



1H20

# Banco BPI

## Consolidated results

31 July 2020

## “Disclaimer”

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

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

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

In particular, regarding the data provided by third parties, BPI does not guarantee that these contents are exact, accurate, comprehensive or complete, nor it is obliged to keep them updated, nor to correct them in the case that any deficiency, error or omission were to be detected. Moreover, in reproducing these contents by any means, BPI may introduce any changes it deems suitable, may omit partially or completely any of the elements of this document, and in case of any deviation between such a version and this one, BPI assumes no liability for any discrepancy.

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

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

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

## BPI consolidated results in the 1st half 2020

- In the current context of the COVID-19 crisis, BPI maintained its **commercial dynamism and a strong financial position**.
- In the 1st half, BPI registered **83 M.€ of net loan impairments**, preemptively including non-allocated impairments resulting from the update of the macroeconomic scenario due to Covid19, which largely explains the yoy reduction in net income to 6.5 M.€ in the activity in Portugal.
- The bank has remained **fully operational throughout the confinement period**, posting **growth in deposits and loans**, which led to market share gains.
- The bank **continued and accelerated the digital transformation process, with specific developments in response to the COVID-19 crisis**.
- BPI adopted several measures to support families, companies and to reinforce its social commitment, in cooperation with the “la Caixa” Foundation.
- BPI has a **strong financial position to face potentially adverse scenarios with confidence**, supporting its customers and the recovery of the Portuguese economy: a **low risk profile**, with an NPE ratio of 2.0% and a high coverage, a **solid solvency position**, a **balanced funding structure** and a **comfortable liquidity position** and **investment grade ratings** by Fitch Ratings, Moody's and S&P Global

# BPI consolidated results in the 1st half 2020

## Net income in Portugal and in the consolidated

- Net profit in Portugal of 6.5 M.€ in the 1st half 2020 (-93% yoy)
- Consolidated net profit of 42.6 M.€ in the 1st half 2020 (-68% yoy)
- Loan impairments (net) of 83 M.€ in the 1st half 2020

## Customer resources and loans

- Customer deposits increased 1 877 M.€ (+8.3% ytd)
- Loan portfolio increased 596 M.€ (+2.4% ytd)

## High asset quality

- Non-performing exposures ratio – NPE (EBA definition) – decreased to 2.0% in June 2020
- Coverage by impairments and collateral of non-performing exposures (NPE) increased to 134%

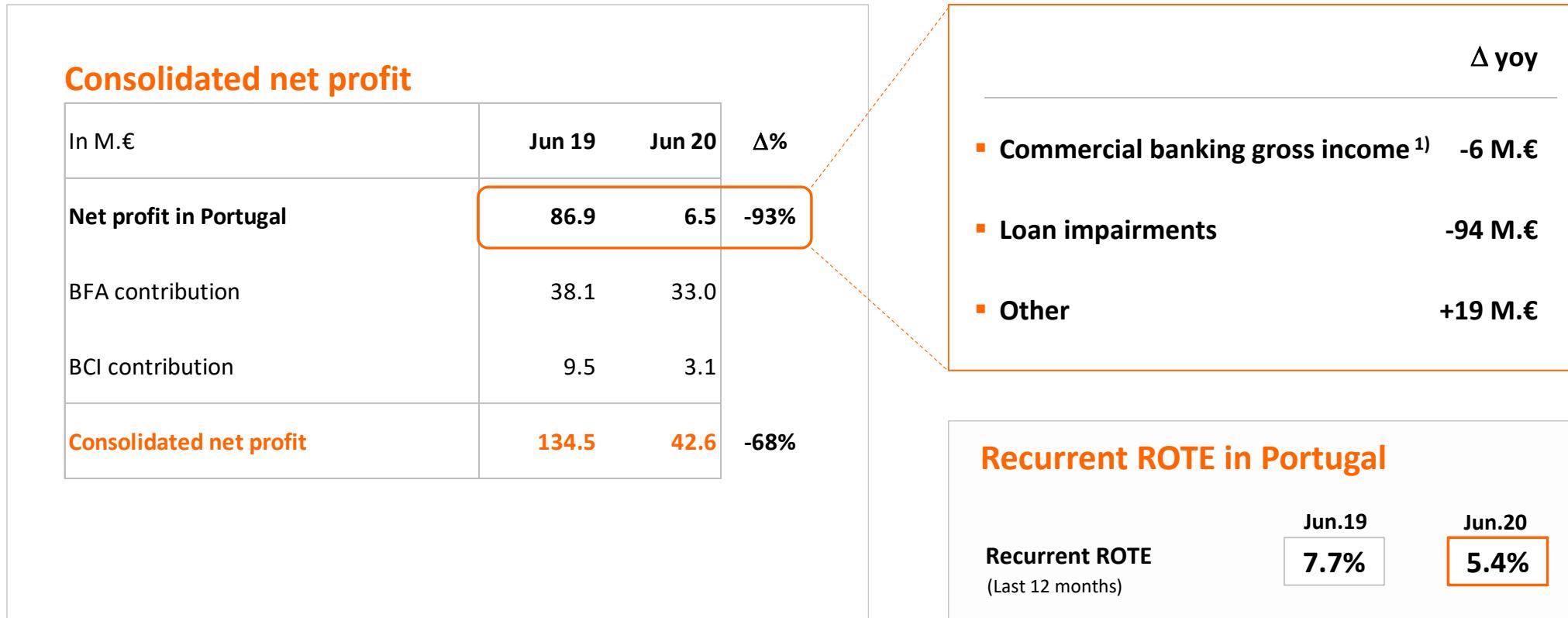
## Strong capitalisation

- Capital ratios (phasing-in<sup>1)</sup>) increased: CET1 to 13.8%, T1 to 15.3% and total capital to 17.0%
- Leverage ratio (phasing-in<sup>1)</sup> of 7.2%

## BPI debt and deposits ratings at investment grade

- BPI senior debt: rated **Baa3** by Moody's, **BBB+** by Fitch and **BBB** by S&P.
- BPI deposits: rated **Baa1** by Moody's and **BBB+** by Fitch Ratings

# Consolidated net profit of 42.6 M.€ in the 1st half 2020



5

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

## Loan portfolio increased 2.4% YtD

### Loans to customers by segments

Gross portfolio, in M.€	Dec 19	Jun 20	YtD	YoY (Jun.20/Jun.19)
<b>I. Loans to individuals</b>	<b>13 045</b>	<b>13 311</b>	<b>2.0%</b>	<b>5.0%</b>
Mortgage loans	11 377	11 638	2.3%	4.7%
Other loans to individuals	1 668	1 673	0.3%	7.4%
<b>II. Loans to companies</b>	<b>9 513</b>	<b>9 788</b>	<b>2.9%</b>	<b>7.1%</b>
<b>III. Public sector</b>	<b>1 823</b>	<b>1 877</b>	<b>3.0%</b>	<b>2.4%</b>
<b>Total loans</b>	<b>24 381</b>	<b>24 977</b>	<b>2.4%</b>	<b>5.6%</b>
Note:				
Loan portfolio net of impairments	23 987	24 517	2.2%	6.0%

### Total loan portfolio market share

10.5%

(May 2020)

### Support to Families and Companies

- **BPI implemented a loan moratoria for families and companies** (extended until 31 March 2021)
- Operationalisation of **state guaranteed credit lines to support companies** in the context of the pandemic. **BPI advanced up to 20% of the approved amount.**
- **Maintenance of all outstanding credit line contracts** until 30 September 2020, keeping interest rates unchanged

# Support to FAMILIES and COMPANIES

## FAMILIES

### Mortgage loans moratoria<sup>1)</sup> (as of 30 Jun. 2020)

# requests approved	31.5 th.
# contracts	40.9 th.
Loan amount (M.€)	2 615 M.€
as % of the segment loan portfolio	22.5%
% performing of loan moratoria <sup>2)</sup>	98.9%

### Personal loans and car finance moratoria<sup>1)</sup> (as of 30 Jun. 2020)

# requests approved	23.8 th.
# contracts	30.7 th.
Loan amount (M.€)	373 M.€
as % of the segment loan portfolio	27.0%
% performing of loan moratoria <sup>2)</sup>	99.0%

#DÁ MAIS VALOR  
AO NÓS QUE AO EU

O BPI dá mais valor às Famílias.

## COMPANIES

### Loans to companies moratoria<sup>1)</sup> (as of 30 Jun. 2020)

# requests approved	17.9 th.
# contracts	33.7 th.
Loan amount (M.€)	2 662 M.€
as % of the segment loan portfolio	29.2%
% performing of loan moratoria <sup>2)</sup>	99.7%

### Public support credit lines COVID-19

Credit grant by BPI and credit approved / under analysis by SGM, as of 30 Jun.20

# Applications	4 073
Loan amount (M.€)	549 M.€

### Credit granted under BPI offer to Companies

Loan production in 2nd Quarter 2020 <sup>3)</sup>	2 819 M.€
Amount available of approved credit lines (30 Jun.20)	3 000 M.€

#DÁ MAIS VALOR  
À CORAGEM

O BPI dá mais valor às Empresas.

1) Includes COVID-19 renegotiations (bank's initiative moratoria). Breakdown by type of moratoria.

7 2) Corresponds to credit classified in stage 1 and in stage 2. Excludes credit in stage 3 (classified as default).

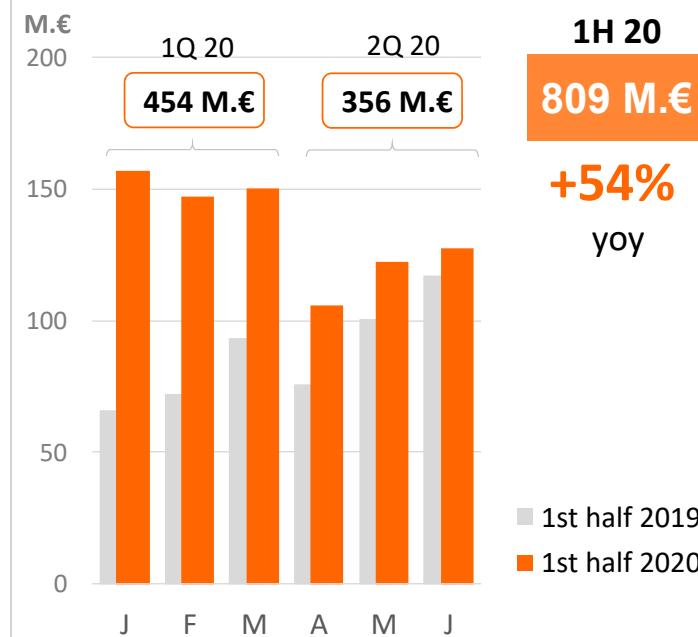
3) New ST and MLT credit grant (includes amounts not used or disbursed) and renewal of short-term operations (agreed limits) for Companies and Businesses.

Excludes credit under the COVID-19 lines.

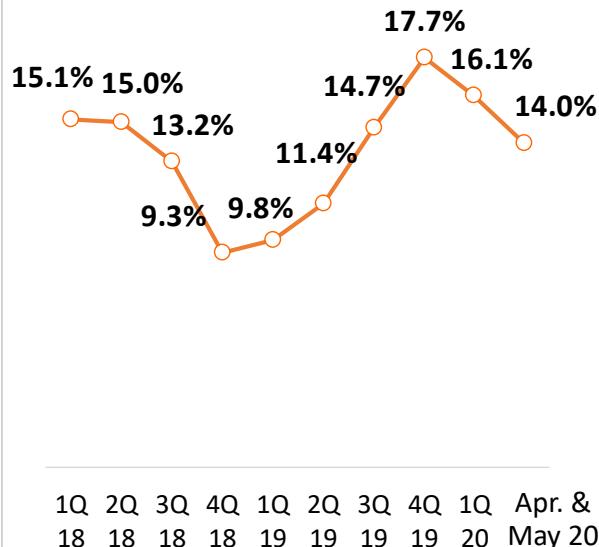
# Mortgage loans origination and market share gain

## MORTGAGE LOANS

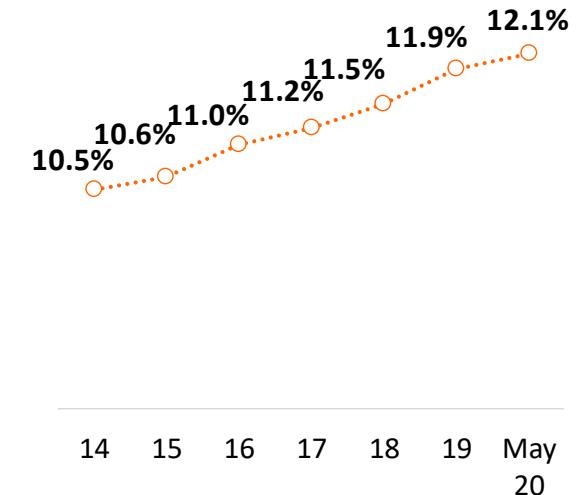
### Mortgage loans origination



### Market shares in quarterly loan origination



### Market share in loan portfolio

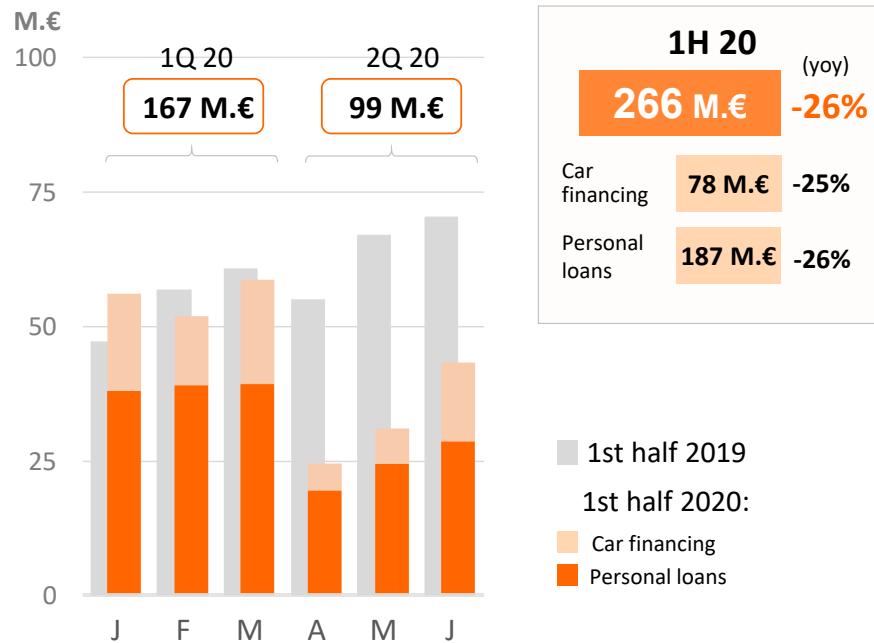


- 54% yoy growth in mortgage new loans in 1H 20; market share gain.
- During confinement, the Bank adapted the process of loan documentation and property appraisal, which allowed it to maintain its activity.

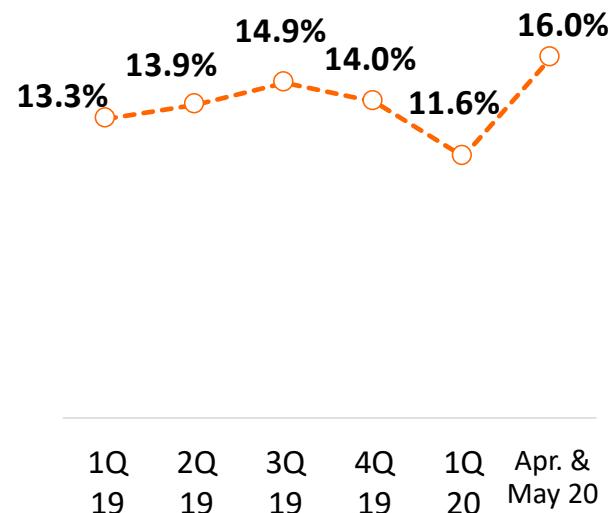
# Personal loans and car financing

## PERSONAL LOANS AND CAR FINANCING

### Loan origination



### Market shares in quarterly personal loan origination

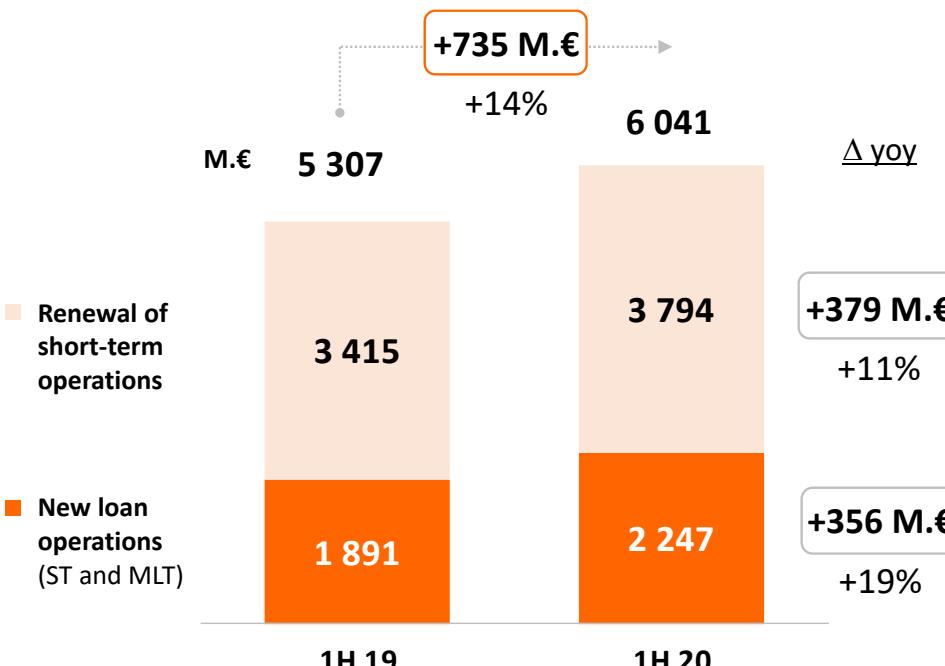


Gradual recovery of commercial activity after confinement.

## Loans to companies origination

### Loan origination

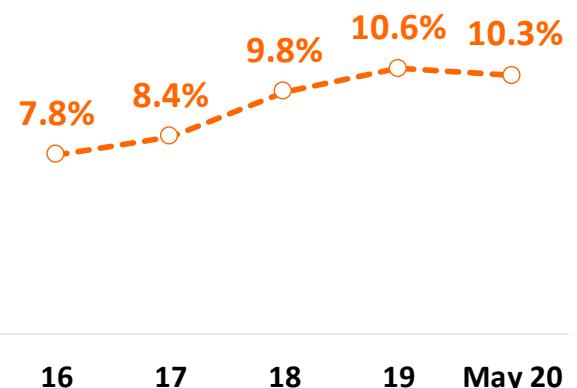
Companies and small businesses



- **6.0 Bi.€ of new loans agreements signed (ST and MLT) plus renewed operations (ST) in the 1st half 2020 (+ 14% yoy):**
  - **2.2 Bi.€ of new loans (+ 19% yoy), of which 403 M.€ was signed under the COVID-19 lines**
  - **3.8 Bi.€ of renewed loan operations (ST) (+ 11% yoy)**
- **Corporate centres 100% running**

### Market share

Companies and Small Businesses loan portfolio<sup>1)</sup>



1) Loans to resident non-financial corporations. Source: BPI and Bank of Portugal.

## BPI, a Bank for the Companies

BPI reinforces its position as the Bank for the Companies, through the launch of new credit lines, new services and the promotion of webinars with Customers



### Launch of BPI/EIF-Agriculture credit line in May

BPI and the European Investment Fund launched a **95 M.€ credit line** to support projects by companies and entrepreneurs in the agricultural and agribusiness sector



### Launch of BPI iFactoring service

iFactoring BPI, online management of the factoring contract through **BPI Net Empresas**

Submission and consultation Files Assignments and Debtors / Invoice Advance / Integrated Factoring Position / Invoice Portfolio Consultation; Settled Invoices; Credit Notes, Agenda and Billing Contacts.



### Cycle of thematic webinars to reinforce proximity to Customers, starting in July

- Thematic webinars will take place periodically, focusing on strategic and priority themes:
  - Agriculture
  - Tourism
  - International Trade
  - Impact of Covid-19 on the Economy
  - Financing Solutions
  - BPI / EIF-Agriculture line and BPI iFactoring



### Launch of the National Tourism Award 2nd edition in July

- To award projects in the Tourism sector in 5 categories
- Career Award will be awarded by nomination

Applications until 15 September at [www.premionacionalturismo.pt](http://www.premionacionalturismo.pt)

## BPI, a Bank for the Families and Businesses

- **Immediate credit and credit for the purchase of non-financial products:** remote signing of agreements and home delivery of non-financial products within 48 hours
- Start of commercialisation of **BPI Vida e Pensões** insurance products
- Launch of the **New Retirement Savings Plans Destination 2030 and 2050**
- Improvement in the **Advisory Sales and Consultancy** service
- Defined **protocol model** applicable to the most relevant Agricultural Associations
- **More products and services on BPI App**

### QUALITY OF SERVICE AND SATISFACTION

**BPI**  
CSI Banca  
1st wave 2020  
(Marktest, Jul.20)

**1º**  
CSI Banking  
(global index)

**1º**  
CSI  
Branch

**2º**  
CSI Digital  
Channels

Satisfaction survey that evaluates the quality of service of each bank.



### Value Proposals for the different segments

#### Day to Day

“Conta Valor” account, Commerce account, cards, transfer, App BPI and housing loans

#### Enjoy life

Consumer loans, car financing and renting

#### Sleep peacefully

Insurance and security alarm solutions

#### Planning for the future

Savings, investments and retirement savings plans

# Customer deposits increased 1.9 Bi.€ YtD (+8.3%)

## Customer resources

In M.€	Dec 19	Jun 20	YtD	YoY (Jun.20/Jun.19)
<b>I. On-balance sheet resources</b>	<b>23 015</b>	<b>24 933</b>	<b>8.3%</b>	<b>8.8%</b>
Customer deposits	22 707	24 583	8.3%	10.8%
Institutional and financial investors deposits	308	349	13.3%	-52.0%
<b>II. Assets under management</b>	<b>9 797</b>	<b>9 288</b>	<b>-5.2%</b>	<b>-1.3%</b>
Mutual funds	5 245	4 817	-8.2%	-5.0%
Capitalisation insurance	4 552	4 471	-1.8%	3.0%
<b>III. Public offerings</b>	<b>1 569</b>	<b>1 438</b>	<b>-8.4%</b>	<b>-18.8%</b>
<b>Total</b>	<b>34 382</b>	<b>35 658</b>	<b>3.7%</b>	<b>4.6%</b>

- Customer deposits increased by 1.9 Bi.€ YtD to 24.6 Bi.€
- Decrease in assets under management explained in part by the market impact on the portfolios
- Total customer resources increased 3.7% YtD

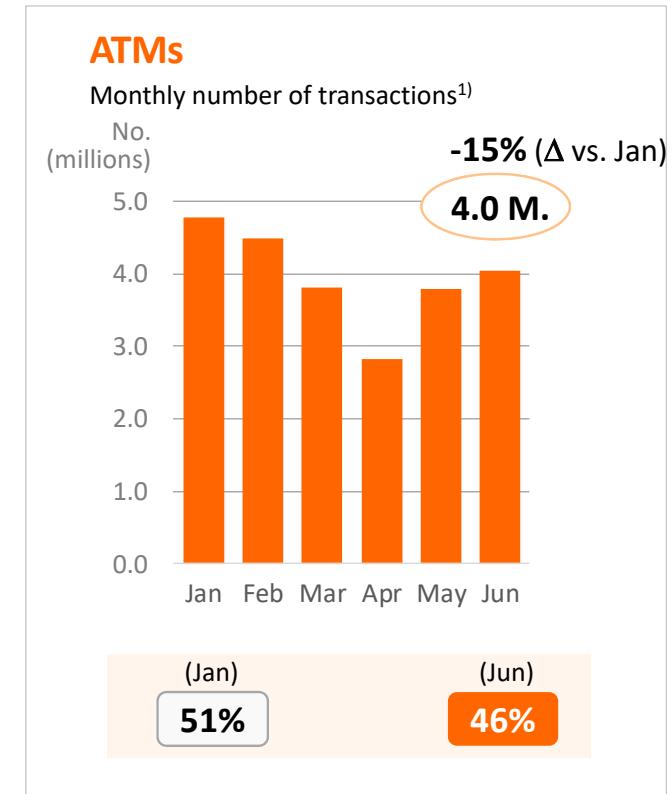
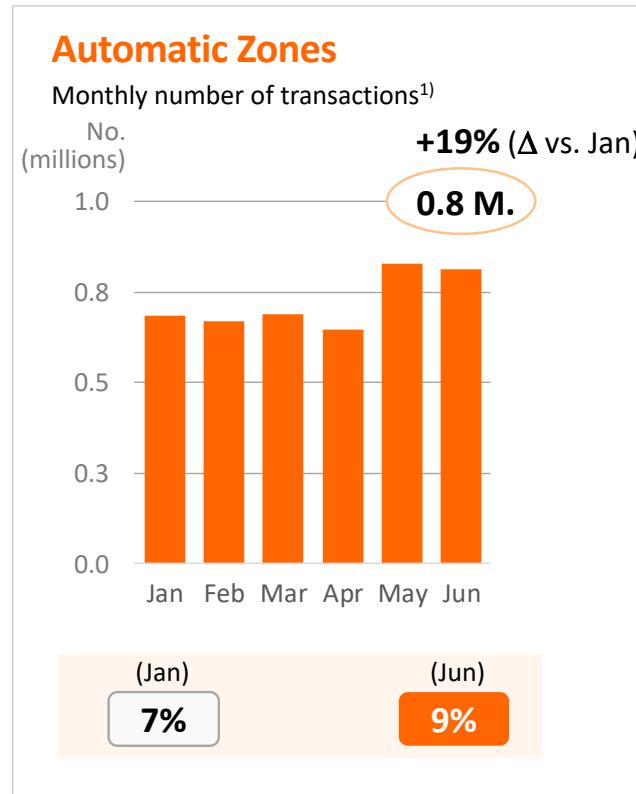
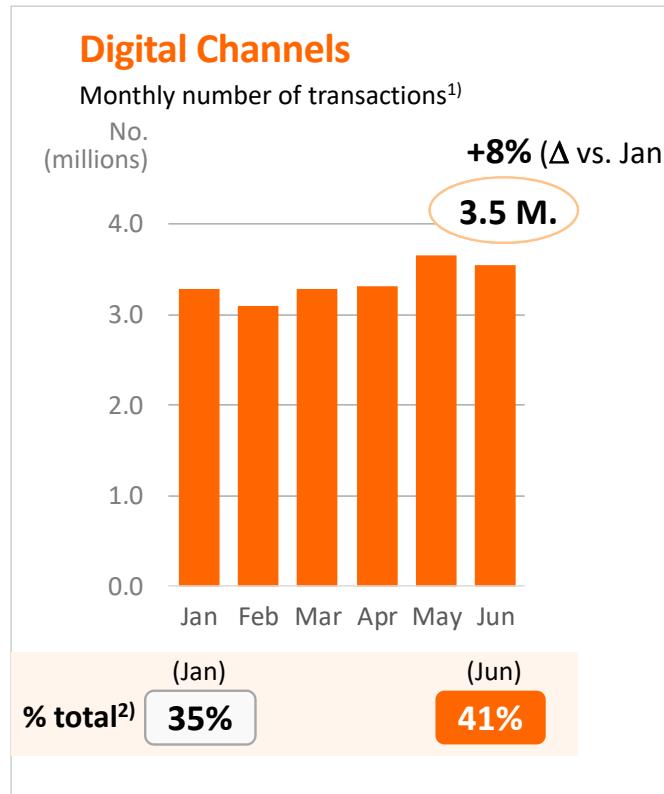
## Market shares

May 20

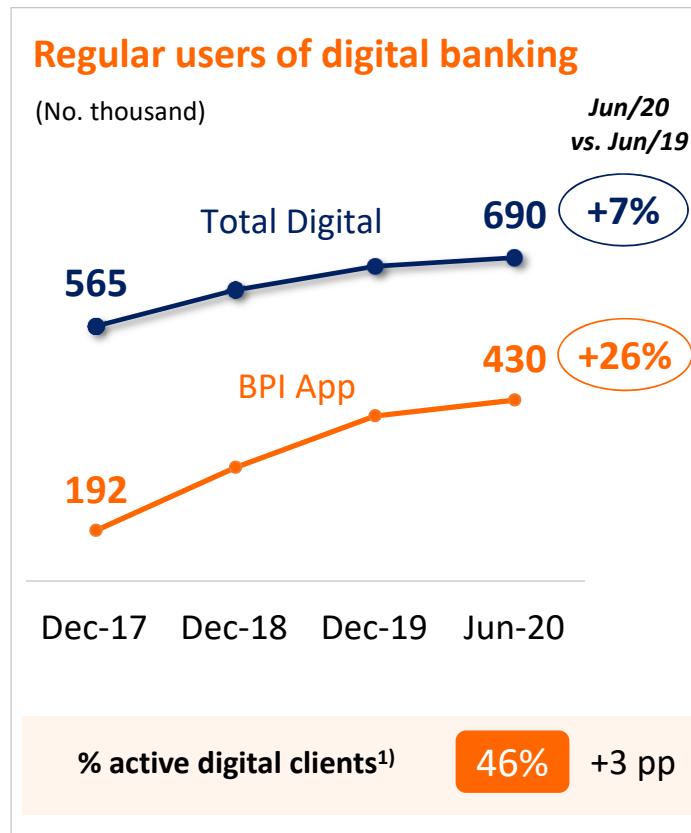
Deposits	10.4%
Mutual funds <sup>1)</sup>	11.3%
Capitalisation insurance <sup>1)</sup>	16.3%
Retirement savings plans <sup>1)</sup>	11.3%

13) 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.

# Increase in transactions in Digital Channels and Automatic Zones



## Digital transformation: increased utilisation



# Digital transformation: priority in the response to the pandemic situation

## 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.**

### Loans moratoria

- Moratoria applications through **BPI Net** and **BPI Net Empresas**

### 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**

## Other developments

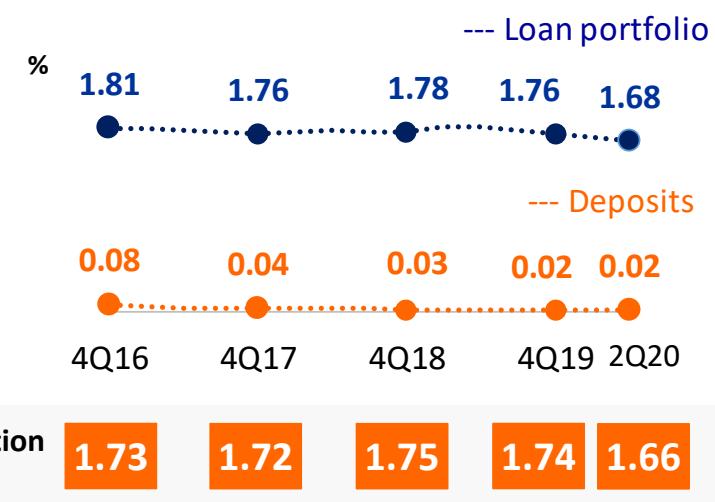
- **iFactoring:** Integrated factoring position; current account enquiries; advance of invoices and other functionalities at BPI Net Empresas
- Extending the **Immediate Credit Product** and new functionalities on the digital channels
- **BPI Drive** – digital submission of car financing proposals by Dealers and Customers and automatically integrated into the Bank's systems
- **Development of API ("Application Programming Interface")** under the PSD2 / Open Banking Payments Directive.
- **Expansion of the Retirement Savings Plans offer** in the home and mobile banking channels
- Action plan to **reduce paper documentation**
- **Digital Signature**, including signature with Citizen Card, Digital Mobile Key and Electronic Certificates
- **Expansion of the available offer** allowing the start of contracting on digital channels, in conjunction with the commercial network

## Net interest income increased 2.4% yoy in the 1st H. 2020

### Gross income in the activity in Portugal

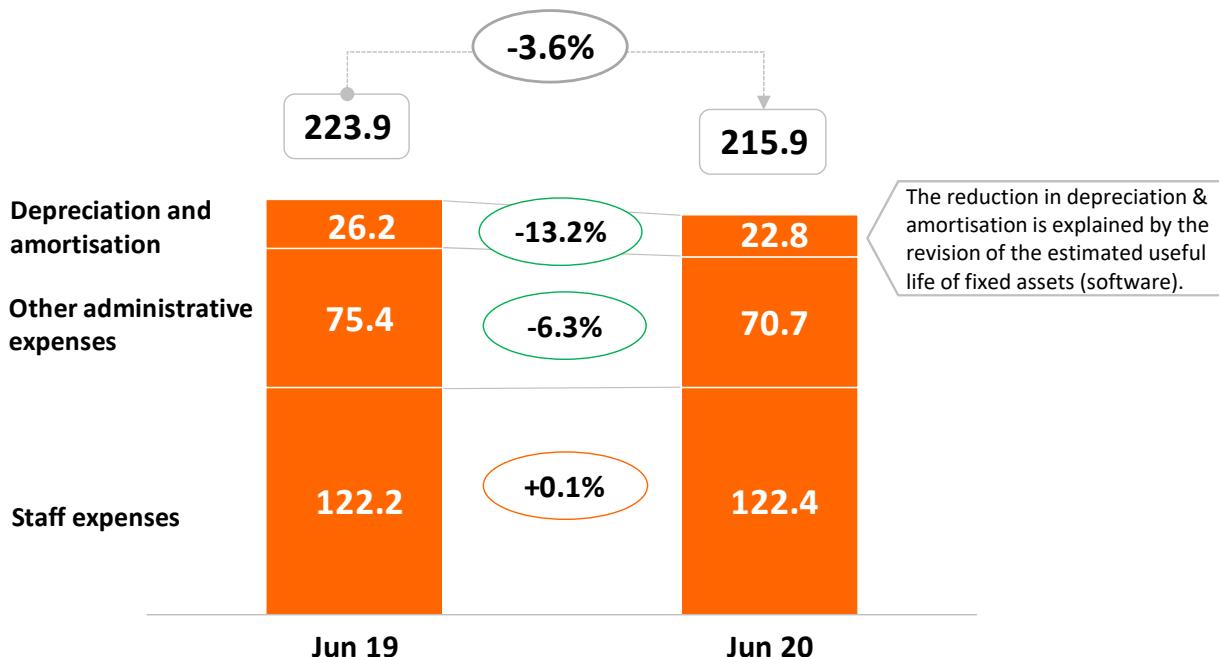
In M.€	Jun 19	Jun 20	Δ%
Net interest income	214.8	220.0	+ 2.4%
Dividends and equity accounted income	12.0	10.0	- 17.3% <sup>1)</sup>
Net fee and commission income	127.2	118.1	- 7.1%
<b>COMMERCIAL BANKING GROSS INCOME</b>	<b>354.0</b>	<b>348.1</b>	<b>- 1.7%</b>
<i>Gains/(losses) on financial assets and liabilities</i>	-1.7	-12.4	
<i>Banking sector contribution<sup>2)</sup></i>	-7.9	-15.5	
<i>Other net income</i>	-12.4	-8.4	
<b>Gross income</b>	<b>331.9</b>	<b>311.8</b>	<b>- 6.1%</b>

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



## Operating expenses decreased 3.6% yoy

### Operating expenses, M.€



### Staff and distribution network

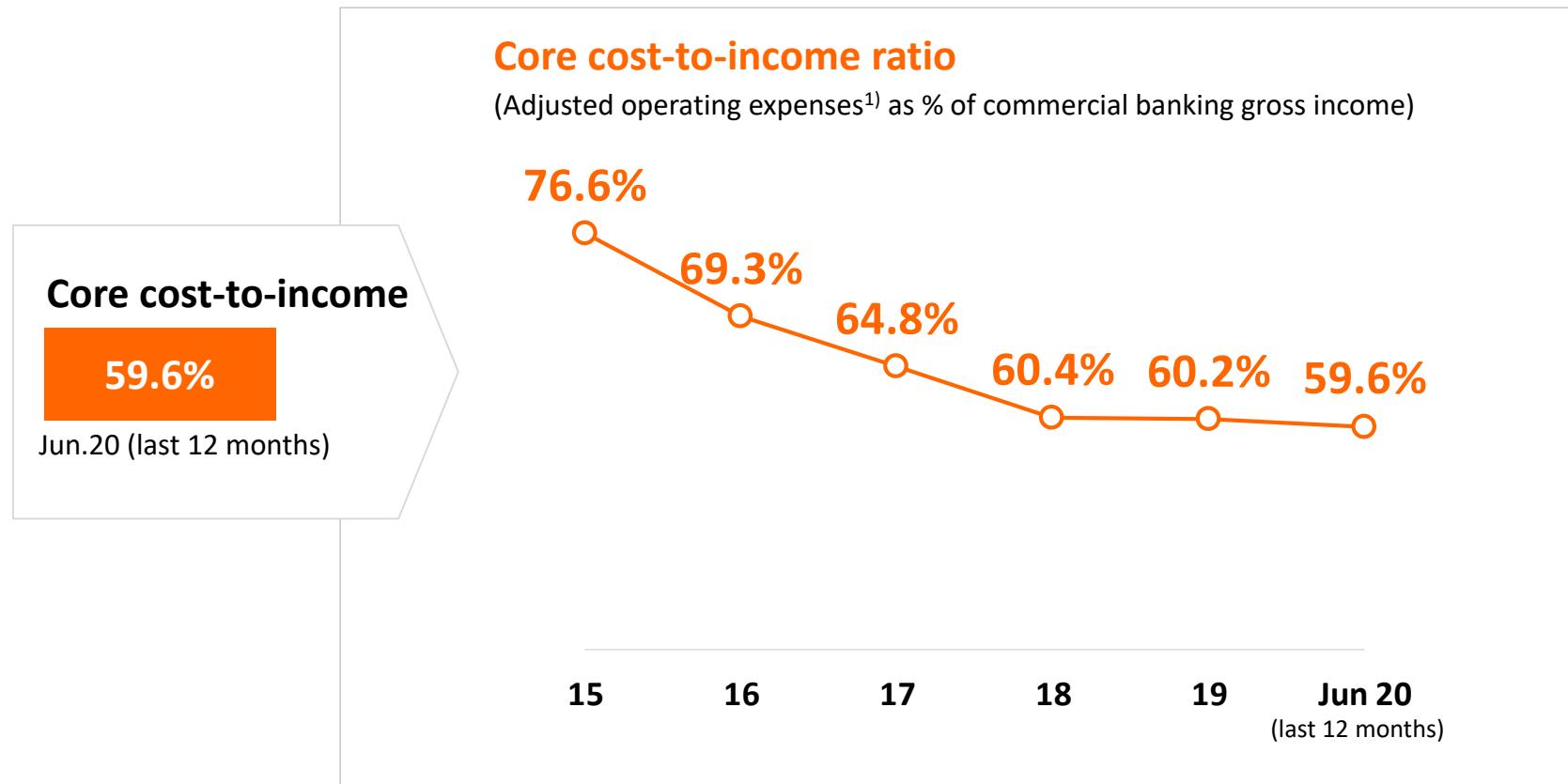
No.	Dec.19	Jun.20
Staff	4 840	4 817
Retail branch network <sup>1</sup>	406	377

-23

-29

1) Additionally, as of Jun.20, BPI had 36 premier centres, 1 mobile branch and 34 corporate centres in Portugal, thus totalling 448 business units.

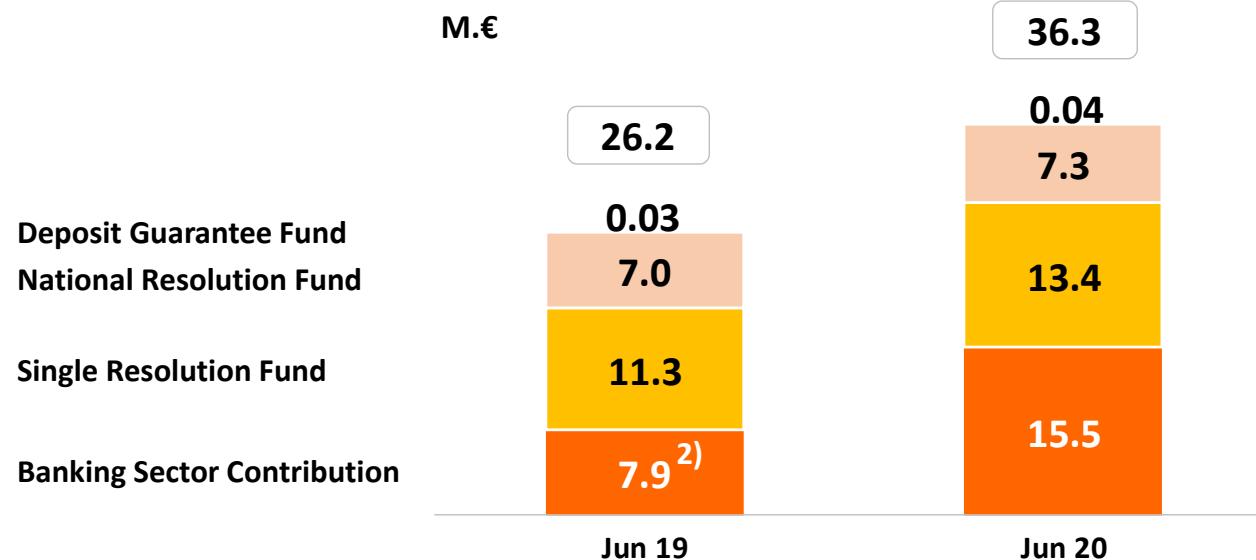
## Core cost-to-income of 59.6% in June 2020



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

## Regulatory costs

### Accounted regulatory costs <sup>1)</sup>



### Regulatory costs

**36.3 M.€**

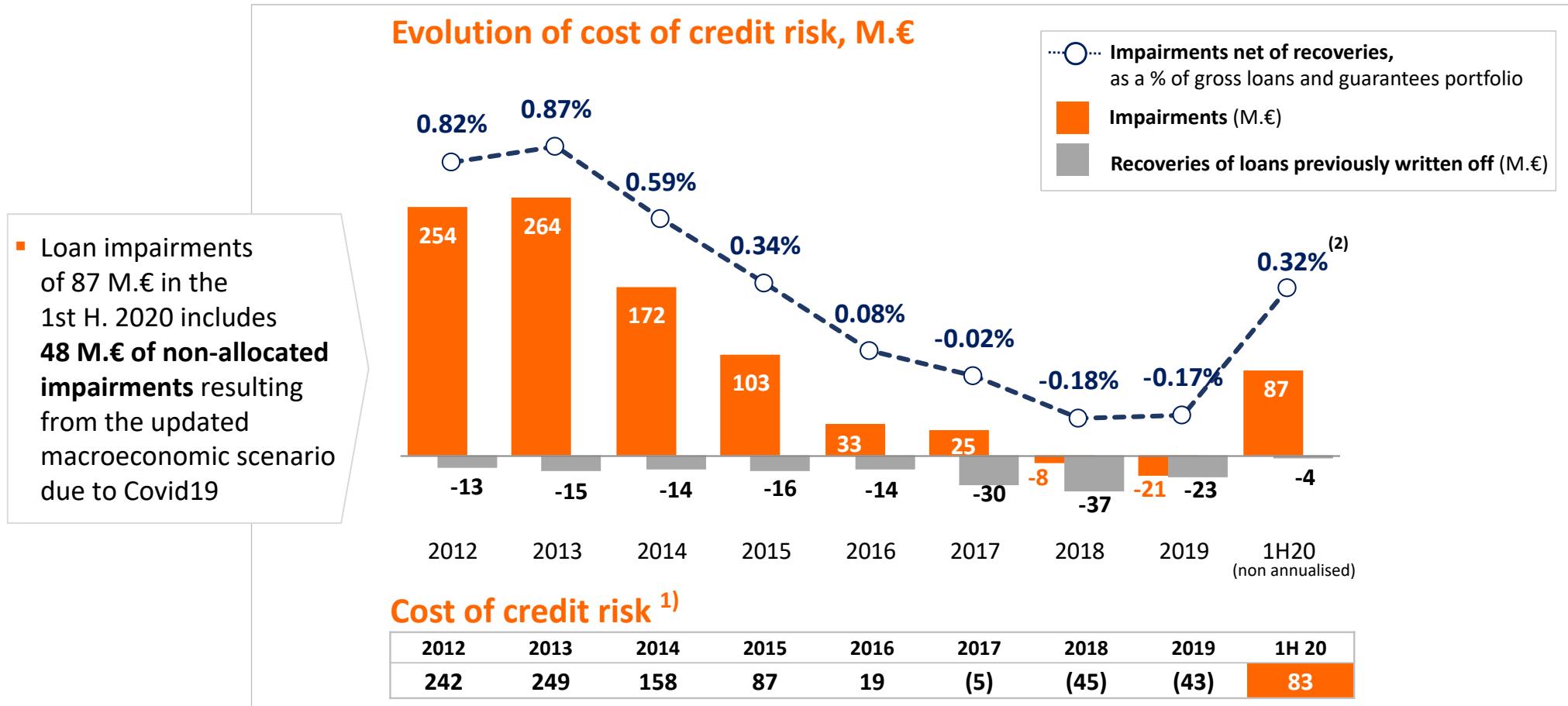
in the 1H 2020<sup>1)</sup>

New solidarity tax over the banking sector created within the scope of Covid-19, which will be allocated to the Social Security Financial Stabilisation Fund

20 1) Annual costs recorded in full in the 1st half 2020.

2) In 2019, the banking sector contribution was accrued over the 12 months of the year (15.3 M.€ in 2019).

## Loan impairments net of recoveries of 83 M.€ (1st half 2020)



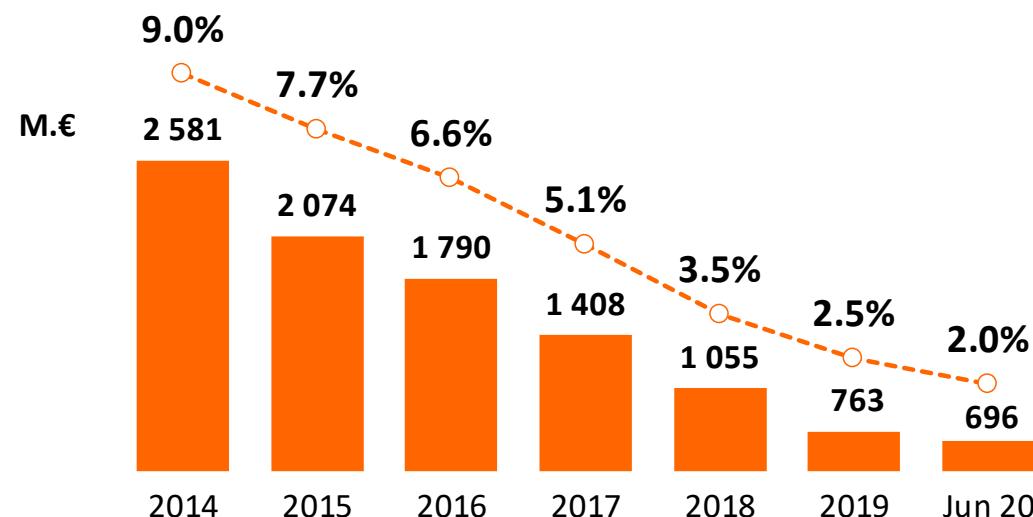
21

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

2) Non annualised.

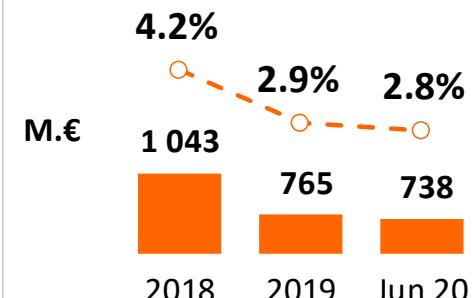
## NPE ratio of 2.0% in June 2020

### Non-Performing Exposures - NPE (EBA criteria<sup>1</sup>)



### Non-performing loans - NPL

("Crédito Duvidoso")



Coverage ratio<sup>2)</sup>

38%	43%	39%	43%	53%	54%	69%	54%	54%	65%
-----	-----	-----	-----	-----	-----	-----	-----	-----	-----

Coverage by impairments and collaterals

117%	127%	124%	134%	120%	115%	125%
------	------	------	------	------	------	------

22) 1) NPE ratio considering the prudential supervision perimeter.

2) Coverage by impairments accumulated in the balance sheet for loans and guarantees; does not consider collaterals.

# Employees pension liabilities

## Employees pension liabilities

M.€	Dec 19	Mar 20	Jun 20
<b>Total past service liability</b>	<b>1 804</b>	<b>1 645</b>	<b>1 759</b>
Net assets of the pension funds	1 767	1 643	1 707
Level of coverage of pension liabilities	98%	100%	97%
Pension funds return <sup>1)</sup>	12.6%	-6.6%	-2.1%

## Actuarial assumptions

	Dec 19	Mar 20	Jun 20
Discount rate	1.3%	1.85%	1.4%
Salary growth rate	0.9%	0.9%	0.9%
Pensions growth rate	0.4%	0.4%	0.4%
Mortality table: Men	TV 88/ 90		
Mortality table: Women	TV 88/ 90 – 3 years		

## Actuarial deviations<sup>2)</sup>

	1Q 20	2Q 20	1H 20
Income from investment portfolio	(123)	+72	(50)
Change in the discount rate	+152	(123)	+29
Actuarial deviations	+30	(51)	(21)

# Solid capital position

## Consolidated capital ratios

### Ratios:

Total capital

16.6%

Tier 1

14.9%

Common Equity Tier 1

13.4%

17.0%

15.3%

13.8%

Dec 19

Jun 20<sup>1)</sup>

Leverage ratio

8.4%

7.2%

*Note: the capital ratios in June 2020 do not include Banco BPI's 2019 dividend (117 M.€) whose payment was suspended, by decision taken in April.*

June 20

- **phasing of the impact from IFRS9 implementation**; impact of +0.2 p.p. in June
- **CRR 2.5 implementation** (reduction on weighting factors for loans to SMEs and infrastructure); +0.3 p.p. impact on capital ratios in June

## Capital requirements (SREP)<sup>2)</sup>

In 2020

Total capital

12.875%

T1

10.375%

CET1

8.50%

Buffer MDA<sup>3)</sup>

3.95%

Leverage<sup>4)</sup>

3.0%

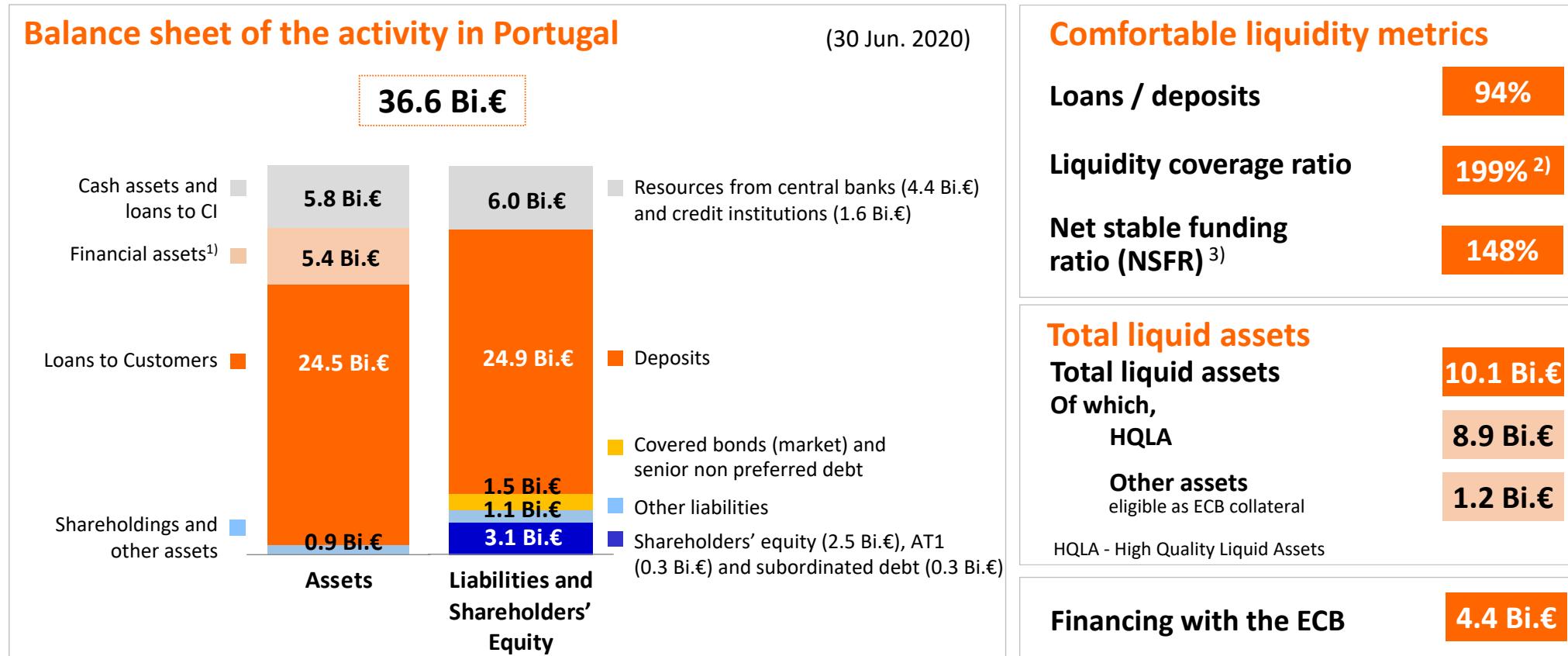
2) Excludes Pillar 2 Guidance and reflects changes in the composition of Pillar 2 Requirement.

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 (68% of assets)



1) Includes short-term public debt of 0.25 Bi.€ (Portugal), with a residual average maturity of 0.2 years, and medium and long-term debt of 4.4 Bi.€ (Portugal 55%, Spain 30% and Italy 15%) with an average residual maturity of 2.7 years.

2) Average 12 months, according to EBA guidance. Average amount (last 12 months) of LCR components calculation: Liquidity Reserves (5 170 M.€); Total net outflows (2 592 M.€).

3) Regulatory minimum from June 2021.

# BPI, a Socially Responsible Bank

BPI DEEPLY COMMITTED TO SUPPORTING FAMILIES, COMPANIES AND THE SOCIETY



Families



Companies



Society



Employees/Clients

CREATE VALUE WITH VALUES

SOCIAL

ENVIRONMENT

GOVERNANCE

# Protection of CLIENTS and EMPLOYEES

**448 COMMERCIAL UNITS**

## IN OPERATION

**97% Branches and Premier C.**

- > 86% during the pandemic period
- > 94% since beginning of June

**100% Corporate Centres**

- Since the 16th March, BPI's retail **distribution network has been operating "behind closed doors"**, with restricted client access to the branches.
- Promotion of the use of the **branches automatic zones**, which have more than 150 self-service machines, and of **digital channels and expansion of services available on these channels**
- **Reinforcement of digital solutions in the Commercial Networks**

**1.9 MILLION CLIENTS**

## Physical network



## Digital Banking

**690 th. (+7% yoy)** Digital Banking (regular users)

**430 th. (+26% yoy)** BPI App (regular users)

**46%** % active digital clients<sup>1)</sup>

(30 June 2020)

**377** Branches

**1** Mobile branch

**36** Premier centres

**34** Corporate centres

**1 346** ATM

**38 th.** POS



**4 817 EMPLOYEES**

## 46% in telework from home

**90% in central services**

**24% in the commercial networks**

- Progressive return to the Bank's premises in central services from the **beginning of July** (~ 20% in the 1st phase), with teams rotation

- **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
- Reinforcement of **Internal communication and Training**

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

Partnership with RTP and mobilisation of the whole society to support the Food Emergency Network

**more than 1.7 M.€ donated to the Food Emergency Network**

Partnership with the Ministry of Health and donation of tablets to facilitate communication between patients and families

**donation of 526 tablets**

Support for the development of a Portuguese lung ventilator at CEiiA-Center for Engineering and Product Development

**300 th.€ to ventilators**

CaixaImpulse Program Express Contest: 1,8 M€ for innovation projects linked to Covid-19

**2 Portuguese winners** from a total of 6 Iberian Faculdade Farmácia da Univ. Lisboa and CEiiA

BPI "la Caixa" Awards 5 awards to support social entities

**3.75 M€ to support the groups most affected by COVID19**

Digital Marketplace where artists can launch ideas and get investment, in partnership with the Ministry of Culture

**Portugal #EntraEmCena**  
Support to artists

"la Caixa" Foundation and the Foundation for Science and Technology announce a permanent and multidisciplinary cooperation agreement in the areas of "HealthCare" research, Social Call and Promove Programme to support regions in the interior of Portugal

**Matching Funds between "la Caixa" Foundation and the Foundation for Science and Technology**  
HealthCare, Social Call and Promove Programme

# 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 PROGRAMMES 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

Childhood

Solidary

Seniors

Capacitar

Rural

Volunteering: Award Reviewers

## Special projects in Portugal and other support

PROJECTS TO RESPOND TO SPECIFIC COUNTRY CHALLENGES

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

## 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 7th consecutive year, as the Portuguese Most Trusted Banking Brand. This is the first time a bank earns the three awards simultaneously, which value BPI's dedication to its Customers, offering them the best service and products.

BPI was distinguished as "Brand of Excellence" Superbrands, for the 7th consecutive year.

BPI earned the Wealth Tech Award 2020 for Best Private Bank for Portfolio Management Technology in Europe, from the PWM magazine. PWM positively assessed the impact of BPI's digital transformation on Customer Relationship and Wealth Management services.



# 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+			
BB		Bank 2	
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 LT	
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			

Fitch Ratings		(Issuer Default Rating)	
... AA-, AA, AA+ e AAA			
A+			
A			
A-			
BBB+	Bank 1	BPI	Deposits LT Senior debt LT
BBB	Portugal	BPI	
BBB-			
BB+		Bank 3	
BB		Bank 2	
BB-			
B+			
B			
B-		Bank 4	
CCC+			
... CCC, CCC-, CC, C e D			

DBRS		(Long-Term Debt / Issuer Rating)	
... AA, AA (high), AAA			
AA (low)	BPI	Mortgage bonds	
A (high)			Bank 1
A			
A (low)			
BBB (high)	Portugal		
BBB			Bank 3
BBB (low)			Bank 2
BB (high)			
BB			
BB (low)			
B (high)		Bank 5	
B		Bank 4	
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 half 2020 - Highlights

<b>Commercial activity in Portugal</b>	<b>Loan portfolio</b> <b>+596 M.€</b> <b>+2.4%</b> <small>Jun. 20, ytd</small>	<b>Customer deposits</b> <b>+1 877 M.€</b> <b>+8.3%</b> <small>Jun. 20, ytd</small>	<b>Net interest income</b> <b>+2.4%</b> <small>1H 20, yoy</small>	<b>Digital Banking</b> Regular users <b>690 th.</b> <b>+7%</b> <small>Jun. 20, yoy</small>
<b>Risk and capitalisation</b>	<b>NPE</b> <b>2.0%</b> <small>Jun.20</small>	<b>NPE coverage</b> <b>134%</b> <small>(by impairments and collaterals)</small> <small>Jun.20</small>	<b>Cost of credit risk</b> <b>0.32%</b> <small>(% of gross loans and guarantees, non-annualised)</small> <small>1H 20</small>	<b>CET1</b> <b>13.8%</b> <b>T1</b> <b>15.3%</b> <b>Total</b> <b>17.0%</b> <small>Phasing-in<sup>1)</sup>, Jun.20</small>
<b>Profitability and efficiency</b>	<b>Net profit in Portugal</b> <b>6.5 M.€</b> <b>-93%</b> <small>1H 20, yoy</small>	<b>ROTE in Portugal</b> <b>5.4%</b> <small>Recurrent</small> <small>(last 12 months until Jun.20)</small>	<b>Cost-to-income in Portugal</b> <b>59.6%</b> <small>(last 12 months until Jun.20)</small>	<b>Consolidated net profit</b> <b>42.6 M.€</b> <b>-68%</b> <small>1H 20, yoy</small>

1) With the phasing of the impact from IFRS9 implementation (-0.2 p.p.).

# Results in the 1st Half 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

# Income Statement of the activity in Portugal

(unaudited)

In M.€	Jun 19 restated <sup>1)</sup>	Jun 20	Δ%
Net interest income	214.8	220.0	2.4%
Dividend income	2.3	2.1	-8.7%
Equity accounted income	9.8	7.9	-19.3%
Net fee and commission income	127.2	118.1	-7.1%
Gains/(losses) on financial assets and liabilities and other	(1.7)	(12.4)	-
Other operating income and expenses	(20.3)	(23.9)	-17.6%
<b>Gross income</b>	<b>331.9</b>	<b>311.8</b>	<b>-6.1%</b>
Staff expenses	(122.2)	(122.4)	0.1%
Other administrative expenses	(75.4)	(70.7)	-6.3%
Depreciation and amortisation	(26.2)	(22.8)	-13.2%
<b>Operating expenses</b>	<b>(223.9)</b>	<b>(215.9)</b>	<b>-3.6%</b>
<b>Net operating income</b>	<b>108.0</b>	<b>95.9</b>	<b>-11.2%</b>
Impairment losses and other provisions	10.7	(84.0)	-
Gains and losses in other assets	1.2	0.7	-38.0%
<b>Net income before income tax</b>	<b>119.9</b>	<b>12.7</b>	<b>-89.4%</b>
Income tax	(33.1)	(6.2)	-81.2%
<b>Net income</b>	<b>86.9</b>	<b>6.5</b>	<b>-92.6%</b>

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 1<sup>st</sup> half 2019 was restated to consider this reclassification.

# Consolidated income statement

(unaudited)

In M.€	Jun 19 restated <sup>1)</sup>	Jun 20
Net interest income	214.8	220.0
Dividend income	48.3	42.3
Equity accounted income	20.2	11.3
Net fee and commission income	127.2	118.1
Gains/(losses) on financial assets and liabilities and other	(6.3)	(17.9)
Other operating income and expenses	(24.9)	(27.1)
<b>Gross income</b>	<b>379.2</b>	<b>346.6</b>
Staff expenses	(122.2)	(122.4)
Other administrative expenses	(75.4)	(70.7)
Depreciation and amortisation	(26.2)	(22.8)
<b>Operating expenses</b>	<b>(223.9)</b>	<b>(215.9)</b>
<b>Net operating income</b>	<b>155.3</b>	<b>130.8</b>
Impairment losses and other provisions	10.7	(84.0)
Gains and losses in other assets	1.2	0.7
<b>Net income before income tax</b>	<b>167.1</b>	<b>47.5</b>
Income tax	(32.7)	(5.0)
<b>Net income</b>	<b>134.5</b>	<b>42.6</b>

## EARNINGS PER SHARE

	Jun 19	Jun 20
Earnings per share (€)	0.09	0.02
Average weighted nr. of shares (in millions)	1 457	1 457

# Consolidated balance sheet

(unaudited)

In M.€	Dec 19	Jun 20
<b>ASSETS</b>		
Cash and cash balances at central banks and other demand deposits	1 068.3	4 149.1
Financial assets held for trading, at fair value through profit or loss and at fair value through other comprehensive income	2 326.8	2 415.0
Financial assets at amortised cost	27 439.3	29 571.9
Of which:		
Loans to Customers	23 987.4	24 516.6
Investments in joint ventures and associates	247.2	242.1
Tangible assets	169.6	149.3
Intangible assets	65.8	73.0
Tax assets	272.5	268.2
Non-current assets and disposal groups classified as held for sale	14.6	10.0
Other assets	207.6	212.4
<b>Total assets</b>	<b>31 811.6</b>	<b>37 091.2</b>
<b>LIABILITIES</b>		
Financial liabilities held for trading	146.2	144.9
Financial liabilities at amortised cost	27 640.2	33 116.6
Deposits - Central Banks and Credit Institutions	2 777.1	5 661.7
Deposits - Customers	23 231.4	25 268.0
Debt securities issued	1 358.7	1 804.1
Memorandum items: subordinated liabilities	304.4	304.5
Other financial liabilities	273.0	382.8
Provisions	44.4	43.7
Tax liabilities	17.2	19.8
Other liabilities	527.4	510.1
<b>Total Liabilities</b>	<b>28 375.4</b>	<b>33 835.1</b>
Shareholders' equity attributable to the shareholders of BPI	3 436.1	3 256.1
Non controlling interests	0.0	0.0
<b>Total Shareholders' equity</b>	<b>3 436.1</b>	<b>3 256.1</b>
<b>Total liabilities and Shareholders' equity</b>	<b>31 811.6</b>	<b>37 091.2</b>

# Consolidated profitability and efficiency metrics

(unaudited)

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

	Jun 19	Jun 20
Gross income / ATA	2.4%	2.0%
Net income before income tax and income attributable to non-controlling interests / ATA	1.1%	0.3%
Net income before income tax and income attributable to non-controlling interests / average shareholders' equity (including non-controlling interests)	10.4%	2.8%
Staff expenses / Gross income <sup>1</sup>	32.2%	35.3%
Operating expenses / Gross income <sup>1</sup>	59.0%	62.3%
Loans (net) to deposits ratio	102%	99%

1) Excluding early-retirement costs.

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

	Jun 19	Jun 20
Non-performing exposures (NPE) ratio	3.3%	2.0%
NPE cover by impairments and collaterals	126%	134%
Ratio of forborne not included in NPE <sup>2</sup> )	0.7%	0.5%

2) Forborne according to EBA criteria and considering the scope of prudential supervision. On 30 Jun. 2020, the forborne was 520.2 M.€ (forborne ratio of 1.3%), of which 183.2 M.€ was performing loans (0.5% of the gross credit exposure) and 337.0 M.€ was included in NPE (0.9% of the gross credit exposure).

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

### Profit & loss account (Jun. 20)

In millions of euro (M.€)	Jun 20 reported by BPI	Consolidation, standardisation and net change in FV adjustments derived from the combination of businesses	Jun20 BPI contribution to CABK Group	BPI segment	Equity investments and other segment
<b>Net interest income</b>	<b>220</b>	<b>(5)</b>	<b>215</b>	<b>217</b>	<b>(2)</b>
Dividends	42		42	2	40
Equity accounted income	11	(1)	10	7	3
Net fees and commissions	118		118	118	
Trading income	(18)		(18)	(12)	(6)
Other operating income & expenses	(27)	7	(20)	(20)	
<b>Gross income</b>	<b>347</b>	<b>1</b>	<b>348</b>	<b>312</b>	<b>36</b>
Recurrent operating expenses	(216)	(9)	(225)	(225)	
Extraordinary operating expenses					
<b>Pre-impairment income</b>	<b>131</b>	<b>(9)</b>	<b>122</b>	<b>87</b>	<b>35</b>
<b>Pre-impairment income without extraordinary expenses</b>	<b>131</b>	<b>(9)</b>	<b>122</b>	<b>87</b>	<b>35</b>
Impairment losses on financial assets	(83)	64	(19)	(19)	
Other impairments and provisions	(1)		(1)	(1)	
Gains/losses on disposals & others	1		1	1	
<b>Pre-tax income</b>	<b>48</b>	<b>55</b>	<b>103</b>	<b>67</b>	<b>36</b>
Income tax	(5)	(18)	(23)	(22)	(1)
<b>Profit for the period</b>	<b>43</b>	<b>37</b>	<b>80</b>	<b>45</b>	<b>35</b>
Minority interests & other					
<b>Net income</b>	<b>43</b>	<b>37</b>	<b>80</b>	<b>45</b>	<b>35</b>

### Loan portfolio & customer funds (Jun. 20)

June 20 In millions of euro (M.€)	Reported by BPI	Adjustments	BPI contribution to CABK Group (BPI segment)
<b>Loans and advances to customers, net</b>	<b>24 517</b>	<b>( 135)</b>	<b>24 382</b>
<b>Total customer funds</b>	<b>35 658</b>	<b>(4 507)</b>	<b>31 151</b>

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.

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 June 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 30 June 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

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

### Units, conventional signs and abbreviations

<b>€, Euros, EUR</b>	euros
<b>M.€, M. euros</b>	million euros
<b>th.€, th. euros</b>	thousand euros
<b>Δ</b>	change
<b>n.a.</b>	not available
<b>0, –</b>	null or irrelevant
<b>Liq.</b>	liquid
<b>vs.</b>	versus
<b>b.p.</b>	basis points
<b>p.p.</b>	percentage point
<b>E</b>	Estimate
<b>F</b>	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 1<sup>st</sup> half 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	Jun 20	Jun 20	Structure presented in the financial statements and respective notes
Net interest income	220.0	220.0	Net interest income
Dividend income	42.3	42.3	Dividend income
Equity accounted income	11.3	11.3	Share of profit/(loss) of entities accounted for using the equity method
Net fee and commission income	118.1	129.0	Fee and commission income
		(10.8)	Fee and commission expenses
Gains/(losses) on financial assets and liabilities and other	(17.9)	0.0	Gains/(losses) on derecognition of financial assets and liabilities not measured at fair value through profit or loss, net
		2.8	Gains/(losses) on financial assets and liabilities held for trading, net
		(18.4)	Gains/(losses) on financial assets not designated for trading compulsorily measured at fair value through profit or loss, net
		(2.4)	Gains/(losses) from hedge accounting, net
		0.1	Exchange differences (gain/loss), net
Other operating income and expenses	(27.1)	19.9	Other operating income
		(47.1)	Other operating expenses
<b>Gross income</b>	<b>346.6</b>	<b>346.6</b>	<b>GROSS INCOME</b>
Staff expenses	(122.4)	(122.4)	Staff expenses
Other administrative expenses	(70.7)	(70.7)	Other administrative expenses
Depreciation and amortisation	(22.8)	(22.8)	Depreciation and amortisation
<b>Operating expenses</b>	<b>(215.9)</b>	<b>(215.9)</b>	<b>Administrative expenses, depreciation and amortisation</b>
<b>Net operating income</b>	<b>130.8</b>	<b>130.8</b>	
Impairment losses and other provisions	(84.0)	(0.2)	Provisions or reversal of provisions
		(83.8)	Impairment/(reversal) of impairment losses on financial assets not measured at fair value through profit or loss
Gains and losses in other assets	0.7	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
		0.7	Profit/(loss) from non-current assets and disposal groups classified as held for sale not qualifying as discontinued operations
<b>Net income before income tax</b>	<b>47.5</b>	<b>47.5</b>	<b>PROFIT/(LOSS) BEFORE TAX FROM CONTINUING OPERATIONS</b>
Income tax	(5.0)	(5.0)	Tax expense or income related to profit or loss from continuing operations
<b>Net income from continuing operations</b>	<b>42.6</b>	<b>42.6</b>	<b>PROFIT/(LOSS) AFTER TAX FROM CONTINUING OPERATIONS</b>
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	
<b>Net income</b>	<b>42.6</b>	<b>42.6</b>	<b>PROFIT/(LOSS) FOR THE PERIOD ATTRIBUTABLE TO OWNERS OF THE PARENT</b>

# 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)** <sup>1)</sup> = Operating expenses / Gross income

**Core cost-to-income ratio (core efficiency ratio)** <sup>1)</sup> = (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)** <sup>1)</sup> = 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)** <sup>1)</sup> = 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)** <sup>1)</sup> = (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**<sup>2)</sup> = 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 2.4 M.€ in Jun.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**<sup>3)</sup> = 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<sup>4)</sup> = Third-party capitalisation insurance placed with Customers

▪ Pension plans<sup>4)</sup> = 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 portfolio<sup>1)</sup>** = [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.

Registered office: Rua Tenente Valadim, 284, Porto

Share capital: € 1 293 063 324.98

Registered at Commercial Registry of Porto  
under registration number PTIRNMJ 501 214 534  
and tax identification number 501 214 534