

## **BPI BANK RESULTS FOR THE FINANCIAL YEAR 2024**

Porto, January 30, 2025

# **NET PROFIT OF €588 MILLION MORE BUSINESS, MORE RESULTS, MORE STRENGTH**

### **BEST RESULT EVER**

- Net profit of 588 M.€ (+12% YoY).
- Gross income in Portugal grew 12% YoY to 1,337 M.€.
- Cost-to-income ratio improved to 37%.
- Recurrent return on tangible equity (ROTE) rose to 18.2%.

### **LOANS AND RESOURCES KEEP GROWING**

- Loan portfolio increased by 1 Bn.€ YoY (+3%).
- The mortgage loan portfolio grew by 5% and corporate loans by 4% YoY.
- Total customer resources increased by 2.1 Bn.€ YoY (+5%).

### **RISK AT HISTORIC LOWS AND HIGH CAPITALISATION**

- NPE ratio at historic lows (1.4%), covered at 151%.
- Capital ratios: CET1 of 14.3% and total capital of 17.9%.

### **VALUING YOUNG TALENT AND DIVERSITY**

- 225 employees hired in 2024, with an average age of 28 years old.
- BPI Academies have a high employee retention rate of 75%.
- As of December 2024, women hold 45% of management positions.

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

- 50 M.€ in support granted by "la Caixa" Foundation benefited 112 thousand people through social programs, research and health, culture and science, and education and scholarships.
- 1,900 M.€ in sustainable financing granted by BPI in 2024. The goal is to exceed 4,400 M.€ in the next 3 years.



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## **RESULTS AND COMMERCIAL ACTIVITY**

**BPI achieved a net profit of 588 M.€ in the 2024 financial year**, up 12% on the 524 M.€ recorded in the previous year. **Activity in Portugal contributed with 511 M.€** (+15% YoY).

Shares in BFA and BCI contributed 39 M.€ and 38 M.€ to net profit, respectively.

**BPI recorded a year-on-year growth of 3% in loans and 5% in customer resources.** Gross income grew by 12% to 1,337 million euros, while recurring costs remained stable (-1% YoY) and the cost of credit risk stood at a low level of 0.09%. These indicators led into an improvement in the recurrent return on tangible equity in Portugal to 18.2%, an increase of 2.2 percentage points year-on-year.

**João Pedro Oliveira e Costa, BPI's CEO**, emphasised: "This year we achieved our best result ever. We have attracted more savings, namely to mutual funds and capitalisation insurance, which grew by 10%, and we have provided more loans to families and businesses. I would like to highlight all the work done to simplify our offer and processes, as well as the outstanding work of the Bank's employees, which was also recognised by Euromoney's award for 'Best Bank in Portugal'. Also noteworthy is the result of our collaboration with "la Caixa" Foundation, whose activities in Portugal totalled close to the 50 million euros that had been budgeted. This year, our collaboration in implementing social and support programmes for research and health, culture and science, and education and scholarships, enabled us to support more than 112 thousand people."

## **LOANS AND RESOURCES KEEP GROWING**

### **Mortgage loan portfolio grew by 5% and corporate loans by 4%**

The total Customers loan portfolio (gross) increased by 3% YoY to 31.1 Bn.€, corresponding to a year-on-year increase of 1 Bn.€. The market share in loans remained stable (12.1% in Nov24).

The mortgage loan portfolio increased by 5% YoY to 15.2 Bn.€. New mortgage loans production in 2024 reached 2.9 Bn.€, which corresponds to a year-on-year increase of 19% and a market share of 15.7% (until Nov2024). The market share in terms of the loan portfolio rose to 14.5%.

The corporate loan portfolio grew 4% YoY to 12 Bn.€. It should be noted that BPI granted 1.900 M.€ of sustainable financing.

### **Customer funds increase 5% YoY**

Total customer funds increased by 5% YoY (+2.1 Bn.€), reaching 40 Bn.€ at the end of 2024. Customer deposits increased by 4% YoY to 30.5 Bn.€ (+1.2 Bn.€). Off-balance sheet resources (mutual funds, capitalisation insurance and others) rose by 10% to 9.5 Bn.€.

## **GROSS INCOME GREW IN ALL COMPONENTS**

Gross income reached 1,337 M.€, representing year-on-year growth of 12%.

Net interest income held up against a backdrop of falling market interest rates throughout 2024. Compared to 2023, net interest income grew by 4% (+34 M.€) to 977 M.€, due to the repricing of loans with higher indexing rates than in previous year, partially offset by the increase in the cost of deposits.

Commissions increased by 12% YoY, partly due to a one-off gain recorded in June 2024, from the early settlement of profit sharing on insurance policies marketed in previous years. Excluding this extraordinary impact, the increase in commissions stood at 7%, reflecting the growth in commercial activity.

## **STABLE COSTS AND EFFICIENCY RATIO IMPROVED TO 37%**

Recurrent operating expenses remain stable (-1%) compared to the previous year. Staff expenses decreased by 2% YoY, while general administrative expenses increased by 6% YoY. Depreciation and amortisation fell by 12% YoY. The cost-to-income ratio stood at 37% in 2024, representing an improvement of 3 pp on the previous year.

## **MAINTAINING THE QUALITY OF THE LOAN PORTFOLIO AND HIGH CAPITALISATION**

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

### **Risk at historic lows**

BPI's Non-performing exposures (NPE, EBA criteria) ratio remains at historic lows, at 1.4%, and coverage by impairments and collaterals stood at 151%. The Non-performing loans (NPL, EBA criteria) ratio stands at 1.7% with coverage by impairments and collaterals at 152%.

Net loan impairments decreased from 51 M.€ in 2023 to 29 M.€ in 2024, corresponding to a cost of credit risk of 0.09% (0.16% in 2023).

### **Comfortable capital buffer**

BPI complies by a significant margin with the minimum requirements set by the European Central Bank (ECB), with the following ratios at the end of December 2024: CET1 of 14.3%, Tier 1 of 15.7% and total capital of 17.9%. The leverage ratio stood at 7.4%. The MDA Buffer - capital slack without limitations on the distribution of profits - amounts to 4.1 p.p., considering the capital requirements in force since January 1, 2025.

BPI complies with the MREL ratios:

- MREL ratio as a percentage of RWA stands at 27.7%, versus the MREL requirement of 25.20% for 2025.
- MREL ratio as a percentage of LRE (Leverage Risk Exposure) of 13.0%, versus the requirement of 5.91%.



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## ~1 MILLION DIGITAL CUSTOMERS

BPI's Digital Banking continues to grow, with a strong increase in customer adoption. BPI's digital channels registered 959 thousand users at the end of December 2024, with significant take-up of the mobile channel, which has 763 thousand regular users of the BPI App (+44 thousand active users YoY).

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

## COMMITMENT TO PEOPLE, SOCIETY AND ENVIRONMENT

**Valuing Young Talent:** BPI has strengthened its commitment to valuing young talent, implementing an active strategy for hiring and retaining qualified professionals under the age of 30 years old. In 2024, the bank hired 225 talented people with an average age of 28 years. The aim is to increase generational diversity in the teams, boost innovation and accelerate the digital transformation process.

One of the pillars of this generational renewal has been the success of the BPI Academies, which have a 75% retention rate. In 2024, the Bank held the 3rd edition of the BPI Trainee Academy, with the aim of attracting and preparing young talents who are willing to start a career in the financial sector in the corporate, commercial, risk and artificial intelligence areas. A total of 71 paid internship vacancies were created for finalists and recent graduates from bachelor's and master's degrees of different academic backgrounds. More than 2,200 young talents applied.

In terms of diversity and inclusion, BPI recorded 45% (Dec.24) of women in management positions, exceeding the target of 43% set out in its Sustainability Master Plan 2022-2024.

In 2024, BPI was recognised as the #2 Bank in terms of reputation as an employer, according to the Employer Brand Reputation 2024 report by OnStrategy.

**BPI | "la Caixa" Foundation Collaboration:** The support for People and Society is part of the identity of BPI and the CaixaBank Group, reinforced with the extension of the "la Caixa" Foundation's activity to Portugal in 2018. In 2024 alone, "la Caixa" Foundation invested around 50 million euros in social programmes, research and health, culture and science, and education and scholarships, across 100% of the country. In total, around 112 thousand people benefited from these programmes last year.

Two of the social programmes involving both entities - the BPI "la Caixa" Foundation Awards and the Decentralised Social Initiative - have provided financial support of 44 million euros since their launch to boost social responses in all districts and autonomous regions, benefiting more than 485 thousand people.

**BPI Volunteering Program:** In 2024, around 2,100 volunteers took part in social initiatives available on the BPI Volunteering Platform. The volunteering initiatives that were developed directly benefited more than 17,000 people and since the start of the program (March 2021) have benefited more than 87,500 people.

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



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**4.4 billion euros in sustainable financing by 2027:** BPI's new Sustainable Banking Plan 2025/27 provides for two main areas of action: (1) promoting a more sustainable economy; and (2) supporting economic and social development, in collaboration with the "la Caixa" Foundation. On the economic side, the Plan aims to achieve 4.4 Bn.€ in sustainable financing, leveraged on growth vectors and helping to boost the decarbonisation of the business sector. It should be noted that, in 2024 alone, BPI granted around 1.5 Bn.€ in green and social financing to companies and 0.4 Bn.€ to individuals, namely through credit operations to promote energy efficiency in housing, mobility, among others.

## **RECOGNITION AND REPUTATION**

### **BPI distinguished as "Best Bank in Portugal", "Best Bank for SMEs" and "Best Digital Bank" by Euromoney in 2024**

BPI saw its leadership in the Portuguese market recognised with three awards at the Awards for Excellence, granted by the British magazine Euromoney. BPI won the main prize for "Best Bank in Portugal", for the second time in the last three years. In addition, BPI was recognised as 'Best Bank for SMEs in Portugal' and 'Best Digital Bank in Portugal'.

### **BPI Private Banking is awarded five prizes by Euromoney**

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".

### **Global Finance awards BPI four prizes at the World's Best Digital Bank Awards**

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

### **BPI and NOS' Pulsoo app distinguished at the 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 was developed to facilitate the daily management of small businesses, providing an aggregated view of the company's financial position and respective transactions and simplifying compliance with regulatory and tax obligations.

### **BPI voted Trusted Banking Brand (Marca de Confiança) for the 11th year in a row**

For the 11th year in a row, BPI has been voted the most trusted banking brand by the Portuguese in the Selecções of Reader's Digest study. The Portuguese evaluated attributes such as quality of service, value for money and brand sustainability.



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**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 Five Star Award 2025 (Prémio Cinco Estrelas): “Home Loans” and “Prestige Products”**

BPI received two distinctions at the Five Star 2025 Awards (Prémio Cinco Estrelas 2025), winning the “Home Loans” and “Banking - Prestige Products” categories, the latter for the fourth year in a row.

BANCO BPI, S.A.

Head Office: Avenida da Boavista, 1117, 4100-129 Porto, Portugal

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