



Banco BPI

Consolidated results

4 November 2019

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BPI consolidated results in the September 2019

Net income in Portugal and in the consolidated

- Consolidated net profit of 253.6 M.€ in September 2019 (-52%⁽¹⁾ yoy)
- Recurring net profit in Portugal of 152.8 M.€ in September 2019 (-7% yoy)

Growth in customer resources and loans

- Customer deposits grew 1 228 M.€ (+5.8% ytd)
- Loan portfolio grew 602 M.€ (+2.6% ytd); Loans to companies grew 2.8% ytd

High asset quality

- Non-performing exposures ratio – NPE (EBA definition) of 3.2% in September 2019
- Coverage by impairments and collateral of non-performing exposures (NPE) of 124%

Optimisation of prudential capital composition

- Issuance of 275 M.€ of Additional Tier 1 (AT1) in September 2019, fully subscribed by Caixabank
- The shareholder approved the Board of Directors' proposal to distribute free reserves in the amount of 150 M.€
- These transactions contribute to the Bank having a more optimised prudential capital composition, with a distribution of the CET1, Tier 1 and Total Capital elements more aligned with the levels set out in the CRR (*Capital Requirements Regulation*)

Strong capitalisation

- Capital ratios (fully loaded), after reserves distribution of 150 M.€⁽²⁾: CET1 of 12.7%, T1 of 14.2% and total capital of 15.9%
- Fully loaded leverage ratio of 7.8%

(1) When comparing the consolidated net profit with September 2018, it should be taken into account that:

- Significant positive non-recurring impacts were booked in September 2018 (+160 M.€) in Activity in Portugal;
- The consolidated net profit in Sep.18 reflects the appropriation of BFA's results by the equity method, whereas in Sep.19 it reflects BFA's dividends (following the change in the accounting classification of the investment in BFA at the end of 2018) and reversal of deferred tax liabilities.

3

2) Includes the net income in September 2019 assuming a dividend payout corresponding to the upper limit of the dividend policy, and net of the free reserves distributed, subject to approval by the supervisor. The proforma capital ratios prior to the distribution of reserves were: CET1 of 13.6%, T1 of 15.2%, and total capital ratio of 16.9%.

Consolidated net profit of 253.6 M.€ in Sep. 19

Consolidated net income

In M.€	Sep 18	Sep 19	Δ%
Activity in Portugal			
Recurring net profit	164.2	152.8	-7%
Non-recurring impacts ¹⁾	160.2	(0.0)	
Net profit in Portugal	324.4	152.7	-53%
BFA contribution	193.7 ⁽²⁾	86.4 ⁽³⁾	
BCI contribution	11.0	14.5	
Consolidated net profit	529.1	253.6	-52%

Activity in Portugal contributed with **152.7 M.€** to the consolidated net profit in Sep.19

	Δ yoy
▪ Impairments in recovery funds	-11 M.€
▪ Net interest income	+11 M.€
▪ Commissions	-9 M.€
▪ Gains in financial assets / liabilities & other	-1 M.€
▪ Operating expenses	-6 M.€
▪ Income tax and other	+6 M.€

Recurrent ROTE in Portugal

	Sep. 18	Sep.19
Recurrent ROTE (last 12 months)	8.4%	8.0%

1) **Activity in Portugal:** in Sep.18, non-recurring impacts include gains of 163.3 M.€ from the sale of subsidiaries and the stake in Viacer.

2) **BFA contribution in Sep.18** corresponds to the appropriation of **BFA results by the equity method**.

3) **BFA contribution in Sep.19** reflects the **dividends related to 2018** attributed to BPI and **reversal of deferred tax liabilities (51 M.€)**.

At the end of 2018, BPI changed the accounting classification of the investment in BFA, from "associated company", consolidated by the equity method, to financial investment, recorded under "investments at fair value through other comprehensive income". Since the 1st January 2019, consolidated net profit ceases to include (by equity method) BPI proportionate share in BFA results.

Net interest income increased 3.4% (yoy)

Gross income in the activity in Portugal

In M.€	Sep 18	Sep 19	Δ%
Net interest income	315.2	326.1	+ 3.4%
Net fee and commission income	201.5 ⁽¹⁾	192.5	- 4.5%
Gains/(losses) on financial assets and liabilities and other income	24.7	11.7	- 52.6%
Recurring gross income	541.4	530.3	- 2.1%
Non recurring items	59.6 ⁽²⁾	-	-
Gross income as reported	600.9	530.3	- 11.8%

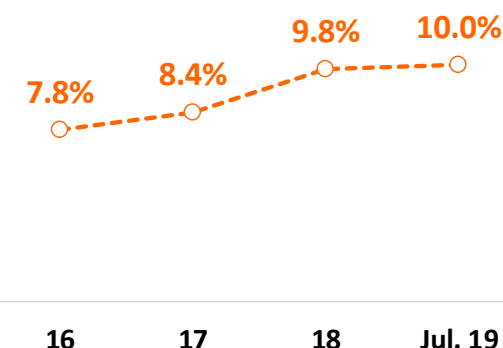
Loan portfolio increased 2.6% ytd

Loans to customers by segments

Gross portfolio, in M.€	Dec 18	Sep 19	YtD
I. Loans to individuals	12 558	12 733	1.4%
Mortgage loans	11 171	11 179	0.1%
Other loans to individuals	1 387	1 554	12.0%
II. Loans to companies and small businesses	9 289	9 553	2.8%
III. Public sector	1 544	1 713	10.9%
IV. Other	96	90	(6.4%)
Total	23 487	24 089	2.6%
Note:			
Loan portfolio net of impairments	22 949	23 590	2.8%

Increase in market share

Corporate and Small Businesses loan portfolio¹⁾



Growth in loans to companies and small businesses
(portfolio as of Sep.19; Δ yoy)

+8.6%

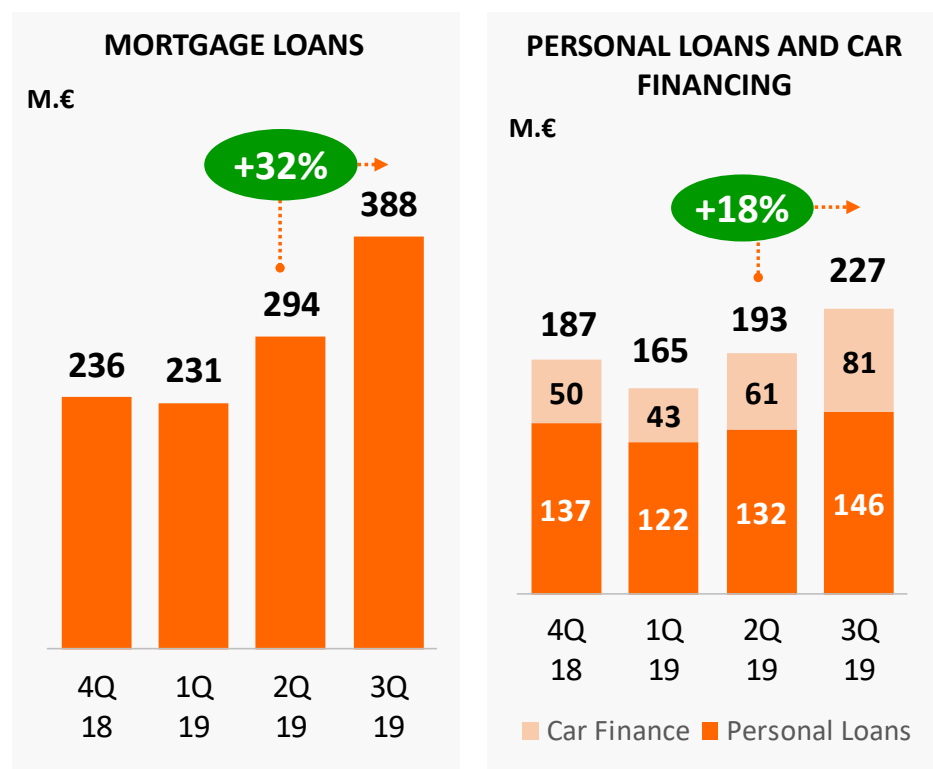
+756 M.€

Market share (July 2019)

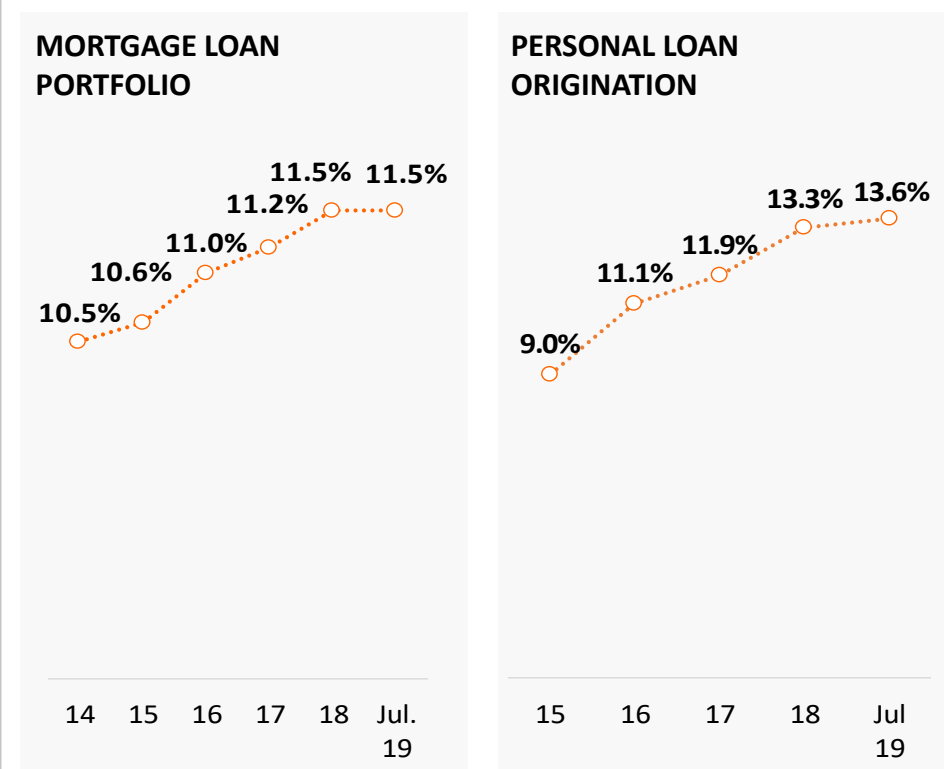
10.2%

Individuals new loan origination and market shares

New loan origination



Market shares



Agriculture

Activity in strategic segments: January-September 2019



Segment Leadership

- amount of credit granted, IFAP
- number of grant advances, CAP
- total number of accumulated transactions, Agrogarante

Sources:

Instituto de Financiamento da Agricultura e Pescas (15/04/2019).

Confederação dos Agricultores de Portugal (19/10/2018).

Agrogarante - Sociedade de Garantia Mútua (30/07/2019).



8th edition National Agriculture Prize

- Partnership with COFINA and sponsorship of the Ministry of Agriculture, Forestry and Rural Development
- Main national award for the award of a Seal of Trust and Excellence to the best in Portugal, giving visibility, leveraging and valuing portuguese products.



Official sponsor of the main National Fairs

- Ovibeja (Apr.)
- National Agriculture Fair (Jun.)



Complete product and service solutions and specialists teams in the promotion and monitoring

- Specific offering solutions
- Specialists who know the industry
- Structuring more complex operations by a team dedicated to the agricultural sector



Tourism

Activity in strategic segments: January-September 2019



Strategic focus on the segment

- Total share on “Linha de Qualificação da Oferta” 26,5%

Sources:
Turismo de Portugal (30/09/2019)



1st edition National Tourism Award

- Partnership with IMPRESA, High Sponsorship of the Ministry of Economy and institutional support from Tourism of Portugal
- Main national award, with the objective of distinguishing success stories in Accommodation, Catering and Tourism Promotion, as well as awarding special prizes for Responsible Tourism, Innovative Project, Public Project and Lifetime Achievement.



Official Sponsor of the main National Tourism Fair



Founder of NEST – Tourism Innovation Center



Complete product and service solutions and specialists teams in the promotion and monitoring

- Specific offering solutions
- Specialists who know the industry
- Structuring more complex operations by a team dedicated to the Hotels & Tourism sector

International trade

Activity in priority businesses: January-September 2019



Extended domestic and international network with presence in more than 20 countries (CaixaBank Group)

Dedicated teams at BPI branches and corporate centres and trade finance **specialists**

BPI **financing and risk hedging** solutions throughout the entire operating cycle

Partnerships with leading **Chambers of Commerce** and **"Business with the World"** event

Total customer resources increased 2.2% YtD

Customer resources

In M.€	Dec 18	Sep 19	YtD
I. On-balance sheet resources	22 052	22 685	2.9%
Customer deposits	21 107	22 336	5.8%
Institutional and financial investors deposits	945	350	-63.0%
II. Assets under management	9 191	9 572	4.1%
Mutual funds	5 083	5 096	0.3%
Capitalization insurance	4 107	4 475	9.0%
III. Public offerings	1 952	1 671	-14.4%
Total	33 195	33 928	2.2%
Note:			
Total customer resources, excluding institutional and financial investors deposits	32 250	33 579	4.1%

Market shares

	Aug. 19
Deposits	10.2% ¹⁾
Mutual funds ²⁾	12.7%
Capitalisation insurance ²⁾	15.6%
Retirement savings plans ²⁾	11.0%

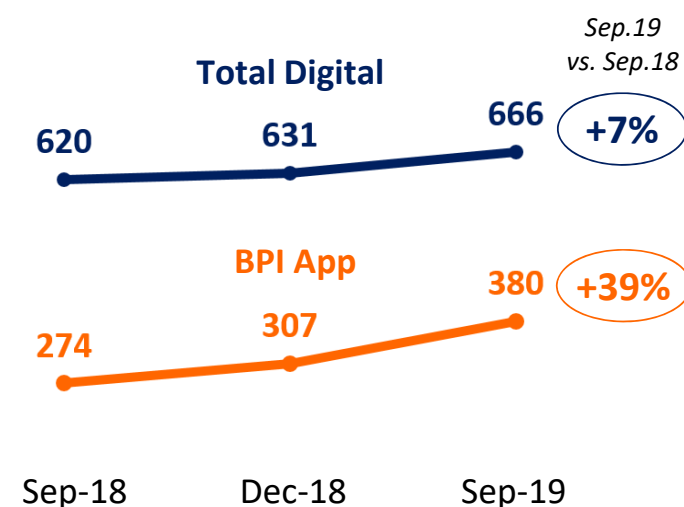
1) In Jul. 2019.

2) Retirement savings plans ("Planos poupança reforma"-PPR) include retirement savings plans in the form of mutual funds and capitalisation insurance. For this reason, the retirement savings plans are excluded in the calculation of the mutual funds and capitalisation insurance market shares.

Digital transformation: increasing utilisation

Regular users of digital banking

(No. thousand)



% active digital clients¹⁾

44%

Digital channels penetration ²⁾

▪ Internet and mobile Banking Individuals # 1

▪ Internet banking Companies # 2

Digital channels satisfaction index ²⁾

▪ Digital Presence Individuals # 1

▪ Internet banking Companies # 2



BPI App renewal



Usability

- New modern and functional design with more direct everyday access

MB Way

- Pay with phone, transfer to phone number and withdraw money without card

Insurance

- Know the insurance that best suits

Other bank accounts

- Checking and transfer from other bank's accounts with BPI App

And so much more...

12 1) Active customers 1st account holders, individuals and companies.

2) Individuals BASEF (Sep.2019, accumulated 12 months), ECSI (2019) and Companies DATAE (2019), main Banks.

Digital transformation: new solutions

More Offer in Digital Channels

- Increase solutions in Savings, Retirement and Investment Funds
- New online Brokerage layout
- Increased limits on Immediate Credit
- Cards order and new features
- Online account opening
- Customer query and update



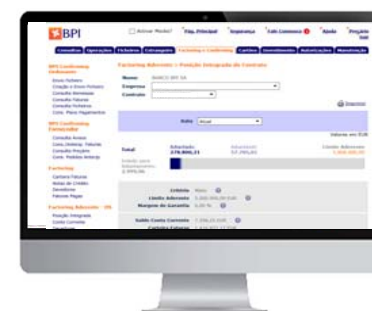
Open Banking and PSD2

- Aggregation of balances and movements and initiation of transfers in other bank's accounts, through the channels BPI App and BPI Net



Factoring in BPI Net Empresas

- Consultations, advance limits, other.
- Consultation of global invoice portfolio
- Current Factoring account balances and movements
- Request of invoice advanced payment



New Digital Solutions in Commercial Branches

- Exchange of messages and documents between Customers (BPI Net Empresas) and Bank (BPI GoBanking)
- Transformation of business relationship management tools



BPI positioning as the bank for businesses

BPICommerce

- BPI Commerce segment consolidation that has positioned BPI as the Bank for businesses, very successfully
- BPI Commerce encompasses new products and services, reinforcing the proximity to Clients and the long-term relationship. With dedicated business managers, BPI Commerce tailors the Bank offering to customer needs
- With the launch of the Commerce segment, the Commerce Value Account and the Commerce TPA were also introduced



BPI positioning as the bank for families

BPIFamily

- Continuation of the BPI Family campaign, which places BPI as "A Bank in the Lives of All Families"
- New concept of communication reflected in the different campaigns to be developed during 2019
- BPI Family encompasses the products and services of the individuals banking, strengthening the proximity to customers and the long-term relationship

Under this concept the following campaigns have already been launched :



BPI Family Conta Valor



BPI Family Seguros



BPI Family Crédito

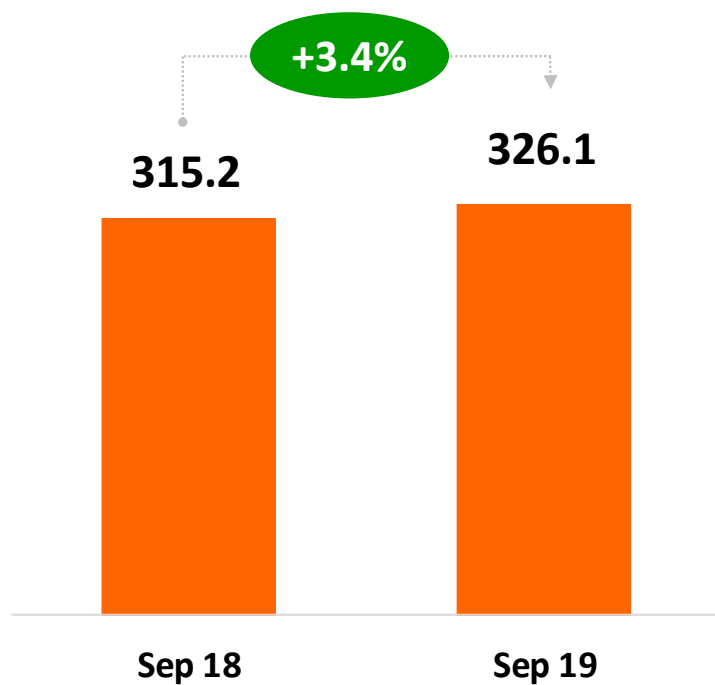


BPI Family Seguros, until 31/10



Net interest income increased 3.4% (yoy)

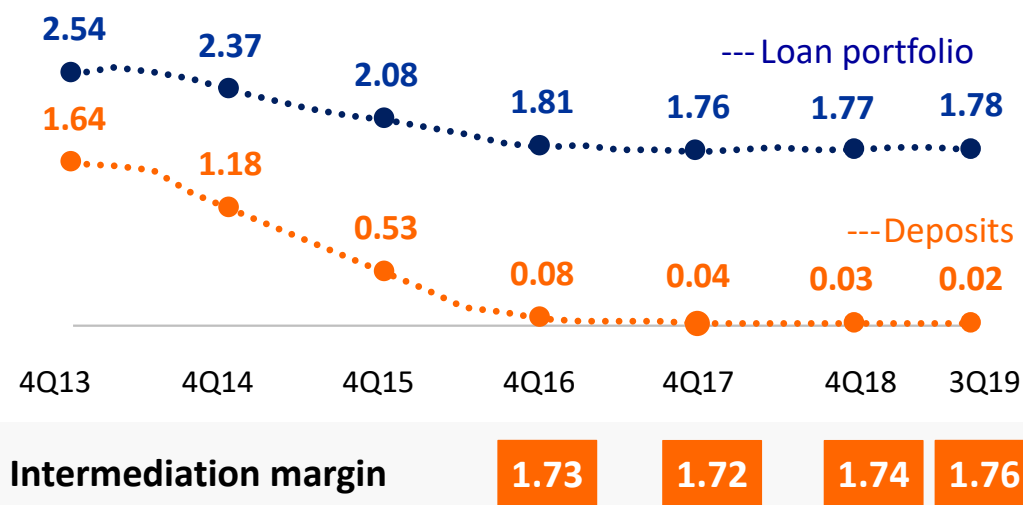
Net interest income, in M.€



Trend in net interest income:

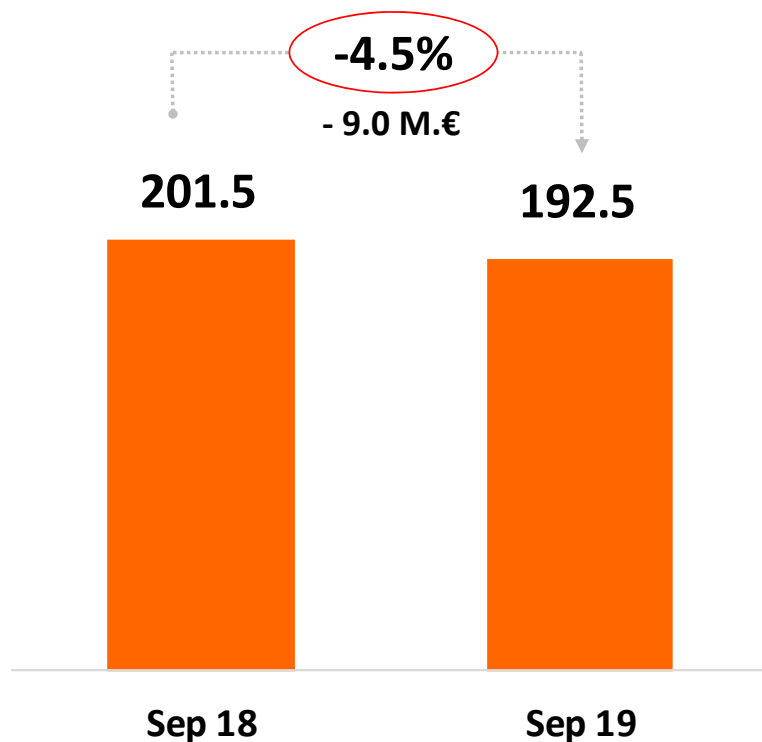
↑ Growth of loan portfolio in Portugal

Customer loans and deposits' portfolio remuneration



Commissions decreased 4.5% yoy

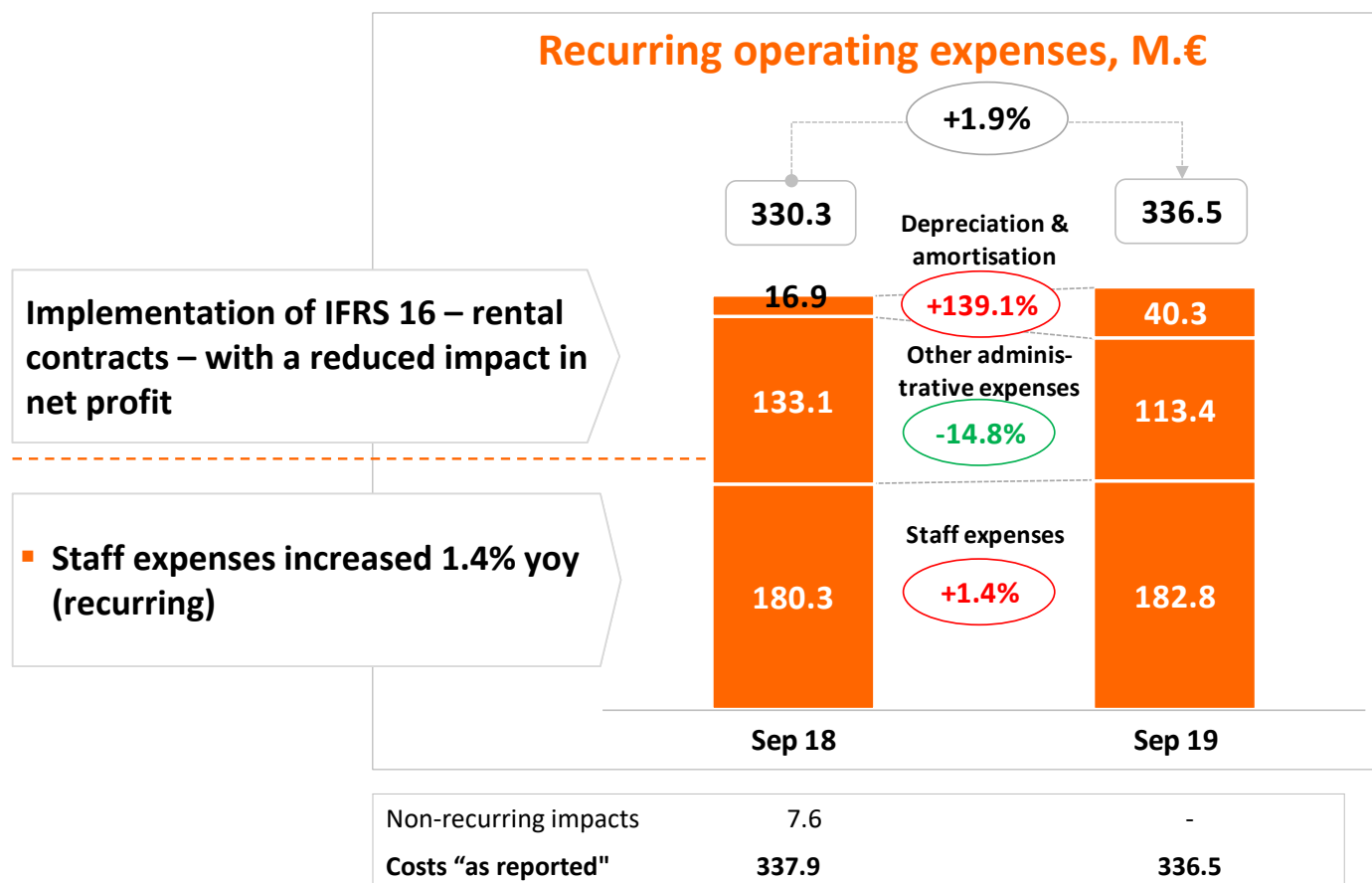
Net fee and commission income, M.€



- Excluding the effect from sales of the cards, acquiring and investment banking businesses, commissions increased (comparable perimeter) by 15.6 M.€ (+8.8% yoy).

In M.€	Sep 18	Sep 19	YoY
Banking commissions	121.9	113.8	-6.7%
Mutual funds	30.0	27.0	-10.0%
Insurance	49.6	51.7	4.3%
Total	201.5	192.5	-4.5%

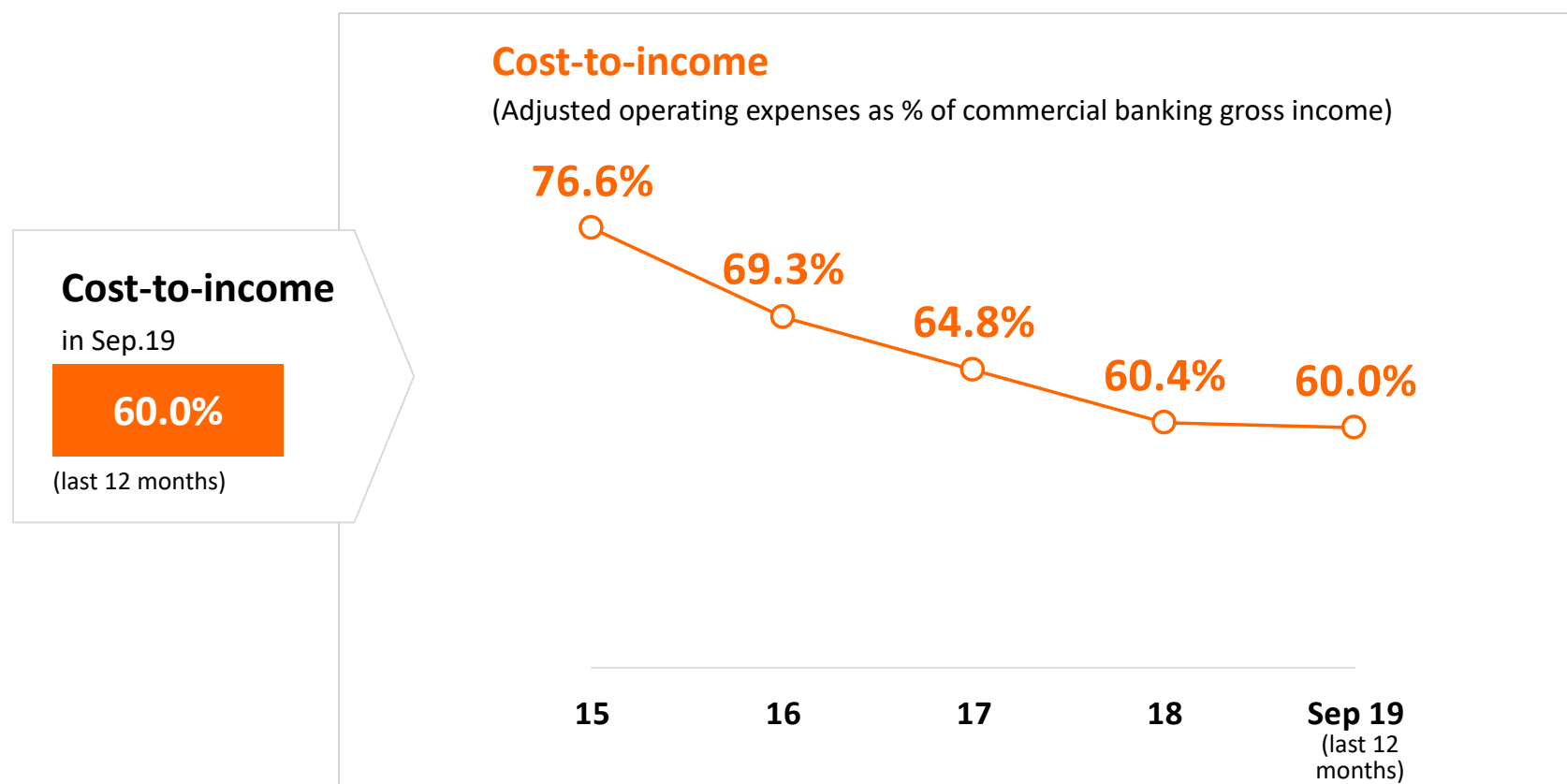
Recurring operating expenses increased 1.9% yoy



Staff and distribution network

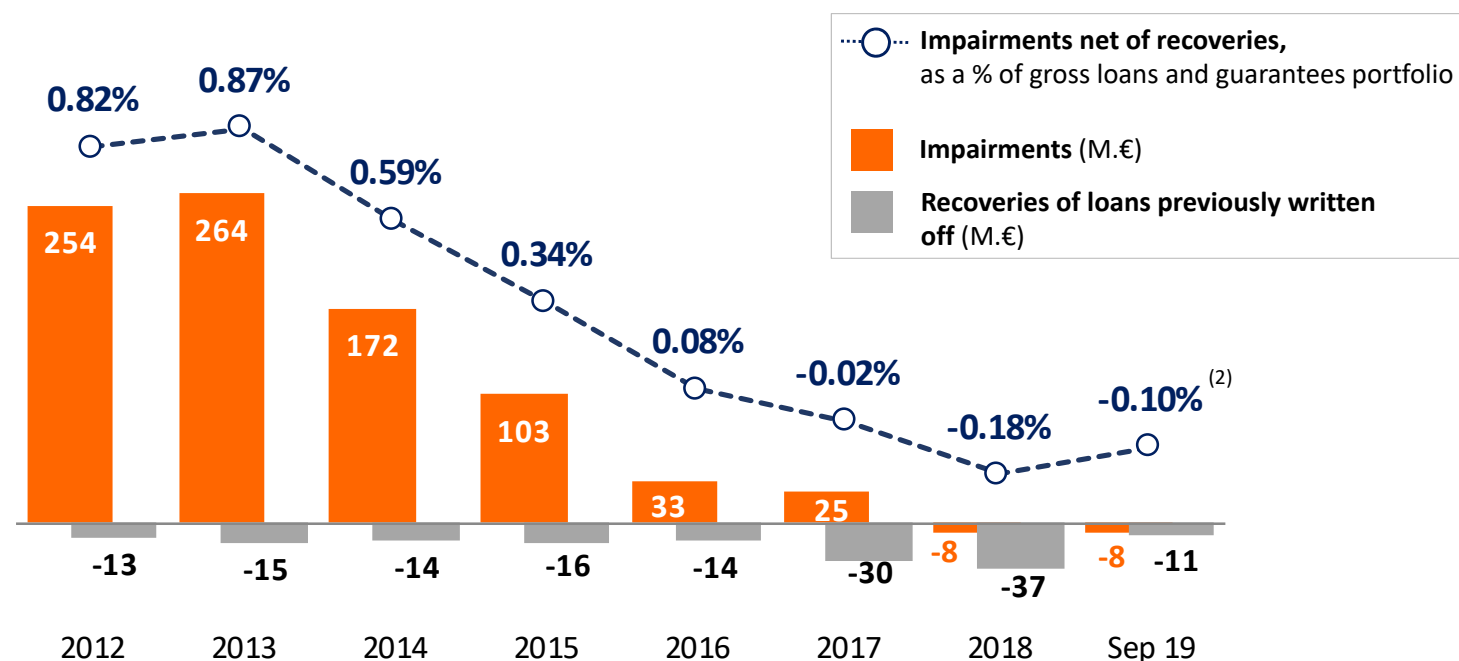
Nº	Sep. 18	Dec.18	Sep.19
Staff	4 898	4 888	4 869
			-19
Retail branch network ¹	421	421	407
			-14

Cost-to-income of 60.0% in Sep. 19



Reversals of loan impairments of 7.6 M.€ and recoveries of 11.0 M.€ (Sep.19 ytd)

Evolution of cost of credit risk, M.€



- Reversals of loan impairments of 7.6 M.€ (in Sep.19).
- Recoveries of previously written off loans amounted to 11.0 M.€

Cost of credit risk ¹⁾

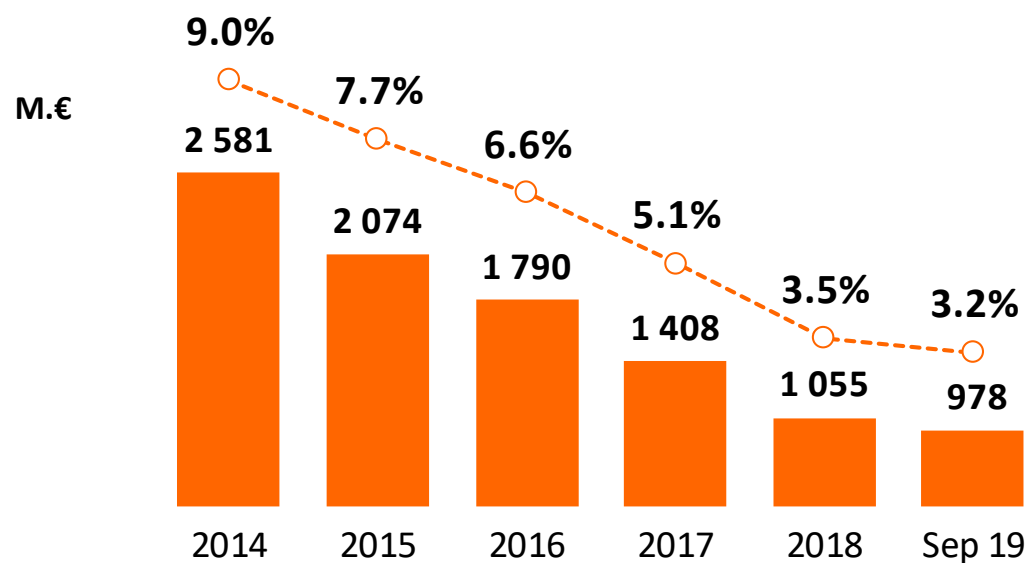
2012	2013	2014	2015	2016	2017	2018	Sep. 19
242	249	158	87	19	(5)	(45)	(19)

1) Impairments after deducting recoveries of loans previously written off.

2) In Sep.19 in annualised terms. In the last 12 months up to Sep.19, the cost of credit risk was -0.14% of the gross loans and guarantees portfolio.

NPE ratio of 3.2% in September 19

Non-Performing Exposures - NPE (EBA criteria²)



Coverage ratio¹⁾

38%

43%

39%

43%

53%

53%

Coverage by impairments and collaterals

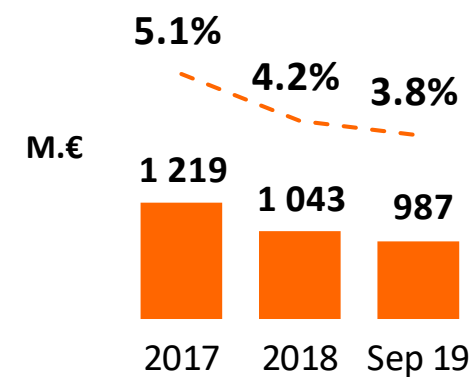
117%

127%

124%

Non-performing loans - NPL

("Crédito Duvidoso")



50%

54%

53%

118%

120%

117%

Employees pension liabilities

Employees pension liabilities

M.€	Dec 18	Jun 19	Sep 19
Total past service liability	1 639	1 796	1 884
Net assets of the pension funds	1 613	1 719	1 774
Degree of coverage of pension liabilities	98%	96%	94%
Pension funds return ¹⁾	5.5%	7.9%	12.0%

Actuarial assumptions

	Dec 18	Jun 19	Sep 19
Discount rate	2.0%	1.45%	1.20%
Salary growth rate	1.0%	1.0%	1.0%
Pensions growth rate	0.5%	0.5%	0.5%
Mortality table: Men	TV 88/ 90		
Mortality table: Women	TV 88/ 90 – 3 years		

Pension funds return

Sep.19; ytd¹⁾**+12.0%**

Actuarial deviations²⁾ in the 3rd Q.19

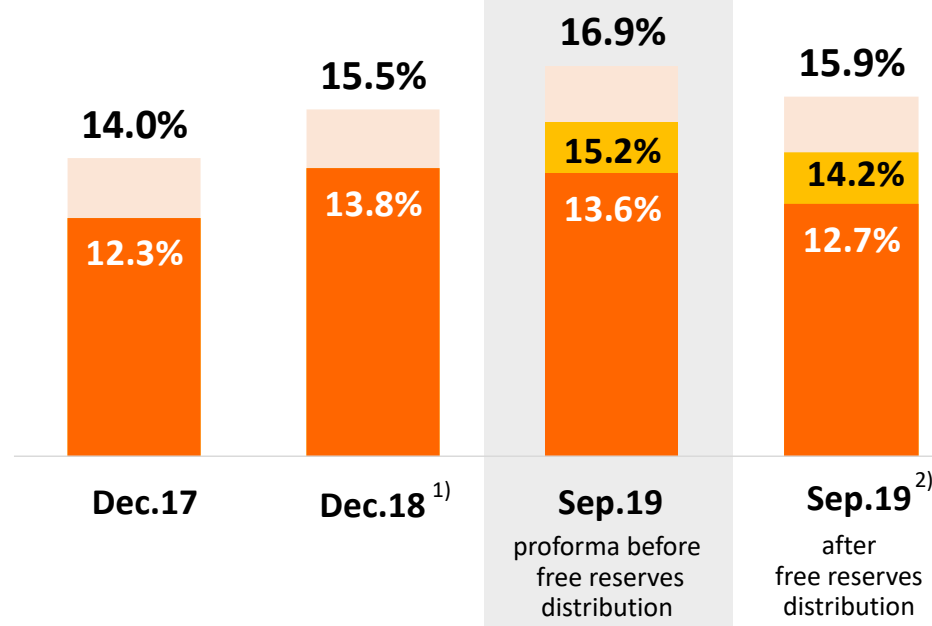
	M.€
Income from investment portfolio	+60
Change in the discount rate	(85)
Other	(9)
Actuarial deviations in 3Q19	(34)

Solid capital position

Consolidated capital ratios fully loaded

Ratios:

- Total capital
- Tier 1
- Common Equity Tier 1



Sep.19

- 275 M.€ AT1 issue
subscribed by CaixaBank

Impact in T1 &
total ratio

+1.6 p.p.

Oct.19

- Distribution of
free reserves
(150 M.€)

Impact in CET1,
T1 & total ratio

-0.9 p.p.

2019 capital requirements (SREP)

12.75% Total capital

10.75% T1

9.25% CET1

Leverage ratio

6.8%

7.3%

8.3%

7.8%

3.0%³⁾ Leverage

Note: capital ratios at Sep. 19 include the net income for the period net of dividends assuming a payout corresponding to the upper limit of the dividend policy.

1) Considering the actual distribution of dividends relative to the 2018 financial year.

2) Includes the net income in September 2019 assuming a dividend payout corresponding to the upper limit of the dividend policy, and net of the free reserves distributed, subject to approval by the supervisor.

3) Minimum value in force in June 2021.

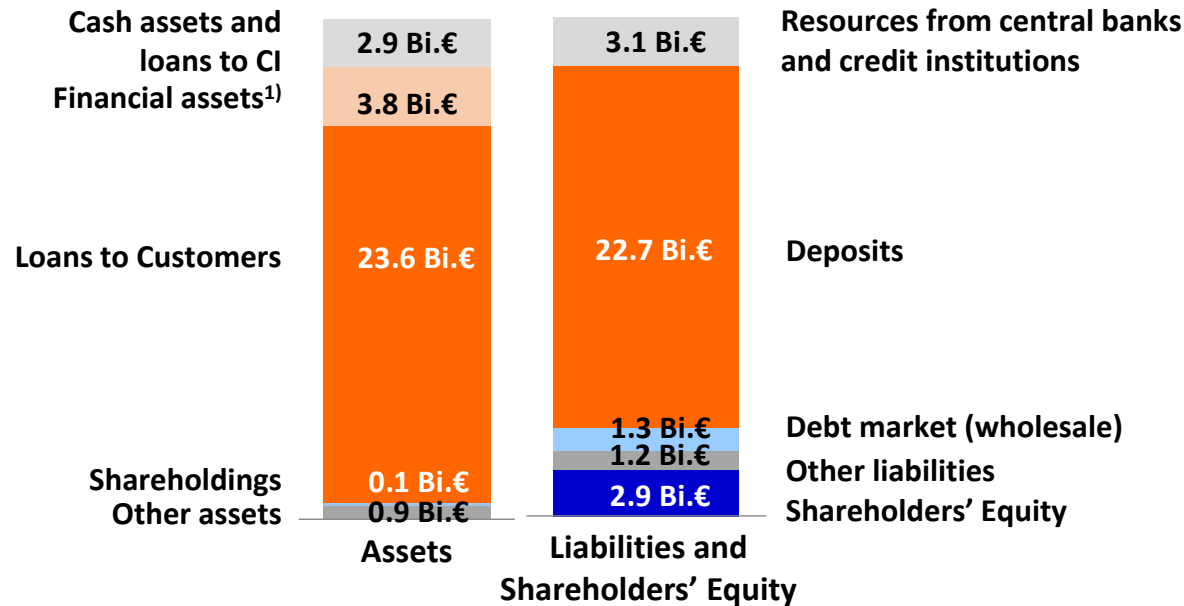
Balanced funding structure and comfortable liquidity position

- Customer resources constitute the main source of financing of the balance sheet (72% of assets)

Balance sheet of the activity in Portugal

(30 Sep. 2019)

31.3 Bi.€



Comfortable liquidity metrics

Loans / deposits **100%**

Liquidity coverage ratio **175% ²⁾**

Net stable funding ratio (NSFR) ³⁾ **129.3%** **128.5%**
(before distribution of reserves)

Total liquid assets

Total liquid assets **9.4 Bi.€**

Of which, HQLA **4.4 Bi.€**

Other assets eligible as ECB collateral **5.0 Bi.€**

HQLA - High Quality Liquid Assets

Financing with the ECB **1.35 Bi.€**

1) Includes short-term public debt of 0.6 Bi.€ (Portugal), with a residual average maturity of 0.5 years, and medium and long-term debt of 2.5 Bi.€ (Portugal 28%, Spain 52% and Italy 20%) with an average residual maturity of 1.9 years.

2) Average 12 months, according to EBA guidance. Average amount (last 12 months) of LCR components calculation: Liquidity Reserves (4 242 M.€); Total net outflows (2 427 M.€).

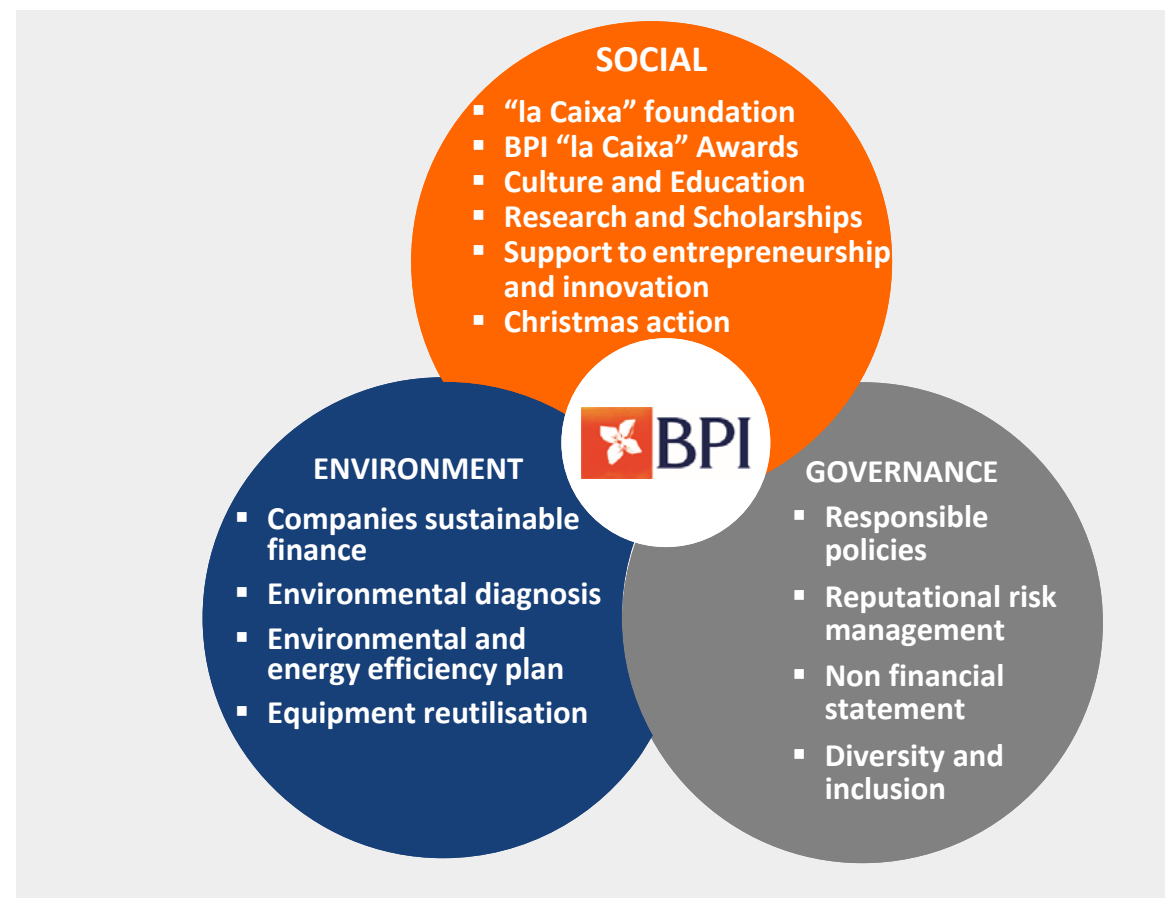
3) In force in June 2021.

Social Responsibility

Social responsibility lines of action in 2019

3 lines of action

that foster BPI's
positioning as a
**Socially Responsible
Bank**



Supporting entrepreneurship and innovation



Identify, recognize and accompany young innovative companies

2018-2019 edition 2nd edition in Portugal

- 300 applications in Portugal, 661 in Spain
- 9 in 37 finalists were Portuguese entrepreneurs in 6 sectorial categories
- Of the 9 Portuguese finalists, 5 were distinguished
2 winners (in Agro Tech and Commerce Tech sectors)
3 finalists (in Health Tech and Fin Tech sectors)
- More than 500 th. euros in awards and training



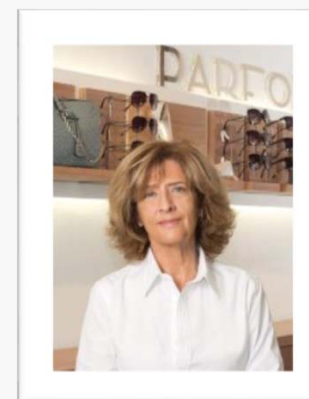
BPI Women's Entrepreneurial Challenge

International IWEW Awards 2019
(International Women's Entrepreneurial Challenge Foundation)

Recognize the professional success of Portuguese Women and give visibility to women's business leadership

2019 | 2nd edition in Portugal

Initiative launched in 2007 by the Barcelona Chamber of Commerce, with the support of CaixaBank



- 2019 Winner:
Manuela Medeiros
Founding-partner of PARFOIS

Companies sustainable finance



Signature of letter of commitment Guidelines for accelerating the sustainable finance in Portugal

- Promotion of **sustainable investment practices in Portugal**, contributing to carbon neutrality by 2050
- **Motivate the financial sector to develop financial products** that promote companies, institutions and projects **aligned with sustainability principles**.



“Towards a Sustainable Tourism Industry” conference attendance

- **Presentation of environmental and energy efficiency solutions** to position Portugal as one of the most competitive and sustainable tourist destinations in the world.
- **BPI participates in the “Financial Support Instruments” panel discussion**, presenting BPI industry-specific offering solutions



Decarbonisation and Circular Economy

New credit line 100 M€

- Modernising and enhancing companies’ competitiveness by **implementing measures that reduce energy consumption** and promote the shift from fossil to renewable energy sources.



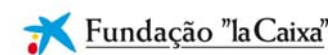
Sustainable tourism on debate at BPI meetings with corporates

Faro - Vilamoura

- Debate on **"Sustainable tourism, attracting new markets and combating seasonality"**

2019 BPI "la Caixa" awards

Social responsibility | 4



	Projects awarded	Donations
Childhood Children and Adolescents Launched in February 2019	24	0.75 M.€
Solidary Youth and Adults Since 2016	23	0.75 M.€
Seniors People aging over 65 years Since 2013	27	0.75 M.€
Capacitar People with disabilities Since 2010	Award-winning selection phase	
Rural Social activities in rural areas Launched in June 2019	Award-winning selection phase	



€3.75 millions for social projects

Public recognition

**Trusted Brand
in Banking**



Seleções do Reader's Digest
for the 6th consecutive year

**Award 5
Stars 2019**



Winner in the
digital category

**Excellence Brand
in Portugal**



Superbrands 2019
for the 6th consecutive year

**Best Private Bank,
digitally empowering
RMs, Europe**



PWM Wealth Tech
Awards Winners

**Excellence Award -
Peripheral emission
of the year 2019**



The Covered Bond
Report Awards

Best Digital Team



Paytech Digital Awards

BPI Brasil



APFIPP

**Most Active
Research House**



Euronext Lisbon
Awards 2019

**CaixaBank BPI
2nd place Best Equity
Research Team in Spain
and Portugal**



Refinitiv

**Best Housing Loan, Best Payroll Deposit
and Best National Equities Mutual Fund**



Rankia

BPI has investment grade ratings for LT debt from Fitch and S&P and for LT deposits from Moody's

Investment Grade

Non-Investment grade

S&P Global

(Long Term Debt / Issuer Credit Rating)

... AA-, AA, AA+ e AAA

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

... CCC, CCC-, CC, C e D

MOODY'S

(Long Term Debt / Issuer rating)

... Aa2, Aa1 e Aaa

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

... Caa3, Ca e C

FitchRatings

(Long-Term Debt / Issuer Default Rating)

... AA-, AA, AA+ e AAA

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

... CCC, CCC-, CC, C e D



(Long-Term Debt / Issuer Rating)

... AA, AA (high), AAA

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

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

BPI (Long term debt)

Investment grade BBB

(Long term deposits)

Investment grade Baa1

(Long term debt)

Investment grade BBB

- S&P (18 Mar.19) upgraded by 1 notch BPI's long-term debt rating, from BBB- to BBB, with stable Outlook
- Moody's (24 Jul.19) upgraded Banco BPI's Baseline Credit Assessment (BCA) from ba1 to baa3, reaching investment grade level, and reaffirmed long-term deposits rating at Baa1 and long-term debt rating at Ba1. The ratings' outlook is stable.
- Fitch (11 Oct.18) upgraded by 1 notch BPI's long-term debt rating, from BBB- to BBB, with stable Outlook. On the 30 Oct.19, Fitch reaffirmed BPI ratings (with stable Outlook).

Results in September 2019 - Highlights

Commercial activity in Portugal	Loan portfolio +602 M.€ +2.6% sep. 19, ytd	Customer deposits +1 228 M.€ +5.8% sep. 19, ytd	Total customer resources +733 M.€ +2.2% sep. 19, ytd	Net interest income +3.4% sep. 19, yoy
	NPE 3.2% sep.19	NPE coverage 124% (by impairments and collaterals) sep.19	Cost of credit risk -0.10% (% of gross loans and guarantees) sep.19 ytd (annualised)	CET1 12.7% T1 14.2% Total 15.9% Fully loaded, sep. 19 ⁽¹⁾
	Net profit in Portugal 152.8 M.€ Recurring sep. 19	ROTE in Portugal 8.0% Recurring last 12 months	Cost-to-income in Portugal 60.0% last 12 months	Consolidated net profit 253.6 M.€ sep. 19

Results in 30 September 2019

(unaudited accounts)



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
- Reconciliation between BPI reported figures and BPI Segment contribution to CaixaBank Group
- Alternative performance measures

Income Statement of activity in Portugal

(unaudited)

In M.€	Sep 18			Sep 19			Δ%
	As reported	Non recurr. ¹⁾	Excl. non recurr.	As reported	Non recurr. ²⁾	Excl. non recurr.	Excl. non recurr.
Net interest income	315.2		315.2	326.1		326.1	3.4%
Dividend income	1.7		1.7	2.4		2.4	38.1%
Equity accounted income	13.2		13.2	15.6		15.6	18.1%
Net fee and commission income	201.5		201.5	192.5		192.5	-4.5%
Gains/(losses) on financial assets and liabilities and other	85.1	59.6	25.6	2.8		2.8	-89.1%
Other operating income and expenses	(15.8)		(15.8)	(9.0)		(9.0)	43.0%
Gross income	600.9	59.6	541.4	530.3		530.3	-2.1%
Staff expenses	(187.9)	(7.6)	(180.3)	(182.8)	(0.0)	(182.8)	1.4%
Other administrative expenses	(133.1)		(133.1)	(113.4)		(113.4)	-14.8%
Depreciation and amortisation	(16.9)		(16.9)	(40.3)		(40.3)	139.1%
Operating expenses	(337.9)	(7.6)	(330.3)	(336.5)	(0.0)	(336.5)	1.9%
Net operating income	263.1	52.0	211.1	193.8	(0.0)	193.8	-8.2%
Impairment losses and other provisions	27.5		27.5	18.5		18.5	32.8%
Gains and losses in other assets	57.0	57.8	(0.7)	2.2		2.2	396.6%
Net income before income tax	347.6	109.8	237.8	214.4	(0.0)	214.4	-9.8%
Income tax	(87.4)	(13.8)	(73.6)	(61.7)	0.0	(61.7)	-16.2%
Net income from continuing operations	260.2	96.0	164.2	152.7	(0.0)	152.8	-7.0%
Net income from discontinued operations	64.2	64.2	(0.0)				
Net income	324.4	160.2	164.2	152.7	(0.0)	152.8	-7.0%

1) Non recurring impacts in Sep. 2018: gain of 163.3 M.€ with the sale of subsidiaries and the stake in Viacer, cost of 5.5 M.€ after taxes with early retirements (7.6 M.€ before taxes) and net income from discontinued operations of 2.5 M.€.

2) Non recurring impacts in Sep. 2019: costs with early retirements.

(unaudited)

Consolidated income statement

In M.€	Sep 18	Sep 19
Net interest income	315.2	326.1
Dividend income	1.7	48.4
Equity accounted income	246.4	31.4
Net fee and commission income	201.5	192.5
Gains/(losses) on financial assets and liabilities and other	77.3	(5.2)
Other operating income and expenses	(15.8)	(13.6)
Gross income	826.4	579.5
Staff expenses	(187.9)	(182.8)
Of which: Recurring staff expenses	(180.3)	(182.8)
Non-recurring costs ¹⁾	(7.6)	(0.0)
Other administrative expenses	(133.1)	(113.4)
Depreciation and amortisation	(16.9)	(40.3)
Operating expenses	(337.9)	(336.5)
Net operating income	488.5	243.0
Impairment losses and other provisions	27.7	18.5
Gains and losses in other assets	57.0	2.2
Net income before income tax	573.3	263.6
Income tax	(108.4)	(10.1)
Net income from continuing operations	464.9	253.6
Net income from discontinued operations	64.2	
Net income	529.1	253.6
	Sep 18	Sep 19
Earnings per share (€)	0.36	0.17
Net income from continuing operations (€)	0.32	0.17
Net income from discontinued operations (€)	0.04	
Average weighted nr. of shares (in millions)	1 457	1 457

1) Costs with voluntary terminations and early retirements.

(unaudited)

Consolidated balance sheet

In M.€	Dec 18	Sep 19
ASSETS		
Cash and cash balances at central banks and other demand deposits	2 452.9	1 424.5
Financial assets held for trading, at fair value through profit or loss and at fair value through other comprehensive income	2 330.5	2 398.4
Financial assets at amortised cost	25 671.9	26 989.2
Of which:		
Loans to Customers	22 949.1	23 590.4
Investments in joint ventures and associates	209.1	248.2
Tangible assets	67.3	138.8
Intangible assets	55.1	56.6
Tax assets	352.8	319.1
Non-current assets and disposal groups classified as held for sale	33.9	24.5
Other assets	394.5	340.0
Total assets	31 568.0	31 939.3
LIABILITIES		
Financial liabilities held for trading	141.3	180.9
Financial liabilities at amortised cost	27 515.7	27 454.1
Deposits - Central Banks and Credit Institutions	3 206.3	2 623.9
Deposits - Customers	22 960.3	23 175.5
Technical provisions		
Debt securities issued	1 118.2	1 355.6
Memorandum items: subordinated liabilities	304.5	300.3
Other financial liabilities	231.0	299.0
Provisions	65.5	43.4
Tax liabilities	73.8	19.0
Liabilities included in disposal groups classified as held for sale	0.0	0.0
Other liabilities	565.7	720.1
Total Liabilities	28 362.1	28 417.5
Shareholders' equity attributable to the shareholders of BPI	3 206.0	3 521.9
Non controlling interests	0.0	0.0
Total Shareholders' equity	3 206.0	3 521.9
Total liabilities and Shareholders' equity	31 568.0	31 939.3

Consolidated profitability and efficiency metrics

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

	Sep 18	Sep 19
Gross income / ATA	3.6%	2.4%
Net income before income tax and income attributable to non-controlling interests / ATA	2.8%	1.1%
Net income before income tax and income attributable to non-controlling interests / average shareholders' equity (including non-controlling interests)	28.2%	10.9%
Staff expenses / Gross income ¹	21.8%	31.5%
Operating expenses / Gross income ¹	40.0%	58.1%
Loans (net) to deposits ratio	107%	104%

1) Excluding early-retirement costs.

NPE ratio and forborne (prudential perimeter; according to the EBA criteria)

	Sep 18	Sep 19
Non-performing exposures (NPE) ratio	3.8%	3.2%
NPE cover by impairments and collaterals	126%	124%
Ratio of forborne not included in NPE ²⁾	1.0%	0.4%

2) Forborne according to EBA criteria and considering the scope of prudential supervision. On 30 Sep. 2019, the forborne was 640 M.€ (forborne ratio of 1.9%), of which 140 M.€ was performing loans (0.4% of the gross credit exposure) and 500 M.€ was included in NPE (1.5% of the gross credit exposure).

Reconciliation between BPI reported figures and BPI Segment contribution to CaixaBank Group

Profit & loss account (Sep. 19)

In millions of euro (M.€)	Sep.19 reported by BPI	Consolidation, standardisation and net change in FV adjustments derived from the combination of businesses	Sep.19 BPI contribution to CABK Group	BPI segment	Investments segment
Net interest income	326	(21)	305	308	(3)
Dividends	48		48		48
Equity accounted income	31	(2)	29	15	14
Net fees and commissions	193		193	193	
Trading income	(5)	15	10	14	(4)
Other operating income & expenses	(14)	(4)	(18)	(18)	
Gross income	579	(12)	567	512	55
Recurring operating expenses	(336)	(12)	(348)	(348)	
Extraordinary operating expenses					
Pre-impairment income	243	(24)	219	164	55
Pre-impairment income without extraordinary expenses	243	(24)	219	164	55
Impairment losses and other provisions	18	46	64	64	
Gains/losses on disposals & others	3		3	3	
Pre-tax income	264	22	286	231	55
Income tax	(10)	(2)	(12)	(59)	47
Profit for the period	254	20	274	172	102
Minority interests & other					
Net income	254	20	274	172	102

The difference between the earnings released by BPI and the earnings attributable to CaixaBank Group is largely a result of consolidation adjustments, standardisation adjustments and the net change in the fair value adjustments generated from the business combination.

Additionally, the BPI contribution to CaixaBank Group results is broken down into BPI segment and Investments segment contributions, the latter including the contributions from BFA and BCI.

Loan portfolio & customer funds (Sep. 19)

Sep. 19 In millions of euro (M.€)	Reported by BPI	Adjustments	BPI contribution to CABK Group (BPI segment)
Loans and advances to customers, net	23 590	(406)	23 184
Total customer funds	33 928	(4 476)	29 452

The difference between BPI reported figures and those reported by CaixaBank for the BPI segment can largely be explained:

- in **Loans and advances to customers (net)**, by the associated fair value adjustments generated by the business combination at 30 September 2019 and consolidation adjustments (elimination of intra-group balances: BPI credit to CaixaBank Payments);
- in **Customer funds**, by the liabilities under insurance contracts and their fair value adjustments at 30 September 2019, as generated by the business combination, which have been reported in the banking and insurance business segment of CaixaBank following the sale of BPI Vida to VidaCaixa de Seguros y Reaseguros.

Alternative Performance Measures – reconciliation of the income statement

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.

Acronyms and designations adopted

ytd	<i>Year-to-date</i>
yoy	<i>Year-on-year</i>
qoq	quarter-on-quarter
RCL	Reclassified
ECB	European Central Bank
BoP	Bank of Portugal
CMVM	<i>Comissão do Mercado of Valores Mobiliários</i> (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

Alternative Performance Measures – reconciliation of the income statement

Reconciliation of the income statement

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 2019) with the structure used in the financial statements and respective notes of the 2018 Annual Report.

Consolidated income statement

Structure used in the Results' Presentation	Sep 19	Sep 19	Structure presented in the financial statements and respective notes
Net interest income	326.1	326.1	Net interest income
Dividend income	48.4	48.4	Dividend income
Equity accounted income	31.4	31.4	Share of profit/(loss) of entities accounted for using the equity method
Net fee and commission income	192.5	209.8	Fee and commission income
		(17.3)	Fee and commission expenses
Gains/(losses) on financial assets and liabilities and other	(5.2)	(0.3)	Gains/(losses) on derecognition of financial assets and liabilities not measured at fair value through profit or loss, net
		(1.0)	Gains/(losses) on financial assets and liabilities held for trading, net
		(8.8)	Gains/(losses) on financial assets not designated for trading compulsorily measured at fair value through profit or loss, net
		3.3	Gains/(losses) from hedge accounting, net
		1.5	Exchange differences (gain/loss), net
Other operating income and expenses	(13.6)	25.3	Other operating income
		(38.9)	Other operating expenses
Gross income	579.5	579.5	GROSS INCOME
Staff expenses	(182.8)	(182.8)	Staff expenses
Other administrative expenses	(113.4)	(113.4)	Other administrative expenses
Depreciation and amortisation	(40.3)	(40.3)	Depreciation and amortisation
Operating expenses	(336.5)	(336.5)	Administrative expenses, depreciation and amortisation
Net operating income	243.0	243.0	
Impairment losses and other provisions	18.5	2.0	Provisions or reversal of provisions
		16.5	Impairment/(reversal) of impairment losses on financial assets not measured at fair value through profit or loss
Gains and losses in other assets	2.2	1.0	Impairment (reversal) of impairment in subsidiaries joint ventures and associates
		1.7	Impairment/(reversal) of impairment on non-financial assets
		(1.5)	Gains/(losses) on derecognition of non-financial assets, net
		1.0	Profit/(loss) from non-current assets and disposal groups classified as held for sale not qualifying as discontinued operations
Net income before income tax	263.6	263.6	PROFIT/(LOSS) BEFORE TAX FROM CONTINUING OPERATIONS
Income tax	(10.1)	(10.1)	Tax expense or income related to profit or loss from continuing operations
Net income from continuing operations	253.6	253.6	PROFIT/(LOSS) AFTER TAX FROM CONTINUING OPERATIONS
Net income from discontinued operations	0.0	0.0	Profit/(loss) after tax from discontinued operations
Income attributable to non-controlling interests	0.0	0.0	Profit/(loss) for the period attributable to non-controlling interests
Net income	253.6	253.6	PROFIT/(LOSS) FOR THE PERIOD 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.

Gross income = Net interest income + Dividend income + Net fee and commission income + Equity accounted income + Gains/(losses) on financial assets and liabilities and other + Other operating income and expenses

Commercial banking gross income = Net interest income + Dividend income + Net fee and commission income + Equity accounted income excluding the contribution of stakes in African banks

Operating expenses = Staff expenses + Other administrative expenses + Depreciation and amortisation

Adjusted Operating expenses = Staff expenses excluding cost with early retirements and voluntary terminations and (only in 2016) gains with the revision of the Collective Labour Agreement (ACT) + Other administrative expenses (recurring) + Depreciation and amortisation - Income from services rendered to CaixaBank Group (recorded in "Other operating income and expenses")

Net operating income = Gross income - Operating expenses

Net income before income tax = Net operating income - Impairment losses and other provisions + Gains and losses in other assets

Cost-to-income ratio (efficiency ratio)¹⁾ = Operating expenses / Gross income

Adjusted Operating expenses-to-commercial banking gross income¹⁾ = Operating expenses, excluding costs with early-retirements and voluntary terminations and (only in 2016) gains with the revision of the Collective Labour Agreement (ACT) - Income from services rendered to CaixaBank Group (recorded in "Other operating income and expenses") / Commercial banking gross 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) on 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 goodwill on equity holdings.

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

BALANCE SHEET AND FUNDING INDICATORS

On-balance sheet Customer resources²⁾ = Deposits + Capitalisation insurance of fully consolidated subsidiaries + Participating units in consolidated mutual funds

▪ Deposits = Demand deposits and other + Term and savings deposits + Interest payable + 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)

Assets under management³⁾ = 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 Insurance⁴⁾ = Third-party capitalisation insurance placed with Customers

▪ Pension plans⁴⁾ = pension plans under BPI management (includes pension plans of BPI Group)

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.

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

3) 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.

4) 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.

Alternative Performance Measures

BALANCE SHEET AND FUNDING INDICATORS (continuation)

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 amortised cost), excluding other assets (guarantee accounts and others) + Gross debt securities issued by Customers (financial assets at amortised 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 bonds

ASSET QUALITY INDICATORS

Impairments and provisions for loans and guarantees (in income statement) = Impairment or reversal of impairment on financial assets not measured at fair value through profit or loss relative to loans and advances to Customers and debt securities issued by Customers (financial assets at amortised cost), before deduction of recoveries of loans previously written off from assets, interest and others + Provisions or reversal of provisions for commitments and guarantees

Cost of credit risk = Impairments and provisions for loans and guarantees - Recoveries of loans previously written off from assets, interest and other

Cost of credit risk as % of the loan portfolio ¹⁾ = (Impairments and provisions for loans and guarantee - Recoveries of loans previously written off from assets, interest and other) / Average value in the period of the gross loans and guarantees 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 = [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 ("crédito dudoso"; 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.



Grupo  CaixaBank

BANCO BPI, S.A.

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Share capital: € 1 293 063 324.98

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