

Banco BPI

Consolidated results

4 May 2020

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Activity and results in the 1st Quarter 2020



COVID-19: Support for companies, families, employees and society



Social responsibility, rating and highlights

Annex

BPI consolidated results in the 1st quarter 2020

Net income in Portugal and in the consolidated

- **Net profit in Portugal of 4.4 M.€** in the 1st quarter 2020 (-90% yoy)
- **Consolidated net profit of 6.3 M.€** in the 1st quarter 2020 (-87% yoy)
- **Reinforcement of credit impairments by 32 M.€** in the 1st quarter 2020 (vs. a gain of 1 M.€ in 1Q 19) to cover future needs

Customer resources and loans

- **Customer deposits increased 765 M.€ (+3.4% ytd)**
- **Loan portfolio increased 142 M.€ (+0.6% ytd)**

High asset quality

- **Non-performing exposures ratio – NPE (EBA definition) – decreased to 2.3%** in March 2020
- **Coverage by impairments and collateral of non-performing exposures (NPE) increased to 125%**

Strong capitalisation

- **Capital ratios (fully loaded) increased: CET1 to 13.7%, T1 to 15.2% and total capital to 16.9%**
- **Leverage ratio (fully loaded) of 7.7%**
- **Banco BPI and CaixaBank decided to suspend the payment of the 117 M.€ of dividend with respect to the Banco BPI 2019 results.** With this decision, Banco BPI reinforces its capacity to support the Portuguese economy, its companies and its families.

BPI debt and deposits ratings at investment grade

- **BPI senior debt:** Moodys and Fitch upgraded the rating to **Baa3** and **BBB+**, respectively. S&P assigns a **BBB** rating to BPI's senior debt.
- **BPI deposits:** rated **Baa1** by Moody's and **BBB+** by Fitch Ratings

Support to FAMILIES and COMPANIES

Loan moratoria (requests received)

(until 24 Apr.)	No.	Loan amount
Mortgage loans	24.8 th	2 114 M.€
Personal loans and car finance	15.9 th	249 M.€
Loans to companies	16.7 th	2 415 M.€
Total	57.5 th	4 778 M.€

Commercial units
operating

89% Branches

100% Corporate
Centres

Public support credit lines COVID-19

(until 27 Apr.)	No.	Loans
Applications received	8 399	1 130 M.€

Credit lines (Companies)

Amount available (24 Apr.)	2 430 M.€
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Banco BPI new loan production in 2020

In 2020 (until 3rd week April)	New loans
Companies	3 320 M.€
Individuals	849 M.€

BPI current macro projections

	2020	2021
GDP	-8.1%	+6.1%
Unemployment	12.7%	8.6%

Consolidated net profit of 6.3 M.€ in the 1st quarter 2020

Consolidated net profit

In M.€	Mar 19	Mar 20	Δ%
Net profit in Portugal	45.5	4.4	-90%
BFA contribution	(0.2)	(1.2)	
BCI contribution	3.9	3.0	
Consolidated net profit	49.2	6.3	-87%

	Δ yoy
▪ Commercial banking gross income ¹⁾	+4.5 M.€
▪ Loan impairments	-33 M.€
▪ Banking sector contribution ²⁾	-12 M.€
▪ Gains / losses on financial assets and liabilities	-14 M.€
▪ Other	+13 M.€

Recurrent ROTE in Portugal

	Mar.19	Mar.20
Recurrent ROTE (Last 12 months)	8.0%	7.1%

6

1) Net interest income, net fees and commissions, dividends and equity accounted income.

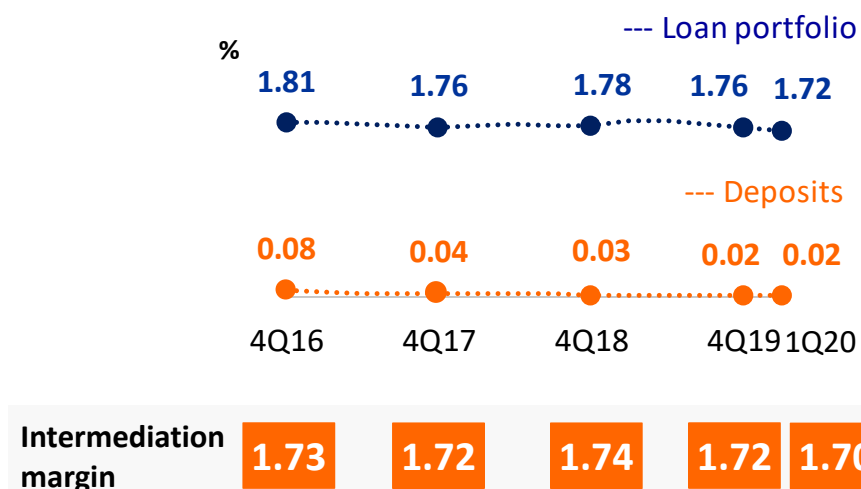
2) In 2019, the banking sector contribution was accrued over the 12 months of the year (4.0 M € in the 1st quarter 2019); in 2020 it was accounted for in the 1st quarter in full (15.5 M €).

Commercial banking gross income increased 2.6% yoy in the 1st Q 2020

Gross income in the activity in Portugal

In M.€	Mar 19 ⁽¹⁾	Mar 20	Δ%
Net interest income	106.8	109.9	+ 2.9%
Dividends and equity accounted income	4.9	5.8	+ 19.6%
Net fee and commission income	60.4	60.8	+ 0.7%
COMMERCIAL BANKING GROSS INCOME	172.0	176.5	+ 2.6%
<i>Gains/(losses) on financial assets and liabilities</i>	-0.8	-14.4	
<i>Banking sector contribution ¹⁾</i>	-4.0	-15.5	
<i>Other net income</i>	2.9	4.8	
Gross income	170.1	151.4	- 11.0%

Yields on customer loans and cost of deposits (quarterly average yield; in %)



Loan portfolio increased 0.6% YtD

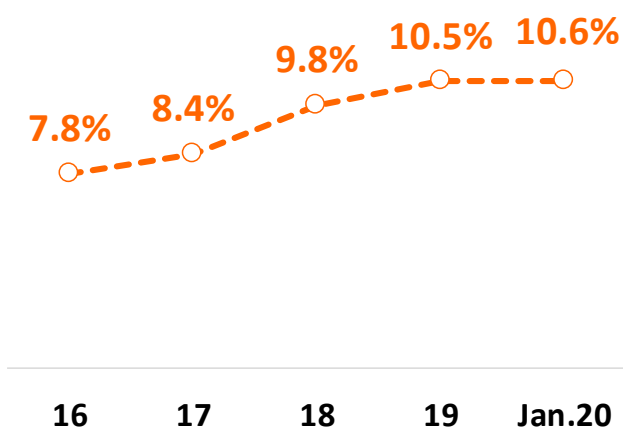
Loans to customers by segments

Gross portfolio, in M.€	Dec 19	Mar 20	YtD	YoY (Mar.20/Mar.19)
I. Loans to individuals	13 045	13 195	1.1%	4.5%
Mortgage loans	11 377	11 517	1.2%	3.5%
Other loans to individuals	1 668	1 678	0.6%	11.4%
II. Loans to companies	9 513	9 514	0.0%	5.3%
III. Public sector	1 823	1 813	(0.5%)	6.1%
Total loans	24 381	24 523	0.6%	4.9%
Note:				
Loan portfolio net of impairments	23 987	24 103	0.5%	5.5%

Note: in 2020 BPI changed the segmentation of the loan portfolio. The figures in Dec19 have been restated to ensure comparability.

Market share evolution

Corporate and Small Businesses loan portfolio¹⁾

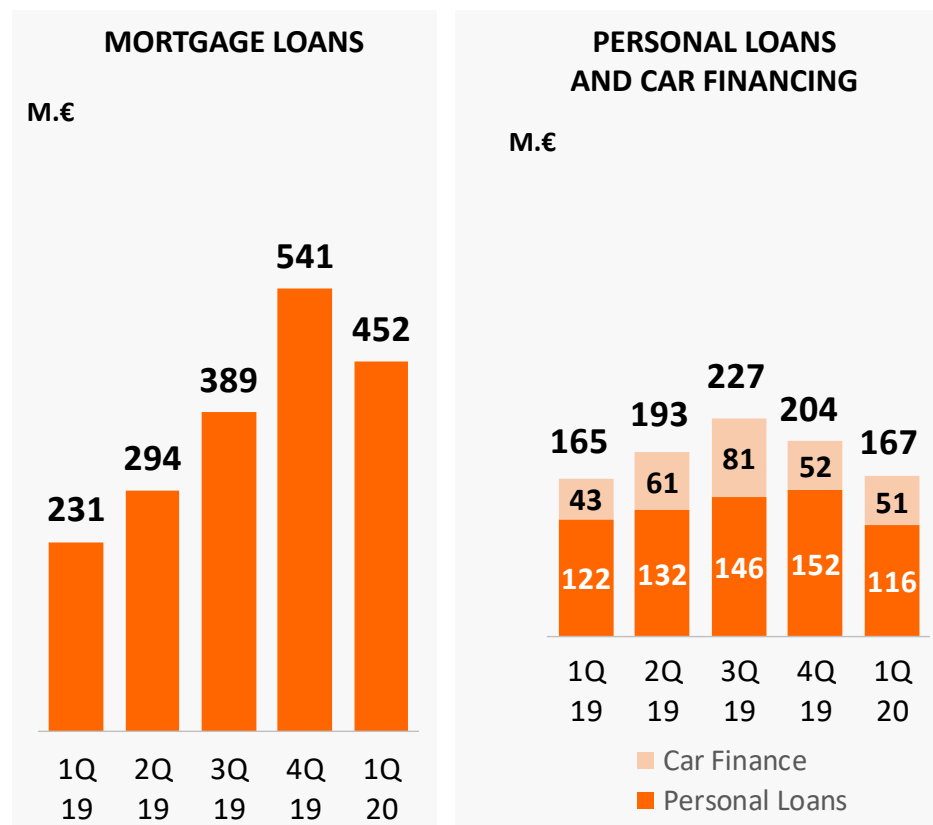


Total loan portfolio
market share (January 2020)

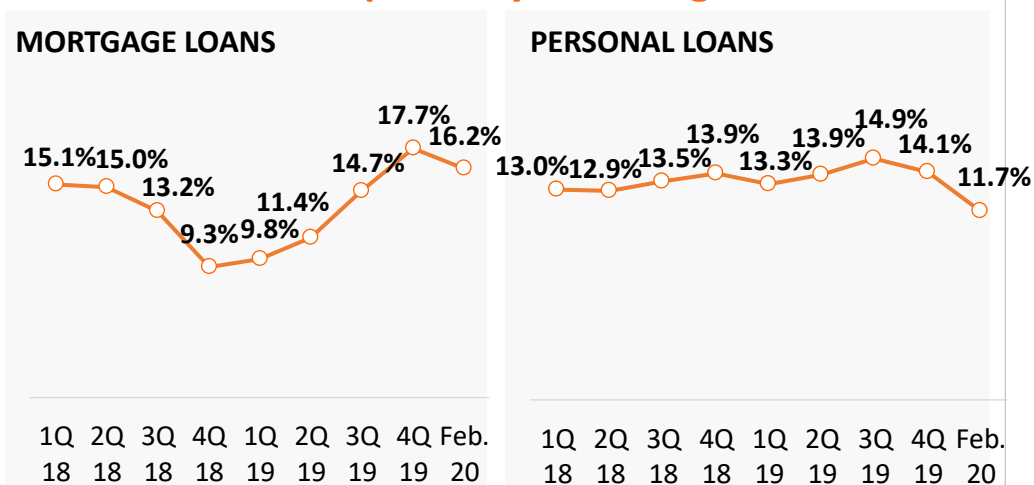
10.5%

Individual loans origination and market shares

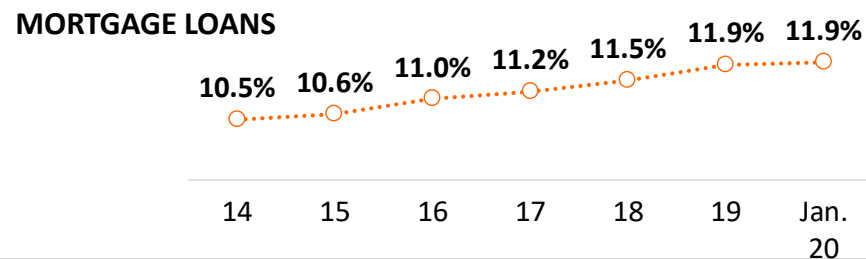
Loan origination



Market shares in quarterly loan origination



Market shares in loan portfolio



Customer deposits increased 3.4% YtD

Customer resources

In M.€	Dec 19	Mar 20	YtD	YoY (Mar.20/Mar.19)
I. On-balance sheet resources	23 015	23 967	4.1%	7.5%
Customer deposits	22 707	23 472	3.4%	10.4%
Institutional and financial investors deposits	308	495	60.6%	-51.7%
II. Assets under management	9 797	8 954	-8.6%	-4.9%
Mutual funds	5 245	4 586	-12.6%	-11.9%
Capitalisation insurance	4 552	4 368	-4.0%	3.7%
III. Public offerings	1 569	1 459	-7.1%	-23.7%
Total	34 382	34 380	0.0%	2.3%

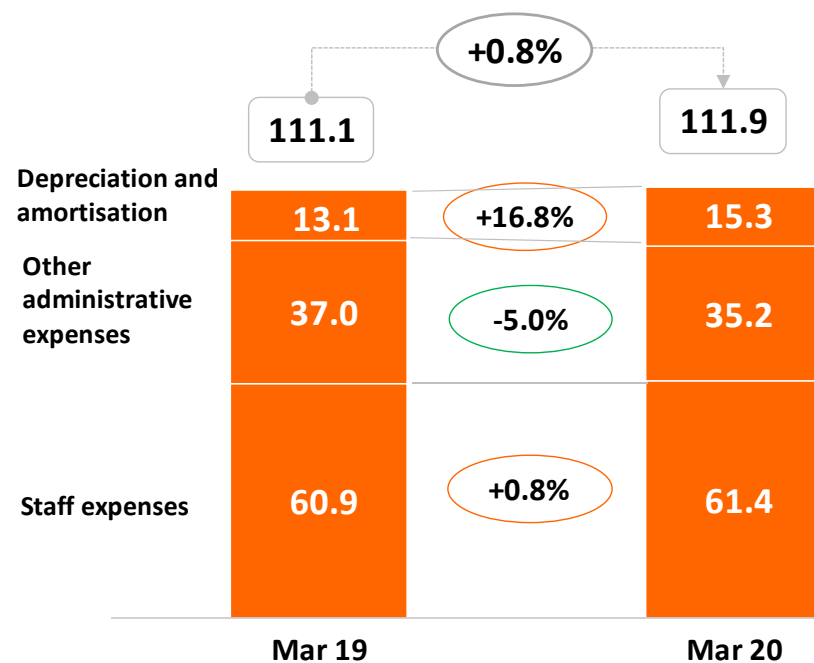
- Customer deposits increased by 0.8 Bi.€ YtD to 23.5 Bi.€
- Decrease in **assets under management** largely explained by the devaluation of the portfolios
- Stable total customer resources** (vs. Dec.19)

Market shares

	Feb. 20
Deposits	10.2% ¹⁾
Mutual funds ²⁾	11.5%
Capitalisation insurance ²⁾	16.1%
Retirement savings plans ²⁾	11.3%

Operating expenses increased 0.8% yoy

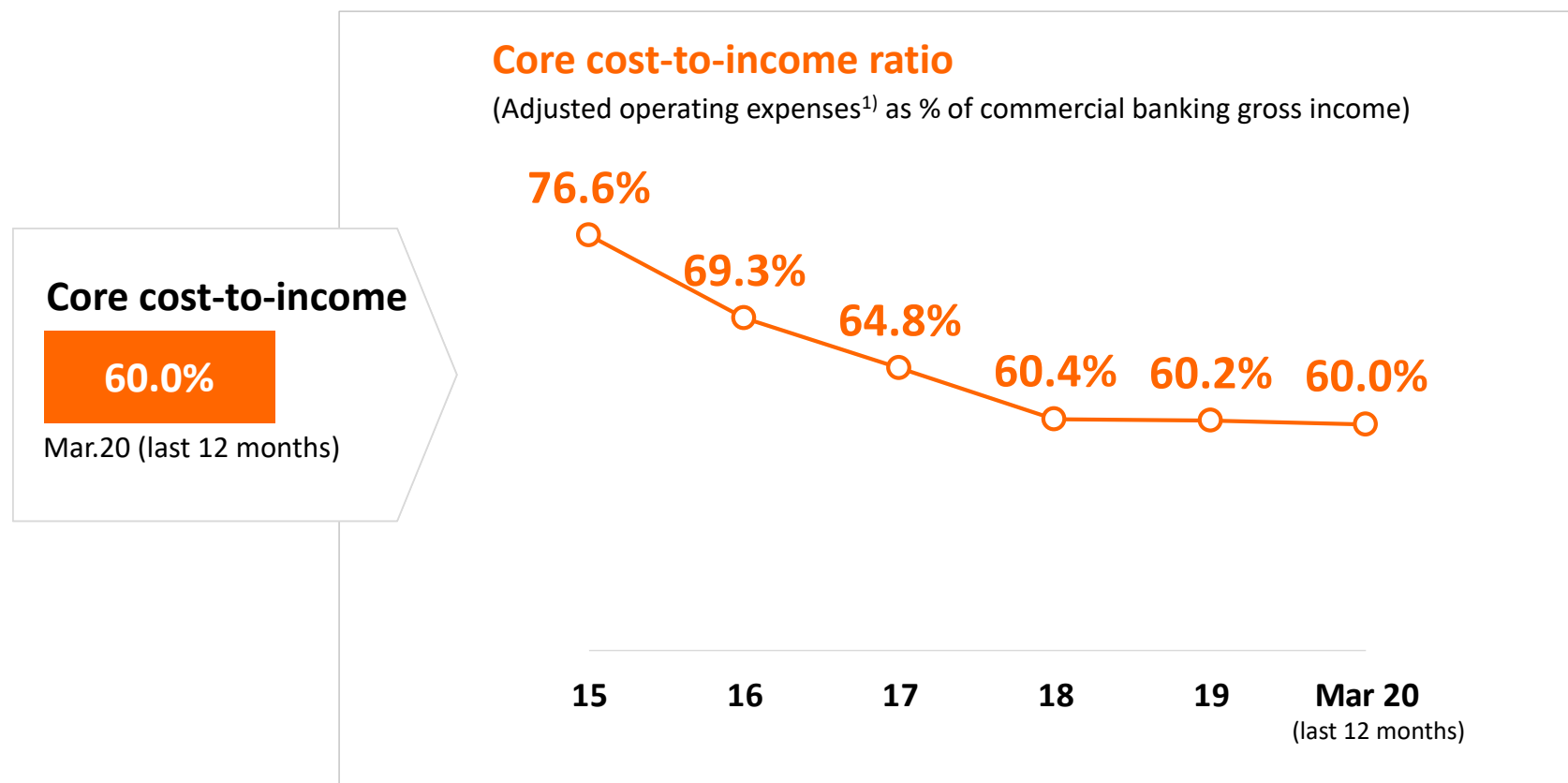
Operating expenses, M.€



Staff and distribution network

Nº	Dec.19	Mar.20
Staff	4 840	4 831
		-9
Retail branch network ¹	406	383
		-23

Core cost-to-income of 60% in March 2020

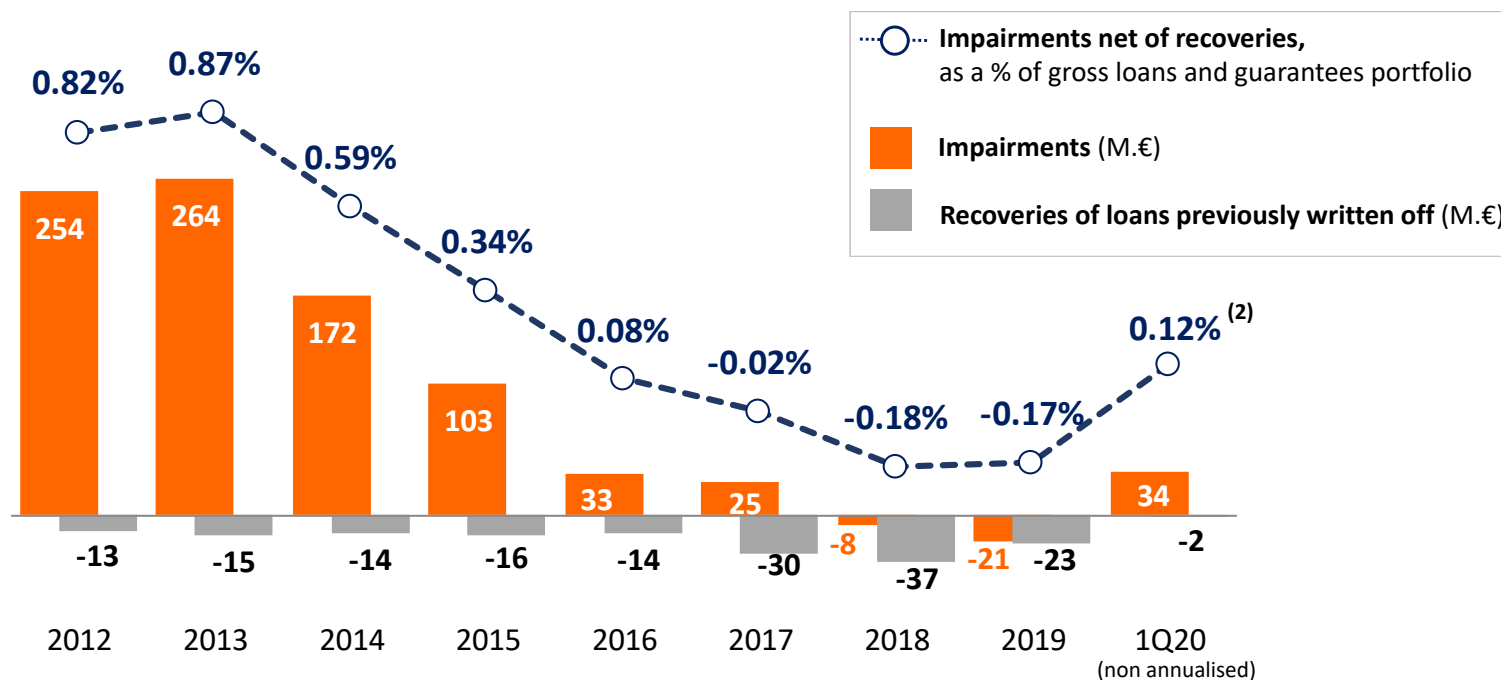


1) Recurrent operating expenses deducted of revenues from services rendered to CaixaBank.

Loan impairments net of recoveries of 32 M.€ (1st quarter 2020)

- Loan impairments of 34 M.€ in the 1st Q.2020 includes non-allocated impairments resulting from the macroeconomic scenario review due to Covid19

Evolution of cost of credit risk, M.€



Cost of credit risk¹⁾

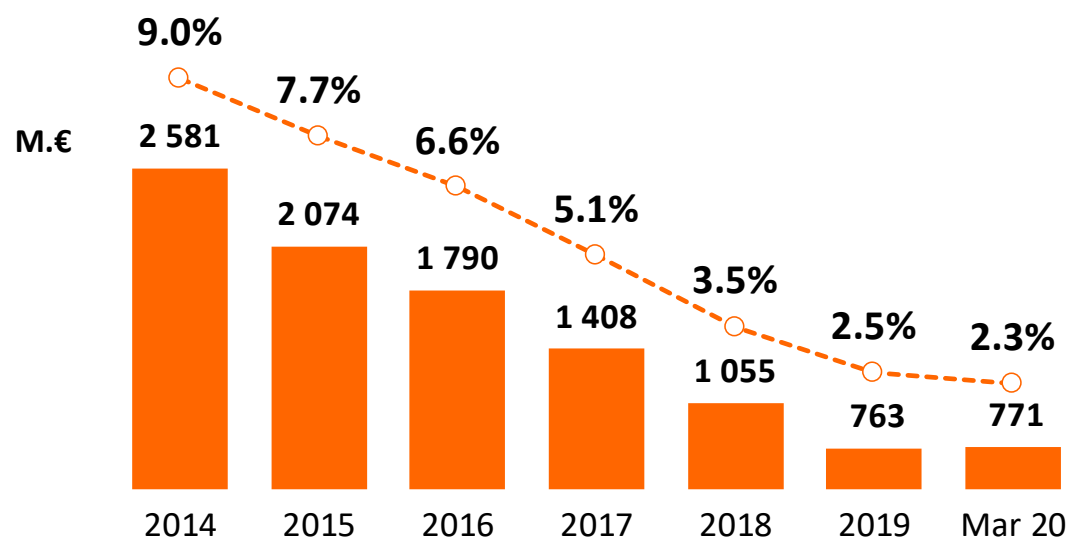
2012	2013	2014	2015	2016	2017	2018	2019	1Q 20
242	249	158	87	19	(5)	(45)	(43)	32

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

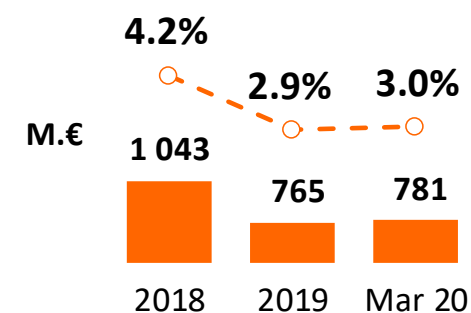
2) Non annualised. In the last 12 months up to Mar.20, the cost of credit risk was -0.04% of the gross loans and guarantees portfolio.

NPE ratio of 2.3% in March 2020

Non-Performing Exposures - NPE (EBA criteria¹)



Non-performing loans - NPL (“Crédito Duvidoso”)



Coverage ratio²⁾

38%

43%

39%

43%

53%

54%

57%

Coverage by impairments and collaterals

117%

127%

124%

125%

54%

54%

57%

120%

115%

117%

Employees pension liabilities

Employees pension liabilities

M.€	Dec 19	Mar 20
Total past service liability	1 804	1 645
Net assets of the pension funds	1 767	1 643
Level of coverage of pension liabilities	98%	100%
Pension funds return ¹⁾	12.6%	-6.6%

Actuarial assumptions

	Dec 19	Mar 20
Discount rate	1.3%	1.85%
Salary growth rate	0.9%	0.9%
Pensions growth rate	0.4%	0.4%
Mortality table: Men	TV 88/ 90	
Mortality table: Women	TV 88/ 90 – 3 years	

Actuarial deviations²⁾

	1Q 20
Income from investment portfolio	(123)
Change in the discount rate	+152
Other	+0
Actuarial deviations	+30

Solid capital position

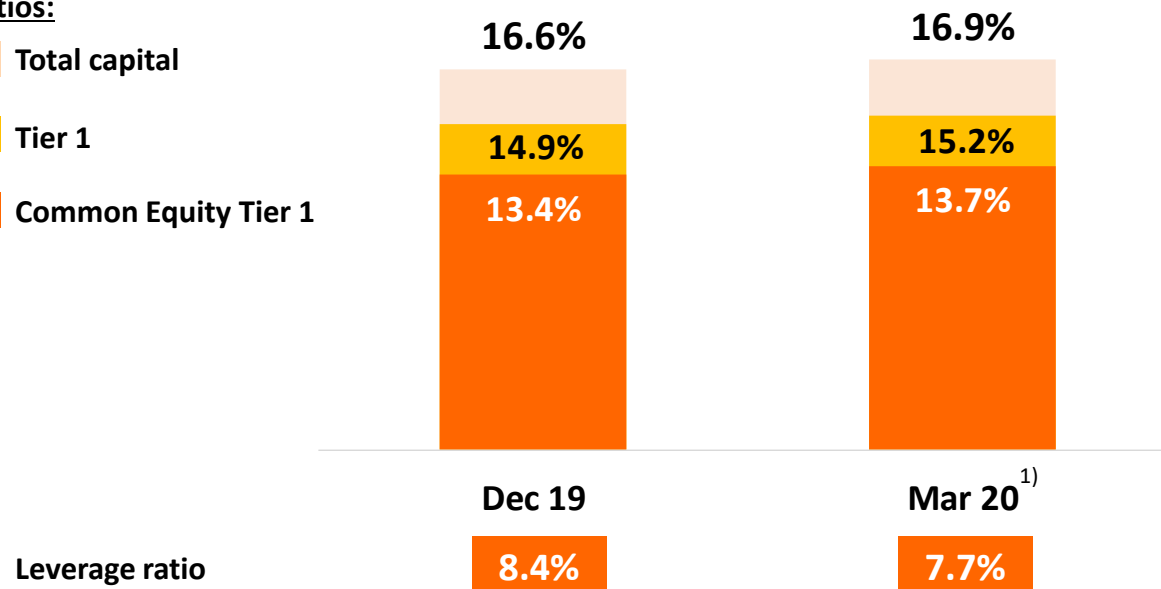
Consolidated capital

Consolidated capital ratios

(fully loaded)

Ratios:

- Total capital
- Tier 1
- Common Equity Tier 1



Capital requirements (SREP)²⁾

	In 2020
Total capital	12.875%
T1	10.375%
CET1	8.50%
Buffer MDA ³⁾	4.01%

Leverage ⁴⁾	3.0%
------------------------	------

- Banco BPI and CaixaBank decided to suspend the payment of the 117 M.€ of dividend with respect to the Banco BPI 2019 results.

- 2) Excludes Pillar 2 Guidance and reflects changes in the composition of Pillar 2 Requirement.
- 3) Capital buffer without limitations on results distribution.
- 4) Regulatory minimum from June 2021.

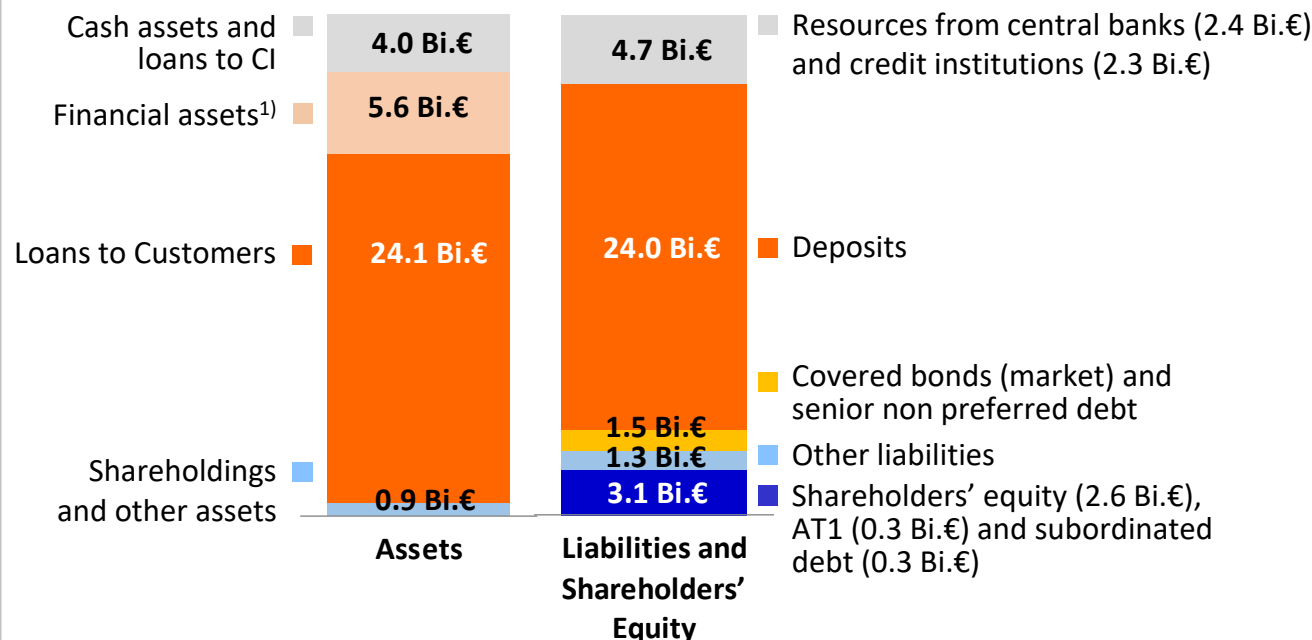
Balanced funding structure and comfortable liquidity position

- Customer resources constitute the main source of financing of the balance sheet (69% of assets)

Balance sheet of the activity in Portugal

(31 Mar. 2020)

34.6 Bi.€



Comfortable liquidity metrics

Loans / deposits	96%
Liquidity coverage ratio	181% ²⁾
Net stable funding ratio (NSFR) ³⁾	132%

Total liquid assets

Total liquid assets	9.3 Bi.€
Of which, HQLA	6.3 Bi.€
Other assets eligible as ECB collateral	3.1 Bi.€

HQLA - High Quality Liquid Assets

Financing with the ECB	2.4 Bi.€
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1) Includes short-term public debt of 0.2 Bi.€ (Portugal), with a residual average maturity of 0.1 years, and medium and long-term debt of 4.4 Bi.€ (Portugal 55%, Spain 30% and Italy 15%) with an average residual maturity of 2.9 years.

2) Average 12 months, according to EBA guidance. Average amount (last 12 months) of LCR components calculation: Liquidity Reserves (4 550 M.€); Total net outflows (2 516 M.€).

3) Regulatory minimum from June 2021.



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COVID-19: Support for companies, families, employees and society



Social responsibility, rating and highlights

Annex

Protection of CLIENTS and EMPLOYEES

PHYSICAL DISTRIBUTION NETWORK

- Since the 16th March, **BPI's commercial networks have been operating "behind closed doors"**, with restricted client access to the branches. **89% of the branches and 100% of corporate centres are operating.**

PROMOTE THE USE OF THE BRANCHES AUTOMATIC ZONES

- **More than 150 self-service machines** that enable a wide range of transactions (cheques or cash deposits, account balances, cheque requests and exchange of notes / coins, ...).
- **Simplification of the subscription of BPI Depósitos Card for Companies** (free, annual fee exempt) that allows deposits in automated zones, at any time of the day.

EASE IN REMOTE EXECUTION OF TRANSACTIONS

- **Simplifying the subscription of home banking services and extending the array of services available** on these channels.
- **Online contact with the respective account manager made available.**
- **Free six-month offer for new subscriptions of basic services package** (Conta Valor, Conta Premier, Conta Commerce) that include basic online transactions.

PROCESS REVIEW AND SIMPLIFICATION

- **Review of the main processes** within the scope of the digital channels, means of payment, credit and financial instruments, using **digital documentation** and **remote validation and authorisation** protocols.

24H HEALTH PHONE LINE

- **Linha Allianz Saúde:** medical team available 24h for all BPI Clients.

Support for CLIENTS

Digital transformation

SPECIFIC DEVELOPMENTS IN THE CONTEXT OF THE PANDEMIC

- **Subscription to home banking channels**
subscription or reactivation of access to home banking channels by the Customer (BPI Net and BPI Net Empresas), **without having to go to the Branch.**
- **Reinforcement of digital solutions in the Commercial Networks**
secure communication between the Client and the Manager (messages, documentation and instructions) with a significant increase in **remote service capabilities** and **contracting of new products and services**
- **Loans moratoria**
Moratoria applications through **BPI Net** and **BPI Net Empresas.**

OTHER DEVELOPMENTS

- **Extending the Immediate Credit product.**
- **Launch of BPI Drive:** digital submission of car financing proposals by Dealers and Customers.
- **Expansion of the offer of Retirement Savings products** in the home and mobile banking channels
- **Development of API (Application Programming Interface) for Payments to the Social Security** under the PSD2 / Open Banking Payments Directive.

679 th.

Regular users of digital banking

45%

% Active digital clients¹⁾

31 March 2020

Support for FAMILIES

Loan moratoria for individuals¹⁾

- **Permanent residence mortgage loans** - Capital or capital and interest moratoria, until 30 September (DL 10-J / 2020 moratoria).
- **Mortgage loans - other purposes** – Capital or capital and interest moratoria, until 30 September (protocol APB).
- **Personal loans and car finance up to 75 thousand euros** - Capital or capital and interest moratoria, for 12 months (protocol APB).]

Customers with their salaries affected by the crisis COVID-19

- **BPI maintained the conditions of its basic service packages (Conta Valor)**
- **Maintenance of prevailing spread discounts in mortgage loans, regardless of changes in clients' activities / products**

Support for COMPANIES

Loan moratoria for companies¹⁾

- **Capital or capital, interest and commissions moratoria**, until 30 September (*DL n.º 10-J/2020*).

Maintenance of credit lines contracted

- **Maintenance of all outstanding credit line contracts** until 30 September 2020, keeping interest rates unchanged (*DL n.º 10-J/2020*).

Operationalisation of public support credit lines Covid-19

- **Credit line Capitalizar 2018 COVID-19 (400 M.€)**, to support the companies' cash management.
- **Economy Support Credit Line COVID-19 (6200 M.€)** allocated to the sectors of Catering, Tourism, Travel Agencies and Tourism Entertainment and Industry.
- **Advance by BPI of up to 20% of the approved amounts**, subject to the Bank's analysis.

Exempts from commissions and monthly fees at POS

- BPI **eliminated the minimum commission** on POS transactions.
- BPI **exempts from commissions and monthly fees** the merchants while their stores remain closed as a result of the pandemic.

Support for EMPLOYEES

68%

TELEWORK FROM HOME

90% IN CENTRAL SERVICES

53% IN THE COMMERCIAL NETWORKS

- **Employees on leave to assist their children due to school closure:** 100% of the salary + food allowance
- Possibility to **reschedule Easter holidays**
- **Weekly rotation** in commercial teams
- **Reinforced cleaning process** and **protective materials distributed**
- **Workers commission and unions involved**
- **Internal communication**
- **Training:** actions directed to specific current needs and accelerated certain programmed training courses



Activity and results in the 1st Quarter 2020



COVID-19: Support for companies, families, employees and society



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"la Caixa" Foundation and BPI support new initiatives in response to the emergency caused by Covid-19

Donation of tablets to ease communication between patients and families	In conjunction with the Ministry of Health, 108 tablets were offered to hospital palliative care teams across the country, including the Autonomous Regions, to facilitate communication between patients with COVID-19 or other advanced diseases and their families. Offer of 2 tablets to each hospital team, including pediatric palliative care teams.
Support for the development of Portuguese lung ventilator	Support for the project of a Portuguese lung ventilator developed at CEiiA-Center for Engineering and Product Development, with the involvement of the medical and scientific community, in response to the emergency caused by Covid-19. Acquisition of 25 ventilators worth 250 thousand euros to be delivered to Portuguese hospitals.
1.5 M€ for innovation projects linked to Covid-19	Launch of the CaixaImpulse Program Express Contest aimed exclusively at projects that find solutions to the health emergency caused by the coronavirus pandemic. This initiative aims to promote innovative projects that find solutions to face COVID-19, through prevention, treatment, monitoring or effective diagnostic tools.
BPI "la Caixa" Awards support the most vulnerable groups in society	Extension of application deadlines for the Capacitar, Senior and Rural Awards to support new initiatives aimed at people most affected by the crisis caused by the coronavirus pandemic. Together, these three awards have a global allocation of 2.25 million euros.
Portugal #EntraEmCena	"la Caixa" Foundation and BPI join artists, public and private entities, foundations and brands, in an unprecedented initiative around culture. The Portugal #EntraEmCena initiative takes the form of a digital marketplace, where artists can present ideas and obtain investment for the design and development phases, and where private and public companies can find talent and ideas proposed by artists and challenge the development of new projects, selecting the ones they intend to remunerate.

Implementation of programs of "la Caixa" Foundation in Portugal

"la Caixa" Foundation budget for 2020: 30 M.€ (19.3 M.€ in 2019)

Foundation own programs

ADAPTATION OF "LA CAIXA" FOUNDATION PROGRAMME IN PORTUGAL

Humaniza Programme

Incorpora Programme

Health research, CaixaImpulse and Scholarships

Culture and education: Creativity, Itinerant Exhibitions, Participatory and School Concerts, Desafio Empreende

Volunteering: CooperantesCaixa

BPI Social Responsibility Committee

PROXIMITY SUPPORT TO PROJECTS SELECTED BY BPI SOCIAL RESPONSIBILITY COMMITTEE

Natural History and Science Museum of the University of Porto

Museum of Contemporary Art of Elvas

Orchestra XXI

Marvão International Music Festival

Caramulo Museum

Decentralised Social Initiative

5 BPI "la Caixa" Awards

AWARDS TO SUPPORT SOCIAL INSTITUTIONS PROJECTS

Solidary

Seniors

Capacitar

Childhood

Rural

Volunteering: Award Reviewers

Special projects in Portugal and other support

PROJECTS TO RESPOND TO SPECIFIC COUNTRY CHALLENGES AND OTHER SUPPORT

PROMOVE Contest - Promotion of border regions

Global Platform for Syrian Students

Social Equity Initiative with Nova SBE

Serralves, Casa da Música and National Museum of Ancient Art

2020 BPI "la Caixa" awards

Since 2010, more than 15 M.€ were granted to support projects of social solidarity institutions

- ✓ **Childhood**
 Children and Adolescents
 Since 2019
- ✓ **Solidary**
 Youth and Adults
 Since 2016
- ✓ **Seniors**
 People aged over 65 years
 Since 2013
- ✓ **Capacitar**
 People with disabilities
 Since 2010
- ✓ **Rural**
 Social activities in rural areas
 Since 2019

2020 applications Donations

Closed	0.75 M.€
Closed	0.75 M.€
Until 11 May	0.75 M.€
Until 8 June	0.75 M.€
Until 22 June	0.75 M.€



€3.75 millions to social projects

Public recognition in 2020

BPI ranking #1st place in the “Large Banks” category of the “Consumer Choice Awards” and “Five Stars Awards”. BPI was recognised, for the seventh consecutive year, as the Portuguese Most Trusted Banking Brand.

This is the first time BPI earns the three awards simultaneously, which value BPI's dedication to its Customers, offering them the best service and products.



BPI has investment grade ratings for LT debt and deposits

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 Depósitos LP
Baa2
Baa3 Portugal BPI Bank 1
Ba1 Bank 2 Bank 3
Ba2
Ba3
B1
B2
B3
Caa1 Bank 4
Caa2 Bank 5

... Caa3, Ca e C

FitchRatings (Issuer Default Rating)

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

A+
A
A-
BBB+ Bank 1 BPI LT deposits LT senior debt
BBB Portugal BPI
BBB-
BB+ Bank 3
BB Bank 2
BB-
B+ Bank 4
B
B-
CCC+

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

DBRS (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

- **S&P** (17 Sep.19) reaffirmed **BPI** and its **long term senior debt** rating of **BBB**, with Stable outlook.
- **Moody's** (11 Mar.20) upgraded **BPI** and its **long term senior debt** rating from **Ba1** to **Baa3** and reaffirmed its **LT deposits** rating at **Baa1**. The ratings outlook is Stable.
- **Fitch** (3 Apr.20) upgraded BPI's **LT senior debt** rating from **BBB** to **BBB+**, rated for the 1st time its **LT deposits** with a **BBB+** rating and reaffirmed **BPI** rating of **BBB**, with Negative outlook.

Results in the 1st quarter 2020 - Highlights

Commercial activity in Portugal	Loan portfolio +142 M.€ +0.6% Mar. 20, ytd	Customer deposits +765 M.€ +3.4% Mar. 20, ytd	On-balance sheet Customer resources +952 M.€ +4.1% Mar. 20, ytd	Commercial Banking Gross Income +2.6% 1Q 20, yoy
Risk and capitalisation	NPE 2.3% Mar.20	NPE coverage 125% <small>(by impairments and collaterals)</small> Mar.20	Cost of credit risk 0.12% <small>(% of gross loans and guarantees, non-annualised)</small> 1Q 20	CET1 13.7% T1 15.2% Total 16.9% Fully loaded, Mar.20
Profitability and efficiency	Net profit in Portugal 4.4 M.€ -90% 1Q 20, yoy	ROTE in Portugal 7.1% Recurrent <small>(last 12 months until mar.20)</small>	Cost-to-income in Portugal 60.0% <small>(last 12 months until Mar.20)</small>	Consolidated net profit 6.3 M.€ -87% 1Q 20, yoy

Results in the 1st Q. 2020

(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

(unaudited)

Income Statement of activity in Portugal

In M.€	Mar 19 restated ¹⁾	Mar 20	Δ%
Net interest income	106.8	109.9	2.9%
Dividend income	0.1	0.0	-56.7%
Equity accounted income	4.8	5.8	20.4%
Net fee and commission income	60.4	60.8	0.7%
Gains/(losses) on financial assets and liabilities and other	(0.8)	(14.4)	-
Other operating income and expenses	(1.1)	(10.7)	-
Gross income	170.1	151.4	-11.0%
Staff expenses	(60.9)	(61.4)	0.8%
Other administrative expenses	(37.0)	(35.2)	-5.0%
Depreciation and amortisation	(13.1)	(15.3)	16.8%
Operating expenses	(111.1)	(111.9)	0.8%
Net operating income	59.0	39.4	-33.2%
Impairment losses and other provisions	1.2	(32.0)	-
Gains and losses in other assets	1.3	0.3	-77.5%
Net income before income tax	61.6	7.8	-87.4%
Income tax	(16.1)	(3.4)	-79.1%
Net income	45.5	4.4	-90.3%

1) At 2019 year end, the Banking sector contribution was reclassified from "Income tax" to "Other operating income and expenses".
The profit and loss account for the 1st quarter 2019 was restated to consider this reclassification.

(unaudited)

Consolidated income statement

In M.€	Mar 19 restated ¹⁾	Mar 20
Net interest income	106.8	109.9
Dividend income	0.1	0.0
Equity accounted income	9.1	9.1
Net fee and commission income	60.4	60.8
Gains/(losses) on financial assets and liabilities and other	(1.1)	(16.0)
Other operating income and expenses	(1.1)	(10.7)
Gross income	174.1	153.1
Staff expenses	(60.9)	(61.4)
Other administrative expenses	(37.0)	(35.2)
Depreciation and amortisation	(13.1)	(15.3)
Operating expenses	(111.1)	(111.9)
Net operating income	63.0	41.1
Impairment losses and other provisions	1.2	(32.0)
Gains and losses in other assets	1.3	0.3
Net income before income tax	65.6	9.5
Income tax	(16.4)	(3.2)
Net income	49.2	6.3

EARNINGS PER SHARE

	Mar 19	Mar 20
Earnings per share (€)	0.03	0.00
Average weighted nr. of shares (in millions)	1 457	1 457

Consolidated balance sheet

(unaudited)

In M.€	Dec 19	Mar 20
ASSETS		
Cash and cash balances at central banks and other demand deposits	1 068.3	2 324.2
Financial assets held for trading, at fair value through profit or loss and at fair value through other comprehensive income	2 326.8	2 285.0
Financial assets at amortised cost	27 439.3	29 476.8
Of which:		
Loans to Customers	23 987.4	24 103.3
Investments in joint ventures and associates	247.2	249.6
Tangible assets	169.6	161.8
Intangible assets	65.8	61.5
Tax assets	272.5	264.8
Non-current assets and disposal groups classified as held for sale	14.6	11.3
Other assets	207.6	240.6
Total assets	31 811.6	35 075.8
LIABILITIES		
Financial liabilities held for trading	146.2	171.2
Financial liabilities at amortised cost	27 640.2	30 897.8
Deposits - Central Banks and Credit Institutions	2 777.1	3 768.5
Deposits - Customers	23 231.4	24 921.2
Technical provisions		
Debt securities issued	1 358.7	1 800.0
Memorandum items: subordinated liabilities	304.4	300.4
Other financial liabilities	273.0	408.1
Provisions	44.4	43.8
Tax liabilities	17.2	16.1
Other liabilities	527.4	686.7
Total Liabilities	28 375.4	31 815.5
Shareholders' equity attributable to the shareholders of BPI	3 436.1	3 260.2
Non controlling interests	0.0	0.0
Total Shareholders' equity	3 436.1	3 260.2
Total liabilities and Shareholders' equity	31 811.6	35 075.8

Consolidated profitability and efficiency metrics

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

	Mar 19	Mar 20
Gross income / ATA	2.2%	1.8%
Net income before income tax and income attributable to non-controlling interests / ATA	0.8%	0.1%
Net income before income tax and income attributable to non-controlling interests / average shareholders' equity (including non-controlling interests)	8.1%	1.3%
Staff expenses / Gross income ¹	35.0%	39.7%
Operating expenses / Gross income ¹	63.6%	72.3%
Loans (net) to deposits ratio	103%	101%

1) Excluding early-retirement costs.

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

	Mar 19	Mar 20
Non-performing exposures (NPE) ratio	3.3%	2.3%
NPE cover by impairments and collaterals	127%	125%
Ratio of forbore not included in NPE ²⁾	0.7%	0.5%

2) Forbore according to EBA criteria and considering the scope of prudential supervision. On 31 Mar. 2020, the forbore was 546 M.€ (forbore ratio of 1.5%), of which 179 M.€ was performing loans (0.5% of the gross credit exposure) and 367 M.€ was included in NPE (1.0% of the gross credit exposure).

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

Profit & loss account (Mar. 20)

In millions of euro (M.€)	Mar20 reported by BPI	Consolidation, standardisation and net change in FV adjustments derived from the combination of businesses	Mar20 BPI contribution to CABK Group	BPI segment	Equity investments and other segment
Net interest income	110	(3)	107	108	(1)
Dividends					
Equity accounted income	9	(1)	8	5	3
Net fees and commissions	61		61	61	
Trading income	(16)	(2)	(18)	(14)	(4)
Other operating income & expenses	(11)	2	(9)	(9)	
Gross income	153	(4)	149	151	(2)
Recurrent operating expenses	(112)	(4)	(116)	(116)	
Extraordinary operating expenses					
Pre-impairment income	41	(8)	33	35	(2)
Pre-impairment income without extraordinary expenses	41	(8)	33	35	(2)
Impairment losses on financial assets	(32)	45	13	13	
Other impairments and provisions					
Gains/losses on disposals & others					
Pre-tax income	9	37	46	48	(2)
Income tax	(3)	(11)	(14)	(16)	2
Profit for the period	6	26	32	32	
Minority interests & other					
Net income	6	26	32	32	

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 (Mar. 20)

Mar. 20 In millions of euro (M.€)	Reported by BPI	Adjustments	BPI contribution to CABK Group (BPI segment)
Loans and advances to customers, net	24 103	(143)	23 960
Total customer funds	34 380	(4 459)	29 921

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 31 March 2020 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 31 March 2020, 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 the 1st quarter 2020) with the structure used in the financial statements and respective notes of the 2019 Annual Report.

Consolidated income statement

Structure used in the Results' Presentation	Mar 20	Mar 20	Structure presented in the financial statements and respective notes
Net interest income	109.9	109.9	Net interest income
Dividend income	0.0	0.0	Dividend income
Equity accounted income	9.1	9.1	Share of profit/(loss) of entities accounted for using the equity method
Net fee and commission income	60.8	66.2	Fee and commission income
		(5.5)	Fee and commission expenses
Gains/(losses) on financial assets and liabilities and other	(16.0)	0.0	Gains/(losses) on derecognition of financial assets and liabilities not measured at fair value through profit or loss, net
		(8.0)	Gains/(losses) on financial assets and liabilities held for trading, net
		(9.3)	Gains/(losses) on financial assets not designated for trading compulsorily measured at fair value through profit or loss, net
		(0.1)	Gains/(losses) from hedge accounting, net
		1.4	Exchange differences (gain/loss), net
Other operating income and expenses	(10.7)	8.5	Other operating income
		(19.3)	Other operating expenses
Gross income	153.1	153.1	GROSS INCOME
Staff expenses	(61.4)	(61.4)	Staff expenses
Other administrative expenses	(35.2)	(35.2)	Other administrative expenses
Depreciation and amortisation	(15.3)	(15.3)	Depreciation and amortisation
Operating expenses	(111.9)	(111.9)	Administrative expenses, depreciation and amortisation
Net operating income	41.1	41.1	
Impairment losses and other provisions	(32.0)	(0.3)	Provisions or reversal of provisions
		(31.7)	Impairment/(reversal) of impairment losses on financial assets not measured at fair value through profit or loss
Gains and losses in other assets	0.3		Impairment (reversal) of impairment in subsidiaries joint ventures and associates
			Impairment/(reversal) of impairment on non-financial assets
		0.0	Gains/(losses) on derecognition of non-financial assets, net
		0.3	Profit/(loss) from non-current assets and disposal groups classified as held for sale not qualifying as discontinued operations
Net income before income tax	9.5	9.5	PROFIT/(LOSS) BEFORE TAX FROM CONTINUING OPERATIONS
Income tax	(3.2)	(3.2)	Tax expense or income related to profit or loss from continuing operations
Net income from continuing operations	6.3	6.3	PROFIT/(LOSS) AFTER TAX FROM CONTINUING OPERATIONS
Net income from discontinued operations			Profit/(loss) after tax from discontinued operations
Income attributable to non-controlling interests			Profit/(loss) for the period attributable to non-controlling interests
Net income	6.3	6.3	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

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

Core cost-to-income ratio (core efficiency ratio) ¹⁾ = (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) / Commercial banking gross income

Return on Equity (ROE) ¹⁾ = Net income for the period, less the interest cost of AT1 capital instruments recorded directly in shareholders' equity / Average value in the period of shareholders' equity attributable to BPI shareholders, excluding AT1 capital instruments

Return on Tangible Equity (ROTE) ¹⁾ = Net income for the period, less the interest cost of AT1 capital instruments recorded directly in shareholders' equity / Average value in the period of shareholders' equity attributable to BPI shareholders (excl. AT1 capital instruments) after deduction of intangible net assets and goodwill of 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 (excluding loans to employees) average interest rate - Deposits average interest rate

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

BALANCE SHEET AND FUNDING INDICATORS

On-balance sheet Customer resources ²⁾ = 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 rate bonds placed with Customers: 6.5 M.€ in Dec.2019 and 4.0 M.€ in Mar.2020))

▪ 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 management ³⁾ = 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 ⁴⁾ = Third-party capitalisation insurance placed with Customers

▪ Pension plans ⁴⁾ = 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) and reverse repos + 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 to 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 (in income statement) - Recoveries of loans previously written off from assets, interest and other (in income statement)

Cost of credit risk as % of loan portfolio¹⁾ = [Impairments and provisions for loans and guarantees (in income statement) - 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) in accordance with the 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 collaterals = [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 + Collaterals associated to NPE] / Non-performing exposures (NPE)

Non-performing loans ratio ("credito 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 collaterals = [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 coverage 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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