ATLANTICO

ANNUAL REPORT 2015

BANCO PRIVADO ATLANTICO EUROPA

Contents

I. Annual Report

Main Indicators

(thousand of Euros)

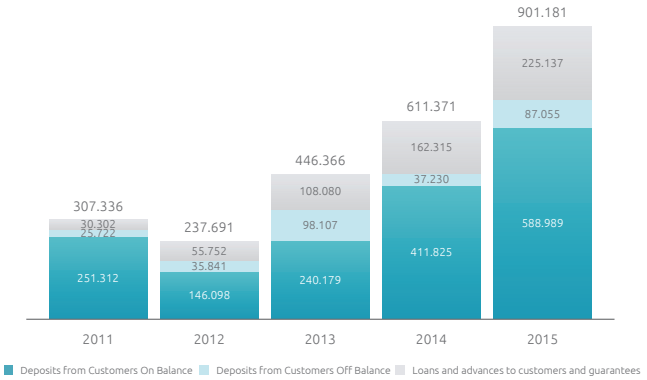
Activity	2011	2012	2013	2014	2015
Total Net Assets	**298.808**	**326,182**	**427,300**	**572,726**	**866,580**
Turnover	**307,336**	**237,691**	**446,366**	**611,371**	**901,181**
Loans and Advances to Customers	25,017	49,786	74,218	114,828	169,064
Deposits from Customers On Balance	251,312	146,098	240,179	411,825	588,989
Deposits from Customers Off Balance	25,722	35,841	98,107	37,230	87,055
Guarantees	808	808	4,553	14,532	2,454
Documentary Credit	4,477	5,158	29,309	32,995	53.619
Turnover per Employee	**6,147**	**3,256**	**4,555**	**5,879**	**7,448**
Loan-to-Deposit Ratio(1)	**11.1%**	**43.4%**	**80.1%**	**66.3%**	**62.9%**
Loans/On Balance Sheet Customer Funds Ratio	0%	0.43%	0.14%	0.14%	0.62%
Provisions/Loans to Customer Ratio	1.7%	1.6%	3.4%	3.7%	2.6%
Net Interest Income	2,774	6,449	8,646	8,039	10,122
Net Comission Income	1,178	816	1,248	2,217	3,634
Net Gains from Foreign Exchange Differences	216	836	587	1,209	1,234
Net Gains from Available-for-sale Financial Assets Held to Maturity	-	813	5,930	4,890	5,133
Other Operating Income and Expense	2,557	3,285	3,308	4,051	2,369
Operating Income	**6,725**	**12,200**	**19,719**	**20,405**	**22,683**
Operating Income per Employee	135	167	201	196	187
Cost-to-Income	114.1%	81.5%	71.5%	65.5%	52.5%
Net Income for the Year	**(1,403)**	**701**	**2,189**	**3,754**	**4,282**
Return on Assets (ROA)	-0.5%	0.2%	0.5%	0.7%	0.5%
Return on Equity (ROE)	-3.1%	1.5%	4.7%	7.7%	7.4%
Net Position	45,927	48,450	50,085	57,619	57,930
Tier 1 Capital	**45,215**	**44,435**	**46,099**	**47,279**	**48,709**
Capital Requirements	9,799	10,837	14,298	21,520	29,434
RWA	122,488	135,465	178,728	269,005	367,931
Solvency Ratio	**36.9%**	**32.8%**	**25.8%**	**17.6%**	**13.2%**
Number of Clients	**446**	**732**	**1,443**	**1,922**	**4,302**
Number of Employees	50	73	98	104	121
Number of employees in training	11	18	22	25	26

(1) Customer loans, guarantees and total deposits.

(2) Calculated in accordance with Banco de Portugal Instruction 23/2011.

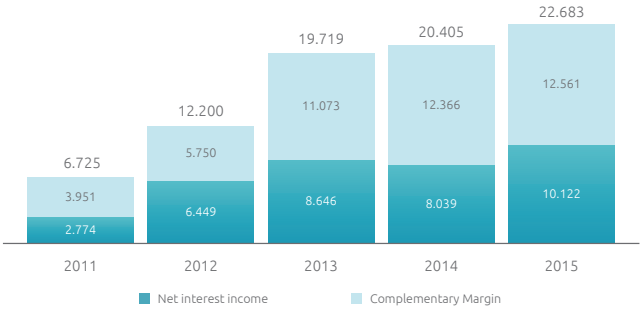
(thousands of Euros)

Turnover



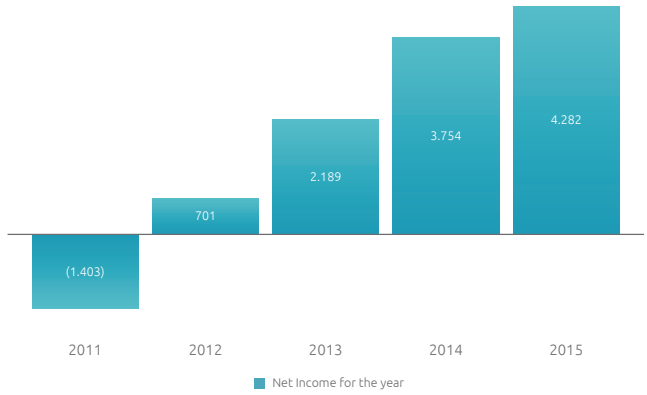
(thousands of Euros)

Operating Income



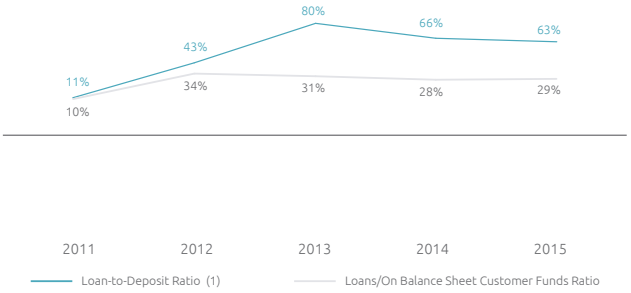
(thousands of Euros)

Net Income for the Year



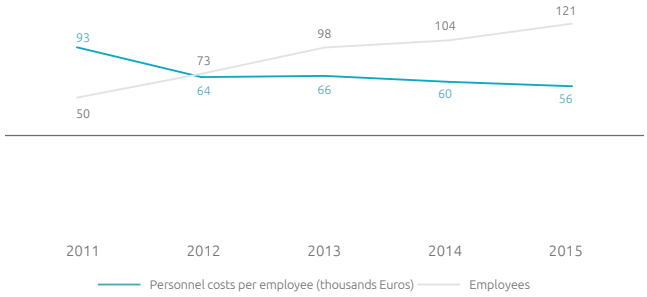
(thousands of Euros)

Loan-to-Deposit Ratio

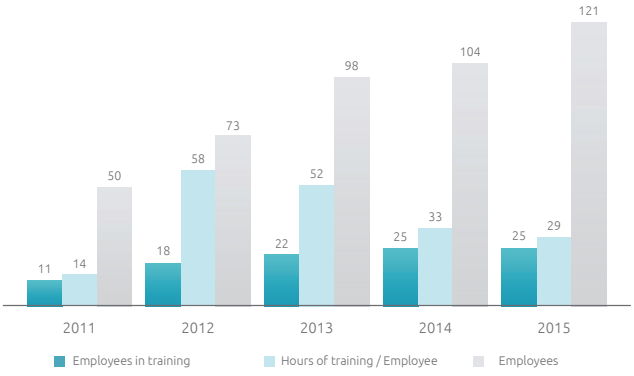


(thousands of Euros)

Employees vs Costs



Employees



Corporate Bodies

Board of Directors

Chairman
Carlos José da Silva

Directors
Diogo Baptista Russo Pereira da Cunha
Maria da Graça Ferreira Proença de Carvalho
José Carlos Manuel Burity (took office 16.09.2015)
Pedro Manuel Moreira Leitão (took office 16.09.2015)
Augusto Costa Ramiro Baptista

Chairman of the Executive Committee
Diogo Baptista Russo Pereira da Cunha

Supervisory Board

Chairman
Mário Jorge Carvalho de Almeida

Permanent Members
Fernando Augusto de Sousa Ferreira Pinto
Maria Cândida de Carvalho Peixoto

Substitute Member
João Maria Francisco Wanassi

Certified Auditor

Auditor
KPMG & Associados, SROC, S.A.
representado por Vitor Manuel da Cunha Ribeirinho

Substitute
Miguel Pinto Douradinha Afonso

General Meeting

Chairman
Paulo Manuel da Conceição Marques

Vice-Chairman
António Assis de Almeida

Company Secretary

Permanent
Paula Catarina P. N. Pontes Pereira (took office 21.09.2015)

Substitute
Joel Xavier da Silva T. Manuel (took office 21.09.2015)

Summary of Business Activity

2015 was the year when ATLANTICO Europa expanded its business. Thanks to a strategy of sustained, prudent growth based on four essential pillars of integrity, confidentiality, secure operations and innovation, the results of our banking activity continued to demonstrate the institution's financial soundness. ATLANTICO Europa ended 2015 with a net profit of 4.3 million euros, which was 14% higher than in 2014, thereby maintaining its two-digit growth trend in the Bank's main business indicators since 2012.

2015 also witnessed the start of business in Namibia, as we opened a branch in Windhoek after receiving a licence of the Namibian central bank to operate in the country. This represented another step for the Bank in its strategy to internationalise the ATLANTICO brand and ensure synergies between operation in three countries, Portugal, Angola and Namibia. The bank also received authorisation from BaFin, the German Federal Financial Supervisory Authority to begin offering ATLANTICO Europa products there, thanks to its partnership with Savedo, an online supplier of savings solutions.

ATLANTICO Europa continued to focus its attention on its strategic goals of diversifying and innovating its range of products and services, increasing its customer base and involvement, strengthening its commercial capacity and encouraging use of electronic channels.

A number of new initiatives were undertaken in 2015 with a view to an ongoing, constant endeavour to improve customer service. They included providing an online account-opening platform, improving our digital banking platform, creating a customer support centre and starting the Bank's first institutional campaign in Portugal to increase recognition of the ATLANTICO brand.

Aware that customer confidence is a precious asset, ATLANTICO Europa continued its efforts to expand its range of investment and saving products and services for private customers and highly personalised, innovative, value-added trade finance and cash-flow solutions for business customers. Greater recognition of the ATLANTICO Europa range resulted in an increase in the number of customers, whose base more than doubled in 2015 against 2014.

The Bank's motto is "The difference is in our People" and it continued to give priority to managing its people by monitoring career management, rewarding performance and providing ongoing training to its employees. The ATLANTICO Europa team is young, dynamic and multicultural and represents four continents and 14 countries.

The integrated, meticulous management of risks, compliance and internal control was one the essential focuses of support for sustainable growth in the banking business, which has been the target of constant optimisation. ATLANTICO Europa acts and benefits from being subject to strict regulatory requirements established in Portugal and Europe.

In 2015, ATLANTICO Europa reinforced its profile of a sound, profitable, efficient, capitalised bank that endeavours to create value for its customers, shareholders, employees and other stakeholders and constantly strives for the ATLANTICO brand to be synonymous with excellent banking services.

Macroeconomic Background

2015 witnessed high intervention by the central banks in economies worldwide, the Syrian refugee crisis and its influence on the euro area and parliamentary elections in Portugal.

The ECB began the year with a set of monetary policy measures. The most important was a new European public debt purchase programme aimed at stimulating an increase in inflation in the European economies. Mario Draghi raised inflation rates to around 2% as a monetary policy goal but the highest figure in 2015 was 0.3% in May and the euro area recorded deflation in four of the 12 months of the year.
The European economy reacted to the incentive programme and achieved growth of 1.5% in 2015, 0.9% higher than in 2014.

One of the main focuses of instability in Europe in 2015 was the possibility of Greece leaving the euro area, or "Grexit" as it was called. In June, Greece defaulted on a payment to the IMF, which led to the closure of its banks for several weeks and a climate of political and social instability, which lasted until an agreement was reached with the European partners for a third bailout of 86 billion euros.

Growth in Portugal was 1.2% in 2015, as opposed to 0.6% in 2014. Nonetheless, 0.3% inflation continued to show the constraints caused by deflationary pressure on debt and unemployment. The results of the parliamentary elections triggered a new climate of instability in the country. The inconclusive electoral result caused a change from a government with an absolute majority to a minority government supported by parties that did not belong to it. The PSI 20 share index grew by 10.71% and the bond market appreciated by 3.7%, while yields came close to minimums in different maturities.

The United States achieved 2.4% growth in 2015. This, associated with unemployment at all-time lows of 5% and growing inflation at around 1%, resulted in an increase in the Fed's policy rate to 0.5% (a rise of 25 bps) in December 2015. The expectation from the Fed's increase in rates influenced the American interest curve, which began the year discounting three rises in rates and with 10-year yields at 2.2%. On the other hand, the year ended with only one increase, with these 10-year yields at 2.3% due to deterioration in the global macro framework during the year. The slowdown of the Chinese economy and an increase in instability in the emerging markets because of the fall in commodity prices were factors that affected this situation.

S&P closed the year slightly down by 0.7%. In spite of the American companies' good results, with the exception of the oil sector which is undergoing profound restructuring, an increase in uncertainty over the year put pressure on the share market.

China had a challenging year and its growth was revised downwards several times. It ended the year with 6.8% (as opposed to 7.2% in 2014) and stable inflation at 1.6%, in line with previous years.

The Chinese central bank reduced its reference rate from 2.75% to 1.5% and mandatory minimum reserves from 20% to 17.5%. The aim of these measures was to improve the liquidity of the financial system and provide due support with an expansive monetary policy to an economy in transition from investment to consumption. In August, the Chinese central bank decided to devalue its currency from 6.20 to 6.40 against the USD in reaction to data indicating a sharp drop in Chinese exports and also one more step towards the liberalisation over time of the Chinese yuan (CNY). Investors regarded this decision as one more sign of economic slowdown in China and significantly penalised the Chinese share market, which ended the year with a slight increase of 5.57%, after having grown around 50% in 2015.

In the first six months of the year, the USD appreciated generally due to growing expectations of a raise in interest rates by the Fed. The USD Index ended the year 9.26% higher. The EUR/USD fell from 1.2098 at the beginning of 2015 to 1.0862 in December, showing a growing divergence between economic growth and monetary policy in the two blocs. The currencies of the emerging markets had a negative year due to a fall in commodity prices and an economic slowdown. The most substantial depreciations occurred in the currencies of Brazil and South Africa, which fell 33% and 25% respectively against the USD.

The CNY depreciated 4.4% against the USD and ended the year at 6.50, which helped rebalance China's foreign competitiveness.

The strong appreciation of the dollar and combination of the increase in US production and the end of economic sanctions against Iran and the fight for market shares of the OPEC countries created the right conditions for oil to end the year under substantial pressure. It fell 35%, with Brent trading at 37 USD a barrel.

Finally, after a stable start to the year at around 1,200 USD an ounce, as investors' sought protection against inflationary pressure expected from central banks' expansive monetary policies, gold ended the year down 10.4%, because there was no inflation in the world in the second half of the year and the fall in commodities accelerated.

Business Areas

Corporate Banking

It was in a highly challenging global macroeconomic setting with anaemic growth in Portugal that corporate banking at ATLANTICO Europa had to work in 2015. An innovative, proactive attitude on the part of the ATLANTICO Europa team managed to transform what was a number of external constraints into opportunities for sustained growth in business. Corporate banking's intensive commercial efforts resulted in a substantial increase in our customer base, which more than doubled against 2014, coming closer and closer to 500 customers.

This growth was also thanks to our ceaseless search for new bank products and services to meet our target customers' needs. Examples of this are a product designed to bring forward export earnings, which was released in the first quarter of the year and "Bill2Cash" (a structured solution for payments and guarantees to suppliers) that was made available in the second half of the year.

The fast rate at which we were attracting new customers boosted considerable growth in turnover against 2014, 11% and 27% respectively for deposits and loans and advances, though without putting pressure on ATLANTICO Europa's conservative credit-to-deposit ratio policy.

The substantial increase in our customer base resulted not only in a considerable increase in turnover but also a rise in return for the company segment. This was thanks in part to a growing range of products and services. Some examples of these products are issues of commercial paper (with demand from investors representing an average of over 170% of the value of the issues) and international trade support operations, in which the trade finance business reached its highest level ever (40% up on 2014).

In 2016, we will focus on broadening and consolidating our customer base by providing an increasingly broad and specialised range of products and services, trade finance for customers and a conservative policy on growth in our credit portfolio.

Personal Banking

In 2015 ATLANTICO Europa was able to attract and diversify its Personal banking base by keeping up its visibility in the Portuguese market and forming a strategic partnership with the Savedo platform, an online supplier of savings solutions in Germany aimed at German customers. Personal banking ended 2015 with a predominance of three customer segments: affluent customers, customers from the Savedo platform and private banking customers.

The affluent customer base grew 123% against 2014, accompanied by an increase in total resources of 126%, based on a strong capacity to attract and retain deposits sustained by a varied range of investment and savings products. Our internet channel made a considerable contribution thanks to the online account-opening function available since February. In its first year, it attracted around 30% of all accounts opened by resident and non-resident private customers. This is a segment with simple, specialised products based on efficient interaction with the Bank using remote channels.

The partnership with Savedo, which began in June 2015, attracted 716 private customers residing in Germany by the end of the year and 625 term deposits were opened in that period.

Our customer base and attraction of deposits in the Private banking segment continued to show high growth levels of 23% and 72% respectively in 2015, similarly to previous years. Customers' recognition of quality of service, an increase in the bank's international presence and our ongoing overall approach to assets with products and services suited to each customer were once again decisive in consolidating a distinctive range with a recognised ability to create value.

Our range of financial products and services based on open architecture with total independence was boosted in 2015 by our partnership with one of the largest fund platforms in Europe. This enabled us to broaden our range of investment funds in terms of managers and the number of available funds and improve our customers' access to the main international agents and capital markets.

The pillars of our relationship banking approach are specialised, independent financial advice with guaranteed security, transparency and confidentiality and exclusive investment and funding solutions tailored to each customer's risk profile, life cycle, and personal, monetary and business needs. We increased our customer manager team to achieve this goal, while still maintaining strict quality standards and the principles and values of our value proposal.

In 2015, we consolidated our capacity to build investment and finance solutions for non-resident customers and expanded our customer base in different countries.
We also strengthened our presence in Portugal and extended our resident customer base with specialised products and services based on a distinguishing relational dynamic, personalised investment solutions and robust, constantly optimised technology.

Institutional Banking

In spite of the challenging context in 2015, which was marked by negative interest rates in Europe, some deterioration in macroeconomic basics and low prices of commodities in the international market, we were able to achieve a significant increase in business in this segment and results exceeded initial expectations.

Our business strategy entailed a substantial increase in activity. Our initiatives enabled us to expand and diversify our customer base and increase their involvement, which resulted in a 43% increases in deposits received against 2014. In terms of correspondent banking, there was a 134% increase on 2014, complemented by a substantial rise in trade finance.

Our ambition to build an international positioning for our operation made it possible to step up the pace of expansion of our correspondent network with the establishment of new relationships with financial institutions and other international partners on four continents.

Finally, in the commercial paper market, ATLANTICO Europa consolidated its position as a registering institution and placed 26 issues over the year to an amount of over 100 million euros. Total proposals received were 1.65 times the available supply.

Internal Control

The Board of Directors is responsible for defining, implementing and periodically reviewing an internal control system that is suited to the nature, size and complexity of ATLANTICO Europa's business and in line with its risk profile. Its aims are to ensure:

- Business continuity and survival of the institution through efficient allocation of deposits and execution of operations, effective monitoring and risk control, prudent assessment of assets and liabilities, security and control of access to information and communication systems;
- The existence of complete, reliable, timely financial and non-financial accounting and management information to help in decision-making and control processes;
- Compliance with legal obligations, internal orders and rules of conduct in relations with customers, counterparties in operations, shareholders and supervisors.

The key functions of the internal control system – risk management, compliance and internal auditing – have the right human and material resources for the job and enjoy the required independence, status and effectiveness.

Risk Management

Risk management at ATLANTICO Europa is the responsibility of its Board of Directors, while the Risk Department provides consultancy and implements the different aspects of the risk management system. This system is based on an integrated series of policies and processes, which include procedures, limits, controls and sub-systems designed to constantly identify, assess, monitor, control and report all relevant risks to the Bank's business.

The Risk Department is thus basically responsible for ensuring that risk management of the different activities is appropriate and effective, taking the necessary measures to improve and develop it, evaluate and monitor all relevant risks and checking whether they fall within the limits and profiles established by the Bank or required by law. It periodically validates models, assessment methodologies and internal and external reporting structures, ensuring that the information on which they are based is of good quality and properly documenting processes in its area of action.

The Risk Department's duties include the following:

- Timely, reliable, comprehensive identification of risks, with particular focus on changes in risk profile arising from new products and geographical markets or significant changes in behaviour patterns of different financial and non-financial risk factors to support decisions and control processes;
- Compliance with legal obligations, internal orders and rules of conduct in relations with customers, counterparties in operations, shareholders and supervisors;
- Assessment of risks on the basis of quantitative and qualitative analyses using reliable sources of information and sound, consistent calculation methods;
- Regular stress tests aimed at assessing the Bank's soundness and resilience in adverse economic settings;
- Monitoring and reporting of risks by setting prudent limits and warning signs for the institution's main risks and including this information in regular management reports and the design and implementation of business continuity for information systems, physical premises and human resources;
- Guarantee of the efficiency of internal structures for the production and validation of prudential reports in order to meet deadlines and comply with the requirements of different supervisory bodies.

Two committees, of which the Risk Department is an integral part, hold regular meetings to ensure that risk is properly accepted and monitored at ATLANTICO Europa. They are the Loan Committee and ALCO, which use the meetings to analyse and monitor main exposure and make informed decisions on the Bank's acceptance of new exposure to risk.

In 2015, ATLANTICO Europa's risk profile remained in line with that in the past. In an adverse macroeconomic national and international setting, particularly in the second half of the year, there was sustained growth in business, as shown in a controlled increase in the value of the balance sheet.

The bank maintained the criteria of prudence in the acceptance of risk not only in the grant of loans and advances to customers, but also in investments in its own portfolio and deposits at credit institutions, where it favoured greater individual and geographical diversification of counterparties.

In terms of granting loans, we continued to promote business operations between Portugal and abroad, particularly Angola, given the challenging panorama created by the fall in oil prices and the subsequent impact on the global economy, with greater demand for funding, in particular in the company segment. We made a careful selection of credit operations and continued to require a high degree of coverage of these operations by real or personal guarantees. This position made it possible to increase the amount of loans and advances granted while maintaining significantly lower levels of default than the average in the market in the different business segments.

At the same time, ATLANTICO Europa made a substantial effort to expand its sources of deposits and this boosted the enlargement of our customer base and promoted greater dispersal of deposits attracted, mainly from retail customers, but also from companies and institutional customers. This aspect, which helped reduce the concentration of the balance sheet, plus significant efforts in the design and marketing of new products and services, also made it possible to extend maturities of liabilities and create greater customer loyalty. These aspects favour the Bank's liquidity position and also have positive effects on the mitigation of the interest rate risk.

These developments in the balance sheet naturally impacted the Bank's solvency ratio, which fell against the end of 2014, though it remained at a substantially higher level than the mandatory minimums and the solvency ratio of the Portuguese market. One important aspect has been the in-house generation of capital via total or partial retention of profits from previous years, which will also be the case at the end of 2015.

In addition to these aspects, our governance model for risk management was the same as 2014 and its responsibilities and types of interaction with other internal and external units remained the same.

As in previous years, we did, however, optimise the formalisation of policies, processes and risk management and supporting mechanisms in order to adapt them to expected growth in upcoming years and align them with our strategic goals. Implementation of the new Basel III prudential framework, particularly in terms of new Common Reporting (COREP) and Financial Reporting (FINREP) was one of the department's main challenges in 2015. It had to extensively revise and update evaluation and monitoring tools for the different risks and reinforce procedures and technology to support the management and use of information.

For 2016, ATLANTICO Europa plans to continue to reinforce the formalisation of risk management processes and tools for identifying, assessing, monitoring and reporting them.

Considering our strategy for growing our business and extending it to other countries, which we began to do in 2015 with the start of business in Namibia, it is even more important to ensure that we have an across-the-board risk management system. It must be based on a risk profile that covers new factors to which it will be exposed and include appropriate tools and methods for modelling, quantifying and reporting the institution's consolidated solvency and liquidity levels.

The Bank will continue to invest in improving its risk management tools and methods. This includes initiatives for ensuring appropriate alignment with and incorporation of the new Basel III requirements (COREP and FINREP) and for reinforcing risk monitoring and quantification mechanisms, with special focus on the liquidity and operational risk.

Auditing

Internal audits are a permanent, independent, objective activity at ATLANTICO Europa aimed at helping the Board of Directors monitor internal control systems by assessing the highest risk areas, the efficacy of their management and suitability of the most important control procedures.

In 2015, Internal Auditing continued to design review programmes in order to assess the suitability and efficacy of the internal control system of the Bank's business and structure. The monitoring process included control assessments with focus on the Bank's main processes and provided an opportunity to identify any deficiencies in the design, implementation or use of the internal control system.

The audit plan for 2015 made an across-the-board examination aimed at the risk of the Bank's business activities, systems and processes, identified deficiencies and made appropriate recommendations that were properly documented and reported. Key importance was given to processes and procedures in core tasks and areas where concentration of risks is higher.

In 2015, ATLANTICO Europa undertook several audits which covered i) control routines at necessary intervals in areas whose control is systematic and ii) continual and gradual audits in comprehensive operations that provided an overview of a particular process or only critical points of control in certain business and support processes.

At the end of 2015, ATLANTICO Europa assessed the main risks once again to decide on internal audit priorities consistent with the Bank's goals and ensure that its plan for 2016 was appropriate.

Legal e Compliance

Legal and Compliance involves internal legal advice and compliance.

The legal team advises the management and provides support to the Bank's business on the basis of the principles of objectivity, attention to detail, clear explanations, timely responses, collaboration and teamwork.

In 2015, it undertook a number of important initiatives, such as the provision of information on changes in regulations and other matters of interest and regular circulation of a legal newsletter. The activity of the compliance team is independent and its job is to guarantee that the institution complies with the law, rules, in-house regulations and national and international agreements affecting the Bank's business. The aim is to prevent the institution from incurring legal or regulatory sanctions or financial or reputational losses resulting from infringement of laws, regulations, codes of conduct or other rules governing its business.

In 2015, it continued its careful monitoring of customers and their business, operations and control in the prevention of money laundering and financing of terrorism. It worked on the principles of better regulation and in accordance with Banco de Portugal Notice 5/2008 on the detection of possible risk situations and the common goal of making the Bank's internal control system sounder and more integrated with its operations. Training of our employees is a priority and essential to the continuity of existing rules and standards which is why the ongoing training of the entire Bank's workforce, including new recruits, is a priority, with special focus on changes in the laws affecting banking.

Support Areas

Financial Markets

2015 witnessed a difficult macroeconomic context supported by the intervention a number of central banks that, even so, were unable to prevent a global economic slowdown. The volatility of the main classes of assets increased due to the divergence between the different economies with a consequent aversion to risk on the part of a number of economic agents.

Within this framework, the financial markets team was able to successfully implement its business strategy and make a decisive contribution to diversifying the Bank's products and services, increasing the number of operations with customers and counterparties, management and liability rates and ongoing management of the Bank's liquidity.

The Bank's liquidity management policy continues to be conservative in order to guarantee comfortable management of our customers' daily needs.

The dynamic management of our investment portfolio governed by our risk management policy made it possible to achieve financial goals and contribute to another year of growth in the Bank's profits.

Operations

ATLANTICO Europa maintained a strong growth trend in numbers of new customers and its transaction and operation activity in 2015.

It also opened its branch office in Namibia, with support for its operations there being provided from Portugal.

The Bank continued to focus on automation of its main business processes in order to achieve gains in efficiency, mitigate the operational risk, strengthen its operations team and reorganise them into areas of specialisation in order to improve the quality of service to our customers.

The different initiatives undertaken during the year included the development of trade finance, the automation of the account opening service with our German partner SAVEDO and the successful completion of the TARGET2 Securities certification tests.

Information Technology

In 2015, the IT department continued to increase its autonomy and capacity for involvement in the everyday activities of ATLANTICO Europa by strengthening its team, especially in the software development unit. This made it possible to perform a number of projects and activities in-house. This enabled us (1) to improve our capacity for introducing new products and services, (2) to reduce costs, (3) automate basic processes, (4) improve programs and (5) set up new platforms for interaction with customers.

The main projects in 2015 were: developing and offering a new online platform to make remote banking a faster, more intuitive and secure experience for our customers; ongoing progress in functionalities available on this channel (such as service payments); automation and digitisation of basic processes, such as opening and registering export letters of credit (as part of trade finance), opening non-resident customer accounts (under the partnership with Savedo) and requesting letters of credit and important steps in the development of an online trading platform for investment funds, to be launched in 2016.

A lot of work was also done to open our ATLANTICO Europa branch office in Namibia. This took up around 20% of the team's time in 2015 and included implementation of a communication solution and a server room for the local office, installation of IT equipment and the employee attendance system and portal and development of the ATLANTICO Namíbia website and internet banking platform.

Our expansion to Namibia brought us more challenges in terms of communication between employees. As a result, in 2015, the Bank acquired and implemented a video conference solution compatible with our Skype For Business and the ATLANTICO app in Angola. This has made communication between countries easier and more effective and convenient.

Marketing

In 2015, the marketing team at ATLANTICO Europa continued to focus on consolidating and increasing our range of products and services for different customer segments and constantly improving these customers' experience in using all these ways of contacting the Bank.

The most important projects completed in 2015 were the introduction of the ATLANTICO Europa debit card, after the Bank became a Principal Member of MasterCard, the opening of new digital banking platform (My ATLANTICO), the creation of a customer care line and the launch of a service-payment functionality.

The marketing team also began developing new products and services, such as consumer credit and an interest-bearing account for private customers, a supplier payment management service for business customers and mobile banking, platforms for iOS and Android.

The high point of our management of the ATLANTICO Europa brand was the launch of the Bank's first advertising campaign in Portugal in the second half of the year. Its slogan was, "Have you ever imagined life without ATLANTICO?" The campaign was featured in the main media - television, radio and press - and also online. It received more than 115,000 views on our YouTube channel and trebled daily accesses to the Bank's website and requests for information. Indeed, it helped to double the number of customers in one year.

Human Capital

ATLANTICO Europa was born under the slogan "The difference is in our People", in the belief that only a solid, capable, innovative, multicultural team can guarantee excellent service to its customers and be recognised as a benchmark in the financial system.

In 2015 ATLANTICO Europa continued its trend of sustainable growth in number of employees and ended the year with a workforce of 121, in Portugal and Namibia), 16% more than in 2014.

This growth reflects our ongoing belief in creating job opportunities based on strengthening teams with qualified, capable staff to meet the challenges that ATLANTICO Europa faces and the demands of the markets in which it operates.

The average age of the ATLANTICO Europa team is 35 and 80% of them are under 40. This reflects our belief in the potential of young talents based on a structure of senior staff with profound experience of the banking sector and financial markets.

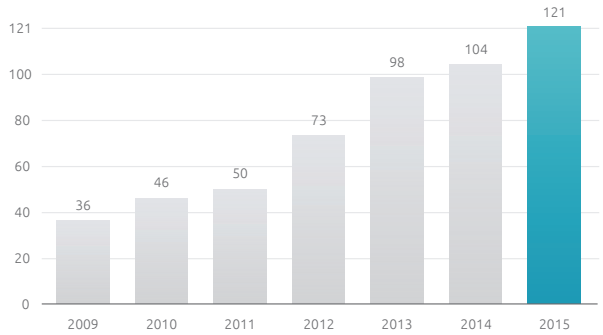
As the large, global institution that we are, our teams are marked by their cultural, academic and professional diversity. We have employees from 14 countries and four different continents with experience of different sectors. This allows us to take best practices on board, help enrich the organisation's knowledge of markets and take distinctive, innovative approaches to our customers.

Because we are convinced that knowledge is the only inexhaustible asset that generates sustainable development, 52 training courses totalling around 3,500 training hours were held in 2015. We continued our introductory banking internship programmes aimed at empowering new graduates to work in banking. We received 13 new interns in different areas (Commercial, Marketing, Legal, IT, Operations and Auditing Departments, among others).

Our belief in encouraging a healthy lifestyle and our employees' physical and emotional wellbeing took the form of initiatives involving all the bank's employees. During the year, our employees took part in sports events (the Lisbon Half Marathon, the Tagus Race, Marginal à Noite) and we introduced the first ATLANTICO Football League.

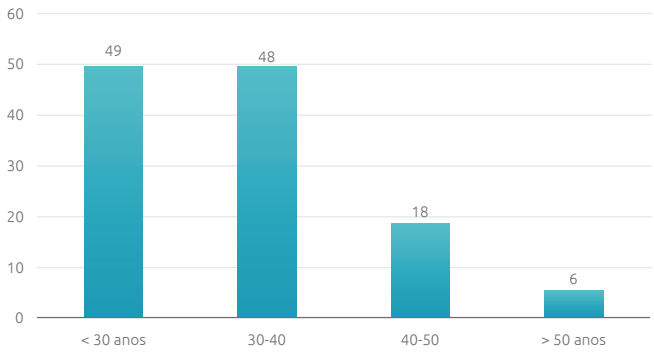
Our employees' involvement in social responsibility activities increased during the year and reflected our concern for contributing to social causes. In 2015, we began two campaigns to which our employees contributed: "ACREDITAR ATLANTICO", which involved collecting donations for ACREDITAR – Associação de Pais e Amigos da Criança com Cancro and "ATLANTICO-BUS", which collected essential goods to be donated by Associação BUS (goods of social use) to deserving homes and institutions.

Number of Employees



Employees by Gender

Employees by Age



Financial Analysis

Like 2014, 2015 was a year of strong business growth for ATLANTICO Europa. Its main features were:

- 14% increase in income against 2014 to reach 4.3 million euros;
- 11% reduction in structural costs;
- Double the number of customers;
- 47% growth in our loan portfolio to 169 million euros, while mainlining the level of prudence of previous years in view of the economic constraints in Portugal;
- 63% more trade finance operations with corporate and Institutional customers than in 2014;
- 51% rise in total customer deposits against 2014;
- Investment in capacity-building for young managers;
- Reduction in cost-to-income ratio to 52.5%.

(thousand of Euros)

Main Indicators	2011	2012	2013	2014	2015
Total Net Assets	**298,808**	**326,182**	**427,300**	**527,726**	**866,580**
Turnover	**307,336**	**237,691**	**446,366**	**611,371**	**901,181**
Loans and Advances to Customers	25,017	49,786	74,218	114,828	169,064
Deposits from Customers On Balance	251,312	146,098	240,179	411,825	588,989
Deposits from Customers Off Balance	25,722	35,841	98,107	37,230	87,055
Guarantees	808	808	4,553	14,532	2,454
Documentary Credit	4,477	5,158	29,309	32,955	53,619
Turnover per Employee	**6,147**	**3,256**	**4,555**	**5,879**	**7,448**
Loan-to-Deposit Ratio(1)	**11.1%**	**43.4%**	**80.1%**	**66.3%**	**62.9%**
Loans/On Balance Sheet Customer Funds Ratio	0%	0.43%	0.14%	0.14%	0.62%
Provisions/Loans to Customer Ratio	1.7%	1.6%	3.4%	3.7%	2.6%
Net Interest Income	2,774	6,449	8,646	8,039	10,122
Net Comission Income	1,178	816	1,248	2,217	3,634
Net Gains from Foreign Exchange Differences	216	836	587	1,209	1,234
Net gains from Available-for-sale Financial Assets held to Maturity		813	5,930	4,890	5,133
Other Operating Income and Expense	2,557	3,285	3,308	4,051	2,369
Operating Income	**6,725**	**12,200**	**19,719**	**20,405**	**22,683**
Operating Income per Employee	135	167	201	196	187
Cost-to-Income	114.1%	81.5%	71.5%	65.5%	52.5%
Net Income for the Year	**(1,403)**	**701**	**2,189**	**3,754**	**4,282**
Return on Assets (ROA)	-0.5%	0.2%	0.5%	0.7%	0.5%
Return on Equity (ROE)	-3.1%	1.5%	4.7%	7.7%	7.4%
Net Position	45,927	48,450	50,085	57,619	57,930
Tier 1 Capital	**45,215**	**44,435**	**46,099**	**47,279**	**48,709**
Capital Requirements	9,799	10,837	14,298	21,520	29,434
RWA	122,488	135,465	178,728	269,005	367,931
Solvency Ratio	**36.9%**	**32.8%**	**25.8%**	**17.6%**	**13.2%**
Number of Clients	**446**	**732**	**1,443**	**1,922**	**4,302**
Number of Employees	50	73	98	104	121
Number of Employees in Training	11	18	22	25	26

(1) Credit, guarantees and total customer deposits

(2) Calculated in accordance with Banco de Portugal Instruction 23/2011

Income Analysis

ATLANTICO Europa closed 2015 with a profit before taxes of 6.2 million euros, which represented a 17% improvement on 2014.

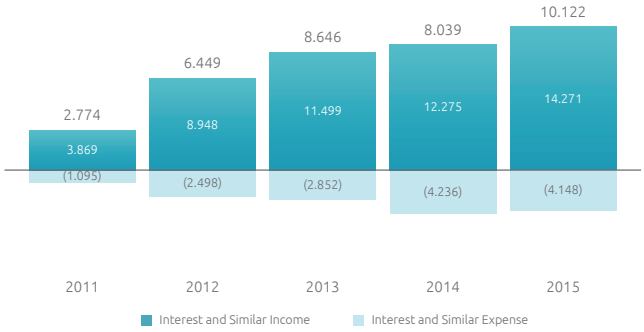
There follows a brief description of the different income statement items:

(thousand of Euros)

Income Statement	2011	2012	2013	2014	2015	Change	YoY
Interest and Similar Income	3,869	8,948	11,499	12,275	14,271	1,995	16%
Interest and Similar Expense	(1,095)	(2,498)	(2,852)	(4,236)	(4,148)	88	-2%
Net Interest Income	**2,774**	**6,449**	**8,646**	**8,039**	**10,122**	**2,083**	**26%**
as % of Operating Income	41.2%	52.9%	43.8%	39.4%	**44.6%**		
Commissions Received	1,282	928	1,398	2,402	4,016	1,614	67%
Commissions Paid	(104)	(112)	(151)	(185)	(382)	(196)	106%
Net Income from Financial Assets	1,396	(13)	3,806	7,896	5,323	(2,573)	-33%
Net ains from foreign exchange	(1,180)	1,663	2,712	(1,791)	1,234	3,025	-169%
Other Operating Income and Expense	2,557	3,285	3,308	4,044	2,369	(1,675)	-41%
Operating Income	**6,725**	**12,200**	**19,719**	**20,405**	**22,683**	**2,278**	**11%**
Personnel Costs	(3,841)	(4,667)	(6.471)	(6,206)	(6,681)	(475)	8%
Other Operating Costs	(3,831)	(5,200)	(7,173)	(6,500)	(4,356)	2,144	-33%
Depreciation	(351)	(736)	(653)	(658)	(914)	(256)	39%
Overheads	**(8,023)**	**(10,603)**	**(14,297)**	**(13,364)**	**(11,951)**	**1,413**	**-11%**
Operating Profit	**(1,298)**	**1,597**	**5,423**	**7,041**	**10,732**	**3,691**	**52%**
Provisions for Credit Risk	(378)	(347)	(1,724)	(1,757)	(4,537)	(2,780)	158%
Net Income Before Tax	**(1,676)**	**1,250**	**3,698**	**5,285**	**6,195**	**910**	**17%**
Taxes for the Period	273	(549)	(1,509)	(1,530)	(1,913)	(383)	25%
Current	(87)	(300)	(670)	(2,009)	(3,322)	(1,313)	65%
Deferred	360	(249)	(839)	479	1,409	930	194%
Net Income for the Year	**(1,403)**	**701**	**2,189**	**3,754**	**4,282**	**528**	**14%**

(m Euros)

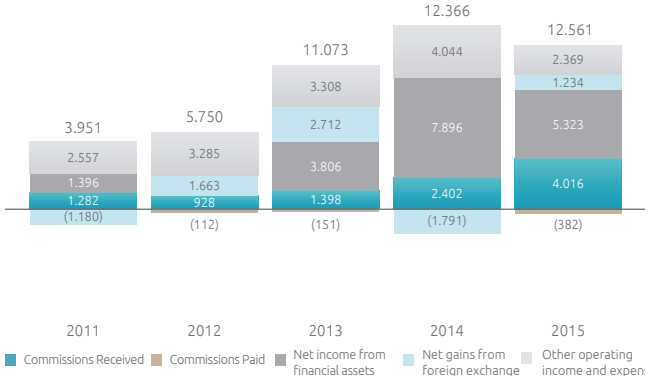
Net Interest Income



Net interest income has been growing steadily since 2011, reflecting our liquidity management policy and an increase in loans granted, while maintaining risk standards. Net interest income grew 26% YoY and accounted for 44.6% of operating income. We were able to reduce the interest paid item in spite of substantial growth in deposits received.

(m Euros)

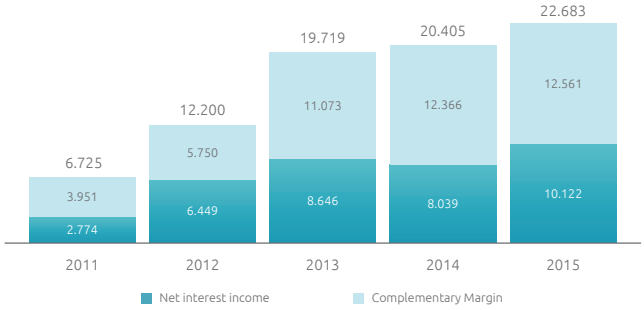
Complementary Margin



The complementary margin increased 2% against 2014. This was possible due to a rise in banking business. There was a substantial 64% growth in net fees, with main contributions coming from fees from banking services and documentary credits, both of which exceeded 1 million euros in fees charged.

(m Euros)

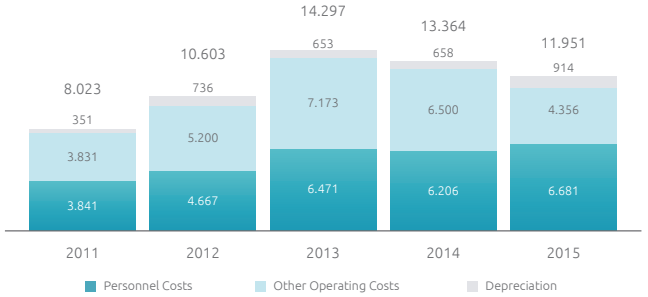
Operating Income



Operating income has also grown steadily since 2011 and increased 11% in 2015. Core operating income (net interest income + net fees from banking activity + exchange operations) increased 35% against 2014, reflecting a 47% increase in our loan portfolio, a 67% rise in documentary credits and considerable growth in the number of value of transactions.

(m Euros)

Overheads



Structural costs fell by 11% mainly due to:

- Other operating costs, which fell by 33%, as a result of the purchase of our head office building at the end of 2014 and renegotiation of our main contracts with suppliers, as we continued our strict cost control policy;
- Amortisation, which increased by 39% against 2014, in line with the purchase of office equipment, computer hardware and software and the bank's head office building ;
- Personnel costs, which rose 8% against 2014 as a result of an increase in employees from 104 to 121, though the average cost per employee fell 7%.

Analysis of Balance Sheet

ATLANTICO Europa ended 2015 with total net assets of 866,580,000 euros, which was 51% more than 2014.

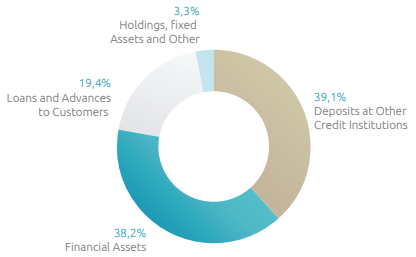
Balance Sheet	2011	2012	2013	2014	2015	Change	YoY
Assets							
Deposits	145	228	182	160	207	47	30%
Deposits at Central Banks	2,947	5,844	11,970	6,298	134,160	127,862	2030%
Loans and Advances to Credit Institutions	105,319	68,831	118,111	184,840	204,056	19,216	10%
Loans and Advances to Customers (net)	24,745	49,410	74,009	114,467	168,024	53,558	47%
Financial Assets and Liabilites at fair Value	1,315	-	78	1,622	91	(1,531)	-94%
Available-for-sale Financial Assets	-	189,140	208,016	237,178	263,231	26,053	11%
Held-to-maturity Investments	154,819	-	-	-	67,490	67,490	0%
Hedging Derivates	-	-	-	-	516	516	0%
Intangible Assets	712	527	448	837	1,080	244	29%
Other Tangible Assets	849	4,467	4,670	21,010	20,870	(140)	-1%
Investments in Subsidiaries, Associates	55	315	1,074	1,572	2,691	1,119	71%
Income Tax Assets	1,225	988	387	731	2,141	1,409	193%
Other Assets	6,675	6,431	8,356	4,012	2,023	(1,989)	-50%
Total Assets	**298,808**	**326,181**	**427,300**	**572,726**	**866,580**	**293,854**	**51%**
Liabilities							
Deposits from Central Banks	-	127,033	166,278	167,725	290,179	122,454	73%
Deposits from Customers	224,842	88,312	95,992	173,767	269,196	95,429	55%
Deposits from Credit Institutions	26,470	58,549	108,490	156,002	204,995	48,993	31%
Debt Securities Issue	-	-	-	-	32,044	-	-
Financial Liabilities at fair Value through Profit or Loss	-	827	226	239	202	(36)	-15%
Provisions for Credit Risks	165	302	1,630	2,646	5,040	2,393	90%
Income Tax Liabilities	72	832	1,001	3,056	2,115	(941)	-31%
Other Liabilities	1,332	1,876	3,598	11,672	4,878	(6,794)	-58%
Total Liabilities	**252,881**	**277,731**	**377,215**	**515,107**	**808,650**	**293,543**	**57%**
NET POSITION							
Equity	50,000	50,000	50,000	50,000	50,000	-	0%
Other Equity Instruments	-	-	-	-	-	-	0%
Revaluation Reserves	-	1,822	1,268	5,047	1,639	(3,408)	-68%
Retained Reserves	(2,670)	(4,073)	(3,371)	(1,183)	2,008	3,191	-270%
Net Income	(1,403)	701	2,189	3,754	4,282	528	14%
TOTAL SHAREHOLDERS' EQUITY	**45,927**	**48,450**	**50,085**	**57,619**	**57,930**	**312**	**1%**
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	**298,808**	**326,181**	**427,300**	**572,726**	**866,580**	**293,854**	**51%**
Off Balance Sheet	**25,722**	**35,841**	**98,107**	**37,230**	**87,055**	**49,824**	**134%**
Documentary Credit	**4,077**	**5,158**	**29,309**	**32,995**	**53,619**	**20,624**	**63%**
Guarantees	**808**	**808**	**4,553**	**14,532**	**2,454**	**(12,078)**	**-83%**

Assets

ATLANTICO Europa ended 2015 with total net assets of 866,580,000 euros. In a difficult economic framework, the Bank opted for a more active liquidity management policy and maintained the institution's moderate risk standards.

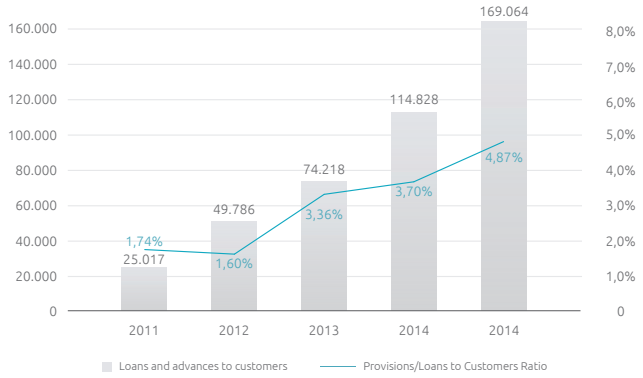
At the end of the year, loans and advances to customers represented 19.4% of total assets, 38.2% of assets were invested in financial assets and 39.1% in deposited at other financial institutions.

Assets



Our loan portfolio grew 47% to 168,024,000 euros in 2015.

Loans and Advances to Customers and Provisions/Loans to Customers Ratio

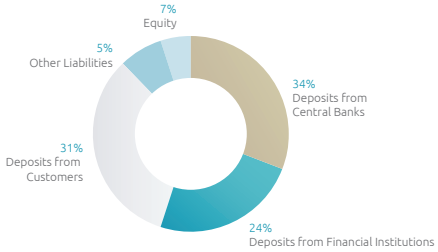


Non-performing loans totalled 0.62% of loans granted at the end of 2015, which was slightly higher than 2014. Existing provisions are essentially to cover the general credit risk and country risk for loans and advances that are not fully collateralised and total 4.87% of loans to customers. They currently represent 1.2 p.p more than in 2014.

Liabilities and Equity

Deposits from central banks represented 33.5% and those from customers and other financial institutions accounted for 54.7% of total liabilities and equity at the end of 2015.

Liabilities and Equity



The cost-to-income ratio fell 13 p.p., continuing the trend that began in 2010.
The operating costs/average net assets ratio went down slightly to 1.4% in 2014.
Assets per employee increased 31 %.

	2012	2013	2014	2015
Cost Income	81.5%	71.5%	65.5%	52,5%
Operating Costs/ Average Net Assets	3.3%	3.3%	2.3%	1,4%
Total Assets per Employee	4.468	4.362	5.507	7.222

Capital

ATLANTICO Europa's equity totalled 57,930,000 euros at the end of 2015, an increase of 1% against 2014.

The main contributing factors were:

- The profit for 2015 of 4,282,000 euros, which was 528,000 more than in 2014;
- A 3,191,000 euro increase in free reserves;
- A reduction in revaluation reserves of 3,407,000 euros.

(m Euros)

Change in Equity	2012	2013	2014	2015
Capital no Ínicio do Ano	**45,927**	**48,450**	**50,085**	**57,619**
Reavaluation Reserves	1,822	(554)	3,779	(3,408)
Reserves/ Retained Earnings	(1,403)	702	2,189	3,754
Net Reserves	2,104	1,488	1,566	528
Dividends Paid	-	-	-	(563)
Equity at the End of the Year	**48,450**	**50,085**	**57,619**	**57,930**

Capital Ratios

The Bank's capital ratio at the end of 2015 was 13.2%, which was 4.5 p.p. lower than in 2014. The reduction reflects a rise in equity requirements.

At the end of 2015, basic own funds totalled 48,709,000 euros, which was 2.53% higher than in 2014. This was due to an increase in profits for the year in question.

Statement on Remuneration Policy of Banco Privado Atlântico - Europa S.A.

Introduction

1. Pursuant to Article 2 (1) of Law 28/2009 of 19 June, it is the duty of the Board of Directors or, if one exists, the Remunerations Committee of credit institutions to submit every year for the appreciation and approval of the General Meeting a statement on policy on the remuneration of the members of its management and supervisory bodies (hereinafter referred to as the "Statement"), including information set out in this law and the information set out in Article 16 of Banco de Portugal Notice 10/2011.

2. As a result, this Statement has been drawn up in accordance with the aforementioned rules and the principles laid down in the European Commission recommendation of 30 April 2009 on remuneration policies in the financial services sector and guidelines on remuneration policies and practices published by the Committee of European Banking Supervisors (CEBS), later endorsed by the European Banking Authority (EBA).

3.In compliance with these provisions and in a framework of greater transparency in the process of fixing remunerations, the Board of Directors of Banco Privado Atlântico – Europa, S.A. (hereinafter "ATLANTICO Europa" or the "Bank") submits this Statement for the approval of the General Meeting Shareholders.

Rules in the Articles of Association

1. Article 35 of the Bank's Articles of Association stipulates that the remunerations of the members of the corporate bodies must be determined by a remunerations committee consisting of three shareholders elected at a General Meeting.

2. This article also determines that the remunerations of the members of the Board of Directors may consists of a fixed part and a variable part, which shall correspond to a share of no more than 10% in the profits for the financial year. The fixed remuneration paid to the members do Board of Directors may differ from one to another.

3. In accordance with the Bank's Articles of Association, the remunerations committee also establishes the conditions for allocating retirement pensions to the executive directors.

4. All the shares representing the share capital of ATLANTICO Europa are currently owned by a single shareholder and the remunerations committee was not set up and is not in operation.

Remunerations Policy

ATLANTICO Europa's remunerations policy reflects the institution's commitment to abiding by the latest and best Portuguese and international practices and trends in corporate governance in the financial sector. The aim is to create value over the long term, support the implementation of a sustained growth strategy and make way for the convergence of the interests of the members of the corporate bodies with those of the company. Fulfilment of this goal, as detailed below, is based on certain key paths legally recognised as appropriate for these effects, to wit:

- Allocation of a fixed component representing a substantial part of overall remuneration;
- The available component of variable remuneration being contingent on performance evaluations on a multi-annual basis in accordance with predetermined, measurable assessment criteria;
- Deferral of a part of the variable remuneration for a period of time taking account of the Bank's economic cycle and business risks;
- Payment of the variable remuneration, including the deferred part, contingent on the continued sustainability of the Bank's financial situation.

Remuneration Policy of the Members of the Management and Supervisory Bodies as Set out in Article 16 of Banco de Portugal Notice 10/2011

General Principles

1.Definition of remuneration policy: The preparation of the remuneration policy is a participative process as it includes people with functional independence and appropriate skills in the field of human resources (Human Capital Department), the Legal and Compliance Department, units responsible for internal control and external specialists. After the remuneration policy had been drawn up, the part regarding employees' remuneration was submitted to the Board of Directors for approval and the part regarding the remuneration of the members of the management body and supervisory body was submitted to the General Meeting.

2. Elements of the variable component: Taking account of Paragraph 24 (r) of the Annex to Decree-Law 104/2007 of 3 April, in the version introduced by Decree-Law 88/2011, which subjects payment of at least 50% (fifty percent) of variable remuneration in the form of shares, equivalent instruments or other financial instruments representing the institution's capital, and in view of the fact that ATLANTICO Europa does not have in its portfolio nor has it issued instruments of this nature to date, due to its size and the state of its business activity, taking into consideration the principles of adequacy and proportionality, any variable remuneration that may be allocated to the executive directors will be based on their share in the institution's profits, within the limits set of out in the Bank's Articles of Association, thereby make the executive director's goals compatible with the institution's long-term interests. Nonetheless, ATLANTICO Europa reserves the right, by decision of the competent corporate body, to pay part of the variable remuneration in shares or financial instruments used by the institution, on terms to be regulated opportunely, if this is case. Regarding the deferral of payment of variable remuneration set out in Point 24 of the Annex to Decree-Law 104/2007 of 3 April, in the version introduced by Decree-Law 88/2011 of 20 July, it shall take place for the 2015 financial year, affecting the variable remuneration to be paid in 2016.

Remuneration of the Executive Members of the Management Body

1. The institution's competent bodies for assessment of individual performance.
Individual performance evaluation of executive directors is carried out by the General Meeting.

2. Predetermined criteria for an individual performance evaluation on which the right to a variable component of remuneration.
The allocation of the variable component of the remuneration for executive directors is based, among other factors mentioned here, on the following criteria, as set out in the Performance Evaluation Criteria attached to this statement, of which it is an integral part:

- Fulfilment of individual and institutional goals associated with the Bank's business activity;
- Dedication, quality, work capacity, knowledge of the business and contribution to the institution's image and reputation;
- Real growth of the institution;
- Wealth actually created for shareholders;
- Implementation of measures to protect to the interests of customers and investors;
- The institution's long-term sustainability;
- Extent of risks taken ;
- Compliance with rules applicable to the institution's business.

3. The relative importance of the variable and fixed components of remuneration and the maximum limits for each.
The fixed component is paid 14 months a year, determined on the basis of the Bank's competitive positioning in relation to reference companies in the country with similar characteristics to this one. The joint fixed annual remuneration of the executive directors represents at least 70% of their overall annual remuneration.

The variable component will abide by the limits fixed every year by the Bank's General Meeting and should be no more than 30% (thirty percent) of total remuneration. The sum of the variable remuneration located each to the executive members of the management body may not exceed 10% (ten percent) of the distributable profits of the year, except in justified situations recognised by the General Meeting taking account of the all types of current and future risks.

4. Deferment of payment of variable component of remuneration and deferral period.
A proportion of 40% (forty percent) of the variable remuneration will be deferred for three years as of the date of allocation.

5. Form of payment of variable remuneration subject to continued positive performance of the institution over deferral period.
The variable remuneration, including the deferred part, will only be paid if this is sustainable in the view of the Bank's financial situation as a whole and if it is warranted in light of the performance of the institution, the unit in question and the director in question, taking account of the all types of current and future risks, the cost of own funds and the necessary liquidity.

In the same way, if there is a deterioration in the institution's performance or if it makes a loss, the variable remuneration may be reduced, taking into account current remuneration, reductions in the outlay of amounts already paid, such as through deterioration or recovery schemes and without prejudice to the application of the general principles of national contractual and labour legislation.

6.The criteria on allocating variable remuneration in shares and continued ownership of these shares in the institution by the executive members of the management body and any agreements regarding these shares, such as hedging or risk transfer agreements, their limits and their percentage of total annual remuneration.
There is no provision for the allocation of shares to executive members of the management body as a form of variable remuneration. Nonetheless, the directors are already indirect owners of holdings in the Bank, which they acquired when it was incorporated.

7. Criteria for the allocation of variable remuneration in options and deferral period and price for the financial year.
Not applicable.

8.Main parameters and principles of any system of annual bonuses and other non-monetary benefits.
The allocation of a variable remuneration component to the executive directors is determined by the results of performance evaluations conducted on a three-yearly basis, as described above, depending on an accumulated annual performance evaluation of the executive directors, taking account of the all types of current and future risks, the cost of own funds and the necessary liquidity.

9. Remuneration paid as profit sharing or bonuses and the reasons for them.
Variable remuneration is paid in the form of a performance bonus and is justified by the result of the performance evaluation in accordance with our performance evaluation policy.

10. Compensation paid or owed to members of the management body due to rescission during the financial year.
No types of compensation are owed to members of the managing body due to withdrawal in 2015.

11. Legal instruments provided for in Article 10.
Neither the agreements concluded with the directors nor the company's Articles of Association provide for payment of any compensation in the event of dismissal of a member of the management body or rescission of the agreement by mutual accord, when this results from inadequate performance of his/her duties. This, plus the legal provisions on dismissal of directors, allows the Bank to align its practices with the concerns set out in the article.

12.Amounts paid for any reason by other companies that are subsidiaries or in the same group as the institution.
No payments were made to the executive directors by other companies that are subsidiaries or in the same group as the institution.

13. Main features of supplementary pension funds or early retirement schemes and whether they were analysed by the general meeting.
There are provisions for supplementary pension funds or early retirement schemes.

14.Estimate of relevant non-monetary benefits considered to be remuneration not covered by the previous paragraphs.
The executive directors are covered by insurance taken out by the Bank for its employees. Whenever justifiable, on a case-by-case basis, specific benefits may be awarded to directors not working in their country of origin.

15. Mechanisms that prevent the use by members of the management body of remuneration or liability insurance or any other risk coverage mechanisms aimed at mitigating the effects of alignment by the risks inherent in their remuneration schemes.
At the start of each term of office or whenever a new director takes office, s/he undertakes not to conclude any agreement with the company or third parties for the purpose of mitigating the risk of variations in remuneration fixed by the company. The current directors did not conclude such contracts.

Remuneration of non-executive Members of the Management Body

Unless otherwise decided by the General Meeting, the members of the Board of Directors are not paid any fixed or variable remuneration for their work.

In the event of dismissal of a member of the management body or even rescission of the directorship agreement due to inadequate performance of his/her duties, there is no payment of any compensation, including payments related to a period of notice or a non-competition clause.

Remuneration of Members of the Supervisory Body

Unless otherwise decided by the General Meeting, the members of the Supervisory Board are not paid any fixed or variable remuneration for their work.

Employees' Remuneration

1. The institution's competent bodies for assessment of individual performance
Individual performance evaluation of employees and managers (hereinafter "employees") is carried out by the Board of Directors.

2. Predetermined criteria for an individual performance evaluation on which the right to a variable component of remuneration is based
The allocation of the variable component of the remuneration for employees is based on the evaluation criteria detailed in the Performance Evaluation Policy for each job category.

3. The relative importance of the variable and fixed components of remuneration and the maximum limits for each
The fixed remuneration component is structured in levels, taking account of the degree of complexity and responsibility associated with each job and is determined by the Board of Directors by reference to salaries paid in the market.

The variable component may not exceed an equivalent of five fixed monthly salaries, determined on the basis of the employee's performance, taking account of all types of current and future risks, the cost of own funds and the necessary liquidity.

4. The way in which the payment of variable remuneration is subject to continuation of a positive performance by the institution during the deferral period

The variable remuneration, including the deferred part, will only be paid if this is sustainable considering the Bank's financial situation as a whole and it is justified in light of the institution's performance, the unit in question and the employee in question, taking account of all types of current and future risks, the cost of own funds and the necessary liquidity.

In the same way, if there is a deterioration in the institution's performance or if it makes a loss, the variable remuneration may be reduced, taking into account current remuneration, reductions in the outlay of amounts already paid, such as through deterioration or recovery schemes and without prejudice to the application of the general principles of national contractual and labour legislation.

5. Criteria for the allocation of variable remuneration in options and deferral period and price for the financial year

Not applicable.

6. Main parameters and principles of any system of annual bonuses and other non-monetary benefits

The allocation of a variable remuneration component to employees is determined by the results of performance evaluations conducted as described above on a three-yearly basis on the basis of an accumulated annual performance evaluation of the employees, taking account of the all types of current and future risks the cost of own funds and the necessary liquidity.

Specifically for employees who perform control functions, evaluation of their performance will be based solely on the employee's performance and that of his/her unit and will not be influenced by the financial performance of the business area in which s/he performs the control functions, taking account of the fulfilment of specific goals associated with the duties performed., set out in the Evaluation Policy, such as the fulfilment of the legal obligations to which ATLANTICO Europa is subject ("compliance"), risk management and internal audits, in accordance with Banco de Portugal Notice 5/2008, adjustable to all types of current or future risks, the cost of own funds and necessary liquidity along with the corporate goals achieved by the institution.

22 March 2016

The Board of Directors
ATLANTICO Europa

Quantitative Information on Remunerations

Information on remuneration paid by the institution in 2015 prepared pursuant to Article 17 of Banco de Portugal Notice 10/2011.

Members of the Management Body

1. The annual amount of the fixed and variable component of the remuneration and number of beneficiaries:

Beneficiary Owner	Variable Remuneration (in Euros)	Fixed Remuneration (in Euros)
Carlos José da Silva	n.a	n.a
Diogo Baptista Russo Pereira da Cunha	n.a	177,100.00
Augusto Costa Ramiro Baptista	n.a	n.a
Maria da Graça Ferreira Proença de Carvalho	n.a	161,000.00
José Carlos Manuel Burity (1)	n.a	103,500.00
Pedro Manuel Moreira Leitão (2)	n.a	n.a
Total	**n.a**	**441,600.00**

(1) Took office on 16/09/2015
(2) Took office on 16/09/2015

2. Amounts and types of variable remuneration, broken down by monetary remuneration, shares, share-linked instruments and other types:
Not applicable, as the members of the management body received no variable remuneration.

3. Amount of unpaid deferred remuneration broken down by invested and univested components:
The rule on deferral of remuneration was first applied in 2012, i.e. it only affected variable remuneration allocated as of 2013. This field is not applicable however, because the members of the management body did not receive any variable remuneration.

4. Annual amounts of deferred remuneration owed, paid or subject to reductions due to adjustments made on the basis employees' individual performance:
Not applicable

5. Number of new hirings in the year in question:
In 2015 José Carlos Manuel Burity and Pedro Manuel Moreira Leitão were appointed as directors.

Members of the Supervisory Board

The members of the supervisory board received no fixed or variable remuneration for their work.

Employees

The following information has regard to all the Bank's employees who worked as coordinating directors, directors, deputy directors, assistant directors and employees with internal control duties.

1. The annual amount of the fixed and variable component of remuneration and the number of beneficiaries

Beneficiary Owner	Variable Remuneration (in Euros)	Fixed Remuneration (in Euros)
39	370,510.28	1,863,217.83

2. The amounts and types of variable remuneration, broken down by monetary remuneration, shares, share-linked instruments and other types
Overall amount of variable monetary remuneration: 370,510.28 euros
No remuneration was paid in the form of shares, share-linked instruments or other types.

3. Amount of unpaid deferred remuneration broken down by invested and univested components
The rule on deferral of remuneration was first applied in 2012, i.e. it only affected variable remuneration allocated as of 2013.

Payment of remuneration to the amount of 130,600 euros was deferred in 2015.

4. Annual amounts of remuneration deferred, paid or subject to reductions resulting from adjustments made on the basis of individual employees' performance:
The rule on deferral of remuneration was first applied in 2012, i.e. it only affected variable remuneration allocated as of 2013.
In 2015 deferred remuneration for 2013, 2014 and 2015 to the amount of 113,110.28 euros was paid out.

5. Number of new hirings in the year in question
Two employees were hired in 2015.

6. Amount of payments made or owed annually due to early termination of labour agreements with employees, number of beneficiaries of these payments and the largest payment made to an employee
In 2014 the amount of 64,753.72 euros was paid due to the early termination of one employment agreement. One employee received this payment.

Quantitative information on remuneration of employees, broken down by area of activity

Activity Area	Variable Remuneration (in Euros)
Atlantico Branch	292,895.47
Corporate	275,038.20
Private Banking	245,708.31
Financial Markets	114,233.79
Capital Markets	99,068.17
Investment Banking	205,075.25
International Financial Institutions	361,674.44
Internal Control	511,685.44
Support Areas	1,613,281.92

Proposed Appropriation of Profit

In the financial year between 1 January 2015 and 31 December 2015, Banco Privado Atlântico Europa made a profit of 4,282,075-38 euros.
The Board of Directors of Banco Privado Atlântico Europa proposes:

- That 10% of the profit, to the amount of 428,207.54 euros, be allocated to the item Legal Reserves;
- That 60% of the profit, to the amount of 2,569,245.23 euros, be allocated to the item Retained Earnings,
- That 30% of the profit, to the amount of 1,284,622.61 euros, be distributed to the company's shareholders by way of dividends.

Lisbon, 22 March 2016.

The Board of Directors
ATLANTICO Europa

II. Financial Statements

Balance Sheets as at 31 December 2015 and 2014

Thousand of Euros

Assets	Notes	2015			2014
		Gross Assets	Provisions, impairments and amortisation	Net Assets	
Cash and Deposits at Central Banks	3.1	134,36,.745	-	134,367,745	6,457,994
Deposits and Loans to Other credit Institutions	3.2	106,989,874	-	106,989,874	38,193,190
Financial Assets Held for Trading	3.3	90,708	-	90,708	1,622,083
Available-for-sale Financial Assets	3.4	263,606,346	(375,347)	263,230,999	237,177,754
Loans and Advances to Credit Institutions	3.5	97,526,299	(459,967)	97,066,332	146,646,617
Loans and Advances to Customers	3.6 e 3.18	169,892,342	(1,868,106)	168,024,236	114,466,712
Held-to-Maturity Investments	3.7	67,583,084	(92,972)	67,490,112	-
Hedging Derivates	3.8	515,621	-	515,621	-
Other Tangible Assets	3.9	22,729,147	(1,859,310)	20,869,837	21,009,633
Other Intangible Assets	3.10	2,562,887	(1,482,394)	1,080,493	836,901
Investments in Subsidiaries, Associates and Joint Venture	3.11	2,690,829	-	2,690,829	1,572,086
Current Tax Assets	3.12	126,713	-	126,713	126,713
Deferred Tax Assets	3.12	2,013,898	-	2,013,898	604,682
Other Assets	3.13	2,667,057	(644,341)	2,022,716	4,011,695
Total Assets		**873,362,550**	**(6,782,437)**	**866,580,113**	**572,726,060**

Equity and Liabilities	Notes	2015	2014
Liabilities			
Deposits from Central Banks	3.14	290,179,422	167,725,325
Financial Liabilities Held for Trading	3.3	202,234	238,547
Deposits from Other Credit Institutions	3.15	204,994,866	156,001,541
Deposits from Customers	3.16	269,196,169	173,767,164
Debt Securities Issued	3.17	32,043,675	
Provisions	3.18	5,039,972	2,646,487
Current Tax Liabilities	3.19	1,425,619	1.328.740
Deferred Tax Liabilities	3.19	689,570	1,727,544
Other Liabilities	3.20	4,878,382	11,672,022
Total Liabilities		**808,649,909**	**515,107,370**
Equity	3.22	50,000,000	50,000,000
Revaluation Reserves	3.23	1,639,752	5,047,139
Other Reserves and Retained Earnings	3.23	2,008,377	(1,182,938)
Net Income for the Year	3.23	4,282,075	3,754,489
Total Equity		**57,930,204**	**57,618,690**
Total Liabilities + Equity		**866,580,113**	**572,726,060**

The attached notes are an integral part of these financial statements.

Income Statements for the Years Ending on 31 December 2015 and 2014

Thousand of Euros

	Notes	2015	2014
Interest and Similar Income		14,270,586	12,275,343
Interest and Similar Expense		(4,148,343)	(4,236,236)
Net Interest Income	**3.24**	**10,122,243**	**8,039,107**
Fees and Commissions Income	3.25	4,015,505	2,401,932
Fees and Commissions Expense	3.25	(381,632)	(185,195)
Net Gains from Sales and Other Assets	3.26	-	6,915
Net Gains from Assets and Liabilities at fair value through Profit or Loss	3.26	190,008	2,999,773
Net Gains from Available-for-sale Financial Assets	3.26	5,133,404	4,889,646
Net Gains from Foreign Exchange Differences	3.26	1,234,411	(1,790,699)
Other Operating Income and Expense	3.27	2,369,087	4,207,571
Operating Income		**22,683,026**	**20,569,050**
Personnel Costs	3.28	(6,680,927)	(6,205,820)
General Administrative Expenses	3.29	(4,356,357)	(6,664,067)
Depreciation and Amortisation	3.9 e 3.10	(913,670)	(657,824)
Overheads		**(11,950,954)**	**(13,527,711)**
Write-down relating to Customer Lending and Receivables from Other Debtors (not of Refunds and Write-Offs)	3.18	(4,537,124)	(1,756,833)
Earnings before Tax		**6,194,948**	**5,284,506**
Current Taxes	3.30	(3,322,089)	(2,008,889)
Deferred Taxes	3.30	1,409,216	478,872
Net Income for the Year		**4,282,075**	**3,754,489**
Earnings per Share		**0,0856**	**0,0751**

The attached notes are an integral part of these financial statements.

Comprehensive Income States for the Years Ending on 31 December 2015 and 2014

Thousand of Euros

	2015	2014
Net Income for the Year	**4,282,075**	**3,754,489**
Items that may be Reclassified to the Income Statement		
Revaluation of the Available-for-sale Financial Assets	(4,070,488)	5,025,834
Fiscal Impact	1,037,975	(1,246,611)
Foreign Exchange Differences of Branches Abroad	**(374,874)**	**-**
Income not Recognised in the Income Statement	**(3,407,387)**	**3,779,223**
Comprehensive Income for the Year	**874,688**	**7,533,712**

The attached notes are an integral part of these financial statements.

Cash Flow Statement as at 31 December 2015 and 2014

Thousand of Euros

	2015	2014
Cash Flows from Operating Activities		
Interest, Commissions and Similar Income Received	18,273,604	13,939,461
Interest, Commissions and Similar Expense Paid	(4,504,892)	(4,135,783)
Payments to Employees and Suppliers	(17,830,924)	(12,782,848)
Other Payments / (Receipts) from Operating Activities	5,288,568	3,713,147
Operating Income before Changes in Operating Assets	**1,226,356**	**733,977**
(Increase) / Decrease in Operating Assets:		
Loans and Advances to Credit Institutions	49,208,337	(60,124,428)
Loans and Advances to Customers	(54,236,129)	(40,609,799)
Other Assets	1,239,936	4,446,836
	(3,787,856)	(96,287,388)
(Increase) / Decrease in Operating Liabilities:		
Deposits from Central Banks	122,492,169	1,411,527
Deposits from Other Credit Institutions	49,003,074	47,271,347
Deposits from Customers	95,356.101	77,765,629
Other Liabilities	28,437,174	(1,278,923)
	295,288,518	125,169,580
Net Cash from Operating Activities	**292,727,018**	**29,616,169**
Cash Flows From Investing Activities		
(Acquisition) and Sale of Tangible and Intangible Assets	(971,533)	(9,389,237)
(Acquisition) and Sale of available-for-sale Financial Assets	(38,985,859)	(18,788,385)
(Acquisition) and sale of Investments in Subsidiaries, Associates and Joint Ventures	(1,118,743)	(497,703)
(Acquisitions) and sale of Financial Assets held for Trading	(54,381,274)	-
Dividends Paid	(563,174)	-
Net Cash from Investing Activities	**(96,020,583)**	**(28,675,325)**
Net Increase (Decrease) in Cash and Cash Equivalents	196,706,435	940,844
Cash and Cash Equivalents at the Beginning of the Year	44,651,184	43,710,340
Cash and Cash Equivalents at the End of the Year (notes 3.1 and 3.2)	**241,357,619**	**44,651,184**

The attached notes are an integral part of these financial statements.

Statement of Changes in Shareholders' Equity as at 31 December 2015 and 2014

Thousands of Euros

	Equity	Revaluation Reserves	Exchange Rate Differences	Other Reserves - retained Earnings	Net Income for the Year	Total
Balances as at 31 December 2013	**50,000,000**	**1,267,916**	**-**	**(3,371,481)**	**2,188,543**	**50,084,978**
Profit Allocation for 2013						
Transfer to Reserves	-	-	-	2,188,543	(2,188,543)	-
Revaluation Reserves	-	3,779,223	-	-	-	3,779,223
Net Income for the Year	-	-	-	-	3,754,489	3,754,489
Balances as at 31 December 2014	**50,000,000**	**5,047,139**	**-**	**(1,182,938)**	**3,754,489**	**57,618,690**
Profit Allocation for 2014						
Dividends Paid	-	-	-	-	(563,174)	(563,174)
Transfer to Reserves	-	-	-	3,191,315	(3,191,315)	-
Revaluation Reserves	-	(3,032,513)	(374,874)	-	-	(3,407,387)
Net Income for the Year	-	-	-	-	4,282,075	4,282,075
Balances as at 31 December 2015	**50,000,000**	**2,014,626**	**(374,874)**	**2,008,377**	**4,282,075**	**57,930,204**

The attached notes are an integral part of these financial statements.

III. Notes on the Financial Statements

1. Introduction

Banco Privado Atlântico - Europa, S.A. ("Bank", "ATLANTICO Europa" or "Institution") is a public limited company with its head office in Lisbon. It was incorporated on 22 June 2009 and went into operation in August that same year. The foundation of the bank was authorised by Banco de Portugal on 20 June 2009. The financial statements presented here reflect the income from the Bank's operations for the financial years ending on 31 December 2015 and 2014.

The Bank's company object is the banking business.

The financial statements as at 31 December 2015 were approved by the Board of Directors on 22 March 2016.

The Bank's financial statements as at 31 December 2015 are pending approval of the General Meeting of Shareholders. Nonetheless, the Board of Directors believes that these financial statements will be approved with no significant changes.

All the amounts presented in these notes are in euros (rounded up or down to whole numbers), unless otherwise indicated.

2. Accounting Policies

2.1 Bases for presentation

The Bank's financial statements were presented on the assumption of a going concern based on the books and accounting records kept in accordance with the Adjusted Accounting Standards (NCA), pursuant to Banco de Portugal Notice 1/2005 of 21 February and Instructions 23/2004 and 9/2005 pursuant to the powers invested in it by Article 115 (3) of the General Framework on Credit Institutions and Financial Companies approved by Decree-Law 298/92 of 31 December.

The NCA correspond in general to the International Financial Reporting Standards (IFRS), as adopted by the European Union in accordance with Regulation (EC) 1606/2002 of the European Parliament and of the Council of 19 July and Banco de Portugal Notice 1/2005 of 21 February. Pursuant to Notice 1/2005, the following exceptions impact the financial statements of Banco Privado Atlântico - Europa, S.A.:

i) Valuation of loans and advances to customers and receivables from other debtors (loans and advances and accounts receivable) – the loans and advances are recorded at face value and cannot be reclassified to other categories and as such recorded at fair value;

ii) Provisioning of loans and advances and accounts receivable - minimum levels of provisioning are established in accordance with Banco de Portugal Notice 3/95, with the amendments made by Banco de Portugal Notice 8/03 of 30 June and Banco de Portugal Notice 3/2005 of 21 February (Nota 2 (3) (a). This framework also covered liabilities represented by acceptances, guarantees and other similar instruments.;

iii) Tangible assets must be maintained at cost and therefore cannot be recorded at fair value, as permitted by IAS 16 – Tangible fixed assets. As an exception, legally authorised revaluations can be recorded, in which case resulting capital gains are recorded under "Revaluation reserve".

The Bank has adopted the IFRS and mandatory interpretations for the financial years beginning on or after 1 January 2015, as mentioned in Note 2.16.

The accounting policies were following consistently in the preparation of the financial statements for the previous period, including adoption of IFRIC 21 - Levies.

IFRIC 21 - Levies

The IASB issued this interpretation on 20 May 2013. Its date of application is retroactive to periods beginning on or after 1 January 2014. This interpretation was adopted by European Commission Regulation 634/2014 of 13 June (defining its entry into force no later than the start date of the first financial year beginning on or after 17 June 2014). This new interpretation defines levies as an outflow from an entity imposed by a government in accordance with legislation. It confirms that an entity recognises a liability as a levy when, and only when the triggering event occurs, according to the legislation.

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

The Bank's accounts are prepared in the currency used in the economic environment in which it operates (functional currency), i.e. the euro.

On each balance sheet date, monetary assets and liabilities denominated in foreign currency are converted into euros at the current exchange rate.

Exchange differences in foreign exchange conversions are reflected in income for the year, with the exception of those resulting from non-monetary financial instruments classified as available for sale, which are recorded in a specific equity item until sold.

2.3 Financial instruments

a) Deposits at credit institutions, loans and advances to customers, receivables from other debtors and provisions

As described in Note 2.1 these assets are recorded in accordance with Banco de Portugal Notice 1/2005. They are therefore recorded at face value and their earnings, i.e. interest and commissions, are recognised over the period of operations at the effective rate in the case of operations that produce income for periods of over one month. Whenever applicable, external commissions and costs for the contracting of operations underlying assets included in this category are also periodised for the duration of the loans and advances.

Pursuant to Banco de Portugal Notices 3/95 of 30 June, 2/99 of 15 January, 7/00 of 27 October, 8/03 of 30 January and other orders from the central bank, the Bank sets up the following provisions for credit risks:

i) Provision for overdue loans, advances and interest
This is to cover the risk of loans and advances granted with overdue repayments of principal or interest. The percentages of overdue loans and advances and interest provisioned depend on the type of guarantees and rise depending on the period that has elapsed since default.

ii) Provision for doubtful debts
This is to cover the risks of payment of not-yet-due principal in loans and advances granted that have overdue payments of principal or interest or that were granted to customers that have other overdue liabilities. The following are considered doubtful debts:

- Not-yet-due payments of the same loan or advance operation in which at least one of the following conditions to the overdue repayments of principal and interest exists:
  - They have exceeded 25% of the principal owed plus interest;
  - They have been non-performing for more than:
    - Six months in operations with a maturity of less than five years;
    - 12 months in operations with a maturity of five to 10 years;
    - 24 months in operations with a maturity of over 10 years.

- Loans and advances in these circumstances are considered overdue only for the purpose of setting up provisions and are provisioned on the basis of the rates applicable to the overdue loan in these operations.

- Doubtful debts are also not-yet-due loans and advances to the same customer, if the overdue loan or advance and interest on all the operations for this customer exceed 25% of the total, plus overdue interest. These loans and advances are provisioned on the basis of half the rates charged on the overdue loans and advances.

iii) Provision for general credit risks
This is recorded in liabilities under "Provisions" and covers potential risks in any loan or advance granted and guarantees and surety given.

This provision is set up in accordance with Notices 3/95 of 30 June, 2/99 of 15 January and 8/03 of 30 January.

It is calculated by applying the generic percentages to all performing loans, including guarantees and surety provided:

- 1.5% % for consumer credit and loans to private customers with no stated purpose;
- 0.5% for mortgage loans or real-estate leasing operations, in both cases if the property is for the borrower to live in;
- 1% for all other loans and advances.

By law, reinforcement of this provision is not accepted as a tax cost.

iv) Provision for the country risk
This is to cover the risk of realisation of financial and off-balance-sheet assets from residents in high-risk countries, whatever the instrument used or the nature of the counterparty, with the exception of:

- Those domiciled at a branch in that country, denominated and payable in the currency of that country, in that they are covered by deposits denominated in that currency;
- Financial holdings;
- Operations with branches of credit institutions of a high-risk country, provided that they are established in European Union Member States;
- Those guaranteed by entities indicated in Article 15 (1) of Notice 3/95, provided that the guarantee covers the transfer risk;
- Short-term foreign trade funding operations that meet Banco de Portugal conditions.

Provision needs are determined by applying the percentages fixed by Banco de Portugal, which classifies countries and territories into risk groups in accordance with Notice 3/95 of 30 June, Instruction 94/96 of 17 June and Circular 7/12/DSBDR of 7 March 2012.

As it is a specific provision, it is classified in the accounting items in which the assets falling under the definition of the country risk are recorded.

b) Available for sale financial assets (IAS 39)

This item includes:
- Fixed-income securities that have not been classified as a trading or credit portfolio or portfolios of held to maturity securities;
- Available for sale variable-income securities;

Assets classified as available for sale are valued at fair value, unless they are equity instruments not quoted on an active market and whose fair value cannot be reliably measured or estimated, which are recorded at cost, net of provisions. In addition, in the case of commercial paper operations, if there are no market prices, they are recorded at amortised cost.

Gains or losses resulting from changes in fair value are recorded directly in the equity item "Revaluation reserves". When they are sold or if impairment is determined, the accumulated variations in fair value are transferred to earnings or costs of the year.

Accrued interest on bonds and other fixed-income securities and the differences between the acquisition cost and face value (premium or discount) are recorded in income, using the effective interest rate method.

Income from variable-rate securities (dividends in the case of shares) is recorded under income on the date on which it is paid or received. According to this criterion, anticipated dividends are recorded as earnings in the year in which their distribution is decided upon.

IAS 39 identifies some events that it considers to be objective evidence of impairment in available for sale financial assets:

- Significant financial difficulties on the part of the issuer;
- Issuer's contractual default in terms of repayment of principal or payment of interest ;
- Likelihood of insolvency of the issuer;
- Disappearance of an active market for the financial asset due to the issuer's financial difficulties .

In addition to the above-mentioned signs of impairment of debt instruments, the following specific signs are also considered in the case of capital instruments:

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

As at the date of preparation of the financial statements, the Bank checks for objective evidence of impairment indicating that the cost of investments may not be recoverable at medium term, considering the situation in the markets and available information about the issuers.

If there is objective evidence of impairment, the accumulated loss in the fair value revaluation reserve is removed from equity and recognised in income.

Impairment losses on fixed-income securities are reversed through income if there is a positive change in the fair value of the security resulting from an event occurring after determination of impairment. Impairment losses in variable-income securities cannot be reversed. If securities have been recognised as impaired, subsequent negative changes in fair value are always recognised in income.

Exchange variations in non-monetary assets (equity instruments) classified in the available for sale portfolio are recorded in revaluation reserves for foreign exchange differences. Exchange variations in other securities are recorded under income.

c) Held to maturity financial assets (IAS 39)

This item includes non-derivative financial assets with fixed or determinable payments and defined maturities that ATLANTICO Europa intends and is able to hold until maturity. These investments are valued at amortised cost using the effective interest rate method and are subject to impairment tests. Impairment losses recognised in held to maturity financial investments are recorded in income for the period.

If the amount of the impairment loss decreases in a subsequent period and this decrease can be objectively related to an event occurring after recognition of impairment, this is reversed against income for the period.

d) Financial assets held for trading and at fair value though financial profit or loss and financial liabilities for trading (IAS 39)

This category essentially includes securities acquired with the purpose of achieving gains from short-term fluctuations in market prices. It also includes derivatives, but not those meeting the accounting requirements for hedging.

Financial assets classified in this category are recorded at fair value and gains and losses generated by their subsequent valuation are reflects in income for the period under "Income from financial assets and liabilities at fair value through profit or loss". The interest is reflected in the items under "Interest and similar income".

e) Other financial liabilities (IAS 39)

Financial liabilities are recorded on the date their fair value is contracted plus the costs directly attributable to the transaction. This category includes deposits from central banks, deposits from other credit institutions, customers' deposits and liabilities incurred for payment of services.

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

f) Derivatives and hedge accounting

The Bank conducts operations with derivatives as part of its business in order to meet its customers' needs and reduce its exposure to exchange fluctuations, interest rates and share prices.

The financial derivatives are recorded at their fair value on the date of the contract and subsequent measurements. They are also recorded in off-balance-sheet items at their notional value.

Trading derivatives
All financial derivatives that are not associated with a hedging relationship according to IAS 39 are considered trading derivatives, including:

- Derivatives contracted to hedge risk in assets or liabilities recorded at fair value through profit or loss so that it is unnecessary to use hedge accounting;
- Derivatives contracted to hedge risk that are not considered effective hedges under IAS 39;
- Derivatives contracted for trading;
- Embedded derivatives, which are treated separately whenever the economic risks and benefits of the derivative are not related to the main instrument and provided that the entire instrument is not accounted for at fair value through profit or loss.

Trading derivatives are recorded at fair value. Income is recognised in earnings and costs of the period under "Income from financial assets and liabilities valued at fair value through profit or loss". Positive and negative fair value is recorded in the balance sheet under "Financial assets held for trading" and "Financial liabilities held for trading", respectively.

Hedge accounting

i) Hedge accounting
Classification of hedging derivatives and use of hedge accounting, as described below, is subject to the following IAS 39 rules.

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

- Risk management goals and strategy associated with the hedging operation under the hedging policies defined by the Bank;
- Description of the risk(s) hedged ;
- Identification and description of hedged item and hedging instruments;
- Method for assessing the efficacy of hedging and frequency of its use.

ii) Hedging of fair value
Variations in fair value of designated derivatives that qualify as hedging of fair value are recorded in earnings and costs of the period along with variations in the fair value of the items hedged. These valuations are reflected in the items in which assets and liabilities are recorded. If the hedging relationship ceases to meet the requirements of the standard, the accumulated variations in fair value up to the date of discontinuation of the hedge are amortised by income for the remaining period of the hedged item.

iii) Cash flow hedging
The effective part of variations in fair value of designated derivatives that qualify as cash-flow hedging is recognised under equity. Variations in fair value of the ineffective part of hedging relationships are recognised in costs or earnings. The accumulated amounts in equity are reclassified to income in the periods in which the hedged item affects income.

If the hedging relationship ceases to meet the accounting requirements it is prospectively discontinued and variations in fair value of the derivative are recorded in net worth:

- Deferred by the remaining period of the hedged item
- Recognised in costs or earnings if the hedged item is cancelled.

If a hedging relationship of a future transaction is discontinued, variations in fair value of the derivative recorded in equity continue to be recognised there until the future transaction is recognised in income.

iv) Hedging of a net investment in a foreign entity
Hedging of a net investment in a foreign entity is recorded in a similar way to cash flow hedging. Exchange gains and losses resulting from the hedging instrument are recognised in equity in the effective part of the hedging relationship. The ineffective part is recognised in profit/loss for the year. Accumulated gains and losses in relation to the foreign entity and the heading operation recorded in equity are transferred to profit/loss for the year at the time of sale of the foreign entity, as an integral part of the gain or loss from the sale.

v)Hedge effectiveness
Periodical hedge effectiveness tests are performed and documented by comparing changes in fair value of the hedging instrument and hedged item (in the part attributable to the risk hedged). This relationship must be between 80% and 125% for hedge accounting to be used under IAS 39. We also conduct prospective effectiveness tests to demonstrate expected future efficacy of the hedge. The valuations of hedged items are reflected in the items recording these assets and liabilities. Prospective efficacy tests are also carried put in order to demonstrate expectations of future efficacy of the hedge. Inefficacy is recognised in profit/loss at the time it occurs.

g) Fair value (IFRS 13)

As mentioned above, financial assets in the categories financial assets at fair value through profit or loss and available for sale financial assets are recorded at fair value.

The fair value of a financial instrument is the price at which an ordered sales transaction of an asset or transfer of a liability could take place between market participants on the date of the balance sheet.

The following criteria are used to determine the fair value of securities:

- Closing price on the balance sheet date for instruments traded in active markets;
- Bid prices disseminated in financial information channels such as Bloomberg.

The following criteria are used to determine the fair value of derivatives::

- Prices obtained on active markets;
- Models that include valuation techniques accepted by the market, including discounted cash-flows and option valuation models.

2.4 Other tangible assets (IAS 16, Notice 1/2005 and IAS 17)

They are recorded at cost, less depreciation and accumulated impairment losses. Costs of repairs, maintenance and other expenses associated with their use are recognised as costs for the year under "General administrative costs". Depreciation is calculated using the straight line method and systematically recorded in costs for the year during the item's useful life, which is the period in which we expect the asset to be available for use, within the following intervals:

Assets	Total
Own Buildings	50
Leasehold Expense	20
Furniture and Office Supplies	8
Machinery & Tools	5-10
IT Equipment	3-4
Interior Facilities	8-10
Transport Equipment	4
Safety Equipment	8-10

Whenever the net book value of tangible assets exceeds their recoverable value pursuant to IAS 36 – "Impairment of assets", an impairment loss is recognised and reflected in the income for the year. Impairment losses may be reversed, which also affects income for the year, if there is an increase in the recoverable value of the asset in subsequent periods.

2.5 Intangible assets (IAS 38)

This item essentially covers the costs of acquiring, developing or preparing the software used at the Bank. Intangible assets are recorded at cost, less depreciation and accumulated impairment losses. Depreciation is systematically recorded as costs of the year during the item's estimated useful life, which on average is usually three years. Software maintenance costs are carried as costs of the year in which they are incurred.

2.6 Investments in subsidiaries abroad

The financial statements of the Bank's subsidiaries resident abroad are prepared in their functional currency, which is the currency of the economy in which they operate or the currency in which the subsidiaries obtain their earnings or finance their business activity. In the preparation of the Bank's financial statements, the assets and liabilities of subsidiaries resident abroad are recorded at their exchange value in euros at the exchange rate in effect on the balance sheet date.

Exchange differences between the conversion value in euros of the net worth at the beginning of the year and its value converted on the balance sheet date to which the accounts refer are charged against reserves - foreign exchange differences. Exchange differences resulting from hedging instruments for subsidiaries recorded in foreign currency are recorded in equity. Whenever a hedge is not completely effective, the difference is recorded in profit/loss for the period.

The profits or losses of these subsidiaries are carried at their exchange value in euros at an exchange rate close to those in effect on the date on which the transactions were carried out. The exchange differences resulting from the translation into euros of the profit/loss for the period between the exchange rates used in the income statement and those in effect on the balance sheet date are recorded in reserves - foreign exchange differences.

In the event of divestment of subsidiaries resident abroad resulting in loss of control, the exchange differences associated with the subsidiary and the hedging operation previously recorded in reserves are transferred to profit/loss, as an integral part of the gain or loss resulting from the divestment.

2.7 Investments in subsidiaries, associates and joint ventures (IAS 28 and IAS 31)

The item includes financial holdings in which the Bank has effective control over their current management in order to obtain economic benefits from their business activities, called "subsidiaries". Normally control is demonstrated by ownership of more than 50% of the share capital or voting rights. These assets are recorded at cost and undergo impairment analyses. Dividends are recorded as earnings for the year in which it is decided that they will be distributed by subsidiaries.

2.8 Income tax (IAS 12)

Total income tax recorded under income includes current and deferred profits. Current tax is calculated on the basis of the tax profit for the year, which differs from the book profit due to adjustments to taxable profit resulting from costs or earnings not relevant for tax purposes or that will only be considered in other periods.

Deferred taxes refer to the impact on tax recoverable or payable in future periods as a result of temporary differences in tax deductible or payable between the balance sheet value of assets and liabilities and their tax base that is used to determine taxable profit.

Deferred tax liabilities are normally recorded for all temporary taxable differences, while deferred tax assets are only recorded up to the amount at which there will probably be future taxable profits allowing the use of the corresponding deductible tax differenced or tax losses.

Deferred taxes are calculated on the basis of tax rates that are expected to be in effect on the date of reversal of the temporary differences, which are the rates approved or substantially approved on the balance sheet date.

According to Article 14 of Local Finance Law, municipalities may decide to charge an annual local tax up to a maximum of 1.5% of the taxable profit that is subject to and not exempt from corporate income tax (IRC).

The state levy is payable by taxpayers with a taxable profit of more than 1,500,000 euros that is subject to and not exempt from IRC. The state levy rate in 2013 was 3% of taxable profit from 1,500,000 to 7,500,000 euros and 5% on taxable profit exceeding this amount.

In 2015, the state levy rates were the same as in 2014, i.e. 3% of taxable profit exceeding 1,500,000 euros and up to 7,500,000 euros, 5% on taxable profit from 7,500,000 to 35,000,000 euros and 7% on any taxable profit exceeding this amount.

On the other hand, after publication of Law 55 - A/2010 of 31 December, the Bank was covered by the law on taxation of the banking sector, which is levied on:

i) Liabilities calculated and approved by the taxpayers, less Tier I equity and additional Tier II equity and deposits covered by the Deposit Guarantee Fund. The following are deducted from liabilities:

- Items that are recognised as equity under applicable accounting standards;
- Liabilities associated with recognition of responsibilities for defined benefit plans;
- Liabilities for provisions;
- Liabilities resulting from revaluation of financial derivatives;
- Revenue from deferred income without considering borrowing operations;
- Liabilities for assets not recognised in securitisation operations;

ii) The notional value of off-balance-sheet financial derivatives calculated by taxpayers, with exception of hedging derivatives or those who risk positions offset each other

The rates levied on the amounts set out in paragraphs a) and b) above are 0.085% and 0.0003%, respectively, based on the value in question.

Income tax (current or deferred) is reflected in income for the period, except in cases in which the underlying transactions have been reported in other equity items. In these cases, the tax is also booked against equity and does not affect income for the year.

2.9 Employee benefits (IAS 19)

Responsibilities for employee benefits are recognised in accordance with IAS 19 – Employee benefits.

ATLANTICO Europa has not subscribed to the collective labour agreement in effect in the banking sector and its employees are covered by the general social security scheme. As at 31 December 2014, the Bank therefore had no responsibility for its workers' pensions, retirement supplements or any other long-term benefits.

Short-term benefits, including productivity bonuses for employees' performance, are recognised in "Personnel costs" in the year to which they refer, in accordance with the accruals principle.

2.10 Provisions and contingent liabilities

A provision is set up when there is a present (legal or constructive) obligation resulting from past events in which it is likely that there will be an outlay of cash in the future and it can be reliably determined. The amount of the provision is the best estimate of the amount payable to settle the responsibility on the balance sheet date. If the future outlay in not probable, it is a contingent liability. contingent liabilities are only disclosed, unless the possibility of their occurring is remote. Provisions are derecognised when used or when the obligation ceases to exist.

2.11 Recognition of costs and earnings

Costs and earnings are recognised in the year to which they refer, irrespective of when they are paid or received, in accordance with the accruals accounting principle. Interest is recognised using the effective interest rate method, which calculates the amortised cost and divides the interest over the period of operations. The effective interest rate is that which, when used to discount estimated future cash flows associated with a financial instrument, equals its current vale to the value of the financial instrument on the date it was originally recognised.

2.12 Commissions

Commissions received for loan and advance operations and other financial instruments, such as commissions charged when originating operations, are recognised as earnings for the duration of the operation. Commissions for services rendered are normally recognised as earnings for the period of the provision of the service, or one single time, if they result from single acts.

2.13 Other operating income and revenue

Operating income and revenue essentially include services rendered, such as assistance in the structuring of subcontracted funding operations. Income from these services is recognised in the income statement under "Other operating income" over the period of provision of the service or one single time, if it results from a single act.

2.14 Deposits of valuables

Valuables deposited by customers are recorded at fair value in off-balance-sheet items.

2.15 Cash and cash equivalents

When preparing its cash-flow statements, the Bank considers "Cash and cash equivalents" to be the total of the items "Cash and deposits at central banks" and "Deposits at other credit institutions".

2.16 Critical accounting estimates and the most important judgements in compliance with accounting policies

When complying with the above accounting policies, the Bank's Board of Directors was obliged to make estimates. The estimates with the greatest impact on the Bank's financial statements are shown below.

In some situations, the accounting standards allow alternative accounting treatments and the income reported could be different if different treatments were used. The Board of Directors is of the opinion that the criteria followed are the most appropriate and the financial statements give a true picture of the Bank's financial position in all materially relevant aspects.

Calculation of income tax
The Bank determines current and deferred income tax on the basis of current taxation rules. However, in some situations, tax legislation may not be sufficiently clear and objective and may result in different interpretations. In these cases, the amounts recorded are the results of the Bank's governing bodies' understanding of the correct framework of its operations, which may possibly be questioned by the tax authorities.

Furthermore, deferred tax assets are recorded on the basis of projections of future income made by the Bank's Board of Directors. The real results may diverge from the estimates, however.

Determining impairment losses on financial assets
Regarding provision for loans and advances to customers, accounts receivable and guarantees and surety provided, the Bank abides by the minimum limits set by Banco de Portugal. However, whenever necessary, these provisions are complemented to reflect the Bank's estimates of the risk of non-collectability from customers.

This assessment is made by the Bank on a case-by-case basis using its specific knowledge of its customers and the guarantees of the operations in question.

2.17 Adoption of new standards (IAS/IFRS) or revision of existing standards

The following standards, interpretations, amendments and revisions approved by the European Union and mandatory in financial years beginning on or after 1 January 2015 were adopted for the first time in the year ending on 31 December 2015:

IFRIC 21

On 20 May 2013, the IASB issued this interpretation with a retrospective date of application to financial years beginning on or after, 1 January 2014. It was adopted by European Commission Regulation 634/2014 of 13 June (defining its coming into force no later than the start date of the first financial year beginning on or after 17 June 2014). This new interpretation defines levies an outlay by an entity imposed by a government in accordance with legislation. It confirms that an entity recognises a liability for the levy when, and only when, the specific event triggering it under the legislation occurs.

Improvement to the IFRSs (2011-2013) :

The annual improvements in the 2011-2013 cycle, which were issued by the IASB on 12 December 2013 made amendments to IFRS 1, IFRS 3, IFRS 13 and IAS 40 that came into effect in periods beginning on or after 1 July 2014. These amendments were adopted in European Commission Regulation 1361/2014 of 18 December (defining entry into force no later than the first day of the financial year beginning on or after 1 January 2015).

IFRS 1 – Concept of "Effective IFRSs"

The IASB clarified that while the new IFRSs were not yet mandatory but allowed early application, IFRS 1 allowed but did not require them to be applied in the first financial statements reported under the IFRSs.

IFRS 13 – Scope of paragraph 52 – exception of portfolios

Paragraph 52 of IFRS 13 includes an exception to measure the fair value of groups of assets or liabilities on a net basis. The purpose of this amendment is to clarify that the exception of portfolios applies to all contracts covered by IAS 39 or IFRS 9, regardless of whether or not they comply with the definitions of financial assets or liabilities set out in IAS 32.

IAS 40 – Inter-relationship with IFRS 3 when it classifies properties as investment properties or real estate ofr own use
The purpose of this amendment is to clarify the need for judgement to determine whether an investment property corresponds to the acquisition of asset, group of assets or a concentration of operational activity covered by IFRS 3.

The bank did not undergo any significant impacts as a result of applying these amendments.

Improvements to the IFRSs (2010-2012)

The annual improvements in the 2010-2012 cycle, which were issued by the IASB on 12 December 2013 made amendments to IFRS 2, IFRS 3, IFRS 8, IFRS 13, IAS 16, IAS 24 and IAS 38 that came into effect in periods beginning on or after 1 July 2014. These amendments were adopted in European Commission Regulation 28/2015 of 17 December 2014 (defining entry into force no later than the first day of the financial year beginning on or after 1 February 2015).

IFRS 8 – Aggregation of operating segments and reconciliation between the total assets of reportable segments and the company's assets

The amendment clarifies the aggregation criterion and requires an entity to disclose the factors used to identify reportable segments when the operating segment has been aggregated. In order to achieve internal consistency, a total reconciliation of the total assets of reportable segments with the entity's total assets must be disclosed if these amounts are regularly provided to the operating decision maker.

IAS 16 and IAS 38 – Revaluation model – proportional reformulation of accumulated depreciation or amortisation

In order to clarify the depreciation or amortisation on the revaluation date, the IASB amended paragraph 35 of IAS 16 and paragraph 80 of IAS 38 so that: (i) the determination of accumulated depreciation (or amortisation) did not depend on the choice of valuation technique and (ii) accumulated depreciation (or amortisation) was calculated by the difference between the gross amount and the net book value.

IAS 24 – Transactions with related parties – services of key management personnel

In order resolve any concerns about the identification of the costs of services from key management personnel (KMP) when these services are provided by an (a management entity such as for investment funds), the IASB clarified that the disclosures of amounts incurred for KMP services provided by a separate management entity should be disclosed but that it was not necessary to present the breakdown set out in paragraph 17. The Bank does not expect any significant impacts from the application of these amendments.

Improvements to the IFRSs (2012-2014)

The annual improvements in the 2012-2014 cycle issued by the IASB on 25 September 2014 made amendments to IFRS 5, IFRS 7, IAS 19 and IAS 34 that came into effect in periods beginning on or after 1 January 2016. These amendments were adopted in European Commission Regulation 2343/2015 of 15 December 2015.

IFRS 5 Held for sale non-current assets and discontinued operations: amendment to the disposal method

The amendments to IFRS 5 clarify that if an entity reclassifies an asset (or a group in discontinuation) directly from "held for sale" o "held for distribution to owners" (or vice versa) the change in classification is considered a continuation of the original disposal plan. In this case, no measurement gain or loss will be accounted for in the income statement or comprehensive income statement.

IFRS 7 Financial instruments: disclosures: service contracts

The amendments to the IFRS 7 add additional guidelines to clarify when service contracts are continued involvement for the purpose of applying the disclosure requirements in paragraph 42 C of IFRS 7.

IFRS 7 Financial instruments: disclosures: applicability of the amendments to IFRS 7 in offset of assets and liabilities for condensed interim financial statements

This amendment clarifies that the required additional disclosures introduced in December 2011 by the amendments to IFRS 7 - offset of financial assets and liabilities - are not necessary in interim periods after the year of their initial application unless IAS 34 - Interim financial reporting requires these disclosures.

IAS 34 Interim financial reporting: disclosure of information "in other parts of the interim financial report"

The amendments clarify that the "other disclosures" required by paragraph 16A of IAS 34 should be presented either in the interim financial statements or incorporated by cross-reference from the interim financial statements to another document (such as the management's comments or a risk report) that is made available to users of the financial statements on the same terms as the interim financial statements and at the same time.

The amendments to IAS 34 also clarify that, if the users of the financial statements do not have access to this information included by cross-reference, on the same conditions and at the same time, the interim financial report is incomplete. The Bank does not expect any impact from the application of these changes on its financial statements.

3. Notes

3.1 Cash and deposits at central banks

As at 31 December 2015 and 2014, this item was as follows:

	2015	2014
Cash	207,334	160,003
Demand Deposits at Banco de Portugal	134,160,411	6,297,991
Total	**134,367,745**	**6,457,994**

The item current accounts at Banco de Portugal includes deposits set up to meet the minimum reserve requirements of the European System of Central Banks. These deposits earn interest and correspond to 1% of deposits and debt securities with maturities of up to two years, excluding deposits and debt securities of institutions subject to the minimum reserve requirements of ESCB.

3.2 Deposits at other credit institutions

As at 31 December 2015 and 2014, this item was as follows:

	2015	2014
Deposits at Domestic Credit Institutions		
Demand Deposits	69,936,116	15,857,479
	69,936,116	15,857,479
Deposits at Credit Institutions Abroad		
Demand Deposits	37,053,758	22,335,711
	37,053,758	22,335,711
Total	**106,989,874**	**38,193,190**

3.3 Assets and liabilities financial held for trading

The items held for trading financial assets and held for trading financial liabilities have regard to the positive and negative revaluation of derivatives, respectively. As at 31 December 2015 and 2014, the above operations were valued in accordance with the criteria described in Note 2 (3) (d). On these dates, the notional amount and book value of the financial derivatives were as follows:

	2015			2014		
	Notional Amount(1)	Balance Sheet Value		Notional Amount	Balance Sheet Value	
		Assets	Liabilities		Assets	Liabilities
Over-the-counter market (OTC)						
Foreign Exchange Swaps	20,218,680	9,063	(121,103)	72,195,140	-	-
Equity Swaps	1,148,158	13,584	-	-	1,387,819	-
Currency Forwards	426,838	5,633	(4,021)	-	-	-
Foreign-exchange Options						
Purchase	58,515	22,843	-	2,471,378	194,679	-
Sale (2)	58,235	-	(22,739)	6,743,577	-	(235,104)
Equity Options						
Purchase	10,358,644	39,585	-	1,564,945	39,585	-
Sale (2)	13,416,028	-	(54,371)	1,564,945	-	(3,443)
	23,891,422	62,428	(77,110)	12,344,845	234,264	(238,547)
Total	**45,685,098**	**90,708**	**(202,234)**	**84,539,985**	**1,622,083**	**(238,547)**

(1) The asset values were considered for swaps.

(2) Equivalent embeded derivates in deposits from customers

The notional values of operations with derivatives as at 31 December 31 December 2015 and 2014 by residual maturity (months) were as follows:

	2015					2014				
	Até 3m	3m - 6m	6m - 12m	24m	Total	Até 3m	3m - 6m	6m - 12m	12m-24m	Total
Over-the-counter market (OTC)										
Foreign Exchange Swaps	20,218,680	-	-	-	20,218,680	62,141,438	10,053,702	-	-	72,195,140
Equity Swaps	-	-	-	1,148,158	1,148,158	-	-	-	-	-
Currency Forwards	426,838	-	-	-	426,838	-	-	-	-	-
Foreign-exchange Options										
Purchase	58,515	-	-	-	58,515	58,068	-	2,059,138	271,806	2,471,378
Sale	29,822	28,413	-	-	58,235	53,336	-	2,075,612	4,530,105	6,739,577
Equity Options										
Purchase	2,010,430	4,674,107	3,674,107	-	10,358,644	-	1,564,945	-	-	1,564,945
Sale	2,001,130	6,592,633	3,674,107	1,148,158	13,416,028	-	1,564,945	-	-	1,564,945
	4,099,897	11,295,153	7,348,214	1,148,158	23,891,422	111,404	3,292,780	4,134,750	4,801,911	12,340,845
Total	**24,745,415**	**11,295,153**	**7,348,214**	**2,296,316**	**45,685,098**	**62,252,842**	**13,346,482**	**4,134,750**	**4,801,911**	**84,535,985**

As at 31 December 2015 and 2014, all as operations with derivatives were contracted with financial institutions, with the exception of embedded derivatives.

3.4 Available for sale financial assets

As at 31 December 2015 this item was as follows:

	Depreciation and amortisation expenses	Interest	Fair value Reserve		Impair-ments(1)	Balance Sheet Value
			Positive	Negative		
Debt Instruments						
Bonds Issued by National Public Bodies	110,508	2,602	3,386	-	-	116,496
Bonds Issued by Foreign Public Bodies	182,004,908	1,224,127	4,608,928	(1,532,713)	(375,347)	185,929,903
Bonds and Commercial Paper Issued by Other National Bodies						
Non-subordinated Debt	33,151,214	562,574	690,827	(203,849)	-	34,200,766
Bonds issued by Other Foreign Bodies						
Non-subordinated Debt	43,658,729	306,416	335,748	(1,317,059)	-	42,983,834
Total	**258,925,359**	**2,095,719**	**5,638,889**	**(3,053,621)**	**(375,347)**	**263,230,999**

(1) As per Notice 3/95

As at 31 December 2014 this item was as follows:

	Depreciation and amortisation	Interest	Fair value Reserve		Balance Sheet Value
			Positive	Negative	
Debt Instruments					
Bonds Issued by National Public Bodies	21,380,035	478,187	173,821	-	22,032,043
Bonds Issued by Foreign Public Bodies	146,586,115	888,949	6,445,262	(20,016)	153,900,310
Bonds and Commercial Paper Issued by Other National Bodies					
Non-subordinated Debt	24,469,381	274,232	66,216	(61,878)	24,747,951
Bonds issued by Other Foreign Bodies					
Non-subordinated Debt	35,828,320	497,851	1,087,161	(915,882)	36,497,450
Total	**228,263,851**	**2,139,219**	**7,772,460**	**(997,776)**	**237,177,754**

As at 31 December 2015 and 2014, available for sale financial assets by residual maturity were as follows:

	2015	2014
Up to Three Months	4,615,659	12,679,134
From Three Months to One Year	28,860,778	-
From One Year to Five Years	147,687,296	149,893,743
More than 5 Years	82,067,266	74,604,877
Total	**263,230,999**	**237,177,754**

As at 31 December 2015 and 2014, available for sale financial assets by country were as follows:

	2015	2014
Italy	154,448,088	139,307,150
Spain	39,140,628	17,162,993
Netherlands	-	28,872,013
United States of America	18,685,532	-
Portugal	34,317,262	46,779,994
Angola	3,378,128	-
Luxembourg	-	4,181,820
United Kingdom	3,871,673	-
Namíbia	932,076	873,784
China	924,254	-
Switzerland	914,717	-
Brasil	2,796,493	-
Russia	3,822,148	-
Total	**263,230,999**	**237,177,754**

As at 31 December 2015 and 2014, available for sale financial assets by business sector were as follows:

	2015	2014
General Government	186,046,399	175,932,353
Energy	16,612,814	45,811,465
Forest Products and Paper	3,006,245	7,095,942
Communications	7,232,439	5,333,283
Manufacturing	1,636,794	2,001,010
Wholesale and Retail	4,350,177	1,003,701
Financial Services	16,610,144	-
Electricity	25,130,039	-
Construction and Materials	2,605,948	-
Total	**263,230,999**	**237,177,754**

3.5 Deposits at credit institutions

As at 31 December 2015 and 2014, this item was as follows:

	2015	2014
Loans and Advances to Credit Institutions Abroad		
Short-term Loans and Advances	38,057,000	96,424,677
Interest Receivable	13,790	3,490
	38,070,790	**96,428,167**
Loans and Advances to Credit Institutions Abroad		
Short-term Loans and Advances	56,870,702	50,210,186
Loans	1,145,263	-
Other Loans and Advances	1,420,166	-
Interest Receivable	19,378	8,264
	59,455,509	**50,218,450**
Overdue Loans - Foreign Credit Institutions	-	68,972
Impairment on Country Risk (Note 3.18)	(459,967)	(68,972)
	58,995,542	**50,218,450**
Total	**97,066,332**	**146,646,617**

The structure of residual maturity of deposits at other credit institutions (excluding overdue loans and advances and interest receivable) as at 31 December 2015 and 2014 was as follows:

	2015	2014
Up to three Months	94,495,498	144,456,740
From 3 to 6 Months	3,000,000	2,000,000
Six to Twelve Months	-	178,123
Total	**97,495,498**	**146,634,863**

As at 31 December 2015 and 2014, term deposits in euros and US dollars were remunerated at an average rate of 0.97% e 0.2%, respectively.

3.6 Loans and advances to customers

As at 31 December 2015 and 2014, this item was as follows:

	2015	2014
Loans and advances		
Portugal		
Companies		
Discount	14,705,870	7,989,047
Loans	38,625,234	21,720,006
Collateralized Current Account	50,033,248	20,826,610
Overdrafts on Demand Deposits	1,004,149	1,931,526
Credit Cards	7,345	10,918
Private Individuals		
Housing Loans	670,443	595,859
Loans	368,089	550,769
Collateralized Current Account	-	510,000
Overdrafts on Demand Deposits	922	12,022
Credit Cards	43,467	46,415
Abroad		
Companies		
Discount	1,570,382	1,493,895
Loans	47,130,882	47,532,340
Collateralized Current Account	3,613,005	-
Overdrafts on Demand Deposits	1	197
Credit Cards	19,573	2,901
Private Individuals		
Housing Loans	7,056,555	5,848,207
Loans	2,943,975	5,382,320
Collateralized Current Account	53,936	79,627
Overdrafts on Demand Deposits	179,026	208,015
Credit Cards	**1,038,290**	**87,589**
	169,064,392	**114,828,263**
Interest and Comissions Associated with Amortized Cost		
Interest Receivable	2,074,215	1,504,084
Commissions Receivable	248,348	80,867
Deferred Income	(1,494,613)	(793,941)
	827,950	**791,010**
Impairments (Note 3.18)		
For Credit and Interest Overdue	(242,080)	(10,149)
For Country Risk	(1,626,026)	(1,142,412)
	(1,868,106)	**(1,152,561)**
Total	**168,024,236**	**114,466,712**

As at 31 December 2015 and 2014, around 68,734,000 euros and 33,791,000 euros in loans and advances to customers, respectively, were collateralised by liens on term deposits at the Bank.

As at 31 December 2015 and 2014, the item overdue loans and interest was as follows:

Period	2015			
	Loans and Advances			
	Overdue	Non-performing	Total	Provisions for Overdue Loans
Up to 30 Days	17,906	816,054	833,960	4,942
From 30 to 60 Days (1)	71,255	368,124	439,379	219,054
From 61 to 180 Days (2)	945,113	-	945,113	14,068
From 181 to 365 Days	4,016	-	4,016	4,016
More than 1 Year	-	-	-	-
Total	**1,038,290**	**1,184,178**	**2,222,468**	**242,080**

(1) Includes the amount of not-yet-due loans and advances of 368,000 euros, considered overdue for the purpose of provisions.
(2) Includes a loan operation guaranteed by a lien on a term deposit to the amount of 900,000 dollars.

Period	2014			
	Loans and Advances			
	Overdue	Non-performing	Total	Provisions for Overdue Loans
Up to 30 Days	59,584	1,000,000	1,059,584	1,209
From 30 to 60 Days	18,837	415,625	434,462	2,160
From 61 to 180 Days	8,714	-	8,714	6,326
From 181 to 365 Days	454	-	454	454
Total	**87,589**	**1,415,625**	**1,503,214**	**10,149**

The changes in provisions and impairments in the years ending on 31 December 2015 and 2014 are shown in Note 3.18.

As at 31 December 2015 and 2014, our five largest customers accounted for around 48% and 49% of all loans in our portfolio, respectively.

As at 31 December 2015 and 2014, the residual maturities of loans and advances to customers (excluding overdue loans and advances and interest, interest and commissions associated with amortised cost) were as follows:

	2015	2014
Up to Three Months	45,310,447	20,429,804
From Three Months to one Year	62,142,812	29,275,723
From one Year to Five Years	43,720,933	29,659,940
Over Five Years	16,851,910	35,375,207
Total	**168,026,102**	**114,740,674**

Our portfolio of loans and advances to customers by sector as at 31 December 2015 and 2014 was as follows:

2015								
	Loans and Advances to Customers (1)				Guarantees Issued		Documentary Credit	
	Non-Performing	Overdue Loans	Total	%	Value	%	Value	%
Residents							-	-
Private Individuals	1,080,453	12,105	1,092,559	0.6	-	-	-	-
Real Estate Activity	9,993,749	913,926	10,907,675	6.5	631.756	25.7	-	-
Financial and Insurance Activities	3,035	-	3,035	0.0	131.085	5.3	-	-
Holding Companies	20,328,118	-	20,328,118	12.1	-	-	-	-
Construction	27,795,525	-	27,795,525	16.5	340.970	13.9	-	-
Wholesale and Retail	25,407,433	294	25,407,727	15.1	-	-	-	-
Information and Communication Activities	7,453,975	1,998	7,455,973	4.4	-	-	-	-
Consulting, Scientific, Technical and Similar Activities	7,230,977	1,891	7,232,868	4.3	551.116	22.5	-	-
Administrative and Support Services Activities	1,240,622	-	1,240,622	0.7	-	-	-	-
Manufacturing	3,553,928	-	3,553,928	2.1	-	-	-	-
Transport and Storage	1,144,159	-	1,144,159	0.7	-	-	-	-
Electricity, Gas and Water Production and Supply	180,034	-	180,034	0.1	-	-	-	-
Human Health and Social Work Activities	-	-	-	-	14,400	0.6	-	-
Other Services Activities	44,270	-	44,270	0.0	-	-	-	-
Non-Resident								-
Private Individuals	11,015,960	106,093	11,122,053	6.6	49,834	2.0	-	-
Financial and Insurance Activities	465	-	465	0.0	734,821	29.9	53,618,639	100.0
Activities of Financial Holding Companies	24,770,000	-	24,770,000	14.7	-	-	-	-
Wholesale and Retail	16,481,160	-	16,481,160	9.8	-	-	-	-
Consulting, Scientific, Technical and Similar Activities	7,115,909	1,982	7,117,891	4.2	-	-	-	-
Real Estate Activities	2,328,906	-	2,328,906	1.4	-	-	-	-
Manufacturing	857,424	-	857,424	-	-	-	-	-
Total	**168,026,102**	**1,038,290**	**169,064,392**	**100.0**	**2,453,982**	**100.0**	**53,618,639**	**100.0**

(1) Excludes interest receivable and commissions on amortised cost.

2014								
	Loans and Advances to Customers (1)				Guarantees Issued		Documentary Credit	
	Non-performing	Overdue Loans	Total	%	Value	%	Value	%
Residents							-	-
Private Individuals	1,715,065	443	1,715,508	1.5	-	-	-	-
Real Estate Activity	13,015,602	-	13,015,602	11.3	12,061,392	83.0	-	-
Financial and Insurance Activities	12,017,616	-	12,017,616	10.5	51,027	0.4	-	-
Construction	10,267,063	-	10,267,063	8.9	991,253	6.8	-	-
Wholesale and Retail	8 ,097,239	-	8,097,239	7.1	-	-	-	-
Information and Communication Activities	6,575,024	-	6,575,024	5.7	-	-	-	-
Consulting, scientific, technical and similar activities	1,190,432	-	1,190,432	1.0	577,777	4.0	-	-
Administrative and support services activities	585,535	-	585,535	0.5	-	-	-	-
Manufacturing	365,273	-	365,273	0.3	-	-	-	-
Transport and Storage	187,825	-	187,825	0.2	-	-	-	-
Electricity, Gas and Water Production and Supply	176,498	-	176,498	0.2	-	-	-	-
Human Health and Social Work Activities	-	-	-	-	14,400	0.1	-	-
Non-Resident								-
Private Individuals	11,518,168	34,688	11,552,856	10.1	77,238	0.5	-	-
Financial and Insurance Activities	24,130,515	-	24,130,515	21.0	758,924	5.2	32,954,680	100.0
Wholesale and Retail	14,573,559	-	14,573,559	12.7	-	-	-	-
Consulting, Scientific, Technical and Similar Activities	7,600,396	52,458	7,652,854	6.7	-	-	-	-
Real Estate Activities	2,723,870	-	2,723,870	2.4	-	-	-	-
Construction	994	-	994	0.0	-	-	-	-
Total	**114,740,674**	**87,589**	**114,828,263**	**100.0**	**14,532,011**	**100.0**	**32,954,680**	**100.0**

(1)Excludes interest receivable and commissions on amortised cost.

3.7.Investments held to maturity

As at 31 December 2015, this item was as follows.

	Depreciation and Amortisation Expenses	Interest	Provisions	Balance Sheet Value
Debt Instruments				
Bonds Issued by National Public Bodies	18,635,311	173,185	-	18,808,496
Bonds Issued by Foreign Public Bodies	34,015,715	261,213	(92,972)	34,183,956
From Others non-residents	14,381,261	116,399	-	14,497,660
Total	**67,032,287**	**550,797**	**(92,972)**	**67,490,112**

As at 31 December 2015, investments held to maturity by country were as follows:

	Balance Sheet Value
United States of America	21,500,608
Portugal	18,808,495
Italy	16,520,184
Spain	7,881,657
Ireland	-
United Kingdom	1,942,418
Angola	836,750
Total	**67,490,112**

As at 31 December 2015, this portfolio was as follows by business sector:

	Balance Sheet Value
General Government	52,992,451
Energy	2,527,955
Communications	5,333,951
Wholesale and Retail	6,635,755
Total	**67,490,112**

As at 31 December 2015, this portfolio was as follows by residual maturity:

	Balance Sheet Value
Up to Three Months	-
From Three Months to One Year	-
From One Year to Five Years	17,485,160
More than 5 Years	50,004,952
Total	**67,490,112**

3.8. Hedging derivatives

As at 31 December 2015 this item was as follows:

		2015			
	Hedged Instrument	Notional Amount	Fair Value	Fair Value Hedge	Hedged Item fair Value
Over-the-counter Market (OTC)					
Foreign Exchange Swaps	Investment Namibia Branch	4,572,073	515,621	117,500	(100,746)
Total		**4,572,073**	**515,621**	**117,500**	**(100,746)**

Derivatives in our portfolio have a residual maturity of less than three months and are replaced by others with the same maturity.

3.9 Other tangible assets

The item other tangible assets was as follows in the year ending on 31 December 2015:

	Gross Value					Depreciation and amortisation					Net Value	
	Balances as at 31st Dec 14	Aquisitions	Disposals and write--offs	Transfers	Balances as at 31st Dec 15	Balances as at 31 Dec 14	Depreciation and amortisation	Disposals and write--offs	Transfers	Balances as at 31st Dec 15	Balances as at 31st Dec 14	Balances as at 31st Dec 15
Real Estate												
Land	3,836,175	-	-	-	3,836,175	-	-	-	-	-	3,836,175	3,836,175
Buildings	16,547,634	122,757	-	-	16,670,391	463,121	454,648	-	-	917,769	16,084,513	15,752,622
Leasehold Expense	-	238,218	-	-	238,218	-	4,221	-	-	4,221	-	233,997
	20,383,809	360,975	-	-	20,744,784	463,121	458,869	-	-	921,990	19,920,688	19,822,794
Equipment												
Furniture and Office Supplies	997,976	124,334	-	-	1,122,310	460,542	119,336	-	-	579,878	537,434	542,432
Machinery & Tools	84,841	7,384	-	-	92,225	25,950	8,462	-	-	34,412	58,891	57,813
IT Equipment	384,692	108,883	-	16,039	509,614	42,033	112,502	-	-	154,535	342,659	355,079
Interior Facilities	31,713	-	-	-	31,713	11,269	3,497	-	-	14,766	20,444	16,947
Transport Equipment	125,000	-	-	-	125,000	91,145	31,250	-	-	122,395	33,855	2,605
Safety Equipment	96,968	3,102	-	-	100,070	20,339	10,067	-	-	30,406	76,629	69,664
Other Equipment	3,431	-	-	-	3,431	437	491	-	-	928	2,994	2,503
	1,724,621	243,703	-	16,039	1,984,363	651,715	285,605	-	-	937,320	1,072,906	1,047,043
	22,108,430	604,678	-	16,039	22,729,147	1,114,836	744,474	-	-	1,859,310	20,993,594	20,869,837
Tangibble Assets under Construction	16,039	-	-	(16,039)	-	-	-	-	-	-	16,039	-
Total	**22,124,469**	**604,678**	**-**	**-**	**22,729,147**	**1,114,836**	**744,474**	**-**	**-**	**1,859,310**	**21,009,633**	**20,869,837**

The item other tangible assets was as follows in the year ending on 31 December 2014:

	Gross Value					Depreciation and amortisation					Net Value	
	Balances as at 31st Dec 13	Acquisitions	Disposals and write--offs	Transfer	Balances as at 31st Dec 14	Balances as at 31st Dec 13	Deprecia-tion and amortisa-tion	Disposals and write--offs	Transfer	Balances as at 31st Dec 14	Balances as at 31st Dec 13	Balances as at 31st Dec 14
Real Estate												
Land	-	3,836,175	-	-	3,836,175	-	-	-	-	-	-	3,836,175
Buildings	-	12,505,931	-	4,041,703	16,547,634	-	-	-	463,121	463,121	-	16,084,513
Leasehold Expense	4,079,275	2,428	-	(4,081,703)	-	262,375	202,829	-	(465,204)	-	3,816,900	-
	4,079,275	16,344,534	-	(40,000)	20,383,809	262,375	202,829	-	(2,083)	463,121	3,816,900	19,920,688
Equipment												
Furniture and Office Supplies	936,545	21,431	-	40,000	997,976	343,202	115,257	-	2,083	460,542	593,343	537,434
Machinery & Tools	82,166	2,675	-	-	84,841	16,795	9,155	-	-	25,950	65,371	58,891
IT Equipment	27,326	357,366	-	-	384,692	9,515	32,518	-	-	42,033	17,811	342,659
Interior Facilities	31,713	-	-	-	31,713	7,772	3,497	-	-	11,269	23,941	20,444
Transport Equi-pment	125,000	-	-	-	125,000	59,895	31,250	-	-	91,145	65,105	33,855
Safety Equip-ment	96,968	-	-	-	96,968	10,358	9,981	-	-	20,339	86,610	76,629
Other Equip-ment	1,289	-	-	2,142	3,431	169	268	-	-	437	1,120	2,994
	1,301,007	381,472	-	42,142	1,724,621	447,706	201,926	-	2,083	651,715	853,301	1,072,906
	5,380,282	16,726,006	-	2,142	22,108,430	710,081	404,755	-	-	1,114,836	4,670,201	20,993,594
Tangible Assets in Progress	-	18,181	-	(2,142)	16,039	-	-	-	-		-	16,039
Total	**5,380,282**	**16,744,187**	**-**	**-**	**22,124,469**	**710,081**	**404,755**	**-**	**-**	**1,114,836**	**4,670,201**	**21,009,633**

On 30 December 2014, the Bank concluded a promissory purchase agreement on its head office building, which had been leased until then. On that date, it became the owner of the property. The Bank recognised the amount of 16,342,106 euros, under properties for own use - land and buildings, the amount of 15,344.700 euros and 997,406, respectively, for the amount of the purchase and municipal tax on property sales.

In addition the refurbishing works until that date recorded under costs of rented buildings and accumulated amortisations were transferred to the buildings item.

3.10 Tangible assets

Intangible assets in the year ending on 31 December 2015 were as follows:

	Gross Value					Depreciation and Amortisation						Net Value	
	Balances as at 31st Dec 14	Acquisi-tions	Disposals and write--offs	Transfer	Balances as at 31st Dec 15	Balances as at 31st Dec 14	Deprecia-tion and amortisa-tion	Disposals and write--offs	Trans-fer	Regulari-sations	Balances as at 3st Dec 15	Balances as at 3st Dec 14	Balances as at 31st Dec 15
Intangible Assets													
Software	1,520,973	375,325	(97,769)	504,559	2,303,088	1,287,031	169,196	(45,933)	-	-	1,410,294	233,942	892,794
Other Intangi-ble Assets	170,500	-	-	-	170,500	72,100	-	-	-	-	72,100	98,400	98,400
	1,691,473	375,325	(97,769)	504,559	2,473,588	1,359,131	169,196	(45,933)	-	-	1,482,394	332,342	991,194
Intangible Assets in Progress	504,559	89,299	-	(504,559)	89,299	-	-	-	-	-	-	504,559	89,299
Total	**2,196,032**	**464,624**	**(97,769)**	**-**	**2,562,887**	**1,359,131**	**169,196**	**(45,933)**	**-**	**-**	**1,482,394**	**836,901**	**1,080,493**

Intangible assets in the year ending on 31 December 2014 were as follows:

	Gross Value					Depreciation and Amortisation						Net Value	
	Balances as at 31st Dec 13	Acquisi-tions	Disposals and write--offs	Trans-fer	Balances as at 31st Dec 14	Balances as at 31st Dec 13	Deprecia-tion and amortisa-tion	Disposals and write--offs	Trans-fer	Regulari-sations	Balances as at 31st Dec 14	Balances as at 31st Dec 13	Balances as at 31 Dec 14
Intangible Assets													
Software	1,309,886	211,087	-	-	1,520,973	1,033,962	253,069	-	-	-	1,287,031	275,924	233,942
Other Intangi-ble Assets	170,500	-	-	-	170,500	72,100	-	-	-	-	72,100	98,400	98,400
	1,480,386	211,087	-	-	1,691,473	1,106,062	253,069	-	-	-	1,359,131	374,324	332,342
Intangible Assets in Progress	73,190	431,369	-	-	504,559	-	-	-	-	-	-	73,190	504,559
Total	**1,553,576**	**642,456**	**-**	**-**	**2,196,032**	**1,106,062**	**253,069**	**-**	**-**	**-**	**1,359,131**	**447,514**	**836,901**

In the years ending on 31 December 2015 and 2014, acquisitions under intangible assets essentially refer essentially to the investment that the Bank is making in its information systems.

3.11 Investments in subsidiaries, associates and joint ventures

As at 31 December 2015 and 2014, investment in subsidiaries recorded at cost correspond to:

	Effective Holding (%)		Acquisition Cost	
	2015	2014	2015	2014
Atlântico Europa Capital Lux Co	100	100	2.690.829	1.572.086
Total			**2.690.829**	**1.572.086**

The increase in investment in subsidiaries in 2015 corresponds to subsidies granted to invested companies.

3.12 Current and deferred tax assets

As at 31 December 2015 and 2014, these items are as follows:

	2015	2014
Current Tax Assets		
Income Tax Receivable	-	-
Other	126,713	126,713
	126,713	126,713
Deferred Tax Assets		
From Temporary Differences	1,916,327	604,682
For Tax Losses	97,571	-
	2,013,898	604,682
Total	**2,140,611**	**731,395**

Details of and changes in the item deferred tax assets are presented in Note 3.30.

3.13 Other assets

As at 31 December 2015 and 2014, this item was as follows:

	2015	2014
Debtors and Other Investments		
Collateral	16 ,459	39,321
General Government		
VAT Receivable	68,634	90,776
Other Sundry Debtors	2,336,252	3,978,070
	2,421,345	4,108,167
Impairments (Note 3.18)		
Debtors and Other Investments	(644,341)	(410,919)
	1,777,004	3,697,248
Other Income Receivable		
From Banking Services	-	11,037
	-	11,037
Expenses with Deferred Charges		
Rent	-	116,196
Insurance	66,174	144,760
Others	172,422	42,454
	238,596	303,410
Other Operations Pending Settlement		
Borrowing Operations Pending Settlement	7,116	-
	7,116	-
Total	**2,022,716**	**4,011,695**

As at 31 December 2015 and 2014 the balance of item provisions for debtors and other loans and advances refers mainly to provisions set up for balances receivable from customers for financial consultancy services.

As at 31 December 2015 and 2014, the balance of the item other sundry debtors was as follows:

	2015	2014
Other Sundry Debtors		
Related Entities		
Banco Privado Atlântico	1,588,278	2,731,584
Atlântico Europa SGPS	-	431,083
Atlântico Europa Capital	-	16,056
Others		
Prepayments for Financial Investments to be Undertaken	141,265	141,387
Accounts Receivable for Financial Advisory Services	486,341	541,957
Other Sundry Debtors:	120,368	116,003
Total	**2,336,252**	**3,978,070**

As at 31 December 2015, the balance of the item “accounts receivable for financial advisory services has been totally provisioned.

3.14 Deposits from central banks

As at 31 December 2015 and 2014, this item was as follows:

	2015	2014
Deposits from Banco de Portugal		
Deposits	174,540,000	84,540,000
Interest Payable	31,722	7,284
	174,571,722	84,547,284
Deposits from Central Banks		
Deposits	115,605,135	83,133,569
Interest Payable	2,565	44,472
	115,607,700	83,178,041
Total	**290,179,422**	**167,725,325**

Deposits from other central banks correspond to funding from Banco Nacional de Angola.

The residual maturity of deposits at central banks (excluding interest payable) as at 31 December 2015 and 2014 was as follows:

	2015	2014
Up to Three Months	40,002,462	121,184,374
From Three Months to One Year	115,602,673	41,949,195
From One Year to Five Years	134,540,000	4,540,000
Total	**290,145,135**	**167,673,569**

3.15 Deposits from other credit institutions

As at 31 December 2015 and 2014, this item was as follows:

	2015	2014
Deposits from Domestic Credit Institutions		
Interbank Money Market	25,000,000	24,709,661
Short Term Deposits	-	-
Deposits	10,496,423	12,784,213
Interest Payable	20,197	58,269
	35,516,620	37,552,143
Deposits from Credit Institutions Abroad		
Short Term Deposits	-	6,118,277
Deposits	120,986,366	62,611,849
Loans	48,038,722	49,256,365
Interest Payable	453,158	462,907
	169,478,246	118,449,398
Total	**204,994,866**	**156,001,541**

As at 31 December 2015 and 2014, the residual maturities of deposits from other credit institutions (excluding interest payable) were as follows:

	2015	2014
Up to Three Months	96.887.454	81.795.154
From Three Months to One Year	97.359.057	65.882.761
From One Year to Five Years	10.275.000	7.802.450
Total	**204.521.511**	**155.480.365**

As at 31 December 2015, term deposits in euros and US dollars earned interest at an average rate of 1.79% and 0.72%, respectively. As at 31 December 2014, average interest rates were 1.89% and 0.48%, respectively.

As at 31 December 2015 and 2014 item deposits from other credit institutions included balances with related parties to the amounts of 102,400,695 and 46,588,743 euros, respectively.

3.16 Deposits from customers and other loans

As at 31 December 2015 and 2014, this item was as follows:

	2015	2014
Demand Deposits	156,375,634	78,140,901
Term Deposits	112,487,184	95,070,241
Sale Operations with Repurchase Agreement	-	-
Cheque and Payment Orders	15,000	310,575
Interes Payable	318,351	245,447
Total	**269,196,169**	**173,767,164**

As at 31 December 2015 and 2014, the residual maturities of deposits from customers and other loans (excluding interest payable), were as follows:

	2015	2014
Up to Three Months	194,580,934	118,683,437
From Three Months to One Year	53,991,531	46,912,514
From One Year to Five Years	20,305,353	7,925,766
Total	**268,877,818**	**173,521,717**

As at 31 December 2015, term deposits in euros and US dollars earned interest at an average rate of 1.51% and 1.06%, respectively.

As at 31 December 2015 and 2014, our five customers with the largest deposits accounted for around 34% and 40% of total customer deposits.

3.17 Debt securities issued

As at 31 December 2015 this item was as follows:

	2015
Fixed Rate Bond	32,001,470
Interest Payable	42,205
Total	**32,043,675**

As at 31 December 2015 the residual maturities of debt securities issued (excluding interest payable) were as follows:

	2015
From 3 Months to 1 Year	32,043,675
Total	**32,043,675**

3.18 Provisions and impairments

Operations in provisions and impairments in the year ending on 31 December 2015 were as follows:

	2015					
	Balances as at 31st Dec. 14	Reinforcement	Restitutions and Annulments	Utilisations	Exchange Differences	Balances as at 31st Dec. 15
Loans and Advances						
General Credit Risks	1,476,971	2,125,089	(961,580)	-	-	2,640,480
Off-balance Sheet Op. Risk	1,169,516	1,774,307	(544,331)	-	-	2,399,492
	2,646,487	3,899,396	(1,505,911)	-	-	5,039,972
Impairments						
Country Risk						
Loans and Advances to Customers	1,142,412	703,932	(220,318)	-	-	1,626,026
Loans and Advances to Credit Institutions	68,972	1,472,571	(1,081,576)	-	-	459,967
Financial Assets Available for Sale	-	420,171	(44,824)	-	-	375,347
Financial Assets held for Trading	-	94,905	(1,933)	-	-	92,972
Overdue Loans and Interest	10,149	1,865,131	(1,282,421)	(350,779)	-	242,080
Debtors and Other Investments	410,919	218,001	-	-	15,421	644,341
	1,632,452	4,774,711	(2,631,072)	(350,779)	15,421	3,440,733
Total	**4,278,939**	**8,674,107**	**(4,136,983)**	**(350,779)**	**15,421**	**8,480,705**

Operations in provisions and impairments in the year ending on 31 December 2014 were as follows:

	2014					
	Balances as at 31st Dec. 13	Reinforcement	Restitutions and Annulments	Utilisations	Exchange Differences	Balances as at 31st Dec. 14
Loans and Advances						
General Credit Risks	791,989	1,582,278	(897,296)	-	-	1,476,971
Off-balance Sheet Op. Risk	838,388	932,111	(600,983)	-	-	1,169,516
	1,630,377	2,514,389	(1,498,279)	-	-	2,646,487
Impairments:						
Country Risk						
Loans and Advances to Customers	691,395	639,824	(188,807)	-	-	1,142,412
Loans and Advances to Credit Institutions	30,876	183,010	(144,914)	-	-	68,972
Overdue Loans and Interest	37,378	192,864	(218,280)	(1,813)	-	10,149
Debtors and Other Investments	117,873	277,026	-	-	16,020	410,919
	877,522	1,292,724	(552,001)	(1,813)	16,020	1,632,452
Total	**2,507,899**	**3,807,113**	**(2,050,280)**	**(1,813)**	**16,020**	**4,278,939**

3.19 Current and deferred tax liabilities

As at 31 December 2015 and 2014, this item was as follows:

	2015	2014
Current Tax Liabilities		
Estimate of Tax Payable	1,297,950	1,175,972
Autonomous Taxation	127,669	152,768
	1,425,619	1,328,740
Deferred Tax Liabilities		
From Temporary Differences	689,570	1,727,544
Total	**2,115,189**	**3,056,284**

3.20 Other liabilities

As at 31 December 2015 and 2014, this item was as follows:

	2015	2014
Creditors and Other Funds		
Other Resources		
Resources on Escrow Account	10,000	-
General Government		
Withholding of Tax at a Source	224,963	143,452
Contribution to Social Security	165,135	106,933
Charges on Third Parties	333	433
Sundry Creditors		
Suppliers - Current Account	446,784	8,594,375
Others Creditors	83,118	2,649
	930,333	8,847,842
Expenses Payable		
Personnel Costs	2,057,449	1,632,810
General Administrative Expenses	403,298	443,449
	2,460,747	2,076,259
Deferred Income		
Others	73,160	8,006
	73,160	8,006
Other Accruals & Deferrals		
Lending Operations Pending Settlement	1,414,142	739,915
	1,414,142	739,915
Total	**4,878,382**	**11,672,022**

As at 31 December 2015, the balance of the item expenses payable - personnel costs included 228,696 euros corresponding to part of the bonus for 2013, 2014 and 2015 the payment of which is deferred for three years, in accordance with our current remunerations policy. As at 31 December 2014, the item's balance included 175,331 euros corresponding to part of the bonus for 2012 and 2013.

As at 31 December 2014, the item sundry creditors - suppliers current a/c included a balance of 7,679,878 euros, corresponding to the amount payable for the purchase of the Bank's head office building.

3.21 Off-balance sheet accounts

As at 31 December 2015 and 2014, this item was as follows:

	2015	2014
Guarantees Issued and Other Contingent Liabilities		
Guarantees and Commitments Issued	2,453,982	14,532,011
Documentary Credit	53,618,639	32,954,680
	56,072,621	47,486,691
Assets for Guarantee	195,872,871	173,841,499
Guarantees Received	219,693,726	150,687,563
Third Parties Commitments		
Irrevocable Credit Lines	28,802,333	11,394,066
Potencial Liabilities for Investors Indeminities	10,559	50,322
	28,812,892	11,444,388
Liabilities for Services Provided		
For Deposits and Custody Facilities	51,805,579	35,334,472
For Charging Values	35,249,106	1,896,007
	87,054,685	37,230,479
Third Party Services		
Customer Portfolio Securities	49,565,624	35,334,472
Own Portfolio Securities	323,176,957	204,585,819
	372,742,581	239,920,291

As at 31 December 2015 and 2014 the Bank had an unused intraday line of credit of 1,000,000 euros from Banco de Portugal.

As at 31 December 2015 and 2014, the balance of assets given as guarantees included:

- Securities given as a guarantee to the European System of Central Banks to the amount of 195,873,000 euros and 173,724,000 euros, respectively, to obtain funding. As at 31 December 2015 and 2014, the value given by Banco de Portugal to the collateralised assets totalled 190,886,000 euros and 168,081,000 euros, respectively.

- Securities given as a guarantee to the Stock Exchange Commission under the investor compensation system to the amount of 113,000 euros and 116,000 euros as at 31 December 2014 and 2015.

3.22 Capital and other capital instruments

As at 31 December 2015 and 2014, the Bank's shareholding structure was as follows:

	2015			2014		
Entity	Shares	Amount	%	Shares	Amount	%
Atlântico Europa SGPS S.A.	50,000,000	50,000,000	100%	50,000,000	50,000,000	100%
Total	**50,000,000**	**50,000,000**	**100%**	**50,000,000**	**50,000,000**	**100%**

3.23 Revaluation reserves, other reserves and retained earnings

As at 31 December 2015 and 2014, these items were as follows:

	2015	2014
Revaluation Reserves	1.639.752	5.047.139
Other Reserves - Legal Reserve	664.412	288.963
Retained Earnings	1.343.965	(1.471.901)
Total	**3.648.129**	**3.864.201**

As decided at the General Meeting of 13 April 2015, the net profit for 2014, to the amount of 3,754,488.95 euros was appropriated as follows:

- 375,448.90 euros, i.e. 10% of income, was allocated to legal reserves;
- 2,815,866.70 euros, i.e. 75% of income, was allocated to retained earnings;
- 563,173.34 euros, i.e. 15% of income was distributed to the company's shareholders as dividends.

As required by law, the Bank must allocate no less than 10% of net profits in each year to the formation of a legal reserve up to a limit of the value of its share capital or the sum of free reserves and retained earnings, if higher. The legal reserve is not available for distribution, unless the bank is wound up and may only be used to increase its share capital or offset losses after the other reserves have been exhausted.

As at 31 December 2015 and 2014, the details of revaluation reserves were as follows:

	2015	2014
Revaluation Reserves		
Reserves from Appreciation at Fair Value of Available-for-Sale Financial Assets (Note 3.4)		
Debt Instruments		
Securities	2,704,195	6,774,684
Foreign Currency Hedge of Net Investment	117,500	-
Reserves for Foreign Exchange Differences		
Foreign Exchange Differences of Branches Abroad	(492,373)	-
	2,329,322	**6,774,684**
Fair Value Reserve (Deferred Taxes)		
Reserves from Appreciation at Fair Value of Avaliable-for-sale Financial Assets		
Deferred Tax Liabilities (3.19)	(689,570)	(1,727,545)
	(689,570)	(1,727,545)
Total	**1,639,752**	**5,047,139**

3.24 Net interest income

In the years ending on 31 December 2015 and 2014, this item was as follows:

	2015	2014
Interest and Similar Income		
Deposits at Central Banks	1,739	3,434
Deposits at Other Credit Institutions	8,379	8,638
Loans and Advance to Credit Institutions	817,680	606,297
Loans and Advances to Customers	7,076,064	6,056,097
Available-for-sale Financial Assets	5,757,228	5,600,877
Held-to-maturity Financial Assets	609,495	-
	14,270,586	12,275,343
Interest and Similar Income		
Deposits from Central Banks	(770,703)	(919,089)
Deposits from Other Credit Institutions	(1,724,600)	(1,905,950)
Deposits from Customers	(1,525,213)	(1,411,197)
Debt Securities Issued	(127,827)	-
	(4,148,343)	(4,236,236)
Net Interest Income	**10,122,243**	**8,039,107**

As at 31 December 2015 and 2014, the balance of the item interest and similar income included around 177,000 euros and 100,000 euros referring to interest on operations that were overdue at the end of each year.

3.25 Income and expenses from services and commissions

In the years ending on 31 December 2015 and 2014, these items were as follows:

	2015	2014
Commissions received		
Guarantees Issued	1,478,951	780,195
Services Rendered		
Value Transfer	1,381,659	324,550
Credit Operations	944,144	809,416
Deposits and Custody Facilities	29,479	113,902
Assembly Operations	73,952	55,242
Annuities	19,293	4,600
Cards Management	10,452	4,189
Transactions on behalf of Third Parties	51,860	86,143
Other Commissions Received	25,715	223,695
	4,015,505	**2,401,932**
Comissions Paid		
Third Party Commitments	(103,391)	(33,041)
Other Commissions Paid	(278,241)	(152,154)
	(381,632)	**(185,195)**

As at 31 December 2014, the item commissions received – for operations on the account of third parties refers essentially to commissions charged for consultancy in setting up and structuring a shareholding.

In the years ending on 31 December 2015 and 2014 item commissions received – for credit operations included the amount of 696,755 euros and 374,200 euros, respectively, for commissions on the opening of credit.

3.26 Income from financial operations

In the years ending on 31 December 2015 and 2014, this item was as follows:

	2015	2014
Gains and Losses on Financial Operations		
Gains and Losses on Foreign Exchange Differences	1,234,411	(1,790,699)
Net Gains from Sales of Other Assets	-	6,915
Gains and Losses on Financial Assets at Fair Value through Profit or Loss	190,008	2,999,773
Gains and Losses on Available-for-sale Financial Assets	5,133,404	4,889,646
Total	**6,557,823**	**6,105,635**

3.27 Other operating income

In the years ending on 31 December 2015 and 2014, this item was as follows:

	2015	2014
Other Operating Income		
Other Operating Income	2,671,544	4,381,957
	2,671,544	4,381,957
Other Operating Expense		
Contributions to the Deposit Guarantee Fund	(6,661)	(18,750)
Fees and Donations	(2,400)	(14,582)
Indirect Taxes	(180,324)	(45,864)
Other Operating Expenses	(113,072)	(95,190)
	(302,457)	(174,386)
Total	**2,369,087**	**4,207,571**

In the years ending on 31 December 2015 and 2014, the balance of the item other operating income included the amount of 2,163,719 euros and 3,094,468 euros, respectively, corresponding essentially to remuneration obtained by the Bank in services provided under subcontract to Banco Privado Atlântico (Angola), S.A.

3.28 Personnel costs

In the years ending on 31 December 2015 and 2014, this item was as follows:

	2015	2014
Remuneration of Management and Supervisory Bodies	441,599	447,659
Compensation of Employees	4,925,981	4,421,935
Obligatory Social Charges	1,068,923	1,039,568
Other Personnel Costs	244,424	296,658
Total	**6,680,927**	**6,205,820**

As at 31 December 2015 and 2014, the number of employees in the Bank's service, by job category, was follows:

	2015	2014
Board Members	3	3
Senior Management	26	20
Technical and Administrative Personnel	92	81
Total	**121**	**104**

3.29 General administrative costs

In the years ending on 31 December 2015 and 2014, this item was as follows:

	2015	2014
General Administrative Expenses		
Suppliers		
Water, Energy and Fuel	89,836	79,836
Items of Regular Consumption	40,703	28,634
Publications	4,204	7,111
Hygiene and Cleaning Materials	1,144	883
Other Suppliers and Third Party Services	23,586	33,918
Services		
Rentals and Leases	423,832	1,827,984
Consulting	1,117,835	1,807,326
Communications	721,706	932,558
Travel, Hotel and Representation Costs	298,574	485,224
Publicity and Publishing	427,568	389,422
Security, Surveillance and Cleaning	220,442	223,584
Information	167,943	206,287
External Audit	118,855	121,294
Maintenance and Repair	109,829	116,431
IT	224,290	92,682
Training	111,174	90,977
SIBS	133,800	82,116
Other Third Parties Services	33,535	67,112
Insurance	33,888	32,605
Legal Services, Litigation and Notaries	21,135	16,881
Temporary Manpower	15,002	9,507
Studies and Consultations	3,512	8,602
Transportation	13,964	3,093
Total	**4,356,357**	**6,664,067**

The variation in the item Rents and Leases is mainly due to the purchase of the Bank's head office building on 30 December 2014, as the building was leased to the Bank until the date of purchase.

Fees billed and billable by the Statutory Auditor for 2015 totalled 118,855 euros. The details are as follows:

	2015
Statutory Audit of Annual Accounts	24.150
Other Compliance and Assurance Services	94.962
Total	**119.112**

3.30 Income tax

Current tax is calculated on the basis of the taxable profit for the year, which is different from the book profit due to adjustments resulting from costs or earnings that are not relevant for tax purposes or that will only be considered in other accounting periods. The main situations generating these adjustments are associated with provisions: (i) pursuant to Article 35-A of the IRC Code, provisions for the specific risk and country risk for loans and advances covered by real rights to real estate are not accepted as a tax cost of the year, and (ii) pursuant to Article 34 of the IRC Code, provisions for general credit risks are not considered to be tax costs.

Costs of income tax recorded in income in 2015 and 2014 were as follows:

	2015	2014
Current Taxes		
For the Year		
Estimate of Tax Payable	(2,869,473)	(1,667,913)
Autonomous Taxation	(127,669)	(152,768)
Contribution to the Banking Sector	(324,947)	(221,143)
Corrections to the Previous Periods	-	32,935
	(3,322,089)	(2,008,889)
Deferred Taxes		
From Temporary Diferences	1,311,645	604,682
Recognised and Reportable Tax Losses (used)	97,571	(125,810)
Change in Income Tax Rate	-	-
	1,409,216	478,872
Total	**(1,912,873)**	**(1,530,017)**

The reconciliation between the nominal and effective tax rate in 2015 and 2014 was as follows:

	2015		2014	
	Tax Rate	Value	Tax Rate	Value
Net Income Before Tax		**6,194,948**		**5,284,506**
Tax Calculated at the Nominal Rate	21.00%	1,300,939	24.50%	1,294,704
Contribution to the Banking Sector	5.25%	324,947	4.18%	221,143
State Surtax	2.70%	167,153	2.90%	153,093
Autonomous Taxation	2.06%	127,669	2.89%	152,768
Current Tax from Previous Periods	0.11%	6,880	0.17%	8,891
Depreciation not Accepted for Tax Purposes	0.09%	5,693	0.12%	6,125
Effect of Deferred Tax Rate Changes	1.64%	101,472	-	-
Other Nontaxable Income and Expenses	0.82%	50,691	1.19%	63,046
Impairments and Provisons non Accepted	-2.14%	(132,522)	-5.18%	(273,998)
Tax Benefits (Net Job Creation)	-0.65%	(40,049)	-1.19%	(62,820)
Corrections to the Previous Periods		-	-0.62%	(32,935)
Total	**30.88%**	**1,912,873**	**28.95%**	**1,530,017**

As at 31 December 2015 deferred taxes were as follows:

	Balances as at 31/12/2014	For Net Gains		For Reserves		Balances as at 31/12/2015
		Expenses	Income	Increase	Decrease	
Deferred taxes						
Provisions and Impairments	587,985	-	1,425,913	-	-	2,013,898
Deferred Payment to Employees	16,697	(16,697)	-	-	-	-
	604,682	(16,697)	1,425,913	-	-	2,013,898
Deferred Tax Liabilities (Note 3.16)						
Financial instruments for sale	(1,727,544)	(1,221,661)	88,053	3,619,521	(3,523,887)	(689,570)
	(1,727,544)	(1,221,661)	88,053	3,619,521	(3,523,887)	(689,570)
Total	**(1,122,862)**	**(1,238,358)**	**1,513,966**	**3,619,521**	**(3,523,887)**	**1,324,328**

As required by law, tax returns are subject to revision and correction by the tax authorities for a period of four years (five years for social security), except in years reporting tax losses in which the period is up to six years. The Bank's tax returns for 2009 to 2014 may be subject to revision and the tax base to possible corrections.

The recoverability of deferred tax assets is supported by a business plan drawn up by the Board of Directors, under which the Bank will generate enough taxable profit to recover all the deferred tax assets due to tax losses within the legal time limits.

3.31 Relevant events

Banco Privado Atlântico – Europa, S.A. was summonsed by the Central Criminal Investigation Department as part of the "Operação Fizz" enquiry. The Bank made and will continue to make every effort to cooperate with the authorities. In view of the fact that the case is still in its preliminary stages, there are no concrete data suggesting the existence of any financial impacts that might affect the Bank's business activity .

4. Related Party Disclosures (IAS 24)

Balances with related entities

Pursuant to IAS 24, the Bank's related parties are Atlântico Europa SGPS, S.A. and its invested companies, Banco Privado Atlântico (Angola), S.A. and the members of the corporate bodies named below:

Board of Directors
Carlos José da Silva
Diogo Baptista Russo Pereira da Cunha
Augusto Costa Ramiro Baptista
Maria da Graça Ferreira Proença de Carvalho
José Carlos Manuel Burity (took office 21/09/2015)
Pedro Manuel Moreira Leitão (took office 21/09/2015)

Supervisory Board
Mário Jorge Carvalho de Almeida
Fernando Augusto de Sousa Ferreira Pinto
Maria Cândida de Carvalho Peixoto
João Maria Francisco Wanassi

As at 31 December 2015, the balance sheet and comprehensive income statement included the following balances with related parties:

	2015							
	BPA S.A.	Atlântico Europa SGPS, S.A.	Atlântico Europa Capital SGPS, S.A..	Atlântico Europa Capital LUX, S.A.R.L.	Atlantico Asset Management, S.A.R.L..	Advisory Partners, S.A.R.L.	Órgãos Sociais	Total
Assets								
Cash and Deposits at Central Banks	-	-	-	-	-	-	-	-
Loans and Advances to Credit Institutions	42,411,114	-	-	-	-	-	-	42,411,114
Loans and Advances to Customers (3.6)	-	-	-	-	24	-	8,325	8,349
Investments in Subsidiaries, Associates and Joint Ventures	-	-	-	2,690,829	-	-	-	2,690,829
Other Assets (3.13)	1,588,276	-	-	-	-	-	13,866	1,602,142
	43,999,390	**-**	**-**	**2,690,829**	**24**	**-**	**22,191**	**46,712,434**
Liabilities								
Deposits from Other Credit Institutions	102,791,774	-	-	-	-	-	-	102,791,774
Deposits from Customers	-	45,179	9,104	479,896	9,705	8,778	4,183,921	4,736,583
Other Liabilities (3.20)	-	-	-	-	-	-	-	-
	102,791,774	**45,179**	**9,104**	**479,896**	**9,705**	**8,778**	**4,183,921**	**107,528,357**
Equity	-	-	-	-	-	-	-	-
Equity (3.22)	-	50,000,000	-	-	-	-	-	50,000,000
	-	**50,000,000**	**-**	**-**	**-**	**-**	**-**	**50,000,000**
Income								
Interest and Similar Income (3.24)	70,298	-	-	-	-	-	247	70,545
Fee and Commission Income (3.25)	1,022,252	-	-	365	25	35	5,462	1,028,139
Other Operating Income and Expense (3.27)	2,163,719	-	-	-	-	-	-	2,163,719
Net Gains from Foreign Exchange	573,640	-	-	-	-	-	7,758	581,398
	3,829,909	**-**	**-**	**365**	**25**	**35**	**13,467**	**3,843,801**
Expenses								
Interest and Similar Expenses (Note 3.24)	968,103	-	-	-	-	-	12,826	980,929
Personnel Costs (Note 3.28)	-	-	-	-	-	-	441,598	441,598
	968,103	**-**	**-**	**-**	**-**	**-**	**454,424**	**1,422,527**
Off-Balance Sheet								
Guarantees and Sureties Issued (Note 3.21)	34,892,818	-	-	-	-	-	-	34,892,818
Deposits and Custody Facilities (Note 3.21)	-	-	-	-	-	-	713,701	713,701
	34,892,818	**-**	**-**	**-**	**-**	**-**	**713,701**	**35,606,519**

As at 31 December 2015 and 2014, remunerations paid to the members of the corporate bodies are detailed in the Annual Report. As a rule, transactions with related parties are carried out on the basis of market value on the date in question.

As at 31 December 2014, the balance sheet and comprehensive income statement included the following balances with related parties:

	2014							
	BPA S.A.	Atlântico Europa SGPS, S.A.	Atlântico Europa Capital SGPS, S.A..	Atlântico Europa Capital LUX, S.A.R.L.	Atlantico Asset Management, S.A.R.L..	Advisory Partners, S.A.R.L.	Corporate Bodies	Total
Assets								
Loans and Advances to Customers (3.6)	-	-	-	-	761	-	569	1,330
Investments in Subsidiaries, Associates and Joint Ventures	-	-	-	1,572,086	-	-	-	1,572.086
Other Assets (3.13)	2,731,584	431,083	16,056	-	-	-	13,866	3,192,589
	2,731,584	**431,083**	**16,056**	**1,572,086**	**761**	**-**	**14,435**	**4,766,005**
Liabilities								
Deposits from Other Credit Institutions (Note 3.15)	46,588,743	-	-	-	-	-	-	46,588,743
Deposits from Customers (Note 3.16)	-	-	-	15,308	3,512	3,910	2,650,363	2,673,093
Other Liabilities (Note 3.20)	-	-	-	-	-	-	-	-
	46,588,743	**-**	**-**	**15,308**	**3,512**	**3,910**	**2,650,363**	**49,261,836**
Equity								
Equity (Note 3.22)	-	50,000,000	-	-	-	-	-	50,000,000
	-	**50,000,000**	**-**	**-**	**-**	**-**	**-**	**50,000,000**
Income								
Interest and Similar Income (Note 3.24)	217,019	-	-	-	-	-	194	217,213
Fee and Commission Income (Note 3.25)	220,579	-	-	344	-	20	20,583	241,526
Other Operating Income and Expense (Note 3.27)	3,094,468	-	-	-	-	-	-	3,094,468
Net Gains from Foreign Exchange	267,700	-	-	93	-	-	2,847	270,640
	3,799,766	**-**	**-**	**437**	**-**	**20**	**23,624**	**3,823,847**
Expenses								
Interest and Similar Expenses (Note 3.24)	372,394	-	-	-	-	-	6,446	378,840
Personnel Costs (Note 3.28)	-	-	-	-	-	-	447,659	447,659
Other Operating Income and Expense (Note 3.27)	379	-	-	-	-	-	45	424
	372,773	**-**	**-**	**-**	**-**	**-**	**454,150**	**826,923**
Off-Balance Sheet								
Guarantees and Sureties Issued(-Note 3.21)	14,653,709	-	-	-	-	-	-	14,653,709
Deposits and Custody Facilities (Note 3.21)	-	-	-	-	-	-	720,855	720,855
	14,653,709	**-**	**-**	**-**	**-**	**-**	**720,855**	**15,374,564**

As at 31 December 2015 and 2014, remunerations paid to the members of the corporate bodies are detailed in the Annual Report. As a rule, transactions with related parties are carried out on the basis of market value on the date in question.

5. Disclosures regarding financial instruments

Policies on management of financial risks of the Bank's business

Financial risk management accompanies the Bank's chain of value on the basis of a definition of a risk profile approved by the Board of Directors. It establishes exposure limits and tolerance levels, taking account of the Bank's strategy and current regulations and supporting and directing the first level of risk management in the commercial units.

This first level of risk management is then complemented by the risk management unit. This unit independently analyses the different exposures in accordance with good practices in segregation of functions, considering their inherent risk, and evaluates potential impacts on the institutions' levels of liquidity and solvency.

In addition business activity is constantly and systematically monitored in order to identify significant internal and external risk factors and measure potential adverse effects that they may cause to the Bank's balance sheet.

In order to meet the reporting requirements set out in IFRS 7 on financial instruments, we will now set out in more detail some of the risk indicators associated with the Bank's business activity: credit risk, liquidity risk and market risk, and explain how they are managed and monitored. Where the credit risk is concerned, we incorporate mandatory disclosures on calculation of impairment associated with loans and advances to customers, pursuant to Banco de Portugal Circular 2/14/DSPDR. This disclosure is complemented by a specific subchapter on valuation at fair value on the Bank's balance sheet.

Credit risk

The credit risk is the possibility of losses of value occurring in the Bank's assets as a result of default on contractual obligations due to insolvency or natural or legal persons' inability to honour their commitments. In order to ensure the growth and sustained development of its credit portfolio, in 2014 the Bank kept up its loan and advance policies and monitoring of loans and advances granted.

Approval of loan and advance operations remained centralised at the institution's Loan Committee. Powers are delegated for a specific series of lower-risk operations provided that they meet a list of pre-established criteria.

There were no changes in credit policy and the focus remained on operations based on relations with Portuguese exporters, in order to ensure the existence of transnational operations and financial flows ensuring due servicing of debts, thereby minimising the risk of default.

Focus also remained on diversification of the Bank's credit portfolio so as to ensure that in the present phase of growth in its business activity the risk of excessive concentration of risk is mitigated in certain business sectors or groups of customers and to guarantee a significant degree of coverage of exposure to the credit risk by real or personal guarantees.

We also kept to a conservative policy with exposure to maturities of no more than 10 years, with the exception of mortgages, where average maturities are as long as 15 years. In the company segment, we favour short-term lines of credit with the possibility of termination, with renewal periods of six months to one year.

Quality of credit and degree of provisioning

The credit risk assessment process accompanies different parts of the Bank's value chain, beginning at commercial level with a careful analysis of the customer and the operation in line with the Bank's policies on loans and advances and risk profile, which are periodically reviewed and updated. All applications for loans and advances are examined by the risk unit, which is responsible for analysing and issuing an independent opinion that serves as support for the approval decision made by the Bank's Loan Committee.

The risk unit is also responsible for monitoring loans and advances granted and it has a number of tools and mechanisms for controlling and measuring the risk and constantly analysing customers and their operations. It is thus able to detect warning signs so that it can ensure timely identification of situations that may impact the Bank's regular business activity.

As at 31 December 2015, exposure to the credit risk by type of financial instrument was as follows:

	2015		
Balance Sheet Item	Gross Book Value	Provisions and Impairments (1)	Net Book Value
Cash and Deposits at Central Banks	134,367,745	-	134,367,745
Deposits at Other Credit Institutions	106,989,874	-	106,989,874
Financial Assets Held for Trading	90,708	-	90,708
Available-for-sale Financial Assets	263,606,346	(375,347)	263,230,999
Loans and Advances to Credit Institutions	97,526,299	(459,967)	97,066,332
Loans and Advances to Customers	169,892,342	(4,205,891)	165,686,451
Financial Assets Held for Trading	67,583,084	(92,972)	67,490,112
Hedging Derivates	515,621	-	515,621
Other Debtors	2,336,252	(644,341)	1,691,911
Total	**842,908,271**	**(5,778,518)**	**837,129,753**
Off-Balance Sheet			
Guarantees and Sureties Issued	2,453,982	(76,379)	2,377,603
Undrawn Credit Facilities	28,802,333	(362,703)	28,439,630
Documentary Credit	53,618,639	(2,263,105)	51,355,534
Total Off-Balance Sheet	84,874,954	(2,702,187)	82,172,767
Total	**927,783,225**	**(8,480,705)**	**919,302,520**

(1) Includes provisions for general credit risks (loans granted).

As at 31 December 2014, exposure to the credit risk by type of financial instrument was as follows:

Balance Sheet Item	2014		
	Net Book Value	Provisions and Impairments (1)	Gross Book Value
Cash and Deposits at Central Banks	6,457,994	-	6,457,994
Deposits at Other Credit Institutions	38,193,190	-	38,193,190
Financial Assets Held for Trading	1,622,083	-	1,622,083
Available-for-sale Financial Assets	237,177,754	-	237,177,754
Loans and Advances to Credit Institutions	146,715,589	(68,972)	146,646,617
Loans and Advances to Customers	115,619,273	(2,459,021)	113,160,252
Hedging Derivates	3,978,070	(410,919)	3,567,151
Total	**549,763,953**	**(2,938,912)**	**546,825,041**
Off-Balance Sheet			
Guarantees and Suretiess Issued	14,532,011	(130,854)	14,401,157
Undrawn Credit Facilities	11,394,066	(149,048)	11,245,018
Documentary Credit	32,954,680	(1,060,125)	31,894,555
Total Off-Balance Sheet	58,880,757	(1,340,027)	57,540,730
Total	**608,644,710**	**(4,278,939)**	**604,365,771**

(1) Includes provisions for general credit risks (loans granted).

When granting loans and advances, depending on the type and level of risk of each operation, the Bank requires its customers to provide guarantees. Considering the operations in our portfolio as at 31 December 2015 and 2014 (excluding interest and commissions associated with amortised cost and provisions and impairments), the types of guarantee were as follows:

Guarantee Type	2015		2014	
	Amount	%	Amount	%
Financial Collateral	67,602,215	40%	37,913,350	33%
Real Collateral - Mortgage	28,402,003	17%	31,587,483	28%
Real Collateral - non-Mortgage	-	0%	-	0%
Personal Guarantee - issued by State or Financial Institution	23,795,136	14%	11,679,317	10%
Personal Guarantee - issued by Company or Private Individual	15,984,839	9%	10,091,450	9%
Other Guarantees	-	0%	7,673,881	7%
Without Guarantees	33,280,199	20%	15,882,782	14%
Letters of Credit Discount	16,276,252	10%	9,482,942	8%
Others	17,003,947	10%	6,399,840	6%
Total	**169,064,392**	**100%**	**114,828,263**	**100%**

The Bank's own portfolio, which consists of debt securities, is also monitored continuously as part of its credit risk management. As at 31 December 2015, the degree of quality of credit, in accordance with the criteria set out in Regulation 575/2013 of the European Parliament and of the Council, was as follows:

Available for Sale Financial Assets

Credit Quality	2015		2014	
	Exposure (1)	Provisions and impairments	Exposure (1)	Provisions and impairments
1	-	-	-	-
2	6.954.084	-	-	-
3	213.447.065	-	182.937.024	-
4	21.835.647	-	29.657.481	-
5	3.753.475	375.347	-	-
6	-	-	-	-
N/D	17.616.075	-	24.583.249	-
Total	**263.606.346**	**375.347**	**237. 177.754**	**-**

Investments Held to Maturity

Credit Quality	2015		2014	
	Exposure (1)	Provisions and impairments	Exposure (1)	Provisions and impairments
1	13,839,523	-	-	-
2	931,930	-	-	-
3	32,109,754	-	-	-
4	19,772,155	-	-	-
5	929,722	92,972	-	-
6	-	-	-	-
N/D	-	-	-	-
Total	**67,583,084**	**92,972**	**-**	**-**

(1) Considering the rating of securities issued by Moody's, Standard & Poor's and Fitch, in this order, based on available information.

Impairment of portfolio of loans and advances to customers

The amounts shown in this section consider exposure to principal owed and the schedule of payment of post-paid interest. They do not include the schedule of prepaid interest or commissions associated with the amortised cost. The reconciliation of amounts shown here with the items on the balance sheet is not direct.

Considering this assumption, at the end of 2015 the amount of loans and advances to customers (on and off-balance sheet) was 201,633,682 euros, while overdue loans totalled 1,038,290 euros, which was 0.61% of balance sheet exposure of the customer loan portfolio.

The amount of loans and advances to customers overdue for the more than 90 days totalled 96,894 euros, which was 0.048% of total exposure to loans granted. The ratio of credit at risk was around 2.92%.

Although the concept does not have a direct effect on the financial statements, because financial reporting abides by the Adjusted Accounting Standards and not the International Accounting Standards, the Bank quantifies impairment in its credit risk management. This report contains the disclosures set out in Banco de Portugal Circular 2/14/DSPDR.

Furthermore, it is necessary to take account of Notice 5/2015, which establishes that, as of 1 January 2016, financial institutions must prepare their separate financial statements in accordance with the IAS/IFRS as approved by the European Union, thereby repealing Notice 1/2005, which defines the use of the NCAs in separate accounts, also meaning the repeal of Notice 3/95. Therefore, considering the credit risk in 2015 and the nature and characteristics of the Bank's exposures, in accordance with its impact analyses, the Bank decided that the level of impairment, pursuant to the IFRSs, was at a level with its provisions set out in Notice 3/1995. There will therefore be no impact on 1 January 2016 as a result of this alteration. There will merely be a reclassification of the provision for general credit risks for the item loans and advances to customers.

Estimated accumulated impairment of the Bank's credit portfolio as at 31 December 2015 totalled 6,078,834 euros, which is approximately 3.55% of total exposure of the Bank's credit portfolio and around 103% of credit at risk.

There follows a description of the Bank's approach to quantifying impairment and the disclosures set out in the above-mentioned circular.

Impairment Quantification Approach

The method involves two complementary types of analysis - individual and collective - depending on whether signs of default are assessed and of losses quantified on a case-by-case basis or in aggregate form, based on a prior typification of customers and operations (segments).

All individually significant customer exposures are also analysed, i.e. we check for at least one of the following conditions:

- Loan and advance operation the same as or higher than the operation threshold in EUR or equivalent in another currency (EUR 2,000,000);
- Customer with a total credit exposure the same as or higher than the customer operation threshold in EUR or equivalent in another currency (EUR 5,000,000).

Operations that are not considered individually significant under this criterion are included in a collective analysis.

Both approaches encompass at least one of the following objective signs of default – impairment triggering events:

- Trigger 1 Customer has shown at least one of the impairment triggering events (2-13) in the last two months;
- Trigger 2 Customer with returned cheques or who is forbidden by Banco de Portugal to write cheques;
- Trigger 3 Customer with a debt to the tax authorities and/or social security that is overdue or subject to seizure of balances over EUR 500;
- Trigger 4 Customer with renegotiated loans and advances in a portfolio – at the Bank or in the financial system, according to the Banco de Portugal Credit Bureau (CRC);
- Trigger 5 Customer with renegotiated loans and advances due to financial difficulties or that have been incorporated in the Extrajudicial Procedure for Settlement of Defaults (PERSI) - private segment;
- Trigger 6 Customer who has exceeded a credit limit by EUR 250 for more than 14 days;
- Trigger 7 Customer with an overdue loan or advance for EUR 250 for 30 days or more ;
- Trigger 8 Customer with overdue credit in the CRC, classified in class 2 or lower (60 or fewer days in arrears) and for more than EUR 250 ;
- Trigger 9 Customer with overdue credit in the CRC, classified in class 3 or higher (more than 60 days in arrears) and for more than EUR 250 ;
- Trigger 10 Customers with a loan or advance written off in the banking system for over EUR 250, according to the CRC;
- Trigger 11.1 Decrease of over 20% in original coverage of the operation by a real guarantee (and current coverage <100%);
- Trigger 12. Decrease of over 25% in turnover year on year (business segment);
- Trigger 13. Other signs not covered by the previous triggers.

(1) Validation of these triggers requires collateral to be updated. This naturally depends on the moment of revision of assessments. Real collaterals can be updated by external or internal valuation based on market information. Valuation of guarantees is performed at least every six months.

In the individual analysis, if there are impairment triggering events in one or more operations of a certain customer, all that customer's operations are classified as showing signs and the loss incurred is assessed and quantified.

In this quantification, the estimate of impairment loss is the difference between the value of exposure on the date of reference and the present value of estimated cash flows. Cash flows are estimated case by case on the basis of the type and specificities of the operation and consideration must be given to the following effects, among others: mitigation of the risk by real or personal guarantees, prospects of the development of the business or development of assets and the effects of restructurings or variations in the characteristics of agreements.

In addition, considering the criteria of increase in quantification of impairment established in Banco de Portugal Circular 2/14/DSPDR, potential increases in impairment to be considered are added. If none of the above impairment triggering events occurs, exposures are included in the collective analysis, in which case an additional quantification is made.

In the collective analysis, operations are classified into segments on the basis of their characteristics and risk profile. These segments are associated with risk parameters for later calculation of the impairment value (2).

As there is no representative history of default at the Bank for statistical calibration of risk weights, the method used to define these weights and consequently to conduct a collective quantification of impairment reflects the sensitivity of the risk underlying operations by the units monitoring the credit portfolio, seeking to establish patterns of significant prudence in view of the default found in the portfolio. In the same way, as there are no history-based estimates, there is no formal definition formal of an emerging period.

When quantifying impairment, we also consider the risk mitigation effect of guarantees and also apply prudent haircut values by type of collateral.

The decision to write off a certain credit operation is the responsibility of the Bank's Loan Committee. A write-off may occur in a situation in which there is objective evidence of uncollectability of the debt in an individual analysis or whenever the impairment covers total exposure.

Results of quantification of impairment

The following tables show the results of quantification of accumulated impairment in our credit portfolio as at 31 December 2015.

These disclosures are those required in Banco de Portugal Circular 2/14/DSPDR.

This report does not include disclosures on: details of the portfolio of those restructured by a restructuring measure and inclusions and removals from the restructured credit portfolio as there were no restructurings in the period in question or details of the value of donated properties also because there were no situations of this nature.

There is also no disclosure of the distribution of the credit portfolio by degrees of internal risk, because there is currently a project under way to redefine internal models of classification of credit operations. It was completed at the end of 2015and the portfolio will be reclassified with updated information in the first half of 2016.

Considering that there is no history of default that allows us to estimate risk parameters (PD and LGD) and as the Bank has used prudent estimates that do not reflect the values of actual default occurring or expected, we have not included the table of risk parameters associated with the impairment model.

(2) In the current model, the following segmentation criteria are considered by type of customer: institutional - residence and country of risk; private - residence and asset/borrowing ratio, companies - residence and business sector.

Detail of exposure and impairment by segment:

(thousand of Euros)

Segment	Exposure at 31.12.2015								Imparment at 31.12.2015		
	Total at 31.12.2015	Exposure On-Balance	Exposure Off-Balance	Overdue Loans	Which Healed	Which Restructured	Overdue and Doubtful Loan(1)	Which Restructured	Total Impairment	Overdue Loans	Overdue and Doubtful Loan
Corporate	186,900	158,871	28,029	186,900	-	800	-	-	5,933	5,933	-
From which export credit	45,212	43,152	2,060	45,212	-	-	-	-	1,056	1,056	-
Individuals	14,734	12,268	2,466	14,637	-	-	97	-	146	133	13
Residence	7,743	7,743	-	7,743	-	-	-	-	-	-	-
Total	**201,634**	**171,139**	**30,495**	**201,537**	**-**	**800**	**97**	**-**	**6,079**	**6,066**	**13**

(1) Amounts overdue for more than 90 days.

(thousand of Euros)

Segment	Total Exposure			Overdue Loan					Overdue and Doubtful Loan	Total Impairment	Impairment by overdue		
				Exposure	Overdue [0d; 30d]		Overdue]30d;90d]		Days overdue >90				
	Total at 31.12.2015	On-balance at 31.12.2015	Off-balance at 31.12.2015	Sub-Total	No Evidence	With Evidence (1)	No Evidence	With Evidence (1)	Sub-Total	Total a 31.12.2015	Overdue [0d; 30d]	Overdue]30d; 90d]	Overdue >90d
Corporate	186,900	158,871	28,029	186,900	116,492	69,490	-	918	-	5,933	5,835	98	-
From which export	45,212	43,152	2,060	45,212	15,914	28,382	-	916	-	1,056	958	98	-
Individuals	14,734	12,268	2,466	14,637	13,418	1,198	-	21	97	146	131	2	13
Residence	7,743	7,743	-	7,743	7,489	254	-	-	-	-	-	-	-
Total	**201,634**	**171,139**	**30,495**	**201,537**	**129,910**	**70,688**	-	**939**	**97**	**6,079**	**5,966**	**100**	**13**

(1) Operations showing signs of impairment.

Detail of credit portfolio by segment and year of production:

(valores em Milhares de Euros)

	Corporate - CRE			Corporate - Others			Separate - Residence			Separate - Others		
Production Year	Operations Number	Amount	Constituted Impairment	Operations Number	Amount	Constituted Impairment	Operations Number	Amount	Constituted Impairment	Operations Number	Amount	Constituted Impairment
2011	1	3,753	2	2	150	1	-	-	-	10	240	26
2012	1	1,972	1	1	20	-	-	-	-	58	1,408	14
2013	2	351	41	10	13,007	67	3	283	-	192	1,601	67
2014	12	5,491	190	13	24,076	2,623	26	5,387	-	195	2,356	17
2015	30	33,644	822	163	104,436	2,185	10	2,073	-	191	1,385	22
Total	**46**	**45,211**	**1,056**	**189**	**141,689**	**4,876**	**39**	**7,743**	**-**	**646**	**6,991**	**146**

Detail of value of gross exposure of credit and impairment by segment:

(thousand of Euros)

	Corporate - CRE			Corporate - Others			Separate - Residence			Separate - Others		
Evalua-tion	Operations Number	Amount	Constituted Impairment	Operations Number	Amount	Constituted Impairment	Operations Number	Amount	Constituted Impairment	Operations Number	Amount	Constituted Impairment
Separate	13	22,543	823	12	39,752	3,536	-	-	-	-	-	-
Collective	33	22,668	233	177	101,937	1,340	39	7,743	-	646	6,991	146
Total	**46**	**45,211**	**1,056**	**189**	**141,689**	**4,876**	**39**	**7,743**	**-**	**646**	**6,991**	**146**

Detail of value of gross exposure of credit and impairment by business sector:

(thousand of Euros)

	Construction and Commercial Real State		Insurance and financial activity		Wholesale and retail and Repair of Motor Vehicles and Motocycles		Atividades de consultoria, científicas, técnicas e similares		Information and communicarion activity		Other activities	
Evaluation	Amount	Constituted Impairment	Amount	Constituted Impairment	Amount	Constituted Impairment	Amount	Constituted Impairment	Amount	Constituted Impairment	Amount	Constituted Impairment
Separate	22,543	823	25,300	974	-	-	8,738	999	5,714	1,563	-	-
Collective	22,668	233	20,989	5	57,394	1,025	7,701	66	2,008	18	28,579	373
Total	**45,211**	**1,056**	**46,289**	**979**	**57,394**	**1,025**	**16,439**	**1,065**	**7,722**	**1,581**	**28,579**	**373**

Detail of value of gross exposure of credit and impairment by country:

(amounts in EUR thousand)

	Portugal		Angola		Luxemburgo		China		Others	
Evaluation	Amount	Constituted Impairment	Amount	Constituted Impairment	Amount	Constituted Impairment	Amount	Constituted Impairment	Amount	Constituted Impairment
Individual	29,640	2,530	7,354	856	25,300	974	-	-	-	-
Collective	105,202	1,234	15,170	113	412	82	12,374	67	6,182	223
Total	**134,842**	**3,764**	**22,524**	**969**	**25,712**	**1,056**	**12,374**	**67**	**6,182**	**223**

Detail of value of collateral underlying credit portfolio of corporate, construction and commercial real estate and housing segments:

(amounts in EUR thousand)

	Construction and Commercial Real State				Residence			
	Properties		Other Side Real		Properties		Other Side Real	
Fair value Collateral Received	Number	Amount(1)	Number	Amount (1)	Number	Amount(1)	Number	Amount
[0 ; 0,5 M€ [	0	-	7	869	33	7,986	1	90
[0,5 M€ ; 1 M€ [	0	-	2	1,473	3	1,721	0	-
[1 M€ ; 5 M€ [	6	10,107	7	24,201	1	1,972	1	1,632
Total	**6**	**10,107**	**16**	**26,543**	**37**	**11,678**	**2**	**1,722**

(1) Amounts after the haircut on the latest assessment (average haircut of 20% on property and 23.8% on other real collateral).

LTV ratio of corporate, construction and commercial real estate and housing segments:

(amounts in EUR thousand)

Segment/Ratio LTV (1)	Number of Properties	Overdue Loans	Overdue and Doubtful Loan	Impairment
Corporate - Others				
Without Collateral or Personal Guarantee	n.a.	17,672	-	1,614
Personal Guarantee (2)	n.a.	69,231	-	1,856
Real Guarantee	3	54,785	-	1,407
[0% ; 60% [	2	234	-	1
[60% ; 80% [	0	-	-	-
[80% ; 100% [	0	471	-	-
[100% ; ... [	1	54,080	-	1,406
Corporate - Contruction and CRE				
Without Collateral or Personal	n.a.	2,378	-	53
Personal Guarantee (2)	n.a.	7,908	-	746
Real Guarantee	6	34,926	-	257
[0% ; 60% [	3	788	-	-
[60% ; 80% [	2	3,509	-	-
[80% ; 100% [	0	-	-	-
[100% ; ... [	1	30,629	-	257
Residence				
Without Collateral or Personal	n.a.	-	-	-
Personal Guarantee (2)	n.a.	-	-	-
Real Guarantee	37	6,814	-	-
[0% ; 60% [	13	2,595	-	-
[60% ; 80% [	13	2,498	-	-
[80% ; 100% [	11	1,721	-	-
[100% ; ... [	0	-	-	-

(1) Amounts after prudent haircut on the latest assessment (average haircut of 20% on property and 23.8% on others).
(2) Personal guarantees include those given by individuals or companies with those provided by institutions.

Liquidity risk

The liquidity risk is the possibility of an institution not being able to meet its liabilities when they fall due because of its inability to realise its assets in time or to access external funding in reasonable quantities and at reasonable costs.

The Bank has internal liquidity risk management processes that enable it to identify, assess and control it daily. They include specific procedures for monitoring the due dates of the operations making up its balance sheet.

The risk unit is responsible for implementing these procedures and also for producing management information on the subject and circulating it not only to the Bank's Board of Directors, but also to the units exposed to the liquidity risk.

In addition to this monitoring the Bank's ALCO analyses and assesses the liquidity risk and other issues in detail.

As at 31 December 2015, the residual maturities of financial instruments (not including interest receivable or commissions on the amortised cost) were as follows:

	2015						
	Spot	Up to three months	From three months to one year	From one year to five years	Over five years	Overdue	Total
Assets							
Cash and Deposits at Central Banks	134,367,745	-	-	-	-	-	134,367,745
Deposits at Other Credit Institutions	106,989,874	-	-	-	-	-	106,989,874
Financial Assets held for Trading	-	37,595	39,530	13,583	-	-	90,708
Available-for-Sale Financial Assets	-	4,600,000	28,763,305	146,948,059	81,199,263	-	261,510,627
Loans and Advances to Credit Institutions	-	94,495,498	3,000,000	-	-	-	97,495,498
Loans and Advances to Customers	1,796,794	43,513,653	62,142,812	43,720,933	16,851,910	1.038.290	169,064,392
Financial Assets held for Trading	-	-	-	17,278,437	49,753,850	-	67,032,287
Hedging Derivates	-	515,621	-	-	-	-	515,621
Total Financial Assets	**243,154,413**	**142,162,367**	**93,945,647**	**207,961,012**	**147,805,023**	**1.038.290**	**837,066,752**
Liabilities							
Deposits from Central Banks	2,462	40,000,000	115,602,673	134,540,000	-	-	290,145,135
Financial Liabilities held for Trading	-	136,070	51,378	14,786	-	-	202,234
Deposits from Other Credit Institutions	57,119,566	39,767,888	97,359,057	10,275,000	-	-	204,521,511
Deposits from Customers	156,380,278	38,200,656	53,991,531	20,305,353	-	-	268,877,818
Debt Securities Issued	-	-	32,001,470	-	-	-	32,001,470
Total Financial Liabilities	**213,502,306**	**118,104,614**	**299,006,109**	**165,135,139**	**-**	**-**	**795,748,168**
Liquidity Gap	**29,652,107**	**25,057,753**	**(205,060,462)**	**42,825,873**	**147,805,023**		
Cumulative Liquidity Gap	**29,652,107**	**54,709,860**	**(150,350,602)**	**(107,524,729)**	**40,280,294**		

As at 31 December 2014, the residual maturities of financial instruments (not including interest receivable or commissions on the amortised cost) were as follows:

	2014						
	Spot	Up to Three Months	From three Months to One Year	From One Year to Five Years	Over Five Years	Overdue	Total
Assets							
Cash and Deposits at Central Banks	6,457,994	-	-	-	-	-	6,457,994
Deposits at Other Credit Institutions	38,193,190	-	-	-	-	-	38,193,190
Financial Assets held for Trading	-	1,373,971	79,649	168,463	-	-	1,622,083
Available-for-Sale Financial Assets	-	12,611,742	-	148,730,583	73,696,210	-	235,038,535
Loans and Advances to Credit Institutions	-	144,456,740	2,178,123	-	-	68,972	146,703,835
Loans and Advances to Customers	2,291,620	18,138,184	29,275,723	29,659,940	35,375,207	87,589	114,828,263
Total Financial Assets	**46,942,804**	**176,580,637**	**31,533,495**	**178,558,986**	**109,071,417**	**156,561**	**542,843,900**
Liabilities							
Deposits from Central Banks	1,605	121,182,769	41,949,195	4,540000	-	-	167,673,569
Financial Liabilities held for Trading	-	34,619	35,465	168,463	-	-	238,547
Deposits from Other Credit Institutions	31,663,612	50,131,542	65,882,761	7,802,450	-	-	155,480,365
Deposits from Customers	78,240,902	40,442,535	46,912,514	7,925,766	-	-	173,521,717
Total Financial Liabilities	**109,906,119**	**211,791,465**	**154,779,935**	**20,436,679**	**-**	**-**	**496,914,198**
Liquidity Gap	**(62,963,315)**	**(35,210,828)**	**(123,246,440)**	**158,122,307**	**109,071,417**		
Cumulative Liquidity Gap	**(62,963,315)**	**(98,174,143)**	**(221,420,583)**	**(63,298,276)**	**45,773,141**		

The allocation of operations to the timeframes in the above tables took account of the residual maturity of each operation. Projected contractual cash flows referring to the interest on the Bank's financial assets and liabilities were not included.

Market risk

The market risk is the possibility of depreciation in the value of financial instruments caused by changes in market conditions and the prices of these same instruments.

The Bank considers a broader concept of market risk that encompasses not only the market risk normally associated with changes in the prices of financial instruments with a direct impact on the valuating of balance sheet positions but also the risk from changes in foreign exchange rates inherent in the exchange positions generated by the existence of financial instruments denominated in different currencies – the foreign exchange risk – and the risk from changes in interest rates resulting from the lapses in the amount, maturities or time limits for re-fixing the interest rates of financial instruments with interest receivable or payable – the interest rate risk.

For both these categories, the Bank uses specific risk management processes involving periodical monitoring of significant risk factors and reporting of potential impacts that are assessed and measured. The Bank has risk quantification mechanisms in place that enable it to monitor the market risk daily and bring up specific issues in the Loans Committee and ALCO whenever warranted.

Foreign exchange risk

Balances and transactions in different currencies are monitored and overseen by the financial markets, accounting and risk and management control units.

The foreign currency in the highest amount on the Bank's balance sheet is the US dollar and its exchange exposure and transactions in other currencies are minimal.

As at 31 December 2015, the Bank's financial instruments were as follows by currency and by balance sheet item:

(Amounts Translated into Euros)

	2015			
	Currencies			
	Euros	US Dollars	Other Currencies	Total
Assets				
Cash and Deposits at Central Banks	134,317,313	40,836	9,596	134,367,745
Deposits at Other Credit Institutions	84,328,829	20,738,211	1,922,834	106,989,874
Financial Assets held for Trading	36,184	54,524	-	90,708
Available-for-sale Financial Assets	207,214,120	56,016,879	-	263,230,999
Loans and Advances to Credit Institutions	37,737,086	54,298,971	5,030,275	97,066,332
Loans and Advances to Customers	130,857,681	37,166,555	-	168,024,236
Held-to-maturity Investments	20,345,137	47,144,975	-	67,490,112
Hedging Derivates	515,621	-	-	515,621
Other Assets	28,533,862	16,037	254,587	28,804,486
Total Assets	**643,885,833**	**215,476,988**	**7,217,292**	**866,580,113**
Liabilities				
Deposits from Central Banks	290,176,481	2,941	-	290,179,422
Financial Liabilities held for Trading	146,567	55,667	-	202,234
Deposits from Other Credit Institutions	136,068,575	66,185,173	2,741,118	204,994,866
Deposits from Customers	168,617,856	97,606,867	2,971,446	269,196,169
Debt Securities Issued	-	32,043,675	-	32,043,675
Other Liabilities	11,877,666	60,314	95,563	12,033,543
Total Liabilities	**606,887,145**	**195,954,637**	**5,808,127**	**808,649,909**
Total Equity	57,930,204	-	-	57,930,204
Total Liabilities + Equity	**664,817,349**	**195,954,637**	**5,808,127**	**866,580,113**

As at 31 December 2014, the Bank's financial instruments were as follows by currency and by balance sheet item:

(Amounts Translated into Euros)

	2014			
	Currencies			
	Euros	US Dollars	Other Currencies	Total
Assets				
Cash and Deposits at Central Banks	6,408,747	39,942	9,305	6,457,994
Deposits at Other Credit Institutions	2,322,824	31,848,488	4,021,878	38,193,190
Financial Assets held for Trading	1,387,819	234,264	-	1,622,083
Available-for-sale Financial Assets	199,148,354	38,029,400	-	237,177,754
Loans and Advances to Credit Institutions	11,932,517	133,920,724	793,376	146,646,617
Loans and Advances to Customers	83,364,806	31,101,906	-	114,466,712
Other Assets	27,832,697	327,389	1,624	28,161,710
Total Assets	**332,397,764**	**235,502,113**	**4,826,183**	**572,726,060**
Liabilities				
Deposits from Central Banks	84,547,284	83,178,041	-	167,725,325
Financial Liabilities held for Trading	4,473	234,074	-	238,547
Deposits from Other Credit Institutions	52,705,278	101,686,287	1,609,976	156,001,541
Deposits from Customers	47,986,749	122,788,905	2,991,510	173,767,164
Other Liabilities	89,511,614	(72,330,945)	194,124	17,374,793
Total Liabilities	**274,755,398**	**235,556,362**	**4,795,610**	**515,107,370**
Total Equity	57,618,690	-	-	57,618,690
Total Liabilities + Equity	**332,374,088**	**235,556,362**	**4,795,610**	**572,726,060**

Interest rate risk

Exchange risk management is designed to minimise the impact of potential variations in interest rates on the Bank's income.

The definition of products and contracting of operations take account of the Bank's balance sheet's maturities profile, seeking to achieve a balance in terms of maturities and rates and indexers. The aim is to adapt proposed spreads to the costs of funding incurred by the Bank.

Furthermore monitoring of the interest rate risk involves assessing how variations in rates impact the economic value of the Bank's balance sheets or their interest margin.

As at 31 December 2015, in accordance with the methodology used in Banco Portugal Instruction 19/2005, a parallel movement of the income curve of 200 bps would have an impact on net worth of -26.4% and an accumulated impact of 4.59% on the interest margin.

This analysis does not include the portfolio available for sale assets, as for this type of asset there is no obligation of exposure to the interest rate risk until maturity and only the assets given as collateral for lines of finance from the ECB remain. In this case, accumulated impact would be -7.26% of own funds and up to a year there would be a positive impact of 8% of the interest margin.

Accumulated Impact of Interest Rate - Sensitive Instruments	-3,535,724
Own Funds	48,708,625
Impact on Net Position/Own Funds	-7.26%

Accumulated Impact of Interest Rate (up to one year) Sensitive Instruments	809,531
Interest Margin	10,122,243
Accumulated Impact of Interest Rate (up to one year) Sensitive Instruments as Percentage of Interest Margin	8.00%

Management of this risk is also one of the main issues addressed by the ALCO, which is the main forum for decisions on mitigation initiatives or alignment of strategy in interest rate risk management.

As at 31 December 2015, exposure to the interest rate risk (not including interest receivable or payable or commissions on the amortised cost) was as follows:

	2015			
	No Rate	Fixed Rate	Variable Rate	Total
Assets				
Cash and Deposits at Central Banks	5,484,791	128,882,954	-	134,367,745
Deposits at Other Credit Institutions	106,989,874	-	-	106,989,874
Financial Assets held for Trading	-	90,708	-	90,708
Available-for-sale Financial Assets	-	240,889,531	20,621,096	261,510,627
Loans and Advances to Credit Institutions	-	97,495,498	-	97,495,498
Loans and Advances to Customers	-	46,768,260	122,296,132	169,064,392
Held-to-maturity Investments	-	67,032,287	-	67,032,287
Hedging Derivates	-	515,621	-	515,621
Total Financial Assets	**112,474,665**	**581,674,859**	**142,917,228**	**837,066,752**
Liabilities				
Deposits from central banks	2,462	290,142,673	-	290,145,135
Financial Liabilities Held for Trading	-	202,234	-	202,234
Deposits from Other Credit Institutions	57,119,566	147,401,945	-	204,521,511
Deposits from Customers	156,375,634	112,502,184	-	268,877,818
Debt Securities Issued	-	32,001,470	-	32,001,470
Total Financial Liabilities	**213,497,662**	**582,250,506**	**-**	**795,748,168**

As at 31 December 2014, exposure to the interest rate risk (not including interest receivable or payable or commissions on the amortised cost) was as follows:

	2014			
	No Rate	Fixed Rate	Variable Rate	Total
Assets				
Cash and Deposits at Central Banks	160,003	6,297,991	-	6,457,994
Deposits at Other Credit Institutions	38,193,190	-	-	38,193,190
Financial Assets held for Trading	-	1,622,083	-	1,622,083
Available-for-sale Financial Assets	-	228,860.795	6,177,740	235,038,535
Loans and Advances to Credit Institutions	-	146,703,835	-	146,703,835
Loans and Advances to Customers	268,261	27,498,455	87,061,547	114,828,263
Total Financial Assets	**38,621,454**	**410,983,159**	**93,239,287**	**542,843,900**
Liabilities				
Deposits from Central Banks	-	167,673,569	-	167,673,569
Financial Liabilities Held for Trading	-	238,547	-	238,547
Deposits from Other Credit Institutions	31,663,611	123,816,754	-	155,480,365
Deposits from Customers	78,451,477	95,070,240	-	173,521,717
Total Financial Liabilities	**110,115,088**	**386,799,110**	**-**	**496,914,198**

Fair value

Whenever possible the Bank uses market prices when determining the fair value of financial instruments. In cases in which there is no market price, fair value is calculated with models based on certain assumptions that depend on the performance of the financial instruments in question. In exceptional circumstances, when it is not possible to reliably determine fair value, assets are valued at historical cost and undergo impairment tests.

The Bank focuses on the following considerations when determining fair value of its financial assets and liabilities:

- "Cash and deposits at central banks" and "Deposits at other credit institutions": given the short-term nature of these assets, we believe that the book value is a reasonable estimate of their fair value;
- "Loans, advances and deposits at other credit institutions" and "Deposits from central banks": calculation of fair value presumes that the operations are settled on their due dates and that cash flows are updated using the rate curve formed in the last days of the year. Taking account of the maturities of operations and the type of interest rate charged, the Bank considers that the difference between fair value and book value of these operations is negligible;
- "Loans and advances to customers": the Bank considers that, as the credit operations in its portfolio are recent and there is no history of default or significant overdue loans or advances, difference between fair value and book value is negligible;
- "Deposits from customers and other loans": for deposits for less than one year, the book value is assumed to be a reasonable estimate of the fair value. Operations in its portfolio with maturities of over one year have no materially significant weight.

As at 31 December 2014, the fair value of financial instruments held by the Bank was approved as follows:

Type of Financial Instrument	Assets at Acquisition Value	Financial Instruments at Fair Value:			Total
		Quotations in an Active Market [Level 1]	Quotations in an Active Market :		
			Market data [Level 2]	Others [Level 3]	
Assets					
Financial Assets Held for Trading	-	-	90,708	-	90,708
Available-for-sale Financial Assets	4,615,659	258,990,687	-	-	263,606,346
Held-to-Maturity Investments	67,583,084	-	-	-	67,583,084
Hedging Derivates	-	-	515,621	-	515,621
Liabilities					
Financial Liabilities Held for Trading	-	-	202,234	-	202,234
Debt Securities Issued	32,043,675	-	-	-	32,043,675

As set out in IFRS 13, financial instruments are measured in accordance with the following valuation levels:

- Level 1: Financial instruments valued in accordance with available prices (not adjusted) in active markets with executable prices quoted by suppliers of prices of transactions in liquid markets.
- Level 2: Financial instruments valued in accordance with valuation methods mainly considering parameters and variables observed in the market. It also includes instruments valued on the basis of indicative prices supplied by contributors outside the Bank.
- Level 3: Financial instruments valued in accordance with valuation methods considering parameters or variable that cannot be observed in the market and have a significant impact on the valuation of the instrument and prices supplied by third parties whose parameters cannot be observed on the market.

6. Own Funds

The Bank has been complying with the Basel III prudential framework since January 2014. Basel III made a number of adjustments to the rules on calculating own funds, own funds requirements and consequently solvency ratios.

In this regard, it is necessary to disclose the following elements with reference to 31 December 2015:

(valores em Milhares de Euros)

Regulatory Capital - Basileia III	2015	2014
Equity	**48,709**	**47,279**
Regulatory Capital Level 1	**48,709**	**47,279**
Regulatory Capital Instrument	48,709	47,279
Retained Earnings from Previous Years	50,000	50,000
Retained Earnings from Previous Years	2,008	(1,183)
Other Cumulative Comprehensive Income	1,926	4,882
Other Reserves	(375)	-
Other Intangible Assets	(1,080)	(837)
Other Transitional Adjustment	(1,756)	(4,978)
Deferred Tax on Assets not Accepted for Tax Purpose	(2,014)	(605)
Additional Regulatory Capital Level 1	-	-
Regulatory Capital Level 2	**-**	**-**
Exposure Amounts in Weighted Risk (RWA)	**367,931**	**269,005**
RWA - Credit Risk	331,915	234,978
RWA - Foreign Exchange Risk (Standard Method)	2,007	9,146
RWA - Operational Risk (Main Indicator)	33,998	24,854
RWA - Credit Valuation Adjustment (Standard Method)	11	27
Capital Requirement Ratio		
Main Regulatory Assets Level 1	13.2%	17.6%
Regulatory Capital Level 1	13.2%	17.6%
Total Regulatory Capital Ratio	13.2%	17.6%

The performance of this ratio over the year reflects the adjustment to the Bank's balance sheet, particularly the increase in its portfolio of loans and advances to customer and the diversification of counterparties at which it deposits its surplus liquidity. The performance of own funds reflects the incorporation of undistributed income from 2014, which counterbalances the performance of intangible assets, deferred taxes and transitory adjustments provided for in applicable regulations.

IV. Auditor's Opinion

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STATUTORY AUDITOR'S REPORT

(This report is a free translation to English from the original Portuguese version. In case of doubt or misinterpretation the Portuguese version will prevail.)

Introduction

1 We have audited the financial statements of **Banco Privado Atlântico - Europa S.A.** ("the Company"), which comprise the balance sheet as at 31 December 2015 (which shows total assets of Euro 866 580 113 and a total equity of Euro 57 930 204, including a net profit/loss of Euro 4 282 075), the statements of income, changes in equity, comprehensive income and cash flows for the year then ended and the corresponding Notes.

Responsibilities

2 Management is responsible for the preparation of financial statements in accordance with *Normas de Contabilidade Ajustadas* ("NCA's"), as established by the Central Bank of Portugal, that give a true and fair view of the financial position of the Company, the results of its operations, the changes in equity, the comprehensive income and its cash flows, as well as for the adoption of adequate accounting policies and criteria and the maintenance of an appropriate internal control system.

3 Our responsibility is to express a professional and independent opinion on these financial statements based on our audit.

Scope

4 We conducted our audit in accordance with the Technical Standards and Guidelines issued by the Portuguese Institute of Statutory Auditors ("Ordem dos Revisores Oficiais de Contas"), which require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatements. For this purpose our audit included:

- verification, on a test basis, of the information underlying the figures and disclosures contained in the financial statements, and an assessment of the estimates, based on judgments and criteria defined by Management, used in their preparation;
- the assessment of the adequacy of the accounting principles used and their disclosure, considering the circumstances;
- the appropriateness of the going concern basis of accounting; and
- the assessment of the adequacy of the overall presentation of the financial statements.

5 Our audit also included the verification that the financial information included in the Management Report is consistent with the financial statements.

6 We believe that our audit provides a reasonable basis for our opinion.

Opinion

7 In our opinion, the financial statements referred to above, present fairly, in all material respects, the financial position of **Banco Privado Atlântico - Europa S.A.** as at 31 December 2015, the results of its operations, comprehensive income, changes in equity and its cash flows for the year then ended in accordance with *Normas de Contabilidade Ajustadas* ("NCA's"), as defined by the Central Bank of Portugal.

Report on other legal requirements

8 It is also our opinion that the financial information included in the Management Report is consistent with the financial statements for the year.

Lisbon, 7 April 2016

KPMG & Associados
Sociedade de Revisores Oficiais de Contas, S.A. (n.º 189)
represented by
Vítor Manuel da Cunha Ribeirinho (ROC n.º 1081)