

## **BPI'S RESULTS FOR THE FIRST NINE MONTHS OF 2024**

Porto, October 31, 2024

# **NET PROFIT OF €444 MILLION GROWTH, FINANCIAL STRENGTH, RENEWAL.**

### **INCOME BOOSTS PROFITABILITY AND EFFICIENCY**

- Net profit of 444 M.€.
- Gross income grew 11% YoY to 1.000 M.€.
- Cost-to-income ratio improved to 37%.
- Recurrent Return on Tangible Equity (ROTE) increased to 18.4%.

### **CONTINUED GROWTH IN LOANS AND RESOURCES**

- Loan Portfolio increased 0.5 Bn.€ YoY (+2%).
- Corporate loan portfolio increased 3% YoY and mortgage portfolio increased 2% YoY.
- Customer resources increased by 1.7 Bn.€ YoY (+5%).

### **STRONG LOAN PORTFOLIO QUALITY AND HIGH CAPITALISATION**

- NPE ratio of 1.4% and NPE cover by impairments and collaterals of 152%.
- Capital ratios: CET1 of 13.9% and total capital of 17.5%.

### **VALUING YOUNG TALENT**

- 242 young talents recruited since 2022.
- 72% of employees hired in 2024 are under the age of 30.
- High talent retention at BPI Academies (75%).

### **PEOPLE, SOCIETY AND THE ENVIRONMENT**

- 219 M.€ in support granted by the 'la Caixa' Foundation in Portugal since 2018, for social programmes, research and health, culture and science, education and scholarships.
- 6 000 people have already visited the AI Innovation Garden exhibition at BPI All in One Lisbon, an unprecedented exhibition on Artificial Intelligence in Portugal.
- 1 Bn.€ in sustainable financing from January to September 2024.



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## **PROFITS AND COMMERCIAL ACTIVITY**

**BPI obtained a net profit of 444 M.€ in the first nine months of 2024**, which represents an increase of 14% compared with the 390 M.€ in the same period last year. **The activity in Portugal contributed with 380 M.€ (+17% YoY).**

The stakes in BFA and BCI contributed 39 M.€ and 25 M.€ respectively to net profit.

**Compared to the end of September 2023, BPI recorded a growth of 2% in loans and 5% in customer resources.** Gross income grew by 11% year-on-year to 1 billion euros, while recurring costs remained stable and the cost of credit risk remained low at 0.10%. Over the last 12 months, the evolution of these indicators has led to an improvement in return on recurring tangible equity in Portugal to 18.4% (+4.7 p.p. YoY).

**João Pedro Oliveira e Costa, Chief Executive Officer of BPI**, highlights: "We achieved a high-quality result, driven by business growth, with more loans granted to businesses and families and more customer resources raised, with particular emphasis on investments in funds and capitalisation insurance. Net interest income remains stable despite the adjustment of market interest rates, as do costs and credit risk, which remains at historically low levels. Our strong financial position and adequate capitalisation allows us to continue to invest in technological innovation to further improve the customer experience, which has been recognised by independent international bodies. In September, the Bank launched four training academies and received more than 2,200 applications for a total of 71 positions, demonstrating its ability to attract young talent. Simultaneously, we maintain our collaboration with "la Caixa" Foundation, whose intervention in Portugal since 2018 has amounted to 219 million euros, invested in social programmes and support for research and health, culture and science, and education and scholarships".

## **CONTINUED GROWTH IN LOANS AND RESOURCES**

### **Loan portfolio grew 2%.**

The total loan portfolio to Clients (gross) increased by 2% YoY to 30.3 Bn.€, corresponding to an increase of 0.5 Bn.€ YoY. Loan market share remained stable (11.6% in Sep24).

The mortgage portfolio increased 2% YoY, to 14.9 Bn.€. Mortgage loans new production has grown for two quarters in a row. In the last quarter, mortgage new production increased by 8.1%. Cumulative mortgage new production since the beginning of the year totalled 1.95 Bn.€, representing an increase of 6.5% year-on-year and a market share of 15.7% (Jan to Aug). Market share in terms of loan portfolio was 14.5%.

The corporate loan portfolio grew 3% YoY to 11.5 Bn.€. It should be noted that in the first nine months of 2024, BPI granted 1.000 M.€ in sustainable financing.

### **Customer resources increased by 5% YoY**

Total customer resources increased 5% YoY (+1.7 Bn.€), totalling 38.7 Bn.€ at the end of September 2024. Customer deposits increased 4% YoY, to 29.5 Bn.€ (+1.1 Bn.€). Off-balance



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sheet resources (investment funds, capitalisation insurance and others) registered an increase of 7%, to 9.2 Bn.€.

## **STABLE MARGIN AND COMMISSIONS**

### **Stable net interest income in 2024**

Gross income stood at 1.000 M.€, representing a growth of 11% YoY. Net interest income has remained stable since the beginning of 2024, despite the adjustment of market interest rates. Compared to September 2023, there was an increase of 7% (+48 M.€) to 737 M.€, explained by the repricing of loans with higher indexing rates than in the same period last year, partially offset by the increase in the cost of deposits.

In the period under review, commissions increased by 12% compared to the same period last year, partly due to a one-off gain in June 2024 resulting from the early settlement of profit sharing on policies sold in prior years. Excluding this exceptional item, commissions increased by 4%, reflecting the growth in business activity.

### **Costs stable and efficiency ratio improves to 37%**

Recurring operating expenses are stable compared to the same period last year. Personnel costs increased by 1% YoY and other operating expenses by 2% YoY. Depreciation and amortisation decreased by 9% YoY. The cost-to-income ratio stood at 37% in September 2024 (last 12 months).

## **STRONG LOAN PORTFOLIO QUALITY AND HIGH CAPITALISATION**

BPI's financial solidity is reflected in a low risk profile, an adequate liquidity position and high levels of capitalisation.

### **Low risk and high coverage**

BPI's non-performing exposure ratio (NPE, EBA criteria) remains at a historically low level of 1.4%, and impairment and collateral coverage stands at 152%. The non-performing loans ratio (NPL, EBA criteria) stands at 1.8% and were 153% covered by impairments and collateral.

Loan impairments net of recoveries stood at 26 M.€ in the first nine months of 2024. The cost of credit risk stood at 0.10% over the last 12 months.

### **Balanced funding and comfortable liquidity**

BPI maintains a comfortable liquidity situation and balanced funding: the loan-to-deposit ratio stands at 98%, the net stable funding ratio (NSFR) stands at 138% and the liquidity coverage ratio (LCR) stands at 219%, at the end of the period.

### **High capitalisation**

BPI complies by a significant margin with the minimum requirements imposed by the European



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Central Bank (ECB), registering the following ratios: CET1 of 13.9%, Tier 1 of 15.3% and total capital of 17.5%. The leverage ratio stood at 7.3%. The MDA Buffer - capital buffer without profit distribution limitations – was 3.8 p.p., including the reserve requirement for systemic risk in the residential real estate market in Portugal, effective from October 1, 2024.

BPI complies with the MREL ratios:

- The MREL ratio as a percentage of RWA stands at 24.8%, versus the MREL requirement of 23.05% (from October 1).
- MREL ratio as a percentage of LRE (Leverage Risk Exposure) of 11.8%, versus a requirement of 5.91% (from October 1).

### **DIGITAL BANKING: 45,000 NEW USERS OF THE BPI APP**

Digital Banking at BPI is following a growth trajectory, with a sharp increase in customers. BPI's digital channels registered a total of 953 thousand users by the end of September 2024, with a significant growth in the mobile channel, which has 755 thousand regular users of the BPI App (+45 thousand active users YoY).

The Bank ranks 2<sup>nd</sup> in terms of individual customers penetration in digital channels (Net and Mobile)<sup>1</sup>.

### **COMMITMENT TO PEOPLE, SOCIETY AND THE ENVIRONMENT**

**Valuing Young Talent:** In recent years, BPI has strengthened its commitment to young talent by implementing an active strategy to recruit and retain qualified professionals under the age of 30. Since 2022, the bank has integrated 242 young people into its workforce, and by 2024, 72% of new hires will belong to this age group. The aim is to increase team generational diversity, boost innovation and accelerate digital transformation.

One of the pillars of this generational renewal is the success of the BPI Academies, which have a retention rate of 75%. In September, the third edition of the BPI Trainee Academy was launched, with the aim of attracting and preparing young talent for a career in the financial sector in the areas of corporate, commercial, risk and artificial intelligence. A total of 71 paid internships were created for final-year students and recent graduates of bachelor's and master's degrees from a variety of academic backgrounds. More than 2,200 young people applied.

According to the Employer Brand Reputation 2024 report by consulting firm OnStrategy, BPI was ranked second among banks in terms of reputation as an employer in 2024.

**BPI | "la Caixa" Foundation Collaboration:** Support for people and society is part of the identity of BPI and the CaixaBank Group, which has been strengthened by the extension of the activities of the 'la Caixa' Foundation to Portugal in 2018. Since then, the 'la Caixa' Foundation has invested 219 million euros in social programmes (63% of this amount), research and health

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<sup>1</sup> BASEF Banca - August 2024 (main banks).



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(18%), culture and science (10%) and education and scholarships (9%).

Two of the social programmes in which both entities participate - the BPI 'la Caixa' Foundation Awards and the Decentralised Social Initiative - have provided financial support of 40 million euros since their inception to promote social responses in all districts and autonomous regions, benefiting more than 440,000 people.

We would also like to highlight the Promove Programme - The Future of the Interior, an initiative of the "la Caixa" Foundation, in collaboration with BPI and in partnership with the Foundation for Science and Technology (FCT), which has already mobilised more than 17 million euros in outright-grants to promote the sustainable development of regions in the interior of Portugal. Of this amount, more than €5 million has been secured by the FCT under a 'matching funds' agreement, whereby the FCT adds its contribution to that of the 'la Caixa' Foundation from 2021.

**BPI Volunteering Programme:** Since the beginning of the year, approximately 1,870 volunteers have participated in social initiatives available on the BPI Volunteering Platform. The volunteering initiatives carried out in the first nine months of 2024 have directly benefited more than 16,000 people and more than 87,000 people since the start of the programme (March 2021).

**AI Innovation Garden:** In October, BPI inaugurated a unique exhibition on Artificial Intelligence in Portugal. The AI INNOVATION Garden is a dynamic and immersive exhibition open to the public, free of charge, from Monday to Saturday, from 11am to 7pm. It is an innovative, carefully designed space that provides a practical, accessible and engaging experience for all audiences. The aim is to make the public more aware of the potential and impact of this type of technology on their everyday lives. By October 26, the exhibition had received over 6 thousands visitors.

**1 Bn.€ in sustainable financing:** Up to September, BPI granted 754 M.€ in green and social financing to companies and 271 M.€ to individuals, mainly through loans to promote energy efficiency in housing, mobility, among others.

## **RECOGNITION AND REPUTATION**

### **BPI wins Euromoney's 2024 awards for "Best Bank in Portugal", "Best Bank for SMEs" and "Best Digital Bank"**

BPI's leadership in the Portuguese market was honoured with three awards at the Awards for Excellence, presented by the UK's Euromoney magazine. For the second time in the last three years, BPI won the top award for 'Best Bank in Portugal'. BPI was also named 'Best Bank for SMEs in Portugal' and 'Best Digital Bank in Portugal'.

### **BPI Private Banking wins five Euromoney awards**

BPI was voted "Best Domestic Private Bank in Portugal" at the Euromoney Global Private Banking Awards 2024, having also won four other categories: "Portugal's Best for High Net Worth", "Portugal's Best for Digital Solutions", "Portugal's Best for Next-Gen" and "Portugal's Best for Sustainability".



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### **BPI wins four awards from Global Finance at World's Best Digital Bank Awards**

BPI has won four awards from Global Finance at the World's Best Digital Bank Awards 2024. BPI was honoured as the best bank in Portugal in 2024 in the categories of 'Best Corporate/ Institutional Digital Bank' and 'Best in Innovation'. In addition to these awards, the Pulsoo mobile app, a partnership between BPI and NOS to facilitate the day-to-day management of small businesses, won the 'Best SME Banking/SME Platform - Portugal 2024' category, while the BPI FX Now foreign exchange platform won the 'Best Online Treasury Services - Portugal 2024' category.

### **BPI and NOS' Pulsoo app recognised at PayTech Awards 2024**

The Pulsoo mobile app won the Best User / Consumer Experience Initiative in Business Payments category at the PayTech Awards 2024. The free tool is the result of a partnership between BPI and NOS and is designed to simplify the day-to-day management of small businesses by providing an aggregated view of the company's financial position and related transactions, as well as simplifying compliance with regulatory and tax obligations.

### **BPI voted Trusted Brand in Banking for the 11<sup>th</sup> year in a row**

For the 11<sup>th</sup> year in a row, BPI was voted the most trusted banking brand by the Portuguese study of "Seleções do Reader's Digest". The Portuguese assessed attributes such as quality of service, value for money and brand sustainability.

### **BPI/CaixaBank wins "Market Member (Bonds)" at the Euronext Lisbon Awards**

BPI/CaixaBank won the "Market Member (Bonds)" category at the Euronext Lisbon Awards 2024, for its leadership in the value of bonds traded on Portugal's main stock exchange.

### **BPI wins the 2024 Five Star Award in the category of 'Prestige Products'**

The 2024 Five Star Award honoured BPI in the "Banking - Prestige Products" category.

BANCO BPI, S.A.

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