

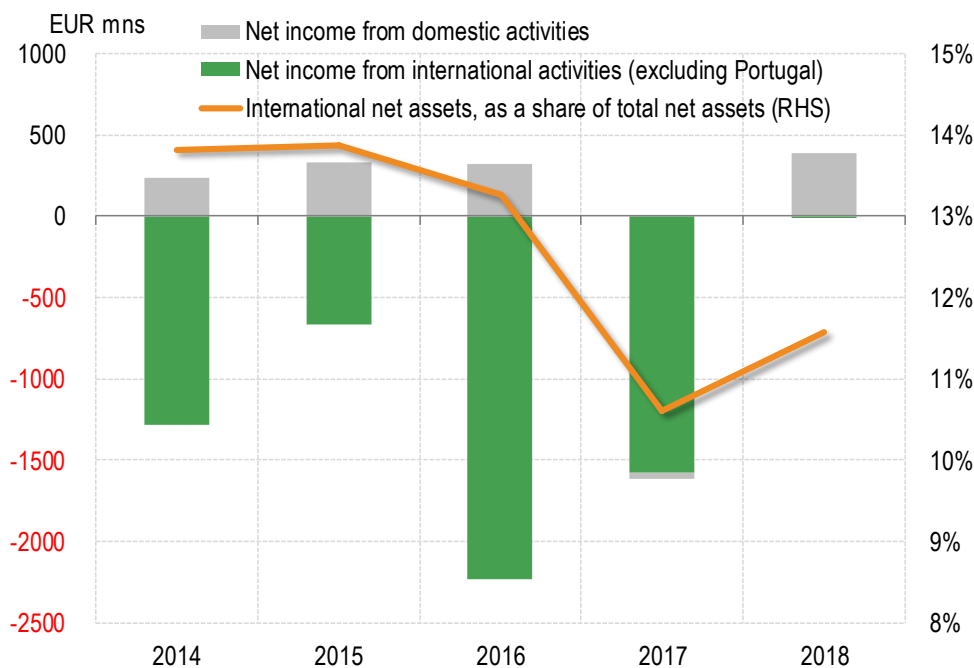


International activities allow Portuguese banks to return to profitability

For the first time since 2014, aggregated net income of the five largest Portuguese banking groups, which account for about 80% of the banking system's consolidated total assets, was positive in 2018 (EUR 375 millions). Losses recorded in Portugal (EUR -14 millions) were more than offset by profits from international activities (EUR 389 millions).

The assets located abroad of Portuguese banks have, on average since 2014, represented 13% of their total assets. In 2017, the simultaneous decreases in this proportion and the net income from international activities are, amongst other things, due to a valuation effect of assets accounted at their fair value. The international activities of Portuguese banks are mainly located in Spain, France and Portuguese-speaking countries (Angola and Mozambique). They mostly consist of credit lending, accounted at amortized cost.

The positive net income of Portuguese banks in 2018 is attributable to their international activities



Source: Bank financial reports, BNP Paribas calculations