

BANCO DO ANO

PARA A REVISTA THE BANKER E PARA CLIENTES E COLABORADORES.

O BPI foi eleito o Banco do Ano 2020 em Portugal pela Revista The Banker, Grupo Financial Times.



12M20 Banco BPI
Consolidated Results

4 February 2021

 **BPI**
Grupo  CaixaBank

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BPI in 2020: Supporting Families, Companies and the Portuguese Economy

- **STRONG COMMERCIAL DYNAMISM**, in a very adverse backdrop: loans grew 5.4% and deposits 13%, with gains in market share;
- **UNPRECEDENTED SUPPORT TO FAMILIES AND COMPANIES**: 5.6 Bi.€ of moratoria and 0.7 Bi.€ of loans from public support lines COVID-19;
- **STABLE GROSS INCOME**, that show remarkable resilience in an unforeseen and unprecedented recession;
- **STRONG ECONOMIC AND FINANCIAL POSITION**: NPE of 1.7%, covered at 140%; Capital CET1 of 14.1% and Total Capital of 17.3%; comfortable liquidity position, loan-to-deposits ratio of 93%; investment grade ratings by the three main international agencies;
- **ACCELERATION OF DIGITAL TRANSFORMATION AND INNOVATION**: 711 thousand digital clients, of which 462 thousand with BPI app (+61 th.).
- **REINFORCED SOCIAL COMMITMENT**, with "la Caixa" Foundation: all the programs and support planned for 2020, totalling 26 M.€, and special initiatives to support the most vulnerable, in association with other patrons, were maintained: 1.7 M.€ raised for the Food Emergency Network; 1 000 new computers delivered to schools and more than 500 tablets distributed to facilitate communication between patients and their families;
- **RECURRENT NET PROFIT IN THE ACTIVITY IN PORTUGAL OF 84.3 M.€** and consolidated net profit of 104.8 M.€, with a yoy drop largely explained by non-allocated loan impairments of 97 M.€, to prevent future impacts of the pandemic.

BPI results in 2020

Net income in Portugal and in the consolidated

- **Recurrent net profit in Portugal of 84.3 M.€ in 2020 (-64% yoy)**
- **Consolidated net profit of 104.8 M.€ in 2020 (-68% yoy)**
- **Loan impairments (net) of 151 M.€ in 2020, includes 97 M.€ of non-allocated impairments** in the context of Covid-19

Customer resources and loans

- **Total Customer resources increased 2 607 M.€ (+7.6% yoy); Deposits increased 13.0%**
- **Loan portfolio increased 1 314 M.€ (+5.4% yoy)**

High asset quality

- **Non-performing exposures ratio (NPE EBA) decreased to 1.7% in December 2020**
- **NPE coverage** by impairments and collateral **increased to 140%**

Strong capitalisation

- **Capital ratios (phasing-in) : CET1 of 14.1%, T1 of 15.6% and total capital of 17.3%**
- **Leverage ratio** (phasing-in) of 7.3%

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 104.8 M.€ in 2020

Consolidated net profit

In M.€	Dec 19	Dec 20	Δ%
Activity in Portugal			
Recurrent net profit	231.3	84.3	-64%
Non-recurrent impacts ¹⁾	(1.1)	(18.1)	
Net profit in Portugal	230.2	66.2	-71%
BFA contribution	78.9	30.2	
BCI contribution	18.7	8.4	
Consolidated net profit	327.9	104.8	-68%

Of which:

- Commercial banking gross income ²⁾ -2 M.€
- Loan impairments -195 M.€
- Reduction in operating expenses +20 M.€

Recurrent ROTE in Portugal

	2019	2020
Recurrent ROTE	8.9%	2.7%

Loan portfolio increased 5.4%

Loans to customers by segments

Gross portfolio, in M.€	Dec 19	Dec 20	YoY
I. Loans to individuals	13 045	13 745	5.4%
Mortgage loans	11 377	12 008	5.5%
Other loans to individuals	1 668	1 737	4.1%
II. Loans to companies	9 513	10 072	5.9%
III. Public sector	1 823	1 879	3.1%
Total loans	24 381	25 695	5.4%
Note:			
Loan portfolio net of impairments	23 987	25 208	5.1%

Total loan portfolio market share

10.7% +0.3 p.p.
(November 2020) Δ YtD

Support to Families and Companies (31 Dec 2020)

Loan moratoria

of which,

5 620 M.€

22%
of loan portfolio

Housing loans

2 495 M.€

Personal loans and car finance

333 M.€

Companies

2 792 M.€

Public support credit lines COVID-19

722 M.€

applications

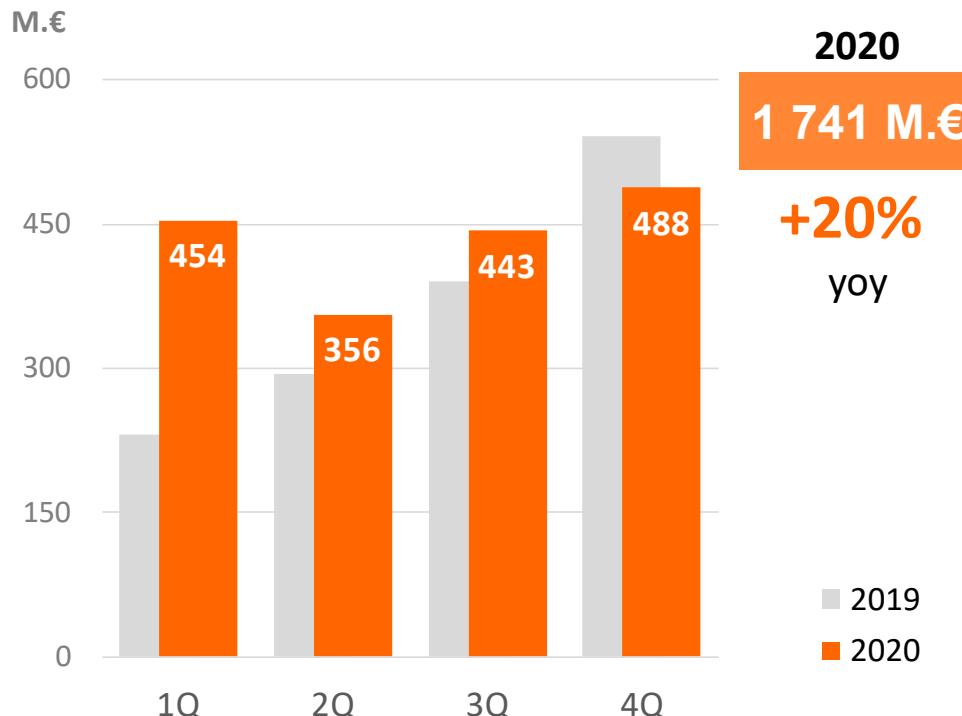
8.4 th.

Credit grant by BPI (633 M.€) and credit approved / under analysis by SGM.

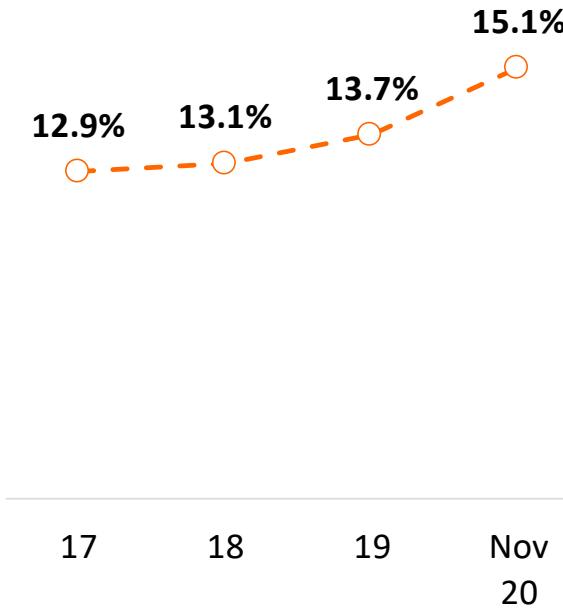
Mortgage loan origination increases 20% and market share gain

MORTGAGE LENDING

Loan origination



Market share in origination



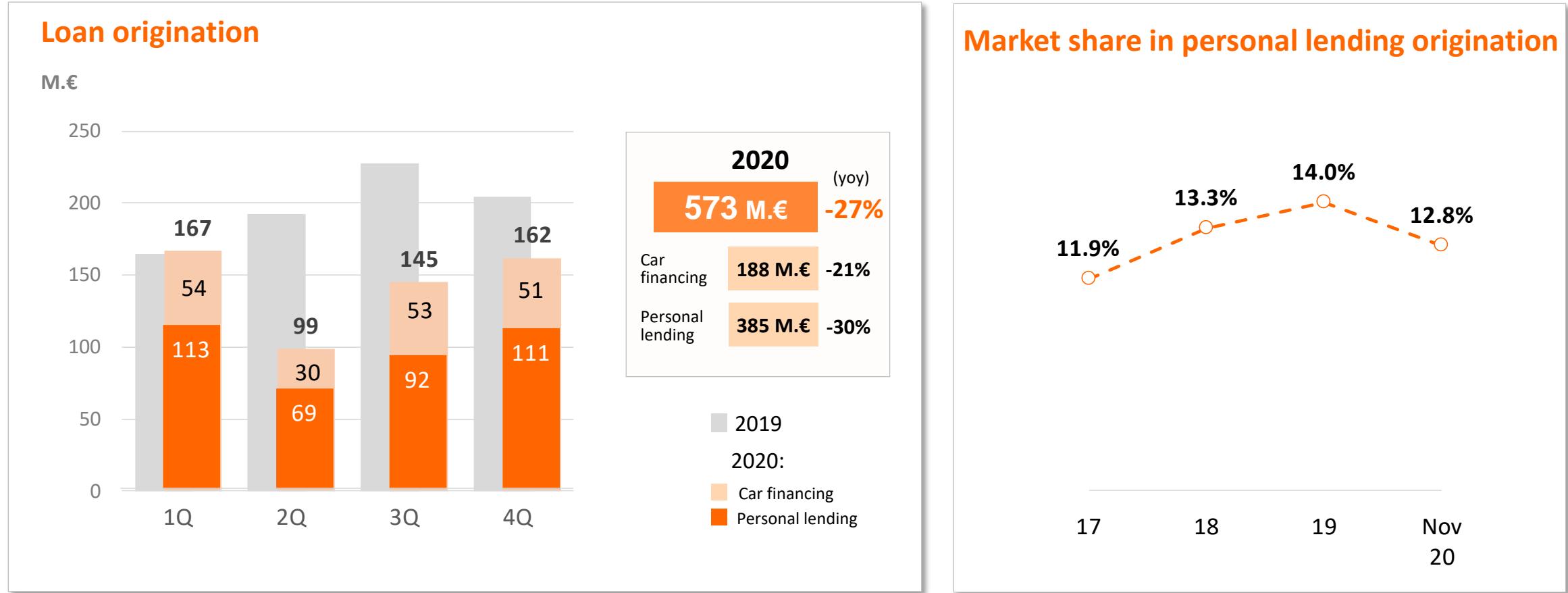
Market share in loan portfolio



Personal lending and car financing gradually recovering

Loan origination in the 4th quarter close to pre-pandemic levels

PERSONAL LENDING AND CAR FINANCING



BPI, a Bank that #Gives More Value to Families and Businesses

Improvement in the relationship with Customers: simplification and greater accessibility

Day to Day

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

- Maximizing the use of the **New contact platform between manager and Client**, for exchanging messages and documents
- **New Products and Services available on Digital channels**
- **Online subscription to digital channels**
- **Advantages for Customers with Valor Account: FamilyExperiências**

Platform (offers and discounts in more than 200 brands)



Enjoy life

Consumer loans, car financing and renting

- Sale of **Credit and Non-financial Products on the new contact platform with the Client**.
- **Immediate credit offer extended to all Clients**
- Expansion of **pre-approved limits for credit cards and personal loans**

New Product
Launch of the Personal Credit for Home improvements, Car, Health and Renewable Energies

Sleep peacefully

Life and non-life insurance and security alarm solutions

- Subscription of **Life, Car and Home Insurance on BPI net and APP**
- **Insurance information and claims reporting on the Online channels**
- Beginning of the commercialization of **BPI Vida e Pensões insurance products**



Planning for the future

Diversification, savings and retirement savings plans

- Improvement of service and consolidation of **Advised Sales at the Branches**
- Extending the offer of **Retirement Savings Plans** on the digital channels
- **My Planning simulator on BPI net and BPI app - personalized financial planning**

New products
Launch of **New Retirement Savings Plans "Destiny 2030 and 2050"**



inTouch success of the new omnichannel service

New model of omnichannel relationship with Customers, through a personalized Remote Manager
(launched on 31 Jan. 20)

14 Managers

1 inTouch centre



≈ 500 M€ Turnover



> 21 th. Clients



96% Acceptance rate

inTouch

- An innovative service that meets the different needs of various types of Customers
- Objective 2021 (Δ vs. 2020): +130 th. Clients and +2 Bi.€ Turnover

BPI, a Bank that #Gives More Value to Companies

The partner for Companies in the various stages of their lives

BPI Empresas

Solutions adapted to each Client needs



Day to day management



Investing in the future



Business security



O BPI dá mais valor às Empresas.



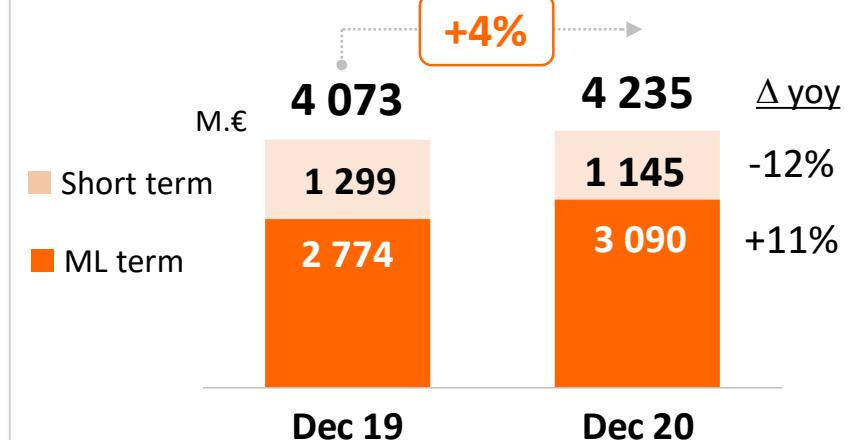
Support for economic recovery



Public credit lines to support companies

Loans to Companies and Small Businesses

LOAN ORIGINATION¹⁾



MARKET SHARE



Source: BPI and BoP, Loans to resident non-financial corporations.

Specialised support to the Agriculture and Tourism segments

AGRICULTURE



**#DÁ
MAIS
VALOR
AO SOL E À CHUVA**

O BPI dá mais valor à Agricultura.

TOURISM



**#DÁ
MAIS
VALOR
A DESCOBRIR**

O BPI dá mais valor ao Turismo.

Dedicated financing solutions

Ex:

- **BPI/EIF Agriculture line:** guarantee agreement with the EIF - European Investment Fund

Market shares

#1 in credit granted (IFAP)*

#1 in number of subsidy advances (CAP)*

Partnerships in the segment

- Ovibeja
- FNA - National Agriculture Fair
- Agroglobal
- Corn Colloquium

Teams of specialists

Support for investment, treasury management and risk hedging

Ex:

- **Offer Qualification Support Line**
- **BPI/Rota EN2 line:** financing protocol

- **BTL – Lisbon Travel Market**
- **NEST - Tourism Innovation Center**
- **Training Sessions BEST**
Business Education for Smart Tourism

BPI, the partner for companies in their internationalisation



 **Domestic network and extended international presence in more than 20 countries (CaixaBank Group)**

 **Dedicated teams at BPI Branches and Corporate Centres and specialists in Trade Finance**

In-company sessions

 Free training sessions, held at the Client's premises, for the commercial, financial and logistics teams involved in international activity.

 **BPI financing and risk hedging solutions throughout the business cycle**



3rd edition in Portugal of "Negócios com o Mundo"

- **Objective: to support the internationalisation of BPI Clients**
- **one-on-one meetings** between BPI Clients and Caixabank representatives
- **Markets: Morocco, Poland and India.**



BPI encourages innovation and corporate sustainability

To reward and give visibility to Portuguese companies



National Tourism Award

2nd edition

- 401 applications
- 8 awards



National Agriculture Award

9th edition

- 920 applications
(awards attribution to announce)



PRÉMIOS EMPREENDEDOR XXI

EntrepreneurXXI Awards

4th edition

- 955 applications,
171 in Portugal
(awards attribution to announce)



BPI Womens's Entrepreneurial Challenge

3rd edition

- 2020 winner: Isabel Furtado, CEO of TMG Automotive



SME Innovation Award

16th edition

- 154 applications
- 2020 winner: BERD

New dynamic of proximity to Customers that replaces face-to-face events

Webinars and multisector conferences



28 events
(of which 2 in-person events)



1.500 participants*



territorial coverage
(including Spain, through CaixaBank)



Greater diversity
of topics discussed



*At events with 100% BPI organisation.

Total customer resources increased 2.6 Bi.€ (+7.6%)

Customer deposits increased 3.0 Bi.€ (+13%)

Customer resources

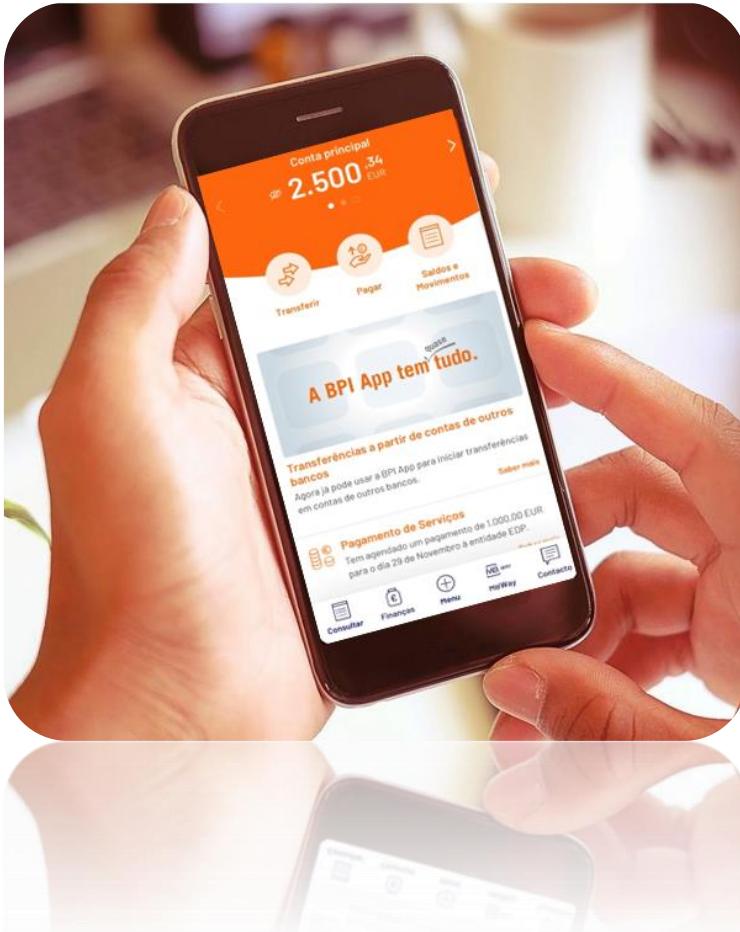
In M.€	Dec 19	Dec 20	YoY
I. Customer deposits¹⁾	23 015	26 009	13.0%
II. Assets under management	9 797	9 644	-1.6%
Mutual funds	5 245	5 309	1.2%
Capitalisation insurance	4 552	4 334	-4.8%
III. Public offerings	1 569	1 336	-14.8%
Total	34 382	36 989	7.6%

Market shares

	Nov. 20	Δ vs Dec19
Deposits	10.6%	+0.5 pp
Mutual funds	10.6%	-0.9 pp
Capitalisation insurance	17.0%	+0.9 pp
Retirement savings plans	11.3%	+0.1 pp

Digital channel: strong increase in digital clients, especially on mobile

Greater proximity to Customers and increased Digital Sales



More Digital Clients (YoY)

Growth with focus on mobile

+61 th.

active users
of BPI App

76%

digital clients
(individuals)
using BPI App

Increased proximity

Increase in digital interactions

16 million

Logins in
December (month)

+20%

Logins Δ YoY

70%

of logins are on
the mobile

97%

transactions carried out
on digital channels¹⁾

Increase in Digital Sales (YoY)

Increase in interactions on Digital Channels that
end in sales and product subscriptions

+39%

of digital sales

68%

of sales initiated
on digital channels

Digital channels penetration

2

“Net+Mobile” penetration
Individuals²⁾

1

Market share in Net and Mobile Banking
Companies³⁾

High Client Satisfaction

1

Digital Channels satisfaction
Individuals⁴⁾

2

Internet Banking satisfaction
Companies³⁾

1) Transactions carried out on the Net, Mobile or ATM

2) BASEF (Nov. 2020), main banks.

3) DATAE (2020), main banks.

4) CSI Banca (1st Wave 2020), Digital Channels Satisfaction Index.

#1 bank in Portugal with CMMI L3 Appraisal in the development of technological applications



CMMI DEV / 3SM

CMMI®V2.0 / Exp. 2023-12-04 / Appraisal #51841

It attests the quality and predictability of application development processes, ensuring their solidity and an adequate response to the requirements of banking supervision in the area of technological risk.

BPI held the "maturity level 2" appraisal since 2018



Agility and risk management in technological changes

- BPI is also the only Portuguese bank with 100% of its application development teams operating in agile methodologies.

International certification for projects of High Technical Complexity in the development of computer applications attributed by the CMMI Institute, an ISACA subsidiary with origins at Carnegie Mellon University (USA).

Be quick to change while maintaining an efficient management of the risk in change

BPI, a Bank more simple, efficient and available to Customers



Automation

(31 Dec.20)



94% Branches with deposit machines

+ than 85% Absorption of deposits movements

+ Equipment and Features

Mobility and Digitisation

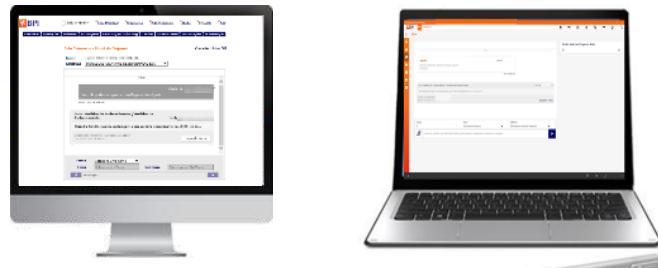
(31 Dec. 20)



85% Processes with digital signature

+ Sales support tools

+ Remote sales and service solutions



Centralisation

(31 Dec.20)



+ than 180 Services centralised in Middle Office

Processes improvement

(in 2020)



≈ 100 Process simplification measures

+ than 30 Processes were robotised

Resilience of net interest income in a negative interest rate environment

Gross income in the activity in Portugal

In M.€	Dec 19	Dec 20	Δ%
Net interest income	436.3	450.1	+ 3.2%
Dividends and equity accounted income	23.6	20.9	- 11.5% ¹⁾
Net fee and commission income	257.9	244.9	- 5.0%
COMMERCIAL BANKING GROSS INCOME	717.8	715.9	- 0.3%
<i>Other net income</i> ²	-10.4	-17.7	
Gross income	707.4	698.3	- 1.3%

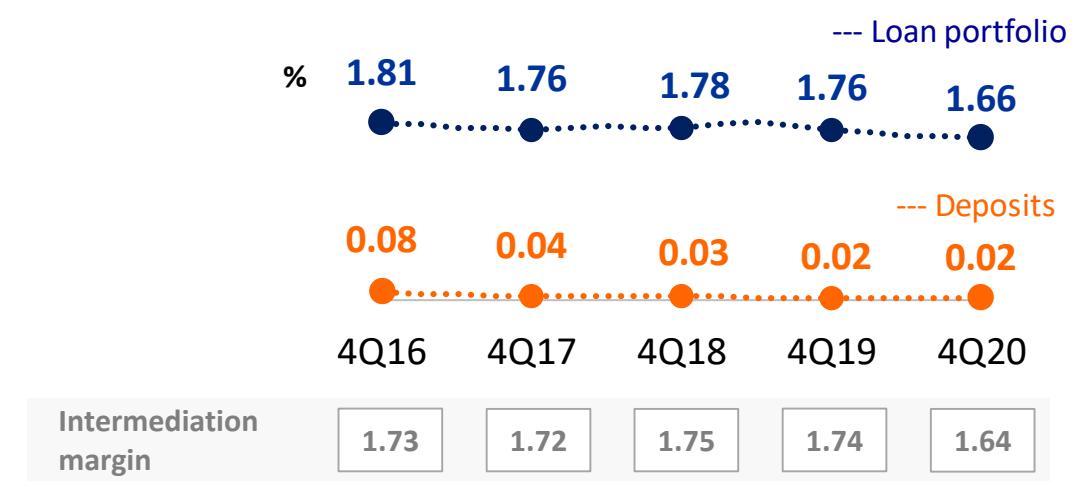
↑ Growth in loan volumes

↑ ALCO management

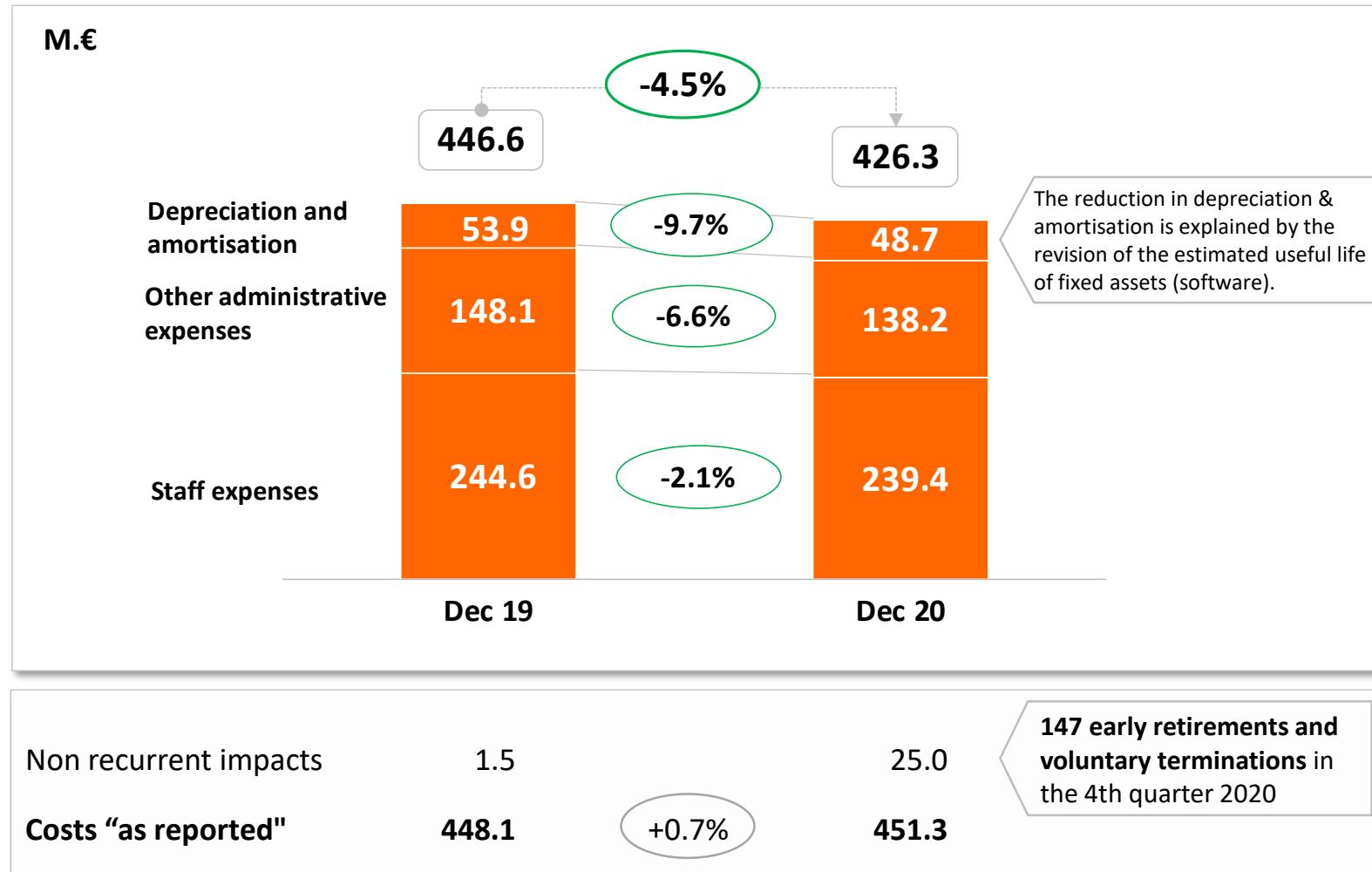
↓ Intermediation margin narrowed

Yields on customer loans and cost of deposits

(quarterly average yield; in %)



Recurrent operating expenses decreased 4.5%

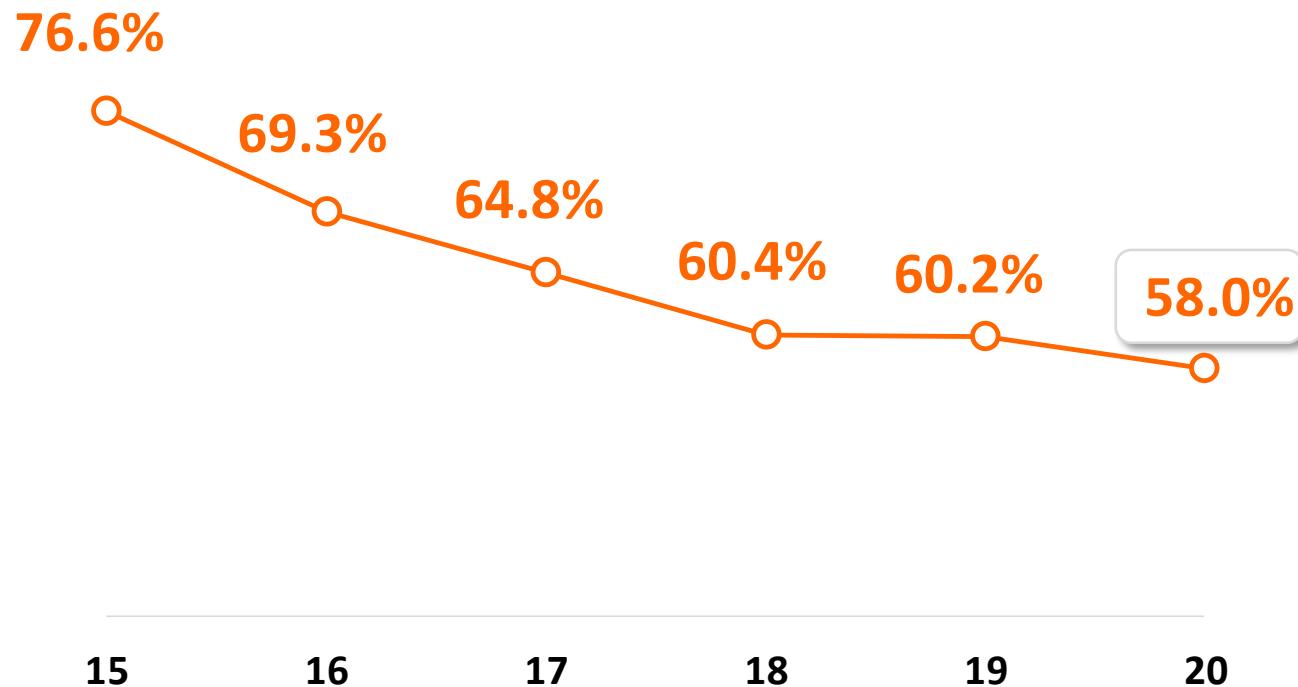


	Dec.20	Δ yoy
Staff	4 622	-218
Distribution network	422	-55
Of which:		
Retail branches	360	-46
Premier Centres	27	-9
Mobile branch	1	-
Corporate and Institutions Centres	34	-

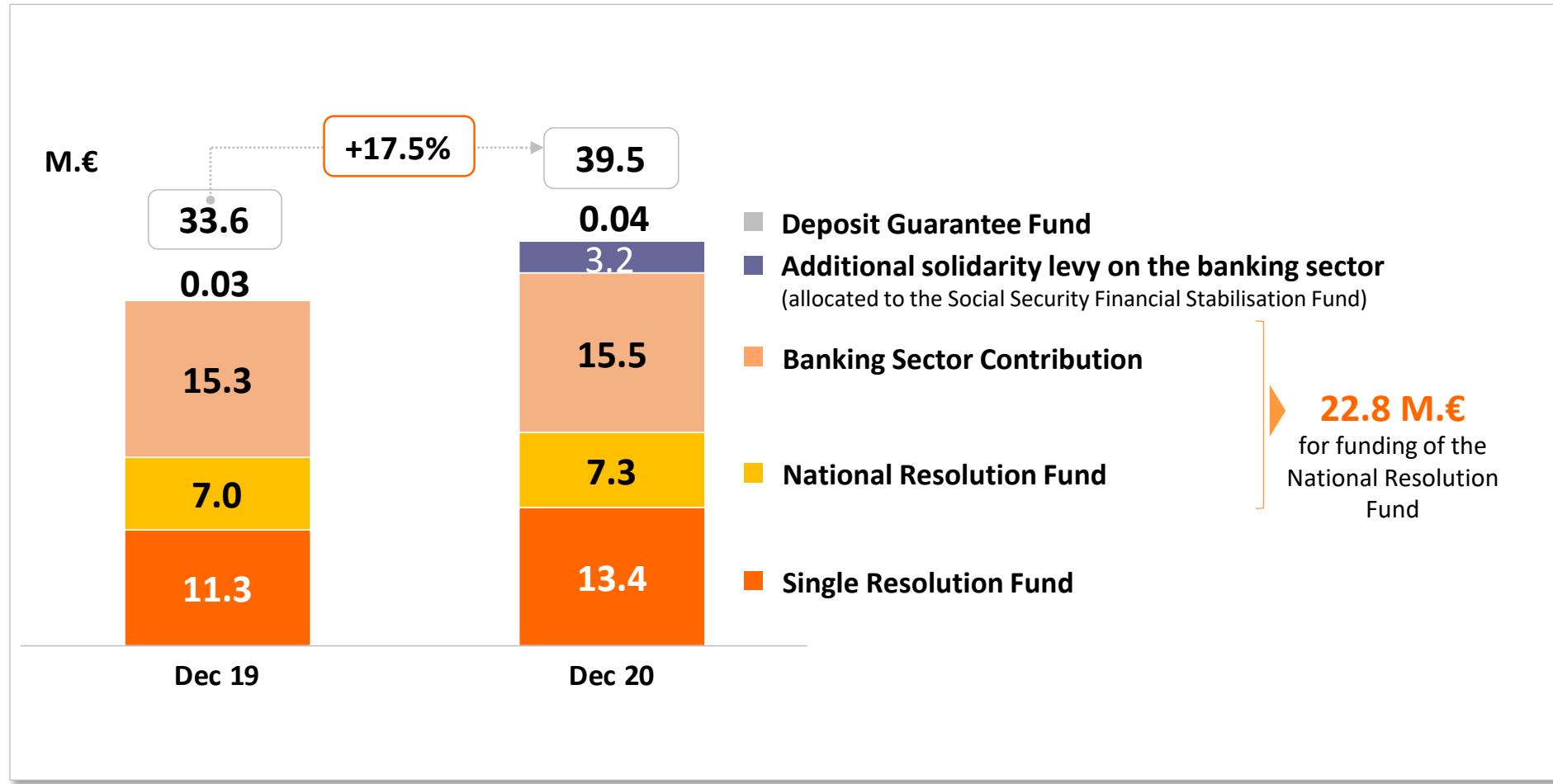
Core cost-to-income improves to 58% in 2020

Core cost-to-income

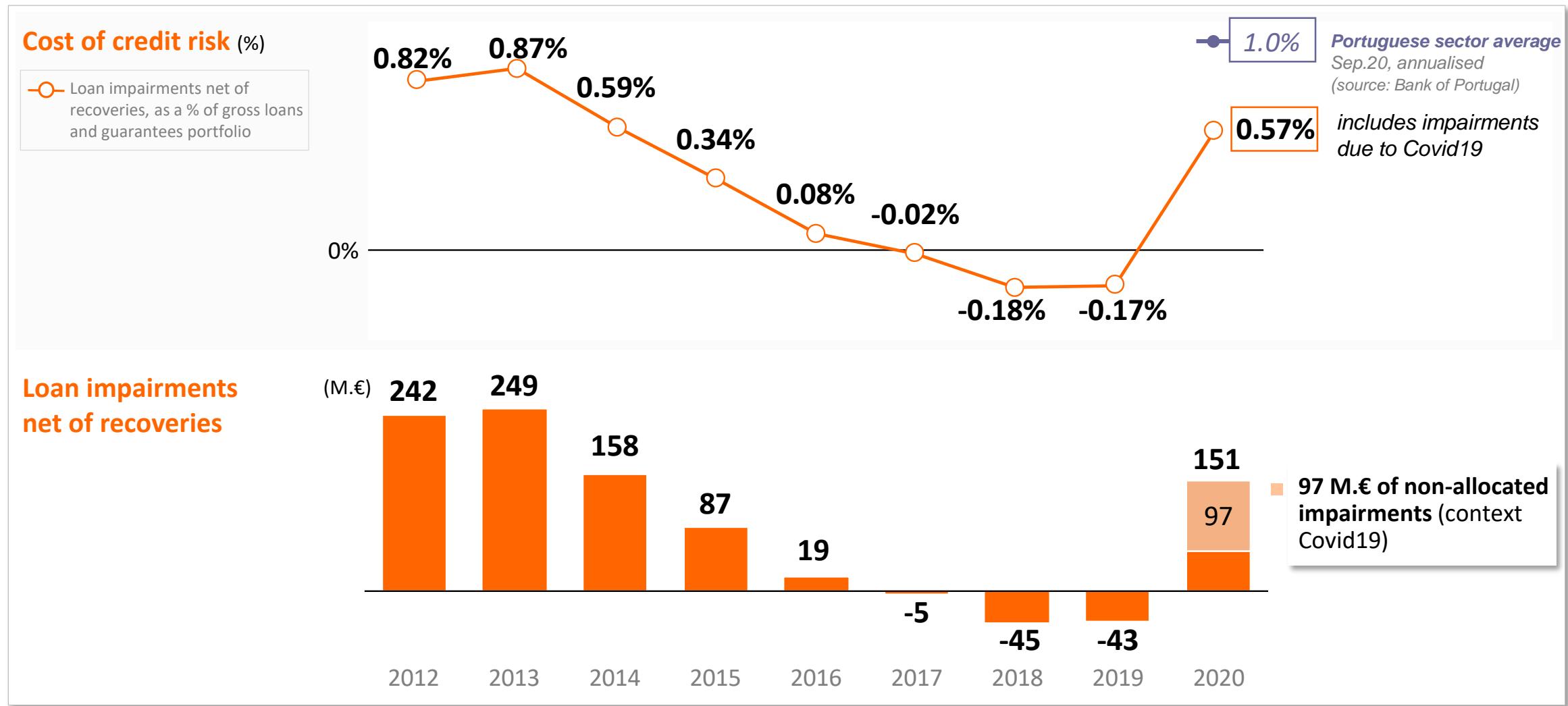
(Recurrent operating expenses as % of commercial banking gross income)



Regulatory costs of 39.5 M.€ in 2020

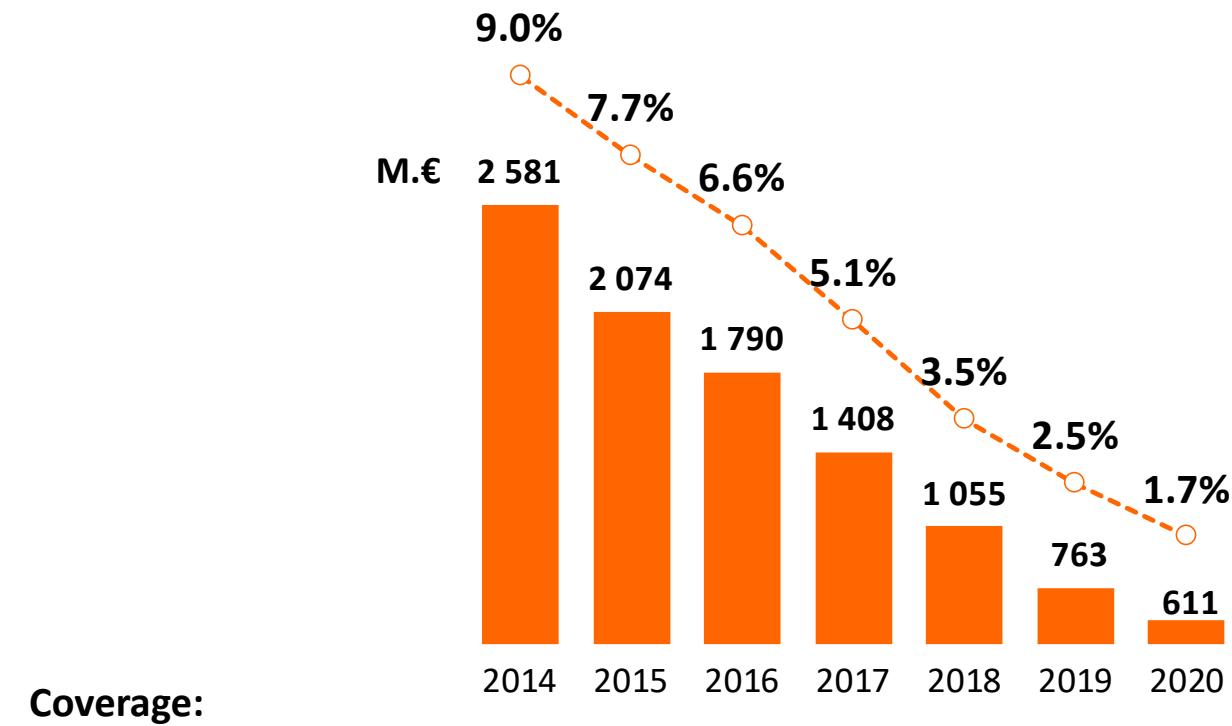


Loan impairments net of recoveries of 151 M.€ in 2020



BPI maintains a low risk profile and increases coverage

Non-Performing Exposures – NPE (EBA criteria)



Coverage:

- by impairments 38% 43% 39% 43% 53% 54% 83%
- by impairments and collaterals 110% 117% 127% 124% 140%

NPL ratio

(EBA criteria)

Non-Performing Loans (NPL)

2020

2.1%

598 M.€

141%

NPL coverage

(by impairments and collaterals)

8 M.€

Foreclosed properties

(net book value)

45 M.€

Corporate restructuring and recovery funds

(book value)

Employee pension liabilities

M.€	Dec 19	Dec 20
Total past service liability	1 804	1 907
Net assets of the pension funds	1 767	1 873 ⁽¹⁾
Level of coverage of pension liabilities	98%	98%
Pension fund return	12.6%	2.7%
Discount rate	1.34%	1.01%

Actuarial deviations (M.€)	2020
Income from investment portfolio	+24
Change in the discount rate	(106)
Increase of the national minimum wage above the Collective Labor Agreement	(14)
Other	(5)
Actuarial deviations	(102)

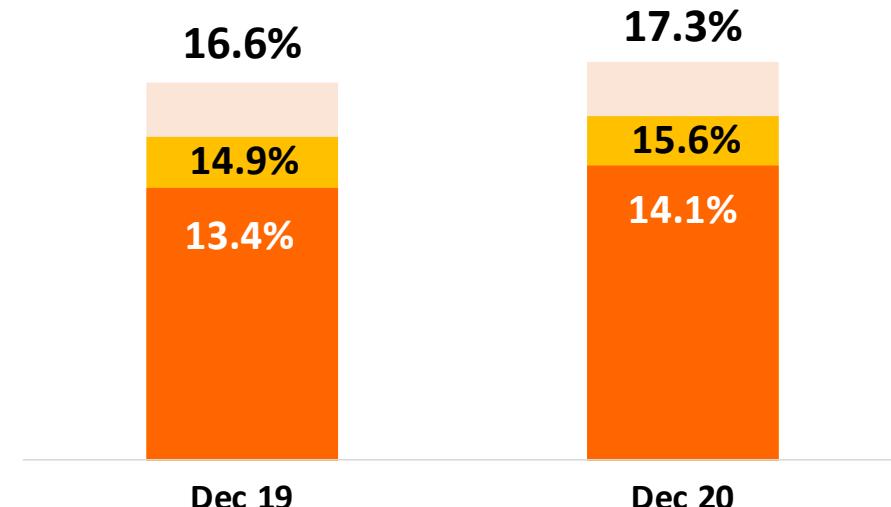
1) Includes a contribution to the pension fund made in January 2021.

Solid capital position

Consolidated capital ratios

(phasing-in)

- Total capital
- Tier 1
- Common Equity Tier 1



Leverage ratio

8.4%

7.3%

Buffer MDA (Capital buffer without limitations on results distribution)

4.4%

Capital requirements (SREP)

In 2020 ¹⁾

Total capital

12.875%

T1

10.375%

CET1

8.50%

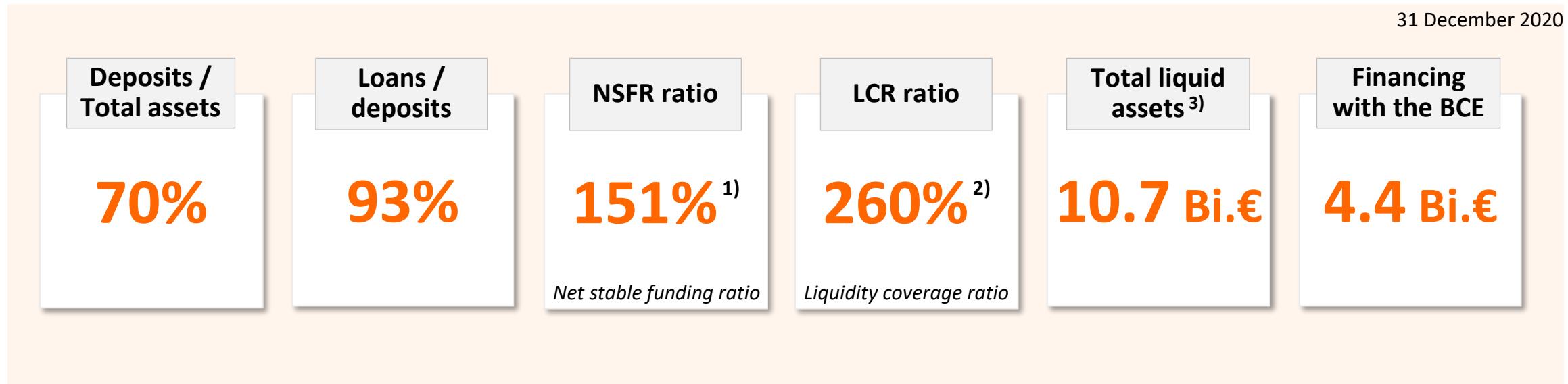
Requirement from June 2021

Leverage

3.0%

Balanced funding structure and comfortable liquidity position

- Customer resources constitute the main source of financing of the balance sheet



27) Regulatory minimum from June 2021.

2) Average 12 months, according to EBA guidance. Average amount (last 12 months) of LCR components calculation: Liquidity Reserves (7 655 M.€); Total net outflows (2 943 M.€).

3) High Quality Liquid Assets (HQLA) of 9.5 Bi.€ and other assets eligible as ECB collateral of 1.2 Bi.€.

BPI's quality, innovation and dedication to Customers continued to be distinguished - 2020



Bank of the Year



Large Banks
2nd consecutive year



Salary Account



Large Banks



Bank



Brand of Excellence



Best Equity Research Content



Best Agile Leadership



Best Private Banking in Portugal



Best Private Bank, Portfolio Management Technology, Europe



A+ the Principles for Responsible Investment, BPI Gestão de Ativos

GLOBAL FINANCE

Best Treasury and Cash Management Provider
Distinguished Crisis Leadership 2020



Internal Communication



Certification COVID Safe



Qualification of Information Systems

BPI and "la Caixa" Foundation maintain all the programmes and support planned for 2020, for a total of 26 M.€

4 thematic areas of intervention



Social Support

Humaniza Programme
Incorpora Programme
Proinfância Programme
Promove Contest
BPI "la Caixa" Foundation Awards (*)
Volunteering BPI "la Caixa" Award Reviewers (*)
Volunteering CooperantesCaixa
Decentralised Social Initiative (*)
Partis Contest - Art for Change
Research in Social Sciences
Social Equity Initiative-Nova SBE
Global Platform for Syrian Student

(*) detailed ahead

Research and Health

Health research
CaixaImpulse

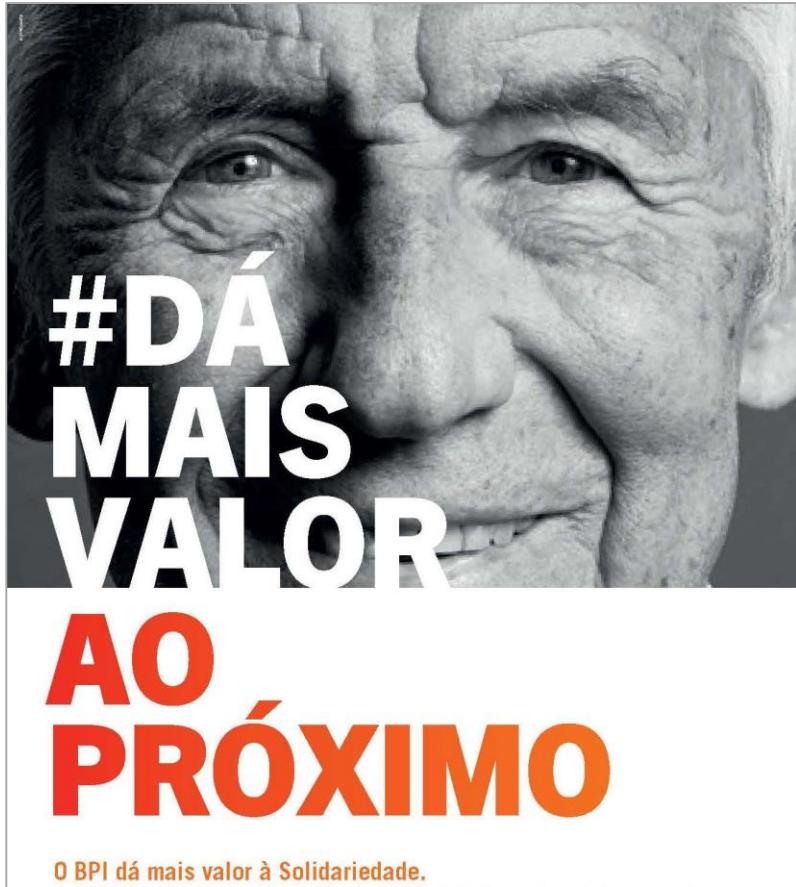
Education and Scholarships

Graduate scholarships
Post-doctoral and doctoral grants to researchers of excellence
Young Entrepreneurs Programme

Culture and Science

Creactivity, Itinerant Exhibitions, Participatory and School Concerts
Creation Support Programme
Serralves Foundation
Casa da Música
National Museum of Ancient Art
Natural History and Science Museum of the University of Porto
Science Museum of the Univ. Coimbra / Curiosities Office
Casa da Arquitetura (architecture)
Casa de São Roque
Museum of Contemporary Art of Elvas
Caramulo Museum
National Theatre D. Maria II
National Theatre S. João
"Espaço do Tempo"
Orchestra XXI
"Orquestra Sem Fronteiras "
Jazz Orchestra of Matosinhos

3.75 M.€ to improve the quality of life of people in situation of social vulnerability through the BPI "la Caixa" Foundation Awards



5 BPI "la Caixa" 2020 awards

- **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)

In the last 11 years:

28
editions

70
Volunteers BPI

18.8 M.€

639
projects

Support to
152 000
people

Decentralized Social Initiative to support local social projects through the Commercial Network



1 M.€

In 2021, to continue promoting quality of life and equal opportunities:

- Children, adolescents and young people
- People aged over 65
- People with disabilities
- Labor insertion
- Health, illness or permanent disability
- Interculturality and social cohesion

In 2020:

113
projects

636 th.€

70 723
beneficiaries

In 2020, BPI and "la Caixa" Foundation launched the Decentralised Social Initiative, after the success of the pilot project in the previous year. They intend to promote engagement with the local social community, through BPI's Commercial Networks.

Special support initiatives for the Covid-19 emergency



1.7 M.€ raised for the
Rede de Emergência Alimentar
(Food Emergency Network)



1 000 new computers
delivered to schools



+ than 500 tablets distributed
to facilitate communication
between patients and their families

Support for the development of
Portuguese lung ventilator from
CEiiA
300 th.€ to ventilators

Express Contest
of the CaixaImpulse Programme
1.8 M.€ for innovation projects
related to Covid-19

Agreement with the Science and
Technology Foundation
Health research
HealthCare, Social Call
Promove Programme

Marketplace digital in
partnership with the
Ministry of Culture
Portugal #EntraEmCena
Support for artists

Contribution to the 17 Sustainable Development Goals of the United Nations

In 2020, BPI and "la Caixa" Foundation through their initiatives contributed to all the 17 Sustainable Development Goals:

Commitment to
PEOPLE



Commitment to
SOCIETY



Commitment to the
PLANET



Strategic Alliances
and Partnerships



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
Ba2		Bank 3
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
BBB	Portugal BPI
BBB-	
BB+	Bank 3
BB	Bank 2
BB-	
B+	
B	
B-	Bank 4
CCC+	
... CCC, CCC-, CC, C e D	



(Long-Term Debt / Issuer Rating)

... AA, AA (high), AAA

AA (low)	BPI	Mortgage bonds
A (high)		
A		Bank 1
A (low)		
BBB (high)	Portugal	
BBB		Bank 3
BBB (low)		Bank 2
BB (high)		
BB		
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 (20 Oct.20) 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 (19 Oct.20) reaffirmed BPI's **LT senior debt** and **LT deposits** ratings of **BBB+** and **BPI** rating of **BBB**, with Negative outlook.

High commercial dynamism, despite the adverse and totally unexpected economic backdrop

Effective and unprecedented response to support families and companies

Resilience of gross income and improvement in efficiency

Reinforcement of loan impairments in the context of COVID-19

Solid solvency position, low risk profile and comfortable liquidity position

Continuing digital transformation and innovation

Reinforced social commitment, in cooperation with "la Caixa" Foundation

**BPI will continue to be the partner of families and companies
and to support the recovery of the Portuguese economy**

BPI results in 2020

31 December 2020

Commercial activity in Portugal

Loan portfolio
+1 314 M.€
+5.4%

△ yoy

Customer resources
+2 607 M.€
+7.6%

△ yoy

Net interest income
+3.2%

△ yoy

Digital Banking

Regular users
711 th.

Active users BPI app
+61 th. △ yoy

Risk and capitalisation

NPE ratio
1.7%

NPE coverage
140%
(by impairments and collaterals)

Cost of credit risk
0.57%
(% of gross loans and guarantees)

CET1 **14.1%**
T1 **15.6%**
Total **17.3%**
(Phasing-in)

Profitability and efficiency

Recurrent net profit in Portugal
84.3 M.€
-64%

△ yoy

Recurrent ROTE in Portugal
2.7%

Cost-to-income in Portugal
58.0%

Consolidated net profit
104.8 M.€
-68%

△ yoy

Consolidated results in 2020

(unaudited accounts)



Annexes

- Income Statements and Balance sheet in accordance with IAS / IFRS and consolidated indicators
- Reconciliation between BPI reported figures and BPI Segment contribution to CaixaBank Group
- Alternative performance measures

Income Statement of the activity in Portugal

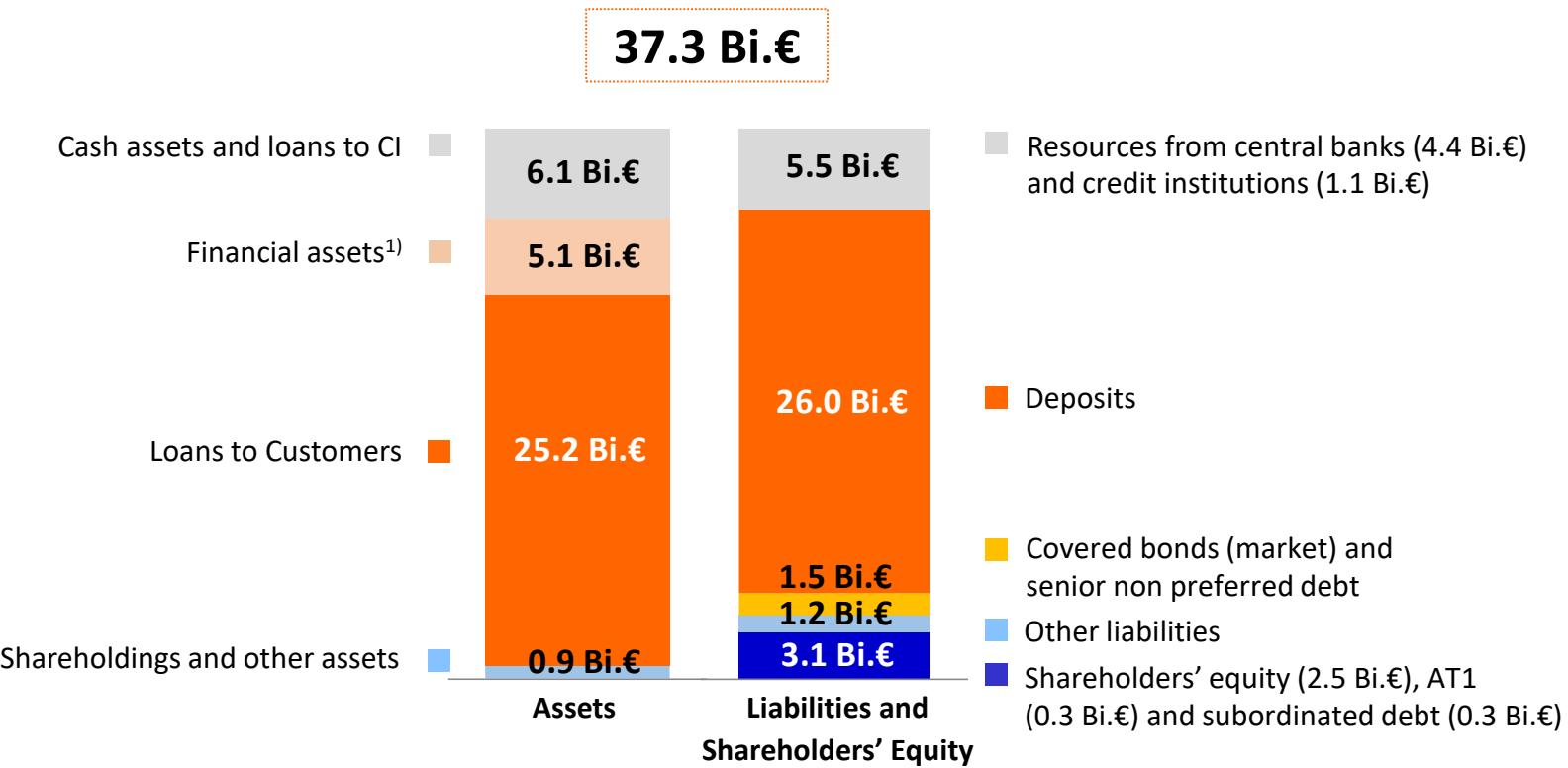
(unaudited)

In M.€	Dec 19	Dec 20	Δ%
Net interest income	436.3	450.1	3.2%
Dividend income	3.3	2.4	-29.6%
Equity accounted income	20.3	18.5	-8.5%
Net fee and commission income	257.9	244.9	-5.0%
Gains/(losses) on financial assets and liabilities and other	10.8	(2.9)	-
Other operating income and expenses	(21.2)	(14.7)	30.5%
Gross income	707.4	698.3	-1.3%
Recurring staff expenses	(244.6)	(239.4)	-2.1%
Other administrative expenses	(148.1)	(138.2)	-6.6%
Depreciation and amortisation	(53.9)	(48.7)	-9.7%
Recurring operating expenses	(446.6)	(426.3)	-4.5%
Non-recurring staff expenses	(1.5)	(25.0)	-
Operating expenses	(448.1)	(451.3)	0.7%
Net operating income	259.3	247.0	-4.8%
Impairment losses and other provisions	36.8	(159.2)	-
Gains and losses in other assets	4.7	0.3	-93.8%
Net income before income tax	300.8	88.1	-70.7%
Income tax	(70.5)	(21.9)	-69.0%
Net income	230.2	66.2	-71.3%

Balance sheet of the activity in Portugal

(unaudited)

(31 Dec. 2020)



Consolidated income statement

(unaudited)

In M.€	Dec 19	Dec 20
Net interest income	436.3	450.1
Dividend income	49.4	42.6
Equity accounted income	40.7	27.7
Net fee and commission income	257.9	244.9
Gains/(losses) on financial assets and liabilities and other	(7.4)	(12.3)
Other operating income and expenses	(25.8)	(18.0)
Gross income	751.0	735.1
Staff expenses	(246.1)	(264.4)
Other administrative expenses	(148.1)	(138.2)
Depreciation and amortisation	(53.9)	(48.7)
Operating expenses	(448.1)	(451.3)
Net operating income	302.9	283.8
Impairment losses and other provisions	36.8	(159.2)
Gains and losses in other assets	4.7	0.3
Net income before income tax	344.4	124.9
Income tax	(16.5)	(20.1)
Net income	327.9	104.8

EARNINGS PER SHARE

	Dec 19	Dec 20
Earnings per share (€)	0.22	0.06
Average weighted nr. of shares (in millions)	1 457	1 457

Consolidated balance sheet

(unaudited)

In M.€	Dec 19	Dec 20
ASSETS		
Cash and cash balances at central banks and other demand deposits	1 068.3	4 535.2
Financial assets held for trading, at fair value through profit or loss and at fair value through other comprehensive income	2 326.8	2 258.5
Financial assets at amortised cost	27 439.3	30 004.0
Of which:		
Loans to Customers	23 987.4	25 207.8
Investments in joint ventures and associates	247.2	238.2
Tangible assets	169.6	152.9
Intangible assets	65.8	87.0
Tax assets	272.5	271.0
Non-current assets and disposal groups classified as held for sale	14.6	7.9
Other assets	207.6	231.0
Total assets	31 811.6	37 785.6
LIABILITIES		
Financial liabilities held for trading	146.2	141.3
Financial liabilities at amortised cost	27 640.2	33 695.7
Deposits - Central Banks and Credit Institutions	2 777.1	5 504.3
Deposits - Customers	23 231.4	26 008.6
Debt securities issued	1 358.7	1 804.9
Memorandum items: subordinated liabilities	304.4	304.3
Other financial liabilities	273.0	378.0
Provisions	44.4	48.7
Tax liabilities	17.2	23.2
Other liabilities	527.4	620.3
Total Liabilities	28 375.4	34 529.3
Shareholders' equity attributable to the shareholders of BPI	3 436.1	3 256.3
Non controlling interests	0.0	0.0
Total Shareholders' equity	3 436.1	3 256.3
Total liabilities and Shareholders' equity	31 811.6	37 785.6

Consolidated indicators

(unaudited)

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

	Dec 19	Dec 20
Gross income / ATA	2.4%	2.1%
Net income before income tax and income attributable to non-controlling interests / ATA	1.1%	0.4%
Net income before income tax and income attributable to non-controlling interests / average shareholders' equity (including non-controlling interests)	10.5%	3.8%
Staff expenses / Gross income ¹	32.6%	32.6%
Operating expenses / Gross income ¹	59.5%	58.0%
Loans (net) to deposits ratio	105%	97%

NPE ratio and forborne (according to the EBA criteria)

	Dec 19	Dec 20
Non-performing exposures - NPE (M.€)	763	611
NPE ratio	2.5%	1.7%
NPE cover by impairments	54%	83%
NPE cover by impairments and collaterals	124%	140%
Ratio of forborne not included in NPE ²⁾	0.6%	0.5%

"Crédito duvidoso" (non-performing loans), according to Bank of Spain criteria

	Dec 19	Dec 20
"Crédito duvidoso" (M.€) ³⁾	765	630
"Crédito duvidoso" ratio	2.9%	2.3%
"Crédito duvidoso" cover by impairments	54%	81%
"Crédito duvidoso" cover by impairments and collaterals	115%	134%

1) Excluding early-retirement costs.

2) Forborne according to EBA criteria and considering the scope of prudential supervision. On 31 Dec. 2020, the forborne was 445 M.€ (forborne ratio of 1.1%), of which 181 M.€ was performing loans (0.5% of the gross credit exposure) and 274 M.€ was included in NPE (0.7% of the gross credit exposure).

3) Includes guarantees provided (recorded off-balance sheet).

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

Profit & loss account (2020)

In millions of euro (M.€)	Dec 20 reported by BPI	Consolidation, standardisation and net change in FV adjustments derived from the combination of businesses	Dec.20 BPI contribution to CABK Group	BPI segment	Equity investments and other segment
Net interest income	450	(9)	441	444	(3)
Dividends	43		43	2	41
Equity accounted income	28	(3)	25	16	9
Net fees and commissions	245		245	245	
Trading income	(12)	(2)	(14)	(2)	(12)
Other operating income & expenses	(18)		(18)	(15)	(3)
Gross income	735	(14)	721	690	31
Recurrent operating expenses	(426)	(13)	(439)	(439)	
Extraordinary operating expenses	(25)	25			
Pre-impairment income	284	(1)	283	252	31
Pre-impairment income without extraordinary expenses	309	(26)	283	252	31
Impairment losses on financial assets	(151)	130	(21)	(21)	
Other impairments and provisions	(8)	(11)	(19)	(19)	
Gains/losses on disposals & others		28	28	28	
Pre-tax income	125	145	270	239	31
Income tax	(20)	(42)	(62)	(65)	3
Profit for the period	105	104	209	174	35
Minority interests & other					
Net income	105	104	209	174	35

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 (Dec. 20)

December 20 In millions of euro (M.€)	Reported by BPI	Adjustments	BPI contribution to CABK Group (BPI segment)
Loans and advances to customers, net	25 208	(77)	25 131
Total customer funds	36 989	(4 375)	32 614

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 December 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 December 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	Year-to-date
yoy	Year-on-year
qoq	quarter-on-quarter
RCL	Reclassified
ECB	European Central Bank
BoP	Bank of Portugal
CMVM	<i>Comissão do Mercado de 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 2020) with the structure used in the financial statements and respective notes of the Report and Accounts.

Consolidated income statement

Structure used in the Results' Presentation	Dec 20	Dec 20 Structure presented in the financial statements and respective notes
Net interest income	450.1	450.1 Net interest income
Dividend income	42.6	42.6 Dividend income
Equity accounted income	27.7	27.7 Share of the profit or (-) loss of investments in subsidiaries, joint ventures and associates accounted for using the equity method
Net fee and commission income	244.9	266.4 Fee and commission income (21.4) Fee and commission expenses
Gains/(losses) on financial assets and liabilities and other	(12.3)	0.2 Gains or (-) losses on derecognition of financial assets and liabilities not measured at fair value through profit or loss, net 7.9 Gains or (-) losses on financial assets and liabilities held for trading, net (18.9) Gains or (-) losses on non-trading financial assets mandatorily at fair value through profit or loss, net (2.0) Gains or (-) losses from hedge accounting, net 0.5 Exchange differences [gain or (-) loss], net
Other operating income and expenses	(18.0)	34.3 Other operating income (52.3) Other operating expenses
Gross income	735.1	735.1 GROSS INCOME
Staff expenses	(264.4)	(264.4) Staff expenses
Other administrative expenses	(138.2)	(138.2) Other administrative expenses
Depreciation and amortisation	(48.7)	(48.7) Depreciation
Operating expenses	(451.3)	(451.3) Administrative expenses and depreciation
Net operating income	283.8	283.8
Impairment losses and other provisions	(159.2)	(5.7) Provisions or (-) reversal of provisions (153.5) Impairment or (-) reversal of impairment on financial assets not measured at fair value through profit or loss
Gains and losses in other assets	0.3	Impairment or (-) reversal of impairment of investments in subsidiaries, joint ventures and associates Impairment or (-) reversal of impairment on non-financial assets (0.0) Gains or (-) losses on derecognition of non financial assets, net 0.3 Profit or (-) loss from non-current assets and disposal groups classified as held for sale not qualifying as discontinued operations
Net income before income tax	124.9	124.9 PROFIT OR (-) LOSS BEFORE TAX FROM CONTINUING OPERATIONS
Income tax	(20.1)	(20.1) Tax expense or income related to profit or loss from continuing operations
Net income from continuing operations	104.8	104.8 PROFIT OR (-) LOSS AFTER TAX FROM CONTINUING OPERATIONS
Net income from discontinued operations		Profit or (-) loss after tax from discontinued operations
Income attributable to non-controlling interests		Profit or (-) loss for the period attributable to non-controlling interests
Net income	104.8	104.8 PROFIT OR (-) 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 resources²⁾ = Deposits + Capitalisation insurance of fully consolidated subsidiaries + Participating units in consolidated mutual funds

▪ Deposits = Demand deposits and other + Term and savings deposits + Interest payable + Retail bonds (Fixed rate bonds placed with Customers: 6.5 M.€ in Dec.2019 and 0.2 M.€ in Dec.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 management³⁾ = Mutual funds + Capitalisation insurance + Pension plans

▪ Mutual funds = Unit trust funds + Real estate investment funds + Retirement-savings and equity-savings plans (PPR and PPA) + Hedge funds + Assets from the funds under BPI Suisse management + Third-party unit trust funds placed with Customers

▪ Capitalisation Insurance⁴⁾ = Third-party capitalisation insurance placed with Customers

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

1) Ratio referring to the last 12 months, except when indicated otherwise. The ratio can be computed for the cumulative period since the beginning of the year, in annualised terms.

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

3) Amounts deducted from participating units in the Group banks' portfolios and from off-balance sheet products investments (mutual funds and pension plans) in other off-balance sheet products.

4) Following the sale of BPI Vida e Pensões in Dec.17, the capitalisation insurance placed with BPI's Customers are recorded off balance sheet, as "third-party capitalisation insurance placed with Customers", and pension funds management is excluded from BPI's consolidation perimeter.

Alternative Performance Measures

BALANCE SHEET AND FUNDING INDICATORS (continuation)

Subscriptions in public offerings = Customers subscriptions in third parties' public offerings

Total Customer Resources = On-balance sheet Customer Resources + Assets under management + Subscriptions in public offerings

Gross loans to customers = Gross loans and advances to customers (financial assets at amortised cost), excluding other assets (guarantee accounts and others) 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.

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