BANCO ESPIRITO SANTO

1Q2014 Results Presentation

(Unaudited Figures)

15th May 2014

DOC. 7

Member of Dow Jones Sustainability Indices In Collaboration with RobecoSAM

ROBECOSAM Sustainability Award Bronze Class 2014

Most Sustainable Corporations in the World GLOBAL 100

FTSE4Good

Corporate Responsibility Prime rated by oekom research

BEST INTERNET BANK AWARD • 2013 GLOBAL FINANCE

Best Investment Bank in Portugal 2013

Disclaimer

The information contained herein shall not constitute an offer to sell or the solicitation of an offer to buy, nor shall there be any sale of the securities referred to herein, in any jurisdiction in which such offer, solicitation or sale would be unlawful. Investors must neither accept any offer for, nor acquire, any securities to which this document refers, unless they do so on the basis of the information contained in the applicable prospectus published or offering circular distributed by the Company. These written materials do not constitute an offer to sell, or a solicitation of offers to purchase or subscribe for, securities in the United States. The securities referred to herein have not been, and will not be, registered under the Securities Act of 1933, as amended, and may not be offered, exercised or sold in the United States absent registration or an applicable exemption from registration requirements.

Macroeconomic highlights

- The global economic outlook was marked by some uncertainty in 1Q14, as a result of less favourable activity indicators in the US, new signs of deceleration in China and a rise in geopolitical risks, mainly associated with the Ukraine-Russia crisis. But in spite of some volatility in financial markets, overall investor sentiment remained positive, supported by the ongoing recovery in the euro area, by expectations of stronger growth in the US from 2Q onwards and by the continued support from monetary policy in the main developed economies.

- In Portugal, the first months of 2014 have been marked by a favourable economic news flow, with indicators suggesting a recovery in activity growth, together with the ongoing correction of financial and fiscal imbalances. After 1.7% YoY growth in 4Q13, GDP is expected to have grown close to 2% YoY in 1Q14. Merchandise exports growth should have decelerated in 1Q, as a result of one-off factors (i.e. temporary decline in fuel refining capacity, due to maintenance work), but overall external orders continued to grow and services exports remained strong – particularly in the tourism and transportation sectors – supporting a 1.7% YoY growth in employment. The unemployment rate declined further in 1Q14, to 15.1% of the labour force (down from 17.7% in 1Q13 and 15.3% in 4Q13).

- In spite of a still challenging domestic environment, activity growth is also being supported by a recovery in domestic demand and, particularly, in business investment. After increasing 9.7% YoY in 4Q13, spending in machinery and equipment remained strong in 2014. Machinery imports and production of overall investment goods increased 9% and 7.1% YoY in March, respectively. This follows a rising trend in business confidence levels, particularly in manufacturing and services. Improved consumer sentiment also supported a moderate recovery in private consumption.

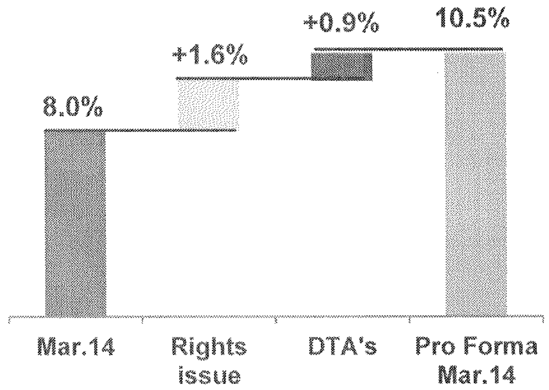
- With a surplus in external accounts (2% of GDP in 2013) and with the public deficit falling below target (4.5% of GDP vs. 5.5% target in 2013, according to Troika criteria), Portugal has benefited from improved market confidence, with 10Y PGB yields falling from 6.1% to around 3.5% between January and mid-May. This allowed for a return of the sovereign to market financing, including a 10Y issue with an average yield of 3.57%, already prefunding 2015. In this context, Portugal announced, in May, a "clean exit" from the financial assistance programme. The main rating agencies improved their view of Portugal, with an upgrade by Moody's (to Ba2) and a revision in S&P's BB rating outlook, from negative to stable.

BES financials: focus on strengthening the balance sheet to benefit from the recovery in business conditions. Operating trends are gradually improving

- After 3 years strengthening the balance sheet (through solvency accretive measures, a deleverage plan that allowed the Bank to significantly improve its liquidity profile and a high provisioning effort that increased coverage levels), BES is now better positioned to benefit from the recovery in business conditions. 1Q14 results confirmed that operating trends are gradually improving.
- Solvency levels have always been a priority for BES, with capital ratios significantly reinforced without the use of any public funds. The announced rights issue will allow BES to further strengthen its capital ratios, placing the Bank among the best capitalized in Europe. Assuming the rights issue and the potential impact of DTA's forbearance, pro-forma Common Equity Tier 1, *fully implemented*, stands at 10.5% in March 2014.
- Liquidity profile of BES has also improved in the last 3 years, with customer funds (deposits and bancassurance products) accounting for 66% of funding mix. The deleverage plan implemented in June 2010 led LTD ratio to reach 129% as of March 2014, mainly driven by an outstanding increase of 39% (or Eur 10.2bn) in BES' deposit base, benefitting from the strong franchise of the Bank. Additionally, BES regained access to wholesale debt markets (both senior and subordinated). In 2014 the Bank already placed 2 senior unsecured issues, with strong demand from institutional investors and declining yields.

Common Equity Tier 1

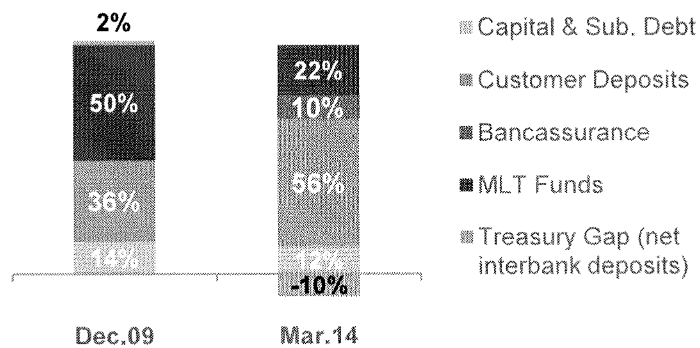
(%; BIS III – CRR / CRD IV fully implemented)



With the announced rights issue and the impact from potential DTA´s forbearance, BES CET1 FL pro-forma stands at 10.5%

Funding Mix

(%)

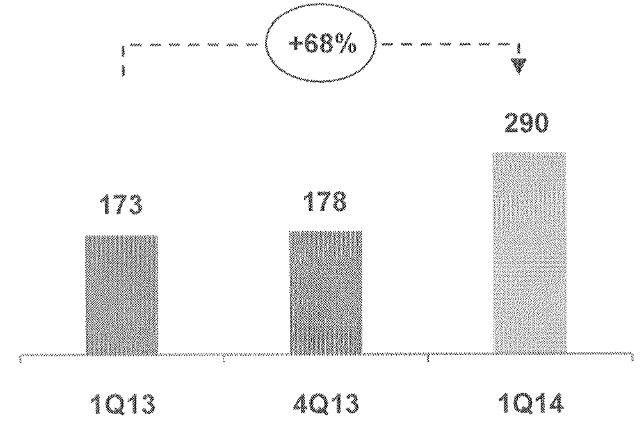


BES financials: focus on strengthening the balance sheet to benefit from the recovery in business conditions. Operating trends gradually improving

- Operating trends are gradually improving, despite 1Q14 results still reflecting the tough business environment in Portugal. NII recovered from its low and is trending up, increasing 22% YoY in 1Q14, which together with strong trading gains allowed banking income to reach Eur 577mn in the quarter (up 27% YoY). Costs are under control, decreasing 1.5% YoY, excluding early retirements and new consolidations. As a result, net operating income increased significantly (+68% YoY), reaching Eur 290mn in 1Q14.
- Domestic overdue loans increased by Eur 157mn during 1Q14 (vis-à-vis Eur 309mn in 1Q13), suggesting that NPL formation in Portugal is trending down. BES continued to reinforce its coverage levels, with on-B/S provision reserve reaching 7.2% of gross loans (covering 64% of credit at risk). BES has one of the highest levels of coverage by provisions of the Portuguese banking system.
- All in all, with solid solvency levels, a comfortable liquidity position and reinforced coverage levels, BES is well placed to face the upcoming stress test and asset quality review to be performed before the ECB assumes the supervision of European Banks. Additionally, a domestic leading franchise complemented by a sensible international footprint places BES in a unique position to benefit from the recovery in macro conditions in Portugal.

Net Operating Income

(Eur mn)



Quarterly change in Overdue Loans

(Eur mn; Portugal)

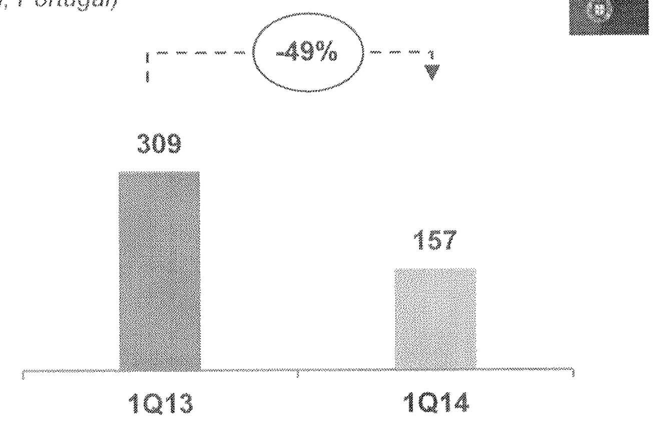
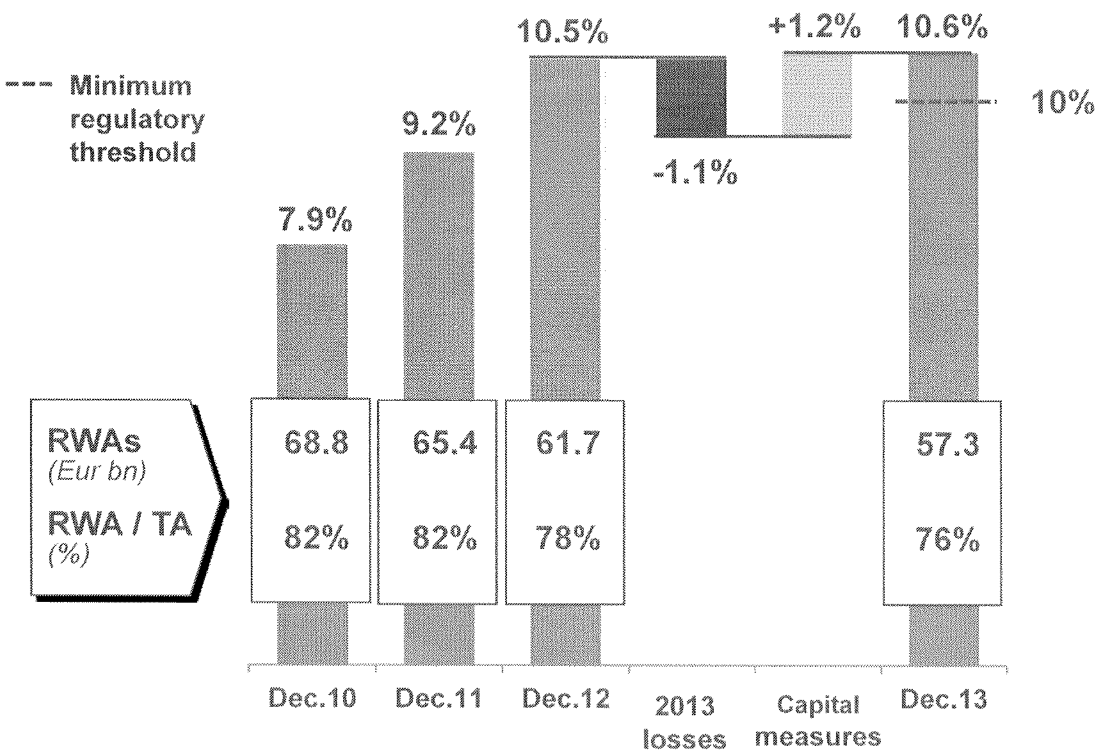


Table of contents

Capital ratios were strongly reinforced in the last 3 years, without the use of any public funds. Common Equity Tier I Ratio (*BIS III phased-in*) stands at 9.8%, comfortably above the 7% minimum regulatory threshold

Core Tier I (BIS II)

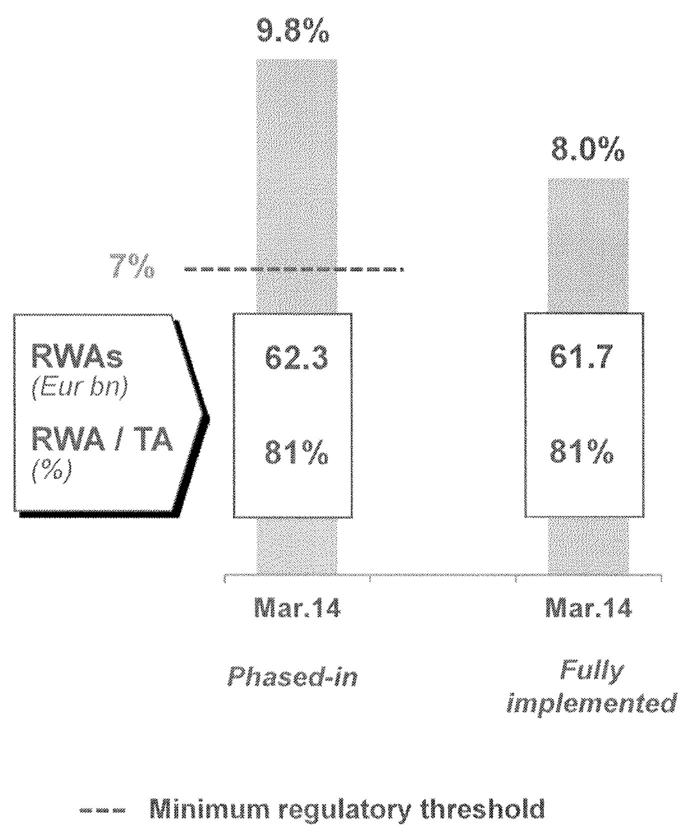
(BoP)



Capital reinforcement measures included *i) the sale of value-in-force of BES Vida; ii) the capital increase in Angola; iii) synthetic securitizations and iv) sale of assets such as stake in EDP and foreclosed assets. Additionally, RWA's were reduced through deleverage and risk-weight optimization.*

Common Equity Tier I (BIS III)

(CRD IV / CRR)



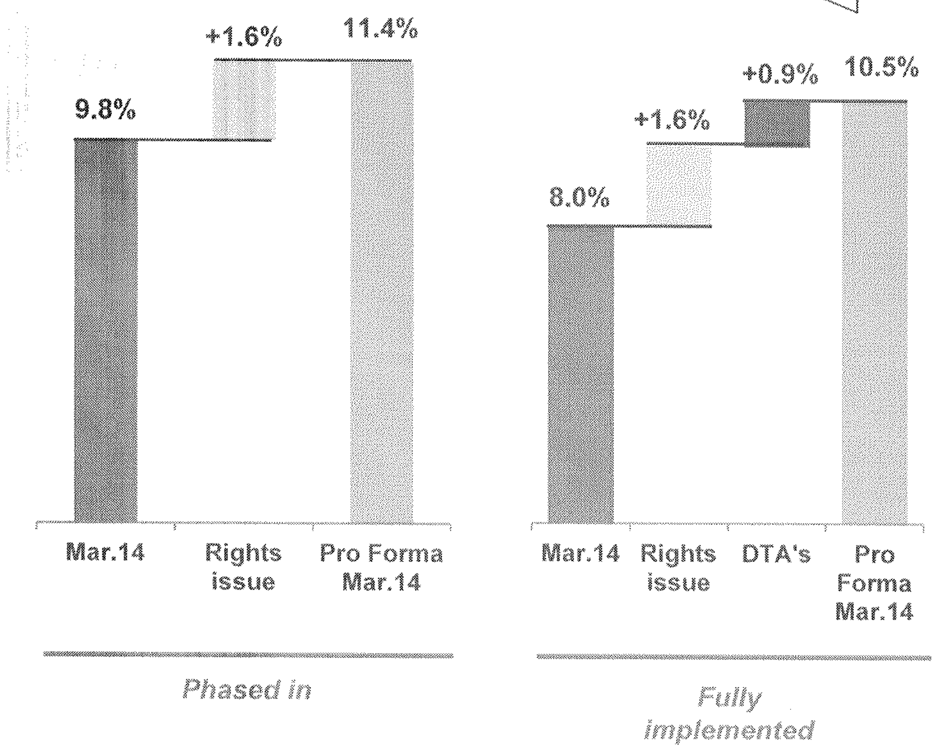
Notes: BIS II IRB corresponds to calculations based on IRB Foundation for credit risk and standardised approach for operational risk. RWA / TA excludes BES Vida, which for regulatory purposes is Equity consolidated

Capital management has always been a top priority for BES. With the announced rights issue and the impact from potential DTA's forbearance, pro-forma CET I (BIS III) stands at 11.4% *phased in* or 10.6% *fully implemented*

Common Equity Tier I (BIS III)

(CRD IV / CRR)

With the announced rights issue and the impact from potential DTA´s forbearance, **BES CET 1 FL pro-forma stands at 10.5%**



RWAs and Capital (BIS III - CRD IV / CRR)

Eur bn	*Phased-in*		*Fully implemented*	
	Dec.13	**Mar.14**	**Dec.13**	**Mar.14**
RWA	**60,871**	**62,268**	**60,330**	**61,722**
... Banking book	56,390	57,292	55,849	56,746
... Trading book	1,227	1,722	1,227	1,722
... Oper. Risk	3,254	3,254	3,254	3,254
Net Assets (2)	**75,917**	**76,573**	**75,917**	**76,573**
RWA / TA	***80.2%***	***81.3%***	***79.5%***	***80.6%***
Total Capital	**7,120**	**6,929**	**5,988**	**6,043**
... Common Equity Tier I	6,193	6,079	4,933	4,927
... Tier I	6,193	6,079	5,002	4,997
... Tier II	927	850	986	1,046
Common Equity Tier I	**10.2%**	**9.8%**	**8.2%**	**8.0%**
Tier I	10.2%	9.8%	8.3%	8.1%
Total	11.7%	11.1%	9.9%	9.8%

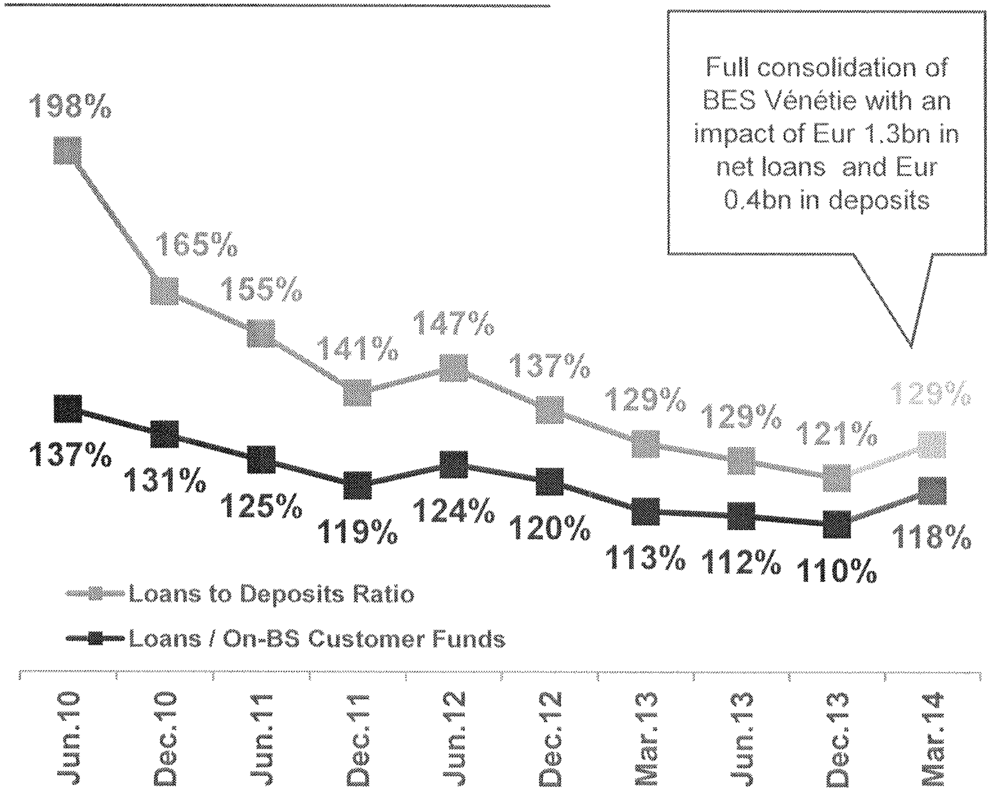
Notes: (1) BIS II IRB corresponds to calculations based on IRB Foundation for credit risk and standardised approach for operational risk.

Preliminary data (2) Regulatory definition: excludes BES Vida

Table of contents

The liquidity profile of BES also improved significantly in the last 3 years, driven by both a sharp increase in deposits and a reduction of the loan portfolio. LtD at 129% in Mar.14, reflecting the full consolidation of BES Vénétie and some reduction in corporate deposits in the quarter

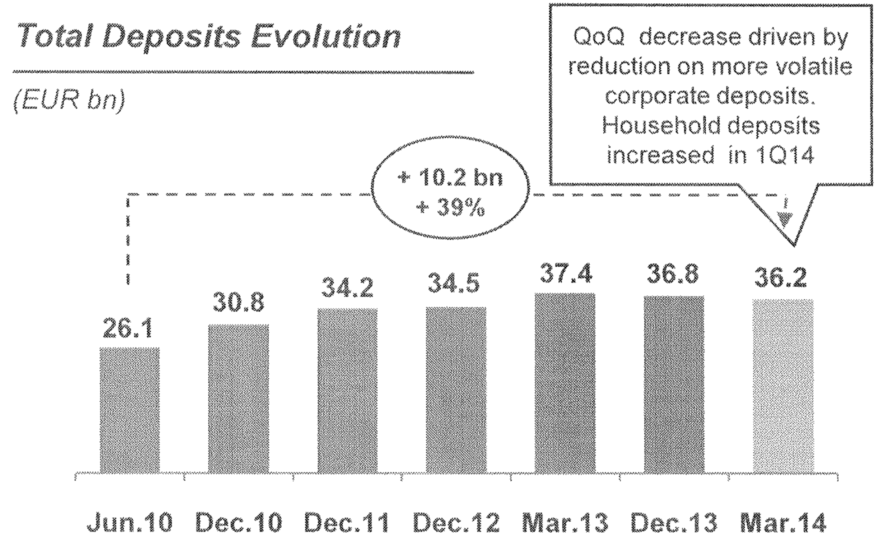
Transformation Ratio (2)



In Jun.10, with wholesale debt markets closed for Portuguese Banks (1), BES implemented a deleverage plan aiming a 120% LTD by YE 2014

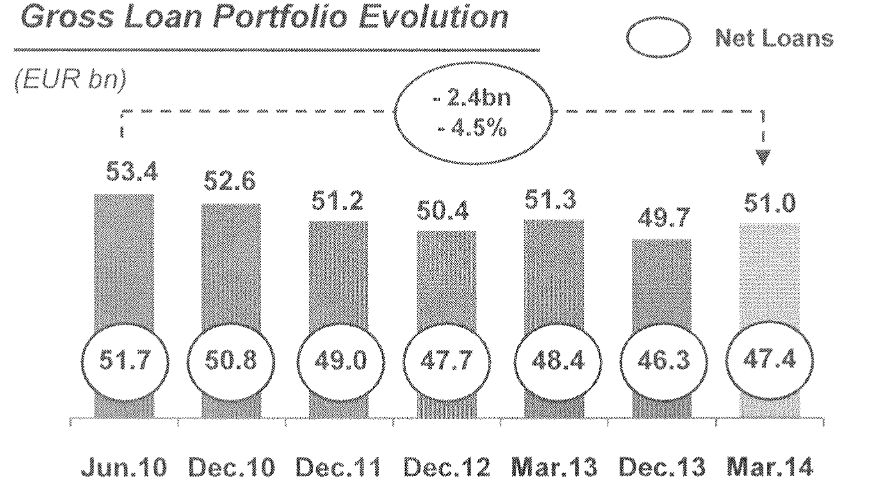
Total Deposits Evolution

(EUR bn)



Gross Loan Portfolio Evolution

(EUR bn)



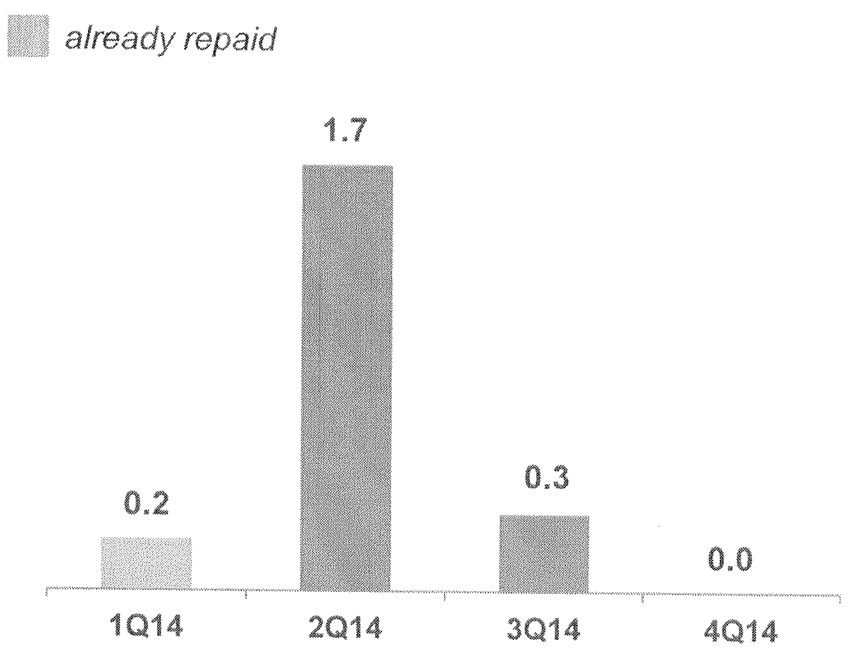
(1) *Wholesale debt markets were closed for Portuguese Banks since Apr.10. BES re-opened debt markets in Nov.12 with a senior unsecured issue*

(2) *Calculated according to the BoP definition for Funding and Capital Plan.*

MLT debt redemptions in 2014 are undemanding, totalling Eur 2.2bn. BES MLT refinancing needs for the period 2014 - 2018 are on average Eur 1.5bn p.a., significantly below the Eur 3.1bn p.a. in 2011 - 2012

Medium and Long Term Debt maturing in 2014

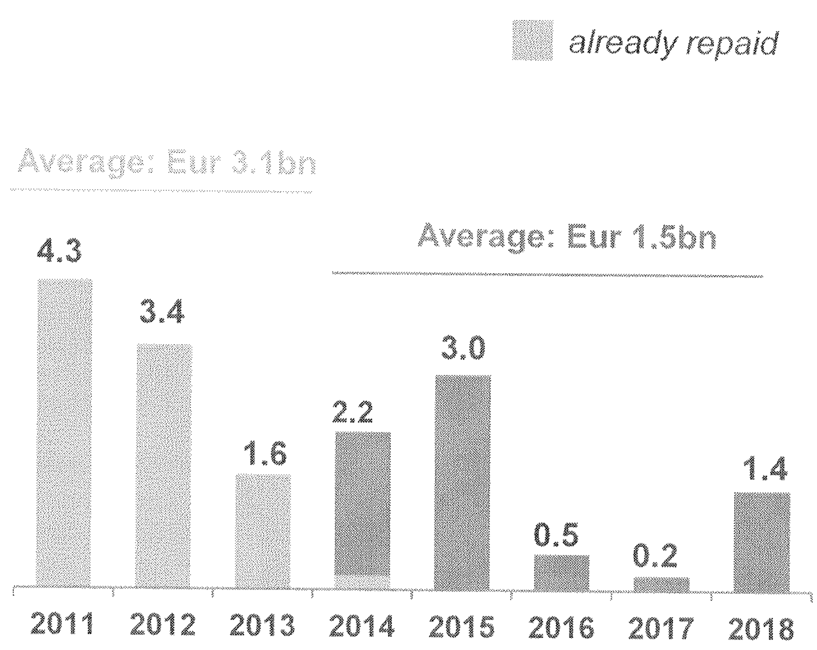
*(EUR bn; **Total Eur 2.2bn**)*



2014 MLT redemptions amount to Eur 2.2bn, concentrated in the 2Q14

Medium and Long Term Debt maturity profile

(Eur bn)



2014-2018 MLT annual redemptions are much lower than in 2011-2013

BES regained access to wholesale debt markets (both senior and subordinated debt), with strong demand from foreign institutional investors and declining yields

BES' issuance

Nov.12
BES re-opened senior debt market for PT Banks

BES was the 1st Portuguese Bank to tap the wholesale debt markets since April 2010

Senior Unsecured
- Nov.12 / Jan.13
- €750m / €500m
- 3 years / 5 years
- coupon 5.875% / 4.75%
- 87% foreign investors

Bradesco Exchangeable Bonds
- USD 450m
- 3 years
- Coupon: 3.5%

Dec.13
BES re-opened subordinated debt market for PT Banks

BES was the only Portuguese bank that issued subordinated debt, reinforcing total solvency ratios

Subordinated Tier 2
- €750m
- 10NC5
- Coupon 7.1/8%
- ca. 300 investors
- 95% foreign investors
- CRD IV compliant

Jan.14
BES issued with significantly lower yield

BES returned to the wholesale debt markets, with another senior unsecured issue

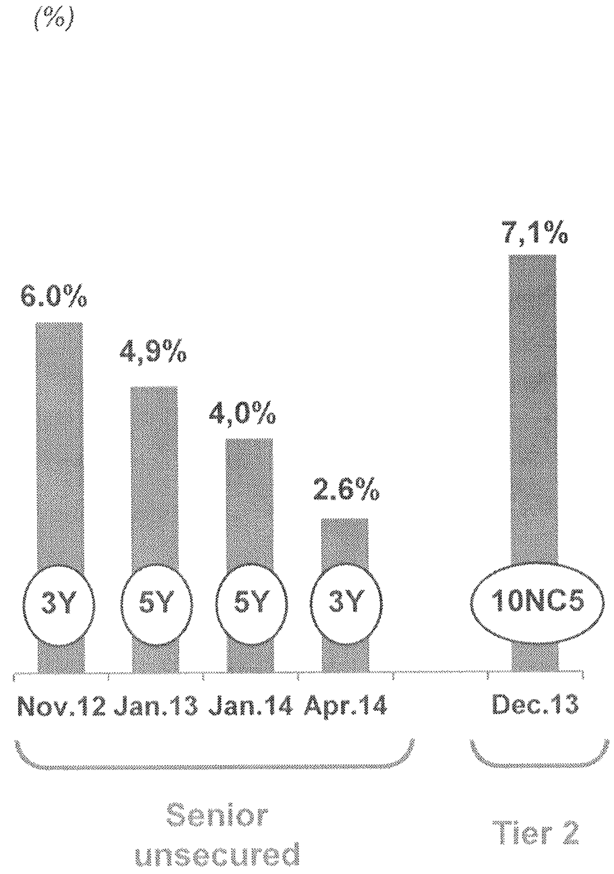
Senior Unsecured
- €750m
- 5 years
- Coupon 4%
- ca. 300 investors
- 95% foreign investors

April.14
BES issued with strong international demand

BES returned to the wholesale debt markets, with another senior unsecured issue

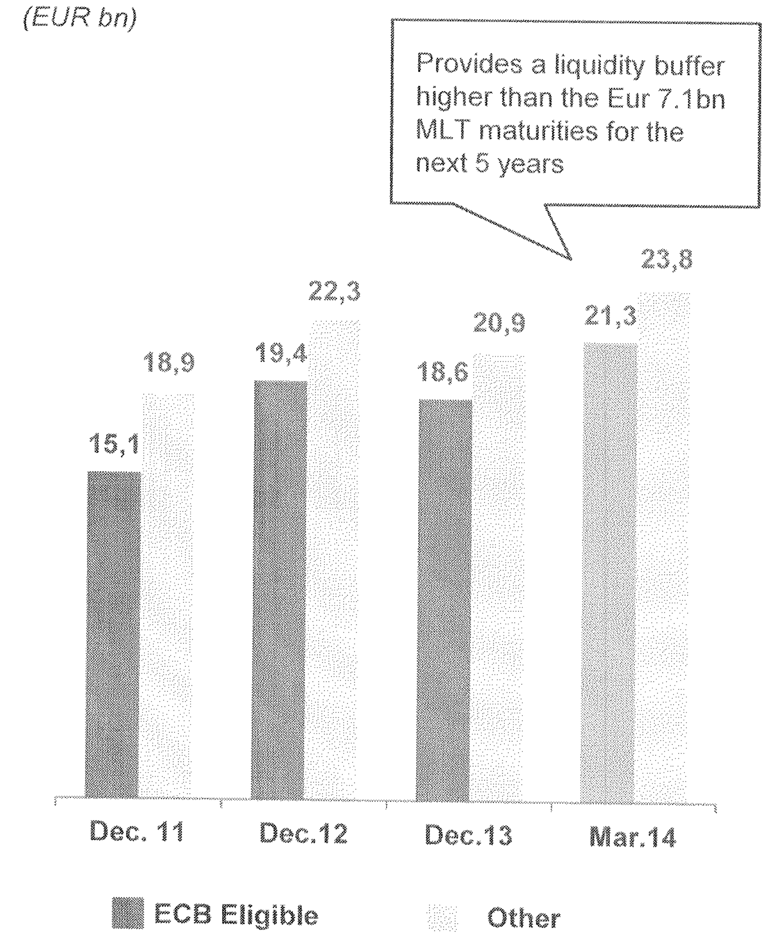
Senior Unsecured
- €750m
- 3 years
- Coupon 2.625%
- ca. 150 investors
- 90% foreign investors

Yields of BES' latest debt issues

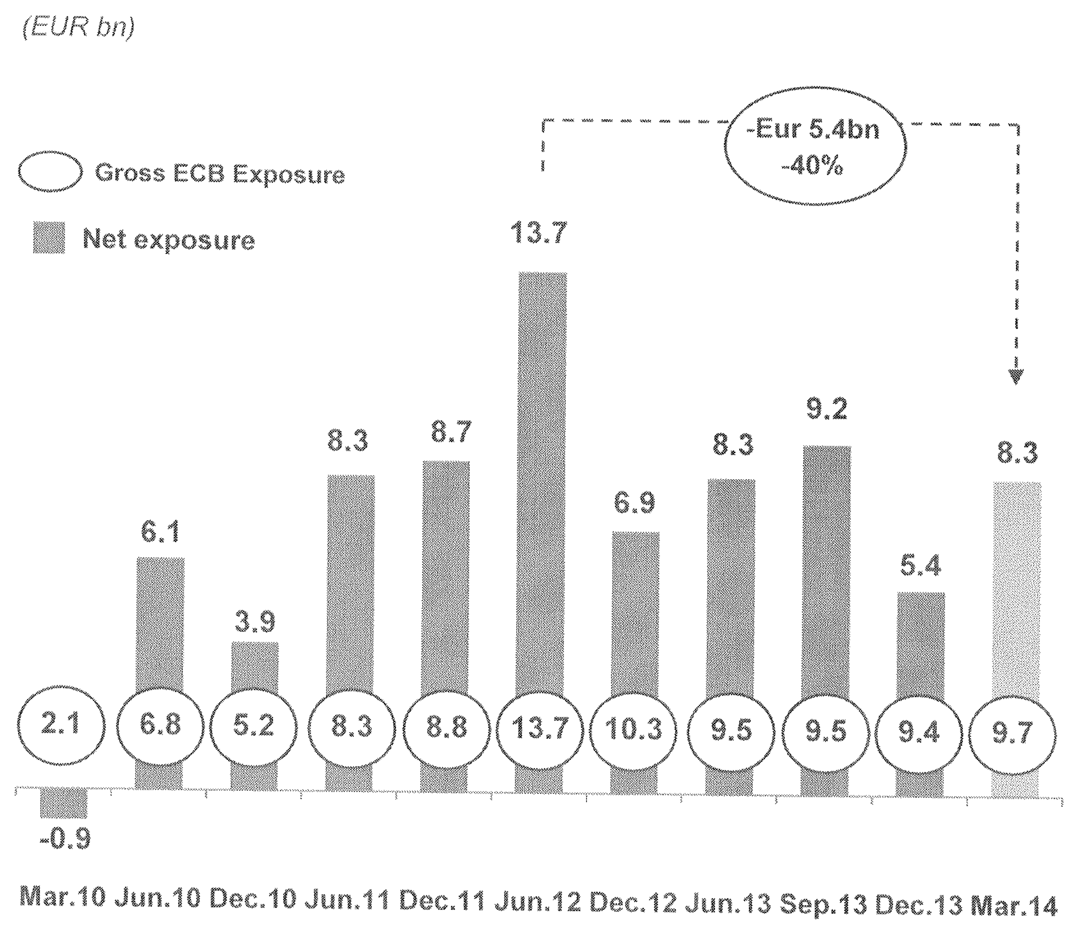


Additionally, BES has a considerable pool of repoable assets that provides a comfortable liquidity buffer and covers MLT maturities for over 5 years. Net use of ECB stands at Eur 8.3bn, 40% down from the peak of Eur 13.7bn reached in Jun.12

Repoable Assets [1]



BES ECB exposure



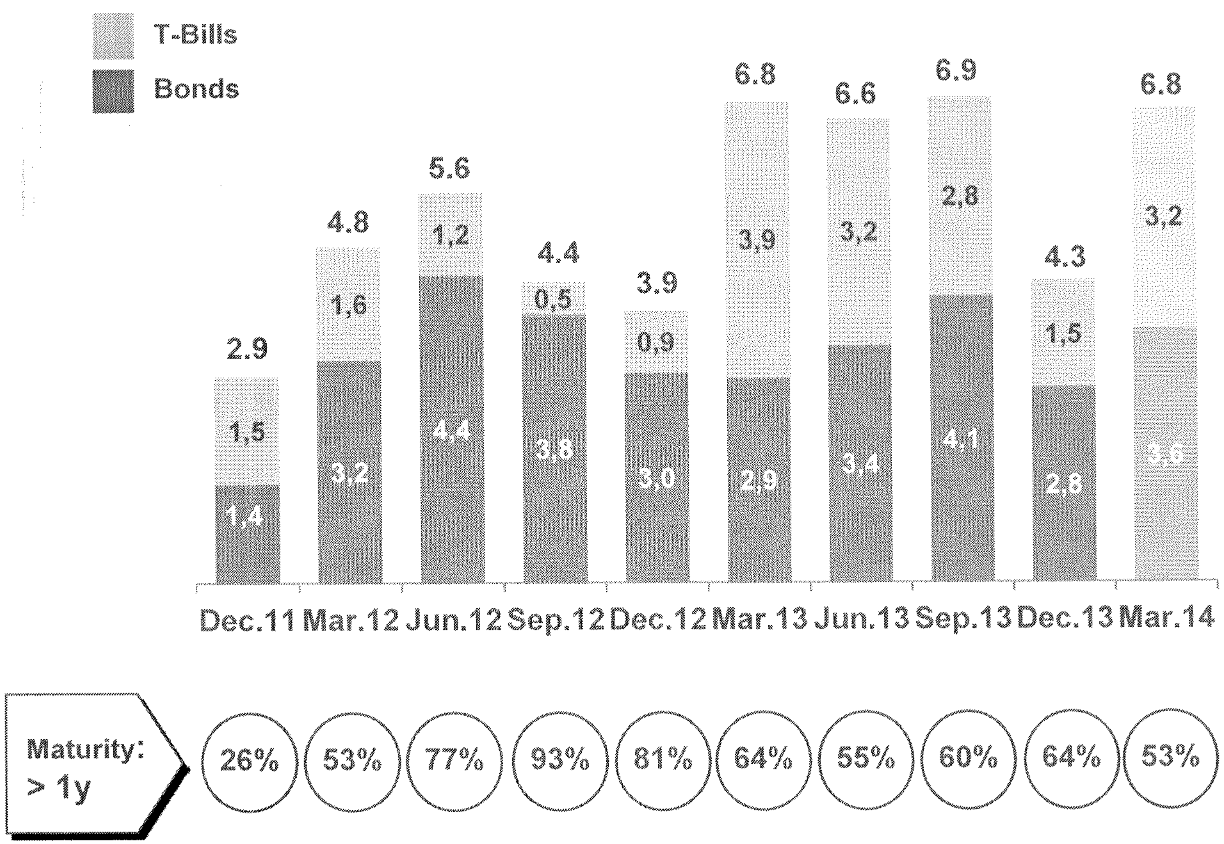
1) Pre-haircuts. Includes repo'ed assets

2) Data for BCP, BPI, CGD, and Santander Totta. Average for Portuguese Banks includes BES. Last available figures from Bank's results releases

After the decrease of the European sovereign book during 4Q13, BES increased its sovereign exposure again in 1Q14 (mainly through T-bills), taking advantage of a significant liquidity position. Sovereign portfolio is actively managed

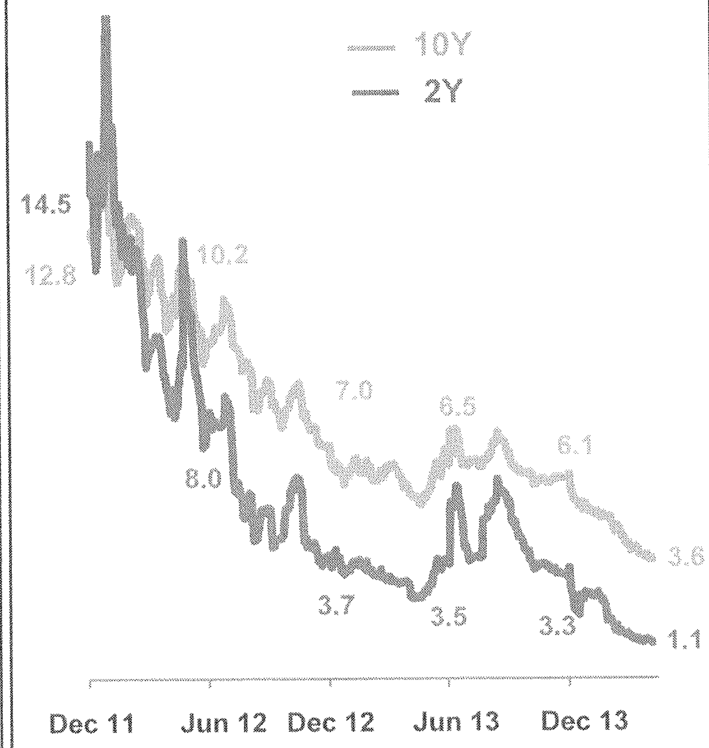
European Sovereign Exposure

(Eur mn)



Portuguese Government Bond yields

(%)

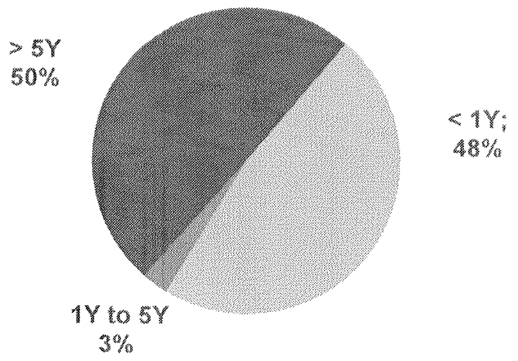


Data as of May 5, 2014

The European sovereign exposure is concentrated in Portuguese and Spanish debt, the majority accounted in the AFS portfolio

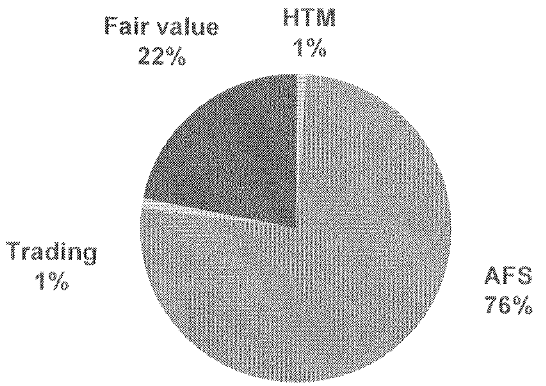
Maturity profile of the European Sovereign Exposure

(%)



Breakdown of European Sovereign Exposure by portfolio

(%)



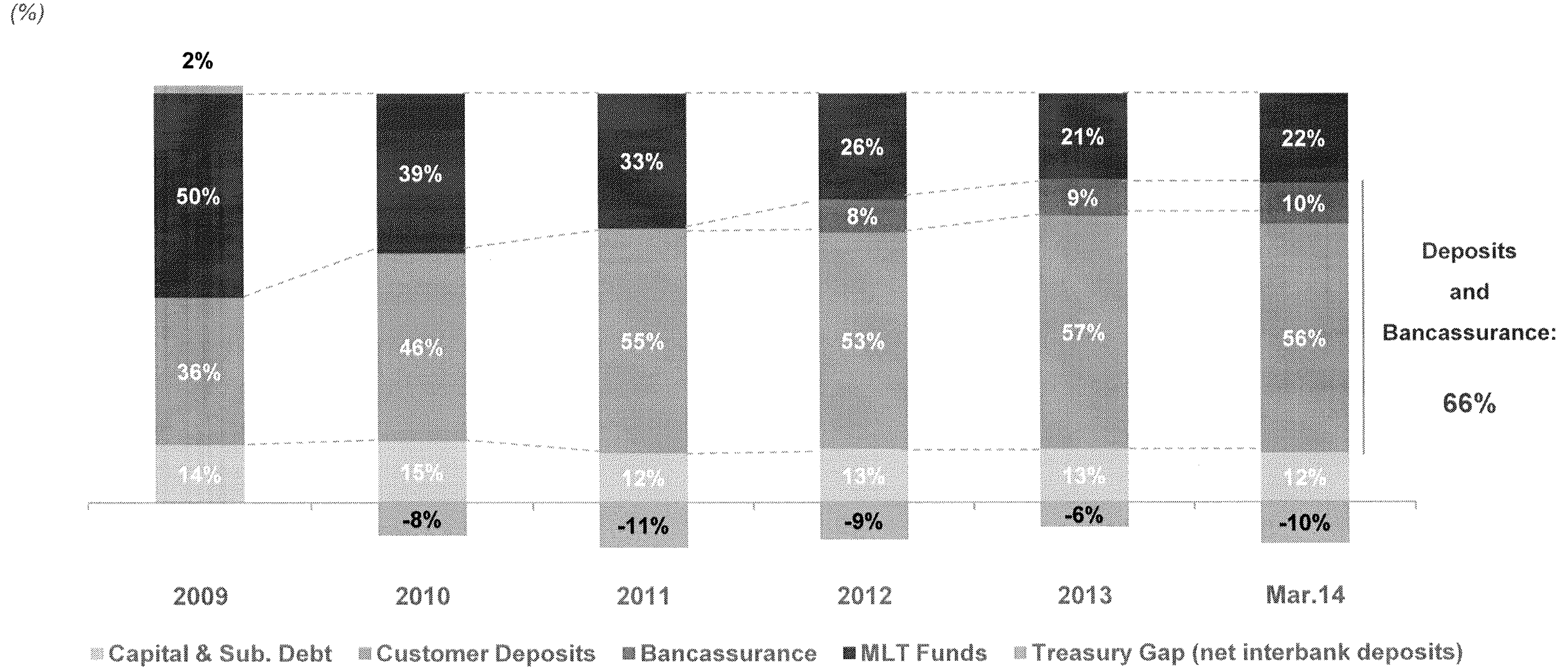
European Sovereign Exposure

(Eur mn)

	Total	o.w. Bonds	o.w. T-Bills
Portugal	4 984	3 397	1 587
Spain	693	55	639
Italy	908	75	833
Greece	178	78	100
Ireland	-	-	-
Other	2	2	-
Total	6 765	3 607	3 158
Total Dec.13	*4 295*	*2 772*	*1 523*

Funding structure improved significantly in the last 3 years, backed by the deleverage plan and strong deposits growth. Deposits and bancassurance products represent 66% of the funding mix (+30 p.p from YE09), while MLT funds only account for 22% (-28 p.p. from YE09)

Evolution of Funding mix

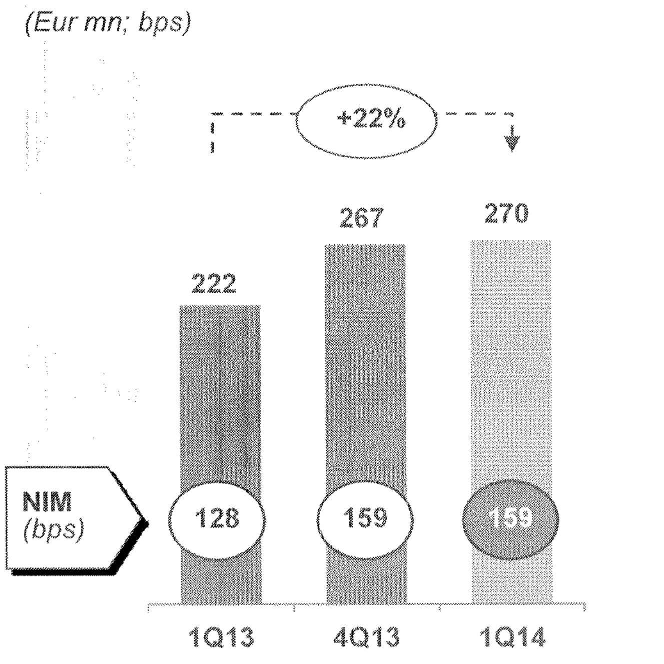


Share of customer funds in funding mix increased significantly, currently representing 66% of the funding structure

Table of contents

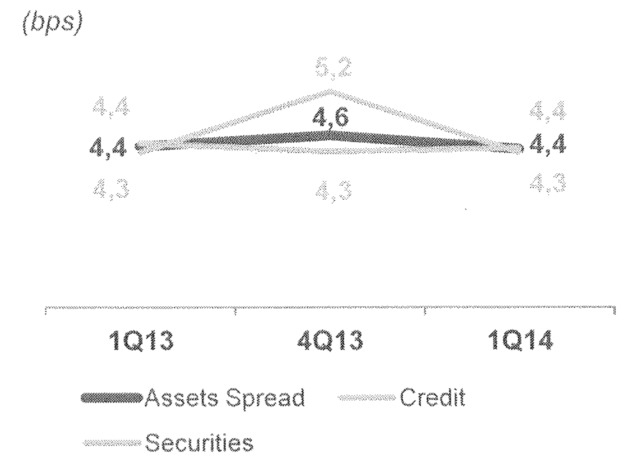
NII is trending up, reaching Eur 270mn in 1Q14 (+22% YoY). Lower cost of funding and good performance from international business have been offsetting negative impacts from low Euribor, deleverage, AQ deterioration and lower contribution from securities portfolio

Consolidated NII & NIM

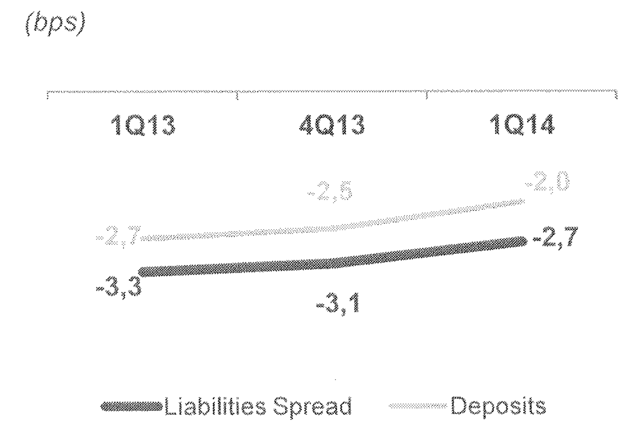


NII continues trending up (+21% YoY and +1% QoQ), with lower funding costs in Portugal and good performance abroad offsetting the lower contribution from the securities portfolio

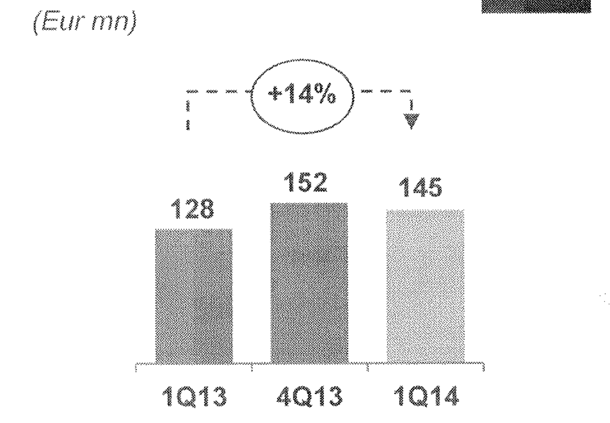
Assets Spreads



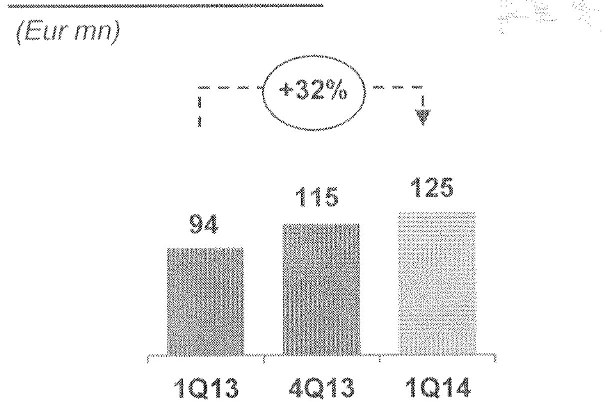
Liabilities Spreads



Domestic NII



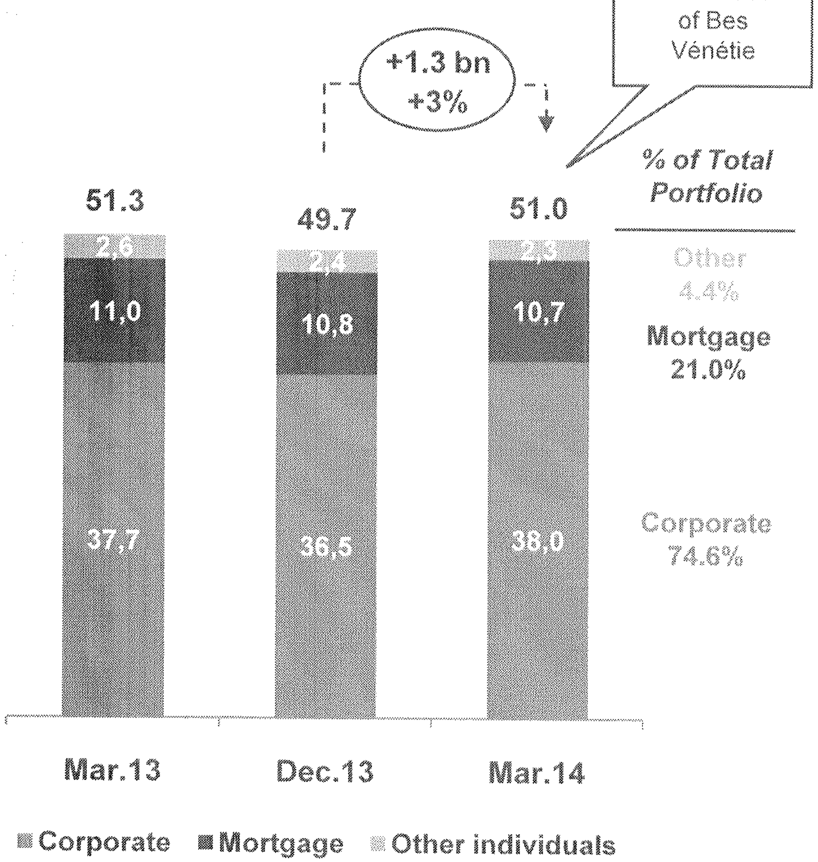
International NII



Deleverage is being driven by mortgages, BES continuing to focus on exporting SME's, leading to a better credit mix which backs a resilient NII. Gross loans increased 3% in the quarter (to Eur 51.0bn), mainly reflecting to the full consolidation of BES Vénétie, without which gross loans would have been broadly flat.

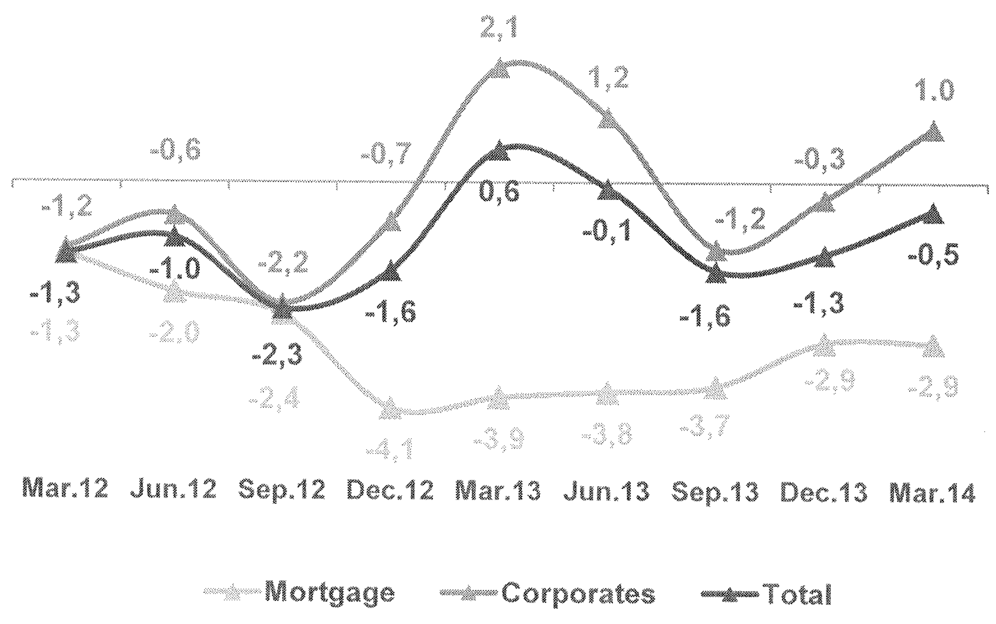
Breakdown of Gross Loans

(EUR bn; gross loans excluding securitised credit)



Loans per segment – YoY Growth Rate

(%)

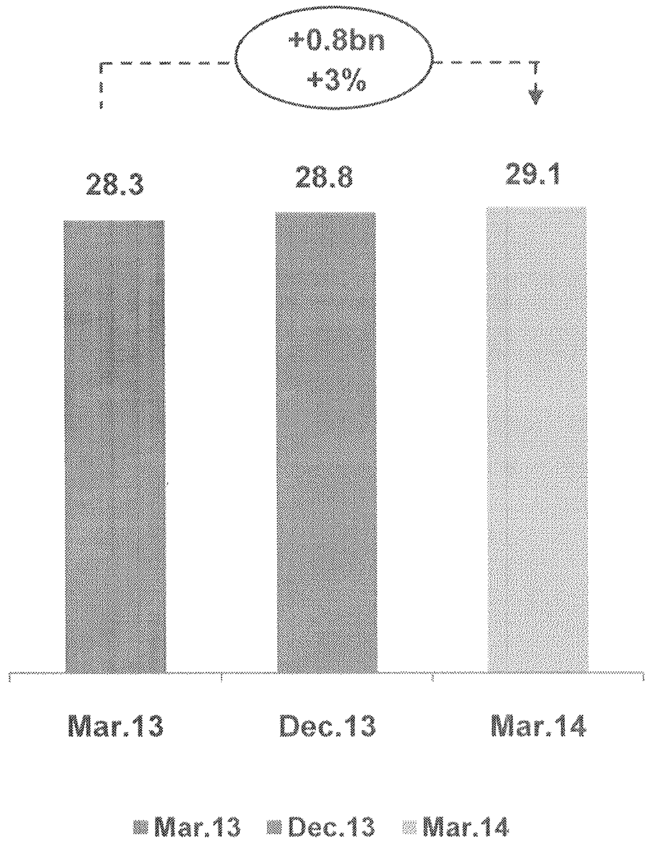


Since Jun.10, loans to exporting SME's increased 5%. Furthermore, BES is the leader in credit to exporting companies under the programme "PME Growth 2013 - Exporters" with a market share of 36.4%

Deposits performance has been key to sustain a resilient NII: BES franchise has allowed for a reduction of deposits rates, while driving household deposits to increase above market levels

Total Retail and Private Banking Customer Funds

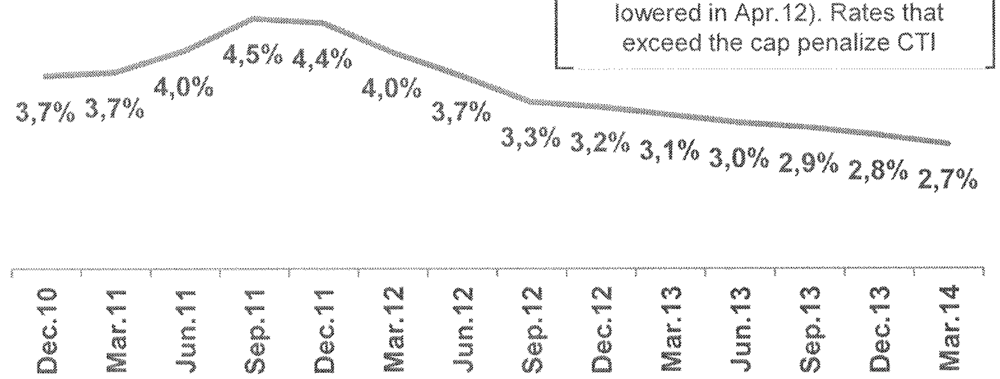
(EUR bn, Portugal)



Term Deposits – average rate evolution

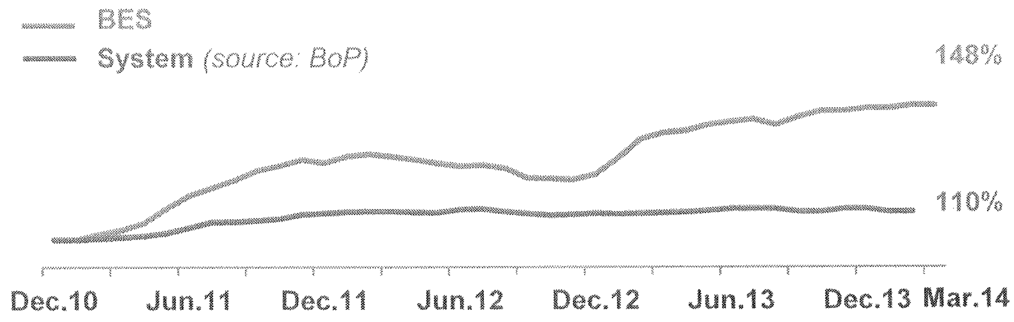
(stock of domestic term deposits; %)

BoP introduced a cap on deposit rates in Nov.11 (the cap was lowered in Apr.12). Rates that exceed the cap penalize CTI



Households Deposits: BES vs System

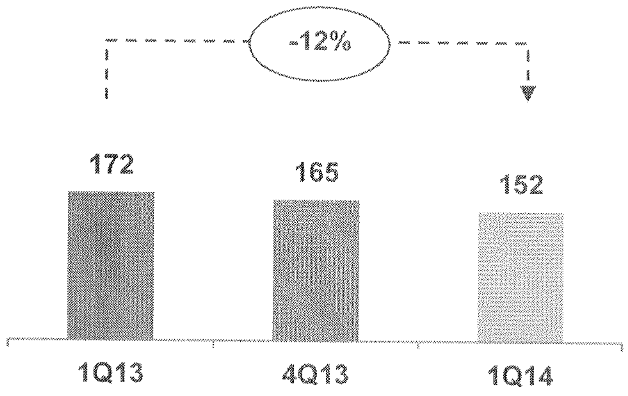
(Jan.11 = Base 100)



Non interest income increased 32% YoY, benefiting from trading gains in interest rate. As a result, Banking Income reached Eur 577mn, up 27% YoY

Fees & Commissions

(Eur mn)

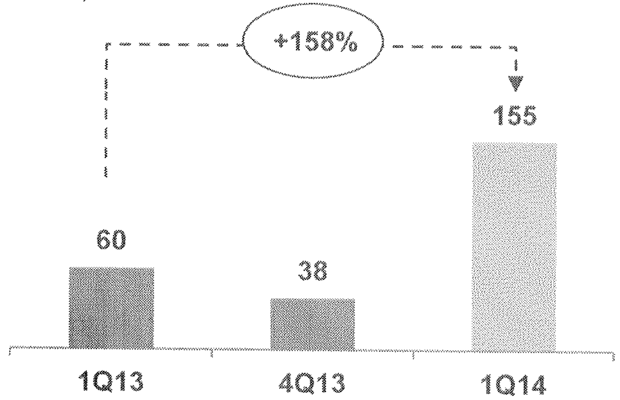


Fees & Commissions include Eur **14.9mn** in the 1Q14, related to GGB's (*)

BES Announced on May 2014 the cancellation of Eur 1.25bn GGB

Capital Markets & Other

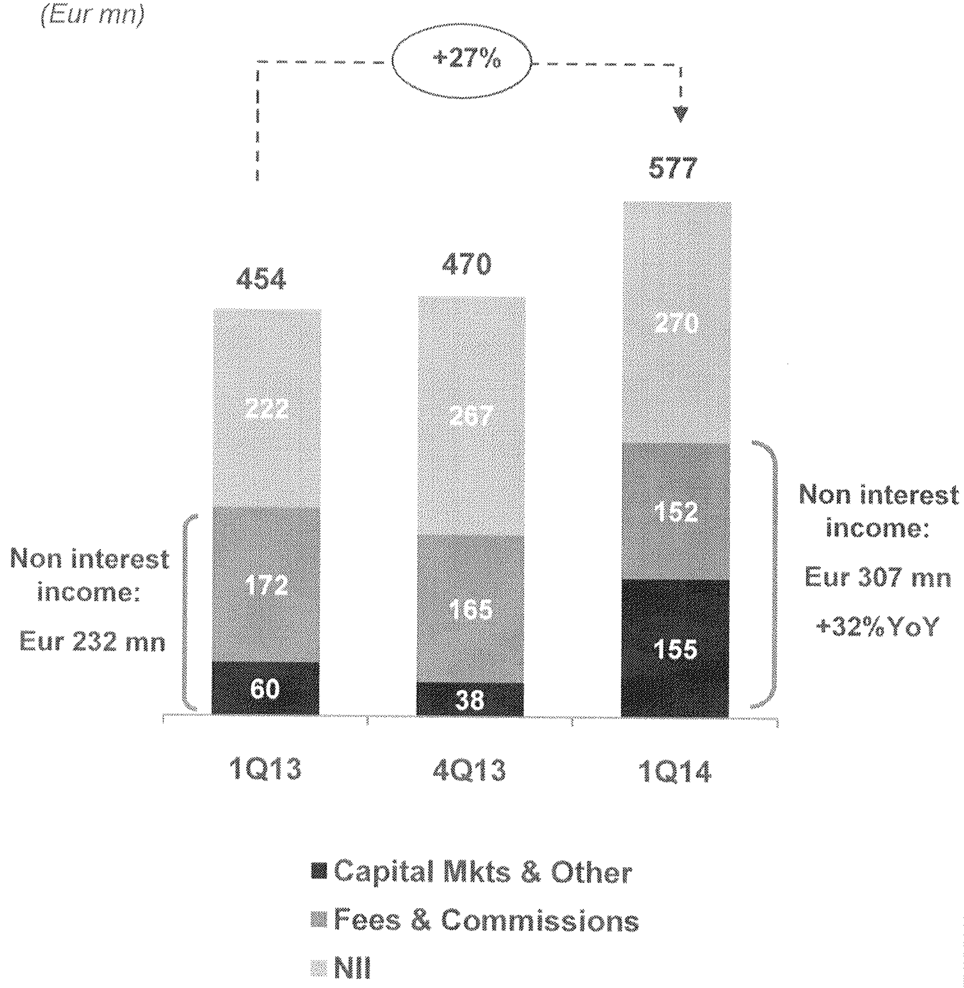
(Eur mn)



Capital Markets & Other results significantly up YoY, driven by interest rate gains

Banking Income

(Eur mn)

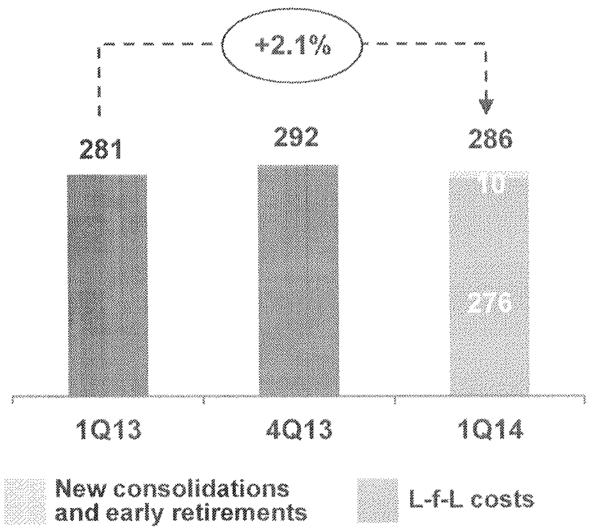


(*) Government Guaranteed Bonds

Operating costs remain under control: excluding Eur 7.6mn from early retirements and Eur 2.5mn from new consolidations (*), 1Q14 costs are down 1.5% YoY. In Portugal, L-f-L costs were 3.1% down, with the implementation of the domestic cost cutting programme

*Operating costs **

(Eur mn)



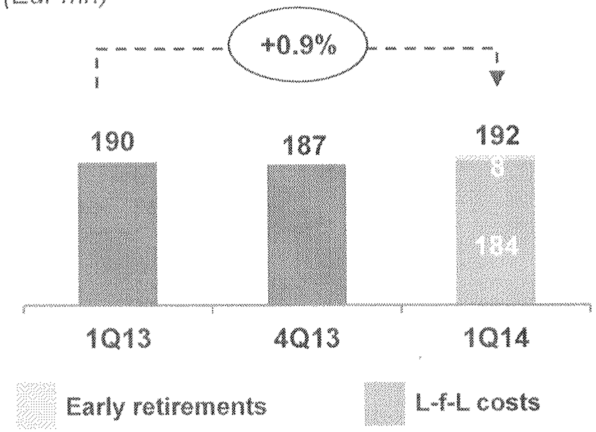
Like-for-like costs (excluding the impact of new consolidations and early retirements) **down 1.5% YoY,**

BES is implementing a cost cutting programme during 2013-2015 that should allow gradual cost savings in domestic business of ca. Eur 100mn (2013-2015)

	1Q13	4Q13	1Q14	YoY
Staff	145.6	145.5	149.7	2.8%
Admin.	108.9	118.6	109.3	0.3%
Dep.	26.0	28.1	27.4	5.5%
Total	**280.5**	**292.2**	**286.4**	**2.1%**
New consolidations and early retirements	-	-	*10.1*	-
Total (l-f-l)	**280.5**	**292.2**	**276.3**	**-1.5%**

Domestic operating costs

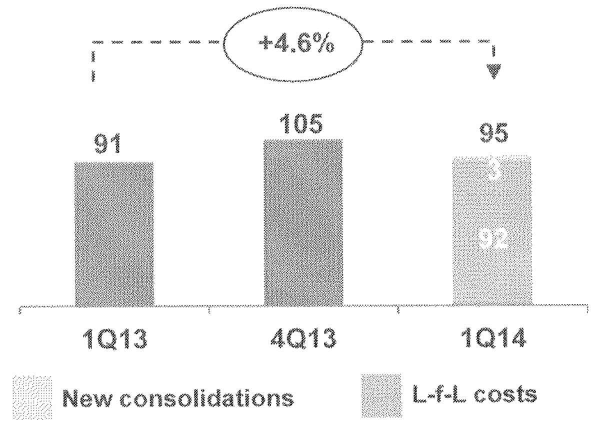
(Eur mn)



Cost cutting measures producing results in Portugal. **Like-for-like costs down 3.1% YoY**

International operating costs

(Eur mn)

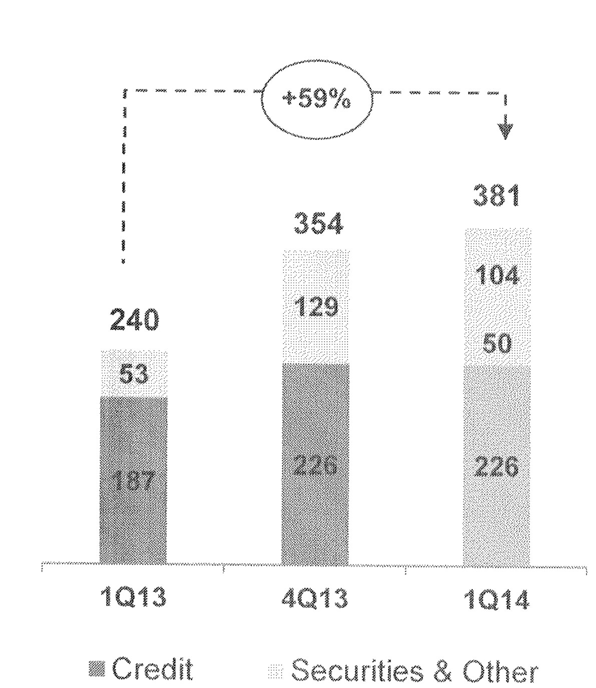


Expansion of international operations are still driving operating costs up

(*) Full consolidation of BES Vénétie

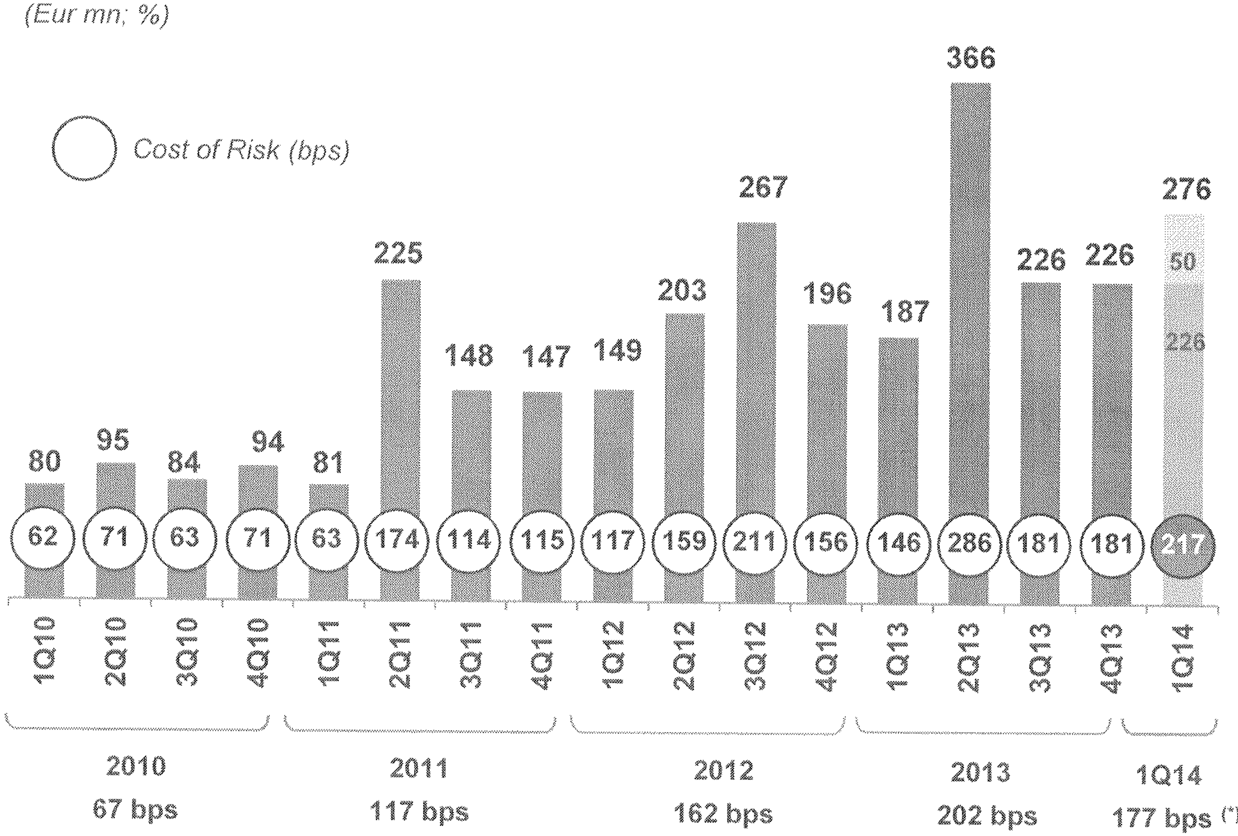
Total provisions in 1Q14 reached Eur 381mn, including a Eur 50mn provision booked in Angola, without which cost of risk stood at 1.77% (25bps lower than in 2013). Strong provision effort represents a conservative approach to current macro environment...

Total Provisions



1Q14 provisions includes Eur 47.7mn for foreclosed assets and Eur 46.1mn for securities (o.w. 64% due to revaluation of restructuring funds). Additionally, a c. Eur 50mn credit provision was booked in Angola in 1Q14

Credit Provisions & Cost of Risk



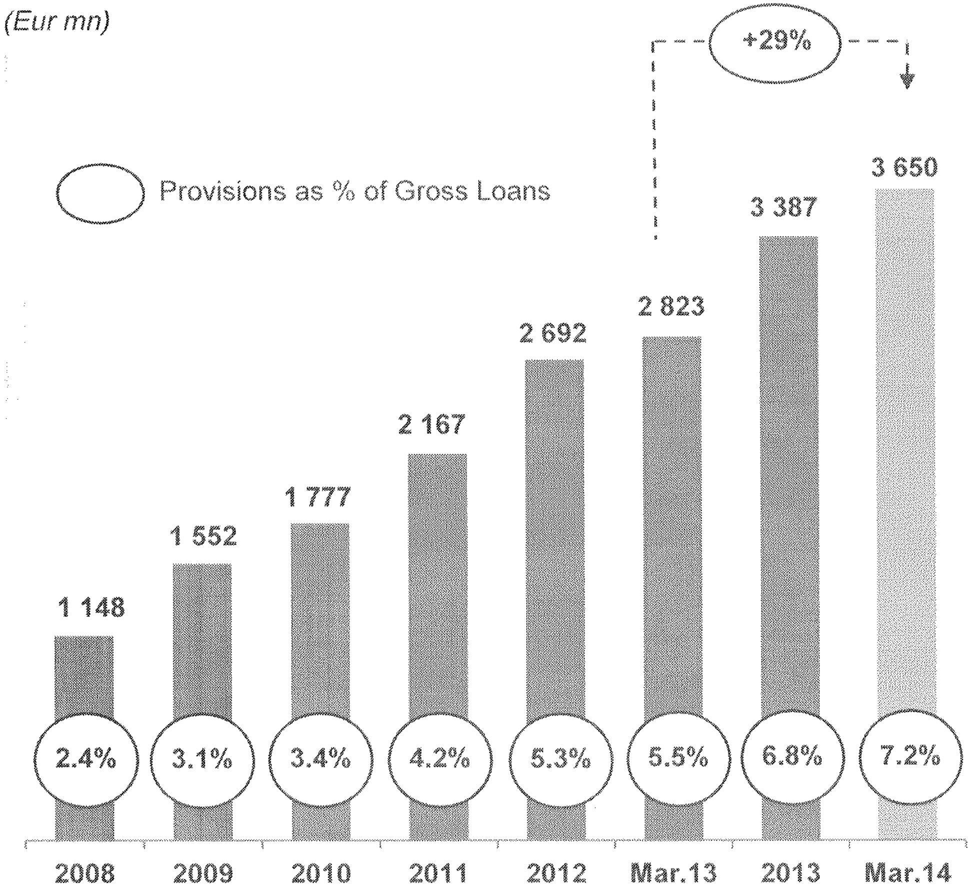
1Q14 Credit provisions include a Eur 50mn provision in Angola, related to assets not covered by the Sovereign guarantee. Without considering this provision, Cost of Risk would have been 177bps, 25 lower than in 2013

(*) Excludes Eur 50mn provision in Angola

… with BES reinforcing its coverage levels. On B/S provision reserve was 7.2% of gross loans, or Eur 3.7bn. Credit at risk was 11.1%, covered at 64%

BES On-BS Provisions Reserve

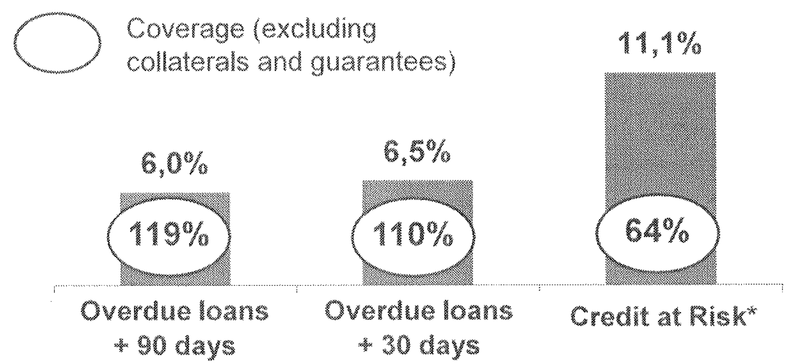
(Eur mn)



On BS provisions reserve increased to 7.2%

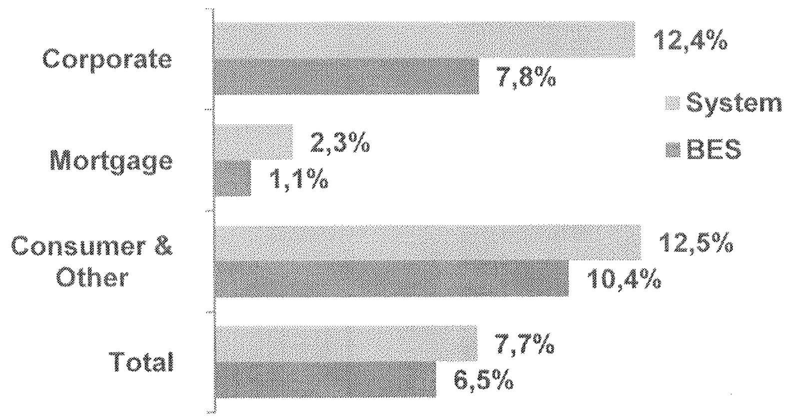
Overdue and Credit at Risk ratios

(%)



Overdue Loans: BES vs. System

(Overdue + 30 days)



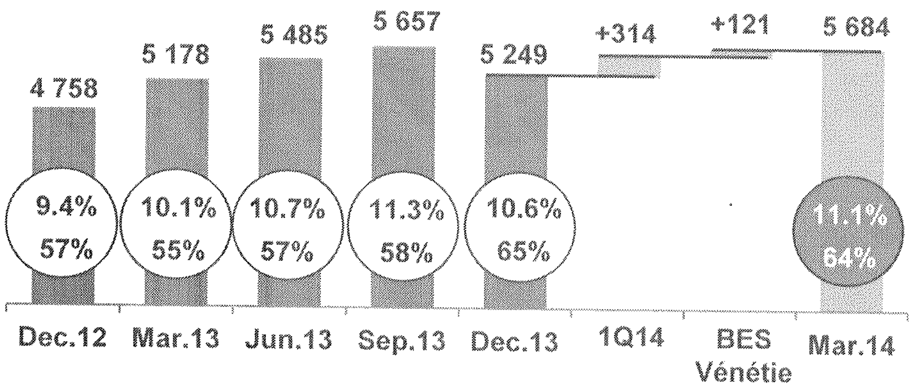
System data as of March 2014; Source: BoP

(*) According to Instruction 23/2011 of Bank of Portugal. Credit at risk includes: a) total value of credit with capital or interest past due by 90 days or more; b) other restructured credit, where the principal or interest payments were past due by more than 90 days and have been capitalized or refinanced without full coverage by collaterals or the interest fallen due have not been fully paid by the debtor and c) credits of an insolvent or bankrupt debtors.

NPL formation is slowing down. In Portugal, overdue loans increase was Eur 157mn, a significant reduction vis-à-vis 1Q13

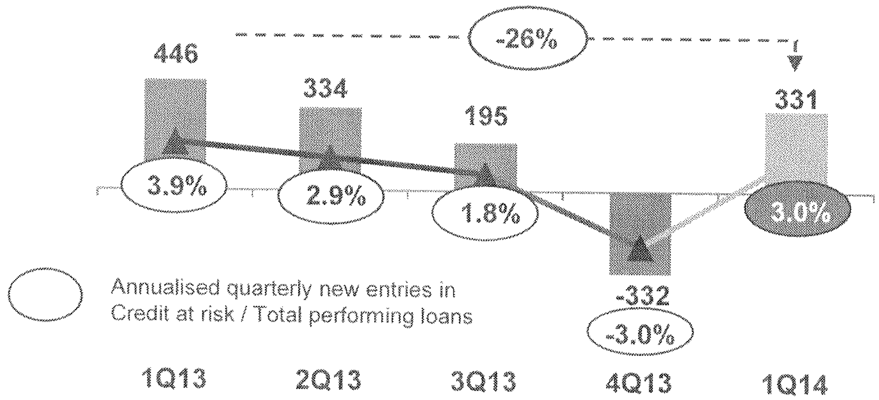
Credit at Risk evolution

(Eur bn)



Quarterly net new entries in Credit at Risk

(Eur mn, excludes the impact from BES Vénétie; considers write-offs)



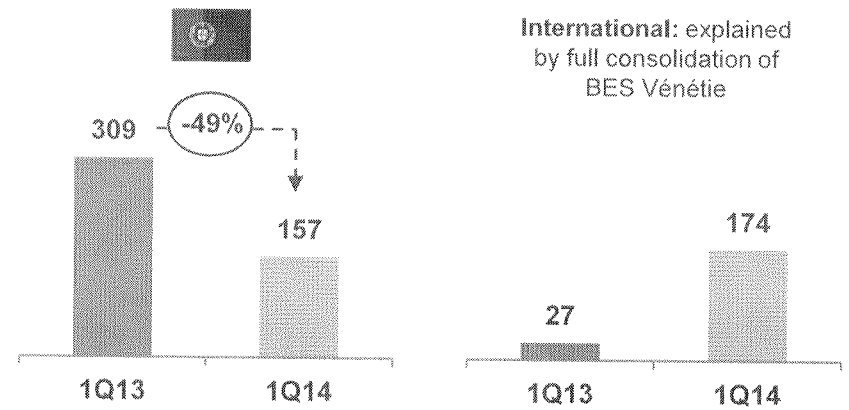
Overdue loans evolution

(Eur mn)

	Dec.12	Mar.13	Jun.13	Sep.13	Dec.13	Mar.14
Portugal	1 810	2 119	2 386	2 516	2 496	2 654
Δ QoQ	-	309	267	130	-20	157
International	375	402	463	488	494	667
Δ QoQ	-	27	61	25	5	174
Total	2 185	2 521	2849	3 004	2 990	3 321

Quarterly change in Overdue Loans

(Eur mn)



BES has in place an effective recovery process involving the execution of real guarantees through foreclosures. During 1Q14, 483 premises were sold, amounting to Eur 75mn, with a marginal P&L gain. In 1Q14 foreclosed assets remained flat QoQ

Foreclosed assets

(Eur mn)

	Mar.13	Dez.13	Mar.14
Domestic	2,122	2,453	2,464
International	137	156	156
Book Value (gross)	**2,259**	**2,609**	**2,620**
Provisions	*321*	*477*	*511*
Book Value (net)	**1,938**	**2,132**	**2,109**

Sales of foreclosed assets

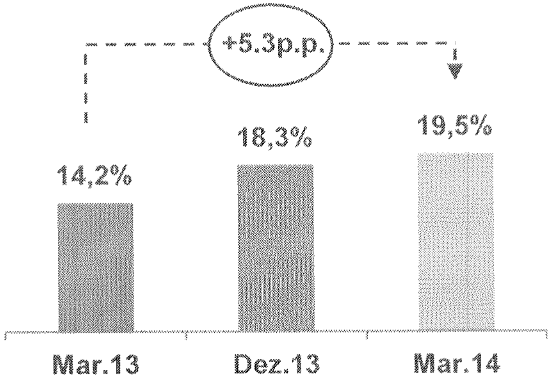
(Eur mn)

	2013		2014
	1Q	FY	1Q
Number of premises sold	405	3,462	**483**
Proceeds	82	444	**75**
Gains / Losses	**+1.1**	**+0.5**	**+0.2**

Sales of foreclosed assets with marginal gains, shows that coverage levels are adequate

Coverage of Foreclosed assets

(%)



Foreclosed assets are initially booked at fair value based on the immediate sale value (ISV) of the property as determined at the time by an independent expert, i.e, **are marked-down / up, according to market values**. In subsequent periods **these real estate assets are subject to regular revaluations** and whenever the new ISV is lower than book value, provisions for impairment losses are created or reinforced.

Operating trends are gradually improving, despite a 1Q14 P&L still reflecting the tough business environment in Portugal. NII is recovering from its low in 1Q13, costs are under control and NPL formation is trending down

	(EUR million)	1Q13	4Q13	1Q14	*YoY*	*QoQ*
+	Net Interest Income	221.9	267.1	269.9	*22%*	*1%*
+	Fees and Commissions	171.8	164.5	151.9	*-12%*	*-8%*
=	**Commercial Banking Income**	**393.7**	**431.6**	**421.8**	***7%***	***-2%***
+	Capital Markets & Other Results	60.0	38.3	154.7	*158%*	*304%*
=	**Banking Income**	**453.7**	**469.9**	**576.5**	***27%***	***23%***
-	Operating Costs	280.5	292.2	286.4	*2%*	*-2%*
=	**Net Operating Income**	**173.2**	**177.7**	**290.1**	***68%***	***63%***
-	Net Provisions	240.1	354.1	380.6	*59%*	*8%*
=	**Income Bef. Taxes and Minorities**	**-66.9**	**-176.4**	**-90.5**	-	-
-	Taxes	0.2	-36.2	6.1	-	-
	o.w. Special tax on banks	*6.5*	*7.8*	*8.2*	*26%*	*5%*
-	Minority Interests	-5.1	-3.7	-7.4	-	-
=	**Net Income**	**-62.0**	**-136.6**	**-89.2**	-	-

NII trending up

Strong Trading gains in 1Q14

1Q14 operating costs include Eur 7.6mn for early retirements

1Q14 provisions include Eur 50mn from one-off provisions in Angola

Table of contents

Backed by a strict financial discipline and a consistent strategy deployed over the years, BES has been proactively addressing the tough macro, market and regulatory challenges by continuously strengthening the Balance Sheet. The Bank is in a favourable position to benefit from the recovery in macro conditions in Portugal

Wrap-up

Balance Sheet management

Solvency:

✓ Solvency levels have always been a top priority for BES. **The announced rights issue places the Bank among the best capitalized in Europe. Pro-forma Common Equity Tier 1, *fully implemented*, considering the rights issue and the potential impact from DTA's, stands at 10.5%.**

Funding and Liquidity:

✓ **Comfortable liquidity position, with customer funds accounting to 66% of total funding mix and a liquidity buffer that covers more than 5 years of MLT maturities.**

✓ **BES has ongoing market access:** in 2014 the Bank already placed 2 senior unsecured issues, with strong demand from institutional investors along with declining yields.

1Q14 Results and Asset Quality

Operating trends are gradually improving:

✓ **NII recovered from its low** in 1Q13 and is **trending up** (+21% YoY), driven by lower cost of funding.

✓ **Costs are under control**, with the implementation of a domestic cost cutting programme

✓ BES continues to pursue a **conservative risk management approach**, **reinforcing coverage levels**. On-BS provision reserve at Eur 3.7bn, or 7.2% of gross loans, covering 64% of credit at risk. BES has one of the highest levels of coverage in the Portuguese Banking system. **NPL formation is slowing down in Portugal,** with overdue loans increasing in 1Q14 at a lower pace than in 1Q13.

✓ 1Q14 results (Eur -89.1mn) still hampered by provisions

Table of contents

Consolidated Income Statement: recent profitability hampered by macro environment, leading to high provision charges

	(EUR million)	2007	2008	2009	2010	2010 Restated*	2011	2012	2013	YoY
+	Net Interest Income	953.7	1,086.2	1,200.8	1,164.0	1,164.0	1,181.6	1,180.5	1,034.3	*-12.4%*
+	Fees and Commissions	643.4	636.2	717.9	806.9	806.9	790.5	828.4	693.4	*-16.3%*
=	**Commercial Banking Income**	**1,597.1**	**1,722.4**	**1,918.8**	**1,970.9**	**1,970.9**	**1,972.1**	**2,008.9**	**1,727.7**	***-14.0%***
+	Capital Markets Results	363.6	228.8	389.0	369.0	369.0	268.4	698.5	203.6	-
+	Other results	40.5	-63.0	141.7	63.9	63.9	-290.3	-128.3	-31.6	-
	o.w. Insurance Premiums and Costs	-	-	-	-	-	-	0.7		-
=	**Banking Income**	**2,001.2**	**1,888.1**	**2,449.4**	**2,403.9**	**2,403.9**	**1,950.2**	**2,579.1**	**1,899.7**	***-26.3%***
-	Operating Costs	950.7	1,001.6	1,055.7	1,169.5	1,123.1	1,129.2	1,149.1	1,137.0	*-1.1%*
=	**Net Operating Income**	**1,050.5**	**886.5**	**1,393.7**	**1,234.4**	**1,280.7**	**821.0**	**1,430.0**	**762.8**	***-46.7%***
-	Net Provisions	262.9	375.9	708.8	533.6	533.6	848.3	1,199.4	1,422.8	*18.6%*
=	**Income Bef. Taxes and Minorities**	**787.6**	**510.6**	**684.9**	**700.8**	**747.1**	**-27.3**	**230.6**	**-660.0**	-
-	Taxes	152.5	83.5	109.8	43.8	43.8	-31.1	110.8	-145.2	-
	o.w. Special tax on banks	-	-	-	-	-	*30.5*	*27.9*	*27.3*	-
-	Minority Interests	28.0	24.9	53.0	146.5	146.5	112.5	23.7	2.8	-
=	**Net Income**	**607.0**	**402.3**	**522.1**	**510.5**	**556.9**	**-108.8**	**96.1**	**-517.6**	-

(*) 2010 staff costs restated due to the change of the accounting policy related to emplyees long term benefits, which are now accounted in Other Comprehensive Income

Income statement: domestic and international

	Domestic				International				Consolidated		
(EUR million)	1Q13	1Q14	YoY	*% Total Consol.*	1Q13	1Q14	YoY	*% Total. Consol.*	1Q13	1Q14	YoY
+ Net Interest Income	127.5	145.0	13.8%	*54%*	94.4	124.9	32.3%	*46%*	221.9	269.9	21.7%
+ Fees & Commissions	122.5	102.4	-16.4%	*67%*	49.3	49.5	0.5%	*33%*	171.8	151.9	-11.6%
= Commercial Bkg Inc.	**250.0**	**247.4**	**-1.0%**	*59%*	**143.7**	**174.4**	**21.4%**	*41%*	**393.7**	**421.8**	**7.1%**
+ Capital Mkts & Other	75.6	123.3	63.1%	*80%*	-15.6	31.4	-	*20%*	60.0	154.7	158.0%
= Banking Income	**325.6**	**370.7**	**13.9%**	*64%*	**128.1**	**205.8**	**60.7%**	*36%*	**453.7**	**576.5**	**27.1%**
- Operating Costs	189.8	191.5	0.9%	*67%*	90.7	94.9	4.6%	*33%*	280.5	286.4	2.1%
= Net Oper. Income	**135.8**	**179.2**	**32.0%**	*62%*	**37.4**	**110.9**	**196.4%**	*38%*	**173.2**	**290.1**	**67.5%**
- Net Provisions	207.3	290.9	40.4%	*76%*	32.8	89.7	173.4%	*24%*	240.1	380.6	58.5%
… credit	166.0	189.0	13.9%	*68%*	21.2	87.3	-	*32%*	187.1	276.3	47.6%
… securities	14.2	46.1	-	*100%*	4.3	0.0	-	-	18.5	46.1	149.2%
… other	27.2	55.8	-	*96%*	7.3	2.4	-67.6%	*4%*	34.5	58.2	68.9%
= Inc. pre-Tax&Min.	**-71.5**	**-111.7**	-	-	**4.6**	**21.2**	-	-	**-66.9**	**-90.5**	-
- Taxes & Minorities	-5.2	-8.6	-	-	0.3	7.4	-	-	-4.9	25.4	-
= Net Income	**-66.4**	**-103.1**	-	-	**4.4**	**13.9**	-	-	**-62.0**	**-89.0**	-
Cost to Income	*58.3%*	*51.6%*	*-6.7pp*		*70.8%*	*46.1%*	*-24.7pp*		*61.8%*	*49.7%*	*-12.1pp*
Cost to Income ex-Markets	*75.9%*	*77.4%*	*1.5pp*		*63.1%*	*54.4%*	*-8.7pp*		*71.3%*	*67.9%*	*-3.4pp*

Quarterly consolidated income statement*

(EUR million)	1Q11	2Q11	3Q11	4Q11	1Q12	2Q12	3Q12	4Q12	1Q13	2Q13	3Q13	4Q13	1Q14	YoY	QoQ
+ Net Interest Income	271.3	271.5	331.4	307.3	294.5	313.1	299.2	273.7	221.9	248.5	296.8	267.1	269.9	22%	1%
+ Fees and Commissions	189.6	213.3	195.2	192.4	206.4	245.6	174.3	202.1	171.8	171.3	185.9	164.5	151.9	-12%	-8%
= Com. Bkg Income	**460.9**	**484.8**	**526.6**	**499.7**	**500.9**	**558.7**	**473.5**	**475.8**	**393.7**	**419.8**	**482.7**	**431.6**	**421.8**	7%	-2%
+ Capital Markets Results	100.4	244.7	33.7	-110.5	39.2	189.3	206.4	263.4	92.6	-5.7	-11.8	128.4	162.0	75%	26%
+ Other Results	-35.9	15.7	-33.9	-236.1	-11.4	-85.3	3.4	-35.0	-32.7	114.6	-23.5	-90.1	-7.3	-	-
o.w. Insur. prem. & costs	0.0	0.0	0.0	0.0	0.0	1.1	-1.2	0.8	-1.7	168.7	-11.0	-13.2	-13.3	-	-
= Banking Income	**525.3**	**745.2**	**526.4**	**153.2**	**528.8**	**662.7**	**683.3**	**704.2**	**453.6**	**528.7**	**447.4**	**470.0**	**576.5**	27%	23%
- Operating Costs (restated)	281.0	276.4	272.8	298.9	271.9	287.6	285.8	303.8	280.5	282.5	281.7	292.2	286.4	2.1%	-2.0%
Note: Amort. actuarial diff. Eliminated	*11.3*	*11.3*	*11.4*	-	-	-	-	-	-	-	-	-	-	-	-
= Net Operating Income	**244.3**	**468.8**	**253.6**	**-145.7**	**256.9**	**375.1**	**397.5**	**400.4**	**173.2**	**246.3**	**165.7**	**177.7**	**290.1**	68%	63%
- Net Provisions	103.1	366.5	191.0	187.6	190.7	235.6	326.0	447.1	240.1	507.1	321.4	354.1	380.6	59%	7%
= Income Bef.Tax & Min.	**141.3**	**102.3**	**62.6**	**-333.4**	**66.2**	**139.5**	**71.5**	**-46.7**	**-66.9**	**-260.8**	**-155.8**	**-176.3**	**-90.5**	-	-
- Taxes	29.9	-21.0	30.2	-70.1	25.3	90.1	9.7	-14.4	0.2	-90.2	-19.2	-36.1	6.1	-	-
... Income Tax	*13.3*	*50.7*	*0.4*	*7.7*	*41.0*	*3.8*	41.6	48.8	43.7	65.2	10.9	27.6	32.8	-25%	19%
... Deferred Taxes	*9.0*	*-79.4*	*22.2*	*-85.4*	*-23.5*	*80.1*	-38.9	-70.2	-49.9	-161.8	-36.5	-71.6	-34.9	-30%	-51%
... Special Tax	*7.6*	*7.6*	*7.6*	*7.6*	*7.8*	*6.2*	7.0	7.0	6.5	6.5	6.5	7.8	8.2	26%	5.3%
- Minorities	39.1	16.9	39.2	17.4	29.3	35.4	-3.1	-38.0	-5.1	4.7	6.8	-3.6	-7.4	-	-
= Net Income	**72.3**	**106.4**	**-6.8**	**-280.6**	**11.6**	**13.9**	**64.9**	**5.7**	**-62.0**	**-175.3**	**-143.6**	**-136.6**	**-89.2**	-	-
Cost to Income (%)	*53.5*	*37.1*	*51.8*	*-*	*51.4*	*43.4*	*41.8*	*43.1*	*61.8*	*53.4*	*63.0*	*62.2*	*49.7*		
C/I ex-Markets (%)	*61.0*	*57.0*	*51.8*	*59.8*	*54.3*	*51.5*	*60.4*	*63.9*	*71.3*	*67.3*	*58.4*	*67.7*	*67.9*		

(*) The change in the accounting policy related to emplyees long term benefits, now accounted in Other Comprehensive Income, led to a restatement of the staff costs line in 2010 and in the first three quarters of 2011

Quarterly domestic income statement*

(EUR million)	1Q11	2Q11	3Q11	4Q11	1Q12	2Q12	3Q12	4Q12	1Q13	2Q13	3Q13	4Q13	1Q14	YoY	QoQ
+ Net Interest Income	124.8	164.4	188.2	168.4	197.3	222.1	216.6	187.2	127.5	133.8	150.2	151.9	145.0	*14%*	*-4%*
+ Fees and Commissions	134.2	163.7	150.6	151.5	142.8	133.2	131.2	125.9	122.6	114.5	152.1	112.2	102.4	*-16%*	*-9%*
= Commercial Bkg Income	**259.0**	**328.1**	**338.8**	**320.0**	**340.1**	**355.3**	**347.8**	**313.2**	**250.0**	**248.4**	**302.3**	**264.1**	**247.4**	*-1%*	*-6%*
+ Capital Mkts & Other Results	61.8	252.1	-7.1	-340.7	21.3	85.0	182.4	210.5	75.5	113.6	-47.2	74.0	123.3	*63%*	*66%*
= Banking Income	**320.9**	**580.2**	**331.7**	**-20.8**	**361.4**	**440.3**	**530.2**	**523.7**	**325.6**	**362.0**	**255.2**	**338.3**	**370.7**	*14%*	*10%*
- Operating Costs (restated)	200.0	197.6	190.8	205.1	188.5	199.3	196.0	198.1	189.8	185.4	189.2	187.4	191.5	*1%*	*2%*
= Net Operating Income	**120.9**	**382.6**	**140.9**	**-226.5**	**173.0**	**240.9**	**334.2**	**325.5**	**135.8**	**176.5**	**65.8**	**150.9**	**179.2**	*32%*	*19%*
- Net Provisions	90.7	335.1	174.7	178.1	165.3	213.6	300.8	293.8	207.3	461.6	241.8	307.5	290.9	*40%*	*-5%*
= Income Bef. Taxes and Min.	**30.2**	**47.5**	**-33.8**	**-404.6**	**7.7**	**27.3**	**33.3**	**31.7**	**-71.5**	**-285.1**	**-176.0**	**-156.6**	**-111.7**	-	-
- Taxes	14.2	-30.5	18.0	-90.9	14.3	71.1	-16.8	25.9	0.9	-91.0	-15.0	-29.5	-5.5	-	-
- Minorities	-0.2	-1.1	2.4	-2.4	4.7	-2.4	-1.2	-4.0	-6.1	-4.3	-5.4	0.6	-3.2	-	-
= Net Income	**16.2**	**79.1**	**-54.2**	**-311.3**	**-11.3**	**-41.5**	**51.3**	**9.8**	**-66.4**	**-189.8**	**-155.6**	**-127.6**	**-103.1**	-	-
Cost to Income (%)	62.3	34.1	57.7	-	52.1	45.3	37.0	37.8	58.3	51.2	74.1	55.4	51.7	*-6.6pp*	*-3.7pp*
Cost to Income ex-Mkts (%)	77.2	60.2	56.5	64.1	55.4	56.1	56.4	63.3	75.9	74.7	62.6	71.0	77.4	*1.5pp*	*6.4pp*

(*) The change in the accounting policy related to employees long term benefits, now accounted in Other Comprehensive Income, led to a restatement of the staff costs line in 2010 and in the first three quarters of 2011

Quarterly international income statement

(EUR million)	1Q11	2Q11	3Q11	4Q11	1Q12	2Q12	3Q12	4Q12	1Q13	2Q13	3Q13	4Q13	1Q14	*YoY*	*QoQ*
+ Net Interest Income	146.6	107.1	143.2	138.9	97.2	90.9	82.5	86.5	94.4	114.7	146.6	115.2	124.9	*32%*	*8%*
+ Fees and Commissions	55.3	49.6	44.6	40.9	63.6	112.3	43.1	76.2	49.3	56.7	33.8	52.3	49.5	*1%*	*-5%*
= Commercial Bkg Income	**201.9**	**156.7**	**187.9**	**179.8**	**160.9**	**203.3**	**125.7**	**162.7**	**143.7**	**171.5**	**180.4**	**167.5**	**174.4**	***21%***	***4%***
+ Capital Mkts & Other Res.	2.5	8.4	7.0	-5.9	6.5	19.1	27.5	18.0	-15.6	-4.6	12.0	-35.8	31.4	-	-
= Banking Income	**204.4**	**165.1**	**194.8**	**173.9**	**167.4**	**222.4**	**153.1**	**180.7**	**128.1**	**166.8**	**192.4**	**131.7**	**205.8**	***61%***	***56%***
- Operating Costs	81.0	78.9	82.0	94.3	83.5	88.2	89.8	105.7	90.7	97.0	92.6	104.8	94.9	*5%*	***-10%***
= Net Operating Income	**123.4**	**86.2**	**112.8**	**79.9**	**83.8**	**134.2**	**63.3**	**75.0**	**37.4**	**69.8**	**99.8**	**26.9**	**110.9**	**-**	**-**
- Net Provisions	12.4	31.3	16.4	9.6	25.4	22.1	25.1	153.4	32.8	45.5	79.6	46.6	89.7	-	*92%*
= Income Bef. Taxes & Min.	**111.0**	**54.9**	**96.4**	**70.3**	**58.5**	**112.2**	**38.2**	**-78.4**	**4.6**	**24.3**	**20.2**	**-19.7**	**21.2**	**-**	**-**
- Taxes	15.7	9.4	12.2	20.8	10.9	19.1	26.5	-40.3	-0.7	0.9	-4.0	-6.6	11.6	-	-
- Minorities	39.3	18.0	36.9	19.8	24.5	37.9	-1.9	-34.0	0.9	9.0	12.2	-4.1	-4.2	-	-
= Net Income	**56.0**	**27.3**	**47.3**	**29.8**	**22.9**	**55.3**	**13.6**	**-4.1**	**4.4**	**14.5**	**12.0**	**-8.9**	**13.9**	**-**	**-**
Cost to Income (%)	*39.6*	*47.8*	*42.1*	*54.1*	*49.9*	*39.6*	*58.6*	*58.5*	*70.8*	*58.2*	*48.1*	*79.6*	*46.1*		
Cost to Income ex-Mkts (%)	*40.1*	*50.3*	*43.6*	*52.4*	*51.9*	*43.4*	*71.4*	*65.0*	*63.1*	*56.6*	*51.3*	*62.6*	*54.4*		

Strategic triangle income statement: Africa, Brazil and Spain

	Africa**			Brazil			Spain			Strategic Triangle		
(EUR million)	1Q13	1Q14	YoY	1Q13	1Q14	YoY	1Q13	1Q14	YoY	1Q13	1Q14	YoY
+ Net Interest Income	42.4	69.7	%	13.2	10.3	-22%	20.7	24.1	17%	76.3	104.1	36%
+ Fees and Com.	9.7	12.4	%	6.9	4.5	-35%	11.6	12.3	5%	28.2	29.2	3%
= Com. Bkg Income	**52.1**	**82.1**	%	**20.1**	**14.8**	-26%	**32.3**	**36.4**	13%	**104.5**	**133.3**	28%
+ Markets & Other	-5.2	8.2	-	-3.0	1.6	-	1.6	22.0	-	-6.6	31.8	-
= Banking Income	**46.9**	**90.3**	%	**17.1**	**16.4**	-4%	**33.9**	**58.4**	72%	**97.9**	**165.1**	69%
- Operating Costs	29.9	31.3	%	10.0	8.9	-10%	21.6	22.1	3%	61.5	62.3	1%
= Net Op. Income	**16.9**	**59.0***	%	**7.1**	**7.5**	5%	**12.3**	**36.2**	-	**36.3**	**102.7***	183%
- Net Provisions	16.8	70.2	%	2.5	1.1	-56%	17.3	16.0	-7%	36.3	87.3	-
= Income Bef. Tax & Min.	**0.2**	**-11.2**	%	**4.6**	**6.4**	38%	**-5.0**	**20.2**	-	**-0.2**	**15.4**	-
- Taxes & Min.	2.2	-5.1	%	3.2	4.6	41%	-1.2	5.7	-	4.2	5.2	24%
= Net Income	**-2.1**	**-6.1**	%	**1.4**	**1.8**	32%	**-3.8**	**14.5**	-	**-4.5**	**10.2**	-
Cost to Income	*63.9%*	*34.7%*	*-29.2pp*	*58.3%*	*54.5%*	*-3.8pp*	*63.7%*	*37.9%*	*-25.8pp*	*62.8%*	*37.8%*	*-25pp*

*** Provisions in Africa and Strategic Triangle include Eur 50mn not expected to be recurrent.**

* *Comprises Angola, Cape Verde, Mozambique, Algeria and Libya

Angola: Quarterly income statement

(EUR million)	1Q11	2Q11	3Q11	4Q11	1Q12	2Q12	3Q12	4Q12	1Q13	2Q13	3Q13	4Q13	1Q14	YoY	QoQ	2012	2013	YoY
+ Net Interest Income	86.8	57.3	92.3	87.1	44.8	33.7	30.6	32.1	41.2	58.2	92.7	61.1	67.5	64%	10%	141.2	253.3	79%
+ Fees and Commissions	6.2	6.3	5.8	5.9	20.8	73.6	7.8	21.9	6.4	12.5	-7.3	4.1	7.9	23%	91%	124.1	15.7	-87%
= Commercial Bkg Income	**93.0**	**63.6**	**98.0**	**93.0**	**65.6**	**107.3**	**38.5**	**54.0**	**47.6**	**70.7**	**85.4**	**65.2**	**75.3**	58%	16%	**265.3**	**269.0**	**1%**
+ Capital Mkts & Other	5.3	-1.8	9.4	-1.1	8.8	3.4	20.8	2.7	-6.4	-1.9	7.0	-51.6	7.0	-	-	35.7	-52.8	-
= Banking Income	**98.3**	**61.8**	**107.5**	**91.9**	**74.4**	**110.7**	**59.2**	**56.7**	**41.2**	**68.8**	**92.4**	**13.7**	**82.3**	100%	-	**301.0**	**216.2**	**-28%**
- Operating Costs	19.2	16.5	20.8	23.6	22.4	22.5	24.9	36.3	26.3	28.4	29.1	31.3	27.1	3%	-13%	106.1	115.1	8%
= Net Operating Income	**79.2**	**45.3**	**86.7**	**68.3**	**52.0**	**88.2**	**34.4**	**20.3**	**14.9**	**40.4**	**63.3**	**-17.6**	**55.2**	-	-	**195.0**	**101.0**	**-48%**
- Net Provisions	4.7	5.1	7.4	10.7	7.0	12.4	14.1	104.2	16.8	20.3	40.4	-9.7	69.9	-	-	137.7	67.8	-51%
= Income Bef. Tax & Min.	**74.4**	**40.2**	**79.3**	**57.6**	**45.1**	**75.8**	**20.3**	**-83.9**	**-1.9**	**20.1**	**22.9**	**-7.9**	**-14.7**	-	-	**57.3**	**33.2**	**-42%**
- Taxes & Minority Interests	47.3	25.6	50.3	36.6	32.6	48.1	20.9	-75.9	1.0	11.1	14.3	-8.8	-7.1	-	-	25.6	17.7	-31%
= Net Income	**27.1**	**14.6**	**29.0**	**21.0**	**12.5**	**27.7**	**-0.6**	**-8.0**	**-2.9**	**8.9**	**8.6**	**0.9**	**-7.6**	-	-	**31.7**	**15.5**	**-51%**
Cost to Income	*19.5%*	*26.7%*	*19.4%*	*25.7%*	*30.0%*	*20.3%*	*42.0%*	*64.1%*	*63.8%*	*41.3%*	*31.5%*	*n.m.*	*33.0%*	-	-	*35.2%*	*53.3%*	*18.1pp*
Total Assets	*6,210.1*	*5,992.8*	*6,880.8*	*6,867.0*	*6,778.5*	*7,625.3*	*7,915.4*	*7,970.7*	*8,431.4*	*8,547.1*	*8,440.8*	*8,300.6*	*8,458.3*	-	*2%*	*7,970.7*	*8,300.6*	*4.1%*
Total Credit (Gross)	*3,029.4*	*3,221.2*	*3,579.5*	*3,946.3*	*4,061.9*	*4,558.3*	*4,898.2*	*5,382.1*	*5,745.4*	*5,699.2*	*5,750.7*	*5,886.6*	*6,054.2*	*5%*	*3%*	*5,382.1*	*5,886.6*	*9.4%*
Equity	*526.9*	*556.1*	*653.6*	*721.3*	*734.2*	*844.6*	*820.9*	*762.7*	*774.0*	*801.7*	*800.9*	*1,150.3*	*1,190.8*	*54%*	*4%*	*762.7*	*1,150.3*	*50.8%*

Brazil: Quarterly income statement

(EUR million)	1Q11	2Q11	3Q11	4Q11	1Q12	2Q12	3Q12	4Q12	1Q13	2Q13	3Q13	4Q13	1Q14	YoY	QoQ	2012	2013	YoY
+ Net Interest Income	14.1	10.7	13.6	14.4	14.9	20.0	14.0	12.3	13.2	12.7	10.9	7.9	10.3	-22%	30%	61.2	44.6	-27%
+ Fees and Commissions	10.1	11.9	6.9	3.2	10.0	7.2	3.5	6.4	6.9	6.1	3.9	6.2	4.5	-35%	-28%	27.1	23.2	-14%
= Commercial Bkg Income	**24.2**	**22.6**	**20.5**	**17.7**	**24.9**	**27.2**	**17.5**	**18.7**	**20.1**	**18.8**	**14.8**	**14.2**	**14.8**	-26%	4%	**88.3**	**67.8**	**-23%**
+ Capital Markets & Other	-1.8	3.0	-1.8	2.7	-1.9	-9.2	-4.9	-3.2	-3.0	-4.5	2.2	1.1	1.6	-	-	-19.2	-4.1	-
= Banking Income	**22.4**	**25.5**	**18.7**	**20.4**	**23.0**	**17.9**	**12.6**	**15.5**	**17.1**	**14.3**	**17.0**	**15.3**	**16.4**	-4%	7%	**69.1**	**63.7**	**-8%**
- Operating Costs	9.6	10.3	9.3	11.8	9.7	10.7	10.5	10.9	10.0	11.5	10.5	11.4	8.9	-10%	-22%	41.8	43.4	4%
= Net Operating Income	**12.8**	**15.2**	**9.4**	**8.5**	**13.3**	**7.2**	**2.1**	**4.6**	**7.1**	**2.8**	**6.5**	**3.9**	**7.5**	5%	94%	**27.3**	**20.3**	**-26%**
- Net Provisions	1.5	1.6	0.0	-1.5	0.6	-0.2	1.1	0.5	2.5	1.1	0.7	1.4	1.1	-	-	1.9	4.3	191%
= Income Bef. Taxes & Min.	**11.3**	**13.6**	**9.4**	**10.1**	**12.7**	**7.5**	**1.0**	**4.1**	**4.6**	**1.7**	**5.8**	**2.5**	**6.4**	38%	-	**25.3**	**14.6**	**-42%**
- Taxes & Minority Interests	5.6	5.6	4.4	8.2	5.7	4.2	1.4	2.9	3.2	1.7	0.8	2.2	4.6	41%	-	14.2	7.9	-45%
= Net Income	**5.7**	**8.0**	**5.0**	**1.8**	**7.0**	**3.2**	**-0.3**	**1.2**	**1.4**	**0.0**	**5.0**	**0.3**	**1.8**	-	-	**11.1**	**6.7**	**-39%**
Cost to Income	*42.7%*	*40.4%*	*49.7%*	*58.0%*	*42.0%*	*59.7%*	*83.3%*	*70.4%*	*58.3%*	*80.5%*	*61.6%*	*74.7%*	*54.5%*	*-3.8pp*	*-20.2pp*	*60.5%*	*68.1%*	*7.6pp*
Assets	*2,755.7*	*2,711.4*	*2,502.1*	*2,645.7*	*2,425.7*	*2,711.6*	*2,392.3*	*2,440.0*	*2,966.2*	*2,676.5*	*2,454.4*	*2,336.0*	*2,330.9*	*-21%*	-	*2,440.0*	*2,336.0*	*4%*
Equity	*173.4*	*179.6*	*162.5*	*171.2*	*204.0*	*195.7*	*192.2*	*192.2*	*195.7*	*172.7*	*157.3*	*151.6*	*145.4*	*26%*	*-4%*	*192.2*	*151.6*	*-41*

Spain: Quarterly income statement

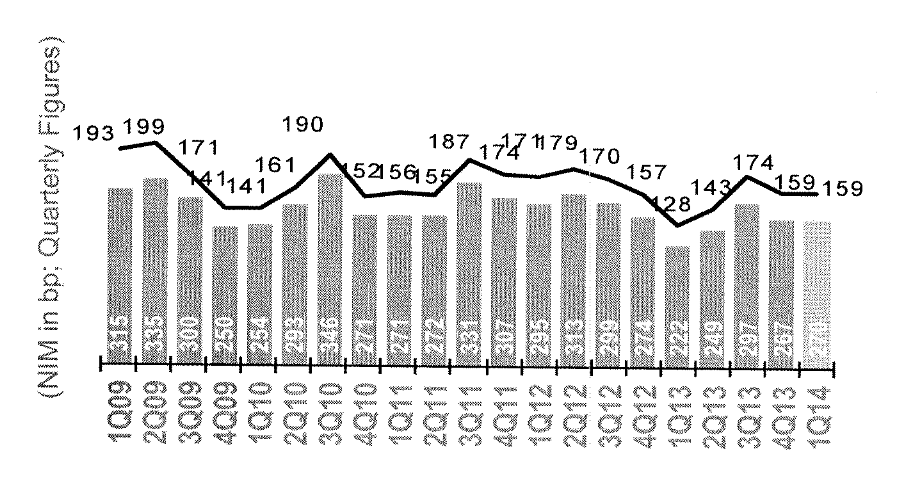
(EUR million)	1Q11	2Q11	3Q11	4Q11	1Q12	2Q12	3Q12	4Q12	1Q13	2Q13	3Q13	4Q13	1Q14	YoY	QoQ	2012	2013	YoY
+ Net Interest Income	25.4	22.3	20.5	21.7	21.9	22.1	21.1	23.6	20.7	24.3	23.8	27.2	24.1	17%	-11%	88.6	96.0	8%
+ Fees and Commissions	12.5	12.7	12.3	14.0	12.7	12.0	11.5	11.5	11.6	10.9	10.8	11.8	12.3	5%	4%	47.6	45.1	-5%
= Commercial Bkg Income	**37.9**	**34.9**	**32.8**	**35.7**	**34.6**	**34.1**	**32.5**	**35.0**	**32.3**	**35.2**	**34.6**	**39.0**	**36.4**	13%	-7%	**136.2**	**141.1**	4%
+ Capital Markets & Other	5.1	2.5	-0.1	0.8	0.8	11.1	11.4	-0.7	1.6	-2.1	1.1	10.0	22.0	-	-	22.6	10.5	-53%
= Banking Income	**43.0**	**37.5**	**32.7**	**36.5**	**35.3**	**45.1**	**44.0**	**34.3**	**33.9**	**33.0**	**35.7**	**49.0**	**58.4**	72%	19%	**158.7**	**151.6**	-4%
- Operating Costs	22.3	20.3	21.1	21.9	21.4	21.1	20.6	22.1	21.6	21.6	22.0	23.7	22.1	3%	-6%	85.3	88.9	4%
= Net Operating Income	**20.7**	**17.2**	**11.6**	**14.6**	**13.9**	**24.0**	**23.4**	**12.2**	**12.3**	**11.4**	**13.7**	**25.3**	**36.2**	-	43%	**73.5**	**62.8**	-15%
- Net Provisions	13.3	16.9	14.4	11.1	9.1	16.9	9.4	18.7	17.3	27.0	37.8	51.2	16.0	-	-69%	54.1	133.4	147%
= Income Bef. Taxes & Min.	**7.4**	**0.2**	**-2.7**	**3.5**	**4.8**	**7.1**	**14.0**	**-6.5**	**-5.0**	**-15.6**	**-24.1**	**-25.9**	**20.2**	-	-	**19.4**	**-70.6**	-
- Taxes & Minority Interests	1.6	-0.6	-1.0	-1.4	0.1	1.2	3.7	-1.5	-1.2	-5.1	-9.3	-7.2	5.7	-	%	3.6	-22.9	-
= Net Income	**5.8**	**0.8**	**-1.7**	**5.0**	**4.7**	**5.9**	**10.3**	**-5.0**	**-3.8**	**-10.5**	**-14.7**	**-18.7**	**14.5**	-	-	**15.8**	**-47.8**	-
Cost to Income	*51.9%*	*54.1%*	*64.5%*	*60.1%*	*60.7%*	*46.8%*	*46.8%*	*64.6%*	*63.7%*	*65.5%*	*61.5%*	*48.3%*	*37.9%*	*-25.8pp*	*-10.4pp*	*53.7%*	*58.6%*	*-3.5pp*
Credit (Gross)	*3,736.4*	*3,690.5*	*3,564.8*	*3,495.1*	*3,371.5*	*3,347.2*	*3,194.4*	*3,258.7*	*3,343.7*	*3,376.6*	*3,291.5*	*3,267.9*	*3,165.3*	*-5%*	*-3%*	*3,258.7*	*3,267.9*	*0.3%*
Cost of Risk (bp)	*142 bp*	*178 bp*	*161 bp*	*115 bp*	*94 bp*	*183 bp*	*107bp*	*138bp*	*130bp*	*235bp*	*373bp*	*380bp*	*194bp*	*64bp*	*-186bp*	*132bp*	*283bp*	*151bp*
Assets	*5,502.6*	*4,792.0*	*4,874.2*	*5,302.5*	*5,139.2*	*5,013.0*	*4,654.5*	*4,652.6*	*5,601.3*	*5,597.9*	*5,689.9*	*6,351.8*	*6,363.1*	*14%*	*-*	*4,652.6*	*6,351.8*	*37%*

UK: Quarterly income statement

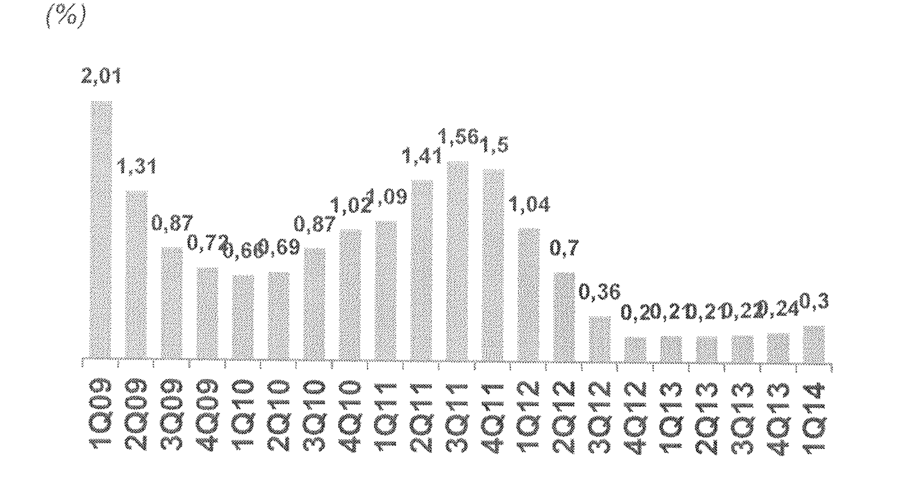
(EUR million)	1Q11	2Q11	3Q11	4Q11	1Q12	2Q12	3Q12	4Q12	1Q13	2Q13	3Q13	4Q13	1Q14	YoY	QoQ	2012	2013	YoY
+ Net Interest Income	12.8	9.7	9.6	7.8	7.8	7.0.	8.7	6.8	8.8	6.6	5.6	4.1	4.7	*-46%*	*16%*	30.2	25.0	*-17%*
+ Fees and Commissions	18.4	8.5	13.0	5.7	12.2	8.6	11.4	23.7	12.4	14.7	12.7	11.1	7.4	*-40%*	*-34%*	55.9	50.9	*-9%*
= Commercial Bkg Income	**31.1**	**18.2**	**22.6**	**13.6**	**20.0**	**15.6**	**20.1**	**30.5**	**21.1**	**21.3**	**18.2**	**15.2**	**12.1**	*-43%*	*-20%*	**86.1**	**75.9**	*-12%*
+ Capital Markets & Other	-7.2	0.6	-2.6	-8.7	-4.8	6.9	-0.7	11.2	-7.2	0.6	-0.9	3.1	-0.2	-	-	12.5	-4.4	-
= Banking Income	**24.0**	**18.9**	**20.0**	**4.8**	**15.2**	**22.5**	**19.3**	**41.6**	**13.9**	**21.9**	**17.4**	**18.3**	**11.9**	*-14%*	*-35%*	**98.7**	**71.4**	*-28%*
- Operating Costs	18.3	17.5	18.7	17.3	13.5	14.8	14.3	13.7	12.9	13.0	11.5	9.7	10.8	*-16%*	*12%*	56.4	47.0	*-17%*
= Net Operating Income	**5.7**	**1.3**	**1.3**	**-12.5**	**1.7**	**7.6**	**5.0**	**28.0**	**1.1**	**8.9**	**5.8**	**8.6**	**1.1**	*7%*	-	**42.3**	**24.4**	***-42%***
- Net Provisions	-4.3	7.6	-6.2	-14.7	8.9	-7.6	0.0	26.7	-3.9	-1.5	-0.2	0.6	-0.4	-	-	28.0	-5.0	-
= Income Bef. Taxes & Min.	**10.0**	**-6.3**	**7.5**	**2.2**	**-7.2**	**15.3**	**4.9**	**1.2**	**4.9**	**10.4**	**6.0**	**8.0**	**1.5**	-	*-81%*	**14.3**	**29.4**	*106%*
- Taxes & Minority Interests	-0.2	-3.6	-4.0	2.6	-5.0	1.7	0.0	-1.6	-4.2	0.2	-0.1	0.8	0.3	-	-	-4.9	-3.3	-
= Net Income	**10.2**	**-2.7**	**11.5**	**-0.4**	**-2.1**	**13.5**	**5.0**	**2.9**	**9.1**	**10.2**	**6.1**	**7.2**	**1.2**	***-87%***	*-83%*	**19.2**	**32.6**	*70%*
Cost to Income	*76.2%*	*92.9%*	*93.5%*	-	*88.9%*	*66.0%*	*74.2%*	*32.9%*	*92.4%*	*59.4%*	*66.5%*	*52.8%*	*90.5%*	*-1.9pp*	*37.7pp*	*57.2%*	*65.9%*	*8.7pp*
Credit (Gross)	*2,349.2*	*2,122.5*	*2,079.1*	*1,930.5*	*2,122.5*	*2,051.3*	*2,100.7*	*2,028.1*	*1,994.5*	*1,950.4*	*1,862.2*	*1,916.7*	*1,899.6*	*-5%*	*-1%*	*2,028.1*	*1,916.7*	*-5%*

Quarterly Net Interest Income

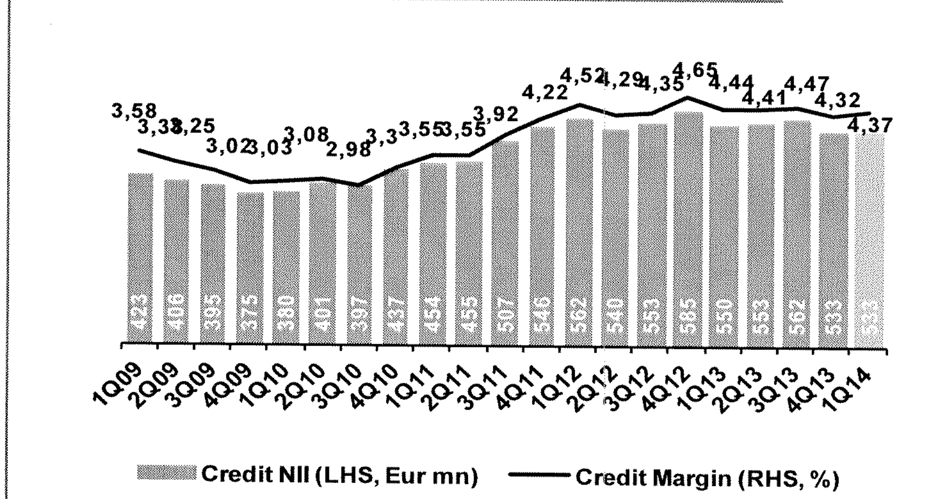
Quarterly Net Interest Income & NIM



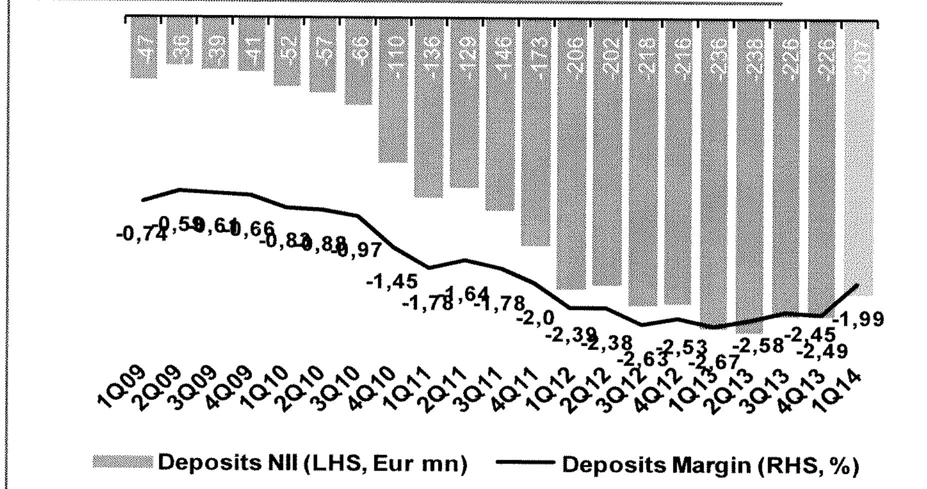
Euribor 3M (quarterly average)



Credit Margin



Deposit Margin



Net Interest income & Net Interest Margin (quarterly)

(EUR million)	1Q2012 Avrg Bal.	1Q2012 Inter.	1Q2012 Yield	2Q2012 Avrg Bal.	2Q2012 Inter.	2Q2012 Yield	3Q2012 Avrg Bal.	3Q2012 Inter.	3Q2012 Yield	4Q2012 Avrg Bal.	4Q2012 Inter.	4Q2012 Yield	1Q2013 Avrg Bal.	1Q2013 Inter.	1Q2013 Yield	2Q2013 Avrg Bal.	2Q2013 Inter.	2Q2013 Yield	3Q2013 Avrg Bal.	3Q2013 Inter.	3Q2013 Yield	4Q2013 Avrg Bal.	4Q2013 Inter.	4Q2013 Yield	1Q2014 Avrg Bal.	1Q2014 Inter.	1Q2014 Yield
Interest Earning Assets	68,597	926.6	5.48	70,059	921.4	5.28	69,790	891.7	5.07	69,345	830.8	4.75	70,059	797.5	4.61	69,687	816.3	4.70	67,811	837.3	4.90	66,811	808.0	4.80	68,407	784.4	4.65
... Loan Portfolio	50,430	692.0	5.57	50,487	627.1	4.98	50,402	598.8	4.71	49,924	609.3	4.84	50,154	575.8	4.66	50,312	579.3	4.62	49,970	590.6	4.69	49,028	563.1	4.56	49,465	569.2	4.67
... Securities and Other	18,167	234.6	5.24	19,571	294.3	6.03	19,388	293.0	6.00	19,421	221.4	4.57	19,905	221.7	4.52	19,374	237.0	4.91	17,841	246.7	5.49	17,783	244.8	5.46	18,942	215.2	4.61
Other non interest earning assets	1,388	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	535	-	-
Total	**69,985**	**926.6**	**5.37**	**70,059**	**921.4**	**5.28**	**69,790**	**891.7**	**5.07**	**69,345**	**830.8**	**4,75**	**70,059**	**797.5**	**4.61**	**69,687**	**816.3**	**4.70**	**67,811**	**837.3**	**4.90**	**66,811**	**808.0**	**4.80**	**68,942**	**784.4**	**4.62**
Interest Bearing Liabilities	69,985	632.1	3.66	69,510	608.3	3.51	67,089	592.6	3.50	65,767	557.1	3.36	66,909	575.6	3.49	66,676	567.8	3.41	64,872	540.5	3.30	63,610	540.9	3.37	68,942	514.4	3.03
... Deposits	34,981	296.3	3.44	34,050	260.9	3.07	33,016	248.4	2.98	33,809	232.1	2.72	35,855	254.3	2.88	36,944	257.0	2.79	36,595	246.8	2.68	35,963	247.4	2.73	36,449	206.2	2.29
... Other Liabilities	35,004	335.8	3.89	35,461	347.4	3.93	34,073	344.2	4.01	31,959	324.9	4.03	31,054	321.3	4.30	29,732	310.8	4.19	28,277	293.7	4.12	27,647	293.5	4.21	32,493	308.0	3.85
Other non interest bearing liabilities	-	-	-	549	-	-	2,700	-	-	3,578	-	-	3,150	-	-	3,011	-	-	2,939	-	-	3,202	-	-	-	-	-
Total	**69,985**	**632.1**	**3.66**	**70,059**	**608.3**	**3.48**	**69,790**	**592.6**	**3.37**	**69,345**	**557.1**	**3.19**	**70,059**	**575.6**	**3.33**	**69,687**	**567,8**	**3.27**	**67,811**	**540.5**	**3.16**	**66,811**	**540.9**	**3.21**	**68,942**	**514.4**	**3.03**
NII / NIM		**294.5**	**1.71**		**313.1**	**1.79**		**299.2**	**1.70**		**273.7**	**1.57**		**221.9**	**1.28**		**248.5**	**1.43**		**296.8**	**1.74**		**267.1**	**1.59**		**269.9**	**1.59**
Average Euribor 3M			***1.04***			***0.70***			***0.36***			***0.20***			***0.21***			***0.21***			***0.22***			***0.24***			***0.30***

Quarterly fees & commissions

(EUR million)	1Q11	2Q11	3Q11	4Q11	1Q12	2Q12	3Q12	4Q12	1Q13	2Q13	3Q13	4Q13	1Q14	YoY	QoQ	2012	2013	YoY
Account Management Fees	19.4	19.6	20.0	22.1	19.3	19.9	20.1	19.6	18.7	19.0	19.7	19.3	18.7	*0%*	*-3%*	79.0	76.6	*-3%*
Commissions on Loans	23.8	27.7	24.9	27.9	29.1	22.7	27.2	26.4	27.2	30.6	24.8	24.2	21.4	*-21%*	*-12%*	105.4	106.8	*1%*
Trade Finance & Exp. Rel. (1)	12.3	21.4	32.9	18.6	19.4	24.1	23.3	21.1	17.1	18.8	52.3	17.0	14.9	*-13%*	*-12%*	87.9	105.3	*20%*
Corporate & Project Finance	15.0	21.9	10.8	12.0	15.9	9.1	8.1	8.6	11.9	8.4	8.3	8.6	10.1	*-15%*	*18%*	41.6	37.1	*-11%*
Guarantees	25.6	36.9	30.8	39.2	29.9	39.0	33.4	37.2	36.7	38.1	26.4	37.5	32.5	*-11%*	*-13%*	139.6	138.7	*-1%*
Securities related fees (2)	29.6	22.6	19.5	18.2	18.4	19.0	17.5	18.5	19.3	19.5	15.7	19.9	23.3	*21%*	*17%*	73.4	74.3	*1%*
Asset Management (3)	23.7	25.0	21.2	15.9	19.9	18.6	19.7	27.7	21.3	21.6	23.9	21.1	19.4	*-9%*	*-8%*	85.9	87.9	*2%*
Cards	9.7	10.0	10.2	11.1	10.0	10.4	10.6	25.7	8.4	9.4	8.6	7.5	8.1	*-4%*	*7%*	56.7	34.0	*-40%*
Bancassurance	11.7	10.2	10.3	2.7	19.1	8.4	8.8	11.4	5.7	5.6	9.1	9.2	5.1	*-10%*	*-44%*	47.6	29.5	*-38%*
Factoring	1.9	2.0	2.2	2.2	1.8	1.6	2.0	2.2	1.8	2.3	2.2	2.1	1.4	*-20%*	*-31%*	7.6	8.4	*11%*
Other	16.8	16.1	12.7	22.1	23.6	72.8	3.7	3.7	3.8	-2.1	-5.0	-1.9	-3.0	-	-	103.7	-5.2	-
... Ow cost of issuing GGB	-	-	*-3.4*	*-3.8*	*-12.6*	*-14.8*	*-15.0*	*-16.1*	*-15.0*	*-15.1*	*-15.3*	*-15.3*	*-14.9*			*58.5*	*60.6*	
Total Fees & Commissions	**189.6**	**213.3**	**195.4**	**192.1**	**206.4**	**245.6**	**174.3**	**202.1**	**171.8**	**171.3**	**185.9**	**164.5**	**151.9**	***-12%***	***-8%***	**828.4**	**693.4**	***-16%***

Commissions related to the issuance of Government Guaranteed Bonds are included in "Other"

Note: Changes calculated based on figures in thousand euros.
(1) Includes trade finance and letters of credit
(2) Includes Brokerage
(3) Includes discretionary management

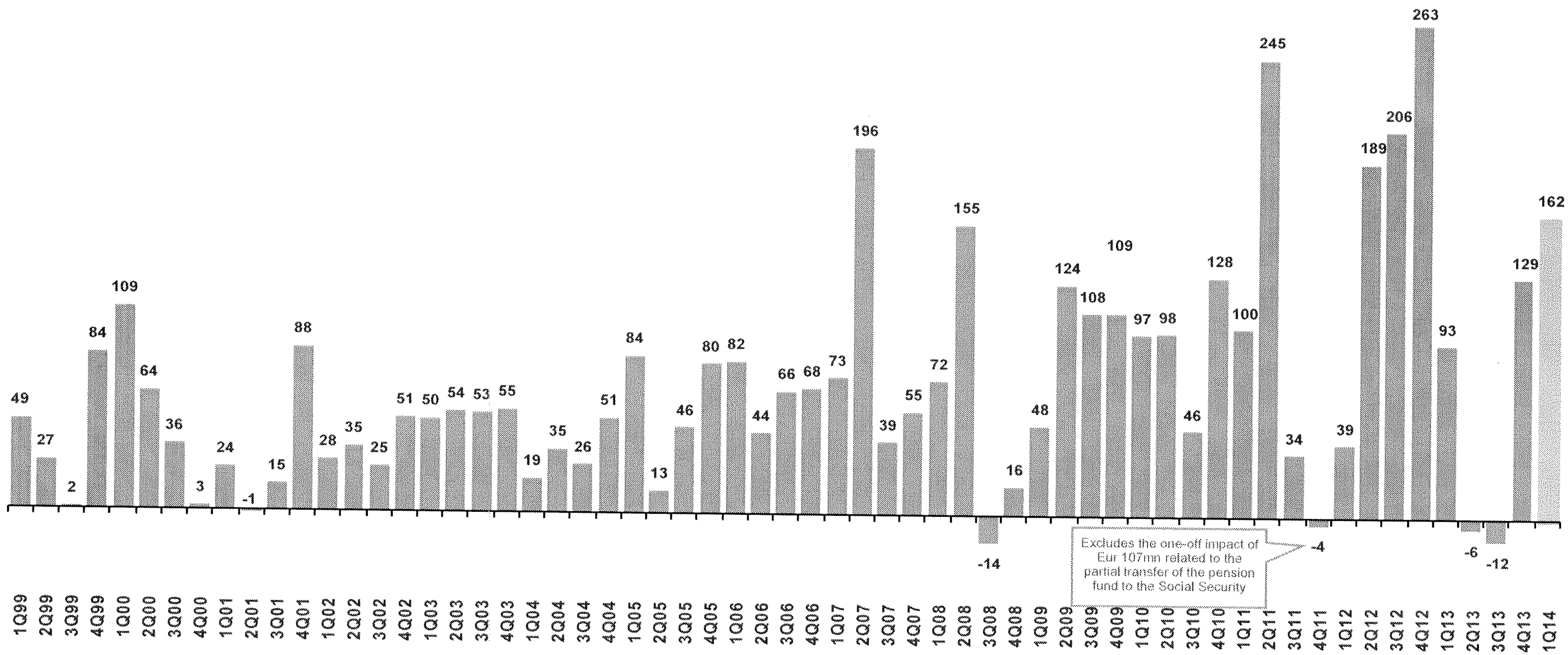
Quarterly capital markets results

(EUR million)	1Q11	2Q11	3Q11	4Q11	1Q12	2Q12	3Q12	4Q12	1Q13	2Q13	3Q13	4Q13	1Q14	2012	2013
Interest Rate, Credit & FX	50.5	7.6	164.2	-47.2	80.9	239.5	243.6	261.0	86.0	-38.5	-29.7	78.8	137.1	825.0	96.6
... Interest rate	37.8	5.5	46.4	-36.5	58.1	221.9	236.0	265.3	87.4	33.5	-24.3	27.3	155.2	781.3	123.9
... Credit	8.4	14.3	99.6	19.0	23.3	-13.2	-14.8	37.2	-5.9	-62.7	36.9	4.6	-9.4	32.5	-27.1
... FX & Other	4.3	-12.2	18.2	-9.1	-0.5	30.8	22.4	-41.5	4.5	-9.3	-42.3	46.9	-8.7	11.2	-0.2
Equity	49.9	237.0	-130.3	-63.3	-41.7	-50.0	-37.2	2.4	6.7	32.8	17.9	49.8	24.9	-126.5	107.1
... Trading	45.6	100.3	-131.5	-88.8	-78.4	-113.8	-7.6	0.7	4.8	-18.1	15.1	46.8	22.4	-199.1	48.6
... Income from securities	4.3	136.7	1.2	25.6	36.7	63.9	-29.6	1.7	1.9	50.9	2.8	3.0	2.5	72.6	58.5
Capital market results	**100.4**	**244.6**	**33.9**	**-110.5**	**39.2**	**189.4**	**206.4**	**263.4**	**92.7**	**-5.7**	**-11.8**	**128.6**	**162.0**	**698.5**	**203.7**
Provisions for Securities	**0.6**	**55.8**	**5.3**	**11.6**	**1.9**	**16.9**	**13.7**	**74.1**	**18.5**	**34.3**	**39.0**	**12.4**	**46.1**	**106.6**	**104.1**
Capital Markets net of Provisions for securities	**99.8**	**188.8**	**28.6**	**-122.1**	**37.3**	**172.5**	**192.7**	**189.3**	**74.2**	**-40.0**	**-50.8**	**116.2**	**115.9**	**591.9**	**99.6**

Quarterly capital markets results

Quarterly history of capital markets results since 1999

(EUR mn)



Quarterly equity accounted earnings and other results

Equity Accounted Earnings and Other Results (Quarterly)

(EUR million)	1Q11	2Q11	3Q11	4Q11	1Q12	2Q12	3Q12	4Q12	1Q13	2Q13	3Q13	4Q13	1Q14
Equity Accounted Earnings	4.1	8.8	-9.5	-178.6	3.4	3.8	1.5	-0.5	1.8	-0.7	2.1	-2.1	2.8
… BES Vida	2.9	-0.2	-12.6	-183.3	-0.2	3.0	-	-	-	-	-	-	-
… Other	1.2	9.0	3.1	4.7	3.6	0.8	1.5	-0.5	1.8	-0.7	2.1	-2.1	2.8
Other Results, ow	-40.0	6.9	-24.5	-57.5	-14.8	-90.3	3.1	-35.3	-38.5	115.3	-25.6	-88.0	-10.1
… Results from sale other assets	-38.6	-7.2	-23.0	-21.0	-10.4	-14.6	-9.5	-23.3	-6.3	2.2	1.1	-65.6	2.2
… Insurance Premiums & Costs	-	-	-	-	-	1.1	-1.2	0.8	-1.7	168.7	-11.0	-13.2	-13.3
Total Equity Accounted & Other	-35.9	15.7	-33.9	-236.1	-11.4	-85.3	3.4	-35.0	-32.7	115.3	-23.5	-90.1	-7.3

Equity Accounted Earnings and Other results (Accumulated)

(EUR million)	3M11	6M11	9M11	FY11	3M12	6M12	9M12	FY12	3M13	6M13	9M13	FY13	3M14
Equity Accounted Earnings, ow	4.1	12.9	3.4	-175.2	3.4	7.2	8.8	8.3	1.8	1.1	3.2	1.1	2.8
… BES Vida	2.9	2.7	-9.9	-193.2	-0.2	2.8	2.8	2.8	-	-	-	-	-
Other Results, ow	-40.0	-33.1	-57.5	-115.1	-14.8	-104.0	-102.1	-138.0	-40.2	76.8	51.2	-32.7	-10.1
… Results from sale of other assets	-40.0	-33.1	-68.8	-89.9	-10.4	-25.0	-34.4	-57.7	-6.3	-4.1	-3.0	-68.6	2.2
… Insurance Premiums & Costs	-	-	-	-	-	1.1	-0.1	0.7	-1.7	168.7	157.7	142.8	-13.3

Quarterly other results: Reconciliation between IFRS P&L and Presentation

Quarterly

(EUR million)	1Q11	2Q11	3Q11	4Q11	1Q12	2Q12	3Q12	4Q12	1Q13	2Q13	3Q13	4Q13	1Q14
Other Results (IFRS)	36.0	127.2	190.7	3.9	30.2	-46.0	4.7	40.0	-39.1	-83.5	-22.5	46.3	-20.7
... Fees	9.0	9.3	7.7	6.4	10.1	7.9	7.8	8.7	8.8	6.0	4.4	8.5	6.0
... Capital Markets	36.0	111.4	192.1	41.5	32.3	27.9	-8.7	-29.7	-14.9	-27.6	-4.7	54.8	-6.3
... Special Tax on Banks	-7.6	-7.6	-7.6	-7.6	-7.8	-6.2	-6.9	-7.0	-6.5	-6.6	-6.5	-7.8	-8.2
... Other	-1.4	14.1	-1.4	-13.8	-4.4	-75.7	12.6	-12.0	-26.5	-55.5	-15.7	-9.1	-12.1

Accumulated

(EUR million)	3M11	6M11	9M11	FY11	3M12	6M12	9M12	FY12	3M13	6M13	9M13	FY13	3M14
Other Results (IFRS)	36.0	163.2	353.9	357.8	30.2	-15.8	-11.1	-51.1	-39.1	-122.6	-145.1	-98.7	-20.7
... Fees	9.0	18.3	26.0	32.4	10.1	18.0	25.8	34.5	8.8	14.9	19.3	27.8	6.0
... Capital Markets	36.0	147.4	339.5	381.0	32.3	60.2	51.5	21.8	-14.9	-42.5	-47.2	7.6	-6.3
... Special Tax Banks	-7.6	-15.2	-22.9	-30.5	-7.8	-14.0	-20.9	-27.9	-6.5	-13.0	-19.5	-27.3	-8.2
... Other	-1.4	12.7	11.3	-25.1	-4.4	-80.1	-67.5	-79.5	-26.5	-82.0	-97.7	-106.8	--12.1

Breakdown of operating costs*

Quarterly Operating Costs (EUR million)	1Q11	2Q11	3Q11	4Q11	1Q12	2Q12	3Q12	4Q12	1Q13	2Q13	3Q13	4Q13	1Q14	*YoY*	*QoQ*	2012	2013	*YoY*
Staff costs	147.4	142.4	148.2	149.5	143.1	148.4	148.3	159.1	145.6	143.9	140.0	145.5	149.7	*2.8%*	*2.9%*	598.9	575.0	*-4.0%*
...Remunerations	116.0	111.9	117.5	126.2	114.7	119.0	118.9	131.2	116.2	115.1	112.0	115.4	113.1	*-2.7%*	*-2.0%*	483.8	458.7	*-5.2%*
...Pension Benefits (restated)	6.8	6.2	6.8	2.9	4.8	4.7	5.7	3.3	5.0	4.7	4.5	4.7	12.5	-	-	18.5	18.9	*2.0%*
...LT service benefits & Other	24.6	24.3	23.9	20.3	23.6	24.7	23.7	24.6	24.4	24.1	23.6	25.4	24.1	*-1.2%*	*-5.1%*	96.6	97.5	*0.9%*
Admin costs	107.5	107.9	98.1	120.3	102.2	112.0	110.8	117.2	108.9	112.0	114.5	118.6	109.3	*0.4%*	*-7.8%*	442.1	454.1	*2.7%*
Depreciation	26.1	26.2	26.5	29.1	26.6	27.1	26.8	27.5	26.0	26.6	27.3	28.1	27.4	*5.4%*	*-2.5%*	108.8	107.9	*-0.2%*
Total Operating Costs	**280.9**	**276.5**	**272.8**	**298.9**	**271.9**	**287.5**	**285.8**	**303.8**	**280.5**	**282.5**	**281.8**	**292.2**	**286.4**	*2.1%*	*-2.0%*	**1,149.1**	**1,137.0**	***-1.1%***

(*) The change in the accounting policy related to employees long term benefits, now accounted in Other Comprehensive Income, led to a restatement of the staff costs line in 2010 and the first three quarters of 2011

Breakdown of quarterly operating costs: domestic* and international

(EUR million)	1Q11	2Q11	3Q11	4Q11	1Q12	2Q12	3Q12	4Q12	1Q13	2Q13	3Q13	4Q13	1Q14	YoY	QoQ	2012	2013	YoY
Domestic																		
Staff costs	101.1	99.1	100.2	94.8	94.7	97.9	97.6	99.5	94.7	90.9	92.7	96.7	98.2	*3.7%*	*1.6%*	389.7	375.0	*-3.8%*
...Remunerations	72.8	71.6	71.6	74.4	68.8	71.0	70.7	75.0	68.7	65.1	67.4	71.2	64.5	*-6.1%*	*-9.4%*	285.5	271.2	*-5.0%*
...Pension Benefits	5.8	5.3	6.0	1.9	4.0	3.8	4.9	1.7	4.0	4.1	3.7	2.0	** 11.5	-	-	14.4	13.8	*-4.3%*
...LT service benefits & Other	22.4	22.1	22.7	18.5	21.9	23.1	22.0	22.8	22.0	21.7	21.6	23.5	22.2	*0.9%*	*-5.5%*	89.8	90.0	*0.2%*
Admin costs	78.6	78.6	70.4	89.1	73.9	82.1	79.3	79.3	76.7	76.0	78.1	72.5	75.3	*-1.8%*	*3.9%*	314.6	303.3	*-3.6%*
Depreciation	20.3	20.0	20.2	21.1	19.8	19.4	19.2	19.4	18.4	18.6	18.4	18.1	18.0	*-2.2%*	*-0.6%*	77.7	73.4	*-5.5%*
Domestic Operating Costs	**199.9**	**197.6**	**190.8**	**205.1**	**188.4**	**199.4**	**196.0**	**198.2**	**189.8**	**185.5**	**189.2**	**187.3**	**191.5**	*0.9%*	*2.2%*	**782.0**	**751.8**	***-3.9%***
International																		
Staff Costs	46.3	43.3	48.0	54.7	48.4	50.5	50.7	59.6	51.0	53.0	47.3	48.8	51.6	*1.2%*	*5.7%*	209.2	200.0	*-4.4%*
...Remunerations	43.2	40.3	45.9	51.9	45.8	48.0	48.2	56.3	47.5	50.0	44.6	44.2	48.6	*2.3%*	*10.0%*	198.3	187.4	*-5.5%*
...Pension Benefits	0.9	0.8	0.8	1.1	0.8	0.9	0.8	1.5	1.1	0.6	0.7	2.7	1.0	*-9.1%*	-	4.1	5.1	*23.9%*
... LT service benefits & Other	2.2	2.2	1.3	1.8	1.7	1.6	1.7	1.8	2.4	2.4	1.9	1.9	1.9	*-20.8%*	-	6.9	7.5	*9.7%*
Admin costs	28.9	29.3	27.8	31.1	28.3	29.9	31.5	37.9	32.2	36.0	36.4	46.1	34.0	*5.6%*	*-26.2%*	127.6	150.7	*18.2%*
Depreciation	5.8	6.2	6.2	8.0	6.8	7.7	7.6	8.2	7.5	8.0	8.9	10.0	9.3	*25%*	*-7.0%*	30.3	34.4	*13.5%*
International Operating Costs	**81.0**	**78.9**	**82.0**	**93.8**	**83.5**	**88.1**	**89.8**	**105.7**	**90.7**	**97.0**	**92.6**	**104.9**	**94.9**	*4.6%*	*-9.5%*	**367.1**	**385.2**	***4.9%***

(*) The change in the accounting policy related to employees long term benefits, now accounted in Other Comprehensive Income, led to a restatement of the staff costs line in 2010 and the first three quarters of 2011

(**) Pension benefits in 1Q14 includes Eur 7.6mnof early retirements

Quarterly provisions

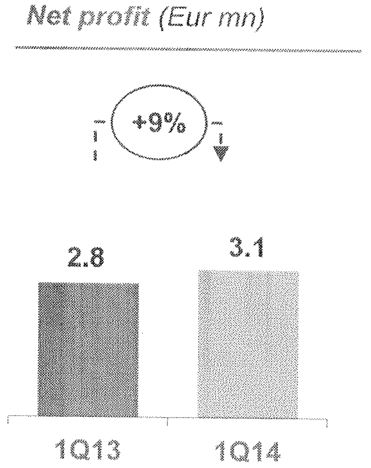
(EUR million)	1Q11	2Q11	3Q11	4Q11	1Q12	2Q12	3Q12	4Q12	1Q13	2Q13	3Q13	4Q13	1Q14	YoY	QoQ	2012	2013	YoY
...Credit	80.9	224.6	147.8	147.4	149.0	203.0	266.9	196.0	187.1	366.0	226.4	225.6	276.3	*48%*	*22%*	814.8	1,005.1	*23%*
cost of risk (bp)	63	174	114	115	117	159	210	156	146	286	182	181	217*	*71bp*	*36bp*	162	202	*40bp*
... Domestic	70.1	197.4	132.4	138.3	126.4	181.4	247.4	168.5	166.0	326.2	155.5	200.9	189.0	*14%*	*-6%*	723.8	848.5	*17%*
cost of risk (bp)	68	191	128	137	126	183	254	176	172	340	167	217	206	*34bp*	*-11bp*	190	230	*40bp*
... International	10.7	27.2	15.4	9.0	22.5	21.6	19.4	27.5	21.2	39.8	71.0	24.6	87.3	-	-	91.0	156.6	*72%*
cost of risk (bp)	40	104	59	33	82	75	66	90	66	125	225	77	243*	*177bp*	*166bp*	75	122	*47bp*
...Securities	0.6	55.7	5.3	11.6	1.9	16.9	13.7	74.1	18.5	34.3	39.0	12.4	46.1	-	-	106.6	104.1	*-2%*
...Other	21.6	86.1	37.9	28.6	39.8	15.8	45.4	177.1	34.5	106.9	56.1	116.1	58.2	*69%*	*-50%*	278.0	313.6	*13%*
Total Provisions	**103.0**	**366.5**	**191.0**	**187.6**	**190.7**	235.7	**326.0**	**447.2**	**240.1**	**507.1**	**321.5**	**354.1**	**380.6**	***59%***	***7%***	**1,199.4**	**1,422.9**	***19%***
... Domestic	90.7	335.1	174.7	178.1	165.3	213.6	300.8	293.8	207.4	461.6	241.9	307.5	290.9	*40%*	*-5%*	973.5	1,218.4	*25%*
... International	12.4	31.3	16.4	9.6	25.4	22.1	25.1	153.4	32.8	45.5	79.6	46.6	89.7	*173%*	*92%*	225.9	204.4	*-9%*

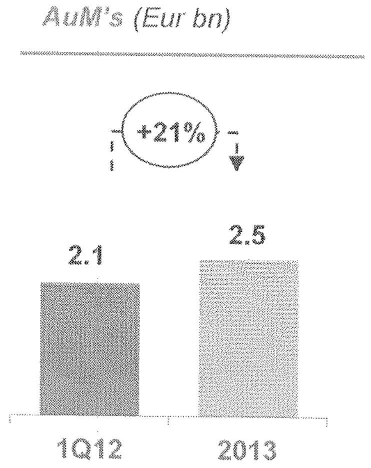
Note: (*) Cost of risk in the 1Q14 includes Eur 50 mn provision in Angola not expected to be recurrent. Excluding this effect, in 1Q14 consolidated cost of risk of 177bp and international cost of risk of 104bp.

Detailed credit provisions and asset quality data in following slides

Banco BEST is a success case of innovation and internationalization, taking advantage of new technologies. In asset management, ESAF continues to gain market share in Portugal

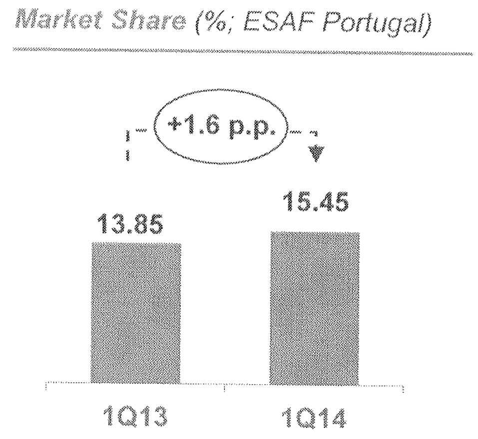
Banco BEST

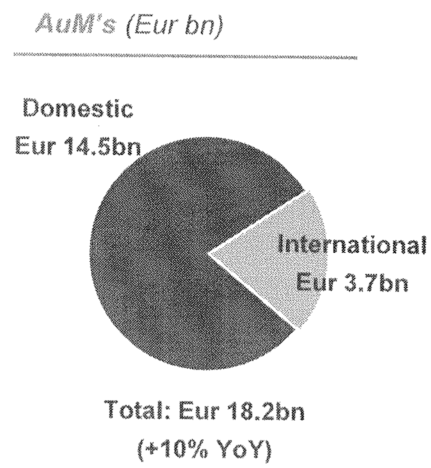




- Income before taxes of Eur 4.8mn (+19% YoY)
- **Net income of Eur 3.1mn (+9% YoY)**
- **AUM's reached Eur 2.5bn in the 1st Quarter (+21% YoY)**
- Comfortable Transformation ratio: LtD at 61%
- **Premium market shares in Third-party Funds (35%) and Online Derivative Trading in Portugal (27%)**

ESAF

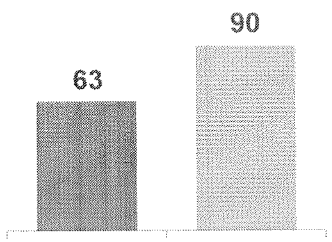




- **1Q14 net profit of Eur 5mn**
- **AuM's reached Eur 18.2bn in Mar.14 (+10% YoY)**
- **Market share of ESAF Portugal reached 15.45% (+1.6 p.p YoY)**

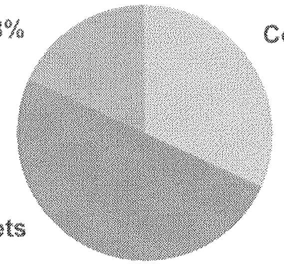
Investment Banking: An encouraging start of 2014

Banking Income: +42% YoY

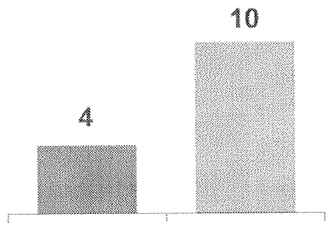


International contribution: 44%

Banking Income breakdown



Net Profit: +159% YoY



International contribution: 47%

In spite of the impairment growth, 1Q2014 net profit stood 2.5x above 1Q2013. BESI took advantage from improved sentiment and market flows to strongly increase its 1Q performance. The most relevant deals were:

- In **Portugal**, the Bank acted as Joint Lead Manager on the senior bond issues of EDP Finance BV (USD 750mn), BES (Eur750mn) and Brisa (Eur300mn) and on the Eur 3bn Republic of Portugal issue. The Bank was also Joint Global Coordinator on the IPO of 49% of the share capital of Espírito Santo Saúde amounting to Eur150mn) and Joint Bookrunner on the placing of 3% of the share capital of Zon Optimus (Eur76mn) and 16.8% of the share capital of Mota-Engil (Eur159mn).
- In **Brazil**, the Bank was Sole Placement Agent on the placement of 4.18 million shares of Klabin held by Monteiro Aranha (BRL50mn), Joint Lead Manager on the senior bond issues of BDMG (BRL248mn) and Ouro Verde (BRL250mn) and Financial Adviser and Onlending Agent on the long-term loan through BNDES for investment in the Viracopos Airport (BRL1.8bn).
- In **Mexico**, the Bank was Sole Bookrunner on the Famsa USD 60mn bond issue and issuer of a standby letter of credit to guarantee capital requirements in a road project of ICA (MXN 689mn).
- In **Poland,** the Bank was Sole Arranger on the bond issues of Globe Trade Centre (PLN 200mn) and Kredyt Inkaso (PLN70mn).
- In **Spain**, the Bank was Joint Lead Manager on the senior bond issue by Isolux-Corsán (Eur600mn).

Quarterly balance sheet: assets

(Eur mn)	Mar 11	Jun 11	Sep 11	Dec 11	Mar 12	Jun 12	Sep12	Dec 12	Mar 13	Jun 13	Sep 13	Dec 13	Mar 14	YoY	QoQ
Cash & deposits at central banks	1,252	1,085	1,015	1,090	1,527	1,646	1,183	1,378	1,410	1,209	1,018	1,719	1,806	28%	5%
Deposits with banks	671	538	610	581	562	723	617	681	511	565	788	543	705	38%	30%
Financial assets held for trading	3,398	3,007	3,458	3,435	3,885	3,904	3,994	3,925	4128	3,219	2,962	2,508	2,620	-36%	4%
Financial assets at FV	1,525	1,063	1,487	1,964	2,096	3,194	3,059	2,822	2,780	3,894	3,758	3,874	3,922	41%	1%
Financial assets AFS	10,777	10,925	12,137	11,483	12,438	14,298	12,025	10,755	13,559	12,129	12,067	8,487	11,131	-18%	31%
Loans and advances to banks	3,765	3,439	4,049	3,283	2,288	2,084	2,520	5,427	3,093	2,454	1,105	5,431	2,931	-5%	-46%
Loans and adv. to customers	49,862	49,718	49,933	49,043	48,713	48,741	48,234	47,706	48,443	47,977	46,671	46,335	47,351	-2%	2%
(Provisions)	(1,790)	(1,983)	(2,101)	(2,167)	(2,271)	(2,435)	(2,577)	(2,692)	(2,823)	(3,134)	(3,307)	(3,387)	(3,650)	29%	8%
Held to maturity investments	2,349	2,252	2,092	1,541	1,183	1,310	972	942	921	1,025	1,234	1,500	1,533	66%	2%
Hedging derivatives	296	329	435	510	468	485	483	517	450	392	367	363	322	-28%	-11%
Non current assets held for sale	605	637	674	1,647	1,827	2,164	2,176	3,278	3,489	3,365	3,527	3,567	3,510	1%	-2%
Investment property	-	-	-	-	-	385	394	442	395	393	396	396	393	-1%	-1%
Other tangible assets	780	798	823	852	834	865	947	932	971	954	932	925	929	-4%	-
Intangible assets	230	221	223	230	227	485	515	555	548	405	435	455	459	-16%	1%
Investments in assoc. Companies	961	961	948	807	858	577	587	581	583	608	539	537	433	-26%	-19%
Current income tax assets	99	108	40	29	31	38	21	25	23	33	21	36	34	47%	-6%
Deferred income tax assets	292	377	375	712	714	665	672	729	779	936	983	1,034	1,054	35%	2%
Reinsurance Technical Prov.						3	3	4	2	12	10	10	11	-	-
Other assets	3,886	4,704	4,467	3,031	3,614	3,724	3,464	2,994	2,859	3,046	3,042	2,886	3,672	28%	27%
...Direct & Indirect Insur. Debtors						9	8	1	9	352	8	1	5	-	-
... Other assets	3,886	4,704	4,467	3,031	3,614	3,715	3,456	2,994	2,850	2,694	3,033	2,885	3,666	29%	27%
Total Assets	**80,746**	**80,162**	**82,767**	**80,237**	**81,265**	**85,292**	**81,866**	**83,691**	**84,946**	**82,616**	**79,855**	**80,608**	**82,817**	-3%	3%

Quarterly balance sheet: liabilities

(Eur mn)	Mar 11	Jun 11	Sep 11	Dec 11	Mar 12	Jun 12	Sep 12	Dec 12	Mar 13	Jun 13	Sep 13	Dec 13	Mar 14	YoY	QoQ
Amounts owed to central banks	8521	9,673	11,422	10,014	13,316	14,356	11,224	10,893	9,947	10,042	9,727	9,530	9,863	*-1%*	*4%*
Financial liabilities held for trading	1,875	1,895	2,113	2,125	1,943	2,167	2,187	2,122	1,949	1,568	1,429	1,284	1,374	*-30%*	*7%*
Deposits from banks	7,199	5,961	6,170	6,239	4,950	5,767	5,072	5,089	5,592	5,197	5,358	4,999	5,297	*-5%*	*6%*
Due to customers	30,545	31,972	33,854	34,206	35,959	32,765	33,240	34,540	37,417	37,912	35,999	36,831	36,242	*-3%*	*-2%*
Debt securities	20,742	19,907	18,649	18,453	15,116	15,615	15,108	15,433	14,582	12,732	11,962	11,919	12,666	*-13%*	*6%*
Hedging derivatives	217	230	225	239	182	184	118	125	162	170	135	131	114	*-30%*	*-13%*
Investment Contracts	-	-	-	-	-	1,844	2,655	3,414	3,293	3,475	3,761	4,278	4,764	*45%*	*11%*
Non current liabilities held for sale	5	5	5	141	141	165	156	176	176	156	153	154	155	*-12%*	*1%*
Provisions	212	207	200	190	166	186	215	237	230	193	186	192	216	*-6%*	*12%*
Technical provisions	-	-	-	-	-	1,817	1,668	1,577	1,532	1,495	1,546	1,755	1,772	*16%*	*1%*
Current income tax liabilities	27	25	24	45	46	44	78	221	207	123	109	102	147	*-29%*	*44%*
Deferred income tax liabilities	110	79	94	111	115	136	163	154	151	172	158	97	130	*-14%*	*34%*
Other subordinated loans	2,327	1,578	1,158	961	946	834	839	840	835	831	831	1,066	983	*18%*	*-8%*
Other liabilities	1,603	1,642	1,950	1,321	1,996	1,887	1,384	1,146	1,187	1,320	1,424	1,220	2,078	*75%*	*70%*
… Direct and Indirect Insurance Creditors	-	-	-	-	-	11	25	2	21	22	37	25	60	*-*	*%*
… Other liabilities	1,603	1,642	1,950	1,321	1,996	1,876	1,359	1,144	1,166	1,297	1,387	1,195	2,018	*73%*	*69%*
Total Liabilities	**73,386**	**73,175**	**75,863**	**74,045**	**74,875**	**77,768**	**74,107**	**75,958**	**77,261**	**75,384**	**72,776**	**73,559**	**75,800**	*-2%*	*3%*

Quarterly balance sheet: equity

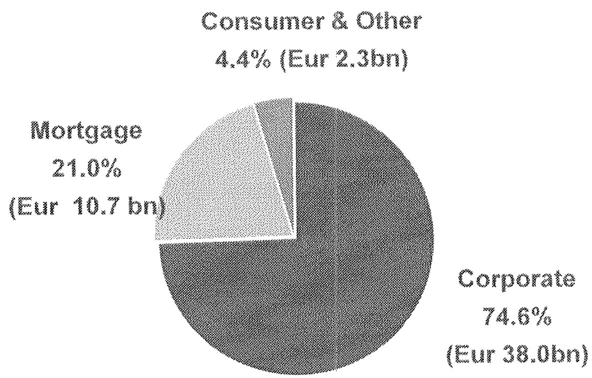
(Eur mn)	Mar 11	Jun 11	Sep 11	Dec 11	Mar 12	Jun 12	Sep 12	Dec 12	Mar 13	Jun 13	Sep 13	Dec 13	Mar 14	YoY	QoQ
Shareholders' Equity	**6,738**	**6,274**	**6,132**	**5,713**	**5,769**	**6,837**	**7,022**	**6,967**	**7,066**	**6,819**	**6,827**	**6,764**	**6,411**	*-9%*	*-5%*
Share capital	3,500	3,500	3,500	4,030	4,030	5,040	5,040	5,040	5,040	5,040	5,040	5,040	5,040	-	-
Share premium	1,085	1,085	1,085	1,082	1,082	1,067	1,069	1,070	1,069	1,069	1,068	1,068	1,070	-	-
Other capital instruments	269	269	269	30	29	29	29	29	29	29	29	29	29	-	-
Treasury stock	(1)	(1)	(1)	(1)	(1)	(11)	(9)	(7)	(1)	(1)	(1)	(1)	(1)	-	-
Preference shares	600	456	409	212	199	193	193	193	193	168	166	159	159	*-17%*	-
Fair value reserve	(33)	(383)	(467)	(1,086)	(900)	(821)	(632)	(687)	(710)	(886)	(878)	(938)	(782)	*10%*	*-17%*
Other reserves and retained earnings	1,317	1,322	1,337	1,447	1,330	1,340	1,330	1,329	1,445	1,399	1,403	1,406	895	*-38%*	*-36%*
Net Profit for the period / year	61	156	138	(109)	12	25	90	96	(62)	(237)	(381)	(518)	(89)	-	-
Minority interests	562	583	634	588	609	663	647	669	682	650	632	803	695	*2%*	*-13%*
Total Equity	**7,361**	**6,987**	**6,904**	**6,192**	**6,389**	**7,525**	**7,759**	**7,733**	**7,685**	**7,232**	**7,079**	**7,049**	**7,017**	*-9%*	*-1%*

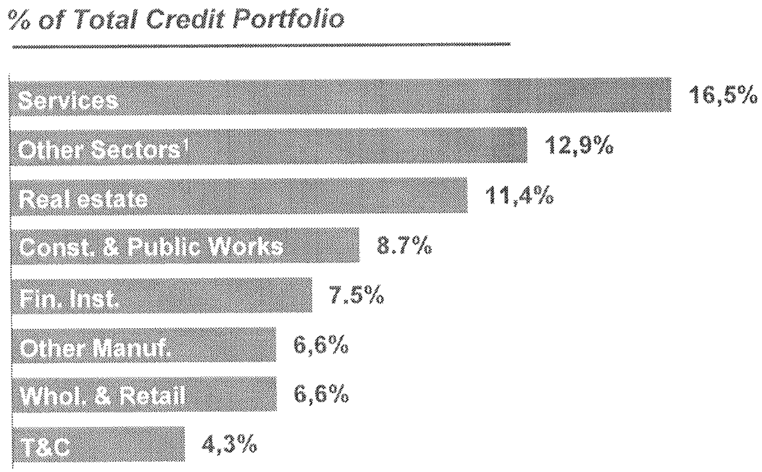
Corporate lending represents the bulk of the loan portfolio with no significant concentration per sector. International loans account for 28% (Eur 14.4bn) of credit portfolio

Credit Portfolio as of March 2014 (Eur 51.0bn Gross Loans)

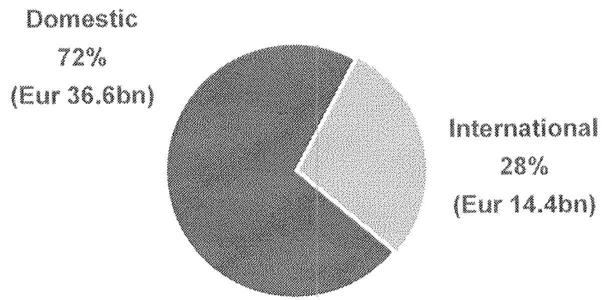
Excludes securitised credit

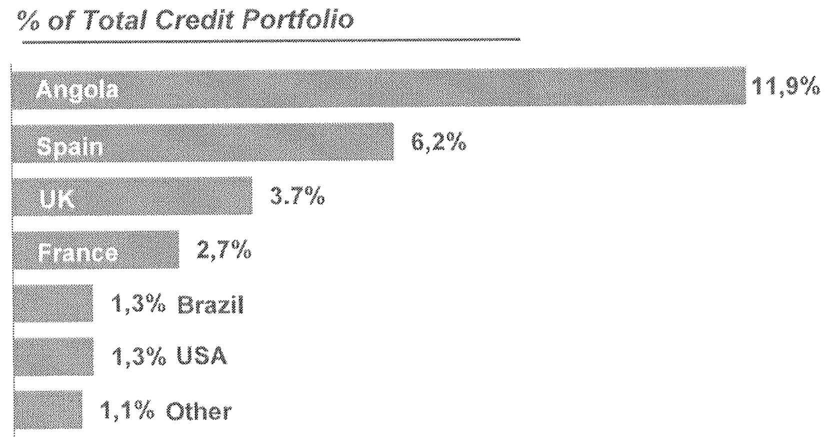
Sector Breakdown





Geographic Breakdown





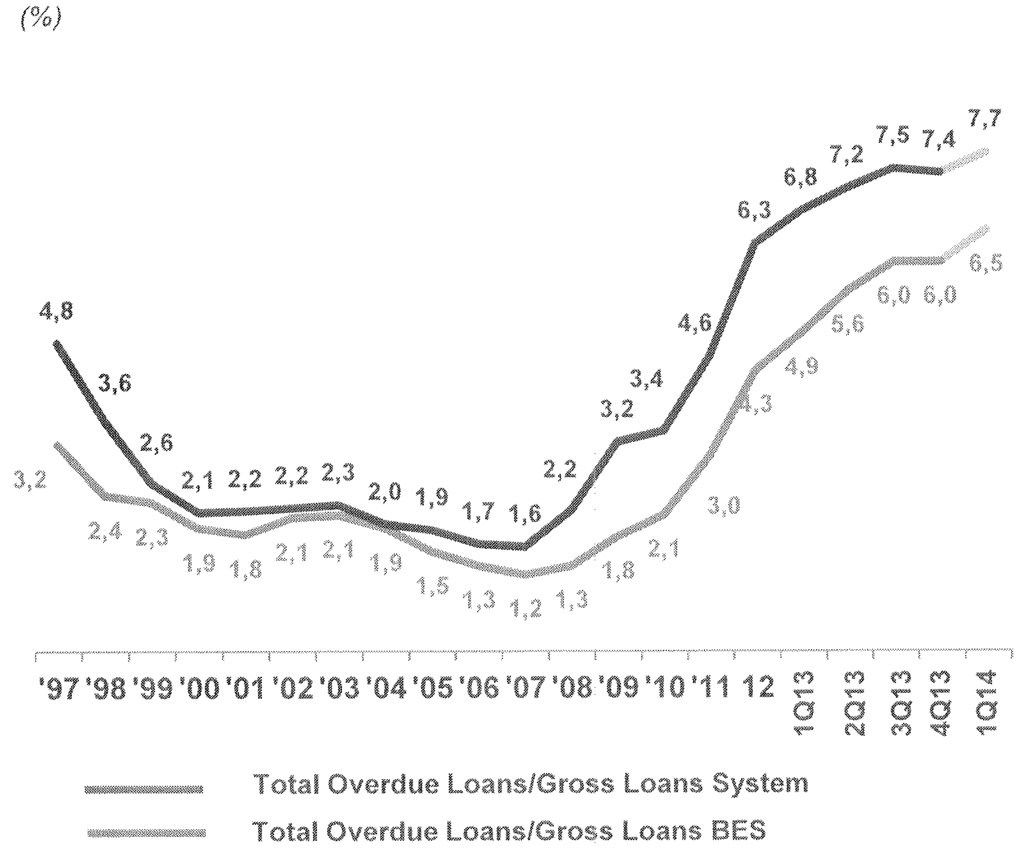
[1] *Represents a composite of other sectors of the economy none representing more than 3% per se.*

Quarterly gross loan portfolio (excluding securitised)

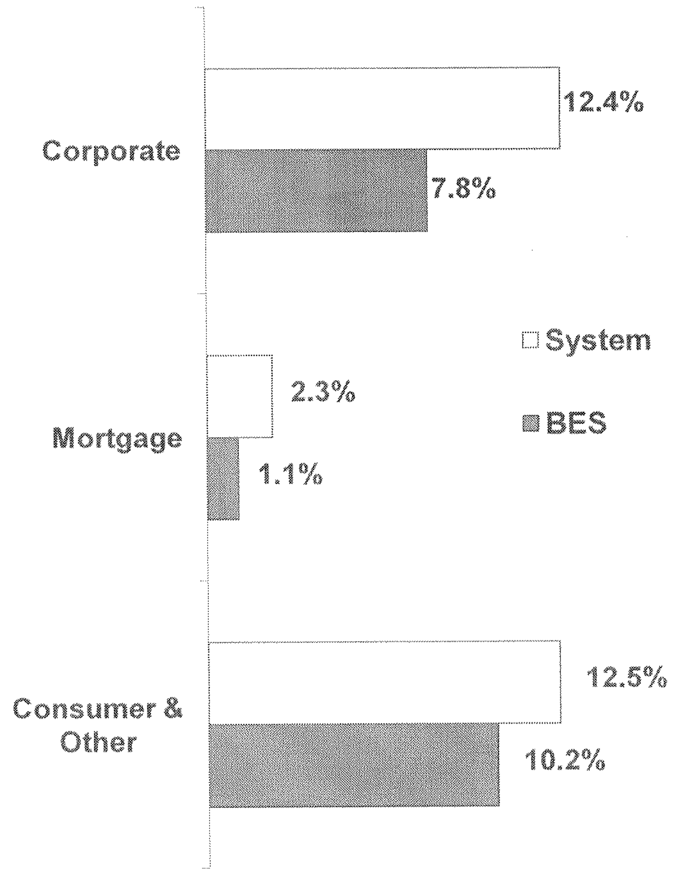
(EUR million)	Mar 11	Jun 11	Sep 11	Dec 11	Mar 12	Jun 12	Sep 12	Dec 12	Mar 13	Jun 13	Sep 13	Dec 13	Mar 14	YoY	QoQ
Loans to Individuals	**14,333**	**14,292**	**14,157**	**14,326**	**14,095**	**13,979**	**13,768**	**13,762**	**13,617**	**13,477**	**13,384**	**13,198**	**12,979**	*-5%*	*-2%*
… ow Mortgages	11,650	11,646	11,595	11,610	11,496	11,411	11,317	11,134	11,044	10,974	10,893	10,814	10,728	*-3%*	*-1%*
… Domestic	11,177	11,172	11,112	11,075	10,975	10,875	10,785	10,598	10,503	10,425	10,337	10,250	10,154	*-3%*	*-1%*
… International	473	474	483	535	522	536	532	536	541	549	556	565	574	*6%*	*2%*
… ow Other	2,683	2,646	2,562	2,716	2,599	2,567	2,450	2,628	2,573	2,502	2,491	2,383	2,251	*-12%*	*-6%*
… Domestic	2,348	2,305	2,228	2,130	2,034	1,952	1,849	1,937	1,844	1,799	1,743	1,686	1,637	*-11%*	*-3%*
… International	335	341	334	586	565	615	601	691	729	703	747	697	614	*-16%*	*-12%*
Corporate Lending	**37,319**	**37,409**	**37,876**	**36,885**	**36,889**	**37,197**	**37,043**	**36,637**	**37,650**	**37,634**	**36,594**	**36,525**	**38,022**	*1%*	*4%*
… Domestic	27,441	27,764	28,159	27,160	27,003	26,777	26,344	25,656	26,144	26,153	25,218	24,992	24,857	*-5%*	*-1%*
… International	9,878	9,645	9,717	9,725	9,885	10,420	10,700	10,981	11,505	11,481	11,376	11,533	13,165	*14%*	*14%*
Loan portfolio	**51,652**	**51,701**	**52,033**	**51,211**	**50,984**	**51,176**	**50,811**	**50,399**	**51,267**	**51,111**	**49,978**	**49,722**	**51,001**	*-1%*	*3%*
… Domestic	**40,966**	**41,241**	**41,499**	**40,365**	**40,012**	**39,604**	**38,978**	**38,191**	**38,491**	**38,377**	**37,298**	**36,928**	**36,648**	*-4.8%*	*-0.8%*
… International	**10,686**	**10,460**	**10,534**	**10,846**	**10,972**	**11,572**	**11,833**	**12,208**	**12,775**	**12,734**	**12,679**	**12,795**	**14,353**	*12.3%*	*12.2%*
Int as % total	*21%*	*20%*	*20%*	21%	21%	23%	23%	24%	25%	25%	25%	26%	28%		

Despite BES' overweight in corporate lending, NPL levels continue to be lower than sector average

BES Overdue Loans Ratio Evolution vs Portuguese System*



Source: BES and BoP (data for BoP as of March 2014)
** Overdue loans + 30 days*



System data as of March 2014; Source: BoP

Quarterly asset quality indicators

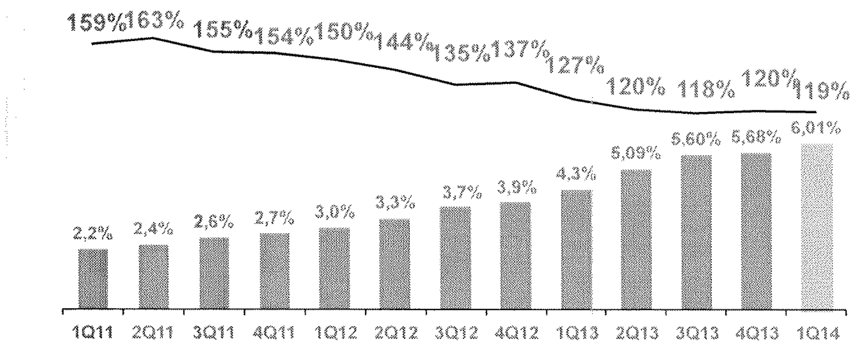
	Mar 11	Jun 11	Sep 11	Dec 11	Mar 12	Jun 12	Sep 12	Dec 12	Mar 13	Jun 13	Sep 13	Dec 13	Mar 14
Overdue Loans >90 days / Gross Loans	2.17%	2.35%	2.60%	2.74%	2.96%	3.30%	3.75%	3.90%	4.34%	5.09%	5.60%	5.68%	6.01% (*)
Coverage of Overdue Loans > 90 days	159.4%	163.0%	155.0%	154.5%	150.3%	144.0%	135.3%	136.9%	126.8%	120.4%	118.2%	119.9%	119.0%
Overdue Loans >30 days / Gross Loans	2.38%	2.59%	2.85%	3.02%	3.48%	3.73%	4.18%	4.34%	4.92%	5.57%	6.01%	6.01%	6.51% (*)
Mortgage (>30d)	0.84%	0.82%	0.85%	0.84%	0.83%	0.86%	0.87%	0.92%	0.94%	0.95%	1.00%	1.01%	1.07%
Consumer (>30d)	4.46%	4.55%	4.87%	4.98%	5.40%	6.01%	6.61%	7.44%	7.61%	8.08%	8.29%	8.97%	10.25%
Corporates (>30d)	2.27%	3.00%	3.33%	3.56%	4.18%	4.45%	5.02%	5.15%	5.90%	6.76%	7.35%	7.30%	7.83%
Coverage of Overdue Loans >30 days	145.4%	148.3%	141.6%	140.2%	127.8%	127.6%	121.5%	123.2%	112.0%	110.0%	110.1%	113.3%	109.9%
Credit at Risk (BoP) (1)	5.22%	5.62%	6.22%	6.59%	7.15%	7.91%	9.30%	9.44%	10.10%	10.73%	11.32%	10.56%	11.14% (*)
Coverage of Credit at Risk	66.4%	68.3%	64.9%	64.2%	62.3%	60.1%	54.5%	56.6%	54.5%	57.1%	58.5%	64.5%	64.2%
Provisions for Credit / Total Gross Loans	3.47%	3.83%	4.04%	4.23%	4.45%	4.76%	5.07%	5.34%	5.51%	6.13%	6.62%	6.81%	7.16%
QoQ Provision Charge	63bp	174bp	114bp	115bp	117bp	159bp	210bp	156bp	146bp	286bp	181bp	181bp	217bp
... Domestic	68bp	191bp	128bp	137bp	126bp	184bp	254bp	176bp	172bp	340bp	167bp	217bp	206bp
... International	40bp	104bp	59bp	33bp	82bp	75bp	66bp	90bp	66bp	125bp	224bp	77bp	243bp

Note: (*) Includes the impact of the consolidation of BES Vénétie as from 1Q14. Excluding this effect, Overdue Loans > 90 days ratio of 5.96%, Overdue Loans > 30 days ratio of 6.47% and Credit at risk ratio of 11.17%

(1) According to Bank of Portugal rules as defined by the MoU

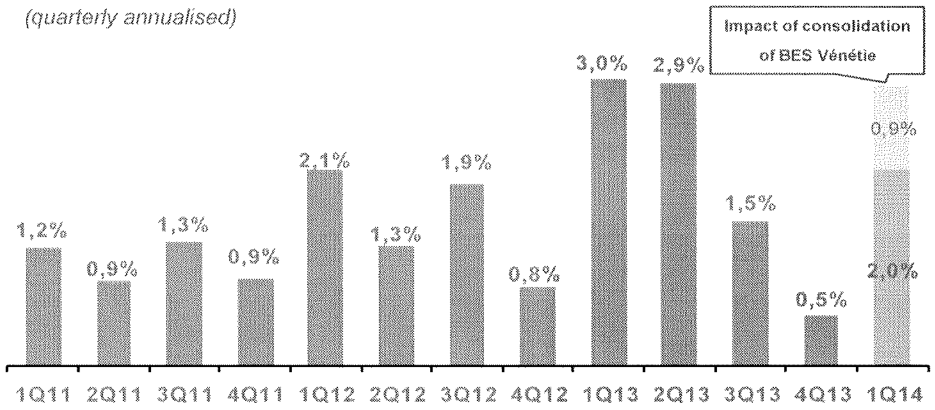
Overdue loans ratios and coverage

Overdue Loans +90 days Ratio & Coverage(*)

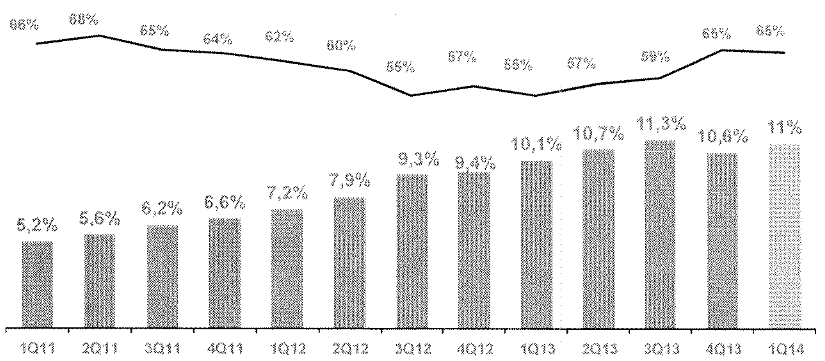


Net New Entries in NPL as % of Performing Loans

(quarterly annualised)



Credit at Risk Ratio & Coverage(*)



Net New Entries in Credit at Risk as % of Performing Loans

(quarterly annualised)

Note: (*) Includes the impact of the consolidation of BES Vénétie as from 1Q14. Excluding this effect, Overdue Loans > 90 days ratio of 5.96% and Overdue Loans > 30 days ratio of 6.47%

Quarterly asset quality indicators: Domestic and International

(EUR million)	Mar 11	Jun 11	Sep 11	Dec 11	Mar 12	Jun 12	Sep 12	Dec 12	Mar 13	Jun 13	Sep 13	Dec 13	Mar 14
Gross Loans	**51,652.1**	**51,700.5**	**52,033.5**	**51,210.8**	**50,984.4**	**51,175.5**	**50,810.9**	**50,398.7**	**51,266.8**	**51,110.9**	**49,977.7**	**49,722.3**	**51,001.1**
...Domestic	*40,966.3*	*41,240.9*	*41,499.2*	*40,364.8*	*40,012.4*	*39,603.8*	*38,978.1*	*38,191.1*	*38,491.4*	*38,377.3*	*37,298.3*	*36,927.6*	*36,648.2*
... International	*10,685.8*	*10,459.7*	*10,534.3*	*10,846.1*	*10,972.9*	*11,571.8*	*11,833.8*	*12,207.7*	*12,775.4*	*12,733.7*	*12,679.4*	*12,794.7*	*14,352.8*
Total Overdue Loans (> 30 d)	**1,231.5**	**1,337.1**	**1,483.4**	**1,545.6**	**1,776.5**	**1,908.0**	**2,121.5**	**2,185.4**	**2,521.3**	**2,849.2**	**3,004.4**	**2,990.0**	**3,321.2**
...Domestic	*1018.7*	*1,101.1*	*1,213.5*	*1,236.7*	*1,488.6*	*1,582.0*	*1,764.0*	*1,810.5*	*2,119.1*	*2,386.5*	*2,516.2*	*2,496.5*	*2,653.8*
... International	*212.8*	*236.0*	*269.9*	*308.9*	*287.9*	*326.0*	*357.5*	*375.0*	*402.2*	*462.7*	*488.2*	*493.6*	*667.4*
Overdue Loans > 90 days	**1,122.7**	**1,216.2**	**1,355.2**	**1,403.3**	**1,510.8**	**1,690.8**	**1,904.9**	**1,966.0**	**2,226.9**	**2,602.8**	**2,796.7**	**2,825.8**	**3,067.4**
...Domestic	*931.7*	*996.0*	*1,101.3*	*1,123.2*	*1,242.3*	*1,407.5*	*1,566.1*	*1,652.0*	*1,853.1*	*2,172.1*	*2,338.9*	*2,362.2*	*2,477.2*
... International	*191.0*	*220.2*	*253.9*	*280.1*	*268.5*	*283.4*	*338.8*	*314.0*	*373.8*	*430.7*	*457.9*	*463.6*	*590.2*
Total Credit Provisions (BS)	***1,790.1***	***1,982.6***	***2,100.6***	***2,167.4***	***2,271.2***	***2,434.7***	***2,577.1***	***2,692.3***	***2,823.4***	***3,134.2***	***3,306.7***	***3,387.4***	***3,650.4***
...Domestic	*1,516.3*	*1,694.8*	*1,798.7*	*1,865.9*	*1,935.9*	*2,082.4*	*2,204.7*	*2,297.9*	*2.434.6*	*2,718.5*	*2,833.9*	*2,908.9*	*3,060.3*
... International	*273.8*	*287.8*	*301.8*	*301.6*	*335.2*	*352.3*	*372.4*	*394.4*	*388.8*	*415.7*	*472.8*	*478.5*	*590.1*

Quarterly asset quality indicators: Domestic and International

	Mar 11	Jun 11	Sep 11	Dec 11	Mar 12	Jun 12	Sep 12	Dec 12	Mar 13	Jun 13	Sep 13	Dec 13	Mar 14
Overdue Loans >90 days / Gross Loans	**2.17%**	**2.35%**	**2.60%**	**2.74%**	**2.96%**	**3.30%**	**3.75%**	**3.90%**	**4.34%**	**5.09%**	**5.60%**	**5.68%**	**6.01%** (*)
...Domestic	*2.27%*	*2.41%*	*2.65%*	*2.78%*	*3.10%*	*3.55%*	*4.02%*	*4.33%*	*4.81%*	*5.66%*	*6.27%*	*6.40%*	*6.75%*
... International	*1.79%*	*2.11%*	*2.41%*	*2.58%*	*2.45%*	*2.45%*	*2.86%*	*2.57%*	*2.93%*	*3.38%*	*3.61%*	*3.62%*	*4.12%*
Coverage of Overdue Loans > 90 days	**159.4%**	**163.0%**	**155.0%**	**154.5%**	**150.3%**	**144.0%**	**135.3%**	**136.9%**	**126.8%**	**120.4%**	**118.2%**	**119.9%**	**119.0%**
...Domestic	*162.7%*	*170.2%*	*163.3%*	*166.1%*	*155.8%*	*148.0%*	*140.8%*	*139.1%*	*131.4%*	*125.2%*	*121.2%*	*123.1%*	*123.6%*
... International	*143.3%*	*130.7%*	*118.9%*	*107.7%*	*124.8%*	*124.3%*	*109.9%*	*125.6%*	*104.0%*	*96.5%*	*103.3%*	*103.2%*	*99.7%*
Overdue Loans >30 days / Gross Loans	**2.38%**	**2.59%**	**2.85%**	**3.02%**	**3.48%**	**3.73%**	**4.18%**	**4.34%**	**4.92%**	**5.57%**	**6.01%**	**6.01%**	**6.51%** (*)
...Domestic	*2.49%*	*2.67%*	*2.92%*	*3.06%*	*3.72%*	*3.99%*	*4.53%*	*4.74%*	*5.51%*	*6.22%*	*6.75%*	*6.76%*	*7.24%*
... International	*1.99%*	*2.26%*	*2.56%*	*2.85%*	*2.62%*	*2.82%*	*3.02%*	*3.07%*	*3.15%*	*3.63%*	*3.85%*	*3.86%*	*4.65%*
Coverage of Overdue Loans >30 days	**145.4%**	**148.3%**	**141.6%**	**140.2%**	**127.8%**	**127.6%**	**121.5%**	**123.2%**	**112.0%**	**110.0%**	**110.1%**	**113.3%**	**109.9%**
...Domestic	*148.8%*	*153.9%*	*148.2%*	*150.9%*	*130.1%*	*131.6%*	*125.0%*	*126.9%*	*114.9%*	*113.9%*	*112.6%*	*116.5%*	*115.3%*
... International	*128.6%*	*121.9%*	*111.8%*	*97.6%*	*116.5%*	*108.1%*	*104.2%*	*105.2%*	*96.7%*	*89.8%*	*96.9%*	*96.9%*	*88.4%*

Note: (*) Includes the impact of the consolidation of BES Vénétie as from 1Q14. Excluding this effect, Overdue Loans > 90 days ratio of 5.96% and Overdue Loans > 30 days ratio of 6.47%

Quarterly and accumulated credit provision charge & net new entries

(EUR million; % annualised)	1Q11	2Q11	3Q11	4Q11	1Q12	2Q12	3Q12	4Q12	1Q13	2Q13	3Q13	4Q13	1Q14
P&L Credit Provisions Quarter	**80.9**	**224.6**	**147.8**	**147.4**	**149.0**	**203.0**	**266.9**	**196.0**	**187.1**	**366.0**	**226.5**	**225.6**	**276.3**
... Domestic	70.1	197.4	132.4	138.3	126.4	181.4	247.4	168.5	166.0	326.2	155.5	200.9	189.0
... International	10.7	27.2	15.4	9.0	22.6	21.5	19.4	27.5	21.2	39.8	71.0	24.6	87.3
As % Loan Portfolio (bp)	**63bp**	**174bp**	**114bp**	**115bp**	**117bp**	**159bp**	**210bp**	**156bp**	**146bp**	**286bp**	**181bp**	**181bp**	**217bp**
... Domestic	68bp	191bp	128bp	137bp	126bp	183bp	254bp	176bp	172bp	340bp	167bp	218bp	206bp
... International	40bp	104bp	59bp	33bp	82bp	75bp	66bp	90bp	66bp	125bp	224bp	77bp	243bp
P&L Credit Provisions Accumulated	**80.9**	**305.4**	**453.2**	**600.6**	**149.0**	**352.0**	**618.9**	**814.8**	**187.1**	**553.1**	**779.5**	**1005.1**	**276.3**
... Domestic	70.1	267.5	399.7	538.2	126.4	307.9	555.3	723.8	166.0	492.2	647.6	848.5	189.0
... International	10.7	37.9	53.5	62.4	22.6	44.1	63.5	91.0	21.2	60.9	131.9	156.6	87.3
As % Loan Portfolio (bp)	**63bp**	**118bp**	**116bp**	**117bp**	**117bp**	**138bp**	**162bp**	**162bp**	**146bp**	**216bp**	**208bp**	**202bp**	**217bp**
... Domestic	68bp	130bp	128bp	133bp	126bp	155bp	190bp	190bp	172bp	256bp	232bp	230bp	206bp
... International	40bp	71bp	68bp	58bp	82bp	76bp	72bp	75bp	66bp	96bp	139bp	122bp	243bp
Net new entries in NPL as % Performing Loans													
... Quarterly net new entries	**123bp**	**88bp**	**129bp**	**91bp**	**205bp**	**126bp**	**190bp**	**83bp**	**298bp**	**294bp**	**151bp**	**53bp**	**292bp** (**)
... Accumulated net new entries	**123bp**	**105bp**	**113bp**	**109bp**	**205bp**	**166bp**	**175bp**	**153bp**	**298bp**	**297bp**	**254bp**	**205bp**	**292bp** (**)
Quarterly Write Offs (Eur mn)	**30.0**	**5.0**	**16.4**	**50.5**	**21.8**	**24.2**	**17.5**	**36.6**	**26.9**	**26.9**	**22.6**	**75.9**	**17.0**

Notes:

(*) Cost of risk in the 1Q14 includes Eur 50 mn provision in Angola not expected to be recurrent. Excluding this effect, in 1Q14 consolidated cost of risk of 177bp and international cost of risk of 104bp.

(**) Includes the impact of the consolidation of BES Vénétie as from 1Q14. Excluding this effect, net new entries were 204bp.

Quarterly customer funds

(EUR million)	Mar 11	Jun 11	Sep 11	Dec 11	Mar 12	Jun 12	Sep 12	Dec 12	Mar 13	Jun 13	Sep 13	Dec 13	Mar 14	YoY	QoQ
Deposits	30,545	31,972	33,854	34,206	35,959	32,765	33,240	34,540	37,417	37,912	35,999	36,831	36,242	-3%	-2%
... Sight	*8,145*	*8,466*	*8,730*	8,573	9,119	8,521	8,927	10,458	10,718	10,506	10,522	10,548	10,898	2%	3%
... Term	*22,401*	*23,506*	*25,124*	25,633	26,840	24,244	24,313	24,082	26,699	27,405	25,478	26,283	25,344	-5%	-4%
Life Insurance Products (1)	-	-	-	-	-	3,661	4,323	4,991	4,825	4,969	5,307	6,033	6,535	35%	8%
Certificates of Deposits	2,006	1,650	1,573	644	652	773	619	612	493	379	325	311	351	-29%	12%
Other Debt Securities placed with Clients	5,747	5,988	5,273	5,820	4,804	5,226	5,111	4,642	4,692	4,150	3,955	3,402	3,169	-32%	-7%
On-BS Customer Funds	**38,298**	**39,610**	**40,699**	**40,670**	**41,415**	**42,425**	**43,293**	**44,785**	**47,427**	**47,410**	**45,586**	**46,577**	**46,297**	-2%	-1%
Off-BS Funds	17,715	16,522	14,788	13,714	13,260	9,976	10,918	11,403	11,090	11,170	10,572	10,261	10,907	-2%	6%
Total	**56,013**	**56,132**	**55,487**	**54,383**	**54,675**	**52,401**	**54,211**	**56,188**	**58,518**	**58,580**	**56,158**	**56,837**	**57,204**	-2%	1%
... Domestic	41,732	42,351	42,057	42,479	41,572	36,719	38,414	42,694	43,495	43,902	41,619	41,748	40,730	-6%	-2%
... International	14,281	13,781	13,430	11,905	13,103	15,682	15,797	13,494	15,023	14,679	14,539	15,089	16,475	10%	9%
% total	25%	25%	24%	22%	24%	26%	26%	24%	26%	25%	26%	27%	29%		

(1) The increase of Life Insurance Products reflects the full consolidation of BES Vida from 2Q2012.

Quarterly off-BS customer funds

(EUR million)	Mar 11	Jun 11	Sep 11	Dec 11	Mar 12	Jun 12	Sep 12	De c 12	Mar 13	Jun 13	Sep 13	Dec 13	Mar 14	YoY	QoQ
Mutual Funds	**5,437**	**5,038**	**4,629**	**4,633**	**4,717**	**4,724**	**4,731**	**5,115**	**5,348**	**5,501**	**5,066**	**4,045**	**4,735**	*-11%*	*17%*
... Domestic	2,585	2,267	2,051	2,381	2,463	2,535	2,602	2,896	3,142	3,454	3,058	2,054	2,510	*-20%*	*22%*
... International	2,852	2,772	2,578	2,252	2,254	2,189	2,129	2,219	2,206	2,046	2,008	1,991	2,225	*1%*	*12%*
Real Estate Funds	**1,356**	**1,329**	**1,297**	**1,203**	**1,144**	**1,111**	**1,102**	**1,076**	**1,070**	**1,081**	**1,149**	**1,080**	**1,095**	*2%*	*1%*
... Domestic	1,275	1,249	1,209	1,110	1,052	1,013	1,005	982	973	970	1,001	1,041	1,035	*6%*	*-1%*
... International	81	80	88	93	92	98	97	93	96	111	148	39	60	*-38%*	*54%*
Pension Funds	**2,673**	**2,687**	**2,555**	**2,155**	**1,809**	**1,772**	**1,798**	**1,783**	**1,908**	**1,874**	**1,854**	**1,907**	**1,984**	*4%*	*4%*
... Domestic	2,539	2,448	2,332	1,933	1,580	1,554	1,572	1,551	1,670	1,636	1,634	1,758	1,836	*10%*	*4%*
... International	134	239	223	222	229	218	226	233	238	239	220	149	148	*-38%*	-
Bancassurance (1) **(Domestic)**	**4,805**	**4,315**	**3,794**	**3,478**	**3,292**	**89**	**86**	**90**	**96**	**99**	**98**	**160**	**349**	-	-
Other (2)	**3,444**	**3,153**	**2,513**	**2,245**	**2,298**	**2,280**	**3,202**	**3,339**	**2,669**	**2,615**	**2,405**	**3,069**	**2,744**	*3%*	*-11%*
... Domestic	2,638	2,349	1,874	1,684	1,746	1,755	2,759	2,886	2,188	2,123	1,897	2,534	2,185	-	*-14%*
... International	806	804	639	561	552	525	443	453	481	491	508	536	559	*16%*	*4%*
Total Off-BS Funds	**17,715**	**16,522**	**14,788**	**13,714**	**13,260**	**9,976**	**10,918**	**11,403** (1)	**11,090**	**11,170**	**10,572**	**10,261**	**10,907**	*-2%*	*6%*
... Domestic	13,842	12,627	11,260	10,586	10,133	6,946	8,024	8,404	8,069	8,283	7,688	7,546	7,915	*-2%*	*5%*
... International	3,873	3,895	3,528	3,128	3,127	3,030	2,895	2,998	3,022	2,887	2,884	2,714	2,992	*-1%*	*10%*

(1) **The decrease of Bancassurance funds reflects the full consolidation of BES Vida**. Life Insurance Products are included in On Balance Sheet customer funds as from 2Q2012.

(2) Other includes off-BS structured products, discretionary management and venture capital

Quarterly solvency ratios

	BoP BIS II		BIS III (CRD IV / CRR)			
	Dec 13	Mar 14	Dec 13		Mar 14	
(EUR million)			Phase in	Full Implementation	Phase in	Full implementation
RWA (BoP)	**57,332**	**59,247**	**60,871**	**60,330**	**62,268**	**61,722**
...Banking Book	**52,851**	**54,271**	**56,390**	**55,849**	**57,292**	**56,746**
...Trading Book	**1,227**	**1,722**	**1,227**	**1,227**	**1,722**	**1,722**
...Oper. Risk	**3,254**	**3,254**	**3,254**	**3,254**	**3,254**	**3,254**
Total Capital	**6,740**	**6,477**	**7,120**	**5,988**	**6,929**	**6,043**
Core Tier I	6,084	6,043	6,193	4,933	6,079	4,927
Core Tier I EBA	5,646	5,574	-	-	-	
Tier I	5,959	5,887	6,193	5,002	6,079	4,997
Tier II and Other	781	590	927	986	850	1,046
Core Tier I (/ Common Equity Tier I (%)	**10.6%**	**10.2%**	**10.2%**	**8.2%**	**9.8%**	**8.0%**
Core Tier I EBA	***9.8%***	***9.4%***				
Tier I (%)	**10.4%**	**9.9%**	**10.2%**	**8.3%**	**9.8%**	**8.1%**
Total (%)	**11.8%**	**10.9%**	**11.7%**	**9.9%**	**11.1%**	**9.8%**

Notes: BIS II IRB corresponds to calculations based on IRB Foundation for credit risk and standardised approach for operational risk. Preliminary data as of Mar. 2014.

Available for Sale Portfolio – main equity holdings potential gains & losses

			Potential Gains and Losses							
(EUR million)	*Acquis. Value*	*Stake (%)*	2010	2011	2012	Mar13	Jun13	Sep13	Dec13	Mar14
EDP	*0.0*	*0%*	-49.9	-24.1	24.5	34.7	41.0	49.7	5.0	0.0
PT	*346.7*	*10.04%*	-7.3	-151.0	-10.7	1.1	-77.6	-46.8	-62.4	-68.8
BMCE	*81.0*	*2.69%*	7.3	5.7	-3.6	-10.6	1.4	3.3	2.4	5.1
Total	*427.7*		**120.3**	**-169.4**	**10.1**	**25.2**	**-35.2**	**6.2**	**-55.0**	**-63.7**

Table of contents

Return to growth, financial rebalancing and improved market sentiment supported a "clean exit" from the financial assistance programme.

Economic and Financial Adjustment Programme – Main Results and Outcome

Return to economic activity growth

GDP increased 1.7% YoY in Q4 2013 and close to 2% YoY in Q1 2014

Recovery supported by exports and business investment

Fiscal and financial rebalancing

Current and capital account surplus of 2% of GDP in 2013

Budget deficit reached 4.5% of GDP (Troika criteria) in 2013, below the 5.5% target

Improved market sentiment

10Y Government Bond yields down from a peak of 17.4% in January 2012 to around 3.5% in May 2014

Return of the sovereign to market financing (incl. a 10Y PGB issue with an average yield of 3.57%, in May 2014)

Return of main banks and non-financial corporations to market financing

"Clean exit" from the Economic and Financial Adjustment Programme in May 2014

Return to growth and financial stabilisation and in the Euro Area, with a retreat in systemic risks associated with the debt crisis (ESM, OMTs, adjustment policies, etc).

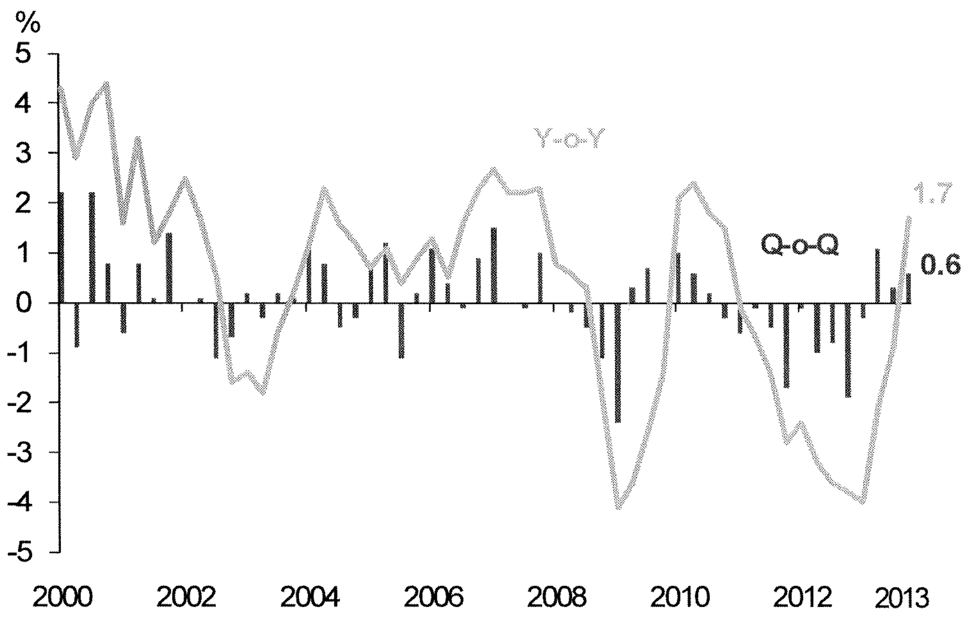
Sources: INE, Ministry of Finance, Bloomberg, ES Research

Recovery underway in economic activity

The Portuguese economy has returned to growth. GDP was up by 1.1% QoQ in Q2, 0.3% QoQ in Q3 and 0.6% QoQ in Q4. GDP returned to positive YoY growth in Q4 2013, with a 1.7% reading, well above expectations. The recovery is proceeding in 2014.

GDP growth

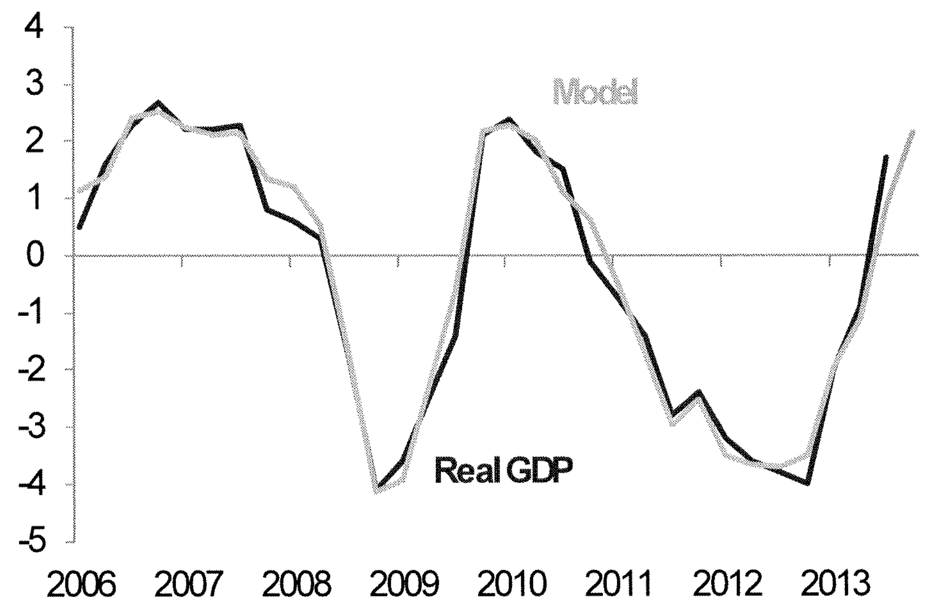
(%, QoQ and YoY)



Latest data for Q4 2013

GDP, actual vs. estimated growth

(%, YoY)



Sources: INE, ES Research.

Business and consumer confidence indicators are improving.

Private consumption coincident indicator and consumer confidence

(% YoY and net balances)

2010
Net balance

Latest data for April 2014 (except for the coincident indicator)

Business confidence indicators

(Net balances)

2000
Index (Points)

Latest data for April 2014

Sources: INE, Bank of Portugal, ES Research.

GDP growth is benefiting from an improvement in the trade balance, associated with a strong and resilient performance of exports.

Trade Balance, Goods and Services

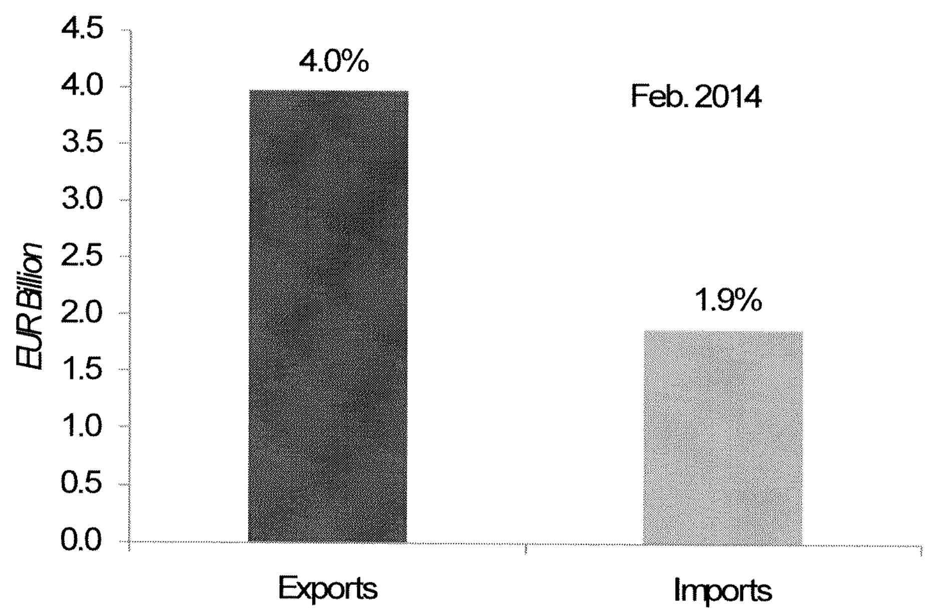
(Year ending in month, EUR bn)

EUR Billion

Latest data for February 2014

Change in the components of the trade balance over the last year

(Change in the year ending in month, EUR bn and %)



Sources: INE, Bank of Portugal, ES Research.

Recovery underway in economic activity

Services exports – including tourism, transportation and construction services – are giving a strong contribution to overall exports growth.

Goods and Services exports

(% YoY, 3-Month Moving Average)

Percent
2006

External orders in manufacturing

(% YoY, 3m MA)

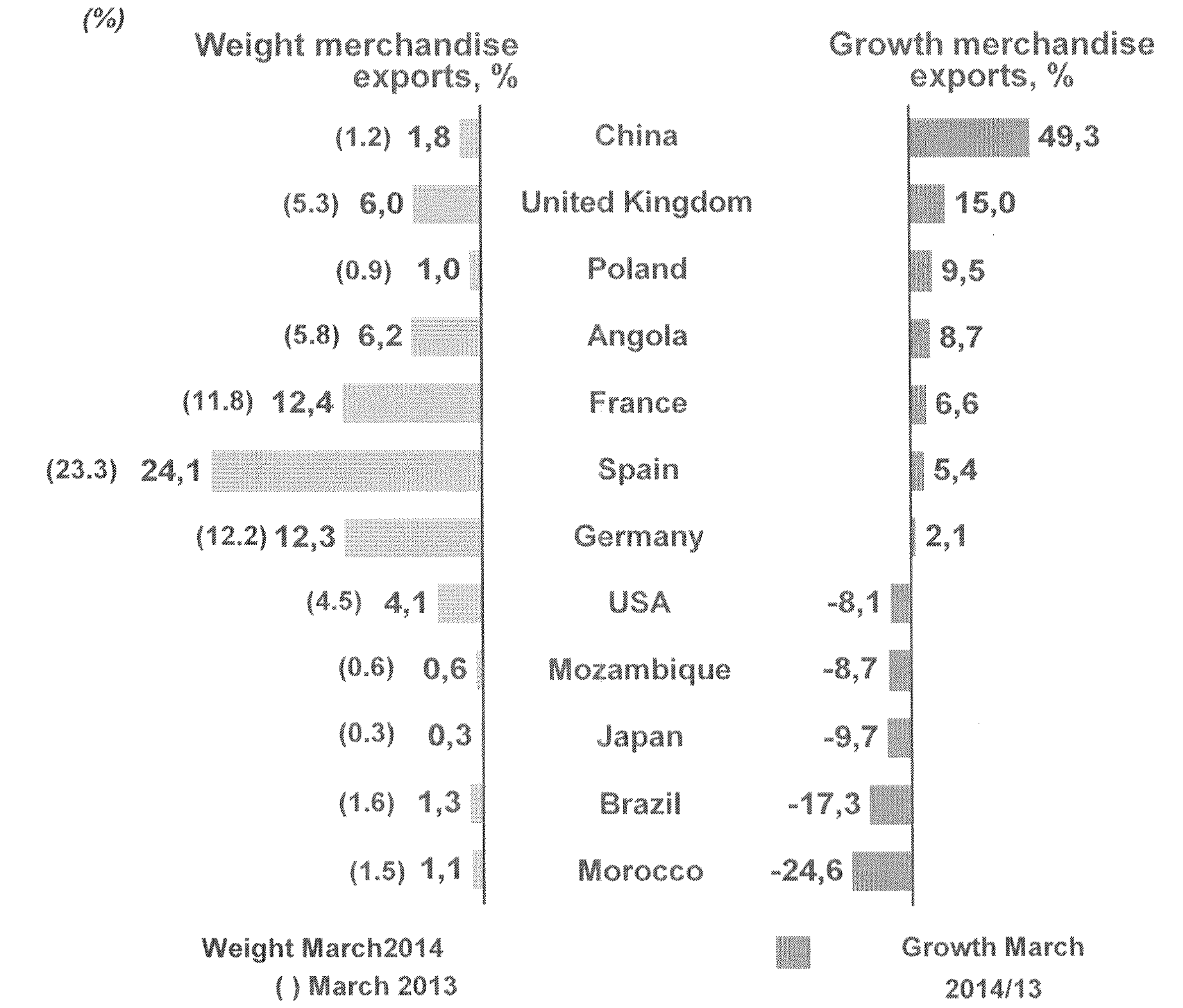
Net balance
2010

Sources: INE, Bank of Portugal, ES Research.

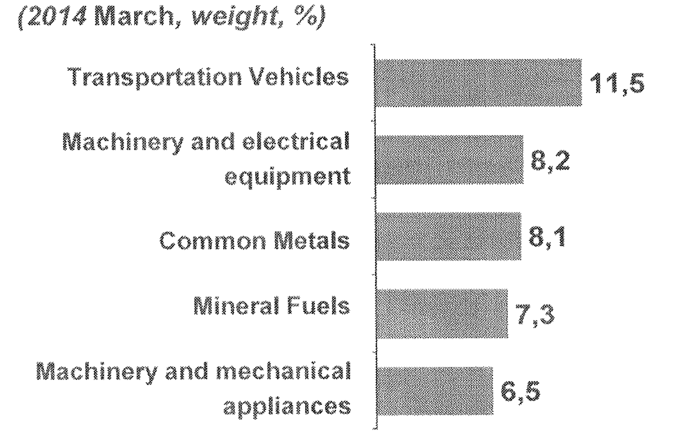
Recovery underway in economic activity

Contributions to exports growth are broad-based, both in terms of geography and sector of activity. Exports to Spain, Germany, Angola and China are recovering.

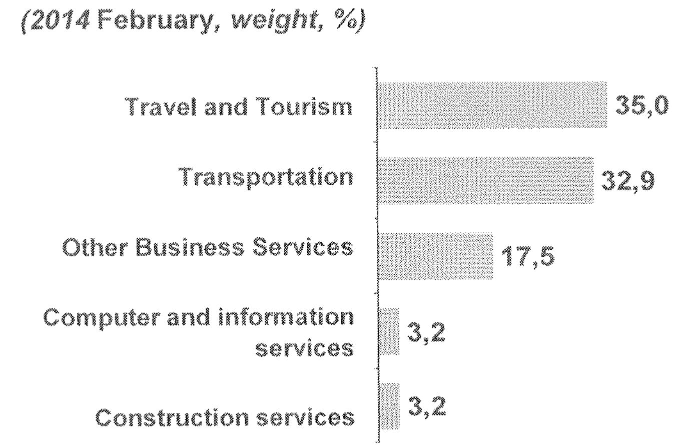
Portuguese merchandise exports to selected countries



Top 5 merchandise exports



Top 5 services exports

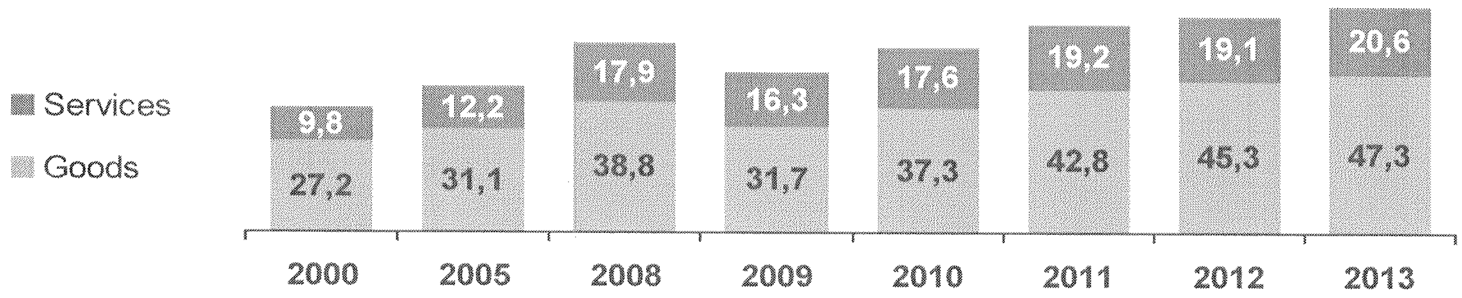


Sources: INE, ES Research.

The profile of Portuguese exports has been changing, with an increase in the weight of higher added value goods and services. The weight of extra-EU exports has been trending up over the last decade.

Portuguese Exports Profile (2000 - 2013)

(EUR bn)



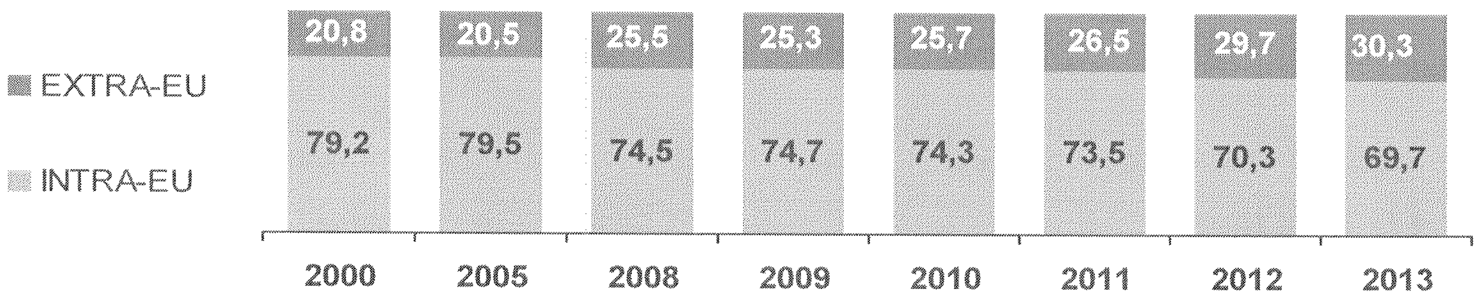
%Δ 2013/12

Total: **5.6%**

Goods: **4.7%**
Services: **7.7%**

Portuguese Exports (Goods and Services) Breakdown, Intra-EU and Extra-EU

(2000-2013, weight, %)



%Δ 2014/13

(Goods, Jan-March)

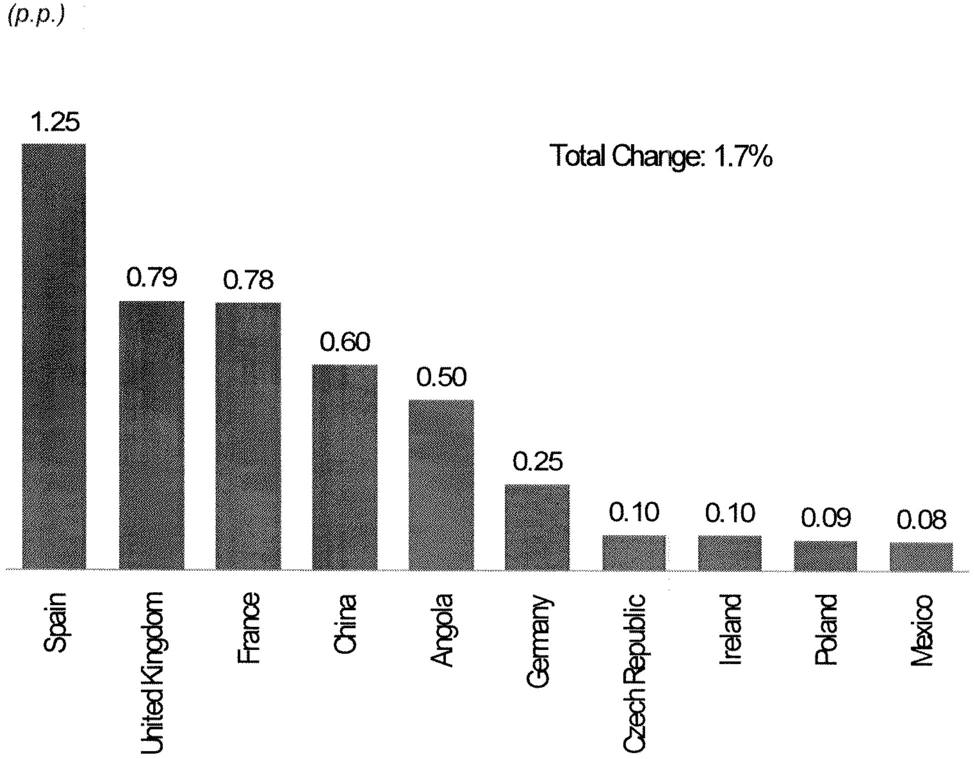
1.7%

Sources: INE, Bank of Portugal, ES Research.

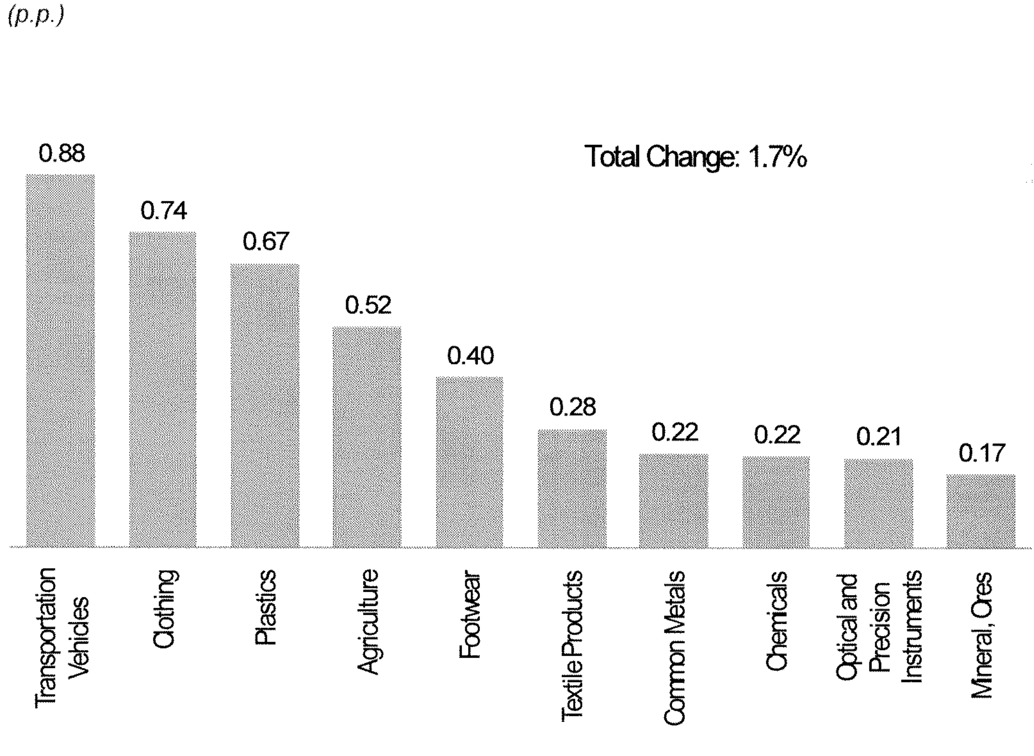
Recovery underway in economic activity

Contributions to merchandise exports growth are broad-based.

Main contributions to merchandise exports growth, by country



Main contributions to merchandise exports growth, by sector

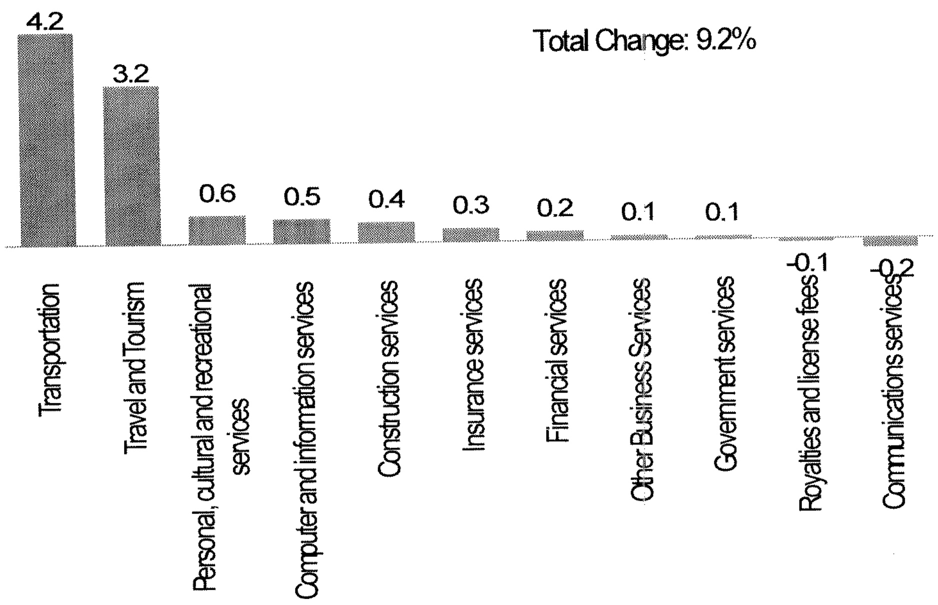


Sources: INE, Bank of Portugal, ES Research.

Tourism and transportation services are the main contributors to services exports growth.

Main contributions to services exports growth, by sector

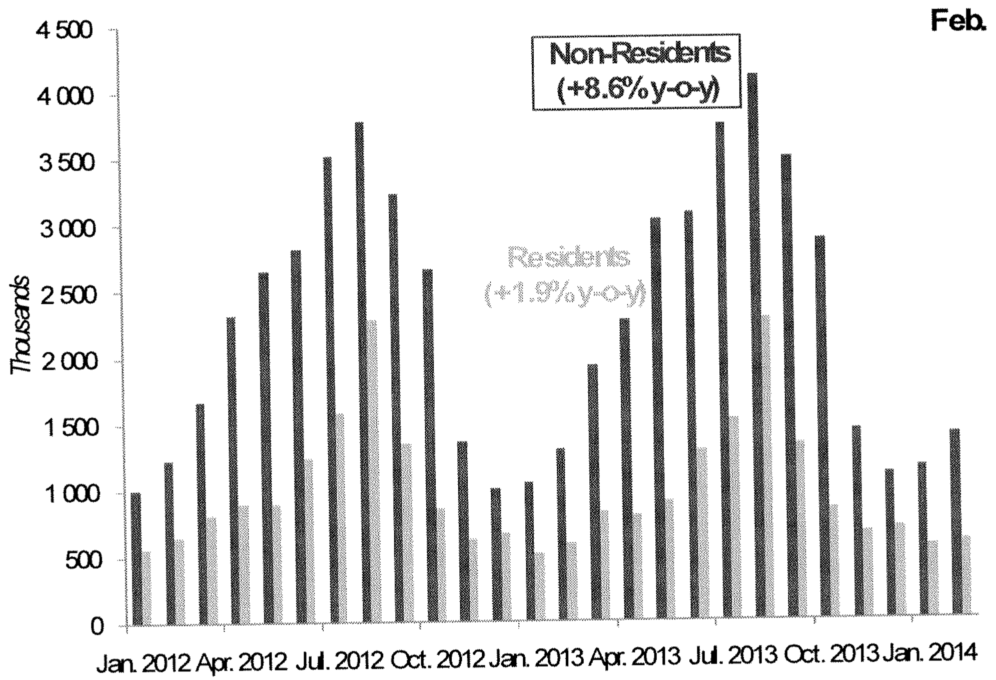
(p.p.)



Jan-Feb, 2014 vs. 2013

Overnight stays in hotels by non-residents and residents

(thousands and % YoY)



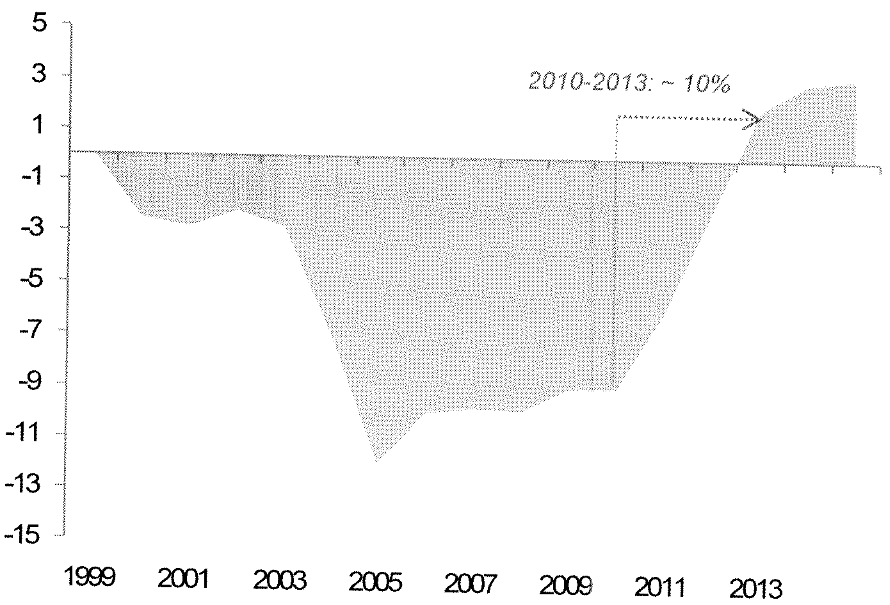
(1) "Other business services" include consulting, engineering, R&D, commercial intermediation, etc.

Sources: INE, Bank of Portugal, ES Research.

Portugal is gaining market share in exports. The weight of exports in GDP is increasing steadily and reached 41% in 2013.

Exports market share growth

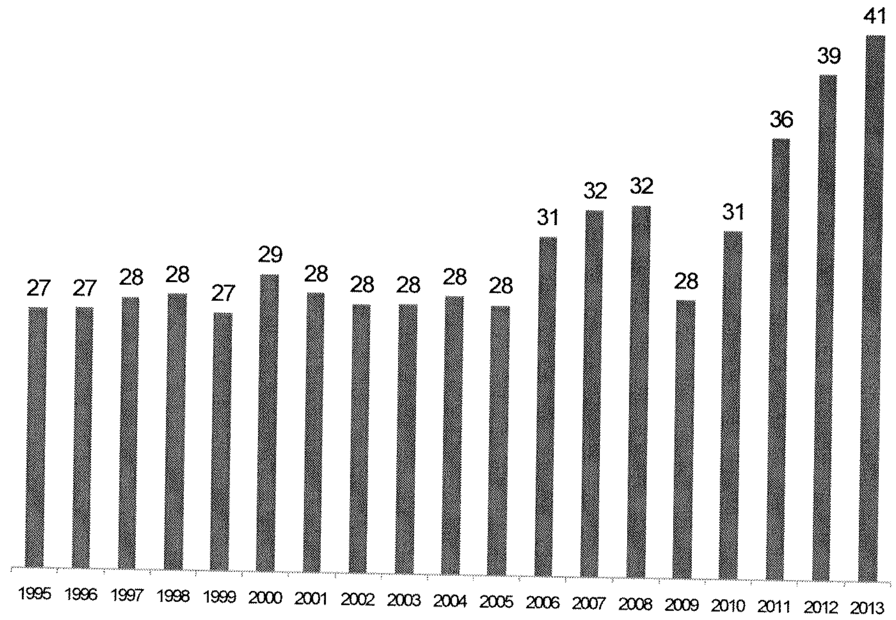
(% accumulated growth, 1999 = 0)



2014-2015: Bank of Portugal forecasts

Weight of exports in GDP

(%)



Sources: INE, Bank of Portugal, ES Research.

Recovery underway in economic activity

External competitiveness is being supported by favorable developments in unit labour costs, following structural adjustments in the economy and the ongoing "internal devaluation".

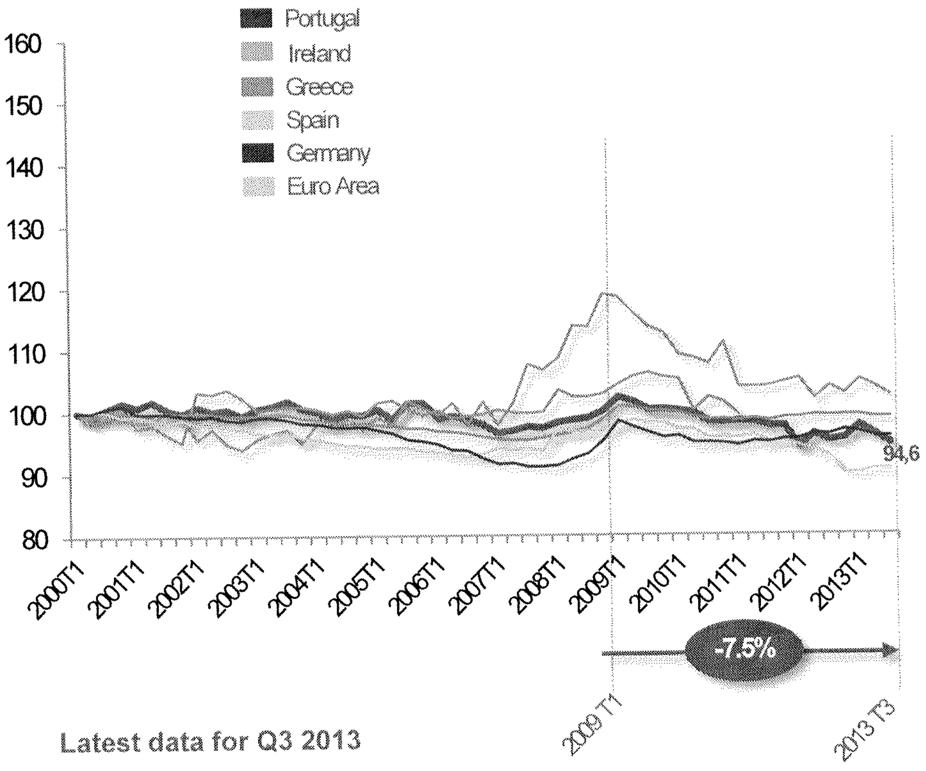
Real Effective Exchange Rate Index

(2010=100)

Latest data for March 2014

Real Unit Labour Costs

(Index, 1Q 2000 = 100)



Latest data for Q3 2013

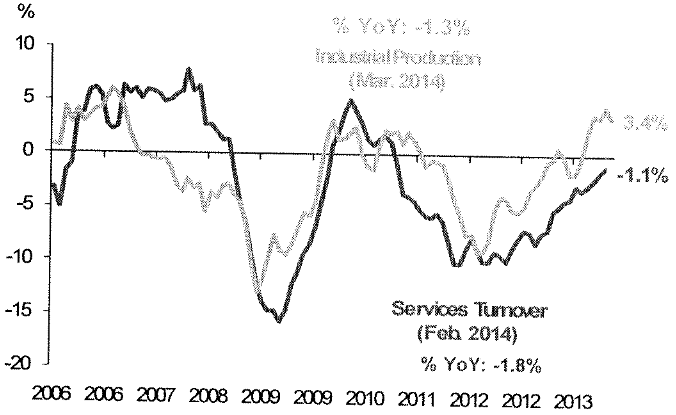
Sources: Bank of Portugal, NCPAMoU, ES Research, Reuters Ecowin.

Recovery underway in economic activity

Signs of recovery in business investment indicators. Loans to exporting firms continue to increase. Industrial production and electricity consumption rising YoY.

Industrial production and services turnover

(% YoY, 3m MA)

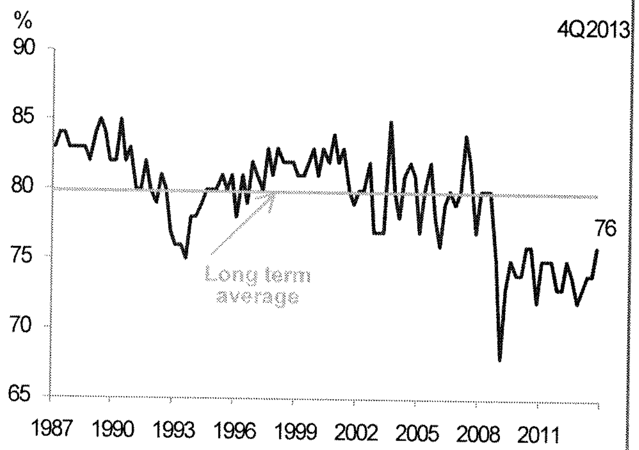


Production and imports of investment goods

(% YoY)

Productive capacity in use in manufacturing

(%)

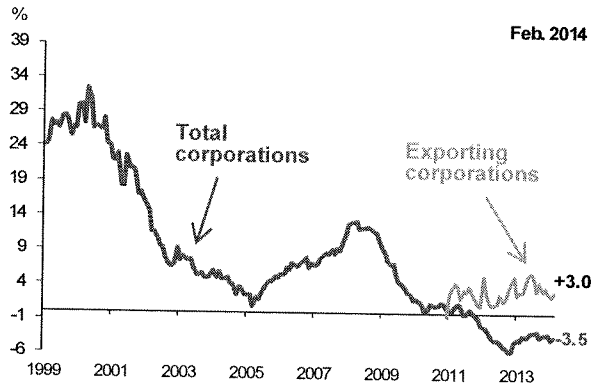


Cement sales

(% YoY, 3m MA)

Loans to non-financial corporations

(% YoY)



Total electricity consumption

(% YoY, 12m MA)

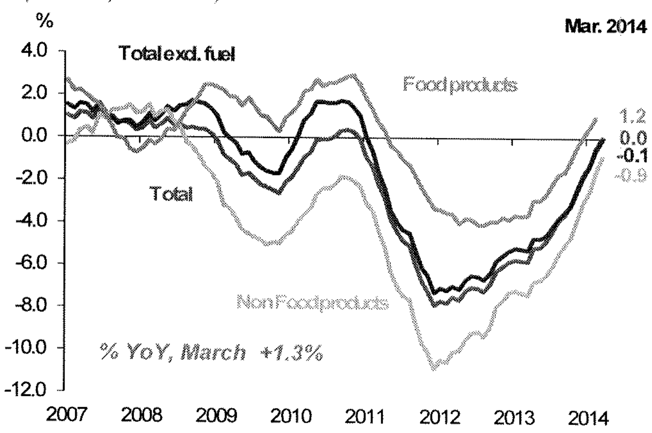
Sources: Bank of Portugal, European Commission, INE, DGEG, Bloomberg.

Recovery underway in economic activity

Favourable signs in the Portuguese economy are also being supported by a stabilisation trend in consumer confidence and private consumption.

Real retail sales

(% YoY, 12m MA)



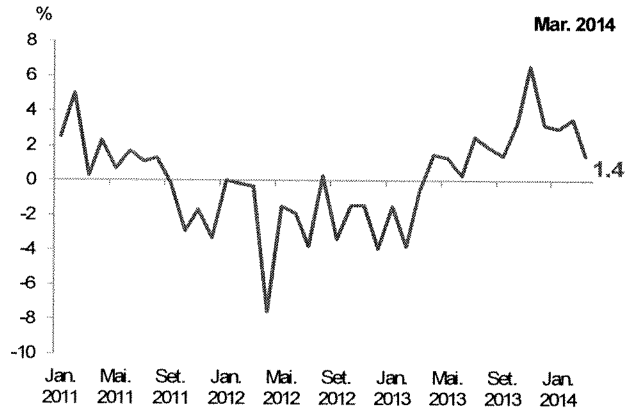
Consumer survey – Major purchases over the next 12 months

(Net balances)

Net balance

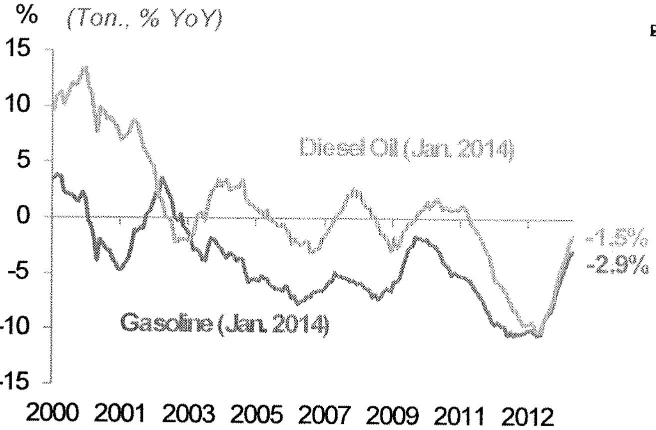
Withdrawals and transactions in ATMs and POS.

(%, YoY)



Total gasoline and diesel oil consumption

(Ton., % YoY)

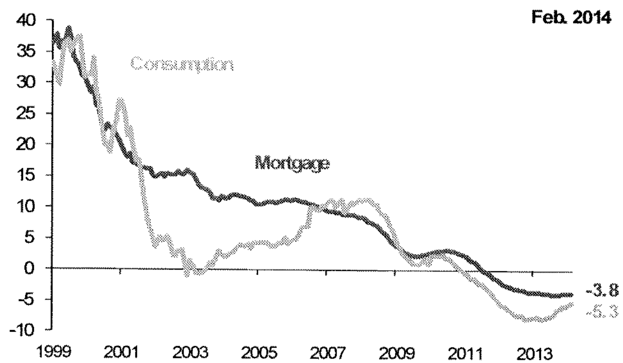


Passenger vehicle sales

Percent (% YoY, 3m MA)

Loans to households

(% YoY)



Sources: Bank of Portugal, European Commission, INE, DGEG, Bloomberg.

Recovery underway in economic activity

The unemployment rate fell from 17.7% to 15.3% of the labour force between Q1 and Q4 2013. Although high levels of unemployment are still expected in 2014, employment expectations suggest a gradual stabilisation in the labour market.

Unemployment rate

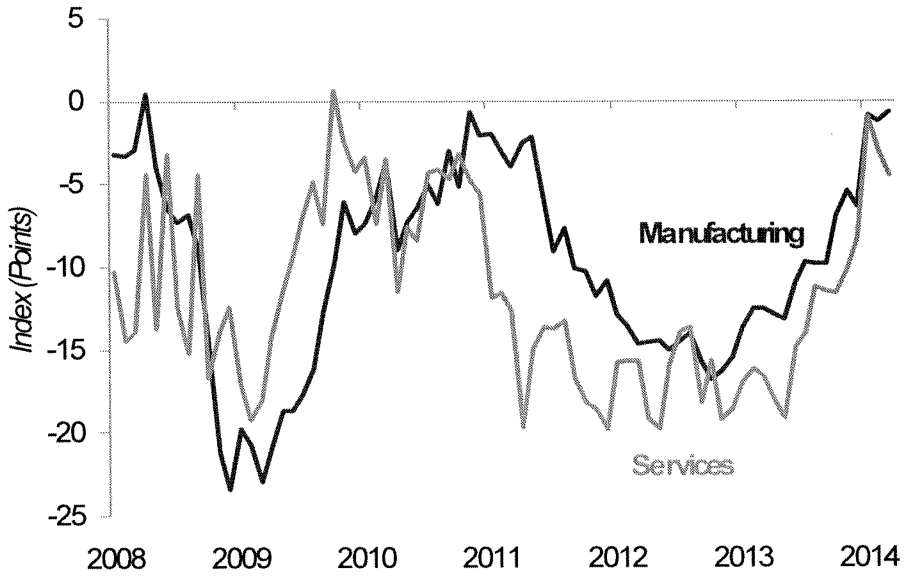
(Official data from INE, % Labour Force)

Percent 2007

Latest data for Q1 2014

Employment expectations in manufacturing and services

(Net balances)



Latest data for March 2014

Sources: INE, Eurostat, EC, ES Research.

Recovery underway in economic activity

Leading indicators support the expectation of a sustained and gradual recovery in activity.

OECD Leading Indicator for Portugal

(Long term average = 100)

Latest data for February 2014

Order books in Manufacturing and demand expectations in Services

(Net balances, 3m MA)

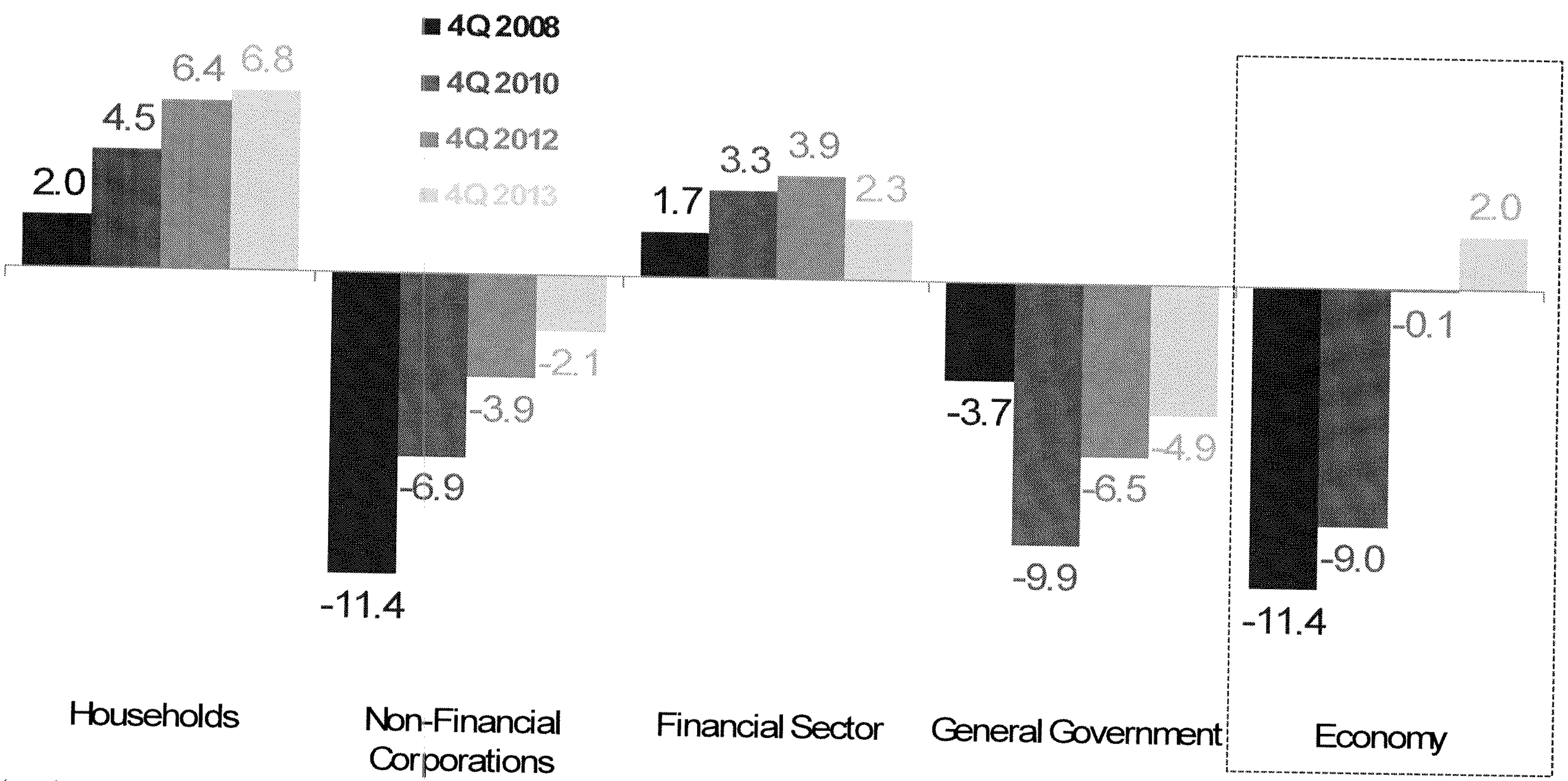
Latest data for April 2014

Sources: INE, Bank of Portugal, ES Research.

The external balance reached a surplus of 2% of GDP in 2013. This net financing capacity is a precondition to sustained economic growth and improved investor confidence.

Net financing needs (-) / capacity (+) by sector [1]

(% GDP , data for year ending in each quarter)



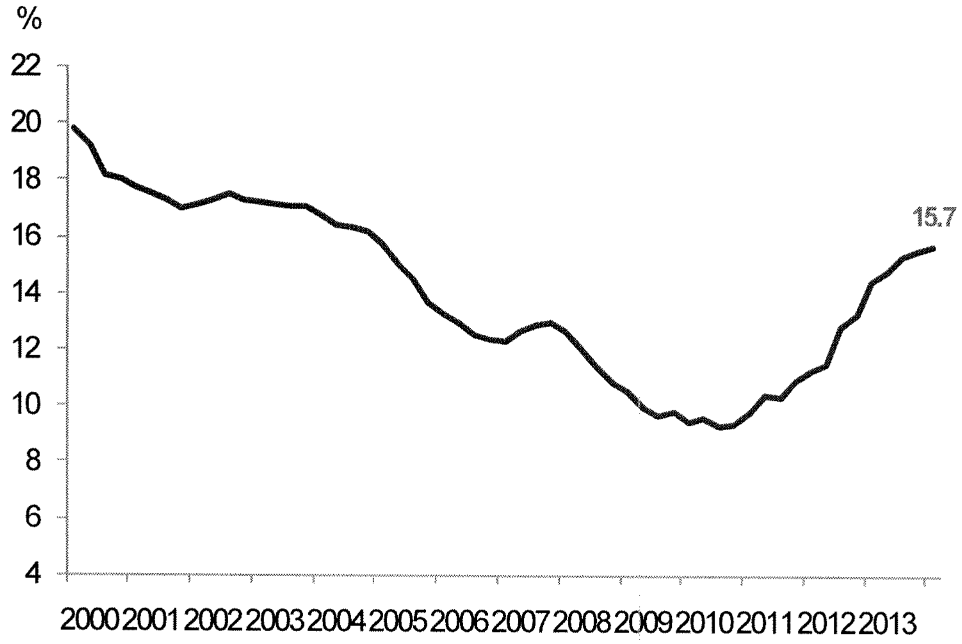
1. Savings minus Investment

Sources: INE, ES Research.

Rising trend in domestic savings. The households' savings rate has increased from 12% to 12.6% of disposable income in 2013.

Domestic Savings Rate

(% GDP)



Data for year ending in each quarter. Latest data for Q4 2013.

Households' Savings Rate

(% Disposable Income)

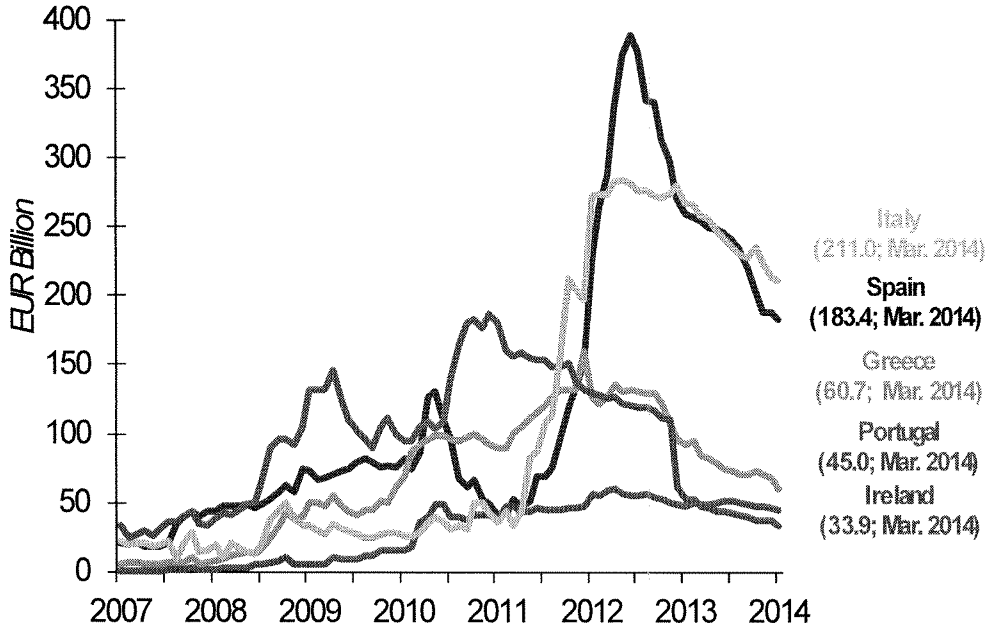
Data for year ending in each quarter. Latest data for Q4 2013.

Sources: INE, ES Research.

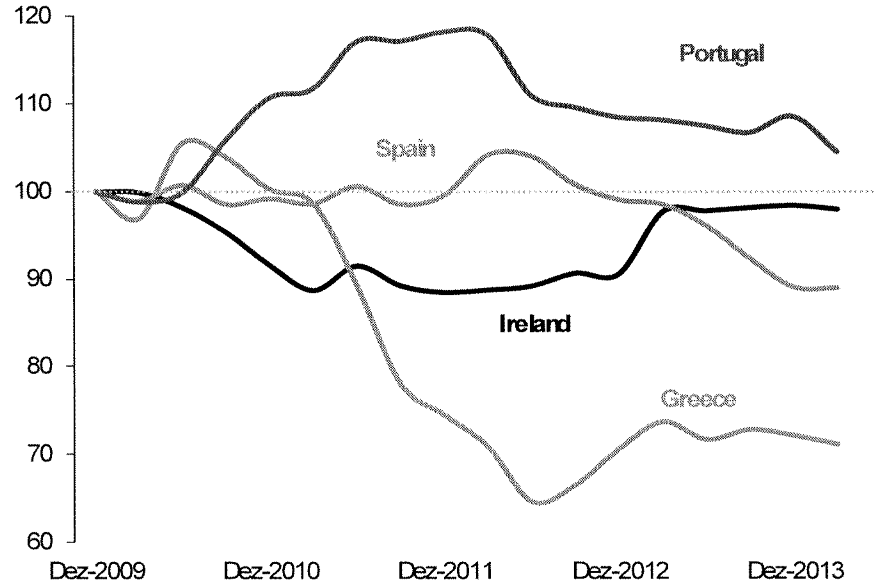
Stability in the financial system

Deposits in Portugal have performed better than in other periphery economies. Their weight in the banks' funding structure has been increasing. Demand for ECB liquidity has remained stable.

Central Bank liquidity provision (including ELA estimates for Greece and Ireland), EUR Billion



Banking sector deposits, Portugal vs. Other periphery economies under adjustment programmes, 2009 = 100



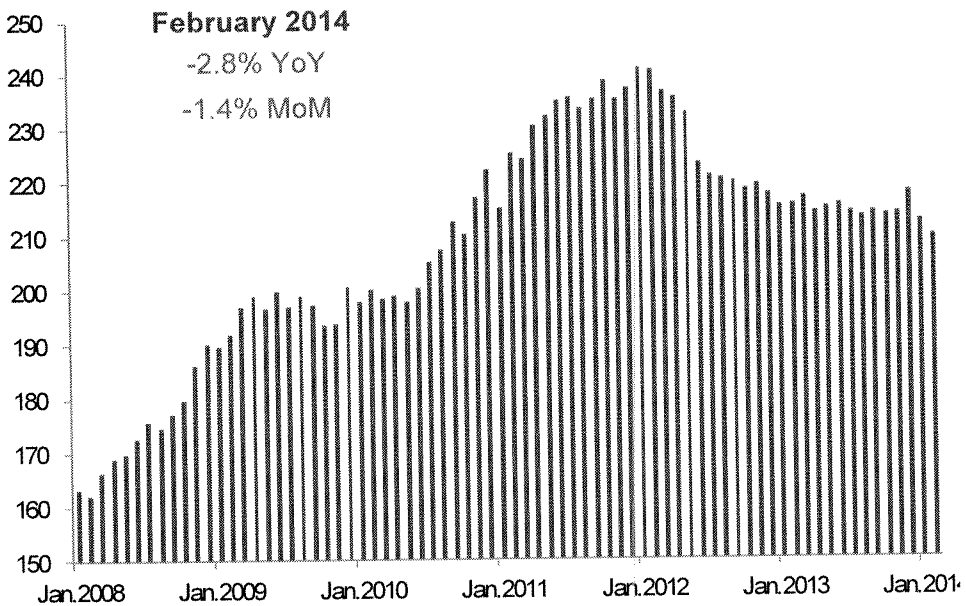
Data for February 2014 , except for Spain (January 2014).

Sources: Bank of Portugal, INE, National Central Banks, NCPAMoU, ES Research.

A resilient behaviour of deposits reflects the rising trend in savings and suggests that confidence in the banking sector has remained strong.

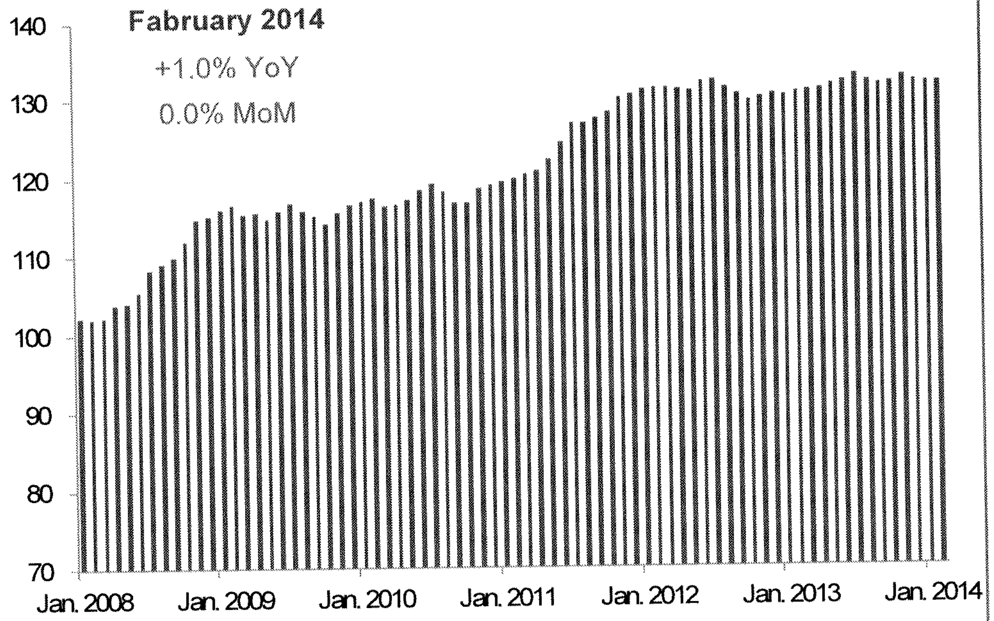
Total deposits

(EUR billion)



Households' deposits

(EUR billion)

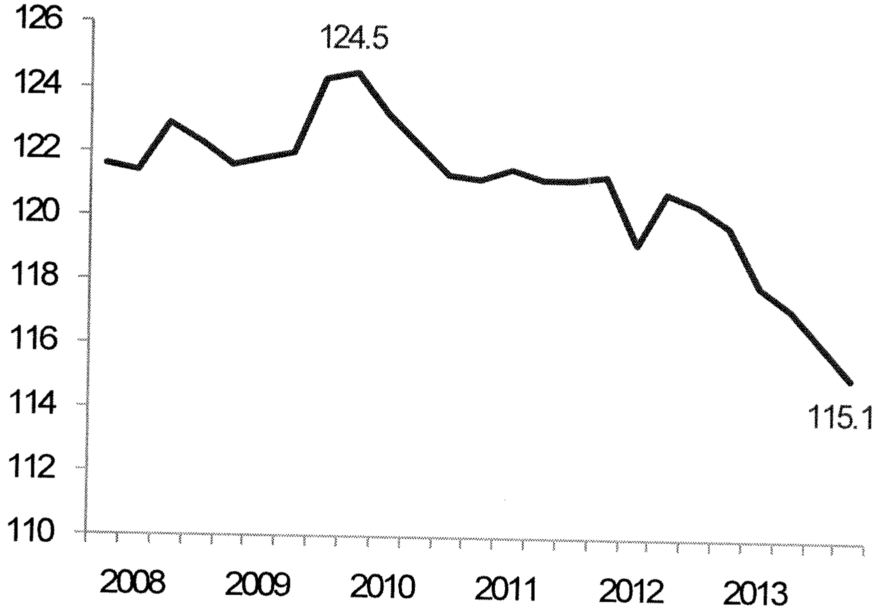


Sources: Bank of Portugal, ES Research.

Household deleveraging has already translated into a declining trend in aggregate indebtedness. Non-financial corporations' gross debt retreated marginally in 2013.

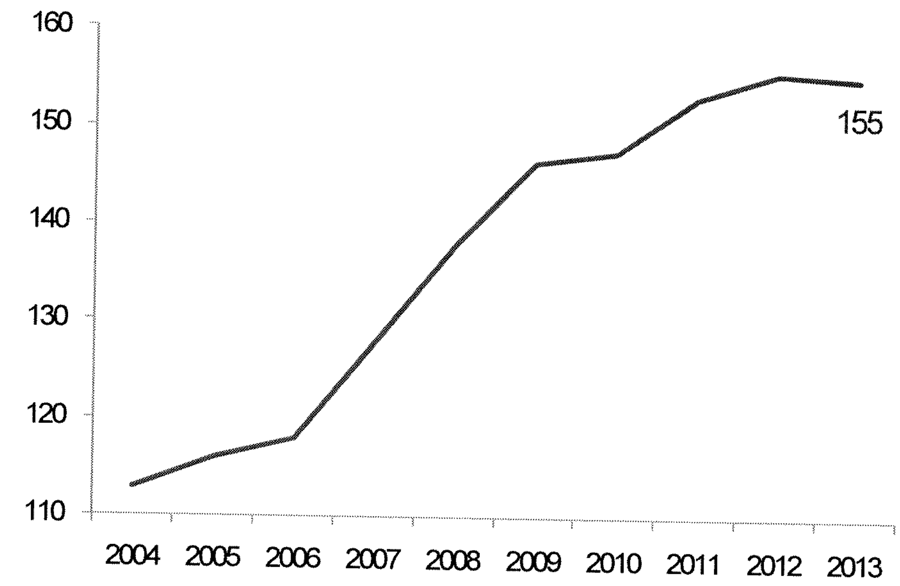
Household indebtedness

(% disposable income)



Non-financial corporations's indebtedness

(% GDP)

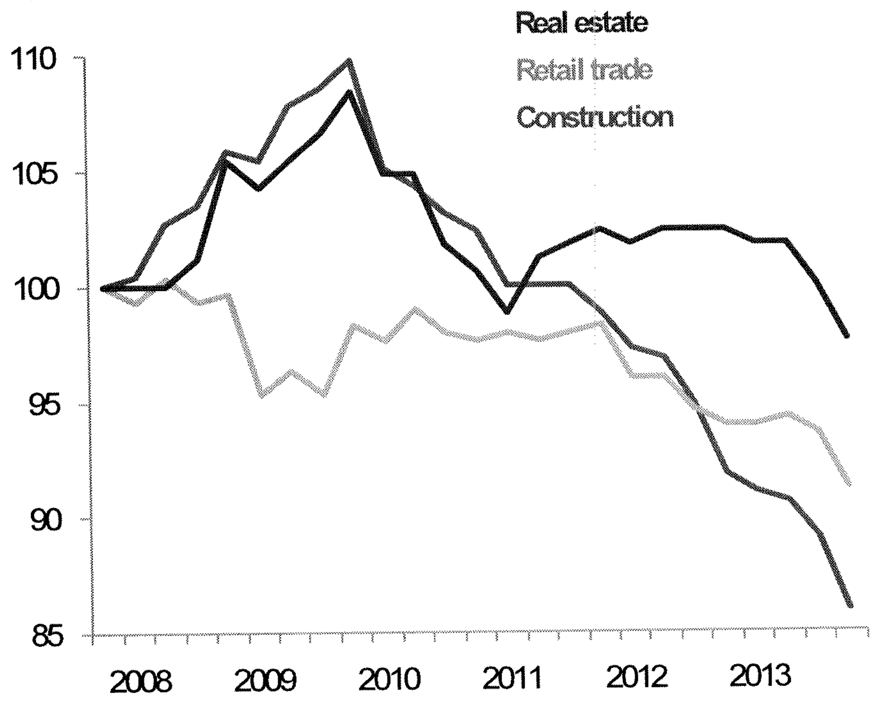


Sources: Bank of Portugal, ES Research.

Non-tradable sectors, with higher debt and particularly impacted by the ongoing economic and financial adjustment, are under stronger pressure to deleverage. Activity and credit show higher growth potential among tradable sectors.

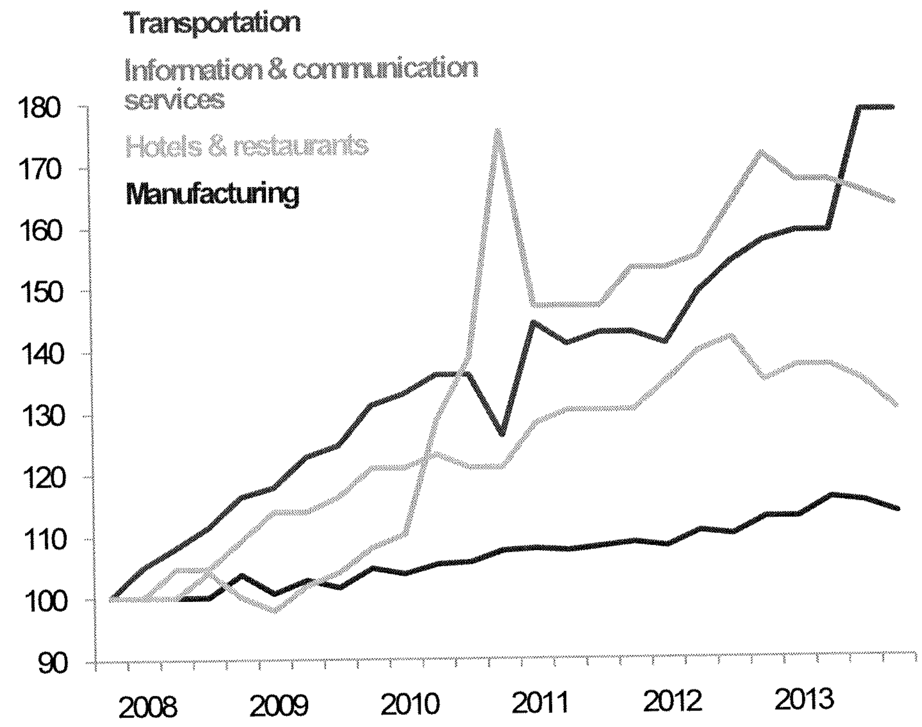
Corporate indebtedness, by sector

(Index, 2007 = 100)



Corporate indebtedness, by sector

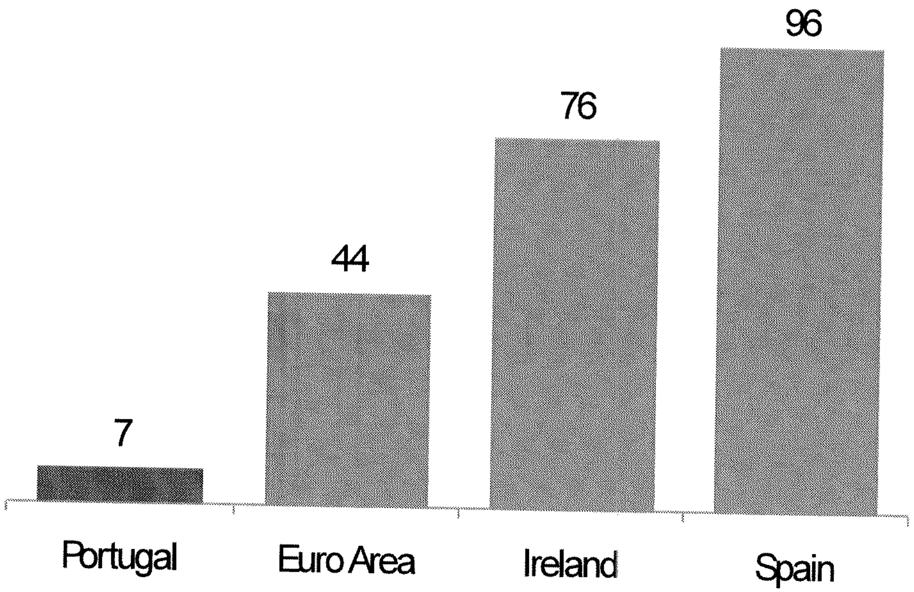
(Index, 2007 = 100)



Sources: Bank of Portugal, ES Research.

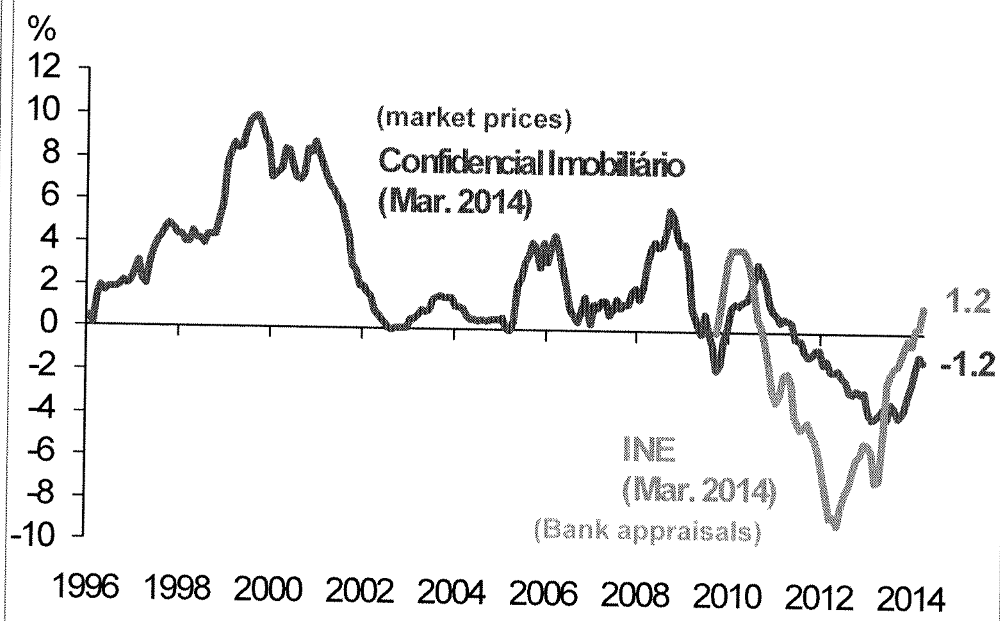
No bubble in the housing sector. Real house prices increased very moderately in Portugal in the years prior to the Euro Area debt crisis, in clear contrast with other economies.

Residential Property,
Accumulated Real Price Growth 1998-2011 (%)[1]



(1) Accumulated nominal house price growth minus accumulated CPI growth

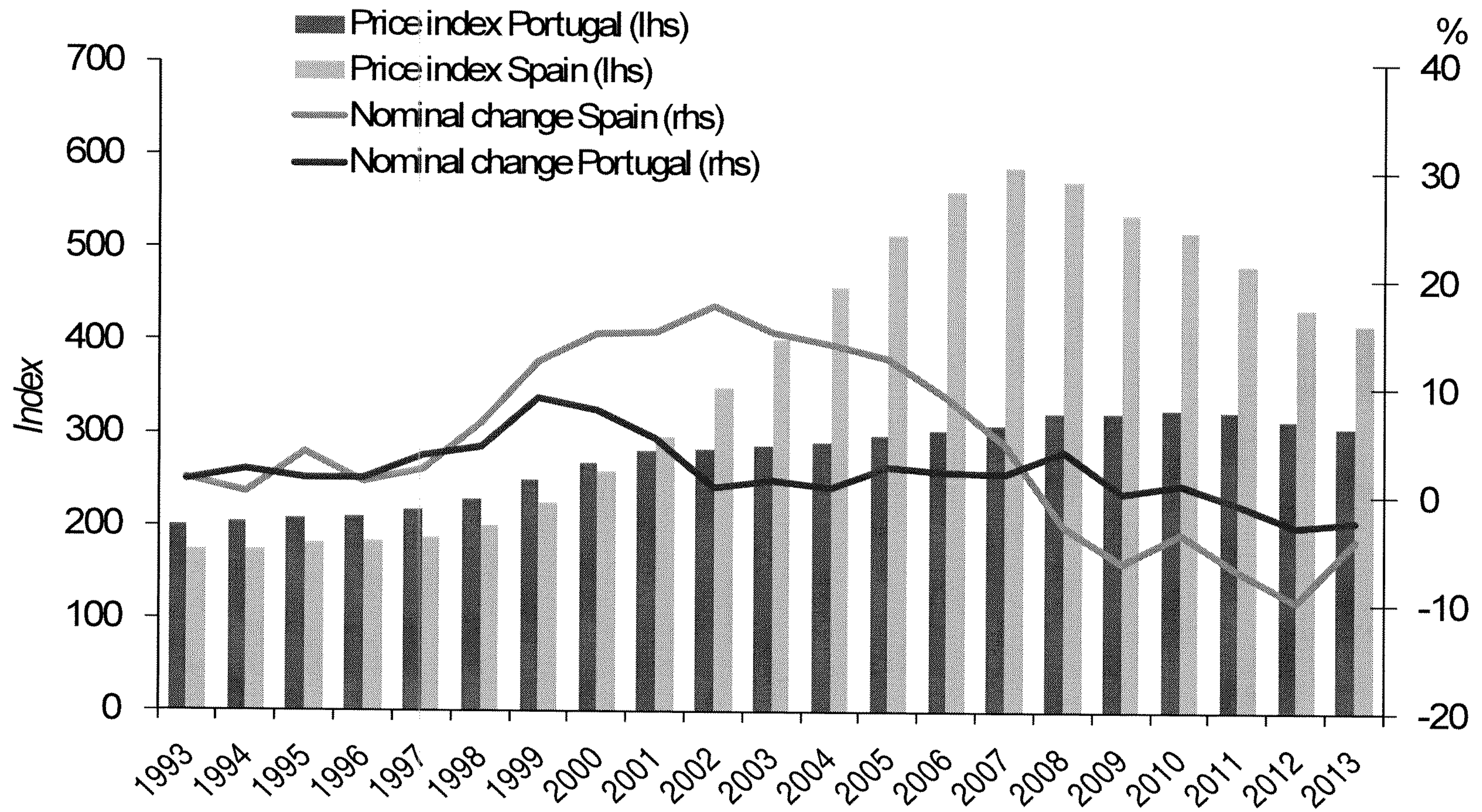
House Prices (% y-o-y)



Sources: ECB, Bloomberg, Confidencial Imobiliário, Ministerio de Fomento (Spain), ES Research.

The current fall in house prices in Portugal is reflecting the ongoing recession, and not the aftermath of a bubble burst in the housing sector. House prices have been relatively stable over the last decade, comparing with other European economies.

House Price Growth, Portugal vs. Spain (1987=100)

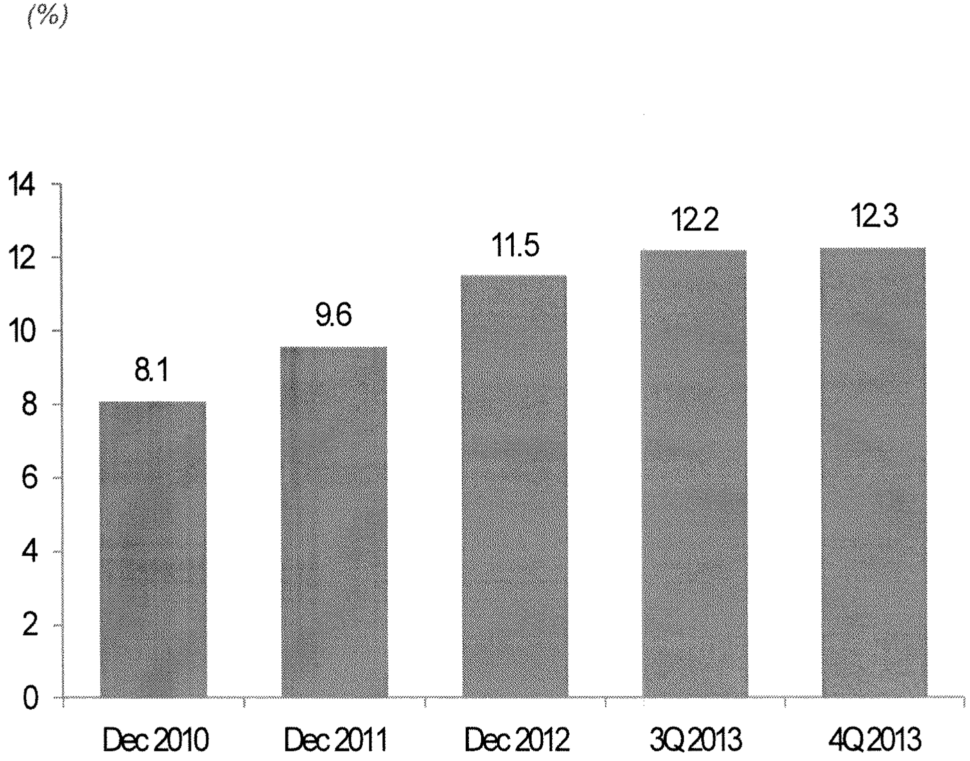


Sources: Confidencial Imobiliário (Portugal), Ministerio de Fomento (Spain), ES Research.

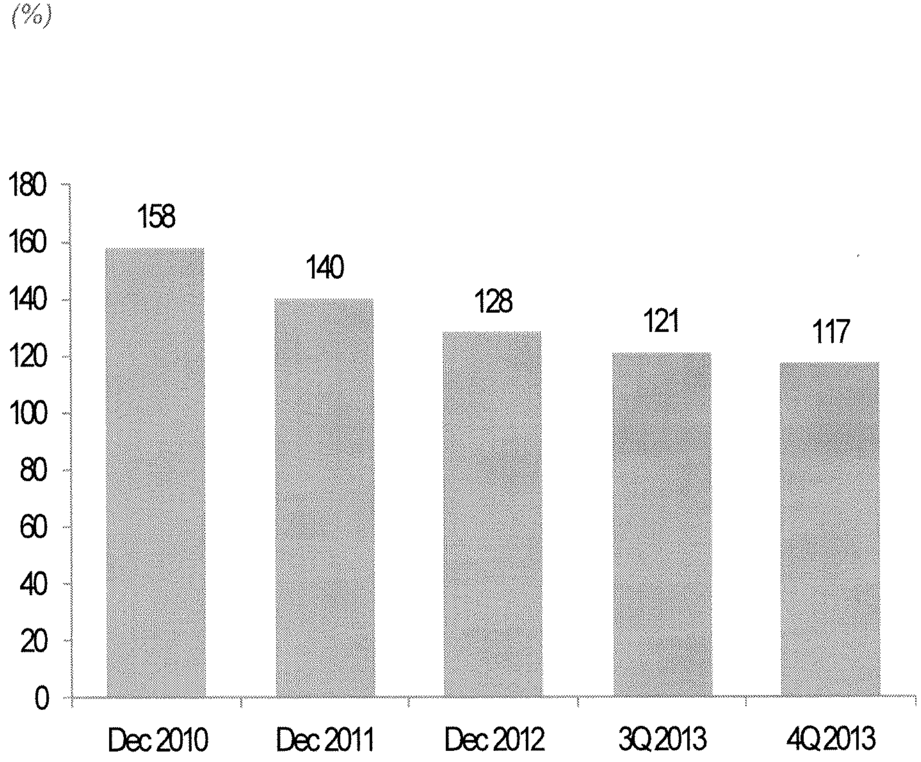
Stability in the financial system

Solvency of Portuguese banks has been strengthened. Loan-to-deposits ratio continues to trend down and the liquidity position has improved significantly.

Core Tier 1 Ratio (Basel 2.5)



Loan-to-Deposit Ratio [1]



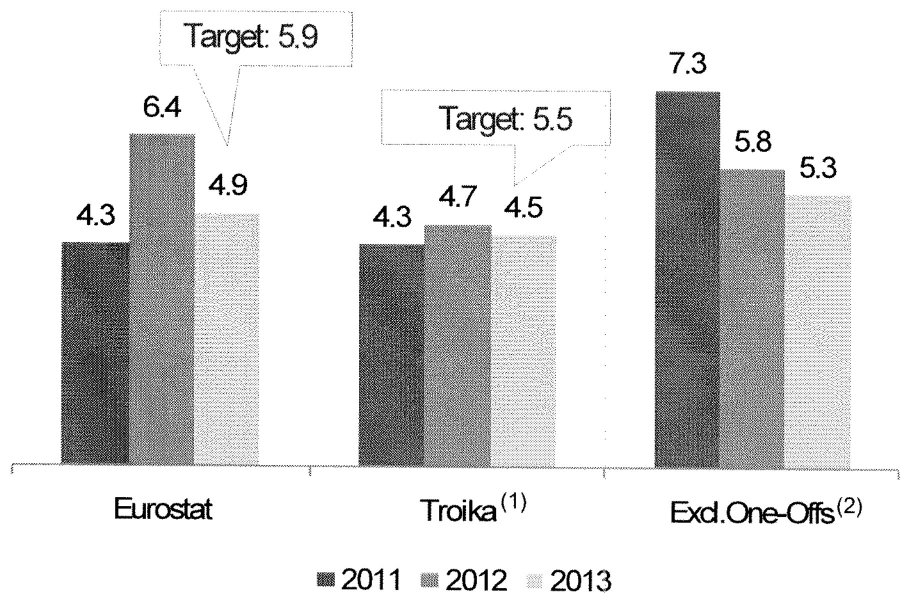
1. Top 8 banking groups

Sources: Bank of Portugal, ES Research.

The efforts of fiscal consolidation and the recovery of the economy led, in 2013, to a public deficit below the target. A primary surplus is expected in 2014.

Public Deficit, 2011-2013

(% GDP, Eurostat, Troika and excluding one-off measures criteria)

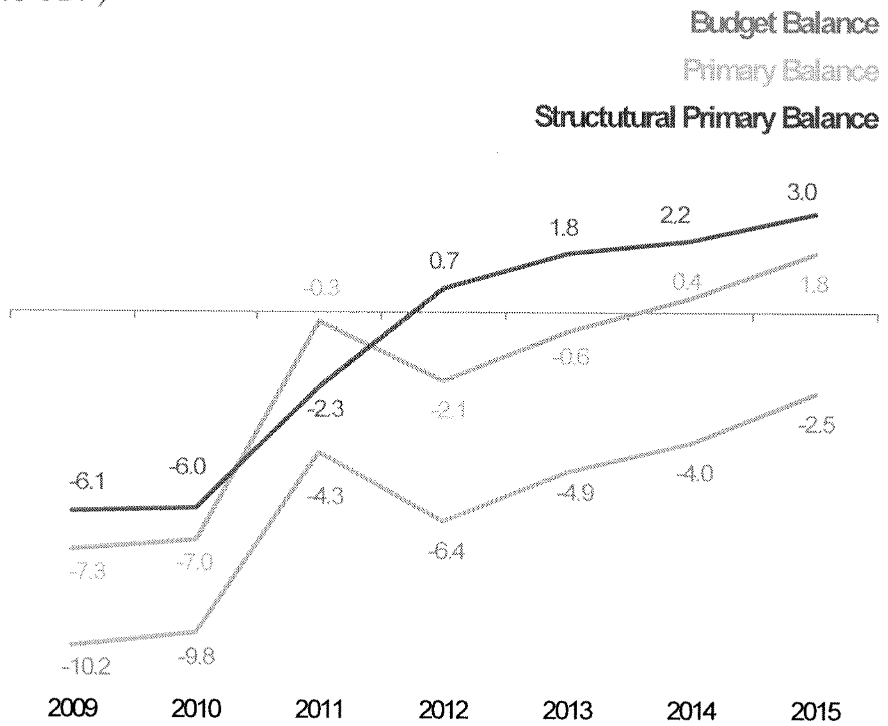


(1) Adjusted by the settlement of arrears in the local and regional Government and in the NHS.

(2) Adjusted by the recapitalization of Banif and the settlement of tax and social security arrears through a tax amnesty.

Budget Balance, 2009-2014

(% GDP)



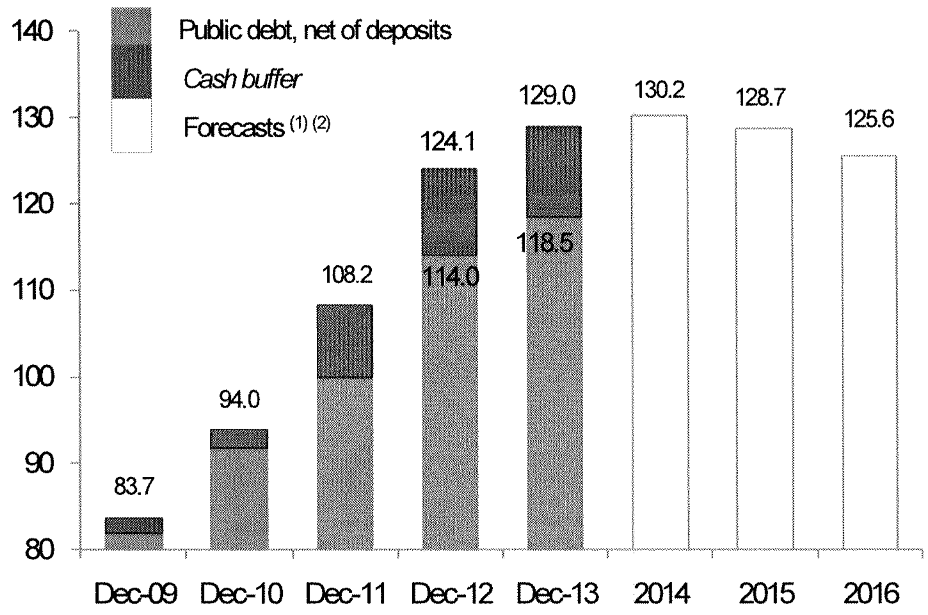
Sources: Ministry of Finance, Bank of Portugal, IMF, ES Research.

Fiscal consolidation

Public debt is stabilizing and its weight in the GDP is expected to decrease in 2014-15. However, the debt stock is still high, demanding a strong fiscal discipline in the next years.

Public debt, Maastricht criteria, Total and net of Central Administration deposits

(% GDP)

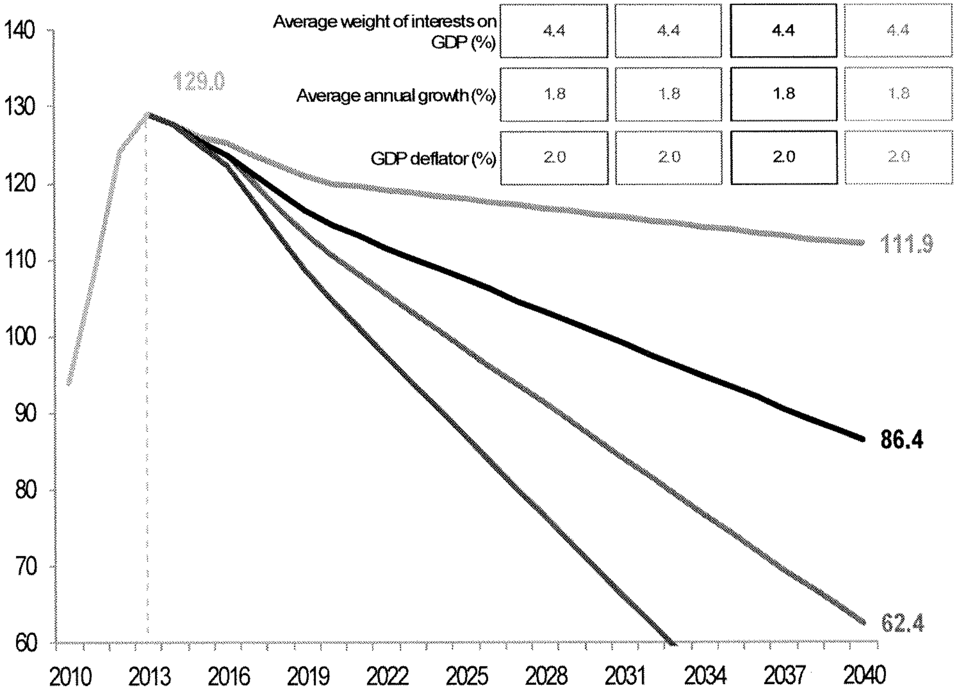


(1) The rise in 2014 is mainly explained by the reclassification of SOE debt.

(2) With the entry into force of the SEC 2010, the debt ratio is reduced to 127.5% in 2014, 125.7% in 2015 and 122.7% in 2016.

Scenarios for the Public Debt

(% GDP)



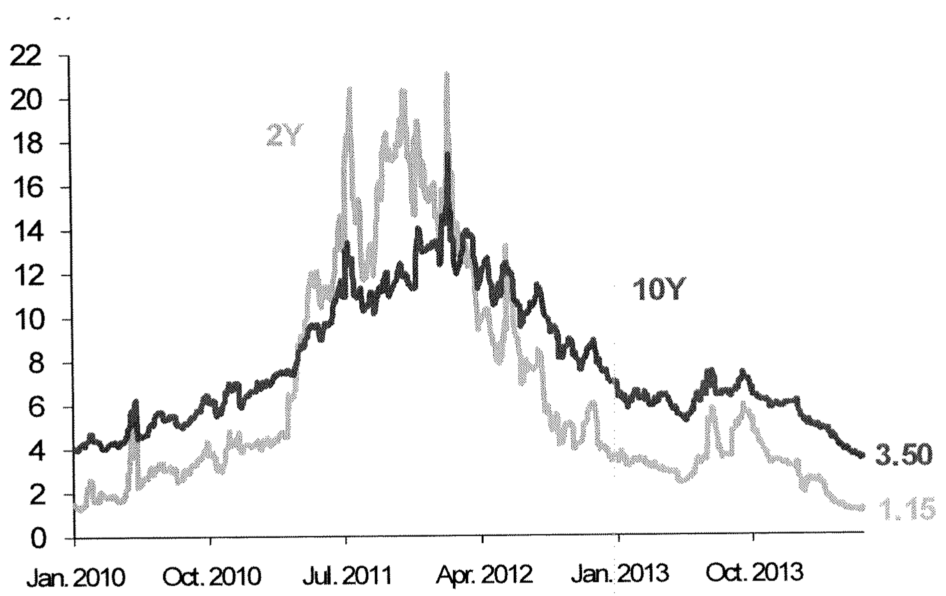
	Troika last figures	"Optimistic" scenario	"Central" scenario	"Pessimistic" scenario
Primary budget balance (% GDP)	4.1	3.0	2.0	1.0
Average weight of interests on GDP (%)	4.4	4.4	4.4	4.4
Average annual growth (%)	1.8	1.8	1.8	1.8
GDP deflator (%)	2.0	2.0	2.0	2.0

Sources: IMF, Bank of Portugal, ES Research, NCPAMoU.

Improving market confidence

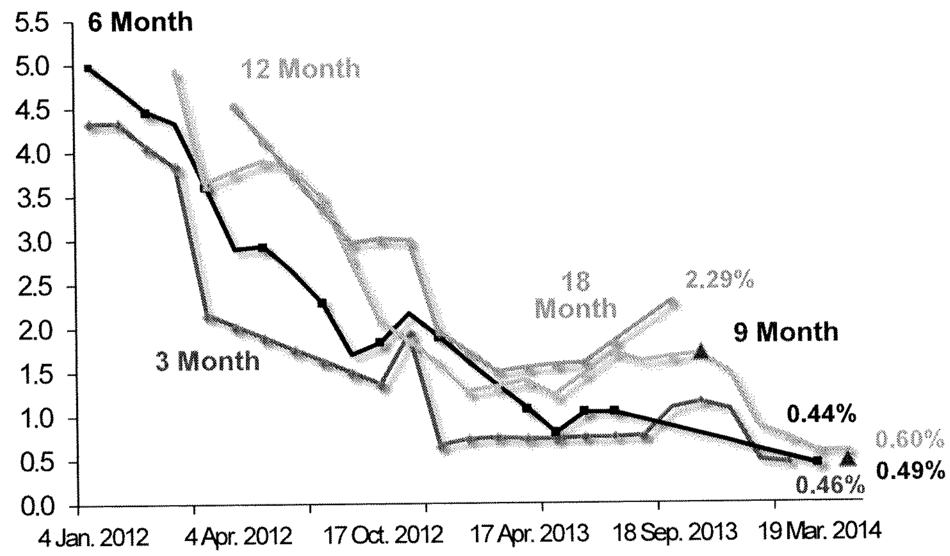
The signs of economic and financial stabilisation, coupled with a more favourable view of the Euro Area periphery on the part of investors, are contributing to a downward trend in Portuguese sovereign bond yields…

Portuguese Government Bond yields in the secondary market



Latest data for May 14th

Average yields in Treasury Bill issues



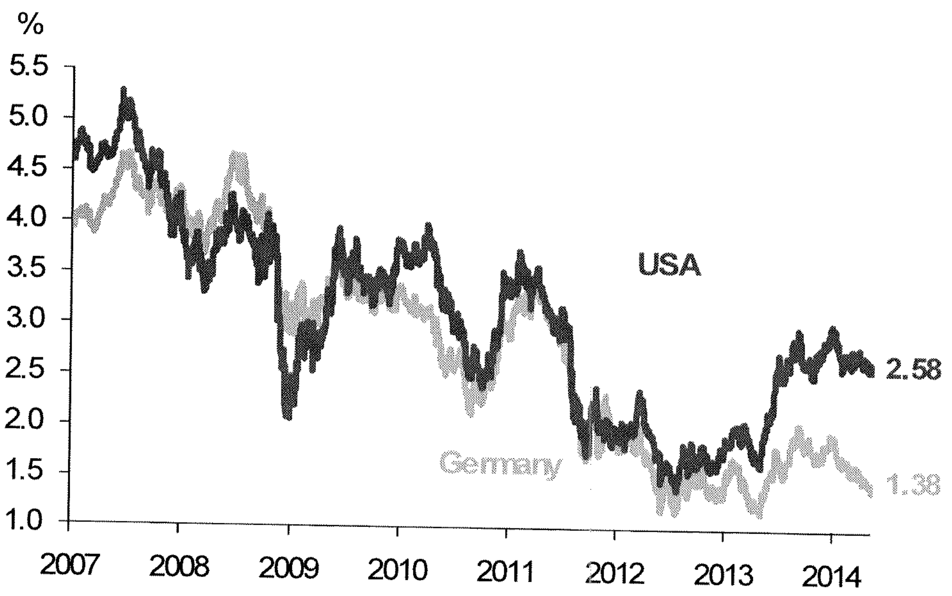
Sources: IGCP, Bloomberg.

Improving market confidence

... with lower spreads vs. benchmark German Government Bond yields.

10-Year Government Bond yields in the US and in Euro Area core economies

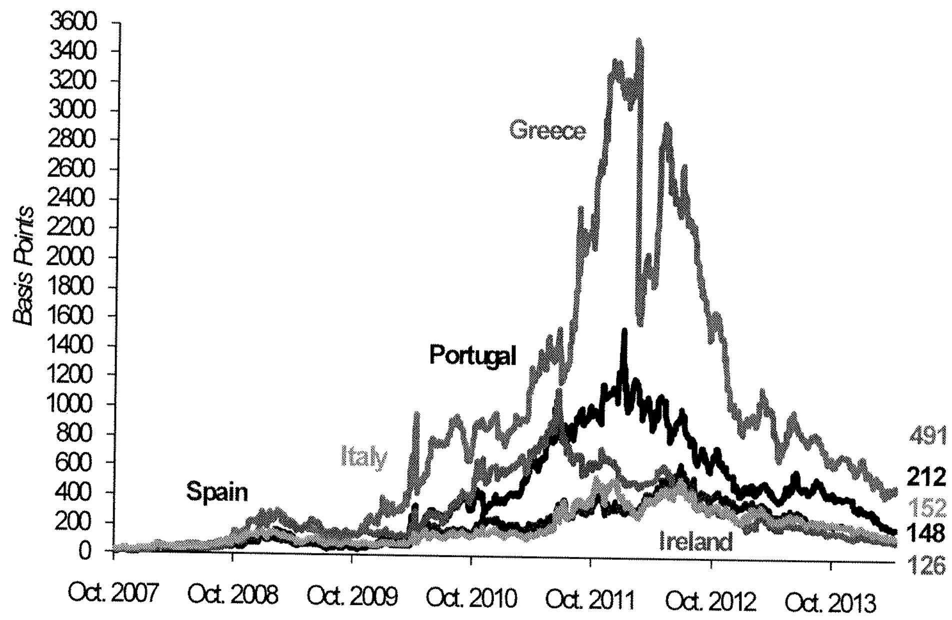
(%)



Latest data for May 14th

10-Year Government Bond yield spreads vs. Germany

(bps)



Latest data for May 14th

Improving market confidence

The rating outlook is improving, with better fiscal and financial conditions, with stronger growth prospects and with the return to market financing.

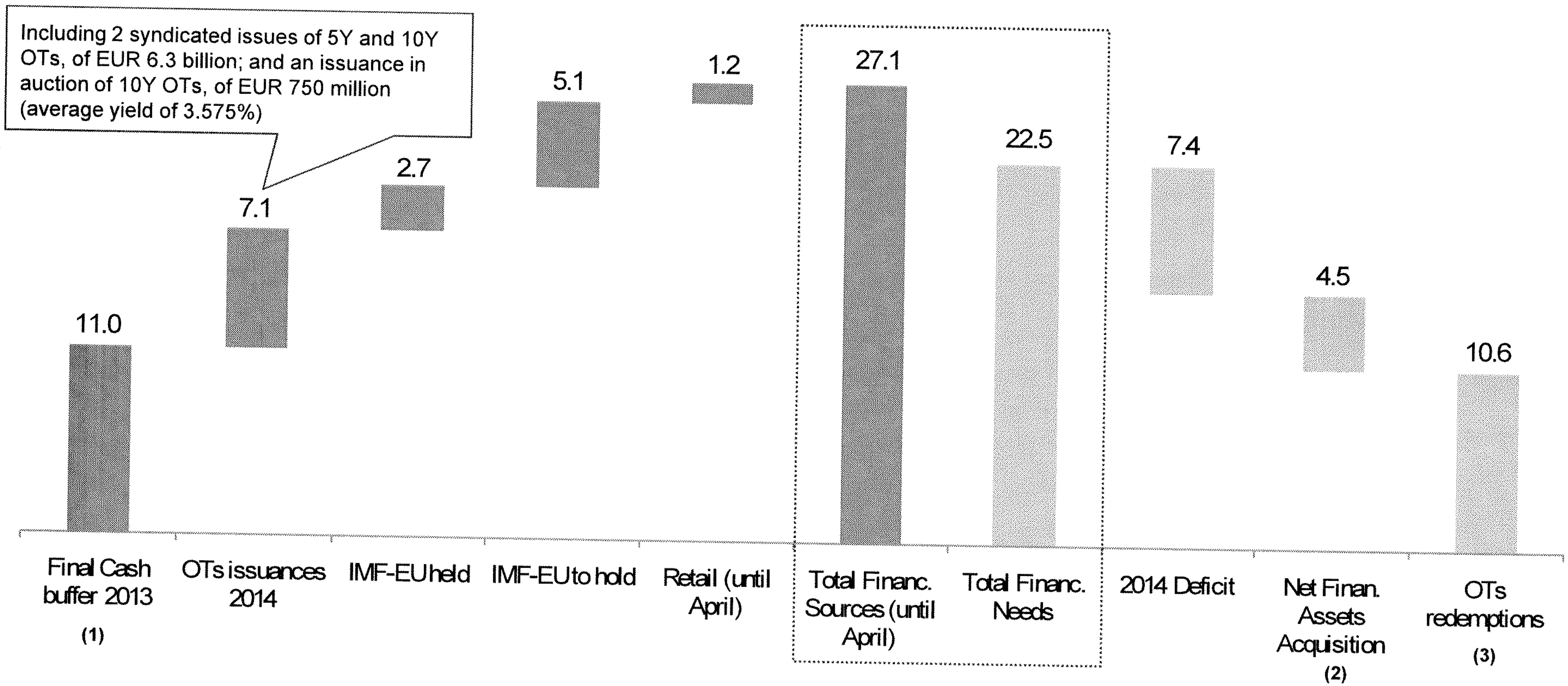
Moody's (May 9)	Portugal's fiscal situation has improved more rapidly than initially targeted and the public debt ratio will start declining this year, albeit from a very high level. The budget deficit was reduced (…) more than envisaged last year, indicating the Government's strong commitment to fiscal consolidation. Portugal has regained access to the public debt markets and in addition the Government has built up sizeable cash buffers. Portugal's economic recovery is gaining momentum, with signs of broadening beyond exports, which continue to perform strongly. Economic growth will be sustained over the medium-term because the Portuguese authorities have implemented a wide range of structural reforms.	**Sovereign rating raised from Ba3 to Ba2** **Rating on review for possible further upgrade**
S&P (May 9)	The economy and the labor market are recovering faster than we projected, with better-than-expected budgetary performance. The combined current and capital account surplus is sufficiently large to enable Portugal's economy to gradually reduce its large stock of net external debt. Portugal's real GDP will likely grow on average about 1.4% per year during 2014-2015, chiefly on the back of sustained export growth. We also expect a gradual recovery in domestic demand as private sector hiring continues to recover.	**Outlook for the BB rating raised from "Negative" to "Stable"**
Fitch (April 11)	Portugal's fiscal and financing conditions have improved markedly and the sovereign has regained market access. Portugal is making good progress in reducing its budget deficit. The 2013 fiscal performance exceeded Fitch's expectations and outperformed the IMF-EU programme targets, even excluding one-off factors	**Outlook for the BB+ rating raised from "Negative" to "Positive"**

Sources: Moody's, Fitch, S&P, ES Research

Clean exit from the external assistance programme

The gradual improvement of market sentiment allowed the Treasury to return to the issuance of debt in the form of auctions (without a bank syndicate), issuing EUR 750 million of 10Y PGBs, with an average yield of 3.575%. With the 2014 financing needs covered, the Portuguese Government announced on May 4th a clean exit from the financial assistance programme.

Public financing sources and needs, 2014 *(EUR billion)*



(1) Not including the EUR 6.4 billion of bank recapitalization; (2) Including loans to the SOE and local and regional governments and redemption of CoCo's; (3) Including net needs of BTs (equal to zero) and debt repurchase activities.

Economic policy will remain constrained by post-programme monitoring and by the European Fiscal Treaty.

Constraints in the post-Troika

In spite of the "clean exit" from the assistance programme, Portugal's fiscal and economic policies will still face several constraints in the years ahead

Constraints via Assistance Programme	• Monitoring after the conclusion of the assistance programme – **until the redemption of 75% of the total amount received.** (until 2035[1])
Constraints via EU	• **Excessive Deficit Procedure**; (until 2015) • Macroeconomic Imbalance Procedure; • European Fiscal Treaty (e.g. **structural deficit < 0.5% of GDP**); (until 2017) • European Semester (e.g. analysis of the medium term fiscal plans); • *Two-pack* (e.g. following-up the fiscal path, in order to guarantee a durable and timely correction of the excessive deficits); • *Six-pack* (including e.g. a 5% reduction in the annual average gap between the debt and **the limit of 60% of GDP** –each 3 years); (until 2037) • ...
Auto-constraints	• Expenditure reduction ✓ Chronic imbalance between revenue and expenditure: (i) the fiscal and contributory[2] revenue do not cover the social and operational expenditures[3]; (ii) tax revenue only covers near of 50% of the total public expenditure; ✓ Need of generating positive primary balances, in order to guarantee the sustainability of the public debt; • Structural reforms ✓ Competitiveness levels and potential growth are still very low.

[1] Rule included in the *Two-pack*, only related to the loans of the ESM and EFSF. The year 2035 is in accordance with the simulation made by the IGCP for the calendar of the redemptions of this loans (note that the new maturities of the ESM are not defined yet, after the second enlargement of the maturities granted to Portugal). [2] Direct taxes + indirect taxes + social contributions [3] Social benefits + Compensation of employees + Intermediate consumption.

Note: Taking into account the adjustment effort over the next years, an European assistance in the form of, for example, a period of grace of the interests associated to the loans of the ESM and EFSF, a new extension of the redemption terms of the ESM and ESFS or the deepening of the European mechanisms of financial stabilization and solidarity (including, in the future, some kind of debt mutualisation) will benefit the fiscal consolidation and the management of the public debt stock.

Sources: European Commission, ESM, European Council, ES Research - NCPAMoU.

The Portuguese economy in the post-Troika

The successful implementation of the privatisation programme and several bond issues of banks and corporations underscore the attractiveness of the Portuguese economy to foreign investment.

Privatisations

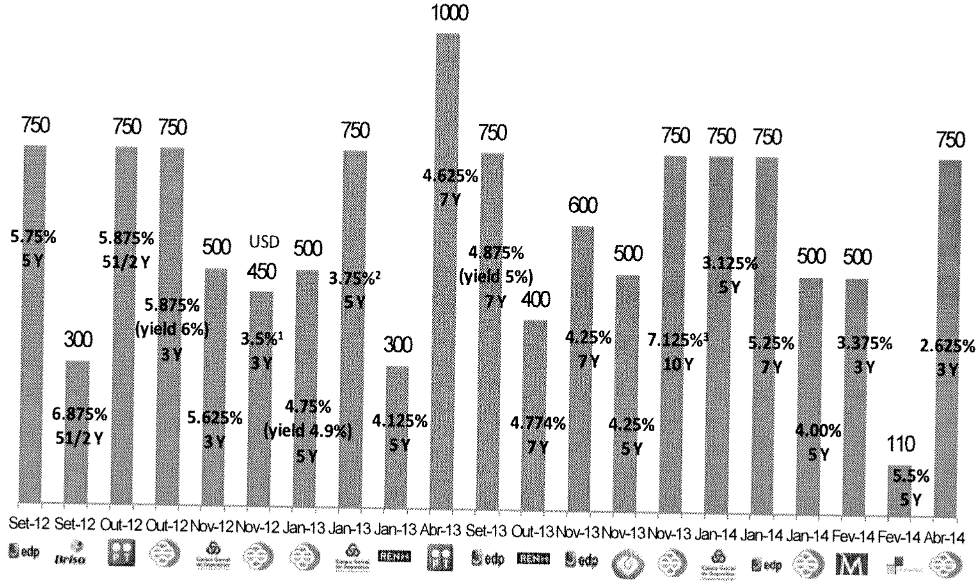
2012				
Government stake before privatisation	25.7%	51.1%	8.0%	100.0%
	edp	REN		ANA
Investors	China Three Gorges	State Grid (China) Oman Oil Company	Market sale	Vinci
	21.35% of capital EUR 2.7 billion	40% of capital EUR 592 million	1% of capital EUR 95 million	95% of capital EUR 3.08 billion

2013	2014	2014 - 2015		
ctt	Caixa Seguros	EGF	CPCARGA	TAP
Market sale 70% of capital EUR 579 million	Fosun (China) 80% of capital EUR 1 billion			

The privatisation programme has generated revenues of around EUR 8.1 billion, already above the initial expectations of EUR 5 billion (later revised downwards to EUR 4.7 billion).

Recent bond issues by Portuguese corporates and banks

(EUR million)



(1) Semi-annual coupon rate, exchangeable bonds; (2) Covered bonds ; (3) Subordinated notes. Initial annual coupon rate of 7.125% and reset after 5Y to a rate of MidSwap Rate+605.8bp. (4) Final maturity 10Y, with call after 5Y.

Sources: Bloomberg, ES Research-NACPMoU.

Ongoing structural reforms, aiming to reduce distortions in the housing, labour and product markets, are expected to contribute to higher growth over the medium term. Corporate tax reform will begin to be implemented in 2014.

Structural reforms

Labour market reform

- A more **flexible Labour Code** came into force in August 2012, with stronger links to productivity gains;

Improving business environment

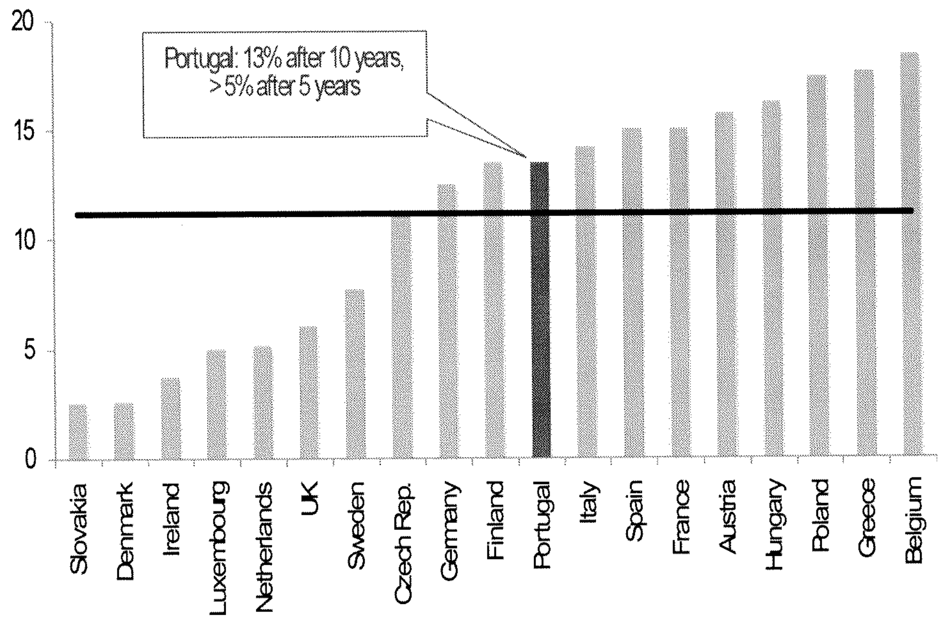
- Higher competitiveness through the reform of the **Corporate Income Tax**.
- Reform of the **Judicial system**, with a new Code of Civil Procedure approved in Nov.12 and a new judicial map already approved.
- **New Insolvency Code** in force since May 2012,
- **Rental market reform** came into force in August 2012,
- A **new ports management law** has been approved in Parliament in November 2012,

Product market reform

- Increased competition in **Telecoms**
- Reducing excessive mark-ups and increased competition in **Electricity**

OECD – Estimated increase in the level of GDP per capita over a 10 year horizon

*(% increase from the level without reforms) **



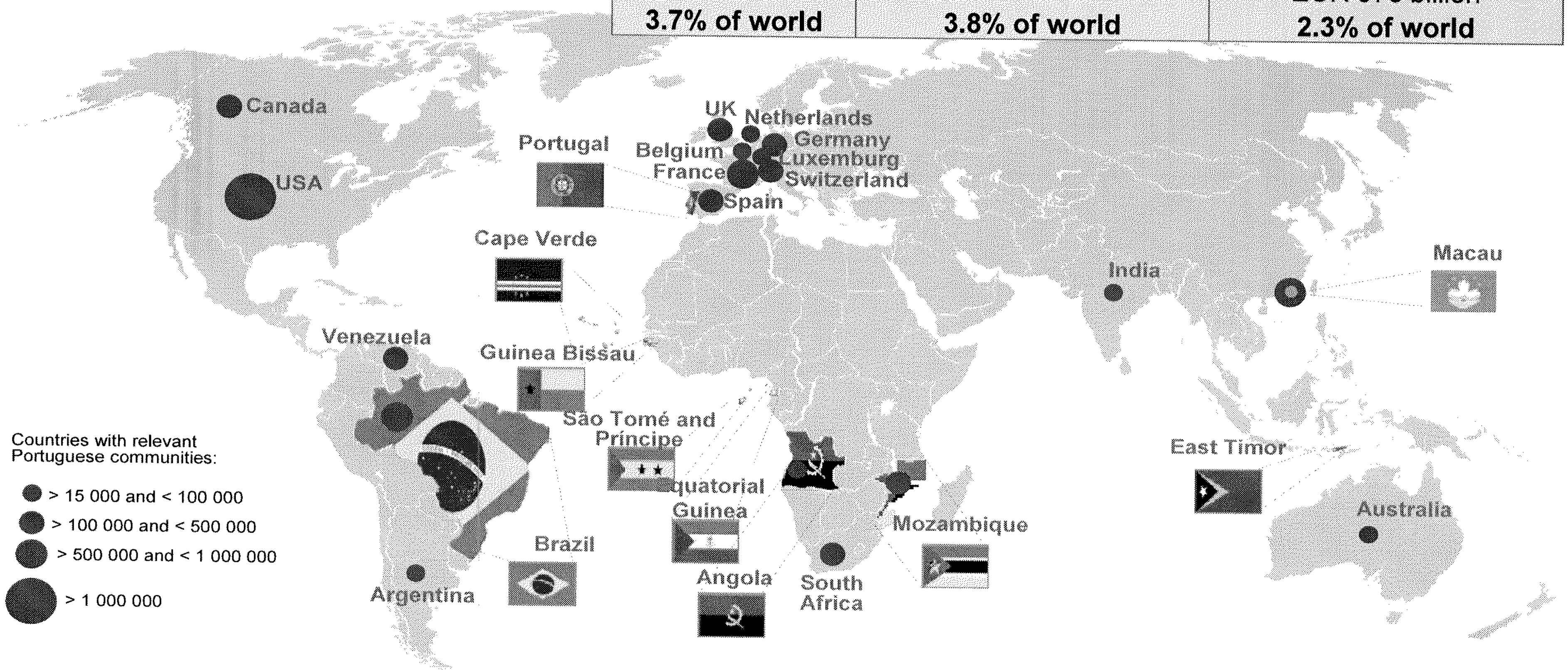
** Bouis and Duvall (2011), " RAISING POTENTIAL GROWTH AFTER THE CRISIS: A QUANTITATIVE ASSESSMENT OF THE POTENTIAL GAINS FROM VARIOUS STRUCTURAL REFORMS IN THE OECD AREA AND BEYOND, OECD ECONOMICS DEPARTMENT WORKING PAPERS No. 835.*

Sources: OECD, IMF, ES Research.

The Portuguese language and the Portuguese communities abroad represent an important asset to Portuguese companies, giving them a comparative advantage in their approach to several fast growing markets and their neighbouring areas.

The Portuguese language in the world - 2013

Population	GDP	International Trade[1]
263.7 million	EUR 2 183 billion	EUR 578 billion
3.7% of world	**3.8% of world**	**2.3% of world**

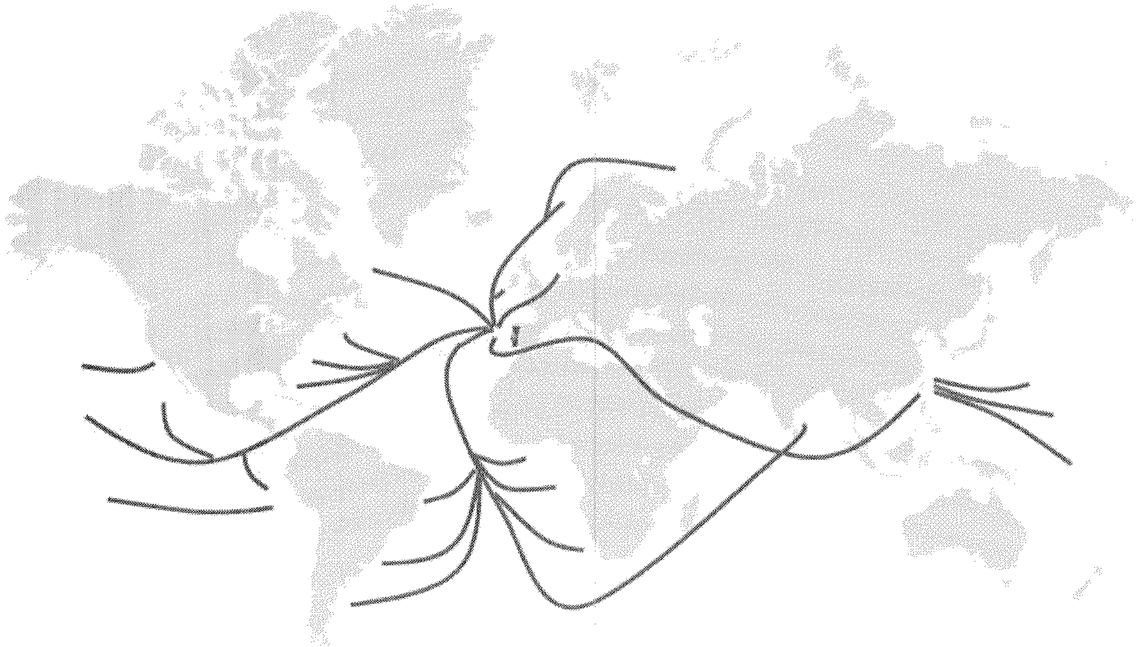


[1] *Data for countries with Portuguese as official language.*

Source: UN, IMF, ES Research-Sectorial.

Portuguese ports, supported by appropriate logistic infrastructures, can play an important role in the international trade between America, Africa, Asia and Europe.

Main routes to Portuguese ports



- South American and African maritime routes are growing significantly.
- The widening of the Panama Canal should have a favourable impact on European Southern Atlantic ports.
- In this context, Portuguese ports are privileged gateways to the European markets, particularly given the signs of congestion in some of the largers European ports.

Port of Sines

- **Atlantic gateway to Europe**
- **Capacity to accomodate deep draft vessels (16-18 thousand TEUs)**
- **3rd European port in terms of capacity to accomodate deep draft vessels**
- **+24% container movement (2012)**

Containerised cargo movements in Portuguese ports

(Million TEUs/year)

2005-2012: +85%

Jan-Oct 2013: +25% YoY

Sources: IPTM, Porto de Sines, ES Research.

The economic and financial adjustment programme has accelerated the efforts to change the pattern of growth of the Portuguese economy.

Targets

Main Results

Correct Fiscal and External Imbalances

- The budget deficit fell from 9.8% of GDP in 2010 to 4.9% of GDP in 2013 (or 4.5%, according to Troika criteria, below the 5.5% target). (1)
- The structural primary balance reached a surplus of 0.9% of GDP in 2013 (6% deficit in 2010). (2)
- Public debt still increasing, but stabilising (129% of GDP in 2013, or 118.5% excluding a cash buffer). (1)
- External balance improvement from a 11.4% of GDP deficit in 2008 to a surplus of 2% of GDP in 2013. (3)
- Domestic savings up from 9.3% to 15.7% of GDP (Q3 2010-Q4 2013). Households savings up from 5.7% to 12.6% of disposable income (Q2 2008-Q4 2013). (3)

Higher Competitiveness and Potential Growth

- Return to YoY GDP growth in Q4 2013 (1.7%). (3)
- 7.5% decline in real unit labour costs since 2009 (vs. 1.9% in the Euro Area). (4)
- Close to 10% gain in export market share since 2010. (2) Weight of exports in GDP rose from 31% to 41% between 2010 and 2013. (3)
- Higher export competitiveness through a new Ports Management Law (lower operating costs).
- Reform of the corporate income tax. Global rate lowered from 31.5% to 27.5%-29.5% for taxable profits below EUR 35 million.
- 1.2 p.p. increase in potential GDP growth between 2012 and 2015 (European Commission estimates). (5)

Structural Transformation of the Economy

- Labour market reform (higher flexibility in work relations).
- Fiscal management reform, including a new Budgetary Framework Law (incorporating the Fiscal Compact rules).
- Reduction and downsizing of public sector structures; 49K (8%) reduction in the number of workers in 2012-13; restructuring of SOE sector. (6)
- Lower excess rents in energy and telecoms; liberalisation of gas and electricity markets.
- Judicial system reform. New Competition and Insolvency laws; improvement of business licensing and recovery procedures.
- Change in incentives, favouring tradable sectors. (fiscal and economic policies, financing conditions, etc.),

Regain Market Confidence and Normalise Financing Conditions

- 10Y Government Bond yields down from a peak of 17.4% in January 2012 to around 3.7% in April 2014. (7)
- Return to market financing, with improving conditions (5 and 10Y syndicated issues in 2014, totalling EUR 6.3 billion; in April, auction of a EUR 750 million 10Y issue, with an average yield of 3.575%. (8)
- Return of main corporations and banks to market financing.
- Successful privatisation programme (EUR 8.1 billion revenues) (9) and return of external portfolio investment inflows. (2)
- Average core tier I ratio in the banking sector raised from 8.1% to 12.3% (2010-2013). Average loan-to-deposit ratio lowered from 158% to 117%. (2)

Sources: ES Research, ESR-NCPAMoU, (1) Ministry of Finance and INE; (2) Bank of Portugal; (3) INE; (4) Eurostat; (5) AMECO; (6) DGAEP-MF; (7) Bloomberg; (8) IGCP; (9) Ministry of Finance, IMF, EC.

Table of contents

The Portuguese economy is expected to return to annual growth in 2014.

Annual growth rates (%), except where indicated	2008	2009	2010	2011	2012	2013E	2014F	2015F
GDP	0.0	-2.9	1.9	-1.3	-3.2	-1.4	1.1	1.5
Private Consumption	1.3	-2.3	2.5	-3.3	-5.3	-1.7	0.3	0.7
Public Consumption	0.3	4.7	0.1	-5.0	-4.7	-1.7	-1.8	-0.5
Investment	-0.1	-13.3	1.4	-11.1	-13.4	-7.3	1.1	1.8
Exports	-0.1	-10.9	10.2	6.9	3.2	6.1	6.0	6.1
Imports	2.3	-10.0	8.0	-5.3	-6.6	2.8	3.2	4.1
Inflation (%)	2.6	-0.8	1.4	3.7	2.8	0.3	0.8	1.2
Budget Balance (% GDP)	-3.7	-10.2	-9.8	-4.3 (7.3)*	-6.4 (5.8)**	-4.9 (5.3)***	-4.0****	-2.5****
Public Debt (% GDP)	71.7	83.7	94.0	108.2	124.1	129.0	130.2****	128.7****
Unemployment (% Labour Force)	7.6	9.5	10.8	12.7	15.7	16.3	15.1	14.7
Current & Capital Account Balance (% GDP)	-11.1	-10.1	-9.0	-5.6	0.8	2.0	2.8	2.6

* The 4.3% reading includes the effects of the integration of the banks' pension funds and other one-off measures. Without these effects, the deficit would be 7.3% of GDP.

** Including one-off effects related to the recapitalisation of CGD and Sagestamo. Without these and other one-off effects, the deficit would be 5.8% of GDP. The Government has reported a deficit of 4.7% of GDP to the Troika for the purpose of the Economic and Financial Adjustment Programme (which includes the revenue from the concession to ANA of the airport management services).

*** Including one-off effects related to the recapitalisation of Banif, the settlement of tax and social security arrears (through a tax amnesty) and other effects (e.g. super tax credit). Without these effects, the deficit would be 5.3% of GDP. Adjusted for Troika criteria, the deficit reached 4.5% of GDP, below the 5.5% of GDP target.

**** Targets from the Fiscal Strategy Report (DEO).

E: Estimate; F: Forecast.

Sources: Bank of Portugal, INE, ES Research, European Commission, IMF, OECD.

Spain: Main Forecasts 2013-2015

Annual real growth rates (%), except where indicated.	2009	2010	2011	2012	2013F	2014F	2015F
GDP	-3.8	-0.2	0.1	-1.6	-1.2	1.0	1.5
Private Consumption	-3.7	0.2	-1.2	-2.8	-2.1	1.1	0.8
Public Consumption	3.7	1.5	-0.5	-4.8	-2.3	-3.6	-0.5
Investment	-18.0	-5.5	-5.4	-7.0	-5.0	1.0	1.4
Exports	-10.0	11.7	7.6	2.1	4.9	5.4	4.9
Imports	-17.2	9.3	-0.1	-5.7	0.4	3.2	2.6
Inflation (%)	-0.2	2.0	3.1	2.4	1.4	0.6	1.3
Budget Deficit (% GDP)	-11.1	-9.6	-9.6	-10.6	-7.2	-5.8	-4.2
Public Debt (% GDP)	54.0	61.7	70.5	86.0	94.3	98.9	103.3
Current & Capital Account Balance (% GDP)	-4.8	-4.4	-4.0	-1.2	0.8	1.5	1.7
Unemployment (% of Labour Force)	18.0	20.1	21.7	25.0	26.4	25.5	24.4

Sources: INE, Bank of Spain, ES Research, European Commission.

Angola: Main Forecasts 2013-2015

	2009	2010	2011	2012	2013F	2014F	2015F
GDP (real growth rate, %)	2.4	3.4	3.9	5.2	4.1	5.3	5.5
GDP per capita (USD, current prices)	4 082	4 329	5 305	5 705	5 845	6 052	6 255
Inflation (%)	13.7	14.5	13.5	10.3	8.8	7.7	7.7
Current Account Balance (% GDP)	-9.9	8.1	12.6	9.2	5.0	2.2	-0.4
Budget Balance (% GDP)	-7.4	3.5	8.7	5.1	1.5	-2.0	-2.6
Exchange Rate (USD/KZ), annual average	79.2	91.9	93.7	95.3	96.5	97.6	97.5

Sources: IMF, Angolan Central Bank, Finance Ministry, ES Research.

Brazil: Main Forecasts 2013-2015

	2009	2010	2011	2012	2013F	2014F	2015F
GDP (real growth rate, %)	-0.3	7.5	2.7	1.0	2.3	2.0	2.0
Inflation (%)	4.9	5.0	6.5	5.8	5.9	6.4	6.0
Primary Budget Balance (% GDP)	2.0	2.7	3.1	2.4	1.9	1.7	2.2
Public Debt (% GDP)	41.5	39.2	36.4	35.3	33.8	34.5	35.1
Unemployment (% of Labour Force)	8.1	6.7	6.0	5.5	5.4	5.5	5.9
Current Account Balance (% GDP)	-1.5	-2.2	-2.1	-2.4	-3.6	-3.6	-3.3
Exchange Rate (USD/BRL), annual average	1.99	1.76	1.68	1.96	2.16	2.34	2.45
SELIC Interest Rate (%, End of Period)	8.75	10.75	11.00	7.25	10.00	11.00	12.50

Sources: IBGE, Central Bank of Brazil, ES Research.

Investor Relations

NUMBER OF SHARES:	4,018 million
SHARE CAPITAL:	EUR 5.04 bn
SECTOR:	Financial Services: Banking
INDEX MEMBERSHIP:	36 Indices, including: PSI20, Euronext 100, Eurostoxx, Stoxx Banks, FTSE4GOOD

LISTING:	NYSE Euronext
BLOOMBERG:	BES PL
REUTERS:	BES.LS
ISIN CODE:	PTBES0AM0007

Investor Relations Contacts

Website: www.bes.pt/ir
Phone: + 351 21 359 7390
E-mail: investor.relations@bes.pt
Fax: + 351 21 359 7001

BANCO ESPIRITO SANTO

MEMBER OF
Dow Jones
Sustainability Indices
In Collaboration with RobecoSAM

ROBECOSAM
Sustainability Award
Bronze Class 2014

Most Sustainable Corporations in the World
GLOBAL100

FTSE4Good

Corporate
Responsibility
Prime
rated by
oekom research

BEST INTERNET BANK AWARD • 2013
GLOBAL FINANCE

Best Investment Bank
in Portugal
2013