BANCO BPI, S.A. – Publicly held company
Share capital: € 1 293 063 324.98
Registered in Oporto C.R.C. and corporate body no. 501 214 534
Head Office: Rua Tenente Valadim, no.284, Porto, Portugal

Earnings release

BANCO BPI CONSOLIDATED RESULTS IN 2015

(Unaudited)
Oporto, 27 January 2016

(Consolidated figures and y-o-y changes, except where indicated otherwise)

PERFORMANCE AND RESULTS

- **CONSOLIDATED NET PROFIT INCREASES TO 236.4 M.€; ROE OF 10.4%**
- **DOMESTIC ACTIVITY NET PROFIT INCREASES TO 93.1 M.€; ROE OF 5.2%**
- **INTERNATIONAL ACTIVITY NET PROFIT INCREASES BY 13.6% TO 143.3 M.€; ROE OF 30.5%**
- **BPI GAINS MARKET SHARE IN THE MAIN COMPANIES AND INDIVIDUALS BUSINESS SEGMENTS**

- NET INTEREST INCOME INCREASES BY 29.0% (+148.9 M.€)
- NET OPERATING REVENUE INCREASES BY 37.8%
- OPERATING COSTS FALL BY 1.3% IN THE DOMESTIC ACTIVITY
- COST-TO-INCOME RATIO IMPROVES FROM 61.6% TO 56.2%
- EMPLOYEES' PENSION LIABILITIES COVERED BY 109%; PENSION FUNDS RETURN REACHED 14% IN 2015
- IN THE DOMESTIC ACTIVITY CUSTOMER RESOURCES INCREASE BY 2.9% AND LOAN PORTFOLIO DECREASES BY 3.9%

RISK

- CREDIT AT RISK RATIO DECREASED TO 4.6%
- COST OF CREDIT RISK DROPS FROM 0.70% TO 0.48%
- IMPAIRMENTS COVERAGE OF CREDIT AT RISK INCREASES TO 87%

CAPITAL

- COMMON EQUITY TIER 1 RATIO CRD IV / CRR
    - PHASING IN: 11.1%
    - FULLY IMPLEMENTED: 10.0%

I. BPI GROUP'S CONSOLIDATED RESULTS

Net profit of 236.4 million euro – BANCO BPI (Euronext Lisbon - Reuters BBPI.LS; Bloomberg BPI PL) recorded in 2015 a consolidated net profit of 236.4 million euro (M.€). Earnings per share (Basic EPS) were 0.163 € (-0.115 € in 2014).

The consolidated net profit in 2015 (236.4 M.€) is made up of a contribution of 93.1 M.€ from the **domestic activity** and a contribution of 143.3 M.€ (+13.6% than in 2014) from the **international activity**.

In the 4th quarter 2015 (September to December), BPI generated a consolidated net profit of 85.4 M.€ (54.2 M.€ from the domestic activity and 31.2 M.€ from the international activity).

In 2014, the negative net income of 163.6 M.€, was severely penalized by non-recurring costs and losses recorded in the domestic activity that amounted to 264.3 M.€[1].

Consolidated income statement

Amounts in M.€

			Dec.14 / Dec.15	
	Dec.14	Dec.15	Chg. M.€	Chg.%
Net interest income	514.5	663.4	148.9	29.0%
Technical results of insurance contracts	34.4	31.8	(2.6)	-7.5%
Commissions and other similar income (net)	312.2	324.7	12.5	4.0%
Gains and losses in financial operations	24.9	194.6	169.8	n.s.
Operating income and charges	(28.2)	(32.6)	(4.4)	-15.6%
Net operating revenue	**857.7**	**1 181.9**	**324.2**	**37.8%**
Personnel costs	370.1	378.8	8.7	2.3%
Outside supplies and services	238.2	249.2	11.0	4.6%
Depreciation of fixed assets	30.8	36.1	5.3	17.4%
Operating costs, excluding costs with early-retirements	**639.1**	**664.1**	**25.1**	**3.9%**
Costs with early-retirements	32.5	6.5	(26.0)	-80.0%
Operating costs	**671.5**	**670.6**	**(0.9)**	**-0.1%**
Operating profit before provisions	**186.2**	**511.3**	**325.1**	**174.6%**
Recovery of loans written-off	16.5	18.2	1.7	10.2%
Loan provisions and impairments	193.2	137.0	(56.2)	-29.1%
Other impairments and provisions	45.3	19.5	(25.7)	-56.9%
Profits before taxes	**(35.8)**	**372.9**	**408.7**	**n.s.**
Corporate income tax	30.7	29.1	(1.5)	-5.0%
Equity-accounted results of subsidiaries	26.1	33.4	7.3	28.0%
Minority shareholders' share of profit	123.3	140.8	17.6	14.3%
Net Income	**(163.6)**	**236.4**	**400.0**	**n.s.**

n.s - non significant..

1) Non-recurring costs and losses in 2014: (1) losses of 105.9 M.€ (-137.5 M.€ before taxes) incurred with the sale of medium and long term public debt of Portugal and Italy; (2) costs of 20.5 M.€ (-26.7 M.€ before taxes) with interests on contingent convertible subordinated bonds (CoCo), (3) costs with early retirements of 23.1 M.€ (-32.5 M.€ before taxes) (4) impairment charges of 16.7 M.€ (22.9 M.€ before taxes) for private-equity and other equity interests, (5) write-off – in the profit and loss account – of deferred tax assets in the amount of 50.9 M.€, (6) write-off of 23.3 M.€ of deferred taxes relating to temporary differences by virtue of the reduction in the corporate income tax rate (IRC in Portuguese) from 23% to 21%, (7) tax charge on the banking sector of -15.6 M.€ and (8) other in the amount of 8.2 M.€ (11.0 M.€ before taxes).

Return on shareholders’ equity (ROE)

The return on shareholders’ equity (ROE) was 10.4% in 2015.

The return on shareholders’ equity in the domestic activity was 5.2% in 2015.

In the international activity, in its individual accounts, BFA’s posted a return on shareholders’ equity (ROE) of 33.6% in 2015 and BCI’s ROE reached 18.6%. The ROE of the international activity (after consolidation adjustments) stood at 30.5%.

Capital allocation, net income and ROE by business area in 2015

Amounts in M.€

	Domestic activity				International activity		
	Com-mercial Banking	**Investment Banking**	**Shareholdings and other**	**Total**	**BFA** (individual accounts)	**Contribution to consolidated** (BFA, BCI and Other)	**BPI Group (consolidated)**
Capital allocated adjusted[1]	1 747.9	31.3	13.7	1 793.0	840.8	470.4	**2 263.3**
As % of total	77.2%	1.4%	0.6%	79.2%	-	20.8%	**100.0%**
Net income[2)]	78.9	4.1	10.1	93.1	282.2	143.3	**236.4**
ROE	**4.5%**	**13.2%**	**73.6%**	**5.2%**	**33.6%**	**30.5%**	**10.4%**

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

At 31 December 2015, the Customer loans portfolio (net, consolidated) amounted to 24.3 Bi.€, which corresponded to a year-on-year contraction of 3.9%.

Resources

Total Customer resources increased by 0.3 Bi.€ year-on-year (+0.8%), to 35.7 Bi.€.

Recourse to the European Central Bank of 1.5 Bi.€

The amount of funding raised by BPI from the Eurosystem (ECB) amounted to 1.5 Bi.€ at the end of December 2015.

Transformation ratio of deposits into loans

At 31 December 2015, in the consolidated accounts, the transformation ratio of deposits into loans was 85%[1]. In the domestic activity the transformation ratio of deposits into loans stood at 107%.

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

Income and costs

Consolidated net operating revenue increased by 324.2 M.€ yoy to 1 181.9 M.€ in 2015.

The positive evolution of the net operating revenue is mainly explained by the improvement in net interest income by 148.9 M.€ (+29.0%) and the recovery of the profits from financial operations from 24.9 M.€ in 2014, which included losses of 137.5 M.€ (before taxes) incurred with the sale of medium and long term public debt of Portugal and Italy, to 194.6 M.€ in 2015 (change of +169.8 M.€).

The commissions recorded also a positive evolution, increasing by 12.5 M.€ (+4.0%) yoy.

Consolidated operating costs increased by 3.9% (+25.1 M.€), whereas in the domestic activity registered a decrease of 1.3% (-6.4 M.€).

The consolidated efficiency ratio – operating costs as a percentage of net operating revenue -, excluding non-recurring impacts in costs and income, improves from 61.6% in 2014 to 56.2% in 2015.

Quality of the loan portfolio

At 31 December 2015, the ratio of Customer loans in arrears for more than 90 days stood at 3.6% in the consolidated accounts. The credit at risk [1] ratio decreased to 4.6% in the consolidated accounts.

The accumulated impairment allowances in the balance sheet covered at 112% the loans in arrears for more than 90 days and at 87% the credit at risk.

Loan portfolio quality – consolidated accounts

Amounts in M.€

	Dec.14		Dec.15	
	M.€	**% of loan portfolio [1)]**	**M.€**	**% of loan portfolio [1)]**
Loans in arrears (+90 days)	1 008.3	3.8%	908.2	3.6%
Credit at risk (consolidation perimeter IAS/IFRS) [2)]	1 304.0	5.0%	1 158.1	4.6%
Loans impairments (in the balance sheet)	1 075.2	4.1%	1 012.8	4.0%
Write offs (in the period)	106.5		169.2	
Note:				
Gross loan portfolio	26 305.6		25 260.3	

1) As % of the gross loan portfolio

2) Calculated in accordance with credit at risk definition of Bank of Portugal Instruction 23/2011 and considering the IAS /IFRS consolidation perimeter which results in the consolidation in full of BPI Vida e Pensões (whereas in Bank of Portugal supervision perimeter that subsidiary is recognised using the equity method). According to Instruction 23/2011 and taken into account the supervision perimeter, at 31 Dec. 2015 the credit at risk amounts to 1158.1 M.€ and the credit at risk ratio to 4.9%.

1) Calculated in accordance with Bank of Portugal Instruction 23 / 2011 and considering the IAS /IFRS consolidation perimeter which results in the consolidation in full of BPI Vida e Pensões (whereas in Bank of Portugal supervision perimeter that subsidiary is recognised using the equity method). According to Instruction 23/2011 and taken into account the supervision perimeter, at 31 Dec. 2015 the credit at risk amounts to 1158.1 M.€ and the credit at risk ratio to 4.9%.

Cost of credit risk

Loan impairment charges decreased from 193.2 M.€ in 2014 to 137.0 M.€ in 2015 (-56.2 M.€). The ratio of loan impairments as percentage of the loan portfolio decreased from 0.76% to 0.56%.

On the other hand, arrear loans and interest previously written off of 18.2 M.€ were recovered (0.07% of the loan portfolio), with the result that impairments after deducting the abovementioned recoveries amounted to 118.8 M.€ in 2015 (176.7 M.€ in 2014), which represents 0.48% of the loan portfolio and an improvement relatively to the 0.70% recorded in 2014.

Loan portfolio quality

Amounts in M.€

	Dec. 14		Dec. 15	
	M.€	**% of loan portfolio[1)]**	**M.€**	**% of loan portfolio[1)]**
Loan impairments	193.2	0.76%	137.0	0.56%
Recovery of loans and interest in arrears written-off	16.5	0.06%	18.2	0.07%
Loan impairments, after deducting the recovery of loans and interest in arrears written-off	**176.7**	**0.70%**	**118.8**	**0.48%**

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

II. CAPITAL

Common Equity Tier 1 capital ratio

At 31 December 2015, the consolidated Common Equity Tier 1 (CET1) ratio calculated according to CRD IV / CRR rules amounts to[1]:

- CET1 phasing in (rules for 2015): 11.1%;
- CET1 fully implemented: 10.0%

Own funds and own funds requirements

Amounts in M.€

	CRD IV / CRR Phasing in			CRD IV / CRR Fully implemented		
	31 Dec. 14	**31 Dec.14 proforma 1)**	**31 Dec. 15**	**31 Dec. 14**	**31 Dec.14 proforma 1)**	**31 Dec. 15**
Common Equity Tier 1 capital	2 425.5	2 529.9	2 574.3	1 700.7	2 118.7	2 313.5
Risk weighted assets	20 602.3	24 811.2	23 293.7	20 221.5	24 674.7	23 244.2
Common Equity Tier 1 ratio	**11.8%**	**10.2%**	**11.1%**	**8.4%**	**8.6%**	**10.0%**

1) Proforma ratios considering the adhesion to the special scheme applicable to deferred tax assets (DTA) and the change in risk weights aplicable to Banco BPI's indirect exposure to the Angolan State and to BNA. The application of both changes began on the 1st January 2015.

In the domestic activity, the Common Equity Tier 1 (CET1) calculated according to CRD IV / CRR rules were as follows:

- CET1 phasing in (rules for 2015) amounted to 1.7 Bi.€ and corresponded to a CET1 ratio of 11.3% (11.0% considering the rules for 2016);
- CET1 fully implemented amounted to 1.6 Bi.€ and corresponded to a CET1 ratio of 10.2%.

In the international activity, the Common Equity Tier 1 (CET1) calculated according to CRD IV / CRR rules were as follows:

- CET1 phasing in (rules for 2015) amounted to 0.9 Bi.€ and corresponded to a CET1 ratio of 10.6% (10.8% considering the rules for 2016);
- CET1 fully implemented amounted to 0.8 Bi.€ and corresponded to a CET1 ratio of 9.5%.

1) The figures consider:
- the adhesion to the special scheme applicable to deferred tax assets approved in the Shareholders' General Meeting of 17 October 2014;
- the use of a 100% risk weighting to BFA's exposure (Banco BPI indirect exposure) to the Angolan State and to Banco Nacional de Angola (BNA), expressed in Kwanza, when previously that exposure was given a 0% or 20% weighting, depending on the cases.

The implementation of both rules began on the 1st of January 2015.

Leverage and Liquidity ratios

At 31 December 2015, the Leverage and Liquidity ratios calculated according to CRD IV / CRR rules are as follows:

- Leverage ratio *phasing in*: 6.9%
- Leverage ratio *Fully implemented*: 6.4%

- Liquidity Coverage Ratio (LCR) *fully implemented*: 113%
- Net Stable Funding Ratio (NSFR) *fully implemented*: 104%

III. DOMESTIC ACTIVITY RESULTS

Net income

The net income from domestic operations in 2015 was positive by 93.1 M.€.

In the 4th quarter 2015 (September to December), net income in the domestic activity stood at 54.2 M.€.

In 2014, the net income, negative by 289.7 M.€, was negatively affected by non-recurring costs and losses of 264.3 M.€[1].

Income statement

Amounts in M.€

			Dec.14 / Dec.15	
	Dec.14	**Dec.15**	**Chg. M.€**	**Chg.%**
Net interest income	277.7	355.2	77.5	27.9%
Technical results of insurance contracts	34.4	31.8	(2.6)	-7.5%
Commissions and other similar income (net)	246.3	255.9	9.7	3.9%
Gains and losses in financial operations	(92.7)	47.9	140.6	n.s.
Operating income and charges	(16.9)	(24.7)	(7.8)	-45.9%
Net operating revenue	**448.8**	**666.2**	**217.4**	**48.4%**
Personnel costs	302.1	293.8	(8.3)	-2.8%
Outside supplies and services	178.5	177.3	(1.2)	-0.7%
Depreciation of fixed assets	16.7	19.8	3.1	18.5%
Operating costs, excluding costs with early-retirements	**497.2**	**490.8**	**(6.4)**	**-1.3%**
Costs with early-retirements	32.5	6.5	(26.0)	-80.0%
Operating costs	**529.7**	**497.3**	**(32.4)**	**-6.1%**
Operating profit before provisions	**(80.9)**	**168.8**	**249.8**	**n.s.**
Recovery of loans written-off	14.0	16.2	2.3	16.3%
Loan provisions and impairments	172.5	103.4	(69.1)	-40.1%
Other impairments and provisions	37.9	15.9	(22.0)	-58.0%
Profits before taxes	**(277.3)**	**65.8**	**343.1**	**n.s.**
Corporate income tax	26.3	(4.2)	(30.5)	n.s.
Equity-accounted results of subsidiaries	14.6	23.1	8.6	59.0%
Minority shareholders' share of profit	0.7	0.0	(0.6)	-93.6%
Net Income	**(289.7)**	**93.1**	**382.8**	**n.s.**

n.s - non significant..

1) Non-recurring costs and losses in 2014: (1) losses of 105.9 M.€ (-137.5 M.€ before taxes) incurred with the sale of medium and long term public debt of Portugal and Italy; (2) costs of 20.5 M.€ (-26.7 M.€ before taxes) with interests on contingent convertible subordinated bonds (CoCo), (3) costs with early retirements of 23.1 M.€ (-32.5 M.€ before taxes) (4) impairment charges of 16.7 M.€ (22.9 M.€ before taxes) for private-equity and other equity interests, (5) write-off – in the profit and loss account – of deferred tax assets in the amount of 50.9 M.€, (6) write-off of 23.3 M.€ of deferred taxes relating to temporary differences by virtue of the reduction in the corporate income tax rate (IRC in Portuguese) from 23% to 21%, (7) tax charge on the banking sector of -15.6 M.€ and (8) other in the amount of 8.2 M.€ (11.0 M.€ before taxes).

Resources and loans

Banco BPI increased in 2015 its market shares in the main companies and individuals business segments. Overall, the Bank held (in November, according to the latest available data) a market share of 9.3% in terms of total business (+ 0,7 percentage points relative to December 2014); to emphasize the following BPI market shares gains:

- BPI market share in the Individuals Residents segment reached 9.0% in resources (+ 0.7 p.p.) and 9.7% in lending (+ 0.1 p.p.);
- The market shares in the Companies segment reached 11.5% in deposits (+ 0.9 p.p.) and 6.7% in lending (+ 0.4 p.p.).

Resources

BPI improved its market share in total resources to 9.8%, in a difficult environment, characterised by the stabilization of the global market, the offer by the Bank of deposits remuneration rates below the competition average and the reduction in the distribution network.

In the Unit Trust Funds BPI achieved a market share of 15.1%, moving from 4th to 2nd place; in capitalization insurance the Bank reached a market share of 17.3% occupying the 2nd place; in Savings Plans, the market share stood at 13.6%.

Total Customer resources in the domestic activity (on-balance sheet and off-balance sheet) attained 28.8 Bi.€ at the end of 2015, increasing by 2.9% year-on-year (+0.8 Bi.€).

Customers resources

Amounts in M.€

	Dec.14	Dec.15	Chg.%
On-balance sheet resources			
Sight deposits	6 392.2	8 731.3	36.6%
Term deposits	12 729.7	10 045.9	(21.1%)
Customers' deposits	19 121.9	18 777.2	(1.8%)
Retail bonds	692.9	356.2	(48.6%)
Subtotal	19 814.8	19 133.3	(3.4%)
Capitalisation insurance and PPR (BPI Vida) and other	5 305.1	5 875.4	10.7%
On-balance sheet resources	**25 119.9**	**25 008.7**	**(0.4%)**
Off-balance sheet resources1)	3 216.2	4 474.2	39.1%
Corrections for double counting2)	(331.8)	(654.0)	
Total Customer resources3)	**28 004.3**	**28 828.9**	**2.9%**

1) Unit trust funds, PPR and PPA.

2) Placements of the unit trust funds managed by the BPI Group in deposits and structured products.

3) Corrected for double counting.

Customer deposits decreased by 1.8% yoy (-0.3 Bi.€) to 18.8 Bi.€ at the end of December 2015.

Capitalisation insurance registered an increase of 10.7% (+0.6 Bi.€) and the off-balance sheet resources (unit trust funds, Retirements savings – PPR - and equity savings – PPA - plans) increased by 39% (+1.3 Bi.€) yoy.

Loans

As regards loans to individuals worth mentioning BPI continuing gain in market share in housing loans reaching 10.6% in November (latest available data).

In the corporates segment, BPI maintained the leadership in the **SME Leader** status (28%) and **SME Excellence** (40%) and **online SME Growth 2015** (in number of operations contracted; 19% share) and in global value contracted since the launch of the SME Invest / Growth Lines (2.6 Bi €).

On the other hand BPI strengthened its position as the Agricultural Bank, increasing loans placed with Customers from the Agricultural Sector. BPI is the first bank in Agrogarante in terms of cumulative production (139 M € since activity beginning) and 2nd in terms of 2015 production (24 M.€).

The Customer loans portfolio in domestic activity starts to show some signals of inversion of the contraction trend in the majority of the segments, but still records a year-on-year decrease of 2.8% (-0.6 Bi.€).

In year-on-year terms:

- loans to large and medium-sized companies increase by 4.9%, i.e., +0.2 Bi.€[1]
- loans domiciled at the Madrid branch fell by 28% (-0.4 Bi.€).
- loans to the public sector decreased by 4.6% (-0.1 Bi.€).
- The loans to individuals and small businesses portfolio stabilises (slight increase of 0.3%), since the reduction of 1.9% (-0.2 Bi.€) in mortgage loans was offset by the expansion of credit to small businesses by 15.4% (+0.2 Bi.€).

1) Excludes BPI Vida e Pensões securities loan portfolio (corresponds essentially to bonds and commercial paper issued by large Portuguese companies).

Loans to Customers

Amounts in M.€

	Dec.14	Dec.15	Chg.%
Corporate banking	**3 654.2**	**3 831.7**	**4.9%**
Large companies	1 419.9	1 445.5	1.8%
Medium-sized companies	2 234.3	2 386.2	6.8%
Project Finance - Portugal	**1 154.7**	**1 161.0**	**0.5%**
Madrid branch	**1 306.1**	**943.6**	**(27.8%)**
Project Finance	634.2	557.3	(12.1%)
Corporates	671.9	386.3	(42.5%)
Public Sector	**1 424.7**	**1 358.8**	**(4.6%)**
Central Administration	215.4	204.8	(4.9%)
Regional and local administrations	814.0	774.6	(4.8%)
State Corporate Sector - in the budget perimeter	64.1	51.8	(19.2%)
State Corporate Sector - outside the budget perimeter	295.4	267.4	(9.5%)
Other Institutional	35.8	60.2	68.1%
Individuals and Small Businesses Banking	**13 330.0**	**13 364.4**	**0.3%**
Mortgage loans to individuals	11 024.1	10 813.9	(1.9%)
Loans contracted before 2011	9 795.2	9 115.7	(6.9%)
Loans contracted in 2011 and thereafter	1 228.8	1 698.1	38.2%
Consumer credit / other purposes	553.9	576.2	4.0%
Credit Cards	166.9	164.7	(1.3%)
Car financing	134.8	136.2	1.0%
Small businesses	1 450.2	1 673.5	15.4%
BPI Vida	**2 005.7**	**1 720.4**	**(14.2%)**
Loans in arrears net of impairments	**21.1**	**- 30.0**	**(241.7%)**
Other	**539.4**	**438.1**	**(18.8%)**
Total	**23 436.0**	**22 788.1**	**(2.8%)**

The evolution of the loan portfolio in the last quarters has showed a progressive deceleration of the downward trend and, more recently, showed signals of a beginning growth trend, as a result of the resume of growth in the loans to large and medium sized companies, the increase in new mortgage loans and the expansion in loans to small businesses which remains in high levels.

Relative to September 2015, the loan portfolio increased by 0.3%[1]. The quarterly evolution in the main segments was as follows:

- loans to large and medium-sized companies increase by 2.5% (+0.1 Bi.€)
- mortgage loans decrease by 0.2% (-0.02 Bi.€).
- loans to small businesses increase by 5.4% (+0.1 Bi.€).
- other loans to individuals increase 3.4%.

1) Excluding BPI Vida e Pensões securities loan portfolio.

Financial assets available for sale

At the end of 2015, the portfolio of financial assets available for sale amounted to 3.7 Bi.€, at market prices. The fair value reserve (before deferred taxes) was positive by 20 M.€.

At 31 December 2015 the portfolio of financial assets available for sale was comprised by 2.3 Bi.€ of EU sovereign short term debt (1.4 Bi.€ of Portuguese Treasury Bills, 440 M.€ of Spanish debt and 390 M.€ of Italian debt), 351 M.€ of Portuguese Treasury Bonds, 562 M.€ of MLT Italian public debt, 227 M.€ of corporate bonds, 133 M.€ of equities and 194 M.€ of participating units.

Portfolio of assets available for sale

Amounts in M.€

M.€	31 Dec. 2014					31 Dec. 15				
	Acquisition value	Book value	Gains / (losses) [1]			Acquisition value	Book value	Gains / (losses) [1]		
			in securities	in derivatives	Total			in securities	in derivatives	Total
Public debt	3 770	3 918	146	- 186	**- 40**	3 081	3 169	96	- 99	**- 4**
Portugal	3 265	3 352	83	- 108	**- 26**	1 746	1 778	34	- 36	**- 2**
Of which										
TBonds	787	865	81	- 108	**- 27**	320	351	34	- 36	**- 2**
TBills	2 478	2 487	1		**1**	1 426	1 427	0		**0**
Italy	505	566	63	- 77	**- 14**	505	562	61	- 63	**- 3**
T-Bills Spain						440	440	0		**0**
T-Bills Italy						390	390	0		**0**
Corporate Bonds	595	631	13	- 35	**- 22**	234	227	- 15	- 6	**- 21**
Equities	136	120	30		**30**	134	133	46		**46**
Other	239	193	- 4		**- 4**	244	194	- 1		**- 1**
Total	**4 741**	**4 862**	**185**	**- 220**	**- 35**	**3 693**	**3 723**	**126**	**- 106**	**20**

1) Fair value reserve before deferred taxes. Includes the impact of interest rate hedging.

Liquidity

Total funding obtained by BPI from the European Central Bank (ECB) amounted to 1.5 Bi.€ at the end of 2015, corresponding entirely to funds raised under the TLTRO.

At the end of 2015 BPI still had 5.6 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 net refinancing needs for medium and long-term debt from the end of 2015 up till the end of 2018 amount to 1.3 Bi.€.

It is also worth mentioning that in 2019, 0.8 Bi.€ of the MLT Eurozone sovereign debt held by BPI in portfolio will be redeemed.

Net operating revenue

Net operating revenue generated by domestic operations amounted to 666.2 M.€ in 2015, which corresponds to an increase of 217.4 M.€ relative to 2014.

The captions with a more recurring nature contributed with 97% of that amount: net interest income amounted to 355.2 M.€ (+77.5 M.€ than in 2014), commissions amounted to 255.9 M.€ (+9.7 M.€ than in 2014) and the technical results of insurance contracts amounted to 31.8 M.€.

Profits from financial operations stood at 47.9 M.€ in 2015, whereas in 2014 they were negative by 92.7 M.€.

Net interest income in the domestic activity increased by 27.9% (+77.5 M.€) yoy.

The positive trend in net interest income mainly reflects:

- the reduction in the cost of term deposits. The margin (negative) on term deposits relative to the Euribor improved from 1.6% in 2014 to 1.0% in 2015 (0.79% in 4th quarter), reflecting the lower remuneration in the renewal of deposits and in new deposits raised;
- the full repayment of CoCo's in June 2014. In the 1st half 2014, the Bank booked an interest cost with those instruments of 26.7 M.€ (before tax).

It should be noted however that the net interest income continued to be penalized by:

- the negative volume effect from the reduction of the loan portfolio, intensified, though in a less extent, by the decrease in spread on loans to corporates;
- the reduction in the contribution from the sovereign debt securities portfolio, as a result of the sharp fall in the yields of Treasury Bills in the primary market and the reduction of the portfolio;
- the background of Euribor interest rates at historical minimums, close to zero, which directly reflects in the contraction in the average margin on sight deposits.

Commissions (net) increased by 3.9% (+9.7 M.€).

Net commissions and fees

Amounts in M.€

	31 Dec. 14	31 Dec. 15	Chg. M.€	Chg.%
Commercial banking [1)]	188.5	203.9 [(1)]		
Asset management	41.0	42.8	+1.9	4.5%
Investment banking [1)]	16.8	9.2 [(1)]		
Total	**246.3**	**255.9**	**+9.7**	**3.9%**

1) Non comparable amounts due to the demerger operation ocurred in the last quarter of 2014 whereby part of the activities previously carried out by the investment bank were transferred to Banco BPI.

Profits from financial operations increased from a negative figure of 92.7 M.€ in 2014, which included losses of 137.5 M.€ with the sale of Portuguese and Italian medium and long term public debt, to a positive figure of 47.9 M.€ in 2015, thus corresponding to a positive variation of 140.6 M.€.

The caption "other operating income / (charges)" recorded a negative value of 24.7 M € in 2015 which includes an additional contribution to the resolution fund of 14.5 M.€ booked in the 4th quarter (with the aim of funding the Single Resolution Fund within the framework of the European Single Resolution Mechanism). In 2014 this caption was negative by 16.9 M.€.

Equity-accounted results of subsidiaries

The equity-accounted results of subsidiaries in domestic operations amounted to 23.1 M.€ in 2015, which corresponds to a 8.6 M.€ increase. The contribution of the subsidiaries from the insurance sector amounted to 14.8 M.€ (contribution of 9.3 M.€ from Allianz Portugal and 5.5 M.€ from Cosec).

Equity-accounted earnings

Amounts in M.€

	31 Dec. 14	31 Dec. 15	Chg. M.€
Insurance companies	12.5	14.8	+2.2
Allianz Portugal	7.0	9.3	+2.2
Cosec	5.5	5.5	+0.0
Finangeste	(0.3)		+0.3
Unicre	2.2	8.4	+6.2
Other	0.2	0.0	- 0.2
Total	**14.6**	**23.1**	**+8.6**

Operating costs

Recurrent operating costs decreased by 1.3% (-6.4 M.€) in 2015.

Operating costs as reported, which include costs with early retirements (32.5 M.€ in 2014 and 6.5 M.€ in 2015), decreased by 6.1% (-32.4 M.€).

Operating costs

Amounts in M.€

	31 Dec. 14	31 Dec. 15	Chg. M.€	Chg.%
Personnel costs	302.1	293.8	- 8.3	(2.8%)
Outside supplies and services	178.5	177.3	- 1.2	(0.7%)
Depreciation of fixed assets	16.7	19.8	+3.1	18.5%
Operating costs, excluding costs with early-retirements	**497.2**	**490.8**	**- 6.4**	**(1.3%)**
Costs with early-retirements	32.5	6.5	- 26.0	(80.0%)
Operating costs	**529.7**	**497.3**	**- 32.4**	**(6.1%)**
Operating costs as a % of net operating revenue [1)]	79.4%	73.7%		

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

Recurrent personnel costs (excluding costs with early retirements) decreased by 8.3 M.€ (-2.8%), third-party supplies and services decreased by 1.2 M.€ (-0.7%) and depreciation and amortization were up by 3.1 M.€ (+18.5%) yoy.

BPI closed 51 retail branches in 2015, which corresponded to a 8.0% reduction of the distribution network in Portugal. The workforce was reduced by 63 employees (-1.1%) in relation to December 2014.

The efficiency ratio in domestic operations – operating costs as a percentage of net operating revenue – (excluding costs with early retirements), improves from 79.4% in 2014 to 73.7% in 2015.

It should be noted that in the 4th quarter 2015, the efficiency ratio stood at 73.2%.

Cost of credit risk

Loan impairments decreased by 69.1 M.€, from 172.5 M.€ in 2014 to 103.4 M.€ in 2015. The indicator loan impairment allowances as a percentage of the loan portfolio's average balance was situated at 0.45% in 2015 (0.72% in 2014).

On the other hand, arrear loans and interest of 16.2 M.€ previously written off were recovered in 2015, with the result that impairments after deducting the abovementioned recoveries amounted to 87.1 M.€ (158.5 M.€ in 2014), which represents 0.38% of the loan portfolio (0.66% in 2014).

Credit risk cost

Amounts in M.€

	Dec.14		Dec.15	
	M.€	% of loan portfolio[1)]	M.€	% of loan portfolio[1)]
Loan impairments	172.5	0.72%	103.4	0.45%
Recovery of loans and interest in arrears written-off	14.0	0.06%	16.2	0.07%
Loan impairments, after deducting the recovery of loans and interest in arrears written-off	**158.5**	**0.66%**	**87.1**	**0.38%**

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

Quality of the loan portfolio

At 31 December 2015, 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 108% in December 2015.

The credit at risk ratio, calculated in accordance with Bank of Portugal Instruction 23/2011 and considering the consolidation perimeter IAS/IFRS[1)], decreased to 4.5% in December 2015. The accumulated impairment allowances in the balance sheet represented 85% of the credit at risk.

1) For purposes of calculating the credit at risk ratio (non-performing ratio), the Group consolidation perimeter according to IAS/IFRS rules was taken into account, and therefore BPI Vida e Pensões is consolidated in full and its loan portfolio (securities loan portfolio) included in the consolidated loan portfolio (whereas in Bank of Portugal supervision perimeter, in the case of BPI, that subsidiary is recognised using the equity method).

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

	Dec.14		Dec.15	
	M.€	% of loan portfolio 1)	M.€	% of loan portfolio 1)
Loans in arrears (+90 days)	947.1	3.9%	841.4	3.6%
Credit at risk (consolidation perimeter IAS/IFRS) 2)	1 219.1	5.0%	1 070.9	4.5%
Loans impairments (in the balance sheet)	988.5	4.1%	906.7	3.8%
Write offs (in the period)	90.0		162.0	
Note:				
Gross loan portfolio	24 394.8		23 668.1	

1) As % of the gross loan portfolio

2) Calculated in accordance with credit at risk definition of Bank of Portugal Instruction 23/2011 and considering the IAS /IFRS consolidation perimeter which results in the consolidation in full of BPI Vida e Pensões (whereas in Bank of Portugal supervision perimeter that subsidiary is recognised using the equity method). According to Instruction 23/2011 and taken into account the supervision perimeter, at 31 Dec. 2015 the credit at risk amounts to 1070.9 M.€ and the credit at risk ratio to 4.9%.

The following table details by major credit segments the credit at risk ratio, calculated in accordance with Bank of Portugal Instruction 23/2011 and considering the consolidation perimeter IAS/IFRS, and the impairments coverage.

Credit at risk
According to Bank of Portugal Instruction 23/2011 and considering the consolidation perimeter IAS/IFRS

	Dec.14			Dec.15		
	M.€	% of loan portfolio 1)	Impairments coverage	M.€	% of loan portfolio 1)	Impairments coverage
Corporate banking	634.5	7.9%	88%	525.0	6.8%	96%
Individuals Banking	581.6	4.2%	72%	543.2	3.9%	71%
Mortgage loans	396.5	3.5%	62%	375.0	3.4%	62%
Other loans to individuals	39.3	4.4%	97%	40.0	4.4%	101%
Small businesses	145.8	9.2%	91%	128.2	7.2%	89%
Other	2.9	0.1%		2.8	0.1%	
Domestic activity	**1 219.1**	**5.0%**	**81%**	**1 070.9**	**4.5%**	**85%**

1) As % of the gross loan portfolio

Impairments for foreclosure properties

At 31 December 2015, foreclosed properties amounted to 153.1 M.€, in terms of gross balance sheet value. The accumulated amount of impairment allowances for foreclosed properties of 27.3 M.€, covered 17.8% of their gross balance sheet value. The net value of these properties was therefore 125.9 M.€, which compared to a market value of these properties of 153.1 M.€.

Real estate loans recovery at 31 December 2015

Amounts in M.€

	Gross value	Coverage by impairments Amount	%	Net value	Appraisal
Mortgage	59.9	2.6	4.4%	**57.3**	71.4
Other	93.2	24.7	26.4%	**68.6**	81.7
Total	**153.1**	**27.3**	**17.8%**	**125.9**	**153.1**

Employee pension liabilities

At 31 December 2015 BPI's pension liabilities amounted to 1 280 M.€ and are 109% covered by the pension fund.

Financing of pension liabilities

Amounts in M.€

	31 Dec.14	31 Dec.15
Pension obligations	1 278.4	1 279.9
Pension funds[1)]	1 248.7	1 392.3
Financing surplus	(29.7)	112.4
Cover of pension obligations	**97.7%**	**108.8%**
Total actuarial deviations[2)]	(184.0)	(40.7)
Pension fund return	7.7%	14.0%

1) Includes contributions transferred to the pension funds in the beginning of the following year (47,0 M.€ in 2014 and 1, M.€ in 2015).
2) Recognized directly in Shareholders' equity (OCI - Other Comprehensive Income), in accordance with IAS19.

Pension funds' income

The Bank's pension funds posted a return of 14.0% in 2015.

It should be pointed out that, up till the end of 2015, the actual return achieved by Banco BPI's pension fund since its creation in 1991 was 9.5% per year, and that in the last ten, five and three years, the actual annual returns were 7.4%, 10.2% and 13.2%, respectively.

Actuarial assumptions

The following table shows the main actuarial assumptions used to calculate the pension liabilities.

In 2015 BPI did not make any change in the actuarial assumptions.

Actuarial assumptions

	Dec.13	Jun.14	Dec.14	Dec.15
Discount rate - current employees	4.33%	3.83%	2.83%	2.83%
Discount rate - retirees	3.50%	3.00%	2.00%	2.00%
Salary growth rate	1.50%	1.25%	1.00%	1.00%
Pensions growth rate	1.00%	0.75%	0.50%	0.50%
Expected pension fund rate of return	4.00%	3.50%	2.50%	2.50%
Mortality table	(M): TV 73/77 – 2 years [1] (W): TV 88/ 90 – 3 years [1]			

1) Men (M) and Women (W) were assumed to be two years and three years younger than their actual age, respectively, that procedure translating into a higher life expectancy.

Income tax

In December 2014 BPI wrote-off the balance of deferred tax assets related to 2011 tax loss (with a negative impact of 50.9 M.€ in net income), as the projections of results did not allow to foresee its respective use until the deadline that expires in 2015.

In 2015, Banco BPI had a taxable income of 222 M.€, which includes 144 M.€ of positive actuarial deviations in the Pension Fund income, and therefore BPI can use 155 M.€[1] of the 2011 tax loss, implying a gain of 33 M.€ with deferred tax assets.

Thus, BPI recognized in the 2015 accounts a gain with deferred tax assets of 33 M.€ associated with the utilization of the tax deferral generated in 2011.

1) The use of tax deferral is limited to a maximum of 70% of taxable income.

IV. INTERNATIONAL ACTIVITY RESULTS

Net profit

The international activity's net profit stood at 143.3 M.€ in 2015 (+13.6% over the 126.1 M.€ obtained in 2014).

Main contributions to net profit from international activity corresponded to:

- BFA's contribution of 135.7 M.€[1], relating to the appropriation of 50.1% of its individual net profit, which was 16% higher than the contribution in 2014 (116.9 M.€). Minority interests of 140.8 M.€ were recognised in BFA's net profit (122.6 M.€ in 2014).
- BCI's (Mozambique) contribution of 9.4 M.€, relating to the appropriation of 30% of its individual net profit (recognised using the equity-method), which decreased 11% relative to 2014 (10.6 M.€).

Income statement

Amounts in M.€

			Chg. Dec.14 / Dec.15	
	Dec.14	**Dec.15**	**Chg. M.€**	**Chg.%**
Net interest income	236.7	308.2	71.5	30.2%
Technical results of insurance contracts				
Commissions and other similar income (net)	65.9	68.7	2.8	4.3%
Gains and losses in financial operations	117.6	146.7	29.1	24.8%
Operating income and charges	(11.3)	(7.9)	3.4	29.7%
Net operating revenue	**408.9**	**515.7**	**106.8**	**26.1%**
Personnel costs	68.0	85.0	17.0	25.0%
Outside supplies and services	59.7	71.9	12.2	20.4%
Depreciation of fixed assets	14.1	16.4	2.3	16.1%
Operating costs	**141.8**	**173.3**	**31.4**	**22.2%**
Operating profit before provisions	**267.1**	**342.4**	**75.3**	28.2%
Recovery of loans written-off	2.5	1.9	(0.6)	-23.7%
Loan provisions and impairments	20.7	33.6	12.9	62.2%
Other impairments and provisions	7.4	3.6	(3.8)	-51.1%
Profits before taxes	**241.5**	**307.1**	**65.6**	**27.2%**
Corporate income tax	4.3	33.3	29.0	n.s.
Equity-accounted results of subsidiaries	11.6	10.3	(1.3)	-11.1%
Minority shareholders' share of profit	122.6	140.8	18.2	14.8%
Net Income	**126.1**	**143.3**	**17.2**	**13.6%**

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

BFA's return on the average Shareholders' equity (individual accounts) stood at 33.6% in 2015 and BCI's return on the average Shareholders' equity reached 18.6%.

The return on the average Shareholders' equity allocated to the international activity, after consolidation adjustments, i.e. after the impact of taxes on dividends, stood at 30.5% in 2015.

Customer resources and loans

Total Customer resources in the international activity, measured in euro (consolidation currency), recorded a year-on-year decrease of 7.3%, to 6 860 M.€ in December 2015.

The year-on-year evolution of deposits expressed in euro is penalized by the 15% depreciation of the kwanza relative to the euro, although it benefits from the 11% appreciation of the dollar against the euro.

When expressed in the currencies they were captured, Customer resources captured in USD (c. 1/3 of the total) decreased by 20% yoy (a 11% decrease when expressed in euro) and Customer resources in kwanzas (representing c. 2/3 of total resources) increased by 11% yoy (a 5.7% decrease when expressed in euro).

Customers resources Amounts in M.€

	Dec.14	Dec.15	Chg.%
Sight deposits	3 805.9	4 045.3	6.3%
Term deposits	3 590.4	2 814.7	(21.6%)
Total	**7 396.3**	**6 860.0**	**(7.3%)**

The loans to Customers portfolio, expressed in euro, decreased by 18.5%, from 1 833.0 M.€ in December 2014, to 1 493.6 M.€ in December 2015.

When expressed in the currency they were granted, the loan portfolio in USD (1/2 of the total) decreased by 4% yoy (a 6.9% increase when expressed in euro) and the loan portfolio in kwanzas (1/2 of the total) decreased by 19% yoy (a 31.4% decrease when expressed in euro).

Loans to Customers Amounts in M.€

	Dec.14	Dec.15	Chg.%
Performing loans	1 836.0	1 498.5	(18.4%)
Loans in arrears	63.8	72.4	13.6%
Loan impairments	(77.9)	(98.7)	26.7%
Interests and other	11.1	21.3	91.5%
Total	**1 833.0**	**1 493.6**	**(18.5%)**
Guarantees	487.9	385.7	(20.9%)

Securities portfolio

At 31 December 2015, BFA's securities portfolio totalled 3 314 M.€ or 41% of the Bank's assets. The portfolio of short-term securities, comprising Treasury Bills, amounted to 876 M.€ at the end of December (+261 M.€ relative to December 2014) and the Treasury Bonds portfolio amounted to 2 413 M.€ (+155 M.€ relative to December 2014).

Customers

The number of Customers has increased by 8.4%, from 1.3 million Customers in December 2014 to 1.4 million Customers in December 2015.

Physical distribution network

The distribution network in Angola increased 2.7%, over December 2014. Five new branches were opened over the last 12 months. At the end of December 2015, the distribution network comprised 166 branches, 9 investment centres and 16 corporate centres.

Cards

BFA holds a prominent position in the debit and credit cards with a 21.9% market share in December 2015 in terms of valid debit cards. At the end of December 2015, BFA had 1 026 thousand valid debit cards (Multicaixa cards) and 16 413 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 (570 thousand subscribers of BFA NET in December 2015, of which 558 thousand are individuals) and an extensive terminal network with 375 ATM and 9 157 active point-of-sale (POS) terminals connected to the EMIS network, corresponding to market shares of 14.1% (ranking 2nd) and 26.5% (ranking 1st), respectively.

Number of employees

BFA's workforce at the end of December 2015 stood at 2 610 employees, which represents an increase in staff of 84 (+3.3%) relative to the staff complement in December 2014. At the end of December 2015, BFA's workforce represented approximately 31% of the Group's total number of Employees.

Revenues and costs

Net operating revenue in the international activity reached 515.7 M.€ in 2015, corresponding to an increase of 26.1% yoy (+106.8 M.€).

This growth was mainly explained by the increase in net interest income (+71.5 M.€), and, at a less extent, by the growth in profits from financial operations (+29.1 M.€).

Operating costs have increased by 31.4 M.€ (22.2%) over 2014. Personnel costs increased by 17.0 M.€, third-party supplies and services increased by 12.2 M.€ and depreciation and amortization increased by 2.3 M.€. The trend in costs, expressed in Euro, is greatly affected by the significant appreciation of the USD relative to the euro, in terms of the average exchange rate (of 20% when comparing the average exchange rate in 2015 with 2014), by the fact that personnel costs are indexed to the USD and a significant portion of Outside supplies and services are in foreign currency.

The ratio "operating costs as percentage of net operating revenue" stood at 33.6% in 2015.

Cost of credit risk

In the international activity, loan provision charges were 33.6 M.€ in 2015, which corresponded to 1.99% of the average performing loan portfolio.

On the other hand, 1.9 M.€ of loans and interests in arrears, previously written-off, were recovered.

Loan provisions, deducted from recoveries of loans in arrears, have thus reached 31.7 M.€ in 2015, corresponding to 1.88% of the average performing loan portfolio.

Loan impairments and recoveries

Amounts in M.€

	Dec.14		Dec.15	
	M.€	% of loan portfolio1)	M.€	% of loan portfolio1)
Loan impairments	20.7	1.48%	33.6	1.99%
Recovery of loans and interest in arrears written-off	2.5	0.18%	1.9	0.11%
Loan impairments, after deducting the recovery of loans and interest in arrears written-off	**18.2**	**1.30%**	**31.7**	**1.88%**

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

At 31 December 2015, the ratio of Customer loans in arrears for more than 90 days stood at 4.2%. The provisioning coverage of loans in arrears for more than 90 days stood, at the end of December 2015, at 159%.

The credit at risk ratio, calculated in accordance with Bank of Portugal Instruction 23/2011, stood at 5.5% at the end of 2015. The accumulated impairment allowances in the balance sheet represented 122% of the credit at risk.

Loans in arrears for more than 90 days and impairments

	Dec.14		Dec.15	
	M.€	% of loan portfolio 1)	M.€	% of loan portfolio 1)
Loans in arrears (+90 days)	61.2	3.2%	66.8	4.2%
Credit at risk (consolidation perimeter IAS/IFRS)	84.9	4.4%	87.1	5.5%
Loans impairments (in the balance sheet)	86.7	4.5%	106.1	6.7%
Write offs (in the period)	16.5		7.3	
Note:				
Gross loan portfolio	1 910.8		1 592.2	

1) As % of the gross loan portfolio

Equity-accounted results of subsidiaries

In the international activity, the equity-accounted earnings of subsidiaries amounted to 10.3 M.€ em 2015 (-1.3 M.€ over 2014)[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 6.6%[2] yoy increase in net total assets. Customer deposits have grown by 2.7%[2] year-on-year, to 1 838 M.€ at the end of 2015, while the Customer loan portfolio decreased 1.8%[2] year-on-year, to 1 402 M.€. BCI market shares in deposits and loans, at the end of November 2015, reached 29.0% and 30.0%, respectively.

At the end of 2015, BCI served 1.3 million clients (+24.0% relative to December 2014) through a network of 191 branches (+23 than one year before), representing 31.1% of the total Mozambican banking system distribution network. The staff complement reached 3 009 Employees at the end of 2015 (+22.5% than in December 2014).

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1) BCI's total contribution to consolidated net profit was 10.6 M.€ in 2014 and 9.4 M.€ in 2015, given that, besides the equity-accounted results, deferred tax relating to the distributable earnings of BCI is recorded in the caption "Corporate income tax" (1.0 M.€ in 2014 and 0.9 M.€ in 2015).

2) Expressed in USD, net total assets decrease by 4.4%, deposits decrease by 7.8% and the loan portfolio decreases by 11.9%.

V. ANNEXES

Leading indicators

Amounts in M.€

	Domestic activity			International activity			Consolidated		
	Dec.14	**Dec.15**	**Chg.%**	**Dec.14**	**Dec.15**	**Chg.%**	**Dec.14**	**Dec.15**	**Chg.%**
Net income, efficiency and profitability									
Net income (as reported)	- 289.7	**93.1**	132.1%	126.1	**143.3**	13.6%	- 163.6	**236.4**	244.5%
Net income (as reported) per share (EPS)	-0.204	**0.064**	131.5%	0.089	**0.099**	11.3%	-0.115	**0.163**	241.6%
Weighted average number of shares [1]	1,422	**1,450**	2.0%	1,422	**1,450**	2.0%	1,422	**1,450**	2.0%
Efficiency ratio excl. non-recurring impacts [2]	79.4%	**73.7%**		34.7%	**33.6%**		61.6%	**56.2%**	
Return on average total assets (ROA)	-0.8%	**0.3%**		3.5%	**3.5%**		-0.1%	**0.9%**	
Return on Shareholders' equity (ROE)	-15.6%	**5.2%**		32.7%	**30.5%**		-7.3%	**10.4%**	
Balance sheet									
Net total assets [3]	34 846	**33 271**	(4.5%)	8 452	**8 022**	(5.1%)	42 629	**40 673**	(4.6%)
Loans to Customers	23 436	**22 788**	(2.8%)	1 833	**1 494**	(18.5%)	25 269	**24 282**	(3.9%)
Deposits	19 122	**18 777**	(1.8%)	7 396	**6 860**	(7.3%)	26 518	**25 637**	(3.3%)
On-balance sheet Customer resources	25 120	**25 009**	(0.4%)	7 396	**6 860**	(7.3%)	32 516	**31 869**	(2.0%)
Off-balance sheet Customer resources [4]	3 216	**4 474**	39.1%				3 216	**4 474**	39.1%
Total Customer resources [5]	28 004	**28 829**	2.9%	7 396	**6 860**	(7.3%)	35 401	**35 689**	0.8%
Loans to deposits ratio (Instruction 23/2011 BoP)	106%	**107%**		25%	**22%**		84%	**85%**	
Asset quality									
Loans in arrears for more than 90 days	947	**841**	(11.2%)	61	**67**	9.1%	1 008	**908**	(9.9%)
Ratio of loans in arrears [6]	3.9%	**3.6%**		3.2%	**4.2%**		3.8%	**3.6%**	
Impairments cover of loans in arrears [6]	104%	**108%**		142%	**159%**		107%	**112%**	
Credit at risk (consolidation perimeter IAS/IFRS) [7]	1 219	**1 071**	(12.1%)	85	**87**	2.6%	1 304	**1 158**	(11.2%)
Ratio of credit at risk (consolidation perimeter IAS/IFRS) [7]	5.0%	**4.5%**		4.4%	**5.5%**		5.0%	**4.6%**	
Impairments cover of credit at risk (consolidation perimeter IAS/IFRS) [7]	81%	**85%**		102%	**122%**		82%	**87%**	
Cost of credit risk [8]	0.66%	**0.38%**		1.30%	**1.88%**		0.70%	**0.48%**	
Pension liabilities									
Employees pension liabilities	1 278	**1 280**	0.1%				1 278	**1 280**	0.1%
Employees pension funds assets	1 249	**1 392**	11.5%				1 249	**1 392**	11.5%
Cover of pension obligations [9]	98%	**109%**					98%	**109%**	
Capital									
Shareholders' equity and minority interests	1 669	**1 930**	15.6%	876	**906**	3.4%	2 546	**2 835**	11.4%
CRD IV/CRR phasing in									
Common Equity Tier I							2 530 [10]	**2 574**	
Risk weighted assets							24 811 [10]	**23 294**	
Common Equity Tier I ratio							10.2% [10]	**11.1%**	
Leverage ratio							5.9% [10]	**6.9%**	
LCR = Liquidity coverage ratio							124%	**113%**	
NSFR = Net Stable Funding Ratio							100%	**104%**	
CRD IV/CRR fully implemented									
Common Equity Tier I							2 119 [10]	**2 313**	
Risk weighted assets							24 675 [10]	**23 244**	
Common Equity Tier I ratio							8.6% [10]	**10.0%**	
Leverage ratio							5.2% [10]	**6.4%**	
LCR = Liquidity coverage ratio							124%	**113%**	
NSFR = Net Stable Funding Ratio							99%	**104%**	
Distribution network and staff									
Distribution network [11]	649	**597**	(8.0%)	186	**191**	2.7%	835	**788**	(5.6%)
BPI Group staff [12]	5 962	**5 899**	(1.1%)	2 544	**2 630**	3.4%	8 506	**8 529**	0.3%

1) Average outstanding number of shares, deducted of treasury stock.
2) Operating costs as % of net operating revenue.
3) The total assets for each of the geographical segments presented above has not been corrected for the balances resulting from operations between these segments.
4) Unit trust funds, PPR and PPA (excludes pension funds).
5) Corrected for double counting: placements of unit trust funds managed by BPI in the Group's deposits, structured products and unit trust funds.
6) Loans in arrears for more than 90 days.
7) Calculated in accordance with credit at risk definition of Bank of Portugal Instruction 23/2011 and considering the IAS /IFRS consolidation perimeter which results in the consolidation in full of BPI Vida e Pensões (whereas in Bank of Portugal supervision perimeter that subsidiary is recognised using the equity method).The credit at risk is the sum of: (1) the total amount outstanding on a loan in respect of which there are instalments of principal or interest in arrears for 90 days or more; (2) the total amount outstanding on loans which have been restructured, after having been in arrears for a period of 90 days or more, without adequate reinforcement of guarantees (these should be sufficient to cover the full amount of the outstanding principal and interest) or full payment of interest and other charges in arrears; (3) the total value of loans with instalments of principal and accrued interest in arrears for less than 90 days but in respect of
8) Loan impairments in the period (P&L account), net of arrear loans recovered, as percentage of the average performing loan portfolio.
9) Cover of pension obligations by the pension funds assets.
10) Proforma figures considering the adherence to the special regime applicable to deferred tax assets (DTA) and the change to the risk weightings applied to Banco BPI's indirect exposure to the Angolan State and to BNA.
11) Includes traditional branches, housing shops, investment centres, corporate centres, Institutionals and one Project Finance centre. Domestic activity distribution network includes branches in Paris (11 branches at Dec. 15).
12) Excludes temporary workers.

Consolidated income statement

Amounts in M.€

	2014					2015					Chg.% 2014 / 2015
	1Q	2Q	3Q	4Q	**2014**	1Q	2Q	3Q	4Q	**2015**	
Net interest income (narrow sense)	105.6	115.1	134.3	130.3	**485.3**	147.4	164.9	153.9	158.3	**624.6**	28.7%
Unit linked gross margin	0.9	1.1	1.3	1.7	**5.0**	2.2	3.2	3.7	3.9	**13.0**	157.8%
Income from securities (variable yield)	0.1	3.3	0.1	0.1	**3.6**	0.0	3.6	0.0	1.1	**4.7**	31.2%
Commissions related to deferred cost (net)	5.4	5.1	4.9	5.2	**20.5**	4.6	5.3	4.7	6.6	**21.1**	3.1%
Net interest income	**112.0**	**124.5**	**140.7**	**137.2**	**514.5**	**154.2**	**177.0**	**162.3**	**169.9**	**663.4**	**29.0%**
Technical results of insurance contracts	6.9	8.0	9.0	10.5	**34.4**	10.6	8.8	8.2	4.2	**31.8**	(7.5%)
Commissions and other similar income (net)	71.7	75.2	83.8	81.5	**312.2**	73.9	81.5	81.7	87.6	**324.7**	4.0%
Gains and losses in financial operations	(91.7)	34.4	44.0	38.2	**24.9**	47.6	47.8	58.3	41.0	**194.6**	n.s.
Operating income and charges	(4.1)	(8.4)	(6.1)	(9.6)	**(28.2)**	(6.1)	(8.0)	(3.1)	(15.3)	**(32.6)**	(15.6%)
Net operating revenue	**94.8**	**233.8**	**271.4**	**257.7**	**857.7**	**280.2**	**307.1**	**307.3**	**287.4**	**1 181.9**	**37.8%**
Personnel costs, excluding costs with early-retirements	89.8	91.5	94.0	94.8	**370.1**	94.2	94.9	94.8	94.9	**378.8**	2.3%
Outside supplies and services	59.4	61.6	62.7	54.5	**238.2**	62.6	64.4	60.7	61.5	**249.2**	4.6%
Depreciation of fixed assets	7.6	7.4	7.8	8.0	**30.8**	8.7	8.8	8.7	9.9	**36.1**	17.4%
Operating costs, excluding costs with early-retirements	156.8	160.5	164.5	157.2	**639.1**	165.5	168.1	164.2	166.2	**664.1**	3.9%
Costs with early-retirements			26.1	6.3	**32.5**			4.6	1.9	**6.5**	(80.0%)
Operating costs	**156.8**	**160.5**	**190.7**	**163.6**	**671.5**	**165.5**	**168.1**	**168.8**	**168.1**	**670.6**	**(0.1%)**
Operating profit before provisions	**(62.0)**	**73.3**	**80.8**	**94.2**	**186.2**	**114.7**	**138.9**	**138.5**	**119.2**	**511.3**	**174.6%**
Recovery of loans written-off	4.3	4.2	3.9	4.0	**16.5**	3.5	4.3	6.5	3.9	**18.2**	10.2%
Loan provisions and impairments	45.3	54.7	41.2	51.9	**193.2**	36.6	50.3	26.5	23.6	**137.0**	(29.1%)
Other impairments and provisions	3.4	2.9	9.2	29.7	**45.3**	7.4	8.6	2.0	1.5	**19.5**	(56.9%)
Profits before taxes	**(106.4)**	**19.8**	**34.3**	**16.6**	**(35.8)**	**74.2**	**84.2**	**116.5**	**98.0**	**372.9**	**n.s.**
Corporate income tax	(22.7)	4.4	16.6	32.4	**30.7**	15.4	10.1	12.1	(8.5)	**29.1**	(5.0%)
Equity-accounted results of subsidiaries	5.3	6.1	8.1	6.6	**26.1**	5.4	7.3	10.4	10.3	**33.4**	28.0%
Minority shareholders' share of profit	26.4	23.3	33.5	40.1	**123.3**	33.4	36.1	40.1	31.3	**140.8**	14.3%
Net Income	**(104.8)**	**(1.8)**	**(7.7)**	**(49.3)**	**(163.6)**	**30.9**	**45.3**	**74.8**	**85.4**	**236.4**	**n.s.**

n

.s. – non-significant.

Consolidated balance sheet

Amounts in M.€

	31 Dec.14	31 Dec.15	Chg.%
Assets			
Cash and deposits at central banks	1 894.2	2 728.2	44.0%
Amounts owed by credit institutions repayable on demand	380.5	612.1	60.9%
Loans and advances to credit institutions	2 588.8	1 230.0	(52.5%)
Loans and advances to Customers	25 269.0	24 281.6	(3.9%)
Financial assets held for dealing	3 017.7	3 674.6	21.8%
Financial assets available for sale	7 525.8	6 509.4	(13.5%)
Financial assets held to maturity	88.4	22.4	(74.6%)
Hedging derivatives	148.7	91.3	(38.6%)
Investments in associated companies and jointly controlled entities	213.0	210.4	(1.2%)
Investment properties[1)]	154.8		(100.0%)
Non-current assets held for sale	11.6		(100.0%)
Other tangible assets	204.2	195.1	(4.5%)
Intangible assets	24.9	29.1	17.1%
Tax assets	422.5	420.2	(0.5%)
Other assets	684.8	668.8	(2.3%)
Total assets	**42 628.9**	**40 673.3**	**(4.6%)**
Liabilities and shareholders' equity			
Resources of central banks	1 561.2	1 520.7	(2.6%)
Financial liabilities held for dealing	326.8	294.3	(9.9%)
Credit institutions' resources	1 372.4	1 311.8	(4.4%)
Customers' resources and other loans	28 134.6	28 177.8	0.2%
Debts evidenced by certificates	2 238.1	1 077.4	(51.9%)
Technical provisions	4 151.8	3 663.1	(11.8%)
Financial liabilities associated to transferred assets	1 047.7	689.5	(34.2%)
Hedging derivatives	327.2	161.6	(50.6%)
Provisions	107.3	99.9	(7.0%)
Tax liabilities	42.6	92.0	115.9%
Contingently convertible subordinated bonds			
Other subordinated loans	69.5	69.5	(0.0%)
Other liabilities	703.8	680.2	(3.4%)
Share capital	1 293.1	1 293.1	
Share premium account and reserves	1 006.5	885.0	(12.1%)
Other equity instruments	5.3	5.2	(1.4%)
Treasury stock	(13.8)	(12.8)	7.5%
Net profit	(163.6)	236.4	244.5%
Shareholders' equity attributable to the shareholders of BPI	2 127.4	2 406.9	13.1%
Minority interests	418.3	428.6	2.5%
Shareholders' equity	**2 545.6**	**2 835.5**	**11.4%**
Total liabilities and shareholders' equity	**42 628.9**	**40 673.3**	**(4.6%)**

1) According to IFRS10, in 2014 Banco BPI began to consolidate using the full consolidation method the stakes in the unit trust funds BPI Obrigações Mundiais, in Imofomento and in the BPI Strategies.

Domestic activity income statement

Amounts in M.€

	2014					2015					Chg.% 2014 / 2015
	1Q	2Q	3Q	4Q	**2014**	1Q	2Q	3Q	4Q	**2015**	
Net interest income (narrow sense)	57.1	60.9	66.7	64.0	**248.7**	70.7	79.9	81.1	84.7	**316.4**	27.2%
Unit linked gross margin	0.9	1.1	1.3	1.7	**5.0**	2.2	3.2	3.7	3.9	**13.0**	157.8%
Income from securities (variable yield)	0.1	3.3	0.1	0.1	**3.6**	0.0	3.6	0.0	1.1	**4.7**	31.2%
Commissions related to deferred cost (net)	5.4	5.0	4.8	5.2	**20.4**	4.6	5.3	4.7	6.6	**21.1**	3.5%
Net interest income	**63.5**	**70.3**	**73.0**	**71.0**	**277.7**	**77.5**	**91.9**	**89.5**	**96.3**	**355.2**	**27.9%**
Technical results of insurance contracts	6.9	8.0	9.0	10.5	**34.4**	10.6	8.8	8.2	4.2	**31.8**	(7.5%)
Commissions and other similar income (net)	58.4	62.7	61.9	63.2	**246.3**	60.1	64.5	64.2	67.2	**255.9**	3.9%
Gains and losses in financial operations	(120.1)	7.2	13.4	6.7	**(92.7)**	16.2	6.3	10.9	14.6	**47.9**	n.s.
Operating income and charges	(3.4)	(3.4)	(3.5)	(6.6)	**(16.9)**	(2.7)	(2.7)	(2.2)	(17.1)	**(24.7)**	(45.9%)
Net operating revenue	**5.3**	**144.9**	**153.8**	**144.8**	**448.8**	**161.8**	**168.8**	**170.5**	**165.1**	**666.2**	**48.4%**
Personnel costs, excluding costs with early-retirements	74.8	74.5	76.6	76.2	**302.1**	73.4	74.1	73.2	73.1	**293.8**	(2.8%)
Outside supplies and services	45.7	46.7	46.5	39.5	**178.5**	44.6	45.9	44.6	42.3	**177.3**	(0.7%)
Depreciation of fixed assets	4.2	4.0	4.1	4.3	**16.7**	4.6	4.6	5.1	5.5	**19.8**	18.5%
Operating costs, excluding costs with early-retirements	124.7	125.2	127.2	120.0	**497.2**	122.5	124.6	122.9	120.8	**490.8**	(1.3%)
Costs with early-retirements			26.1	6.3	**32.5**			4.6	1.9	**6.5**	(80.0%)
Operating costs	**124.7**	**125.2**	**153.3**	**126.4**	**529.7**	**122.5**	**124.6**	**127.5**	**122.7**	**497.3**	**(6.1%)**
Operating profit before provisions	**(119.5)**	**19.6**	**0.5**	**18.5**	**(80.9)**	**39.3**	**44.2**	**43.0**	**42.3**	**168.8**	**n.s.**
Recovery of loans written-off	3.9	3.6	3.2	3.3	**14.0**	3.0	3.8	6.0	3.5	**16.2**	16.3%
Loan provisions and impairments	42.1	51.9	34.0	44.4	**172.5**	33.4	35.4	21.7	12.9	**103.4**	(40.1%)
Other impairments and provisions	2.6	2.2	8.5	24.6	**37.9**	6.5	7.7	1.1	0.6	**15.9**	(58.0%)
Profits before taxes	**(160.3)**	**(31.0)**	**(38.8)**	**(47.1)**	**(277.3)**	**2.4**	**4.9**	**26.2**	**32.3**	**65.8**	**n.s.**
Corporate income tax	(29.4)	1.3	8.0	46.5	**26.3**	8.4	1.0	(0.4)	(13.1)	**(4.2)**	n.s.
Equity-accounted results of subsidiaries	3.6	4.1	5.6	1.2	**14.6**	4.1	4.7	5.6	8.8	**23.1**	59.0%
Minority shareholders' share of profit	1.8	(1.2)	0.2	(0.2)	**0.7**	0.0	0.0	0.0	0.0	**0.0**	(93.6%)
Net Income	**(129.2)**	**(27.0)**	**(41.3)**	**(92.2)**	**(289.7)**	**(2.0)**	**8.6**	**32.3**	**54.2**	**93.1**	**n.s.**

n.s. – non-significant.

Domestic activity balance sheet

Amounts in M.€

	31 Dec.14	31 Dec.15	Chg.%
Assets			
Cash and deposits at central banks	439.9	997.7	126.8%
Amounts owed by credit institutions repayable on demand	364.5	434.4	19.2%
Loans and advances to credit institutions	1 208.9	732.5	(39.4%)
Loans and advances to Customers	23 436.0	22 788.1	(2.8%)
Financial assets held for dealing	2 803.6	3 147.1	12.3%
Financial assets available for sale	4 862.1	3 723.0	(23.4%)
Financial assets held to maturity	88.4	22.4	(74.6%)
Hedging derivatives	148.7	91.3	(38.6%)
Investments in associated companies and jointly controlled entities	158.2	146.1	(7.6%)
Investment properties[1)]	154.8		(100.0%)
Non-current assets held for sale	11.6		(100.0%)
Other tangible assets	62.4	66.0	5.8%
Intangible assets	22.1	25.5	15.4%
Tax assets	413.8	411.0	(0.7%)
Other assets	671.4	685.9	2.2%
Total assets	**34 846.3**	**33 271.0**	**(4.5%)**
Liabilities and shareholders' equity			
Resources of central banks	1 561.2	1 520.7	(2.6%)
Financial liabilities held for dealing	324.5	268.6	(17.2%)
Credit institutions' resources	2 007.2	1 895.7	(5.6%)
Customers' resources and other loans	20 685.7	21 264.8	2.8%
Debts evidenced by certificates	2 238.1	1 077.4	(51.9%)
Technical provisions	4 151.8	3 663.1	(11.8%)
Financial liabilities associated to transferred assets	1 047.7	689.5	(34.2%)
Hedging derivatives	327.2	161.6	(50.6%)
Provisions	76.0	73.5	(3.3%)
Tax liabilities	25.5	51.3	101.3%
Contingently convertible subordinated bonds			
Other subordinated loans	69.5	69.5	(0.0%)
Other liabilities	662.3	605.6	(8.6%)
Shareholders' equity attributable to the shareholders of BPI	1 667.6	1 927.8	15.6%
Minority interests	1.8	1.8	(0.2%)
Shareholders' equity	**1 669.4**	**1 929.6**	**15.6%**
Total liabilities and shareholders' equity	**34 846.3**	**33 271.0**	**(4.5%)**

Note: The balance sheet relating to domestic operations presented above has not been corrected for the balances resulting from operations with the "International Operations" geographical segment.

1) According to IFRS10, in 2014 Banco BPI began to consolidate using the full consolidation method the stakes in the unit trust funds BPI Obrigações Mundiais, in Imofomento and in the BPI Strategies.

International activity income statement

Amounts in M.€

	2014					2015					Chg.% 2014 / 2015
	1Q	2Q	3Q	4Q	**2014**	1Q	2Q	3Q	4Q	**2015**	
Net interest income (narrow sense)	48.5	54.2	67.6	66.3	**236.6**	76.7	85.1	72.8	73.6	**308.2**	30.2%
Unit linked gross margin											
Income from securities (variable yield)									0.0	**0.0**	
Commissions related to deferred cost (net)	0.0	0.0	0.1	(0.1)	**0.1**	0.0				**0.0**	(95.3%)
Net interest income	**48.6**	**54.2**	**67.7**	**66.2**	**236.7**	**76.7**	**85.1**	**72.8**	**73.6**	**308.2**	**30.2%**
Technical results of insurance contracts											
Commissions and other similar income (net)	13.3	12.5	21.9	18.2	**65.9**	13.8	17.0	17.5	20.4	**68.7**	4.3%
Gains and losses in financial operations	28.4	27.2	30.6	31.5	**117.6**	31.3	41.5	47.4	26.4	**146.7**	24.8%
Operating income and charges	(0.7)	(5.0)	(2.6)	(3.0)	**(11.3)**	(3.5)	(5.3)	(1.0)	1.8	**(7.9)**	29.7%
Net operating revenue	**89.5**	**88.9**	**117.6**	**112.9**	**408.9**	**118.4**	**138.3**	**136.8**	**122.3**	**515.7**	**26.1%**
Personnel costs	15.0	17.0	17.5	18.6	**68.0**	20.8	20.8	21.6	21.8	**85.0**	25.0%
Outside supplies and services	13.7	14.8	16.2	15.0	**59.7**	18.1	18.6	16.1	19.2	**71.9**	20.4%
Depreciation of fixed assets	3.4	3.4	3.6	3.6	**14.1**	4.1	4.2	3.6	4.4	**16.4**	16.1%
Operating costs	**32.1**	**35.3**	**37.3**	**37.2**	**141.8**	**43.0**	**43.5**	**41.3**	**45.4**	**173.3**	**22.2%**
Operating profit before provisions	**57.4**	**53.6**	**80.3**	**75.7**	**267.1**	**75.4**	**94.7**	**95.4**	**76.9**	**342.4**	**28.2%**
Recovery of loans written-off	0.4	0.7	0.8	0.7	**2.5**	0.5	0.5	0.5	0.4	**1.9**	(23.7%)
Loan provisions and impairments	3.2	2.8	7.2	7.5	**20.7**	3.2	15.0	4.8	10.6	**33.6**	62.2%
Other impairments and provisions	0.7	0.7	0.8	5.2	**7.4**	0.9	0.9	0.9	0.9	**3.6**	(51.1%)
Profits before taxes	**53.9**	**50.8**	**73.1**	**63.7**	**241.5**	**71.8**	**79.3**	**90.2**	**65.7**	**307.1**	**27.2%**
Corporate income tax	6.6	3.2	8.6	(14.1)	**4.3**	7.0	9.2	12.5	4.7	**33.3**	n.s.
Equity-accounted results of subsidiaries	1.6	2.0	2.5	5.4	**11.6**	1.4	2.6	4.8	1.5	**10.3**	(11.1%)
Minority shareholders' share of profit	24.5	24.5	33.3	40.3	**122.6**	33.4	36.1	40.0	31.3	**140.8**	14.8%
Net Income	**24.4**	**25.2**	**33.6**	**43.0**	**126.1**	**32.8**	**36.7**	**42.5**	**31.2**	**143.3**	**13.6%**

International activity balance sheet

Amounts in M.€

	31 Dec.14	31 Dec.15	Chg.%
Assets			
Cash and deposits at central banks	1 454.3	1 730.5	19.0%
Amounts owed by credit institutions repayable on demand	57.6	345.3	500.0%
Loans and advances to credit institutions	2 002.6	914.0	(54.4%)
Loans and advances to Customers	1 833.0	1 493.6	(18.5%)
Financial assets held for dealing	214.1	527.5	146.3%
Financial assets available for sale	2 663.7	2 786.4	4.6%
Financial assets held to maturity			
Hedging derivatives			
Investments in associated companies and jointly controlled entities	54.8	64.3	17.4%
Investment properties			
Non-current assets held for sale			
Other tangible assets	141.8	129.1	(9.0%)
Intangible assets	2.8	3.7	30.2%
Tax assets	8.7	9.2	5.4%
Other assets	18.3	18.1	(1.3%)
Total assets	**8 451.7**	**8 021.7**	**(5.1%)**
Liabilities and shareholders' equity			
Resources of central banks			
Financial liabilities held for dealing	2.3	25.7	n.s.
Credit institutions' resources	29.4	0.3	(98.9%)
Customers' resources and other loans	7 448.9	6 913.0	(7.2%)
Debts evidenced by certificates			
Technical provisions			
Financial liabilities associated to transferred assets			
Hedging derivatives			
Provisions	31.3	26.4	(15.8%)
Tax liabilities	17.1	40.8	137.7%
Contingently convertible subordinated bonds			
Other subordinated loans			
Other liabilities	46.4	109.7	136.4%
Shareholders' equity attributable to the shareholders of BPI	459.8	479.0	4.2%
Minority interests	416.5	426.8	2.5%
Shareholders' equity	**876.2**	**905.9**	**3.4%**
Total liabilities and shareholders' equity	**8 451.7**	**8 021.7**	**(5.1%)**

Note:
The balance sheet relating to international operations presented above has not been corrected for the balances resulting from operations with the “Domestic Operations” geographical segment.

Profitability, efficiency, loan quality and solvency
Consolidated indicators according to the Bank of Portugal Notice 23/2011

	31 Dec.14	31 Dec.15
Net operating revenue and results of equity accounted subsidiaries / ATA	2.1%	2.9%
Profit before taxation and minority interests / ATA	0.0%	1.0%
Profit before taxation and minority interests / average shareholders' equity (including minority interests)	-0.4%	15.1%
Personnel costs / net operating revenue and results of equity accounted subsidiaries [1]	41.9%	31.2%
Operating costs / net operating revenue and results of equity accounted subsidiaries [1]	72.3%	54.6%
Loans in arrears for more than 90 days + doubtful loans / loan portfolio (gross)	4.3%	3.9%
Loans in arrears for more than 90 days + doubtful loans, net of accumulated loan impairments / loan portfolio (net)	0.1%	-0.2%
Non-performing loans ratio [2]	5.4%	4.9%
Non-performing loans ratio [2], net of accumulated loan impairments / loan portfolio (net)	1.2%	0.8%
Restructured loans as % of total loans[3]	6.9%	6.6%
Restructured loans not included in non-performing loans ("credit at risk") as % of total loans[3]	4.6%	4.6%
Total capital ratio (according to Bank of Portugal rules)	11.8% 4)	11.1% 5)
Tier I (according to Bank of Portugal rules)	11.8% 4)	11.1% 5)
Core Tier I	11.8% 4)	11.1% 5)
Loans (net) to deposits ratio	84%	85%

1) Excluding early-retirement costs.

2) The credit at risk is the sum of: (1) the total amount outstanding on a loan in respect of which there are instalments of principal or interest in arrears for 90 days or more; (2) the total amount outstanding on loans which have been restructured, after having been in arrears for a period of 90 days or more, without adequate reinforcement of guarantees (these should be sufficient to cover the full amount of the outstanding principal and interest) or full payment of interest and other charges in arrears; (3) the total value of loans with instalments of principal and accrued interest in arrears for less than 90 days but in respect of which there is evidence to justify their classification as credit-at-risk, namely the debtor's bankruptcy or winding up.

3) According to Bank of Portugal Instruction 32/2013.

4) According to CRD IV/CRR phasing in rules for 2014.

5) According to CRD IV/CRR phasing in rules for 2015.

ATA = Average total assets.