

BANCO ESPÍRITO SANTO, S.A.**RELEASE CONCERNING BES' BALANCE SHEET AS AT 4 AUGUST 2014**

With the application of the resolution tool to Banco Espírito Santo, S.A. (BES) on 3 August 2014, the generality of the assets and liabilities, off-balance sheet items and assets under management of BES was transferred to Novo Banco, S.A. (Novo Banco), incorporated as set out in the then article 145.^o-A *et seq.* of the Credit Institutions General Framework.

According to Annex 2 of the resolution of 3 August 2014, the transfer to Novo Banco has been made at book value, as adjusted in accordance with the results of the evaluation foreseen in the first part of article 145.^o-H, no. 4, of the Credit Institutions General Framework as in force at the date of the application of the resolution tool, and therefore BES made the relevant accounting entries, in compliance with said resolution of 3 August 2014.

The responsibility of BES' Board of Directors in office as from 4 August 2014 was to make the accounting reflection of the transfer of assets, liabilities, off-balance sheet items and assets under management, as selected by Bank of Portugal within the framework of the application of the resolution tool and of the adjustments resulting from the independent evaluation, which were therefore a starting point for this Board of Directors.

In addition, BES' Board of Directors made adjustments resulting from its assessment on the recoverability of the assets and completeness of the liabilities included in BES' balance sheet as at 4 August 2014 based on all the known information available until the date of the approval of the balance sheet.

Accordingly, BES' Individual Balance Sheet and the Notes as at 4 August 2014 which are disclosed on the date hereof, along with the Report and Opinion of the Audit Commission

and the External Auditor's Report, are the accounting reflection of the selection of the assets, liabilities, off-balance sheet items and assets under management transferred to Novo Banco, of their valuation in accordance with the independent evaluation referred above and of the adjustments made by BES' Board of Directors.

BALANCE SHEET
AS AT 4 AUGUST 2014 AND 31 DECEMBER 2013

	04.08.2014	31.12.2013
(TEUR)		
Assets		
Cash and deposits at central banks	-	916 143
Deposits with banks	10 000	147 211
Financial assets held for trading	-	1 102 113
Financial assets at FV	-	2 937 434
Financial assets AFS	-	5 949 475
Loans and advances to banks	-	9 583 337
Loans and advances to customers	143 617	35 872 194
Held-to-maturity investments	-	1 152 456
Hedging derivatives	-	325 021
Non current assets held for sale	-	1 356 013
Other tangible assets	-	327 135
Intangible assets	-	109 777
Investments in associates	11 350	2 617 839
Current income tax assets	-	14 727
Deferred income tax assets	-	1 003 735
Other assets	28 465	2 752 951
Total Assets	193 432	66 167 561
Liabilities		
Amounts owed to central banks	-	9 305 318
Financial liabilities held for trading	13 222	999 839
Deposits from banks	26	5 470 806
Due to customers	596 005	33 446 504
Debt securities	-	8 245 875
Financial liabilities associated with transferred assets	-	635 609
Hedging derivatives	-	86 419
Provisions	1 049 420	505 472
Current income tax liabilities	-	6 721
Deferred income tax liabilities	-	55 417
Other subordinated loans	907 871	1 034 748
Other liabilities	48 206	673 149
Total Liabilities	2 614 750	60 465 877
Equity		
Share capital	6 084 696	5 040 124
Capital surplus	1 039 147	1 059 700
Other capital instruments	191 571	191 734
Treasury Stock	(801)	(801)
Other reserves and retained earnings	(788 798)	(126 505)
Net profit for the period	(8 947 133)	(462 568)
Total Equity	(2 421 318)	5 701 684
Total Liabilities and Equity	193 432	66 167 561

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BANCO ESPÍRITO SANTO, S.A.