

BPI'S RESULTS FOR THE 1ST SEMESTER OF 2024

Porto, July 31, 2024

NET PROFIT OF €327 MILLION MORE GROWTH, MORE QUALITY, LESS RISK

MORE MORTGAGE AND CORPORATE LOANS AND MORE DEPOSITS

- Loan Portfolio increased 0.5 Bn.€ YoY (+2%).
- Corporate loan portfolio grew by 5% YoY. Mortgage loan portfolio grew by 2% YoY.
- 747 M.€ of sustainable financing in the 1st semester of 2024.
- Customer deposits increased 1.8 Bn.€ YoY (+6%).

INCOME BOOSTS PROFITABILITY AND EFFICIENCY

- Net profit of 327 M.€.
- Gross income grew 18% YoY to 669 M.€.
- Cost-to-income improved to 37%.
- Recurrent Return on Tangible Equity (ROTE) increased to 19%.

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 13.8% and total capital of 17.5%.

BPI IS THE 'BEST BANK IN PORTUGAL 2024'

by Euromoney magazine, as part of the Euromoney Awards for Excellence.



Grupo  CaixaBank

PROFITS AND COMMERCIAL ACTIVITY

BPI obtained a net profit of 327 M.€ in the first semester of 2024, which represents an increase of 28% compared with the 256 M.€ in the same period last year. **The activity in Portugal contributed with 268 M.€ (+35% YoY).**

The stakes in BFA and BCI contributed 41 M.€ and 18 M.€ respectively to net profit.

In the first semester of 2024, BPI recorded a year-on-year growth of 2% in loans and 6% in deposits. Gross income grew by 18%, while recurring costs remained stable, and the cost of credit risk is at a low level of 0.06%, which, taken together, led to an improvement in the recurrent return on tangible equity in Portugal to 19% in the last 12 months (+7.4 p.p. YoY).

João Pedro Oliveira e Costa, Chief Executive Officer of BPI, highlighted that “BPI ended the first half of 2024 with a high-quality result, supported by business growth, particularly in customer resources and lending, while credit risk remained at historically low levels. BPI has a solid financial position and a comfortable capitalisation, which allows us to maintain a high capacity to invest in the development of our employees, in technology and innovation, without forgetting to support society, individuals and companies and the most vulnerable groups.”

MORTGAGE AND CORPORATE LOANS GROW

Loan portfolio grew 2%

The total loan portfolio (gross) increased by 2% YoY to 30.3 Bn.€, which corresponds to an increase of 0.5 Bn.€ YoY. The market share in loans remained stable at 11.6%.

The mortgage loan portfolio increased 2% YoY, to 14.7 Bn.€. Mortgage loans new production have remained above 600 million euros in the last 6 quarters (641 million euros in the 2nd quarter of 2024). Mixed rate loans accounted for 60% of new mortgage production in the 1st semester of 2024 and fixed rate loans for 21%.

BPI achieved a market share of 15.9% in cumulative mortgage loans production until May 2024. The market share in mortgage loans portfolio amounted to 14.4% in June 2024.

The corporate loan portfolio grew 5% YoY to 11.7 Bn.€.

It should be noted that in the first half of 2024, BPI granted 747 M.€ in sustainable financing, namely ESG-linked operations, the promotion of energy efficiency in real estate and mobility, among others.

Customer resources increased by 5% YoY and deposits 6% YoY

Total customer resources increased 5% YoY (+1.9 Bn.€), totalling 39.3 Bn.€ at the end of June 2024. Customer deposits increased 6% YoY, to 30.4 Bn.€ (+1.8 Bn.€). Off-balance sheet resources (investment funds, capitalisation insurance and others) registered an increase of 1% to 8.9 Bn.€.

STABLE NET INTEREST INCOME AND COMMISSIONS

Stable net interest income in 2024

Gross income stood at 669 M.€, representing a 18% YoY growth. Net interest income increased by 13% YoY (+56 M.€) to 491 M.€, reflecting the repricing of loans with higher indexation rates than in the same period of the previous year, partially offset by the increase in the cost of deposits. In 2024, net interest income remains stable on a quarter-on-quarter basis. The increase in commissions (+14% YoY) is explained by a one-off gain from the early settlement of profit sharing on insurance policies sold in prior years - commissions excluding this impact were stable.

Stable costs and cost-to-income ratio improves to 37%

Recurrent operating expenses are stable compared to the same period last year. Staff and other administrative expenses increased by 2% YoY and depreciation and amortisation decreased by 9% YoY. The cost-to-income ratio improved to 37% in June 2024 (last 12 months).

STRONG LOAN PORTFOLIO QUALITY AND HIGH CAPITALISATION

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

Low risk and high coverage

BPI has a non-performing exposures ratio (NPE, EBA criteria) of 1.4% and a coverage by impairments and collateral of 152%. The non-performing loans ratio (NPL, EBA criteria) stands at 1.7% and was 153% covered by impairments and collateral.

Loan impairments net of recoveries stood at 4 M.€ in the semester. The cost of credit risk stood at 0.06% 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 95%, the net stable funding ratio (NSFR) stands at 143% and the liquidity coverage ratio (LCR) stands at 224%, at the end of the semester.

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 13.8%, Tier 1 of 15.2% and total capital of 17.5%. The leverage ratio stood at 7.1%. The MDA Buffer - capital buffer without profit distribution limitations – was 4.6 p.p. at the end of the semester.

BPI complies with the MREL ratios:

- The MREL ratio as a percentage of RWA stands at 24.7%, versus the MREL requirement of 22.24%.
- MREL ratio as a percentage of LRE (Leverage Risk Exposure) of 11.5%, versus a requirement of 5.91%.

DIGITAL BANKING: 52,000 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 940 thousand users by the end of the first semester of 2024, with a significant growth in the mobile channel, which has 738 thousand regular users of the BPI App (+52 thousand active users YoY).

Around 37% 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.

COMMITMENT TO SUSTAINABILITY

At the end of the first semester, BPI is already meeting the targets of its 2022-2024 Sustainability Master Plan in areas such as sustainable business, social impact and gender equality.



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:** The BPI Volunteering Platform currently has around 4,300 participants. More than 15,000 people have directly benefited from volunteering initiatives in the first half of 2024, and more than 86,000 people have benefited since the start of the programme (March 2021).
- **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.
 - 3rd edition of the Sustainability Accelerator: A business-focused training project for sustainability transformation.
 - 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 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 recognised with three awards at the Awards for Excellence, presented by the UK's Euromoney magazine. BPI won the 'Best Bank in Portugal' award, making it the second time in the last three years that it has won this award. BPI was also named 'Best Bank for SMEs in Portugal' and 'Best Digital Bank in Portugal'.



Grupo  CaixaBank

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 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 Most Trusted Brand in Banking for the 11th year in a row

For the 11th 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 recognised BPI in the "Banking - Prestige Products" category.

BANCO BPI, S.A.

Registered office: Avenida da Boavista, 1117, 4100-129 Porto, Portugal

Share Capital: EUR 1 293 063 324.98; Registered at the Commercial Registry Office of Porto under registration number PTIRNMJ 501 214 534 and tax identification number 501 214 534