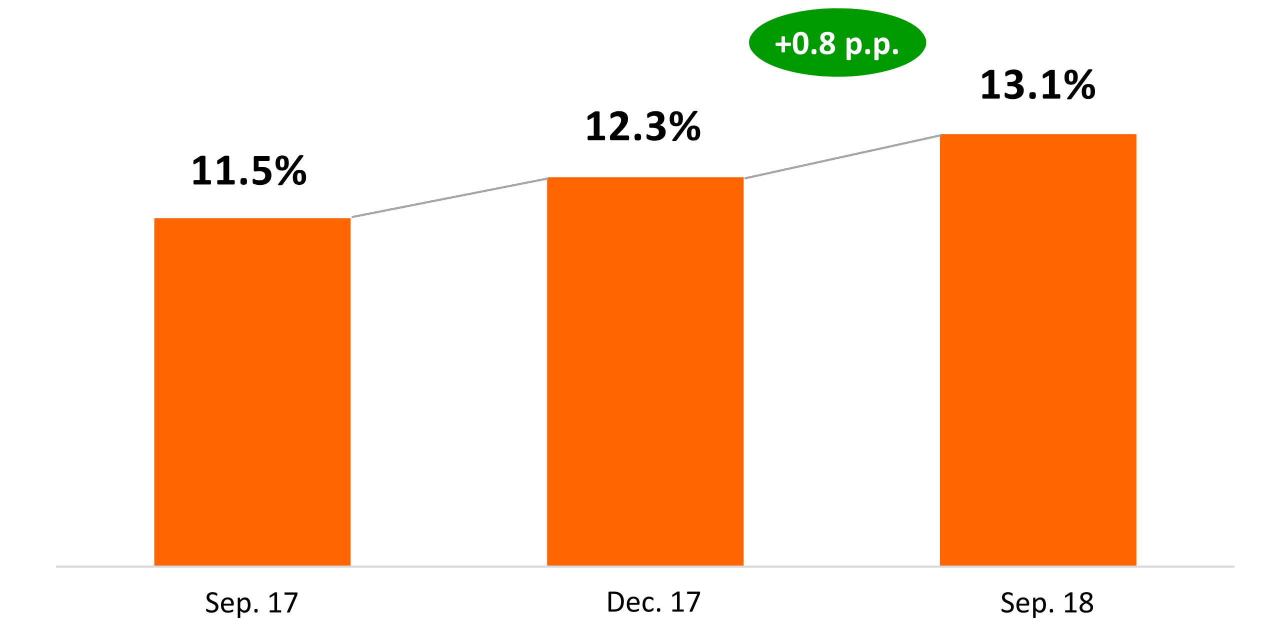
Solid capital position

Total capital ratio
CONSOLIDATED, FULLY LOADED

Sep. 17	Dec. 17	Sep. 18
13.3%	14.0%	14.8%

Common Equity Tier 1 ratio
CONSOLIDATED, FULLY LOADED

Common Equity Tier 1 ratio increases to 13.1%



- The capital ratios in Sep. 18 incorporate a distribution of dividends in accordance with the new long term dividend policy approved in the General Shareholders Meeting of 29 June 2018.
- CET1 ratio of 13.1%
- Total capital ratio of 14.8%
- The sale of the cards business would increase the total capital ratio by 0.1 p.p. to 14.9% (proforma). The operation is expected to be completed in November.

Results in 30 September 2018

Customer deposits increase 6.9% ytd

CUSTOMER RESOURCES

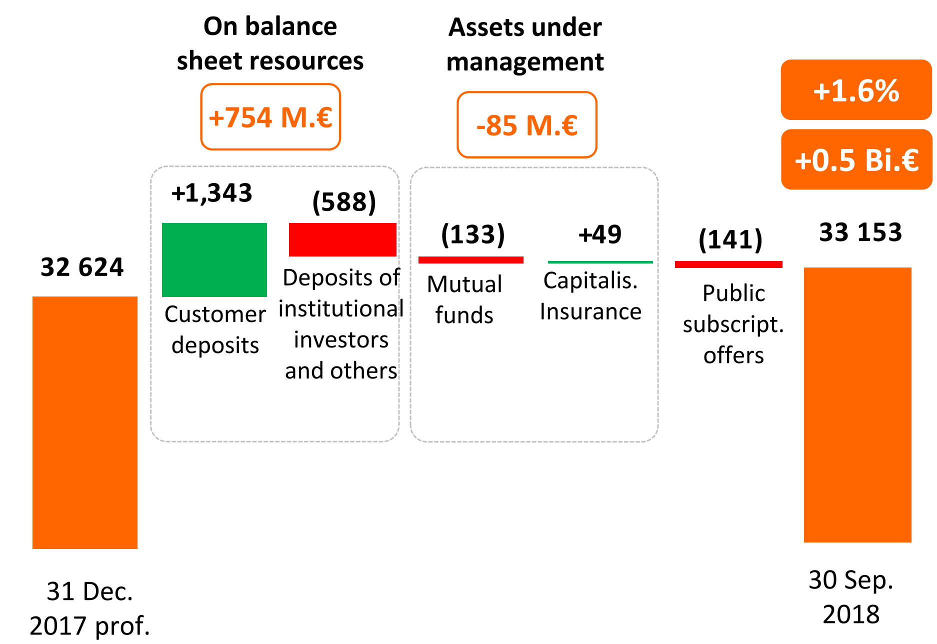
In M.€	sep.18	dec.17 proforma[1)]	YtD	dec.17 as reported
I. On-balance sheet resources	**21 474**	**20 719**	**3.6%**	**20 686**
Customer deposits[2]	20 711	19 368	6.9%	19 368
Institutional and financial investors deposits	763	1 351	-44%	1 318
II. Assets under management	**9 670**	**9 754**	**-0.9%**	**10 123**
Mutual funds	5 524	5 658	-2.4%	6 027
Capitalisation insurance	4 145	4 096	1.2%	4 096
III. Public offerings	**2 009**	**2 151**	**-6.6%**	**2 151**
Total	**33 153**	**32 624**	**1.6%**	**32 960**

Market shares	31 Aug. 18	31 Dec 17
Total deposits [3]	9.9%	9.8%
Mutual funds [4]	15.8%	16.4%
PPR's[4]	11.5%	12.8%
Capitalisation insurance[4]	15.0%	14.3%

1) Proforma considering the sale of BPI Gestão de Ativos and BPI GIF.
2) Includes retail bonds of 20 M.€ in Sep.18 and 35 M.€ in Dec.17.
3) Market share as of July 18. Does not include the effect of securitization operations (BPI calculation).
4) PPRs include PPR in the form of mutual funds and capitalization insurance. For that reason those PPRs are excluded in the calculation of the market shares of mutual funds and insurance capitalisation.

CUSTOMER RESOURCES EVOLUTION

In M.€



- Customer deposits increase by 6.9% ytd (+ 1 343 M.€)
- The Bank has been actively reducing its offer of deposits to institutional investors with the purpose of optimizing liquidity ratios (LCR).

Sources: Banco BPI, Bank of Portugal, APS (Portuguese Association of Insurers), APFIPP (Portuguese Association of Mutual Funds, Pensions and Assets), IGCP (Portuguese Treasury and Debt Management Agency).

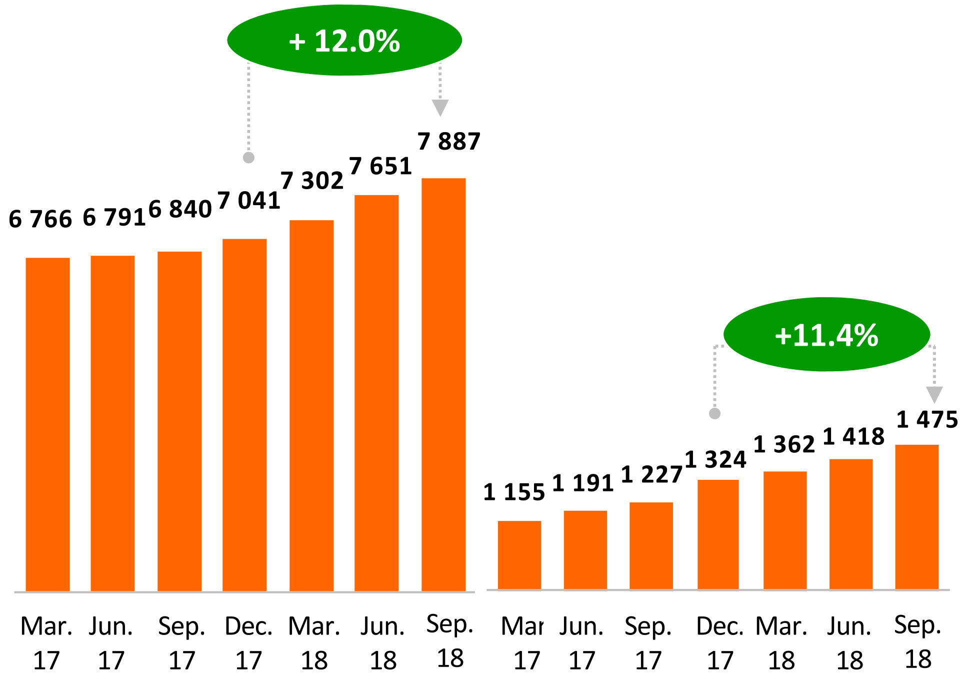
Loans to companies in Portugal increase by 12.0% ytd

LOANS TO CUSTOMERS BY SEGMENTS

Gross portfolio, in M.€	sep-18	dec-17	YtD
I. Loans to individuals	**12 709**	**12 408**	**2.4%**
Mortgage loans	11 233	11 084	1.3%
Other loans to individuals	1 475	1 324	11.4%
II. Loans to Companies	**9 031**	**8 387**	**7.7%**
Large and medium sized companies and Corporate & Investment Banking	5 750	5 051	13.8%
Small businesses 2)	2 137	1 990	7.4%
Total Companies in Portugal	7 887	7 041	12.0%
Project finance and Madrid Branch	1 144	1 347	(15.0%)
III. Public sector	**1 566**	**1 305**	**20.0%**
IV. Other	**116**	**123**	**(5.6%)**
Total	**23 422**	**22 223**	**5.4%**
Note:			
Net loan portfolio	22 867	21 638	5.7%

LOANS TO COMPANIES IN PORTUGAL[1)]

OTHER LOANS TO INDIVIDUALS
Consumer, credit cards and car financing



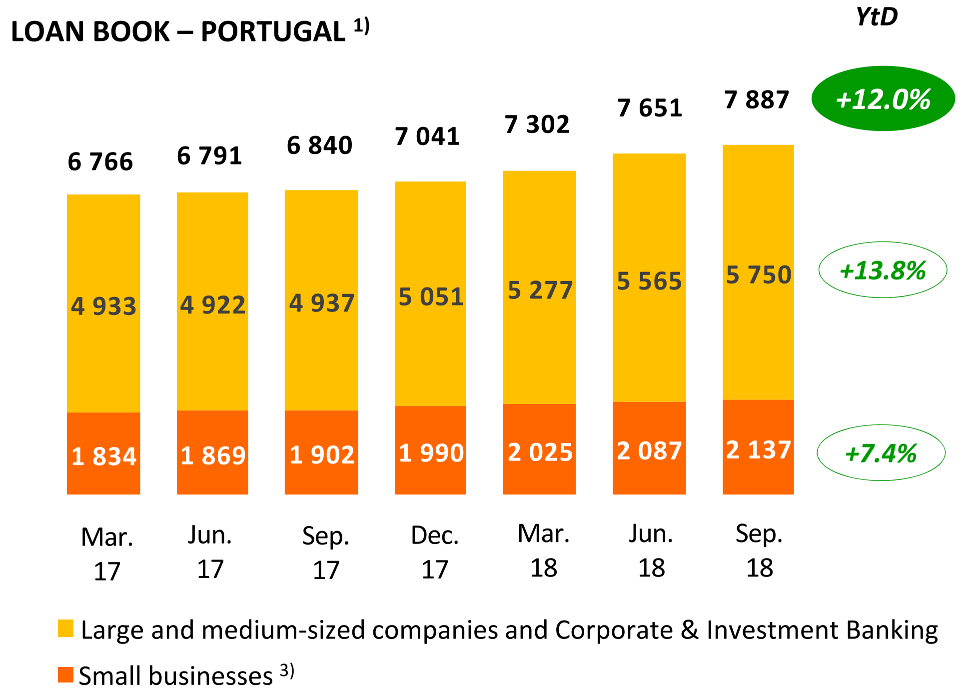
Growth trends continue in the first 9 months of the year

- Loans to companies in Portugal goes up by 12.0% ytd.
- Mortgage loan portfolio increases 1.3% ytd and consumer loans increase 11.4% ytd.
- Total loan portfolio grows by 5.4% YTD.

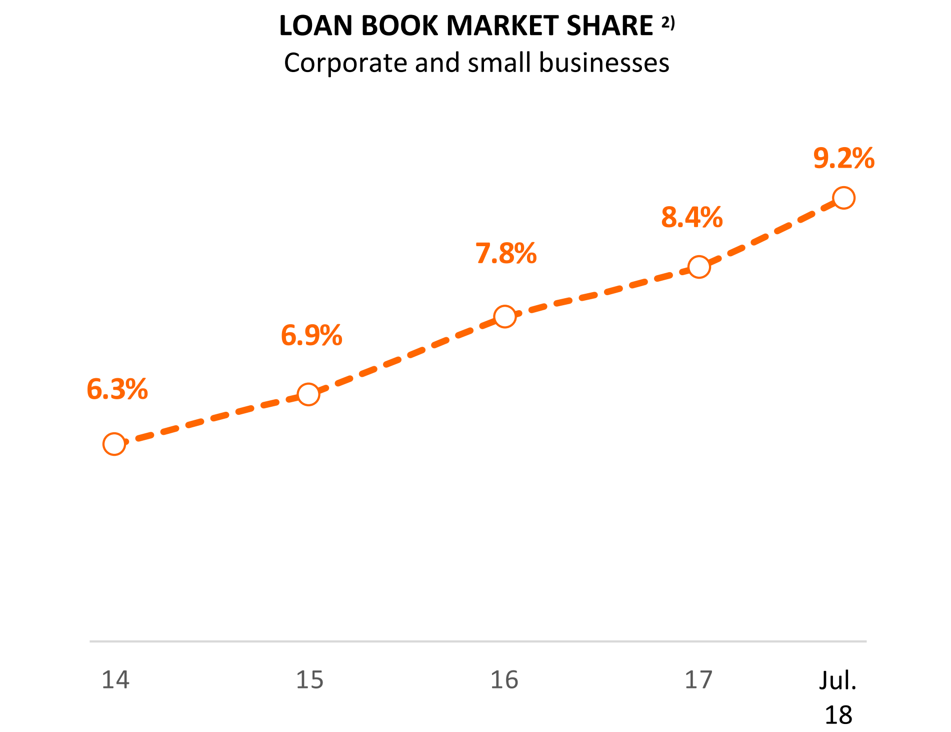
1) Large and medium-sized companies and small businesses in Portugal. Excludes project finance and Madrid branch loan portfolio. Balances from March 17 to September 17 adjusted by migration of loans between segments.
2) Part of the loan portfolio from the Private Banking segment relating to loans to individuals was reclassified to "Other loans to individuals", when previously it was included in the "Small businesses" caption. Historical values have been adjusted.

Corporate and small businesses loans in Portugal go up by 12.0% YtD and BPI market share increases

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

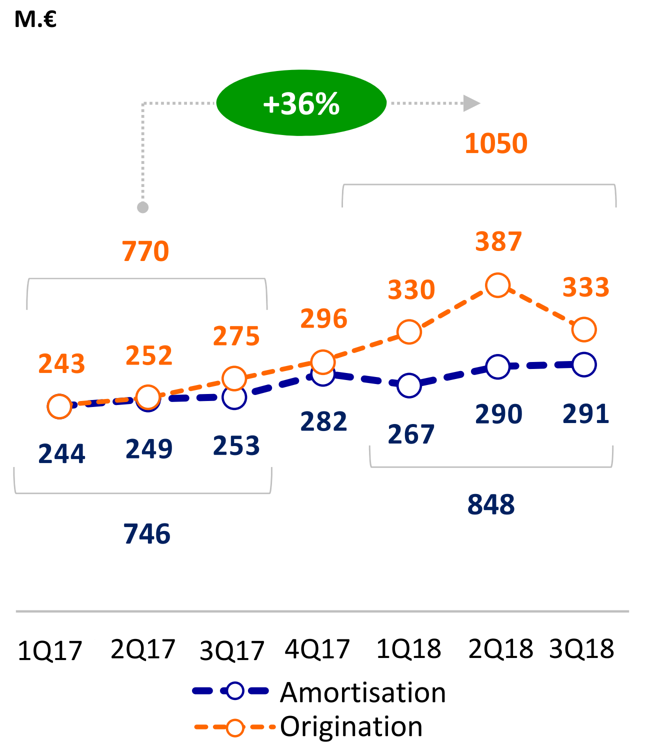
- Growth of 13.8% (YtD) in loans to Large and Medium-sized companies and Corporate & Investment Banking.
- Growth of 7.4% (YtD) in loans to small businesses[3].
- Gradual increase in market share (9.2% in July 2018).

3) Part of the loan portfolio from the Private Banking segment relating to loans to individuals was reclassified to "Other loans to individuals", when previously it was included in the "Small businesses" caption. Historical values have been adjusted.

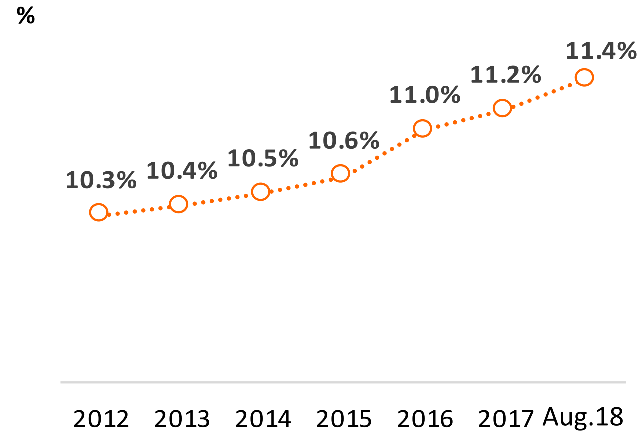
BPI continues gaining market share

Mortgage loans

MORTGAGE LOAN ORIGINATION AND AMORTISATION



MORTGAGE PORTFOLIO MARKET SHARE

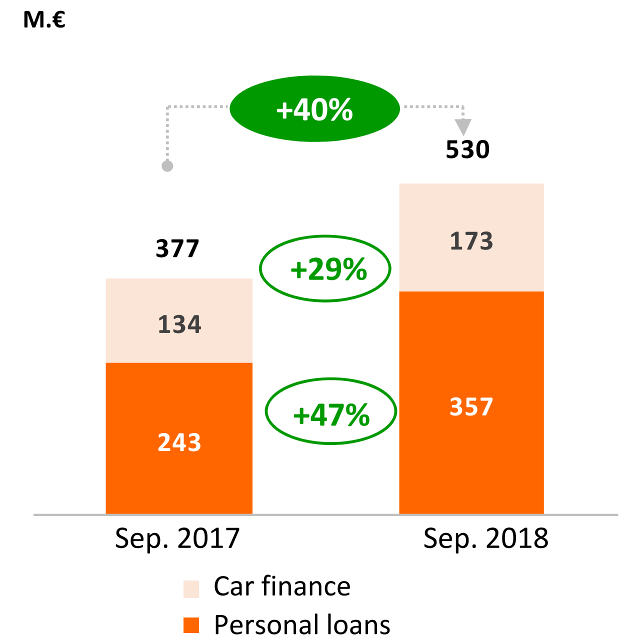


MORTGAGE LOAN PORTFOLIO

In Sep.18	Bi.€ [1]	% of total	Average spread (p.p.)
Loans after Dec. 10	4.2	38%	2.2
Loans before Dec. 10	6.8	62%	0.8
Total	**11.0**	**100%**	**1.3**

Personal loans and car finance

PERSONAL LOANS AND CAR FINANCE ORIGINATION



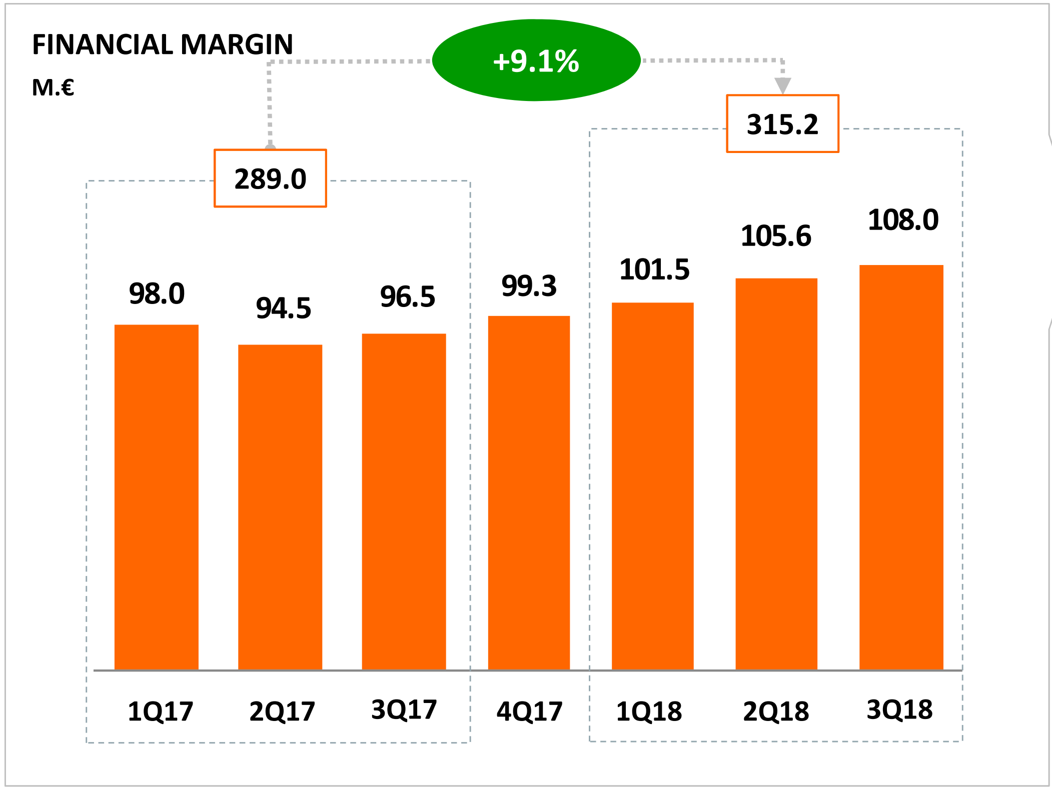
- Origination of mortgage loans goes up by 36% yoy to 1050 M.€ in 30 September 2018.
- Origination exceeds amortisations since the 3rd quarter of 2017 and trend in the reduction of the portfolio is reversed.
- Consistent increase in the loan portfolio market share (11.4% in August 2018) in a segment of the market that is still shrinking.
- Origination of personal loans and car finance increases 40% yoy.

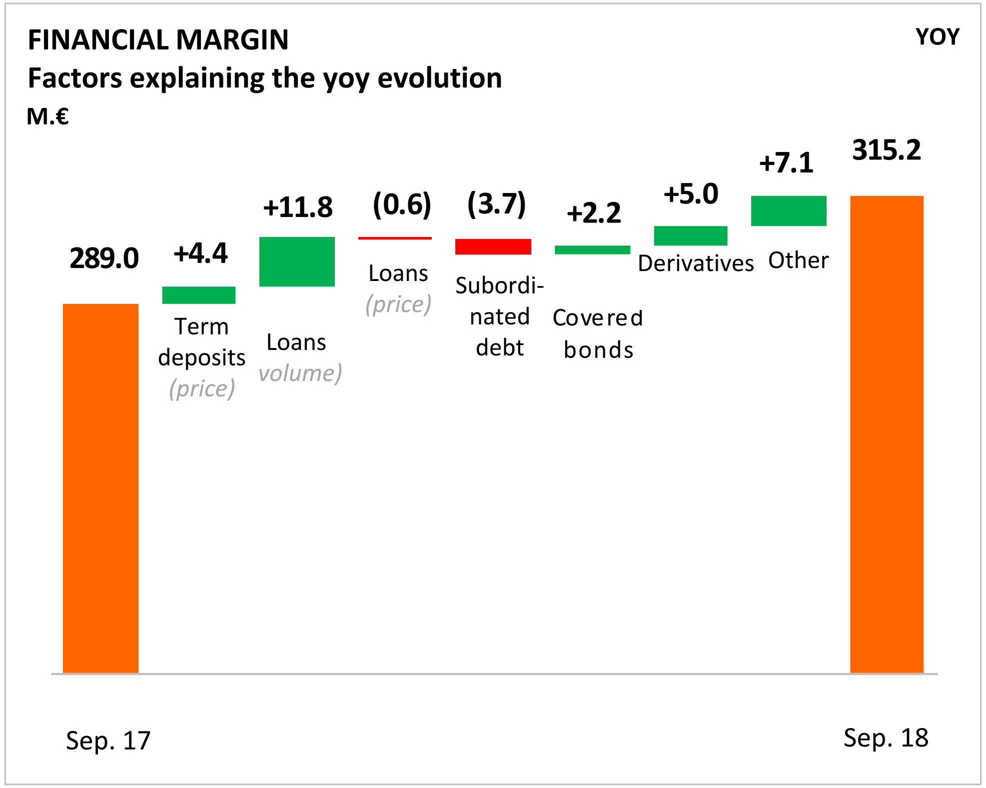
1) Productive loan portfolio.

Results in 30 September 2018

Sustained improvement in the financial margin in 2018

- Financial margin increases 9.1% yoy in September 2018, despite the cost (+4 M.€ yoy) with subordinated debt issued in Mar. 17.
- Financial margin goes up 2.3% qoq in the 3rd quarter 2018



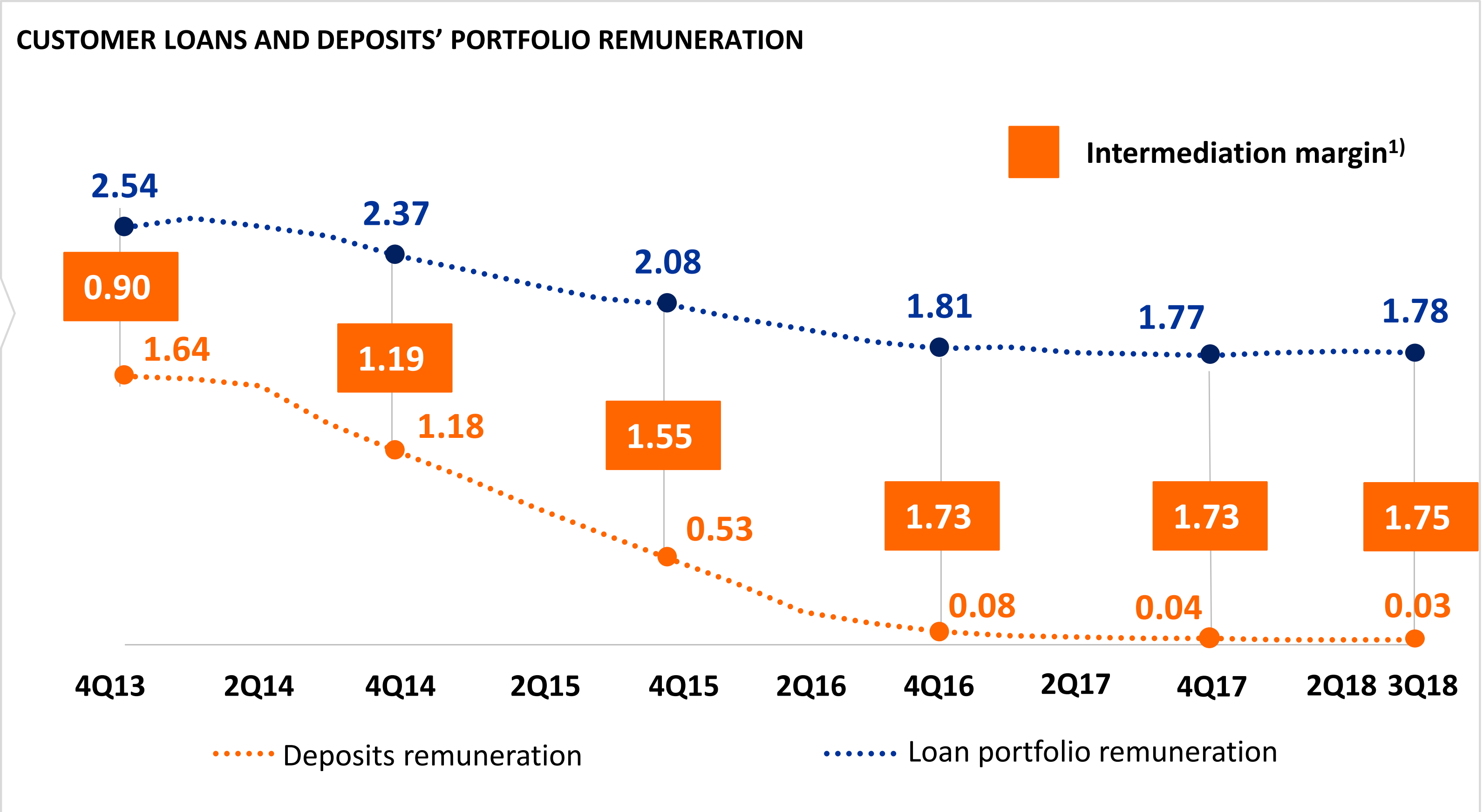


Trends in margin evolution:

- Reduction in the average cost of term deposits (in euro) from 0.10% in Sep.17 to 0.07% in Sep.18
- Growth of loan portfolio in Portugal
- Cost in 30 Sep. 18 (+4 M.€ yoy) from the subordinated Tier II debt issued on 24 Mar.17 (remuneration Euribor 6M + 5.74%)

Intermediation margin increases 2 basis points to 175 b.p.

- **Slight improvement in the intermediation margin in 2018**

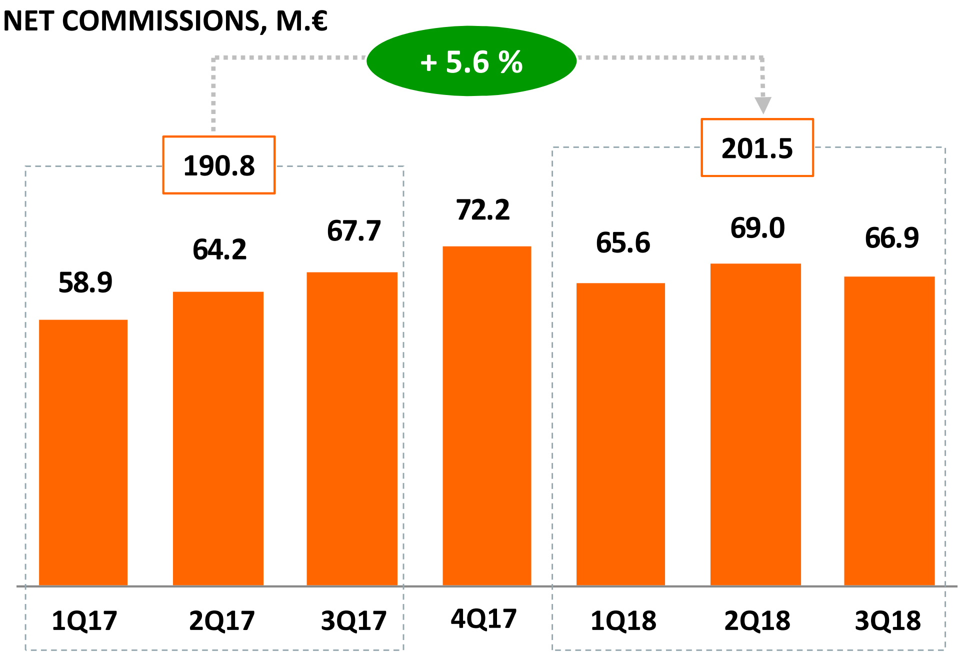


- Adjustment of the cost of time deposits has been the main factor for the improvement of the intermediation margin, more than compensating the narrowing of loans spreads.
- Average remuneration of time-deposits is close to zero.
- Average remuneration of the loan portfolio is stable.

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

Commissions increase by 5.6% yoy in September 2018

Commissions



Of which, commissions with the placement of OTRV 2) (M.€):

-	2.0	4.6	4.9	-	-	2.3

2) OTRV - Obrigações do Tesouro de Rendimento Variável (Portuguese government floating rate bonds).

Commissions by business area

NET COMMISSIONS, M,€

Em M.€	**Sep-18**	**Sep-17**	**YoY**
Banking commissions	121.8	118.5	2.8%
Mutual funds	30.2	26.7	13.1%
Insurance	49.6	45.6	8.6%
Total 1)	**201.5**	**190.8**	**5.6%**

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 by 5.6% yoy in September 2018 (+10.7 M.€), although 6.6 M.€ of commissions were recorded with the placement of OTRV with BPI clients in Sep. 17 vs. 2.3 in Sep. 18.

Recurring operating income from banking activity increases 7.4% yoy

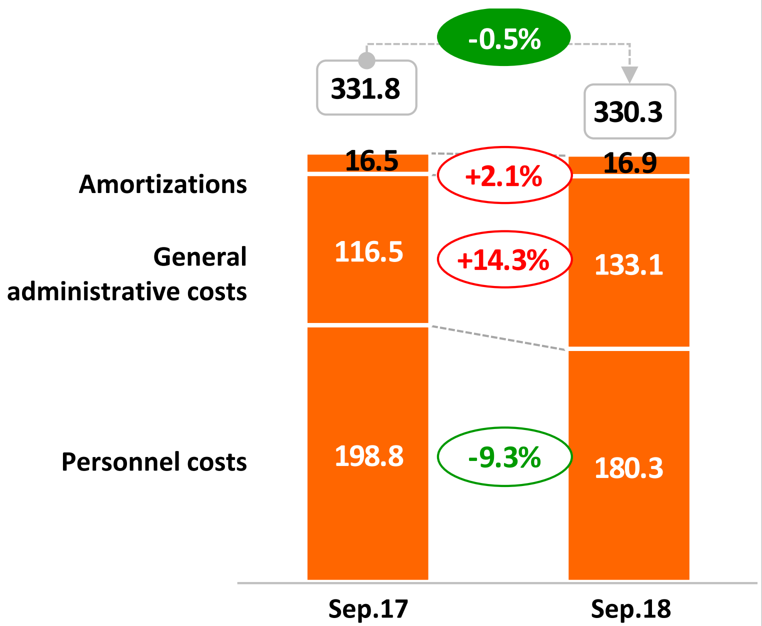
OPERATING INCOME FROM BANKING ACTIVITY, M.€

In M.€	**Sep. 2017**	**Sep. 2018**	**Δ%**
Recurring Operating income from banking activity			
Financial margin	289.0	315.2	+ 9.1%
Net commission income	190.8	201.5	+ 5.6%
Earnings of associated companies (equity method) and income from equity instruments	21.3	14.9	- 30.0%
Net income on financial operations and others	2.8	9.8	+ 248.2%
Recurring Operating income from banking activity	**503.8**	**541.4**	**+ 7.4%**
Non recurring items	0.0	59.6	s.s.
Operating income from banking activity as reported	**503.8**	**600.9**	**+ 19.3%**

- Recurring operating income from banking activity increases 7.4% yoy in September 2018 driven by the growth in financial margin and commissions
- Operating income from banking activity as reported grows 19.3% yoy

Recurring overhead costs decrease by 0.5% yoy

RECURRING OVERHEAD COSTS, IN M.€



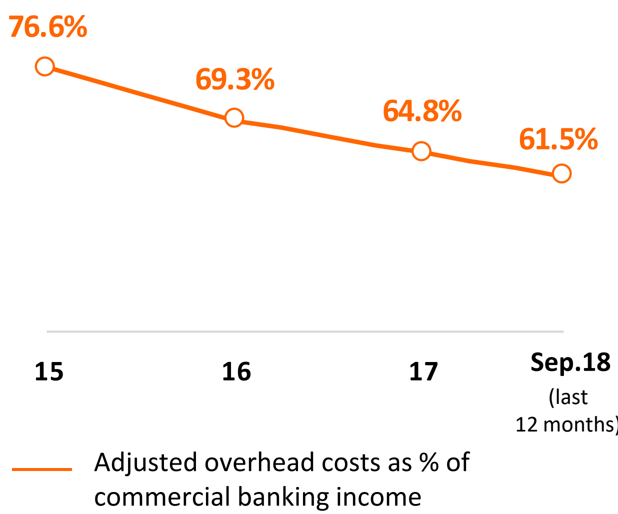
Non recurring impacts

	Sep.17	Sep.18
Early retirements and terminations	105.2	7.6
Costs "as reported"	**437.0**	**337.9**

STAFF AND DISTRIBUTION NETWORK

No.	Dec.17		Sep.18
Staff	4 930	-32	4 898
Branch network[1]	431	-10	421

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 1.5 M.€ (-0.5%) yoy
- Recurring personnel costs fell by 18.5 M.€ (-9.3%) yoy
- General administrative costs are in line with budget forecast
- BPI expects to reach a cost-to-income close to 50% in 2020

1) Additionally, at Sep.18, BPI had 39 premier centres, 35 corporate centres and 1 mobile branch in Portugal, thus totalling 496 business units.

Employee pension liabilities covered at 105%

Pension fund return (in September 2018)	**6.6%**

EMPLOYEE PENSION LIABILITIES, M.€

M.€	**31 Dec. 17**	**30 Sep. 18**
Total past service liability	1 604	1 568
Net assets of the pension funds	1 568	1 642
Degree of coverage of pension liabilities	98%	105%
Discount rate	2.00%	2.09%
Salary growth rate	1.00%	1.00%
Pensions growth rate	0.50%	0.50%
Mortality table: Men	TV 88/ 90	
Mortality table: Women	TV 88/ 90 – 3 years[1]	

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

	M.€
Total actuarial deviations at 31 Dec.17	**(211)**
Pension funds income deviation	78
Change in the discount rate	26
Other	(7)
Total actuarial deviations at 30 Sep.18	**(114)**

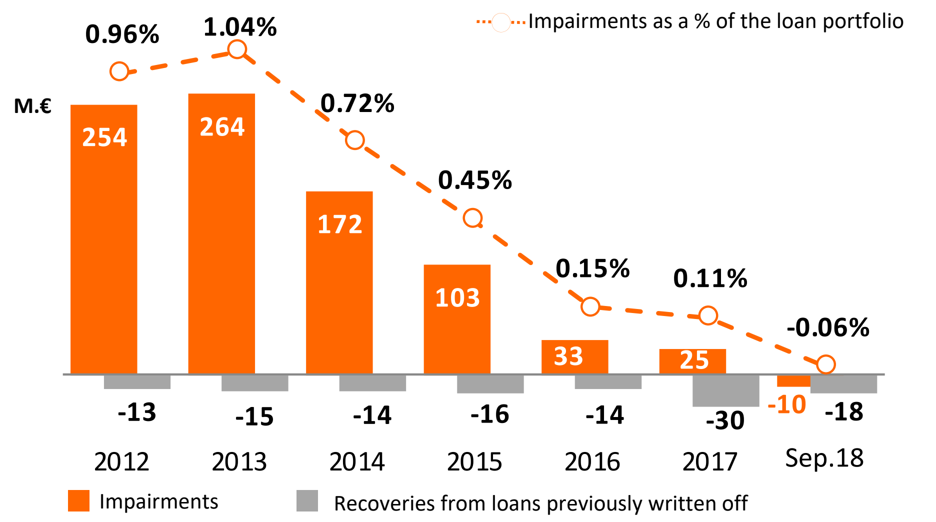
- Pension fund return of 6.6% (non annualized) in 9M18 with a positive impact of 78 M.€ in actuarial deviations.
- Employee pension liabilities covered at 105%.

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

Loan impairment reversals of 10 M.€ and recoveries of 18 M.€ in 9M18

Cost of credit risk[1)]

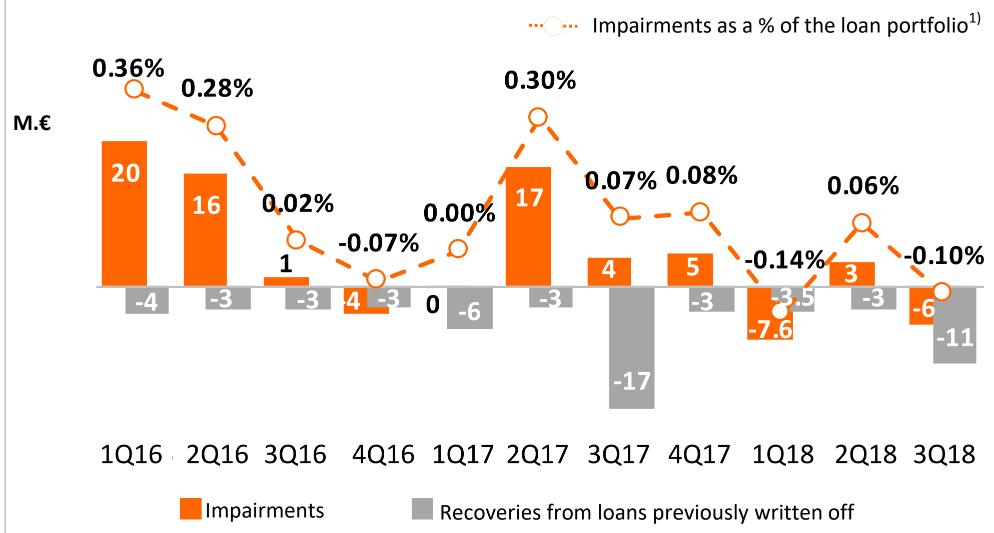
YOY EVOLUTION OF COST OF CREDIT RISK



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

	2012	2013	2014	2015	2016	2017	9M18
M.€	242	249	158	87	19	-5	-28
% loan portfolio	0.91%	0.98%	0.66%	0.38%	0.09%	-0.02%	-0.17%

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	2Q18	3Q18
M.€	16	12	-2	-7	-6	14	-13	1	-11	-0.2	-16
% loan portfolio[1]	0.29%	0.22%	-0.04%	-0.12%	-0.11%	0.24%	-0.04%	0.02%	-0.21%	-0.00%	-0.29%
% loan portfolio (last 12M)	0.32%	0.24%	0.16%	0.09%	-0.01%	-0.01%	-0.06%	-0.02%	-0.04%	-0.11%	-0.12%

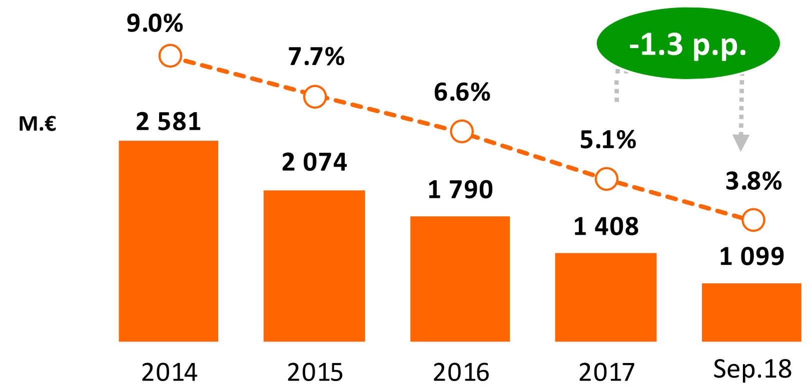
- Impairment reversals of 10 M.€ were recorded in 9M18.
- Loan recoveries previously written off amounted to 18 M.€ in 9M18.
- The application of IFRS 9 led to an increase of 35 M.€ in loan impairments, which was directly recognized in shareholders' equity, and an impact in shareholders' equity of -26 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.

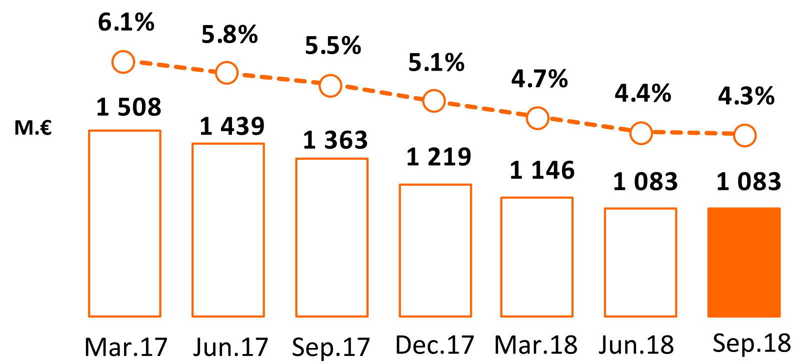
Results in 30 September 2018

NPE ratio of 3.8% in Sep.18

NON-PERFORMING EXPOSURES - NPE (EBA CRITERIA[2])



NON PERFORMING LOANS (BANK OF SPAIN CRITERIA)



	2014	2015	2016	2017	Sep.18	Mar.17	Jun.17	Sep.17	Dec.17	Mar.18	Jun.18	Sep.18
Coverage ratio[1]	38%	43%	39%	43%	52%	47%	48%	48%	50%	55%	55%	53%
Coverage by impairments and collaterals					126%							119%

NPE ratio (EBA criteria)

- NPE ratio of 3.8% in Sep. 18, improves 1.3 p.p. vs. Dec.17;
- Coverage of 52%[1] by impairments and 126% by impairments and collateral

NPL ratio (Bank of Spain criteria)

- NPL ratio of 4.3%
- Coverage of 53% by impairments and 119% by impairments and collateral

Forborne exposures (EBA criteria[2])

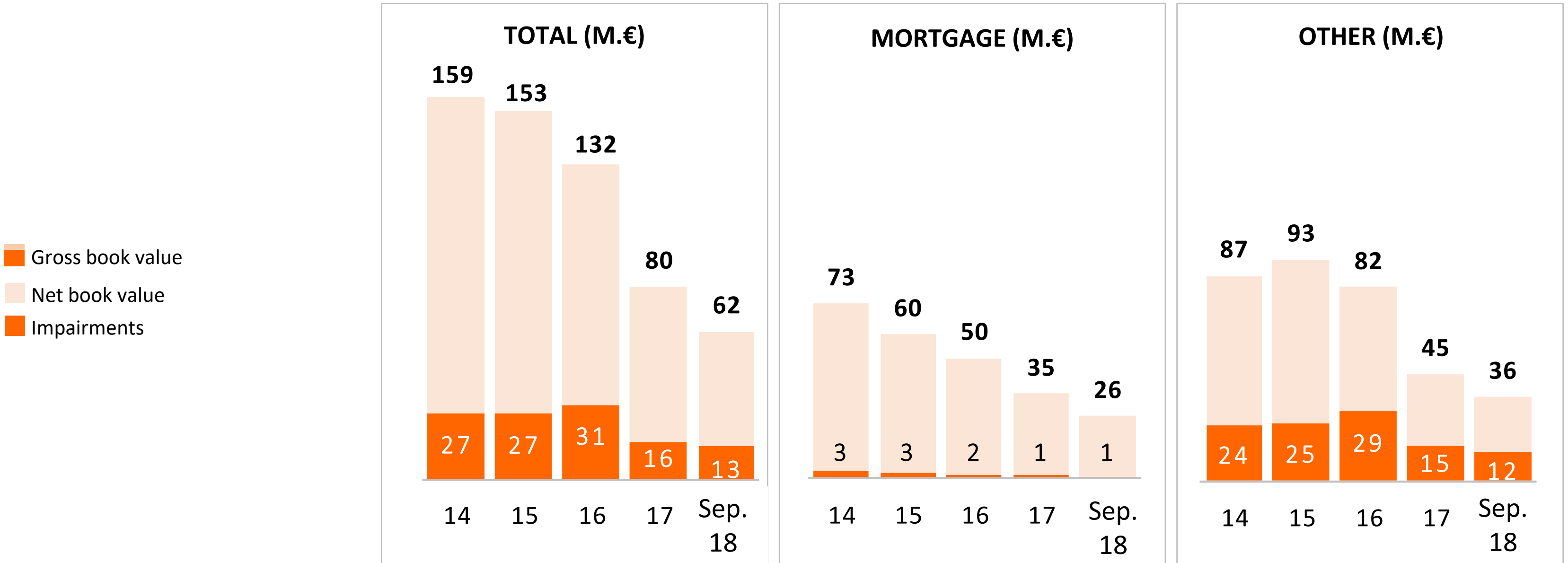
30 Sep. 2018	Performing loans	Included in NPE	Total
Forborne (M.€)	324	585	910
Forborne ratio (as % of gross credit exposure)	1.0%	1.8%	2.8%

- 36% 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 48 M.€ (net of impairments)



	TOTAL (M.€)	MORTGAGE (M.€)	OTHER (M.€)
Impairment coverage (% gross value)	**22%**	**4%**	**34%**
Valuation (% net book value)	131%	132%	129%
Average age of the portfolio (years)	5.4	3.1	7.0
Stock of properties	710	402	308
- properties inflows (yoy)[1)]	118	96	22
- properties outflows (yoy)[1)]	300	231	69

MAIN RECOVERY / RESTRUCTURING FUNDS

	Capital subscribed
Market	4.8 Bi.€
By BPI	100.1 M.€
% BPI	2 %

M.€	Subscribed	Realised
RF	95.6	86.7
CRF	4.5	3.9
Total	**100.1**	**90.6**
Revaluation [2)]		-35.3
Net exposure		**55.3**

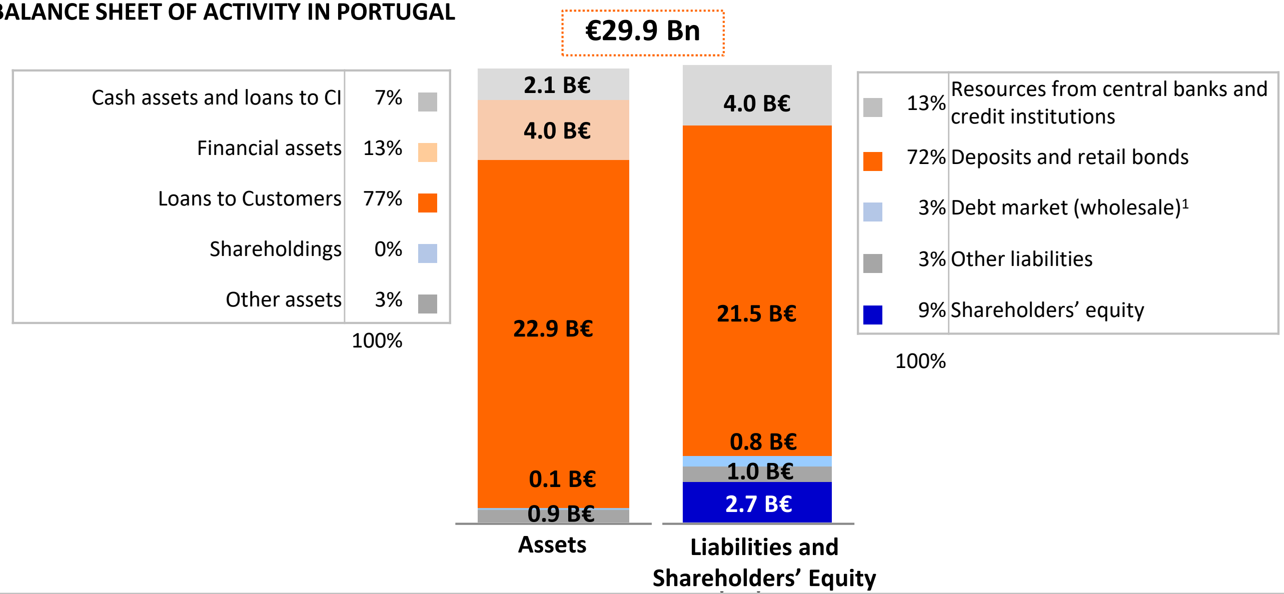
RF – Recovery Fund, FCR
CRF – Corporate Restructuring Fund, FCR

- Sale of 300 properties until Sep.18 for 26 M.€. Positive impact in profits before taxes of 2.8 M.€.

1) Jan. – Sep. 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.

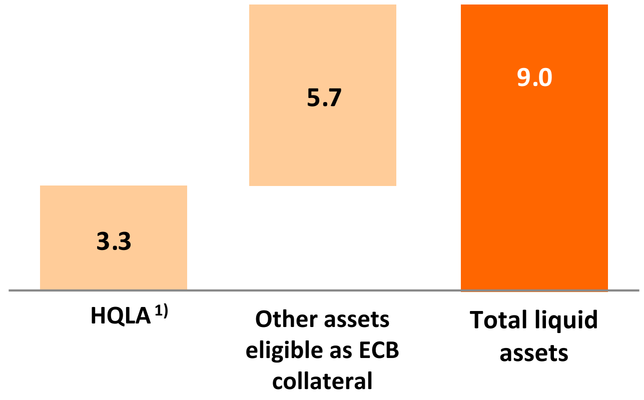
Balanced funding structure and comfortable liquidity position

BALANCE SHEET OF ACTIVITY IN PORTUGAL



TOTAL LIQUID ASSETS

(In Bi.€, Sep. 18)



Financing with the ECB **1.4 Bi.€**

1) High Quality Liquid Asset.

COMFORTABLE LIQUIDITY METRICS

Loans/deposits (Caixabank criteria): **102%**

Liquidity coverage ratio (average 12 months, according to EBA guidance): **167%** 2)

- Client Resources are the main source of funding of the balance sheet (72% of assets).
- Loan to Deposit ratio of 102%.
- In the 3Q18 BPI repaid 0.6 Bi.€ of funding obtained with the ECB (TLTRO), decreasing the amount of funds obtained with the ECB from 2.0 Bi.€ to 1.4 Bi.€. BPI still has 9.0 Bi.€ of high quality liquid assets and assets eligible as collateral for additional funding from the ECB.
- Portfolio of short term public debt of 0.8 Bi.€
- Portfolio of medium and long term public debt of 2.6 Bi.€, of which 2.1 Bi.€ was acquired in the 1H18 (with an average residual maturity of 2.6 years).
- Recourse to wholesale debt market is small (2.7% 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)	768	0	0.3
MLT public debt 4)	800	1	1.5
Equities	80	60	
At amortised cost			
MLT public debt 5)	1 773	-	2.6
Total	**3 421**	**61**	

1) Includes 300 M.€ of subordinated debt issued in the 1Q17.
2) Average amount (last 12 months) of LCR components calculation: Liquidity Reserves (4 011 M.€); Total net outflows (2 399 M.€).

3) Portugal.
4) Portugal (40%), Spain (38%) and Italy (22%).
5) Portugal (32%), Spain (40%) and Italy (28%).

Fully loaded Capital ratios

FULLY LOADED CAPITAL RATIOS

Consolidated

M.€	30 Sep. 2017	31 Dec. 2017	30 Sep. 2018	Capital requirements 2018 (SREP)	Capital requirements fully loaded (SREP)[1)]
CET1 ratio	11.5%	12.3%	13.1%	8.75%	9.75%
Tier I ratio	11.5%	12.3%	13.1%	10.25%	11.25%
Total capital ratio	13.3%	14.0%	14.8%	12.25%	13.25%
Leverage ratio	6.3%	6.8%	7.2%	3.0%[2)]	

- CET1 ratio of 13.1%
- Total capital ratio of 14.8%
- The sale of the cards business would increase the total capital ratio by 0.1 p.p. to 14.9% (proforma). The operation is expected to be completed in November.
- BPI meets SREP minimums for CET1, T1 and total ratio
- Leverage ratio of 7.2%

1) Minimum requirements applicable in 2021.
2) Minimum value in calibration.

BPI

As of 17 October 2018

BPI has investment grade long-term credit rating from Fitch, Moody's and S&P

Investment Grade / Non-Investment grade

S&P Global

... AA-, AA, AA+ and AAA

Rating	
A+	
A	
A-	
BBB+	
BBB	
BBB-	Portugal, BPI, Bank 1
BB+	
BB	Bank 2
BB-	
B+	
B	
B-	
CCC+	

... CCC, CCC-, CC, C and D

Moody's

... Aa2, Aa1 and Aaa

Rating	
Aa3	BPI Mortgage bonds
A1	
A2	
A3	
Baa1	
Baa2	BPI
Baa3	Portugal, Bank 1
Ba1	Bank 3
Ba2	
Ba3	Bank 2
B1	
B2	
B3	Bank 4
Caa1	
Caa2	Bank 5

... Caa3, Ca and C

FitchRatings

... AA-, AA, AA+ and AAA

Rating	
A+	
A	
A-	
BBB+	Bank 1
BBB	Portugal, BPI
BBB-	
BB+	
BB	
BB-	Bank 2, Bank 3
B+	Bank 4
B	
B-	
CCC+	

... CCC, CCC-, CC, C and D

DBRS

... AA, AA (high), AAA

Rating	
AA (low)	BPI Mortgage bonds
A (high)	
A	Bank 1
A (low)	
BBB (high)	
BBB	Portugal
BBB (low)	Bank 3
BB (high)	Bank 2
BB	Bank 4
BB (low)	
B (high)	
B	Bank 5
B (low)	
CCC (high)	

... CCC, CCC (low), CC (high), CC, CC (low), C (high), C, C (low), D

BPI: Investment grade BBB - | Investment grade Baa2 | Investment grade BBB

- **Moody's** (16 Oct.) **upgraded by 2 notches** BPI's **long-term debt** rating from **Ba1 to Baa2,** with a **stable Outlook.** The rating of **long-term deposits** was also upgraded by two notches from **Baa3 to Baa1**, with a Stable Outlook
- **Fitch** (11 Oct.) upgraded by **1 notch** BPI's **long-term debt** rating, **from BBB- to BBB**, with stable Outlook
- **S&P** (9 Oct.) upgraded by 2 notches BPI's standalone rating, from bb- to bb+, and **reaffirmed the BBB- long-term debt rating**, with a positive Outlook

BPI

Results in 30 September 2018

1. Highlights
2. Commercial activity
3. Results
4. Balance Sheet
5. **Closing remarks**

Annexes

Results in 9M18 - highlights

Good results from commercial activity in Portugal	Loans to companies + 846 M.€ +12.0% 9M18, ytd	Customer deposits +1 343 M.€ +6.9% 9M18, ytd	Financial margin + 9.1% 9M18, yoy	Commissions + 5.6% 9M18, yoy
Improved efficiency, risk and capitalisation	Recurring costs - 0.5% 9M18, yoy	Cost-to-income 61.5%	NPE ratio 3.8%	CET1 FL 13.1% Total FL 14.8%
Profit increases in Portugal and in consolidated	Consolidated profit 529.1 M.€ 9M18	Profit in Portugal 324.4 M.€ 9M18	Targets Portugal - 2020 (Excl. shareholdings in BFA and BCI)	Cost-to-income ≈ 50% ROTE > 10%

Results in 30 September 2018

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.€	Sep. 2018 As reported	Sep. 2018 Non recurr.[2)]	Sep. 2018 Excl. non recurr.[2)]	Sep.2017 proforma[1)] As reported	Sep.2017 proforma[1)] Non recurr.[2)]	Sep.2017 proforma[1)] Excl. non recurr.[2)]	Δ% Excl. non recurr.[2)]
Financial margin	315.2		315.2	289.0		289.0	9.1%
Income from equity instruments	1.7		1.7	6.5		6.5	-73.6%
Earnings of associated companies (equity method)	13.2		13.2	14.8		14.8	-11.0%
Net commission income	201.5		201.5	190.8		190.8	5.6%
Net income on financial operations	85.1	59.6	25.6	22.6		22.6	12.9%
Operating income and expenses	(15.8)		(15.8)	(19.8)		(19.8)	20.4%
Operating income from banking activity	**600.9**	59.6	**541.4**	**503.8**		**503.8**	**7.4%**
Personnel costs	(187.9)	(7.6)	(180.3)	(304.0)	(105.2)	(198.8)	-9.3%
General administrative costs	(133.1)		(133.1)	(116.5)		(116.5)	14.3%
Depreciation and amortisation	(16.9)		(16.9)	(16.5)		(16.5)	2.1%
Overhead costs	**(337.9)**	(7.6)	**(330.3)**	**(437.0)**	(105.2)	**(331.8)**	**-0.5%**
Net operating income before impairments and provisions	**263.1**	**52.0**	**211.1**	**66.8**	**(105.2)**	**172.0**	**22.7%**
Impairments and provisions net of recoveries of loans, interest and expenses	27.5		27.5	3.8		3.8	-617.9%
Gains and losses in other assets	57.0	57.8	(0.7)	9.0		9.0	-108.2%
Net income before income tax	**347.6**	**109.8**	**237.8**	**79.7**	**(105.2)**	**184.9**	**28.6%**
Income tax	(87.4)	(13.8)	(73.6)	(18.7)	28.8	(47.5)	54.9%
Net income from continuing operations	**260.2**	**96.0**	**164.2**	**61.0**	**(76.4)**	**137.3**	**19.6%**
Net income from discontinued operations	64.2	64.2		14.3	14.3		
Income attributable to non-controlling interests				(0.0)		(0.0)	
Net income	**324.4**	**160.2**	**164.2**	**75.3**	**(62.0)**	**137.3**	**19.6%**

Net profit of 324.4 M.€ from activity in Portugal in 9M18

Recurring net profit from activity in Portugal of 164.2 M.€ in 9M18, increases 19.6% yoy

Recurring operating income increases +7.4% (+ 37.5 M.€):
- Financial margin goes up 9.1% (+26.2 M.€)
- Commissions grow 5.6% yoy (+10.7 M.€)

Recurring costs fall 0.5% yoy (-1.5 M.€);
- Personnel costs fall 9.3% yoy (-18.5 M.€)

Impairment reversals (net) of 27.5 M.€ in 9M18 vs. 3.8 M.€ in Sep.17

Non recurring items in 9M18:
- Gain of 42 M.€ with the sale of the merchant acquiring business (58 M.€ before taxes) in the 3Q
- Gain of 62 M. € with the sale of BPI Gestão de Activos and BPI GIF in 2Q (booked in income from discontinued operations)
- Gains of 60 M.€ (after taxes) with the sale of the stake in Viacer in 1Q
- Costs with early retirements of 5.5 M.€ (7.6 M.€ before taxes)
- Results of 2.5 M.€ from BPI Gestão de Ativos and BPI GIF reclassified to income from discontinued operations

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, and the adoption of a new format for the Income Statement, following the entry into force of IFRS9, in accordance with the guidelines of the Regulation (EU) 2017/1443 of 29 June 2017 and with the format of the financial statements used by CaixaBank (BPI's consolidating entity).

2) Non recurring in Sep.17: costs with early retirements and voluntary terminations of 76.4 M.€ (105.2 M.€ before taxes), income from discontinued operations (BPI Vida e Pensões, BPI GA and BPI GIF and others) of 14.3 M.€.

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)

In M.€	1Q 17 proforma[1)]	2Q 17 proforma[1)]	3Q 17 proforma[1)]	Sep. 17 proforma[1)]	4Q 17 proforma[1)]	2017	1Q 18	2Q 18	3Q 18	Sep 18
Financial margin	98.0	94.5	96.5	289.0	99.3	388.3	101.5	105.6	108.0	315.2
Income from equity instruments	0.1	6.3	0.1	6.5	0.1	6.5	0.0	1.5	0.2	1.7
Earnings of associated companies (equity method)	4.4	4.6	5.8	14.8	(1.4)	13.4	2.5	5.9	4.7	13.2
Net commission income	58.9	64.2	67.7	190.8	72.2	263.0	65.6	69.0	66.9	201.5
Net income on financial operations	7.6	7.0	8.0	22.6	(8.2)	14.5	72.5	6.4	6.2	85.1
Operating income and expenses	(1.4)	(16.2)	(2.2)	(19.8)	(3.7)	(23.5)	(0.5)	(15.3)	(0.0)	(15.8)
Operating income from banking activity	**167.5**	**160.4**	**175.9**	**503.8**	**158.3**	**662.1**	**241.7**	**173.2**	**186.1**	**600.9**
Personnel costs	(76.7)	(161.4)	(66.0)	(304.0)	(64.7)	(368.7)	(63.8)	(63.0)	(61.1)	(187.9)
Of which: Recurring personnal costs	(65.9)	(67.0)	(65.9)	(198.8)	(64.0)	(262.9)	(61.1)	(58.2)	(61.1)	(180.3)
Non-recurring costs[2)]	(10.7)	(94.4)	(0.1)	(105.2)	(0.6)	(105.8)	(2.7)	(4.9)		(7.6)
General administrative costs	(37.9)	(40.5)	(38.1)	(116.5)	(34.1)	(150.6)	(41.8)	(42.6)	(48.6)	(133.1)
Depreciation and amortisation	(5.5)	(5.5)	(5.6)	(16.5)	(5.3)	(21.8)	(5.2)	(5.2)	(6.4)	(16.9)
Overhead costs	**(120.0)**	**(207.4)**	**(109.6)**	**(437.0)**	**(104.0)**	**(541.1)**	**(110.8)**	**(110.9)**	**(116.2)**	**(337.9)**
Net operating income before impairments and provisions	**47.5**	**(47.0)**	**66.3**	**66.8**	**54.3**	**121.1**	**130.9**	**62.3**	**69.9**	**263.1**
Impairments and provisions net of recoveries of loans, interest and expenses	5.2	(13.8)	12.4	3.8	(3.3)	0.5	11.1	0.0	16.3	27.5
Gains and losses in other assets	6.0	1.7	1.3	9.0	3.2	12.2	(0.1)	(0.5)	57.7	57.0
Net income before income tax	**58.8**	**(59.1)**	**80.0**	**79.7**	**54.1**	**133.8**	**141.9**	**61.8**	**143.9**	**347.6**
Income tax	(19.7)	22.6	(21.7)	(18.7)	(22.0)	(40.7)	(25.9)	(19.4)	(42.0)	(87.4)
Net income from continuing operations	**39.1**	**(36.5)**	**58.3**	**61.0**	**32.1**	**93.1**	**115.9**	**42.4**	**101.9**	**260.2**
Net income from discontinued operations	3.9	4.1	6.3	14.3	16.3	30.6	2.5	61.8		64.2
Income attributable to non-controlling interests	(0.0)	(0.0)	0.0	(0.0)		(0.0)				
Net income	**43.1**	**(32.4)**	**64.6**	**75.3**	**48.4**	**123.7**	**118.4**	**104.1**	**101.9**	**324.4**

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, and the adoption of a new format for the Income Statement, following the entry into force of IFRS9, in accordance with the guidelines of the Regulation (EU) 2017/1443 of 29 June 2017 and with the format of the financial statements used by CaixaBank (BPI’s consolidating entity).

2) Costs with early retirements and voluntary terminations.

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).

In M.€	1Q 17 proforma 1)	2Q 17 proforma 1)	3Q 17 proforma 1)	Sep. 17 proforma 1)	4Q 17 proforma 1)	2017	1Q 18	2Q 18	3Q 18	Sep. 18
Financial margin	97.9	94.5	96.4	288.8	99.2	388.1	101.5	105.6	108.0	315.2
Income from equity instruments	0.1	6.3	0.1	6.5	0.1	6.5	0.0	1.5	0.2	1.7
Earnings of associated companies (equity method)	56.1	64.6	72.1	192.8	(68.0)	124.8	108.6	63.1	74.7	246.4
Net commission income	59.2	64.5	68.0	191.6	72.3	264.0	65.6	69.0	66.9	201.5
Net income on financial operations	7.6	7.0	8.0	22.6	(8.2)	14.4	66.7	7.1	3.5	77.3
Operating income and expenses	(1.4)	(16.2)	(2.2)	(19.8)	(4.5)	(24.3)	(0.5)	(15.3)	(0.0)	(15.8)
Operating income from banking activity	**219.5**	**220.6**	**242.4**	**682.5**	**91.0**	**773.5**	**341.9**	**231.1**	**253.4**	**826.4**
Personnel costs	(77.1)	(161.8)	(66.1)	(305.0)	(64.7)	(369.7)	(63.8)	(63.0)	(61.1)	(187.9)
Of which: Recurring personnal costs	(66.3)	(67.4)	(66.0)	(199.8)	(64.1)	(263.9)	(61.1)	(58.2)	(61.1)	(180.3)
Non-recurring costs 2)	(10.7)	(94.4)	(0.1)	(105.2)	(0.6)	(105.8)	(2.7)	(4.9)		(7.6)
General administrative costs	(38.0)	(40.6)	(38.2)	(116.8)	(34.1)	(150.9)	(41.8)	(42.6)	(48.6)	(133.1)
Depreciation and amortisation	(5.5)	(5.5)	(5.6)	(16.6)	(5.3)	(21.9)	(5.2)	(5.2)	(6.4)	(16.9)
Overhead costs	**(120.6)**	**(208.0)**	**(109.8)**	**(438.3)**	**(104.2)**	**(542.5)**	**(110.8)**	**(110.9)**	**(116.2)**	**(337.9)**
Net operating income before impairments and provisions	**99.0**	**12.7**	**132.5**	**244.2**	**(13.2)**	**231.0**	**231.1**	**120.2**	**137.2**	**488.5**
Impairments and provisions net of recoveries of loans, interest and expenses	5.2	(14.5)	12.4	3.1	(3.3)	(0.1)	11.3	0.1	16.3	27.7
Gains and losses in other assets	6.0	1.7	1.3	9.0	3.2	12.2	(0.1)	(0.5)	57.7	57.0
Net income before income tax	**110.2**	**(0.1)**	**146.2**	**256.3**	**(13.3)**	**243.0**	**242.3**	**119.8**	**211.2**	**573.3**
Income tax	(24.9)	16.7	(28.3)	(36.5)	(15.3)	(51.8)	(34.8)	(25.3)	(48.2)	(108.4)
Net income from continuing operations	**85.4**	**16.5**	**117.9**	**219.8**	**(28.6)**	**191.3**	**207.4**	**94.4**	**163.0**	**464.9**
Net income from discontinued operations	(207.7)	4.1	6.3	(197.3)	16.3	(181.0)	2.5	61.8		64.2
Income attributable to non-controlling interests	(0.0)	(0.0)	0.0	(0.0)		(0.0)				
Net income	**(122.3)**	**20.6**	**124.3**	**22.6**	**(12.3)**	**10.2**	**209.9**	**156.2**	**163.0**	**529.1**

EARNINGS PER SHARE

	Sep. 17 proforma 1)	Sep. 18
Earnings per share (€)	**0.02**	**0.36**
Net income from continuing operations (€)	0.15	0.32
Net income from discontinued operations (€)	-0.14	0.04
Average weighted nr. of shares (in millions)	1 456	1 457

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, and the adoption of a new format for the Income Statement, following the entry into force of IFRS9, in accordance with the guidelines of the Regulation (EU) 2017/1443 of 29 June 2017 and with the format of the financial statements used by CaixaBank (BPI's consolidating entity).
2) Costs with early retirements and voluntary terminations.

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 Dec. 17	31 Mar. 18	30 Jun. 18	30 Sep. 18
Assets				
Cash, deposits at Central Banks and other demand deposits	1 094.1	826.8	2 259.7	1 396.8
Financial assets held for trading, at fair value through profit or loss and at fair value through other comprehensive income	4 175.9	2 467.2	2 671.6	2 139.6
Financial assets at amortised cost	22 506.7	24 448.7	25 636.4	25 383.9
Of which:				
Loans to Customers	21 638.2	22 043.8	22 505.8	22 867.4
Investments in subsidiaries, associated companies and jointly	794.5	752.2	717.0	719.4
Tangible assets	45.3	42.4	38.6	37.4
Intangible assets	42.3	40.1	45.3	44.9
Tax assets	453.2	401.5	421.6	389.0
Non-current assets held for sale and discontinued operations	73.3	64.8	54.6	49.5
Other assets	454.9	320.5	433.6	398.8
Total assets	**29 640.2**	**29 364.2**	**32 278.3**	**30 559.2**
Liabilities and shareholders' equity				
Financial liabilities held for trading	170.0	170.3	154.6	139.1
Financial liabilities at amortised cost	25 961.4	25 802.0	28 261.8	26 535.7
Central Banks and Credit Institutions deposits	3 978.0	4 038.7	5 294.7	3 954.7
Customers deposits	20 713.6	20 911.7	22 113.6	21 497.2
Technical provisions				
Debt securities issued	1 020.0	616.9	593.6	823.7
Of which: subordinated debt	305.1	300.3	304.4	300.3
Other financial liabilities	249.8	234.6	259.8	260.1
Provisions	64.2	64.2	66.9	66.5
Tax liabilities	70.6	73.8	72.5	71.6
Non-current liabilities held for sale and discontinued operations	4.5	4.6	0.0	0.0
Other liabilities	545.8	316.6	596.9	528.4
Total liabilities	26 816.6	26 431.5	29 152.6	27 341.3
Shareholders' equity attributable to the shareholders of BPI	2 823.6	2 932.7	3 125.7	3 217.9
Non controlling interests	0.0	0.0	0.0	0.0
Total Shareholders' equity	2 823.6	2 932.7	3 125.7	3 217.9
Total liabilities and Shareholders' equity	**29 640.2**	**29 364.2**	**32 278.3**	**30 559.2**

Consolidated profitability and efficiency metrics

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

	30 Sep. 17 proforma [1)]	**30 Sep. 18**
Operating income from banking activity and results of equity accounted subsidiaries / ATA	2.8%	**3.6%**
Profit before taxation and income attributable to non-controlling interests / ATA	0.2%	**2.8%**
Profit before taxation and income attributable to non-controlling interests / average shareholders' equity (including non-controlling interests)	3.1%	**28.2%**
Personnel costs / Operating income from banking activity and results of equity accounted subsidiaries [2]	29.3%	**21.8%**
Overhead costs / Operating income from banking activity and results of equity accounted subsidiaries [2]	48.8%	**40.0%**
Loans (net) to deposits ratio	105%	**107%**

1) Considering the "proforma" financial statements of Sep.17 which reflect 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, and the adoption of a new format for the Income Statement, following the entry into force of IFRS9, and the reclassification of certain General Administrative costs to Comissions paid.

2) Excluding early-retirement costs.

Alternative Performance Measures

The European Securities and Markets Authority (ESMA) published on 5 October 2015 a set of guidelines relating to the disclosure of Alternative Performance Measures by entities (ESMA / 2015 / 1415). These guidelines are to be obligatorily applied with effect from 3 July 2016.

In addition to the financial information prepared in accordance with the International Financial Reporting Standards (IFRS), BPI uses a set of indicators for the analysis of performance and financial position, which are classified as Alternative Performance Measures, in accordance with the abovementioned ESMA guidelines.

The information relating to those indicators has already been the object of disclosure, as required by the ESMA guidelines.

In the current presentation, the information previously disclosed is inserted by way of cross-reference. A summarized list of the Alternative Performance Measures is presented next.

EARNINGS, EFFICIENCY AND PROFITABILITY INDICATORS

Reconciliation of the income statement

With the entry into force of IFRS9, in the beginning of 2018, Banco BPI decided to adopt a structure of the individual and consolidated financial statements in line with the guidelines of the Regulation (EU) 2017/1443 of 29 June 2017 and with the format of the financial statements used by CaixaBank (BPI's consolidating entity).

The following table presents, for the consolidated income statement, the reconciliation of the structure used in the current document (Banco BPI Consolidated results in September 2018) with the structure used in the financial statements and respective notes of the 1st Half 2018 Report.

Alternative Performance Measures – reconciliation of the income statement

Consolidated income statement

Structure used in the Results' Presentation	Sep.18	Sep.18	New structure presented in the financial statements and respective notes
Financial margin	315.2	315.2	Net interest income
Income from equity instruments	1.7	1.7	Dividend income
Earnings of associated companies (equity method)	246.4	246.4	Share of the profit or (-) loss of investments in subsidaries, joint ventures and associates accounted for using the equity method
Net commission income	201.5	235.3	Fee and commission income
		(33.8)	Fee and commission Expenses
Net income on financial operations	77.3	1.4	Gains or (-) losses with the derecognition of financial assets and liabilities not measured at fair value through profit or loss, net
		39.0	Gains or (-) losses on trading financial assets and liabilities, net
		61.7	Non-trading financial assets mandatorily at fair value through profit or loss
		1.2	Gains or (-) losses from hedge accounting, net
		(26.0)	Exchange differences [gain or (-) loss], net
Operating income and expenses	(15.8)	7.1	Other operating income
		(22.9)	Other operating Expenses
Operating income from banking activity	**826.4**	**826.4**	**Operating income**
Personnel costs	(187.9)	(187.9)	Staff Expenses
General administrative costs	(133.1)	(133.1)	Other administrative expenses
Depreciation and amortisation	(16.9)	(16.9)	Depreciation
Overhead costs	**(337.9)**	**(337.9)**	**Overhead costs**
Net operating income before impairments and provisions	**488.5**	**488.5**	**TOTAL OPERATING INCOME, NET**
Impairments and provisions net of recoveries of loans, interest and expenses	27.7	(1.9)	Provisions or (-) reversal of provisions
		29.6	Impairment or (-) reversal of impairment on financial assets not measured at fair value through profit or loss
Gains and losses in other assets	57.0	(3.0)	Impairment or (-) reversal of impairment on non-financial assets
		60.1	Gains or (-) losses on derecognition of non financial assets other than held for sale, net
Net income before income tax	**573.3**	**573.3**	**Profit or (-) loss before tax from continuing operations**
Income tax	(108.4)	(108.4)	Tax Expenses or (-) income related to profit or loss from continuing operations
Net income from continuing operations	**464.9**	**464.9**	**PROFIT OR (-) LOSS AFTER TAX FROM CONTINUING OPERATIONS**
Net income from discontinued operations	64.2	64.2	Profit or (-) loss after tax from discontinued operations
Income attributable to non-controlling interests	0.0	0.0	Profit or (-) loss attributable to minority interest [non-controlling interests]
Net income	**529.1**	**529.1**	**PROFIT OR (-) LOSS ATTRIBUTABLE TO OWNERS OF THE PARENT**

Alternative Performance Measures

EARNINGS, EFFICIENCY AND PROFITABILITY INDICATORS

The following earnings, efficiency and profitability indicators are defined by reference to the above structure of the profit and loss account used in this document.

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

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

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

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

Net income before income tax = Net operating income before impairments and provisions + Impairments and provisions net of recoveries of loans, interest and expenses + Gains and losses in other assets

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

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

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 fully consolidated subsidiaries + Participating units in consolidated mutual funds

Being:

- Deposits = Sight and other deposits + 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 fully consolidated subsidiaries (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 + Assets from the funds 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

Gross loans to customers = Gross loans and advances to customers (financial assets at amortized cost), excluding other assets (guarantee accounts and others) + Gross debt securities issued by Customers (financial assets at amortized cost)
Note: gross loans = performing loans + loans in arrears + receivable interests

Net loans to Customers = Gross loans to customers – Impairments for loans to customers

Loan-to-deposit ratio (CaixaBank criteria) = (Net loans to Customers - Funding obtained from the EIB, which is used to provide credit) / Deposits and retail liabilities

Alternative Performance Measures

ASSET QUALITY INDICATORS

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

Being:

Impairment losses and provisions for loans and guarantees = Impairments or impairments reversal from financial assets not measures at fair value through profit or loss relating to loans and advances to customers and debt securities issued by Customers (financial assets at amortised cost), before deducting recovery of loans, interest and expenses + provisions or provisions reversals for commitments and guarantees

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

Being:

Impairment losses and provisions for loans and guarantees = Impairments or impairments reversal from financial assets not measures at fair value through profit or loss relating to loans and advances to customers and debt securities issued by Customers (financial assets at amortised cost), before deducting recovery of loans, interest and expenses + provisions or provisions reversals for commitments and guarantees

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 = [Impairments for loans and advances to customers (financial assets at amortised cost) + Impairments for debt securities issued by Customers (financial assets at amortised cost) + Impairments and provisions for guarantees and commitments] / Non-performing exposures (NPE)

Coverage of NPE by impairments and associated collateral = [Impairments for loans and advances to customers (financial assets at amortised cost) + Impairments for debt securities issued by Customers (financial assets at amortised cost) + Impairments and provisions for guarantees and commitments] + Collateral associated to NPE] / Non-performing exposures (NPE)

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 = [Impairments for loans and advances to customers (financial assets at amortised cost) + Impairments for debt securities issued by Customers (financial assets at amortised cost) + Impairments and provisions for guarantees and commitments] / Non performing loans (Bank of Spain criteria)

Coverage of non performing loans (Bank of Spain criteria) by impairments and associated collateral = [Impairments for loans and advances to customers (financial assets at amortised cost) + Impairments for debt securities issued by Customers (financial assets at amortised cost) + Impairments and provisions for guarantees and commitments] + Collateral associated to credit] / Non performing loans (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

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

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 per share (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 period / Stock market share price (at beginning or end of the period)

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

Investor Relations

Tel. +351 226 073 337
E-mail: investor.relations@bancobpi.pt
Website: www.ir.bpi.pt

Ricardo Araújo
Tel: +351 226 073 119
E-mail: luis.ricardo.araujo@bancobpi.pt

Banco BPI, S.A.
Publicly held company
Head Office: Rua Tenente Valadim, no. 284, Porto, Portugal
Share capital: € 1 293 063 324.98
Registered in Oporto C.R.C. and corporate body no. 501 214 534