Overview of BPI Group

January 2013

This presentation is quarterly updated, after the disclosure of the results or when relevant changes occur.
The current document reflects the 2012 financial information disclosed at 30 January 2013.

Index

1. History, Shareholders and Governance

2. Business Profile

3. Overview of 2012 results

BPI Group Key facts

A financial multi-specialist group, focusing on the banking business, with a comprehensive spectrum of financial services and products for corporate, institutional and individual Customers.

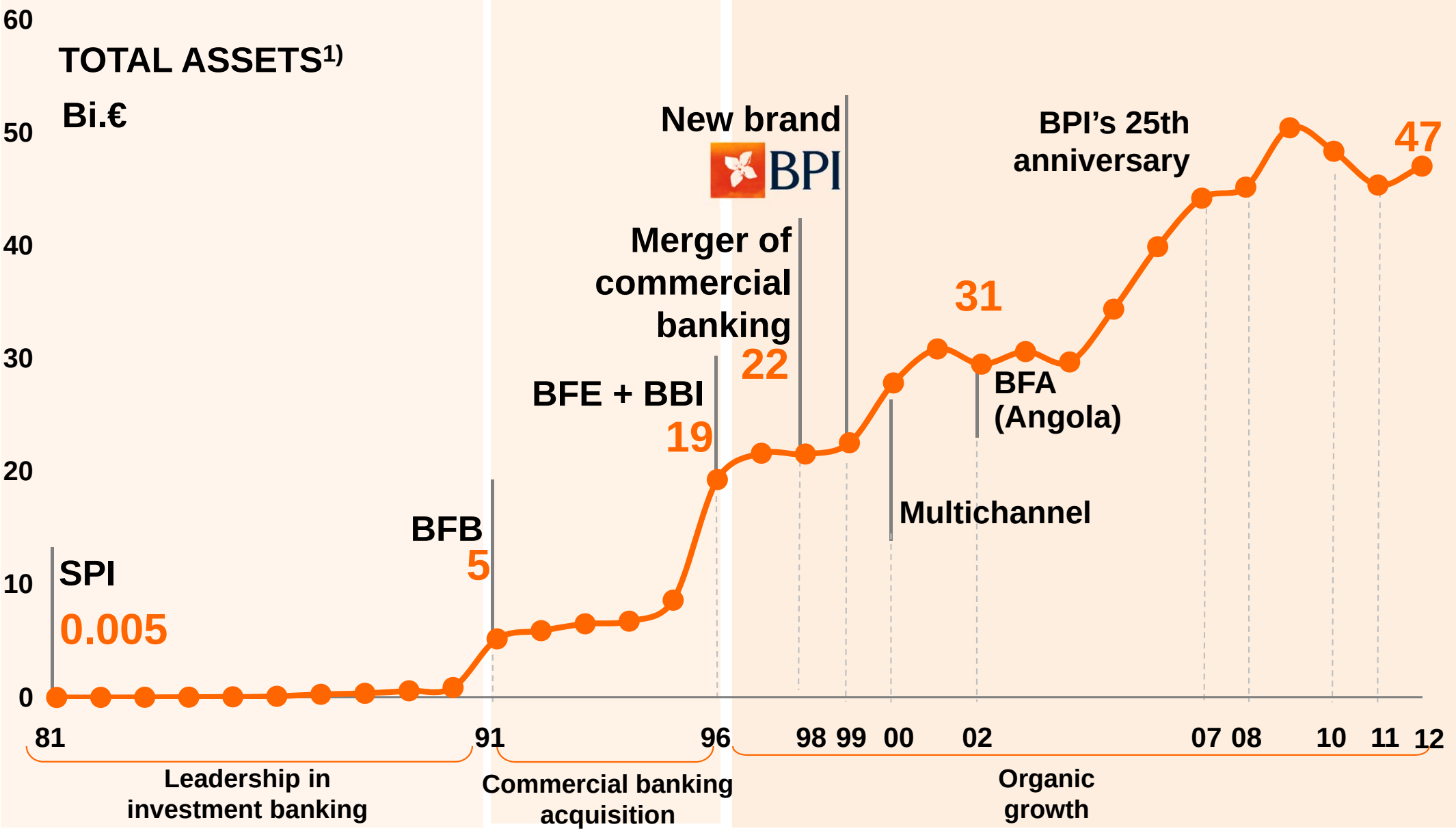
Total assets[1]	Customers	Market Cap.
47 Bi.€	Portugal 1.7 million Angola 1.1 million	1 801 M.€[2]

1) On-balance sheet and off-balance sheet assets.

2) As of 31 January 2013; Banco BPI shares are listed in the Euronext Lisbon.

BPI: A successful growth story

From investment banking leadership to universal banking



1) Including disintermediation.

A strong shareholder base

31 Dec.12

Market cap. 1 801 M.€[1)]

Free-float ≈ 20%

La Caixa	46.2%
Santoro Financial Holdings	19.5%
Allianz	8.8%
HVF	2.2%
Arsopi	2.2%
AutoSueco	1.6%
Executives & Staff + Treasury stock	1.5%

Source: BPI.

1) As of 31 January 2013.

Appropriate Corporate Governance

Shareholders General Meeting

Elected by SGM

- **Supervisory Board**
- **Statutory Auditor**
- **Remunerations Committee**

Under proposal of the Supervisory Board

Board of Directors

21 members

Executive committee

7 executives

- ✓ Age limit: 62 years
- ✓ CEO and Chairman separation

Advisory and support committees reporting to the BD

- **Audit and Internal Control Committee**
- **Financial Risks Committee**
- **Nominations, Valuation and Remunerations Committee**
- **Corporate Governance Committee**

Company's Secretary

Autonomy in day-to-day mgt.

- ✓ **Capital allocation**
- ✓ **Profitability**
- ✓ **Credit risks**
- ✓ **Market risks**
- ✓ **Equity holdings**
- ✓ **Human resources**

Shareholders involved in all strategic and other important decisions

Commitment

Variable pay linked to individual performance + share price evolution: 50% in restricted stock and stock options with a 3-year deferment period and subject to a payment condition (shareholders' equity year n+3 > shareholders' equity year n)

BPI

BPI actual business and financial profile

A domestic play in Portugal plus Angola's growth opportunity

Banco BPI

Capital allocated	1.4%	0.6%	81.7%			16.3%
	Investment Banking	**Financial investments and Private Equity**	**Domestic Commercial Banking**	**Asset Management**	**Insurance**	**International Commercial Banking**
	Banco Português de Investimento 100%	BPI Private Equity 100%	Banco BPI	100% Unit trust funds	Non-life and life-risk 35% (Allianz 65%)	Banco de Fomento (Angola) 50.1%
			• Individuals Banking • Corporate Banking	Pension funds 100%	Credit insurance 50% (Euler Hermes 50%)	• Individuals Banking • Corporate Banking • Investment Banking
				Capitalisation Insurance 100%		BCI 30% (Mozambique)
	Portugal Spain France Switzerland South Africa	Portugal	Portugal Emigrants Madrid branch France branch	Portugal	Portugal	Angola Mozambique

BPI

1. History, Shareholders and Governance

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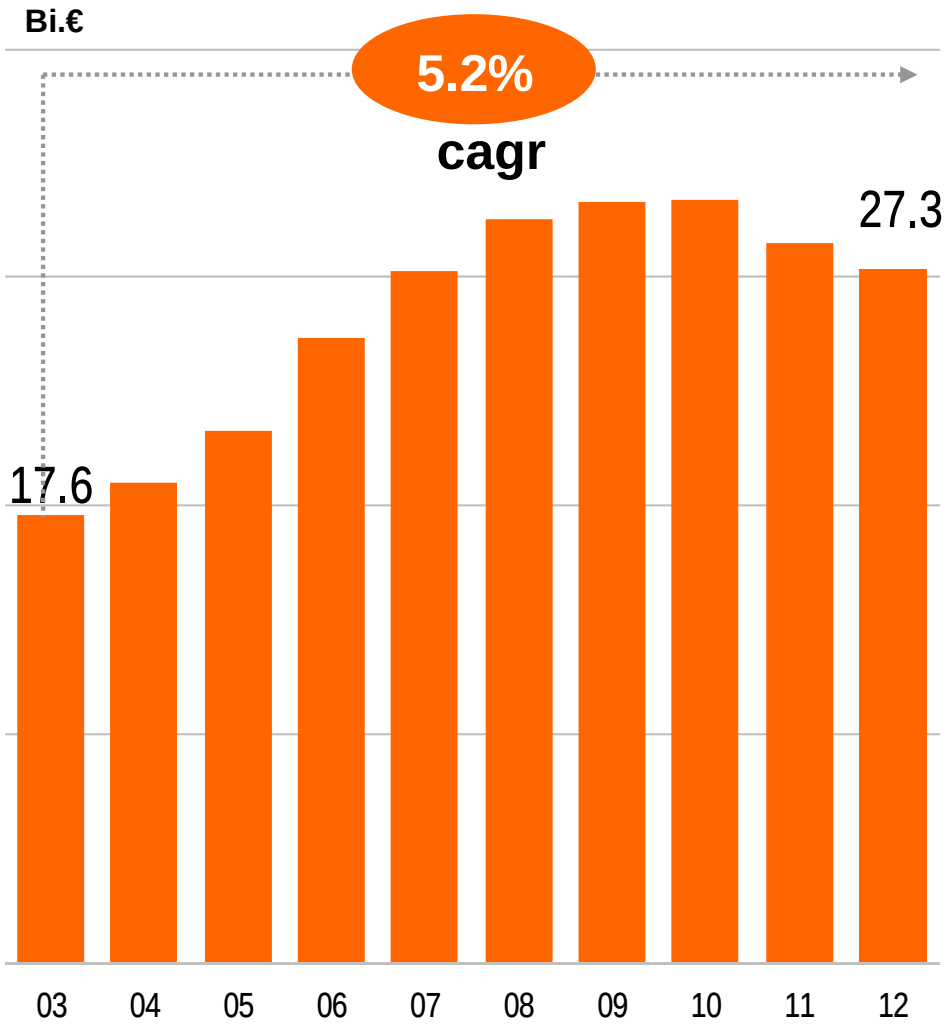
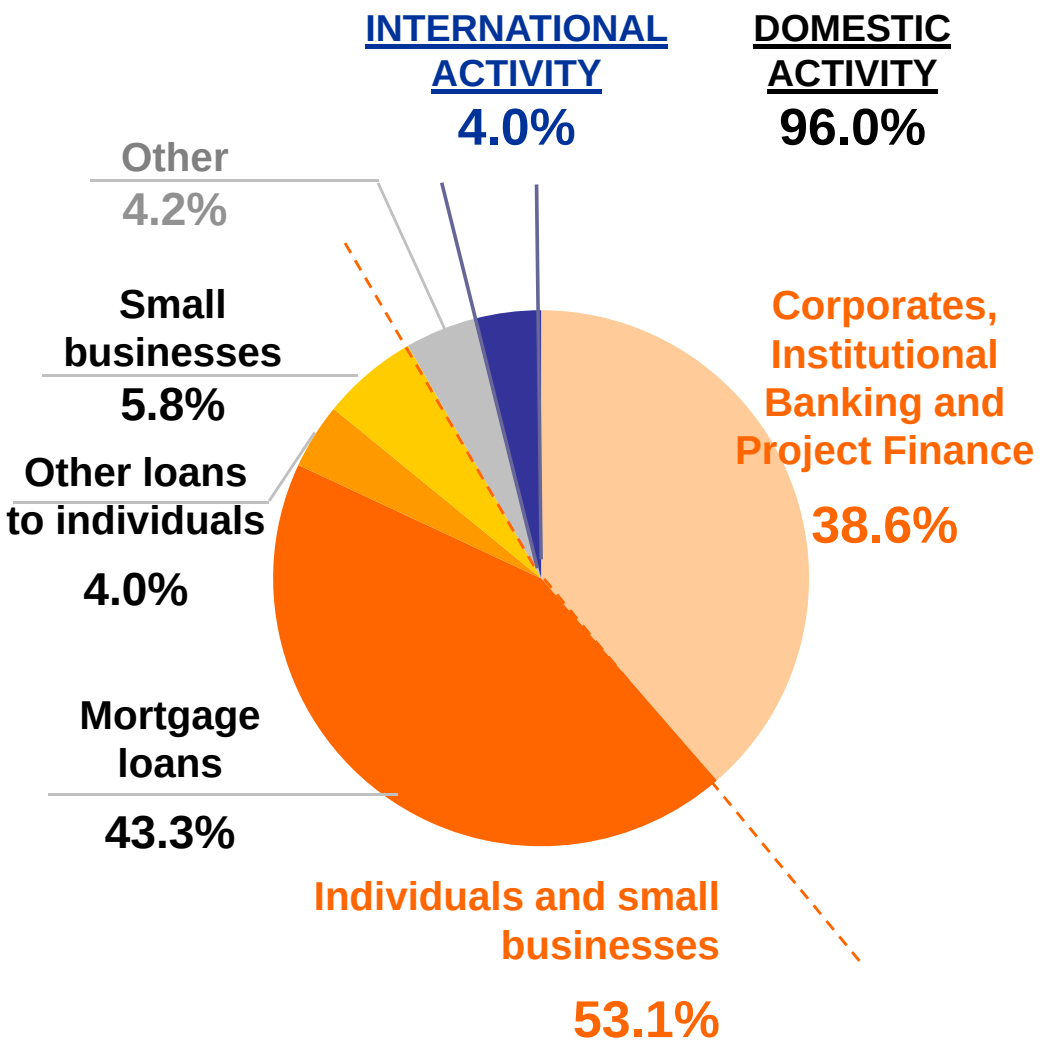
Loans to Customers

Consolidated

LOANS TO CUSTOMERS

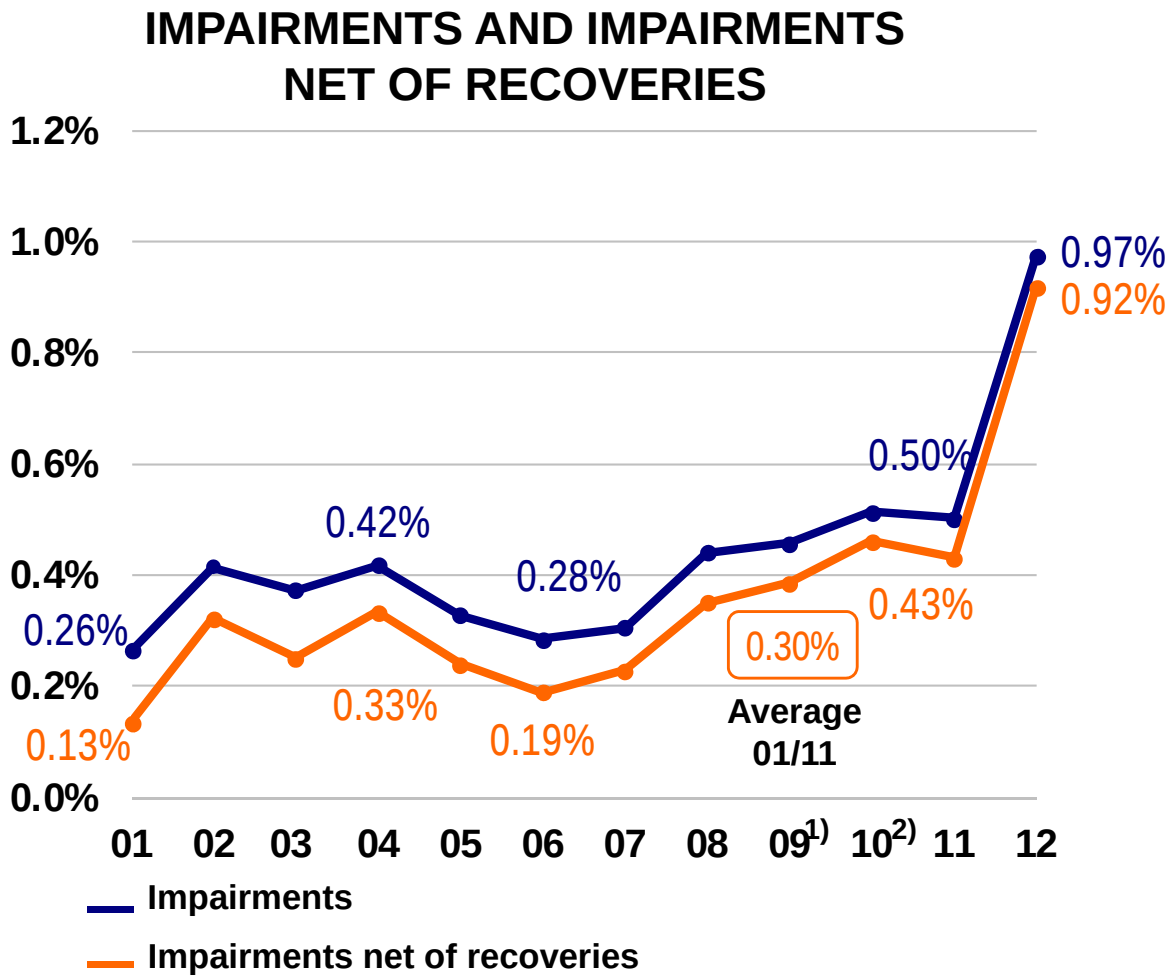


cagr – compounded annual growth rate.



Cost of credit risk

Consolidated



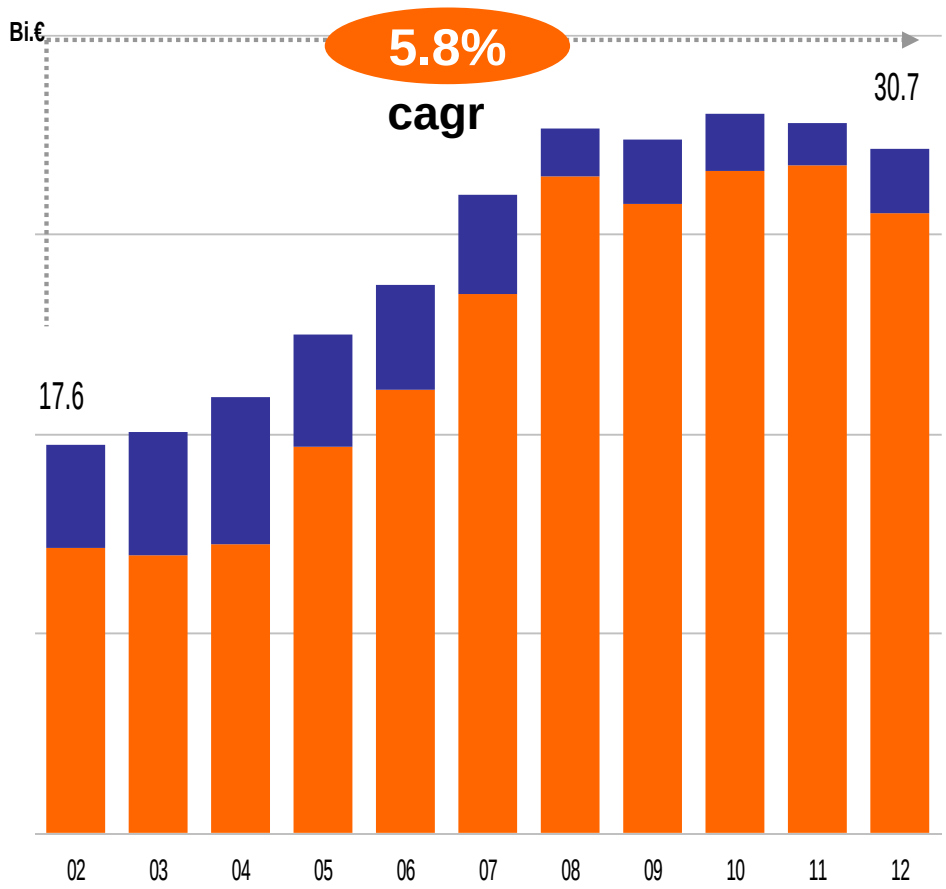
	2011	2012
Loans in arrears + 90 days 3)	2.4%	3.2%
Impairments as % loan 3)	2.2%	2.9%
Credit risk ratio 3),4) (Instruction 23/2011 BdP)	3.2%	4.2%
Coverage by impairments:		
of loans in arrears + 90 days	94%	92%
of credit risk	70%	71%

1) Not considering the extraordinary loan impairment charge of 33.2 M.€ recorded in December 2009.
2) Loan impairments deducted from recovery of loans in arrears previously written off + extraordinary charge recorded in December 2009.
3) Ratios calculated as a percentage of gross loan portfolio
4) The non performing loans ratio includes the loans in arrears > 90 days, the associated loans falling due and the restructured loans (which had earlier instalments in arrears for more than 90 days) and other loans on which there is evidence that justify its classification as non-performing loans , namely the bankruptcy or liquidation of the debtor.

Customer resources

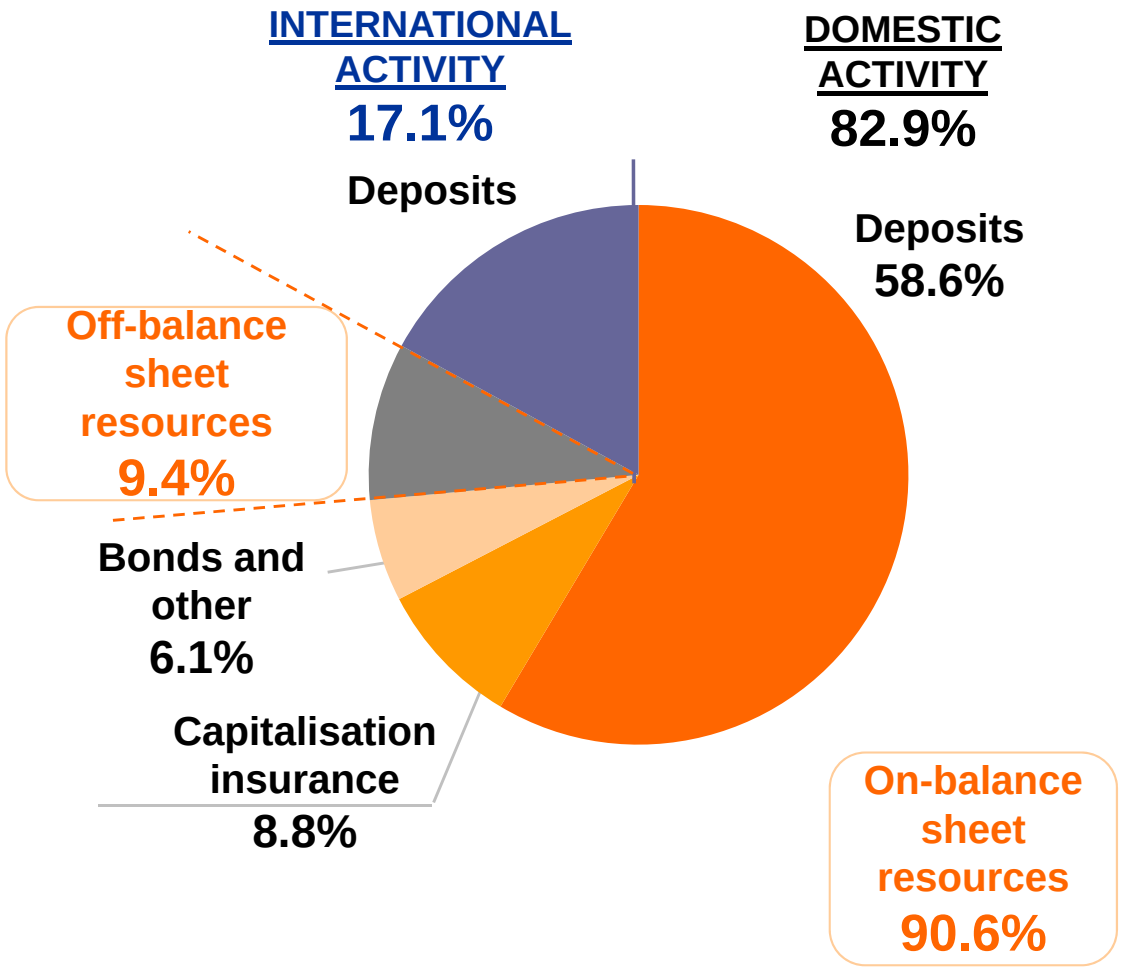
Consolidated

CUSTOMER RESOURCES



Off-balance sheet resources

On-balance sheet resources



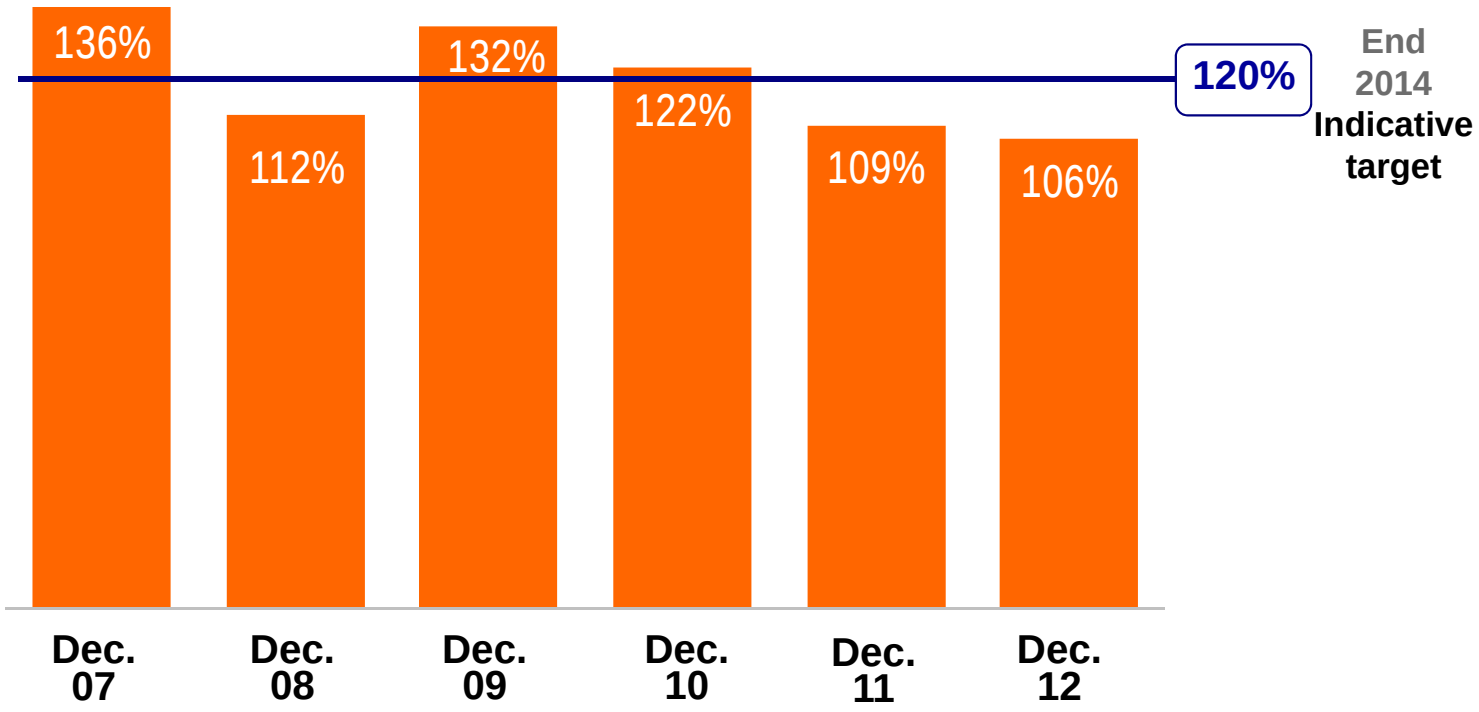
cagr – compounded annual growth rate.

Loans to deposits ratio of 106%

Consolidated

BPI complies with the indicative target ratio of 120% for 2014

LOANS TO DEPOSITS RATIO [1)]



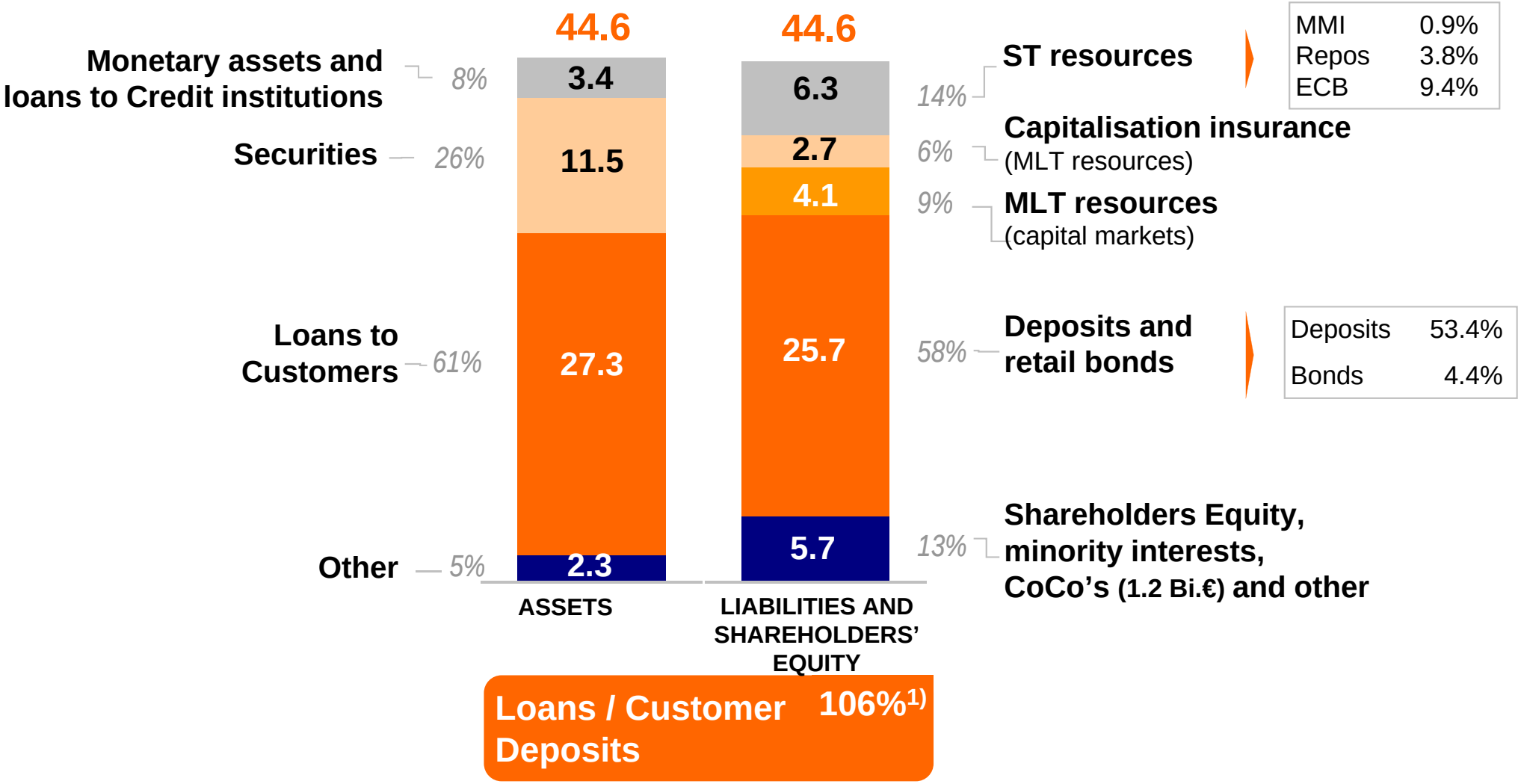
1)"Loans / Customer Deposits", calculated in accordance with Bank of Portugal Instruction 23/2011.

Consolidated balance sheet structure

Consolidated

BALANCE SHEET AS OF 31 DECEMBER 2012

Amounts in Bi.€



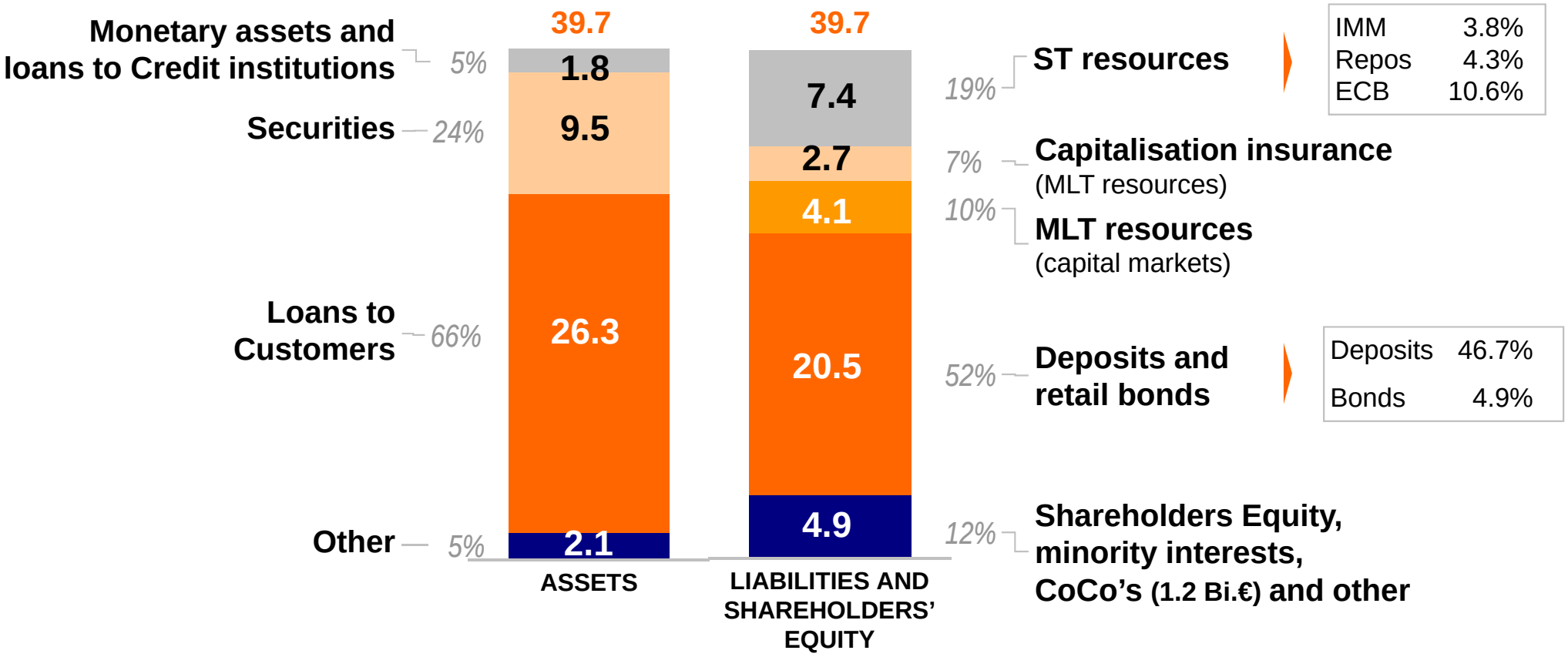
Loans / Customer Deposits 106%[1)]

1)"Loans / Customer Deposits", calculated in accordance with Bank of Portugal Instruction 23/2011.

Domestic activity balance sheet structure

BALANCE SHEET AS OF 31 DECEMBER 2012

Amounts in Bi.€



Liquidity management

Domestic activity

31 Dec.12

RECOURSE TO THE ECB

	Bi.€
Eligible Assets for ECB Financing	**11.8**
Amount used:	
ECB resources	**- 4.2**
Repos	**- 2.1**
Available resources	**5.5**

SHORT-TERM LIQUIDITY

	(Bi.€)
Interbank market (net position)	**- 1.6**
ECB resources	**- 4.2**
Repos	**- 1.7**
Short term GAP	**-7.5**

Bonds' portfolio and TB [1)]

	(Bi.€)
Portugal	
Government Bonds	**2.2**
Treasury bills	**3.3**
Italy and Ireland	**1.4**
Corporate debt	**1.1**
Total	**8.0**

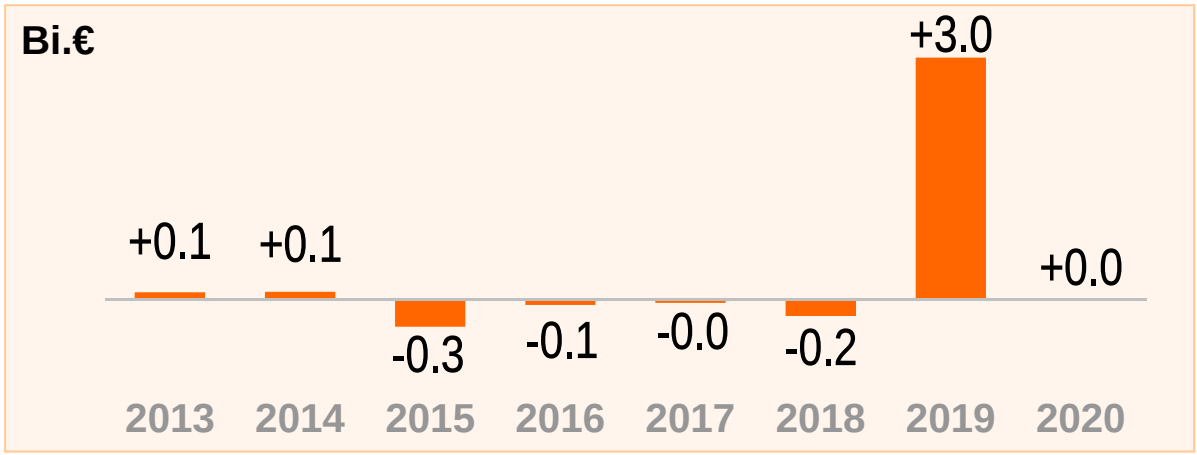
1) Market values of the assets available for sale portfolio.

BPI

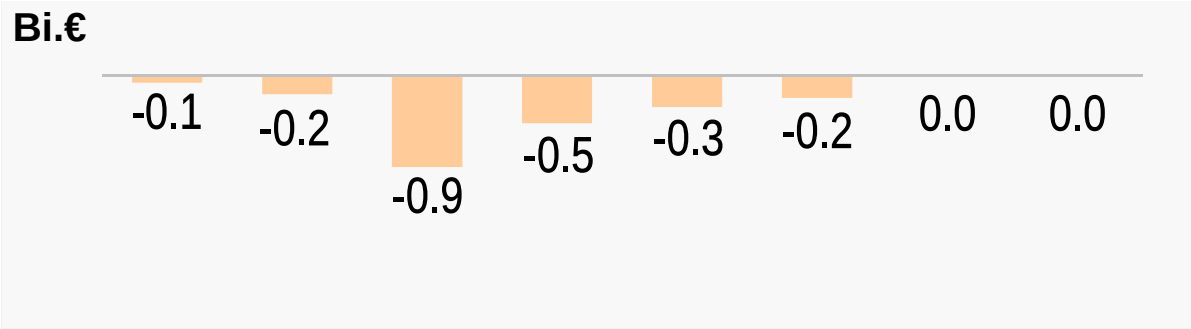
Net medium-long term debt refinancing needs

Net refinancing needs

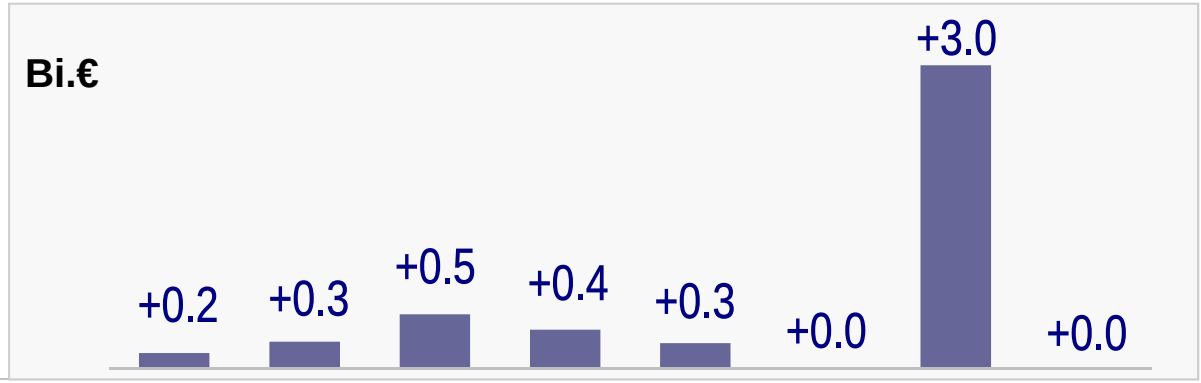
- **Net refinancing needs of medium long-term debt near-zero by the end of 2018 (0.5 Bi.€);**
- **Bond portfolio redemption in 2019 provides additional 3 Bi.€ of liquidity**



MLT debt redemption



Bond portfolio redemptions
(assets available for sale)



Customer and physical network segmentation in Portugal

Domestic activity, Portugal

31 Dec.12

Individuals (Assets < 100 th.€)
SME's (Companies w/ turnover < 5 M.€)

HNWI's (Individuals w/ Assets ≥ 500 th.€)
Affluents (Individuals w/ 100 th.€ ≤ Assets < 500 th.€

Branch network 642

1.4 Mn. Individuals

186 th. SME's

ATM 1 516

Commercial partners 30 029

Investment Centres 39

37 th. Clients

Corporate (Companies w/ turnover ≥ 2 M.€)

Corporate Centres 54

15 th. Clients

BPI

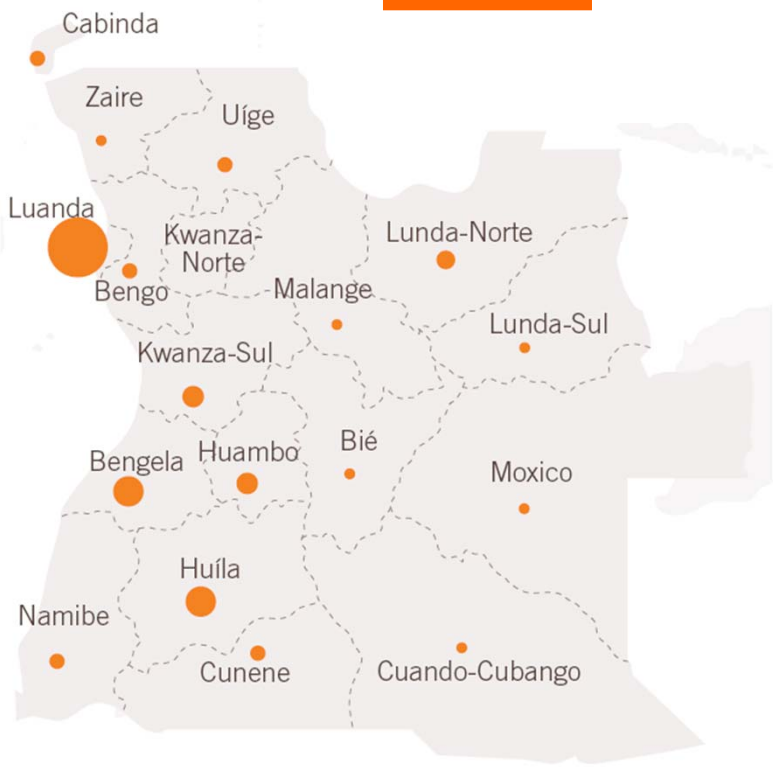
Banco de Fomento Angola offers a vast distribution network covering the entire country

BFA

PHYSICAL CHANNELS

31 December 2012

Branches **167**



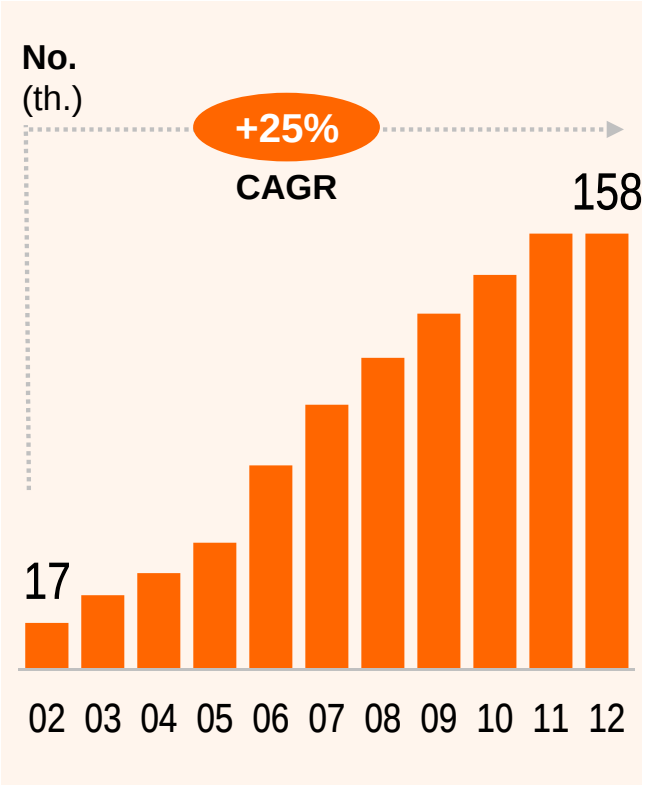
		Luanda	Province
Traditional Branches	139	81	58
Customer service points	5	4	1
Investment Centres	8	6	2
Corporate Centres	15	11	4

BPI

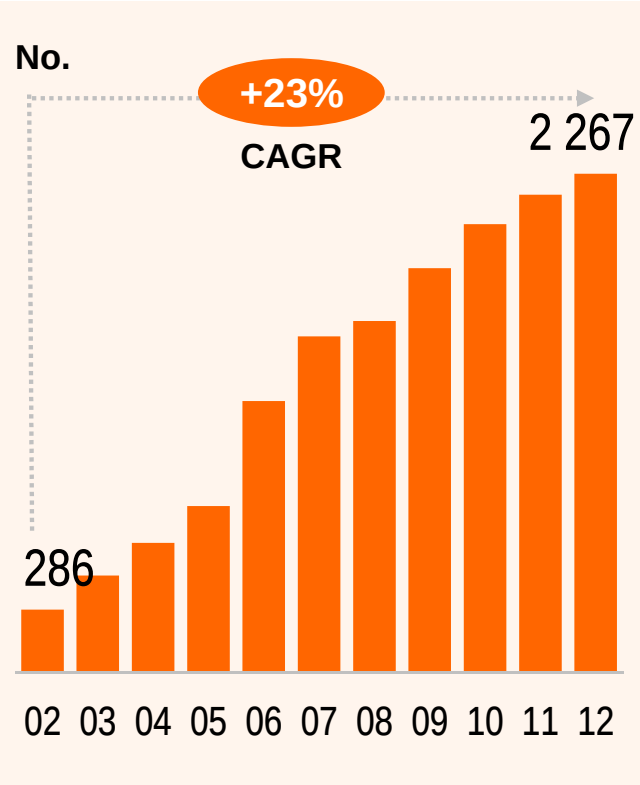
BFA: Strong growth in distribution network

BFA

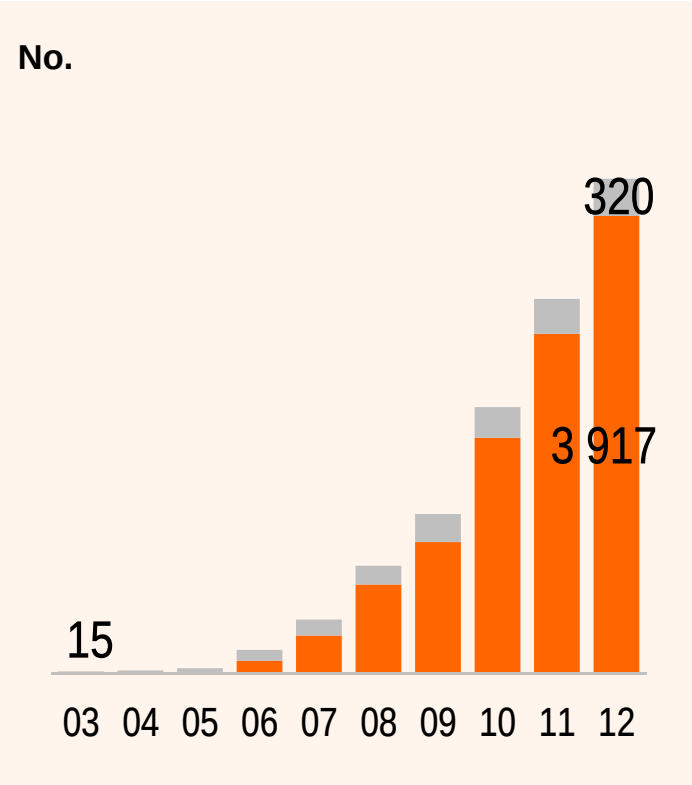
BRANCHES



STAFF



ATM AND POS



Retail branches	136	144
Investment Centres	8	8
Corporate Centres	14	15

Average age: 30.2 years

w/ higher education or in course of obtaining the degree 64%

ATM

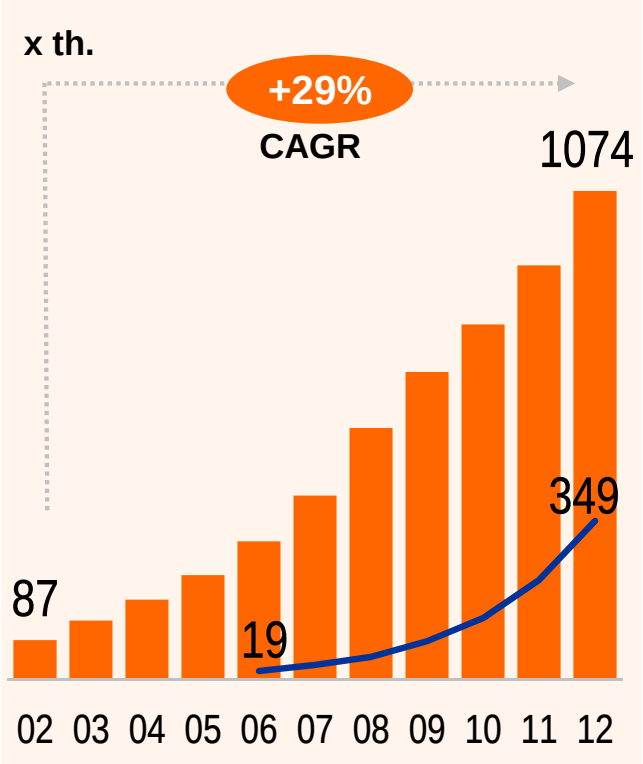
POS

BPI

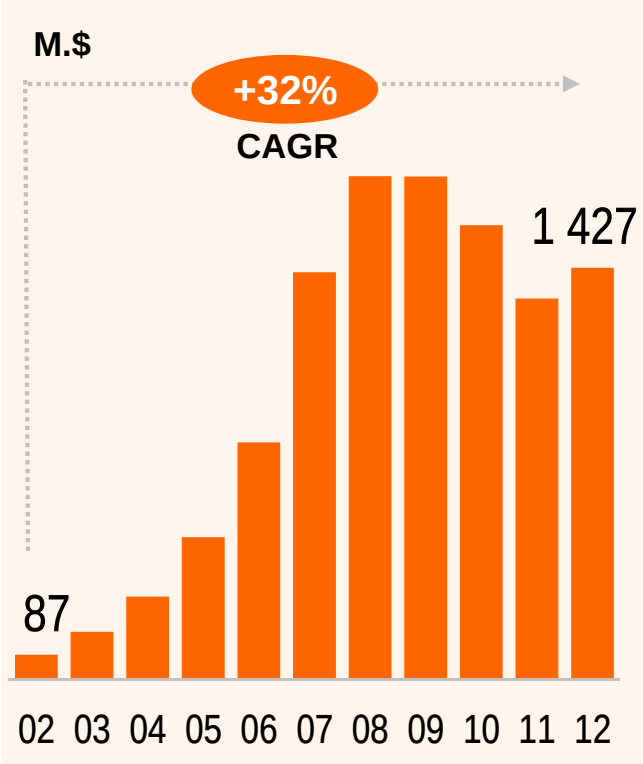
BFA: Strong business growth

BFA

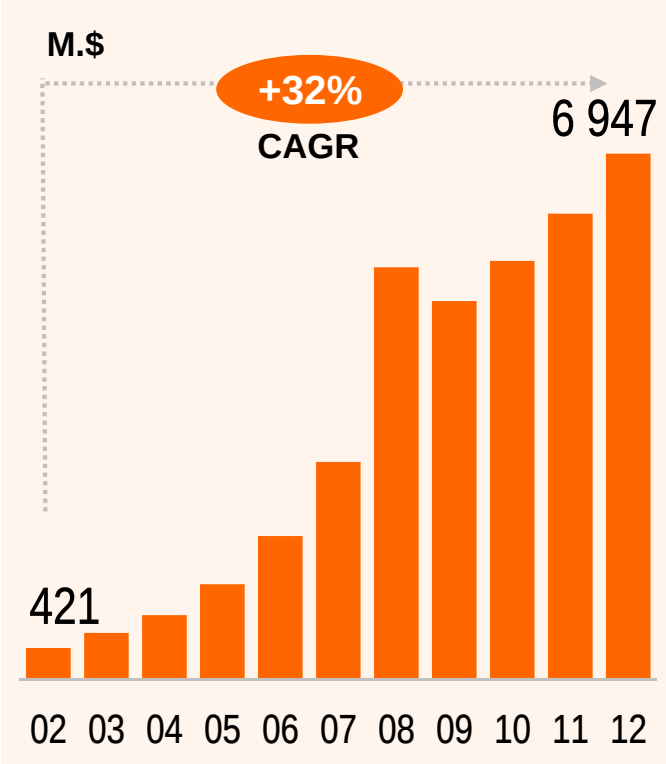
CUSTOMERS



LOANS TO CUSTOMERS



CUSTOMER RESOURCES



— Homebanking Customers (BFA Net)

Loans in arrears	4.6%
Provisioning coverage	149%

Loans / Resources	21%

BPI

Leading market shares

		2010	2011	Rank 2011	2012	Rank 2012
	Physical network	19.5%	17.7%	2.º	16.9%	2.º
	ATM	22.3%	19.8%	1.º	17.3%	2.º
	POS	32.8%	31.7%	1.º	29.0%	1.º
	Debit cards	30.1%	27.4%	1.º	23.8%	1.º
	Loans to customers	12.7%	10.8%	4.º	10.5%*	5.º
	Customers deposits	19.2%	17.8%	2.º	16.3%*	3.º

* Last info available at November 2012.

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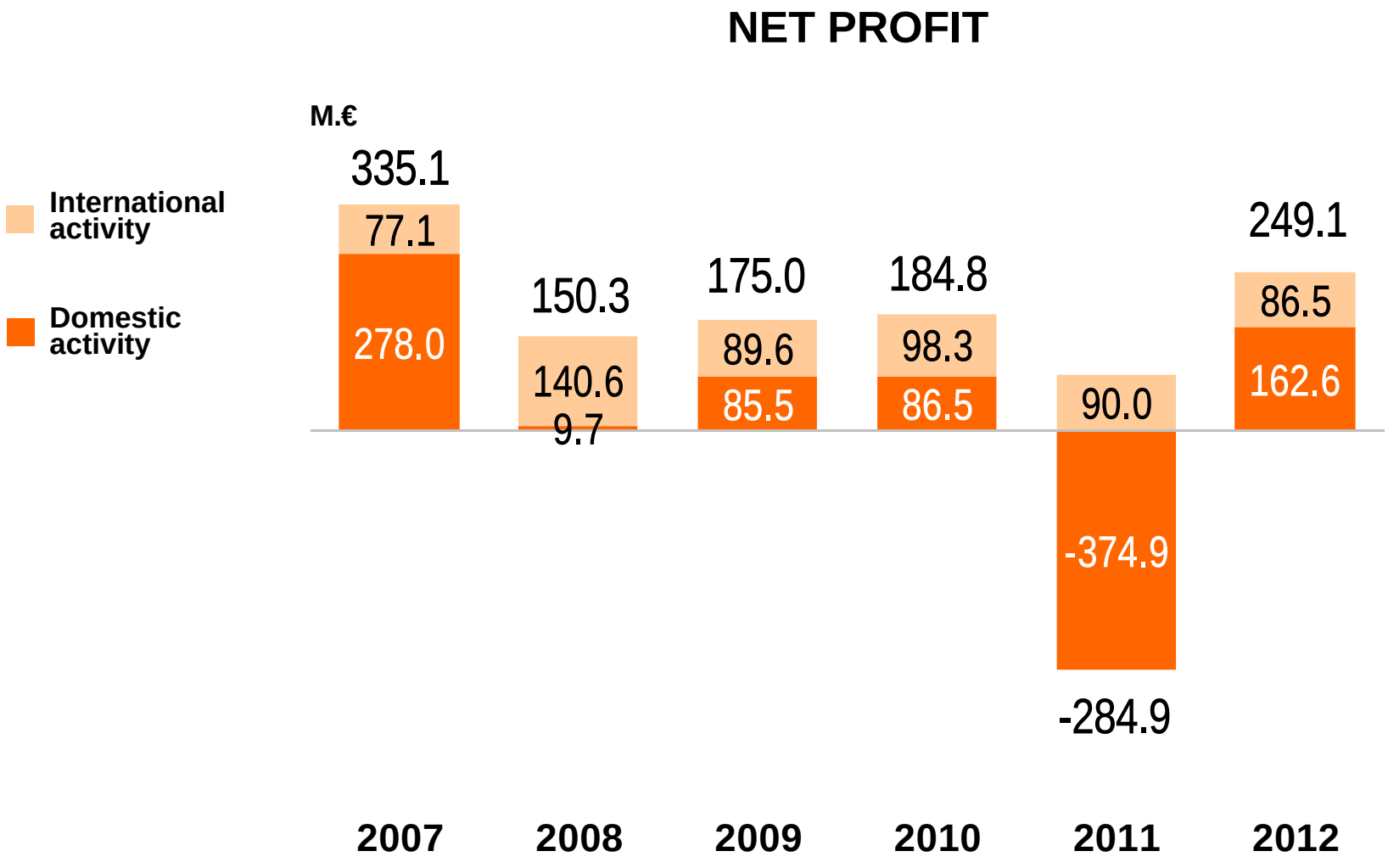
Consolidated net profit of 249.1 M.€

Consolidated



BPI's consolidated results in 2012

- ✓ **Consolidated net profit of 249.1 M.€;**
- ✓ **Core Tier 1 capital ratios:**
  - ✓ **Bank of Portugal: 15.0%**
  - ✓ **EBA: 9.8%**
  - ✓ **Basel III, rules expected for 2014[1]: 13.1% => excess of 2 358 M.€ vs. minimum ratio 4%**
  - ✓ **Basel III, rules expected for 2019[1]: 10.1 % => excess of 640 M.€ vs. minimum ratio 7%**
- ✓ **The Board of Directors of Banco BPI decided to request to the Portuguese State the early repayment of 200 M.€ of contingent convertible subordinated bonds (CoCo) in anticipation of the indicative reimbursement schedule foreseen in the Recapitalization Plan. Following the repayment, the amount of CoCo held by the State will be reduced from 1 200 M.€ to 1 000M.€.**
- ✓ **If the capital buffer for sovereign debt held by Banco BPI was recalculated based on the Bank's exposure to sovereign risk and at market prices of 31 December 2012, the mentioned buffer would decrease from 1 184 M.€ on 30 September 2011 to 576 M.€ on 31 December 2012, which would allow an additional reimbursement of 608 M.€ of contingent convertible subordinated bonds subscribed by the State.**

1) Calculation in accordance with Banco BPI's interpretation of Basel III rules based on the information known by the bank at the current date.

BPI's consolidated results in 2012

- ✓ Consolidated net profit of 249.1 M.€;
- ✓ Net interest income increased 1.0%;
- ✓ Total commissions increased 11.9%;
- ✓ Profits from financial operations of 326 M.€ in the domestic activity include gains with repurchase of liabilities and bond associated results;
- ✓ Net operating revenue increased 30.4 %;
- ✓ Stable cost base (increase of 0.3%); domestic activity costs decreased 2.7%;
- ✓ Cost of credit risk of 0.92%;
- ✓ Total impairments of 306 M.€ in 2012;
- ✓ Credit risk ratio of 4.2%; impairments coverage of 71%, not considering collaterals;
- ✓ Stable Deposits (+0.1% yoy);
- ✓ Reduction of 3.4% yoy in the loan portfolio (-1.0 Bi.€);
- ✓ Loans to deposits ratio of 106%;
- ✓ Pension obligations covered at 105%;
- ✓ Banco BPI Pension fund return of 20.5%;
- ✓ Net refinancing needs of medium long-term debt near-zero by the end of 2018 (0.5 Bi.€); Bond portfolio redemptions of 3 Bi.€ in 2019

Net profit and ROE by business area

Consolidated

December 2012

ROE: 12.9%

Amounts in M.€	Domestic				International	BPI Group
	Commercial banking	Investment banking	Participating interests and other	Total domestic activity	BFA, BCI and others	
Profit[1]	153.7	5.4	3.5	162.6	86.5	249.1
ROE	9.9%	20.1%	30.2%	10.2%	25.2%	12.9%
Adjusted allocated capital	1 549.5	27.0	11.5	1 588.0	343.1	1 931.1

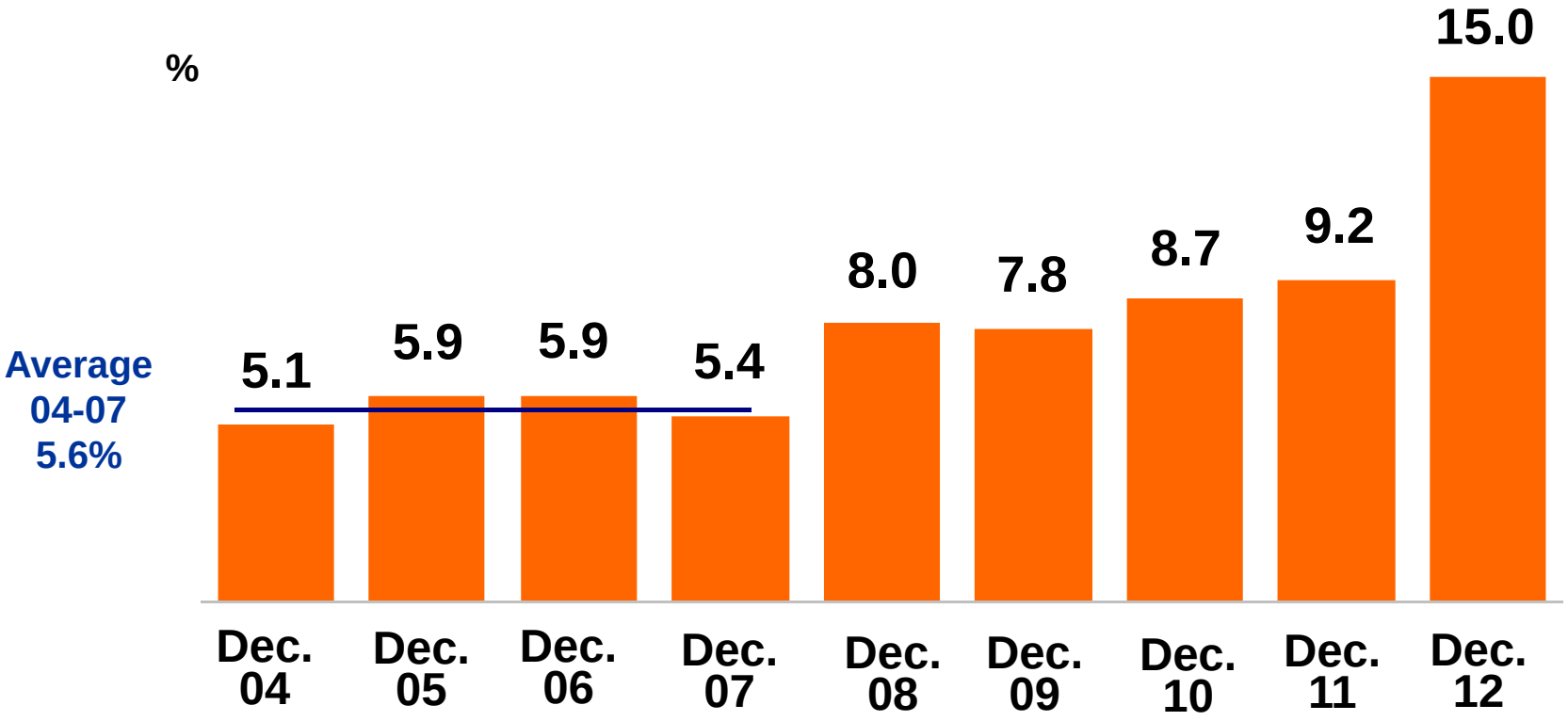
The average capital considered in the calculation of ROE excludes revaluation reserves. The allocated capital to each individual area of domestic activity, excluding revaluation reserves, is adjusted to reflect a capital employment equal to the average capital employed in the domestic activity. Accounting capital (also excluding revaluation reserves) is used in the international activity.

1) The contribution for consolidated profit of the domestic activity business areas has been adjusted by the capital reallocation.

BPI

Core tier I ratio of 15.0% according to Bank of Portugal rules

Consolidated



Risk weighted assets (Bi.€)	**17.8**	**18.1**	**21.3**	**25.9**	**26.2**	**26.1**	**26.0**	**25.2**	**24.5**
Core tier I (Bi.€)	**0.9**	**1.1**	**1.3**	**1.4**	**2.1**	**2.0**	**2.3**	**2.3**	**3.7**

Avg. 04-07
3.2 x

2.5 Excluding CoCo

Average Core Tier 1 04-07 = 1.2 Bi.€

BPI

Core Tier I ratio at 31 Dec. 2012

Consolidated

	Bank of Portugal	EBA	Basel III Rules expected for 2014 1)	Basel III Rules expected for 2019 1)
	15.0%	9.8%	13.1%	10.1%
Minimum	10%	9%	4%	7%
Excess	1 233 M.€	203 M.€	2 358 M.€	640 M.€

1)Calculation in accordance with Banco BPI's interpretation of Basel III rules based on the information known by the bank at the current date.

BPI

EBA temporary buffer for sovereign debt exposure

Consolidated

Temporary buffer (EBA)

	30 Sep. 11				31 Dec. 12				28 Jan. 13			
	Nominal value	Revaluation of securities	Revaluation of derivatives	Core Tier I temporary Buffer[1)]	Nominal value	Revaluation of securities	Revaluation of derivatives	Core Tier I temporary Buffer[1)]	Nominal value	Revaluation of securities	Revaluation of derivatives	Core Tier I temporary Buffer[1)]
Sovereign bonds (after tax)	**4 576**	**- 822**	**- 256**	**-1 078**	**6 784**	**- 74**	**- 366**	**- 439**	**6 838**	**- 74**	**- 304**	**- 378**
Portugal	**2 766**	**- 582**	**- 125**	**- 708**	**5 454**	**- 88**	**- 203**	**- 292**	**5 508**	**- 109**	**- 169**	**- 278**
Of which												
Portug. Govt. Bonds acquired until 31 Dec.11	2 732	- 582	- 125	- 708	1 702	- 163	- 203	- 367	1 702	- 125	- 169	- 294
Portug. Govt. Bonds acquired in 2012	-	-	-	-	410	62		62				
Treasury bills	34	-	-	-	3 342	14		14	3 806	16		16
Italy	**975**	**- 66**	**- 73**	**- 139**	**975**	**9**	**- 126**	**- 117**	**975**	**22**	**- 106**	**- 84**
Ireland	**355**	**- 37**	**- 19**	**- 56**	**355**	**6**	**- 36**	**- 31**	**355**	**13**	**- 30**	**- 17**
Greece	**480**	**- 136**	**- 39**	**- 175**								
Local governments [2)]	**1 058**			**- 281**	**950**			**- 136**	**950** [3)]			**- 121**
Capital buffer for sovereign risk exposures				**-1 359**				**- 576**				**- 499**
Amount recognised in results (Greece)				**175**								
Temporary capital needs				**-1 184**				**- 576**				**- 499**

- 608

- 684

1) Includes impact of coverage of interest rate risk.
2) Exposure at 30 November 2012 and applying average haircuts by maturity estimated by BPI based on the market prices at 31 Dec. 12.
3) Exposure at 30 November 2012 and applying average haircuts by maturity estimated by BPI based on the market prices at 28 Jan 13.

BPI

BPI's senior debt rating notations

Consolidated

Following the downward revision of the Portuguese Republic's ratings notations, the rating agencies proceeded to revise the Portuguese banks' rating notations downwards

		Jun. 2007	Dec. 2010	Apr. 2011	Mar. 2012	Change (No. of levels) 07/12
Moody's	Banco BPI	A1	A2	Baa2	Ba3	- 8
	Portuguese Republic	Aa2	A1	Baa1	Ba3	- 10
Fitch Ratings	Banco BPI	A+	A-	BBB-	BB+	- 6
	Portuguese Republic	AA	A+	BBB-	BB+	- 8
Standard & Poor's	Banco BPI	A	A-	BBB-	BB-	- 7
	Portuguese Republic	AA-	A-	BBB-	BB	- 8

BPI

Investor Relations

Tel. +351 226 073 337

E-mail: investor.relations@bancobpi.pt

Website: www.ir.bpi.pt

Ricardo Araújo (IR Officer)

Tel: +351 226 073 119

E-mail: luis.ricardo.araujo@bancobpi.pt

Banco BPI, S.A.
Publicly held company
Head Office: Rua Tenente Valadim, no.284, Porto, Portugal

Share capital: € 1 190 000 000
Registered in Oporto C.R.C. and corporate body no. 501 214 534