

# Banco BPI

## Mortgage Covered Bond Programme Presentation

February 2024



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- b. Ratings
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## 1 BPI at a Glance



## BANCO BPI KEY FINANCIAL DATA

Dec. 2023

Total assets (consolidated)	38.6 Bi.€
Customer resources	37.9 Bi.€
Gross loan portfolio	30.1 Bi.€
Loan to deposits ratio <sup>1)</sup>	99%
NPE ratio	1.5%
Coverage by impairments and collateral	154%
CET1 ratio <sup>2)</sup>	14.1%
Tier1 ratio <sup>2)</sup>	15.5%
Total Capital ratio <sup>2)</sup>	17.9%
MDA buffer <sup>2)</sup>	5.0%
Leverage ratio <sup>2)</sup>	7.4%
MREL ratio (as % of RWA) <sup>2)</sup>	23.9%

- ✓ Forth largest bank in Portugal, by business volume <sup>3)</sup>
- ✓ Commercial banking focus
- ✓ Fully owned by CaixaBank, representing around 6% of its consolidated assets
- ✓ Market shares of 11.7% in loans and 11.2% in total Customer resources
- ✓ Rating of long term debt at investment grade: BBB+ by Fitch, Baa1 by Moody's and BBB+ by S&P

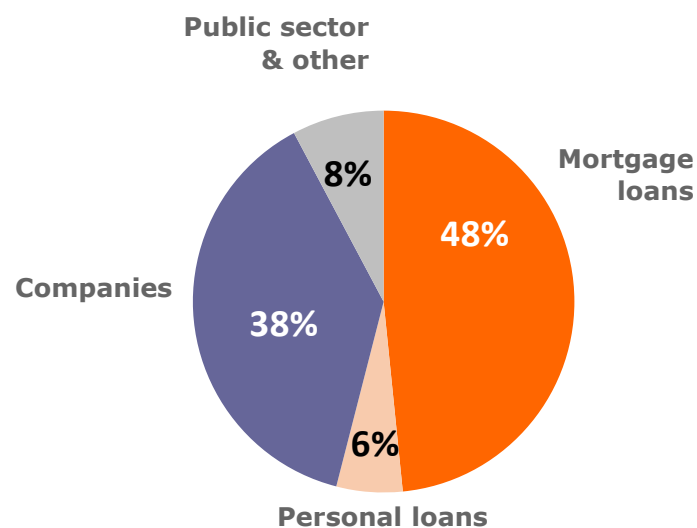
1) (Net loans to Customers - Funding obtained from the EIB, which is used to provide credit) / Deposits and retail bonds.

2) Phasing-in.

3) Loans, guarantees and total customer resources.

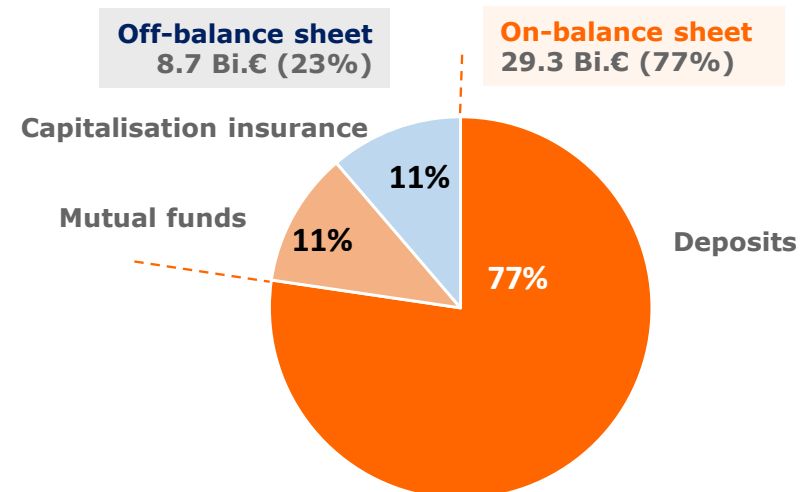
# BUSINESS VOLUME BREAKDOWN (as of December 2023)

## Gross loan portfolio (30.1 Bi€)



Market shares	Dec 23
Total loan portfolio	11.7%
Corporate Loans	11.4%
Mortgage loans	14.4%

## Customer resources (37.9 Bi€)



Market shares	Dec 23
Customer resources <sup>1</sup>	11.2%
Deposits	10.7%
Mutual funds	10.6%
Capitalisation insurance	17.9%
Retirement savings plans	12.0%

Source: BPI, Bank of Portugal, APFIPP, APS, BPI VP.

1) Deposits, mutual funds and capitalisation insurance.

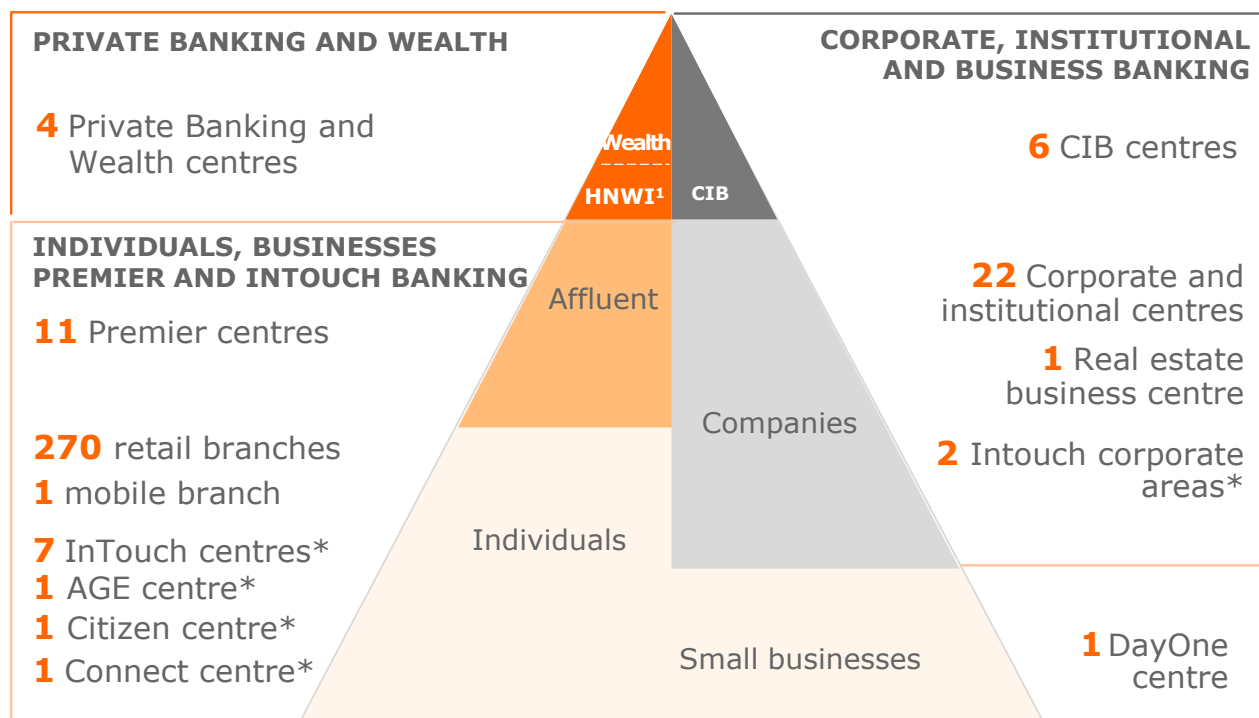
# DISTRIBUTION NETWORK & CUSTOMER SEGMENTATION

31 December 2023

**1.9** Million Customers

**316** Commercial units  
(physical network)

**4 263** Employees



Specialised, omnichannel and fully integrated distribution network

## Continuous innovation

### 1 Branch in metaverse

1st virtual reality informative branch in Portugal



### D-VERSE

Platform for buying and selling digital collectibles



HNWI = High net worth individuals

\* Without in-person servicing at the centre.

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

# DIGITAL BANKING GAINS MORE RELEVANCE



## More Digital Clients

**+88 th.**

BPI App active users (Δ yoy)

(31 Dec. 2023)

**89%**

Digital individual clients actively use the BPI App



## More Digitally-supported sales

**33%**

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

(Jan-Dec 2023)



## Subscription to digital channels

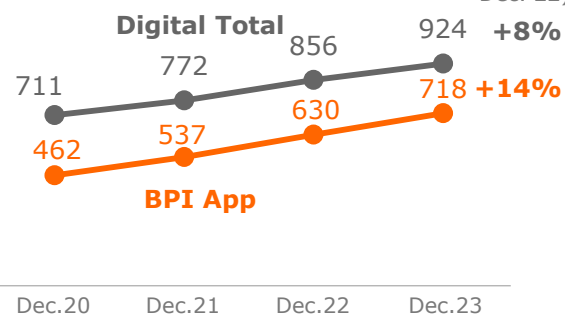
**#1**

(Net and Mobile- Individual Customers <sup>2</sup>)

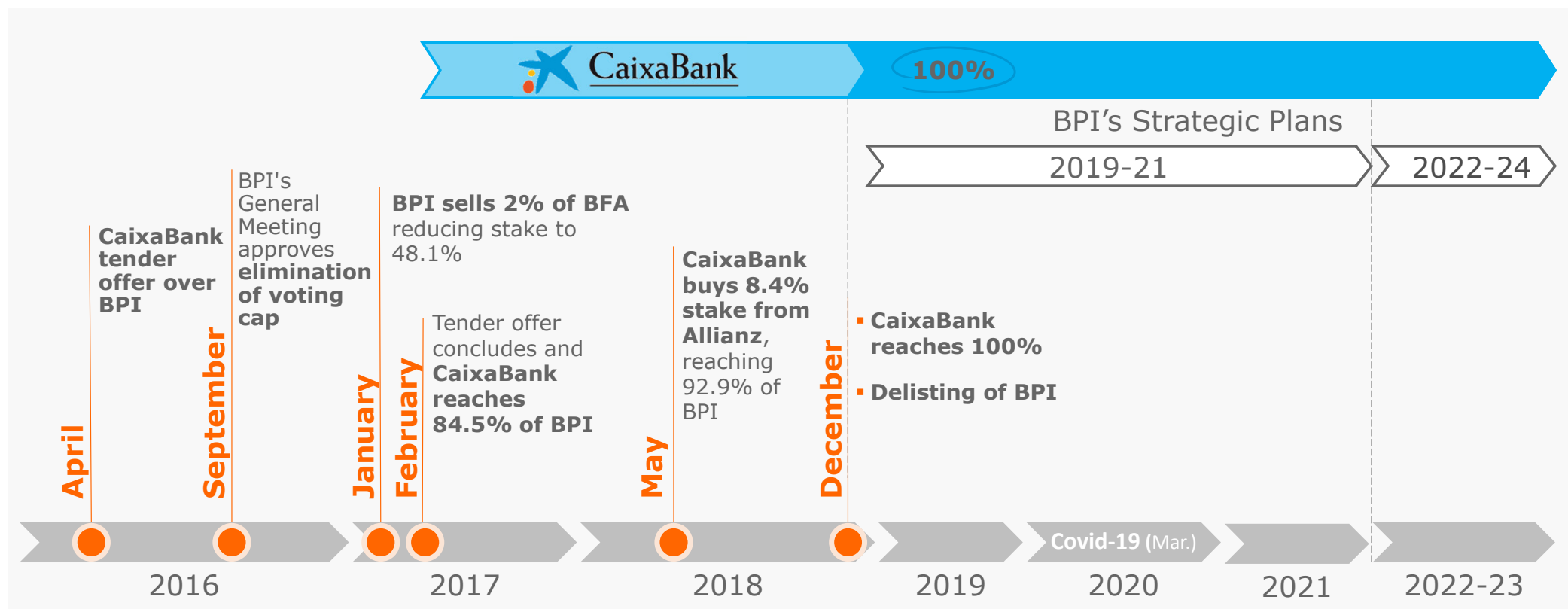
## > Digital Banking regular users

No. (thousand)

(Δ Dec.23 / Dec. 22)



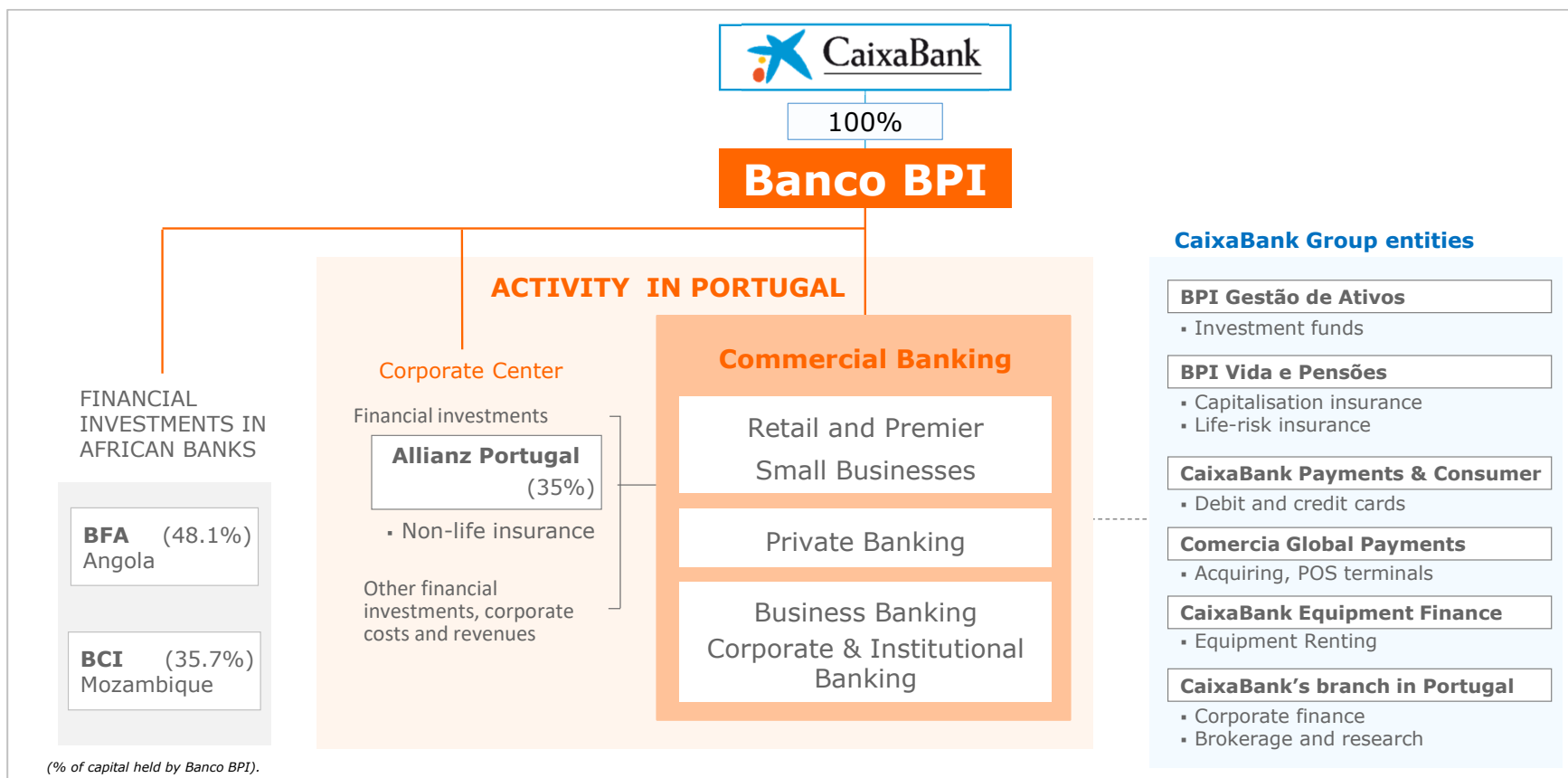
## MILESTONES SINCE CAIXABANK'S OFFER IN 2016



# FOCUS ON CORE BANKING BUSINESS IN PORTUGAL

## BPI's financial and business structure

30 December 2023



# STRATEGIC LINES 2022/24

## 3 Strategic priorities



**Evolve Clients' service model**



**Increase and diversify revenue generation**



**Be a reference in sustainable Banking**

Client experience leveraged on:



**People**



**Technology**



**Processes**

- Skills and talent management
- Employee commitment and involvement
- Advanced analytics and Artificial Intelligence capabilities
- Modernise technological Infrastructure

- Reference in service quality, service model adjusted to the needs of each Customer segment
- Intensify the omnichannel experience and complete the digital transformation of the main Customer Journeys
- Expand the Customer base and grow business
- Explore the potential of ecosystems
- Support the sustainable transition of Companies and Society
- Lead in social impact and promote social inclusion
- Lead in governance best practices

**Focus on quality of service, business growth and achievement of ESG objectives**

**BPI 2022-24:**

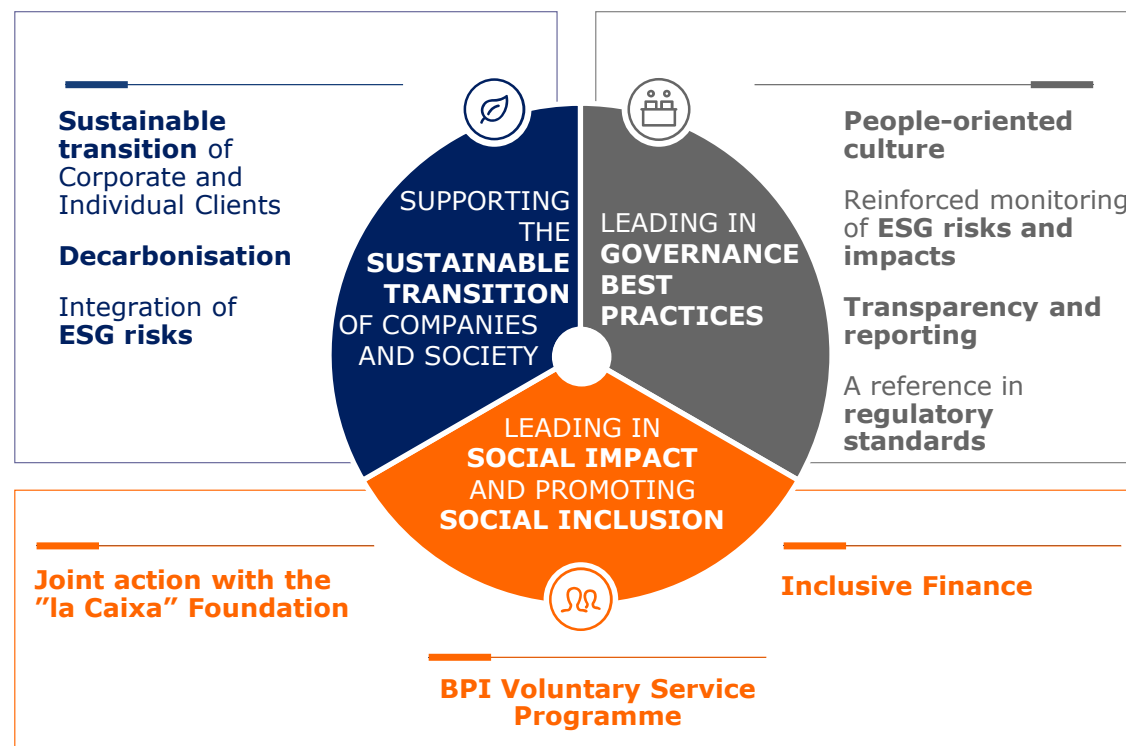
**To grow more, to grow better**

# SUSTAINABILITY MASTER PLAN

## 7 priority Sustainable Development Goals






## 2022-2024 Sustainability Master Plan Three ambitions



# A BANK COMMITTED TO SUSTAINABILITY

## 2022-2024 Sustainability Master Plan

			OBJECTIVES	REACHED 2022-2023
	<b>To support the sustainable transition of companies and society</b>	<b>Global</b>	Sustainable business	<div>4 Bn.€</div> <div>4.1 Bn.€</div>
	<b>To lead in social impact and promote social inclusion</b>	<b>Social</b>	Investment by BPI   "la Caixa" Foundation	<div>120 M.€</div> <div>90 M.€</div>
			Beneficiaries	<div>200 th.</div> <div>212 th.</div>
	<b>To lead in Governance best practices</b>	<b>Governance</b>	Women in management positions	<div>43%</div> <div>44%</div>



### In 2023:

- BPI Signatory of Principles for Responsible Banking
- BPI Signatory of act4nature Portugal
- Participation in Business & Human Rights Accelerator - UN Global Compact



## 2 Financial Highlights / Results



# BPI 2023 RESULTS

## Commercial activity in Portugal

**Loans**  $\Delta$  yoy  
**+0.9 Bn.€ +3%**

**Deposits**  $\Delta$  yoy  
**-1.0 Bn.€ -4%**  
Total customer resources  
-1.1 Bn.€ -3%

**Core income**  $\Delta$  yoy  
**+43%**  
Net interest income **+72%**

**Digital Banking**  
Regular users  
**924 th.**  
BPI app users  
**+88 th.**  $\Delta$  yoy

## Risk, liquidity and capitalisation

**NPE ratio** **1.5%**  
(EBA criteria)  
**Coverage 154%**  
(by impairments and collaterals)

**Cost of Risk**  
**0.16%**  
(as % of loans and guarantees)

**Loan to deposit ratio**  
**99%**  
(loans as % of deposits)

**CET1** > **14.1%**  
**T1** > **15.5%**  
**Total** > **17.9%**  
(Phasing-in)

## Profit and profitability

**Net profit in Portugal**  $\Delta$  yoy  
**444 M.€ +86%**

**Recurrent ROTE in Portugal**  
**16.0%**

**Cost-to-core income in Portugal**  
**39%**

**Consolidated net profit**  $\Delta$  yoy  
**524 M.€ +42%**

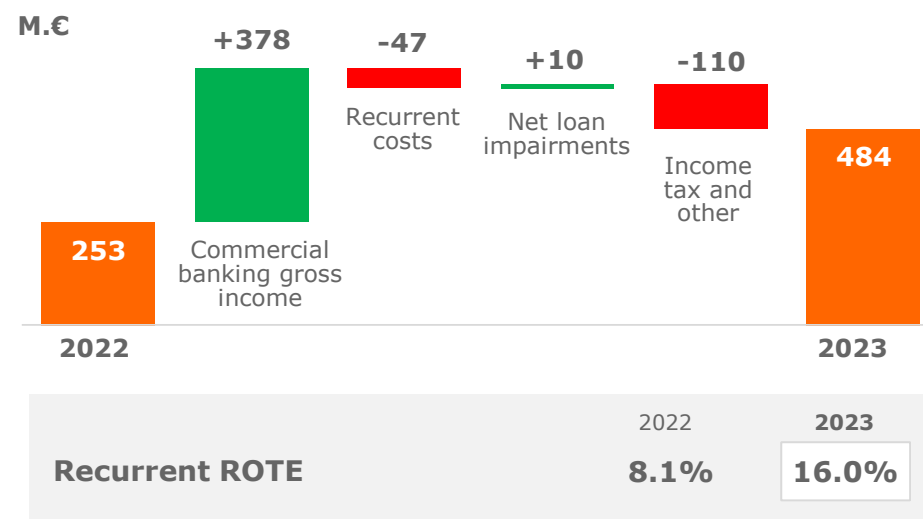
# CONSOLIDATED NET PROFIT OF 524 M.€ IN 2023 (+42%)



In M.€	Dec 22 <sup>1)</sup>	Dec 23	Δ%
<b>Activity in Portugal</b>			
Recurrent net profit	253	484	91%
Non-recurrent impacts <sup>2)</sup>	-15	-41	-
<b>Net profit in Portugal</b>	<b>238</b>	<b>444</b>	<b>86%</b>
BFA contribution	96	42	-57%
BCI contribution	34	39	+13%
<b>Consolidated net profit</b>	<b>369</b>	<b>524</b>	<b>+42%</b>

- The evolution of **BFA's contribution** essentially reflects the impact of the appreciation of the Kwanza in 2022 and its devaluation in 2023.

- **Increase in income** underpinned by commercial activity growth and rise in market interest rates
- **Increase in costs** incorporates the effects of inflation and investment in new technology projects
- **Stable cost of risk**



# COMMERCIAL BANKING GROSS INCOME INCREASED 43%

## > Gross income in the activity in Portugal

In M.€	Dec 22 <sup>1)</sup>	Dec 23	Δ%
Net interest income	548	943	72%
Dividends and equity accounted income	33	21	-36%
Net fee and commission income	296	291	-1%
<b>COMMERCIAL BANKING GROSS INCOME</b>	<b>877</b>	<b>1 255</b>	<b>43%</b>
Other income (net) <sup>2)</sup>	( 15)	( 59)	-283%
<b>Gross income</b>	<b>861</b>	<b>1 196</b>	<b>39%</b>

## > Net interest income increases

- ↑ Higher market interest rates
- ↑ Growth in loan volume
- ↓ Increase in the cost of deposits
- ↓ Cost of MREL / covered bond issues
- ↓ End of interest rate bonus on ECB funding (TLTRO) at the end of June 2022

## > Stable fees and commissions

- ↑ # Accounts
- ↑ Corporate debt issues
- ↑ Mutual funds and capitalisation insurance
- ↓ Loans and guarantees
- ↓ Insurance brokerage

# LOAN PORTFOLIO GREW 3% YOY

## > Loans to Customers by segment

Gross portfolio, in Bn.€	Dec 22	Dec 23	YoY
<b>I. Loans to individuals</b>	<b>16.0</b>	<b>16.2</b>	<b>2%</b>
Mortgage loans	14.2	14.6	3%
Other loans to individuals	1.8	1.7	-6%
<b>II. Loans to companies</b>	<b>10.9</b>	<b>11.5</b>	<b>5%</b>
<b>III. Public sector</b>	<b>2.2</b>	<b>2.3</b>	<b>5%</b>
<b>Total loans</b>	<b>29.2</b>	<b>30.1</b>	<b>3%</b>

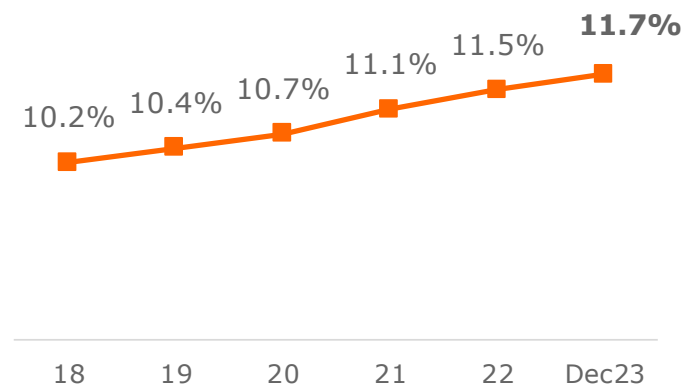
Note:

Loan portfolio net of impairments	28.6	29.5	3%
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- Increase in mortgage and corporate loans

- Market share gains

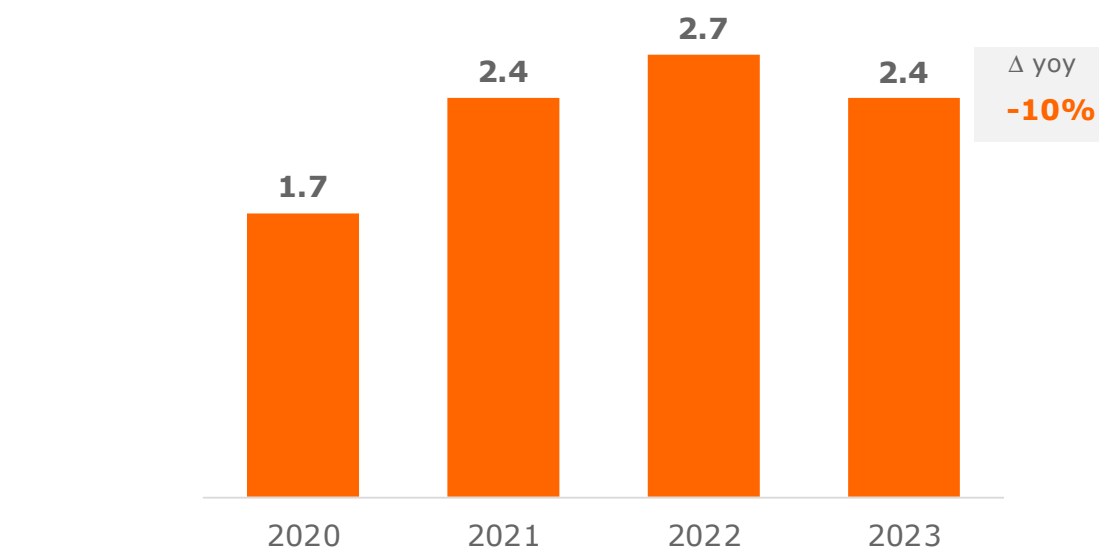
## > Market share in total loans



Source: BPI, Bank of Portugal.

# MARKET SHARE GAINS IN MORTGAGE LOANS

## > New Production (Bn.€)

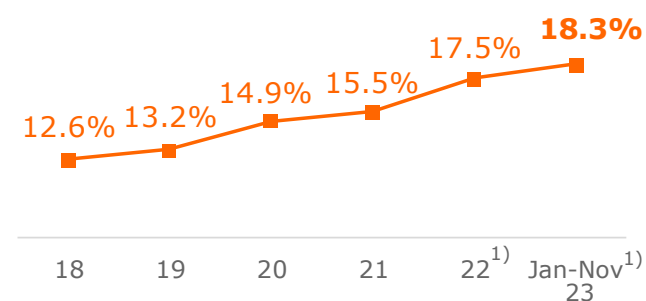


### New production

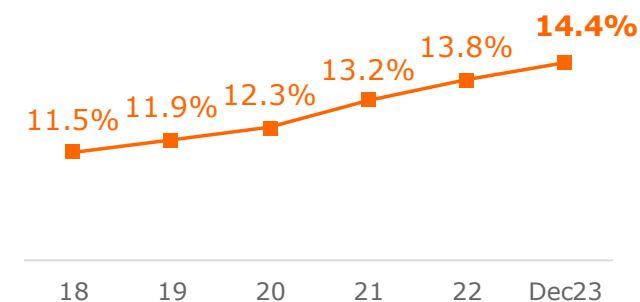
% fixed rate	17%	19%	27%	46%
% mixed rate	2%	1%	-	17%

## > Market shares

### Share of mortgage loans origination



### Share of mortgage loans book



Source: BPI, Bank of Portugal.

# CUSTOMER RESOURCES DECREASED 3% YoY

## > Customer Resources

In Bn.€	Dec 22 <sup>1)</sup>	Dec 23	YoY
<b>I. Customer deposits</b>	<b>30.3</b>	<b>29.3</b>	<b>-4%</b>
<b>II. Off-balance sheet resources</b>	<b>8.7</b>	<b>8.7</b>	<b>0%</b>
Mutual funds	4.3	4.3	1%
Capitalisation insurance	4.3	4.3	-1%
Public offerings	0.1	0.1	-
<b>Total</b>	<b>39.0</b>	<b>37.9</b>	<b>-3%</b>

- In addition there was a 0.3 Bn.€ yoy increase in structured products placed with Customers in Dec.23.

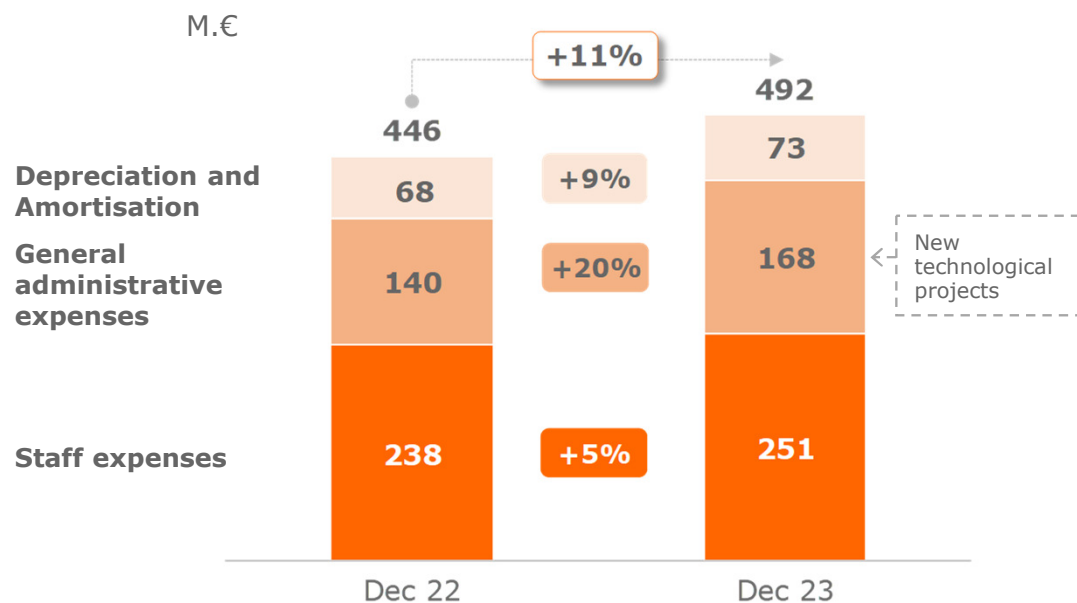
## > Stable market shares

	Dec 23	Δ YoY
<b>Customer resources<sup>2</sup></b>	<b>11.2%</b>	-0.2 p.p.
Deposits	<b>10.7%</b>	-0.2 p.p.
Mutual funds	<b>10.6%</b>	-1.0 p.p.
Capitalisation insurance	<b>17.9%</b>	-0.6 p.p.
Retirement savings plans	<b>12.0%</b>	+0.6 p.p.

Source: BPI, Bankof Portugal, APFIPP, APS, BPI Vida e Pensões.

# INVESTMENT INCREASES AND COST-TO-INCOME IMPROVES

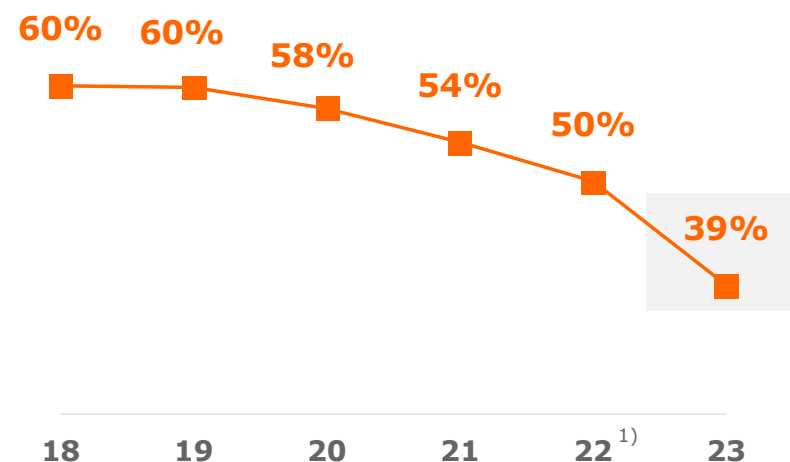
## > Recurrent operating expenses



Non recurrent impacts	21	34
<b>Operating expenses</b>	<b>467</b>	<b>526</b>
		<b>+13%</b>

## > Cost-to-core income

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



Employees

**4 263**

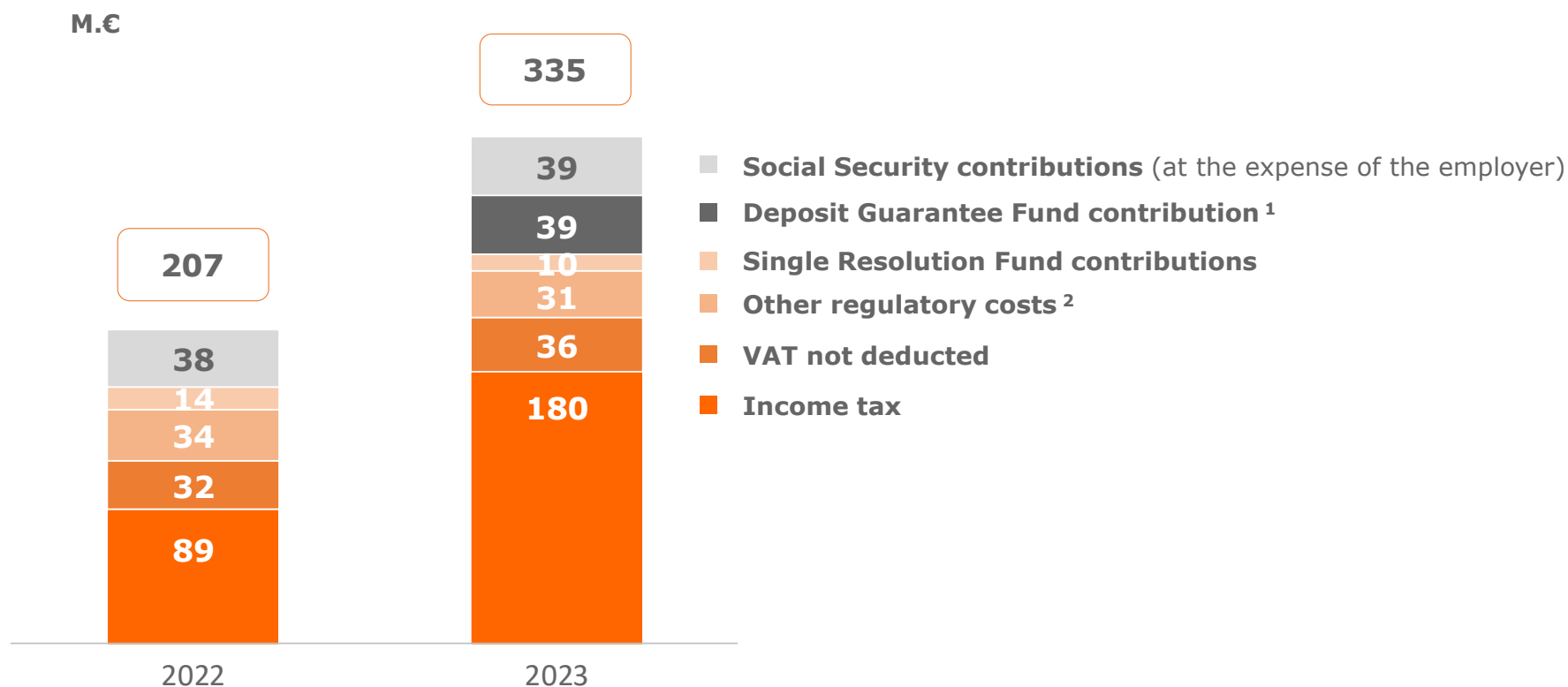
-141 YoY

Distribution network

**316**

-8 YoY

## TAX, REGULATORY COSTS AND SOCIAL SECURITY CONTRIBUTIONS OF 335 M.€ IN 2023





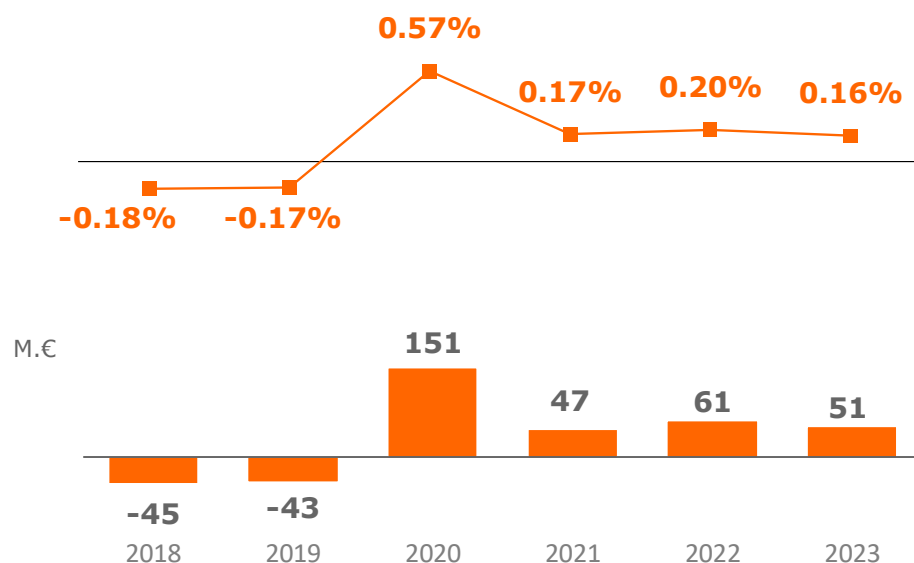
## 3 Asset Quality



# LOW RISK AND HIGH COVERAGE

## > Loan impairments net of recoveries

— as % of gross loans and guarantees

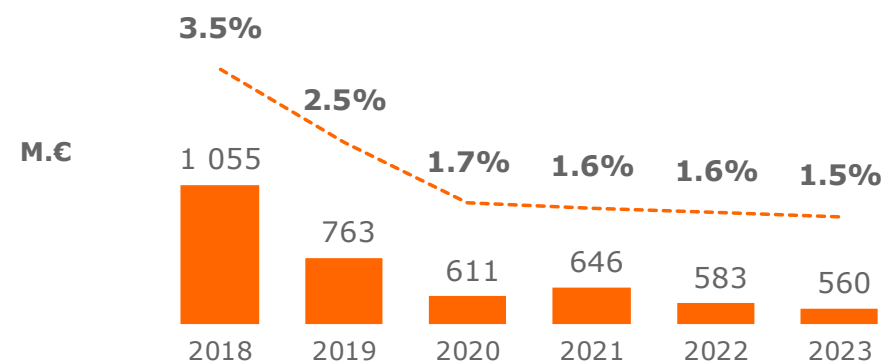


On-balance sheet non-allocated impairments (Dec.23)

**28.5 M.€**

## > Non-Performing Exposures – NPE

(EBA criteria)



### Coverage of NPE

by impairments	53%	54%	83%	84%	94%	<b>98%</b>
by impairments and collaterals	127%	124%	140%	149%	155%	<b>154%</b>

NPL ratio (EBA)

**1.9%**

Foreclosed properties <sup>1)</sup>

**1 M.€**

Coverage of NPL  
(by impairments and collaterals)

**156%**

Corporate recovery fund  
(Fundo de recuperação FCR) <sup>1)</sup>

**14 M.€**

# CREDIT RENEGOTIATION

## Renegotiation of mortgage loans until 31 Dec. 2023

	Renegotiation (DL 80-A/2022)	Interest subsidisation (DL 20-B/2023)	Fixing of interest rate index (DL 91/2023)
▪ Amount	<b>436 M.€</b>	<b>537 M.€</b>	<b>64 M.€</b>
% of total	3.0%	3.7%	0.4%
▪ # Clients	<b>3.8 th.</b>	<b>5.1 th.</b>	<b>0.4 th.</b>
% of total	2.4%	3.2%	0.3%

## Real estate received in settlement of defaulting mortgage loans

Entries: Last 3 years 2023

# properties **16** -

### Book value (net)

Portfolio of real estate received in settlement of defaulting mortgage loans

31 Dec. 2023

**0.7 M.€**

## Total mortgage loans portfolio

	31 Dec. 2023		31 Dec. 2023
Amount	<b>14.6 Bn.€</b>	No. of contracts	<b>218 th.</b>

## Market share

	Last 3 years
Market share in loans origination	<b>17.0%</b>



## 4 Liquidity and Capital



# BALANCED FUNDING AND COMFORTABLE LIQUIDITY

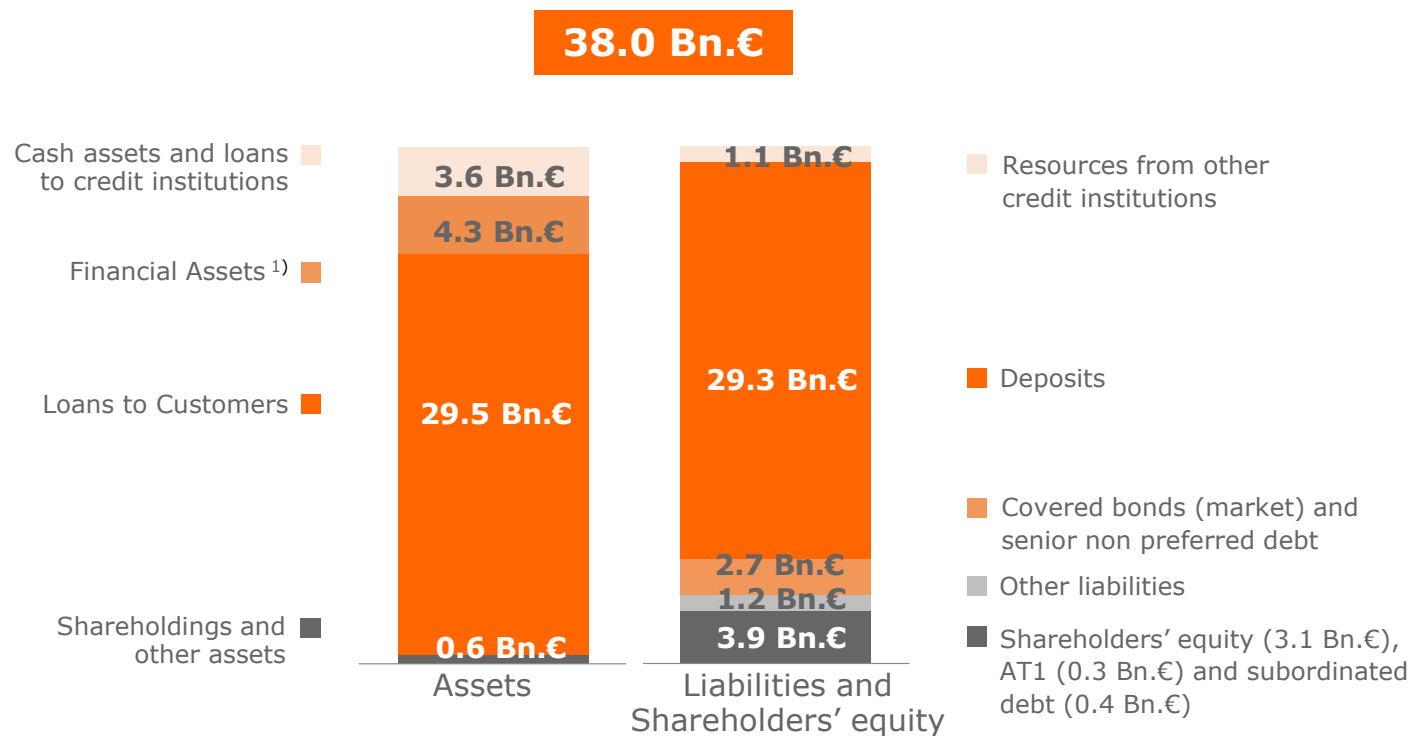
Early repayment of ECB funding in Dec.23

31 December 2023



# BALANCE SHEET OF THE ACTIVITY IN PORTUGAL

31<sup>st</sup> December 2023

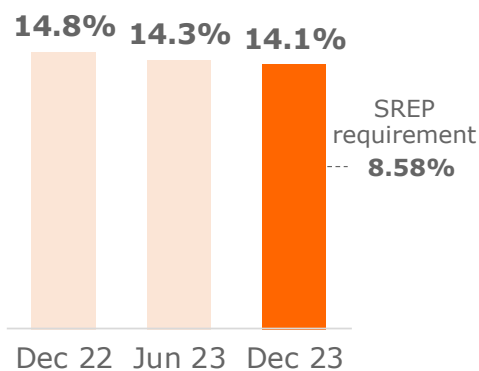


# HIGH CAPITALISATION

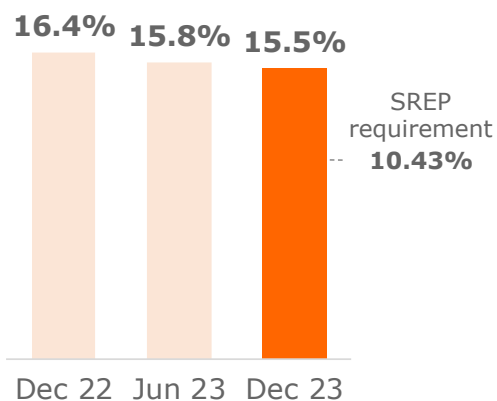
## > Capital ratios

Consolidated (phasing-in)

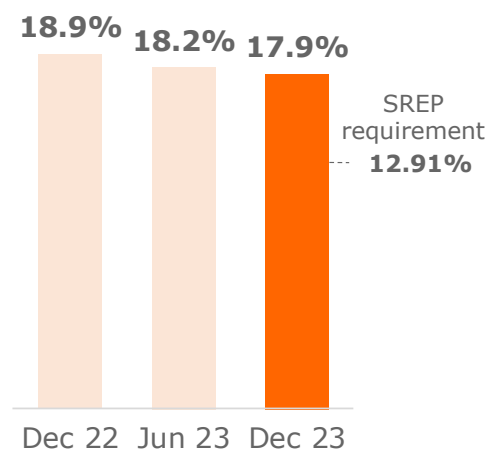
### Common Equity Tier 1



### Tier 1



### Total Capital



**Leverage ratio**

Period	Ratio
Dec 22	7.1%
Jun 23	7.1%
Dec 23	7.4%
SREP requirement	3.0%

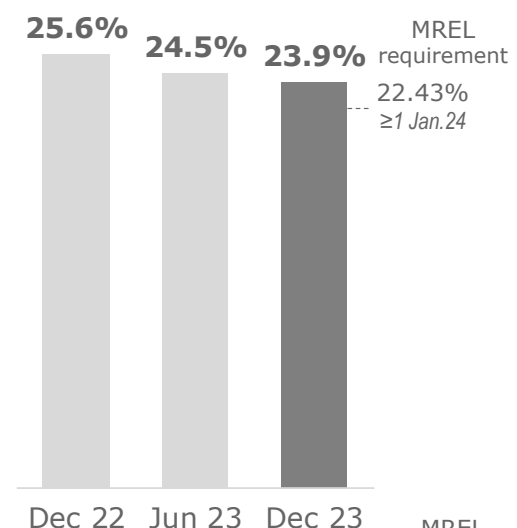


**MDA (Maximum Distributable Amount) Buffer**

**5.0 p.p.**

## > MREL ratios

as % of RWA



**as % of LRE**

Period	Ratio
Dec 22	11.1%
Jun 23	11.0%
Dec 23	11.4%
MREL requirement	5.91%



## 5 Mortgage Covered Bond Programme



# NEW COVERED BOND LAW IN PORTUGAL

- New Covered Bond Law in Portugal released in May 2022 (applicable since 1 July 2022) transposing EU Covered Bond Directive
- Former Portuguese Law (DL 59/2006) already complied with most of the CB Directive requirements

**BPI CB Programme converted in 2023** ✓

New Law/Regulation		Former Law/Regulation
Supervising Entity	<ul style="list-style-type: none"> <li>▪ <b>CMVM (Portuguese Securities Market Authority)</b></li> </ul>	<ul style="list-style-type: none"> <li>▪ Bank of Portugal</li> </ul>
Liquidity Buffer	<ul style="list-style-type: none"> <li>▪ <b>180 days Liquidity buffer covering net outflows of interest and principal (to be met with assets level 1, 2A or 2B or deposits)</b></li> <li>▪ <b>Principal considered on the extended maturity date for soft bullet bonds</b></li> </ul>	<ul style="list-style-type: none"> <li>▪ <b>Usually agreed with Rating Agencies, although not required by law</b></li> </ul>
Cover Pool Monitor	<ul style="list-style-type: none"> <li>▪ <b>An entity registered with CMVM that is not the auditor of the issuer</b></li> <li>▪ Continuous monitoring cover pool quality and legal/regulatory requirements</li> <li>▪ <b>Initial report when the Programme is submitted to CMVM's approval and Annual Report</b> with reasonable assurance ("<i>garantia razoável de fiabilidade</i>")</li> </ul>	<ul style="list-style-type: none"> <li>▪ <b>Cover Pool Monitor could be the issuer's auditor</b></li> <li>▪ Annual Report with limited <b>assurance</b> ("<i>garantia limitada de fiabilidade</i>")</li> </ul>
Overcollateralization	<ul style="list-style-type: none"> <li>▪ <b>0% minimum OC</b></li> <li>▪ 5% OC requirement for Covered Bonds to be classified as Premium (CRR, article 129 3a.)</li> </ul>	<ul style="list-style-type: none"> <li>▪ 5.26% OC requirement for mortgage covered bonds</li> <li>▪ <b>Higher voluntary OC usually agreed with rating agencies or set according to market requirement or practice</b></li> </ul>
Maturity extension	<ul style="list-style-type: none"> <li>▪ Only triggered by: (i) <b>loss of banking licence</b>, (ii) foreseeable or effective <b>default</b> on the maturity date</li> <li>▪ Extension subject to <b>approval from CMVM</b></li> </ul>	<ul style="list-style-type: none"> <li>▪ Extension upon failure to redeem at maturity</li> <li>▪ Supervisory approval not required</li> </ul>
Information Reporting	<ul style="list-style-type: none"> <li>▪ <b>Quarterly Investor Report required by law</b></li> <li>▪ <b>Reporting to CMVM mostly in line with previous Bank of Portugal requirement, with some simplifications:</b> <ul style="list-style-type: none"> <li>▪ Liquidity gap report required semi-annually (previously on a quarterly basis)</li> <li>▪ Reports on outstanding issues (monthly) and interest rate exposure (semi-annually) eliminated</li> <li>▪ Information about new issues to be sent to CMVM after the issue</li> </ul> </li> </ul>	<ul style="list-style-type: none"> <li>▪ Investor Reports were already disclosed quarterly according to market practice, although not required by law</li> <li>▪ Information about new issues sent to the Bank of Portugal <b>before the issue</b></li> </ul>

# MORTGAGE COVERED BOND PROGRAMME - SUMMARY

<b>Issuer <sup>1)</sup></b>	<b>Banco BPI, S.A.</b>
<b>Type</b>	<b>Obrigações Cobertas – European Covered Bonds (Premium)</b>
<b>Collateral</b>	<b>Portuguese prime residential mortgages</b>
<b>Maximum Size</b>	<b>€ 9bn</b>
<b>Ratings</b>	<b>Aaa / AA (Moody's / DBRS)</b>
<b>Overcollateralisation</b>	<b>21.0 % as of Sep 23 (Committed 14.0% / Regulatory 5%)</b>
<b>Compliance</b>	<b>ECBC Covered Bond Label / UCITS Article 52 / CRR Article 129</b>
<b>LCR Class</b>	<b>Level 1</b>
<b>Risk Weighting</b>	<b>10% (CRR standardised approach)</b>
<b>Cover Pool Monitor</b>	<b>Deloitte &amp; Associados, SROC SA</b>
<b>Governing Law <sup>2)</sup></b>	<b>Portuguese Law</b>
<b>Listing</b>	<b>Euronext Lisbon</b>
<b>Clearing</b>	<b>Interbolsa / Euroclear / Clearstream</b>

# MORTGAGE COVER POOL

31 December 2023

## Cover Pool Summary

Item	Remaining Term (years)	M.€ Nominal Amount
<b>Total Cover Pool</b>	<b>14.9</b>	<b>8 805</b>
Mortgage Credit Pool	14.9	8 617
Liquidity Buffer (cash, deposits, eligible securities)	14.9	188
<b>Current overcollateralisation (%)</b>		<b>21.4%</b>
Committed overcollateralisation (%)		14.0%
Minimum overcollateralisation (%) <sup>1</sup>		5.0%

<sup>1</sup> CRR Article 129 compliance for European Covered Bonds (Premium)

## Mortgage Cover Pool main statistics

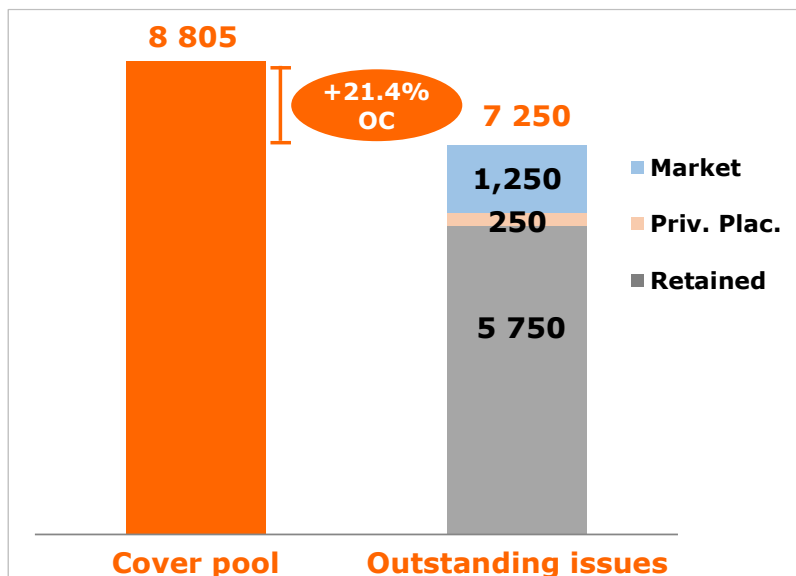
Number of Loans	<b>159 917</b> loans	Current Principal Balance	<b>8 617</b> million
Avg. Current Principal Balance	<b>53.9</b> thousand	W.A. Original Maturity	<b>33.9</b> years
W.A. Seasoning	<b>9.2</b> years	W.A. Remaining Term	<b>14.9</b> years
W.A. Original LTV	<b>71.4</b> %	W.A. Current LTV	<b>53.9</b> %
W.A. Interest Rate	<b>4.63</b> %	W.A. Spread	<b>1.07</b> %

# MORTGAGE COVER POOL AND OUTSTANDING ISSUES

31 December 2023

## Cover Pool and Outstanding Issues

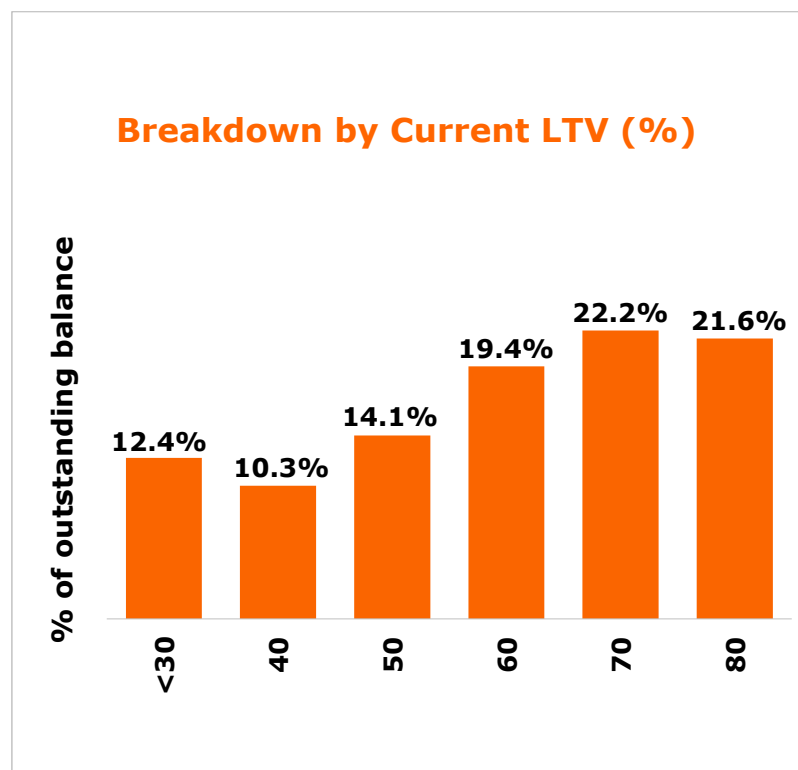
## Outstanding Issues



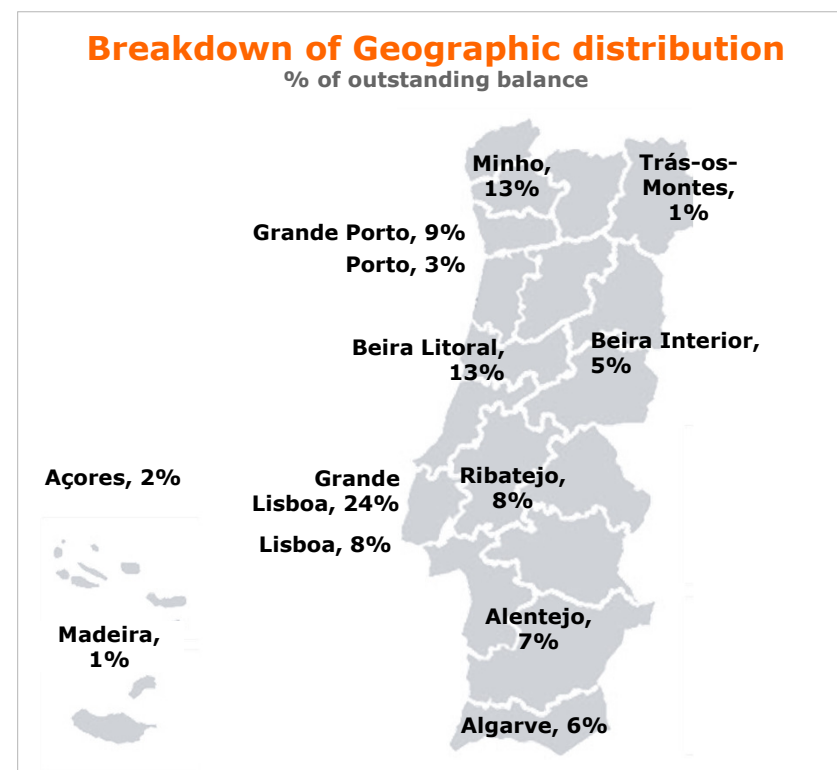
Outstanding issues	Nominal Amount (M.€)	Coupon type	Issue Date	Maturity Date	Remaining Term (years)
<b>Covered Bonds Outstanding</b>	<b>7 250</b>				<b>2.6</b>
<b>Market Issues</b>	<b>1 250</b>				<b>2.8</b>
Series 22 (ISIN PTBPIAOM0026)	500	Fixed	2019-03-22	2024-03-22	0.2
Series 25 (ISIN PTBPIDOM0031)*	750	Fixed	2023-07-04	2028-07-04	4.5
<b>Private Placements</b>	<b>250</b>				<b>1.7</b>
Series 20 (ISIN PTBPIYOM0028)	250	Floating	2018-09-26	2025-09-26	1.7
<b>Retained Issues</b>	<b>5 750</b>				<b>2.5</b>
Series 9 (ISIN PTBBP6OE0023)	350	Floating	2010-05-21	2025-05-21	1.4
Series 14 (ISIN PTBBRROE0048)	1 250	Floating	2015-03-30	2025-03-31	1.2
Series 17 (ISIN PTBBBGOE0023)	700	Floating	2017-02-22	2024-02-22	0.1
Series 23 (ISIN PTBPIHOM0037)	1 400	Floating	2019-12-20	2024-12-20	1.0
Series 24 (ISIN PTBPIMOM0022)	2 050	Floating	2022-06-08	2029-06-08	5.4

# MORTGAGE COVER POOL – MAIN CHARACTERISTICS

31 December 2023



- Low weighted average current LTV of 53.9%

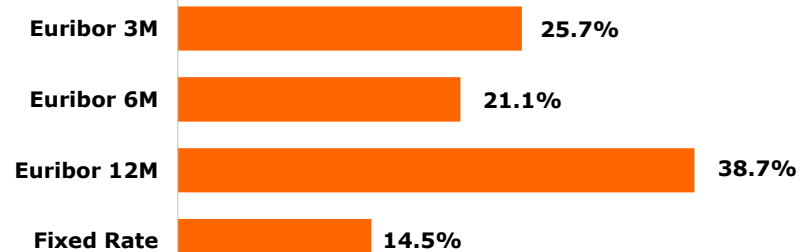


- Geographical exposure in line with Portuguese demographics with more concentration in the large cities along the coast

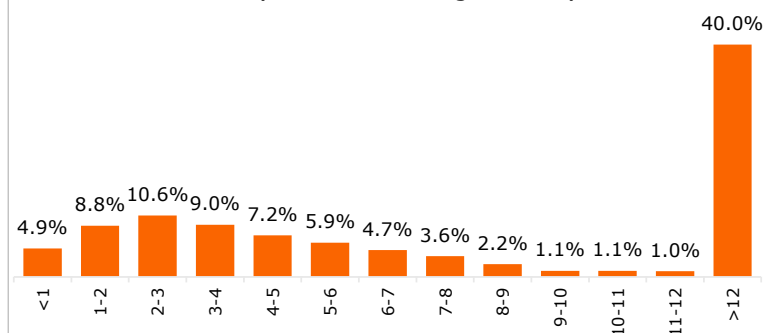
# MORTGAGE COVER POOL – MAIN CHARACTERISTICS

31 December 2023

**Breakdown by Index Type**  
(% of outstanding balance)



**Breakdown Seasoning (years)**  
(% of outstanding balance)



**Breakdown by Loan Purpose**  
(% of outstanding balance)



- Pool mostly floating rate, 85.5% indexed to Euribor
- Weighted average seasoning of 9.2 years
- First homes represent 97% of the pool



# Appendices

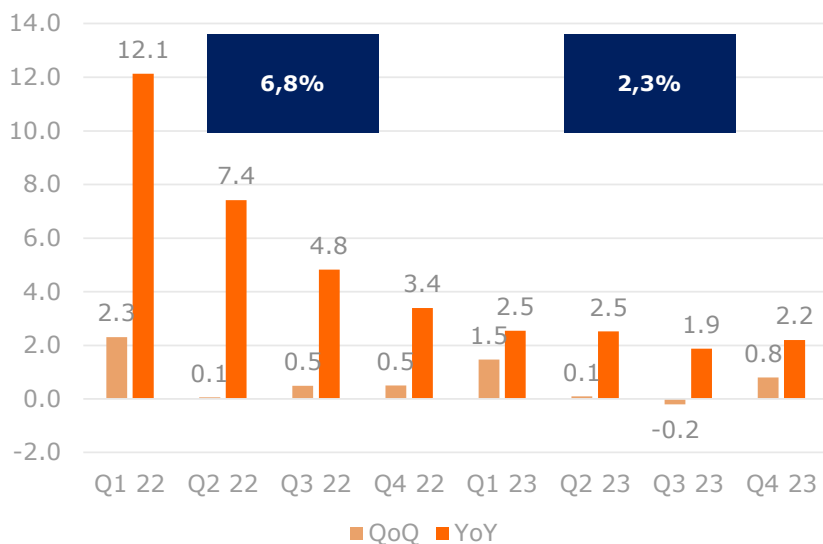


- a. Macro-economic Data on Portugal**
- b. Ratings
- c. Income Statement and Balance Sheet

# PORTUGUESE ECONOMY: GDP ACCELERATED IN Q4; ANNUAL GROWTH STOOD AT 2.3%

GDP advanced 0.8 in Q4 pushing annual growth to 2.3%

GDP: quarterly and homologous changes  
%



Source: BPI Research, from INE

2.3% GDP growth in 2023; 4.3% average inflation; 6.5% unemployment rate

Main economic forecasts  
%, YoY

%, yoy	2016	2017	2018	2019	2020	2021	2022	Forecasts	
								2023	2024
GDP	2.0	3.5	2.8	2.7	-8.3	5.7	6.8	2.3	1.8
Private Consumption	2.6	2.1	2.6	3.3	-7.0	4.7	5.6	0.9	0.7
Public Consumption	0.8	0.2	0.6	2.1	0.4	4.5	1.4	1.2	1.3
Gross Fixed Capital Formation (GFCF)	2.5	11.5	6.2	5.4	-2.2	8.1	3.0	1.3	5.0
Exports	4.4	8.4	4.1	4.1	-18.8	12.3	17.4	5.5	2.7
Imports	5.0	8.1	5.0	4.9	-11.8	12.3	11.1	1.6	2.5
Unemployment rate	11.4	9.2	7.2	6.6	7.0	6.7	6.2	6.5	6.5
CPI (average)	0.6	1.4	1.0	0.3	0.0	1.3	7.8	4.3	2.4
External current account balance (% GDP)	1.2	1.3	0.6	0.4	-1.2	-0.8	-1.4	1.2	1.2
General Government Balance (% GDP)	-1.9	-3.0	-0.3	0.1	-5.8	-2.9	-0.3	0.7	0.4
General government debt (% GDP)	131.5	126.1	121.5	116.6	134.9	125.5	112.4	98.7	98.6
Risk premium (PT-Bund) (average)	307	269	138	98	89	60	97	84	95

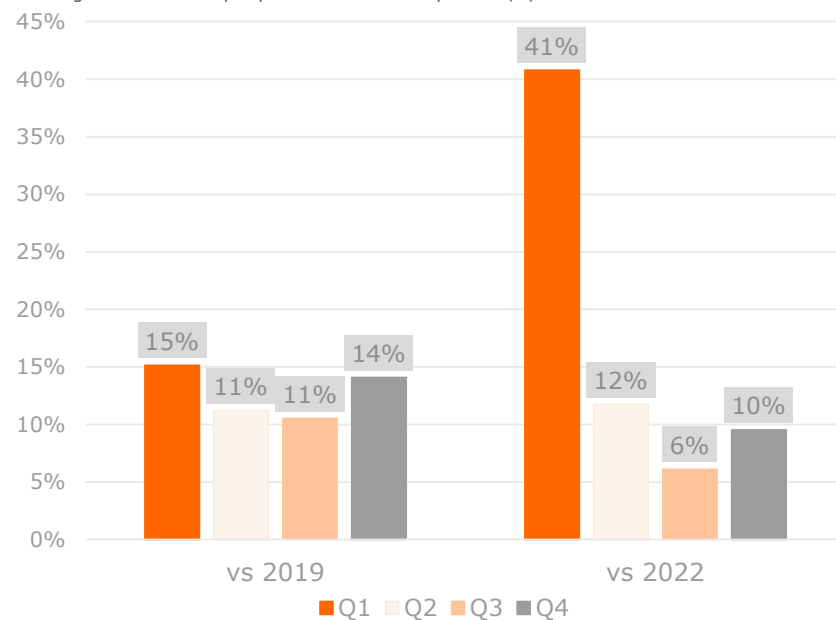
Source: BPI Research

# TOURISM: 2023 RECORD FIGURES AND GROWTH EXPECTED IN 2024

## Tourism in 2023 above best pre-pandemic year (2019)

### Number of Guests

Change in 2023 versus pre-pandemic and 2022 quarters (%)

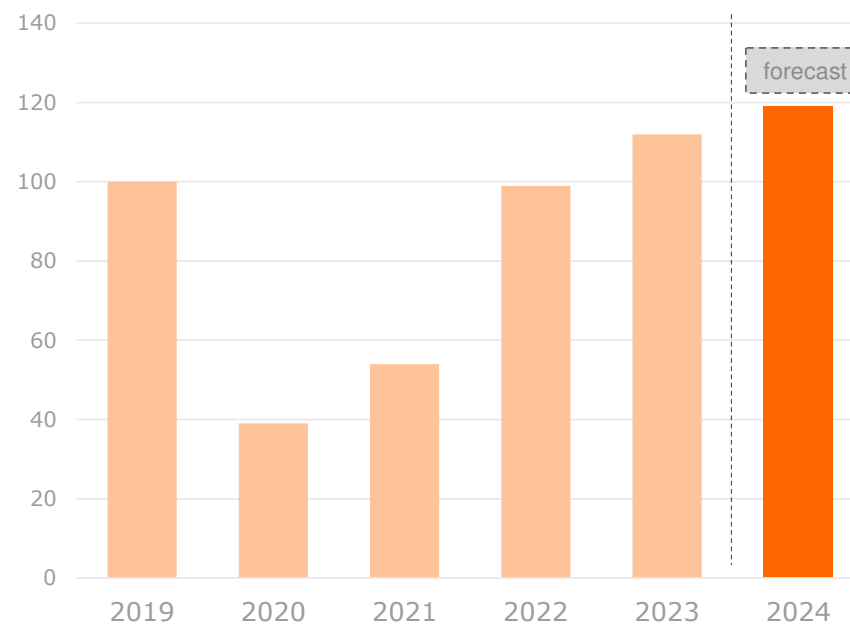


Source: BPI Research, using data from INE

## 6% increase in number of tourists expected for 2024

### Tourists

Level (2019 = 100)



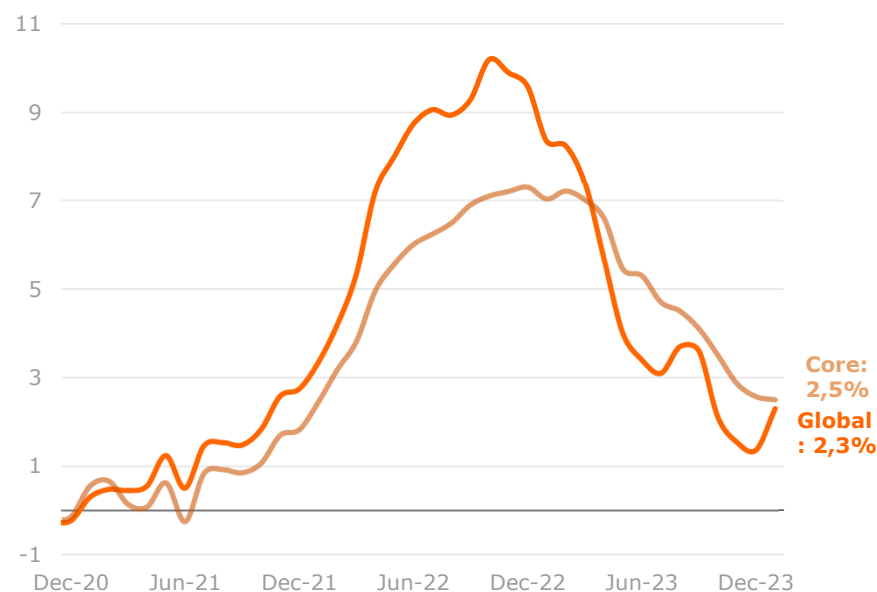
Source: BPI Research, using data from INE

# INFLATION: DOWARD STANCE IN 2023 WITH AN EXPECTED UPWARDS CORRECTION IN THE BEGINNING OF 2024

Global inflation 2.3% in Jan 2024, after energy price adjustment and “Zero VAT” end

Portugal CPI: Global & Core

Year-on-year (%)

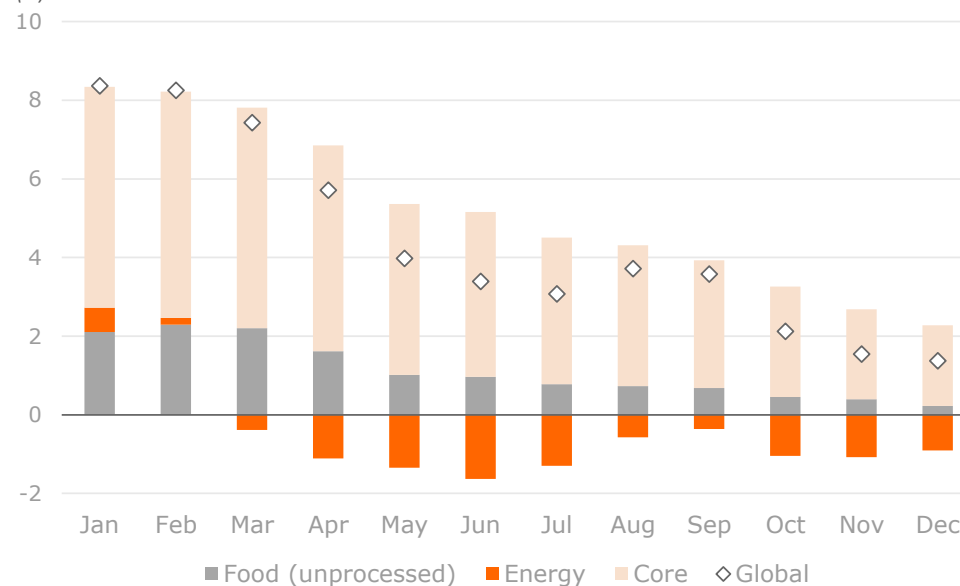


Source: BPI Research, using data from INE

Disinflation dynamics

CPI: Contribution to year-on-year change

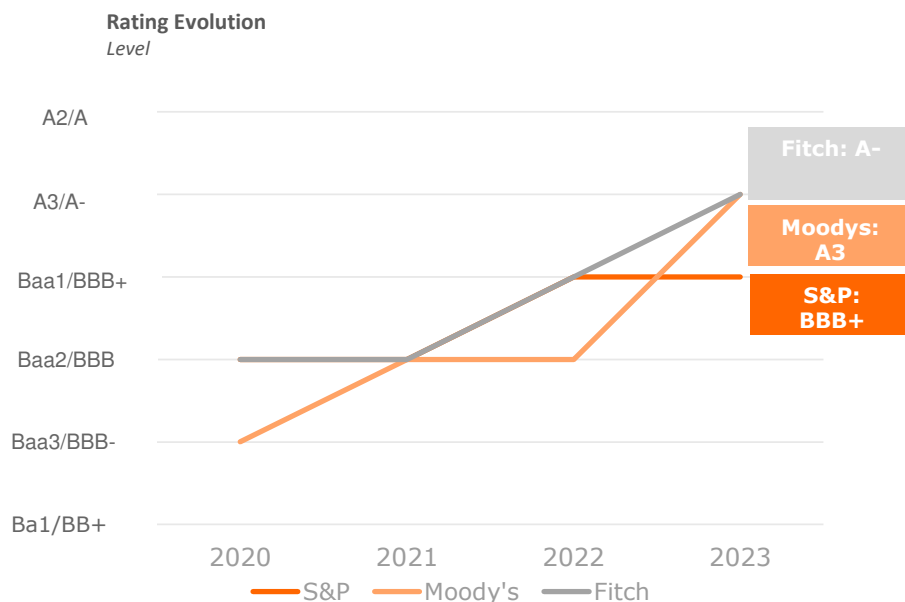
(%)



Source: BPI Research, using data from INE

# PUBLIC ACCOUNTS: COMMITMENT WITH FISCAL CONSOLIDATION BRINGS PUBLIC DEBT RATIO TO 98.7%

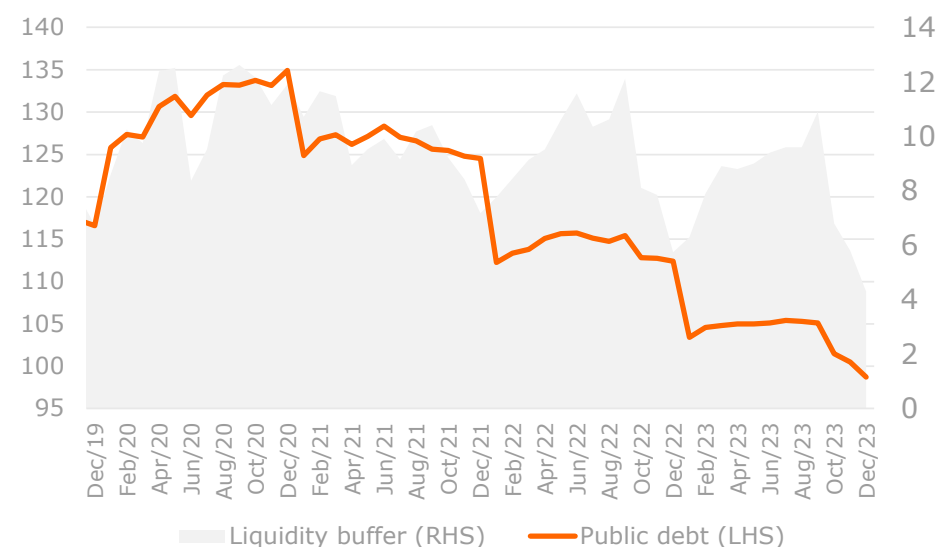
Moody's and Fitch upgraded Portugal to A3 and A-



Source: BPI Research, Rating Agencies

Swift reduction of Public Debt ratio

**Public debt ratio and liquidity buffer**  
% of GDP; Bn EUR

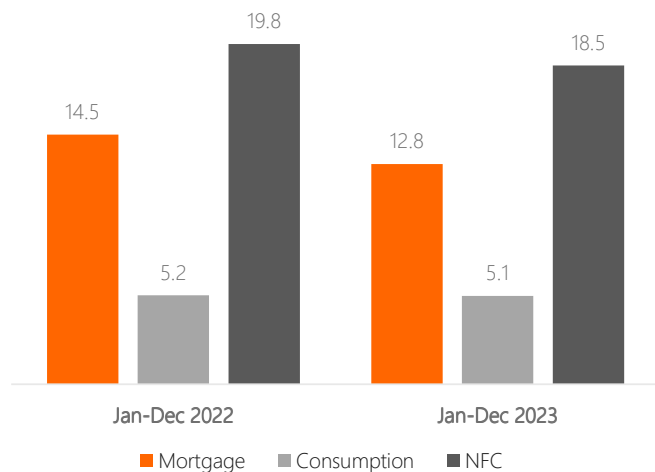


Source: BPI Research, based on INE

# PORTUGUESE BANKING SYSTEM: A SOLID POSITION TO FACE THE ECONOMIC SLOWDOWN

Declining new lending activity, although absolute amount of new mortgages remain historically high

New lending activity by sector  
Accumulated in the year (B€)



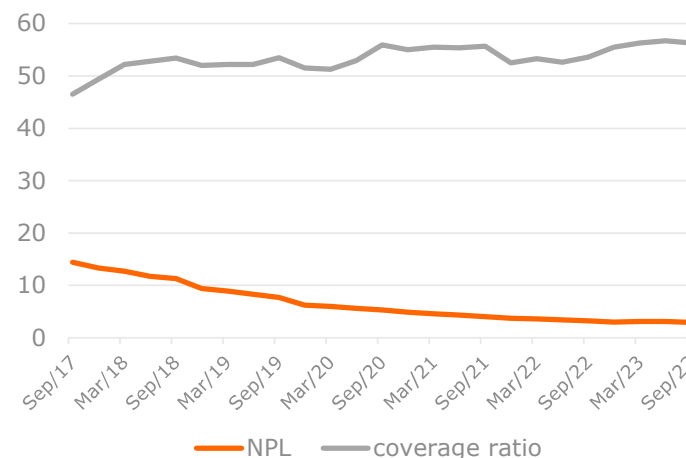
Source: BPI Research, base on data from Bank of Portugal and ECB

NPLs downwards trend

NPLs and coverage ratios

NPL ratio<sup>1</sup>  
In % of gross loans

Coverage ratio  
In % of NPLs



Cost of risk<sup>1</sup>  
0.5% in 2019  
0.5% in Q3 2023

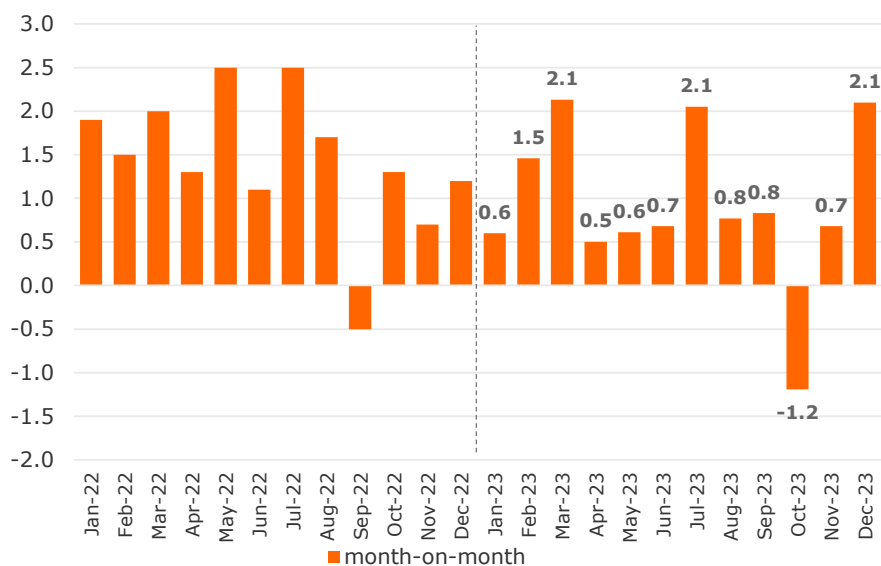
Notes (1) Flow of impairments to credit as a percentage of total gross loans  
Source: Bank of Portugal

# HOUSING MARKET: POSITIVE PRICE MOVEMENTS

House prices grew 12.6% in 2022 (INE data) and remained resilient in 2023

House Price Index (Confidencial Imobiliário)

Month-on-month (%)

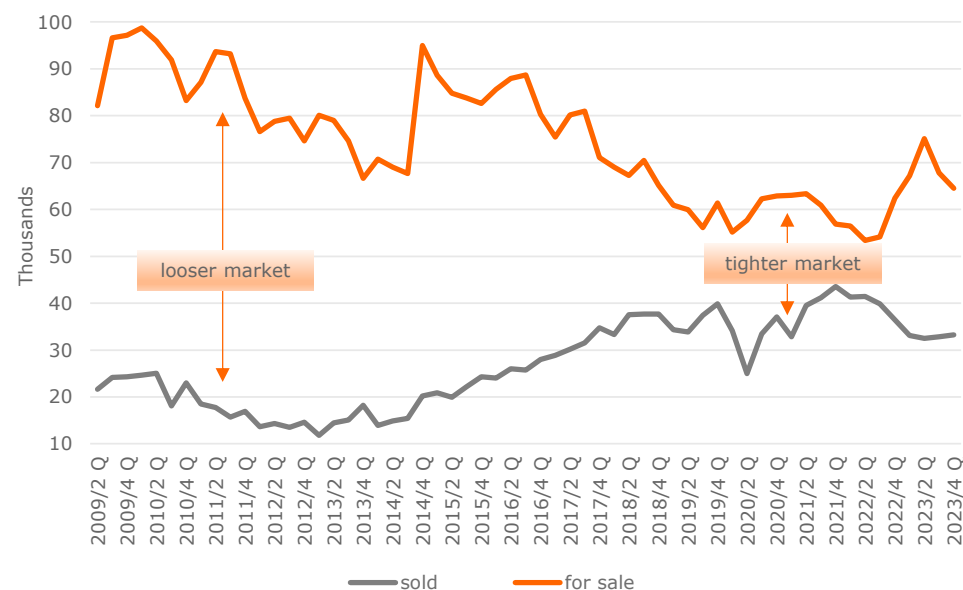


Source: BPI Research, using data from Confidencial Imobiliário

Lack of supply supporting prices

Sold houses vs houses for sale

Number of houses



Source: BPI Research, using data from Confidencial Imobiliário













## Appendices



- a. Macro-economic Data on Portugal
- b. Ratings**
- c. Income Statement and Balance Sheet

As of 1<sup>st</sup> February 2024

# BPI RATINGS VS. PEERS

	S&P Global		Moody's		Fitch Ratings		DBRS	
	(Long Term Debt/ Issuer Credit Rating)		(Long Term Debt/ Issuer rating)		(Issuer Default Rating)		(Long-Term Debt/ Issuer Rating)	
Investment Grade	AAA		Aaa	 Mortgage bonds	AAA		AAA	
	AA+		Aa1		AA+		AA (high)	
	AA		Aa2		AA		AA	 Mortgage bonds
	AA-		Aa3		AA-		AA (low)	
	A+		A1		A+		A (high)	
	A		A2	 Deposits	A		A	 Bank 1
	A-		A3		A-	 Bank 1	A (low)	
	BBB+	  Bank 1	Baa1	 Bank 1 Bank 3	BBB+		BBB (high)	Bank 3
	BBB		Baa2	Bank 2	BBB	Bank 3	BBB	Bank 2
	BBB-	Bank 2	Baa3		BBB-	Bank 2 Bank 5	BBB (low)	
Non-Investment grade	BB+		Ba1	Bank 5	BB+		BB (high)	Bank 5
	BB		Ba2	Bank 4	BB		BB	Bank 4
	BB-		Ba3		BB-		BB (low)	
	B+		B1		B+	Bank 4	B (high)	
	B		B2		B		B	
	B-		B3		B-		B (low)	
	CCC+		Caa1		CCC+		CCC (high)	

**Moody's:** On 22 Nov 23, upgraded **BPI deposits rating to A2** and the rating of its **mortgage covered bonds to Aaa**. On 26 May 23 **upgraded BPI and its senior debt ratings to Baa1**. The ratings' outlook is Stable.

**Fitch Ratings:** on 30 Jun.23 **upgraded BPI's rating to BBB+**, with a Stable Outlook, and its **senior debt and deposit ratings to A-**.

**DBRS:** on 4 Jul.23 **upgraded BPI's mortgage covered bond rating to AA**.



# Appendices



- a. Macro-economic Data on Portugal
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# INCOME STATEMENT OF THE ACTIVITY IN PORTUGAL

In M.€	Dec 22 restated <sup>1</sup>	Dec 23	Δ%
Net interest income	548.5	943.0	72%
Dividend income	4.1	2.0	-52%
Equity accounted income	28.4	18.7	-34%
Net fee and commission income	295.7	291.4	-1%
Gains/(losses) on financial assets and liabilities and other	25.4	21.3	-16%
Other operating income and expenses	-40.7	-80.0	-96%
<b>Gross income</b>	<b>861.4</b>	<b>1 196.5</b>	<b>39%</b>
Staff expenses	-238.4	-251.5	5%
Other administrative expenses	-139.7	-167.7	20%
Depreciation and amortisation	-67.5	-73.3	9%
<b>Recurring operating expenses</b>	<b>-445.6</b>	<b>-492.5</b>	<b>11%</b>
Non-recurrent costs	-21.2	-33.7	59%
<b>Operating expenses</b>	<b>-466.8</b>	<b>-526.2</b>	<b>13%</b>
<b>Net operating income</b>	<b>394.6</b>	<b>670.3</b>	<b>70%</b>
Impairment losses and other provisions	-67.4	-54.0	-20%
Gains and losses in other assets	-0.1	7.3	-
<b>Net income before income tax</b>	<b>327.1</b>	<b>623.5</b>	<b>91%</b>
Income tax	-88.7	-179.9	103%
<b>Net income</b>	<b>238.5</b>	<b>443.7</b>	<b>86%</b>
<b>Recurrent net income</b>	<b>253.1</b>	<b>484.3</b>	<b>91%</b>

# CONSOLIDATED INCOME STATEMENT

In M.€	Dec 22 restated <sup>1</sup>	Dec 23	Δ%
Net interest income	559.4	948.9	70%
Dividend income	91.5	74.5	-19%
Equity accounted income	71.2	60.6	-15%
Net fee and commission income	295.7	291.4	-1%
Gains/(losses) on financial assets and liabilities and other	37.7	-21.3	-156%
Other operating income and expenses	-47.7	-85.8	-80%
<b>Gross income</b>	<b>1 007.8</b>	<b>1 268.5</b>	<b>26%</b>
Staff expenses	-259.6	-283.4	9%
<i>Of which: Recurrent staff expenses</i>	-238.4	-251.5	5%
<i>Non-recurrent costs</i>	-21.2	-31.9	
Other administrative expenses	-139.7	-169.5	21%
Depreciation and amortisation	-67.5	-73.3	9%
<b>Operating expenses</b>	<b>-466.8</b>	<b>-526.2</b>	<b>13%</b>
<b>Net operating income</b>	<b>541.0</b>	<b>742.3</b>	<b>37%</b>
Impairment losses and other provisions	-76.2	-54.2	-29%
Gains and losses in other assets	-0.1	7.3	-
<b>Net income before income tax</b>	<b>464.6</b>	<b>695.4</b>	<b>50%</b>
Income tax	-95.7	-171.4	79%
<b>Net income</b>	<b>368.9</b>	<b>524.0</b>	<b>42%</b>

# CONSOLIDATED BALANCE SHEET

In M.€	Dec 22 restated <sup>1</sup>	Dec 23
<b>ASSETS</b>		
Cash and cash balances at central banks and other demand deposits	2 466	1 856
Financial assets held for trading, at fair value through profit or loss and at fair value through other comprehensive income	1 613	1 365
Financial assets at amortised cost	33 753	34 541
Of which: Loans to Customers	28 630	29 540
Investments in joint ventures and associates	278	221
Tangible assets	198	208
Intangible assets	108	106
Tax assets	184	170
Non-current assets and disposal groups classified as held for sale	26	15
Other assets	288	147
<b>Total assets</b>	<b>38 914</b>	<b>38 628</b>
<b>LIABILITIES</b>		
Financial liabilities held for trading	87	58
Financial liabilities at amortised cost	34 436	33 705
Deposits - Central Banks and Credit Institutions	1 494	1 062
Deposits - Customers	30 326	29 252
Debt securities issued	2 339	3 106
Of which: subordinated liabilities	431	435
Other financial liabilities	276	286
Provisions	49	40
Tax liabilities	125	211
Other liabilities	343	639
<b>Total Liabilities</b>	<b>35 040</b>	<b>34 653</b>
Shareholders' equity attributable to the shareholders of BPI	3 874	3 975
Non controlling interests	0	0
<b>Total Shareholders' equity</b>	<b>3 874</b>	<b>3 975</b>
<b>Total liabilities and Shareholders' equity</b>	<b>38 914</b>	<b>38 628</b>

# CONSOLIDATED INDICATORS

## Profitability, Efficiency and Liquidity Indicators

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

	Dec 22 <sup>1)</sup>	Dec 23
Gross income / ATA	2.4%	3.3%
Net income before income tax and income attributable to non-controlling interests / ATA	1.1%	1.8%
Net income before income tax and income attributable to non-controlling interests / average shareholders' equity (including non-controlling interests)	12.0%	18.1%
Staff expenses / Gross income <sup>2)</sup>	23.7%	19.8%
Operating expenses / Gross income <sup>2)</sup>	44.2%	38.8%
Loans (net) to deposits ratio	94%	101%

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

	Dec 22	Dec 23
Non-performing exposures - NPE (M.€)	583	560
NPE ratio	1.6%	1.5%
NPE coverage by impairments	94%	98%
NPE coverage by impairments and collaterals	155%	154%
Ratio of forborne not included in NPE <sup>3)</sup>	0.4%	1.3%

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

	Dec 22	Dec 23
"Crédito duvidoso" (M.€) <sup>4)</sup>	589	553
"Crédito duvidoso" ratio	1.9%	1.7%
"Crédito duvidoso" coverage by impairments	93%	99%
"Crédito duvidoso" coverage by impairments and collaterals	153%	155%

1) Restated for the impacts on the equity stakes in insurance companies from the adoption of IFRS17 that became effective at the beginning of 2023.

2) Excluding early-retirement costs.

3) Forborne according to EBA criteria. On December 2023, the forborne was 785 M.€ (forborne ratio of 1.9%), of which 540 M.€ was performing loans (1.3% of the gross credit exposure) and 246 M.€ was included in NPE (0.6% of the gross credit exposure).

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

# RECONCILIATION BETWEEN BPI REPORTED FIGURES AND BPI SEGMENT CONTRIBUTION TO CAIXABANK GROUP

## Profit & loss account

Dec 23 (M.€)	As reported by BPI	Adjustments <sup>1)</sup>	BPI contribution to CABK Group	Business segment	
				BPI	Corporate Center
Net interest income	949	( 4)	945	928	18
Dividends	75	0	75	2	73
Equity accounted income	61	( 0)	61	19	42
Net fees and commissions	291	( 0)	291	291	
Trading income	( 21)	4	( 17)	25	( 42)
Other operating income & expenses	( 86)	3	( 82)	( 77)	( 6)
<b>Gross income</b>	<b>1 268</b>	<b>4</b>	<b>1 272</b>	<b>1 188</b>	<b>84</b>
Operating expenses	( 492)	( 8)	( 501)	( 501)	
Extraordinary operating expenses	( 34)	34			
<b>Pre-impairment income</b>	<b>742</b>	<b>29</b>	<b>771</b>	<b>687</b>	<b>84</b>
Impairment losses on financial assets	( 51)	( 0)	( 51)	( 51)	( 0)
Other impairments and provisions	( 3)	( 30)	( 34)	( 34)	0
Gains/losses on disposals & others	7	( 18)	( 11)	( 11)	( 0)
<b>Pre-tax income</b>	<b>695</b>	<b>( 20)</b>	<b>676</b>	<b>592</b>	<b>84</b>
Income tax	( 171)	4	( 168)	( 173)	5
<b>Profit for the period</b>	<b>524</b>	<b>( 16)</b>	<b>508</b>	<b>419</b>	<b>89</b>
Minority interests & other					
<b>Net income</b>	<b>524</b>	<b>( 16)</b>	<b>508</b>	<b>419</b>	<b>89</b>

## Loan portfolio & customer resources

December 2023 (M.€)	As reported by BPI	Adjustments	BPI contribution to CABK Group (BPI segment)
Loans and advances to customers, net	29 540	( 109)	29 430
Total customer funds	37 905	( 4 206)	33 699

### > Profit & loss account

The difference between the results disclosed by BPI and its contribution to the group corresponds to consolidation adjustments derived from intragroup eliminations, reclassifications to standardize presentation criteria in the income statement and certain remaining adjustments 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**, consolidation adjustments (elimination of intra-group balances);
- In **total customer funds**, by the liabilities under insurance contracts and their fair value adjustments at 31 December 2023, 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 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

<b>YtD</b>	> Year-to-date change
<b>YoY</b>	> Year-on-year change
<b>QoQ</b>	> quarter-on-quarter change
<b>ECB</b>	> European Central Bank
<b>BoP</b>	> Bank of Portugal
<b>CMVM</b>	> Securities Market Commission
<b>APM</b>	> Alternative Performance Measures
<b>MMI</b>	> Interbank Money Market
<b>T1</b>	> Tier 1
<b>CET1</b>	> Common Equity Tier 1
<b>RWA</b>	> Risk weighted assets
<b>TLTRO</b>	> Targeted longer-term refinancing operations
<b>LCR</b>	> Liquidity coverage ratio
<b>NSFR</b>	> Net stable funding ratio

### Units, conventional sings and abbreviations

<b>€, Euros, EUR</b>	> euros
<b>th.€, th.euros</b>	> thousand euros
<b>M.€, M.euros</b>	> million euros
<b>Bn.€, Bi.€</b>	> billion euros
<b>Δ</b>	> change
<b>n.a.</b>	> not available
<b>0, –</b>	> null or irrelevant
<b>vs.</b>	> versus
<b>b.p.</b>	> basis points
<b>p.p.</b>	> percentage points
<b>E</b>	> Estimate
<b>F</b>	> Forecast

# ALTERNATIVE PERFORMANCE MEASURES

## Reconciliation of the consolidated profit & loss account structure

Structure used in the Results' Presentation	Dec 23	Dec 23	Structure presented in the financial statements and respective notes
Net interest income	948.9	948.9	Net interest income
Dividend income	74.5	74.5	Dividend income
Equity accounted income	60.6	60.6	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	291.4	320.0	Fee and commission income
		-28.6	Fee and commission expenses
Gains/(losses) on financial assets and liabilities and other	-21.3	-7.2	Gains or (-) losses on derecognition of financial assets and liabilities not measured at fair value through profit or loss, net
		6.8	Gains or (-) losses on financial assets and liabilities held for trading, net
		-0.4	Gains or (-) losses on non-trading financial assets mandatorily at fair value through profit or loss, net
		9.0	Gains or (-) losses from hedge accounting, net
		-29.5	Exchange differences [gain or (-) loss], net
Other operating income and expenses	-85.8	18.3	Other operating income
		-104.1	Other operating expenses
<b>Gross income</b>	<b>1 268.5</b>	<b>1 268.5</b>	<b>GROSS INCOME</b>
Staff expenses	-283.4	-283.4	Staff expenses
Other administrative expenses	-169.5	-169.5	Other administrative expenses
Depreciation and amortisation	-73.3	-73.3	Depreciation
<b>Operating expenses</b>	<b>-526.2</b>	<b>-526.2</b>	<b>Administrative expenses and depreciation</b>
<b>Net operating income</b>	<b>742.3</b>	<b>742.3</b>	
Impairment losses and other provisions	-54.2	-2.4	Provisions or (-) reversal of provisions
		-51.7	Impairment or (-) reversal of impairment on financial assets not measured at fair value through profit or loss
Gains and losses in other assets	7.3	-1.6	Impairment or (-) reversal of impairment of investments in subsidiaries, joint ventures and associates
			Impairment or (-) reversal of impairment on non-financial assets
		8.5	Gains or (-) losses on derecognition of investments in subsidiaries, joint ventures and associates, net
		-1.4	Gains or (-) losses on derecognition of non financial assets, net
		1.8	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>695.4</b>	<b>695.4</b>	<b>PROFIT OR (-) LOSS BEFORE TAX FROM CONTINUING OPERATIONS</b>
Income tax	-171.4	-171.4	Tax expense or income related to profit or loss from continuing operations
<b>Net income from continuing operations</b>	<b>524.0</b>	<b>524.0</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>524.0</b>	<b>524.0</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, excluding costs with early-retirements and voluntary terminations and other non recurrent / Gross income <sup>2</sup>
<b>Cost-to-core income ratio (core efficiency ratio)<sup>1)</sup></b>	[Operating expenses, excluding costs with early-retirements and voluntary terminations and other non recurrent – 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>3)</sup></b>	Deposits + Capitalisation insurance of fully consolidated subsidiaries + Participating units in consolidated mutual funds <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>4)</sup></b>	Mutual funds + Capitalisation insurance + Pension plans + Subscriptions in public offerings <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 = Third-party capitalisation insurance placed with Customers</li> <li>Pension plans = 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) Excluding non-recurrent.

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

4) 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.

# 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



*Grupo*  CaixaBank

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