



# CONSOLIDATED RESULTS

**12M22**  
BANCO BPI  
CONSOLIDATED  
RESULTS



03 FEBRUARY 2023

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# BPI IN 2022



## **Support to Families and Businesses**

Loans grew by 6% and deposits by 5% ( $\Delta$  yoy)



## **Financial strength and low risk**

NPE of 1.6%, with 155% coverage; CET1 and total capital ratios of 14.8% and 18.9%



## **Net profit of 235 M.€ (+31% yoy) in Portugal and 365 M.€ (+19% yoy) consolidated**



## **Social commitment in collaboration with "la Caixa" Foundation**

40 M.€ of social investment and support to 97 thousand people in 2022.



## **"Best Bank in Portugal 2022" for Euromoney**

**"Bank of the Year 2022" for The Banker magazine** (Financial Times Group)

# BPI RESULTS

Full 2022



## Commercial activity in Portugal

**Loans**  $\Delta$  YoY  
**+1.6 Bn.€ +6%**

**Deposits**  $\Delta$  YoY  
**+1.5 Bn.€ +5%**

Stable customer resources

$\Delta$  YoY  
**Gross income +14%**  
Net interest income **+20%**  
Fee and commission income **+3%**

**Digital Banking**  
Regular users  
**856 th.**  
BPI app users  
**+93 th.**  $\Delta$  YoY

## Risk and capitalisation

**NPE Ratio (EBA)**  
**1.6%**

**NPE coverage**  
**155%**  
(by impairments and collaterals)

**Cost of Risk**  
**0.20%**  
(as % of loans and guarantees)

**CET1** > **14.8%**  
**T1** > **16.4%**  
**Total** > **18.9%**  
(Phasing-in) **IRB adoption**  
mortgage loans

## Profit and profitability

**Net profit in Portugal**  $\Delta$  YoY  
**235 M.€ +31%**

**Recurrent ROTE in Portugal**  
**8.0%**

**Cost-to-core income in Portugal**  
**50.2%**

**Consolidated net profit**  $\Delta$  YoY  
**365 M.€ +19%**

# CONSOLIDATED NET PROFIT OF 365 M.€ IN 2022 (+19%)

Net profit in Portugal grew 31%, to 235 M.€

In M.€	Dec 21	Dec 22	Δ%
<b>Activity in Portugal</b>			
<b>Recurrent net profit</b>	<b>200</b>	<b>249</b>	<b>24%</b>
Non-recurrent impacts <sup>1)</sup>	-22	-15	-32%
<b>Net profit in Portugal</b>	<b>179</b>	<b>235</b>	<b>31%</b>
BFA contribution	106	96	-9%
BCI contribution	23	34	+52%
<b>Consolidated net profit</b>	<b>307</b>	<b>365</b>	<b>+19%</b>

	Δ YoY
Commercial banking gross income <sup>(2)</sup>	<b>+104 M.€</b>
Recurrent costs	<b>-18 M.€</b>
Loan impairments net of recoveries	<b>-13 M.€</b>
Income tax and other	<b>-24 M.€</b>
<b>Δ YoY recurrent net profit in Portugal</b>	<b>+49 M.€</b>

<b>Activity in Portugal</b>		
	Dec 21	Dec 22
<b>Recurrent ROTE</b>	<b>6.8%</b>	<b>8.0%</b>



# COMMERCIAL BANKING GROSS INCOME INCREASED 14%

## Gross income in the activity in Portugal

In M.€	Dec 21	Dec 22	Δ%
Net interest income	456	548	20%
Dividends and equity accounted income	25	29	15%
Net fee and commission income	288	296	3%
<b>COMMERCIAL BANKING GROSS INCOME</b>	<b>769</b>	<b>873</b>	<b>14%</b>
Other income (net) <sup>1</sup>	( 17)	( 15)	12%
<b>Gross income</b>	<b>751</b>	<b>858</b>	<b>14%</b>

### Net interest income increased 20%

- ↑ Growth in loan volume
- ↑ Higher market interest rates
- ↓ Narrower loan spreads
- ↓ End of interest rate bonus on ECB funding (TLTRO) at the end of June

### Net fee and commission income increased 3%

- ↑ Accounts and related services (+17%)
- ↑ Loans (+6%)
- ↑ Insurance intermediation (+4%)
- ↓ Mutual funds and capitalisation insurance (-5%)

# LOAN PORTFOLIO GREW 6%

## Loans to Customers by segments

Gross portfolio, in Bn.€	Dec 21	Dec 22	YoY
<b>I. Loans to individuals</b>	<b>14.9</b>	<b>16.0</b>	<b>7%</b>
Mortgage loans	13.1	14.2	8%
Other loans to individuals	1.8	1.8	0%
<b>II. Loans to companies</b>	<b>10.5</b>	<b>10.9</b>	<b>4%</b>
<b>III. Public sector</b>	<b>2.1</b>	<b>2.2</b>	<b>6%</b>
<b>Total loans</b>	<b>27.5</b>	<b>29.2</b>	<b>6%</b>

Note:

Loan portfolio net of impairments	27.0	28.6	6%
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**Total loan portfolio grew 1.6 Bn.€**

- > **Mortgage loans** increased **8% (+1.1 Bn.€)**
- > **Loans to companies** increased **4% (+0.4 Bn.€)**

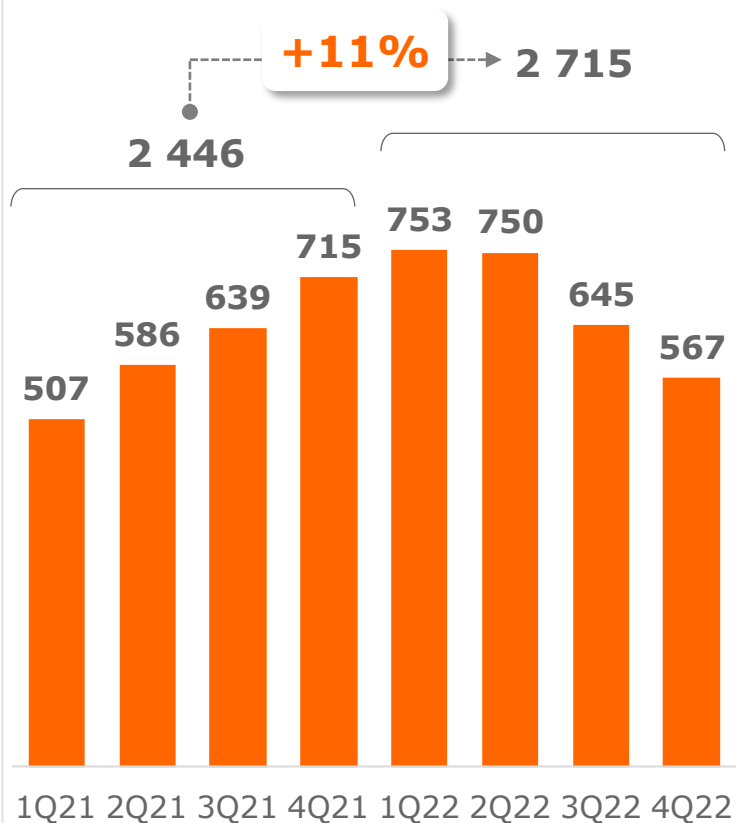
## Market share

**of total loan portfolio** **11.5%** **+0.4 p.p. YoY**  
(Dec. 2022)

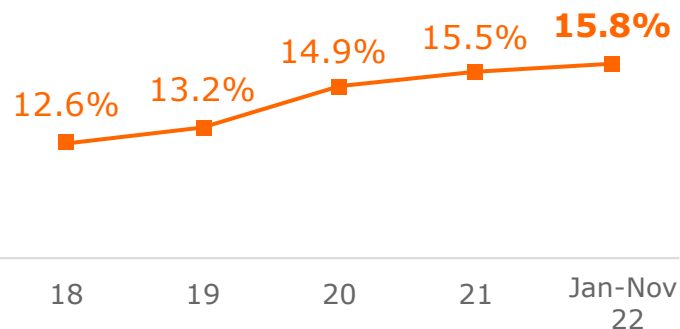
# MARKET SHARE GAINS IN MORTGAGE AND CORPORATE LOANS

## Mortgage loans

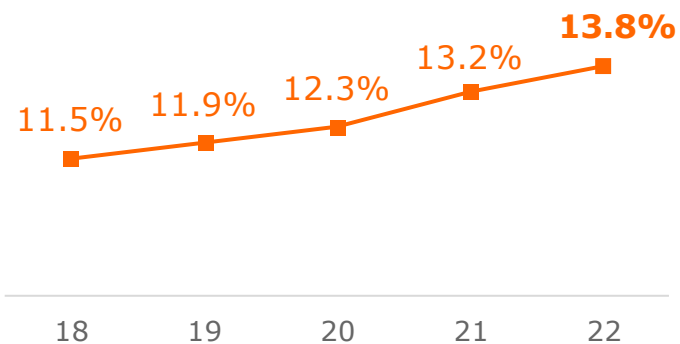
Loan origination (M.€)



Share of mortgage loans origination

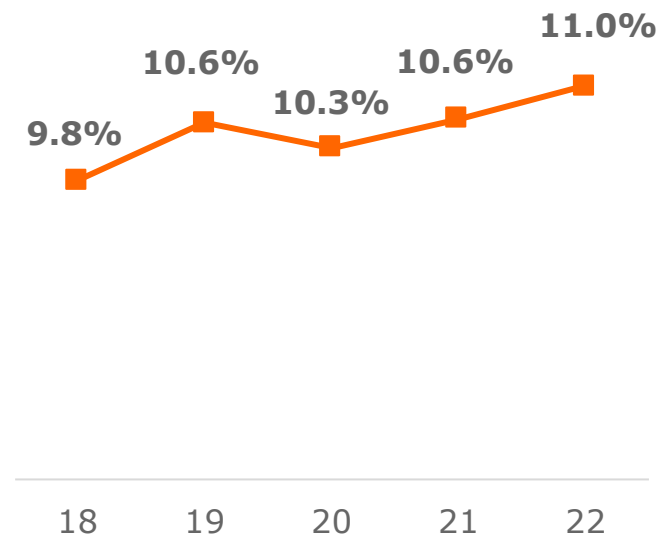


Share of mortgage loans book



## Corporate loans

Market share



Note: Loans to non-financial companies



# CUSTOMER DEPOSITS INCREASED BY 5%

## Customer Resources

In Bn.€	Dec 21	Dec 22	YoY
<b>I. Customer deposits</b>	<b>28.9</b>	<b>30.3</b>	<b>5%</b>
<b>II. Off-balance sheet resources</b>	<b>11.4</b>	<b>9.7</b>	<b>-15%</b>
Mutual funds	6.3	5.3	-15%
Capitalisation insurance	4.6	4.3	-6%
Public offerings	0.6	0.1	-
<b>Total</b>	<b>40.3</b>	<b>40.0</b>	<b>-1%</b>



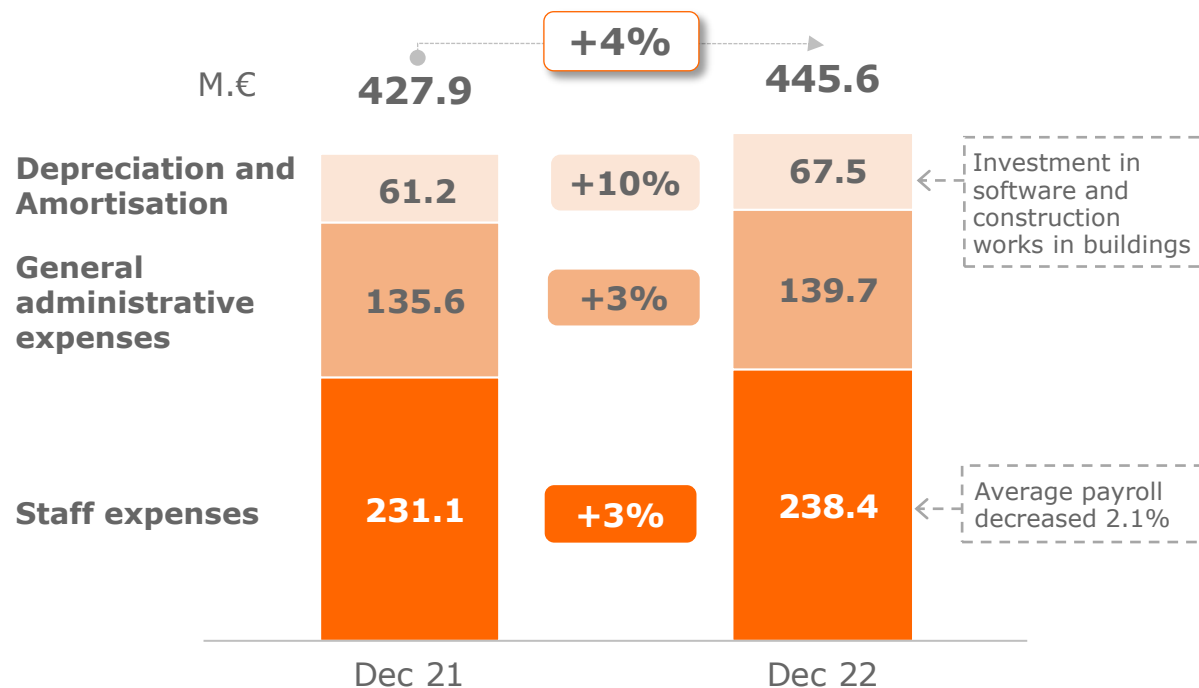
Additionally, the placement of **structured products** increased by **0.4 Bn.€** in 2022.

## Market shares

	Nov 22	Δ YoY
<b>Customer resources<sup>1</sup></b>	<b>11.2%</b>	-0.1 p.p.
Deposits <sup>2</sup>	<b>10.9%</b>	+0.0 p.p.
Mutual funds	<b>11.6%</b>	+1.1 p.p.
Capitalisation insurance	<b>18.2%</b>	+0.1 p.p.
Retirement savings plans	<b>11.4%</b>	-0.4 p.p.

# COST-TO-CORE INCOME OF 50%

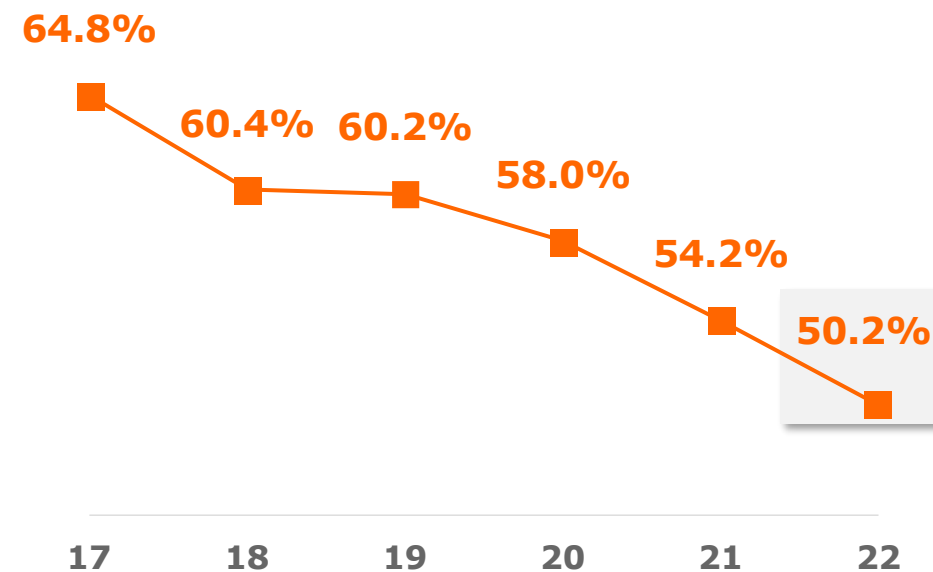
## Recurring operating expenses



Non recurrent impacts	29.8		21.2
<b>Costs "as reported"</b>	<b>457.7</b>	<b>+2%</b>	<b>466.8</b>

## Cost-to-core income

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



Employees

**4 404**

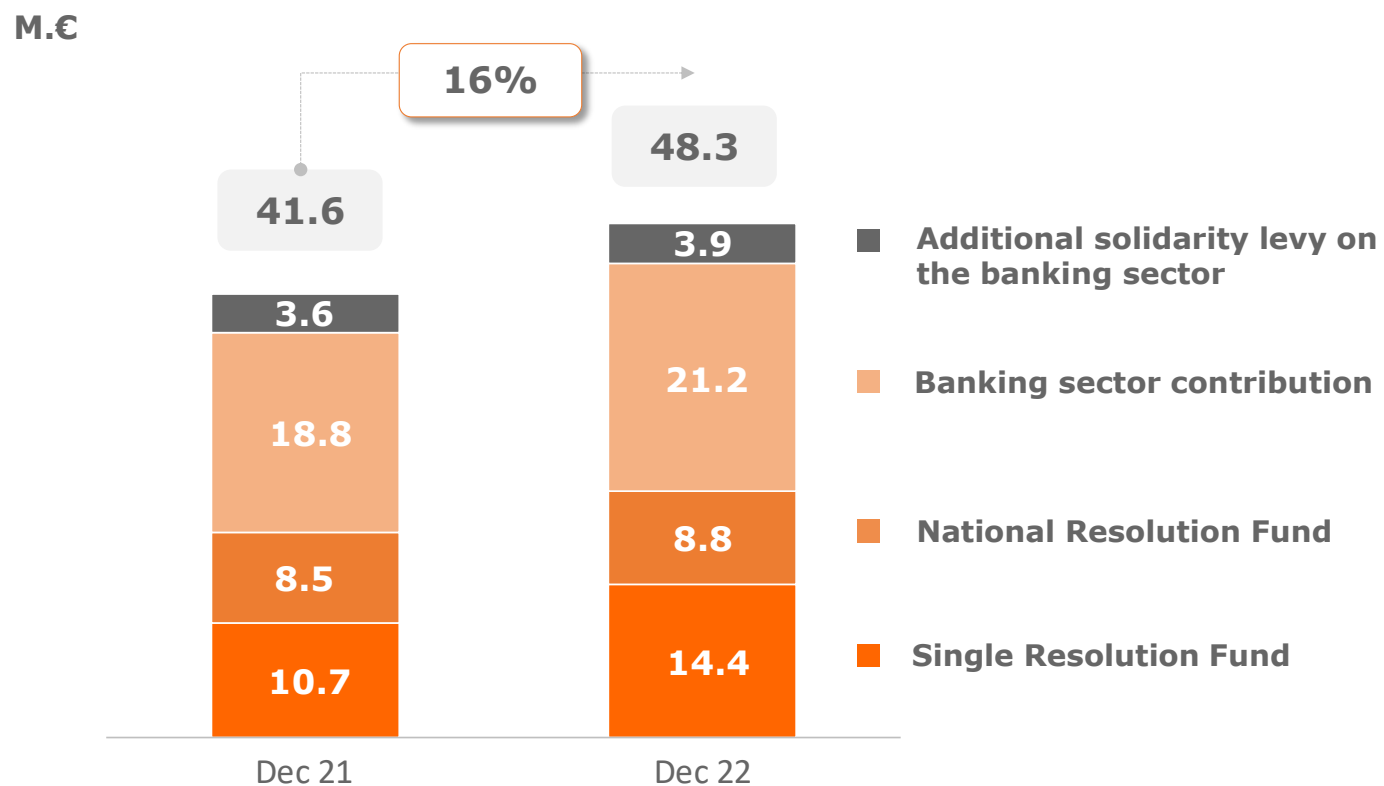
-74 YoY

Distribution network<sup>1)</sup>

**325**

-24 YoY

# REGULATORY COSTS OF 48 M.€ IN 2022



# COST OF CREDIT RISK OF 0.20%

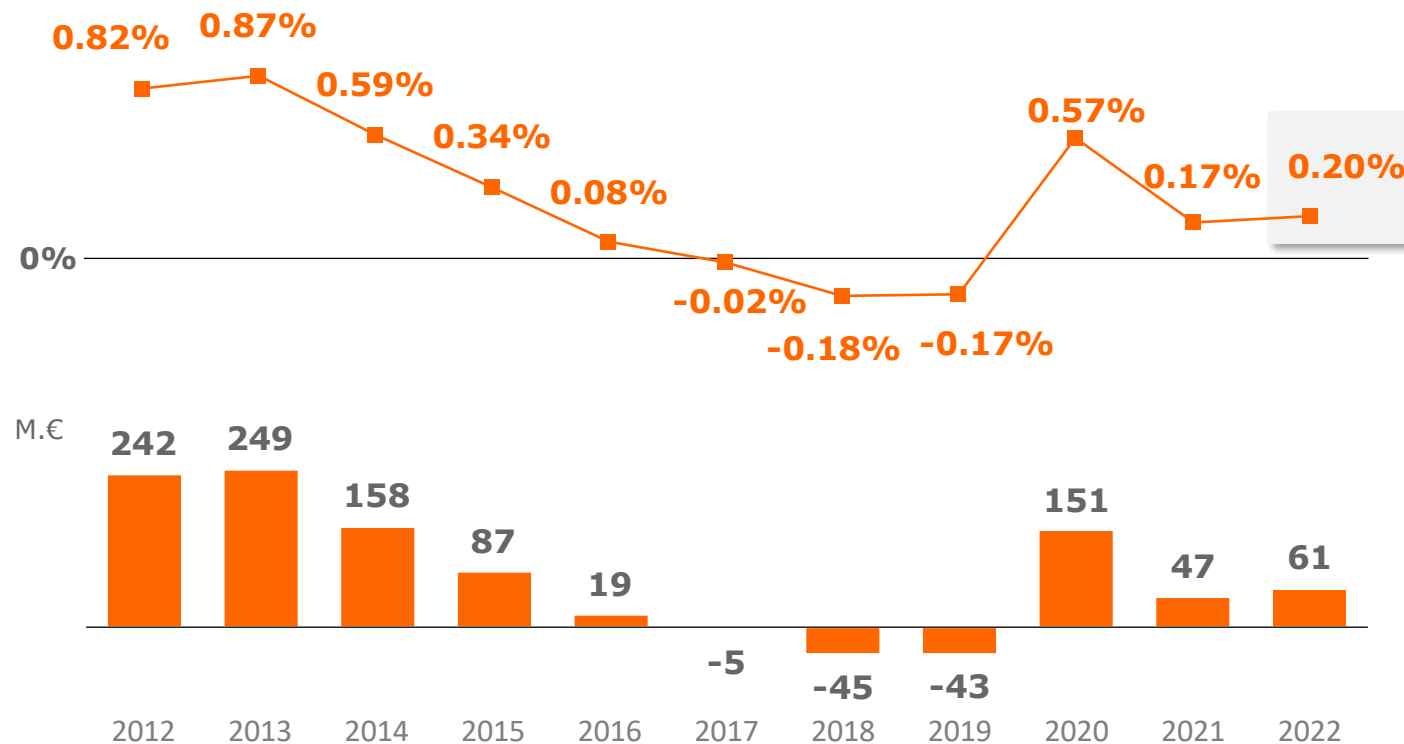
	M.€	2021	2022
— Net loan impairments		71	87
+ Gains on the sale on non-performing loans		23	27
<b>TOTAL</b>		<b>47</b>	<b>61</b>

- **Sale of 141 M.€ non-performing loans** (gross) in 3rd quarter 22 **with 27 M.€ gain** (pre-tax)

On-balance sheet  
**non-allocated impairments: 50 M.€** in Dec.22

## Loan impairments net of recoveries

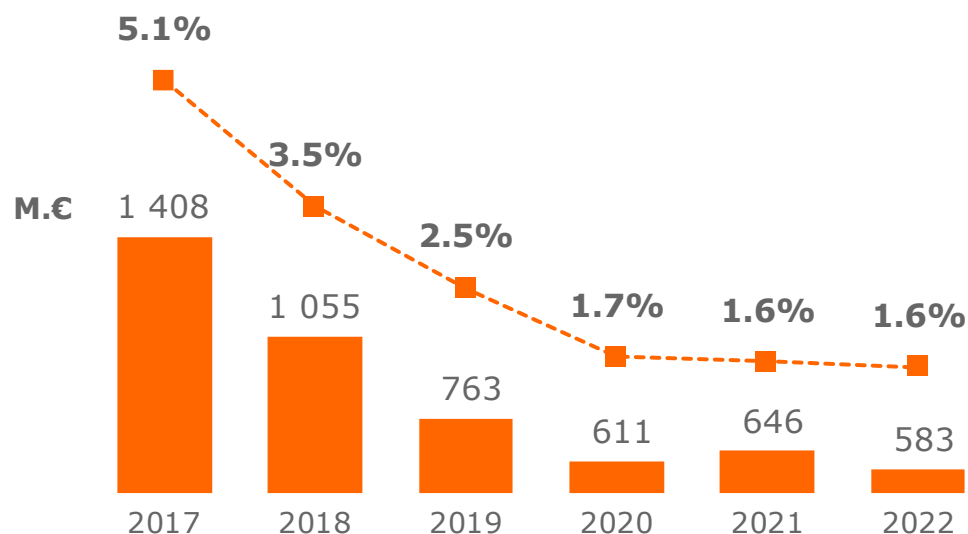
— as % of gross loans and guarantees



# BPI MAINTAINS LOW RISK PROFILE AND HIGH COVERAGE

## Non-Performing Exposures – NPE

(EBA criteria)



### Coverage of NPE

by impairments	43%	53%	54%	83%	84%	94%
by impairments and collaterals	117%	127%	124%	140%	149%	155%

2022

### NPL ratio

(EBA criteria)

2.0%

Non-Performing Loans (NPL)

571 M.€

### NPL coverage

by impairments and collaterals

157%

### Foreclosed properties

(net book value)

2 M.€

### Corporate restructuring and recovery funds

(book value)

24 M.€

# ADEQUATELY COVERED PENSIONS

## Employee pension liabilities

M.€	Dec 21	Dec 22
Total past service liability	1 888	1 514
Pension funds net assets	1 944	1 714
<b>Level of coverage of pension liabilities</b>	<b>103%</b>	<b>113%</b>
Pension fund return	7.2%	-8.7%
Discount rate	1.3%	3.8%
Wages growth rate	0.9%	1.25%
Pensions growth rate	0.4%	0.75%



## Actuarial deviations (M.€) In 2022

<b>+</b> Change in the discount rate	<b>611</b>
<b>-</b> Income from investment portfolio	<b>-215</b>
<b>-</b> Wages and pensions growth	<b>-203</b>
<b>-</b> Other	<b>-49</b>

**Actuarial deviations 145**

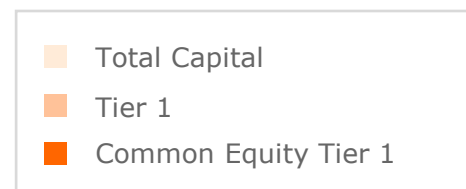
# BPI MAINTAINS HIGH CAPITALISATION

BPI meets MREL requirements for the start of 2024

BPI adopts IRB approach to calculate capital requirements for mortgage loans. +1.5 pp impact on CET1 ratio.

## CAPITAL RATIOS

Consolidated (phasing-in)



Capital requirements net of dividend distribution

## Risk-weighted assets (RWA)

MDA buffer (Maximum Distributable Amount)

Leverage ratio

	Dec 21	Dec 22
RWA	18.3 Bn.€	17.3 Bn.€ -5.5% Δ
MDA buffer	4.5%	5.9%
Leverage ratio	6.8%	7.1%

## MREL RATIOS

MREL as % of RWA	23.7%	25.6%
MREL as % of LRE	10.3%	11.1%

## Capital requirements (SREP)

	2022	2023
Total Capital	13.00%	12.90%
T1	10.50%	10.43%
CET1	8.63%	8.57%
Leverage	3.0%	3.0%

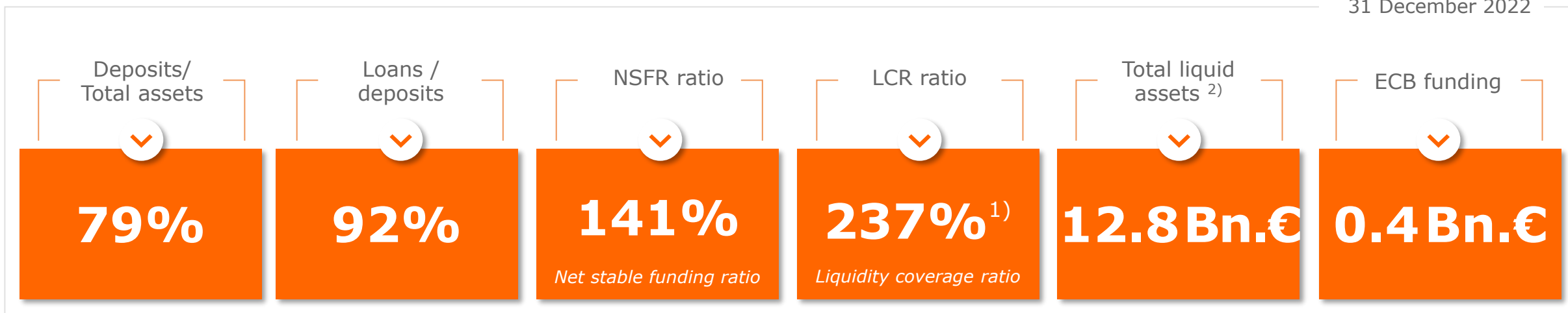
MREL requirement	≥1 Jan. 2022	≥1 Jan. 2024
MREL / RWA	19.18% <sup>1)</sup>	22.40% <sup>1)</sup>
MREL / LRE		5.91%



# BALANCED FUNDING AND COMFORTABLE LIQUIDITY

ECB funding reduced to 0.4 Bn.€

31 December 2022



# A BANK COMMITTED TO SUSTAINABILITY

## 2022-2024 Sustainability Master Plan, Commitments and Results



	2022-2024 TARGET	ACHIEVED IN 2022
<b>Global</b>		
Sustainable business	<b>4 Bn.€</b>	<b>2 Bn.€</b>
▪ in Loans	2 Bn.€	608 M.€
▪ in Investment	2 Bn.€	1.4 Bn.€ <sup>1</sup>
<b>Social</b>		
Beneficiaries	<b>200 th.</b>	<b>97 th.</b>
Investment BPI   "la Caixa" Foundation	<b>120 M.€</b>	<b>40 M.€<sup>2</sup></b>
<b>Governance</b>		
Women in management positions <sup>3</sup>	<b>43%</b>	<b>43%</b>

<sup>1</sup> Net production (-38 M€) and transformation of Mutual Funds and Insurance into Art.8/9 (1.4 Bn.€)

<sup>2</sup> Budget 2022

<sup>3</sup> Percentage of women in management positions in branches with more than 10 Employees and in all central service functions.

# COMMITMENT TO PEOPLE, SOCIETY AND THE ENVIRONMENT

## Commitment to People

### NEW INITIATIVES

- ◆ **Improved compensation and benefits for employees in 2022 and 2023**
- ◆ **MoveON Programme** (teleworking model)
- ◆ **Health and Well-being Week**
- ◆ **Trainees Academy**
- ◆ **Summer internships for children of Employees**
- ◆ **Partnerships for Diversity and Inclusion**  
Portuguese Letter for Diversity | Commitment to Inclusion | Partnership with PWN Lisbon.
- ◆ **Improved work facilities**

## Commitment to Society

### BPI VOLUNTARY SERVICE PROGRAMME

#### APEE Award

Recognition Award for Social Responsibility and Sustainability Practices 2022, in the Voluntary Service category, from APEE, the Portuguese Association for Business Ethics.



#### 2nd Volunteering Week

Half-day leave from work for Employees to participate

📍 **+200**  
initiatives

👥 **2 000**  
volunteers

🕒 **8 100**  
hours of  
voluntary  
service

👤 **+12.8 th.**  
direct  
beneficiaries

Goods sorting at the Food Bank  
Against Hunger in Lisbon



# COMMITMENT TO PEOPLE, SOCIETY AND THE ENVIRONMENT

Commitment to People

Commitment to Society

Commitment to the Environment

**40 M.€** in 2022 <sup>1)</sup>

**50 M.€** planned for 2023

"la Caixa" Foundation initiative  
with the collaboration of BPI

- **Social Programmes**
- **Health Research and Innovation**
- **Culture**
- **Education and Scholarships**

## MAIN INITIATIVES

- **BPI "la Caixa" Foundation Awards**  
4.6 M.€ | 120 projects supported | 19 th. beneficiaries
- **Decentralised Social Initiative**  
1.4 M.€ | 225 projects supported | 48 th. beneficiaries
- **Promove Programme**  
3.6 M€ in non-repayable grants | 20 projects and 9 ideas
- **Initiative for Social Equity** | 2.2 M€
- **Sundry local support**  
2.1 M.€ | 74 actions supported
- **Support to refugees from Ukraine**

# COMMITMENT TO PEOPLE, SOCIETY AND THE ENVIRONMENT

## Commitment to People

## Commitment to Society

## Commitment to the Environment

### ESG BOND LOANS IN 2022

Some bond issues in 2022:

**325 M.€**  
global  
amount



### BPI ENVIRONMENTAL PERFORMANCE

Certification of Environmental Management System of banking and support activities.

### SUSTAINABILITY ACCELERATOR (BPI-Expresso project)

#### 6 SESSIONS, 6 THEMES, 6 CITIES

Decarbonisation, Renewable Energies, Tourism, Agriculture, Circular Economy and Real Estate

- 350 participants
- Dynamic workshops
- Global average assessment: 4.5 (scale from 1 to 5)
- Creation of an **academy**, with training contents





# BPI, A BANK FOR FAMILIES

With new proposals and solutions at every step new of your life



Daily Routines



My Home



Enjoying Life



Looking to the Future



Sleeping Peacefully

## NEW OFFER

- **Mortgage loans solutions**, notably featuring a full fixed-rate offer and competitive spreads.
- **Apple Pay service**, for all the Bank's Visa network individual cards.
- **Enjoy Card**, new card with fractioning of purchases and withdrawals
- **Mortgage Loans – Energy efficiency**  
Advantages for properties A+, A or B.
- **Sustainable Offer of Prestige Products**
- **BPI Impacto Clima Funds**  
(Art. 9 - Sustainable Finance Disclosure Regulation)
- **5- and 8-year Guaranteed Income products and new structured products**
- Launch of **2025 Bonds Fund**



## RENEWED BET ON THE YOUTH SEGMENT

**AGE**

**AGE Junior** and **AGE Jovem** accounts, for young people up to 25 years old.

**No maintenance fees** and extensive set of **cost-free means of operating the account.**

Dedicated digital platform in **BPI App** and **bpiage.pt** website



# BPI, BANK FOR COMPANIES

The partner for all companies at the various stages of their lives



## NEW SOLUTIONS (2022)

More than 2.5 Bn.€ in specific lines

- **BPI ESG Corporate Line** | 500 M.€
- **BPI/EIF EGF line** | 950 M.€  
BPI used up the line, having supported more than 7 500 SMEs.
- **Support Line for Increased Production Costs** | 600 M.€
- **Support Line to Production** | 400 M.€
- **Treasury Line - Agricultural Sector 2022** | 50 M.€
- **Treasury Line - Pig Farming and Dairy 2022** | 8.5 M.€.
- **BPI Negócios Valor Account and BPI Negócios Valor Account+**
- **Virtual IBAN**: new solutions



## BPI PARTNER IN PUBLIC SUPPORT

- Dedicated **Events** with Clients
- **Support lines** (BPI/RRP)
- Complimentary **specialised advisory service** for Clients
- **Dedicated pages on public website**, regularly updated
- Summary leaflets available for each strategic segment



## INCREASINGLY CLOSE

In 2022, BPI held **37 Client events**



Sustainability Accelerator

6



Talking about...

4



Businesses with the World

2



Meetings with Clients

8



Award events

6



Partnership events

11



# BPI PIONEER IN SERVICE QUALITY CERTIFICATION

BPI gets AENOR service quality certification in Corporate Banking



**Recognition of BPI's Corporate Banking daily work as a competitive value proposition.**

- In November 2022, BPI became the first Bank to achieve AENOR service quality certification in Corporate Banking, due to the optimisation of its commercial performance model.



# SPECIALISED SUPPORT TO STRATEGIC SEGMENTS

Agriculture, Tourism and International Trade

## Themes

## Dedicated financial solutions

## Partnerships

## Awards

### AGRICULTURE



- **BPI/EIF Agriculture:** guarantee agreement with the EIF

#1 amount of farming season credit granted (IFAP)  
#1 no. of advances on subsidies (CAP)

**Market share:**  
**65%**

- **National Agricultural Fair**
- **Ovibeja**
- **Colóquio do Milho**



### National Agricultural Awards

- **1 321 applications**
- **10 awards**
- **Personality Award:** Salvador Guedes (formerly of Sogrape)

### TOURISM



- **Support Line to Upgrade the Offer 2021**  
- Turismo de Portugal

- **BTL – Lisbon Tourism Fair**
- **Tourism Companies Programme 360**  
from Turismo de Portugal
- **NEST – Centro de Inovação do Turismo**



### National Tourism Awards

- **743 applications**
- **7 awards**
- **Career Award:** Jorge Rebelo de Almeida (Vila Galé Group)

### INTERNATIONAL TRADE



- **Credit risk hedging in partnership with COSEC**  
(22% share of global policies)

### BPI-CaixaBank initiatives

- **“Businesses with the World”** (2 editions): 56 meetings between BPI Customers and Caixabank representatives to discuss various markets (Algeria, Egypt, Hong Kong, India, Morocco, UAE, Turkey)
- **In-Company Sessions** Free-of-charge information sessions held at corporate Clients' premises

# BPI SUPPORTS INNOVATION AND ENTREPRENEURSHIP



**BPI WOMAN  
ENTREPRENEUR  
AWARDS**

Recognising the professional path, leadership and social responsibility of Portuguese women

**5th edition**



**Winner:**  
**Isabel Azevedo**  
CEO of Fricon



**Distinguishing companies that stand out for their performance in innovation, financial strength and sustainability**

**2nd edition**

- ▶ **830 applications**  
**654 companies won accolades**
- ▶ **BPI jointly promotes this initiative**



**Encouraging and rewarding innovation initiatives that contribute to the transformation of companies in Portugal**

**1st edition**

- ▶ **An initiative of BPI, Negócios and Claranet, in partnership with Nova SBE**
- ▶ **Applications in 2023**



**PRÉMIOS  
EMPREENDEXXI**

**Supporting young and innovative companies, driving growth and global expansion**

**6th edition**

in Portugal

- ▶ **CaixaBank initiative with the cooperation of Banco BPI and Enisa**
- ▶ **148 applications**  
**+45% vs previous edition**

*Applications closed (15 Dec.)*

# DIGITAL BANKING INCREASINGLY RELEVANT AT BPI

More Clients, more sales with digital contribution, and prominent position



## More Digital Clients

**+ 93 th.**

BPI App active users (ΔYoY)

**85%**

Digital individual clients actively use the BPI App

31 Dec. 2022)



## More Digitally-supported Sales

(Jan-Dec 2022)

**32%**

**+5 p.p.** (ΔYoY)

of sales of focus products to individual clients were digitally initiated <sup>1)</sup>

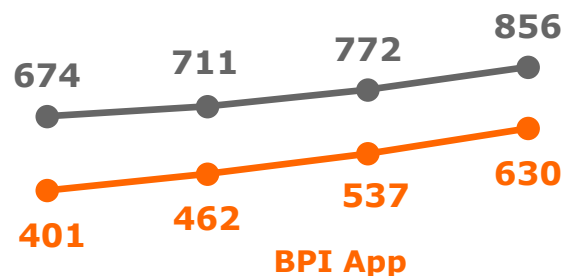


## Digital Banking regular users

N.º (thousand)

### Digital Total

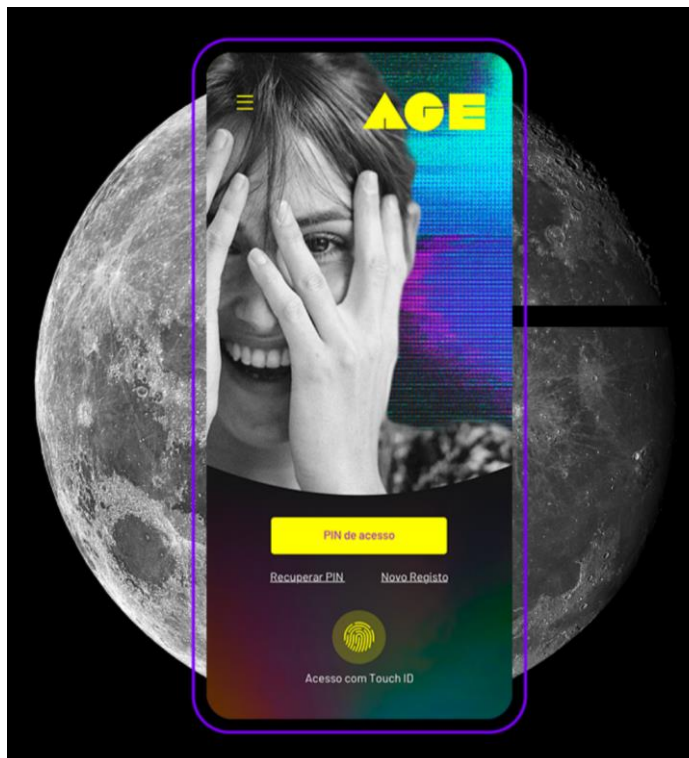
(Δ Dec.22 / Dec. 21)



**+11%**

**+17%**

Dec.19   Dec.20   Dec.21   Dec.22



## Adhesion to and Satisfaction with the digital channels

**#2**

Penetration and Satisfaction - digital channels (Individual Clients) <sup>2)</sup>



# BPI EVOLVES FORMS OF CONTACT WITH CUSTOMERS TO IMPROVE CUSTOMER EXPERIENCE

## SUCCESS OF inContact

# inContact

(launched in Jan.20)

**Omnichannel Customer relationship model with remote personal account manager**



**11** Centres  
**124** Account Managers

**344 th.**  
Clients

**~3.4 Bn.€**  
business volume

**96%**  
acceptance rate

## BPI VR - 1st BRANCH IN METAVERSE

(launched in Oct.22)

- **1st virtual reality branch** in Portugal.
- Replicates the experience of visiting a branch, through virtual reality glasses.
- **Only informative for now**, but may evolve in the future into a banking transactional channel.



**BPI VR** will be showcased at the **Oculus Quest Store** and in **some BPI branches**, where virtual reality equipment will be available.

# RECOGNITION



- DIGITAL BANKING
- MORTGAGE LOANS
- PRESTIGE PRODUCTS BANKING



2022

- CIV NATIONAL EQUITIES
- CIV AMERICAN EQUITIES
- OTHER EQUITY CIV



brought to you by  
FINTECH  
FUTURES

BEST MOBILE INITIATIVE - INVESTMENT & TRADING



BPI is 'Best Private Banking in Portugal 2022' for PWM and The Banker magazines



BPI is 'Best Bank in Portugal 2022' for Euromoney



BPI was elected 'Bank of the Year 2022 in Portugal' by The Banker (Financial Times Group)













# ANNEXES

- 01 **BPI Ratings**  
versus peers
- 02 **Income Statements and Balance sheet** in accordance with IAS / IFRS and consolidated indicators
- 03 **Reconciliation** between BPI reported figures and BPI Segment contribution to CaixaBank Group
- 04 **Alternative Performance Measures**



# BPI RATINGS VS. PEERS

On 31<sup>st</sup> December 2022

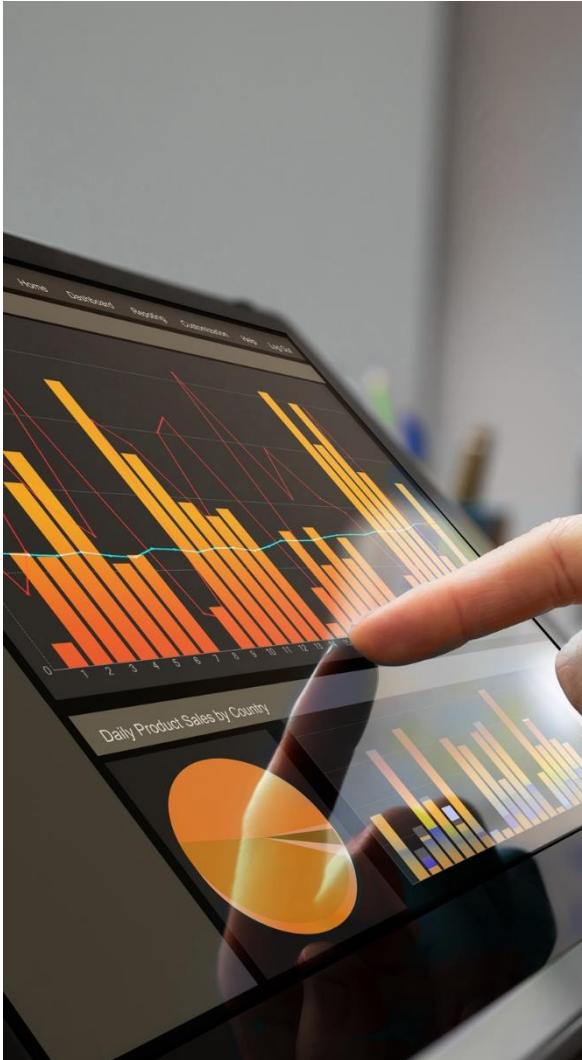
	<b>S&amp;P Global</b> (Long Term Debt/ Issuer Credit Rating)	<b>MOODY'S</b> (Long Term Debt/ Issuer rating)	<b>FitchRatings</b> (Issuer Default Rating)	 (Long-Term Debt/ Issuer Rating)
Investment Grade	...AA+ e AAA	...Aa1, e Aaa	...AA, AA+ e AAA	...AA, AA (high), AAA
	AA	Aa2  Mortgage bonds	AA	AA
	AA-	Aa3	AA-	AA (low)  Mortgage bonds
	A+	A1	A+	A (high)
	A	A2	A	A Bank 1
	A-	A3  Deposits	A- Bank 1	A (low) 
	BBB+   Bank 1	Baa1	BBB+   Deposits Senior debt	BBB (high)
	BBB	Baa2   Bank 1 Bank 3	BBB 	BBB Bank 3
Non-Investment grade	BBB-	Baa3 Bank 2	BBB- Bank 3	BBB (low) Bank 2
	BB+ Bank 2	Ba1	BB+	BB (high)
	BB	Ba2	BB Bank 2	BB
	BB-	Ba3	BB-	BB (low)
	B+ Bank 4	B1	B+	B (high) Bank 5
	B Bank 4	B2 Bank 4	B Bank 4	B Bank 4
	B- Bank 5	B3 Bank 5	B-	B (low)
	CCC+	Caa1	CCC+	CCC (high)
	CCC	Caa2	CCC	CCC

**S&P** (16th Sep.22) upgraded in 1 notch the rating of **BPI** and its **long term senior debt to BBB+**, with Stable outlook.

**Moody's** (21st Sep.21) **upgraded the rating on BPI long term deposits to A3** and maintained the **rating on BPI and its LT senior debt at Baa2**. The outlook on ratings is Stable.

**Fitch** (8th Jul.22) upgraded the standalone rating to bbb- (investment grade) and reaffirmed **the ratings of BPI (BBB)**, with Stable outlook, and its **senior debt and deposits (BBB+)**.

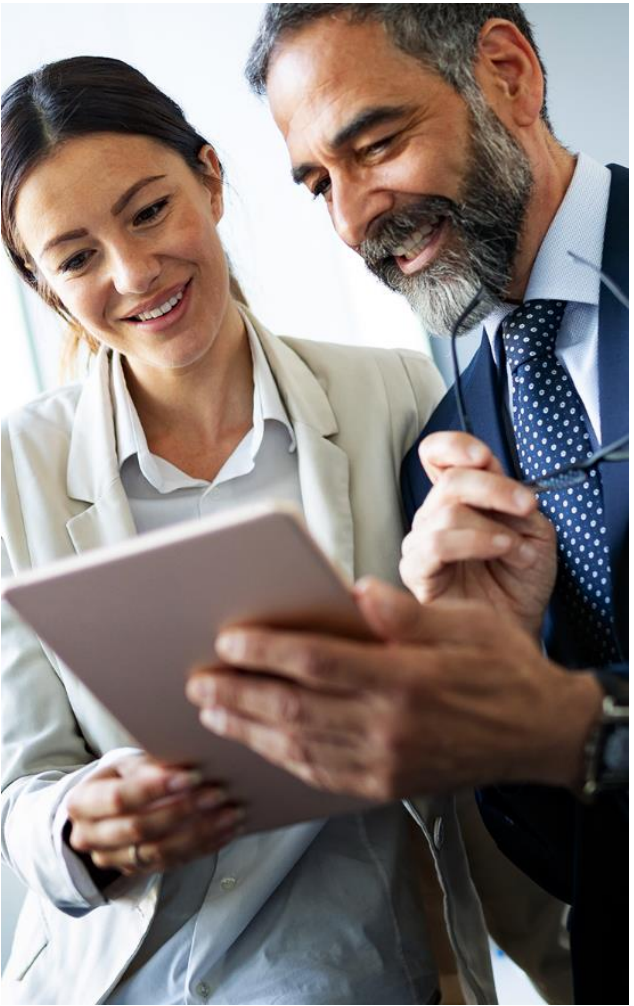
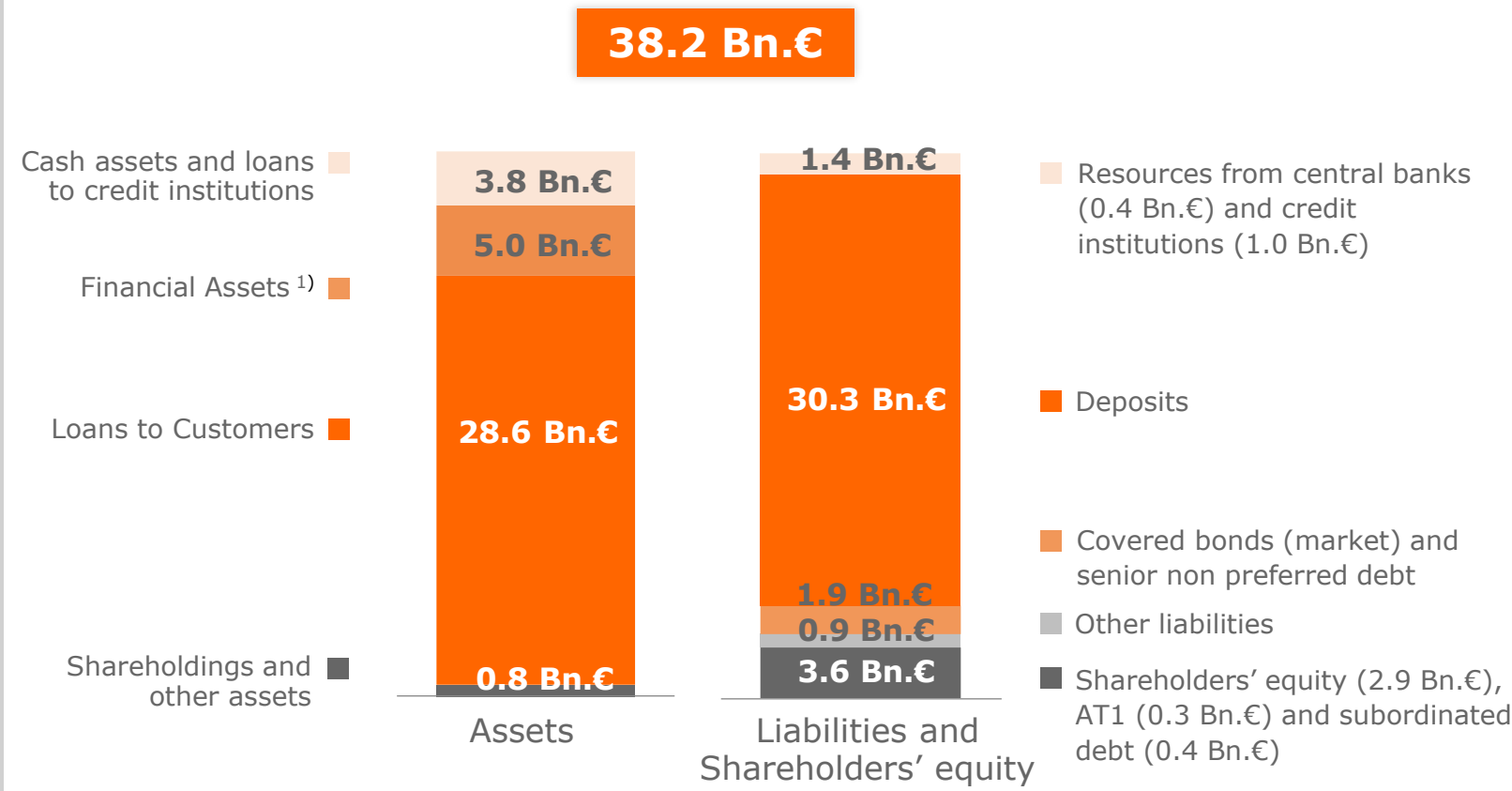
# INCOME STATEMENT OF THE ACTIVITY IN PORTUGAL



In M.€	Dec 21	Dec 22	Δ%
Net interest income	455.6	548.5	20%
Dividend income	1.9	4.1	118%
Equity accounted income	23.1	24.5	6%
Net fee and commission income	288.2	295.7	3%
Gains/(losses) on financial assets and liabilities and other	10.0	25.4	154%
Other operating income and expenses	-27.4	-40.7	-48%
<b>Gross income</b>	<b>751.3</b>	<b>857.6</b>	<b>14%</b>
Staff expenses	-231.1	-238.4	3%
Other administrative expenses	-135.6	-139.7	3%
Depreciation and amortisation	-61.2	-67.5	10%
<b>Recurring operating expenses</b>	<b>-427.9</b>	<b>-445.6</b>	<b>4%</b>
Non-recurrent costs	-29.8	-21.2	-29%
<b>Operating expenses</b>	<b>-457.7</b>	<b>-466.8</b>	<b>2%</b>
<b>Net operating income</b>	<b>293.6</b>	<b>390.8</b>	<b>33%</b>
Impairment losses and other provisions	-50.9	-67.4	32%
Gains and losses in other assets	-0.6	-0.1	80%
<b>Net income before income tax</b>	<b>242.2</b>	<b>323.3</b>	<b>33%</b>
Income tax	-63.6	-88.7	39%
<b>Net income</b>	<b>178.6</b>	<b>234.6</b>	<b>31%</b>

# BALANCE SHEET OF THE ACTIVITY IN PORTUGAL

31<sup>st</sup> Dec. 2022



1) Includes medium and long-term sovereign debt of 4.7 Bn.€ (Portugal 41%; Spain 21%, Italy 14%, European Union 13% and USA 10%), with an average residual maturity of 3.9 years.

# LOAN PORTFOLIO AND CUSTOMER RESOURCES

## Loan portfolio

Gross portfolio, in M.€	Dec 21	Dec 22	YoY
<b>I. Loans to individuals</b>	<b>14 892</b>	<b>15 984</b>	<b>7%</b>
Mortgage loans	13 089	14 183	8%
Other loans to individuals	1 803	1 800	0%
<b>II. Loans to companies</b>	<b>10 523</b>	<b>10 945</b>	<b>4%</b>
<b>III. Public sector</b>	<b>2 115</b>	<b>2 233</b>	<b>6%</b>
<b>Total loans</b>	<b>27 529</b>	<b>29 161</b>	<b>6%</b>

Note:

Loan portfolio net of impairments	27 008	28 630	6%
-----------------------------------	--------	--------	----

## Customer resources

In M.€	Dec 21	Dec 22	YoY
<b>I. Customer deposits</b>	<b>28 872</b>	<b>30 326</b>	<b>5%</b>
<b>II. Off-balance sheet resources</b>	<b>11 433</b>	<b>9 718</b>	<b>-15%</b>
Mutual funds	6 273	5 325	-15%
Capitalisation insurance	4 588	4 313	-6%
Public offerings	572	81	-
<b>Total</b>	<b>40 305</b>	<b>40 045</b>	<b>-1%</b>

- Additionally, the placement of structured products increased by 412 M.€ in 2022.

# CONSOLIDATED INCOME STATEMENT



In M.€	Dec 21	Dec 22	Δ%
Net interest income	460.5	559.4	21%
Dividend income	99.8	91.5	-8%
Equity accounted income	47.8	67.3	41%
Net fee and commission income	288.2	295.7	3%
Gains/(losses) on financial assets and liabilities and other	26.5	37.7	42%
Other operating income and expenses	-35.3	-47.7	-35%
<b>Gross income</b>	<b>887.5</b>	<b>1 003.9</b>	<b>13%</b>
Staff expenses	-260.9	-259.6	-1%
<i>Of which: Recurrent staff expenses</i>	-231.1	-238.4	3%
<i>Non-recurrent costs</i>	-29.8	-21.2	-29%
Other administrative expenses	-135.6	-139.7	3%
Depreciation and amortisation	-61.2	-67.5	10%
<b>Operating expenses</b>	<b>-457.7</b>	<b>-466.8</b>	<b>2%</b>
<b>Net operating income</b>	<b>429.8</b>	<b>537.1</b>	<b>25%</b>
Impairment losses and other provisions	-50.9	-76.2	50%
Gains and losses in other assets	-0.6	-0.1	80%
<b>Net income before income tax</b>	<b>378.4</b>	<b>460.8</b>	<b>22%</b>
Income tax	-71.6	-95.7	34%
<b>Net income</b>	<b>306.8</b>	<b>365.0</b>	<b>19%</b>



# CONSOLIDATED BALANCE SHEET



In M.€	Dec 21	Dec 22
<b>ASSETS</b>		
Cash and cash balances at central banks and other demand deposits	6 246	2 466
Financial assets held for trading, at fair value through profit or loss and at fair value through other comprehensive income	1 884	1 613
Financial assets at amortised cost	32 138	33 753
Of which: Loans to Customers	27 008	28 630
Investments in joint ventures and associates	274	269
Tangible assets	209	198
Intangible assets	98	108
Tax assets	201	184
Non-current assets and disposal groups classified as held for sale	5	26
Other assets	323	288
<b>Total assets</b>	<b>41 378</b>	<b>38 905</b>
<b>LIABILITIES</b>		
Financial liabilities held for trading	104	87
Financial liabilities at amortised cost	37 201	34 436
Deposits - Central Banks and Credit Institutions	5 826	1 421
Deposits - Customers	28 872	30 326
Debt securities issued	2 206	2 339
Of which: subordinated liabilities	304	431
Other financial liabilities	296	349
Provisions	53	49
Tax liabilities	20	125
Other liabilities	334	343
<b>Total Liabilities</b>	<b>37 711</b>	<b>35 040</b>
Shareholders' equity attributable to the shareholders of BPI	3 668	3 865
Non controlling interests	0	0
<b>Total Shareholders' equity</b>	<b>3 668</b>	<b>3 865</b>
<b>Total liabilities and Shareholders' equity</b>	<b>41 378</b>	<b>38 905</b>

# CONSOLIDATED INDICATORS

## Profitability, Efficiency and Liquidity Indicators

(Bank of Portugal Instruction no. 16/2004 with the amendments of Instruction 6/2018)

	Dec 21	Dec 22
Gross income / ATA	2.2%	2.4%
Net income before income tax and income attributable to non-controlling interests / ATA	1.0%	1.1%
Net income before income tax and income attributable to non-controlling interests / average shareholders' equity (including non-controlling interests)	10.7%	11.9%
Staff expenses / Gross income <sup>1)</sup>	26.0%	23.7%
Operating expenses / Gross income <sup>1)</sup>	48.2%	44.4%
Loans (net) to deposits ratio	94%	94%

## NPE ratio and forbore (according to the EBA criteria)

	Dec 21	Dec 22
Non-performing exposures - NPE (M.€)	646	583
NPE ratio	1.6%	1.6%
NPE coverage by impairments	84%	94%
NPE coverage by impairments and collaterals	149%	155%
Ratio of forbore not included in NPE <sup>2)</sup>	0.4%	0.4%

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

	Dec 21	Dec 22
"Crédito duvidoso" (M.€) <sup>3)</sup>	683	589
"Crédito duvidoso" ratio	2.3%	1.9%
"Crédito duvidoso" coverage by impairments	80%	93%
"Crédito duvidoso" coverage by impairments and collaterals	140%	153%



1) Excluding early-retirement costs.

2) Forborne according to EBA criteria. On December 2022, the forbore was 362 M.€ (forborne ratio of 0.9%), of which 149 M.€ was performing loans (0.4% of the gross credit exposure) and 212 M.€ was included in NPE (0.5% 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

Dec 22 (M.€)	As reported by BPI	Adjustments <sup>1)</sup>	BPI contribution to CABK Group	Business segment	
				BPI	Corporate Center
Net interest income	559	( 5)	554	544	11
Dividends	91	0	92	4	87
Equity accounted income	67	0	67	25	43
Net fees and commissions	296	( 0)	296	296	
Trading income	38	2	39	27	12
Other operating income & expenses	( 48)	3	( 45)	( 38)	( 7)
<b>Gross income</b>	<b>1 004</b>	<b>( 1)</b>	<b>1 003</b>	<b>857</b>	<b>146</b>
Recurrent operating expenses	( 446)	( 9)	( 455)	( 455)	
Extraordinary operating expenses	( 21)	21			
<b>Pre-impairment income</b>	<b>537</b>	<b>11</b>	<b>548</b>	<b>402</b>	<b>146</b>
<b>[Pre-impairment income without extraordinary expenses]</b>	<b>558</b>	<b>( 10)</b>	<b>548</b>	<b>402</b>	<b>146</b>
Impairment losses on financial assets	( 61)	55	( 6)	( 6)	0
Other impairments and provisions	( 16)	( 15)	( 31)	( 22)	( 9)
Gains/losses on disposals & others	( 0)	0	( 0)	( 0)	
<b>Pre-tax income</b>	<b>461</b>	<b>51</b>	<b>511</b>	<b>374</b>	<b>138</b>
Income tax	( 96)	( 13)	( 109)	( 101)	( 8)
<b>Profit for the period</b>	<b>365</b>	<b>37</b>	<b>402</b>	<b>272</b>	<b>130</b>
Minority interests & other				( 0)	0
<b>Net income</b>	<b>365</b>	<b>37</b>	<b>402</b>	<b>272</b>	<b>130</b>

## Loan portfolio & customer resources

December 2022 (M.€)	As reported by BPI	Adjustments	BPI contribution to CABK Group (BPI segment)
Loans and advances to customers, net	28 630	( 67)	28 563
Total customer funds	40 045	(4 391)	35 654

### > Profit & loss account

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

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

### > Loan portfolio & customer funds

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

- In **loans and advances to customers, net**, by the fair value adjustments generated by the business combination at 31<sup>st</sup> Dec. 2022 and consolidation adjustments (elimination of intra-group balances);
- In **total customer funds**, by the liabilities under insurance contracts and their fair value adjustments at 31<sup>st</sup> Dec. 2022, 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.

1) Consolidation, standardisation and net fair value adjustments in the business combination.

# ALTERNATIVE PERFORMANCE MEASURES

## Reconciliation of the profit & loss account structure

- The European Securities and Markets Authority (ESMA) published on 5th October 2015 a set of **guidelines relating to the disclosure of Alternative Performance Measures** by entities (ESMA/2015/1415). These guidelines are mandatory to issuers with effect from 3rd 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 object of disclosure, as required by ESMA guidelines.
- In the current presentation, the information previously disclosed is included by way of cross-reference and **a summarized list of the Alternative Performance Measures** is presented next.

The following table shows, for the consolidated profit & loss account, the reconciliation of the structure used in this document (Results' Presentation) with the structure adopted in the financial statements and respective notes of the Report and Accounts.

Adopted acronyms and designations		Units, conventional sings and abbreviations	
<b>YtD</b>	> Year-to-date change	<b>€, Euros, EUR</b>	> euros
<b>YoY</b>	> Year-on-year change	<b>th.€, th.euros</b>	> thousand euros
<b>QoQ</b>	> quarter-on-quarter change	<b>M.€, M.euros</b>	> million euros
<b>ECB</b>	> European Central Bank	<b>Bn.€, Bi.€</b>	> billion euros
<b>BoP</b>	> Bank of Portugal	<b>Δ</b>	> change
<b>CMVM</b>	> Securities Market Commission	<b>n.a.</b>	> not available
<b>APM</b>	> Alternative Performance Measures	<b>0, –</b>	> null or irrelevant
<b>MMI</b>	> Interbank Money Market	<b>vs.</b>	> versus
<b>T1</b>	> Tier 1	<b>b.p.</b>	> basis points
<b>CET1</b>	> Common Equity Tier 1	<b>p.p.</b>	> percentage points
<b>RWA</b>	> Risk weighted assets	<b>E</b>	> Estimate
<b>TLTRO</b>	> Targeted longer-term refinancing operations	<b>F</b>	> Forecast
<b>LCR</b>	> Liquidity coverage ratio		
<b>NSFR</b>	> Net stable funding ratio		

# ALTERNATIVE PERFORMANCE MEASURES

## Reconciliation of the consolidated profit & loss account structure

Structure used in the Results' Presentation	Dec 22	Dec 22	Structure presented in the financial statements and respective notes
Net interest income	559.4	559.4	Net interest income
Dividend income	91.5	91.5	Dividend income
Equity accounted income	67.3	67.3	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	295.7	323.3	Fee and commission income
		-27.6	Fee and commission expenses
Gains/(losses) on financial assets and liabilities and other	37.7	0.7	Gains or (-) losses on derecognition of financial assets and liabilities not measured at fair value through profit or loss, net
		14.8	Gains or (-) losses on financial assets and liabilities held for trading, net
		-3.1	Gains or (-) losses on non-trading financial assets mandatorily at fair value through profit or loss, net
		-3.0	Gains or (-) losses from hedge accounting, net
		28.1	Exchange differences [gain or (-) loss], net
Other operating income and expenses	-47.7	28.1	Other operating income
		-75.8	Other operating expenses
<b>Gross income</b>	<b>1 003.9</b>	<b>1 003.9</b>	<b>GROSS INCOME</b>
Staff expenses	-259.6	-259.6	Staff expenses
Other administrative expenses	-139.7	-139.7	Other administrative expenses
Depreciation and amortisation	-67.5	-67.5	Depreciation
<b>Operating expenses</b>	<b>-466.8</b>	<b>-466.8</b>	<b>Administrative expenses and depreciation</b>
<b>Net operating income</b>	<b>537.1</b>	<b>537.1</b>	
Impairment losses and other provisions	-76.2	-9.9	Provisions or (-) reversal of provisions
		-66.3	Impairment or (-) reversal of impairment on financial assets not measured at fair value through profit or loss
Gains and losses in other assets	-0.1		Impairment or (-) reversal of impairment of investments in subsidiaries, joint ventures and associates
		0.9	Impairment or (-) reversal of impairment on non-financial assets
		0.0	Gains or (-) losses on derecognition of investments in subsidiaries, joint ventures and associates, net
		-0.8	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
<b>Net income before income tax</b>	<b>460.8</b>	<b>460.8</b>	<b>PROFIT OR (-) LOSS BEFORE TAX FROM CONTINUING OPERATIONS</b>
Income tax	-95.7	-95.7	Tax expense or income related to profit or loss from continuing operations
<b>Net income from continuing operations</b>	<b>365.0</b>	<b>365.0</b>	<b>PROFIT OR (-) LOSS AFTER TAX FROM CONTINUING OPERATIONS</b>
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
<b>Net income</b>	<b>365.0</b>	<b>365.0</b>	<b>PROFIT OR (-) 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.

<b>Gross income</b>	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
<b>Commercial banking gross income</b>	Net interest income + Dividend income + Net fee and commission income + Equity accounted income excluding the contribution of stakes in African banks
<b>Operating expenses</b>	Staff expenses + Other administrative expenses + Depreciation and amortisation
<b>Net operating income</b>	Gross income – Operating expenses
<b>Net income before income tax</b>	Net operating income – Impairment losses and other provisions + Gains and losses in other assets
<b>Cost-to-income ratio (efficiency ratio)<sup>1)</sup></b>	Operating expenses / Gross income
<b>Cost-to-core income ratio (core efficiency ratio)<sup>1)</sup></b>	[Operating expenses, excluding costs with early-retirements and voluntary terminations and (only in 2016) gains with the revision of the Collective Labour Agreement (ACT) – Income from services rendered to CaixaBank Group (recorded under Other operating income and expenses)] / Commercial banking gross income
<b>Return on Equity (ROE)<sup>1)</sup></b>	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
<b>Return on Tangible Equity (ROTE)<sup>1)</sup></b>	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
<b>Return on Assets (ROA)<sup>1)</sup></b>	(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
<b>Unitary intermediation margin</b>	Loan portfolio average interest rate, excluding loans to employees – Deposits average interest rate

## BALANCE SHEET AND FUNDING INDICATORS

<b>On-balance sheet Customer resources<sup>2)</sup></b>	<p>Deposits + Capitalisation insurance of fully consolidated subsidiaries + Participating units in consolidated mutual funds</p> <ul style="list-style-type: none"> <li>Deposits = Demand deposits and other + Term and savings deposits + Interest payable + Retail bonds (Fixed rate bonds placed with Customers)</li> <li>Capitalisation insurance of fully consolidated subsidiaries (BPI Vida e Pensões sold on Dec.17)</li> </ul>
<b>Off-balance sheet Customer resources<sup>3)</sup></b>	<p>Mutual funds + Capitalisation insurance + Pension plans + Subscriptions in public offerings</p> <ul style="list-style-type: none"> <li>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.</li> <li>Capitalisation insurance<sup>4)</sup> = Third-party capitalisation insurance placed with Customers</li> <li>Pension plans<sup>4)</sup> = Pension plans under BPI management (includes BPI pension plans)</li> <li>Subscriptions in public offerings = Customers subscriptions in third parties' public offerings</li> </ul>

(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)

<b>Total Customer resources</b>	On-balance sheet Customer resources + Off-balance sheet Customer resources
<b>Gross loans to customers</b>	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) <i>Note: gross loans = performing loans + loans in arrears + receivable interests</i>
<b>Net loans to Customers</b>	Gross loans to Customers – Impairments for loans to Customers
<b>Loan-to-deposit ratio</b> (CaixaBank criteria)	(Net loans to Customers - Funding obtained from the EIB, which is used to provide credit) / Deposits and retail bonds

## ASSET QUALITY INDICATORS

<b>Impairments and provisions for loans and guarantees</b> (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
<b>Cost of credit risk</b>	Impairments and provisions for loans and guarantees - Recoveries of loans previously written off from assets, interest and other
<b>Cost of credit risk as % of loan portfolio<sup>(1)</sup></b>	(Impairments and provisions for loans and guarantees - Recoveries of loans previously written off from assets, interest and other) / Average value in the period of the gross loans and guarantees portfolio.
<b>Performing loans portfolio</b>	Gross Customer loans - (Overdue loans and interest + Receivable interests and other)
<b>NPE and NPL ratios</b>	Ratio of non-performing exposures (NPE) and ratio of non-performing loans (NPL) in accordance with the EBA criteria (prudential perimeter)
<b>Coverage of NPE or NPL</b>	[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) or Non-performing loans (NPL)]
<b>Coverage of NPE or NPL by impairments and associated collaterals</b>	[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 or NPL] / [Non-performing exposures (NPE) or Non-performing loans (NPL)]
<b>Non-performing loans ratio</b> ("credito dudoso", Bank of Spain criteria)	Non performing loans ("credito dudoso", Bank of Spain criteria) / (Gross Customer loans + guarantees)
<b>Non-performing loans coverage ratio</b>	[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 ("credito dudoso", Bank of Spain criteria)
<b>Coverage of non-performing loans by impairments and associated collaterals</b>	[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 ("credito dudoso", Bank of Spain criteria)
<b>Impairments cover of foreclosed properties</b>	Impairments for real estate received in settlement of defaulting loans / Gross value of real estate received in settlement of defaulting loans

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



*Grupo*  CaixaBank

**BANCO BPI, S.A.**

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