ATLANTICO EUROPA
ANNUAL
REPORT
2011

ATLANTICO

ATLANTICO

INDEX

MANAGEMENT | REPORT

KEY INDICATORS

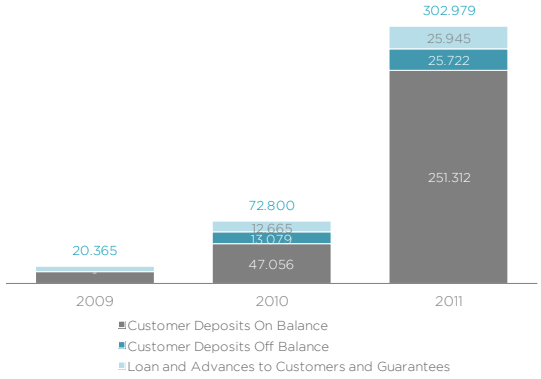
	2009 [1]	2010	2011	Absolute Variation	Var. % 11/10
Total Net Assets	34.182	68.177	298.808	230.631	338,3%
Turnover	20.365	72.800	302.979	230.179	316,2%
Loans and Advances to Customers	6.186	12.515	25.017	12.502	99,9%
Customer Deposits On Balance	14.178	47.056	251.312	204.256	434,1%
Customer Deposits Off Balance	-	13.079	25.722	12.643	96,7%
Guarantees	-	150	928	778	518,7%
Turnover per Employee	566	1.583	6.060	4.477	282,9%
Transformation Ratio	43,6%	26,6%	10,0%		
Ratio Loans Sold/Loans and advances to customers	0,0%	0,0%	0,0%		
Ratio Provisions / Loans and advances to customers	0,7%	0,5%	1,7%		
Operating Income	1.722	5.225	6.725	1.500	28,7%
Of which:					
Net Interest Income	107	369	2.774	2.405	651,8%
Fees Banking and Interm. Op. Fin.	12	91	1.186	1.095	1203,3%
Investment Banking Fees	1.598	4.682	2.575	(2.107)	-45,0%
Other Operations	5	83	190	107	128,6%
Operating Income per Employee	48	114	135	21	18,4%
Profit/Loss for the Year	(1.175)	(1.495)	(1.403)	92	6,1%
Cost to Income (1)	176,6%	133,6%	114,1%		
Net position	18.075	19.320	45.927	26.608	137,7%
Own Funds Basis	17.885	18.758	45.215	26.457	141,0%
Own Funds Requirements	1.070	1.400	9.799	8.399	600,1%
RWA	13.375	17.500	122.489	104.989	599,9%
Solvency Ratio	134,1%	107,5%	36,9%		
ROA	-3,4%	-2,2%	-0,5%		
ROE	-6,5%	-7,7%	-3,1%		
Number of Customers	64	192	446	254	132,3%
Number of Employees	36	46	50	10	27,8%

(1) Operating Costs / Operating Income

1) for the period from the start of business, 22 June, to 31 December

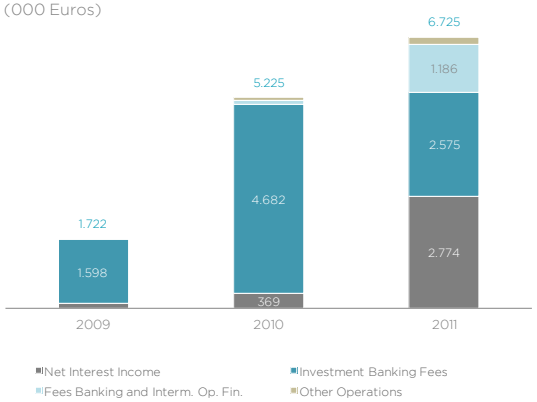
Turnover

(000 Euro)

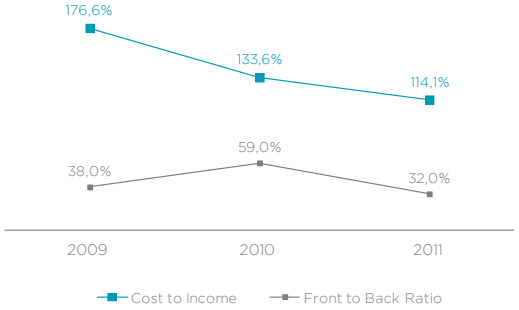


Operating Income

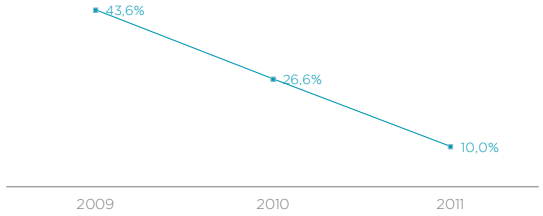
(000 Euros)



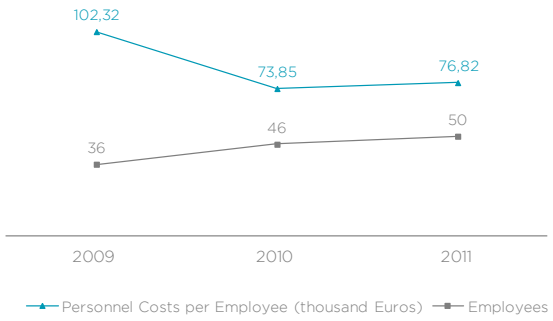
Efficiency Ratios



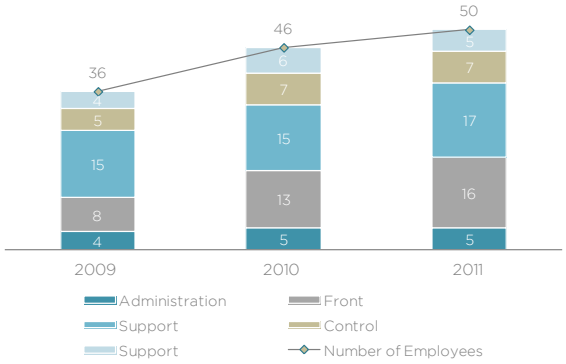
Transformation Ratio



Employees vs. Costs



Employees



MENSAGE FROM THE CEO

The year 2011 was marked by the recognition of the strategic strength and consistency of ATLANTICO Europa.

Despite the adverse international environment, especially in the eurozone, the bank's performance reflected the customers' and shareholders' confidence in the positioning of the institution, translated by strong growth in assets, number of customers and operating income, along with maintenance of key financial soundness indicators at conservative levels.

In a dynamic of alignment with key strategic partners, ATLANTICO Europa continued to strengthen the support and promotion of business and economic relations between Angola and its international counterparts by monitoring and supporting trade and financial flows.

ATLANTICO Europa continued to extend its range of products and services, significantly enhancing its ability to meet the needs of the growing customer base. It became a member of the TARGET2 clearing platform. 2011 was also the year when ATLANTICO Europa posted a positive net income on a quarterly basis.

At year end, shareholders increased ATLANTICO Europa's capital in order to strengthen the competitive position of the bank both domestically and internationally, supporting the pace of development of activities and creating the appropriate foundations for expanding the range of solutions, products and services offered.

ATLANTICO Europa invests and will continue to invest constantly in the training of young Angolan staff through internal initiatives, programmes to support the attainment of academic degrees and through an extensive on-the-job training programme.

2012 promises to be challenging in terms of maintaining the pace of growth that has characterised the bank's performance since start-up within an European environment of increased uncertainty. It will certainly be a year of consolidation of the institution's position in the market segments in which it operates.

Finally, an expression of thanks to all shareholders, customers, employees and partners of ATLANTICO Europa, without whom it would not be possible to build a strategy of value creation and sustainable growth.

André Navarro
Chief Executive Officer

CORPORATE BODIES

Board of Directors

Chairman
Carlos José da Silva
Vice-Chairman
Baptista Muhongo Sumbe
Executive Chairman
André Navarro
Executive Directors
Augusto Costa Ramiro Baptista
Maria da Conceição Mota Soares de Oliveira
Callé Lucas (resigned on 27/02/2012)
Maria da Graça Ferreira Proença de Carvalho
Isménio Macedo
(took office on 09/11/2011)
José Jacinto Iglésias Soares
(resigned on 18/04/2011)

Audit Committee

Chairman
Mário Jorge Carvalho de Almeida
Permanet Members
Nuno João F. S. Oliveira Silvério Marques
(resigned on 23/02/2011)
Mário Jorge de Faria da Cruz
Alternate Member
João Maria Francisco Wanassi

External Auditor

Auditor
DELOITTE & ASSOCIADOS, SROC, S.A. represented by Eduardo Manuel Fonseca Moura

Substitute
Carlos Luís Oliveira de Melo Loureiro

General Meeting Board

Chairman
Paulo Manuel da Conceição Marques

Vice-Chairman
António Assis de Almeida

Secretary
Rute Susana Martins dos Santos

Company Secretary

Permanet
Rute Susana Martins dos Santos

Substitute
Vanessa Pinto Rodrigues Santos Ferreira

MACROECONOMIC FRAMEWORK

International Economy

The year 2011 was marked by a relapse in the economic recovery established during the previous year. According to the International Monetary Fund (IMF), the world economy grew 3.8%, compared to 5.2% in 2010. Developed economies have been the most affected, cutting by half the pace of expansion over the previous year (1.6% v 3.2%).

There were several events that jointly caused the performance of the major developed economies to lag behind forecasts, contrary to more optimistic expectations that marked the beginning of the year. In Japan, the major earthquake in the eastern region and the consequent nuclear accident at Fukushima had a negative impact on economic activity, caused by the massive destruction of production facilities. In the U.S., growth indicators remained below expectations, reflecting unexpectedly faint-hearted private consumption (the main pillar of U.S. economic growth, accounting for about two thirds of GDP). Finally, the second half of the year was totally dominated by the progressive aggravation of the sovereign debt crisis in the eurozone and the growing fear that its effects could spread to other economic blocs.

Added to this are the direct and indirect impacts of geopolitical tension that surfaced in various parts of the globe.

First, the implosion of the Arab Spring, which began in Tunisia and rapidly spread to other countries in the region, such as Egypt, Syria and Libya, with political and economic implications insofar as it affected oil producing countries. More recently, in Iran, the nuclear development programme provoked a reaction within the international community that culminated in an embargo on Iranian exports, again with implications for oil supply.

In this context of increased turbulence and uncertainty, economic growth forecasts were successively revised downwards by major international organisations. In the last Economic Outlook (January 2012), the IMF confirmed that the risks to economic activity increased significantly in the last quarter of 2011 and emphasised the role of the crisis in the eurozone as the main risk factor for international economic performance. Looking in more detail by region, we find that the effects of the crisis were and are disparate in regional terms.

The U.S. grew by 1.8%, according to the IMF, with 2011 beginning with a below-par performance in terms of private consumption, which resulted in a weak performance in terms of economic growth. An erosion of purchasing power generated by rising fuel prices and a sense of uncertainty associated with the conflicts that, in the first half of the year, struck oil producing regions contributed to this scenario. Later, difficulty in reaching political consensus on the extension of the debt ceiling, the subsequent downgrade by Standard & Poor's and the threat of a similar decision by the other major credit-rating agencies, brought increased pressure to bear on levels of confidence among economic agents. Similarly, the declines observed in stock markets and fears of contagion in the European crisis limited the propensity to consume. For all these reasons, and in a context of fiscal tightening, the options for stimulating growth proved limited.

In 2011, the eurozone grew 1.6%, benefiting from an expansion of 3% in Germany, while the economies most directly affected by the budget crisis presented a performance under 1%, and in some cases negative.

In fact, the precipitation of developments related to budgetary sustainability in the region were a major catalyst for the negative sentiment that was felt in the past year, particularly in the last semester, which derailed expectations that private demand would act as an engine of growth in 2011.

This was due to the unexpected spread of the sovereign debt crisis in Europe. The crisis which began in Greece and quickly spread to Portugal and Ireland threatening bigger countries had an impact on the financial system, causing significant losses in key asset markets with higher volatility and increasing the degree of risk aversion. This situation had a negative impact on the balance sheets of the banks, negatively affecting credit and consequently the funding of the real economy, with direct implications for the economic performance of the respective countries.

Successive attempts by European leaders to generate solutions to control the situation, delays in presenting alternatives and decision-making, which were designed to prevent the spread of the crisis, have contributed further to the deterioration of market sentiment. Meanwhile, restrictive fiscal policies in the countries hardest hit by the crisis led their respective economies into scenarios of negative growth, and the region into a situation of recession in the last months of the year.

Japan presented a real growth rate of -0.9%, compared with 4.4% growth during the previous year, making it one of the developed economies with the most disappointing performance. This performance directly reflects the effects of the earthquake in March 2011, which abruptly stopped the ongoing process of recovery and had global implications.

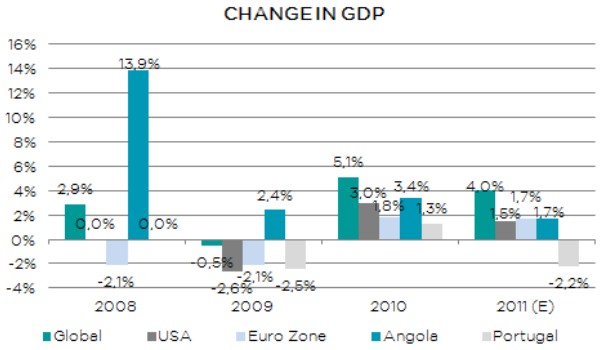
The aftermath of the earthquake revealed destruction of productive capacity and the emergence of a nuclear crisis causing disruptions to energy supply, with a knock-on effect in other productive activities not directly affected by the earthquake. In this context, the forecasts for positive growth for the first quarter of 2011 were dashed, a negative performance was reported, with consequences in terms of capital destruction, which spread to the subsequent quarters, although attenuated in recent months by the reconstruction effort, which in itself is also a stimulus to the economy.

Emerging economies have jointly demonstrated stronger performance than developed economies, with a GDP growth rate of 6.2%, but below the 7% witnessed in the previous year.

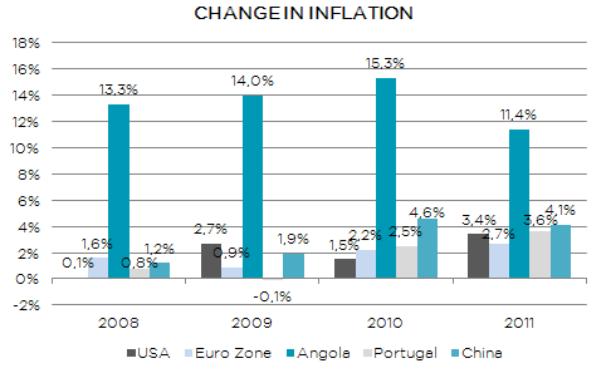
This means that emerging economies were not immune to the deteriorating economic conditions in the major economic blocs, even though the different regions have been affected differently. The emerging Asian bloc performed more strongly, showing a growth of 7.9%, benefiting from expansion of 9% in China. The Sub-Saharan Africa region grew by 4.9%, decelerating from the 5.5% recorded the previous year.

In a context of worldwide economic slowdown, along with geopolitical risks in various parts of the world, commodity prices entered a correction process throughout 2011, being one of the vehicles of contagion for emerging economies exporting these goods. Moreover, the sentiment of increased risk aversion among international investors resulted in a lesser propensity to invest, both in terms of direct investment and in terms of portfolio investment, thus penalising these economies.

This is especially true of China, which, in a context of economic overheating and inflationary pressure, adopted a less expansionary monetary policy. Even so, growth rates remained high in the international context, albeit decelerating.



Source: IMF, Bloomberg, MOF



Source: IMF, Bloomberg, MOF

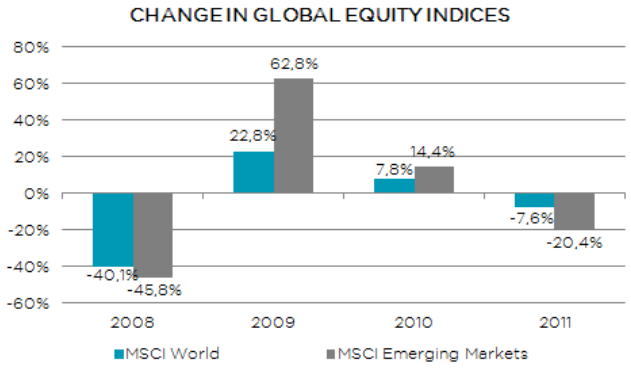
Stock Market

Most stock market indices performed poorly in 2011, reflecting the deterioration of economic and financial conditions throughout the year. Firstly, disappointing U.S. economic growth and fears that the world's largest economy would slip into recession were of particular importance. The Federal Reserve indicated that it was considering adopting measures of monetary stimulus to the economy and confirmed the maintenance of interest rates at record low levels for a long period of time. Likewise, a possible breach of U.S. sovereign debt was also on the table, due to lack of agreement in Congress about the cumulative increase in the public expenditure ceiling.

In Europe, the performance of stock market indices was even more disappointing than in the U.S. In fact, on that continent, risk aversion was felt even more strongly due to the worsening situation of the sovereign debt crisis and successive European Summits, which failed to generate comprehensive solutions to the crisis that would prevent it from spreading.

These falls witnessed throughout the year stopped or were even reversed at the end of the year, but that proved insufficient to reverse the scenario of accumulated losses. The MSCI World Index lost 7.6% in the year, reversing the trend of gains of the previous two years. By regions, the DJI finished 2011 with a gain of 5.5% but NASDAQ lost 2.7%.

In Europe, most indices ended with double digit losses. EUROSTOXX 50 lost 17.5% and the DAX devalued 15%. Japan's NIKKEI 225 did not escape this wave of falls, losing 18.35% of its value. It should also be noted that emerging marketplaces, typically the more volatile, were relatively more penalised by the sentiment of risk aversion. The MSCI Emerging Markets Index lost 20.4% in 2011.



Source: IMF, Bloomberg.

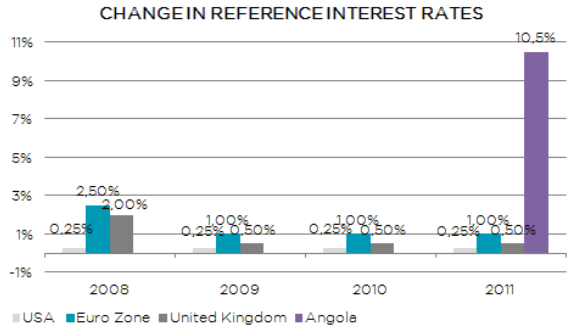
Interest Rate Market

The reference interest rates of the major economic blocs remained at historically low levels in 2011, in a context of depressed economic activity and an absence of inflationary pressures. The dysfunctionality of the mechanisms of transmission of stimuli to the economy, compounded by the mistrust evident in the markets regarding the outcome of the debt crisis in the eurozone, prevented the good initiatives from being reflected in a dynamic credit market and stimulating economic activity.

In the eurozone, the European Central Bank (ECB) extended its cycle of cutting the reference rate, setting it at 1%. Additionally, it continued with other measures to provide liquidity and purchase public debt in the secondary market, under a policy that aims to restore the smooth functioning of the interbank system and the confidence of economic agents. In the last quarter, Mário Draghi assumed leadership of the ECB with a more proactive position in the face of rapidly deteriorating financial conditions within the eurozone. In the US, the Federal Reserve gave clear indications that the fed-funds rate will remain at the current minimums for an extended period of time.

In this context, the Libor and Euribor interest rates showed a downward trend, remaining at minimum levels in historical terms, given the expectations that the monetary policies of major central banks will remain ultra-expansionist.

In the public debt market, the environment of uncertainty and risk aversion benefited safe-haven securities, including the U.S. and German public debt, which, within this context, showed decreases in their respective yields. By contrast, in European countries on the periphery, the yields of public debt securities reached record peak levels in most affected countries, notably Greece, Portugal and Ireland but also Spain, Italy and France.



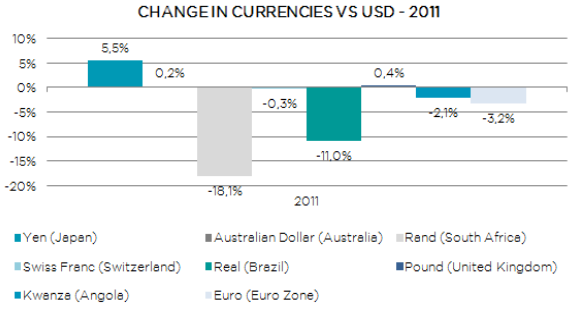
Source: IMF/Bloomberg

Foreign Exchange Market

Last year, there was a change in the positive dynamics of the single European currency, which, particularly in the second half, began to reflect the deterioration of the economic foundations of the region to the extent that the successive bailouts of countries in financial difficulties (Greece, Portugal and Ireland) took place, but also as a consequence of increased concern regarding Spain, Italy, and even France. In this context, the EUR/USD foreign exchange rate lost 3.2% in nominal terms in the year, and the EUR/JPY lost around 8%, having also devalued against the pound and the Swiss franc. In fact, in this context, the yen and the Swiss franc were sought as safe havens. However, the respective monetary authorities intervened to prevent excessive valuations that penalised the external balance of the respective countries.

Also worth mentioning is the performance of the USD/JPY, whose movement was very much determined by the action of the Bank of Japan, but which still reached its lowest level ever, 75.75.

In terms of emerging currencies, it should be noted that late 2011 was marked by a flight of investors from emerging economies, reflecting the sentiment of risk aversion that developed under the sovereign debt crisis in the eurozone. We saw this happen with the Brazilian real, which lost 11% of its value against the dollar. The Angolan kwanza lost around 2.1% against the US currency.



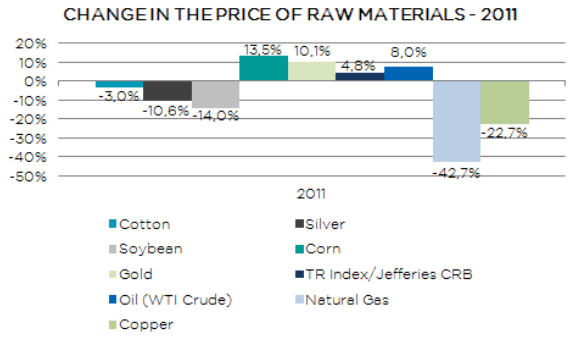
Source: IMF/Bloomberg

Commodity Market

The year 2011 was marked by corrective movements in the prices of various commodities, interrupting the trends of recovery witnessed in recent years. Assessing the CBR (Futures Price Index), which comprehensively summarises this market, an overall downward trend marked the year. Among the main factors that influenced the trend of commodity prices, we may highlight the below-par economic performance in the U.S.; the sovereign debt crisis and consequent economic slowdown in this region, the danger of contagion to other regions; the expectations in relation to China that were revised downwards, as economic indicators indicated a cooling of economic activity, and finally, the “Arab Spring”, with its impact on expectations regarding the oil trade. Within this context, the 35.7% drop in the price of Natural Gas, 19.0% in the price of wheat and 12.5% in soy bean prices are particularly noteworthy.

However, this trend was not widespread, as demonstrated by the positive changes in the price of precious metals and oil. Oil ended up behaving exceptionally, ending the year with a positive performance (8%), although over 2011 there was some uncertainty, which generated a lot of volatility. It was confirmed that the price of oil is very sensitive to the dynamics of demand (downward revisions of growth prospects) and of supply (issues related to the geopolitical conflict in the Arab world, and more recently in Iran).

In terms of precious metals, we highlight the performance of gold, which throughout 2011 benefited greatly from its status as a safe-haven asset. In an environment of great uncertainty, gold reached its highest level in historical terms, USD 1,920.30 per troy ounce in early September. At this point, the level of risk aversion in markets was at its peak, based on the acute instability generated in the eurozone and the danger of contagion to other economies.



Source: IMF, Bloomberg

Portuguese Economy

The year 2011 was marked by a sharp deterioration of financing conditions in Portugal, which suffered from the contagion of the budget crisis that began in Greece. The unsustainability of capital costs required and the difficulty of securing financing in the primary debt market meant that, in April, Portugal resorted to external assistance under the IMF-EC-ECB programme. The programme envisages the provision of EUR 78 billion with a duration of two years. In this context, a set of fiscal austerity measures were imposed on Portugal, which in subsequent months contributed to the deterioration in economic sentiment indicators and marked a reduction in activity. In July, the financial agency Moody's revised the rating of long-term sovereign debt down four notches, to Ba2, putting it below investment grade and under observation, with possible negative implications. This decision was justified by the agency's conviction that Portugal may need a second aid package, or even default on its obligations to third parties. In this context, financing conditions continued to deteriorate.

The aversion of investors to the sovereign risk of countries on the periphery of the eurozone worsened liquidity conditions and increased the difficulties of financing of Portuguese banks in foreign markets. The banking sector was forced to turn increasingly to the marginal lending operations of the ECB, which led to increased restrictions on funding to Portuguese companies and the economy in general.

During the year, 5-year CDS on Portuguese debt rose, ending the year at 1100 basis points. The same happened with the interest rates on 10-year sovereign bonds, which ended the year at 13.36%. The difference between the interest rate on the Portuguese and German 10-year bonds also grew significantly , finishing the year at 11.5%.

According to the IMF, the Portuguese economy contracted 2.2% in 2011. On a positive note, the favourable performance of exports was maintained, offsetting the effect of the contraction in domestic demand.

BUSINESS MODEL

Banco Privado Atlântico - Europa, S.A. (the Bank or ATLANTICO Europa) was established in June 2009 with share capital of 18 million EUR. It is a Bank regulated under the Portuguese law by the Bank of Portugal and the Portuguese Securities Market Commission (CMVM).

ATLANTICO Europa is 100% owned by Atlântico Europa SGPS, SA, whose shareholders include: (i) with 10%, Banco Privado Atlântico (ATLANTICO), (ii) with 20%, Sonangol, (iii) with 65%, GLOBAL PACTUM Gestão de Activos, SA, and (iv) with 5%, Bank management.

Offering an integrated range of investment banking and relational banking products, ATLANTICO aims to be the world's best Angolan investment bank, and the world's investment bank that best knows Angola.

ATLANTICO is a credible and knowledgeable partner that, side by side and end to end, helps projects to grow and, with diligence and professionalism, provides Angolan customers with access to new markets, sectors and skills, and provides overseas customers with access to Angola and its respective agents, projects and sectors.

Taking the geographic market of Angola as its centre, ATLANTICO accompanies the internationalisation of local customers and develops business and interests in Angola of international customers, operating in the areas of the globe that have a closer relationship with Angola, both in terms of trade and investment - Portugal, China and Brazil.

Within this framework, ATLANTICO Europa was the first step in ATLANTICO's internationalisation strategy and aims to be an institution recognised for excellent service through active participation in promoting the socio-economic development of Angola and the markets in which it operates, creating value for customers and shareholders and the professional development of employees.

ATLANTICO Europa objective is to boost the Portuguese and Angolan corporate structure, as well as their respective partnerships through the provision of investment and relational banking services, always underpinned by the pillars of security in transactions, rigour, confidentiality and innovation.

Investment Banking

Investment Banking in ATLANTICO Europa focuses on supporting the development and consolidation of productive sectors, infrastructure and services aimed at diversifying the Angolan economy and supporting domestic entrepreneurship.

Offering a wide range of services based on four pillars: Corporate Finance, Project Finance, Structured Finance and Private Equity, both to Private Companies, Governments and Public Institutions and Institutional Investors, it acts in various sectors of the economy, particularly Energy, Real Estate, Construction, Health, Infrastructure, Environment (Waste & Water) and Agribusiness.

Building strategic partnerships and synergies of value, Investment Banking is present throughout the investment project cycle with the Investor, from conception until the point of its full operation.

Relational Banking

With a team of specialist managers, ATLANTICO Europa provides the necessary support to materialise the needs and financial objectives of customers through a range of customised products and services for individuals and businesses.

The Security of Transactions, the Rigour with which the solution appropriate to the customer's objectives is sought, the ability to find new products and solutions and the Confidentiality with which the transactions are executed are the basic principles of relationship building.

Within the Private segment, due to the specific interests and the scope of customers' assets, we focus even more closely on specialised advice and a professional service.

ATLANTICO Europa places at the disposal of its customers an integrated range of financial services, which includes management of assets and liabilities and financial planning with investment solutions tailored to each one.

With the support of the Investment Banking and Corporate Banking divisions, it has at its disposal a range of services that also covers the business interests of the customer, including financial advisory services and restructuring, mergers and acquisitions, equity placement, identification of partners and associates, etc.

ATLANTICO Europa endorses a close relationship with the customer, offering support in the obtainment of a number of non-financial services that may be of interest.

In the Corporate segment, ATLANTICO Europa aims to meet the Commercial Banking and Investment Banking needs of Angolan companies outside their home markets, as well as acting as a support Bank for European companies that trade with Angola and/or have strategic plans for investment in the country.

ATLANTICO Europa aims to build strong relationships and trust with its customers, developing a deep understanding of their businesses in order to be able to structure tailor-made solutions appropriate to each one's specific needs, such as:

- Transactional Banking Solutions
- Investment Solutions
- Financing of Company's current activity
- Structured Financing
- Financial Advice
- Solutions for covering balance sheet risks.

Risk and Internal Control

ATLANTICO Europa fully adheres to international best practices and regulations governing the banking and financial sector.

In terms of internal control and compliance, its policies adopt and incorporate rules relating to the Prevention of Money Laundering and Combating the Financing of Terrorism, important processes that relate to customer identification, customer accounts and transactions, as well as other policies and procedures that are considered the duty and responsibility of compliance, specifically: the prevention of conflicts of interest, monitoring of the receipt and transmission of orders, implementation of codes of ethics and business conduct, development of internal control and risk assessment of compliance.

In tandem, risk management is taken as a central element of the Bank's vision and strategy.

The risk management function is independent of the risk-generating areas and presents decision-making and control mechanisms directly dependent on Management.

By acting across the organisation, the Risk Division has the ability to establish, identify and manage the various risks both individually and in an integrated manner. Although there are different ways of categorising the risks inherent in banking, ATLANTICO Europa adopts a classification in line with that recommended by the Bank of Portugal in its document Risk Assessment Model (RAM).

The independent structure of the Risk Division and its integrated nature as a unit of the Internal Control System allows conflicts of interest to be avoided, while ensuring proper integration of the assessment and control of various risks of an internal nature, as well as compliance with regulatory responsibilities in terms of the measurement and assessment of risks such as the establishment of adequate economic capital, concentration risk, scenario analysis and sensitivity analysis, among others.

Offices and Divisions

- Corporate Banking Division;
- Investment Banking Division;
- Relational Banking Division;
- Transactional Banking Division;
- Accounting and Management Control Division;
- Investor Relations Division;
- Brand and Communication Division;
- Financial Markets Division;
- Risk Division;
- Internal Audit Office;
- Human Capital Office;
- Compliance Office;
- Legal Office;
- Organisation Office;
- Products and Research Office;
- Projects Office;
- Technologies Office;
- Internationalisation.

THE ATLANTICO BRAND

Relationship between Φ and ATLANTICO?

PHI is a symbol of global knowledge
and it's present in everything in biology, space, mathematics, architecture, painting.

PHI is a symbol of human relationship
established between the Bank and the Client.

PHI is a symbol of values
Verticality, Balance, Accuracy, Ethics and Life (the pattern of life structure in animal, plants and sea waves)

The Brand Focus is the first image that comes to mind when thinking about a brand.

When it comes to the ATLANTICO, the most important compact point are people, the faces of those who every day provide our services and meet our goals.

But, fortunately, ATLANTICO is increasingly present in most parts of the world. Therefore, there´s an image that represents all we are and what we believe:

Our brand's symbol

PHI is connection and empathy (people first)
PHI is upright/verticality and ethics (values)
PHI is creativity (i.e., knowledge in action)
PHI is universal

Highlights 2011

2011 was a year of consolidation of operations, increased brand awareness and continued setting of the foundations for future expansion of the business.

ATLANTICO Europa benefited from its niche market strategy, remaining fairly isolated from the adverse international environment, which is quite important considering that it is an institution based in Portugal.

The year was marked by exponential growth in customer deposits, which demonstrates not only the recognition of the business model but also the conservative profile of the Bank. Customer deposits received by ATLANTICO Europa increased more than 5 times compared to 2010 levels. Maintaining a conservative approach to risk, lending to customers doubled during the year, without any non-performing loans in the portfolio.

These developments have had very positive consequences in terms of the Bank's results, allowing net interest income to multiply by 7.5 and commissions received by 13.

The importance of the results of financial intermediation and commissions for operating income should be noted, as they demonstrate that ATLANTICO Europa's strategy is beginning to bear fruit.

The launch of new products and services aimed at private customers and businesses, together with conservative liquidity management guided by best practices of risk, form the basis for this positive development.

At the operational level, 2011 was marked by the consolidation of internal control mechanisms and compliance, risk management and the technological platform. A highlight was the integration in the TARGET2 payments system.

In 2011, ATLANTICO Europa saw not only the trust of its customers confirmed, but also that of its shareholders.

In December, a capital increase from 18 mm EUR to 50 mm EUR was made in order to strengthen the competitive position of the Bank (both domestically and internationally), to support the pace of development of activities and to create the foundations appropriate for expanding the range of solutions, products and services offered.

Significant Events in 2011

June

ATLANTICO Europa becomes a member of the European TARGET2 payments system.

September

ATLANTICO Europa's net interest income breaks through the 1 mm EUR barrier.

December

Approval and completion of an ATLANTICO Europa capital increase of 18 mm EUR to 50 mm EUR.

ATLANTICO Europa's net interest income breaks through the 2 mm EUR barrier and the Bank posts monthly consecutive net profit in the last three months of the year.

INVESTMENT BANKING

Investment banking plays a critical role in the strategy and positioning of ATLANTICO Europa. Working in partnership with ATLANTICO to supply financial advisory services, it provides end customers with a higher quality and more wide-ranging, integrated service, enhancing the knowledge of two economic scenarios: Angola and the EU, using Portugal as a platform.

During the year 2011, important steps were taken to solidify this business area, particularly through the deepening of investment banking services to key customers. The Bank continued to play a key role as financial adviser in various structural projects for the Angolan economy both in Corporate Finance and Structured Finance transactions.

Additionally, ATLANTICO Europa's participation in cross-border operations is worthy of note, through both support of entities during their process of investing in Angola and support of Angolan entities in the process of investing in other markets, as was the case of the Portuguese market.

The Bank also had the opportunity to broaden its range of products and services, today offering a full range in two major areas: *Corporate Finance* and *Structured Finance*. This segmentation gives ATLANTICO Europa the capacity to respond, now and in future years, to its customers' major challenges. With focus on transactions carried out within a global and transversal relationship with its customers, it bases its actions on a total commitment to trust, confidentiality, accuracy, advanced know-how and deep knowledge of the markets in which it operates

ATLANTICO Europa's operations are transversal to the various sectors and industries, and is underpinned by its experience in the implementation of projects in sectors as diverse as energy, housing, leisure or distribution.

Private Equity

Private Equity activities during 2011 focused on obtaining approval for the Private Equity Fund, Angola Growth Fund ("AGF") from the Commission de Surveillance du Secteur Financier (Luxembourgish regulator).

The Angola Growth Fund is a *Private Equity* fund whose founders are ATLANTICO and Compagnie Benjamin de Rothschild. With the approval of the Luxembourgish Regulator, the companies Angola Growth Management (Fund Management Company) and Angola Growth SICAV-FIS (Fund) were established on 16 December 2011.

Based in Luxembourg, it intends to invest exclusively in Angola, through 3 Sub-Funds: (i) Real Estate Portfolio, (ii) Infrastructure Portfolio and (iii) Private Equity Portfolio. The AGF's main objectives are: (i) to contribute to the development of the Angolan economy by investing in various sectors, creating jobs and economic structural development; (ii) to establish itself as a key financial agent in Angola with financial and social objectives, generating return for investors and (iii) to be a means through which investors may achieve the above two objectives.

RELATIONAL BANKING

2011 continued to be guided by the expansion of the customer base and consolidation of Relational Banking activities through the building of strong relationships with customers based on trust, discretion and the implementation of solutions appropriate to their specific needs.

Corporate Segment

Founded on a clear strategy in terms of customer selection, ATLANTICO Europa significantly increased its Corporate customer base during the year 2011, but remained very cautious in relation to financing operations.

The enlargement of the customer base was accompanied by the creation of a more comprehensive range of products and services appropriate to their specific needs, within which operations in support of trade relations between Angola and Portugal are of particular importance.

All these initiatives led to healthy growth in operating income and will be the pillars of sustainable development of activities in the coming years.

Private and ATLANTICO Segment

Within the *PRIVATE* and ATLANTICO segments, during 2011, ATLANTICO Europa strengthened its base of individual customers and small and medium-sized businesses, seeking to maintain the high-quality levels of service especially geared towards Angolan customers with economic interests abroad, and individuals and companies from other countries with effective economic interests in Angola.

Within the *PRIVATE* segment, the doubling of the number of customers was achieved based on the quality of service within the principles of the Relational Banking approach, offering unique and distinctive investment and financing solutions totally appropriate to the risk profile, life cycle and needs of each customer.

Approaching customer assets as a whole allowed ATLANTICO Europa to offer financial and non-financial products and services adjusted under an open architecture, with total independence and meeting the need for comprehensive asset management.

At ATLANTICO Europa, PRIVATE customers have access to key agents and international capital markets, with the Bank also providing the support needed to manage their personal, property or business interests.

In the segment of *Affluent* customers - ATLANTICO - the increasing availability of a range of financial and non-financial products and services, based once again on the relational banking model, has allowed to more than double the customer base.

A service offering high quality standards that supports the growth and management of all aspects of customers' finances, namely with specific solutions for non-residents, investment solutions and personalised assistance for managing personal and financial interests, it proved to be a distinctive factor, along with high levels of customer loyalty and satisfaction.

The year 2011 was thus, for both segments, a year of strong and sustained growth in activity, with a significant increase in the number of customers, assets under management and number of products and services offered.

CONTROL AND SUPPORT FUNCTIONS

The evolution of activities in ATLANTICO Europa's different areas of business reflected significantly on the Bank's areas of control and support.

ATLANTICO Europa fully adheres to international best practices and regulations governing the banking and the financial sector, and the services it provides are based on Accuracy, Confidentiality, Operational Security and Innovation.

Internal control, compliance and risk management are considered priorities by ATLANTICO Europa, and provide critical support to the growth of the business areas, in order to guarantee the long-term sustainability of the institution.

Auditing

In 2011, the staff of the Internal Audit Office has been strengthened in order to keep pace with the growth of the Bank's activity.

Various audit activities were undertaken across the company, both in terms of the business and the support of operations, with monitoring and internal resolution of the recommendations made being closely followed.

The Internal Audit Office has positively contributed to improving the operational efficiency and effectiveness of control activities associated with internal procedures.

Transactional Banking

In operational terms, the year 2011 was marked by ATLANTICO Europa joining, as a direct participant, the Trans-European Automated Real-time Gross Settlement Express Transfer System (TARGET2).

The creation of operational conditions for starting correspondent banking services in EUR and the launch of *Trade Finance* services, in the areas of export and import, were also particular highlights.

Human Capital

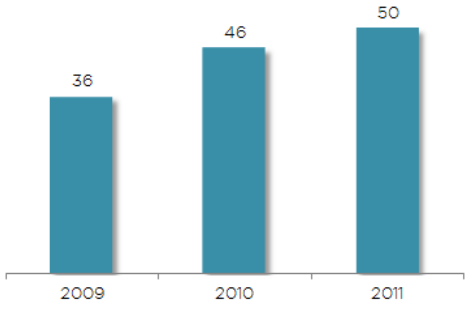
ATLANTICO's employees are one of its critical factors of success.

The growth of the Bank's operations has led to an increase in workforce. ATLANTICO Europa closed the year 2011 with 50 employees, which reflects an increase of 8.7% over 2010 and a variation of +39% compared to its first year of operations (2009).

The focus on attracting talent remained, 90% of employees having completed higher education, and throughout 2011, ATLANTICO Europa continued the strategy of recruiting, training and developing young Angolans, thus putting into practice the commitment to train staff and future leaders to play an active role in the Angolan financial system.

At the end of 2011, 22% of the team consisted of Angolan staff who are strengthening their academic training with professional experience in various areas of the Bank.

Investment in knowledge and strengthening employees' competencies is mirrored in the 700 hours of training provided in 2011. The Overall Satisfaction Index, resulting from the Internal Satisfaction Study of 2011, stood at 90%, representing an increase in all aspects surveyed compared to 2010.



**Total number of staff at the end of each year*

Compliance

In 2011, ATLANTICO Europa continued to establish policies and procedures, in particular as regards compliance with the laws and regulations applicable to the financial sector, and alignment with international best practices.

Great emphasis was placed on the Internal Control System and the role of Compliance as one of the pillars of the system.

Accounting and Management Control

The increased volume and growing sophistication of the business meant that, throughout 2011, the Accounting and Management Control function continued to develop and implement a set of new processes in relation to both the appropriate accounting disclosure of activities and the production of accurate, reliable and timely management information.

At the end of 2011, the decision was made to implement SAP in order to improve the efficiency and boost the quality of management information.

Investor Relations

Initiated in 2011, the activity of investor relations is intended to support the development of ATLANTICO Europa's business through the establishment of closer relations with partners and counterparties that can provide innovative services tailored to the needs of customers, managing the Bank's Liabilities efficiently and mitigating the risk of operations.

The year 2011 was dedicated to the creation of operational bases of the area and the diversification of the range of relationship counterparties, based on the geographical markets of interest to the group and customers' needs in terms of products.

At the end of the year, ATLANTICO Europa had a range of correspondents and counterparties based in Germany, Belgium, Portugal and the United Kingdom, some with parent companies based in China and Brazil.

Legal Office

The Legal Office performs the role of providing advisory support to management in relation to the Bank's activity, based on the principles of objectivity, accuracy, clarity of speech, timeliness of response, cooperation and teamwork.

Its activities are divided, specifically, into advisory services and drafting of opinions, preparation of documents and drafts, appraisal of new products, design of internal policies, dissemination of legal information and promotion of internal technical training.

In 2011, the Legal Office developed a set of initiatives relevant to the development of the institution's activities, the most significant of which were: the production of information on changes in the regulatory environment and other topics of interest related to the regulation of activities, a number of internal training sessions for employees, internal publication of a legal newsletter and development of an internal drafts manual.

Brand and Communication

In 2011, the Brand and Communication Division strengthened its monitoring of the growth of the commercial area's operational activities.

Direct business support and the control and monitoring of the ATLANTICO Brand were strategic priorities of this Division.

Communication activities undertaken also allowed the values and culture of the brand to be strengthened.

Financial Markets

During the year, the Financial Markets Division had two main objectives to fulfil: to manage the institution's assets and liabilities and to facilitate customer operations via quotation and management of the associated market risk.

The rationale behind working in the different markets, Monetary, Foreign Exchange and Fixed Income, was to hedge the risks inherent in the institution's balance sheet arising from its business activities and investment banking.

Responsible for the daily management of the Bank's liquidity and portfolio of treasury securities, in 2011, the Financial Markets Division was instrumental in expanding the Bank's net interest income.

Organisation

During 2011, in line with the growth and diversification of ATLANTICO Europa's activities, the area of Organisation contributed to the development and improvement of operational processes that support activities, both from an internal point of view and in terms of relationships with third parties.

This Office also was also responsible for the extension and encouragement of Intranet use, contributing to the dissemination and updating of the Bank's institutional information, promoting improvements in internal communication.

Information Systems

In 2011, the Information Technology Office played a major role in the development of applications that allow, on the one hand, improvements in operational efficiency and the mitigation of risk, and on the other, are indispensable tools in providing a quality service to ATLANTICO Europa customers.

The entry into production of the Financial Markets Platform, Capital Markets module, the *Visa Classic* and *Gold* Credit Card Application and membership of the *TARGET 2* payment system are of particular note.

Additionally, part of the SAP project was launched and implemented, an indispensable tool in relation to accounting and management information.

In 2011, close liaison was also maintained with ATLANTICO in Angola through the development of tools to improve intra-group communication, specifically the installation of a dedicated Lisbon-Luanda line that allowed better videoconferencing communications.

FINANCIAL | ANALYSIS

Financial Analysis

The year 2011 was a year of consolidation for ATLANTICO Europa, which, in an adverse economic environment, was characterised by:

- strengthening of the initial customer base (132.3% increase);
- growth in turnover (up 316%);
- moderate and prudent growth in credit operations;
- strengthening and stabilisation of the Human Capital structure;
- implementation of an innovative and solid computing platform.

Main Indicators

(000 Euros)

	2009 [1]	2010	2011	Absolute Variation	Var. % 11/10
Total Net Assets	34.182	68.177	298.808	230.631	338,3%
Turnover	20.365	72.800	302.979	230.179	316,2%
Loans and Advances to Customers	6.186	12.515	25.017	12.502	99,9%
Customer Deposits On Balance	14.178	47.056	251.312	204.256	434,1%
Customer Deposits Off Balance	-	13.079	25.722	12.643	96,7%
Guarantees	-	150	928	778	518,7%
Turnover per Employee	566	1.583	6.060	4.477	282,9%
Transformation Ratio	43,6%	26,6%	10,0%		
Ratio Loans Sold/Loans and advances to customers	0,0%	0,0%	0,0%		
Ratio Provisions / Loans and advances to customers	0,7%	0,5%	1,7%		
Operating Income	1.722	5.225	6.725	1.500	28,7%
Of which:					
Net Interest Income	107	369	2.774	2.405	651,8%
Fees Banking and Interm. Op. Fin.	12	91	1.186	1.095	1203,3%
Investment Banking Fees	1.598	4.682	2.575	(2.107)	-45,0%
Other Operations	5	83	190	107	128,6%
Operating Income per Employee	48	114	135	21	18,4%
Profit/Loss for the Year	(1.175)	(1.495)	(1.403)	92	6,1%
Cost to Income (1)	176,6%	133,6%	114,1%		
Net position	18.075	19.320	45.927	26.608	137,7%
Own Funds Basis	17.885	18.758	45.215	26.457	141,0%
Own Funds Requirements	1.070	1.400	9.799	8.399	600,1%
RWA	13.375	17.500	122.489	104.989	599,9%
Solvency Ratio	134,1%	107,5%	36,9%		
ROA	-3,4%	-2,2%	-0,5%		
ROE	-6,5%	-7,7%	-3,1%		
Number of Customers	64	192	446	254	132,3%
Number of Employees	36	46	50	10	27,8%

(1) Operating Costs / Operating Income

1) for the period from the start of business, 22 June, to 31 December

Results Analysis

ATLANTICO Europa ended 2011 with a net loss of approximately 1,403,000 Euros, representing an improvement of 6.2% compared to 2010 results.

The last quarter of 2011 was characterised by being the first quarter in which ATLANTICO Europa posted a positive net income consistently every month.

The following succinctly describes the various captions of the Income Statement:

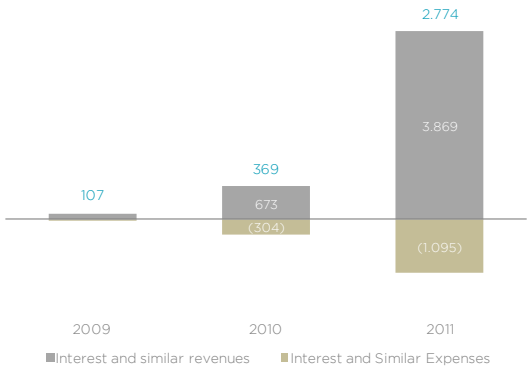
(000 Euros)

Income Statement	2009 [1]	2010	2011	Absolute Variation	Var. YoY
Interest and similar revenues	116	673	3.869	3.196	475%
Interest and Similar Expenses	(9)	(304)	(1.095)	(791)	260%
Net Interest Income	107	369	2.774	2.405	653%
as % of Operating Income	*6,2%*	*7,1%*	*41,2%*		
Commissions received	1.612	4.844	3.839	(1.005)	-21%
Commissions paid	(2)	(71)	(104)	(32)	45%
Income from investments	5	0	82	82	n/a
Foreign Exchange Results		109	133	24	22%
Other operating income	0	(26)	0	26	-100%
Operating Income	1.722	5.225	6.725	1.501	29%
Personnel costs	(1.706)	(3.397)	(3.841)	(444)	13%
Other operating costs	(1.335)	(3.398)	(3.831)	(434)	13%
Amortisation	(125)	(341)	(351)	(10)	3%
Overheads	(3.166)	(7.136)	(8.023)	(887)	12%
Net Operating Profit/Loss:	(1.444)	(1.912)	(1.298)	614	32%
Provisions for Credit Risks	(40)	(18)	(378)	(359)	>1000%
Earnings Before Taxes	(1.484)	(1.930)	(1.676)	254	-13%
Taxes in the Period	309	435	273	(163)	-37%
Current	(7)	(102)	(87)	15	-15%
Deferred	316	538	360	(178)	-33%
Net Income in the Period	(1.175)	(1.495)	(1.403)	92	6%

1) for the period from the start of business, 22 June, to 31 December

Net Interest Income

(000 Euros)

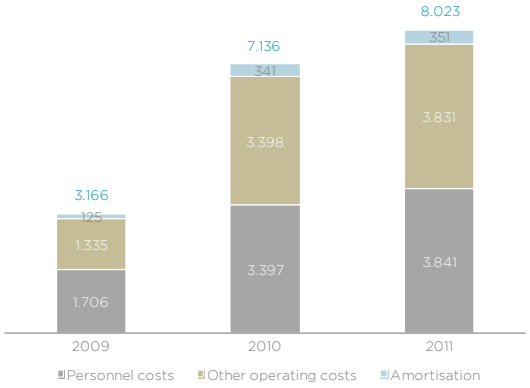


Net interest income increased by 653%, reflecting a more active liquidity management policy, maintaining the institution's standards of moderate risk. (Note 3.21).

Non-interest income fell due to an one-off drop in Investment Banking activities. Net interest income fell 19% compared to 2010. (Note 3.22, 3.23 and 3.24).

Overheads

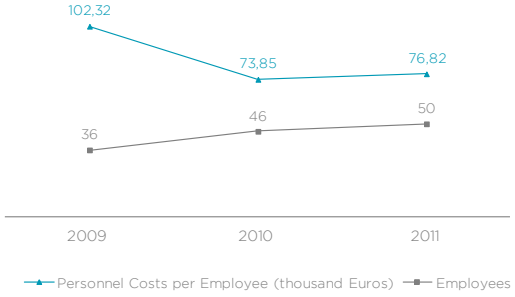
(m Euros)



• Overheads increased by 12% as a result of:

• Personnel costs increased by 13%, reflecting the ongoing strengthening of the Bank's team. (Note 3.25). Average personnel cost per Employee rose slightly in relation to 2010. This rise was due to the fact that senior members of staff were recruited in 2011 (Note 3.25);

Employees vs Costs



Other Operating Expenses increased by 13%, due to investment in the technology platform, specifically the external services component.

Depreciation increased by 3%, given the continued investment in ATLANTICO Europa Computing Platform. In turn, investment in software increased 61% (Note 3.9)

Analysis of the Balance Sheet

ATLANTICO Europa ended 2011 with total net assets of 298,808,000 Euros and a turnover of 302,979,000 Euros, representing 316% growth yoy.

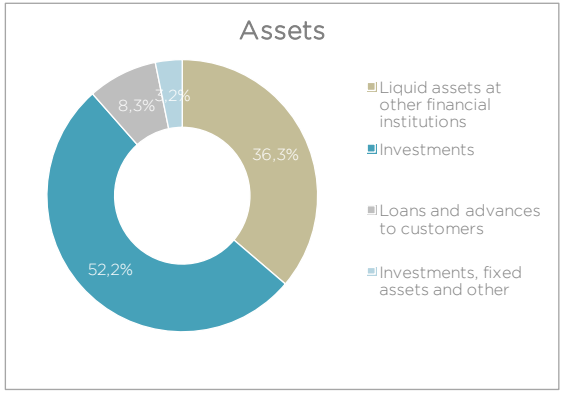
In 2011, ATLANTICO Europa continued to expand its range of products and services, bringing customers' Off Balance Funds to 25,722,000 Euros.

(000 Euros)

Balance Sheet	2009 [1]	2010	2011	Absolute Variatio	Var YoY
ASSETS					
Cash at banks	2.117	1.605	145	(1.460)	-91%
Cash at Central Banks	-	855	2.947	2.092	245%
Credit w/ financial institutions	24.413	33.846	105.319	71.474	211%
Net Loans to customers	6.141	12.594	24.745	12.151	96%
Financial assets fair value through profit or loss	0	0	1.315	1.315	n/a
Available-for-sale financial assets	-	4.961	0	(4.961)	-100%
Held-to-maturity financial assets	-	9.932	154.819	144.887	1459%
Intangible assets	190	572	712	140	25%
Other tangible assets	792	897	849	(48)	-5%
Investments in subsidiaries, associated entities	-	50	55	5	10%
Tax assets	316	855	1.225	370	43%
Other assets	175	2.009	6.675	4.665	232%
TOTAL ASSETS	34.143	68.177	298.808	230.631	338%
LIABILITIES					
Customer deposits	11.921	25.398	224.842	199.444	785%
Deposits from credit institutions	2.260	21.730	26.470	4.741	22%
Provisions for credit risks	-	59	165	106	181%
Tax liabilities	7	102	72	(30)	-30%
Other liabilities	1.879	1.569	1.332	(237)	-15%
TOTAL LIABILITIES	16.068	48.857	252.880	204.023	418%
SHAREHOLDERS' EQUITY					
Capital	18.000	18.000	50.000	32.000	178%
Other Equity Instruments	1.250	4.000	-	(4.000)	-100%
Revaluation Reserves	-	(11)	-	11	-100%
Free Reserves	-	(1.175)	(2.669,6)	(1.495)	127%
Net income	(1.175)	(1.495)	(1.403,0)	92	-6%
	0				
TOTAL SHAREHOLDERS' EQUITY	18.075	19.320	45.927	26.608	138%
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	34.143	68.177	298.808	230.631	338%
Off Balance Sheet	-	13.079	25.722	12.643	97%
Guarantees Provided	-	150	928	778	519%

1) for the period from the start of business, 22 June, to 31 December

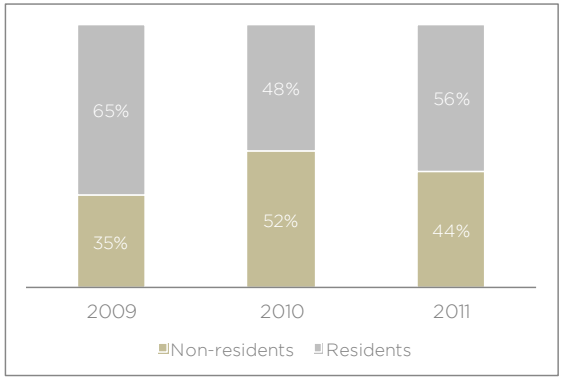
ATLANTICO Europa ended 2011 with total net assets of 298,808,000 Euros. In a difficult economic climate with a slowdown in the Angolan economy, the Bank opted to manage its liquidity more actively, maintaining the institution's moderate risk framework.



At the end of 2011, Loans and Advances to Customers represented 8.3% of Total Assets, with more than 50% of Assets invested in Financial Assets and 36% in Liquid assets in other financial institutions (Note 3.1 to 3.12).

Loans and Advances to Customers

Loans to Customers grew by 96% in 2011, amounting to 24,832,000 Euros, and there was a reversal of the main recipients of loans to residents (Note 3.6).



With a customer base of mostly residents, the composition of Loans to Customers is mainly denominated in Euros (53% of total loans).

Outstanding credit operations at 31 December 2011 were characterised by being short/medium term, with 31% of them covered with collateral.

Structure of Loans to Customers (Euros)

	2011	2010
Private	5.209.102	4.598.884
Real estate	13.473.452	2.293.701
Business services	2.503.890	1.012.235
Financial activities	-	4.490.346
Food industries	500.000	-
Transport	798.503	-
Health and social work	380.000	-
Holding companies	1.964.629	119.772
Others	2.475	-
Total Credit	24.832.051	12.514.938

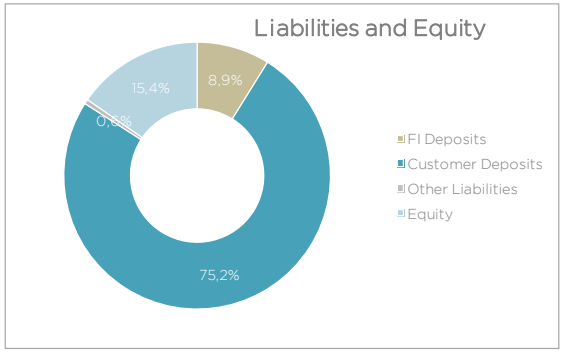
(converted into Euros at the close of year fixing)

In terms of segmentation of credit, greater diversification of the sectors of lending is observed.

At the end of 2011, there were no non-performing loans, whereby the existing provisions are intended to cover General Credit Risks and Country Risk (Note 3.15) related to loans that were not fully collateralised.

Funds from Customers and Credit Institutions

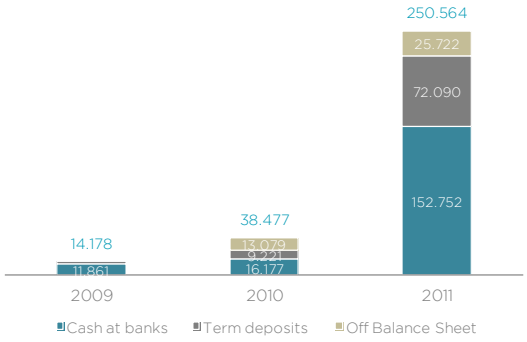
At the end of 2011, Customer Funds accounted for 75.2% of total Liabilities and Equity.



Customer Deposits, excluding IFs, increased by 551% in 2011, specifically 12,643,000 Euros in Off Balance funds and 199,444,000 Euros in On Balance funds.

Customer Deposits

(000 Euros)



Of the total On Balance customer deposits, 29% are composed by term deposits, mostly with maturities of less than 3 months.

(000 Euros)

	2010	% of Total	2011	% of Total
Customer deposits				
On Balance				
Euros	8.189	13,6%	18.275	7,3%
USD	38.938	64,7%	206.567	82,4%
Off Balance				
Euros	13.079	21,7%	21.968	8,8%
USD			3.754	1,5%
	60.206		250.564	

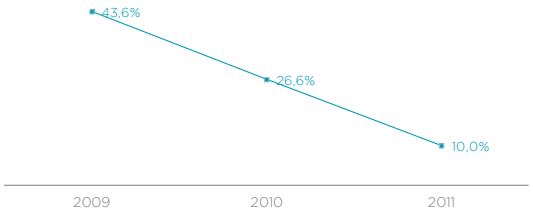
(converted into Euros at the close of year fixing)

Deposits in Dollars represent 83% of total deposits.

Liquidity

The sharp rise in deposits, coupled with prudent management of credit risk, led to a decrease in the transformation ratio from 26.6% in 2010, to 10% in 2011.

Transformation Ratio



Productivity and Efficiency

The cost to income ratio decreased by 19 percentage points, continuing the trend which began in 2010.

The "Operating Costs/Average Net Assets" indicator decreased sharply in 2011.

	2009	2010	2011	Var.	Var.
Cost to Income	176,6%	133,6%	114,1%	(19pp)	(43pp)
Operating Costs/Average net assets	9,3%	10,5%	2,7%	(7,8pp)	1,2pp
Total assets per employee	950	1482	5976	303,2%	56,0%

Capital

ATLANTICO Europa's equity amounted to 45,927,000 Euros at the end of 2011, which represents an increase of 138% over December 2010.

The main factors that contributed to this development are as follows:

With positive impact:

- Capital Increase of 18,000,000 Euros to 50,000,000 Euros in December 2011.
- The positive change in the revaluation reserve as a result of the sale of government bonds in the portfolio of financial assets available for sale;

With negative impact:

- Repayment of supplementary capital paid in 2009 and 2010;
- The loss for the year 2011 of 1,495,000 Euros.

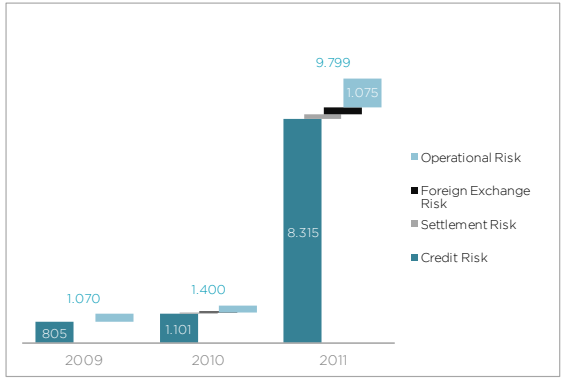
Changes in Equity (000 Euros)

	2010	2011
Equity at the beginning of the year	18.075	19.320
Capital		32.000
Other Equity Instruments	2.750	(4.000)
Revaluation Reserves	(11)	11
Free Reserves		
Net Profit	(1.495)	(1.403)
Equity at end of year	19.320	45.927

Capital Ratios

The capital ratio at the end of 2011 amounted to 36.9%, which corresponds to a decrease of 70% compared to 2010. These ratio and development levels are characteristic of a financial institution at the beginning of its activity and with transformation ratios that still remain very low.

Capital Requirements (000 Euros)



The negative progression of the capital ratio reflects the increase in capital requirements, given that ATLANTICO Europa's equity increased.

At the end of 2011, own funds amounted to 45,215,000 Euros, being 26,457,000 Euros (+141%) higher than at December 2010.

Ratio of Own Funds requirements

In accordance with the Bank of Portugal rules

(000 Euros)

Own Funds	2010	2011
Paid-up Capital	18.000	50.000
To be added:		
Other Instruments Treated as Capital	4.000	0
	4.000	0
To be deducted:		
Results of the previous year	(1.175)	(2.670)
Provisional earnings for the current period	(1.495)	(1.403)
Intangible Assets	(572)	(712)
	(3.242)	(4.785)
Own Funds Basis	18.758	45.215
Supplementary Own Funds - Upper Tier 2	59	-
Total Own Funds	18.817	45.215
Total Requirements	1.400	9.799
Risk Weighted Assets	17.500	122.488
Ratio of Own Funds Requirements	107,5%	36,9%
Tier I	107,2%	36,9%
Tier II	0,3%	0,0%

Risk Management

Being a period of growth with clear objectives to consolidate business and prospects for internationalisation, 2011 was marked by further development and implementation of metrics and mechanisms capable of ensuring the assessment, monitoring and control of risks that may influence the business strategy and the objectives established by the institution.

The risk management governance model is unchanged from the previous year, the responsibilities and interactions between the agencies and structural units involved were maintained. However, policies and procedures were improved in order to adapt them to the size and complexity of the institution.

ATLANTICO Europa considers risk management a central element of the Bank's vision and strategy. Accordingly, the risk management function is independent of the risk-generating areas and presents decision-making and control mechanisms directly dependent on the Bank's Management.

By acting across the organisation, the Risk Division has the ability to establish, identify and manage the various risks both individually and in an integrated manner. Although there are different ways of categorising the risks inherent in banking, ATLANTICO Europa adopts a classification in line with that recommended by the Bank of Portugal in its document Risk Assessment Model (RAM).

The independent structure of the Risk Division and its integrated nature as a unit of the Internal Control System allows conflicts of interest to be avoided, while ensuring proper integration of the assessment and control of various risks of an internal nature, as well as compliance with regulatory responsibilities in terms of the measurement and assessment of risks such as the establishment of adequate economic capital, concentration risk, scenario analysis and sensitivity analysis, among others.

Thus, ATLANTICO Europa's Risk Management presents 3 lines of defence. The first line lies precisely at the level of business areas, through the current practice of the policies in force, as well as the processes and methods established. At a second level, the monitoring and control mechanisms for which the Risk Management department is responsible seek to mitigate and eliminate risks in order to maintain the Bank's activities in line with the degree of tolerance to risk set by Management. Finally, through the intervention of the internal audit, compliance and organisational units, the internal control structure in a broader sense functions as a third level of protection and defence of the risk profile set out for ATLANTICO Europa.

The definition of the Bank's risk profile, as well as its decision-making mechanisms, essentially based on committees, depend on the Bank's Management. On a more internal level, the segregation of risk management consists of focusing resources on each of the main areas of action.

Also during 2011, ATLANTICO Europa and the Risk Division, as coordinator of the area of Operational Risk, remained focused on implementing its policy for managing business continuity to ensure continuity in the implementation of the institution's main activities in the event of contingencies or catastrophe. This policy embraces the Business Continuity Plan from the perspective of high availability and the Disaster Recovery Plan.

STATEMENT ON THE COMPENSATION POLICY OF BANCO PRIVADO ATLÂNTICO – EUROPA, S.A.

I. INTRODUCTION

1. Pursuant to and for the purposes of Article 2, paragraph 1 of Law no. 28/2009, of 19 June, it is the duty of the board of directors or, if applicable, the compensation committee of credit institutions, to submit annually for the consideration and approval of the General Meeting a statement on the compensation policy for members of the respective management and supervisory boards (hereinafter the "Declaration"), including the information provided under this law, as well as the information provided in Article 16 of the Bank of Portugal Notice no. 10/2011.

2. Serving this purpose, this Declaration has been prepared in accordance with the above laws, as well as with the principles laid down by the European Commission recommendation of 30 April 2009 relating to compensation policies in the financial services sector and guidance on compensation policies and practices published by the *Committee of European Banking Supervisors* ("CEBS"), subsequently endorsed by the *European Banking Authority* ("EBA").

3. In this context, in fulfilment of those provisions, in the context of increasing transparency in the process of setting compensation, the Board of Directors of Banco Privado Atlântico – Europa, SA (hereinafter "ATLANTICO Europa" or "Bank") shall submit this Declaration for the approval of the Annual General Meeting of Shareholders.

II. STATUTORY RULES

1. Article 35 of the Bank's Articles of Association establishes that the salaries of board members shall be determined by a compensation committee composed of three shareholders and elected by the Annual General Meeting.

2. The same article of the company's Articles of Association determines that the compensation of members of the Board of Directors may be comprised of a fixed and a variable portion, reflected in a share not exceeding 10% of annual profits. The fixed compensation received among members of the Board of Directors may be different from one director to another.

3. According to the Bank's Articles of Association, it is also up to the compensation committee to determine the retirement conditions for executive directors.

4. It should be noted that all of the ATLANTICO Europa's share capital is owned by one shareholder and, consequently, the Compensation Committee has not been formed and is not in operation.

III. Information on compensation policy

ATLANTICO Europa's Compensation Policy reflects the firm commitment of this Institution to respect the best and latest practices and trends, both at a domestic and international level, in corporate governance in the financial sector, addressing the creation of value in the long run, supporting the implementation of a strategy of sustained growth and enabling the convergence of the interests of board members with those of the company. Achieving this goal - as will be detailed below - is based on certain key aspects legally recognised as suitable for such purposes, such as:

a) the allocation of a fixed component representative of a significant part of total compensation;
b) subjecting the allocation of the variable component to a prior performance evaluation process within a multi-year framework in accordance with pre-determined and measurable evaluation criteria;
c) deferral of a proportion of variable compensation for a period of time that takes into account the business cycle of the Bank and its business risks;
d) subjecting the payment of variable compensation, including the deferred portion, to the maintenance of the financial sustainability of the Bank.

IV. Information on the compensation policy for members of the management and supervision bodies provided under article 16 of Bank of Portugal Notice 10/2011

A) General Principles

(i) Process for determining compensation policy: The preparation of the Compensation Policy results from a participatory process which involves people with functional independence and adequate technical capacity from the area of human capital (Human Capital Office), the area of legal support (Legal Office) and the units responsible for internal control functions, as well as external experts.

Once the preparation of the Compensation Policy was concluded, it was submitted to the Board of Directors for approval concerning the compensation of Employees, to the General Meeting and for approval concerning the compensation of members of the management and supervisory boards.

(ii) Elements that comprise the variable component: Bearing in mind the provisions of subparagraph r) of paragraph 24 of the annex to Decree-Law no. 104/2007 of 3 April, as amended by Decree-Law no. 88/2011 – which lays down the payment of at least 50% (fifty percent) of the variable compensation through shares, equivalent instruments or other financial instruments representing the Institution's capital – and given the fact that ATLANTICO Europa does not have in its portfolio, or has been the issuer, to date, of instruments of such a nature, specifically due to its size and stage of activity, bearing in mind the principles of adequacy and proportionality, the variable compensation that may eventually be assigned to the executive directors shall be based on the respective share of the Institution's profits, within the limits laid down in the Bank's articles of association, thus keeping the objective interests of the executive directors in line with the long-term interests of the Institution. However, by resolution of the competent management body, ATLANTICO Europa reserves the right to substantiate part of the variable compensation in shares or financial instruments issued by the Institution under terms to be regulated appropriately, if applicable. With regard to deferred payment of variable compensation, as provided in paragraph 24 of annex to Decree-Law no. 104/2007, of 3 April, as amended by Decree-Law no. 88/2011 of 20 July, the same shall be applicable to the year 2012, affecting the variable compensation to be paid in 2013.

B) Compensation of executive members of the Board of Directors

a) The bodies of the institution competent to conduct individual performance assessments

Assessment of the individual performance of executive directors is conducted by the General Meeting.

b) The predetermined criteria for the assessment of individual performance that underpin entitlement to variable compensation

The assignment of the variable component of compensation for executive directors shall, among other factors set forth herein, be subject to the following evaluation criteria, as laid down in the Performance Assessment Policy attached to this Declaration and of which it forms an integral part:

(i) achievement of individual and institutional goals related to the Bank's activities;
(ii) dedication, quality, capacity for work, knowledge of the business and contribution to the image and reputation of the Institution;
(iii) actual growth of the Institution;
(iv) wealth actually created for shareholders;
(v) implementation of measures to protect the interests of customers and investors;
(vi) long-term sustainability of the institution;
(viii) extent of the risks assumed;
(viii) compliance with the rules applicable to the activity of the Institution;

c) The relative importance of the variable and fixed components of the compensation, as well as the maximum for each component

The fixed compensation component is paid 14 months/year, determined based on the competitive positioning of the Bank in the light of a range of national reference companies with similar features. Annual fixed compensation of all Executive Directors represents 70% of total annual compensation.

The variable compensation component shall be subject to the limits established annually by the General Meeting of the Bank and should not represent a ratio of more than 30% (thirty percent) of total compensation. The sum of variable compensation that may be awarded each year to the executive members of the board of directors shall not exceed 10% (ten percent) of distributable profits for the year, except in situations justified and recognised by the General Meeting, taking into account all types of current and future risks.

d) Information regarding the deferral of the variable compensation component, with mention of the deferment period.

A proportion of 40% (forty percent) of the variable compensation will be deferred for a period of 3 (three) years in relation to the date of allocation. This scheme of deferrals shall apply from the financial year 2012, i.e. affecting the variable compensation to be paid from 2013.

e) How the payment of variable compensation is subject to the continued positive performance of the institution during the deferment period

The variable compensation, including the deferred portion thereof, shall be paid if this is sustainable in light of the financial situation of the Bank as a whole, and where this is justified in light of the performance of the institution, the structural unit concerned and the director in question, taking into account all types of current and future risks of the cost of capital and liquidity required.

Similarly, where the performance of the Institution suffers a reverse, or where it is negative, the variable compensation may be reduced, taking into account both current compensation and reductions in disbursements of amounts previously earned, specifically through aggravation or recovery arrangements and notwithstanding the general principles of contract law and domestic labour legislation.

f) The criteria on which the variable compensation in shares is based, as well as on the maintenance, by the executive directors, of the actions of the institution to which they have had access and information regarding the possible conclusion of contracts relating to such actions, specifically hedging or risk transfer contracts, their respective limit and their relation to the total value of annual compensation.

The allocation of variable compensation in the form of shares to the executive directors is not foreseen. However, administrators are already holders, indirectly, of shares in the Bank, which were acquired during its incorporation.

g) The criteria on which the allocation of variable compensation in options is based and indication of the period of deferment and the strike price.

Not applicable.

h) The main parameters and rationale for any annual bonus scheme and any other non-cash benefits.

The allocation of a variable compensation component for executive directors is determined based on the results of the performance assessment to be conducted as previously described, undertaken on a 3-year framework according to the cumulative annual assessment of the performance of the executive directors, taking into account all types of current or future risks, as well as the cost of capital and liquidity required.

i) Compensation paid in the form of profit sharing and/or bonus payments and the reasons why such bonuses and/or profit sharing were awarded.

Variable compensation is paid in the form of performance bonuses and is justified by means of the result of the performance assessment, in accordance with the Performance Assessment Policy.

j) Compensation paid or owed to members of the Board of Directors due to the termination of their functions during the year.

Executive Board member José Jacinto Iglésias Soares resigned on 18 April 2011.
Executive Board member Maria da Conceição Mota Soares de Oliveira Callé Lucas resigned on 27 February 2012.

In the situations identified, no compensation or indemnification was paid or became payable by reason of the aforementioned resignations and, therefore, termination of service.

k) Legal instruments provided in Article 10.

Neither the contracts concluded with the directors nor the company's articles of association make any provision for the payment of any compensation or indemnity in the case of dismissal of a member of the board of directors, or in the event of termination of the contract by agreement, where this results from inadequate performance of their duties. This, together with the legal provisions for the removal of directors, allows the Bank's practices to be aligned with compliance with the concerns set out in that Article.

l) Amounts paid by other companies with a controlling interest or in a group relationship with the institution

No payments were made to executive directors by other companies with a controlling interest or in a group relationship.

m) The main characteristics of supplementary pension or early retirement schemes, indicating whether they were subject to review by the general meeting.

No supplementary pension or early retirement schemes are foreseen.

n) The estimated value of relevant non-cash benefits considered as compensation and not covered by the preceding subparagraphs.

The executive directors are covered under the insurance contracted by the Bank for its employees. Where warranted, subject to case by case analysis, specific benefits may be allocated to directors who have moved outside their country of origin.

o) The existence of mechanisms that prevent the use by members of the board of directors of compensation or liability insurance, or any other hedging mechanisms intended to mitigate the effects of alignment with the risk inherent in their remuneration arrangements.

At the beginning of each term, or whenever a new director takes office, he or she undertakes to refrain from concluding contracts either with the company or with third parties, the purpose or intended effect of which is mitigation of the risk inherent to the variability of the compensation set by the company. The current directors have not concluded such contracts.

C) Compensation of non-executive members of the Board of Directors

Unless otherwise decided by the General Meeting, non-executive members of the Board of Directors receive no compensation, either fixed or variable, for performing their respective duties.

In case of dismissal for just cause, or even termination of director's contract due to the inadequate performance of duties, there shall be no payment of any compensation or indemnification, including payments related to the duration of a period of notice or non-competition provision.

D) Compensation of the members of the audit committee

Unless otherwise decided by the General Meeting, members of the Audit Committee receive no compensation, either fixed or variable, for performing their respective duties.

E) Compensation of employees

a) The bodies of the institution competent to conduct individual performance assessments

Assessment of the individual performance of employees and managers (hereinafter, "the Employees") is conducted by the Board of Directors.

b) The predetermined criteria for the assessment of individual performance that underpin entitlement to variable compensation

The allocation of the variable component of compensation for Employees shall be subject to the evaluation criteria, as laid down in the Performance Assessment Policy for each professional category.

c) The relative importance of the variable and fixed components of the compensation, as well as the maximum for each component

The fixed compensation component is structured in levels, taking into account the complexity and degree of responsibility associated with each position, being determined by the Board of Directors by reference to salary levels paid within the market.

The variable compensation component shall not exceed an amount equivalent to 30% (thirty percent) of the fixed compensation, determined according to the employee's performance assessment, taking into account all types of current and future risks and the cost of capital and liquidity required.

d) How the payment of variable compensation is subject to the continued positive performance of the institution during the deferment period

The variable compensation, including the deferred portion thereof, shall be paid if this is sustainable in light of the financial situation of the Bank as a whole, and where this is justified in light of the performance of the institution, the structural unit concerned and the Employee in question, taking into account all types of current and future risks and the cost of capital and liquidity required.

Similarly, where the performance of the Institution suffers a reverse, or where it is negative, the variable compensation may be reduced, taking into account both current compensation and reductions in disbursements of amounts previously earned, specifically through aggravation or recovery arrangements and notwithstanding the general principles of contract law and domestic labour legislation.

e) The criteria on which the allocation of variable compensation in options is based and indication of the period of deferment and the strike price

Not applicable

f) The main parameters and rationale for any annual bonus scheme and any other non-cash benefits

The allocation of a variable compensation component for Employees is determined based on the results of the performance assessment to be conducted as previously described, undertaken on a 3-year framework according to the cumulative annual assessment of the performance of the Employees, taking into account all types of current or future risks, as well as the cost of capital and liquidity required.

Specifically with regard to Employees who exercise functions of control, the assessment of their performance shall be based solely on the performance of the Employee and their organisational unit, and shall not be influenced by the assessment of the financial performance of the business area in which such control functions are exercised, taking into account the specific objectives associated with the functions carried out and provided in the Assessments Policy, specifically compliance with the legal obligations to which ATLANTICO Europa is subject (*"compliance"*), risk management and internal audit, in accordance with Bank of Portugal Notice no. 5/2008, adjustable in relation to all types of risks, whether immediate or future, and subject to the cost of capital and liquidity required, as well as the corporate objectives achieved by the Institution.

Date

The Board of Directors of ATLANTICO Europa

QUANTITIVE INFORMATION ON COMPENSATION

Information, prepared in accordance with Art. 17 of Bank of Portugal Notice no. 10/2011 concerning the compensation paid by the institution in 2011.

I. MEMBERS OF THE BOARD OF DIRECTORS

a) The annual amount of fixed and variable components of compensation and the number of beneficiaries

Beneficiaries	Variable compensation (in EUROS)	Fixed compensation (in EUROS)
Carlos José da Silva	0.00	0.00
Baptista Muhongo Sumbe	0.00	0.00
André Navarro	0.00	155,000
Graça Proença de Carvalho	0.00	140,000
Augusto Baptista	0.00	113,750
Isménio Coelho Macedo (1)	0.00	65,000
José Iglésias Soares (2)	0.00	64,794.77
Conceição Lucas (3)	0.00	140,000
Total	0.00	678,544.77

(1) took office on 09/11/2011;
(2) resigned on 18/04/2011
(3) resigned on 27/02/2012

b) The amounts and types of variable compensation, separated by pecuniary compensation, shares, share-linked instruments and other types

In 2011, the members of the Board of Directors did not receive variable compensation, either by cash payment or otherwise.

c) The amount of deferred compensation not paid, separated by components invested and not invested.

The rule governing deferred compensation shall be applied in 2012.

d) The annual amounts of deferred compensation due, paid or subject to reductions resulting from adjustments made according to the individual performance of employees

Not applicable. Cf. preceding subparagraph.

e) The number of new employees hired in the year concerned

In 2011, one new director took office.

II. MEMBERS OF THE AUDIT COMMITTEE

Members of the Audit Committee did not receive any compensation, either fixed or variable, for performing their respective duties.

III. EMPLOYEES

The information set forth below relates to the aggregate of the Bank's employees who hold positions as Director-Coordinators, Directors, Deputy Directors, Assistant Directors and employees who perform internal control functions.

a) The annual amount of the fixed and variable components of compensation and the number of beneficiaries

No. of beneficiaries	Variable compensation (in EUROS)	Fixed compensation (in EUROS)
17	207,378.00	1,165,859.00

b) The amounts and types of variable compensation, separated by pecuniary compensation, shares, share-linked instruments and others

Total amount of variable compensation payments: 207,378.00 EUR
Compensation was not paid in the form of shares, share-linked instruments and other types.

c) The amount of deferred compensation not paid, separated by components invested and not invested

The rule of deferred compensation shall be applied in 2012.

d) The annual amounts of deferred compensation due, paid or subject to reductions resulting from adjustments made according to the individual performance of employees

The rule of deferred compensation shall be applied in 2012.

e) The number of new employees hired in the year concerned

Recruitment in 2011–2

f) The amounts paid or payable annually as a result of early termination of employment contracts with employees, the number of beneficiaries of such payments, and the highest payout awarded to an employee

Only one employee received payments due to early termination of their employment contract, which did not exceed 19,168.23 EUR

IV. Aggregate quantitative information, broken down by area of activity, regarding the compensation of employees

Area of activity	Overall amount paid (in EUROS)
Relational Banking	213,568.00
Corporate Banking	110,200.00
Investment Banking	93,500.00
Internal control	233,310.72
Areas of support	848,058.78

Proposed Appropriation of Earnings

In the period between 1 January 2011 and 31 December 2011, Banco Privado Atlântico Europa posted a loss of 1,402,956 Euros.

The Board proposes that this loss be fully transferred to the caption Retained Earnings.

Lisbon, 19 March 2012

The Board of Directors

BANCO PRIVADO ATLÂNTICO - EUROPA, S.A.

Financial Statements
at 31 December 2011

(Amounts in Euros, except where expressly indicated)

Banco Privado Atlântico - Europa S.A.
Balance Sheets at
31 de Dezembro de 2011 e 31 de Dezembro de 2010

(Amounts stated in Euros)

ASSETS	Notes	2011 Gross assets	2011 Provisions, impairment and depreciation	2011 Net assets	2010
Assets					
Cash at Central Banks	3.1	3.092.313	-	3.092.313	855.075
Cash and equivalents at other credit institutions	3.2	4.202.633	-	4.202.633	1.604.691
Financial assets at fair value through profit or loss	3.3	1.315.308	-	1.315.308	-
Financial assets available for sale	3.4	-	-	-	4.961.172
Investments in credit institutions	3.5	101.116.768	-	101.116.768	33.845.721
Loans and advances to customers	3.6	25.016.549	(271.626)	24.744.923	12.594.396
Held-to-maturity financial assets	3.7	154.819.059	-	154.819.059	9.932.189
Other tangible assets	3.8	1.176.519	(327.392)	849.127	897.125
Intangible assets	3.9	1.177.685	(465.575)	712.110	571.789
Investments in subsidiaries, associates and jointly controlled entitie	3.10	55.000	-	55.000	50.000
Current tax assets	3.11	11.834	-	11.834	1.124
Deferred tax assets	3.11	1.213.656	-	1.213.656	853.907
Other assets	3.12	6.674.849	-	6.674.849	2.009.388
Total Assets		299.872.173	(1.064.593)	298.807.580	68.176.577

LIABILITIES AND SHAREHOLDERS' EQUITY	Notes	2011	2010
Liabilities			
Deposits from other credit institutions	3.13	26.470.477	21.729.509
Customer deposits and other loans	3.14	224.841.782	25.397.939
Provisions	3.15	164.733	58.675
Current tax liabilities	3.16	71.620	101.970
Other liabilities	3.17	1.331.563	1.568.716
Total Liabilities		252.880.175	48.856.809
Capital	3.19	50.000.000	18.000.000
Other capital instruments	3.19	-	4.000.000
Revaluation reserves	3.20	-	(10.593)
Other reserves and retained earnings	3.20	(2.669.639)	(1.175.009)
Net income in the period	3.20	(1.402.956)	(1.494.630)
Total Shareholders' Equity		45.927.405	19.319.768
Total Liabilities + Shareholders' Equity		298.807.580	68.176.577

The accompanying notes form an integral part of these financial statements.

Audit Technician

The Board of Directors

Banco Privado Atlântico - Europa S.A.
Comprehensive Income Statements for the periods ended 31 December 2011 and 2010

(Amounts stated in Euros)

	Notes	2011	2010
Interest and similar revenues		3.869.199	672.746
Interest and similar costs		(1.095.230)	(304.153)
NET INTEREST INCOME	3.21	2.773.969	368.593
Income from services and commissions	3.22	1.282.181	136.152
Costs with services and commissions	3.22	(103.517)	(71.199)
Income from available-for-sale financial assets	3.23	583	-
Earnings from Currency Revaluation	3.23	(1.180.226)	109.304
Income from assets and liabilities measured at fair value through profit or loss	3.23	1.395.424	-
Other operating income	3.24	2.556.783	4.681.888
OPERATING INCOME		6.725.197	5.224.738
Personnel costs	3.25	(3.840.940)	(3.397.019)
General administrative expenses	3.26	(3.831.331)	(3.397.645)
Depreciation in the period	3.8 and 3.9	(350.926)	(341.403)
Overheads		(8.023.197)	(7.136.067)
Net connections associated to customer loans	3.15	(271.626)	-
Provisions net of reversals	3.15	(106.058)	(18.675)
EARNINGS BEFORE TAXES		(1.675.684)	(1.930.004)
Taxes			
Current	3.27	(87.021)	(102.494)
Deferred	3.27	359.749	537.868
NET INCOME FOR THE PERIOD		(1.402.956)	(1.494.630)
Revaluation of available-for-sale investments	3.20	10.593	(10.593)
COMPREHENSIVE INCOME FOR THE YEAR		(1.392.363)	(1.505.223)

The accompanying notes form an integral part of these financial statements.

Audit Technician Board of Directors

Banco Privado Atlântico - Europa S.A.
Statements of Cash Flows for the years ended 31 december 2011 and 2010

(Amounts stated in Euros)

	2011	2010
CASH FLOWS FROM OPERATING ACTIVITIES:		
Receipt of interest and commissions	5.151.380	808.898
Payment of interest and commissions	(1.198.747)	(375.352)
Payments to employees and suppliers	(6.723.093)	(6.293.578)
Other receipts relating to operating activities	627.281	4.681.888
Operating income before changes in operating assets	(2.143.179)	(1.178.144)
(Increase) / decrease in operating assets:		
Investments in credit institutions	(67.287.669)	(9.262.111)
Loans and advances to customers	(12.317.113)	(6.767.312)
Other assets	(4.665.461)	(1.895.833)
	(84.270.243)	(17.925.256)
Increase / (decrease) in operating liabilities:		
Deposits from other credit institutions	4.686.352	19.178.066
Customer deposits	199.148.635	13.395.450
Other liabilities	(237.153)	(169.668)
	203.597.834	32.403.848
Net cash from operating activities	117.184.412	13.300.448
CASH FLOWS FROM INVESTMENT ACTIVITIES:		
Acquisitions and disposals of tangible and intangible assets	(418.534)	(828.882)
(Acquisitions) and disposals from available-for-sale investments	4.961.172	(4.905.877)
(Acquisitions) and disposals from investments in subsidiaries, associates and jointly controlled entities	(5.000)	(50.000)
(Acquisitions) and disposals from held-to-maturity investments	(144.886.870)	(9.922.733)
Net cash from investment activities	(140.349.232)	(15.707.491)
CASH FLOWS FROM FINANCING ACTIVITIES:		
Share Capital Increase	28.000.000	-
(Payment) / repayment of additional paid-in capital	-	2.750.000
Net cash from financing activities	28.000.000	2.750.000
Net increase / (decrease) in cash and cash equivalents	4.835.180	342.957
Cash and cash equivalents at beginning of period	2.459.766	2.116.809
Cash and cash equivalents at end of period (notes 3.1 and 3.2)	7.294.946	2.459.766

The accompanying notes form an integral part of these financial statements.

Audit Technician

The Board of Directors

Banco Privado Atlântico - Europa S.A.
Statement of Changes in Equity for the periods ended 31 December 2011 and 2010

(Amounts stated in Euros)

	Capital	Other equity instruments	Revaluation reserves	Other reserves and retained earnings	Profit/loss for the year	Total
Balances at 31 December 2009	**18.000.000**	**1.250.000**	**-**	**-**	**(1.175.009)**	**18.074.991**
Allocation of surplus of 2009:						
Transfer to retained earnings	-	-	-	(1.175.009)	1.175.009	-
Additions to additional paid-in capital	-	2.750.000	-	-	-	2.750.000
Comprehensive income for the year (Note 3.4)	-	-	(10.593)	-	(1.494.630)	(1.505.223)
Balances at 31 December 2010	**18.000.000**	**4.000.000**	**(10.593)**	**(1.175.009)**	**(1.494.630)**	**19.319.768**
Allocation of surplus of 2010:						
Transfer to retained earnings	-	-	-	(1.494.630)	1.494.630	-
Capital increase	28.000.000	-	-	-	-	28.000.000
Additional paid-in capital refund	4.000.000	(4.000.000)	-	-	-	-
Comprehensive income for the year (Note 3.4)	-	-	10.593	-	(1.402.956)	(1.392.363)
Balances at 31 December 2011	**50.000.000**	**-**	**-**	**(2.669.639)**	**(1.402.956)**	**45.927.405**

The accompanying notes form an integral part of these financial statements.

Audit Technician

The Board of Directors

BANCO PRIVADO ATLÂNTICO - EUROPA, S.A.

Notes to the Financial Statements at 31 December 2011

(Amounts in Euros, except where expressly indicated)

1. INTRODUCTORY NOTE

Banco Privado Atlântico Europa, S.A. (the "Bank", "ATLANTICO Europa", "Institution") is a limited company, with headquarters in Lisbon, established on 22 June 2009 and having commenced operations in August 2009. The constitution of the Bank was authorised by the Bank of Portugal on 20 June 2009. The financial statements presented herein reflect the results of Bank's operations for the years ended 31 December 2011 and 2010.

The Bank's corporate purpose is the pursuit of banking activities.

The financial statements at 31 December 2011 were approved by the Board of Directors on 19 March 2012.

The Bank's financial statements at 31 December 2011 are pending approval by the Annual General Meeting. However, the Board believes that these financial statements will be approved without significant changes.

All amounts presented in this annex are stated in Euros (rounded to whole units), unless expressly stated otherwise.

2. SIGNIFICANT ACCOUNTING POLICIES

2.1. Basis of presentation

The Bank's financial statements were prepared on a going concern basis, based on the books and accounting records kept in accordance with the principles enshrined in the Adjusted Accounting Standards (AAS), pursuant to Notice No. 1 / 2005 of 21 February and Instructions No. 23/2004 and No. 9/2005 issued by the Bank of Portugal, following the powers conferred by paragraph 3 of Article 115 of the Legal Framework of Credit Institutions and Financial Companies, approved by Decree-Law No. 298/92 of 31 December.

The AAS generally conform to International Financial Reporting Standards (IFRS) as adopted by the European Union, in accordance with Regulation (EC) No. 1606/2002 of the European Parliament and Council of 19 July, transposed into domestic law by Decree-Law No. 35/2005 of 17 February and Bank of Portugal Notice No. 1/2005 of 21 February. However, under Notice No. 1/2005, the following exceptions impact Banco Privado Atlântico Europa S.A.'s financial statements:

i) Measurement of customer credit and accounts receivable from other debtors (loans and receivables) - credits are recorded at nominal value and cannot be reclassified to other categories and, as such, carried at fair value;

ii) Provisioning of credit and receivables - minimum levels of provision are defined in accordance with the provisions of Bank of Portugal Notice No. 3/95, as amended by Bank of Portugal Notice No. 8/03, of 30 June, and Bank of Portugal Notice No. 3/2005, of 21 February (Note 2.3. a)). This regime also covers liabilities represented by acceptances, guarantees and other instruments of similar nature;

iii) Tangible assets are necessarily kept at acquisition cost, it thus not being possible to record them at fair value as permitted by the Standard IAS 16 - Tangible fixed assets. As an exception, recording legally authorised revaluations is allowed, in which case the capital gains arising are recorded under "Revaluation reserves".

2.2. Conversion of balances and transactions in foreign currency (IAS 21)

The Bank's accounts are prepared in accordance with the currency used in the economic environment in which it operates (called the "functional currency"), namely the Euro.

Transactions in foreign currency are recorded based on exchange rates on the transaction date. At each balance sheet date, assets and liabilities denominated in foreign currencies are translated into Euros based on the exchange rate in force.

Exchange differences on foreign currency translation are reflected in the income statement, except those caused by non-monetary financial instruments classified as available for sale, which are recorded in a specific equity account until disposal.

2.3. Financial instruments

a) Investments in credit institutions, loans to customers, amounts receivable from other debtors and provisions

As described in Note 2.1., these assets are recorded in accordance with the provisions of Notice No. 1/2005, of the Bank of Portugal. They are thus recorded at nominal value, and the proceeds thereof, including interest and commissions, are recognised over the period of operations in accordance with the "pro rata temporis" method when dealing with operations that produce yield flows during a period of more than one month. Where applicable, the external fees and costs attributable to the contracting of transactions underlying assets included in this category are also accrued over the term of the loans.

In accordance with Bank of Portugal Notice No. 3/95, of 30 June, No. 2/99 of 15 January, No. 7/00 of 27 October, No. 8/03 of 30 January, and other provisions issued by the Bank of Portugal, the Bank provides the following provisions for credit risks:

i) Provision for loans and accrued interest

This is intended to address the risks of making loans that have principal and interest payments due, and which are unpaid. The percentages of credit and accrued interest provided for depend on the kinds of existing guarantees and are increasing functions of the period elapsed since the entry into default.

ii) Provision for doubtful debts

This is intended to cover the risks of capital falling due on loans that have principal or interest payments due and unpaid, or that are assigned to customers who have other liabilities due. The following are considered doubtful debts:

-Unpaid instalments of a credit transaction in which at least one of the following conditions is observed in relation to the principal and interest payments in arrears:

• They exceed 25% of the principal, plus interest;
• Being in default for more than:
  >> Six months, for transactions with a term of less than five years;
  >> Twelve months, for transactions with a term of five years or more, but less than ten years;
  >> Twenty-four months, for transactions with a term of ten years or more.

- Credits under these conditions are considered due only for the purposes of provisioning, and are provisioned based on the rates applicable for overdue credit for such operations.

-Loans maturing on the same customer are also considered doubtful debts if credit and interest due on all operations related to that customer exceeds 25% of total credit, plus interest. Credits under these conditions are accrued based on half the rates applicable for overdue loans.

(iii) Provision for general credit risks

This is recorded under liabilities, under the caption "Provisions", and is intended to address any potential risks in credit collection, guarantees and sureties provided.

This provision is constituted in accordance with Notices No. 3/95, of 30 June, No. 2/99 of 15 January and No. 8/03 of 30 January.

This provision is calculated by applying the following general percentages to total debt not due, including the guarantees and sureties:

- 1.5% in relation to consumer credit transactions and loans to individuals, whose purpose cannot be determined;
- 0.5% in relation to loans secured by mortgages on property or real estate leasing transactions, in both cases where the property is intended to house the borrower;
- 1% in relation to the remaining credit granted.

Under current legislation, the strengthening of this provision is not accepted as a tax cost.

iv) Provision for country risk

This is intended to address the risk of holding financial and off balance sheet assets on residents of countries considered high-risk, whatever the instrument used or the nature of the counterparty, except:

- Those domiciled at a branch established in that country, stated and payable in the currency of that country, insofar as they are covered by funds denominated in that currency;
- From financial holdings;
- Transactions with subsidiaries of credit institutions in a country considered high-risk, provided that they are established in Member States of the European Union;
- Those guaranteed by entities referred to in paragraph 1 of Article 15 of Notice no. 3/95, provided that the guarantee covers transfer risk;
- Short-term foreign trade financing operations, fulfilling the conditions set out by the Bank of Portugal.

The requirements of provisions are determined by applying the percentages set by the Bank of Portugal, which ranks countries and territories according to risk groups, according to the provisions of Notice no. 3/95, of 30 June, Instruction no. 94/96, of 17 June, and Circular Letter under reference 46/07/DSBDR, of 22 June 2007.

Since this is a specific provision, it is classified in various accounting captions recorded under assets that meet the definition of country risk.

b) Financial assets available for sale (IAS 39)

This caption includes:

• Fixed income securities that are not classified as trading book or as loan portfolio;
• Variable income securities available for sale; and
• Supplies and supplementary capital in financial assets available for sale.

Assets classified as available for sale are measured at fair value, except for equity instruments not quoted in an active market and whose fair value cannot be measured or reliably estimated, which remain recorded at cost.

Gains and losses arising from changes in the fair value of financial assets available for sale are recognised directly under equity under the caption fair value revaluation reserves, except for impairment losses and gains and losses on monetary assets, until the asset is sold, at which time the gain or loss previously recognised under equity is recognised under profits.

Accrued interest on bonds and other fixed income securities and the differences between the acquisition cost and the nominal value (premium or discount) are recognised as income, according to the effective interest rate method.

Earnings from variable income securities (dividends in the case of shares) are recognised as income on the date they are allocated or received. According to this criterion, interim dividends are recorded as income in the year during which their distribution is deliberated.

IAS 39 identifies some events it regards as objective evidence of impairment of financial assets available for sale, specifically:

- Significant financial difficulties of the issuer;
- Contractual default of the issuer in terms of repayment of principal or interest payments;
- Probability of bankruptcy of the issuer;
- Disappearance of a market asset for the financial asset because of financial difficulties of the issuer.

In addition to signs of impairment related to the debt instruments listed above, the following specific evidence is still considered with regard to equity instruments:

- Significant changes with adverse impact on the technological, market, economic or legal environment in which the issuer operates that indicate that the investment cost may not be fully recovered;
- A significant or prolonged decline in the market value of financial assets below acquisition cost.

With reference to the date of preparation of financial statements, the Bank assesses the existence of situations providing objective evidence of impairment that indicate that the cost of investments may not be recoverable in the medium term, considering the market situation and available information on issuers.

Where there is objective evidence of impairment, the cumulative loss on the fair value revaluation reserve is removed from equity and recognised in profit or loss.

Impairment losses recorded in fixed income securities are reversed through profit or loss, if there is a positive change in the fair value of the security resulting from an event occurring after the calculation of impairment. Impairment losses relating to variable-income securities cannot be reversed. In the case of securities for which impairment has been recognised, subsequent reductions in fair value are always recognised in profit or loss.

The exchange rate of non-monetary assets (equity instruments) classified within the portfolio available for sale are recorded in the revaluation reserve for exchange differences. The exchange differences of the remaining securities are recorded in profit or loss.

(c) Held-to-maturity investments (IAS 39)

This caption includes non-derivative financial assets with fixed or determinable payments and established maturities which ATLANTICO Europa intends and is capable of holding to maturity.

These investments are valued at amortised cost using the effective interest rate method and are subject to impairment tests.

The impairment losses on held-to-maturity financial investments are recorded in the income statement for the year.

If during a subsequent period the amount of impairment loss decreases, and this decrease may be objectively related to an event occurring after the impairment was recognised, this is reversed against profit or loss for the year.

(d) Financial assets at fair value through profit or loss (IAS 39)

This category includes available-for-sale financial assets, which mainly include securities purchased with the aim of realising gains from short-term fluctuations in market prices. Also included under this category are derivative financial instruments, excluding those that meet the requirements for hedge accounting.

Financial assets classified under this category are recognised at fair value, with gains and losses generated by the subsequent valuation reflected in the income statement under “Income from assets and liabilities measured at fair value through profit or loss”. Interest is reflected in the respective caption of "Interest income”.

(e) Other financial liabilities (IAS 39)

Financial liabilities are recorded at the date they are contracted at their respective fair value, plus costs directly attributable to the transaction.

This category includes funds from other credit institutions and customers, and liabilities incurred for the payment of services.

These liabilities are valued at amortised cost using the effective interest rate method.

(f) Fair value (IAS 39)

As mentioned above, financial assets classified in the categories of Financial assets at fair value through profit or loss and Available-for-sale financial assets are carried at fair value.

The fair value of a financial instrument is the amount at which an asset or financial liability may be sold or liquidated between independent parties, informed and interested in realising the transaction under normal market conditions.

The fair value of financial instruments is determined based on the following criteria:

- Closing price at the balance sheet date, for instruments traded in active markets; and
- Bid prices disseminated by financial media, such as Bloomberg and Reuters.

g) Derivatives and hedge accounting

The Bank enters into transactions with derivative products as part of its activity in order to meet the needs of its customers and reduce its exposure to fluctuations in exchange rates, interest rates and prices.

Derivative financial instruments are recorded at their fair value at the date of the transaction. Additionally, they are recorded under off-balance sheet captions by their notional value.

The fair value is calculated:

• Based on prices obtained in active markets;

• Based on models incorporating valuation techniques accepted in the market, including discounted cash flows and option valuation models.

Hedging derivatives

These are derivatives contracted with the aim of hedging the Bank's exposure to a certain risk inherent to its business. Classification as hedge derivatives and the use of the concept of hedge accounting, as described below, is subject to compliance with the rules laid down in IAS 39.

For all hedging relationships, the Bank prepares, at the beginning of the operation, formal documentation, which includes the following aspects:

• Risk management and strategy objectives associated with the hedging operation, in accordance with the hedging policy established by the Bank;

• Description of risk(s) hedged;

• Identification and description of hedged financial instruments and hedging;

• Method for assessing hedge effectiveness and frequency.

Periodically, tests of the effectiveness of the hedging are performed and documented by comparing the change in fair value of the hedging instrument and the hedged item (in the part attributable to the hedged risk). In order to enable the use of hedge accounting in accordance with IAS 39, this ratio should range from 80% to 125%. Additionally, tests of prospective efficacy are performed in order to demonstrate further the future effectiveness of the hedge.

Hedging derivatives are recorded at fair value, with the results obtained monthly recorded under income and expenses for the period. If it is demonstrated that the hedge is effective, the Bank also reflects the change in fair value of the hedged item attributable to the hedged risk in profit and loss for the year, under "Profit or loss from financial assets and liabilities valued at fair value through profit or loss."

The positive or negative fair value of hedging derivatives is recorded under assets and liabilities, under special captions.

The valuations of hedged items are reflected under captions where those assets and liabilities are recorded.

Trading derivatives

All derivative financial instruments that are not associated with effective hedging ratios in accordance with IAS 39 are considered trading derivatives, including:

Derivatives employed to hedge assets or liabilities recorded at fair value through profit or loss, thus making unnecessary the use of hedge accounting;

Derivatives employed for hedging purposes that do not constitute effective hedges under IAS 39;

Derivatives contracted with the aim of trading.

Trading derivatives are recognised at fair value, with profits and losses ascertained daily reflected under income and costs for the year, under "Income from assets and liabilities measured at fair value through profit or loss". The positive and negative fair values are recorded under the captions "Financial assets at fair value through profit or loss" and "Available-for-sale financial liabilities" respectively.

2.4. Other tangible assets (IAS 16, Notice No. 1/2005 and IAS 17)

These are recorded at acquisition cost, less depreciation and accumulated impairment losses. Costs of repair, maintenance and other expenses associated with their use are recognised as a period cost, under the caption "General administrative expenses".

Depreciation is calculated based on the straight-line method and recorded under period costs on a systematic basis over the estimated useful life of the asset, which is the period during which the asset is expected to be available for use, and which amounts on average to:

	Average Years of Useful Life
Expenditure on rented buildings	10
Furniture and equipment	8
Machinery and tools	5
IT equipment	4
Indoor facilities	8
Transport equipment	4
Safety equipment	8

Whenever the net book value of tangible assets exceeds their recoverable value, in accordance with IAS 36 – "Impairment of Assets ", this is recognised as an impairment loss with a bearing on the income statement. Impairment losses may be reversed, also having an impact on the income statement, if in subsequent periods there is an increase in the recoverable value of the asset.

2.5. Intangible assets (IAS 38)

This caption mainly includes costs for the acquisition, development or preparation for use of software used in developing the Bank's activities. Intangible assets are recorded at acquisition cost, less depreciation and impairment losses.

Depreciation is recorded as a period cost on a systematic basis over the estimated useful life of the assets, which on average corresponds to a period of 3 years.

Software maintenance costs are recorded as costs of the period in which they are incurred.

2.6.Interests in subsidiaries, associates and joint ventures (IAS 28 and IAS 31)

This caption includes interests in companies over which the Bank exercises effective control of day-to-day management, so as to obtain economic benefits from their activities, called "subsidiaries". Usually, this control is evidenced by holding an interest of more than 50% of the capital or voting rights.

These assets are recorded at acquisition cost, being subject to periodic impairment tests.

Dividends are recorded as income in the year during which their distribution is decided by the subsidiaries.

2.7. Income taxes (IAS 12)

The total income tax recorded under income includes current taxes and deferred taxes.

Current tax is calculated based on the tax result of the period, which differs from accounting profit due to adjustments to taxable income resulting from expenses or income not relevant for tax purposes, or which will only be considered in other periods.

Deferred taxes represent the impact on tax recoverable / payable in future periods resulting from temporary deductible or taxable differences between the book value of assets and liabilities and their tax base, used in determining taxable profit.

Deferred tax liabilities are generally recorded for all temporary taxable differences, while deferred tax assets are only recorded up to the probable amount of future taxable income that allows the use of corresponding tax deductible differences or tax losses.

Deferred taxes are calculated using the tax rates anticipated to be in force when the temporary differences are reversed, which correspond to the rates enacted or substantially adopted at the balance sheet date.

In accordance with Article 14 of the Local Finance Law, municipalities may decide one municipal surcharge annually up to a maximum of 1.5% on taxable income, subject to, and not exempt from, corporate income tax (IRC). To this effect, the tax rate used in 2011 to calculate deferred tax was 25% of any reportable tax losses, and 26.5% on other temporary differences generated in the recognition of tax on profits for the period.

With the publication of Law No. 12 – A/2010, of 30 June, the state surcharge was introduced, which must be paid by all taxpayers who receive, in 2010 and in future years, a taxable income not exempt of IRC of more than 2,000,000 Euros. The state surcharge will be 2.5% of the taxable income above that limit.
It should be noted, however, that Law no. 64-B/2011, of 30 December (the State Budget Law for 2012), temporarily increases the limits and rates of the State Surcharge applicable to taxable persons who receive, in the years 2012 and 2013, a taxable profit unexempt from Income Tax of more than 1,500,000 Euros. Thus, for the years 2012 and 2013, the State Surcharge applicable to taxable income in excess of 1,500,000 Euros and up to 10,000,000 Euros rises to 3%, while the rate applicable to taxable income unexempt from Income Tax of more than 10,000,000 Euros stands at 5%.

With the publication of Law no. 55 - A/2010, of 31 December, the Bank began to be covered by the contribution scheme for the banking sector. The banking sector contribution focuses on:

a)The liabilities determined and approved by the taxpayers deducted from core capital "Tier I" and additional "Tier II" and the deposits covered by the Deposit Guarantee Fund. The following are deducted from ascertained liabilities:

- Elements that, according to accounting standards, are recognised as equity;
- Liabilities associated with the recognition of liabilities for defined benefit plans;
- Provisions for liabilities;
- Liabilities arising from the revaluation of derivative financial instruments;
- Revenues from deferred income, not taking into account those related to liability operations and;
- Liabilities for non-derecognised assets in securitisation transactions.

b) The notional value of off-balance sheet derivative financial instruments ascertained by taxpayers, with the exception of derivative financial instruments for hedging or where their exposure is mutually offset.

The rates applicable to the basis of incidence defined by subparagraphs a) and b) above are 0.05% and 0.00015%, respectively, according to the value calculated.

Taxes on income (current or deferred) are reflected in the income statement for the period, except in cases where the transactions that gave rise to them have been reflected under other equity captions. In these cases, the corresponding tax is also reflected against equity, not affecting the income for the period.

2.8. Employee benefits (IAS 19)

Liabilities for employee benefits are recognised in accordance with the principles established by the Standard IAS 19 - Employee Benefits.

ATLANTICO Europa has not signed up to the Collective Bargaining Agreement in force for the banking sector; employees are being covered by the General Social Security Scheme. Therefore, at 31 December 2011, the Bank has no liability for pensions, supplementary pensions and other long-term benefits to be allocated to employees.

Short term benefits, including performance-based productivity bonuses paid to employees, are reflected under "Personnel costs" in the period concerned, in accordance with the accruals principle.

2.9. Provisions and contingent liabilities

A provision is recorded where there is a present obligation (legal or constructive) resulting from past events where the future expenditure of resources is likely, and this can be reliably determined. Its size of the provision corresponds to the best estimate of the amount to be paid to settle the liability on the balance sheet date.

If the future expenditure of resources is unlikely, it is dealt with as a contingent liability. Contingent liabilities are for purposes of disclosure only, unless the possibility of its implementation is remote.

2.10. Recognition of revenue and expenses

Revenues and expenses are recognised in the year to which they relate, regardless of when they were paid or received, according to the principle of accounting accruals.

2.11. Revenue and operating income

Revenues and operating income include mainly services rendered to Banco Privado Atlântico, S.A. (Angola) concerning support for designing and assembling of financing transactions on a subcontract basis. Additionally, they include services provided to related parties on the implementation of internal reorganisation and technical support projects during their business operations.

The income associated with these services is recognised in the income statement under the caption "Other operating income" over the period the services were provided, or once, if dealing with single acts.

2.12. Commissions

As mentioned in Note 2.3., Commissions received on loans and other financial instruments, including origination fees charged on transactions, are recognised as income over the period of operation.

Commissions for services rendered are usually recognised as income over the period the service is provided or only once if they result from single acts.

2.13. Amounts received for deposit

Amounts received for deposit, particularly from customers, are recorded at fair value under off-balance-sheet captions.

2.14. Cash and cash equivalents

For the purposes of preparing the statement of cash flows, the Bank considers "Cash and cash equivalents" the total of the captions "Cash at Central Banks" and "Cash equivalents at other credit institutions".

2.15. Subsequent events

Events occurring after the balance sheet date that provide additional information about conditions that existed at the balance sheet date (adjusting events) are reflected in the financial statements. Events after the balance sheet date that provide information on conditions that occur after the balance sheet date (non-adjusting events), if material, are disclosed in the notes to the financial statements.

2.16. Critical accounting estimates and judgements most relevant in the application of accounting policies

In applying the accounting policies described above, it was necessary for the Bank's Board of Directors to make estimates. The estimates with greatest impact on the Bank's financial statements include those shown below.

DETERMINATION OF TAX ON PROFITS

Taxes on profits (current and deferred) are determined by the Bank on the basis of rules defined by the tax regime in force. However, in some situations, tax laws may not be sufficiently clear and objective, and may lead to different interpretations existing. In these cases, the values recorded result from the better understanding Bank's bodies of the proper framework for their operations, which is, however, likely to be questioned by the Tax Authorities.

Additionally, deferred tax assets are recorded based on projections of future results prepared by the Board of Directors of the Bank. However, actual results may differ from those estimates.

DETERMINATION OF IMPAIRMENT LOSSES ON FINANCIAL ASSETS

In relation to provisions for customer credit, accounts receivable, guarantees and sureties provided, the Bank meets the minimum limits set by the Bank of Portugal (Note 2.3.). However, whenever deemed necessary, these provisions are supplemented to reflect the Bank's estimate of the risk of uncollectible amounts associated with customers. This assessment is made on a case by case basis by the Bank based on specific knowledge of the customers' situation and on the guarantees associated with the operations in question.

2.17. Adoption of new Standards (IAS/IFRS) or revision of Standards already issued

In 2011, in the preparation of its financial statements, the Bank adopted the standards and interpretations issued by the IASB and IFRIC, respectively, provided that they were endorsed by the European Union, applicable to annual periods beginning on or after 1 January 2011. The most significant amendments were:

- IAS 24 (Amended) – "Related parties" – The revised text of the standard introduces a partial exemption from the general requirements of disclosure related to parties in which the State exercises control, joint control or significant influence. In this context, disclosure is only mandatory for balances and transactions effected directly with the State or State-related entities whose nature or amount (individually or cumulatively) is significant. Application of the amended standard is mandatory for annual periods beginning on or after 1 January 2011.

- IAS 32 – "Classification of rights issues" (Amendment) – As a result of the amendment made to the text of the standard, derivative instruments issued by an entity with the purpose of acquiring a fixed number of its equity instruments in exchange for an amount previously established, regardless of the currency in which the transaction is agreed, should themselves be recognised as equity instruments and not as a liability, provided that they meet the other presentation requirements established by the standard for this purpose. Adoption of this amendment is mandatory for annual periods beginning on or after 1 February 2010.

- IFRIC 14 (Amended) – "Prepayments of a minimum funding requirement" – The amendments made to this interpretation in November 2009 allow the recognition of prepayment of minimum funding requirements as an asset. Its application is mandatory for annual periods beginning on or after 1 January 2011.

- IFRIC 19 – "Extinguishing financial liabilities with equity instruments" – This standard establishes the accounting treatment to be followed by an entity issuing equity instruments, in order to liquidate, in whole or in part, a financial liability. Its application is mandatory for annual periods beginning on or after 1 July 2010.

- "Improvements to international financial reporting" – This process involved the revision of 6 accounting standards and 1 interpretation, the application of two of which is mandatory for annual periods beginning on or after 1 July 2010 and five for annual periods beginning on or after 1 January 2011.

At 31 December 2011, the following standards (new and revised) and interpretations issued by IASB and IFRIC, respectively, and endorsed by the European Union, were available for early adoption:

- IFRS 7 – "Financial instruments: Disclosures" (Amended) – The amendments made to this standard aim to clarify existing disclosures regarding the nature and extent of risks to which entities are exposed due to the use of financial instruments. Additionally, they seek to improve the quality of disclosures relating to financial asset transfer operations, such as securitisation operations. Adoption of these amendments is mandatory for annual periods beginning on or after 1 July 2011.

Additionally, as of the date of approval of these financial statements, the following standards and interpretations had also been issued, which had not yet been endorsed by the European Union:

- IFRS 9 – "Financial Instruments" – This new standard employs a unique approach to determine the accounting of a financial asset at amortised cost or fair value, simplifying classification compared to IAS 39. Classification depends on the contractual characteristics of the asset and how it is managed. The standard does not cover financial liabilities. Application of the amended standard is mandatory for annual periods beginning on or after 1 January 2015.

- IFRS 11 – "Joint arrangements" – The new standard requires that parties to a joint venture determine the type and form of accounting for the joint venture by assessing the rights and obligations arising from the operation. The joint venture may be classified as a "joint operation", in cases where the parties involved have rights regarding the assets and obligations regarding the liabilities relating to the agreement, or as a "joint venture" in cases where the parties involved have rights regarding the net assets related to the agreement. Its application is mandatory for financial years beginning on or after 1 January 2013.

- IFRS 12 – "Disclosure of Interests in Other Entities" – The standard establishes the disclosure of information that enables users of the financial statements of an entity to assess the nature and risks associated with the interests that the entity possesses, specifically the effect of these interests on its financial position and performance and on its cash flows. Its application is mandatory for financial years beginning on or after 1 January 2013.

- IFRS 13 – "Fair Value Measurement" – The standard defines what fair value is and establishes a framework for ascertaining it. It also established a hierarchy for fair value, according to the inputs used in the valuation models. The standard also establishes disclosure requirements related to the ascertainment of fair value. Its application is mandatory for annual periods beginning on or after 1 January 2013.

- IAS 27 – "Separate Financial Statements" – The standard establishes principles to be applied in accounting for investments in subsidiaries, joint ventures and associates when an entity elects, or is required by local regulators, to present separate (unconsolidated) financial statements. Its application is mandatory for financial years beginning on or after 1 January 2013.

- IAS 19 (Amendment) – "Employee Benefits" – The amendments to the text of the standard issued in June 2011 establish improvements in accounting for defined benefit plans, specifically eliminating the option to defer actuarial gains and losses (corridor method), streamlining the presentation of changes in assets and liabilities related to defined benefits and introducing more stringent requirements regarding disclosure of the characteristics and risks associated with defined benefit plans. Its application is mandatory for financial years beginning on or after 1 January 2013.

- IAS 12 (Amendment) – "Deferred tax: Recovery of Underlying Assets" – This amendment establishes that, in order to determine deferred taxes related to investment properties, it may be considered that the recovery will be achieved through sale. Application of the amended text of the standard, issued in December 2010, is mandatory for annual periods beginning on or after 1 January 2012.

- IAS 1 (Amendment) – "Presentation of Items of Other Comprehensive Income" - The amendments to the standard include some modifications to the manner in which comprehensive income is presented. Application of the amended text of the standard, issued in June 2011, is mandatory for annual periods beginning on or after 1 July 2012.

Although an assessment of the impact of the adoption of the above standards and interpretations in the preparation of the Bank's financial statements is not yet available, the Board believes that their application will not materially affect the said statements.

NOTES

Notes

3.1.. Cash at Central Banks

At 31 December 2011 and 2010, this caption has the following composition:

	2011	2010
Cash	144.821	33.135
Demand deposits at the Bank of Portugal	2.947.492	821.940
	3.092.313	855.075

The caption DEMAND DEPOSITS IN THE BANK OF PORTUGAL includes deposits constituted to meet the requirements of the Minimum Reserve System of the European System of Central Banks (ESCB). These deposits are paid and account for 2% of deposits and debt securities with a maturity of up to 2 years, excluding deposits and debt securities with institutions subject to minimum ESCB reserves.

3.2. Cash and equivalents at other credit institutions

At 31 December 2011 and 2010, this caption has the following composition:

	2011	2010
Cash equivalents at credit Institutions in the country		
Demand deposits	4.192.729	1.547.141
Other cash equivalents	9.904	57.550
	4.202.633	1.604.691

At 31 December 2011 and 2010, the amount under the caption DEMAND DEPOSITS essentially corresponds to deposits in Euros and U.S. Dollars held with Millennium BCP and Banque Privée Edmond Rothschild.

3.3. Financial assets at fair value through profit or loss

At 31 December 2011, this caption relates to the appreciation of forward currency purchase operations.

At 31 December 2011, the above-mentioned operations are valued according to the criteria described in note 2.3. g). At 31 December 2011, the notional amount and book value of derivative financial instruments has the following breakdown:

	Notional amount	Book Value
Over-the-counter (OTC) market		
Forward Foreign Exchange Operations		
- Purchase	48.143.450	1.315.308
- Sale	46.850.000	
	94.993.450	1.315.308

The distribution of operations with derivative financial instruments at 31 December 2011 by residual maturity was as follows:

	< 3 months	between 3 and 6 months	> 6 months	Total
Over-the-counter (OTC) market				
Forward Foreign Exchange Operations				
- Purchase	48.143.450	-	-	48.143.450
- Sale	46.850.000	-	-	46.850.000
	94.993.450	-	-	94.993.450

The distribution of operations with derivative financial instruments at 31 December 2011 by type of counterparty was as follows:

Forward Foreign Exchange Operations	
- Purchase	
- Financial Institutions	48.143.450
- Individuals	
- Sale	
- Financial Institutions	46.850.000
- Individuals	
	94.993.450

3.4.. Financial assets available for sale

At 31 December 2011 and 2010, this caption has the following composition:

	2011	2010
Debt Instruments		
Listed securities		
Bonds from National Public Issuers	-	4.961.172
	-	4.961.172

At 31 December 2010, this caption was as follows:

	Quantity	Price	Acquisition value	Accrued Interest/ premium	Book Value/Fair Value	Capital Gains	Capital Losses	Impairment
Debt Instruments								
Issued by Residents								
Of Portuguese public debt								
BT 18 Mar 2011	5.000.000	0,98118	4.905.877	65.888	4.961.172	-	10.593	
Total			4.905.877	65.888	4.961.172	-	10.593	

3.5. Investments in credit institutions

At 31 December 2011 and 2010, this caption has the following composition:

	2011	2010
Investments with other domestic credit Institutions		
Very short-term investments	101.107.157	33.819.488
Interest receivable	9.611	26.233
	101.116.768	33.845.721

INVESTMENTS IN OTHER CREDIT INSTITUTIONS IN THE COUNTRY (excluding interest receivable) in force at 31 December 2011 and 2010 had a residual maturity with the following structure:

	2011	2010
Up to three months	100.607.157	33.819.488
From three to six months	500.000	-
	101.107.157	33.819.488

At 31 December 2011 and 2010, the balance of this caption relates to investments in Euros and U.S. dollars held with 5 separate counterparties (essentially, Caixa Geral de Depósitos, BBVA, BES and Millennium BCP) and with an average rate of return of 0.55% in the year 2011 and 0.47% in 2010.

3.6. Loans and Advances to Customers

At 31 December 2011 and 2010, this caption has the following composition:

	2011	2010
Customer loans		
Domestic		
Business		
Overdrafts on cash at banks	-	119.772
Short-term loans	9.004.791	4.490.346
Secured Current Accounts	4.182.393	1.012.235
Private		
Secured Current Accounts	479.750	397.265
Other Purposes	130.000	3.435
Overseas		
Business		
Overdrafts on cash at banks	-	14.756
Secured Current Accounts	4.307.932	2.293.701
Other Purposes	2.125.357	-
Credit cards	2.476	-
Private		
Other Purposes	4.599.352	4.183.428
Loans and accrued interest	-	-
	24.832.051	12.514.938
Interest and commissions associated with amortised cost		
Interests receivable	202.097	92.393
Revenues from deferred income	(17.599)	(12.935)
	184.498	79.458
Provisions (Note 3.15)		
for country risk	(271.626)	-
	24.744.923	12.594.396

At 31 December 2011, 6,809,107 Euros in loans to customers were collateralised with term deposit liens.

The change in provisions for general credit risks and country risk in the years ended 31 December 2011 and 2010 is presented in Note 3.15.

At 31 December 2011, approximately 11,000,000 Euros in loans were granted only to three entities.

At 31 December 2011 and 2010, the residual maturity of LOANS TO CUSTOMERS (excluding interest and charges relating to amortised cost) had the following structure:

	2011	2010
Up to three months	7.782.756	137.152
From three months to one year	11.730.998	11.611.122
From one to five years	5.318.297	766.664
	24.832.051	12.514.938

The composition of the portfolio of LOANS TO CUSTOMERS, at 31 December 2011 and 2010, by sector, is as follows:

31 Dec. 11	Customer Loans[1]		Guarantees Provided[1]	
	Amount	%	Amount	%
Residents				
Trade, restaurants and hotels	-		386.429	52,1
Private	609.750	2,5	-	
Real estate	9.004.791	36,3	-	
Business services	2.503.890	10,1	-	
Food industries	500.000	2,0		
Transport	798.503	3,2		
Health and social work	380.000	1,5		
Non-residents				
Private	4.599.352	18,5	-	
Real estate	4.468.661	18,0	-	
Financial activities	-		355.514	47,9
Holding companies	1.964.629	7,9	-	
Others	2.475	0,0		
Total Credit	**24.832.051**	**100,0**	**741.943**	**100,0**

1) Excludes non-performing loans, interest receivable and commissions related to amortised cost

31 Dec. 10	Customer Loans[1]		Guarantees Provided[1]	
	Amount	%	Amount	%
Residents				
Trade, restaurants and hotels	-		150.000	100,0
Private	400.700	3,2	-	-
Business services	505.200	4,0	-	-
Business	507.035	4,1	-	-
Financial activities	4.490.346	35,9	-	-
Holding companies	119.772	1,0	-	-
Non-residents				-
Private	4.198.185	33,5	-	-
Real estate	2.293.701	18,3	-	-
Total Credit	**12.514.938**	**100,0**	**150.000**	**100,0**

1) Excludes non-performing loans, interest receivable and commissions related to amortised cost

3.7. Held-to-maturity financial assets

At 31 December 2011 and 2010, this caption is as follows:

	2011	2010
Debt Instruments		
Listed securities		
Bonds and other fixed income securities		
From public issuers	118.296.346	9.932.189
From other issuers	36.522.713	-
	154.819.059	9.932.189

The maturity of the portfolio of bonds and other fixed income securities included under HELD-TO-MATURITY FINANCIAL ASSETS is as follows:

	2011	2010
Up to three months	153.184.571	9.932.189
From three months to one year	1.538.690	-
From one to five years	95.798	-
	154.819.059	9.932.189

According to analysis conducted by the Bank, no impaired securities were identified.

At 31 December 2011, this caption was as follows:

Nature and Type of Securities	Quantity	Nominal amount	Acquisition Price (Euros)	Currency	Acquisition value (Euros)	Book Value (Euros)
Debt instruments						
Issued by residents						
Portuguese public debt						
BT 20 Jan 2012	43.000.000	1	0,98200	EUR	42.226.179	42.883.241
BT 17 Feb 2012	10.000.000	1	0,98740	EUR	9.873.975	9.934.920
ECP Portuguese Republic Jan/12	40.000.000	1	0,76574	USD	30.629.448	30.882.785
ECP Portuguese Republic Feb/12	30.000.000	1	0,76634	USD	22.990.123	23.018.804
ECP Portuguese Republic Mar/12	15.000.000	1	0,76350	USD	11.452.455	11.480.798
OT Oct/2014 3.6%	10.000.000	0,01	0,91400	EUR	91.400	95.798
					117.263.580	118.296.346
Other issuers						
Other residents						
EDP 31/Jan/12 2.25%	5.000.000	1	0,99800	EUR	4.990.020	4.990.430
Portugal Telecom 31/Jan/12 2.58%	10.000.000	1	1,00000	EUR	10.000.000	10.000.259
					14.990.020	14.990.689
Other non-residents						
ENI 13/Jan/12 0.86%	10.000.000	1	0,99967	EUR	9.996.676	9.996.926
Bank of Austria 13/Jan/12 1%	10.000.000	1	0,99961	EUR	9.996.113	9.996.408
Elecport Nov/12 5.38%	2.000.000	1	0,76223	USD	1.524.461	1.538.690
					21.517.250	21.532.024
					36.507.270	36.522.713
					153.770.850	154.819.059

At 31 December 2011, this balance included 18,627 Euros in accrued interest.

At 31 December 2010, this caption was as follows:

	Quantity	Nominal amount	Price	Acquisition value	Book Value
Debt Instruments					
Issued by Residents					
Of Portuguese public debt					
BT 18 Mar 2011	10.000.000	1	0,99227	9.922.733	9.932.189
				9.922.733	9.932.189

3.8..Other tangible assets

The changes in the caption OTHER TANGIBLE ASSETS that occurred during the year ended 31 December 2011 were as follows:

	Gross Value					Amortisation					Net Value	
	Balance at 31 Dec. 10	Acquisitions	Disposals and write-offs	Transfers	Balance at 31 Dec. 11	Balance at 31 Dec. 10	Amortisation for the period	Disposals and write-offs	Transfers	Balance at 31 Dec. 11	Balance at 31 Dec. 10	Balance at 31 Dec. 11
Property												
Expenditure on rented buildings	231.278	3.170	-	-	234.448	29.598	23.178	-	-	52.776	201.680	181.672
	231.278	3.170	-	-	234.448	29.598	23.178	-	-	52.776	201.680	181.672
Equipment												
Furniture and equipment	445.310	2.400	-	-	447.710	134.577	50.993	-	-	185.570	310.733	262.140
Machinery and tools	8.214	326	-	-	8.540	3.849	1.207	-	-	5.056	4.365	3.484
IT equipment	5.094	-	-	-	5.094	1.498	1.806	-	-	3.304	3.596	1.790
Indoor facilities	13.023	-	-	-	13.023	1.357	1.628	-	-	2.985	11.666	10.038
Transport equipment	141.355	-	-	-	141.355	38.284	35.339	-	-	73.623	103.071	67.732
Safety equipment	11.608	656	-	-	12.264	2.179	1.899	-	-	4.078	9.429	8.186
	624.604	3.382	-	-	627.986	181.744	92.872	-	-	274.616	442.860	353.370
	855.882	6.552	-	-	862.434	211.342	116.050	-	-	327.392	644.540	535.042
Tangible assets in progress	252.585	61.500	-	-	314.085	-	-	-	-	-	252.585	314.085
	1.108.467	68.052	-	-	1.176.519	211.342	116.050	-	-	327.392	897.125	849.127

At 31 December 2011, purchases of TANGIBLE ASSETS IN PROGRESS corresponded mainly to the expenses incurred through work on the future headquarters of the Bank.

The changes in the caption OTHER TANGIBLE ASSETS that occurred during the year ended 31 December 2010 were as follows:

	Gross Value					Amortisation					Net Value	
	Balance at 31 Dec. 09	Acquisitions	Disposals and write-offs	Transfers	Balance at 31 Dec. 10	Balance at 31 Dec. 09	Amortisation for the period	Disposals and write-offs	Transfers	Balance at 31 Dec. 10	Balance at 31 Dec. 09	Balance at 31 Dec. 10
Property												
Expenditure on rented buildings	218.954	12.324	-	-	231.278	6.955	22.643	-	-	29.598	211.999	201.680
	218.954	12.324	-	-	231.278	6.955	22.643	-	-	29.598	211.999	201.680
Equipment												
Furniture and equipment	437.907	7.403	-	-	445.310	19.149	115.428	-	-	134.577	418.758	310.733
Machinery and tools	8.214	-	-	-	8.214	557	3.292	-	-	3.849	7.657	4.365
IT equipment	4.296	798	-	-	5.094	358	1.140	-	-	1.498	3.938	3.596
Indoor facilities	-	13.023	-	-	13.023	-	1.357	-	-	1.357	-	11.666
Transport equipment	141.355	-	-	-	141.355	2.945	35.339	-	-	38.284	138.410	103.071
Safety equipment	11.608	-	-	-	11.608	441	1.738	-	-	2.179	11.167	9.429
	603.380	21.224	-	-	624.604	23.450	158.294	-	-	181.744	579.930	442.860
	822.334	33.548	-	-	855.882	30.405	180.937	-	-	211.342	791.929	644.540
Tangible assets in progress	-	252.585	-	-	252.585	-	-	-	-	-	-	252.585
	822.334	286.133	-	-	1.108.467	30.405	180.937	-	-	211.342	791.929	897.125

At 31 December 2010, purchases of TANGIBLE ASSETS IN PROGRESS corresponded mainly to the initial expenses incurred through work on the future headquarters of the Bank.

3.9. Intangible assets

The changes in the caption INTANGIBLE ASSETS that occurred during the year ended 31 December 2011 were as follows:

	Gross Value					Amortisation					Net Value	
	Balance at 31 Dec. 10	Acquisitions	Disposals and write-offs	Transfers	Balance at 31 Dec. 11	Balance at 31 Dec. 10	Amortisation for the period	Disposals and write-offs	Transfers	Balance at 31 Dec. 11	Balance at 31 Dec. 10	Balance at 31 Dec. 11
Intangible assets												
Software	685.689	350.482	-	69.414	1.105.585	183.314	234.876	(24.715)	-	393.475	502.375	712.110
Other intangible assets	72.100	-	-	-	72.100	72.100			-	72.100	-	-
	757.789	350.482	-	69.414	1.177.685	255.414	234.876	(24.715)	-	465.575	502.375	712.110
Intangible assets in progress	69.414	-		(69.414)					-		69.414	-
	827.203	350.482	-	-	1.177.685	255.414	234.876	(24.715)	-	465.575	571.789	712.110

At 31 December 2011, acquisitions of INTANGIBLE ASSETS and INTANGIBLE ASSETS IN PROGRESS relate primarily to investment that the Bank is making in its information systems.

The changes in the caption INTANGIBLE ASSETS that occurred during the year ended 31 December 2010 were as follows:

	Gross Value					Amortisation					Net Value	
	Balance at 31 Dec. 09	Acquisitions	Disposals and write-offs	Transfers	Balance at 31 Dec. 10	Balance at 31 Dec. 09	Amortisation for the period	Disposals and write-offs	Transfers	Balance at 31 Dec. 10	Balance at 31 Dec. 09	Balance at 31 Dec. 10
Intangible assets												
Software	212.356	473.333	-	-	685.689	22.848	160.466		-	183.314	189.508	502.375
Other intangible assets	72.100	-	-	-	72.100	72.100			-	72.100	-	-
	284.456	473.333	-	-	757.789	94.948	160.466		-	255.414	189.508	502.375
Intangible assets in progress	-	69.414	-	-	69.414				-		-	69.414
	284.456	542.747	-	-	827.203	94.948	160.466		-	255.414	189.508	571.789

3.10. Investments in subsidiaries, associates and jointly controlled entities

At 31 December 2011 and 2010, Investment in subsidiaries, registered at their acquisition cost, amounts to:

	Effective holding (%)		Purchase cost	
	31 Dec. 11	31 Dec. 10	31 Dec. 11	31 Dec. 10
Atlântico Europa Capital Lux Co	100	100	55.000	50.000
			55.000	50.000

Atlântico Europa Capital Lux Co was established on 30 July 2010, and has not commenced operations as of the current date. The increase occurred in 2011 under the heading INVESTMENTS IN SUBSIDIARIES corresponds to additional paid-in capital.

3.11..Tax assets

At 31 December 2011 and 2010, this caption has the following composition:

	2011	2010
Current tax assets		
Others	11.834	1.124
Deferred tax assets		
By tax losses	1.213.656	853.907
	1.225.490	855.031

The detail and change under the caption DEFERRED TAX ASSETS is presented in Note 3.27.

3.12. Other assets

At 31 December 2011 and 2010, this caption has the following composition:

	2011	2010
Debtors and other investments		
Rent Deposits	68.361	61.439
Other debtors	2.355.199	1.419.672
	2.423.560	1.481.111
Expenses with deferred cost		
Rents	27.200	27.278
Insurance	80.896	68.962
Others	29.500	18.133
	137.596	114.373
Other accruals		
Foreign exchange transactions pending settlement	-	39.709
Lending operations pending settlement	4.113.693	374.195
	4.113.693	413.904
	6.674.849	2.009.388

At 31 December 2011, the balance under the caption SUNDRY DEBTORS includes 553,690 Euros relating to invoicing to Banco Privado Atlântico S.A. (Angola) for services rendered and 247,290 Euros receivable from Atlântico Europa, SGPS, S.A. Additionally, it includes approximately 590,000 Euros relating to advances for financial investments to be made and trade receivables for financial advisory services, provided in the year 2011.

At 31 December 2011, the balance of the caption LENDING OPERATIONS PENDING SETTLEMENT, included 1,613,693 Euros relating to securities of the Bank's own portfolio that were pending settlement, which occurred in early 2012. Additionally, it included 2,500,000 Euros relating to invoicing to Banco Privado Atlântico S.A. (Angola) for services rendered, which was settled in early 2012.

3.13. Deposits from other credit institutions

At 31 December 2011 and 2010, this caption has the following composition:

	2011	2010
Deposits from domestic Credit Institutions		
Term deposits and other deposits	38.822	20.210
	38.822	20.210
Deposits from overseas Credit Institutions		
Term deposits and other deposits	26.331.651	21.645.299
Interest payable	100.004	64.000
	26.431.655	21.709.299
	26.470.477	21.729.509

At 31 December 2011 and 2010, the residual terms of FUNDS FROM OTHER CREDIT INSTITUTIONS (excluding interest payable) had the following structure:

	2011	2010
Up to three months	18.498.313	14.137.792
From three months to one year	7.439.360	7.120.353
From one to five years	432.800	407.364
	26.370.473	21.665.509

At 31 December 2011 and 2010, TERM DEPOSITS were remunerated at an average interest rate of 1.929% and 1.99% respectively.

3.14. Customer deposits and other loans

At 31 December 2011 and 2010, this caption has the following composition:

	2011	2010
Cash at banks	152.449.032	16.177.032
Term deposits	72.089.980	9.213.345
Interest payable	302.770	7.562
	224.841.782	25.397.939

At 31 December 2011 and 2010, the residual terms of customer deposits (excluding interest payable) had the following structure:

	2011	2010
Up to three months	202.852.923	23.668.441
From three months to one year	21.686.089	599.349
From one to five years	-	1.122.586
	224.539.012	25.390.377

At 31 December 2011, around 82% of total customer deposits were concentrated among the Bank's five largest depositors.

3.15. Provisions and impairments

The change in Banco Privado Atlântico Europa S.A.'s PROVISIONS and IMPAIRMENTS during the year ended 31 December 2011 was as follows:

	2011					
	Balances at 31 Dec. 10	Increases	Reversals and cancellations	Transfers	Others changes	Balances at 31 Dec. 11
Provisions:						
Credit Granted						
General credit risks	58.675	123.004	(16.946)	-	-	164.733
Country Risk	-	311.144	(39.518)			271.626
	58.675	434.148	(56.464)	-	-	436.359

The change in Banco Privado Atlântico Europa S.A.'s PROVISIONS and IMPAIRMENTS during the year ended 31 December 2010 was as follows:

	2010					
	Balances at 31 Dec. 09	Increases	Reversals and cancellations	Transfers	Others changes	Balances at 31 Dec. 10
Provisions:						
General credit risks	40.000	58.675	(40.000)	-	-	58.675
	40.000	58.675	(40.000)	-	-	58.675

3.16. Current tax liabilities

At 31 December 2011 and 2010, this caption has the following composition:

	2011	2010
Current tax liabilities		
Profit tax payable - special taxation	71.620	102.494
Others	-	(524)
	71.620	101.970

3.17. Other liabilities

At 31 December 2011 and 2010, this caption has the following composition:

	2011	2010
Creditors and other deposits		
Public Sector Administration		
VAT payable	29.075	-
Deduction of taxes at source	90.906	65.518
Social Security Contributions	59.879	54.763
Others	3	108
Collections on behalf of third parties	333	333
Sundry creditors		
Current account suppliers	225.298	477.132
	405.494	597.853
Charges payable		
For personnel expenses	723.880	469.686
	723.880	469.686
Revenues from deferred income		
Others	147.917	-
	147.917	-
Other accruals		
Borrowing pending settlement	54.272	159.723
Other transactions pending settlement	-	341.454
	54.272	501.177
	1.331.563	1.568.716

At 31 December 2011, the increase in the balance of the caption CHARGES PAYABLE – PERSONNEL EXPENSES compared to 2010 is explained mainly by the fact that, in 2011, an estimate was recorded for bonuses payable in 2012 amounting to 240,000 Euros.

At 31 December 2010, the caption SUPPLIERS CURRENT ACCOUNT primarily includes amounts payable to Banco Privado Atlântico (Angola), S.A. as a result of expenditure on asset acquisition and other services incurred when establishing the Bank.

3.18.Off-balance sheet accounts

At 31 December 2011 and 2010, this caption has the following composition:

	2011	2010
Guarantees and other liabilities		
Guarantees and sureties provided	741.943	150.000
Guarantees received	30.366.592	7.626.430
	31.108.535	7.776.430
Third party commitments		
Irrevocable lines of credit	462.496	717.535
	462.496	717.535
Responsibility for provision of services		
Deposit and safekeeping of assets	24.038.961	13.079.000
	24.038.961	13.079.000
Third parties services		
Customers securities	24.038.961	13.079.000
Proprietary book securities	154.819.060	14.893.361
	178.858.021	27.972.361
Foreign exchange operations and derivative instruments		
Over-the-counter (OTC) market Forward Foreign Exchange Operations		
Purchase	48.143.450	-
Sale	45.850.000	-
	94.993.450	

3.19. Capital and other capital instruments

At 31 December 2011 and 2010, the Bank's shareholder structure is as follows:

	2011			2010		
Entity	Number of shares	Amount	%	Number of shares	Amount	%
Atlântico Europa SGPS S.A.	50.000.000	50.000.000	100%	18.000.000	18.000.000	100%
	50.000.000	50.000.000	100%	18.000.000	18.000.000	100%

In December 2011, Atlântico Europa SGPS, S.A. provided additional paid-in capital to Banco Privado Atlântico Europa, S.A. in a total amount of 32,000,000 Euros, represented by 32,000,000 new shares. This capital increase was carried out by means of cash injection (28,000,000 Euros) and the conversion of existing additional paid-in capital (4,000,000 Euros).

During the first half of 2010, Atlântico Europa SGPS, S.A. provided additional paid-in capital to Banco Privado Atlântico Europa, S.A. in a total amount of 2,750,000 Euros, free of charge (from 1,250,000 Euros to 4,000,000 Euros).

At 31 December 2011, the Bank's share capital is represented by 50,000,000 fully subscribed and paid-up shares with a nominal value of 1 Euro.

3.20. Other reserves and retained earnings and net income for the period

At 31 December 2011 and 2010, these captions are as follows:

	2011	2010
Retained Earnings	(2.669.639)	(1.175.009)
Net Profit/Loss for the Year	(1.402.956)	(1.494.630)
	(4.072.595)	(2.669.639)

As resolved at the General Meeting of 19 March 2011, the net loss for the year 2010, amounting to 1,494,630, was transferred to retained earnings.

Statutory reserve

According to existing legislation, the Bank will allocate a proportion of not less than 10% of net profits each year to the formation of a statutory reserve, up to a limit equal to the amount of share capital, or the sum of established free reserves and retained earnings, if greater. The statutory reserve is not available for distribution, except in the event of the liquidation of the Bank, and may only be used to increase share capital or to offset losses, after all other reserves have been exhausted.

Revaluation reserves

The changes in the years ended 31 December 2011 and 2010 in the revaluation reserve were as follows:

	Balance at 31 Dec. 09	Increases	Balance at 31 Dec. 10	Reductions	Balance at 31 Dec. 11
Revaluation reserves					
Reserves arising from valuation at fair value of available-for-sale investments (Note 3.4)					
Debt instruments					
Securities	-	(10.593)	(10.593)	10.593	-
	-	(10.593)	(10.593)	10.593	-

3.21. Net interest income

In the years ended 31 December 2011 and 2010, this caption is as follows:

	2011	2010
Interest and Similar Income		
Cash equivalents with credit institutions	43.880	7.095
Investments in credit institutions	688.980	151.506
Loans and advances to customers	1.103.885	438.801
Investments valued at fair value through profit or loss	925	-
Available-for-sale investments	468.902	65.888
Held-to-maturity investments	1.562.627	9.456
	3.869.199	672.746
Interest and Similar Charges		
Deposits from other credit institutions	(376.956)	(230.208)
Customer deposits	(718.272)	(73.865)
Cash at banks	(2)	(80)
	(1.095.230)	(304.153)
Net Interest Income	2.773.969	368.593

3.22. Revenues and costs on services and commissions

During the years ended 31 December 2011 and 2010, these captions are as follows:

	2011	2010
Commissions Received		
For guarantees provided	37.999	2.712
For undertakings	333.333	
For services rendered		
Transfers of amounts	32.660	42.441
Credit operations	71.759	55.563
Deposit and safekeeping of assets	52.094	
For operations carried out on behalf of third parties	747.696	34.512
Other commissions received	6.640	924
	1.282.181	136.152
Commissions paid		
For operations on financial instruments	(18.997)	(7.180)
For banking services provided by third parties	(15.609)	(1.753)
Other commissions paid	(68.911)	(62.266)
	(103.517)	(71.199)
	1.178.664	64.953

The caption COMMISSIONS RECEIVED – UNDERTAKINGS refers to the commission obtained under a capital increase operation of a financial institution.

The heading COMMISSIONS RECEIVED – THIRD PARTY OPERATIONS refers to fees charged under an agreement established with an entity for assistance in arranging and structuring the acquisition of capital investments.

3.23. Income from financial operations

In the years ended 31 December 2011 and 2010, this caption is as follows:

	2011	2010
Gains and losses on financial operations		
Gains and losses from foreign exchange revaluation	(1.180.226)	109.304
Gains and losses on investments valued at fair value through profit or loss	1.395.424	-
Gains and losses on available-for-sale investments	583	-
	215.781	109.304

3.24. Other operating income

In the years ended 31 December 2011 and 2010, this caption is as follows:

	2011	2010
Other operating revenue		
Other operating revenue	2.582.127	4.707.862
	2.582.127	4.707.862
Other Operating charges		
Contributions to the Deposit Guarantee Fund	(20.000)	(18.750)
Subscriptions and Donations	(450)	(750)
Indirect Taxes	(4.894)	(6.474)
	(25.344)	(25.974)
	2.556.783	**4.681.888**

The balance of the caption OTHER OPERATING REVENUE in the years ended 31 December 2011 and 2010 primarily relates to the remuneration obtained for subcontracted services rendered by the Bank to Banco Privado Atlântico (Angola), S.A. involving structuring, arranging and implementing operations in the area of Investment Banking.

3.25. Personnel Costs

In the years ended 31 December 2011 and 2010, this caption is as follows:

	2011	2010
Remuneration of management and supervisory bodies	686.250	719.004
Compensation to employees	2.463.395	1.893.456
Mandatory Social Charges	565.958	572.992
Other Personnel Costs	125.337	211.567
	3.840.940	3.397.019

At 31 December 2011, the caption COMPENSATION OF EMPLOYEES includes around 520,000 Euros relating to staff bonuses, of which around 280,000 Euros relate to 2010 and around 240,000 Euros relate to 2011.

At 31 December 2011 and 2010, the number of full-time staff employed by the Bank, distributed by their respective professional categories, was as follows:

	2011	2010
Directors	5	5
Senior	21	14
Technical and administrative	24	27
	50	46

3.26. General administrative expenses

In the years ended 31 December 2011 and 2010, this caption is as follows:

	2011	2010
General administrative expenses		
With supplies		
Water, power and fuel	22.652	30.178
Current Consumables	22.207	30.222
Other supplies and outsourced services	33.243	25.162
With Services		
Consultants and External Auditors	873.326	533.812
Travel, lodging and representations	819.611	990.493
Communications	784.538	593.639
Rents	642.718	611.397
Information	265.546	165.130
SIBS	108.549	61.437
Training	70.656	46.472
Publications and edition of publications	53.526	66.572
Other Outsourced Services	39.895	78.900
Insurance	33.097	7.403
Security, surveillance and cleaning	25.898	25.088
Legal services, notary services	21.800	53.224
Upkeep and Repairs	10.111	14.868
Transport	2.740	2.567
IT	1.218	43.881
Studies and Consultations	-	17.200
	3.831.331	3.397.645

The caption LEASES AND RENTS primarily includes the rental of the premises where the Bank's headquarters are located.

Total fees charged during the year ended 31 December 2011 by the Statutory Auditor amounted to 84,500 Euros, being detailed as follows:

Legal revision to annual accounts	23.000
Other services guarantees	61.500
	84.500

3.27. Income tax

Current tax is calculated based on taxable profit in the period, which differs from accounting profit due to adjustments to taxable income resulting from expenses or income not relevant for tax purposes, or which will only be considered in other periods. The main situation that generate these adjustments are related to Provisions, namely: (i) under Article 35 of the IRC Code, provisions for specific risk and country risk in relation to claims covered by in real rights over immovable property are not accepted as tax costs of the period, and (ii) in accordance with the provisions of Article 34 of the IRC Code, tax provisions for general credit risks are not considered tax costs.

Expenditure on taxes on profits recognised as income at the end of the years 2011 and 2010, may be presented as follows:

	2011	2010
Current taxes		
Autonomous taxation	(71.620)	(102.494)
Contributions financial system	(14.565)	-
Others	(836)	-
	(87.021)	(102.494)
Deferred taxes		
Reportable tax losses	359.749	537.868
	272.728	435.374

The reconciliation between the nominal and effective tax rate in the period 2011 and 2010 may be demonstrated as follows:

	2011		2010	
	Tax Rate	Amount	Tax Rate	Amount
Earnings before taxes		(1.675.684)		(1.930.004)
Tax computed based on the nominal rate	26,50%	(444.056)	26,50%	(511.451)
Non-tax deductible costs				
Estimate of staff bonuses	(3,30%)	55.279	2,66%	(51.246)
Reinstatements	(0,44%)	7.444	(0,39%)	7.444
Autonomous taxation	(5,19%)	87.021	(5,31%)	102.494
Others	(1,29%)	21.584	(0,90%)	17.385
	16,28%	(272.729)	22,56%	(435.374)

According to current legislation, tax returns are subject to revision and correction by the tax authorities for a period of four years, except for the financial reporting of tax losses, where the period is six years. Accordingly, the Bank's tax returns for the years 2009, 2010 and 2011 may be subject to review and tax base corrections.

The recoverability of deferred tax assets is supported by a business plan prepared by the Board, according to which the Bank will generate taxable income sufficient to recover the total deferred tax assets by tax losses by the legally defined deadline.

At 31 December 2011, reportable tax losses generated by the Bank that gave rise to DEFERRED TAX ASSETS may be used as follows:

Reporting Year	Use threshold	Tax loss	Deferred tax assets
2009	2015	(1.264.156)	316.039
2010	2014	(2.151.472)	537.868
2011	2015	(1.438.996)	359.749
			1.213.656

Related Party Disclosures (IAS 24)

Balances with related parties

In accordance with IAS 24, Atlântico Europa SGPS, S.A., Banco Privado Atlântico (Angola), S.A. and the Directors of the Bank are considered related parties of the Bank, and are listed below:

Board of Directors

Carlos José da Silva
Baptista Muhongo Sumbe
André Navarro
Augusto Costa Ramiro Baptista
Maria da Conceição Mota Soares de Oliveira Callé Lucas
(resigned on 27/02/2012)
Maria da Graça Ferreira Proença de Carvalho
Isménio Coelho Macedo
(took office on 09/11/2011)
José Jacinto Iglésias Soares
(resigned on 18/04/2011)

Audit Committee

Mário Jorge Carvalho de Almeida
Nuno João F. S. Oliveira Silvério Marques (resigned on 23/02/2011)
Mário Jorge de Faria da Cruz
João Maria Francisco Wanassi

At 31 December 2011, the balance sheet and statement of comprehensive income include the following balances with related parties:

2011	BPA S.A.	Atlântico Europa	Decision-Making	Total
Assets				
Other assets (Note 3.12)	3.053.690	247.390	-	3.301.080
	3.053.690	247.390	-	3.301.080
Liabilities				
Deposits from other credit institutions (Note 3.13)	11.877.976	-	-	11.877.976
Customer deposits and other loans (Note 3.14)	-	-	4.215.348	4.215.348
	11.877.976	-	4.215.348	16.093.324
Capital				
Capital (Note 3.19)	-	50.000.000	-	50.000.000
	-	50.000.000	-	50.000.000
Income				
Other operating revenue (Note 3.24)	1.985.509	-	-	1.985.509
	1.985.509	-	-	1.985.509
Costs				
Interest and similar expenditure (Note 3.21)	372.836	-	-	372.836
Personnel costs (Note 3.25)	-	-	686.250	686.250
	372.836	-	686.250	1.059.086
Off-Balance Sheet				
Guarantees and sureties (Note 3.18)	8.130.740	-	-	8.130.740
Deposit and safekeeping of assets (Note 3.18)	-	-	941.890	941.890
	8.130.740	-	941.890	9.072.630

At 31 December 2010, the balance sheet and statement of comprehensive income include the following balances with related parties:

2010	BPA S.A.	Atlântico Europa	Decision-Making	Total
Assets				
Other assets (Note 3.12)	1.221.450	10.025	-	1.231.475
	1.221.450	10.025	-	1.231.475
Liabilities				
Deposits from Other Credit Institutions (Note 3.13)	7.773.767	-	-	7.773.767
Customer deposits and other Loans (Note 3.14)	-	-	2.847.869	2.847.869
Other liabilities - supplier current accounts (Note 3.17)	-	-	10.976	10.976
	7.773.767	-	2.858.846	10.632.613
Capital				
Capital (Note 3.19)	-	18.000.000	-	18.000.000
Additional Paid-in Capital (Note 3.19)	-	4.000.000	-	4.000.000
	-	22.000.000	-	22.000.000
Income				
Other operating revenue (Note 3.24)	4.591.919	-	-	4.591.919
	4.591.919	-	-	4.591.919
Costs				
Interest and similar expenditure (Note 3.21)	9.008	-	-	9.008
Personnel costs (Note 3.25)	-	-	719.004	719.004
	9.008	-	719.004	728.012
Off-Balance Sheet				
Guarantees and sureties (Note 3.18)	7.626.430	-	-	7.626.430
Deposit and safekeeping of assets	-	-	389.745	389.745
	7.626.430	-	389.745	8.016.175

As a rule, transactions with related parties are carried out based on market values on the respective dates.

5. Disclosures Relating to Financial Instruments

Financial risk management policies inherent in banking activities

Authorised risk limits and exposure levels are established and approved by the Board of Directors taking into account the Bank's overall strategy and market position and current regulations.

The institution's risk management process respects the proper segregation of functions and the complementarity of action of each of the areas involved.

Next, we present the disclosures required by IFRS 7 - Financial instruments: Disclosures relating to the principal types of risks inherent in the Bank's operations.

Credit risks

Credit risk is the possibility the Bank's assets losing value as a result of a breach of contractual obligations, on grounds of insolvency or the inability of natural or legal persons to honour their commitments to the Bank.

Credit quality of financial assets without defaults or impairment

The Bank has established procedures to enable the identification, evaluation, monitoring and continuous control of credit risk, which covers the risks of all of the institution's activities, both for individual credits and the Bank's overall portfolio.

The assessment of credit risk begins at the outset of the commercial function, with a careful analysis of the customer and the transaction in light of the Bank's current policy.

The proposal submitted by the business areas is reviewed by the Risk Division, which allocates a level of risk to the customer and the operation and issues a reasoned opinion in its risk analysis. It is then up to the Credit Committee to decide as to whether to continue with the transaction, and the terms thereof.

After granting credit, the Risk Management Division is also responsible for monitoring the portfolio. As such, it should continuously analyse customers and their operations to detect warning signs that identify any situations of default in a timely manner. Thus, the Division:

- Monitors the appropriateness of customers' credit worthiness limits and their financial needs;
- Monitors credit extended to Economic Groups, aiming to identify excess risk concentration;
- Monitors credit granted by Country, aiming to identify excessive risk concentration;
- Monitors credit and the need to review guarantees provided;
- Monitors financial counterparties and relevant exposure limits;
- Monitors the implementation of the terms and conditions of credit agreements;
- Monitors compliance with conditions attached to the covenants included in credit agreements and the implementation of actions needed in the event of breach;
- Monitors the reassessment of securities and collateral and analysis of the degree of hedge on credit operations;
- Identifies amendments to customers' repayment capacity;
- Proposes and implements preventive and remedial actions;
- Periodically reviews customer credit ratings;
- Assesses the effectiveness and performance of preventative measures, rapid intervention plans and corrective action undertaken.

At 31 December 2011, the maximum exposure to credit risk (excluding interest receivable and commissions associated with amortised cost) by type of financial instrument can be summarised as follows:

2011			
ASSETS	Assets Gross	Provisions, impairment and depreciation	Assets assets
Assets			
Cash at Central Banks	3.092.313	-	3.092.313
Cash equivalents at other credit institutions	4.202.633	-	4.202.633
Held-for-trading investments and at fair value through profit and loss	1.315.308	-	1.315.308
Investments in credit institutions	101.107.157	-	101.107.157
Loans and advances to customers	24.832.051	(436.359)	24.395.692
Held-to-maturity financial assets	154.800.432	-	154.800.432
	289.349.894	(436.359)	288.913.535
Off-Balance Sheet			
Guarantees Provided	741.943	-	741.943
Unused credit lines	462.496	-	462.496
	290.554.333	(436.359)	290.117.974

At 31 December 2010, the maximum exposure to credit risk by type of financial instrument can be summarised as follows:

2010			
ASSETS	Assets Gross	Provisions, impairment and depreciation	Assets assets
Assets			
Cash at Central Banks	855.075	-	855.075
Cash equivalents at other credit institutions	1.604.691	-	1.604.691
Available-for-sale financial assets	4.961.172	-	4.961.172
Investments in credit institutions	33.819.488		33.819.488
Loans and advances to customers	12.514.938	(58.675)	12.456.263
Held-to-maturity financial assets	9.932.189	-	9.932.189
	63.687.553	(58.675)	63.628.878
Off-Balance Sheet			
Guarantees Provided	150.000	-	150.000
Unused credit lines	717.535	-	717.535
	64.555.088	(58.675)	64.496.413

At 31 December 2011, the Bank's loans to customers may be detailed in accordance with the following structure of guarantees:

Guarantees	2011		2010	
	Amount	%	Amount	%
Financial collateral	10.029.465	40%	7.018.732	56%
Mortgage collateral	4.708.547	19%	-	-
Personal Guarantee - provided from FI or State	1.964.629	8%	-	-
Personal Guarantee - provided from business or private	1.298.503	5%	-	-
No guarantees	6.830.907	28%	5.496.206	44%
	24.832.051	100%	12.514.938	100%

The rating of the securities in the portfolio is presented as follows:

Origin		2011		2010	
		Exposure	Impairment	Exposure	Impairment
External Rating (S&P)	AAA a AA-	-		-	-
	A+ a A-	19.993.334	-	9.932.189	-
	BBB+ a BBB-	-	-	-	-
	B+ a B-	134.807.098	-	-	-
	<B	-	-	-	-
	N/D	-	-	-	-
		154.800.432		9.932.189	

Liquidity risk

Liquidity risk is understood as the potential risk to the entity of not being able to meet its commitments due to its inability to realise its assets in a timely fashion to meet such commitments or to access external financing in reasonable quantities and at reasonable costs.

The conservative manner in which the Bank manages its liquidity, primarily in money markets and for short periods, keeps the Institution's liquidity risk to a very low level. In preparing these maps, interest receivable and fees associated with amortised cost were not considered.

At 31 December 2011, the contractual residual terms of financial instruments are composed as follows:

	2011				
	At sight	Up to 3 months	From 3 months to 1	From 1 to 5 years	Total
Assets					
Cash at Central Banks	3.092.313	-	-	-	3.092.313
Cash equivalents at other credit institutions	4.202.633	-	-	-	4.202.633
Held-for-trading financial assets and at fair value through profit and loss	-	1.315.308	-	-	1.315.308
Investments in credit institutions	-	100.607.157	500.000	-	101.107.157
Loans and advances to customers	-	7.782.756	11.730.998	5.318.297	24.832.051
Held-to-maturity financial assets	-	153.184.571	1.524.461	91.400	154.800.432
	7.294.946	262.889.792	13.755.459	5.409.697	289.349.894
Liabilities					
Deposits from other credit institutions	4.084.505	14.413.808	7.439.360	432.800	26.370.473
Customer deposits and other loans	73.250.983	129.601.940	21.686.089	-	224.539.012
	77.335.488	144.015.748	29.125.449	432.800	250.909.485
Liquidity gap	(70.040.542)	118.874.044	(15.369.990)	4.976.897	38.440.409
Cumulative liquidity Gap	(70.040.542)	48.833.502	33.463.512	38.440.409	

At 31 December 2010, the contractual residual terms of financial instruments are composed as follows:

2010					
	At sight	Up to 3 months	From 3 months to 1	From 1 to 5 years	Total
Assets					
Cash at Central Banks	855.075	-	-	-	855.075
Cash equivalents at other credit institutions	1.604.691	-	-	-	1.604.691
Available-for-sale financial assets	-	4.961.172	-	-	4.961.172
Investments in credit institutions	-	33.819.488	-	-	33.819.488
Loans and advances to customers	137.152	-	11.611.122	766.664	12.514.938
Held-to-maturity financial assets	-	9.932.189	-	-	9.932.189
Assets	2.596.918	48.712.849	11.611.122	766.664	63.687.552
Liabilities					
Deposits from other credit institutions	193.846	13.943.946	7.120.353	407.364	21.665.509
Customer deposits and other loans	16.177.032	7.491.410	599.349	1.122.586	25.390.377
Liabilities	16.370.878	21.435.355	7.719.702	1.529.950	47.055.886
Liquidity Gap	(13.773.960)	27.277.493	3.891.421	(763.286)	16.631.666
Cumulative liquidity Gap	(13.773.961)	13.503.533	17.394.953	16.631.667	

In preparing the maps above, projected contractual interest cash flows associated with financial assets and liabilities were not considered.

The need sometimes arises from the Bank's normal activity to produce an imbalance between the maturity of its assets and liabilities. However, at 31 December 2011, as at the end of the previous year, this gap would only occur, in cumulative terms, for the shortest time frame, at sight, due to the nature of its business.

Market risks

The Bank's activities conducted through financial instruments requires the assumption or transfer of one or more types of risk.

Market risks are those which arise when financial instruments are held whose value may be affected by changes in market conditions. Market risks include:

a) Foreign exchange risk: arises as a consequence of variations in exchange rates between currencies;

b) Interest rate risk: arises as a consequence of changes in market interest rates;

c) Price risk: arises as a consequence of changes in market prices, either due to factors specific to the instrument itself, or factors affecting all instruments traded in the market.

Foreign exchange risk

Foreign exchange risk arises as a consequence of variations in currency exchange rates, where there are "open positions" in these same currencies.

The daily currency balances and foreign exchange transactions in foreign currencies are controlled on a daily basis by the Financial Markets Division, the Accounting and Management Control Division and by the Risk Division.

The U.S. Dollar is the most prominent currency, transactions in other currencies being residual.

At 31 December 2011, financial instruments by currency are composed as follows:

2011				
	Currency			
	Euros	US Dollars	Other Currencies	Total
Assets				
Cash at Central Banks	3.019.513	71.873	927	3.092.313
Cash equivalents at other credit institutions	1.839.658	2.356.471	6.504	4.202.633
Financial assets at fair value through profit or loss	-	1.315.308	-	1.315.308
Investments in credit institutions	4.500.000	96.607.157	-	101.107.157
Loans and advances to customers	13.071.457	11.760.594	-	24.832.051
Held-to-maturity financial assets	87.893.583	66.906.849		154.800.432
Total Assets	**110.324.211**	**179.018.252**	**7.431**	**289.349.894**
Liabilities				
Deposits from other credit institutions	7.975.498	18.394.975	-	26.370.473
Customer deposits and other loans	18.274.993	206.264.019	-	224.539.012
Total Liabilities	**26.250.491**	**224.658.994**	**-**	**250.909.485**
Shareholders' equity	**45.927.405**	**-**	**-**	**45.927.405**
Total liabilities and shareholders' equity	**72.177.896**	**224.658.994**	**-**	**296.836.890**

At 31 December 2010, financial instruments by currency are composed as follows:

2010				
	Currency			
	Euros	U.S. Dollars	Other Currencies	Total
Assets				
Cash at Central Banks	838.895	16.180	-	855.075
Cash equivalents at other credit institutions	972.742	619.987	11.962	1.604.692
Available-for-sale financial assets	4.961.172	-	-	4.961.172
Investments in credit institutions	8.000.056	25.845.665	-	33.845.721
Loans and advances to customers	4.878.436	7.715.960	-	12.594.395
Held-to-maturity financial assets	9.932.189	-	-	9.932.189
Total Assets	**29.583.489**	**34.197.792**	**11.962**	**63.793.244**
Liabilities				
Deposits from other credit institutions	4.352.394	17.377.115	-	21.729.510
Customer deposits and other loans	3.836.591	21.561.348	-	25.397.939
Total Liabilities	**8.188.984**	**38.938.463**	**-**	**47.127.449**
Shareholders' equity	**19.319.768**	**-**		**19.319.768**
Total liabilities and shareholders' equity	**27.508.752**	**38.938.463**	**-**	**66.447.217**

Interest rate risk

The interest rate risk relates to the impact that movements in interest rates have on earnings and the net asset value of the entity. This risk derives from the different maturities, or a review of the assets, liabilities and off-balance sheet positions of entity in the light of changes in the slope of the interest rate curve. Thus, interest rate risk corresponds to the risk of the current value of future cash flows of a financial instrument fluctuating due to changes in market interest rates.

The management of interest rate risk is subordinated to the Institution's overall strategy and aims to minimise the impact of changes in interest rates on the Bank's earnings.

Short-term interest rate risk results primarily from the mismatch between the payment institution's liabilities and credit assets.

At 31 December 2011, the type of exposure to interest rate risk (excluding interest receivable and commissions associated with amortised cost) may be summarised as follows:

	2011			
	Not subject to interest rate	Rate fixed	Rate variable	Total
Assets				
Cash at Central Banks	3.092.313	-	-	3.092.313
Cash equivalents at other credit institutions	4.202.633	-	-	4.202.633
Financial assets at fair value through profit or loss	1.315.308	-	-	1.315.308
Investments in credit institutions	-	101.107.157	-	101.107.157
Loans and advances to customers	-	331.499	24.500.552	24.832.051
Held-to-maturity financial assets	-	154.800.432	-	154.800.432
	8.610.254	256.239.088	24.500.552	289.349.894
Liabilities				
Deposits from other credit institutions	4.084.505	14.428.808	7.857.160	26.370.473
Customer deposits and other loans	71.728.991	152.810.021	-	224.539.012
	75.813.497	167.238.829	7.857.160	250.909.485
GAP	(67.203.243)	89.000.260	16.643.392	38.440.409

At 31 December 2010, the type of exposure to interest rate risk can be summarised as follows:

	2010			
	Not subject to interest rate	Rate fixed	Rate variable	Total
Assets				
Cash at Central Banks	855.075	-	-	855.075
Cash equivalents at other credit institutions	1.604.692	-	-	1.604.692
Available-for-sale financial assets	-	4.961.172	-	4.961.172
Investments in credit institutions	-	33.819.488	-	33.819.488
Loans and advances to customers	-	137.962	12.376.976	12.514.938
Held-to-maturity investments	-	9.932.189	-	9.932.189
	2.459.767	48.850.811	12.376.976	63.687.553
Liabilities				
Deposits from other credit institutions	-	14.039.080	7.626.430	21.665.510
Customer deposits and other loans	-	25.390.377	-	25.390.377
		39.429.457	7.626.430	47.055.887
GAP	2.459.767	9.421.354	4.750.546	16.631.667

At 31 December 2011, exposure to variable interest rate risk - repricing (excluding interest receivable and commissions associated with amortised cost) may be detailed over the following time periods:

	2011				
	Up to 3 months	From 3 months to 1	From 1 to 5 years	More than 5 years	Total
Assets					
Loans and advances to customers	19.552.141	4.948.411	-	-	24.500.552
	19.552.141	4.948.411	-	-	24.500.552
Liabilities					
Deposits from other credit institutions	7.857.160	-	-	-	7.857.160
	7.857.160	-	-	-	7.857.160
Repricing GAP	11.694.981	4.948.411	-	-	16.643.392

On 31 December 2010, variable interest rate exposure may be detailed over the following time periods:

	2010				
	Up to 3 months	From 3 months to 1	From 1 to 5 years	More than 5 years	Total
Assets					
Loans and advances to customers	11.612.558	760.983	3.435	-	12.376.976
	11.612.558	760.983	3.435	-	12.376.976
Liabilities					
Deposits from other credit institutions	7.219.065	407.364	-	-	7.626.430
	7.219.065	407.364	-	-	7.626.430
Repricing GAP	4.393.493	353.619	3.435	-	4.750.546

Fair value

In determining the fair value of financial instruments, where possible, the Bank uses active market prices as a basis. Where there is no market price, fair value is calculated using internal models based on certain assumptions, which vary according to the financial instruments to be valued. Under exceptional circumstances, where it is not possible to reliably determine fair value, assets are valued at historical cost and subjected to impairment tests.

The main considerations in determining the fair value of financial assets and liabilities are as follows:

• "Cash at central banks" and "Cash equivalents at other credit institutions": given the short term of these assets, the book value is taken as a reasonable estimate of their fair value;

• "Investments at other credit institutions" and "Funds from other credit institutions": the establishment of fair value assumes that the transactions are settled on their maturity dates and the cash flows are updated using the rates curve formed during the last days of the year. Given the maturity of the operations and the type of interest rate, the Bank estimates that the difference between fair value and book value is not significant;

• "Loans and advances to customers": the Bank considers that, given the fact that all lending operations are recent, the difference between fair value and book value is not significant;

• Funds from customers and other loans": for deposits with maturity of less than one year, the book value is taken as a reasonable estimate of fair value. For the remainder, we believe that the spreads contracted do not differ much from those being practised in the most recent operations.

• "Financial assets at fair value through profit or loss": financial assets recorded on the balance sheet, in the form of contracts on exchange rates were made in the OTC market. For these assets, the respective valuation is calculated based on generally accepted methods that use observable market data – level 2 – as provided under standard IFRS7.

• "Held-to-maturity investments": for financial instruments recorded in the balance sheet at amortised cost, for the purposes of presentation of this Note, the Bank determines the fair value using third party purchase prices (indicative bids), where available, such valuation falling under level 2 of IFRS 7. Securities without a price observed on the market relate to commercial bills with a maturity of less than one year, with the Bank considering that the difference between the fair value and book value will not be significant.

Nature and Type of Securities	Quantity	Nominal amount	Book Value	Fair value
Debt instruments				
Issued by residents				
Portuguese public debt				
BT 20 Jan 2012	43.000.000	1	42.883.241	42.914.000
BT 17 Feb 2012	10.000.000	1	9.934.920	9.944.500
ECP Portuguese Republic J	40.000.000	1	30.882.785	30.882.785
ECP Portuguese Republic F	30.000.000	1	23.018.804	23.018.804
ECP Portuguese Republic M	15.000.000	1	11.480.798	11.480.798
OT Oct/2014 3.6%	10.000.000	0,01	95.798	73.500
			118.296.346	118.314.387
Other residents				
EDP 31/Jan/12 2.25%	5.000.000	1	4.990.430	4.990.430
Portugal Telecom 31/Jan/12	10.000.000	1	10.000.259	10.000.259
			14.990.689	14.990.689
Other non-residents				
ENI 13/Jan/12 0.86%	10.000.000	1	9.996.926	9.996.926
Bank of Austria 13/Jan/12 1	10.000.000	1	9.996.408	9.996.408
Elecport Nov/12 5.38%	2.000.000	1	1.538.690	1.538.690
			21.532.024	21.532.024
			154.819.059	154.837.100

6. OWN FUNDS

The Bank pursues a conservative policy in relation to managing own funds, guaranteeing a solvency ratio above the minimum required by regulators. The Bank has a capital base consisting solely of equity, and has the power to issue various debt instruments.

The Bank's own funds are monitored monthly to assess the institution's degree of solvency, analysing variations compared to prior periods and the margin between the actual positions and minimum capital requirements.

The procedures adopted for calculating the Bank's prudential ratios and limits are those resulting from the provisions issued by the Bank of Portugal, as occurs with all matters falling within its functions for supervising the banking system. These standards represent the legal and regulatory framework regarding the various matters of prudence.

According to the calculation method above, at 31 December 2011 and 2010, the Bank shows comfortable levels of solvency, as shown below:

(m Euros)

Own Funds	2009	2010	2011
Total Own Funds	17.925	18.818	45.215
Own Funds Basis	17.885	18.759	45.215
Paid-up Capital	18.000	18.000	50.000
Other Instruments Treated as Capital	1.250	4.000	-
Results of the previous year	-	(1.175)	(2.670)
Interim Results for the Current Year	(1.175)	(1.495)	(1.403)
Intangible Assets	(190)	(572)	(712)
Supplementary Own Funds - Upper Tier 2	40	59	-
Own Funds Limits of Reference for Major Risks	17.885	18.818	45.215
Own Funds Requirements	1.070	1.400	9.799
Credit Risk Requirements - Standard Method	804	1.101	8.315
Institutions and Own Portfolio	*424*	*566*	*6.733*
Business	*317*	*418*	*1.425*
Retail Portfolio		*41*	*90*
Other Elements	*64*	*76*	*67*
Settlement Risk	0	30	156
Own Funds Requirements for position, exchange and market risks	0	4	253
Own Funds Requirements for Operating Risk	265	265	1.075
Weighted Assets	13.375	17.500	122.489
Ratio of Own Funds Requirements	134,0%	107,5%	36,9%
Tier I	133,7%	107,2%	36,9%
Tier II	0,2%	0,3%	0,0%

AUDIT | OPINION

RELATÓRIO E PARECER DO CONSELHO FISCAL
CONTAS INVIDIDUAIS

Exercício de 2011

O presente relatório da actividade desenvolvida pelo Conselho Fiscal durante o ano de 2011 foi elaborado tendo em vista o cumprimento do estipulado no artigo 420.º, alínea g) do Código das Sociedades Comerciais.

1. RELATÓRIO DE ACTIVIDADE DO CONSELHO FISCAL RELATIVA AO EXERCÍCIO DE 2011

Durante o ano de 2011 o Conselho Fiscal, efectuou três reuniões.

As reuniões realizadas permitiram efectuar o acompanhamento directo da evolução da actividade do Banco, prestando especial atenção à observância do estipulado no contrato de sociedade, nos regulamentos e disposições legais.

No cumprimento das competências que lhe estão legalmente atribuídas, durante o ano de 2011 desenvolveu várias actividades, de que se destacam as seguintes:

1.1. Zelar pela observância das disposições legais e regulamentares, dos estatutos e das normas emitidas pelas autoridades de supervisão, bem como das políticas gerais, normas e práticas instituídas internamente

1.2. Certificar-se, da prossecução dos objectivos fundamentais fixados em matéria de controlo interno e gestão de riscos pelo Banco de Portugal, nas directivas de supervisão dirigidas às instituições de crédito e sociedades financeiras

1.3. Verificar a adequação e supervisionar o cumprimento das políticas, dos critérios e das práticas contabilísticas adoptadas e a regularidade dos documentos que lhes servem de suporte

Nomeadamente em relação aos resultados reportados no final do ano de 2011 pelo Banco Privado Atlântico - Europa S.A., o Conselho Fiscal procedeu à análise dos resultados e das conclusões dos procedimentos de revisão das demonstrações financeiras levadas a cabo pelo Auditor Externo, bem como as informações oportunamente prestadas relativamente a políticas e práticas contabilísticas.

1.4. Acompanhar o processo de preparação e divulgação da informação financeira pela sociedade

Para o efeito, o Conselho acompanhou a preparação da documentação, ao longo do ano, tendo reunido com a Direcção de Contabilidade e Controle de Gestão para obter informação mais detalhada sobre a elaboração e o fecho de contas.
Para além da análise dos documentos relativos à certificação legal individuais, reuniu com o Revisor Oficial de Contas para acompanhar o trabalho por este desenvolvido e identificar eventuais dúvidas que se lhe tivessem deparado quando das análises que efectuou.

1.5. Acompanhar as acções fiscalizadoras do Banco de Portugal e da Inspecção Geral de Finanças realizadas ao Banco Privado Atlântico Europa S.A.

Durante o ano de 2011 não existiram acções fiscalizadoras do Banco de Portugal.

1.8. Avaliar os procedimentos operacionais, tendo em vista certificar-se da existência de uma gestão eficiente das respectivas actividades

1.9. Dar parecer sobre o relatório, contas e as propostas apresentadas pelo Conselho de Administração

Nos termos da alínea g) do artigo 420.º do Código das Sociedades Comerciais, o Conselho Fiscal, para além de reuniões para análise detalhada das contas com:

- Responsável pela Direcção de Contabilidade e Controle de Gestão e;
- Revisor Oficial de Contas,

Examinou:

- o balanço com referência a 31 de Dezembro de 2011, as demonstrações dos resultados, os fluxos de caixa e de alterações no capital próprio e o respectivo anexo;
- o relatório de gestão preparado pelo Conselho de Administração para o exercício de 2011;
- a certificação legal das contas e relatório de auditoria elaborado pelo Revisor Oficial de Contas, que mereceu o seu acordo.

2. PARECER DO CONSELHO FISCAL

Face ao exposto, o Conselho Fiscal é de opinião que as Demonstrações Financeiras e o Relatório de Gestão, bem como a proposta nele expressa quanto à aplicação de resultados, estão de acordo com as disposições contabilísticas, legais e estatutárias aplicáveis, pelo que recomenda a sua aprovação em Assembleia Geral de Accionistas.

Aprovado em reunião realizada em 21 de Março de 2012.

(Mário Jorge Carvalho de Almeida)

(Mário Jorge Faria da Cruz)

(José Maria Francisco Wanassi)

CEO REPORT AND OPINION OF THE AUDIT COMMITTEE INDIVIDUAL ACCOUNTS YEAR 2011

This report on activities undertaken by the Audit Committee during the year 2011 was drafted to comply with the stipulations of Article 420, subparagraph g) of the Companies Code.

1. AUDIT COMMITTEE ACTIVITY REPORT RELATING TO THE YEAR 2011

During 2011, the Audit Committee held three meetings.

The meetings held enabled the direct monitoring of the development of the Bank's activities, paying particular attention to compliance with the terms of the articles of association, regulations and laws.

In carrying out the duties assigned to it by law, during the year 2011, various activities were undertaken, of which the following are of particular note:

1.1. Ensure the observance of laws and regulations, statutes and standards issued by the supervisory authorities, as well as general policies, standards and practices instituted internally

1.2. Ensure the fundamental objectives laid down by the Bank of Portugal in relation to internal control and risk management are carried out, under the supervisory directives addressed to credit institutions and financial companies

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1.3. Check the adequacy of and supervise compliance with the accounting policies, criteria and practices adopted and the exactitude of supporting documents

With particular reference to the results reported at the end of 2011 by Banco Privado Atlântico - Europa S.A., the Supervisory Board analysed the results and conclusions of the procedures for reviewing the financial statements carried out by the External Auditor, as well as information provided in respect of accounting policies and practices

1.4. Monitor the process of preparation and dissemination of financial information by the company

To this end, the Committee monitored the preparation of documentation throughout the year and met with the Accounting and Management Control Division to obtain more detailed information about the preparation and closing of the accounts.

In addition to the analysis of documents relating to the individual statutory audit, it met with the Statutory Auditors to monitor the work undertaken by them and identify any issues raised during their analyses.

1.5. Monitor the inspection activities of the Bank of Portugal and the General Inspectorate of Finances to which Banco Privado Atlântico Europa S.A. has been subject.

During 2011, no inspections were carried out by the Bank of Portugal.

1.8. Evaluate operational procedures in order to ascertain whether or not the respective activities are being efficiently managed.

1.9. Issue an opinion on the report, accounts and proposals presented by the Board of Directors.

Pursuant to subparagraph g) of Article 420 of the Companies Code, the Audit Committee, in addition to meetings for detailed analysis of the accounts with:

• The person in charge of the Accounting and Management Control Division and;

• The Statutory Auditor,

Examined:

• the balance sheet relating to 31 December 2011, the statements of income, cash flows and changes in equity and respective notes;

• the management report prepared by the Board of Directors for the year 2011;

• the legal certification of accounts and audit report prepared by the Statutory Auditors, which received its approval.

2. OPINION OF THE AUDIT COMMITTEE

In light of the foregoing, the Audit Committee believes that the Financial Statements and Management Report, as well as the proposal therein expressed as to the appropriation of results, are in accordance with applicable accounting, legal and statutory requirements, and recommends their approval by the General Meeting of Shareholders.

Approved at a meeting held on 21 March 2012.

[signature]
(Mário Jorge Carvalho de Almeida)

[signature]
(Mário Jorge Faria da Cruz)

[signature]
(José Maria Francisco Wanassi)

(This is a translation of a report originally issued in Portuguese. In the event of discrepancies, the Portuguese language version prevails)

Deloitte.

Deloitte & Associados, SROC S.A.
Inscrição na OROC nº 43
Registo na CMVM nº 231

BANCO PRIVADO ATLÂNTICO EUROPA, S.A.

Demonstrações Financeiras em 31 de Dezembro de 2011 acompanhadas da Certificação Legal das Contas

Deloitte.

Deloitte & Associados, SROC S.A.
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CERTIFICAÇÃO LEGAL DAS CONTAS

(Montantes expressos em Euros)

Introdução

1. Examinámos as demonstrações financeiras anexas do Banco Privado Atlântico Europa, S.A. (Banco), as quais compreendem o Balanço em 31 de Dezembro de 2011, que evidencia um total de 298.807.580 Euros e capitais próprios de 45.927.405 Euros, incluindo um resultado líquido negativo de 1.402.956 Euros, as Demonstrações do Rendimento Integral, das Alterações no Capital Próprio e dos Fluxos de Caixa para o exercício findo naquela data e o correspondente anexo.

Responsabilidades

2. É da responsabilidade do Conselho de Administração do Banco a preparação de demonstrações financeiras que apresentem de forma verdadeira e apropriada a posição financeira do Banco, o resultado e o rendimento integral das suas operações, as alterações no seu capital próprio e os seus fluxos de caixa, bem como a adopção de políticas e critérios contabilísticos adequados e a manutenção de um sistema de controlo interno apropriado. A nossa responsabilidade consiste em expressar uma opinião profissional e independente, baseada no nosso exame daquelas demonstrações financeiras.

Âmbito

3. O exame a que procedemos foi efectuado de acordo com as Normas Técnicas e as Directrizes de Revisão/Auditoria da Ordem dos Revisores Oficiais de Contas, as quais exigem que este seja planeado e executado com o objectivo de obter um grau de segurança aceitável sobre se as demonstrações financeiras estão isentas de distorções materialmente relevantes. Este exame incluiu a verificação, numa base de amostragem, do suporte das quantias e informações divulgadas nas demonstrações financeiras e a avaliação das estimativas, baseadas em juízos e critérios definidos pelo Conselho de Administração do Banco, utilizadas na sua preparação. Este exame incluiu, igualmente, a apreciação sobre se são adequadas as políticas contabilísticas adoptadas e a sua divulgação, tendo em conta as circunstâncias, a verificação da aplicabilidade do princípio da continuidade das operações e a apreciação sobre se é adequada, em termos globais, a apresentação das demonstrações financeiras. O nosso exame abrangeu também a verificação da concordância da informação financeira constante do Relatório de Gestão com as demonstrações financeiras. Entendemos que o exame efectuado proporciona uma base aceitável para a expressão da nossa opinião.

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Reserva

4. O Banco tem como política proceder anualmente à atribuição de remunerações variáveis e de prémios de desempenho aos seus administradores e colaboradores, respectivamente. Contudo, relativamente ao exercício de 2010, em virtude de não ter concluído atempadamente o processo de avaliação de desempenho dos administradores e colaboradores, o Conselho de Administração do Banco decidiu não registar nas demonstrações financeiras daquele exercício uma estimativa de remunerações variáveis e de prémios de desempenho relativos ao exercício de 2010 a liquidar em 2011. Deste modo, durante o exercício de 2011, o Banco suportou com os seus administradores e colaboradores remunerações variáveis e prémios relativos ao exercício de 2010 no montante de, aproximadamente, 280.000 Euros (Nota 3.25). Consequentemente, os resultados transitados negativos em 31 de Dezembro de 2011 e o resultado líquido negativo do exercício findo naquela data encontram-se subavaliados e sobreavaliado em, aproximadamente, 280.000 Euros.

Opinião

5. Em nossa opinião, excepto quanto aos efeitos do assunto descrito no parágrafo 4 acima, as demonstrações financeiras referidas no parágrafo 1 acima, apresentam de forma verdadeira e apropriada, em todos os aspectos materialmente relevantes, a posição financeira do Banco Privado Atlântico Europa, S.A. em 31 de Dezembro de 2011, o resultado e o rendimento integral das suas operações, as alterações no seu capital próprio e os seus fluxos de caixa no exercício findo naquela data, em conformidade com as Normas de Contabilidade Ajustadas definidas pelo Banco de Portugal (Nota 2.1).

Ênfase

6. Em 31 de Dezembro de 2011, a rubrica "Activos por impostos diferidos" apresenta um saldo de 1.213.656 Euros de activos por impostos diferidos relativos a prejuízos fiscais reportáveis. Conforme mencionado na Nota 3.27 do Anexo às demonstrações financeiras, a recuperação daquele montante encontra-se suportada pelo plano de negócios do Banco, o qual prevê a ocorrência de resultados tributáveis que permitirão o aproveitamento dos acima referidos prejuízos fiscais reportáveis nos prazos legalmente definidos.

Relato sobre outros requisitos legais

7. É também nossa opinião que a informação financeira de 2011 constante do Relatório de Gestão é concordante com as demonstrações financeiras do exercício.

Lisboa, 31 de Maio de 2012

Deloitte & Associados, SROC S.A.
Representada por Eduardo Manuel Fonseca Moura

Deloitte.

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OROC Registration no. 43
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BANCO PRIVADO ATLÂNTICO EUROPA, S.A.

Financial Statements at 31 December 2011 with the Official Reviewer's Opinion on Financial Statements

(This is a translation of a report originally issued in Portuguese. In the event of discrepancies, the Portuguese language version prevails)

Deloitte.

Deloitte & Associados, SROC S.A.
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OFFICIAL REVIEWER'S OPINION ON FINANCIAL STATEMENTS

(Amounts stated in Euros)

Introduction

1. We have audited the accompanying financial statements belonging to Banco Privado Atlântico Europa, S.A. (Bank), which comprise the Balance Sheet at 31 December 2011 showing a total of 298,807,580 Euros and equity of 45,927,405 Euros, including a net profit of 1,402,956 Euros, the Statement of Comprehensive Income and Statement of Changes in Equity for the year ended at that date and corresponding notes.

Responsibilities

2. The Bank's Board of Directors is responsible for preparing financial statements that are a true and correct representation of the Bank's financial position, the profit or loss and comprehensive income from its operations, changes to its equity and its cash flows, as well as the adoption of appropriate policies and accounting criteria and the maintenance of a suitable internal control system. Our responsibility involves expressing a professional and independent opinion, based on our examination of those financial statements.

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Scope

3. The analysis we conducted has been carried out in accordance with the Technical Standards and Review/Auditing Directives of the Statutory Auditor, which require that the audit be planned and implemented with the objective of reasonably ensuring that the financial statements are free of material misstatement. This audit included examining evidence supporting the amounts and disclosures in the financial statements on a sample basis, and an assessment of estimates based on judgements and criteria defined by the Bank's Board of Directors and used in their preparation. This audit also included an assessment of the adequacy of the accounting policies adopted and their disclosure, taking into account the circumstances, verifying the applicability of the going concern principle and an assessment of the overall adequacy of the presentation of the financial statements. Our examination also included verification that the financial information contained in the Management Report was consistent with the financial statements. We believe that our audit provides a reasonable basis for our opinion.

Type: Civil law partnership under the commercial form 1 Share Capital: 500,000.00 Euros 1 Registration Lisbon CRC and Company Tax ID Number: 501 776 311

Registered Office: Edifício Atrium Saldanha, Praça Duque de Saldanha, 1 - 6, 1050-094 Lisbon 1 Porto: Bom Sucesso Trade Center, Praça do Bom Sucesso 61 - 13, 4150-146 Porto

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Reserve

4. It is Bank policy to annually pay variable remuneration and performance bonuses to its managers and employees, respectively. However, for the year 2010, due to performance appraisal processes not having been completed in time for managers and employees, the Bank's Board of Directors decided not to record in the financial statements for that year an estimate of variable remuneration and performance bonuses for the year 2010 to be settled in 2011. By so doing, during the year 2011, the Bank incurred variable pay and bonuses for the year 2010 relating to its managers and employees amounting to approximately 280,000 Euros (Note 3.25). Consequently, the negative retained earnings at 31 December 2011 and the net loss for the year ended at that date are understated and overstated by approximately 280,000 Euros.

Opinion

5. In our opinion, except in relation to the effects of the issue described in paragraph 4 above, the financial statements referred to in paragraph 1 above truthfully and appropriately present in all material respects the financial position of Banco Privado Atlântico, S.A., at 31 December 2011, and the profit or loss and comprehensive income from its operations, changes to its equity and its cash flows in the year ending at that date, in accordance with the Adjusted Accounting Standards established by the Bank of Portugal (Note 2.1).

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Emphasis

6. At 31 December 2011, the caption "Deferred tax assets" presents a balance of 1,213,656 Euros of deferred tax assets relating to tax losses carried forward. As mentioned in Note 3.27 of the Notes to the financial statements, the recovery of that amount is supported by the Bank's business plan, which forecasts the occurrence of taxable income that will allow the use of the above tax losses carried forward within the legally established time frame.

Report on other legal requirements

7. We are also of the opinion that the 2011 financial information contained in the Management Report is consistent with the financial statements.

Lisbon, 31 May 2012

[signature]
Deloitte & Associados, SROC S.A.
Represented by Eduardo Manuel Fonseca Moura

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ATLANTICO