

BANCO ESPÍRITO SANTO, S.A.**RELEASE CONCERNING BES' BALANCE SHEET AS AT 31 DECEMBER 2014**

The financial statements of Banco Espírito Santo, S.A. ("BES") as at the date 31 December 2014 are disclosed on the date hereof.

For the reasons then disclosed in a release (http://www.bes.pt/Comunicados/20150807%20FR56735_uk.pdf), the Individual Balance Sheet and the Notes as at 4 August 2014 could only be presented on 7 August 2015. In order to prepare then the financial statements concerning the entirety of the period of 2014, it was necessary to take into consideration and reflect all subsequent developments, arising not only from BES activity but also from changes in the legal framework and the clarifications and resolutions approved by Banco de Portugal during the year of 2014 and onwards.

Although the financial statements concerning the year of 2014 still have an important informative angle over the management of BES and its financial situation, the legal framework of the approval and control of the financial statements have very specific features in an institution subject to resolution.

It should also be highlighted that the management report and the remaining disclosed documents, including the Audit Report and the Statutory Audit Report, and the Report and Opinion of the Audit Commission, concern the entirety of the year 2014, which cover two distinct periods: the period which preceded the application of the resolution tool and the period in which BES' activity was carried out within the framework of said resolution tool. In particular, the disclosed financial statements integrate the accounting reflection of the transfer of assets, liabilities, off-balance sheet items and assets under

management, transferred to Novo Banco, the adjustments resulting from the independent evaluation and the adjustments made by BES' Board of Directors.

Lastly, it should also be highlighted that the financial statements have been approved in the Board of Directors' meeting held on 18 December 2015, and therefore do not take into consideration the events occurred after this date, in particular the resolutions approved yesterday by the Board of Directors of Banco de Portugal (which release may be consulted, in Portuguese language, in <http://www.bportugal.pt/pt-PT/OBancoeoEurosistema/ComunicadoseNotasdeInformacao/Paginas/combp20151229-2.aspx>).

BALANCE SHEET
AS AT 31 DECEMBER 2014 AND 31 DECEMBER 2013

(TEUR)

	Notes	31.12.2014	31.12.2013 ⁽¹⁾
Assets			
Cash and deposits at central banks		-	916 143
Deposits with banks	13	20 863	147 211
Financial assets held for trading	14	-	1 102 113
Financial assets at FV		-	2 937 434
Financial assets AFS	15	8 505	5 949 475
Loans and advances to banks	16	50 076	9 583 337
Loans and advances to customers	17	104 294	35 872 194
Held-to-maturity investments		-	1 152 456
Hedging derivatives		-	325 021
Non current assets held for sale		-	1 356 013
Other tangible assets	18	10	327 135
Intangible assets	19	22	109 777
Investments in associates	20	11 350	2 617 839
Current income tax assets		-	14 727
Deferred income tax assets		-	1 003 735
Other assets	21	1 485	2 752 951
Total Assets		196 605	66 167 561
Liabilities			
Amounts owed to central banks		-	9 305 318
Financial liabilities held for trading	14	10 418	999 839
Deposits from banks	22	26	5 470 806
Due to customers	23	696 277	33 446 504
Debt securities		-	8 245 875
Financial liabilities associated with transferred assets		-	635 609
Hedging derivatives		-	86 419
Provisions	24	1 126 851	505 472
Current income tax liabilities		1	6 721
Deferred income tax liabilities		-	55 417
Other subordinated loans	25	934 258	1 034 748
Other liabilities	26	107 949	673 149
Total Liabilities		2 875 780	60 465 877
Equity			
Share capital	27	6 084 696	5 040 124
Capital surplus	27	1 038 923	1 059 700
Other capital instruments	27	191 571	191 734
Treasury Stock	27	(801)	(801)
Other reserves and retained earnings	28	(796 573)	(126 505)
Net profit for the period		(9 196 991)	(462 568)
Total Equity		(2 679 175)	5 701 684
Total Liabilities and Equity		196 605	66 167 561

(1) For the purposes of comparison, the information in Note 31 shall be taken into account, which includes the balance sheet as at 4 August 2014, after the application of the resolution tool to BES by Banco de Portugal

Contacts

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BANCO ESPÍRITO SANTO, S.A.