





ANNUAL REVIEW 2018

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WHAT MAKES OUR DIFFERENCE?

WE BELIEVE IN THE POWER OF
COMBINING DILIGENCE WITH HARD WORK

WHAT DISTINGUISHES OUR PERFORMANCE?

WE EXCEL IN CONSTANTLY REACHING ABOVE
CLIENTS' EXPECTATIONS

WHAT STANDS OUT IN OUR RESULTS?

WE STRIVE TO OFFER OUR SHAREHOLDERS
WHAT SUITS THEIR INTERESTS BEST

MISSION

We offer our clients high quality value-added services
We recruit, train and develop the most talented professionals
We create value for our shareholders, while keeping
our institution sound at all times

CULTURE

Exploring new paths every day
Creating unique concepts in search of the most effective solutions
Mastering our strategic progress by closely monitoring results
Building on our experience with client first-focus

VALUES

Excellence

Dedicating our efforts to deliver above set objectives

Independence

Providing services free of conflicts of interest

Soundness

Maintaining strong capital levels and liquidity ratios

Integrity

Demanding high ethical standards from our staff

Creativity

Leading to above average growth and investment opportunities

Innovation


Anticipating most of our clients' needs

Client-orientation

Seeking the best solutions and services

Team Work

Sharing responsibilities and rewards



INDIVIDUALLY
OR AS A GROUP,
CONCENTRATING
OUR FOCUS AND
ENERGIES LEAD US
TO SUCCESS





The year 2018 was simultaneously a year of strong expectations of economic recovery in the first half and of some subsequent disappointment (especially in the final part of the year) caused by the successive slowing of growth rates of the major developed economies.

Financial conditions were adverse for banking activity, with credit spreads and transaction volumes in decline. The strength and flexibility of Banco Finantia's activities were tested once again, confirming the resilience of our business model.

Banco Finantia's consolidated net income was 38.6 million euros, approximately 15% above the average of the last three years. Return on assets and capital were above 2% and 10%, respectively (before taxes).

INTO OUR FOURTH DECADE, WE ARE PROUD TO CONSISTENTLY CONTRIBUTE TO SUPPORT DOMESTIC AND FOREIGN COMPANIES, AND INVESTORS.

Equity amounted to 391.2 million euros at the end of the year, which resulted in a CET1 ratio of 21%, one of the highest in the European banking sector, placing Banco Finantia once again considerably above the applicable regulatory requirements.

Our challenges remain high, whether in consolidating existing activities or in identifying new products and services that meet the goals and needs of our clients. Internationalization is a constant theme for us and a reality in daily action and in planning for the future.

Regulation continues to be extremely demanding and costly, restricting innovation and the efficient allocation of resources in the financial sector, thus benefiting unregulated competitors. Finantia Group has responded by simplifying its organization and intensifying the training of its people. Important digital investments are also underway.

We are a reliable and innovative presence for all who want to grow and invest in various geographies.

Our thanks to all who have contributed to the results achieved, especially to all of Finantia Group's employees, for the dedication and professionalism they always demonstrate.

A handwritten signature in black ink, appearing to read 'António M. A. Guerreiro'. The signature is fluid and cursive, with a long horizontal stroke at the end.

António M. A. Guerreiro
Chairman/C.E.
Finantia Group



CAREFUL **LISTENING**

IS OUR COMMON PRACTICE,
WHEN WE UNDERTAKE SO MANY
NEW CHALLENGES IN TODAY'S
FAST-PACED WORLD



Financial Highlights

Banco Finantia

IFRS

| EUR Million | 2018 | 2017 |
|--|----------------|---------|
| BALANCE SHEET | | |
| Total assets | 2 027.8 | 1 988.5 |
| Fixed income and loan portfolio | 1 816.8 | 1 815.9 |
| Customer deposits | 900.9 | 802.5 |
| Equity | 391.2 | 455.0 |
| RESULTS | | |
| Net interest Income | 60.5 | 59.9 |
| Operating income after impairments and provisions | 68.2 | 77.6 |
| Net profit | 38.6 | 42.3 |
| PROFITABILITY (%) | | |
| ROE ⁽¹⁾ | 10.2 | 12.4 |
| ROA ⁽¹⁾ | 2.1 | 2.9 |
| SOLVENCY (BIS III FULLY LOADED %) | | |
| Ratio CET1 | 21.0 | 23.0 |
| Total Solvency Ratio | 21.0 | 23.0 |
| PRODUCTIVITY / EFFICIENCY | | |
| Cost to income (%) | 34.0 | 27.5 |
| Value per share (EUR) | | |
| Net profit | 0.26 | 0.29 |
| Book value | 2.61 | 3.03 |
| Average number of shares in circulation (millions) | 150 | 144 |
| Number of shares at year end (millions) | 150 | 150 |

⁽¹⁾ Value Before Tax



Official start of
Finantia – Gestão e
Consultoria Financeira
Internacional, S.A.

Transformation into
Finantia – Sociedade
de Investimentos, S.A.

Launch of
Finantia Capital and
Finantia Corretora

Capital increase with
a new shareholder,
Rockefeller & Co.

Complete access to the
interbank money market

Obtaining
banking license

First Strategic Board
of the Bank

Organisation of the "First
International Conference
on Emerging Markets"



1987

1988

1989

1990

1991

1992

1993

1994

WE ARE AN INDEPENDENT BANK, OPERATING IN BOTH NATIONAL AND INTERNATIONAL FINANCIAL MARKETS, AND CONSISTENTLY GROWING AN EXTENSIVE TRACK RECORD OF CROSS BORDER TRANSACTIONS.

CORPORATE FINANCE

- Mergers & Acquisitions
- Project Finance
- Divestments
- Restructurings
- Takeovers & Defenses

PRIVATE BANKING

- Investment and Savings Solutions
- Wide Range of Term Deposits
- Secure Home Banking
- Specialist Portfolio Management

CORPORATE BANKING

- Debt Raising and Structured Financing
- Syndicated Loans
- Forfaiting
- Sale & Leasebacks

CAPITAL MARKETS

- Eurobonds
- Commercial Paper
- Equity Financing
- Secondary Trading of Debt
- IPOs & Delistings
- Illiquid Instruments



Admission to the Founder's Board of the Serralves Foundation in Porto



1995

Introduction of asset-backed securities to the Portuguese market



1996

Beginning of the international expansion (London, Sao Paulo and New York)



1997

Award "Best Small Investment Bank in the World"



1998

Structuring of 50M€ financing to Globopar



1999

Third place in the league of Eurobond issuance for Brazilian institutions



2000

Acquisition of the recent Banco Finantia Spain



2001

Euromoney award "Best M&A Bank"



2002

Consolidated Balance Sheet and Income Statement

Finantipar (Parent Company)

Consolidated Balance Sheet

| EUR Million | 2018 | 2017 |
|---|----------------|---------|
| ASSETS | | |
| Cash and banks | 120.7 | 66.8 |
| Fixed income and loan portfolio | 1 835.3 | 1 837.9 |
| Other assets | 91.2 | 108.6 |
| Total assets | 2 047.1 | 2 013.3 |
| LIABILITIES | | |
| MM takings | 11.4 | 40.4 |
| Customer deposits | 900.7 | 802.1 |
| Repos | 647.8 | 610.5 |
| Other liabilities | 76.8 | 82.6 |
| Total liabilities | 1 636.8 | 1 535.6 |
| EQUITY | | |
| Share capital, reserves and retained earnings | 370.4 | 435.1 |
| Net profit | 39.9 | 42.6 |
| Total shareholders' equity | 410.3 | 477.7 |
| Total liabilities and shareholders' equity | 2 047.1 | 2 013.3 |

Consolidated Income Statement

| EUR Million | 2018 | 2017 |
|---|-------------|--------|
| Net interest income | 61.2 | 60.5 |
| Net fee and other operating income | 12.8 | 26.70 |
| Impairments and provisions | (4.9) | (8.9) |
| Operating income after impairment and provisions | 69.0 | 78.3 |
| Operating expenses | (25.0) | (24.0) |
| Profit before tax | 44.0 | 54.3 |
| Net profit | 39.9 | 42.6 |

Record placement of about US\$3,000 million of debt for Brazilian companies



2003

Management of a Eurobond issue for Moscow Narodny Bank



2004

Euromoney award "Best Smaller Bank in Europe"



2005

Total assets exceeding €5,000 million



2006

20 years of Finantia in Portugal and 10 years in the UK, Brazil and USA



2007

Management of a syndicated loan for Akbars Bank Russia (US\$200 million)



2008

Beginning of the Private Banking activity expansion



2009

Expansion of activity in secondary markets, with loans from issuers in Portugal, Greece, Ireland and Central Europe



2010

Consolidated Balance Sheet and Income Statement

Banco Finantia

Consolidated Balance Sheet

| EUR Million | 2018 | 2017 |
|---|----------------|---------|
| ASSETS | | |
| Cash and banks | 120.7 | 66.8 |
| Fixed income and portfolio loan | 1 816.8 | 1 815.9 |
| Other assets | 90.3 | 105.8 |
| Total assets | 2 027.8 | 1 988.5 |
| LIABILITIES | | |
| MM takings | 11.4 | 40.4 |
| Customer deposits | 900.9 | 802.5 |
| Repos | 647.8 | 610.5 |
| Other liabilities | 76.5 | 80.1 |
| Total Liabilities | 1 636.6 | 1 533.5 |
| EQUITY | | |
| Share capital, reserves and retained earnings | 352.6 | 412.7 |
| Net profit | 38.6 | 42.3 |
| Total shareholder's equity | 391.2 | 455.0 |
| Total liabilities and shareholder's equity | 2 027.8 | 1 988.5 |

Consolidated Income Statement

| EUR Million | 2018 | 2017 |
|---|-------------|--------|
| Net interest income | 60.5 | 59.9 |
| Net fee and operating income | 12.6 | 26.6 |
| Impairments and provisions | (4.9) | (8.9) |
| Operating income after impairment and provisions | 68.2 | 77.6 |
| Operating expenses | (24.9) | (23.8) |
| Profit before tax | 43.3 | 53.8 |
| Net profit | 38.6 | 42.3 |

Volume of transacted assets in the trade finance area doubled

Conclusion of the deleveraging process initiated in 2008

Core Tier I and solvency ratio amongst the best in Portuguese banking

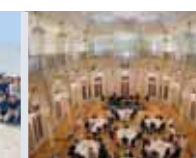
"Investment Bank of the Year in Portugal" and "Private Bank of the Year in Portugal"

136 commercial paper programmes for 25 different issuers, for a total of €796 million

Opening of Finantia Private's agency in Lisbon

Team building at the Portuguese Association for Asperger's Syndrome

Strategic Board Meeting at Palácio da Bolsa in Porto



2011

2012

2013

2014

2015

2016

2017

2018

SOCIAL RESPONSIBILITY

Supporting the following organizations:
APSA – Associação Portuguesa do Síndrome de Asperger
CAPITI
Liga dos Amigos do Hospital de S. João
Mercearia Social
Santa Casa da Misericórdia

IN 2018, WE INCREASED OUR CONTRIBUTION TO VARIOUS SOCIAL AND SOLIDARITY PROJECTS, AIMING MAINLY AT DISADVANTAGE CHILDREN AND YOUNG PEOPLE WITH SPECIAL EDUCATIONAL NEEDS.

CULTURAL PATRONAGE

Patron of Palácio Nacional da Ajuda
Founding member of Fundação Serralves

EDUCATION

Award to ISEG's best first year student of the Master's degree in "International Economics and European Studies"
Founding member of Fundação Económicas





BY **SUPPORTING** SOCIAL,
CULTURAL AND EDUCATIONAL
CAUSES, WE PARTICIPATE
IN THE BUILDING OF A MORE
SUSTAINABLE WORLD



Corporate Bodies

| | | |
|--|---|----------------------|
| Ahmet Iplikci | Member Strategic Board | Banco Finantia |
| Alexei Mitrofanov | Member Strategic Board | Banco Finantia |
| Alzira Cabrita ⁽¹⁾ | Non Executive Member Board of Directors | Banco Finantia |
| António Guerreiro | Chairman Strategic Board | Banco Finantia |
| | Non Executive Chairman Board of Directors | Banco Finantia Spain |
| António Vila-Cova | Non Executive Chairman Board of Directors | Banco Finantia |
| Armin Eckermann | Managing Director | Finantia Malta |
| Carlos Cuervo | Member Strategic Board | Banco Finantia |
| Charles-Louis de Laguiche | Member Strategic Board | Banco Finantia |
| David Guerreiro | Executive Member Board of Directors | Banco Finantia |
| David Pfeiffer | Managing Director | Finantia UK |
| Dominique de Guerre | Member Strategic Board | Banco Finantia |
| Duarte Correia de Sá | Executive Member Board of Directors | Banco Finantia Spain |
| Eduardo Catroga | Non Executive Chairman Board of Directors | Finantipar |
| Eduardo Costa | Vice-Chairman Strategic Board | Banco Finantia |
| Filipe Marques | Managing Director | Finantia USA |
| Hartmut Schott | Member Strategic Board | Banco Finantia |
| Igor Souvorov | Member Strategic Board | Banco Finantia |
| Israel Vainboim | Member Strategic Board | Banco Finantia |
| João Vieira de Almeida | Chairman General Assembly | Banco Finantia |
| João Sabido Silva | Non Executive Member Board of Directors | Finantipar |
| José A. Pinto Ribeiro | Chairman General Assembly | Finantipar |
| José Archer ⁽¹⁾ | Non Executive Member Board of Directors | Banco Finantia |
| Luisa Antas | Secretary General | Banco Finantia |
| Manuel Faria Blanc ⁽²⁾ | Non Executive Member Board of Directors | Banco Finantia |
| Marta Eirea | Chairman Executive Committee | Banco Finantia Spain |
| Michael Hamilton | Non Executive Member Board of Directors | Finantia UK |
| Quoc-Bao Tran | Member Strategic Board | Banco Finantia |
| Ricardo Caldeira | Executive Member Board of Directors | Banco Finantia |
| Riccardo Orcel | Member Strategic Board | Banco Finantia |
| Rui Martinho | Member Strategic Board | Banco Finantia |
| Sandra Guerreiro | Managing Director | Finantipar |
| Sérgio Zappa | Representative Banco Finantia | Finantia Brasil |
| Telma Oliveira | Executive Member Board of Directors | Banco Finantia |
| Tiago Lopes | Executive Member Board of Directors | Banco Finantia Spain |
| Vaga Bartalini | Member Strategic Board | Banco Finantia |

External Auditors

Ernst & Young Audit Associates, S.R.O.C.

⁽¹⁾ Member Audit Committee Banco Finantia

⁽²⁾ Chairman Audit Committee Banco Finantia

INDAQUA

€50,000,000
Bonds 2018-2028

Arranger and
Lead Manager

 **sumol+compal**

€15,000,000
Commercial Paper

Arranger and
Lead Manager

 **COPASA**

€40,000,000
Exchange Offer/
Bonds 2018-2022

Placement Entity

 **MOTAENGL**

€110,000,000
Exchange Offer/
Bonds 2018-2022

Manager

 **Беларуспромбанк**
БЕЛАРУСЬ ПРАМІСЛОВЫ

€40,000,000
Trade-Related Syndicated
Term Loan Facility

Mandated
Lead Manager

Ecobank
The Pan African Bank

USD 200,000,000
Senior Unsecured Term
Loan Facility

Arranger

 **GLOBAL**

USD 50,000,000
Senior Unsecured Term
Loan Facility

Lead Arranger

 **REDEEN**
SOLAR

Acquisition of several
solar plants in Portugal
and Spain

Financial Advisor

The contents of this document are complemented by Finantipar and Banco Finantia's Report and Accounts 2018.

