

## BPI 2019-2021 STRATEGIC PLAN

Porto, 27 November 2018

### **BPI's Strategic Plan projects average annual growth of core revenues of 7% until 2021**

- Under the motto "Create value with values", BPI's 2019-2021 Strategic Plan will focus on five priorities: increase profitability, enhance Customer's experience, develop human resources, boost operating efficiency and consolidate the Bank's reputation;
- The Plan's targets are to reach an average annual growth rate of 5% in loans and 3% in customer funds, with a key contribution from off-balance sheet funds (mutual funds and insurance). Core revenues are projected to grow at an average annual rate of 7% in the three years of the Plan;
- The Bank expects to achieve an efficiency ratio of 50% until 2021 and to continue to improve its credit quality indicators - currently the best in Portugal -, consolidating the NPL ratio below 3%.
- BPI will reinforce its social commitment in cooperation with the "la Caixa" Foundation, whose annual budget for Portugal should reach €50 million per year as from 2021.

The Bank has set five strategic priorities, aimed to achieve sustained profitability growth, accelerate the transformation of the customer's experience, develop talent, improve efficiency, and consolidate its leading position in terms of quality, trust and reputation within its clients and the community.

Under the motto "Create value with values", the Plan will be deployed with the mission to contribute to the financial well-being of BPI's clients and to establish the Bank as a benchmark in socially responsible banking, based on the values of trust, service quality and social commitment.

In a meeting with analysts and investors held today in London, Pablo Forero, BPI's CEO, presented the broad lines of the 2019-2021 Strategic Plan.

According to Pablo Forero, "in the last year and a half all of BPI's teams have done an outstanding work which propelled the Bank into an excellent position to support the growth of the Portuguese economy over the coming years".

"We are fully focused on achieving growth in Portugal, providing credit to companies and families, and offering the best advisory concerning their investments and savings", added Mr. Forero.

About the Strategic Plan, BPI's CEO affirmed: "to accomplish the objectives we have set out to reach, we will promote businesses with growth and return potential, benefiting from being part of the CaixaBank Group". To conclude, Mr. Forero stated that: "BPI will leverage on the Group's innovation capacity to maintain leadership in the digital transformation process in banking, provide a better experience to the Customer and pursue its history of growth and conquest of market share gains".

### Five strategic priorities in a growth context

The 2019-2021 Strategic Plan will likely be deployed in a context of moderate deceleration of economic growth in Portugal, which even so should continue to benefit from rising investment, underpinned by improved business confidence, favourable financing conditions and the expansion of the tourism industry.

The Strategic Plan reflects a determination to reinforce the trend for growth and market share gains followed by BPI in recent years, based on its five strategic priorities:



The first priority is to ensure **sustainable profitability growth**, supported by the expansion of corporate and small businesses banking, consumer lending, and residential mortgage loans, and the sale of financial advisory products such as mutual funds and insurance.

The second priority is to accelerate the Bank's digital transformation process, contributing to **improve the Customer's experience**. Banco BPI will use the new technologies to bolster its capacity to analyse and address the needs of each client and to deliver an increasingly innovative multichannel offer with a clear focus on digital mobility and consequent enhancement of customer service.

The third priority puts **BPI's human resources** at the core of the drive to achieve its strategic objectives, by investing in training and development at all levels of the institution, fostering the management of talent and fuelling a flexible culture permitting to tackle the ever-changing environment in the financial sector. The Plan also includes initiatives aimed at fostering integration within the culture of the CaixaBank Group.

The fourth priority - **increasing efficiency** - is directed towards simplification, digitalisation, and centralised management of processes, in order to achieve the commercial teams' exclusive concentration on customer service and financial product's sales and advisory services.

Finally, the goal of the fifth priority is to **consolidate the high reputation enjoyed by BPI**, which in 2018 was considered the "Best Bank in Portugal" by the Euromoney magazine. This priority goal is supported by two key drivers: maintaining the high service

quality levels that characterise the Bank, and asserting BPI's role as a benchmark in social commitment and responsible management.

### Income and profitability growth

Through the implementation of the 2019-2021 Strategic Plan, BPI reckons it will achieve an average annual growth rate of 7% in core revenues and reach an efficiency ratio of around 50% in 2021.

Profitability will be driven by the growth and diversification of key business lines, such as expanding corporate and small businesses banking, consumer loans and financial advisory services (insurance, mutual funds and medium and long-term savings). BPI is set to reach an average annual growth rate of 5% in loans, above the market's expected growth, and of 3% in customer funds, with a key contribution from off-balance sheet funds (mutual funds and insurance).

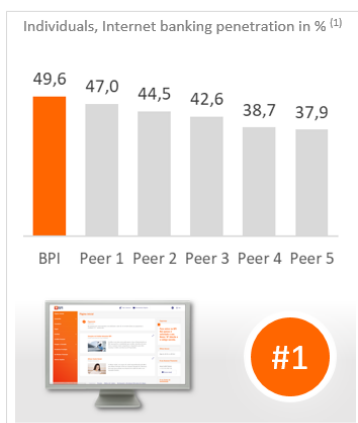
On the other hand, the Bank expects to ensure the stability of recurring costs and uphold the best credit risk indicators in Portugal, consolidating the NPL ratio below 3%.

### Reinforcing the lead in Digital Transformation

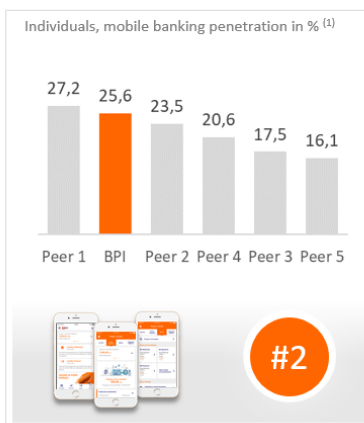
BPI has been playing a first-line role in the digital transformation taking place in the banking industry in Portugal. The Bank is market leader in internet banking penetration, with nearly half its customers using this channel. And the same happens with its corporate clients, with 84.5% of them using the Bank's digital channels.

## BPI's positioning - digital channels

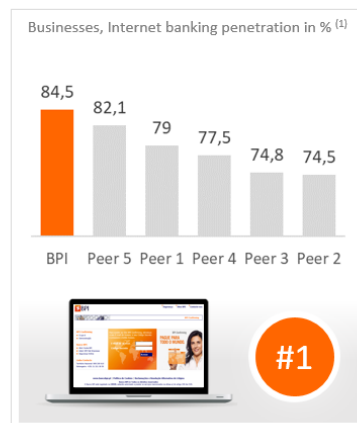
#### Leadership in internet banking penetration



#### BPI has been launching many new features in its Apps



#### Leadership in digital businesses



### BPI IS AT THE FOREFRONT OF THE ANSWER TO CLIENTS' FAST MOVING DIGITAL NEEDS.

(1)Percentage of Clients of each bank that uses the channel in its bank.

Source: BASEF Banca, DataE 2018

### **Stronger social commitment, with the support of the “la Caixa” Foundation**

As a result of BPI's inclusion in the CaixaBank Group, the “la Caixa” Foundation expanded its activity to Portugal, where it plans to commit an annual budget projected to reach 50 million euros when it reaches cruise speed in 2021, with all the main projects foreseen for the Social sector, Science, Research, Education and Culture already in full execution.

Social Responsibility, which from the onset was a cornerstone of the identity of both BPI and the CaixaBank Group, will now be reinforced in Portugal in cooperation with the “la Caixa” Foundation, which since the end of 2017 has already been supporting countless projects in the areas of Social Solidarity, Culture, Education, Science, Research and Entrepreneurship.

The “la Caixa” Foundation is the largest foundation in Spain and the third largest in the world, having committed an annual budget of €520 million for 2018. The largest share of this investment, around 60%, is earmarked for the development of social projects.

Banco BPI, S.A.

Publicly held company

Head Office: Rua Tenente Valadim, no. 284, Porto, Portugal

Share capital: € 1 293 063 324.98

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