



Grupo  CaixaBank

## **BPI'S CONSOLIDATED RESULTS FOR THE 1<sup>ST</sup> QUARTER OF 2024**

Porto, April 30, 2024

# **CONSOLIDATED NET PROFIT OF €121 MILLION MORE LOANS, MORE DEPOSITS**

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

- Consolidated net profit of 121 M.€ and net profit in Portugal of 112 M.€.
- Commercial banking gross income grew 16% YoY, to 329 M.€.
- Recurrent Return on Tangible Equity (ROTE) increased to 17.2%.
- Efficiency ratio (cost-to-income) improved to 38%.

### **BUSINESS GROWTH: MORE MORTGAGE AND COMPANY LOANS, MORE DEPOSITS**

- Loan Portfolio increased 0.9 Bn.€ YoY (+3%).
- The corporate loan portfolio increased by 6% YoY and mortgage loans by 2% YoY.
- Customer deposits increased 1.2 Bn.€ YoY (+4%)

### **LOAN PORTFOLIO QUALITY REMAINS STRONG**

- NPE ratio of 1.6% and NPE cover by impairments and collaterals of 151%.
- Capital ratios: CET1 of 13.7% and total capital of 17.4%.

### **DIGITAL BANKING: 67,000 NEW BPI APP USERS**

- 933 thousand users of digital channels.
- +67 thousand new active users on the BPI App in the last 12 months.
- 36% of focus product sales are initiated on digital channels.

### **COMMITMENT TO SOCIETY**

- BPI | "la Caixa" Foundation collaborative activity with a budget of 50 M.€ in 2024.



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## **PROFITS AND COMMERCIAL ACTIVITY**

**BPI obtained a consolidated net profit of 121 M.€ in the first quarter of 2024**, which represents an increase of 43% compared with the 85 M.€ in the same period last year. **The activity in Portugal contributed with 112 M.€ (+52% YoY).**

**In the first quarter of 2024, BPI recorded a year-on-year growth of 3% in loans, while deposits increased by 4%.** Commercial banking gross income grew by 16%, while recurring costs have remained stable, and the cost of risk is at a low level of 0.15%, which, taken together, led to an improvement in recurrent return on tangible equity in Portugal to 17.2% (+7.6 p.p. in the last 12 months).

**João Pedro Oliveira e Costa, Chief Executive Officer of BPI**, highlights that “In the first quarter, BPI maintained the good commercial performance of recent financial periods, with growth in activity, particularly in mortgage loans, corporate loans, and customer resources. We have a challenging year ahead. We expect market interest rates to normalise and net interest income to flatten. We maintain a solid financial position and comfortable capitalisation, which allows us to continue to promote the growth of companies and businesses and to support Portuguese families at every stage of their lives”.

## **MORE LOANS AND MORE DEPOSITS**

### **Loan portfolio grew 3%**

Total loans to customers (gross) increased 3% YoY, to 30.1 Bn.€, which corresponds to an increase of 0.9 Bn.€ YoY. The market share in loans remained stable at 11.7% compared to December 2023.

The mortgage loan portfolio increased 2% YoY, to 14.6 Bn.€. Mortgage loans new production has remained stable over the last 5 quarters, at over 600 million euros (613 million euros in the 1<sup>st</sup> quarter of 2024). Mixed rate loans accounted for 61% of mortgage new production in the 1Q 2024 and fixed rate loans for 20%.

BPI achieved a market share of 16.2% in cumulative new mortgage loans until February 2024. The market share in mortgage loans portfolio amounted to 14.4% in February 2024, which represents an increase of 50 bps YoY.

The corporate loan portfolio grew 6% YoY to 11.6 Bn.€. Market share in corporate loans stood at 11.2%.

### **Customer resources increased by 3% YoY and deposits 4% YoY**

Total customer resources increased 3% YoY (+1.1 Bn.€), totalling 38.4 Bn.€ in the first quarter, with stable market shares. Customer deposits increased 4% YoY, to 29.7 Bn.€. Off-balance sheet resources (investment funds, capitalisation insurance and others) decreased by 2% to 8.8 Bn.€. In addition, there was an increase in the placement of structured products of +0.3 Bn.€ YoY.



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## **INCREASE IN GROSS INCOME BOOSTS PROFITABILITY**

### **Commercial banking gross income increased by 16%. Net interest income peaked in Q4 2023**

Commercial banking gross income stood at 329 M.€, representing a growth of 16% compared to the same period last year. Net interest income grew 19% compared to the same period of the previous year, to 245 M.€, but decreased QoQ (10 M.€ less compared to the 4<sup>th</sup> quarter of 2023), reflecting the beginning of the adjustment movement of market interest rates and the increase in interest paid on deposits. Net commissions remained stable at 74 M.€.

### **Stable costs and efficiency ratio improves to 38%**

Recurrent operating expenses are stable compared to the same period last year. Recurrent staff expenses increased by 2% YoY, general administrative expenses increased 1% YoY, and depreciation and amortisation decreased 9% YoY. The efficiency ratio (cost-to-income) reached 38% in March 2024.

At the end of the first quarter, BPI had 4,275 Employees (+12 compared to Dec.23). On the same date, the distribution network totalled 316 commercial units.

## **LOAN PORTFOLIO QUALITY REMAINS STRONG**

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

### **BPI maintains low risk profile and high coverage**

BPI has a non-performing exposures (NPE, EBA criteria) ratio of 1.6% and a coverage by impairments and collateral of 151%. The Non-Performing Loans ratio (NPL, according to EBA criteria) stands at 2% and were 152% covered by impairments and collateral.

Loan impairments net of recoveries stood at 20 M.€ in the quarter. The cost of credit risk stood at 0.15% over the last 12 months.

At the end of the period under review, BPI had an accumulated balance of 28.5 M.€ of unallocated impairments.

### **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 140% and the liquidity coverage ratio (LCR) stands at 202%, at the end of the quarter.

### **High capitalisation**

BPI complies by a significant margin with the minimum requirements imposed by the European Central Bank (ECB), registering the following ratios: CET1 of 13.7%, Tier 1 of 15.1% and total

capital of 17.4%. The leverage ratio stood at 7.4%. The MDA Buffer - capital buffer without profit distribution limitations – was 4.5 p.p. at the end of the quarter.

BPI complies with the MREL ratios:

- The MREL ratio as a percentage of RWA stands at 24.5%, versus the MREL requirement of 22.24%.
- MREL ratio as a percentage of LRE (Leverage Risk Exposure) of 12.1%, versus a requirement of 5.91%.

### **DIGITAL BANKING: 67,000 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 933 thousand users by the end of the first quarter of 2024, with a significant growth in the mobile channel, which has 727 thousand regular users of the BPI App (+67 thousand active users YoY).

Around 36% of sales of focus products (funds and Retirement Savings Schemes, prestige products, personal loans, credit cards and stand-alone insurance) to individuals were initiated in the net and mobile digital channels.

The Bank ranks 2<sup>nd</sup> in terms of the number of customers (individuals) using digital channels<sup>1</sup> (Net and Mobile).

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

- **BPI | "la Caixa" Foundation Collaboration:** Support for People and Society is part of the identity of BPI and the CaixaBank Group, enhanced with the extension of the activity of "la Caixa" Foundation to Portugal. As part of its social commitment, in 2024, the joint BPI | "la Caixa" Foundation activity has a budget allocation of 50 million euros.

In the social field, the BPI | "la Caixa" Foundation run, among other initiatives, the following programmes:

- **BPI "la Caixa" Foundation awards** to support social institutions throughout the country: 5 M.€ in 2024
  - **Decentralised Social Initiative** to support anti-poverty initiatives across the country through the commercial network: 1.8 M.€ in 2024
- **BPI Volunteering Programme:** BPI's Volunteering Platform currently has over 4,000 participants. Volunteering initiatives carried out in the first quarter of 2024 directly benefited 4,350 people.

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1) BASEF Banca - March 2024 (main banks).



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- **Sustainability:**

- BPI organised the "BPI Forum: The Future of Water", an initiative to discuss the key challenges, priorities and best practices related to sustainable water supply and consumption.
- The Monumental building was awarded the Environmental Management System and AQUA+ certification.
- Launch of the Energy Efficiency for SMEs programme, an initiative of Nova SBE and BPI.
- Adherence to the APB (Portuguese Banking Association) and ADENE - Energy Agency Protocol to promote the sustainable transition of built real estate.

## **RECOGNITION AND REPUTATION**

### **BPI wins five awards at Euromoney's Global Private Banking 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".

### **BPI voted Most 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 in the Reader's Digest Selecções study. 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 recognised BPI in the "Banking - Prestige Products" category.

BANCO BPI, S.A.

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