



Consolidated quarterly information (unaudited accounts)

Banco BPI

30 September 2013

(in accordance with article 10 of CMVM Regulation 5 / 2008)

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LEADING INDICATORS

Amounts in M.€

	Domestic activity			International activity			Consolidated		
	Sep.12	Sep.13	Chg.%	Sep.12	Sep.13	Chg.%	Sep.12	Sep.13	Chg.%
Net profit, efficiency and profitability									
Net profit (as reported)	55.5	10.1	(81.7%)	61.6	62.6	1.6%	117.1	72.7	(37.9%)
Net profit (as reported) per share (EPS) ¹⁾	0.052	0.007	(85.8%)	0.057	0.045	(21.1%)	0.109	0.053	(51.8%)
Weighted average number of shares ^{1), 2)}	1,075	1,384	28.7%	1,075	1,384	28.7%	1,075	1,384	28.7%
Efficiency ratio ³⁾ (last 12 months)	62.1%	56.7%		41.6%	40.3%		56.5%	52.3%	
Efficiency ratio excl. non-recurring impacts (last 12 months)	70.1%	83.3%		41.6%	40.3%		61.6%	68.2%	
Return on average total assets (ROA)	0.2%	0.0%		2.9%	2.7%		0.5%	0.4%	
Return on Shareholders' equity (ROE)	4.9%	0.7%		26.0%	24.9%		8.5%	4.3%	
Balance sheet									
Net total assets ⁴⁾	40 104	37 876	(5.6%)	5 949	6 300	5.9%	45 184	43 011	(4.8%)
Loans to Customers	26 263	25 565	(2.7%)	1 177	1 069	(9.2%)	27 440	26 634	(2.9%)
Deposits	19 046	19 214	0.9%	5 129	5 509	7.4%	24 175	24 723	2.3%
Deposits and retail bonds	21 116	20 170	(4.5%)	5 129	5 509	7.4%	26 245	25 679	(2.2%)
On-balance sheet Customer resources	23 875	23 177	(2.9%)	5 129	5 509	7.4%	29 004	28 686	(1.1%)
Off-balance sheet Customer resources ⁵⁾	2 841	3 142	10.6%				2 841	3 142	10.6%
Total Customer resources ⁶⁾	26 326	25 642	(2.6%)	5 129	5 509	7.4%	31 455	31 151	(1.0%)
Asset quality									
Loans in arrears for more than 90 days	771	956	24.0%	62	56	(10.1%)	833	1 012	21.5%
Ratio of loans in arrears ⁷⁾	2.9%	3.6%		4.9%	4.9%		3.0%	3.7%	
Credit at risk ⁸⁾	3.9%	5.0%		6.8%	7.1%		4.0%	5.1%	
Cost of credit risk ⁹⁾	0.91%	0.85%		0.98%	0.62%		0.91%	0.84%	
Pension liabilities									
Employees pension liabilities	822	954	16.2%				822	954	16.2%
Employees pension funds assets	926	1 074	16.0%				926	1 074	16.0%
Cover of pension obligations ¹⁰⁾	112.7%	112.5%					112.7%	112.5%	
Capital									
Shareholders' equity and minority interests	1 251	1 611	28.8%	585	616	5.2%	1 836	2 227	21.3%
Core Tier I							3 662	3 471	(5.2%)
Own funds							3 663	3 425	(6.5%)
Risk weighted assets							24 728	22 815	(7.7%)
Core Tier I							14.8%	15.2%	
Tier I							14.7%	15.0%	
Capital ratio							14.8%	15.0%	
CRD IV/CRR phasing in (rules envisaged for 2014)¹¹⁾									
Core Tier I								14.0%	
Leverage ratio								7.5%	
LCR = Liquidity coverage ratio								280%	
NSFR = Net Stable Funding Ratio								115%	
CRD IV/CRR fully implemented¹¹⁾									
Core Tier I								9.0%	
Leverage ratio								4.8%	
LCR = Liquidity coverage ratio								280%	
NSFR = Net Stable Funding Ratio								114%	
Distribution network and staff									
Distribution network ¹²⁾	753	717	(4.8%)	165	174	5.5%	918	891	(2.9%)
BPI Group staff ¹³⁾	6 595	6 326	(4.1%)	2 251	2 429	7.9%	8 846	8 755	(1.0%)

1) Figures adjusted for the capital increase through cash injection in August 2012.

2) Average outstanding number of shares, deducted of treasury stock.

3) Operating costs as % of net operating revenue.

4) The total assets for each of the geographical segments presented above has not been corrected for the balances resulting from operations between these segments.

5) Unit trust funds, PPR and PPA (excludes pension funds).

6) Corrected for double counting: placements of unit trust funds managed by BPI in the Group's deposits, structured products and unit trust funds.

7) Loans in arrears for more than 90 days.

8) Calculated in accordance with Bank of Portugal Instruction 23/2011. It includes loans in arrears for more than 90 days, falling-due loans associated, restructured loans (previously with instalments in arrears for more than 90 days), insolvencies that have not yet been included in loans in arrears for more than 90 days.

9) Loan impairments in the period (P&L account), net of arrear loans recovered, as percentage of the average performing loan portfolio. Annualised figures.

10) Cover of pension obligations by the pension funds assets.

11) Calculations according to BPI's interpretation of CRD IV/CCR rules, based on the information known by the Bank at the current date.

12) Includes traditional branches, housing shops, investment centres, corporate centres, Institutional and one Project Finance centre. Domestic activity distribution network includes branches in Paris (12 branches).

13) Excludes temporary workers.

BPI GROUP'S CONSOLIDATED RESULTS

Consolidated overview

The Board of Directors of Banco BPI decided to ask the Bank of Portugal and EBA the approval of a request to redeem 588 M.€ of CoCo to submit to the Ministry of Finance. Following that repayment, the amount of CoCo would be reduced from 920 M.€ to 332 M.€

Core Tier I capital ratios at 30 September 2013 stood as following:

- Bank of Portugal: 15.2%
- CRD IV fully implemented, after ongoing optimisation measures: 10.0%¹⁾
- CRD IV phasing in, after ongoing optimisation measures: 14.3%¹⁾

Banco BPI has ongoing optimisation measures under the CRD IV / CRR regulatory framework that will allow to achieve a Core T1 capital surplus of 588 M.€ relative to a minimum ratio of 7.0% fully implemented.

Banco BPI earned a consolidated net profit of 72.7 million euro (M.€) in the period from January to September 2013. Earnings per share (Basic EPS) was 0.053 €

The return on average Shareholders' equity was situated at 4.3% from January to September 2013.

Consolidated net operating revenue decreased by 11.4% (-105.7 M.€) relative to the same period of 2012, essentially penalized by the decline in net interest income by 19.3% (-84.9 M.€). Net interest income was under pressure from the low level of short-term interest rates and the cost of CoCo.

Consolidated operating costs decreased 7.5 M.€ (-1.5%) year-on-year benefiting from a 11.1 M.€ fall (-2.9%) in costs in domestic activity.

The consolidated credit at risk ratio (non-performing loans), calculated in accordance with Bank of Portugal Instruction 23 / 2011, was 5.1% at the end of September 2013. The accumulated impairment allowances in the balance sheet covered the credit at risk at 72% (without considering the coverage by associated collaterals).

The net credit loss from January to September 2013, which corresponds to the amount of impairment charges recognised in the period, net of recoveries of arrear loans and interest written off, was 0.84% of the loan portfolio's average balance, in annualised terms.

Customer deposits increased 548 M.€ (+2.3%) year-on-year to 24.7 Bi.€. At 30 September 2013, in the consolidated accounts, the transformation ratio of deposits into loans was 97%.

The pension liabilities under the Bank's responsibility amounted to 954 M.€ at the end of September 2013 and were 113% covered by the pension fund assets.

1) Calculations according to BPI's interpretation of CRD IV/CCR rules, based on the information known by the Bank at the current date.

Consolidated net profit

Net profit of 72.7 million euro – BANCO BPI (Euronext Lisboa - Reuters BBPI.LS; Bloomberg BPI PL) posted in the period from January to September 2013 a consolidated net profit of 72.7 million euro (M.€). Earnings per share (Basic EPS) were 0.053 € (0.109 € in the same period 2012).

Income statement

Amounts in M.€

	Sep.12	Sep.13	Chg. M.€ Sep.12/ Sep.13	Chg.% Sep.12/ Sep.13
Net interest income	440.0	355.0	(84.9)	(19.3%)
Technical results of insurance contracts	18.1	17.3	(0.8)	(4.7%)
Commissions and other similar income (net)	255.2	234.7	(20.5)	(8.0%)
Gains and losses in financial operations	222.0	228.8	6.8	3.1%
Operating income and charges	(9.7)	(15.9)	(6.2)	(64.3%)
Net operating revenue	925.6	819.9	(105.7)	(11.4%)
Personnel costs, excluding non-recurring costs	280.1	275.4	(4.7)	(1.7%)
Outside supplies and services	182.4	180.9	(1.4)	(0.8%)
Depreciation of fixed assets	25.0	23.7	(1.3)	(5.4%)
Operating costs, excluding non-recurring costs	487.5	480.0	(7.5)	(1.5%)
Non-recurring costs	(7.4)	0.8	8.2	110.4%
Operating costs	480.1	480.8	0.7	0.1%
Operating profit before provisions	445.5	339.2	(106.4)	(23.9%)
Recovery of loans written-off	11.4	14.2	2.8	24.6%
Loan provisions and impairments	213.4	182.5	(30.9)	(14.5%)
Other impairments and provisions	43.9	19.4	(24.5)	(55.8%)
Profits before taxes	199.5	151.4	(48.1)	(24.1%)
Corporate income tax	35.7	32.5	(3.2)	(9.0%)
Equity-accounted results of subsidiaries	15.1	17.6	2.4	16.1%
Minority shareholders' share of profit	61.9	63.8	1.9	3.0%
Net Profit	117.1	72.7	(44.4)	(37.9%)

Return on shareholders' equity (ROE)

The **return on shareholders' equity (ROE)** was 4.3% from January to September 2013.

The contribution of domestic activity to consolidated net profit in September 2013 amounted to 10.1 M.€. The ROE of domestic activity, to which was allocated, on average, 85% of the Group's capital, was 0.7%.

In the international activity, in its individual accounts, BFA's posted a return on shareholders' equity (ROE) of 28.9% from January to September 2013 and BCI's ROE reached 19.2%.

The contribution of international activity to consolidated net profit in September 2013 stood at 62.6 M.€ and the ROE of international activity, after consolidation adjustments, reached 24.9%.

Capital allocation, recurring profit and ROE by business area – Jan. to Sep. 2013 Amounts in M.€

	Domestic Activity				International activity		BPI Group (consolidated)
	Commercial Banking	Investment Banking	Shareholdings and other	Total	BFA (individual accounts)	Contribution to consolidated (BFA, BCI and Other)	
Capital allocated adjusted (M.€) ¹⁾	1 878.3	35.1	14.9	1 928.3	580.3	334.6	2 262.9
As % of total	83.0%	1.6%	0.7%	85.2%	-	14.8%	100.0%
Net profit (M.€) ²⁾	2.6	3.6	3.9	10.1	125.7	62.6	72.7
ROE	0.2%	13.8%	34.7%	0.7%	28.9%	24.9%	4.3%

1) The average capital considered in the calculation of ROE excludes the fair value reserve (net of deferred taxes) relating to the portfolio of available-for-sale financial assets. The allocated capital to each individual area of domestic activity, excluding the fair value reserve, is adjusted to reflect a capital employment equal to the average capital employed in the domestic activity.

Accounting capital is used in the international activity.

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

Loans and resources

At 30 September 2013, the net consolidated **Customer loans portfolio** amounted to 26.6 Bi.€, which corresponds to a year-on-year contraction of 2.9%. **Customer deposits** increased by 548 M.€ year-on-year (+2.3%).

Recourse to the European Central Bank of 4.0 Bi.€

At 30 September 2013, BPI's recourse to the ECB amounted to 4.0 Bi.€.

Transformation ratio of deposits into loans

At 30 September 2013, in the consolidated accounts, the transformation ratio of deposits into loans is 97%¹.

Income and costs

Consolidated **net operating revenue** decreased by 11.4% yoy (-105.7 M.€), essentially penalized by the decline in net interest income by 19.3% (-84.9 M.€). Net interest income was under pressure from the low level of short-term interest rates and the cost of CoCo. Profits from financial operations increased by 3.1% (+6.8 M.€) year-on-year, benefiting from realised capital gains of 129.3 M.€ on the sale of T-bonds in the first quarter. Commissions fell 8.0% over the period (-20.5 M.€).

Consolidated operating costs, excluding non-recurring items, declined by 7.5 M.€ (-1.5%) year-on-year, benefiting from the 11.1 M.€ drop (-2.9%) seen in domestic activity. Including non-recurring items, the aforesaid variations are +0.1% and -0.8%, respectively.

The consolidated efficiency ratio – operating costs as a percentage of net operating revenue -, calculated based on the income and costs recorded in the last 12 months, was 52.3%.

1) Calculated in accordance with Bank of Portugal Instruction 23 / 2011. Includes deposits of BPI Vida e Pensões.

Quality of the loan portfolio

At 30 September 2013, the ratio of **Customer loans in arrears for more than 90 days** was situated at 3.7% in the consolidated accounts. The **credit at risk**¹ ratio stood at 5.1% in the consolidated accounts.

Loan portfolio quality – consolidated accounts

Amounts in M.€

	Sep. 12		Dec. 12		Sep. 13	
	M.€	% of loan portfolio ¹⁾	M.€	% of loan portfolio ¹⁾	M.€	% of loan portfolio ¹⁾
Loans in arrears (+90 days)	833.1	3.0%	891.9	3.2%	1 011.9	3.7%
Credit at risk (Instruction 23/2011 BoP)	1 108.9	4.0%	1 157.4	4.2%	1 310.1	5.1%
Loans impairments (in the balance sheet)	823.6	2.9%	824.4	2.9%	947.3	3.4%
Write offs (in the period)	33.3		81.3		35.2	
Note:						
Gross loan portfolio	28 224.2		28 128.6		27 535.8	

¹⁾ As % of the gross loan portfolio

Cost of credit risk

From January to September 2013 loan impairment charges of 182.5 M.€ were recorded (0.91% of the loan portfolio in annual equivalent terms). On the other hand, arrear loans and interest previously written off of 14.2 M.€ were recovered (0.07% of the loan portfolio), with the result that impairments after deducting the abovementioned recoveries amounted to 168.3 M.€, which represents 0.84% of the loan portfolio in annualised terms.

Loan portfolio quality

Amounts in M.€

	Sep. 12		Sep. 13	
	M.€	% of loan portfolio ¹⁾	M.€	% of loan portfolio ¹⁾
Loan impairments	213.4	0.97%	182.5	0.91%
Recovery of loans and interest in arrears written-off	11.4	0.05%	14.2	0.07%
Loan impairments, after deducting the recovery of loans and interest in arrears written-off	202.0	0.91%	168.3	0.84%

¹⁾ As percentage of the average balance of the performing loans portfolio. Annualised figure.

1) Calculated in accordance with Bank of Portugal Instruction 23 / 2011. For purposes of calculating the non-performing ratio according, the perimeter of the Group subject to the Bank of Portugal supervision is taken into account which results, in the case of BPI, in the recognition of BPI Vida e Pensões using the equity method (whereas in accounting reporting, in accordance with IAS / IFRS, that subsidiary is consolidated in full).

Profitability, efficiency, loan quality and solvency

Consolidated indicators according to the Bank of Portugal Notice 23/2011

	30 Sep. 12	30 Sep. 13
Net operating revenue and results of equity accounted subsidiaries / ATA	2.8%	2.6%
Profit before taxation and minority interests / ATA	0.6%	0.5%
Profit before taxation and minority interests / average shareholders' equity (including minority interests)	23.5%	10.3%
Personnel costs / net operating revenue and results of equity accounted subsidiaries ¹	26.3%	33.0%
Operating costs / net operating revenue and results of equity accounted subsidiaries ¹	48.4%	57.4%
Loans in arrears for more than 90 days + doubtful loans / loan portfolio (gross)	3.1%	4.0%
Loans in arrears for more than 90 days + doubtful loans, net of accumulated loan impairments / loan portfolio (net)	0.3%	0.5%
Non-performing loans ratio ²	4.0%	5.1%
Non-performing loans ratio ² , net of accumulated loan impairments / loan portfolio (net)	1.2%	1.6%
Total capital ratio (according to Bank of Portugal rules)	14.8%	14.9% ⁽³⁾
Tier I (according to Bank of Portugal rules)	14.7%	14.9% ⁽³⁾
Core Tier I	14.8%	15.1% ⁽³⁾
Loans (net) to deposits ratio	105%	97%

1) Excluding early-retirement costs.

2) Loans in arrears for more than 90 days + falling-due loans associated + restructured loans (previously with instalments in arrears for more than 90 days) + insolvencies that have not yet been included in loans in arrears for more than 90 days.

3) Does not include the result for the 3rd quarter (unaudited) nor the corresponding minority interests.

ATA = Average total assets.

DOMESTIC ACTIVITY RESULTS

Net profit

The **net profit** from domestic operations for the period January-September 2013 was 10.1 M.€ (55.5 M.€ in the same period last year).

The **return on average shareholders' equity**¹ allocated to domestic operations (ROE) was 0.7% at the end of September 2013.

Income statement

Amounts in M.€

	Sep.12	Sep.13	Chg. M.€ Sep.12/ Sep.13	Chg.% Sep.12/ Sep.13
Net interest income	302.8	214.6	(88.3)	(29.1%)
Technical results of insurance contracts	18.1	17.3	(0.8)	(4.7%)
Commissions and other similar income (net)	217.6	193.9	(23.7)	(10.9%)
Gains and losses in financial operations	167.0	161.8	(5.1)	(3.1%)
Operating income and charges	(9.8)	(14.9)	(5.1)	(52.6%)
Net operating revenue	695.8	572.7	(123.1)	(17.7%)
Personnel costs, excluding non-recurring costs	232.6	225.3	(7.3)	(3.2%)
Outside supplies and services	140.3	138.3	(2.0)	(1.4%)
Depreciation of fixed assets	15.6	13.8	(1.8)	(11.4%)
Operating costs, excluding non-recurring costs	388.5	377.4	(11.1)	(2.9%)
Non-recurring costs	(7.4)	0.8	8.2	110.4%
Operating costs	381.1	378.1	(3.0)	(0.8%)
Operating profit before provisions	314.7	194.5	(120.2)	(38.2%)
Recovery of loans w ritten-off	9.4	12.3	2.9	31.4%
Loan provisions and impairments	203.1	175.5	(27.5)	(13.6%)
Other impairments and provisions	41.6	17.2	(24.4)	(58.7%)
Profits before taxes	79.4	14.2	(65.2)	(82.2%)
Corporate income tax	31.2	14.3	(16.9)	(54.1%)
Equity-accounted results of subsidiaries	8.7	11.4	2.7	31.3%
Minority shareholders' share of profit	1.4	1.1	(0.3)	(21.1%)
Net Profit	55.5	10.1	(45.4)	(81.7%)

¹) Excluding revaluation reserves.

Resources and loans

Resources

Customer deposits increased by 0.9%, from 19.0 Bi.€ in September 2012 to 19.2 Bi.€ in September 2013.

Capitalisation insurance and off-balance sheet resources (unit trust funds, Retirements savings – PPR - and equity savings – PPA - plans) registered a growth of 9.0% and 10.6% yoy, respectively.

Total Customer resources, penalized by the reduction of the amount of retail bonds placed with customers, fell by 2.6% year-on-year, to 25.6 Bi.€

Customers resources

Amounts in M.€

	Sep.12	Dec. 12	Sep.13	Chg.% Sep.12/ Sep.13
On-balance sheet resources				
Customers' deposits	19 045.9	18 530.2	19 213.8	0.9%
Retail bonds	2 070.1	1 941.7	956.5	(53.8%)
Subtotal	21 115.9	20 471.9	20 170.2	(4.5%)
Capitalisation insurance and PPR (BPI Vida)	2 759.0	2 723.7	3 006.8	9.0%
On-balance sheet resources	23 874.9	23 195.5	23 177.0	(2.9%)
Off-balance sheet resources ¹⁾	2 841.2	2 913.3	3 142.5	10.6%
Total Customer resources²⁾	26 326.0	25 610.7	25 642.4	(2.6%)
Note:				
Amount of corporate bonds placed	1 127.6	1 127.6	1 194.4	

1) Unit trust funds, PPR and PPA.

2) Corrected for double counting.

Loans

The **Customer loans portfolio** in domestic operations contracted by 2.7% (-0.7 Bi.€), in year-on-year terms.

The Corporate Banking loan portfolio – large and medium-sized companies - declined by 20.1% (-1.1 Bi.€), loans domiciled at the Madrid branch fell by 11.6% (-0.2 Bi.€) and loans to the public sector decreased by 10.6% (-0.2 Bi.€).

On the other hand, BPI Vida e Pensões, the entity which manages the Group's capitalisation insurance, increased the securitised loan portfolio by 1.3 Bi.€ relative to September 2012. This portfolio corresponds essentially to bonds and commercial paper issued by large Portuguese companies.

The loans to individuals and small businesses portfolio presents a year-on-year decline of 5.1% (-0.8 Bi.€), with decreases of 3.1% (-0.4 Bi.€) in mortgage loans and of 13.0% (-0.2 Bi.€) in loans to small businesses.

It is worth noting that within the scope of the agreed transfer of part of the pension liabilities to the social security system, the State undertook to buy from Banco BPI loans advanced to the Public Sector of 0.7 Bi.€, an operation which has not yet taken place.

Loans to Customers

Amounts in M.€

	Sep.12	Dec. 12	Sep.13	Chg.% Sep.12/ Sep.13
Corporate banking	5 239.3	5 302.2	4 185.5	(20.1%)
Large companies	2 406.7	2 503.7	1 772.3	(26.4%)
Medium-sized companies	2 832.6	2 798.6	2 413.2	(14.8%)
Project Finance - Portugal	1 199.8	1 201.3	1 211.2	1.0%
Madrid branch	1 804.6	1 750.1	1 594.8	(11.6%)
Project Finance	760.6	749.6	733.8	(3.5%)
Corporates	1 044.0	1 000.5	861.0	(17.5%)
Public Sector	2 269.4	2 208.0	2 029.3	(10.6%)
Central Administration	120.2	115.1	109.9	(8.5%)
Regional and local administrations	986.8	916.5	805.2	(18.4%)
State Corporate Sector - in the budget perimeter	187.9	189.8	191.7	2.1%
State Corporate Sector - outside the budget perimeter	893.7	909.9	868.9	(2.8%)
Other Institutional	80.8	76.7	53.6	(33.6%)
Individuals and Small Businesses Banking	14 616.3	14 386.0	13 863.6	(5.1%)
Mortgage loans to individuals	11 845.5	11 739.0	11 475.3	(3.1%)
Consumer credit / other purposes	704.3	677.7	615.8	(12.6%)
Credit Cards	159.3	162.3	152.2	(4.4%)
Car financing	249.1	230.3	177.4	(28.8%)
Small businesses	1 658.0	1 576.8	1 442.9	(13.0%)
BPI Vida	587.4	771.1	1 881.5	220.3%
Loans in arrears net of impairments	113.1	151.9	167.8	48.4%
Other	433.1	492.5	631.1	45.7%
Total	26 262.9	26 263.2	25 564.8	(2.7%)

Liquidity

At the close of September 2013, the resources raised by BPI from the European Central Bank (ECB) amounted to 4.0 Bi.€, close to the value of the Treasury Bills portfolio held (balance sheet value of 3.5 Bi.€). On the same date, BPI still had 6.2 Bi.€ of additional assets (net of haircuts) capable of being transformed into liquidity via operations with the ECB.

It must also be noted that the refinancing needs for medium and long-term debt up till the end of 2018, net of the maturities of bonds held (excluding the Treasury Bills portfolio previously mentioned), are low (1.1 Bi.€) while in 2019 3 Bi.€ of the MLT Eurozone sovereign debt held by BPI in portfolio will be redeemed. Additionally, BPI should reimburse 920 M.€ of CoCo until the end of 2015.

Net operating revenue

Net operating revenue generated by domestic operations decreased by 17.7% (-123.1 M.€) yoy, mainly reflecting the reduction in net interest income by 29.1% (-88.3 M.€) and the fall in commissions by 10.9% (-23.7 M.€). Profits from financial operations amounted to 161.8 M.€ (-3.1% yoy), benefiting from realised capital gains with the sale of bonds during the 1st quarter of the year.

Net interest income continued to be penalised by the following factors:

- The contraction in the average margin on sight deposits, a direct consequence of the downward movement in market interest rates (average Euribor 3M fell from 0.61% in the period from January to September 2012 to 0.16% in the period from January to September 2013);
- The increase in the average cost of time deposits, the remuneration of which climbed from 1.83% above Euribor in the period from January to September 2012 to 1.87% in the period from January to September 2013. It should be mentioned however that as from the 1st quarter of 2012 the margin on time deposits evidences a relative stability at around 1.9%, falling to 1.83% in the third quarter of 2013;
- Cost of the contingent convertible subordinated bonds. In the period from January to September 2013 were recorded 65 M.€ of interest costs relating to those bonds (29.5 M. € from January to September 2012).

Those negative effects were partially offset by the gradual adjustment to the spreads on new loans, above all in the corporate segment, and by the acquisition since the beginning of 2012 of a portfolio of treasury bills, financed with recourse to funding obtained from the ECB.

Commissions (net) were down by 10.9% (-23.7 M.€) year-on-year, which was mainly explained by the reduction in commissions earned from mounting and placing of corporate bonds issues (25.0 M.€ reduction in primary market and capital market commissions, of which 19.8 M.€ in Commercial Banking and 5.2 M.€ in Investment Banking).

It is recalled that in 2012 the Bank placed with its retail Customers base an amount of 1 076 M.€ of bonds issued by Portuguese companies and in 2013 an amount of 67 M.€ relative to one issue. The Bank had a clear leadership among placing institutions with a share of 53% of the total issued since December 2011.

Commercial Banking commissions fell by 13.6% (-23.6 M.€), commissions from Investment Banking by 18.7% (-2.9 M.€), whereas asset management commissions advanced by 9.6% (+2.8 M.€).

Net commissions and fees

Amounts in M.€

	30 Sep. 12	30 Sep. 13	Chg. M.€	Chg.%
Commercial banking ¹⁾	173.3	149.6	- 23.6	(13.6%)
Asset management	29.0	31.7	+2.8	9.6%
Investment banking ¹⁾	15.4	12.5	- 2.9	(18.7%)
Total	217.6	193.9	- 23.7	(10.9%)

1) Excluding commissions from unit trust, pension funds and Private Banking, which are presented, in aggregate terms, in the caption "Asset management".

Profits from financial operations in domestic operations totalled 161.8 M.€ from January to September 2013, and include gains of 129.3 M.€ realised in the 1st quarter with the sale of Treasury Bonds acquired in 2012.

Equity-accounted results of subsidiaries

The **equity-accounted results of subsidiaries** in domestic operations amounted to 11.4 M.€, which corresponds to a year-on-year increase of +2.7 M.€, and is attributable to the positive behaviour of the contribution from Allianz Portugal (+2.7 M.€).

Equity-accounted earnings

Amounts in M.€

	30 Sep. 12	30 Sep. 13	Chg. M.€
Insurance companies	6.4	10.7	+4.3
Allianz Portugal	4.9	7.6	+2.7
Cosec	1.5	3.1	+1.6
Finangeste	0.2	(1.3)	- 1.4
Unicre	1.7	1.7	- 0.0
Other	0.4	0.3	- 0.1
Total	8.7	11.4	+2.7

Operating costs

Recurring **operating costs** decreased by 2.9% relative to the same period of 2012 (-11.1 M.€). Non-recurring costs of 0.8 M.€ in the period from January to September 2013 include costs of 4.1 M. € with early retirements and a gain of 3.3 M.€ resulting from changes in the calculation of the death subsidy¹.

Recurring **personnel costs** were down 3.2% (-7.3 M.€) relative to the same period of 2012, which chiefly resulted from the 3.9% reduction (y-o-y) in the average headcount engaged in domestic operations, reflecting in part the execution of early retirement programmes.

Third-party supplies and services registered a 1.4% decline (-2.0 M.€), while depreciation and amortization decreased 11.4% (-1.8 M.€), relative to the same period of 2012.

Operating costs

Amounts in M.€

	30 Sep. 12	30 Sep. 13	Chg. M.€	Chg.%
Personnel costs, excluding non-recurring costs	232.6	225.3	- 7.3	(3.2%)
Outside supplies and services	140.3	138.3	- 2.0	(1.4%)
Depreciation of fixed assets	15.6	13.8	- 1.8	(11.4%)
Operating costs, excluding non-recurring costs	388.5	377.4	- 11.1	(2.9%)
Non-recurring costs	-7.4	0.8	+8.2	110.4%
Operating costs	381.1	378.1	- 3.0	(0.8%)
Operating costs as a % of net operating revenue (last 12 months)	62.1%	56.7%		
Operating costs as a % of net operating revenue (last 12 months) ¹⁾	70.1%	83.3%		

1) Excluding non-recurring impacts in costs and revenues.

The efficiency ratio in domestic operations – operating costs as a percentage of net operating revenue – was situated at 56.7% in the period September 2012 to September 2013 (12 months).

Excluding non-recurring impacts on both costs and income, the efficiency ratio in domestic activity was 83.3% in the last 12 months.

Cost of credit risk

From January to September 2013 loan impairment charges of 175.5 M.€ were recorded in the domestic activity accounts. The indicator loan impairment allowances as a percentage of the loan portfolio's average balance was situated at 0.91% at September 2013, in annualised terms (0.96% in the same period of 2012).

On the other hand, arrear loans and interest of 12.3 M.€ previously written off were recovered (0.06% of the loan portfolio), with the result that impairments after deducting the abovementioned recoveries amounted to 163.2 M.€ from January to September 2013, which represents 0.85% of the loan portfolio in annualized terms.

1) Following the publication of Decree-Law 13/2013 of 25 January, which gave rise to a decrease in liabilities of 3 M.€

Credit risk cost

Amounts in M.€

	Sep.12		Sep.13	
	M.€	% of loan portfolio ¹⁾	M.€	% of loan portfolio ¹⁾
Loan impairments	203.1	0.96%	175.5	0.91%
Recovery of loans and interest in arrears written-off	9.4	0.05%	12.3	0.06%
Loan impairments, after deducting the recovery of loans and interest in arrears written-off	193.7	0.91%	163.2	0.85%

1) As percentage of the average balance of the performing loans portfolio. Annualised figure.

Quality of the loan portfolio

At 30 September 2013, the ratio of **Customer loans in arrears for more than 90 days** stood at 3.6% in the domestic operations' accounts.

Cover for loans in arrears for more than 90 days by accumulated impairment allowances in the balance sheet (without considering cover from associated guarantees) was situated at 90% in September 2013.

The **credit at risk** ratio, calculated in accordance with Bank of Portugal¹⁾ Instruction 23/2011 was 5.0% on that date. The accumulated impairment allowances in the balance sheet represented 70% of the credit at risk.

Loans in arrears for more than 90 days, falling due loans associated, credit at risk and loan impairments

	Sep.12		Dec.12		Sep.13	
	M.€	% of loan portfolio ¹⁾	M.€	% of loan portfolio ¹⁾	M.€	% of loan portfolio ¹⁾
Loans in arrears (+90 days)	771.1	2.9%	838.8	3.1%	956.3	3.6%
Credit at risk (Instruction 23/2011 BoP)	1 023.5	3.9%	1 082.5	4.1%	1 228.6	5.0%
Loans impairments (in the balance sheet)	731.3	2.7%	745.4	2.8%	863.9	3.3%
Write offs (in the period)	33.3		65.5		35.2	
Note:						
Gross loan portfolio	26 961.3		26 973.4		26 389.5	

1) As % of the gross loan portfolio

The following table details by major credit segments the credit at risk ratio, calculated in accordance with Bank of Portugal Instruction 23/201.

The increase in credit at risk in absolute value relative to September 2012 was explained by the deterioration in the corporate segment. In the individuals and small businesses segment the credit at risk registers a stabilization.

¹⁾ For purposes of calculating the credit at risk ratio (non-performing ratio), the perimeter of the Group subject to the Bank of Portugal supervision is taken into account which results, in the case of BPI, in the recognition of BPI Vida e Pensões using the equity method (whereas in accounting reporting, in accordance with IAS / IFRS, that subsidiary is consolidated in full).

Credit at risk ratios (according to the Bank of Portugal Instruction 23/2011)

	Sep. 12		Dec. 12		Sep. 13	
	M.€	% of loan portfolio ¹⁾	M.€	% of loan portfolio ¹⁾	M.€	% of loan portfolio ¹⁾
Corporate banking	406.1	3.7%	455.0	4.2%	612.3	6.4%
Individuals Banking	610.5	4.0%	620.7	4.2%	611.7	4.3%
Mortgage loans	397.9	3.3%	411.5	3.4%	392.4	3.3%
Other loans to individuals	47.0	4.1%	45.6	4.1%	47.5	4.8%
Small businesses	165.7	9.2%	163.7	9.5%	171.7	10.8%
Other	6.8	1.6%	6.8	1.4%	4.7	0.8%
Domestic activity	1 023.5	3.9%	1 082.5	4.1%	1 228.6	5.0%

1) As % of the gross loan portfolio

Impairments for foreclosure properties

At 30 September 2013 the accumulated amount of impairment allowances for foreclosed properties amounted to 73.7 M.€, corresponding to 42.7% of their balance sheet value of 172.8 M.€.

Real estate loans recovery at 30 September 2013

Amounts in M.€

	Gross value	Coverage by impairments		Net value	Appraisal
		Amount	%		
Mortgage	65.6	29.6	45.0%	36.1	79.6
Other	107.2	44.2	41.2%	63.1	95.9
Total	172.8	73.7	42.7%	99.1	175.6

Employee pension liabilities

At 30 September 2013 BPI's pension liabilities amounted to 954.4 M.€ and are 112.5% covered by the pension fund.

Financing of pension liabilities

Amounts in M.€

	30 Sep.12	31 Dec.12	30 Sep.13
Pension obligations	821.6	937.1	954.4
Pension funds	925.9	987.4	1 074.1
Financing surplus	104.2	50.3	119.6
Cover of pension obligations	112.7%	105.4%	112.5%
Total prudential corridor	128.8	97.1	105.8
Total actuarial deviations ¹⁾	(61.8)	(89.4)	(23.1)
Available margin in the corridor	67.1	7.7	82.6
Deviations with impact in regulatory capital (outside the prudential corridor)	0.0	0.0	0.0
Pension fund return ²⁾	11.9%	20.0%	10.1%

1) At the end of 2011, BPI adopted the method of recognizing actuarial gains and losses directly in Shareholders' equity (OCI - Other Comprehensive Income), in accordance with the revision of IAS19 which becomes mandatory from 1 Jan. 2013. At 30 September 2013, the negative actuarial deviations of 23.1 M.€ are recognised in shareholders' equity.

2) Year-to-date non-annualised return.

From January to September 2013, the Bank's pension funds registered a non-annualised return of 10.1%.

It should be pointed out that, up till the end of September 2013, the actual return achieved by Banco BPI's pension fund since its creation in 1991 was 9.2% per annum, and that in the last ten, five and three years, the actual annual returns were 6.8%, 6.6% and 7.6%, respectively.

With effect from 1 January 2013, the pension fund's assumed return, of 4.5%, is the same as the average discount rate¹ equivalent to the use of the discount rates of 4.83% and 4.00% for the population of current employees and retired employees, respectively.

1) The amount of pension liabilities that result from the use of discount rates for current and retirees employees of 4.83% and 4.00%, respectively, is similar to the one obtained in the case a unique global discount rate of 4.5% was used for the total population.

Actuarial assumptions

	Dec.11	Jun.12	Dec.12	Sep.13
Discount rate - current employees	5.83%	5.83%	4.83%	4.83%
Discount rate - retirees	5.00%	5.00%	4.00%	4.00%
Salary growth rate	2.00%	2.00%	1.50%	1.50%
Pensions growth rate	1.25%	1.25%	1.00%	1.00%
Expected pension fund rate of return	5.50%	5.50%	5.50%	4.50%
Mortality table	TV 73/77-M – 1 year ⁽¹⁾ TV 88/ 90-W – 1 year ⁽¹⁾			

1) Beneficiaries were assumed to be one year younger than their actual age, that procedure translating into a higher life expectancy.

INTERNATIONAL ACTIVITY RESULTS

Net profit

The international activity's **net profit** stood at 62.6 M.€ in the period January-September 2013 (+1.6% over the 61.6 M.€ obtained in the same period last year).

BFA's contribution to the Group's consolidated profit, which corresponds to a 50.1% appropriation of BFA's net profit by BPI, has totalled 58.9 M.€¹, 3.6% higher than the contribution in the same period of last year (56.9 M.€). Minority interests of 62.7 M.€ were recognised in BFA's net profit (60.6 M.€ in the same period of 2012).

The contribution to the consolidated net profit of the 30% participating interest in BCI (Mozambique), which is equity-accounted, stood at 5.7 M.€ (5.9 M.€ from January to September 2013).

BFA's **return on the average Shareholders' equity** (individual accounts) stood at 28.9% from January to September 2013 and BCI's return on the average Shareholders' equity reached 19.2%.

The return on the average Shareholders' equity allocated to the international activity, after consolidation adjustments, stood at 24.9% from January to September 2013.

Income statement

Amounts in M.€

	Sep.12	Sep.13	Chg. M.€ Sep.12/ Sep.13	Chg.% Sep.12/ Sep.13
Net interest income	137.1	140.4	3.3	2.4%
Technical results of insurance contracts				
Commissions and other similar income (net)	37.5	40.8	3.2	8.6%
Gains and losses in financial operations	55.0	67.0	12.0	21.8%
Operating income and charges	0.1	(1.0)	(1.1)	
Net operating revenue	229.8	247.3	17.5	7.6%
Personnel costs	47.5	50.1	2.7	5.6%
Outside supplies and services	42.0	42.6	0.6	1.3%
Depreciation of fixed assets	9.4	9.9	0.4	4.7%
Operating costs	99.0	102.6	3.7	3.7%
Operating profit before provisions	130.8	144.6	13.8	10.6%
Recovery of loans w ritten-off	2.0	1.8	(0.1)	(7.5%)
Loan provisions and impairments	10.3	6.9	(3.4)	(32.8%)
Other impairments and provisions	2.3	2.3	(0.1)	(2.4%)
Profits before taxes	120.2	137.3	17.1	14.2%
Corporate income tax	4.5	18.2	13.7	303.5%
Equity-accounted results of subsidiaries	6.5	6.2	(0.3)	(4.2%)
Minority shareholders' share of profit	60.6	62.7	2.2	3.6%
Net Profit	61.6	62.6	1.0	1.6%

1) Contribution of BFA to the Group's consolidated profit, net of taxes on dividends.

Customer resources and loans

Total Customer resources in the international activity, measured in euro (consolidation currency), have increased 7.4%¹, reaching 5 509.0 M.€ in September 2013.

Customers resources

Amounts in M.€

	Sep.12	Dec. 12	Sep.13	Chg.% Sep.12/ Sep.13
Sight deposits	2 632.1	2 808.6	2 989.7	13.6%
Term deposits	2 497.2	2 459.1	2 519.3	0.9%
Total	5 129.3	5 267.7	5 509.0	7.4%

BFA's market share in deposits reached 15.8% in August 2013, granting it the second post in the Angolan market ranking.

The loans to Customers portfolio, expressed in euro, decreased 9.2%¹⁾, from 1 177.0 M.€ in September 2012, to 1 068.9 M.€ in September 2013.

Loans to Customers

Amounts in M.€

	Sep.12	Dec. 12	Sep.13	Chg.% Sep.12/ Sep.13
Performing loans	1 190.8	1 091.9	1 081.7	(9.2%)
Loans in arrears	63.3	55.2	57.6	(9.1%)
Loan impairments	(85.9)	(72.9)	(77.4)	(9.9%)
Interests and other	8.7	8.0	7.1	(18.4%)
Total	1 177.0	1 082.3	1 068.9	(9.2%)
Guarantees	321.5	317.7	211.5	(34.2%)

Securities portfolio

At 30 September 2013, BFA's securities portfolio totalled 2 018 M.€, or 32% of the Bank's assets. The portfolio of short-term securities, comprising Treasury Bills and Central Bank Securities, amounted to 413 M.€ at the end of September (-258 M.€ relative to September 2012) and the Treasury Bonds portfolio amounted to 1 602 M.€ (+149 M.€ relative to September 2012).

Customers

The number of Customers has increased by 12%, from slightly more than 1 million Customers in September 2012 to close to 1.2 million Customers in September 2013.

1) When expressed in American dollars, Customer resources increased 12.4% yoy and the loan portfolio decreased 5.0% yoy. When analysing the evolution of BFA's commercial activity, one considers the financial figures translated to US dollars, since the largest share of Customer resources and loans is denominated in U.S. dollars, hence changes expressed in that currency are more representative of the business evolution in Angola.

Physical distribution network

The **distribution network in Angola** increased 5.5% over September 2012. Six new branches and one corporate centre were opened during the first nine months of 2013. At the end of September 2013, the distribution network comprised 150 branches, 8 investment centres and 16 corporate centres, representing a market share of 17.0% as regards the number of branches.

BFA has been implementing an expansion programme, involving the opening of branches, an expressive increase in the headcount and staff skills, the launching of innovative products and services onto the market, and a segmented approach to Customers aiming at meeting and harnessing the huge potential for growth in the Angolan market.

Cards

BFA holds a prominent position in the **debit and credit cards** with a 23.0% market share in September 2013 in terms of valid debit cards. At the end of September 2013, BFA had 795 thousand valid debit cards (Multicaixa cards) and 16 487 active credit cards (Gold and Classic cards).

Automatic and virtual channels

As regards the **automatic and virtual channels**, we emphasize the growing use of electronic banking (382 thousand subscribers of BFA NET in September 2013, of which 373 thousand are individuals) and an extensive terminal network with 338 ATM and 4 686 active point-of-sale (POS) terminals connected to the EMIS network, corresponding to market shares of 16.2% (ranking 2nd) and 26.3% (ranking 1st), respectively.

Number of employees

BFA's workforce at the end of September 2013 stood at 2 417 employees, which represents an increase in staff of 172 (+7.7%) relative to the staff complement in September 2012. At the end of September 2013, BFA's workforce represented approximately 28% of the Group's total number of Employees.

Revenues and costs

Net operating revenue in the international activity reached 247.3 M.€ from January to September 2013 (+7.6% over the same period last year).

This growth was explained by the increase in net interest income (+3.3 M.€), profits from financial operations (+12.0 M.€) and commissions (+3.2 M.€).

Operating costs have increased by 3.7% (+3.7 M.€) over the January – September 2012 period.

Personnel costs increased 5.6% (+2.7 M.€) yoy. The investment programme for the expansion of BFA's presence in Angola has been a determinant factor for this evolution.

The ratio "operating costs as percentage of net operating revenue" stood at 40.3% in the period from September 2012 to September 2013 (12 months).

Cost of credit risk

In the international activity, **loan provision charges** were 6.9 M.€ in the period from January to September 2013, which corresponded to 0.84% of the average performing loan portfolio, in annualised terms.

On the other hand, 1.8 M.€ of loans and interests in arrears, previously written-off, were recovered.

Loan provisions, deducted from recoveries of loans in arrears, have thus reached 5.1 M.€ from January to September 2013, corresponding to 0.62% of the average performing loan portfolio.

Loan portfolio quality

Amounts in M.€

	Sep.12		Sep.13	
	M.€	% of loan portfolio ¹⁾	M.€	% of loan portfolio ¹⁾
Loan impairments	10.3	1.21%	6.9	0.84%
Recovery of loans and interest in arrears written-off	2.0	0.23%	1.8	0.22%
Loan impairments, after deducting the recovery of loans and interest in arrears written-off	8.3	0.98%	5.1	0.62%

¹⁾ As percentage of the average balance of the performing loans portfolio.

At 30 September 2013, the ratio of Customer loans in arrears for more than 90 days stood at 4.9%. The provisioning coverage of loans in arrears for more than 90 days stood, at the end of September 2013, at 150%.

Loans in arrears for more than 90 days and impairments

	Sep.12		Dec.12		Sep.13	
	M.€	% of loan portfolio ¹⁾	M.€	% of loan portfolio ¹⁾	M.€	% of loan portfolio ¹⁾
Loans in arrears (+90 days)	62.0	4.9%	53.0	4.6%	55.7	4.9%
Credit a risk (Instruction 23/2011 BoP)	85.4	6.8%	74.9	6.5%	81.5	7.1%
Loans impairments (in the balance sheet)	92.3	7.3%	79.1	6.8%	83.4	7.3%
Write offs (in the period)			15.9			
Note:						
Gross loan portfolio	1 262.9		1 155.2		1 146.4	

¹⁾ As % of the gross loan portfolio

Equity-accounted results of subsidiaries

In the international activity, the equity-accounted earnings of subsidiaries amounted to 6.2 M.€ from January to September 2013 (-0.3 M.€ over the same period last year)¹, and refer to the appropriation of 30% of the net profit earned by BCI, a commercial bank operating in Mozambique and in which BPI holds a 30% participating interest.

BCI recorded a 19.0% yoy increase in net total assets. Customer deposits have grown by 19.6% year-on-year, to 1 421 M.€ at the end of September 2013, while the Customer loan portfolio has expanded by 12.7% year-on-year, to 1 053 M.€. BCI market shares in deposits and loans, at the end of September 2013, reached 29.1% and 28.6%, respectively.

At the end of September 2013, BCI served 694 thousand clients (+31% relative to September 2012) through a network of 130 branches (+3 than one year before), representing 24.2% of the total Mozambican banking system distribution network. The staff complement reached 2 093 Employees at 30 September 2013 (+14% than in September 2012).

1) BCI's total contribution to consolidated net profit was of 5.9 M.€ in the period from January to September 2012 and 5.7 M.€ in the period from January to September 2013, given that, besides the equity-accounted results, deferred tax relating to the distributable earnings of BCI is recorded in the caption "Corporate income tax" (0.6 M.€ from January to September 2012 and 0.5 M.€ from January to September 2013).

CAPITAL AND COCO REDEMPTION

Core Tier I ratio according to Bank of Portugal rules of 15.2%

The **Core Tier I ratio** attained 15.2% on 30 September 2013, which corresponds to an excess capital of 1 189 M.€ relative to 10% core capital requirement prescribed by the Bank of Portugal.

Even if the CoCo's (in the amount of 920 M.€) were not considered in the core capital, BPI would present a Core Tier I ratio of 11.2%, thus continuing to comply with the above mentioned requirement.

Own funds and own funds requirements

Amounts in M.€

	30 Sep. 12	31 Dec. 12	30 Sep. 13
Core capital	3 662.0	3 683.8	3 470.7
Risk weighted assets	24 728.0	24 511.8	22 815.0
Core tier 1 capital ratio	14.8%	15.0%	15.2%

EBA's Recommendation on new capital preservation requirements published on 22 July

On 22 July, following the entry into force of the new capital rules established by CRD IV/CRR, EBA has made public the decision to replace its 2011 Recommendation with new measures on capital preservation. The new rules foresee, among other issues, that Banks maintain the amount of capital in euros necessary to comply with the capital requirements set by the previous EBA recommendation with reference to 30 June 2012, or a lower amount, as long as they comply with a Core Tier 1 capital ratio of 7.0% according to CRD IV "fully implemented" rules (that is, without benefiting from the phasing-in period envisaged in those rules).

Assets review by the BCE

On 23 October, the European Central Bank (ECB) announced the details of the banks' assessment to be conducted in preparation to assume responsibility for banking supervision as part of the single supervisory mechanism. This assessment will be based on a capital benchmark of 8% Core Tier 1, drawing on the definition of CRD IV, including transitional arrangements.

Core Tier I capital ratios according to CRD IV / CRR rules

Core Tier I ratios at 30 September 2013

At 30 September 2013 the Bank presents a Core Tier I ratio of 9.0% calculated according to CRD IV / CRR fully implemented¹ rules, which corresponds to an excess capital of 367 M.€ relative to the minimum Core Tier 1 ratio of 4.5% and the capital conservation buffer of 2.5% (ratio of 7%).

The Core Tier I ratio calculated according to CRD IV / CRR rules envisaged for 2014¹ amounts to 14.0% at 30 September 2013, which corresponds to an excess capital of 1 246 M.€ relative to the benchmark of 8% to be considered in the banks' assessment that the ECB will carry out.

1) Calculations according to BPI's interpretation of CRD IV/CRR rules, based on the information known by the Bank at the current date.

Ongoing core tier 1 capital optimisation measures

BPI has ongoing capital optimisation measures that will raise the excess core tier 1 capital fully implemented by 221 M.€

- Reduction of 100 M.€ in the capital of BPI Vida e Pensões, with a positive impact of 91 M.€ in the excess capital. BPI has obtained the necessary authorization from the Instituto de Seguros de Portugal (Insurance and Pension Funds Supervisory Authority) and the capital reduction is already registered;
- Sale of 146 M.€ of perpetual subordinated bonds from European insurance companies with a positive impact of 130 M.€ in the excess capital.

After the aforementioned optimisation measures, the core Tier I ratio CRD IV / CRR fully implemented stands at 10.0%, which corresponds to an excess capital of 588 M € relative to the minimum ratio of 7%.

The core Tier I ratio according to the CRD IV / CRR rules envisaged for 2014, after optimisation measures, stands at 14.3%, which corresponds to an excess capital of 1 420 M.€ relative to the benchmark of 8% considered in the banks' assessment that the ECB will carry out.

Early redemption of additional 588 M.€ of CoCo

The Board of Directors of Banco BPI decided to ask the Bank of Portugal and EBA the approval of a request to redeem 588 M.€ of CoCo to submit to the Ministry of Finance. Following that repayment, the amount of CoCo held by the State would be reduced from 920 M.€ to 332 M.€.

After the capital optimisation measures and the redemption of 588 M.€ of CoCo, the proforma core tier 1 ratios would be:

- core Tier I CRD IV / CRR *fully implemented* ratio of 7.0%;
- core Tier I ratio according to the CRD IV / CRR rules envisaged for 2014 of 11.8%, which would correspond to an excess capital of 825 M.€ relative to the ECB benchmark of 8%.

Leverage and Liquidity ratios according to CRD IV / CRR rules

At 30 September 2013, the leverage ratio stands at 4.8% according to CRD IV *fully implemented* rules.

Considering the capital optimisation measures and the redemption of 588 M.€ of CoCo above mentioned, the proforma leverage ratio amounts to 3.7%.

At 30 September 2013, the Liquidity coverage ratio (LCR) and the net stable funding ratio (NSFR) stand at 280% and 114% according to CRD IV *Fully Implemented* rules.

Recalculation of the EBA's capital buffer under the previous rules revoked on 22 July 2013

According to the previous European Banking Authority's (EBA) Recommendation of 2011 in force until 22 July 2013 and the Bank of Portugal's Notice 5/2012, which considered, for purposes of Core Tier I ratio calculation, the valuation of the sovereign debt exposures at market prices ruling on 30 September 2011, it was calculated for BPI a temporary capital buffer of 1 184 M.€.

If the temporary capital buffer was updated based on Banco BPI's current exposure and at market prices ruling on 25 October 2013, the respective value would decline by 738 M.€, from 1 184 M.€ to 446 M.€.

Recalculation of the capital buffer to sovereign debt exposure

Amounts in M.€

M.€	30 Sep. 11				30 Sep. 13				25 Oct. 13			
	Nominal value	EBA temporary buffer ¹⁾			Nominal value	Recalculation of temporary capital needs for sovereign debt exposure ¹⁾			Nominal value	Recalculation of temporary capital needs for sovereign debt exposure ¹⁾		
		Securities	Derivatives	Total		Securities	Derivatives	Total		Securities	Derivatives	Total
Sovereign bonds (after tax)	4 576	- 822	- 256	-1 078	6 563	- 105	- 279	- 384	6 552	- 41	- 281	- 322
Portugal	2 766	- 582	- 125	- 708	5 253	- 139	- 156	- 294	5 242	- 95	- 156	- 251
Of which												
Portug. Govt. Bonds acquired until 31 Dec.11	2 732	- 582	- 125	- 708	1 700	- 137	- 156	- 293	1 700	- 97	- 156	- 253
Treasury bills	34	-	-	-	3 548	- 1		- 1	3 537	2		2
Italy	975	- 66	- 73	- 139	975	15	- 97	- 82	975	29	- 97	- 68
Ireland	355	- 37	- 19	- 56	335	19	- 27	- 8	335	24	- 27	- 3
Greece	480	- 136	- 39	- 175								
Local governments	1 058			- 281	810			- 141 ²⁾	810			- 124 ³⁾
Capital buffer for sovereign risk exposures				-1 359				- 525				- 446
Amount recognised in results (Greece)				175								
Temporary capital needs				-1 184				- 525				- 446

1) Includes hedging of interest rate risk.

2) Exposures as of 30 Sep.13 and applying average haircuts per maturity estimated by BPI based on 30 Sep.13 market prices.

3) Exposures as of 30 Sep.13 and applying average haircuts per maturity estimated by BPI based on 25 Oct 13 market prices.

Banco BPI, S.A.

**Consolidated financial statements as of
September 30, 2013 and 2012**

BANCO BPI, S.A.**CONSOLIDATED BALANCE SHEETS AS OF SEPTEMBER 30, 2013 AND DECEMBER 31, 2012**

(Translation of balance sheets originally issued in Portuguese - Note 5)

(Amounts expressed in thousands of Euro)

(Amounts expressed in thousands of Euro)									
		30 Sep. 13		31 Dec. 12					
	Notes	Amounts before impairment, depreciation and amortisation	Impairment, depreciation and amortisation	Net	Net	Notes	30 Sep. 13	31 Dec. 12	
ASSETS						LIABILITIES			
Cash and deposits at central banks	4.1	1 351 261		1 351 261	1 269 365	Resources of central banks	4.14	4 137 097	4 270 918
Deposits at other credit institutions	4.2	457 466		457 466	453 438	Financial liabilities held for trading	4.15/4.4	259 643	340 164
Financial assets held for trading and at fair value through profit or loss	4.3/4.4	1 171 565		1 171 565	1 111 646	Resources of other credit institutions	4.16	1 582 599	2 568 421
Financial assets available for sale	4.5	9 813 444	87 532	9 725 912	10 252 882	Resources of customers and other debts	4.17	25 621 032	24 621 139
Loans and advances to credit institutions	4.6	1 676 609	2	1 676 607	1 710 727	Debt securities	4.18	2 696 287	3 787 627
Loans and advances to customers	4.7	27 535 821	902 054	26 633 767	27 345 473	Financial liabilities relating to transferred assets	4.19	1 434 260	1 590 984
Held to maturity investments	4.8	139 527		139 527	445 298	Hedging derivatives	4.4	594 924	814 983
Hedging derivatives	4.4	197 669		197 669	280 737	Provisions	4.20	123 799	138 398
Other tangible assets	4.9	720 351	524 595	195 756	210 689	Technical provisions	4.21	2 515 592	2 255 364
Intangible assets	4.10	102 941	88 079	14 862	14 017	Tax liabilities	4.22	52 762	120 176
Investments in associated companies and jointly controlled entities	4.11	214 609		214 609	202 255	Contingent convertible subordinated bonds	4.23	939 919	1 200 279
Tax assets	4.12	547 240		547 240	617 692	Other subordinated debt and participating bonds	4.24	138 823	156 331
Other assets	4.13	760 820	76 199	684 621	650 362	Other liabilities	4.25	687 274	639 153
						Total Liabilities	40 784 011	42 503 937	
						SHAREHOLDERS' EQUITY			
						Subscribed share capital	4.27	1 190 000	1 190 000
						Other equity instruments	4.29	3 282	8 558
						Revaluation reserves	4.30	(468 159)	(507 614)
						Other reserves and retained earnings	4.31	1 089 641	786 175
						(Treasury shares)	4.29	(17 277)	(18 272)
						Consolidated net income of the BPI Group	4.46	72 682	249 135
						Shareholders' equity attributable to the shareholders of BPI	1 870 169	1 707 982	
						Minority interests	4.32	356 682	352 662
						Total Shareholders' Equity	2 226 851	2 060 644	
Total Assets		44 689 323	1 678 461	43 010 862	44 564 581	Total Liabilities and Shareholders' Equity		43 010 862	44 564 581
OFF BALANCE SHEET ITEMS									
Guarantees given and other contingent liabilities	4.7/4.31			2 106 758	2 390 359				
Of which:									
[Guarantees and sureties]				[1 942 933]	[2 185 640]				
[Others]				[163 825]	[204 719]				
Commitments	4.31			2 685 513	2 546 845				

The accompanying notes form an integral part of these balance sheets.

The Accountant**The Executive Committee of the Board of Directors**

BANCO BPI, S.A.**CONSOLIDATED STATEMENTS OF INCOME
FOR THE PERIODS ENDED SEPTEMBER 30, 2013 AND 2012**

(Translation of statements originally issued in Portuguese - Note 5)

(Amounts expressed in thousands of Euro)

	Notes	3rd quarter 2013	3rd quarter 2012	30 Sep. 13	30 Sep. 12
Interest and similar income		346 320	467 604	1 065 138	1 457 794
Interest and similar expenses		(234 225)	(327 160)	(733 852)	(1 042 570)
Financial margin (narrow sense)	4.34	112 095	140 444	331 286	415 224
Gross margin on unit links	4.35	776	645	2 168	2 047
Income from equity instruments	4.36	68	109	3 248	3 145
Net commission relating to amortised cost	4.37	5 478	6 707	18 317	19 547
Financial margin		118 417	147 905	355 019	439 963
Technical result of insurance contracts	4.38	6 022	5 869	17 269	18 119
Commissions received		78 427	96 567	232 932	253 693
Commissions paid		(10 606)	(10 489)	(30 957)	(32 281)
Other income, net		9 726	12 240	32 696	33 758
Net commission income	4.39	77 547	98 318	234 671	255 170
Gain and loss on operations at fair value		33 898	42 284	91 041	202 029
Gain and loss on assets available for sale		5 586	320	134 662	18 219
Interest and financial gain and loss with pensions	4.26	1 055	1 313	3 139	1 754
Net income on financial operations	4.40	40 539	43 917	228 842	222 002
Operating income		3 961	3 429	9 127	7 056
Operating expenses		(8 821)	(5 347)	(20 788)	(12 965)
Other taxes		(1 412)	(1 368)	(4 223)	(3 756)
Net operating income	4.41	(6 272)	(3 286)	(15 884)	(9 665)
Operating income from banking activity		236 253	292 723	819 917	925 589
Personnel costs	4.42	(91 607)	(93 201)	(276 161)	(272 676)
General administrative costs	4.43	(61 371)	(62 881)	(180 904)	(182 353)
Depreciation and amortisation	4.9/4.10	(7 802)	(8 118)	(23 701)	(25 045)
Overhead costs		(160 780)	(164 200)	(480 766)	(480 074)
Recovery of loans, interest and expenses		3 802	3 683	14 170	11 368
Impairment losses and provisions for loans and guarantees, net	4.20	(31 891)	(66 946)	(182 473)	(213 403)
Impairment losses and other provisions, net	4.20	(8 880)	(9 420)	(19 440)	(43 933)
Net income before income tax		38 504	55 840	151 408	199 547
Income tax	4.44	(7 220)	(8 331)	(32 502)	(35 706)
Earnings of associated companies (equity method)	4.45	7 399	6 406	17 590	15 149
Global consolidated net income		38 683	53 915	136 496	178 990
Income attributable to minority interests	4.32	(24 916)	(21 911)	(63 814)	(61 933)
Consolidated net income of the BPI Group	4.46	13 767	32 004	72 682	117 057
Earnings per share (in Euro)					
Basic		0.010	0.026	0.053	0.109
Diluted		0.010	0.026	0.052	0.108

The accompanying notes form an integral part of these statements.

The Accountant

The Executive Committee of the Board of Directors

BANCO BPI S.A.**CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
FOR THE PERIODS ENDED SEPTEMBER 30, 2013 AND 2012**

(Translation of statements originally issued in Portuguese - Note 5)

(Amounts expressed in thousands of Euro)

	30 Sep. 13			30 Sep. 12		
	Attributable to shareholders' of the BPI Group	Attributable to minority interests	Total	Attributable to shareholders' of the BPI Group	Attributable to minority interests	Total
Consolidated net income	72 682	63 814	136 496	117 057	61 933	178 990
Income not included in the consolidated statements of income:						
Items that will not be reclassified to net income:						
Actuarial deviations	66 547		66 547	62 447		62 447
Tax effect	(17 864)		(17 864)	(19 390)		(19 390)
	48 683	0	48 683	43 057	0	43 057
Items that may be reclassified subsequently to net income:						
Foreign exchange translation differences	(14 309)	(13 918)	(28 227)	(593)	1 428	835
Revaluation reserves of financial assets available for sale	76 668		76 668	917 654		917 654
Tax effect	(22 904)		(22 904)	(264 788)		(264 788)
Valuation of assets of associated companies	2 587		2 587	24 691		24 691
Tax effect	(429)		(429)	(6 971)		(6 971)
	41 613	(13 918)	27 695	669 993	1 428	671 421
Income not included in the consolidated statements of income	90 296	(13 918)	76 378	713 050	1 428	714 478
Consolidated comprehensive income	162 978	49 896	212 874	830 107	63 361	893 468

	3rd quarter 2013			3rd quarter 2012		
	Attributable to shareholders' of the BPI Group	Attributable to minority interests	Total	Attributable to shareholders' of the BPI Group	Attributable to minority interests	Total
Consolidated net income	13 767	24 916	38 683	32 004	21 911	53 915
Income not included in the consolidated statements of income:						
Items that will not be reclassified to net income:						
Actuarial deviations	21 627		21 627	20 404		20 404
Tax effect	(3 826)		(3 826)	(7 278)		(7 278)
	17 801	0	0	13 126	0	13 126
Foreign exchange translation differences	(13 765)	(14 943)	(28 708)	(9 068)	(7 618)	(16 686)
Revaluation reserves of financial assets available for sale	4 117		4 117	383 822		383 822
Tax effect	(2 185)		(2 185)	(110 788)		(110 788)
Valuation of assets of associated companies	(837)		(837)	8 288		8 288
Tax effect	427		427	(2 380)		(2 380)
	(12 243)	(14 943)	(27 186)	269 874	(7 618)	262 256
Income not included in the consolidated statements of income	5 558	(14 943)	(27 186)	283 000	(7 618)	275 382
Consolidated comprehensive income	19 325	9 973	11 497	315 004	14 293	329 297

The accompanying notes form an integral part of these statements.

The Accountant

The Executive Committee of the Board of Directors

BANCO BPI, S.A.**STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY FOR THE PERIODS ENDED
SEPTEMBER 30, 2013 AND 2012**

(Translation of statements originally issued in Portuguese - Note 5)

(Amounts expressed in thousands of Euro)

	Subscribed share capital	Share premium account	Other equity instruments	Revaluation reserves	Other reserves and retained earnings	Treasury shares	Net income	Minority interests	Shareholders ' equity
Balance at December 31, 2011	990 000	128 432	8 030	(1 251 533)	900 312	(21 020)	(284 871)	353 038	822 388
Appropriation of net income for 2011 to reserves					(284 871)		284 871		
Use of share premium account to cover negative retained earnings		(128 432)			128 432				
Share capital increase	200 000								200 000
Dividends paid on preference shares								(1 058)	(1 058)
Dividends paid to minority interests								(64 181)	(64 181)
Variable Remuneration Program (RVA)			82			1 079			1 161
Sale / purchase of treasury shares					(626)				(626)
Sale / purchase of preference shares					747			(2 076)	(1 329)
Consolidation of BPI Alternative Fund								(3 105)	(3 105)
Consolidation of BPI Taxa Variável Fund								(10 669)	(10 669)
Comprehensive income for the first nine months of 2012				652 273	60 777		117 057	63 361	893 468
Others					56				56
Balance at September 30, 2012	1 190 000		8 112	(599 260)	804 827	(19 941)	117 057	335 310	1 836 105
Dividends paid on preference shares								(261)	(261)
Variable Remuneration Program (RVA)			446			1 669			2 115
Sale / purchase of treasury shares					(1 126)				(1 126)
Sale / purchase of preference shares								11	11
Consolidation of BPI Alternative Fund								1	1
Comprehensive income for the last three months of 2012				91 646	(17 530)		132 078	17 601	223 795
Others					4				4
Balance at December 31, 2012	1 190 000		8 558	(507 614)	786 175	(18 272)	249 135	352 662	2 060 644
Appropriation of net income for 2012 to reserves					249 135		(249 135)		
Dividends paid on preference shares								(709)	(709)
Dividends paid to minority interests								(51 678)	(51 678)
Variable Remuneration Program (RVA)			(5 276)			995			(4 281)
Sale / purchase of treasury shares					3 507				3 507
Sale / purchase of preference shares								27	27
Consolidation of BPI Alternative Fund					26			(880)	(854)
Consolidation of BPI Alternative Fund Luxembourg								7 325	7 325
Comprehensive income for the first nine months of 2013				39 455	50 841		72 682	49 896	212 874
Others					(43)			39	(4)
Balance at September 30, 2013	1 190 000		3 282	(468 159)	1 089 641	(17 277)	72 682	356 682	2 226 851

The accompanying notes form an integral part of these statements.

The Accountant

The Executive Committee of the Board of Directors

BANCO BPI, S.A.**CONSOLIDATED STATEMENTS OF CASH FLOWS FOR THE PERIODS ENDED SEPTEMBER 30, 2013 AND 2012**

(Translation of statements originally issued in Portuguese - Note 5)

(Amounts expressed in thousands of Euro)

	30 Sep. 13	30 Sep. 12
Operating activities		
Interest, commissions and similar income received	1 923 731	2 074 982
Interest, commissions and similar expenses paid	(1 226 402)	(1 201 641)
Recovery of loans and interest in arrears	14 170	11 368
Payments to personnel and suppliers	(418 683)	(435 124)
Net cash flow from income and expenses	292 816	449 585
Decrease (increase) in:		
Financial assets held for trading, available for sale and held to maturity	1 072 449	(2 302 174)
Loans and advances to credit institutions	33 729	536 450
Loans and advances to customers	686 514	1 401 437
Other assets	(65 746)	(71 339)
Net cash flow from operating assets	1 726 946	(435 626)
Increase (decrease) in:		
Resources of central banks and other credit institutions	(1 139 020)	2 247 776
Resources of customers	1 266 272	(9 891)
Financial liabilities held for trading	(80 521)	(84 522)
Other liabilities	(228 576)	147 736
Net cash flow from operating liabilities	(181 845)	2 301 099
Contributions to the Pension Funds	(4 520)	(40 695)
Income tax paid	(70 227)	(24 934)
	1 763 170	2 249 429
Investing activities		
Purchase of other tangible assets and intangible assets	(18 672)	(48 302)
Sale of other tangible assets	70	21 670
Dividends received and other income	9 271	19 460
	(9 331)	(7 172)
Financing activities		
Liability for assets not derecognised	(155 701)	(554 945)
Issuance of contingent convertible subordinated bonds		1 500 000
Redemption of contingent convertible subordinated bonds	(280 000)	(200 000)
Issuance of debt securities and subordinated debt	126 334	919 722
Redemption of debt securities	(1 512 896)	(3 069 645)
Purchase and sale of own debt securities and subordinated debt	335 212	(579 165)
Purchase and sale of preference shares		(1 025)
Interest on contingent convertible subordinated bonds	(45 380)	
Interest on debt securities and subordinated debt	(78 787)	(153 627)
Share capital increase		200 000
Dividends paid on preference shares	(709)	(1 058)
Dividends paid to minority interests	(51 678)	(64 181)
Purchase and sale of treasury shares	(4 281)	535
	(1 667 886)	(2 003 389)
Net increase (decrease) in cash and equivalents	85 953	238 868
Cash and equivalents at the beginning of the period	1 722 717	1 529 469
Cash and equivalents at the end of the period	1 808 670	1 768 337

The accompanying notes form an integral part of these statements.

The Accountant
Alberto Pitôrra

The Executive Committee of the Board of Directors

President Fernando Ulrich
Vice-President António Domingues
Members António Farinha Morais
José Pena do Amaral
Manuel Ferreira da Silva
Maria Celeste Hagatong
Pedro Bissaia Barreto

Banco BPI, S.A.

Notes to the consolidated financial statements as of September 30, 2013 and 2012

(Unless otherwise indicated, all amounts are expressed in thousands of Euro – t. euro)

1. THE FINANCIAL GROUP

Banco BPI is the central entity of a multi-specialised financial group dedicated to banking, which provides a broad range of banking services and products to companies, institutional investors and private individuals. Banco BPI has been listed on the Stock Exchange since 1986.

The BPI Group started operating in 1981 with the foundation of SPI – Sociedade Portuguesa de Investimentos, S.A.R.L.. By public deed dated December 1984, SPI – Sociedade Portuguesa de Investimentos, S.A.R.L. changed its corporate name to BPI – Banco Português de Investimento, S.A., which was the first private investment bank created after the re-opening, in 1984, of the Portuguese banking sector to private investment. On November 30, 1995 BPI – Banco Português de Investimento, S.A. (BPI Investimentos) was transformed into BPI - SGPS, S.A., which operated exclusively as the BPI Group's holding company, and BPI Investimentos was founded to act as the BPI Group's investment banking company. On December 20, 2002, BPI SGPS, S.A. incorporated, by merger, the net assets and operations of Banco BPI and changed its corporate name to Banco BPI, S.A..

At September 30, 2013 the Group's banking operations were carried out principally through Banco BPI in the commercial banking area and through BPI Investimentos in the investment banking area. The BPI Group is also the holder of a 50.1% participation in Banco de Fomento, S.A. which operates as a commercial bank in Angola.

The vehicles through which the Bank's loan securitisation is carried out are recorded in the consolidated financial statements in accordance with the BPI Group's continuing involvement in these operations, based on the percentage held of the equity piece of the corresponding vehicles.

In 2012 the BPI Group reduced its participation in Fundo BPI Taxa Variável - Fundo de Investimento Aberto de Obrigações de Taxa Variável (Fundo BPI Taxa Variável), a fund managed by BPI Gestão de Activos, to a participation of less than 50%. According to the Group's accounting policy, the investment funds are consolidated only if the Group has control, i.e., when the Group holds more than 50% of the participating units. Thus, the participation in this fund was reclassified to the financial assets available for sale portfolio, and is no longer recorded in accordance with the full consolidation method. In December 2012 Fundo BPI Taxa Variável changed its name to BPI Obrigações Mundiais – Fundo de Investimento Aberto (Fundo BPI Obrigações Mundiais).

In 2012 TC Turismo Capital – SCR, S.A. and Aicep Capital were merged by incorporation into Inovcapital – Sociedade de Capital de Risco, S.A., the corporate name of which was changed to Portugal Capital Ventures – Sociedade de Capital de Risco, S.A. The BPI Group ceased to have participations of 25% in TC Turismo Capital – SCR, S.A. and 4.4% in Inovcapital – Sociedade de Capital de Risco, S.A. and now has a 6.4% participation in Portugal Capital Ventures, that has been recorded in the financial assets available for sale portfolio.

In 2012 the BPI Group dissolved and liquidated Ulissipair ACE, a consortium of companies, 50% of which was held by Banco Português de Investimento, S.A.

In January 2013, the BPI Alternative Fund: Iberian Equities Long/Short Fund (Luxemburgo) was established. On September 30, 2013 the BPI Group held 67.3% of the fund's participating units through Banco Português de Investimento, S.A, the financial statements of the fund being fully consolidated in the financial statements of the BPI Group.

In the first nine months of 2013 the BPI Group increased its participation to 100% of the share capital of BPI Dealer – Sociedade Financeira de Corretagem (Mozambique), through the acquisition of 10.5% of the share capital of that company, previously owned by Banco Comercial e de Investimentos (Mozambique). The corporate name of BPI Dealer – Sociedade Financeira de Corretagem (Mozambique) was changed to BPI Moçambique – Sociedade de Investimento, S.A.

At September 30, 2013 the BPI Group was made up of the following companies:

	Head Office	Shareholders' equity	Total assets	Net income (loss) for the	Direct participation	Effective participation	Consolidation / Recognition method
Banks							
Banco BPI, S.A.	Portugal	1290 117	41846 645	16 817			
Banco Português de Investimento, S.A.	Portugal	62 772	1897 406	2 465	100.00%	100.00%	Full Consolidation
Banco Comercial e de Investimentos, S.A.R.L.	Mozambique	139 885	1973 813	19 511	29.70%	30.00%	Equity Method
Banco de Fomento Angola, S.A.	Angola	582 811	6 391 027	121 429	50.08%	50.10%	Full Consolidation
Banco BPI Cayman, Ltd.	Cayman Islands	157 612	185 452	1360		100.00%	Full Consolidation
Specialised loan companies							
BPI Locação de Equipamentos, Lda	Portugal	8 083	8 451	37	100.00%	100.00%	Full Consolidation
Asset management companies and dealers							
BPI Moçambique – Sociedade de Investimento, S.A.	Mozambique	6	514	(655)	96.54%	100.00%	Full Consolidation
BPI Gestão de Activos – Gestão de Fundos de Investimento Mobiliários, S.A.	Portugal	15 839	25 779	5 320	100.00%	100.00%	Full Consolidation
BPI – Global Investment Fund Management Company, S.A.	Luxembourg	953	1706	478	100.00%	100.00%	Full Consolidation
BPI (Suisse), S.A.	Switzerland	8 366	9 896	3 404		99.90%	Full Consolidation
BPI Alternative Fund: Iberian Equities Long/Short Fund	Portugal	57 888	62 101	1607		87.57%	Full Consolidation
BPI Alternative Fund: Iberian Equities Long/Short Fund (Lux)	Luxembourg	22 689	23 714	297		67.29%	Full Consolidation
Venture capital companies							
BPI Private Equity - Sociedade de Capital de Risco, S.A.	Portugal	26 615	28 900	534	100.00%	100.00%	Full Consolidation
Inter-Risco – Sociedade de Capital de Risco, S.A.	Portugal	1014	2 170	517		49.00%	Equity Method
Insurance companies							
BPI Vida e Pensões – Companhia de Seguros, S.A.	Portugal	216 512	3 306 332	47 988	100.00%	100.00%	Full Consolidation
Cosec – Companhia de Seguros de Crédito, S.A.	Portugal	50 172	121 579	6 367	50.00%	50.00%	Equity Method
Companhia de Seguros Allianz Portugal, S.A.	Portugal	255 405	1 192 972	21 808	35.00%	35.00%	Equity Method
Other							
BPI Capital Finance Ltd. ¹	Cayman Islands	53 656	53 661	805	100.00%	100.00%	Full Consolidation
BPI Capital Africa (Proprietary) Limited	South Africa	(2 091)	1 183	(1 292)		100.00%	Full Consolidation
BPI, Inc.	U.S.A.	1081	3 942	10	100.00%	100.00%	Full Consolidation
BPI Madeira, SGPS, Unipessoal, S.A.	Portugal	152 927	156 281	88	100.00%	100.00%	Full Consolidation
Finangeste – Empresa Financeira de Gestão e Desenvolvimento, S.A.	Portugal	77 151	79 451	(3 828)	32.78%	32.78%	Equity Method
Unicre - Instituição Financeira de Crédito, S.A.	Portugal	90 483	308 384	10 863	20.65%	21.01%	Equity Method

Note: Unless otherwise indicated, all amounts are as of September 30, 2013 (accounting balances before consolidation adjustments).

¹ Share capital is made up of 5 000 ordinary shares of 1 Euro each, and 53 427 000 non-voting preference shares of 1 euro each. The BPI Group's effective participation corresponds to 0.009% considering the preference shares.

2. BASIS OF PRESENTATION AND MAIN ACCOUNTING POLICIES

A) BASIS OF PRESENTATION

The consolidated financial statements were prepared from the accounting records of Banco BPI and its subsidiary and associated companies in conformity with International Accounting Standards/International Financial Reporting Standards (IAS/IFRS), as endorsed by the European Union in accordance with Regulation (EC) 1606/2002 of July 19 of the European Parliament and Council, incorporated into Portuguese legislation through Bank of Portugal Notice 1/2005 of February 21.

B) MAIN ACCOUNTING POLICIES

The accounting policies adopted by the BPI Group are consistent with those used in the preparation of the consolidated financial statements for the period ended June 30, 2013.

3. SEGMENT REPORTING

The BPI Group's segment reporting is made up as follows:

- Domestic operations: consist of banking services provided to domestic customers, including members of emigrant communities and subsidiaries of Portuguese companies, and include:
 - Commercial Banking
 - Investment Banking
 - Equity investments and others
- International operations: Consist of the operations in Angola carried out by Banco de Fomento Angola, S.A, in Mozambique by Banco Comercial de Investimentos, S.A.R.L. and BPI Moçambique – Sociedade de Investimento, S.A. and in South Africa by BPI Capital Africa (Proprietary) Limited.

Commercial banking

The BPI Group's operations are focused mainly on commercial banking. Commercial banking includes:

- Retail banking – Retail banking includes commercial operations with private clients, businesses and sole traders with turnover of up to 2.5 million euro through a multi-channel distribution network made up of commercial branches, investment centres, home banking services (BPI Net), telephone banking (BPI Directo), specialised branches and a network of external promoters.
- Corporate banking – Corporate banking includes commercial operations with private, public and municipal companies and public sector organisations (including the Central and Local Administration), as well as Foundations and Associations. Corporate banking also includes Project Finance and Public-Private Partnership operations in the commercial promotion area, structuring and organising financial operations and consultancy services relating to this area.

Investment banking

Investment banking covers the following business areas:

- Brokerage – includes brokerage (purchase and sale of securities) on account of customers;
- Private Banking – Private Banking is responsible for implementing strategies and investment proposals presented to customers and managing all or part of their financial assets under management mandates given to the Bank. In addition, Private Banking provides asset management, tax information and business consulting services.
- Corporate finance – This includes rendering consultancy services relating to the analysis of investment projects and decisions, market privatisation operations and the structuring of merger and acquisition processes.

Equity investments and others

This segment includes essentially Financial Investments and Private Equity activities. The BPI Group Private Equity area invests essentially in unlisted companies with the following objectives: the development of new products and technologies, financing of investments in working capital, acquisitions and the strengthening of financial autonomy.

This segment also includes the Bank's residual activity, such segments representing individually less than 10% of total income, net profit and the Group's assets.

Inter-segment operations are presented based on the effective conditions of the operations and application of the accounting policies used to prepare the BPI Group's consolidated financial statements.

The Bank has not identified other business segments under IFRS 8 other than those identified under IAS 14. The reports used by Management consist essentially of accounting information based on IFRS.

The BPI Group's balance sheet as of September 30, 2013 and investments made in tangible and intangible assets during the period, by segment, are as follows:

	Domestic operations					International operations			Inter segment operations	BPI Group
	Commercial banking	Investment banking	Equity investments and others	Inter segment operations	Total	Angola	Others	Total		
ASSETS										
Cash and deposits at Central Banks	338 743	149			338 892	1012 368	1	1012 369		1351261
Loans and advances to other credit institutions repayable on demand	430 886	46 170	4 265	(117 606)	363 715	107 372	4	107 376	(13 625)	457 466
Financial assets held for trading and at fair value through profit or loss	910 735	139 236		(22 766)	1027 205	144 301	59	144 360		1171565
Financial assets available for sale	7 772 453	26 211	52 086	1647	7 852 397	1873 515		1873 515		9 725 912
Loans and advances to credit institutions	1445 211	1609 867	2 894	(2 138 570)	919 402	1903 807	960	1904 767	(1147 562)	1676 607
Loans and advances to customers	25 378 322	212 556		(26 054)	25 564 824	1068 943		1068 943		26 633 767
Held to maturity investments	168 884	11684		(41041)	139 527					139 527
Hedging derivatives	200 236	257		(2 824)	197 669					197 669
Other tangible assets	67 063	1532	1		68 596	126 698	462	127 160		195 756
Intangible assets	12 557	58			12 615	2 246	1	2 247		14 862
Investment in associated companies and jointly controlled entities	89 393		83 250		172 643		41966	41966		214 609
Tax assets	543 084	3 420	(2 005)		544 499	2 666	75	2 741		547 240
Other assets	733 344	40 707	164	(100 370)	673 845	13 872	237	14 109	(3 333)	684 621
TOTAL ASSETS	38 090 911	2 091 847	140 655	(2 447 584)	37 875 829	6 255 788	43 765	6 299 553	(1 164 520)	43 010 862
LIABILITIES										
Resources of central banks	4 137 097				4 137 097					4 137 097
Financial liabilities held for trading	260 089	19 850		(21 183)	258 756	887		887		259 643
Resources of other credit institutions	4 384 896	19 608	31 151	(1692 978)	2 742 677	693	415	1108	(1161186)	1582 599
Resources of customers and other debts	18 894 807	1746 712		(592 033)	20 049 486	5 571547		5 571547	(1)	25 621032
Debt securities	2 743 010			(46 723)	2 696 287					2 696 287
Financial liabilities relating to transferred assets	1434 260				1434 260					1434 260
Hedging derivatives	596 059	(2)		(1133)	594 924					594 924
Provisions	99 767	182			99 949	23 850		23 850		123 799
Technical provisions	2 352 823	162 769			2 515 592					2 515 592
Tax liabilities	45 202	2 263	(1565)		45 900	3 954	2 908	6 862		52 762
Contingent convertible subordinated bonds	939 919				939 919					939 919
Other subordinated debt and participating bonds	200 797	3 887		(65 861)	138 823					138 823
Other liabilities	593 843	42 683	2 285	(27 673)	611 138	76 000	3 469	79 469	(3 333)	687 274
TOTAL LIABILITIES	36 682 569	1 997 952	31 871	(2 447 584)	36 264 808	5 676 931	6 792	5 683 723	(1 164 520)	40 784 011
SHAREHOLDERS' EQUITY										
Shareholders' equity attributable to the shareholders of BPI	1357 106	79 272	108 784		1545 162	288 034	36 973	325 007		1870 169
Minority interest	51236	14 623			65 859	290 823		290 823		356 682
TOTAL SHAREHOLDERS' EQUITY	1 408 342	93 895	108 784		1 611 021	578 857	36 973	615 830		2 226 851
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	38 090 911	2 091 847	140 655	(2 447 584)	37 875 829	6 255 788	43 765	6 299 553	(1 164 520)	43 010 862
Investments made in:										
Property	203				203	838		838		1041
Equipment and other tangible assets	1828	26			1854	11326	81	11407		13 261
Intangible assets	3 076	29			3 105	1267		1267		4 372

The BPI Group's income statement for the period ended September 30, 2013, by segment, is as follows:

	Domestic operations					International operations			Inter segment operations	BPI Group
	Commercial banking	Investment banking	Equity investments and others	Inter segment operations	Total	Angola	Others	Total		
Financial margin (narrow sense)	191 368	896	(1 076)		191 188	140 288	(190)	140 098		331 286
Gross margin on unit links	629	1539			2 168					2 168
Income from equity instruments	1318	85	1845		3 248					3 248
Net commission relating to amortised cost	17 971				17 971	346		346		18 317
Financial margin	211 286	2 520	769		214 575	140 634	(190)	140 444		355 019
Technical result of insurance contracts	17 060	209			17 269					17 269
Commissions received	193 336	33 123		(19 887)	206 572	27 149	149	27 298	(938)	232 932
Commissions paid	(38 637)	(7 740)	(7)	19 887	(26 497)	(5 398)		(5 398)	938	(30 957)
Other income, net	13 780	58			13 838	18 858		18 858		32 696
Net commission income	168 479	25 441	(7)		193 913	40 609	149	40 758		234 671
Gain and loss on operations at fair value	18 550	5 463			24 013	67 028		67 028		91 041
Gain and loss on assets available for sale	134 624	38			134 662					134 662
Interest and financial gain and loss with pensions	3 086	53			3 139					3 139
Net income on financial operations	156 260	5 554			161 814	67 028		67 028		228 842
Operating income	8 421	57			8 478	628	21	649		9 127
Operating expenses	(18 985)	(1 195)			(20 180)	(607)	(1)	(608)		(20 788)
Other taxes	(2 705)	(505)			(3 210)	(990)	(23)	(1 013)		(4 223)
Net operating income	(13 269)	(1 643)			(14 912)	(969)	(3)	(972)		(15 884)
Operating income from banking activity	539 816	32 081	762		572 659	247 302	(44)	247 258		819 917
Personnel costs	(210 798)	(15 114)	(127)		(226 039)	(48 673)	(1449)	(50 122)		(276 161)
General administrative costs	(129 351)	(8 924)	(22)		(138 297)	(42 164)	(443)	(42 607)		(180 904)
Depreciation and amortisation	(12 866)	(946)			(13 812)	(9 794)	(95)	(9 889)		(23 701)
Overhead costs	(353 015)	(24 984)	(149)		(378 148)	(100 631)	(1 987)	(102 618)		(480 766)
Recovery of loans, interest and expenses	12 347	3			12 350	1820		1820		14 170
Impairment losses and provisions for loans and guarantees, net	(175 920)	373			(175 547)	(6 926)		(6 926)		(182 473)
Impairment losses and other provisions, net	(17 299)	(26)	162		(17 163)	(2 277)		(2 277)		(19 440)
Net income before income tax	5 929	7 447	775		14 151	139 288	(2 031)	137 257		151 408
Income tax	(10 971)	(3 217)	(134)		(14 322)	(17 651)	(529)	(18 180)		(32 502)
Earnings of associated companies (equity method)	7 632		3 741		11 373		6 217	6 217		17 590
Global consolidated net income	2 590	4 230	4 382		11 202	121 637	3 657	125 294		136 496
Income attributable to minority interest	(774)	(300)			(1 074)	(62 740)		(62 740)		(63 814)
Consolidated net income of the BPI Group	1 816	3 930	4 382		10 128	58 897	3 657	62 554		72 682
Cash flow after taxes	207 901	4 529	4 220		216 650	77 894	3 752	81 646		298 296

The BPI Group's balance sheet as of December 31, 2012 and investments made in tangible and intangible assets during the year, by segment, are as follows:

	Domestic operations					International operations			Inter segment operations	BPI Group
	Commercial banking	Investment banking	Equity investments and others	Inter segment operations	Total	Angola	Others	Total		
ASSETS										
Cash and deposits at Central Banks	233 053	165			233 218	1036 147		1036 147		1269 365
Loans and advances to other credit institutions repayable on demand	518 207	77 887	4 703	(222 421)	378 376	94 472	7	94 479	(19 417)	453 438
Financial assets held for trading and at fair value through profit or loss	862 043	127 621		(31832)	957 832	153 753	61	153 814		1111646
Financial assets available for sale	8 306 461	37 383	47 517	1861	8 393 222	1859 660		1859 660		10 252 882
Loans and advances to credit institutions	2 129 309	2 116 581	2 894	(3 057 305)	1 191 479	1622 650	637	1623 287	(1 104 039)	1710 727
Loans and advances to customers	26 137 119	147 839		(21794)	26 263 164	1082 309		1082 309		27 345 473
Held to maturity investments	443 280	30 289		(28 271)	445 298					445 298
Hedging derivatives	284 304	389		(3 956)	280 737					280 737
Other tangible assets	78 782	1713	1		80 496	129 675	518	130 193		210 689
Intangible assets	11835	50			11885	2 129	3	2 132		14 017
Investment in associated companies and jointly controlled entities	80 653		82 711		163 364		38 891	38 891		202 255
Tax assets	614 509	4 091	(1007)		617 593	10	89	99		617 692
Other assets	714 510	32 088	383	(104 519)	642 462	26 660	194	26 854	(18 954)	650 362
TOTAL ASSETS	40 414 065	2 576 096	137 202	(3 468 237)	39 659 126	6 007 465	40 400	6 047 865	(1 142 410)	44 564 581
LIABILITIES										
Resources of central banks	4 270 918				4 270 918					4 270 918
Financial liabilities held for trading	341601	28 017		(29 454)	340 164					340 164
Resources of other credit institutions	5 846 931	34 006	25 240	(2 215 307)	3 690 870	96	911	1007	(1 123 456)	2 568 421
Resources of customers and other debts	18 162 190	2 229 409		(1084 609)	19 306 990	5 314 149		5 314 149		24 621 139
Debt securities	3 823 024	12		(35 409)	3 787 627					3 787 627
Financial liabilities relating to transferred assets	1591811			(827)	1590 984					1590 984
Hedging derivatives	815 880			(897)	814 983					814 983
Provisions	104 455	215			104 670	33 728		33 728		138 398
Technical provisions	2 111 112	144 252			2 255 364					2 255 364
Tax liabilities	108 521	4 778	(1219)		112 080	8 035	61	8 096		120 176
Contingent convertible subordinated bonds	1200 279				1200 279					1200 279
Other subordinated debt and participating bonds	218 248	3 842		(65 759)	156 331					156 331
Other liabilities	570 650	46 988	3 432	(35 975)	585 095	70 957	2 055	73 012	(18 954)	639 153
TOTAL LIABILITIES	39 165 620	2 491 519	27 453	(3 468 237)	38 216 355	5 426 965	3 027	5 429 992	(1 142 410)	42 503 937
SHAREHOLDERS' EQUITY										
Shareholders' equity attributable to the shareholders of BPI	1 197 301	76 698	109 749		1383 748	286 821	37 413	324 234		1707 982
Minority interest	51144	7 879			59 023	293 679	(40)	293 639		352 662
TOTAL SHAREHOLDERS' EQUITY	1 248 445	84 577	109 749		1 442 771	580 500	37 373	617 873		2 060 644
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	40 414 065	2 576 096	137 202	(3 468 237)	39 659 126	6 007 465	40 400	6 047 865	(1 142 410)	44 564 581
Investments made in:										
Property	7				7	9 279	94	9 373		9 380
Equipment and other tangible assets	3 607	127			3 734	15 737	270	16 007		19 741
Intangible assets	4 809	6			4 815	1378		1378		6 193

The BPI Group's income statement for the period ended September 30, 2012, by segment, is as follows:

	Domestic operations					International operations			Inter segment operations	BPI Group
	Commercial banking	Investment banking	Equity investments and others	Inter segment operations	Total	Angola	Others	Total		
Financial margin (narrow sense)	279 513	297	(1 701)		278 109	137 154	(39)	137 115		415 224
Gross margin on unit links	622	1425			2 047					2 047
Income from equity instruments	1299	100	1746		3 145					3 145
Net commission relating to amortised cost	19 547				19 547					19 547
Financial margin	300 981	1 822	45		302 848	137 154	(39)	137 115		439 963
Technical result of insurance contracts	17 909	210			18 119					18 119
Commissions received	220 941	28 746		(18 338)	231 349	23 139	143	23 282	(938)	253 693
Commissions paid	(40 442)	(6 634)	(1)	18 338	(28 739)	(4 473)	(7)	(4 480)	938	(32 281)
Other income, net	14 964	67			15 031	18 727		18 727		33 758
Net commission income	195 463	22 179	(1)		217 641	37 393	136	37 529		255 170
Gain and loss on operations at fair value	140 544	6 437	1		146 982	55 047		55 047		202 029
Gain and loss on assets available for sale	17 710	10	499		18 219					18 219
Interest and financial gain and loss with pensions	1644	109	1		1754					1754
Net income on financial operations	159 898	6 556	501		166 955	55 047		55 047		222 002
Operating income	6 248	214			6 462	582	12	594		7 056
Operating expenses	(12 532)	(248)	(3)		(12 783)	(181)	(1)	(182)		(12 965)
Other taxes	(2 967)	(481)			(3 448)	(296)	(12)	(308)		(3 756)
Net operating income	(9 251)	(515)	(3)		(9 769)	105	(1)	104		(9 665)
Operating income from banking activity	665 000	30 252	542		695 794	229 699	96	229 795		925 589
Personnel costs	(210 540)	(14 538)	(130)		(225 208)	(46 576)	(892)	(47 468)		(272 676)
General administrative costs	(132 217)	(8 063)	(28)		(140 308)	(41 667)	(378)	(42 045)		(182 353)
Depreciation and amortisation	(14 579)	(1 020)			(15 599)	(9 372)	(74)	(9 446)		(25 045)
Overhead costs	(357 336)	(23 621)	(158)		(381 115)	(97 615)	(1 344)	(98 959)		(480 074)
Recovery of loans, interest and expenses	9 370	30			9 400	1 968		1 968		11 368
Impairment losses and provisions for loans and guarantees, net	(202 419)	(670)			(203 089)	(10 314)		(10 314)		(213 403)
Impairment losses and other provisions, net	(40 838)	(86)	(677)		(41 601)	(2 332)		(2 332)		(43 933)
Net income before income tax	73 777	5 905	(293)		79 389	121 406	(1 248)	120 158		199 547
Income tax	(28 839)	(2 447)	86		(31 200)	(3 954)	(552)	(4 506)		(35 706)
Earnings of associated companies (equity method)	4 930	97	3 633		8 660		6 489	6 489		15 149
Global consolidated net income	49 868	3 555	3 426		56 849	117 452	4 689	122 141		178 990
Income attributable to minority interest	(983)	(380)			(1 363)	(60 581)	11	(60 570)		(61 933)
Consolidated net income of the BPI Group	48 885	3 175	3 426		55 486	56 871	4 700	61 571		117 057
Cash flow after taxes	306 721	4 951	4 103		315 775	78 889	4 774	83 663		399 438

4. NOTES

4.1. Cash and deposits at Central Banks

This caption is made up as follows:

	30 Sep. 13	31 Dec. 12
Cash	332 787	367 092
Demand deposits at the Bank of Portugal	152 951	19 367
Demand deposits at foreign Central Banks	865 468	882 821
Accrued interest	55	85
	1 351 261	1 269 365

The caption "Demand deposits at the Bank of Portugal" includes deposits made to comply with the minimum cash reserve requirements of the European Central Bank System (ECBS). These deposits bear interest and correspond to 1% of the amount of customers' deposits and debt securities maturing in up to 2 years, excluding deposits and debt securities of entities subject to the ECBS minimum cash reserves regime.

4.2. Deposits at other Credit Institutions

This caption is made up as follows:

	30 Sep. 13	31 Dec. 12
Domestic Credit Institutions		
Demand deposits	2 460	3 684
Checks for collection	87 050	77 607
Other	1 080	994
Foreign Credit Institutions		
Demand deposits	340 738	366 594
Checks for collection	26 136	4 558
Accrued interest	2	1
	457 466	453 438

Cheques for collection from domestic Credit Institutions correspond to cheques drawn by third parties against domestic credit institutions, which in general do not remain in this account for more than one business day.

4.3. Financial assets held for trading and at fair value through profit or loss

This caption is made up as follows:

	30 Sep. 13	31 Dec. 12
<u>Financial assets held for trading</u>		
Debt Instruments		
Bonds issued by Portuguese government entities	7 911	3 712
Bonds issued by foreign government entities	143 434	153 801
Bonds issued by other Portuguese entities		
Non-subordinated debt	4 015	4 833
Bonds issued by other foreign entities		
Non-subordinated debt	4 613	3 970
Subordinated debt		189
	159 973	166 505
Equity instruments		
Shares issued by Portuguese entities	130 795	108 913
Shares issued by foreign entities	68 745	58 944
	199 540	167 857
Other securities		
Participating units issued by Portuguese entities	154	152
Participating units issued by foreign entities	89	85
	243	237
	359 756	334 599
<u>Financial assets at fair value through profit or loss</u>		
Debt Instruments		
Bonds issued by Portuguese government entities	119 163	119 435
Bonds issued by foreign government entities	124 730	89 164
Bonds issued by other Portuguese entities		
Non-subordinated debt	68 407	19 015
Bonds issued by foreign financial entities		744
Bonds issued by other foreign entities		
Non-subordinated debt	46 862	51 298
Subordinated debt	1 880	1 685
	361 042	281 341
Equity instruments		
Shares issued by Portuguese entities	745	489
Shares issued by foreign entities	24 349	21 993
	25 094	22 482
Other securities		
Participating units issued by Portuguese entities	13 138	12 426
Participating units issued by foreign entities	165 982	131 771
	179 120	144 197
	565 256	448 020
<u>Derivative instruments with positive fair value (Note 4.4)</u>	246 553	329 027
	1 171 565	1 111 646

This caption includes the following assets hedging capitalisation insurance products issued by BPI Vida:

	30 Sep. 13	31 Dec. 12
Debt Instruments		
Of public entities	243 893	208 599
Other entities	117 150	72 742
Equity Instruments	8 652	6 186
Other securities	179 120	144 197
Derivative instruments with positive fair value	127	286
	548 942	432 010

4.4. Derivatives

The caption "Derivative instruments held for trading" (Notes 4.3 and 4.14) is made up as follows:

	30 Sep. 13			31 Dec. 12		
	Notional value ¹	Book value		Notional value ¹	Book value	
		Assets	Liabilities		Assets	Liabilities
Exchange rate contracts						
Futures	239 448			239 448		
Exchange forwards and swaps	2 183 009	722	894	1 816 008	1 172	112
Interest rate contracts						
Futures	301 751	49	56	184 067	29	113
Options	499 829	3 475	3 735	594 164	5 333	5 545
Swaps	6 567 231	212 780	214 604	7 527 215	285 208	286 338
Contracts over shares						
Futures	30 929	19	163	33 924	15	55
Swaps	246 939	219	12 093	221 830	2 837	13 367
Options	31 233	535	50	177 680	1 124	253
Contracts over other underlying items						
Futures	213 169			185 687		
Options	6 264					
Other						
Options ²	711 595	27 493	27 713	1 198 581	32 415	33 210
Other ³	1 989 056		190	2 157 136		938
Overdue derivatives		1 261			894	
	13 020 453	246 553	259 498	14 335 740	329 027	339 931

¹ In the case of swaps and forwards only the asset amounts were considered.

² Parts of operations that are autonomous for accounting purposes, commonly referred to as "embedded derivatives".

³ Corresponds to derivatives associated to Financial liabilities relating to transferred assets (Note 4.19).

The caption "Derivative instruments held for hedging" is made up as follows:

	30 Sep. 13			31 Dec. 12		
	Notional value ¹	Book value		Notional value ¹	Book value	
		Assets	Liabilities		Assets	Liabilities
Interest rate contracts						
Futures	143 630	1	458	137 358	350	248
Swaps	15 918 812	170 893	564 599	15 467 042	244 327	778 369
Contracts over shares						
Swaps	216 044	908	3 998	298 384	764	4 370
Contracts over credit events						
Swaps	15 164	72		15 164	33	1
Contracts over other underlying items						
Swaps	12 758	325	399	32 786	3 808	540
Other						
Options ²	591 965	25 470	25 470	622 712	31 455	31 455
	16 898 373	197 669	594 924	16 573 446	280 737	814 983

¹ In the case of swaps and forwards only the asset amounts were considered.

² Parts of operations that are autonomous for accounting purposes, commonly referred to as "embedded derivatives".

The BPI Group's operations include carrying out derivative transactions to manage its own positions based on expectations regarding market evolution (trading), meet the needs of its customers or hedge positions of a structural nature (hedging).

All derivatives (embedded or autonomous) are recorded at market value.

Derivatives are also recorded as off balance sheet items by their theoretical value (notional value). Notional value is the reference value for purposes of calculating the flow of payments and receipts resulting from the operation.

Market value (fair value) corresponds to the value of the derivatives if they were traded on the market on the reference date. Changes in the market value of derivatives are recognised in the appropriate balance sheet accounts and have an immediate effect on net income.

4.5. Financial assets available for sale

This caption is made up as follows:

	30 Sep. 13	31 Dec. 12
Debt instruments		
Bonds issued by Portuguese government entities	5 134 831	5 493 710
Bonds issued by foreign government entities	3 259 122	3 249 288
Bonds issued by other Portuguese entities		
Non-subordinated debt	472	79 826
Bonds issued by other foreign entities		
Non-subordinated debt	167 824	303 848
Subordinated debt	720 632	753 087
Impairment		(1 501)
	9 282 881	9 878 258
Equity instruments		
Shares issued by Portuguese entities	70 683	59 063
Impairment	(27 956)	(27 933)
Quotas	44 081	46 335
Shares issued by foreign entities	32 556	36 180
Impairment	(18 122)	(18 156)
	101 242	95 489
Other securities		
Participating units issued by Portuguese entities	356 859	289 922
Impairment	(19 107)	(15 068)
Participating units issued by foreign entities	2 302	1 535
	340 054	276 389
Loans and other receivables		
Impairment	21 960	22 722
	(20 225)	(19 976)
	1 735	2 746
Overdue securities		
Impairment	2 122	1 087
	(2 122)	(1 087)
	9 725 912	10 252 882

The caption "Loans and other receivables" corresponds to shareholders' loans to, and supplementary capital contributions in, companies classified as financial assets available for sale.

In the review made by the Bank, no impaired securities were identified, other than the amounts already recognised.

The changes in impairment losses and provisions in the first nine months of 2013 and 2012 are shown in Note 4.20.

4.6. Loans and advances to credit institutions

This caption is made up as follows:

	30 Sep. 13	31 Dec. 12
Loans and advances to Bank of Portugal		14 500
Loans and advances to other Portuguese credit institutions		
Deposits	300 873	50 000
Other loans	46 100	34 800
Other advances	8 697	4 122
Accrued interest	435	650
	356 105	89 572
Loans and advances to other foreign Central Banks	428 419	435 756
Loans and advances to international financial organisations		2 541
Loans and advances to other foreign credit institutions		
Very short term loans and advances	44 625	135 305
Deposits	107 592	23 746
Loans	44	40
Other loans and advances	735 947	1 005 629
Accrued interest	3 901	4 590
	1 320 528	1 607 607
Commission relating to amortised cost (net)	(24)	
	1 676 609	1 711 679
Impairment	(2)	(952)
	1 676 607	1 710 727

The changes in impairment losses and provisions in the first nine months of 2013 and 2012 are presented in Note 4.20.

4.7. Loans and advances to customers

This caption is made up as follows:

	30 Sep. 13	31 Dec. 12
Loans		
Domestic loans		
Companies		
Discount	95 485	125 101
Loans	5 062 581	5 163 276
Commercial lines of credit	954 768	1 052 342
Demand deposits - overdrafts	188 933	325 973
Invoices received - factoring	341 559	536 779
Finance leasing	220 969	265 261
Real estate leasing	384 938	438 986
Other loans	23 051	23 628
Loans to individuals		
Housing	11 479 477	11 743 141
Consumer	731 818	828 012
Other loans	521 192	550 503
Foreign loans		
Companies		
Discount	729	1 423
Loans	2 423 546	2 377 834
Commercial lines of credit	174 442	228 415
Demand deposits - overdrafts	21 914	26 571
Invoices received - factoring	981	1 040
Finance leasing	243	504
Real estate leasing	909	985
Other loans	300 757	293 771
Loans to individuals		
Housing	160 122	161 429
Consumer	225 129	305 101
Other loans	85 635	77 889
Accrued interest	74 187	64 618
	23 473 365	24 592 582
Securities		
Issued by Portuguese government entities	199 885	199 863
Issued by other Portuguese entities		
Non subordinated debt securities		
Bonds	1 371 552	957 446
Commercial paper	978 422	1 181 053
Issued by foreign government entities	23 037	
Issued by other foreign entities		
Non subordinated debt securities		
Bonds	353 425	198 575
Subordinated debt securities	24 720	24 720
Accrued interest	25 468	13 671
Deferred interest	(1 428)	(1 334)
	2 975 081	2 573 994
Correction of the amount of hedged assets	35 678	49 156
Commission relating to amortised cost (net)	1 666	(4 501)
	26 485 790	27 211 231
Overdue loans and interest	1 050 031	917 399
Loan impairment	(902 054)	(783 157)
	26 633 767	27 345 473

The caption "Loans to customers" includes the following non-derecognised securitised assets:

	30 Sep. 13	31 Dec. 12
Non-derecognised securitised assets ¹		
Loans		
Housing	4 671 808	4 832 928
Loans to SMEs	3 190 933	3 223 577
Accrued interest	16 333	17 727
	7 879 074	8 074 232

¹ Excludes overdue loans and interest.

The loans subject to securitisation operations carried out by Banco BPI were not derecognised from the Bank's balance sheet and are recorded under the caption "Loans". The amounts received by Banco BPI from these operations are recorded under the caption "Liabilities relating to assets not derecognised in securitisation operations" (Note 4.19).

During the first quarter of 2012, Banco BPI repurchased 35% of the equity pieces related to housing loans securitisation operations, which caused an increase of loans and advances to customers in the amount of 761 072 t. euro (in February 2012).

At September 30, 2013 and December 31, 2012 the caption "Loans to Customers" also included operations allocated to the Cover Pool given as collateral for Covered Bonds issued by Banco BPI (Note 4.18), namely:

- 5 730 082 t. euro and 5 701 444 t. euro, respectively, allocated as collateral to mortgage bonds,
- 689 360 t. euro and 660 991 t. euro, respectively, allocated as collateral to public sector bonds.

The securities portfolio includes the following assets to cover capitalization insurance contracts issued by BPI Vida:

	30 Sep. 13	31 Dec. 12
Debt instruments		
Issued by Portuguese government entities	199 885	199 863
Issued by other Portuguese entities	1 291 194	380 005
Issued by other foreign entities	407 886	191 201
	1 898 965	771 069

The changes in impairment losses and provisions in the first nine months of 2013 and 2012 are presented in Note 4.20.

4.8 Held to maturity investments

This caption is made up as follows:

	30 Sep. 13	31 Dec. 12
Debt Instruments		
Bonds issued by other Portuguese entities		
Non-subordinated debt	24 318	160 650
Bonds issued by foreign government entities	59 957	69 867
Bonds issued by other foreign entities		
Non-subordinated debt	52 446	201 073
Subordinated debt	1 900	11 349
Accrued interest	906	2 359
	139 527	445 298

The portfolio of held to maturity investments includes assets to cover capitalization insurance contracts issued by BPI Vida.

4.9. Other tangible assets

The changes in other tangible assets in the first nine months of 2013 were as follows:

	Gross						Depreciation					Net	Net
	Balance at Dec. 31, 12	Purchases	Sales and write-offs	Transfers and others	Foreign exchange differences	Balance at Sep. 30, 13	Balance at Dec. 31, 12	Depreciation for the period	Sales and write-offs	Foreign exchange differences	Balance at Sep. 30, 13	Balance at Sep. 30, 13	Balance at Dec. 31, 12
Property													
Property for own use	136 800	436	(143)	3 220	(4 017)	136 296	26 172	1 921	(40)	(419)	27 634	108 662	110 628
Other property	104					104	35	1			36	68	69
Leasehold improvements	112 360	605	(1 725)	2 346	(1 760)	111 826	97 543	1 793	(1 540)	(1 178)	96 618	15 208	14 817
	249 264	1 041	(1 868)	5 566	(5 777)	248 226	123 750	3 715	(1 580)	(1 597)	124 288	123 938	125 514
Equipment													
Furniture and fixtures	52 835	888	(352)	95	(529)	52 937	44 001	1 431	(346)	(254)	44 832	8 105	8 834
Machinery and tools	14 203	515	(352)	(16)	(167)	14 183	12 405	479	(351)	(102)	12 431	1 752	1 798
Computer hardware	187 920	2 774	(3 091)	1 150	(1 048)	187 705	178 735	5 196	(3 074)	(855)	180 002	7 703	9 185
Interior installations	160 475	1 139	(4 681)	160	(350)	156 743	116 553	7 651	(2 522)	(160)	121 522	35 221	43 922
Vehicles	10 758	1 330	(511)	214	(415)	11 376	7 301	1 503	(476)	(286)	8 042	3 334	3 457
Security equipment	27 692	482	(185)	(1 078)	(191)	26 720	22 704	803	(168)	(100)	23 239	3 481	4 988
Other equipment	620	3		(8)	(22)	593	133	5			138	455	487
	454 503	7 131	(9 172)	517	(2 722)	450 257	381 832	17 068	(6 937)	(1 757)	390 206	60 051	72 671
Tangible assets in progress	9 624	6 128		(6 418)	(208)	9 126						9 126	9 624
Other tangible assets	12 991	2	(251)			12 742	10 111	181	(191)		10 101	2 641	2 880
	22 615	6 130	(251)	(6 418)	(208)	21 868	10 111	181	(191)		10 101	11 767	12 504
	726 382	14 302	(11 291)	(335)	(8 707)	720 351	515 693	20 964	(8 708)	(3 354)	524 595	195 756	210 689

The changes in other tangible assets in the first nine months of 2012 were as follows:

	Gross						Depreciation						Net	Net
	Balance at Dec. 31, 11	Purchases	Sales and write-offs	Transfers and others	Foreign exchange differences	Balance at Sep. 30, 12	Balance at Dec. 31, 11	Depreciation for the period	Sales and write-offs	Transfers and others	Foreign exchange differences	Balance at Sep. 30, 12	Balance at Sep. 30, 12	Balance at Dec. 31, 11
Property														
Property for own use	130 653	6 581	(4 491)	2 428	(152)	135 019	24 318	1 618	(292)	41	6	25 691	109 328	106 335
Other property	314		(210)			104	159	1	(125)			35	69	155
Leasehold improvements	114 522	725	(2 574)	2 594	16	115 283	99 142	2 055	(2 507)	(41)	4	98 653	16 630	15 380
	245 489	7 306	(7 275)	5 022	(136)	250 406	123 619	3 674	(2 924)		10	124 379	126 027	121 870
Equipment														
Furniture and fixtures	52 086	1 185	(394)		(23)	52 854	42 795	1 504	(383)	(2)	(6)	43 908	8 946	9 291
Machinery and tools	13 821	569	(273)	4	(7)	14 114	12 020	550	(267)		(1)	12 302	1 812	1 801
Computer hardware	187 311	1 995	(1 430)	729	(24)	188 581	173 131	6 732	(1 420)	(1)	(14)	178 428	10 153	14 180
Interior installations	161 255	1 098	(2 154)	578	(15)	160 762	109 023	8 049	(1 958)	1	(5)	115 110	45 652	52 232
Vehicles	9 542	1 793	(872)	15	(38)	10 440	6 490	1 511	(866)	2	(19)	7 118	3 322	3 052
Security equipment	27 288	511	(245)	85	(1)	27 638	21 806	1 027	(242)		(5)	22 586	5 052	5 482
Other equipment	746	11	(118)			639	244	9	(118)			135	504	502
	452 049	7 162	(5 486)	1 411	(108)	455 028	365 509	19 382	(5 254)		(50)	379 587	75 441	86 540
Tangible assets in progress	13 533	6 301		(11 215)	126	8 745							8 745	13 533
Other tangible assets	13 369		(321)			13 048	10 204	210	(311)			10 103	2 945	3 165
	26 902	6 301	(321)	(11 215)	126	21 793	10 204	210	(311)			10 103	11 690	16 698
	724 440	20 769	(13 082)	(4 782)	(118)	727 227	499 332	23 266	(8 489)		(40)	514 069	213 158	225 108

4.10. Intangible assets

The changes in intangible assets in the first nine months of 2013 were as follows:

	Gross						Depreciation					Net	Net
	Balance at Dec. 31, 12	Purchases	Sales and write-offs	Transfers and others	Foreign exchange differences	Balance at Sep. 30, 13	Balance at Dec. 31, 12	Depreciation for the period	Sales and write-offs	Foreign exchange differences	Balance at Sep. 30, 13	Balance at Sep. 30, 13	Balance at Dec. 31, 12
Software	65 116	1 359		1 140	(232)	67 383	59 089	2 728		(144)	61 673	5 710	6 027
Other intangible assets	30 144		(1 002)		(62)	29 080	27 460	9	(1 002)	(61)	26 406	2 674	2 684
	95 260	1 359	(1 002)	1 140	(294)	96 463	86 549	2 737	(1 002)	(205)	88 079	8 384	8 711
Intangible assets in progress	5 306	3 013		(1 841)		6 478						6 478	5 306
	100 566	4 372	(1 002)	(701)	(294)	102 941	86 549	2 737	(1 002)	(205)	88 079	14 862	14 017

The changes in intangible assets in the first nine months of 2012 were as follows:

	Gross						Depreciation					Net	Net
	Balance at Dec. 31, 11	Purchases	Sales and write-offs	Transfers and others	Foreign exchange differences	Balance at Sep. 30, 12	Balance at Dec. 31, 11	Depreciation for the period	Sales and write-offs	Foreign exchange differences	Balance at Sep. 30, 12	Balance at Sep. 30, 12	Balance at Dec. 31, 11
Software	60 371	1 098		1 550	(1)	63 018	56 770	1 748		(3)	58 515	4 503	3 601
Other intangible assets	30 553		(326)			30 227	27 834	31	(326)		27 539	2 688	2 719
	90 924	1 098	(326)	1 550	(1)	93 245	84 604	1 779	(326)	(3)	86 054	7 191	6 320
Intangible assets in progress	3 237	1 272		(542)		3 967						3 967	3 237
	94 161	2 370	(326)	1 008	(1)	97 212	84 604	1 779	(326)	(3)	86 054	11 158	9 557

4.11. Investments in associated companies and jointly controlled entities

Investments in associated companies and jointly controlled entities, recorded in accordance with the equity method, are as follows:

	Effective participation (%)		Book value	
	30 Sep. 13	31 Dec. 12	30 Sep. 13	31 Dec. 12
Banco Comercial e de Investimentos, S.A.R.L.	30.0	30.0	41 966	38 891
Companhia de Seguros Allianz Portugal, S.A.	35.0	35.0	89 393	80 654
Cosec – Companhia de Seguros de Crédito, S.A.	50.0	50.0	25 086	24 594
Finangeste – Empresa Financeira de Gestão e Desenvolvimento, S.A.	32.8	32.8	25 292	26 560
Inter-Risco - Sociedade de Capital de Risco, S.A.	49.0	49.0	668	595
Unicre - Instituição Financeira de Crédito, S.A.	21.0	21.0	32 204	30 961
			214 609	202 255

4.12. Tax assets

This caption is made up as follows:

	30 Sep 13	31 Dec 12
Current tax assets		
Corporate income tax recoverable	12 734	7 162
Others	2 010	2 047
	14 744	9 209
Deferred tax assets		
Due to temporary differences	475 119	536 549
Due to tax losses carried forward	57 377	71 934
	532 496	608 483
	547 240	617 692

Details of deferred tax assets are presented in Note 4.41.

4.13. Other assets

This caption is made up as follows:

	30 Sep. 13	31 Dec. 12
Debtors, other applications and other assets		
Debtors for future operations	11 456	10 492
Collateral accounts	6 063	3 727
Other applications	12 492	7 183
VAT recoverable	135	115
Debtors for loan interest subsidy receivable	5 702	6 811
Other debtors	115 285	129 068
Overdue debtors and other applications	777	432
Impairments for debtors and other applications	(259)	(395)
Other assets		
Gold	38	49
Other available funds and other assets	803	814
	152 492	158 296
Tangible assets available for sale	180 365	169 397
Impairment	(75 940)	(64 707)
	104 425	104 690
Accrued income		
For irrevocable commitments assumed in relation to third parties	275	226
For banking services rendered to third parties	2 994	2 484
Other accrued income	27 959	28 380
	31 228	31 090
Deferred expenses		
Insurance	82	3
Rent	3 889	1 946
Contributions to the Deposit Guarantee Fund	817	
Initial contribution to the Resolution Fund (Note 4.41)	1 114	
Other deferred expenses	16 697	7 313
	22 599	9 262
Liability for pensions and other benefits (Note 4.26)		
Pension Fund Asset Value		
Pensioners and employees	1 074 069	986 874
Directors	35 437	32 638
Past Service Liabilities		
Pensioners and employees	(954 432)	(937 090)
Directors	(36 512)	(35 113)
Others	(1 179)	(999)
Changes in the Pension Plan conditions to be amortised		
Others	59	63
Liability for pensions and other benefits	117 442	46 373
Other accounts		
Stock exchange transactions pending settlement	10 658	17 761
Over-the-counter exchange transactions pending settlement		21 393
Operations on assets pending settlement	245 777	261 497
	256 435	300 651
	684 621	650 362

The caption "Other debtors" at September 30, 2013 and December 31, 2012 includes 100 045 t. euro and 102 319 t. euro, respectively, relating to instalments receivable from the sale in 2008 of 49.9% of the share capital of Banco de Fomento (Angola). The selling price was 365 671 t. euro, part of the proceeds from the sale being paid in eight annual instalments, from 2009 to 2016, plus compensation due to monetary correction.

The changes in tangible assets available for sale in the first nine months of 2013 were as follows:

	Balance at 31 Dec. 12			Aquisi- tions and transfers	Sales and write- offs		Increase / Reversals of impairment	Foreign exchan- ge diffe- rences	Balance at 30 Sep. 13		
	Gross	Impair- ment	Net		Gross	Impair- ment			Gross	Impair- ment	Net
Assets received in settlement of defaulting loans											
Real estate	162 320	(63 418)	98 902	33 635	(21 308)	3 017	(13 320)	(44)	174 603	(73 721)	100 882
Equipment	2 701	(1 025)	1 676	2 147	(3 062)	265	(217)	(5)	1 781	(977)	804
Others	61	(61)							61	(61)	
Other tangible assets											
Real estate	4 315	(203)	4 112		(395)	197	(1 175)		3 920	(1 181)	2 739
	169 397	(64 707)	104 690	35 782	(24 765)	3 479	(14 712)	(49)	180 365	(75 940)	104 425

The changes in tangible assets available for sale in the first nine months of 2012 were as follows:

The changes in tangible assets available for sale in the first nine months of 2012 were as follows:

	Balance at 31 Dec. 11			Aquisi- tions and transfers	Sales and write- offs		Increase / Reversals of impairment	Balance at 30 Sep. 12		
	Gross	Impair- ment	Net		Gross	Impair- ment		Gross	Impair- ment	Net
Assets received in settlement of defaulting loans										
Real estate	139 198	(53 561)	85 637	35 913	(22 973)	3 868	(9 025)	152 138	(58 718)	93 420
Equipment	2 151	(838)	1 313	2 760	(2 367)	203	(275)	2 544	(910)	1 634
Others	61	(61)						61	(61)	
Other tangible assets										
Real estate	4 315	(203)	4 112					4 315	(203)	4 112
	145 725	(54 663)	91 062	38 673	(25 340)	4 071	(9 300)	159 058	(59 892)	99 166

The caption "Operations on assets pending settlement" at September 30, 2013 and December 31, 2012 includes 13 292 t. euro and 15 960 t. euro, respectively, relating to taxes to be settled, of which 9 268 t. euro and 11 977 t. euro, relates to taxes under litigation which were paid under the provisions of Decree-Law 248-A / 02 of November 14.

In addition, at September 30, 2013 and December 31, 2012 this caption also includes 187 691 t. euro and 194 994 t. euro, respectively, relating to securitisation operations carried out by the BPI Group (Notes 4.7 and 4.19), resulting from temporary differences between settlement of the securitised loans and settlement of the liability for assets not derecognized.

The captions "Stock and Non stock exchange transactions pending settlement" refer to the sale of securities only settled in the following month.

The changes in impairment losses and provisions in the first nine months of 2013 and 2012 are presented in Note 4.20.

4.14. Resources of Central Banks

This caption is made up as follows:

	30 Sep. 13	31 Dec. 12
Resources of the Bank of Portugal		
Deposits	4 074 787	4 217 432
Accrued interest	51 754	33 073
Resources of other Central Banks		
Deposits	10 530	20 323
Accrued interest	27	90
	4 137 098	4 270 918

During the first nine months of 2013 and in 2012, Banco BPI took funds from the EuroSystem, using part of its portfolio of eligible assets for this purpose (Note 4.31).

4.15. Financial liabilities held for trading

This caption is made up as follows:

	30 Sep. 13	31 Dec. 12
Short selling		
Debt instruments		
Bonds issued by foreign government entities	145	233
Derivative instruments with negative fair value (Note 4.4)	259 498	339 931
	259 643	340 164

4.16. Resources of other credit institutions

This caption is made up as follows:

	30 Sep. 13	31 Dec. 12
Resources of Portuguese credit institutions		
Interbank money market		150 000
Very short term resources	149 856	11 369
Deposits	165 833	109 266
Loans	33	35
Other resources	6 660	7 174
Accrued interest	758	187
	323 140	278 031
Resources of foreign credit institutions		
Deposits of international financial organisations	165 409	192 997
Very short term resources	2 500	57 979
Deposits	150 888	173 119
Debt securities sold with repurchase agreements	848 893	1 714 249
Other resources	82 850	140 881
Accrued interest	935	1 185
	1 251 475	2 280 410
Correction of the amount of hedged liabilities	8 069	10 505
Commission relating to amortised cost	(85)	(525)
	1 582 599	2 568 421

4.17. Resources of customers and other debts

This caption is made up as follows:

	30 Sep. 13	31 Dec. 12
Demand deposits	8 157 592	7 811 054
Term deposits	16 421 036	15 745 657
Savings deposits	135 701	229 449
Compulsory deposits	6 887	7 210
Cheques and orders payable	62 726	75 776
Debt securities sold with repurchase agreements	92 577	
Other resources of customers	48 922	54 291
Capitalisation insurance products - Unit links	390 587	323 885
Capitalisation insurance products - Guaranteed Rate and Guaranteed Retirement	100 600	144 409
Accrued interest	179 413	185 564
	25 596 041	24 577 295
Correction of the amount of hedged liabilities	24 991	43 844
	25 621 032	24 621 139

The caption "Resources of customers" at September 30, 2013 included 617 286 t. euro and 142 863 t. euro, respectively, relating to deposits of investment funds and pension funds managed by the BPI Group (414 394 t. euro and 104 507 t. euro, respectively, at December 31, 2012).

4.18. Debt securities

This caption is made up as follows:

	30 Sep. 13				31 Dec. 12			
	Issued	Repurcha- sed	Balance	Average interest rate	Issued	Repurcha- sed	Balance	Average interest rate
Deposit Certificates								
EUR					9		9	3.6%
					9		9	
Commercial Paper								
EUR	4 907		4 907	2.0%	19 889		19 889	2.2%
	4 907		4 907		19 889		19 889	
Covered Bonds								
EUR	4 325 000	(2 765 000)	1 560 000	1.6%	4 325 000	(2 752 600)	1 572 400	1.6%
	4 325 000	(2 765 000)	1 560 000		4 325 000	(2 752 600)	1 572 400	
Fixed rate cash bonds								
EUR	872 210	(202 563)	669 647	4.2%	1 655 548	(318 274)	1 337 274	3.9%
CHF					824	(62)	762	3.3%
USD	16 309	(4 180)	12 129	3.3%	147 579	(29 438)	118 141	3.6%
CAD					23 046	(1 945)	21 101	4.5%
JPY	30 354		30 354	2.5%	35 208		35 208	2.5%
	918 873	(206 743)	712 130		1 862 205	(349 719)	1 512 486	
Variable rate cash bonds								
EUR	142 000	(42 000)	100 000	0.9%	212 000	(101 050)	110 950	1.2%
USD					7 579	(3 085)	4 494	2.4%
	142 000	(42 000)	100 000		219 579	(104 135)	115 444	
Variable income cash bonds								
EUR	333 616	(113 510)	220 106		668 959	(248 288)	420 671	
USD	39 411	(17 038)	22 373		56 465	(38 461)	18 004	
	373 027	(130 548)	242 479		725 424	(286 749)	438 675	
	5 763 807	(3 144 291)	2 619 516		7 152 106	(3 493 203)	3 658 903	
Accrued interest			29 039				44 022	
Correction of the amount of hedged liabilities			54 467				96 008	
Premiums and commission (net)			(6 735)				(11 306)	
			76 771				128 724	
			2 696 287				3 787 627	

The changes in the bonds issued by the BPI Group during the first nine months of 2013 were as follows:

	Deposit Certificates	Commertia l Paper	Covered Bonds	Fixed rate bonds	Variable rate bonds	Variable income bonds	Total
Balance at December 31, 2012	9	19 889	1 572 400	1 512 486	115 444	438 675	3 658 903
Bonds issued during the year		4 907		72 327		49 100	126 334
Bonds redeemed	(9)	(19 889)		(1 010 420)	(77 579)	(400 798)	(1 508 695)
Repurchases (net of resales)			(12 400)	142 899	62 135	155 800	348 434
Exchange difference				(5 162)		(298)	(5 460)
Balance at September 30, 2013		4 907	1 560 000	712 130	100 000	242 479	2 619 516

The changes in the bonds issued by the BPI Group during 2012 were as follows:

	Deposit Certificates	Commercial Paper	Covered Bonds	Fixed rate bonds	Variable rate bonds	Variable income bonds	Total
Balance at December 31, 2011	27	29 716	2 615 500	2 725 606	607 313	542 110	6 520 272
Bonds issued during the year		19 889	800 000	54 739		62 767	937 395
Bonds redeemed	(18)	(29 716)	(1 000 000)	(1 404 053)	(875 217)	(258 320)	(3 567 324)
Repurchases (net of resales)			(843 100)	143 298	383 498	92 244	(224 060)
Exchange difference				(7 104)	(150)	(126)	(7 380)
Balance at December 31, 2012	9	19 889	1 572 400	1 512 486	115 444	438 675	3 658 903

Bonds issued by the BPI Group at September 30, 2013, by maturity date, are as follows:

	2013	2014	2015	2016-2019	> 2019	Total
Commercial Paper						
EUR	4 907					4 907
	4 907					4 907
Covered Bonds						
EUR			835 000	725 000		1 560 000
			835 000	725 000		1 560 000
Fixed rate cash bonds						
EUR	37 267	368 394	134 301	109 685	20 000	669 647
USD	3 351	8 778				12 129
JPY					30 354	30 354
	40 618	377 172	134 301	109 685	50 354	712 130
Variable rate cash bonds						
EUR		100 000				100 000
		100 000				100 000
Variable income cash bonds						
EUR	63 352	96 026	14 216	46 512		220 106
USD			12 580	9 793		22 373
	63 352	96 026	26 796	56 305		242 479
Total	108 877	573 198	996 097	890 990	50 354	2 619 516

Bonds issued by the BPI Group at December 31, 2012, by maturity date, are as follows:

	2013	2014	2015	2016-2019	> 2019	Total
Deposit Certificates						
EUR	9					9
	9					9
Commercial Paper						
EUR	19 889					19 889
	19 889					19 889
Covered Bonds						
EUR			847 400	725 000		1 572 400
			847 400	725 000		1 572 400
Fixed rate cash bonds						
EUR	761 751	377 644	65 008	112 871	20 000	1 337 274
CHF	762					762
USD	108 523	9 618				118 141
CAD	21 101					21 101
JPY					35 208	35 208
	892 137	387 262	65 008	112 871	55 208	1 512 486
Variable rate cash bonds						
EUR	10 950	100 000				110 950
USD	4 494					4 494
	15 444	100 000				115 444
Variable income cash bonds						
EUR	260 422	121 543	30 683	8 023		420 671
USD	3 380	1 698	12 926			18 004
	263 802	123 241	43 609	8 023		438 675
Total	1 191 281	610 503	956 017	845 894	55 208	3 658 903

4.19. Financial liabilities relating to transferred assets

This caption is made up as follows:

	30 Sep. 13	31 Dec. 12
Liabilities relating to assets not derecognised in securitisation operations (Note 4.7)		
Loans		
Housing loans	4 838 141	4 996 234
Loans to SME's	3 340 200	3 385 632
Liabilities held by the BPI Group	(6 742 984)	(6 790 808)
Accrued costs	1 554	2 898
Commission relating to amortised cost (net)	(2 651)	(2 972)
	1 434 260	1 590 984

During 2012, Banco BPI repurchased 35% of the equity piece related to securitisation operations DOURO Mortgages N° 1, DOURO Mortgages No. 2 and DOURO Mortgages No. 3, in the amount of 770 416 t.euro (in February 2012).

4.20. Provisions and impairment losses

The changes in provisions and impairment losses of the Group during the first nine months of 2013 were as follows:

	Balance at Dec. 31, 12	Increases	Decreases and reversals	Utilisation	Exchange differences and others	Balance at Sep. 30, 13
Impairment losses on loans and advances to credit institutions (Note 4.6)	952		(538)	(394)	(18)	2
Impairment losses on loans and advances to customers (Note 4.7)	783 157	192 287	(7 026)	(63 799)	(2 565)	902 054
Impairment losses on financial assets available for sale (Note 4.5)						
Debt instruments	2 588	21	(996)	(526)	1 035	2 122
Equity instruments	46 089	52		(46)	(17)	46 078
Other securitites	15 068	4 039				19 107
Loans and other receivables	19 976	1 315		(31)	(1 035)	20 225
Impairment losses on other assets (Note 4.13)						
Tangible assets held for sale	64 707	22 412	(7 700)	(3 479)		75 940
Debtors, other applications and other assets	395	26	(162)			259
Impairment losses and provisions for guarantees and commitments	48 106		(2 788)		(50)	45 268
Other provisions	90 292	3 937	(2 966)	(20 898)	8 166	78 531
	1 071 330	224 089	(22 176)	(89 173)	5 516	1 189 586

The changes in provisions and impairment losses of the Group during the first nine months of 2012 were as follows:

	Balance at Dec. 31, 11	Increases	Decreases and reversals	Utilisation	Exchange differences and others	Balance at Sep. 30, 12
Impairment losses on loans and advances to credit institutions	3	959			10	972
Impairment losses on loans and advances to customers	676 251	234 000	(31 150)	(94 854)	(1)	784 246
Impairment losses on financial assets available for sale						
Debt instruments	2 607	16 103				18 710
Equity instruments	45 189	724			(3)	45 910
Other securitites	3 571	6 695				10 266
Loans and other receivables	18 383	1 426	(10)			19 799
Impairment losses on financial assets held to maturity						
Debt instruments	117 733			(117 733)		
Impairment losses on other assets						
Tangible assets held for sale	54 663	22 920	(13 620)	(4 071)		59 892
Debtors, other applications and other assets	381	34	(1)	(31)		383
Impairment losses and provisions for guarantees and commitments	35 009	10 553			749	46 311
Other provisions	93 179	8 850	(147)	(7 572)	1 576	95 886
	1 046 969	302 264	(44 928)	(224 261)	2 331	1 082 375

4.21. Technical provisions

This caption is made up as follows:

	30 Sep. 13	31 Dec. 12
Immediate Life Annuity / Individual	5	5
Immediate Life Annuity / Group	26	27
Family Savings	25	38
BPI New Family Savings	1 366 752	1 167 097
BPI Retirement Guaranteed	133 473	112 092
BPI Retirement Savings	872 595	863 190
BPI Non Resident Savings	133 524	103 005
Planor	5 248	5 236
PPR BBI Life	2 770	3 394
Savings Investment Plan / Youths	1 091	1 187
South PPR	83	93
	2 515 592	2 255 364

The technical provisions were computed on a prospective actuarial basis, contract by contract, in accordance with the technical bases of the products.

Immediate income

Individual	Interest Rate 6% Mortality Table PF 60/64
Group	Interest Rate 6% Mortality Table PF 60/64

Deferred capital with Counterinsurance with Participation in Results

Group	Interest Rate 4% and 0% Mortality Table PF 60/64, TV 73-77 and GRF 80
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The technical provisions also include a provision for rate commitments, which is recorded when the effective profitability of the assets that represent the mathematical provisions of a determined product is lower than the technical interest rate used to calculate the mathematical provisions.

The BPI New Family Savings, BPI Retirement Savings PPR and BPI Non Resident Savings are capitalisation products with guaranteed capital and participation in the results.

4.22. Tax liabilities

This caption is made up as follows:

	30 Sep. 13	31 Dec. 12
Current Tax Liability		
Corporate income tax payable	11 320	29 229
Other	298	1 132
	11 618	30 361
Deferred Tax Liability		
On temporary differences	41 144	89 815
	41 144	89 815
	52 762	120 176

Details of the deferred tax liability are presented in Note 4.41.

4.23. Contingent convertible subordinated bonds

This caption is made up as follows:

	30 Sep. 13				31 Dec. 12			
	Issued	Redem- ption	Balance	Average interest rate	Issued	Redem- ption	Balance	Average interest rate
Contingent convertible subordinated bonds								
EUR	1 200 000	(280 000)	920 000	8.8%	1 500 000	(300 000)	1 200 000	8.5%
	1 200 000	(280 000)	920 000		1 500 000	(300 000)	1 200 000	
Accrued interest			19 919				279	
			939 919				1 200 279	

In the beginning of June, 2012 Banco BPI's Board of Directors approved the Recapitalisation Plan for reinforcing Core Tier 1 own funds, in order to comply with the minimum ratios defined by the European Banking Authority and the Bank of Portugal.

The Recapitalisation Plan, in the amount of 1 500 000 t. euro, includes:

- a share capital increase of 200 000 t. euro, with shareholders' preemptive rights;
- the issuance of debt instruments eligible for own funds, subscribed for by the Portuguese State, in the amount of 1 300 000 t. euro.

On June 29, 2012 the Portuguese State subscribed for debt instruments eligible for Core Tier 1 own funds (contingent convertible subordinated bonds), in the amount of 1 500 000 t. euro. The features of these instruments are defined in Law 63 – A/2008 of November 24, as republished by Law 4/2012 of January 11 (Bank Recapitalisation Law), in Ministerial Order 150-A/2012 of May 17 and in the Terms and Conditions established in Order 8840-A/2012 of the Portuguese Minister of State and Finance of June 28, 2012. The investment period of the instrument is five years from the date of issue, and the Recapitalisation Plan of the Bank establishes partial repayments over the period of the instrument. On August 10, 2012 the Bank completed the capital increase of 200 000 t. euro, with shareholders' preemptive rights (Note 4.27). The amount received was used in August 13, 2012 by the Bank to repay part of the contingent convertible subordinated bonds, the par value of which was reduced to 1 300 000 t. euro.

On December 4, 2012 the Bank reimbursed to the Portuguese State 100 000 t. euro relating to contingent convertible subordinated bonds, reducing the nominal amount to 1 200 000 t. euro.

On March 13, 2013 the Bank reimbursed to the Portuguese State 200 000 t. euro relating to contingent convertible subordinated bonds, reducing the nominal amount to 1 000 000 t. euro.

On July 16, 2013 the Bank reimbursed to the Portuguese State 80 000 t. euro relating to contingent convertible subordinated bonds, reducing the nominal amount to 920 000 t. euro.

The contingent convertible subordinated bonds bear interest payable half yearly, at an effective annual interest rate of 8.5% in the first year, increasing 0.25% per year in the first two years and 0.5% in each of the following years.

These instruments are convertible into Banco BPI shares on the occurrence of any one of the events listed in the Terms and Conditions established in Order 8840-A/2012 of the Portuguese Minister of State and Finance of June 28, 2012. Briefly the conversion events are as follows:

- termination of the term of 5 years without the instruments having been fully repurchased (under Section 8.5. of the Terms and Conditions);
- occurrence of an event qualified as a material breach under Section 8.3. of the Terms and Conditions;
- occurrence of the event defined in Section 9.1. of the Terms and Conditions (viability event);
- occurrence of the event defined in Section 10 of the Terms and Conditions (regulatory event – the instrument is no longer qualified as Core Tier I) and the other alternatives provided for under this Section are not possible;
- occurrence of an event qualified as change in control under Section 9.2. of the Terms and Conditions;
- exclusion of Banco BPI shares from listing on a regulated market, under Section 9.2. of the Terms and Conditions.

If the conversion into Banco BPI shares referred to above occurs, it will be made through delivery of a number of shares that cannot be determined prior to the occurrence of the event that determines the conversion, since (i) the definition of the Conversion Price contained in Section 1.1. of the Terms and Conditions states that the price depends on the price / market value of the shares in the period prior to the occurrence of the event and (ii) the determination of the number of shares is made based on the Conversion Price.

The Terms and Conditions included an additional conversion event (if on October 1, 2012 the amount of instruments issued exceeds 1 300 000 t. euro), which will no longer occur because, as mentioned above, in August, 2012, Banco BPI repurchased 200 000 t. euro of these instruments, reducing on that date the amount to 1 300 000 t. euro.

4.24. Other Subordinated debt and participating bonds

This caption is made up as follows:

	30 Sep. 13				31 Dec. 12			
	Issued	Repurcha- sed	Balance	Average interest rate	Issued	Repurcha- sed	Balance	Average interest rate
Other subordinated debt								
Perpetual bonds								
EUR	420 000	(360 000)	60 000	2.3%	420 000	(360 000)	60 000	1.7%
JPY	56 913	(56 913)		2.9%	66 015	(66 015)		2.9%
	476 913	(416 913)	60 000		486 015	(426 015)	60 000	
Other Bonds								
EUR	400 000	(325 276)	74 724	1.7%	404 200	(312 237)	91 963	1.3%
JPY	132 797	(132 797)		2.8%	154 036	(154 036)		2.8%
	532 797	(458 073)	74 724		558 236	(466 273)	91 963	
	1 009 710	(874 986)	134 724		1 044 251	(892 288)	151 963	
Participating bonds								
EUR	28 081	(24 145)	3 936	0.9%	28 081	(23 962)	4 119	1.2%
	28 081	(24 145)	3 936		28 081	(23 962)	4 119	
Accrued interest			163				200	
Correction of the amount of hedged liabilities							51	
Premiums and commission (net)							(2)	
			163				249	
			138 823				156 331	

The changes in debt issued by the BPI Group during the first nine months of 2013 were as follows:

	Perpetual bonds	Other bonds	Participating bonds	Total
Balance at December 31, 2012	60 000	91 963	4 119	156 082
Bonds redeemed		(4 200)		(4 200)
Repurchases (net of resales)		(13 039)	(183)	(13 222)
Balance at September 30, 2013	60 000	74 724	3 936	138 660

The changes in debt issued by the BPI Group during 2012 were as follows:

	Perpetual bonds	Other bonds	Participating bonds	Total
Balance at December 31, 2011	60 000	149 467	4 595	214 062
Repurchases (net of resales)		(57 504)	(476)	(57 980)
Balance at December 31, 2012	60 000	91 963	4 119	156 082

Debt issued by the BPI Group at September 30, 2013 is made up as follows, by residual term to maturity:

	2013	2014	2015	2016-2019	> 2019	Total
Perpetual bonds						
EUR ¹	60 000					60 000
Other bonds						
EUR				74 724		74 724
Total	60 000			74 724		134 724

¹ In September 2012 the call option was not exercised, so these bonds now have a quarterly call option. In September 2012 the remuneration had a step-up due to the fact that the option was not exercised.

Debt issued by the BPI Group at December 31, 2012 is made up as follows, by residual term to maturity:

	2013	2014	2015	2016-2019	> 2019	Total
Perpetual bonds						
EUR ¹	60 000					60 000
Other bonds						
EUR	2 369			89 594		91 963
Total	62 369			89 594		151 963

¹ In September 2012 the call option was not exercised, so these bonds now have a quarterly call option. In September 2012 the remuneration had a step-up due to the fact that the option was not exercised.

The participating bonds can be redeemed at par at the request of the participants with the approval of the Bank or at the initiative of the Bank with six months notice.

4.25. Other liabilities

This caption is made up as follows:

	30 Sep. 13	31 Dec. 12
Creditors and other resources		
Creditors for futures operations	8 421	5 419
Consigned resources	24 425	28 783
Captive account resources	6 947	7 670
Subscription account resources		23
Guarantee account resources	11 406	12 670
State administrative sector		
Value Added Tax (VAT) payable	17 754	7 274
Tax withheld at source	21 336	30 980
Social Security contributions	4 556	7 230
Other	233	175
Contributions to other health systems	1 406	1 420
Creditors for factoring contracts	17 609	8 401
Creditors for the supply of assets	2 196	2 810
Contributions owed to the Pension Fund		
Pensioners and employees		500
Directors		2 475
Other creditors	174 945	167 064
Deferred costs	(222)	(95)
	291 012	282 799
Accrued costs		
Creditors and other resources	340	366
Personnel costs	119 861	90 162
General administrative costs	44 217	35 535
Others	2 630	2 598
	167 048	128 661
Deferred income		
On guarantees given and other contingent liabilities	4 697	4 874
Others	4 850	4 650
	9 547	9 524
Other accounts		
Foreign exchange transactions pending settlement	17 381	7 739
Non stock exchange transactions pending settlement	11 734	
Liabilities pending settlement	138 544	177 968
Other operations pending settlement	52 008	32 462
	219 667	218 169
	687 274	639 153

As of September, 30, the amounts recorded under the caption "Non stock exchange transactions pending settlement" correspond to securities purchased which were only settled in the following month.

The caption "Liabilities pending settlement" at September 30, 2013 and December 31, 2012 includes:

- 57 973 t. euro and 72 274 t. euro, respectively, relating to electronic interbank transfer transactions;
- 21 172 t. euro and 47 266 t. euro, respectively, relating to loan securitisation fund transactions; e
- 12 980 t. euro and 12 660 t. euro, respectively, relating to ATM/POS transactions to be settled with SIBS.

4.26. Capital

The Shareholders' General Meeting held on May 31, 2012 authorised Banco BPI's Board of Directors to do the following (valid for 18 months):

- a) to purchase treasury shares of up to 10% of Banco BPI's share capital, provided that:
 - i) the treasury shares are purchased on a market registered by the Securities Market Commission (Comissão do Mercado de Valores Mobiliários - CMVM), at a price between 120% and 80% of the weighted daily average prices of Banco BPI shares on the 10 official price market sessions managed by Euronext Lisboa - Sociedade Gestora de Mercados Regulamentados, S.A. (Euronext) preceding the date of purchase; or
 - ii) the purchases result from assets received in payment agreements, to settle obligations emerging from contracts entered into by Banco BPI, provided that the value attributed, for that purpose, to the shares does not exceed the value determined by application of the criteria defined in (i) above, with reference to the settlement agreement date;
- b) to sell Banco BPI shares provided that:
 - i) the shares and options to purchase shares of Banco BPI are sold to employees and Directors of Banco BPI and subsidiaries, as share-based payments under the terms and conditions established in the Variable Remuneration Program (RVA) regulations; or
 - ii) the shares are sold to third parties under the following conditions:
 - 1. the shares are sold in a market registered at the Securities Market Commission (CMVM); and
 - 2. the shares are sold at a price not less than 80% of the weighted average of the daily weighted average prices of Banco BPI shares on the 10 official price market sessions managed by Euronext preceding the date of sale;
- c) Carry out repurchase or resale agreements or the loan of shares of Banco BPI, provided that such operations are conducted with qualified investors that meet the requirements to be eligible counterparties of Banco BPI, in accordance with articles 30 and 317-D of the Securities Code (Código dos Valores Mobiliários).

On June 27, 2012, the Shareholders' General Meeting approved the conversion of Banco BPI shares into shares with no par value.

On July 10, 2012, under the authority introduced into Banco BPI's Statutes at the Shareholders' General Meeting of June 27, 2012, the Board of Directors decided to increase share capital from 990 000 t. euro to 1 190 000 t. euro, in cash and with shareholders' pre-emptive rights, which decision was taken considering the Recapitalisation Plan approved in that Shareholders' General Meeting, aimed at reinforcing Core Tier 1 own funds, in order to comply with the minimum ratios defined by the European Banking Authority and the Bank of Portugal (Notes 4.23 and 4.50). The share capital increase was made through the issuance of 400 million ordinary shares with no par value, at an issue price of 0.5 euro. The share capital increase was concluded on August 10, 2012, all the shares offered for subscription being fully subscribed for and so Banco BPI's share capital is now 1 190 000 t. euro represented by 1 390 000 000 nominative dematerialized ordinary shares, with no par value.

Also at the Shareholders' General Meeting held on June 27, 2012:

- iii) Under the framework of approval of the issuance of financial instruments eligible for Core Tier 1 own funds (Contingent Convertible Subordinated bonds), with a total par value of 1 500 000 t. euro, approval was given for the share capital increases deemed necessary on the occurrence of any conversion event established in the related Terms and Conditions (in accordance with Order 8840-A/2012, of the Portuguese Minister of State and Finance of June 28);
- iv) Authority was given to the Board of Directors to decide the capital increases necessary to realize the matter established in Section 6.4 of those Terms and Conditions relating to the payment in shares of the remuneration of the above mentioned instruments;
- v) It was decided to suppress shareholders' pre-emptive rights in the subscription for the instruments referred to in a) and in the share capital increases referred to in b);
- vi) Authorisation was given to the Board of Directors to use Banco BPI's treasury shares to pay remuneration of the instruments referred to above.

4.27. Other equity instruments and treasury shares

These captions are made up as follows:

	30 Sep. 13	31 Dec. 12
Other equity instruments		
Cost of shares to be made available to Group employees		
RVA 2009		7
RVA 2010	116	95
RVA 2011	1	2
RVA 2012	25	14
RVA 2013	15	
Costs of options not exercised (premiums)		
RVA 2007		5 725
RVA 2008	828	828
RVA 2009	814	814
RVA 2010	568	496
RVA 2011	57	89
RVA 2012	596	488
RVA 2013	262	
	3 282	8 558
Treasury shares		
Shares to be made available to Group employees		
RVA 2009		7
RVA 2010	2	4
RVA 2011	2	2
RVA 2012	40	40
Shares hedging RVA options		
RVA 2007		11 348
RVA 2008	3 045	3 045
RVA 2009	3 147	3 147
RVA 2010	106	118
RVA 2011	2 458	133
RVA 2012	8 477	428
	17 277	18 272

The caption "Other equity instruments" includes accrued share-based payment program (RVA) costs relating to shares to be made available and options not yet exercised.

4.28. Revaluation reserves

This caption is made up as follows:

	30 Sep. 13	31 Dec. 12
Revaluation reserves		
Reserves resulting from valuation to fair value of financial assets available for sale (Note 4.5):		
Debt Instruments		
Securities	(134 993)	(52 155)
Hedging derivatives	(471 468)	(637 218)
Equity Instruments	13 715	17 053
Other	(475)	2 431
Reserve for foreign exchange difference on investments in foreign entities		
Subsidiary or associated companies	(50 981)	(36 672)
Equity instruments available for sale	(5)	(4)
Legal revaluation reserve	703	703
	(643 504)	(705 862)
Deferred tax reserve		
Resulting from valuation to fair value of financial assets available for sale:		
Tax assets	178 762	244 037
Tax liabilities	(3 417)	(45 789)
	175 345	198 248
	(468 159)	(507 614)

Deferred taxes have been calculated in accordance with current legislation and correspond to the best estimate of the impact of recognising the unrealized gains and losses included in the caption "Revaluation Reserves".

4.29. Other reserves and retained earnings

This caption is made up as follows:

	30 Sep. 13	31 Dec. 12
Legal reserve	86 124	68 377
Merger reserve	(2 463)	(2 463)
Consolidation reserves and retained earnings	552 951	472 617
Other reserves	609 249	456 056
Actuarial deviations		
Associated with the transferred liabilities	(193 538)	(193 538)
Associated with the liabilities that remain with the Bank	(24 277)	(90 825)
Taxes related to actuarial deviations	62 971	80 834
Loss on treasury shares	(1 980)	(6 912)
Taxes relating to gain on treasury shares	604	2 029
	1 089 641	786 175

In accordance with Article 97 of the General Regime for Credit Institutions and Financial Companies, approved by Decree-Law 298/91 of December 31 and amended by Decree-Law 201/2002 of September 25, Banco BPI must appropriate at least 10% of its net income each year to a legal reserve until the amount of the reserve equals the greater of the amount of share capital or the sum of the free reserves plus retained earnings.

4.30.Minority interests

This caption is made up as follows:

	Balance sheet		Statement of income	
	30 Sep. 13	31 Dec. 12	30 Sep. 13	30 Sep. 12
Minority shareholders in:				
Banco de Fomento Angola, S.A.	290 823	293 679	62 740	60 582
BPI Capital Finance Ltd	51 236	51 144	774	983
BPI Alternative Fund	7 193	7 874	200	377
BPI Alternative Fund Luxemburgo	7 422		97	
BPI Dealer - Sociedade financeira de Corretagem (Mozambique), S.A.R.L.		(40)		(10)
BPI (Suisse), S.A.	8	5	3	1
	356 682	352 662	63 814	61 933

Minority interests in BPI Capital Finance at September 30, 2013 and December 31, 2012 include 51 021 t. euro relating to preference shares:

	30 Sep. 13			31 Dec. 12		
	Issued	Repurchased	Balance	Issued	Repurchased	Balance
"C" Series Shares	250 000	(198 979)	51 021	250 000	(198 979)	51 021
	250 000	(198 979)	51 021	250 000	(198 979)	51 021

4.31. Off balance sheet items

This caption is made up as follows:

	30 Sep. 13	31 Dec. 12
Guarantees given and other contingent liabilities		
Guarantees and sureties	1 942 933	2 185 640
Transactions with recourse		
Stand-by letters of credit	73 615	13 635
Documentary credits	76 924	177 805
Sureties and indemnities	86	79
Other guarantees given and other contingent liabilities	13 200	13 200
	2 106 758	2 390 359
Assets given as collateral	13 271 650	15 166 739
Commitments to third parties		
Irrevocable commitments		
Options on assets	10 398	55 047
Irrevocable credit lines	1 565	1 582
Securities subscription	275 860	206 070
Term commitment to make annual contributions to the Deposit Guarantee Fund	38 714	38 714
Commitment to the Investor Indemnity System	10 262	9 944
Other irrevocable commitments	293	707
Revocable commitments	2 348 421	2 234 781
	2 685 513	2 546 845
Responsibility for services provided		
Deposit and safeguard of assets	24 563 078	24 869 361
Amounts for collection	72 717	131 737
Assets managed by the institution	4 980 673	4 924 016
	29 616 468	29 925 114

The caption "Assets given as collateral" at September 30, 2013 includes:

- 3 364 628 t. euro relating to captive credit and 9 023 225 t. euro relating to securities eligible for funding from the European Central Bank (ECB);
- 614 030 t. euro relating to securities and 195 835 t. euro relating to loans given in guarantee to the European Investment Bank;
- 10 176 t. euro relating to securities given in guarantee to the Securities Market Commission (Comissão do Mercado de Valores Mobiliários - CMVM) under the Investor Indemnity System (Sistema de Indemnização aos Investidores);
- 46 785 t. euro relating to securities given in guarantee to the Deposit Guarantee Fund.

At September 30, 2013 the BPI Group managed the following third party assets:

Investment Funds and PPRs	2 069 116
Pension Funds ¹	2 039 172

¹ Includes the Group companies' Pension Funds.

4.32. Financial margin (narrow sense)

This caption is made up as follows:

	30 Sep. 13	30 Sep. 12
Interest and similar income		
Interest on deposits with banks	1 278	1 986
Interest on placements with credit institutions	25 405	21 897
Interest on loans to customers	404 493	520 265
Interest on credit in arrears	13 779	10 295
Interest on securities held for trading and available for sale	277 451	356 147
Interest on securitised assets not derecognised	133 162	179 574
Interest on derivatives	203 605	356 193
Interest on securities held to maturity	105	461
Interest on debtors and other applications	2 520	3 371
Other interest and similar income	3 340	7 605
	1 065 138	1 457 794
Interest and similar expense		
Interest on resources		
Of central banks	19 310	27 351
Of other credit institutions	8 347	17 866
Deposits and other resources of customers	318 923	443 343
Debt securities	65 801	114 981
Interest from short selling	386	2 498
Interest on derivatives	238 585	378 276
Interest on liabilities relating to assets not derecognised on securitised operations	15 099	25 444
Interest on contingent convertible subordinated debt	65 021	29 536
Interest on subordinated debt	2 165	2 936
Other interest and similar expenses	215	339
	733 852	1 042 570

4.33. Gross margin on unit links

This caption is made up as follows:

	30 Sep. 13	30 Sep. 12
Income from financial instruments		
Interest	2 068	3 305
Gains and losses on financial instruments	10 230	15 045
Gains and losses on capitalisation insurance - unit links	(12 298)	(18 350)
Management and redemption commission	2 168	2 047
	2 168	2 047

4.34. Net commission relating to amortised cost

This caption is made up as follows:

	30 Sep. 13	30 Sep. 12
Commission received relating to amortised cost		
Loans to customers	22 837	24 348
Others	974	1 224
Commission paid relating to amortised cost		
Loans to customers	(4 569)	(4 830)
Others	(925)	(1 195)
	18 317	19 547

4.35. Technical result of insurance contracts

This caption is made up as follows:

	30 Sep. 13	30 Sep. 12
Premiums	477 853	178 285
Income from financial instruments	52 933	56 840
Cost of claims, net of reinsurance	(293 400)	(596 185)
Changes in technical provisions, net of reinsurance	(185 088)	415 874
Participation in results	(35 029)	(36 695)
	17 269	18 119

This caption includes the result of capitalisation insurance with a discretionary participation feature (IFRS 4). Participation in the results of capitalisation insurance is attributed at the end of each year and is calculated in accordance with the technical bases of each product, duly approved by the Portuguese Insurance Institute.

4.36. Net commission income

This caption is made up as follows:

	30 Sep. 13	30 Sep. 12
Commissions received		
On guarantees provided	17 388	19 628
On commitments to third parties	2 902	1 388
On banking services rendered	200 965	221 011
On operations realised on behalf of third parties	9 428	9 182
Other	2 249	2 484
	232 932	253 693
Commissions paid		
On guarantees received	23	9
On financial instrument operations	256	395
On banking services rendered by third parties	28 842	29 257
On operations realised by third parties	1 922	2 380
Other	(86)	240
	30 957	32 281
Other income, net		
Refund of expenses	19 605	20 054
Income from banking services	19 696	20 572
Charges similar to fees	(6 605)	(6 868)
	32 696	33 758

4.37. Net income on financial operations

This caption is made up as follows:

	30 Sep. 13	30 Sep. 12
Gain and loss on operations at fair value		
Foreign exchange gain, net	72 931	62 323
Gain and loss on financial assets held for trading		
Debt instruments	3 376	6 349
Equity instruments	48 737	16 322
Other securities	4	8
Gain and loss on trading derivative instruments	(45 800)	(17 544)
Gain and loss on other financial assets valued at fair value through profit and loss account	536	1 076
Gain and loss on financial liabilities held for trading	1 545	(11 360)
Gain and loss on the revaluation of assets and liabilities hedged by derivatives	(102 916)	217 273
Gain and loss on hedging derivative instruments	103 528	(187 512)
Other gain and loss on financial operations	9 100	115 094
	91 041	202 029
Gain and loss on assets available for sale		
Gain and loss on the sale of loans and advances to customers	1 119	(4 812)
Gain and loss on financial assets available for sale		
Debt instruments	129 041	22 522
Equity instruments	4 502	509
	134 662	18 219
Interest and financial gain and loss with pensions		
Interest cost relating to the liabilities	(31 790)	(34 476)
Income on plan assets computed with the discount rate	34 929	36 230
	3 139	1 754

At September 30, 2013, the caption "Other gain and loss on financial operations" includes 5 964 t. euro relating to gains on the repurchase of financial liabilities on securitization operations. At September 30, 2012 the BPI Group recorded gains on the repurchase of debt in the amount of 139 115 t. euro, of which 115 964 t. euro relates to financial liabilities on securitisation operations (included in caption "Other gain and loss on financial operations") and - 2 613 t. euro relates to the repurchase of 35% of the equity piece related to securitisation operations (included in caption "Other realized gains and losses").

At September 30, 2013 the caption "Gain and loss on financial assets available for sale – debt instruments" includes 129 327 t. euro relating to the sale of Treasury Bonds and Treasury Bills issued by the Portuguese State.

4.38. Net operating expenses

This caption is made up as follows:

	30 Sep. 13	30 Sep. 12
Operating income		
Gains on disposal of investments in subsidiaries and associated companies		71
Gain on tangible assets held for sale	357	558
Gain on other tangible assets	5 851	3 722
Other operating income	2 919	2 705
	9 127	7 056
Operating expenses		
Subscriptions and donations	2 899	2 659
Contributions to the Deposit Guarantee Fund	2 451	3 252
Contributions to the Resolution Fund	3 341	
Contribution to the Investor Indemnity System	10	4
Loss on tangible assets held for sale	491	3 512
Loss on other tangible and intangible assets	9 226	2 172
Other operating expenses	2 370	1 366
	20 788	12 965
Other taxes		
Indirect taxes	3 448	3 018
Direct taxes	775	738
	4 223	3 756

4.39. Personnel costs

This caption is made up as follows:

	30 Sep. 13	30 Sep. 12
Remuneration	213 556	214 815
Long service premium	2 492	2 272
Pension costs	4 051	5 310
Early retirements	4 085	25 000
Death subsidy	(3 317)	(32 398)
Other mandatory social charges	47 619	50 207
Other personnel costs	7 675	7 470
	276 161	272 676

4.40. Administrative Costs

This caption is made up as follows:

	30 Sep. 13	30 Sep. 12
Administrative costs		
Supplies		
Water, energy and fuel	10 350	10 113
Consumable material	4 021	4 982
Other	831	1 020
Services		
Rent and leasing	38 239	39 661
Communications and computer costs	30 146	31 841
Travel, lodging and representation	6 193	6 416
Publicity	13 146	14 507
Maintenance and repairs	16 080	13 526
Insurance	3 353	3 464
Fees	3 451	3 503
Legal expenses	4 851	2 104
Security and cleaning	8 705	9 068
Information services	3 809	3 391
Temporary labour	2 902	3 200
Studies, consultancy and auditing	4 966	6 288
SIBS	15 180	14 613
Other services	14 681	14 656
	180 904	182 353

4.41. Income tax

At September 30, 2013 and 2012, the income tax recognised in the statements of income, as well as the tax burden, measured by the relationship between the tax charge and profit before tax, are as follows:

	30 Sep. 13	30 Sep. 12
Current income tax		
For the period	34 158	17 697
Correction of prior years	(2 218)	(170)
	31 940	17 527
Deferred tax		
Recognition and reversal of temporary differences	(23 591)	(9 550)
Change in the tax rate	(199)	
On tax losses carried forward	14 558	17 312
	(9 232)	7 761
Contribution over the banking sector	9 794	10 417
Total tax charged to the statement of income	32 502	35 706
Net income before income tax ¹	151 408	199 547
Tax burden	21.5%	17.9%

¹ Considering net income of the BPI Group plus income tax and income attributable to minority interests less the earnings of associated companies (equity method).

Reconciliation between the nominal rate of income tax and the tax burden on the first nine months of 2013 and 2012, as well as between the tax cost/income and the product of the accounting profit times the nominal tax rate are as follows:

	30 Sep. 13		30 Sep. 12	
	Tax rate	Amount	Tax rate	Amount
Net income before income tax		151 408		199 547
Income tax computed based on the nominal tax rate	34.3%	51 868	33.0%	65 752
Effect of tax rates applicable to foreign branches	-0.1%	(191)	-0.1%	(154)
Capital gain and impairment of investments (net)	0.3%	517	-1.0%	(2 031)
Capital gain of tangible assets (net)	-0.2%	(376)	-0.2%	(457)
Income on Angolan public debt	-24.5%	(37 069)	-13.9%	(27 639)
Non taxable dividends	-0.4%	(641)	-0.3%	(694)
Tax on dividends of subsidiary and associated companies	3.1%	4 648	2.3%	4 548
Tax benefits	-0.9%	(1 295)	-0.8%	(1 557)
Impairments and provisions for loans	-0.3%	(488)	0.7%	1 433
Non tax deductible pension costs	1.2%	1 808	-0.1%	(202)
Interest recognised on minority interests	-0.2%	(228)	-0.1%	(259)
Correction of prior year taxes	-0.7%	(1 072)	0.2%	342
Differential of tax rate on tax losses	2.0%	2 975		
Use of tax losses			-7.4%	(14 853)
Effect of change in the rate of deferred tax	-0.1%	(199)		
Contribution over the financial sector	6.5%	9 794	5.2%	10 417
Autonomous taxation	0.6%	951	0.5%	972
Other non taxable income and expenses	1.0%	1 499	0.0%	87
	21.5%	32 502	17.9%	35 706

Current taxes are calculated based on the nominal tax rates legally in force in the countries in which the Bank operates.

Deferred tax assets and liabilities correspond to the amount of tax recoverable and payable in future periods resulting from temporary differences between the amount of assets and liabilities on the balance sheet and their tax base. Deferred tax assets are also recognised on tax losses carried forward and tax credits.

Profits distributed to Banco BPI by subsidiary and associated companies in Portugal are not taxed in Banco BPI as a result of applying the regime established in article 46 of the Corporate Income Tax Code, which eliminates double taxation of profits distributed.

Deferred tax assets and liabilities are calculated using the tax rates decreed for the periods in which they are expected to reverse.

Deferred tax assets and liabilities at September 30, 2013 and 2012 are as follows:

	30 Sep. 13		30 Sep. 12	
	Deferred taxes		Deferred taxes	
	Assets	Liabilities	Assets	Liabilities
Pension liabilities	2 531		9 610	
Early retirements	26 927		31 833	
Long service premium	6 660		6 996	
Tax deferral of the impact of the partial transfer of liabilities with pensions to Social Security	26 001		27 572	
Provisions and impairments	156 239		132 693	
Revaluation of tangible fixed assets		(701)		(737)
Revaluation of assets and liabilities hedged by derivatives		(311)		(541)
Financial instruments available for sale		(2 924)		(4 579)
Dividends to be distributed by subsidiary and associated companies		(6 862)		(6 269)
Repurchase of debt		(23 619)		(32 851)
Tax losses	57 377		92 575	
Other	1 736	(3 310)	2 775	(1 083)
Deferred taxes recognised in the income statement	277 471	(37 727)	304 054	(46 060)
Deferred taxes recognised in the fair value reserve	178 762	(3 417)	318,432	(79 555)
Deferred taxes recognised in other reserves	76 264		85,516	
Total deferred taxes	532 496	(41 144)	708 002	(125 615)

Deferred tax assets are recognised up to the amount expected to be realised through future taxable profits.

The BPI Group does not recognise deferred tax assets and liabilities on temporary taxable differences relating to investments in subsidiary and associated companies as it is improbable that such differences will revert in the foreseeable future, except as follows:

- deferred tax liabilities relating to estimated dividends that Banco de Fomento Angola is expected to pay to the BPI Group companies in the following year out of profit for the year, are recognized;
- deferred tax liabilities relating to all the distributable net income (including the undistributed part) of Banco Comercial e de Investimentos are recognized.

4.42. Earnings of associated companies (equity method)

This caption is made up as follows:

	30 Sep. 13	30 Sep. 12
Banco Comercial e de Investimentos, S.A.R.L.	6 216	6 489
Companhia de Seguros Allianz Portugal, S.A.	7 633	4 930
Cosec – Companhia de Seguros de Crédito, S.A.	3 092	1 463
Finangeste – Empresa Financeira de Gestão e Desenvolvimento, S.A.	(1 268)	181
Fundo BPI Obrigações Mundiais (ex-Fundo BPI Taxa Variável)		97
InterRisco - Sociedade de Capital de Risco, S.A.	251	280
Unicre - Instituição Financeira de Crédito, S.A.	1 666	1 709
	17 590	15 149

4.43. Consolidated net income of the BPI Group

The contribution of Banco BPI and subsidiary and associated companies to consolidated net income on the first nine months of 2013 and 2012 is as follows:

	30 Sep. 13	30 Sep. 12
Banks		
Banco BPI, S.A. ¹	(62 792)	13 377
Banco Português de Investimento, S.A. ¹	934	3 858
Banco de Fomento Angola, S.A. ¹	58 897	56 871
Banco Comercial e de Investimentos, S.A.R.L. ¹	5 688	5 937
Banco BPI Cayman, Ltd	1 357	1 163
Specialised credit		
BPI Locação de Equipamentos, Lda	37	79
Asset management and brokerage		
BPI Moçambique - Sociedade de Investimento, S.A.	(669)	(135)
BPI Gestão de Activos - Sociedade Gestora de Fundos de Investimento Mobiliários, S.A.	5 320	6 596
BPI - Global Investment Fund Management Company, S.A.	478	218
BPI (Suisse), S.A.	3 381	1 262
BPI Alternative Fund: Iberian Equities Long/Short Fund	1 408	2 363
BPI Alternative Fund: Iberian Equities Long/Short Fund - Luxemburgo	200	
Fundo BPI Obrigações Mundiais (ex-Fundo BPI Taxa Variável) ¹		(181)
Venture capital / development		
BPI Private Equity - Sociedade de Capital de Risco, S.A.	356	129
Inter-Risco - Sociedade de Capital de Risco, S.A. ¹	251	280
Insurance		
BPI Vida e Pensões - Companhia de Seguros, S.A.	47 980	18 116
Cosec - Companhia de Seguros de Crédito, S.A. ¹	3 092	1 463
Companhia de Seguros Allianz Portugal, S.A.	7 633	4 930
Others		
BPI, Inc	12	(62)
BPI Madeira, SGPS, Unipessoal, S.A.	84	6
BPI Capital Finance		
BPI Capital Africa ¹	(1 363)	(1 103)
Finangeste - Empresa Financeira de Gestão e Desenvolvimento, S.A. ¹	(1 268)	181
Unicre - Instituição Financeira de Crédito, S.A. ¹	1 666	1 709
	72 682	117 057

¹Adjusted net income.

4.44. Related parties

The BPI Group's related parties at September 30, 2013 were as follows:

The BPI Group's related parties at September 30, 2015 were as follows:			
Name of related entity	Head Office	Effective participation	Direct participation
Associated and jointly controlled entities of Banco BPI			
Banco Comercial e de Investimentos, S.A.R.L.	Mozambique	30.0%	29.7%
Companhia de Seguros Allianz Portugal, SA	Portugal	35.0%	35.0%
Cosec - Companhia de Seguros de Crédito, SA	Portugal	50.0%	50.0%
Inter-Risco – Sociedade de Capital de Risco, S.A.	Portugal	49.0%	
Finangeste – Empresa Financeira de Gestão e Desenvolvimento, SA	Portugal	32.8%	32.8%
Unicre - Instituição Financeira de Crédito, SA	Portugal	21.0%	20.7%
Pension fund of Employees and Directors of the BPI Group			
Fundo de Pensões Banco BPI	Portugal	100.0%	
Fundo de Pensões Aberto BPI Acções	Portugal	13.6%	
Fundo de Pensões Aberto BPI Valorização	Portugal	42.8%	
Fundo de Pensões Aberto BPI Segurança	Portugal	27.6%	
Fundo de Pensões Aberto BPI Garantia	Portugal	12.4%	
Shareholders of Banco BPI			
La Caixa Group	Spain	46.22%	
Members of the Board of Directors of Banco BPI			
Artur Santos Silva			
Fernando Ulrich			
Alfredo Rezende de Almeida			
António Domingues			
António Farinha Morais			
António Lobo Xavier			
Armando Leite de Pinho			
Carlos Moreira da Silva			
Edgar Alves Ferreira			
Allianz Europe Ltd. - Representada por Herbert Walter			
Ignacio Alvarez-Rendueles			
Isidro Fainé Casas			
José Pena do Amaral			
Juan María Nin Génova			
Klaus Duhrkop			
Manuel Ferreira da Silva			
Marcelino Armenter Vidal			
Maria Celeste Hagatong			
Mário Leite da Silva			
Pedro Barreto			
Tomaz Jervell			

In accordance with IAS 24, related parties are those in which the Bank has significant influence (direct or indirect) in decisions relating to their financial and operating policies – associated and jointly controlled companies and pension funds – and entities which have significant influence on the management policy of the Bank – shareholders (it is assumed that there is significant influence when the participation in capital exceeds 20%) and members of Banco BPI's Board of Directors.

The total assets, liabilities, income and off-balance sheet responsibilities relating to operations with associated and jointly controlled companies and pension funds of employees of the BPI Group at September 30, 2013 are as follows:

	Associated and jointly controlled companies	Pension funds of Employees of the BPI Group	Total
Assets			
Financial applications	2 758		2 758
Financial assets held for trading and at fair value through profit or loss		154	154
Loans	34 721		34 721
Other assets	17 430		17 430
	54 909	154	55 063
Liabilities			
Deposits and technical provisions	39 076	110 500	149 576
Other financial resources		60 075	60 075
Other liabilities	877		877
	39 953	170 575	210 528
Off balance sheet items			
Guarantees given and other contingent liabilities			
Guarantees and sureties	9 987		9 987
Responsibilities for services rendered			
Deposit and safeguard of assets	1 026 654	867 777	1 894 431
	1 036 641	867 777	1 904 418

The total assets, liabilities, income and off balance sheet responsibilities relating to operations with shareholders, members of the Board of Directors and companies in which members of the Board of Directors have significant influence at September 30, 2013 are as follows:

	Shareholders of Banco BPI ¹	Members of the Board of Directors of Banco BPI ²	Companies in which Members of the Board of Directors of Banco BPI have significant influence	Total
Assets				
Financial applications	82 778			82 778
Financial assets held for trading and at fair value through profit or loss	377			377
Financial assets available for sale			8	8
Loans	16 030	10 893	227 608	254 531
Investments held to maturity	15 309			15 309
	114 494	10 893	227 616	353 003
Liabilities				
Deposits and technical provisions	3 814	6 420	25 787	36 021
Other liabilities	519	25	108	652
	4 333	6 445	25 895	36 673
Off balance sheet items				
Guarantees given and other contingent liabilities				
Guarantees and sureties	18 371	496	126 216	145 083
Commitments to third parties				
Revocable commitments	10		79 200	79 210
Responsibilities for services rendered				
Deposit and safeguard of assets	596 205	20 076	346 898	963 179
Other			58 050	58 050
Foreign exchange operations and derivatives instruments				
Purchases	512 421		56 185	568 606
Sales	(519 197)		(56 239)	(575 436)
	607 810	20 572	610 310	1 238 692

¹ With significant influence on the BPI Group's management policy. It is assumed that there is significant influence when the participation in capital exceeds 20%.

² In individual name.

The total assets, liabilities, income and off balance sheet responsibilities relating to operations with associated and jointly controlled companies and pension funds of employees of the BPI Group at December 31, 2012 are as follows:

	Associated and jointly controlled companies	Pension funds of Employees of the BPI Group	Total
Assets			
Financial applications	2 823		2 823
Financial assets held for trading and at fair value through profit or loss	7	152	159
Loans	34 929		34 929
Other assets	19 608		19 608
	57 367	152	57 519
Liabilities			
Financial liabilities held for trading and derivatives	5		5
Deposits and technical provisions	31 352	70 582	101 934
Other financial resources		60 077	60 077
Other liabilities	168		168
	31 525	130 659	162 184
Off balance sheet items			
Guarantees given and other contingent liabilities			
Guarantees and sureties	10 576		10 576
Responsibilities for services rendered			
Deposit and safeguard of assets	942 694	780 900	1 723 594
Foreign exchange operations and derivatives instruments			
Purchases	16 850		16 850
Sales	(16 532)		(16 532)
	953 588	780 900	1 734 488

The total assets, liabilities, income and off balance sheet responsibilities relating to operations with shareholders, members of the Board of Directors and companies in which members of the Board of Directors have significant influence at December 31, 2012 are as follows:

	Shareholders of Banco BPI ¹	Members of the Board of Directors of Banco BPI ²	Companies in which Members of the Board of Directors of Banco BPI have significant influence	Total
Assets				
Financial applications	17 295			17 295
Financial assets held for trading and at fair value through profit or loss	387			387
Financial assets available for sale			8	8
Loans	1 715	11 168	229 550	242 433
Other assets			32	32
	19 397	11 168	229 590	260 155
Liabilities				
Deposits and technical provisions	5 132	8 576	27 452	41 160
Other liabilities	490	25	111	626
	5 622	8 601	27 563	41 786
Off balance sheet items				
Guarantees given and other contingent liabilities				
Guarantees and sureties	18 414	496	78 987	97 897
Commitments to third parties				
Revocable commitments	207		2 000	2 207
Responsibilities for services rendered				
Deposit and safeguard of assets	605 842	21 270	166 577	793 689
Other			135 364	135 364
Foreign exchange operations and derivatives instruments				
Purchases	540 022		57 457	597 479
Sales	(549 300)		(57 495)	(606 795)
	615 185	21 766	382 890	1 019 841

¹ With significant influence on the BPI Group's management policy. It is assumed that there is significant influence when the participation in capital exceeds 20%.

² In individual name.

Total income and costs relating to operations with associated and jointly controlled companies and pension funds of employees and directors of the BPI Group at September 30, 2013 are as follows:

	Associated and jointly controlled companies	Pension funds of Employees of the BPI Group	Total
Net income			
Financial margin (narrow sense)		(1 914)	(1 914)
Net comission income	30 516	24	30 540
General administrative costs	(603)	(12 562)	(13 165)
	29 913	(14 452)	15 461

Total income and costs relating to operations with shareholders, members of the Board of Directors and companies in which members of the Board of Directors have significant influence at September 30, 2013 are as follows:

	Shareholders of Banco BPI ¹	Members of the Board of Directors of Banco BPI ²	Companies in which Members of the Board of Directors of Banco BPI have significant influence	Total
Net income				
Financial margin (narrow sense)	1 113	(23)	452	1 542
Net comission income		10	5	15
	1 113	(13)	457	1 557

¹ With significant influence on the BPI Group's management policy. It is assumed that there is significant influence when the participation in capital exceeds 20%

² In individual name.

Total income and costs relating to operations with associated and jointly controlled companies and pension funds of employees and directors of the BPI Group at September 30, 2012 are as follows:

	Associated and jointly controlled companies	Pension funds of Employees of the BPI Group	Total
Net income			
Financial margin (narrow sense)	15	(1 712)	(1 697)
Net comission income	28 677	259	28 936
General administrative costs	(703)	(12 534)	(13 237)
	27 989	(13 987)	14 002

Total income and costs relating to operations with shareholders, members of the Board of Directors and companies in which members of the Board of Directors have significant influence at September 30, 2012 are as follows:

	Shareholders of Banco BPI ¹	Members of the Board of Directors of Banco BPI ²	Companies in which Members of the Board of Directors of Banco BPI have significant influence	Total
Net income				
Financial margin (narrow sense)	1 046	(81)	2 172	3 137
Net comission income	40	8	5	53
	1 086	(73)	2 177	3 190

¹ With significant influence on the BPI Group's management policy. It is assumed that there is significant influence when the participation in capital exceeds 20%

² In individual name.

5. NOTE ADDED FOR TRANSLATION

These consolidated financial statements are a translation of financial statements originally issued in Portuguese in conformity with the International Financial Reporting Standards as adopted by the European Union, some of which may not conform to or be required by generally accepted accounting principles in other countries. In the event of discrepancies, the Portuguese language version prevails.



Banco BPI

Publicly held company

Head Office: Rua Tenente Valadim, no.284, Porto, Portugal

Share capital: €1 190 000 000

Registered in Oporto C.R.C. and corporate body no. 501 214 534