

Financial Statements



8 Financial Statements

8.1 Individual Financial Statements of Banco Espírito Santo

Balance Sheet at 31 December 2000

Assets	Notes	2000			Previous Year (Net)
		Gross Assets	Depreciation and Provisions	Net Assets	
1. Cash and cash equivalents with central banks	4	606 356		606 356	601 228
2. Current accounts with credit institutions	5	675 382		675 382	485 018
3. Due from credit institutions - other items	6	4 981 709	33 013	4 948 696	4 027 306
4. Advances and loans to customers	7	12 968 255	177 937	12 790 318	10 015 898
5. Bonds and other fixed-income securities		4 478 267	52 411	4 425 856	4 420 673
a) - Bonds and other fixed-income securities					
- public sector issuers	8	1 355 603	8 286	1 347 317	1 173 355
b) - Bonds and other fixed-income securities					
- other issuers	8	3 122 664	44 125	3 078 539	3 247 318
(Of which: own bonds)		(36 632)	(0)	(36 632)	
6. Shares and other variable income securities	8	531 502	68 372	463 130	1 133 815
7. Investments	9	785 918	48 172	737 746	151 716
8. Equity holdings in subsidiary companies	10	710 086		710 086	365 338
9. Intangible assets	11	295 249	162 770	132 479	132 365
10. Tangible assets	12	776 196	458 732	317 464	320 223
(Of which: Premises)		(480 035)	(243 294)	(236 741)	(246 505)
11. Unpaid capital				0	0
12. Own shares or holdings of own equity		73 283		73 283	0
13. Other assets	13	247 738	3 572	244 166	341 316
15. Accruals and deferrals	14	691 862		691 862	738 096
16. Loss for period				0	0
Total		27 821 803	1 004 979	26 816 824	22 732 992

(Thousand euros)

Off Balance Sheet Items	Notes	Year	Previous Year
1. Contingent Liabilities	25	6 431 767	4 222 414
of which:			
- Acceptances and commitments by endorsement of rediscounted bills		0	0
- Bonds and assets given as security		281 128	271 870
2. Commitments	23	1 626 095	1 356 532
of which:			
- Commitments arising from sales operations with option to repurchase			

Manager of the Planning
and Accounts Department

Carlos dos Santos Moita

Liabilities and Shareholders' Equity	Notes	Year	Previous Year	(Thousand euros)
1. Due to credit institutions		9 667 135	7 925 025	
a) - At sight	15	374 959	864 660	
b) - At term or with notice	15	9 292 176	7 060 365	
2. Amounts due to customers		11 386 224	10 584 716	
a) - Savings deposits	16	2 407 098	2 320 751	
b) - Other deposits		8 979 126	8 263 965	
ba) - Sight deposits	16	5 325 054	4 665 615	
bb) - Time deposits	16	3 654 072	3 598 350	
3. Debt securities		2 350 906	1 740 138	
a) - Bonds in circulation	17	689 586	552 847	
b) - Others	17	1 661 320	1 187 291	
4. Other liabilities	18	91 395	101 319	
5. Accruals and deferrals	19	450 161	271 531	
6. Provisions for risks and charges		177 261	138 328	
a) - Provisions for pensions and similar charges		0	0	
b) - Other provisions	20	177 261	138 328	
8. Subordinated debt	21	1 179 457	791 514	
9. Subscribed capital	23	1 000 000	587 500	
10. Share premium account	23	293 562	221 788	
11. Reserves	23	86 348	177 890	
12. Revaluation reserves	23		30 680	
13. Retained earnings				
14. Profit for period	23	134 375	162 563	
Total		26 816 824	22 732 992	

The Board of Directors

António Luís Roquette Ricciardi	Pedro de Mendonça Queiroz Pereira
Ricardo Espírito Santo Silva Salgado	Patrick Henri Marie Marty-Ané
Jean Gaston Pierre Marie Victor Laurent	Jean-Luc Marie Perron
Mário Mosqueira do Amaral	Manuel António Ribeiro Serzedelo de Almeida
José Manuel Pinheiro Espírito Santo Silva	José Maria Espírito Santo Silva Ricciardi
António José Baptista do Souto	Jean-Luc Louis Marie Guinoiseau
Jorge Alberto Carvalho Martins	Gilles François Gramat
Manuel António Gomes de Almeida Pinho	Rui Manuel Duarte Sousa da Silveira
Yves Henri Camille Barsalou	Joaquim Anibal Brito Freixial de Goes
Aníbal da Costa Reis de Oliveira	Francisco Luís Murteira Nabo
José Manuel Ferreira Neto	Pedro José de Sousa Fernandes Homem
Manuel de Magalhães Villas-Boas	Ilídio da Costa Leite de Pinho
Manuel Fernando Moniz Galvão Espírito Santo Silva	Herman Agneessens
Jackson Behr Gilbert	

P&L Account at 31 de December 2000

Debit	Notes	Year	Previous Year
A. EXPENSES			
1. Interest and similar costs		1 640 338	983 315
2. Fees		16 995	16 064
3. Losses on financial transactions		2 788 020	2 241 651
4. General administrative expense		331 699	312 375
a) Staff costs		168 448	159 562
of which:			
(- wages and salaries)		(124 287)	(119 174)
(- social charges)		(43 136)	(38 959)
of which:			
(- pensions)		(17 443)	(14 634)
b) Other administrative costs		163 251	152 813
5. Depreciation & amortization for period	11 e 12	86 408	75 543
6. Other operating costs	29	2 949	4 832
7. Provisions against doubtful debts, past due loans and other risks	20	268 901	197 315
8. Provisions against losses on investments	20	62 940	292
10. Result of current activity		(160 001)	(166 070)
11. Extraordinary losses	30	13 207	9 970
13. Taxes on income	31	26 792	19 508
14. Other taxes		2 677	3 489
15. Profit for period		134 375	162 563
Total		5 375 301	4 026 917

(Thousand euros)

**Manager of the Planning
and Accounts Department**

Carlos dos Santos Moita

The attached notes form an integral part of these financial statements

Credit	Notes	Year	Previous Year	(Thousand euros)
B. INCOME				
1. Interest and similar income	27	2 013 544	1 328 218	
of which:				
(- fixed-income securities)		(250 150)	(207 234)	
2. Income from securities	27	32 221	34 131	
a) Income from shares, quotas and other variable - income securities		6 083	6 121	
b) Income from investments		4 151	3 751	
c) Income from equity holdings in subsidiary companies		21 987	24 259	
3. Fees	27	191 845	163 017	
4. Profits on financial transactions	27	2 957 103	2 351 896	
5. Recoveries and cancellations in respect of value adjustments relating to advances and loans and provisions for contingent liabilities and commitments	20	109 108	70 671	
6. Recoveries and cancellations in respect of value adjustments relating to securities constituting financial assets, investments and equity holdings in subsidiary companies	20	15 533	451	
7. Other operating revenues	27 e 29	38 897	49 073	
8. Result of current activity				
9. Extraordinary income	30	17 050	29 460	
11. Loss for period				
Total		5 375 301	4 026 917	

The Board of Directors

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Pedro José de Sousa Fernandes Homem
Ilídio da Costa Leite de Pinho
Herman Agneessens

List of BES Securities and Equity Holdings (Individual)

Nature and Type of Security	Quantity	Nominal Value	Average Acquisition Price	Market Price	Book Value
A. TRADING SECURITIES	9 806 072 688	367 821 549,51	443 698 728,13	444 713 421,00	444 728 237,15
Fixed income securities of resident issuers	1 002 674 275	10 026 742,75	10 510 189,51	10 870 045,25	10 870 045,25
Portuguese public debt instruments	1 002 674 275	10 026 742,75	10 510 189,51	10 870 045,25	10 870 045,25
- Medium & long-term	1 002 674 275	10 026 742,75	10 510 189,51	10 870 045,25	10 870 045,25
Fixed-income securities of non-resident issuers	5 031 292 511	130 196 329,12	123 964 590,89	124 955 218,83	124 955 218,78
Foreign public issuers	5 000 023 801	75 578 721,12	69 209 955,86	69 705 483,41	69 705 483,36
- Medium & long-term	5 000 023 801	75 578 721,12	69 209 955,86	69 705 483,41	69 705 483,36
Other non-resident issuers	31 268 710	54 617 608,00	54 754 635,03	55 249 735,42	55 249 735,42
- Medium & long-term	31 268 710	54 617 608,00	54 754 635,03	55 249 735,42	55 249 735,42
Variable-income securities	34 033 506	169 788 688,76	198 601 519,74	198 973 241,12	198 988 057,32
Resident issuers	34 015 439	169 737 040,61	197 059 338,11	197 431 059,49	197 445 875,69
- Participation units	9 077 088	45 294 669,12	61 000 004,61	60 985 188,41	61 000 004,61
- Other securities	24 938 351	124 442 371,49	136 059 333,50	136 445 871,08	136 445 871,08
Non-resident issuers	18 067	51 648,15	1 542 181,63	1 542 181,63	1 542 181,63
- Participation units	13 067	14 033,96	1 504 567,44	1 504 567,44	1 504 567,44
- Shares	5 000	37 614,19	37 614,19	37 614,19	37 614,19
Own securities	3 738 072 396	57 809 788,88	110 622 428,00	109 914 915,81	109 914 915,81
Fixed-income	3 733 978 388	37 339 783,88	37 339 783,88	36 632 271,69	36 632 271,69
- Medium & long-term	3 733 978 388	37 339 783,88	37 339 783,88	36 632 271,69	36 632 271,69
Variable-income securities	4 094 008	20 470 005,00	73 282 644,12	73 282 644,12	73 282 644,12
- Shares	4 094 008	20 470 005,00	73 282 644,12	73 282 644,12	73 282 644,12
B. INVESTMENT SECURITIES	103 132 852 950	4 495 254 183,89	4 638 322 537,34	4 537 282 583,43	4 638 322 537,34
Fixed-income securities by public issuers	22 093 328 529	1 248 693 306,07	1 275 027 585,20	1 272 716 577,81	1 275 027 585,20
Portuguese public debt instruments	1 625 148 252	25 859 566,55	26 577 482,93	26 585 904,97	26 577 482,93
- Medium & long-term	1 619 397 593	16 198 459,43	16 575 345,00	16 583 767,04	16 575 345,00
Other domestic public issuers	5 750 659	9 661 107,12	10 002 137,93	10 002 137,93	10 002 137,93
- Medium & long-term	5 750 659	9 661 107,12	10 002 137,93	10 002 137,93	10 002 137,93
Foreign public issuers	20 468 180 277	1 222 833 739,52	1 248 450 102,27	1 246 130 672,84	1 248 450 102,27
- Medium & long-term	20 468 180 277	1 222 833 739,52	1 248 450 102,27	1 246 130 672,84	1 248 450 102,27
Fixed-income securities of other issuers	80 982 002 417	3 047 841 859,51	3 030 781 582,22	2 997 484 431,73	3 030 781 582,22
Resident issuers	80 886 699 385	2 109 070 032,41	2 107 149 761,21	2 102 836 048,49	2 107 149 761,21
- Short-term	116 634 858,00	137 282 761,00	137 282 760,85	137 417 644,96	137 282 760,85
- Medium & long-term	80 770 064 527	1 971 787 271,41	1 969 867 000,36	1 965 418 403,53	1 969 867 000,36
Non-resident issuers	95 303 032	938 771 827,10	923 631 821,01	894 648 383,25	923 631 821,01
- International financial organizations	1 874 275	101 684 030,66	90 680 861,13	82 894 997,78	90 680 861,13
Other non-resident issuers	93 428 757	837 087 796,44	832 950 959,88	811 753 385,46	832 950 959,88
- Medium & long-term	93 428 757	837 087 796,44	832 950 959,88	811 753 385,46	832 950 959,88
Variable-income securities	57 522 004	198 719 018,30	332 513 369,91	267 081 573,89	332 513 369,91
Resident issuers	53 313 232	197 755 424,41	305 526 119,92	255 320 820,18	305 526 119,92
- Shares	25 309 432	39 666 940,56	147 271 140,80	97 737 161,13	147 271 140,80
- Quotas	2	1 808 009,20	1 808 009,20	1 808 009,20	1 808 009,20
- Participation certificates	184 800	922 152,00	1 060 946,33	865 550,02	1 060 946,33
- Participation units	27 818 998	155 358 322,65	155 386 023,59	154 910 099,83	155 386 023,59
Non-resident issuers	4 208 772	963 593,89	26 987 249,99	11 760 753,71	26 987 249,99
- Shares	4 208 772	963 543,89	26 987 199,99	11 760 703,71	26 987 199,99
- Other securities	50	50,00	50,00	50,00	50,00
C. SECURITIES HELD TO MATURITY	0	0,00	0,00	0,00	0,00
D. FINANCIAL INVESTMENTS	13 283 675 206	835 175 171,00	1 583 575 770,50	1 396 814 138,66	1 583 575 770,50
Equity holdings	13 155 459 818	269 675 489,00	785 917 549,29	600 391 803,99	785 917 549,29
- In domestic credit institutions	20 930	1 043 988,40	1 043 983,99	1 043 983,99	1 043 983,99
- In credit institutions abroad	13 112 358 450	204 370 806,78	291 497 573,29	243 900 407,46	291 497 573,29
- In other domestic companies	43 064 551	58 844 428,52	487 888 861,48	349 960 282,00	487 888 861,48
- In other companies abroad	15 887	5 416 265,30	5 487 130,53	5 487 130,54	5 487 130,53
Equity holdings in subsidiary companies	128 215 372	477 927 532,38	710 086 071,59	710 086 079,72	710 086 071,59
- In domestic credit institutions	53 735 171	268 593 496,39	420 484 448,23	420 484 448,23	420 484 448,23
- In credit institutions abroad	15 815 050	117 716 591,30	175 222 137,34	175 222 137,34	175 222 137,34
- In other domestic companies	58 158 061	87 122 330,42	91 434 923,82	91 434 931,96	91 434 923,82
- In other companies abroad	507 090	4 495 114,27	22 944 562,20	22 944 562,19	22 944 562,20
Sub-total	13 283 675 190	747 603 021,38	1 496 003 620,88	1 310 477 883,72	1 496 003 620,88
Other financial investments	16	87 572 149,63	87 572 149,62	86 336 254,94	87 572 149,62
Total	126 222 600 844	5 698 250 904,39	6 665 597 035,97	6 378 810 143,09	6 666 626 544,98

December/2000 — euros

Nature and Type of Security	Quantity	Nominal Value	Average Acquisition Price	Market Price	Book Value	December/2000 — euros
A. TRADING SECURITIES	9 806 072 688	367 821 549,51	443 698 728,13	444 713 421,00	444 728 237,15	
Fixed income securities of resident issuers	1 002 674 275	10 026 742,75	10 510 189,51	10 870 045,25	10 870 045,25	
Portuguese public debt instruments	1 002 674 275	10 026 742,75	10 510 189,51	10 870 045,25	10 870 045,25	
- Medium & long-term	1 002 674 275	10 026 742,75	10 510 189,51	10 870 045,25	10 870 045,25	
O.T. 10,625%-JUNHO/2003	73	0,73	234,32	0,80	0,80	
O.T. 8,875%-JANEIRO/2004	72	0,72	10,58	0,83	0,83	
O.T. 11,875%-FEVEREIRO/2005	94	0,94	157,83	1,23	1,23	
O.T. 8,75%-MARÇO/2001	52	0,52	1,52	0,53	0,53	
O.T. 9,5%-FEVEREIRO/2006	98	0,98	1,70	1,21	1,21	
O.T. 5,45% SETEMBRO/2013	256	2,56	102,33	2,59	2,59	
O.T. 5,25% OUTUBRO/2005	500 000 000	5 000 000,00	5 077 500,00	5 146 815,09	5 146 815,09	
O.T. 4,8125% ABRIL/03	11	0,11	29,39	0,13	0,13	
O.T. 5,375% JUNHO/2008	19	0,19	0,31	0,13	0,13	
O.T. 5,75% MARÇO/2002	25	0,25	82,96	0,40	0,40	
O.T. 6,625%-FEVEREIRO/2007	502 673 575	5 026 735,75	5 432 068,56	5 723 222,31	5 723 222,31	
Fixed-income securities of non-resident issuers	5 031 292 511	130 196 329,12	123 964 590,89	124 955 218,83	124 955 218,78	
Foreign public issuers	5 000 023 801	75 578 721,12	69 209 955,86	69 705 483,41	69 705 483,36	
- Medium & long-term	5 000 023 801	75 578 721,12	69 209 955,86	69 705 483,41	69 705 483,36	
BUND DEUTSCHLAND 4 125% 04/07/2008	1 000 000 000	10 000 000,00	9 503 000,00	9 764 554,86	9 764 554,86	
REP ITALY BTPS 3,5% 01/11/2001	4 000 000 000	40 000 000,00	39 543 250,00	39 777 222,69	39 777 222,64	
STRIP PRINC ZC 15/08/2005	23 801	25 578 721,12	20 163 705,86	20 163 705,86	20 163 705,86	
Other non-resident issuers	31 268 710	54 617 608,00	54 754 635,03	55 249 735,42	55 249 735,42	
- Medium & long-term	31 268 710	54 617 608,00	54 754 635,03	55 249 735,42	55 249 735,42	
EMBARC N°1 LIMITED 06/12/2004	3 764 300	3 764 300,00	3 783 787,78	3 803 589,03	3 803 589,03	
BOATS INV (JERSEY) 03/12/2004	5 500 000	5 500 000,00	5 524 365,00	5 553 637,22	5 553 637,22	
BOATS INV (JERSEY) 10/12/2003	4 500 000	4 500 000,00	4 526 485,88	4 543 673,38	4 543 673,38	
COMMERZBANK AG 7,25% 22/04/2002	4 000	2 853 308,00	2 840 471,37	3 081 439,36	3 081 439,36	
EARLS FOUR LIMITED 5,625% 07/12/2004	4 000 000	4 000 000,00	4 025 000,00	4 040 410,98	4 040 410,98	
STINGRAY LIMITED 17/11/2003	120	6 000 000,00	6 000 000,00	6 036 427,09	6 036 427,09	
REGAL LIMITED 03/12/2003	7 500 000	7 500 000,00	7 528 125,00	7 563 181,24	7 563 181,24	
CORONETS LTD 05/12/2004	6 000 000	6 000 000,00	6 026 400,00	6 051 649,53	6 051 649,53	
CLASSIC 1 (CAYMAN) 28/11/2004	130	6 500 000,00	6 500 000,00	6 533 221,07	6 533 221,07	
VERDANT LIMITED 29/11/2005	160	8 000 000,00	8 000 000,00	8 042 506,52	8 042 506,52	
Variable-income securities	34 033 506	169 788 688,76	198 601 519,74	198 973 241,12	198 988 057,32	
Resident issuers	34 015 439	169 737 040,61	197 059 338,11	197 431 059,49	197 445 875,69	
- Participation units	9 077 088	45 294 669,12	61 000 004,61	60 985 188,41	61 000 004,61	
FUNDO ESPIRITO SANTO MONETÁRIO	5 034 704	25 123 172,96	28 000 002,86	28 000 002,82	28 000 002,86	
FUNDO ESP SANTO CAPITALIZAÇÃO	4 042 384	20 171 496,16	33 000 001,75	32 985 185,59	33 000 001,75	
- Other securities	24 938 351	124 442 371,49	136 059 333,50	136 445 871,08	136 445 871,08	
TRANQUILIDADE VIDA 1ª a 22ª SÉRIE	24 938 351	124 442 371,49	136 059 333,50	136 445 871,08	136 445 871,08	
Non-resident issuers	18 067	51 648,15	1 542 181,63	1 542 181,63	1 542 181,63	
- Participation units	13 067	14 033,96	1 504 567,44	1 504 567,44	1 504 567,44	
FIRST PORTUGUESE OPPORTUNITY	13 067	14 033,96	1 504 567,44	1 504 567,44	1 504 567,44	
- Shares	5 000	37 614,19	37 614,19	37 614,19	37 614,19	
TURKCELL	5 000	37 614,19	37 614,19	37 614,19	37 614,19	
Own securities	3 738 072 396	57 809 788,88	110 622 428,00	109 914 915,81	109 914 915,81	
Fixed-income	3 733 978 388	37 339 783,88	37 339 783,88	36 632 271,69	36 632 271,69	
- Medium & long-term	3 733 978 388	37 339 783,88	37 339 783,88	36 632 271,69	36 632 271,69	
BANCO ESPIRITO SANTO 1993 (OB CAIXA)	3 733 978 388	37 339 783,88	37 339 783,88	36 632 271,69	36 632 271,69	
Variable-income	4 094 008	20 470 005,00	73 282 644,12	73 282 644,12	73 282 644,12	
- Shares	4 094 008	20 470 005,00	73 282 644,12	73 282 644,12	73 282 644,12	
BANCO ESPIRITO SANTO	4 094 001	20 470 005,00	73 282 617,90	73 282 617,90	73 282 617,90	
BESCL-DIREITOS-1992 INC RESERVAS	7	0,00	26,22	26,22	26,22	
B. INVESTMENT SECURITIES	103 132 852 950	4 495 254 183,89	4 638 322 537,34	4 537 282 583,43	4 638 322 537,34	
Fixed-income securities by public issuers	22 093 328 529	1 248 693 306,07	1 275 027 585,20	1 272 716 577,81	1 275 027 585,20	
Portuguese public debt instruments	1 625 148 252	25 859 566,55	26 577 482,93	26 585 904,97	26 577 482,93	
- Medium & long-term	1 619 397 593	16 198 459,43	16 575 345,00	16 583 767,04	16 575 345,00	
O.T. 10,625%-JUNHO/03	166 605 326	1 666 053,26	1 890 347,14	1 897 801,27	1 890 347,14	
O.T. 8,875%-JANEIRO/2004	81 449	814,49	891,40	902,45	891,40	
O.T. 11,875%-FEVEREIRO/2005	22 303 713	223 037,13	278 300,80	281 428,25	278 300,80	
TESOURO-OTRV 1995/2001	8 784 214	87 842,14	87 853,20	87 824,57	87 853,20	
O.T. 8,75%-MARÇO/2001	198 834 283	1 988 342,83	2 008 723,43	2 003 255,40	2 008 723,43	
TESOURO-OTVR 1996/2002	243 952 244	2 439 522,44	2 436 283,67	2 437 326,87	2 436 283,67	
O.T. 9,5%-FEVEREIRO/2006	1 421 317	14 213,17	16 726,04	17 055,80	16 726,04	
TESOURO-OTVR 1996/2003	539 315 505	5 393 155,05	5 380 454,59	5 378 054,22	5 380 454,59	
O.T. 5,25% OUTUBRO/2005	20 000 000	200 000,00	202 953,77	203 600,00	202 953,77	
O.T. 4,8125% ABRIL/2003	124 483 925	1 244 839,25	1 247 681,49	1 248 822,74	1 247 681,49	
O.T. 3,625% AGOSTO/2004	49 183 000	491 830,00	472 535,66	473 435,56	472 535,66	
O.T. 5,375% JUNHO/2008	150 063 141	1 500 631,41	1 527 760,64	1 530 644,04	1 527 760,64	

Nature and Type of Security	Quantity	Nominal Value	Average Acquisition Price	Market Price	Book Value
O.T. 6,625%-FEVEREIRO/2007	94 368 726	943 687,26	1 021 704,08	1 020 975,25	1 021 704,08
CONSOLIDADO 2,3/4% 1943	40	199,60	86,89	97,76	86,89
CONSOLIDADO 3%-1942	560	2 794,40	1 517,03	1 480,43	1 517,03
CONSOLIDADO 4% 1940 CENTENÁRIOS	150	1 497,00	1 525,17	1 062,44	1 525,17
Other domestic public issuers	5 750 659	9 661 107,12	10 002 137,93	10 002 137,93	10 002 137,93
- Medium & long-term	5 750 659	9 661 107,12	10 002 137,93	10 002 137,93	10 002 137,93
GOV REG MADEIRA 1990 SÉRIE A	5 750 659	9 661 107,12	10 002 137,93	10 002 137,93	10 002 137,93
Foreign public issuers	20 468 180 277	1 222 833 739,52	1 248 450 102,27	1 246 130 672,84	1 248 450 102,27
- Medium & long-term	20 468 180 277	1 222 833 739,52	1 248 450 102,27	1 246 130 672,84	1 248 450 102,27
BUNDESobligation 3,5% 11/11/2003	2 000 000 000	20 000 000,00	19 426 591,41	19 462 000,00	19 426 591,41
BUND DEUTSCHLAND 5,25% 04/07/2010	2 500 000 000	25 000 000,00	25 769 503,77	25 710 000,00	25 769 503,77
BUNDESobligation 5% 19/08/2005	2 750 000 000	27 500 000,00	27 971 605,55	27 970 250,00	27 971 605,55
BUND DEUTSCHLAND 5,25% 04/01/2011	1 000 000 000	10 000 000,00	10 348 339,09	10 297 000,00	10 348 339,09
KINGDOM OF SWEDEN 3,5% 20/04/2006	400	4 529 344,40	4 612 840,48	4 177 867,62	4 612 840,48
BUNDESSCHATZANW 3% 15/06/2001	9 500 000 000	95 000 000,00	94 224 886,32	94 224 886,31	94 224 886,32
UKT TREASURY 5% 07/06/2004	2 000 000 000	32 000 000,00	31 729 974,81	31 744 912,67	31 729 974,81
CANADA GOVERNMENT 5,4% 30/11/2004	2 500	3 036 375,00	3 250 145,72	2 799 538,47	3 250 145,72
NAT BANK OF HUNGARY 6,5% 08/04/2003	3 000	3 224 073,00	3 226 352,78	3 159 914,02	3 226 352,78
KINGDOM OF MOROCCO	1	5 647 727,95	5 647 727,95	5 707 029,09	5 647 727,95
REPUBLIC OF GREECE	9	48 704 507,29	48 704 507,29	50 096 073,32	48 704 507,29
REPUBLIC OF ITALY	1	4 676 229,34	4 676 229,34	4 743 941,14	4 676 229,34
REPUBLIC OF POLAND	2	4 601 626,91	4 601 626,91	4 601 626,91	4 601 626,91
RUSSIAN FEDERATION	2	3 702 780,23	3 702 780,23	1 511 761,75	3 702 780,23
UNITED STATES TREASURY NOTE (DIV)	4 046 000	53 734 550,00	53 684 713,53	53 537 058,33	53 684 713,53
COLLATERALIZED MORTGAGE OBLIG TRUST	35 257	37 890,24	37 890,24	37 629,75	37 890,24
DEAN WITTER INVESTMENT TRUST	106 969	114 958,28	112 895,14	115 030,13	112 895,14
FEDHOMELoanBK51/8	1 000	5 373 455,00	5 370 380,58	5 362 385,68	5 370 380,58
FED NAT MORTGAGE ASSOC VAR (FHD-DIV)	3 245 859	3 488 295,18	3 483 099,22	3 497 914,65	3 483 099,22
FED NAT MORTGAGE ASSOC VAR (FHR-DIV)	123 177 797	132 378 069,63	132 288 228,80	132 522 611,54	132 288 228,80
FED NAT MORTGAGE ASSOC VAR (FNR-DIV)	130 884 611	140 660 513,03	140 595 192,38	140 777 012,13	140 595 192,38
GOV NAT MORTGAGE ASSOCIATION FIXED	1 147 831	1 233 563,52	1 226 631,60	1 249 754,04	1 226 631,60
GOV NAT MORTGAGE ASSOCIATION VAR	42 218 773	45 372 134,84	45 363 813,26	45 494 676,39	45 363 813,26
INVESTOR SAVINGS MORTGAGE OBLIGAT	22 772	24 472,52	24 472,52	24 472,52	24 472,52
SMALL BUSINESS ADMINISTRATION (DIV)	406 123 146	436 456 889,45	462 739 711,48	461 282 411,44	462 739 711,48
UNITED MEXICAN STATES SOVEREIGN NOTE	5 000 000	5 373 455,00	5 373 455,00	5 789 897,76	5 373 455,00
DEUTCHLAND REPUBLIC 5,625%	60 000	600,00	573,70	619,62	573,70
REGIONE SICILIANA 1999/2009	4 250	3 825 000,00	3 807 342,74	3 816 687,95	3 807 342,74
XUNTA GALICIA/2003	3 000	1 496 393,69	1 491 978,71	1 491 153,38	1 491 978,71
INSTIT CRÉDITO OFICIAL 1998/2008	5 400	2 693 508,64	2 691 266,27	2 666 417,04	2 691 266,27
CITY OF MONTREAL/2007	500	2 493 989,49	2 491 555,46	2 484 541,41	2 491 555,46
NEW YORK CITY/2002	200	656 453,52	657 056,03	656 863,80	657 056,03
STRIP PRINC ZC 15/02/20	50 000	53 734 551,32	53 734 551,32	53 734 551,32	53 734 551,32
STRIP PRINC ZC 15/02/25	41 000	44 062 332,08	44 062 332,08	44 062 332,08	44 062 332,08
CANTON DE GENEVE	2 000 000	2 000 000,00	1 319 850,58	1 319 850,58	1 319 850,58
Fixed-income securities of other issuers	80 982 002 417	3 047 841 859,51	3 030 781 582,22	2 997 484 431,73	3 030 781 582,22
Resident issuers	80 886 699 385	2 109 070 032,41	2 107 149 761,21	2 102 836 048,49	2 107 149 761,21
- Short-term	116 634 858,00	137 282 761,00	137 282 760,85	137 417 644,96	137 282 760,85
AUCHAN 5,0035%-15ª EM	2 000	9 975 957,94	9 975 957,94	9 977 313,17	9 975 957,94
CLIMA ESPAÇO 5,125%-8ª e 9ª EM	70	349 158,53	349 158,53	349 219,85	349 158,53
INCOMPOL 5,625%-3ª EM	125	623 497,37	623 497,37	628 302,29	623 497,37
J B FERNANDES 5,875%-32ª EM	150	748 196,85	748 196,85	749 878,53	748 196,85
M J PESTANA 5,875%-84ª à 87ª EM	150	748 196,85	748 196,85	749 234,17	748 196,85
PAP FERNANDES 6,1875%-20ª EM	500	2 493 989,49	2 493 989,49	2 503 761,44	2 493 989,49
PESCANOVA 6,25%-21ª EM	120	598 557,48	598 557,48	602 091,20	598 557,48
SOC FRANCISCO M SANTOS 5,1%-3ª EM	1 000	4 987 978,97	4 987 978,97	4 989 579,68	4 987 978,97
ADP – ADUPOS PORTUGAL 5,222%-29ª EM	500 000	500 000,00	500 000,00	500 274,35	500 000,00
AUCHAN 5,040%-5ª EM (EUR)	15 000 000	15 000 000,00	15 000 000,00	15 009 442,00	15 000 000,00
EUROGES 5,211%-6ª EM	1 000 000	1 000 000,00	1 000 000,00	1 001 118,85	1 000 000,00
F SIMAO 5,146%-1ª EM	500 000	500 000,00	500 000,00	500 091,37	500 000,00
GIERLINGS 116ª à 118 EM	2 400 000	2 400 000,00	2 400 000,00	2 400 859,40	2 400 000,00
ISAR RAKOLL 5,341% 21ª EM	1 246 995	1 246 995,00	1 246 995,00	1 248 290,10	1 246 995,00
JMR, SGPS, 5,15% 4ª EM	5 850 000	5 850 000,00	5 850 000,00	5 863 125,43	5 850 000,00
MODELO CONTINENTE 62ª à 66 EM	3 500 000	3 500 000,00	3 500 000,00	3 503 716,69	3 500 000,00
METRO 5,23%-30ª EM	11 200 000	11 200 000,00	11 200 000,00	11 218 989,37	11 200 000,00
PORTUGÁLIA 5,136% 7ª EM	9 300 000	9 300 000,00	9 300 000,00	9 312 787,35	9 300 000,00
REG AUT AÇORES 5,016%-1ª EM	22 439 895	22 439 895,00	22 439 894,85	22 449 672,41	22 439 894,85

December/2000 — euros

Nature and Type of Security	Quantity	Nominal Value	Average Acquisition Price	Market Price	Book Value	December/2000 — euros
REF AÇÚCAR REUNIDAS 5,07%-81ª à 83ª EM	2 050 000	2 050 000,00	2 050 000,00	2 052 054,89	2 050 000,00	
RECHEIO 4,4%-1ª EM	12 000 000	12 000 000,00	12 000 000,00	11 988 566,43	12 000 000,00	
SOARES DA COSTA 4,95%-2ªEM	3 000 000	3 000 000,00	3 000 000,00	3 002 023,26	3 000 000,00	
SOMAGUE 5,29%-5ªEM	22 433 853	22 433 853,00	22 433 853,00	22 472 372,85	22 433 853,00	
TECNASOL 5,361% 20ª EM	4 000 000	4 000 000,00	4 000 000,00	4 008 333,01	4 000 000,00	
REF A R HOLDING 6,28% 37ª EM (GBP)	210 000	336 484,54	336 484,54	336 546,86	336 484,54	
- Medium & long-term	80 770 064 527	1 971 787 271,41	1 969 867 000,36	1 965 418 403,53	1 969 867 000,36	
SOFINLOC 98 EURO-CONV	30 000	1 496 400,00	1 495 437,95	1 496 393,69	1 495 437,95	
BANCO INT CRÉDITO 98 1ª à 4ª EM	77 828 414 865	778 284 148,65	778 005 579,56	778 284 148,65	778 005 579,56	
BANCO INT CRÉDITO 99 1ª à 3ª EM	13 556 329	677 816 450,00	677 239 115,76	677 816 450,00	677 239 115,76	
BANCO ESSI 1998	85 000	4 239 800,00	4 239 782,13	4 239 782,13	4 239 782,13	
BESLEASING IMOBILIÁRIA 1999/2005/2010	2 390 000	119 500 000,00	119 500 000,00	119 500 000,00	119 500 000,00	
CREDIFIN SOC FIN AQUI CRÉD 98-1ª EM	100 000	4 988 000,00	4 978 866,29	4 987 978,97	4 978 866,29	
BANCO NACIONAL CRÉD IMOB 1999	15 000	750 000,00	749 081,16	748 500,00	749 081,16	
CAIXA EC MONTEPIO GERAL 1998	249 398 949	2 493 989,49	2 493 989,49	2 480 272,55	2 493 989,49	
BANCO ITAU EUROPA 1999	1 062 500	10 625 000,00	10 616 023,24	10 616 023,24	10 616 023,24	
INTERBANCO SA 1998/2001	50 000	2 494 000,00	2 493 989,49	2 493 989,49	2 493 989,49	
BANCO ALVES RIBEIRO 1999 SÉRIE A	225 000	11 250 000,00	11 242 191,92	11 253 375,00	11 242 191,92	
BIC SFE 2000 1ª EMISSÃO	1 500 000	75 000 000,00	75 000 000,00	75 000 000,00	75 000 000,00	
TEXTIL LUIS CORREIA 1987 e 1988	77 520	147 288,00	147 060,21	73 551,82	147 060,21	
CIPAN 1989	50 000	186 000,00	185 755,35	177 674,73	185 755,35	
COMPANHIA PORT COBRE 1990	70 000	70 000,00	69 831,71	698,32	69 831,71	
EFACEC CAPITAL, SGPS, 1999	300 000	3 000 000,00	3 000 000,00	3 000 000,00	3 000 000,00	
LISNAVE 1992	676 770	1 752 834,30	1 699 590,49	1 729 040,98	1 699 590,49	
SOMAGUE, SGPS, 1998	90 985	454 015,15	453 831,27	344 957,15	453 831,27	
SACOR MARÍTIMA SA – 1997/2007	1 250 000	5 500 000,00	5 501 455,67	5 501 472,70	5 501 455,67	
EST JERÓNIMO MARTINS – 30/12/2004	1 000 000	4 990 000,00	4 987 978,97	6 109 775,44	4 987 978,97	
EDIFER TAXA VAR – 26/02/2003	250 000	1 247 500,00	1 246 994,74	1 241 009,17	1 246 994,74	
EDP 1992 – 20ª EM	7 500	12 750,00	12 719,35	12 685,00	12 719,35	
CARREFOUR PORTUGAL – 22/06/2003	3 000 000	14 970 000,00	14 963 936,91	14 963 936,91	14 963 936,91	
PORTUCEL 1999	740 000	7 400 000,00	7 385 077,87	7 380 760,00	7 385 077,87	
METROPOLITANO LISBOA 1995	350 000	1 746 500,00	1 745 792,64	1 746 316,38	1 745 792,64	
MODELO CONTINENTE 1995	750 000	3 742 500,00	3 741 396,81	3 685 243,56	3 741 396,81	
IND TÊXTEIS SOMELOS 1987 SERIE A	10	24,90	24,93	23,92	24,93	
IND TÊXTEIS SOMELOS 1988	29 150	40 810,00	40 672,58	39 046,77	40 672,58	
TECNOVIA EMPREITADAS 1991	436 285	1 391 749,15	1 390 889,40	695 529,02	1 390 889,40	
ADEGA CAMILO ALVES 1997/2002	250 000	622 500,00	621 308,09	624 370,27	621 308,09	
PETROGAL 1996 – 1ª e 2ª EM	861 922 766	8 619 227,66	8 617 359,34	8 616 234,87	8 617 359,34	
IMOLOC – INV IMOBIL 1998	180 000	561 600,00	560 918,31	562 606,62	560 918,31	
SODIM 1997	4 173 000	20 823 270,00	20 814 836,24	20 814 836,24	20 814 836,24	
LABORATÓRIOS ATRAL 1989	20 000	43 600,00	43 600,94	42 866,51	43 600,94	
QUINTAS & QUINTAS 1998 1ª EM	500 000	2 495 000,00	2 485 835,54	2 485 835,54	2 485 835,54	
JOAQUIM SOUSA OLIVEIRA & FILHOS 1987	31 050	57 442,50	57 300,37	5 730,44	57 300,37	
JMR-P DOCE-FEIRA NOVA-IMO GRUPADA	4 445 455	22 182 820,45	22 163 004,87	22 163 004,87	22 163 004,87	
FRANCISCO L BATISTA 1994	10 000	35 400,00	35 414,67	17 707,33	35 414,67	
PARTEST 1996	498 797 897	4 987 978,97	4 987 978,97	4 987 480,17	4 987 978,97	
CONSTRUTORA ABRANTINA 1998	200 000	998 000,00	995 802,70	997 994,83	995 802,70	
GRUPADA UNIBETAO 1996	150 000	598 500,00	598 465,50	598 856,76	598 465,50	
GRUPADA LONGAVIDA-CIMILONGA 1996	50 000	199 500,00	199 488,56	199 618,92	199 488,56	
INPARSA, SGPS, SA 1998	1 830 735	9 135 367,65	8 378 785,60	8 401 134,27	8 378 785,60	
ADP-ADUBOS PORTUGAL 1998-2005	515 000	2 142 400,00	2 140 541,67	2 140 665,75	2 140 541,67	
RECHEIO, SGPS, SA 1998-1ª e 2ª SÉRIE	5 454 545	27 218 179,55	27 207 155,75	27 207 155,75	27 207 155,75	
HLC-ENG GESTÃO PROJ 1998	100 000	429 000,00	428 666,46	429 995,71	428 666,46	
BANCO PORT INVESTIM 1996 (OB CX SUB)	314 500	15 687 260,00	15 683 703,70	15 255 796,03	15 683 703,70	
BANCO COM PORTUGUÊS 1995 (OB CX SUB)	225 000	11 223 000,00	11 187 804,37	10 996 249,04	11 187 804,37	
BANCO INT CRÉD 1997 e 1998 (PERPÉTUAS)	959 026 346	9 590 263,46	9 545 506,46	9 540 383,18	9 545 506,46	
BANCO INT CRÉDITO 1995 (OB CX SUB)	149 639 369	1 496 393,69	1 496 393,69	1 486 667,13	1 496 393,69	
BES INVESTIMENTO SA 1998 (OB CX SUB)	174 000 000	1 740 000,00	1 740 000,00	1 731 300,00	1 740 000,00	
BANCO TOTTA AÇORES 1996 (OB CX SUB)	100 000	4 988 000,00	4 953 737,38	4 797 936,97	4 953 737,38	
CRÉDITO PREDIAL PORT 1992 (OB CX SUB)	345 000	1 721 550,00	1 721 575,84	1 712 076,40	1 721 575,84	
BANCO P SOTTO MAYOR 1995 (OB CX SUB)	40 000	1 995 200,00	1 981 244,79	1 965 064,20	1 981 244,79	
UNIÃO B PORTUGUESES 1993 (OB CX SUB)	10 000	498 800,00	498 984,32	488 821,94	498 984,32	

Nature and Type of Security	Quantity	Nominal Value	Average Acquisition Price	Market Price	Book Value
BANIF-B INT FUNCHAL 1997 (OB CX SUB)	50 000	2 494 000,00	2 493 989,49	2 493 740,09	2 493 989,49
BANCO NAC ULTRAMAR 1992 (OB CX SUB)	5 000	199 500,00	198 087,25	198 302,09	198 087,25
BANCO NAC ULTRAMAR 1997 (OB CX SUB)	250 000	12 470 000,00	12 469 947,43	11 971 149,53	12 469 947,43
BANCO NAC ULTRAMAR 1998 (OB CX SUB)	250 000	12 470 000,00	12 469 947,43	12 407 597,69	12 469 947,43
BESLEASING MOBIL 1999 (OB CX SUB)	190 000	9 500 000,00	9 500 000,00	9 500 000,00	9 500 000,00
B FONSECAS & BURNAY 1997 (OB CX SUB)	750 000	37 410 000,00	37 409 842,28	37 357 468,50	37 409 842,28
BANCO NAC CRÉD IMOB 1997 (OB CX SUB)	75 000	3 741 000,00	3 740 984,23	3 714 797,34	3 740 984,23
BANCO SANTANDER 1995 (OB CX SUB)	200 000	998 000,00	986 964,39	986 322,96	986 964,39
CREDIBOM 1999 (OB CX SUB)	58 000	2 900 000,00	2 900 000,00	2 900 000,00	2 900 000,00
TMATURED SECURITIES	1	3 924 757,84	3 924 757,84	0,00	3 924 757,84
Non-resident issuers	95 303 032	938 771 827,10	923 631 821,01	894 648 383,25	923 631 821,01
- International financial organizations	1 874 275	101 684 030,66	90 680 861,13	82 894 997,78	90 680 861,13
EUROPEAN INVESTMENT BANK 2026	1 800	19 344 438,00	9 880 172,96	3 708 328,86	9 880 172,96
EUROPEAN INVESTMENT BANK 2005	1 314 168	62 934 758,31	62 937 195,47	62 846 521,60	62 937 195,47
INTL BK RECON & DEV 14% 24/02/2014	10 000	10 000 000,00	8 200 443,08	6 700 000,00	8 200 443,08
EUROPEAN INVESTMENT BANK 2002	3 507	1 749 284,23	1 747 795,81	1 754 450,99	1 747 795,81
EUROPEAN INVESTMENT BANK 2001	200 000	997 595,79	1 006 526,37	1 002 253,36	1 006 526,37
EUROPEAN INVESTMENT BANK 2006	279 800	1 395 636,52	1 646 409,63	1 621 581,76	1 646 409,63
EUROFIMA 2004	55 000	274 338,84	274 338,84	273 882,25	274 338,84
EUROFIMA 2005	10 000	4 987 978,97	4 987 978,97	4 987 978,97	4 987 978,97
Other non-resident issuers	93 428 757	837 087 796,44	832 950 959,88	811 753 385,46	832 950 959,88
- Medium & long-term	93 428 757	837 087 796,44	832 950 959,88	811 753 385,46	832 950 959,88
LEHMAN BROS HOLDINGS 01/09/2005	2 000	2 000 000,00	1 991 756,57	1 983 000,00	1 991 756,57
EMBARC Nº1 LIMITED 28/12/2001	25 000 000	25 000 000,00	25 050 162,84	25 050 162,75	25 050 162,84
SALOMON INC 21/10/2002	150	2 403 460,95	2 408 895,99	2 408 267,91	2 408 895,99
CREDIT LOCAL FRANCE 20/02/2007	4 700	2 344 360,00	2 264 188,41	2 616 294,73	2 264 188,41
BOATS INV (JERSEY) 28/12/2001	23 580 719	23 580 719,00	23 638 866,16	23 638 865,99	23 638 866,16
COMMERZBANK AG 5,375% 18/02/2004	2 500	2 686 727,50	2 710 866,19	2 594 572,81	2 710 866,19
COMMERZBANK BK 12,82% 09/02/2004	10 000	10 000 000,00	9 844 016,14	8 201 000,00	9 844 016,14
COMMERZBANK AG 04/03/2009	5 000	5 000 000,00	4 995 463,60	4 575 000,00	4 995 463,60
EXE FINANCE COMPANY 23/01/2004	1 000	49 879 790,00	49 786 461,13	49 685 258,53	49 786 461,13
XUNTA GALICIA 2003	2 000	997 600,00	993 015,04	994 104,21	993 015,04
BANK AUSTRIA 06/09/2006	800 000	3 992 000,00	3 990 383,18	3 948 085,11	3 990 383,18
HOUSEHOLD FIN CORP 5,875% 01/02/2009	1 000	1 074 691,00	1 077 294,79	966 147,23	1 077 294,79
LANDSBANKI ISLANDS 16/12/2011	10	1 074 691,02	1 069 747,66	992 369,69	1 069 747,66
IRISH PERM TREASURY 28/05/2003	200	2 000 000,00	1 995 547,10	1 993 000,00	1 995 547,10
BAYERISCHE VEREINSBK 25/02/2007	250	1 246 995,00	1 251 807,01	1 234 774,19	1 251 807,01
HOUSEHOLD BANK 29/04/2002	2 500	1 275 023,15	1 275 023,15	1 272 733,32	1 275 023,15
COM EUROP CARVÃO AÇO 26/06/2002	20 670	10 310 196,00	10 323 112,03	10 592 650,71	10 323 112,03
AIC CORPORATION 02/10/2002	100	1 074 691,00	1 073 004,94	1 073 078,99	1 073 004,94
ROBERT FLEMING CAP 20/08/2002	2 000	1 022 580,00	1 017 699,12	1 022 379,25	1 017 699,12
MERCURY EUROPEAN 28/05/2004	1 000	1 602 307,00	1 602 307,32	1 602 307,32	1 602 307,32
UNIVERS DE VALENCIA 6,6% 15/12/2022	250	1 502 530,00	1 576 896,23	1 633 250,39	1 576 896,23
SUNCORP METWAY LTD 28/10/2002	1 000	1 074 691,00	1 072 774,02	1 074 153,68	1 072 774,02
BAT INTL FINANCE PLC 4,25% 14/04/2004	5 000	5 000 000,00	5 037 198,97	4 610 000,00	5 037 198,97
DEUTSCHE FINANCE BV 11/05/2005	1 000	1 000 000,00	998 225,29	998 450,00	998 225,29
AB SPINTAB 4,375% 20/04/2009	3 000	3 000 000,00	2 993 488,96	2 733 900,00	2 993 488,96
OUB SOVEREIGN EMERG 11,5% 12/05/2018	8 485 000	9 112 890,00	9 343 183,13	9 343 074,69	9 343 183,13
BANCA POP DI NOVARA 23/08/2002	300	3 000 000,00	2 995 387,21	3 001 500,00	2 995 387,21
GOV TRADE TRUST CERT 7,33	4 583 333	4 925 667,08	4 925 667,08	5 160 276,60	4 925 667,08
HYDRO QUEBEC 2001	1 000	5 373 455,00	5 373 455,00	5 400 053,60	5 373 455,00
LIGHT OVERSEAS 02/16/2001	850	9 134 873,50	9 132 246,68	9 226 222,24	9 132 246,68
LIR ENERGY 10% 09/06/2002	2 500	2 686 727,50	2 684 728,64	2 731 740,93	2 684 728,64
MACAU AIRPORT CO 2001	3 800 000	4 083 825,80	4 083 825,80	4 165 502,32	4 083 825,80
MILACRON CAP HOLDINGS 2005	5 000	4 999 999,88	4 999 999,88	4 862 499,88	4 999 999,88
NATIONAL PHYSICIANS FUND 2002	5 000 000	5 373 455,00	5 373 455,00	5 331 474,88	5 373 455,00
VIACOM INC 2001	10 000	10 746 910,00	10 659 358,51	10 659 358,51	10 659 358,51
VIAD CORPORATION 2001	10 000	10 746 910,00	10 643 644,14	10 643 644,14	10 643 644,14
WILLIAMS CO INC 2001	10 000	10 746 910,00	10 570 624,86	10 570 624,86	10 570 624,86
BANCA DI ROMA 2004	1	5 141 844,87	5 141 844,87	5 141 844,87	5 141 844,87
BANK OF GREECE 2003	2	7 163 983,35	7 163 983,35	7 930 142,71	7 163 983,35

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Nature and Type of Security	Quantity	Nominal Value	Average Acquisition Price	Market Price	Book Value
IND DEV BANK OF INDIA 2001	1	2 209 985,99	2 209 985,99	2 226 114,47	2 209 985,99
NATIONAL BANK OF HUNGARY	3	9 770 369,53	9 770 369,53	10 288 696,11	9 770 369,53
BET ICECALM BV 2001	1	5 373 455,13	5 373 455,13	5 725 916,98	5 373 455,13
BFP RECEIVABLES 2002	1	3 224 073,08	3 224 073,08	3 227 966,73	3 224 073,08
BG TRANSCO HOLDINGS 2009	1	8 041 375,60	8 041 375,60	8 074 345,24	8 041 375,60
CABLE & WIRELESS INT 2002	1	16 082 751,21	16 082 751,21	16 867 589,47	16 082 751,21
CROWN CORK & SEAL 2004	1	5 000 000,00	5 000 000,00	2 250 000,00	5 000 000,00
DAILY MAIL GEN TRUST 2004	1	6 433 100,48	6 433 100,48	6 433 100,48	6 433 100,48
DIXONS TREASURY 2004	1	12 062 063,41	12 062 063,41	12 575 907,31	12 062 063,41
ENGLISH CHINA CLAYS 2002	1	5 373 455,13	5 373 455,13	5 373 455,13	5 373 455,13
GRANADA GROUP 2003	2	20 103 439,01	20 103 439,01	21 321 707,42	20 103 439,01
HYDRO QUEBEC 2002	1	3 224 073,08	3 224 073,08	3 341 751,75	3 224 073,08
PEARSON STERLING 2002	1	8 041 375,60	8 041 375,60	8 407 258,19	8 041 375,60
PHILIP MORRIS 2002	1	5 373 455,13	5 373 455,13	5 615 602,90	5 373 455,13
POLAR CONSTRUCTION 2001	1	-255 645,65	255 645,65	0,00	255 645,65
RANK XEROX FINANCE 2003	1	16 082 751,21	16 082 751,21	12 786 591,35	16 082 751,21
REDLAND STERLING UK 2001	1	4 824 825,36	4 824 825,36	5 013 476,03	4 824 825,36
SIRES AUSTRALIA LTD 2003	1	2 395 025,84	2 395 025,84	2 407 000,97	2 395 025,84
SIRES STAR LIMITED 2001	1	5 373 455,13	5 373 455,13	5 373 455,13	5 373 455,13
STAGECOACH HOLDINGS 2004	1	5 000 000,00	5 000 000,00	4 318 500,00	5 000 000,00
TECNOST INTL NV 2004	2	25 000 000,00	25 000 000,00	25 321 249,99	25 000 000,00
TPSA EUROFINANCE BV 2004	1	5 000 000,00	5 000 000,00	4 895 500,00	5 000 000,00
TYCO INT GROUP, SA 2007	1	5 000 000,00	5 000 000,00	5 000 000,00	5 000 000,00
USINOR SACILOR 2002	2	7 660 190,38	7 660 190,38	7 737 939,38	7 660 190,38
USINOR SACILOR 2005	1	5 000 000,00	5 000 000,00	5 000 000,00	5 000 000,00
VEITSILUOTO OY 2001	1	4 728 640,52	4 728 640,52	4 728 640,52	4 728 640,52
VIVENDI ENVIRONMENT 2005	1	14 999 850,01	14 999 850,01	14 999 850,01	14 999 850,01
VOLVO GROUP FINANCE 2001	1	5 373 455,13	5 373 455,13	5 376 141,86	5 373 455,13
VOLVO GROUP TREASURY 2001	1	5 373 455,13	5 373 455,13	5 380 021,49	5 373 455,13
WUERTH FINANCE INTL 2001	1	3 809 588,06	3 809 588,06	3 820 635,86	3 809 588,06
ABN AMRO BANK 2005	50	255 645,94	256 064,04	257 681,46	256 064,04
BANCA DI ROMA 2002	300	1 533 875,64	1 530 196,03	1 534 471,76	1 530 196,03
SALOMON SMITH BARNEY 2001	20	1 022 583,76	1 022 583,76	1 024 918,45	1 022 583,76
CIE FIN NOVEL GALERIES 2004	200	1 022 583,76	1 020 481,22	1 018 954,75	1 020 481,22
DERBY CYCLE CORPORATION 2008	3 000	1 533 875,64	729 975,95	437 154,56	729 975,95
ASLK-CGER IFICO 2007	200	1 022 583,76	1 010 015,95	1 022 517,13	1 010 015,95
GALLAHER GROUP PLC 2008	2 000	1 022 583,76	1 022 583,76	976 567,49	1 022 583,76
TRIANGLE FUNDING 2002	30	766 937,82	766 644,55	766 237,39	766 644,55
ABN AMRO BANK 2019	7 000	7 000 000,00	7 000 000,00	6 504 660,95	7 000 000,00
ALLIED IRISH BANKS LIMITED 2010	3 000	3 000 000,00	2 992 335,68	2 985 513,00	2 992 335,68
ARGENTARIA GLOB FINANCE 2003	200	2 000 000,00	1 996 306,21	1 996 400,00	1 996 306,21
ATLANTIC TELECOM 15/01/2010	1 500	1 500 000,00	1 500 000,00	1 727 812,50	1 500 000,00
BAYERRISCHE HYPO VEREINSBANK 2014	21	12 000 000,00	12 000 000,00	11 398 905,40	12 000 000,00
BCI US FUNDING TR 2008	4 000	4 000 000,00	3 894 961,71	3 816 000,00	3 894 961,71
BANCA LOMBARDA 2009	2 000	2 000 000,00	1 997 618,96	1 995 959,41	1 997 618,96
DRESDNER BANK AG 2019	500	5 000 000,00	5 000 000,00	4 578 124,18	5 000 000,00
DRESDNER BANK AG 2009	150	15 000 000,00	15 000 000,00	14 570 630,18	15 000 000,00
EARLS FOUR LIMITED 12/07/2005	225	2 250 000,00	2 250 000,00	2 246 043,84	2 250 000,00
EARLS FOUR LIMITED 29/04/2003	4	2 000 000,00	2 000 000,00	2 000 764,02	2 000 000,00
EARLS FOUR LIMITED 30/03/2005	500	500 000,00	500 000,00	500 101,68	500 000,00
EARLS FOUR LIMITED 28/06/2006	82	820 000,00	820 000,00	818 362,79	820 000,00
SWEDEN BANK 2009	100	1 000 000,00	995 201,11	991 250,00	995 201,11
GAS NATURAL FINANCE 2010	2 000	2 000 000,00	2 000 000,00	2 011 800,00	2 000 000,00
GLOBAL TELESYSTEM 2009	1 000	1 000 000,00	988 948,00	961 875,00	988 948,00
HOLMES FUNDING 2035	932 783	755 610,00	755 665,50	755 610,00	755 665,50
ISTITUTO BANCA S PAOLO 2010	1 000	1 000 000,00	995 186,41	991 800,00	995 186,41
BANCA INTESA OVERSEAS 2008	1 000	1 000 000,00	1 000 000,00	956 250,00	1 000 000,00
JAZZTEL PLC 2009	2 000	2 000 000,00	2 118 943,08	1 383 856,34	2 118 943,08
JYSKE BANK 2009	200	2 000 000,00	1 973 343,04	1 998 912,84	1 973 343,04
K P N QWEST 2009	2 000	2 000 000,00	1 926 680,52	1 763 750,00	1 926 680,52
LEHMAN BROTHERS HOLDING PLC 2003	2 000	2 000 000,00	1 991 590,36	1 991 000,00	1 991 590,36

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Nature and Type of Security	Quantity	Nominal Value	Average Acquisition Price	Market Price	Book Value
PARMALAT FINANCE CORP 2005	2 000	2 000 000,00	2 000 000,00	1 927 600,00	2 000 000,00
ST GEORGE BANK LIMITED 2003	1 000	1 000 000,00	998 567,37	998 700,00	998 567,37
DOLPHIN TELECOM 2008	3 000	3 000 000,00	1 385 852,96	1 340 625,00	1 385 852,96
UPM KYMMENE CORPORATE 2009	1 000	1 000 000,00	990 399,53	973 600,00	990 399,53
WESTFA HYPOTHE BANK 2011	5	5 000 000,00	5 006 566,68	4 653 116,79	5 006 566,68
BANK AUSTRIA AG 2014	2 000	2 000 000,00	1 987 395,65	1 776 827,27	1 987 395,65
CREDIT COMM DE FRANCE 2008	15	228 673,53	228 540,64	226 953,98	228 540,64
CABLE & WIRELESS INT FINANCE 2002	200	3 204 614,65	3 204 614,65	3 001 580,72	3 204 614,65
DEN DANSKE BANK 2007	150	2 403 460,98	2 400 521,04	2 373 417,72	2 400 521,04
GENERAL MOTORS ACCEPT CORP 2002	2 000	3 204 614,65	3 203 389,33	3 192 437,11	3 203 389,33
IRISH PERMANENT TSY PLC 2007	200	3 204 614,65	3 188 852,07	3 173 369,62	3 188 852,07
LEHMAN BROS HOLDING PLC 2002	10	1 602 307,32	1 603 040,75	1 590 690,59	1 603 040,75
NTL INCORPORATED 9,5% 2008	1 000	1 602 307,32	1 525 942,40	1 442 076,59	1 525 942,40
ST GEORGE BANK LIMITED 2002	100	1 602 307,32	1 599 815,69	1 596 298,67	1 599 815,69
BRITISH GAS INTL FINANCE 2003	690	1 781 776,30	1 781 776,30	1 673 438,27	1 781 776,30
CITICORP 2003	200	516 456,90	516 456,90	513 035,37	516 456,90
FILMS PLC 2005	4	438 993,53	432 918,17	432 557,58	432 918,17
BA CREDIT CARD CORP 2003	3 500	1 745 792,64	1 743 491,27	1 737 485,80	1 743 491,27
BANK AUSTRIA AG 2006	750 000	3 740 984,23	3 736 535,37	3 709 686,82	3 736 535,37
BMW US CAPITAL CORP 2001	964 000	4 808 411,73	4 808 253,17	4 813 200,66	4 808 253,17
BOATS CARAVELA 2003	800	1 995 191,59	1 996 425,98	1 994 878,28	1 996 425,98
BANKERS TRUST CORP 2004	1 000 000	4 987 978,97	4 980 803,10	4 960 092,51	4 980 803,10
CAYMADRID INTERNATIONAL 2002	500 000	2 493 989,49	2 492 147,02	2 490 865,79	2 492 147,02
COMP BRASIL DE PROJETOS 2004	2 500	1 246 994,74	1 242 578,59	1 210 861,01	1 242 578,59
EUROPEAN COAL & STELL 30/01/2002	4 000	1 995 191,59	1 995 191,59	1 995 076,16	1 995 191,59
EUROPEAN COAL & STELL 26/06/2002	26 830	13 382 747,58	13 369 049,03	13 384 297,62	13 369 049,03
EUROPEAN COAL & STELL 2002 (ZERO CP)	3 000	1 496 393,69	1 496 393,69	1 496 393,69	1 496 393,69
CITICORP 2001	25 000	1 246 994,74	1 246 970,35	1 247 020,21	1 246 970,35
CITICORP 2007	2 300	11 472 351,63	11 453 548,13	11 580 033,84	11 453 548,13
CREDIOP OVERSEAS BANK CI 2003	850 000	4 239 782,13	4 236 656,05	4 225 357,69	4 236 656,05
MORGAN ST DEAN WITTER 2001	2 100 000	10 474 755,84	10 473 847,81	10 473 114,16	10 473 847,81
DRESDNER BANK AG 2001	250	12 469,95	12 835,73	12 681,47	12 835,73
EUROSTATE SEC RATE ASSET 2002	1 100 000	5 486 776,87	5 485 169,46	5 503 266,00	5 485 169,46
GOVT ASSET BACKED SEC, SA 2002	6 000 000	29 927 873,82	29 941 896,52	29 999 007,47	29 941 896,52
HOUSEHOLD FINANCE CORP 2001	200 000	997 595,79	997 431,58	995 299,02	997 431,58
LB SCHLESWIG HOLSTEIN 2007	5 000	2 493 989,49	2 697 417,40	2 692 916,72	2 697 417,40
LEHMAN BROS HOLDING PLC 2003	3 500	1 745 792,64	1 745 266,60	1 743 849,84	1 745 266,60
MERRILL LYNCH & CO 2002	1 939 000	9 671 691,22	9 671 205,16	9 690 616,85	9 671 205,16
SALOMON SMITH BARNEY HLD 2002	250	1 246 994,74	1 246 376,47	1 249 381,70	1 246 376,47
TELEFONICA EUROPE 2004	100	498 797,90	507 924,56	508 525,60	507 924,56
WEST LB FINANCE CURACAO NV 2001	500 000	2 493 989,49	2 490 801,99	2 537 469,07	2 490 801,99
GOVT ASSET BACKED SEC, SA 2006	5 000 000	5 373 455,13	5 373 455,13	5 292 853,30	5 373 455,13
AMERICAN MONEY MANAG CORP 2012	2 000	2 149 382,05	2 149 382,05	2 117 141,32	2 149 382,05
AVALON CAP 2011	2 000	2 149 382,05	2 149 382,05	2 149 382,05	2 149 382,05
BANKERS TRUST CORP 2007	300	3 224 073,08	3 211 876,80	3 199 892,53	3 211 876,80
BBV INTL FINANCE 2005	100	1 074 691,03	1 084 122,13	1 084 710,37	1 084 122,13
BANQUE WORMS 2007	200	2 149 382,05	2 139 198,00	2 144 008,60	2 139 198,00
BANKERS TRUST AUSTRALIA 2008	200	2 149 382,05	2 128 886,78	2 126 598,60	2 128 886,78
BAYERISCHE HYPO VEREINSBANK 2002	1 872	2 011 821,60	2 004 867,36	1 999 247,72	2 004 867,36
CAPTIVA IV FINANCE INCOME NT 2011	3 000	3 224 073,08	3 224 073,08	3 207 952,71	3 224 073,08
CATHEDRAL SUBORDINATED NT 2004	30	2 137 474,05	2 137 474,05	2 073 349,82	2 137 474,05
COUNTRYWIDE HOME LOANS 2005	200	2 149 382,05	2 129 429,24	2 124 664,16	2 129 429,24
COMPAGNIE FIN CRED IND ET COM 2002	100	1 074 691,03	1 025 661,84	965 609,89	1 025 661,84
CHASE MANHATTAN 2008	2 000	2 149 382,05	2 036 821,66	2 070 714,67	2 036 821,66
CREDIT SUISSE ASSET MANAGEMENT 2018	4 229	4 544 868,35	4 351 506,56	4 326 714,67	4 351 506,56
DONALDSON LUKFIN 2004	2 000	2 149 382,05	2 158 995,08	2 159 797,53	2 158 995,08
FORD MOTOR CREDIT 2004	2 000	2 149 382,05	2 120 150,36	2 143 148,84	2 120 150,36
FIVE FINANCE CORPORATION FRN 2008	10	10 746 910,26	10 746 910,26	10 639 441,16	10 746 910,26
FEDERAL MOGUL CORP 2004	1 000	1 074 691,03	977 358,97	169 203,44	977 358,97
SWEDEN BANK 2010	100	1 074 691,03	1 076 088,77	1 075 228,37	1 076 088,77

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Nature and Type of Security	Quantity	Nominal Value	Average Acquisition Price	Market Price	Book Value
GOODRICH COMPANY 2008	2 000	2 149 382,05	2 009 157,85	2 031 380,98	2 009 157,85
HYDRO QUEBEC 2001	150	1 612 036,54	1 558 839,26	1 434 712,52	1 558 839,26
HOUSEHOLD BANK NA 2003	4 000	4 298 764,11	4 298 764,11	4 274 691,03	4 298 764,11
K2 CORP,CAPITAL NOTES 2004	10 000	10 746 802,79	10 746 802,79	10 478 132,72	10 746 802,79
MASSACHUSETTS MUTUAL CLAS B 2017	7 300	7 845 244,49	5 628 721,76	5 525 315,98	5 628 721,76
NATIONAL BANK OF GRRECE FINANCE PLC	200	2 149 382,05	2 147 752,79	2 148 307,36	2 147 752,79
NATIONS BANK CAPITAL TRUST 2026	500	537 345,51	526 747,25	529 070,39	526 747,25
OPTIMUM FINANCE BV 2013	50 000	1 042 599,55	1 042 599,55	1 042 599,55	1 042 599,55
PACIFIC DUNLOP LIMITED 2001	10	1 074 691,03	1 075 210,92	1 075 469,32	1 075 210,92
PREMIER FUNDING 2002	20	2 149 382,05	2 149 382,05	2 149 382,05	2 149 382,05
RALSTON PURINA 2009	2 700	2 901 665,77	3 180 535,13	3 286 716,82	3 180 535,13
REPUBLIC NEW YORK 2014	1 000	1 074 691,03	1 252 514,18	1 262 976,89	1 252 514,18
SEARS ROEBUK CO 2012	2 000	2 149 382,05	2 399 126,64	2 352 713,59	2 399 126,64
SANWA BUSINESS CREDIT 2002	20	2 149 382,05	2 148 819,37	2 144 868,35	2 148 819,37
SWISS BANK CORP NEW YORK 2015	1 000	1 074 691,03	1 136 549,49	1 055 454,06	1 136 549,49
STRATEGIC INVESTMENT PORT II 2004	50	5 373 455,13	5 685 747,04	5 690 488,98	5 685 747,04
SOCIETE GENERAL 2007	625	671 681,89	646 192,08	677 659,86	646 192,08
ST GEORGE BANK LIMITED 2002	100	1 074 691,03	1 074 014,16	1 073 616,34	1 074 014,16
TCW EMINENT FUNDING CL B 10/4 2004	2 000	2 149 382,05	2 149 382,05	2 127 888,23	2 149 382,05
TRANSAMERICA FINANCE CORP 2002	5 000	5 373 455,13	5 360 192,10	5 432 563,14	5 360 192,10
UNION OIL OF CALIFORNIA 2005	2 000	2 149 382,05	2 189 014,47	2 217 947,34	2 189 014,47
MATURED SECURITIES	1	11 821 601,29	11 821 601,29	0,00	11 821 601,29
Variable-income securities	57 522 004	198 719 018,30	332 513 369,91	267 081 573,89	332 513 369,91
Resident issuers	53 313 232	197 755 424,41	305 526 119,92	255 320 820,18	305 526 119,92
- Shares	25 309 432	39 666 940,56	147 271 140,80	97 737 161,13	147 271 140,80
FABRICAS TRIUNFO	9 550	47 654,50	113 374,28	10 503,56	113 374,28
COFACO – COMP FABRIL CONSERVAS	11 396	56 866,04	137 671,96	4 104,07	137 671,96
SOPRAGOL – SOC IND PROD AGRÍCOLAS	33 848	168 901,52	22 973,47	118 132,53	22 973,47
COMP NAC FÁB TECIDOS TORRES NOVAS	208 876	1 042 291,24	552 185,46	137 839,28	552 185,46
GREGÓRIO & COMPANHIA	1 460	7 285,40	44 080,85	0,00	44 080,85
FIACO – FIAÇÃO ALGODÕES COIMBRA	3 650	18 213,50	182 152,26	0,00	182 152,26
FITOR – COMP PORTUGUESA DE TÊXTEIS	3 357	16 751,43	99 796,87	2 248,81	99 796,87
FONCAR – ORG COM INDUSTRIAL TÊXTIL	2 669	13 318,31	31 529,80	0,00	31 529,80
TÊXTIL LUIS CORREIA	139 063	693 924,37	1 307 349,29	0,00	1 307 349,29
COMP PAPEL PORTO CAVALEIROS	46 621	232 638,79	271 092,13	0,00	271 092,13
FISIPE – FIBRAS SINTÉTICAS PORTUGAL	4 390	21 906,10	204 778,41	21 949,78	204 778,41
FISIPE – FIB SINTÉTICAS PORT PREF ACC 2000	21 513	107 349,87	107 306,39	107 306,39	107 306,39
CIRES – COMP IND RESINAS SINTÉTICAS	51 645	51 645,00	318 397,95	115 168,35	318 397,95
POLIMAIA, SGPS	446	2 225,54	2 295,97	2 252,30	2 295,97
ATLANTIS – CRISTAIS DE ALCOBAÇA	46 984	234 450,16	387 587,12	285 186,85	387 587,12
COMPANHIA PORTUGUESA DO COBRE	17 987	89 755,13	193 272,06	0,00	193 272,06
FÁBRICA DE PORCELANAS VISTA ALEGRE	16 469	82 180,31	200 486,34	148 053,58	200 486,34
EFACEC CAPITAL, SGPS	4 096	20 480,00	23 563,18	28 631,04	23 563,18
SALVADOR CAETANO	6 156	30 718,44	257 129,23	93 447,57	257 129,23
SOC CONST SOARES DA COSTA	570	2 844,30	2 189,48	1 424,99	2 189,48
PAPELARIA FERNANDES	31 334	156 356,66	287 594,55	76 771,29	287 594,55
SOC R SANTOS G & OLIVEIRA	2 575	12 849,25	32 373,88	0,00	32 373,88
SOPONATA – SOC PORT DE NAVIOS	30	149,70	296,43	0,00	296,43
SOC COMERCIAL OREY ANTUNES	10 198	50 990,00	71 853,82	49 868,22	71 853,82
SACOR MARÍTIMA, SA	89 762	447 912,38	1 118 764,37	502 667,56	1 118 764,37
BPI, SGPS, SA	19 182	19 182,00	19 546,97	64 067,88	19 546,97
BANCO SANTANDER PORTUGAL	229	1 145,00	1 142,25	1 145,00	1 142,25
BANCO ESSI DIRITOS 1993 INC RES	4	0,00	6,99	0,00	6,99
JERONIMO MARTINS	593 380	2 966 900,00	18 850 279,64	6 527 180,00	18 850 279,64
SONAE, SGPS, SA	6 915	6 915,00	38 525,72	8 298,00	38 525,72
SONAE, SGPS, SA EM 2000	176 666	176 666,00	149 903,26	186 999,54	149 903,26
FNACINVESTE, SGPS	99 845	498 226,55	596 016,17	0,00	596 016,17
BEIRA VOUGA	1 040	5 189,60	5 187,50	0,00	5 187,50
PIRITES ALENTEJANAS	30	149,70	234,19	0,00	234,19
FÁBRICAS VASCO DA GAMA	102	508,98	289,30	0,00	289,30
TÊXTEIS MOURA MATOS	31 146	155 418,54	207 090,91	0,00	207 090,91

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Nature and Type of Security	Quantity	Nominal Value	Average Acquisition Price	Market Price	Book Value
FETAL – MODA INTERNACIONAL	20	99,80	199,52	0,00	199,52
OPCA – OBRAS PÚBL CIMENTO ARMADO	452 000	2 255 480,00	3 179 703,41	2 710 890,75	3 179 703,41
GRUPO DIMENSÃO	75 947	378 975,53	632 329,02	0,00	632 329,02
STE – SERV TELEC ELECTRÓNICA	26 831	133 886,69	776 241,26	0,00	776 241,26
MECANO TÊXTIL	29	144,71	202,51	0,00	202,51
TORRALTA – CLUB INTERNACIONAL FÉRIAS	995	4 965,05	37 524,57	0,00	37 524,57
COSEC – COMP SEGUROS DE CRÉDITO	30 000	149 700,00	211 989,11	487 429,30	211 989,11
COMP PORTUGUESA DE FORNOS ELECTRICOS	4	2,00	2,00	0,00	2,00
OLIVEIRA & IRMÃO	12	59,88	49,88	200,28	49,88
COMUNDO – CONS MUNDIAL DE IMP E EXP	251	125,50	84,80	0,00	84,80
EUROMINAS – ELECTRO METALURGIA	225	1 122,75	6 139,55	0,00	6 139,55
FÁBRICA MENDES GODINHO	3	14,97	748,20	0,00	748,20
GRUTAS DE MIRA AIRE	560	2 794,40	699,02	0,00	699,02
INDUSTRIAS METALICAS PREVIDENTE	9 468	47 245,32	7 489,45	0,00	7 489,45
GEOFINANÇA – SOC INVESTIMENTOS	112	558,88	558,65	0,00	558,65
MATUR – EMPREEND TUR DA MADEIRA	14 296	71 337,04	168 850,83	0,00	168 850,83
SOC INDUSTRIAL FARMACEUTICA	165	823,35	9 912,78	0,00	9 912,78
SALVOR – SOC INV HOTELEIROS	94	469,06	2 253,85	0,00	2 253,85
SODIMUL – SOC COMÉRCIO E TURISMO	114	1 705,44	0,22	0,00	0,22
SOC NACIONAL FÓSFOROS	10	49,90	50,38	0,00	50,38
SOC PORTUGUESA DE EXPLOSIVOS NOM	58 000	289 420,00	42 410,29	253 678,04	42 410,29
SOC PORTUGUESA DE EXPLOSIVOS PORT	74 498	371 745,02	371 594,46	325 836,32	371 594,46
SENAL – SOC NAC PROMOÇÃO EMPRESAS	350	175,00	174,58	0,00	174,58
EDP – ELECTRICIDADE DE PORTUGAL	10 199 385	10 199 385,00	36 297 505,08	35 901 835,20	36 297 505,08
EDP – ELECTRIC DE PORTUGAL 4ª PEQ SUBS	9 230	9 230,00	27 136,20	27 136,20	27 136,20
EDP – ELECTRIC DE PORTUGAL 4ª PÚB GERAL	15 970	15 970,00	49 507,00	49 507,00	49 507,00
ESPART – ESP SANTO PARTICIPAÇÕES	217 559	1 087 795,00	1 748 571,33	1 250 964,25	1 748 571,33
FUNFRAP – FUNDIÇÃO PORTUGUESA	100 000	499 000,00	498 797,90	749 393,96	498 797,90
RICARDO GALLO VIDRO EMBALAGEM, SA	83 235	1 664,70	803 571,45	803 571,45	803 571,45
RENTAVE – INVEST IMOBILIÁRIO	2 200	10 978,00	10 973,55	10 973,55	10 973,55
BRISA – AUTO ESTRADAS PORTUGAL	16 080	16 080,00	138 020,85	152 760,00	138 020,85
PRAZOL – PROD REFINARIA ÓLEOS	2 816	14 051,84	46 580,62	0,00	46 580,62
TUROPA – OPERADORES TURÍSTICOS	127	633,73	3 200,11	0,00	3 200,11
CORTICEIRA AMORIM	8 473	8 473,00	13 679,00	9 066,11	13 679,00
IMAVIZ – IMOBILIÁRIA AVIZ	280	1 397,20	1 396,63	0,00	1 396,63
DOURO, SGPS	12 602	62 883,98	42 970,42	0,00	42 970,42
CNB-CAMAC COMP NAC BORRACHAS	400	1 996,00	4 990,47	0,00	4 990,47
EMPRESA TÊXTIL DE AGUDA	3 324	16 586,76	16 575,05	0,00	16 575,05
INCAL – IND COMÉRCIO E ALIMENTAÇÃO	24	27,12	0,12	0,00	0,12
PORTLINE – TRANSP MARÍTIMOS INTERN	954 893	4 764 916,07	4 762 985,15	4 761 081,01	4 762 985,15
CIMPOR – CIMENTOS PORTUGAL SGPS	14 501	72 505,00	213 977,70	385 726,60	213 977,70
SEMAPA, SGPS	1 366 145	1 366 145,00	4 546 962,56	5 259 658,25	4 546 962,56
COMP PORTUGUESA COBRE IMOBILIÁRIA	17 000	84 830,00	1 187,14	0,00	1 187,14
LEICA – APARELHOS ÓPTICOS PRECISÃO	10 000	49 900,00	49 879,79	49 959,60	49 879,79
FIT – FOMENTO INDUSTRIA DO TOMATE	449	2 240,51	404,51	0,00	404,51
SPIDOURO – SOC PROM EMP INV DOURO	5 000	24 950,00	24 939,89	0,00	24 939,89
SGAL – SOC GESTORA ALTO LUMIAR	210 000	1 047 900,00	10 474 755,84	10 470 461,19	10 474 755,84
UNITÉNIS – SOC EMP TÊNIS	1	149,64	3 990,38	0,00	3 990,38
JOSÉ MELLO, SGPS	152 860	762 771,40	1 524 924,93	1 524 924,93	1 524 924,93
ADR ENTRE DOURO TMEGA	6 000	29 940,00	29 927,87	29 927,87	29 927,87
PARAREDE, SGPS	7 239 471	7 239 471,00	45 806 093,38	15 202 889,10	45 806 093,38
ADRAL – AGÊNCIA DES REG ALENTEJO	2 000	9 980,00	9 975,96	0,00	9 975,96
VTR, SGPS SA	499	2 490,01	2 489,00	2 489,00	2 489,00
WEB-LAB, SGPS, SA	2 220 000	1 110 000,00	8 810 000,00	8 809 999,98	8 810 000,00
SONAE,COM, SGPS	1 740	1 740,00	17 644,13	13 554,60	17 644,13
- Quotas	2	1 808 009,20	1 808 009,20	1 808 009,20	1 808 009,20
PORTICECENTRO	1	1 796 786,25	1 796 786,25	1 796 786,25	1 796 786,25
INANGOL LIMITADA	1	11 222,95	11 222,95	11 222,95	11 222,95
- Participation certificates	184 800	922 152,00	1 060 946,33	865 550,02	1 060 946,33
CRÉDITO PREDIAL PORTUGUÊS 1988	184 800	922 152,00	1 060 946,33	865 550,02	1 060 946,33
- Participation units	27 818 998	155 358 322,65	155 386 023,59	154 910 099,83	155 386 023,59
IPE – FRIE RETEX	200 000	998 000,00	997 595,79	1 009 118,03	997 595,79
PME CAPITAL – RETEX	200 000	998 000,00	997 595,79	893 935,62	997 595,79
PME CAPITAL – FRIE	100 000	499 000,00	498 797,90	265 011,32	498 797,90
PME CAPITAL – GLOBAL	1 000 000	4 990 000,00	4 987 978,97	4 987 978,97	4 987 978,97
PME INVESTIMENTOS – FRIE	100 000	499 000,00	498 797,90	395 706,35	498 797,90
PME INVESTIMENTOS – FRIE RETEX	200 000	998 000,00	997 595,79	825 500,54	997 595,79
FUNGEPI/BES	5 495 000	27 420 050,00	27 408 944,44	27 408 944,44	27 408 944,44

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Nature and Type of Security	Quantity	Nominal Value	Average Acquisition Price	Market Price	Book Value
FUNGERE – FUNDO GESTÃO	19 556 536	97 587 114,64	97 547 590,31	97 547 590,31	97 547 590,31
FUNDO TURISMO 1996	69	1 720 852,41	1 738 998,10	1 738 998,10	1 738 998,10
FUNDO INV IMOBILIÁRIO TURISMO	350 000	1 746 500,00	1 745 792,64	1 935 507,93	1 745 792,64
FUNDO INV IMOB FECHADO TURÍSTICO II	30 000	1 500 000,00	1 500 000,00	1 500 000,00	1 500 000,00
FRIE PEDIP II	240	5 985 573,60	5 985 574,76	5 985 574,76	5 985 574,76
FRIE IMIT/BES	300	7 481 967,00	7 481 968,46	7 481 968,46	7 481 968,46
VISION ESCRITÓRIOS	586 853	2 934 265,00	2 998 792,74	2 934 265,00	2 998 792,74
Non-resident issuers	4 208 772	963 593,89	26 987 249,99	11 760 753,71	26 987 249,99
- Shares	4 208 722	963 543,89	26 987 199,99	11 760 703,71	26 987 199,99
COMPANHIA DIAMANTES DE ANGOLA	385	958,65	3 748,57	0,00	3 748,57
SENA SUGAR ESTATES	463 725	296 784,00	54 245,77	0,00	54 245,77
PRÓPRIETARIA CLUB FINANCEIRO GENOVA	1	1 070,45	3 047,41	0,00	3 047,41
AMERICAN EXPRESS CO	6 000	6 444,00	363 547,82	353 036,00	363 547,82
GENERAL ELECTRIC CO	7 750	8 323,50	469 995,03	403 949,49	469 995,03
INTEL CORP	4 000	4 296,00	164 630,84	132 187,00	164 630,84
MERRILL LYNCH & CO	4 000	4 296,00	257 657,17	295 540,03	257 657,17
HOME DEPOT INC	10 250	11 008,50	528 802,40	487 439,55	528 802,40
EMC CORP MASS	1 750	1 879,50	166 677,86	128 828,59	166 677,86
WASHINGTON MUTUAL	7 000	7 518,00	288 688,88	408 113,92	288 688,88
TEXAS INSTRUMENTS	2 500	2 685,00	127 008,33	127 008,33	127 008,33
ORACLE CORP	7 500	8 055,00	231 730,25	544 062,33	231 730,25
ABBOTT LABORAT J SMITH	4 000	4 296,00	210 909,65	208 490,06	210 909,65
ERICSSON L M TEL CO	8 000	8 592,00	121 440,09	96 722,19	121 440,09
SCHLUMBERGER LTD	2 300	2 470,20	207 168,08	202 068,78	207 168,08
BANCO BOAVISTA INTERATLNTICO	699 652	0,00	5 509,95	5 509,94	5 509,95
CISCO SYSTEMS INC	4 000	4 296,00	219 774,31	163 353,00	219 774,31
NOKIA	7 000	420,00	323 610,00	288 750,00	323 610,00
NOKIA CORP	3 200	3 436,80	120 365,39	153 036,00	120 365,39
HEWLETT PACKARD CO	5 000	5 370,00	238 202,70	238 202,70	238 202,70
RSL COMMUNICATIONS CL A	25 000	26 850,00	538 169,95	3 358,41	538 169,95
VODAFONE GROUP PLC	5 500	5 907,00	214 736,70	214 266,52	214 736,70
TYCO INTERNATIONAL	6 750	7 249,50	379 487,10	408 046,75	379 487,10
WILLIAMS COMPANIES	8 250	8 860,50	387 883,27	355 756,31	387 883,27
BRADLEES INC NEW	54 000	57 996,00	293 793,66	12 767,33	293 793,66
AMGEN INC	6 550	7 034,70	427 196,56	471 628,16	427 196,56
LIBERTY SATELLITE & TECHNOLOGY INC	105 000	112 770,00	1 282 803,13	366 738,31	1 282 803,13
TIME WARNER TELECOM	3 800	4 081,20	347 533,58	216 034,39	347 533,58
SPRINT CORP	5 000	5 370,00	187 365,66	108 140,78	187 365,66
QWEST COMMUNICATIONS	4 500	4 833,00	237 878,56	201 907,58	237 878,56
FINET COM INC	2 442 159	24 421,59	10 209 564,75	236 210,97	10 209 564,75
DELL COMPUTER CORP	6 250	6 712,50	206 206,34	347 595,38	206 206,34
CHASE MANHATTAN CORP	9 250	9 934,50	405 414,70	469 707,15	405 414,70
JOHNSON & JOHNSON	1 000	1 074,00	101 692,64	113 111,23	101 692,64
ZIXIT CORP	26 000	27 924,00	1 967 742,88	237 506,72	1 967 742,88
ACTV INC	25 000	26 850,00	967 537,88	114 185,92	967 537,88
TANSMEDIA ASIA PACIFIC INC	133 200	143 056,80	361 960,24	44 662,44	361 960,24
DIGITAL ISLAND INC	2 500	2 685,00	335 592,42	10 075,23	335 592,42
NORTEL NETWORKS CORP	5 750	6 175,50	409 558,64	203 922,62	409 558,64
FLEXTRONICS INT LTD	9 500	10 203,00	333 441,70	293 524,99	333 441,70
AXCELIS TECHNOLOGIES	14 500	15 573,00	134 927,30	134 013,97	134 927,30
IBM CORP	1 550	1 664,70	191 355,45	144 505,64	191 355,45
WELLS FARGO & CO	6 000	6 444,00	288 960,77	361 902,20	288 960,77
SYMANTEC CORP	3 000	3 222,00	145 083,29	114 454,59	145 083,29
LAKEHEAD PIPE LINE	3 500	3 759,00	157 746,37	157 979,58	157 746,37
IMMUNEX CORP	5 000	5 370,00	233 013,43	227 028,48	233 013,43
FEDEX CORP	6 750	7 249,50	315 500,27	284 871,04	315 500,27
BANK ONE CORP COM	8 000	8 592,00	299 170,88	319 183,23	299 170,88
ALTERA CORP	5 500	5 907,00	183 492,24	169 935,52	183 492,24
ADVANCED FIBRE COM	5 000	5 370,00	171 950,56	107 469,10	171 950,56
AES CORP	6 750	7 249,50	493 639,04	409 860,29	493 639,04
NOBLE DRILLING CORP	2 250	2 416,50	120 600,48	108 207,95	120 600,48
NORTHERN TRUST CORP	3 500	3 759,00	303 909,08	310 317,03	303 909,08
MILLIPORE CORP	4 450	4 779,30	245 529,96	245 529,96	245 529,96
- Other securities	50	50,00	50,00	50,00	50,00
LUSITANO Nº1 LIMITED	50	50,00	50,00	50,00	50,00

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Nature and Type of Security	Quantity	Nominal Value	Average Acquisition Price	Market Price	Book Value
C. SECURITIES HELD TO MATURITY	0	0,00	0,00	0,00	0,00
D. FINANCIAL INVESTMENTS	13 283 675 206	835 175 171,00	1 583 575 770,50	1 396 814 138,66	1 583 575 770,50
Equity holdings	13 155 459 818	269 675 489,00	785 917 549,29	600 391 803,99	785 917 549,29
- In domestic credit institutions	20 930	1 043 988,40	1 043 983,99	1 043 983,99	1 043 983,99
SPGM – SOC INVESTIMENTOS NOM	20 930	1 043 988,40	1 043 983,99	1 043 983,99	1 043 983,99
- In credit institutions abroad	13 112 358 450	204 370 806,78	291 497 573,29	243 900 407,46	291 497 573,29
BANCO INTER UNIDO	84 750	422 902,50	211 365,61	0,00	211 365,61
BANQUE ESPÍRITO SANTO DE LA VÉNÉTIE	419 998	6 299 970,00	7 060 909,64	7 060 909,64	7 060 909,64
INTERATLÁNTICO, SA	50 096 921	78 244 548,17	85 530 529,55	38 144 729,33	85 530 529,55
KREDYT BANK PBI	19 583 112	25 418 879,38	82 066 391,31	82 066 391,31	82 066 391,31
BANCO BRADESCO	13 041 733 545	89 536 613,59	89 536 613,59	89 536 613,59	89 536 613,59
BMCE BANK SA	440 124	4 447 893,14	27 091 763,60	27 091 763,60	27 091 763,60
- In other domestic companies	43 064 551	58 844 428,52	487 888 861,48	349 960 282,00	487 888 61,48
SODERA – SOC DES REGIONAL ALENTEJO	1 950	48 633,00	32 421,86	48 632,79	32 421,86
SIBS – SOC INTERBANCÁRIA SERVIÇOS	388 269	1 937 462,31	1 068 197,78	1 068 197,78	1 068 197,78
UNICRE – CARTÃO INTERNACIONAL CRÉDITO	149 610	746 553,90	219 754,02	219 754,02	219 754,02
PORTUGAL TELECOM SGPS	21 324 272	21 324 272,00	226 414 874,39	207 698 409,28	226 414 74,39
SOC TURÍSTICA PALHEIRO GOLF	3 000	14 970,00	14 963,94	14 963,94	14 963,94
PME CAPITAL	150 000	748 500,00	748 196,85	748 196,85	748 196,85
PME INVESTIMENTOS	150 000	748 500,00	748 196,85	493 570,50	748 196,85
FINANGESTE – EMP FIN GESTÃO DESENV	35 775	178 517,25	435 450,56	210 932,64	435 450,56
NET – NOVAS EMP TECNOLOGIAS	3 050	15 219,50	15 213,34	12 931,34	15 213,34
EUROP ASSISTANCE – C P SEG ASSIST	230 000	1 147 700,00	1 147 235,16	1 147 235,16	1 147 235,16
MULTIPESSOAL – SOC PREST GEST SERV	20 000	99 800,00	99 759,58	99 759,58	99 759,58
ESEGUR – ESPÍRITO SANTO SEGURANÇA	12 000	59 880,00	59 855,75	59 855,75	59 855,75
FUNDO TURISMO – CAPITAL RISCO	150 000	748 500,00	748 196,85	687 981,96	748 196,85
KREDIGES – S SERVIÇOS	6 190	30 888,10	30 875,59	30 875,59	30 875,59
AMBELIS – AGÊNCIA MOD BASE EC LISBOA	400	19 952,00	19 951,92	19 951,92	19 951,92
ESUMÉDICA – PREST CUIDADOS MÉDICOS	74 700	372 753,00	395 449,60	395 449,60	395 449,60
SODAP, SGPS	30 000	149 700,00	149 639,37	151 420,08	149 639,37
FUNDO TURISMO – SOC GEST F INV IMOB	10 000	49 900,00	49 879,79	51 013,06	49 879,79
ESPÍRITO SANTO – COMPANHIA DE SEGUROS	930 000	4 640 700,00	4 638 820,44	4 638 820,44	4 638 820,44
FIEP – FUNDO P INTERN EMPRESAS PORT	3 400 000	16 966 000,00	16 970 811,72	16 959 128,50	16 970 811,72
PRIMUS MGV	8 000	39 920,00	39 903,83	39 903,83	39 903,83
AENOR – AUTO-ESTRADAS NORTE	374 292	3 742,92	3 742,92	3 742,92	3 742,92
OPERANOR – OP MANUT AUTO-ESTRADAS	666	666,00	666,00	666,00	666,00
PT MULTIMÉDIA, SGPS	2 571 943	1 285 971,50	157 652 653,28	64 298 575,00	157 652 653,28
SUBLOC – LOCAÇÃO SUBMARINOS	2 500	25 000,00	25 000,00	25 000,00	25 000,00
OPERADORA LUSOSCUT – MAN AUTO-ESTR	500	500,00	500,00	500,00	500,00
LUSOSCUT – AUTO-ESTR COSTA PRATA	222 000	6 660,00	6 660,00	6 660,00	6 660,00
MTS PORTUGAL – SOC GEST MERC DIV PÚB	2 187 500	21 875,00	21 875,00	21 875,00	21 875,00
PT MULTIMÉDIA,COM	9 489 936	5 504 162,88	74 175 549,33	48 873 170,40	74 175 549,33
ESPÍRITO SANTO SAÚDE, SGPS, SA	500 000	500 000,00	500 000,00	500 000,00	500 000,00
BVLP – SOC GEST MERCADOS REGULAM	117 764	117 764,00	139 221,69	117 764,00	139 221,69
VIALITORAL – CONC RODOVIÁRIAS MADEIRA	4 750	712 500,00	738 110,21	738 110,21	738 110,21
SOC IMOB URBANIZAÇÃO DO PARQUE	484	2 415,16	2 414,18	2 414,18	2 414,18
EJV – PLATAFORMA COM ELECTRÓNICO	400 000	400 000,00	400 000,00	400 000,00	400 000,00
COIMBRAVITA – AGÊNCIA DES REGIONAL	15 000	74 850,00	74 819,68	74 819,68	74 819,68
ESPÍRITO SANTO INTERACTION	100 000	100 000,00	100 000,00	100 000,00	100 000,00
- In other companies abroad	15 887	5 416 265,30	5 487 130,53	5 487 130,54	5 487 130,53
SWIFT – SOC WORLDWIDE I FIN TEL	133	14 177,80	85 058,51	85 058,52	85 058,51
FEI – FUNDO EUROPEU INVESTIMENTOS	3	3 000 000,00	3 000 000,00	3 000 000,00	3 000 000,00
EBA CLEARING SAS	1	1 000,00	1 000,00	1 000,00	1 000,00
SCI – GEORGES MANDEL	15 750	2 401 087,50	2 401 072,02	2 401 072,02	2 401 072,02
Equity holdings in subsidiary companies	128 215 372	477 927 532,38	710 086 071,59	710 086 079,72	710 086 071,59
- In domestic credit institutions	53 735 171	268 593 496,39	420 484 448,23	420 484 448,23	420 484 448,23
BIC – BANCO INTERNACIONAL DE CRÉDITO	30 000 000	150 000 000,00	208 520 708,18	208 520 708,18	208 520 708,18
BANCO ESPÍRITO SANTO INVESTIMENTOS	14 000 000	70 000 000,00	159 834 457,59	159 834 457,59	159 834 457,59
BESLEASING IMOBILIÁRIA	1 951 456	9 737 765,44	8 142 329,75	8 142 329,75	8 142 329,75
BESLEASING MOBILIÁRIA	3 334 408	16 638 695,92	21 768 331,74	21 768 331,74	21 768 331,74

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Nature and Type of Security	Quantity	Nominal Value	Average Acquisition Price	Market Price	Book Value	December/2000 — euros
EUROGES – AQUIS CRÉDITOS CURTO PRAZO	2 400 000	11 976 000,00	12 142 068,37	12 142 068,37	12 142 068,37	
CREDIFLASH, SA	849 997	4 244 485,03	4 094 419,54	4 094 419,54	4 094 419,54	
CREDIBOM, SA	1 199 310	5 996 550,00	5 982 133,06	5 982 133,06	5 982 133,06	
- In credit institutions abroad	15 815 050	117 716 591,30	175 222 137,34	175 222 137,34	175 222 137,34	
BESNAC – BANCO ESP S CAPITAL CORP	1 000	720,00	35 758,82	35 758,82	35 758,82	
BESSA – BANCO ESP SANTO (ESPANHA)	9 237 500	73 900 000,00	79 884 352,29	79 884 352,29	79 884 352,29	
BANCO ESPÍRITO SANTO ORIENTE	199 500	26 687 115,00	26 526 653,74	26 526 653,74	26 526 653,74	
ESPÍRITO SANTO BANK MIAMI	6 377 050	17 128 756,30	68 775 372,50	68 775 372,50	68 775 372,50	
- In other domestic companies	58 158 061	87 122 330,42	91 434 923,82	91 434 931,96	91 434 923,82	
ESPÍRITO SANTO DEALER	285 000	1 425 000,00	3 800 245,16	3 800 245,16	3 800 245,16	
ESDI – ESP SANTO DATA INFORMÁTICA	486 000	2 425 140,00	2 960 306,17	2 960 306,17	2 960 306,17	
GESFINC – ESP S ESTUDOS FIN MERC CAP	28 000	139 720,00	139 668,40	139 668,40	139 668,40	
ESAF – ESP SANTO ACTIVOS FINANCIEROS	1 527 500	7 622 225,00	7 619 137,88	7 619 137,88	7 619 137,88	
ESP SANTO CAPITAL – SOC CAP RISCO	3 964 060	19 820 300,00	19 773 516,61	19 773 516,61	19 773 516,61	
QUINTA DOS CÔNEGOS	377 400	1 883 226,00	3 063 926,72	3 063 934,86	3 063 926,72	
ESGEST – ESP S GEST INST APROV COMUM	20 000	99 800,00	99 759,58	99 759,58	99 759,58	
ESPÍRITO SANTO COBRANÇAS	75 000	374 250,00	374 098,42	374 098,42	374 098,42	
ESPÍRITO SANTO CONTACT CENTER	945 000	945 000,00	945 000,00	945 000,00	945 000,00	
BES, COM, SGPS, SA	50 000 000	50 000 000,00	50 000 000,00	50 000 000,00	50 000 000,00	
ESPÍRITO SANTO FINANCIAL CONSULTANTS	450 100	2 250 500,00	2 250 500,00	2 250 500,00	2 250 500,00	
CÉNTIMO – SOC SERVIÇOS	1	137 169,42	408 764,88	408 764,88	408 764,88	
- In other companies abroad	507 090	4 495 114,27	22 944 562,20	22 944 562,19	22 944 562,20	
ESOL – ESP SANTO OVERSEAS	1 000	1 074,00	1 074,69	1 074,69	1 074,69	
SPAINVEST, SA	399 999	3 527 991,18	21 977 378,52	21 977 378,52	21 977 378,52	
BES FINANCE LIMITED	25 000	26 850,00	26 867,28	26 867,28	26 867,28	
BES OVERSEAS LIMITED	1 000	1 074,00	1 074,69	1 074,69	1 074,69	
ESCLINC – ESPÍRITO SANTO COM LISBOA	100	872 213,80	872 213,86	872 213,86	872 213,86	
ESPÍRITO SANTO PLC	29 994	38 092,38	38 084,52	38 084,52	38 084,52	
E,S,REPRESENTACOES	49 995	27 497,25	27 546,97	27 546,97	27 546,97	
CAPITAL CONNAUGT NOM	1	160,83	160,83	160,83	160,83	
CAPITAL ESP SANT NOM	1	160,83	160,83	160,83	160,83	
Sub-total	13 283 675 190	747 603 021,38	1 496 003 620,88	1 310 477 883,72	1 496 003 620,88	
Other financial investments	16	87 572 149,63	87 572 149,62	86 336 254,94	87 572 149,62	
ESPÍRITO SANTO LIMITED (SUP)	1	410 090,00	410 089,99	410 090,00	410 089,99	
AENOR – AUTO-ESTRADAS NORTE (SUP)	2	791 673,74	791 673,74	791 673,74	791 673,74	
LUSOScut – AUTO-ESTR C PRATA (SUP)	1	277 340,00	277 340,00	277 340,00	277 340,00	
COMPANHIA PORTUGUESA COBRE (SUP)	1	847,96	847,96	847,96	847,96	
ESEGUR – ESP SANTO SEGURANÇA (SUP)	1	399 038,32	399 038,32	399 038,32	399 038,32	
QUINTA DOS CÔNEGOS (SUP)	1	410 270,15	410 270,15	410 270,15	410 270,15	
SOC IMOB URBANIZAÇÃO PARQUE (SUP)	1	1 820 086,18	1 820 086,18	1 820 086,18	1 820 086,18	
SOC TUR PALHEIRO GOLFE (SUP)	1	21 947,11	21 947,11	21 947,11	21 947,11	
VTR, SGPS, SA (SUP)	1	22 366 693,46	22 366 693,46	22 366 693,46	22 366 693,46	
SPAINVEST SA (SUP)	1	3 250 000,00	3 250 000,00	3 250 000,00	3 250 000,00	
ESPÍRITO SANTO COBRANÇAS (SUP)	1	562 706,38	562 706,38	562 706,38	562 706,38	
ESPÍRITO SANTO PLC (SUP)	1	35 500 000,00	35 500 000,00	35 500 000,00	35 500 000,00	
OPCA – OB PÚBL CIMENTO ARMADO (SUP)	1	14 101 265,95	14 101 265,95	14 101 265,95	14 101 265,95	
BANQUE ESP SANTO DE LA VÉNÉTIE	1	2 286 735,25	2 286 735,25	2 286 735,25	2 286 735,25	
KLEINWORT BENSON LON	1	5 373 455,13	5 373 455,13	4 137 560,45	5 373 455,13	
Total	126 222 600 844	5 698 250 904,39	6 665 597 035,97	6 378 810 143,09	6 666 626 544,98	

8.2 Consolidated Financial Statements of Group Banco Espírito Santo

Balance Sheet at 31 December 2000

Assets	Notes	2000			Previous Year (Net)	(milhares de euros)
		Gross Assets	Depreciation and Provisions	Net Assets		
1. Cash and cash equivalents with central banks	4	799 705		799 705	803 743	
2. Current accounts with credit institutions	5	868 247		868 247	607 795	
3. Due from credit institutions - other items	6	3 644 915	33 080	3 611 835	4 052 568	
4. Advances and loans to customers	7	21 789 213	305 718	21 483 495	16 702 826	
5. Bonds and other fixed-income securities		3 794 565	56 687	3 737 878	3 866 892	
a) Public sector issuers	8	1 568 069	8 776	1 559 293	1 282 430	
b) Other issuers	8	2 184 627	47 911	2 136 716	2 574 237	
c) Own securities	8	41 869		41 869	10 225	
6. Shares and other variable income securities	8	682 192	81 273	600 919	1 228 574	
7. Equity holdings in associated companies	9	25 712		25 712	21 019	
8. Equity holdings in unconsolidated subsidiaries						
9. Other financial investments	9	752 294	5 497	746 797	72 326	
10. Intangible assets	11	351 875	197 125	154 750	150 477	
11. Tangible assets	12	988 847	540 992	447 855	441 850	
(For own use)		(585 378)	(256 542)	(328 836)	(331 870)	
12. Revaluation differences – equity method						
13. Consolidation differences						
14. Unpaid capital						
15. Own shares		74 121		74 121		
16. Other assets	13	510 882	18 498	492 384	527 299	
17. Accruals and deferrals	14	892 594		892 594	909 423	
18. Consolidated loss for period						
19. Minority interests						
Totals		35 175 162	1 238 870	33 936 292	29 384 792	

Off Balance Sheet Items	Notes	Year	Previous Year
1. Guarantees extended and contingent liabilities	25	4 310 118	3 489 291
Of which:			
1.1 Acceptances and endorsements			
1.2 Guarantees and sureties		3 768 162	3 319 400
1.3 Others		541 956	169 891
2. Commitments	25	2 671 664	2 790 634
Of which:			
2.1 Commitments arising from sales operations with option to repurchase			
Total		6 981 782	6 279 925

Manager Of The Planning
And Accounts Department

Carlos dos Santos Moita

The attached notes form an integral part of these financial statements

Liabilities and Shareholders Equity	Notes	Year	Previous Year	(milhares de euros)
1. Due to credit institutions		8 280 252	8 161 037	
a) At sight	15	462 300	978 911	
b) At term or with notice	15	7 817 952	7 182 126	
2. Amounts due to customers		16 159 751	14 461 771	
a) Savings deposits	16	2 452 456	2 369 988	
b) Sight deposits	16	6 376 443	5 540 073	
c) Time deposits	16	7 330 852	6 551 710	
3. Debt securities		5 178 011	3 426 552	
a) Bonds in circulation	17	3 500 486	2 190 566	
b) Others	17	1 677 525	1 235 986	
4. Other liabilities	18	180 529	175 083	
5. Accruals and deferrals	19	733 334	428 647	
6. Revaluation differences – equity method				
7. Consolidation differences				
8. Provisions for risks and charges		258 462	197 749	
a) Provisions for pensions and similar charges	20 e 24	3 734	3 512	
b) Other provisions	20	254 728	194 237	
9. Reserve for general banking risks	20	54 079	10 719	
10. Subordinated debt	21	1 083 022	766 852	
11. Subscribed capital	23	1 000 000	587 500	
12. Share premium account	23	293 562	221 788	
13. Reserves	23	- 82 127	80 753	
14. Revaluation reserves	23		30 680	
15. Retained earnings	23		27 818	
16. Minority interests	22	569 424	602 328	
17. Consolidated profit for period	23	227 993	205 515	
Totals		33 936 292	29 384 792	

The Board of Directors

António Luís Roquette Ricciardi	Pedro de Mendonça Queiroz Pereira
Ricardo Espírito Santo Silva Salgado	Patrick Henri Marie Marty-Ané
Jean Gaston Pierre Marie Victor Laurent	Jean-Luc Marie Perron
Mário Mosqueira do Amaral	Manuel António Ribeiro Serzedelo de Almeida
José Manuel Pinheiro Espírito Santo Silva	José Maria Espírito Santo Silva Ricciardi
António José Baptista do Souto	Jean-Luc Louis Marie Guinoiseau
Jorge Alberto Carvalho Martins	Gilles François Gramat
Manuel António Gomes de Almeida Pinho	Rui Manuel Duarte Sousa da Silveira
Yves Henri Camille Barsalou	Joaquim Anibal Brito Freixial de Goes
Aníbal da Costa Reis de Oliveira	Francisco Luís Murteira Nabo
José Manuel Ferreira Neto	Pedro José de Sousa Fernandes Homem
Manuel de Magalhães Villas-Boas	Ilídio da Costa Leite de Pinho
Manuel Fernando Moniz Galvão Espírito Santo Silva	Herman Agneessens
Jackson Behr Gilbert	

P&L Account at 31 December 2000

Debit	Notes	Year	Previous Year
1. Interest and similar costs		1 846 579	1 168 883
2. Fees		47 266	35 425
3. Losses on financial transactions		3 395 455	2 577 139
4. General administrative expense		518 067	454 640
4.1 Staff costs		285 146	245 319
4.2 Other administrative costs		232 921	209 321
5. Depreciation & amortization for period	11 e 12	108 943	92 557
6. Other operating costs	29	6 008	7 746
7. Provisions against past due loans and other risks	20	434 860	317 445
8. Provisions against losses on investments	20	4 002	923
9. Extraordinary losses	30	22 128	21 827
10. Taxes on income	31	63 987	48 508
11. Other taxes		6 196	7 750
12. Losses of unconsolidated associated companies and subsidiaries		0	40 837
13. Minority interests	22	54 526	63 612
14. Consolidated profit for period		227 993	205 515
Total		6 736 010	5 042 807

(milhares de euros)

Manager Of The Planning
And Accounts Department

Carlos dos Santos Moita

The attached notes form an integral part of these financial statements

Credit	Notes	Year	Previous Year	(milhares de euros)
1. Interest and similar income	27	2 486 816	1 737 882	
2. Income from securities	27	11 494	13 512	
3. Fees	27	338 111	259 849	
4. Profits on financial transactions	27	3 594 927	2 724 270	
5. Recoveries and cancellations of overprovisions	20	181 417	150 487	
6. Profits of unconsolidated associated companies and subsidiaries		4 828	823	
7. Other operating revenues	27 e 29	87 003	75 842	
8. Extraordinary income	30	31 414	80 142	
9. Minority interests				
10. Consolidated loss for period				
Total		6 736 010	5 042 807	

The Board of Directors

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Ilídio da Costa Leite de Pinho
Herman Agneessens

**Individual and Consolidated Cash Flow Statements For the Financial Years
Ending at 31 December 2000 And 1999**

	Notes	BES		Consolidated		(thousand euros)
		2000	1999	2000	1999	
Cash flow from operations						
Interest and fees received		2 093 406	1 420 183	2 727 499	1 926 503	
Interest and fees paid		(1 565 077)	(938 760)	(1 739 784)	(1 140 866)	
Recovery of loans and interest						
written-off in previous years		5 501	5 297	7 120	5 297	
Payments to employees and suppliers		(242 927)	(288 896)	(406 014)	(421 071)	
Pensions paid and contributions to pension fund	24	(74 685)	(78 960)	(82 993)	(85 835)	
Operating results before adjustments to working capital		216 218	118 864	505 828	284 028	
(Increases) / decreases in operating assets						
Amounts due to credit institutions		(933 636)	275 023	428 443	(448 434)	
Deposits with central banks		1 982	(197 070)	6 465	(260 173)	
Amounts due to customers		(2 823 804)	(1 164 764)	(4 861 571)	(2 986 782)	
Trading securities		429 012	(190 292)	356 704	(12 253)	
Other operating liabilities		217 297	(212 078)	554 452	(202 804)	
(Increases) / decreases in operating assets						
Amounts due to credit institutions		1 792 274	185 238	169 379	473 175	
Amounts due to customers		751 344	561 996	1 647 816	1 438 427	
Debt securities		610 768	1 083 590	1 751 459	1 726 993	
Other operating liabilities		(18 102)	(2 633)	15 452	37 068	
Net cash flow from operations before, taxes on profits		243 353	457 874	574 427	49 245	
Taxes on profits	31	(12 755)	(6 479)	(38 442)	(21 478)	
Net cash flow from operations		<u>230 598</u>	<u>451 395</u>	<u>535 985</u>	<u>27 767</u>	
Cash flow from investment activities						
Purchase of investments and equity holdings in subsidiary companies		(662 725)	(139 918)	(645 159)	(55 082)	
Amounts received on sale of investments and equity holdings		33 186	70 212	42 914	76 255	
Dividends received		32 221	34 131	11 494	13 512	
Purchase of investment securities		(10 979 801)	(27 650 921)	(11 384 270)	(28 554 451)	
Amounts received on sale of investment securities		10 920 676	27 354 836	11 243 482	28 939 452	
Purchase of fixed assets		(92 224)	(94 437)	(135 680)	(130 011)	
Amounts received on sale of fixed assets		8 170	972	10 776	3 921	
Net cash flow from investment activities		<u>(740 497)</u>	<u>(425 125)</u>	<u>(856 443)</u>	<u>293 596</u>	
Cash flow from financing activities						
Issue of subordinated shelf bonds	21	388 140	432 016	316 367	77 085	
Reimbursement and remuneration paid on participation certificates	21	(219)	(215)	(219)	(215)	
Capital increase	23	453 594	-	453 594	-	
Dividends paid	23	(82 250)	(72 089)	(83 453)	(73 468)	
Bonuses paid to employees	23	(16 460)	(14 964)	(23 263)	(19 578)	
Issue and remuneration of preferred stock	22	-	-	(45 941)	118 118	
Net cash flow from financing activities		<u>742 805</u>	<u>344 748</u>	<u>617 085</u>	<u>101 942</u>	
Effects of adjustment of exchange rate on cash and cash equivalents		<u>(35 432)</u>	<u>(233 386)</u>	<u>(33 748)</u>	<u>(237 996)</u>	
Net increase in cash and cash equivalents		<u>197 474</u>	<u>137 632</u>	<u>262 879</u>	<u>185 309</u>	
Cash and cash equivalents at beginning of period	3.3 q)	673 195	535 563	820 343	635 034	
Cash and cash equivalents at end of period	3.3 q)	<u>870 669</u>	<u>673 195</u>	<u>1 083 222</u>	<u>820 343</u>	
		<u>197 474</u>	<u>137 632</u>	<u>262 879</u>	<u>185 309</u>	

8.3 Appendix to the Bank's Accounts

The prevailing norms prescribing data to be published officially require certain explanatory notes to the balance sheet and income statement headings. These are mentioned in numerical order and where there is a satisfactory explanation elsewhere in the report or in the notes to the financial statements (7.4) mention will be made accordingly.

1. In compliance with an instruction issued by Banco de Portugal, the balance in account "35 – Other funds" was split in two components, one concerning credit institutions' funds and the other third parties' funds. This led to the following changes in BES balance sheet as of 31 December 1999 (in thousand euros):

Liabilities	Balance at 31.Dez.99	
	Previous	Current
1. Due to credit institutions	7 874 861	7 925 025
b) At term or with notice	7 010 201	7 060 365
2. Due to customers	10 634 880	10 584 716
b) Other deposits	8 314 129	8 263 965
bb) At term	3 648 514	3 598 350

2. The headings defined in the Plan of Accounts for the Banking System were listed in accordance with Banco de Portugal's instructions.

3. Valuation criteria are set forth in note 3 of point 7.4.

4. There were no departures from the valuation criteria defined in the prevailing Plan of Accounts.

5. Valuations for balance sheet purposes do not differ materially from those based on the latest known market price up to the time of closing.

6. Equity holdings and respective capital participations, names and registered offices are reported in notes 2, 9 and 10 of point 7.4, and in the body of the report.

7. Bonds and other fixed-income securities are listed by remaining time to maturity in note 8, point 7.4.

8. Loans to companies in which participations are held are included under asset headings 2 to 5 and are reported in note 32 of point 7.4.

9. The same applies to associated companies, also reported in note 32 of point 7.4.

10. An itemization of the securities portfolio: the list is given under point 7.1, in accordance with the official form of presentation.

11. The evolution of tangible and intangible assets is shown in notes 11 and 12 of point 7.4.

12. Assets of a subordinated nature are listed in note 13 of point 7.4.

13. As of 31 December 2000 there were no securities sold under repurchase agreements.

14. Loans shown under asset headings 3 and 4, classified according to remaining life, are described in notes 6 and 7 of point 7.4.

15. Revaluation of tangible assets and financial investments:

a) *No revaluation of fixed assets was carried out in 2000; no revaluation differences were transferred to revaluation reserves; the revaluation reserves' initial balance, movement and closing balance on the reporting year are included in note 12 of point 7.4.*

b) *The book value of fixed assets, at cost, their revaluation, and the corresponding depreciation are reported in note 12 of point 7.4.*

c) *No exceptional depreciation was carried out in 2000.*

16. At year-end 2000, incorporation expenses, net of depreciation, totalled Euro 1.5 million; research and development expenses, refer-

red in note 11 of point 7.4, are depreciated over 3 years. BES research and development expenses, whose net value as of 31 December 2000 was Euro 113 million, relate to expenditure in the adaptation of the new software and/or adaptation of new features in existing applications.

17. No exceptional value adjustments were made to current assets.
18. Liabilities are listed by remaining time to maturity in notes 15, 16 and 17 of point 7.4.
19. Bonds and other securities in circulation are listed according to remaining time to maturity in note 17 of point 7.4.
20. Liabilities to associated companies, included under liability headings 1, 2, 3 and 8, are reported in note 32 of point 7.4.
21. Liabilities heading no. 8 shows participation certificates and subordinated bonds, as set forth in note 21 of point 7.4.
22. Total liabilities, including liabilities under guarantees, are shown in notes 25 and 32 of point 7.4.
23. Pension fund liabilities and respective coverages are set forth in note 24 of point 7.4.
24. The balances of provisions are given in note 20 of point 7.4

Provisions for	Balance at 31.Dec.00
Doubtful loans	10 136
Placements in domestic credit institutions	0
Placements in foreign credit institutions	0
Subsidiaries	0
Associated companies	0
Other credits	10 136
Past due loans	169 061
Placements in domestic credit institutions	0
Placements in foreign credit institutions	2 684
Subsidiaries	0
Associated companies	0
Other credits	166 377
Devaluation of trading securities	19
Devaluation of investment securities	118 354
Other placements	3 460
Financial investments	48 172
General credit risks	177 261
Fx fluctuation risks	0
Retirement and survival pensions	0
Other risks and charges	0
General banking risks	0
Country risk	34 275
Placements in foreign credit institutions	30 329
Customer loans	1 424
Securities	2 410
Other assents	112
Total	560 738

25. The balances of provisions are given in note 20 of point 7.4. The required breakdown of balances as of 31 December 2000 is as follows (in thousand euros):

26. The criteria employed to differentiate the negotiable securities listed under asset headings 5 and 6 from those representing financial investments, are reported in note 3 of point 7.4.
- 26A. In 2000 the portfolio of securities intended to be held to maturity was not reclassified.
27. The balances of the accounts: deferred charges, deferred income, unearned income and accrued expenses are reported in notes 14 and 19 of point 7.4.
28. a) *Amounts not yet taken to the BES individual income statement respecting:*
- securities issued at below par, total zero;
 - investment securities purchased at above par total Euro 769 thousand; and
 - investment securities purchased at below par total Euro 13,238 thousand.
- b) *The difference between book and market value of investment securities is Euro 17,314 thousand.*
- c) *The difference between book value of trading securities and the corresponding value it they had been valued at cost is Euro 1,011 thousand.*
- d) *The amounts taken to the income statement at market value are: Euro 803 thousand of profits and Euro 4,799 thousand of losses.*
29. In 2000 the Bank had a capital increase, as reported in note 23 of point 7.4 and in the body of the management report.
30. There were no beneficial holdings of the Bank's shares, convertible bonds or securities or similar rights apart from the situation reported in note 22 of point 7.4.
31. The nature and amounts of the items shown under asset heading 13 and liabilities heading 4 are net forth in notes 13 and 18 of point 7.4.
32. Funds managed by Group BES for the account of others are shown in the body of the present Report and Accounts.
33. The breakdown of all outstanding forward transactions is given in note 25 of point 7.4.
34. Personnel, broadly classified according to professional categories, is reported in note 28 of point 7.4.
35. Compensation to members of the corporate and audit bodies for the financial year, as well as loans extended to them are reported in note 28 of point 7.4.
36. The Bank provides no management or representational services to others that are of material importance.
37. Foreign currency-denominated assets and liabilities are reported in note 26 of point 7.4.
38. Revenues recorded under income statement headings B1, B2, B3, B4 and B7, with geographical breakdown, are reported in note 27 of point 7.4.
39. The main components of the headings:
- Other operating costs
 - Other operating revenues
 - Extraordinary losses
 - Extraordinary gains
- are reported in notes 29 and 30 of point 7.4.

40. Expenses allocated to and expenses paid relative to subordinated liabilities are reported in note 21 of point 7.4.
41. The difference between the tax liability imputed to the reporting financial year and to the two prior financial years, and the tax liability either already paid or payable relative to those financial years is reported in note 31 of point 7.4.
42. There is no differentiation between the tax treatment of operating revenues and extraordinary earnings originating a material impact on the financial statements.
43. The BES accounts will be consolidated by BESPARG – Sociedade Gestora de Participações Sociais, S.A., with registered office at Rua de São Bernardo, 62, Lisbon.
44. BES maintains no branches in other European Union member countries that are exempt from audit and publication of their income statements.
45. The value on 31 December 2000 of assets held by BES under financial lease, net of amortizations, was Euro 798 thousand, and is reflected under heading no. 10 of the balance sheet.
46. There was no netting between debtor and creditor balances in third party and adjustment accounts.
47. The amounts taken to the income statement relative to dealings with subsidiaries refer to current commercial transactions discriminated in note 32 of point 7.4.
48. Securitization operations are reported in note 7 of point 7.4.
49. BES is fully up to date with its obligations to the social security system (no. 1 of article 21 of Decree-Law no. 411/91 of 17 October).
50. Group BES business in terms of net assets by economic activity and geographical distribution, after elimination of inter-group transactions, is as follows (in million euros):

10⁶ euros

Geographical Areas Sectors of Activity	Portugal	Spain	EUA	Macao	United Kingdom	Switzerland	Ireland	Cayman Island	Total
Bancário	25 238	1 023	1 673	197	2 415	708	193	66	31 513
Leasing	913								913
Aquisições a Crédito	427								427
Gestão de Activos Financeiros	24	73							97
Corretagem	52	574							626
Factoring	276								276
Outros e Diversos	84								84
Total	27 014	1 670	1 673	197	2 415	708	193	66	33 936

51. The BES 2000 accounts do not include results from transactions determined under criteria other than market criteria carried out with companies in relation to which there is a controlling relationship.

8.4 Notes to the Individual and Consolidated Financial Statements at 31 December 2000 and 1999

(Amounts expressed in thousand euros)

NOTE 1 – Activity

Banco Espírito Santo, SA (the Bank or BES) is a commercial bank headquartered in Portugal. For the purpose, the Bank is authorized by the Portuguese authorities, central banks and regulatory authorities to operate in Portugal and in the countries where its international financial subsidiaries are located.

BES's origins date back to the last quarter of the 19th century. The Bank started to operate as a commercial bank in 1937, following the merger of Banco Espírito Santo and Banco Comercial de Lisboa, from which resulted Banco Espírito Santo e Comercial de Lisboa. By public deed of 6 July 1999, the Bank took the name of Banco Espírito Santo, SA.

BES is a public limited company, and is quoted on the Lisbon Stock Exchange. On 31 December 2000, 10 million shares of the preferred stock of its Espírito Santo Overseas Ltd subsidiary were listed on the New York Stock Exchange, and 10 million shares of the preferred stock of its BES Overseas, Ltd. subsidiary were listed on the London Stock Exchange.

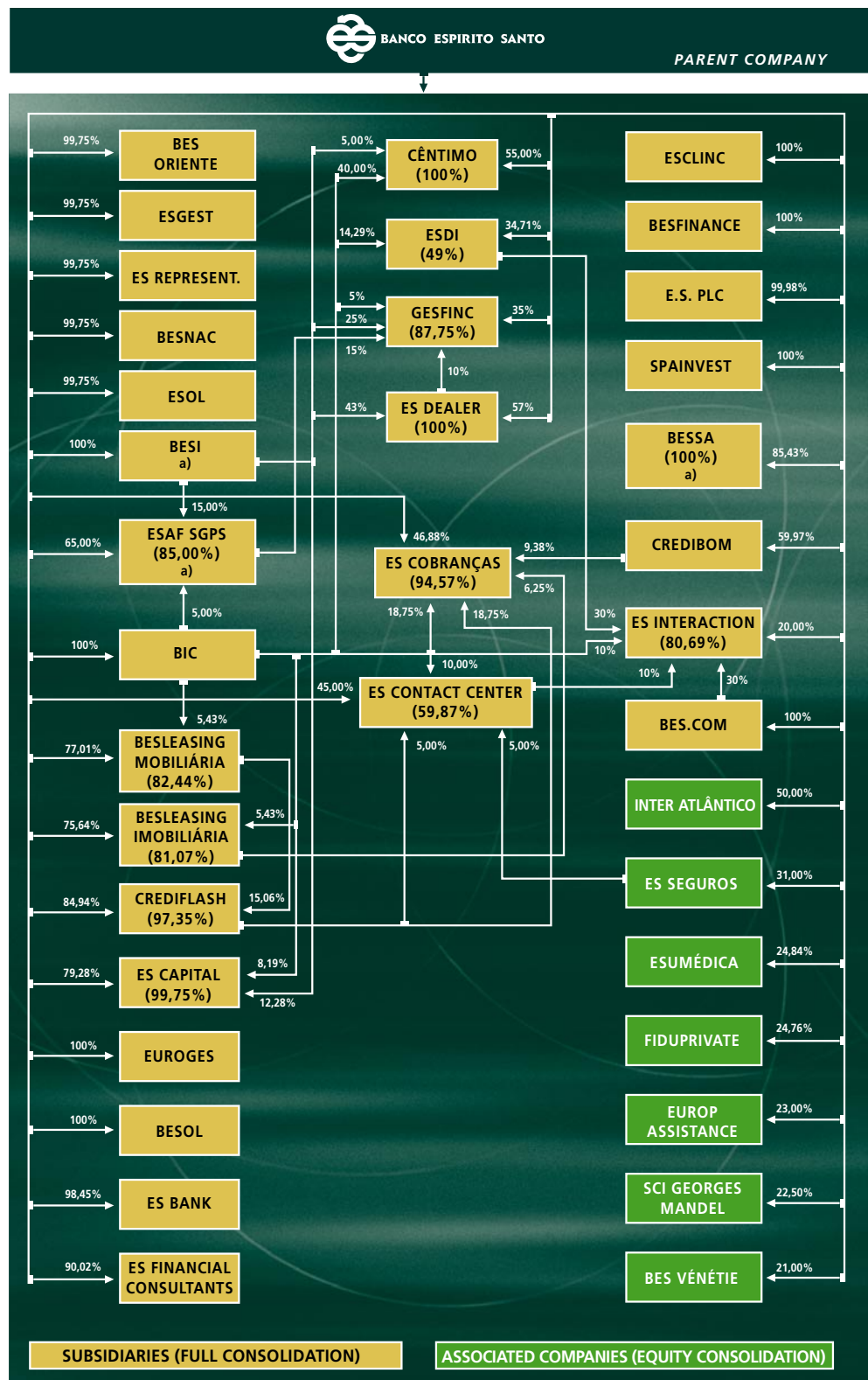
Since 1992, BES has formed part of the Espírito Santo Group, as a consequence of which its financial statements are consolidated by BESPARGPS, S.A., with registered office in Lisbon, and by the Espírito Santo Financial Group, SA (ESFG), with registered office in Luxembourg.

The Bank obtains funds from the public, in the form of deposits or otherwise, which it employs, together with its own funds, in the extension of credit, in securities, and other assets, as well as extending other banking services at home and abroad. For that purpose, it operates through a domestic network of 469 branches (1999: 451), international financial subsidiaries in London, New York, Nassau, Madrid, Lausanne and the Cayman Islands, an overseas financial subsidiary in the Madeira Free Zone, and nine overseas representative offices.

NOTE 2 – Group Structure

As the nucleus of a financial group (the BES Group), the Bank has holdings in subsidiary and associated companies. Subsidiaries are companies in which the investment is of a permanent nature, with a direct or indirect holding of more than 50%, or if below that level, where the Bank exercises a position of control and where the company can be considered, jointly with the Bank, as one decision-making unit. Holdings in associated companies are investments of a permanent nature in which the Bank's participation is between 20% and 50%, in relation to which there is not a controlling relationship, but only some complementarity with the Bank's activities. Under these circumstances, the ensemble of the Bank's subsidiaries and associated companies excludes those companies where the participation, although greater than 20%, was not purchased for the purpose of intervention in management, or where their activity is incompatible with the nature of the Group's activities, as defined in article 5 of Decree-Law no. 36/92 of March 28, or where disposal is intended in the short term.

The composition of the group of companies in which the Bank has a direct or indirect holding greater of equal to 20%, and which were included in the consolidation, is shown in the following chart -



(a) Please see following breakdown of companies comprising the BESI, BESSA and ESAF SGPS universe.

The business and the main shareholders of the BES subsidiaries and associated companies are as follows:

Banking

Banco Internacional de Crédito, SA (BIC), headquartered in Lisbon, was established in January, 1986. It presently operates through its head office and a network of 120 branches, a foreign financial branch in the Madeira Free Zone, and an international financial branch in the Cayman Islands. The business of BIC encompasses most banking areas, with special emphasis on the residential mortgage and high net worth private banking market, as well as on medium-sized and large companies. In 1994, a subsidized credit program was launched in partnership with BES and Companhia de Seguros Tranquilidade, SA. In 2000 BIC made a capital increase from 90 to 150 million Euros. The capital of BIC is entirely held by BES.

Banco Espírito Santo de Investimento, SA (BESI), with registered office in Lisbon, was formed through the conversion to banking status of Espírito Santo Sociedade de Investimentos, SA on April 1, 1993, and operates mainly as an investment bank. At present its only shareholder is BES (1999 – 48.64%). Besides its equity holdings already listed in the organizational chart of Group BES, BESI has stakes of over 50% in the following entities:

	Incorporated /Purchased in	Actual shareholding percentage		Reg. office	Corporate object
		BESI	BES		
Espírito Santo Securities, Inc	1998	100.0%	100.00%	USA	Purchase and sale of securities
ESSI Comunicações SGPS, SA	1998	100.0%	100.00%	Portugal	Management of equity holdings
Espírito Santo Investments PLC	1996	100.0%	100.00%	Ireland	Purchase and sale of securities
ESSI Investimentos SGPS, SA	1998	100.0%	100.00%	Portugal	Management of equity holdings
ESSI SGPS, SA	1997	100.0%	100.00%	Portugal	Management of equity holdings
Hiscapital, AV, SA	2000	50.0%	100.00%	Spain	Management of investments
ESI Investimentos	1996	100.0%	100.00%	Brazil	Management of equity holdings

Banco Espírito Santo, SA (BESSA) is a commercial bank domiciled in Spain. It presently operates through a network of 32 branches. It is wholly-owned by BES, which holds 85.43% of the share capital directly (73.75% in 1999), with the remaining 14.57% (26.25% in 1999) held through SPAINVEST, SA, a wholly-owned BES subsidiary, with registered office in Luxembourg. In 2000, BESSA increased its capital from 36,063 to 86,500 thousand Euros. BESSA has stakes of over 50% in the following entities:

in 1927. Its main activity is the conduct of all business associated with commercial banking, both locally and internationally, with French medium-sized companies, as well as the extension of financial consulting services in acquisitions involving Portuguese companies and private customers. Besides BES, with 21%, its shareholders include, inter alia, ESFG (40.7%) and Cassa di Risparmio di Padova e Rovigo (32.4%).

	Incorporated /Purchased in	Actual shareholding percentage		Reg. office	Corporate object
		BESI	BES		
Espírito Santo Servicio, SA	1997	99,98%	99,98%	Spain	Placement of insurance
Hiscapital AV, SA a)	2000	50,00%	100,00%	Spain	Management of investments
Espirito Santo Inversiones, SA b)	2000	50,00%	92,50%	Spain	Economic and tax consultancy

a) This company has an actual holding of 100% in Benito y Monjardim, SVB, SA (brokerage house).

b) This company has actual holdings of respectively 100% and 82.1% in GES BM, SA and Gescapital Gestion, SA (asset management companies).

Espirito Santo Bank (ES Bank), with registered office in Miami, was set up in 1963, when it integrated the universe of subsidiaries controlled by ESFG. In 2000, to further its integration within the remaining financial units, this bank was incorporated into Group BES universe. BES is its majority shareholder, with 98.45%. ES Bank operates in private banking, with particular emphasis on Latin American customers (Brazil and Venezuela).

Banco Espírito Santo do Oriente, SARL (BES ORIENTE), headquartered in Macao, is a financial institution that started up operations in 1996. It makes loans and carries out other banking-related activities. BES has a 99.75% interest in this institution (99.15% in 1999), with the remaining capital held by various individual shareholders.

Banque Espírito Santo et de la Vénétie (BES VÉNÉTIE), headquartered in Paris, was established

INTERATLNTICO, SA (IASA)) is domiciled in Brazil. In 1999 its main shareholders were BES (27.15%), Monteiro Aranha, SA (14.30%) and Caisse Nationale de Crédit Agricole (29.54%). In 2000, following a stock grouping operation and a capital increase, of R\$ 1,000, BES and Caisse Nationale de Crédit Agricole became this company's only two shareholders, with 50% each.

As foreseen in the corporate integration promissory contract and other pacts concluded with Bradesco, the process involving the swap of shares was concluded on 18 October 2000. Accordingly, 100% of Banco Boavista InterAtlântico, SA (BBIA) shares, held by IASA, were handed over to Bradesco, and IASA in turn received stock representing approximately 6.5% of Bradesco share capital (roughly 38,187 million shares of common stock and 36,891 million shares of preferred stock). In connection to the referred agreement, BES could incur in potential losses,

these being sufficiently provided for through a provision created for the purpose (see Note 9).

In addition to the referred holding, IASA also owns at 100% the following two companies: Cia Securitizadora de Créditos Financ. Interatlântico (CSCFI) and Cia Securitizadora de Créditos Financ. Boavista (CSCFB).

Asset Management

ESAF – ESPÍRITO SANTO ACTIVOS FINANCIEROS, SGPS, SA (ESAF SGPS) was established at year-end 1992. It is a holding company of BES Group investment management companies, property investment managers, and pension fund managers, as well as of financial valuers, private asset management and fund distribution companies. In addition to the Bank, whose present holding is 65%, its shareholders are BESI (15%), Caisse Nationale de Crédit Agricole (10%), Companhia de Seguros Tranquilidade, SA (5%), and BIC (5%). A full listing of ESAF SGPS companies is shown below:

	Incorporated /Purchased in	Actual shareholding percentage		Reg. Office
		ESAF, SGPS	BES	
Investment Fund Managers -				
Espírito Santo Fundos de Investimento Mobiliário, SA (ESAF FIM)	1987	100.0%	85.0%	Portugal
Espírito Santo International Management, SA (ESAF IM)	1995	99.8%	84.8%	Luxembourg
Espírito Santo Capital Management, SA (ESAF CM)	1997	80.0%	68.0%	France
Real Estate Investment Trust Managers				
Espírito Santo Fundos de Investimento Imobiliário, SA (ESAF FII)	1992	100.0%	85.0%	Portugal
Pension Fund Managers -				
Espírito Santo Fundo de Pensões, SA (ESAF FP)	1989	100.0%	85.0%	Portugal
Financial Valuers and Consultants -				
Capital Mais - Assessoria Financeira, SA (CMAF)	1998	100.0%	85.0%	Portugal
Espírito Santo International Asset Management, Ltd.(ESIAM)	1998	49.0%	41.7%	British Virgin Islands
Espírito Santo Inversiones, SA	2000	50.0%	92.5%	Spain
Asset Managers -				
Espírito Santo Gestão de Patrimónios, SA (ESGP)	1987	100.0%	85.0%	Portugal
Holding Companies				
ESAF - Holding GMBH	1997	100.0%	85.0%	Austria
ESAF - Espírito Santo Participações Internacionais, SGPS, SA	1997	100.0%	85.0%	Madeira
Funds of Funds Managers				
ESAF - Capital Management, Ltd	1997	100.0%	85.0%	Northern Ireland
Fund Distributors				
ESAF - International Distributors, Ltd	1997	100.0%	85.0%	British Virgin Islands

As of 31 December 2000, assets under the management of companies forming the universe of ESAF SGPS totalled Euro 7,939 million (1999 – Euro 7,797 million).

Espírito Santo Financial Consultants, SA, set up in 1999, has BES as its major shareholder, with 90.02%. Its main activity is asset management

Leasing

BESLEASING IMOBILIÁRIA - Sociedade de Locação Financeira, SA, is headquartered in Lisbon and its main activity is the financial leasing of property. In addition to BES, which holds 75.64% of the equity, BIC holds 5.43%.

BESLEASING MOBILIÁRIA - Sociedade de Locação Financeira, SA, is headquartered in Lisbon and its corporate purpose is equipment leasing. In addition to BES, which holds 77.01% of the equity, BIC holds 5.43%.

Sales Finance

CREDIFLASH - Sociedade Financeira para Aquisições a Crédito, SA, is a sales finance company (SFAC) established in 1991 that specializes in the management of credit cards. In 2000 Crediflash increased its capital from Euro 3,492 thousand to Euro 7,500 thousand, of which Euro 2,500 have not yet been paid up. In addition to BES, which holds 84.94%, Besleasing Mobiliária has a 15.06% stake in this company.

CREDIBOM - Sociedade Financeira para Aquisições a Crédito, SA, is a sales finance company (SFAC) that opened for business in 1995 and specializes in consumer credit. Besides BES,

which holds 59.97%, a 40.00% participation is held by Banque Sofinco.

Insurance

EUROP ASSISTANCE - Companhia Portuguesa de Seguros de Assistência, SA, was established in 1993, and is a provider of medical care in the home. Its main shareholders are BES (23%) and Companhia de Seguros Tranquilidade (24%).

Espírito Santo, Companhia de Seguros, SA, (ES SEGUROS) started up in 1996, with the purpose of providing property insurance to Group BES customers. It is held as to 31% by BES, and at 59.98% by Companhia de Seguros Tranquilidade.

Other Business Operating Units

EUROGES - Aquisição de Créditos a Curto Prazo, SA, is a financial institution that was established late in 1989 to engage in the business of factoring. BES acquired its first interest in the company in 1991, and is now sole stockholder.

Espírito Santo Dealer - Sociedade Financeira de Corretagem, SA (ES DEALER), is a brokerage house which was established in 1989. BES acquired a stake in this company in 1991. After the Bank, which has maintained its holding at 57%, BESI holds the remaining 43% of the company's equity.

ES Capital - Sociedade de Capital de Risco, SA (ES CAPITAL), is a venture capital company which BES acquired in 1996. It is now held as to 79.28% by BES, other stockholders including BIC, with 8.19% and BESI, with 12.28%.



Espírito Santo PLC (ES PLC), is a non-bank finance company domiciled in Dublin, Ireland. This company was set up in January 1999, with BES as majority stockholder.

BES.COM SGPS, SA (BES.COM), was set up in June 2000 to act as the operating holding of all Group BES interests in the Internet. This company aims at taking advantage of emerging opportunities in the so called "New Economy". BES.COM share capital, of Euro 50 million, is entirely held by BES.

ES Interaction – Sistemas de Informação Interactiva, SA, was established in December 2000 with the purpose of designing, developing and selling interactive information systems, as well as providing services in the following areas: consultancy, training, project management, and development, implementation and support of information and communication systems. In addition to BES, which holds 20% of its capital, other shareholders include BES.COM (30%), ESDI (30%), BIC (10%) and ES Contact Center (10%).

Companies Serving as Finance Vehicles

Espírito Santo Overseas, Ltd (ESOL), which is headquartered in the Cayman Islands, was established in October 1993 with share capital of US\$1,000, represented by 1,000 shares of common stock, of US\$1 each, and is wholly-owned by BES. By 31 December 2000, and to fulfil the purpose for which it had been set up, ESOL had issued in the United States 10 million non-voting shares of preferred stock, guaranteed by BES, in the amount of US\$250 million. This stock was fully subscribed and paid by outside parties (see Note

22). Hence, although BES holds 100% of ESOL voting rights, it has only an equity holding of 0.0004%.

Banco Espírito Santo North America Capital Corporation (BESNAC), wholly-owned by BES, is a US corporation established in 1990 for the purpose of issuing commercial paper.

BES Overseas, Ltd (BESOL), headquartered in the Cayman Islands, was established in September of 1996 with share capital of US\$1,000 represented by 1,000 shares of common stock, US\$1 each, wholly-owned by BES. In November of that same year, in accordance with the purpose for which it had been set up, BESOL issued in the UK 10 million shares of non-voting preferred stock, guaranteed by BES, in the amount of US\$250 million, which was fully subscribed and paid by outside parties (see Note 22). Hence although BES holds 100% of BESOL's voting rights, it holds only 0.0004% of the common equity.

BES FINANCE, Ltd, domiciled in the Cayman Islands, was formed in 1997, with share capital of US\$50,000 represented by 50,000 shares of common stock, US\$1 each. On that date, 50% of the capital was fully subscribed and paid by BES, while the other 50% has not yet been paid up. In February 1997, the company put out an offering circular, announcing that in accordance with the Euro Medium-term Notes Program, it would from time to time issue bonds up to a total amount of US\$ 1 billion. In September 1999 the maximum amount to be issued under this program was revised to US\$ 2 billion and in August 2000 was again raised, to US\$ 4 billion. These bonds may be issued in any currency, with the unconditional guarantee of BES. As of 31 December 2000 total issues

amounted to Euro 3,068,603 million, these issues being described in detail in Notes 17 and 21.

Ancillary Service and Outsourcing Companies

Espírito Santo Data Informática, SA (ESDI) specializes in information systems development. In addition to BES, which holds 34.71% of the equity, its other shareholders are GESTRES (23.94%), Companhia de Seguros Tranquilidade, SA (7.14%), Companhia de Seguros Tranquilidade Vida, SA (27.05%) and BIC (14.29%).

ESGEST - Espírito Santo Gestão de Instalações, Aproveitamento e Comunicações, SA was established at the end of 1995 and is wholly-owned by BES. Its main business is the extension of company store services, fleet management, property management and maintenance, communications and other related activities.

ESUMÉDICA - Prestação de Cuidados Médicos, SA is a provider of medical care in the work place. In addition to the Bank (with a holding of 24.84%), the principal shareholder is Companhia de Seguros Tranquilidade (with 75%).

CÊNTIMO - Sociedade de Serviços, Lda provides custodial and investment management services. Its main shareholders are BES (55%), BIC (40%), and BESI (5%).

GESFINC - Espírito Santo Estudos Financeiros e de Mercado de Capitais, SA was established in 1992. It functions as a provider of equity and industry research. In addition to BES (35%) this company's other shareholders include BESI (25%), ESAF SGPS (15%), ES DEALER (10%) and BIC (5%).

Espírito Santo Cobranças, SA (ES COBRANÇAS) was established in 1998 and specializes in debt-collection in the retail credit area. Besides BES, with a holding of 46.88%, its other shareholders include BIC (18.75%), CREDIFLASH (18.75%), CREDIBOM (9.38%) and BESLEASING IMOBILIÁRIA (6.25%).

Espírito Santo Representações (ES REPRESENT.), headquartered in São Paulo, was purchased by the Bank in 1996, being almost wholly-owned (99.99%). Its main purpose is the representation of BES in Brazil.

Espírito Santo e Comercial de Lisboa, Inc (ESCLINC), domiciled in Newark, New Jersey, was wholly acquired by BES in 1997. Its main business is to represent BES in its local market.

FIDUPRIVATE – Sociedade de Serviços, Consultadoria, Administração de Empresas, SA (formerly KREDIGES), headquartered in the Madeira Free Zone, was established in July of 1994 for the purpose of providing consulting services to companies. Besides BES, with 24.76%, its main shareholder is Companhia de Seguros Tranquilidade, SA, with 75%.

Société Civile Immobilière du 45 Avenue Georges Mandel (SCI GEORGES MANDEL) was established in February of 1995 and is headquartered in Paris. It engages in the acquisition, construction, and management of properties. It is held by BES, with 22.5% and BES Vénétie, with 77.5%.

Espírito Santo Prestação de Serviços, ACE (ES ACE) is a complementary grouping of companies that went into business in 1998. The purpose of this grouping of companies is to provide services in the areas of information technology, supplies, and the conservation and maintenance of chat-tels, equipment and buildings to its member companies (BES, BIC and BESI).

Espírito Santo Contact Center, Gestão de Call Centers, SA (ES CONTACT CENTER) was set up in June 2000. This company is exclusively dedicated to the management of the call centers that support the telephone banking activity of its associates. Its main shareholders are BES, with 45.0%, BIC, with 10.0% and CREDIFLASH, with 5.0%.

The following table includes the most significant financial data taken from the financial statements of the BES subsidiaries referred above at 31 December 2000 and 1999, after the reclassifications adjustments required for the purpose of preparing the consolidated financial statements:

Companies	Total Assets		Total Liabilities		Shareholders' Equity		Revenues		Profit/Loss	
	2000	1999	2000	1999	2000	1999	2000	1999	2000	1999
BIC	6 904 490	5 939 373	6 671 087	5 789 999	233 403	149 374	454 347	374 014	45 629	35 092
BESI	a) 854 041	737 393	683 949	587 761	170 092	149 632	675 840	417 323	25 102	54 043
BESSA	a) 3 097 908	1 503 947	3 000 962	1 462 976	96 946	40 971	192 057	91 702	1 759	769
SPAINVEST	21 069	16 615	3 127	-	17 942	16 615	-	-	-	-
BES ORIENTE	195 925	168 349	166 955	142 345	28 970	26 004	13 780	10 872	1 572	1 075
BESLEASING IMOB.	338 095	223 945	323 976	212 318	14 119	11 627	18 615	9 821	2 494	1 511
BESLEASING MOB.	576 472	448 848	551 452	422 227	25 020	26 621	38 753	27 988	126	1 935
CREDIFLASH	112 009	86 427	100 314	79 459	11 695	6 968	31 961	27 169	1 729	1 342
CREDIBOM	320 231	239 129	300 735	224 993	19 496	14 136	62 982	81 342	5 989	3 529
ESAF SGPS	a) 59 476	56 733	35 129	19 054	24 347	37 679	50 522	49 845	17 750	11 522
ESDI	12 771	10 729	4 140	2 180	8 631	8 549	8 347	6 405	154	140
ESGEST	284	279	105	104	179	175	594	579	10	20
CÊNTIMO	380	394	106	125	274	269	330	319	5	5
ESGER	b) -	569	-	419	-	150	-	579	-	55
GESFINC	613	648	283	269	330	379	1 338	1 466	(41)	(5)
ES REPRESENT.	62	90	50	220	12	(130)	385	249	(3)	-
ESCLINC	1 177	1 122	334	394	843	728	1 048	553	10	55
ESOL	270 996	254 990	2 110	6 279	268 886	248 711	25 655	12 904	343	(60)
BESNAC	1 157	1 087	1 072	1 007	85	80	2 129	3 003	-	-
BESOL	272 249	253 364	3 022	4 194	269 227	249 170	50 187	30 666	213	65
ES ACE	2 595	2 205	2 595	2 205	-	-	14 821	14 201	-	-
ES COBRANÇAS	4 600	3 472	3 795	2 674	805	798	2 712	1 901	6	130
BES FINANCE	3 103 865	1 305 628	3 103 699	1 305 523	166	105	114 580	39 076	52	80
EUROGES	287 610	178 176	272 370	165 437	15 240	12 739	17 920	11 043	2 504	2 080
ES DEALER	64 197	40 398	51 154	29 584	13 043	10 814	29 395	20 042	6 364	5 173
ES CAPITAL	31 766	28 861	2 263	2 235	29 503	26 626	4 385	2 245	3 645	1 556
ES PLC	201 986	111 257	194 781	110 893	7 205	364	36 350	1 197	6 843	324
BES.COM	c) a) 51 554	-	3 732	-	47 822	-	2 525	-	(338)	-
ES BANK	c) a) 309 562	-	275 045	-	34 517	-	24 991	-	3 855	-
ES CONTACT CENTER	c) 2 942	-	953	-	1 989	-	2 757	-	(111)	-
ES INTERACTION	c) 500	-	-	-	500	-	-	-	-	-
ES FINANCIAL CONSULTANTS	c) 2 260	-	390	-	1 870	-	2 030	-	(314)	-
Total gross contribution of subsidiaries	17 102 842	11 614 028	15 759 685	10 574 874	1 343 157	1 039 154	1 881 336	1 236 504	125 347	120 436
Contribution of associated companies	-	-	-	-	3 994	(35 156)	4 828	823	4 828	(40 014)
BES Contribution	26 816 824	22 732 992	25 302 539	21 552 571	1 514 285	1 180 421	5 375 301	4 026 917	134 375	162 563
Net eliminations/other adjustments	(9 983 374)	(4 962 228)	(9 134 784)	(4 499 035)	(1 422 008)	(1 030 365)	(525 455)	(221 437)	17 969	26 142
Consolidated total before minority interests	33 936 292	29 384 792	31 927 440	27 628 410	1 439 428	1 154 054	6 736 010	5 042 807	282 519	269 127
Minority interests	-	-	569 424	602 328	-	-	-	-	(54 526) d)	(63 612) d)
Total consolidation	33 936 292	29 384 792	32 496 864	28 230 738	1 439 428	1 154 054	6 736 010	5 042 807	227 993	205 515

a) Consolidated financial data

b) Company alienated in 2000

c) Companies included in the consolidation in 2000 (purchase/formation or change in the method of consolidation)

d) Includes the amount borne by Group BES relative to preferred stock (see Note 22)

NOTE 3 – Basis of presentation, principles of consolidation and significant Accounting Policies

3.1 Basis of Presentation

The individual financial statements of the Bank, of its subsidiaries and associated companies were prepared by those entities on the basis of their respective accounting records, which are maintained (with the exception of foreign-registered companies) in accordance with the accounting principles established in the Plan of Accounts for the Banking Sector; and other instructions issued by Banco de Portugal by virtue of the powers conferred on it by Decree-Law no. 91/90, March 17.

The financial statements of the subsidiaries and associated companies with headquarters abroad were prepared on the basis of their respective statutory accounting records, in accordance with local regulations.

The financial statements of the subsidiaries and associated companies that are expressed in foreign currencies were translated to Euros at the spot exchange rates on December 31, 2000 and 1999.

The financial statements of the international and overseas financial branches are grouped at the Bank's level. All balances and transactions between head office and branches were eliminated from the consolidation.

The individual and consolidated financial statements of the Bank are expressed in thousand Euros, rounded up or down to the nearest thousand unit. The 2000 and 1999 financial statements were converted into Euros based on the exchange rate irrevocably fixed on 31 December 1998

by the European Council: 1 Euro = 200.482 Escudos.

The financial statements of BES, of its subsidiaries and associated companies as of December 31, 2000 await the approval of the respective corporate bodies. However, the Bank's Board of Directors is confident that these financial statements, which were used in the preparation of BES consolidated accounts, will be approved without any material changes.

3.2 Principles of Consolidation

The consolidated financial statements, including the accounts of BES and its subsidiaries and associated companies were prepared in accordance with the provisions of Decree-Law no. 36/92 of March 28, and pertain to the financial year ending on December 31, 2000. In this context the basic accounting criteria followed by the consolidating entities were made uniform whenever it was considered necessary, applicable, or materially relevant.

Subsidiary companies and all holdings in which a controlling relationship was exercised by the Bank (see Note 2) are fully consolidated. The most important intercompany balances and transactions, including corresponding costs and revenues, were eliminated from the consolidation. The amounts corresponding to the participation of third parties in the subsidiary companies are shown under the minority interests heading (see Note 22).

In the consolidated accounts, the bank's equity holdings in associated companies are valued by the equity method, with their respective values corresponding to a percentage of the capital, reserves, and earnings equal to BES's holding in those companies.

Positive differences between the acquisition cost and the valuation of subsidiary and associated companies according to the equity method (differences arising from the consolidation and revaluation - goodwill) are offset against Reserves or Retained earnings. This accounting policy, to which Banco de Portugal gave its previous agreement, is used by ESFG since 1997. Negative consolidation differences are added to the values. On the other hand, realized negative differences arising from the consolidation are incorporated into the referred headings.

Hence, on 31 December 2000 the accumulated value of goodwill written-off against Reserves and Retained earnings, net of negative consolidation differences, totalled Euro 269,977 thousand (see Note 23). Of these, Euro 129,894 thousand relate to 2000 (1999 – Euro 46,344 thousand; 1998 – Euro 93,739 thousand).

Holdings in companies not shown in BES Group accounts because they are neither subsidiaries nor associated companies are recorded in line with the criterion defined in Note 3.3 e).

3.3 Summary of main accounting policies

a) Accrual for the periods

The Bank and its subsidiaries follow the accrual principle relative to most financial statement headings, specifically with reference to interest earned and paid, which are recognized when earned, irrespective of time of payment or collection. However, where loans are more than 30 days past

due (or 90 days when secured), or, although not past due, where there is reasonable doubt as to collectibility, the Bank and its subsidiaries cease to accrue interest, which is only recognized when and if received.

b) Foreign currency transactions

Spot and forward foreign currency transactions are recorded in accordance with multi-currency principles, each transaction being recorded exclusively as a function of the respective currency. This method requires that all foreign currency balances, except for notes and coin, are translated to Euros at the spot reference rate of exchange published by Banco de Portugal. The reference rates disclosed by Banco de Portugal to convert the currencies of the eleven countries that participate in the Economic and Monetary Union reflect the bilateral exchange rates between the Euro and the other national denominations of the Euro irrevocably fixed by decision of the European Council.

Foreign currency purchases and sales are immediately recorded in the exchange position on date of closing. Whenever changes in the net balances in the various currencies arise from these transactions, entries are made in the spot and forward exchange accounts in accordance with the following revaluation criteria:

- Spot exchange position

The spot exchange position in each currency is the net balance of assets and liabilities in the currency, excluding the spot exchange position that is covered by forward operations, plus sight operati-

ons awaiting settlement and forward operations falling due within the following two business days. The spot position is revalued daily, based on the reference rates of the day as announced by Banco de Portugal, thus giving rise to an entry in the exchange position account (domestic currency) as an offset to costs or income.

- Forward exchange position

The forward exchange position in each currency is arrived at from the net balance of forward operations awaiting settlement, which are not intended to cover the spot position, except when they mature within the following two business days. All such exchange contracts (currency forwards) are revalued at forward market exchange rates, or in the absence of these, on the basis of interest rates applicable to the remaining life of each operation. The differences between the Euro equivalents at the contracted rates represent the income or costs arising from revaluation of the forward position, and are recorded in an exchange position revaluation account as an offset to costs or income.

c) *Derivative financial instruments*

The Bank classifies derivative financial instruments according to whether they are contracted for trading purposes or purposes other than trading (hedging). Derivative instruments used for hedging the risks inherent in trading operations are classified as trading operations.

The following derivative instruments are used for trading purposes:

- Currency Swaps;
- FRA - Forward Rate Agreements;

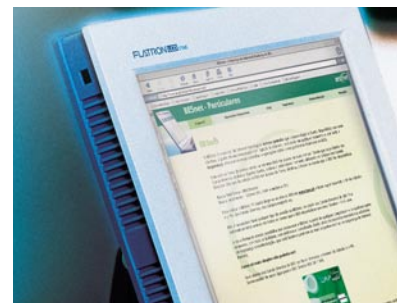
- Futures;
- Interest Rate Swaps (IRS), Equity Swaps and Credit Default Swaps;
- CIRS – Currency Interest Rate Swaps;
- Currency options, Interest rate options, Equity options and Swaptions;
- Interest Rate Caps and Floors.

The derivative instruments used for hedging purposes, identified as such in a contract at the outset, are intended for eliminating or substantially reducing exposure to market risk, or for modifying the risk profiles in exposures to interest rate changes inherent in certain assets, liabilities, cash flows or off-balance-sheet items.

Hence changes in the market value of derivative instruments must show a strong correlation with the changes in the market value and cash flows of the item hedged at the inception of the contract and up to its maturity. The derivative instruments used for this purpose are as follows:

- Currency Swaps;
- FRA;
- IRS;
- CIRS;
- Equity options and Swaptions.

If a derivative instrument classified as a hedge is sold or abandoned before its maturity, the realized gain or loss is deferred over the remaining life of the initially hedged operation, and amortized as an offset to income or costs. If the hedged item is sold or abandoned, or the hedge ceases to be effective, the corresponding derivative instrument will be immediately reclassified as a trading instrument.



At the end of 2000 BES transferred to the trading portfolio the risk hedging IRS and CIRS associated to issues of preferred stock, in so far as according to the new international accounting standards they had ceased to comply with the requirements for their classification as hedges. This transfer resulted in an increase of approximately Euro 12.1 million in pre-tax earnings.

Hedging operations are valued and recognized as income/costs in accordance with the criterion applicable to the assets hedged.

The gains or losses on derivative instruments are recognized in the manner shown below for each type of instrument.

- Currency Swaps

Currency swaps and operations involving coverage of the spot position by forward operations, designed to eliminate or substantially reduce the risk inherent in assets and liabilities (hedging operations) are not taken into account in the revaluation of spot and forward positions. The premiums and discounts on these operations are amortized up to their maturity, as an offset to costs or income.

- IRS, CIRS, Equity Swaps, Credit Default Swaps and FRA

Interest rate swaps, currency and interest rate swaps, equity swaps, credit default swaps and forward rate agreements are recorded under the off-balance-sheet headings at their notional value up to maturity, and are classified as either trading or hedging instruments.

Trading operations, including those initially classified as hedges and subsequently transferred to the trading portfolio because they ceased to comply with the requirements for their classification as such, are marked to market; gains and/or losses resulting from these operations are recognized as costs or losses for the period.

Hedging operations are valued and recognized as income/costs in accordance with the criterion applicable to the assets hedged.

- Futures

Trading positions in future contracts traded in organized markets are recorded in the off-balance-sheet accounts at their notional value and are marked to market; realized and unrealized gains and losses (the gain or loss that arises on closing out the position) are taken to the income statement for the period.

- Currency options, Interest rate options, Equity options, Swaptions and Interest Rate Caps and Floors

Options traded in organized markets

Currency options, interest rate options and equity options are recorded under the off-balance-sheet headings at their notional value up to maturity. Trading positions in option contracts are marked to market, realized and unrealized gains and losses derived from their daily revaluation are taken to the income statement for the period.

Options traded in Over the Counter (OTC) markets

Currency options, interest rate options, equity options and swaptions, as well as interest rate caps and floors are recorded under the off-balance-sheet headings at their notional value up to maturity.

Premiums on purchased options are recorded in the assets Accruals and deferrals accounts heading up to the time of the exercise, sale, or abandonment of the option, when they are taken to the income statement. Option contracts sold are valued under an appropriate prudent valuation system that permits to estimate the probable loss or gain based on their intrinsic value, except for interest rate caps and floors which are marked to market, these losses or gains being taken to the income statement.

Hedging option contracts are valued and recognized as income/costs in accordance with the criterion applicable to the assets covered.

d) Bonds, shares, and other fixed and variable-income securities and Own Shares

- Trading account securities

Trading account securities are those purchased for resale within a maximum period of six months (see Note 8).

Bonds and other fixed-income securities are marked to market, plus accrued and uncollected interest. Unquoted bonds are valued at the lower of cost or estimated value on realization.

Shares and other variable-income securities are marked to market, or if unquoted, at the lower of cost or presumed market value. Gains or losses in shares that feature in the indexes of the Lisbon and Oporto Stock Exchange or else shares traded in other stock exchanges and showing adequate liquidity, are entered directly as income/costs. Gains or losses in other securities are deferred in the balance sheet, with full provisions against potential losses charged to earnings.

- Investment securities

Investment securities are those purchased for resale, but usually held for more than six months (see Note 8), or which although intended to be held in portfolio to maturity, do not meet the requirements for such classification.

Bonds and other fixed-income securities are shown at cost. The difference between cost and par, representing the premium or discount at time of purchase, is amortized over the remaining life, and taken to the income statement. Accrued interest is recognized as income and shown under the assets Accruals and deferrals accounts heading.

The difference, when positive, between cost and market, or if unquoted, between cost and presumed value on realization, is fully provisioned and charged to earnings. The value of securities with automatic capitalization of interest includes their respective accruals of interest.

Shares and other variable-income securities are recorded at cost. The difference, when positive, between cost and market, or if unquoted, between cost and the estimated value on realization, is fully provisioned against earnings.



Shares transferred from the investment securities account to the financial investments account are recorded at cost.

- Own shares

Own shares are registered in the respective balance sheet heading (assets) at market value. Capital gains or losses are taken directly to the income statement (see Note 8).

e) Equity holdings and shares in associated companies

Recorded in the BES financial statements (individual basis), under the heading Equity holdings and shares in associated companies are equity holdings in companies over which the Bank exercises a controlling position, the interest in maintaining which is connected to its business and, at the same time, is of a permanent nature, i.e., subsidiary companies (see Notes 2 and 10). These equity holdings in entities that are fully consolidated, as defined in Notes 2 and 3.2, are shown in the accounts (individual basis) at cost.

Foreign exchange fluctuations that result from converting the cost of subsidiary and associated companies expressed in foreign currencies into Euros (at the year-end exchange rate) are shown in the balance-sheet under the Accruals and Deferrals – value fluctuations heading (see Notes 9 and 14), as determined in the Plan of Accounts for the Banking Sector.

Shown under the heading Equity holdings are:

- (i) Equity holdings of less than 50% and greater than or equal to 20%, in companies where the Bank does not exercise control, but which are of a permanent nature and are held as a result of linkage, through complementarity with the Bank's activities. These holdings, which are tre-

ated as associated companies (see Notes 2 and 9) are shown in the accounts of BES (individual basis) at cost, and are consolidated by the equity method;

(ii) Other holdings (See Note 9) that represent:

- holdings of a strategic and permanent nature, even though the percentage of equity held is below 20%;
- holdings in companies in which the percentage held exceeds 20%, but which are intended for disposal in the short term, or whose business is incompatible with the nature of the Group's business.

These holdings are recorded at cost and are not included in the consolidation.

Devaluations material in amount identified in holdings are evaluated by the Board of Directors, and those considered as being of a permanent nature are provisioned. The Board of Directors believes that the value on realization of holdings of which it intends to dispose will not be lower than book value.

f) Provisions against loan losses and country risk

Provisions against loan losses and country risk set up by the Bank and its subsidiaries in the financial sector headquartered in Portugal were determined in conformity with Banco de Portugal Notice no. 3/95, June 30, and Instruction no. 94/96, and include:

- (i) a specific provision against past-due loans and interest, shown in the assets as a deduction from the Other loans to credit institutions, and Customer loan headings, calculated at rates varying between 1% and 100% on past-due loans and interest, according to risk classificati-

on and whether secured or unsecured (see Notes 6, 7, and 20);

(ii) a specific provision against doubtful loans, shown in the assets as a deduction under the Customer loans heading, at a percentage no less than 50% of the average provision coverage of non-performing loans, applied to the outstanding installments of loans to any single customer; where it is ascertained that the past-due installments of principal and interest exceeded 25% of principal plus past-due interest. In 1996, in accordance with Banco de Portugal Circular Letter no. 37/DSB, dated October 31, 1996, past-due loans and interest so written down were regarded as provisioned as to 100% for the purpose of calculating said provision (see Notes 7 and 20);

(iii) a catch-all provision against general loan losses, shown among liabilities under the Provisions for contingencies and losses - other provisions heading, corresponding to a minimum of 1% of total unimpaired loans extended by the Bank, including acceptances, guarantees, and sureties extended, except for consumer credit (including securitized credit – see Note 7), where the provisioning rate is at least 1.5% of such loans (see Note 20); and

(iv) a specific provision for country risk shown as a deduction under the Other loans due from credit institutions, Customer loans, Placements in securities, and Other assets headings (see Notes 6, 7, 8, 13 and 20). As

regards subsidiaries headquartered abroad, provisions for country risk are calculated based on the legislation of each country where these subsidiaries are located.

As of December 31, 2000 the combined total of Bank and Group provisions for loan losses and country risk was Euro 390,733 thousand (1999 – Euro 336,678 thousand), and Euro 596,171 thousand (1999 – Euro 502,649 thousand), respectively; this is believed sufficient to cover potential loan losses and country risks identified up to that date, according to criteria of commercial assessment and analysis.

g) Tangible assets

The Bank's premises and equipment purchased from 1998 onwards, premises under construction, and all premises in use by branches and subsidiaries are valued at cost.

In 1998, and in accordance with Decree-Law no. 31/98 of February, 12, BES and BIC revalued all their tangible assets in use as of the revaluation date whose estimated remaining useful life was more than 5 years.

Depreciation is calculated by the straight-line method, on a duodecimal basis on historic or revalued cost, at annual rates permitted for tax purposes, according to the periods shown below, which are not believed to differ materially from the assets' estimated useful lives:

	Number of Years
Premises for own use	50
Improvements to buildings held under lease	10
Furniture and materials	4 to 10
Machinery and tools	5 to 10
Computer equipment	4 to 5
Fixtures	5 to 12
Transportation materials	4 to 5
Security equipment	3 to 10
Other equipment	5

A percentage equal to 40% of the increase in depreciation resulting from revaluations recorded by the Bank is not accepted as a tax-deductible expense.

h) Intangible assets

Branch installation expenses, electronic data-processing system expenses, capital increases, and preferred stock issuance expenses are amortized on a duodecimal basis over three years from the financial year in which they are incurred, by the straight-line method (see Note 11).

i) Provisions for other assets

On December 31, 2000, complying with Article 11 of Banco de Portugal Notice no. 3/95, the Bank and the Group set up provisions in the amount of Euro 2,225 thousand (1999 – Euro 1,786 thousand) and Euro 7,947 thousand (1999 – Euro 8,076 thousand), respectively, to cover potential losses determined by the difference between the book value of properties acquired in lieu of loan repayments, included under the Other assets heading, and the expected selling price of those assets, less anticipated selling expense (see Note 13). These properties are not subject to depreciation.

j) Retirement pensions

In light of the liabilities assumed by the Bank and its subsidiaries within the framework of the collective banking sector labor agreement, retirement and widows' pension funds (ACTV Pension Funds) designed to cover retirement on account of age, and disability were set up for the entire work force. These were calculated according to (i)

the guaranteed pension at the presumed age of retirement, and (ii) the number of years' service up to the date of calculation, and the total number of years service at retirement date.

Banco de Portugal Notice no. 6/95, September 21 (following Notice no. 3/95) defined and standardized actuarial and financial assumptions for the calculation of retirement and widows' pensions and regulated coverage levels and the funding thereof, dividing credit institutions' work forces into four different groups:

- retirees whose current pensions must be subject to full assessment and funding in each financial year;
- those at work on December 31, 1994, who were expected to retire by December 31, 1997, respecting whose past service liabilities had also to be fully funded in each financial year;
- those at work on December 31, 1994, who were expected to retire after December 31, 1997, for whose past services the present value of the respective liabilities was fully funded through an annuity, based on the number of years represented by the difference between the average expected retirement age, and the average age of the work force covered, to a maximum of 20 years;
- early retirement, which must be fully funded and recognized as an expense in the financial year, except with respect to extraordinary contributions made up to 1999, which may be deferred for up to 10 years, not however, more than 4 years after the year of expected retirement.

Under the terms of Article 15 of Banco de Portugal Notice no. 6/95, in February 2000 the Bank requested and was subsequently authorized to write off against Reserves the net balance recorded in the balance sheet relative to deferred costs of early retirements occurred up to 30 June 2000, totalling Euro 138 935 thousand (see Notes 14, 13 and 24). From 30 June 2000 onwards, extraordinary costs with early retirements are offset against costs of the year to which they respect.

In addition, in 1998 the Bank and the Group's subsidiaries decided to set up an autonomous open-end pension fund - the Fundo de Pensões Aberto GES - to cover complementary pension benefits of retired and active employees. Present responsibilities for active employees will be fully amortized up to 2003. This period corresponds to the expected average remaining time of service of the fund's beneficiaries.

The Bank made contributions to the pension funds which were drawn from direct and deferred costs, in accordance with the rules established in the above-mentioned Notice and the approved allocation of profits, which involves the full recognition of (i) costs relative to increased past service liabilities for current retirement pensions, (ii) costs represented by the amortization over a 20-year period of the shortfall in coverage for past service liabilities generated in prior periods, calculated from the December 31, 1994 base date relative to personnel at work that is covered by the ACTV Pension Fund, (iii) costs represented by the amortization up to 2003 of the shortfall in coverage for past service liabilities of active employees who became entitled to complemen-

tary pension benefits and (iv) the extraordinary cost of early retirements, as referred above.

The total annual contribution to the pension funds will depend on actuarial gains and losses. From 1999 onwards, the Bank started considering the Fund's net variation before each year's contribution on a straight-line basis, up to the last year for the amortization of the shortfall vis-à-vis active employees (2104). On 31 December 2001 the net negative variation in the pension fund that had not yet been amortized against earnings totalled Euro 28.1 million (see Note 24).

Liabilities are covered by the value of the pension funds' assets (see Note 24).

k) Income taxes

The Bank and its subsidiaries headquartered in Portugal are subject to the tax regime enshrined in the Corporate Income Tax Code (IRC). However, the financial branches in the Madeira Free Zone (BES and BIC) will enjoy exemption from IRC up to December 31, 2011, under the aegis of article 41 of the Tax Benefit Statute, as drafted in Decree-Law no. 84/93, March 18.

Subsidiaries headquartered abroad are subject to taxation in accordance with local tax regulations.

Where there are substantial differences between book and taxable earnings, the respective deferred taxes are recorded.

l) Financial leasing

- As lessee

Financial leasing contracts are recorded at the time they are entered into, under the Tangible assets heading, as an offset to the Accruals and deferred income accounts heading under liabilities, at cost of property leased, which is equal to the present value of outstanding lease installments. The tangible asset is depreciated in the manner described in Note 3.3 g).

Installments comprise (i) the charge to income, and (ii) depreciation of principal, which is deducted from the Accruals and deferred income heading under liabilities. Financial charges are recognized as costs over the lease period, in order to produce a constant periodic rate of interest on the remaining balance of liability for each financial year.

- As leaser

Assets leased out are recorded in the balance sheet as loans granted, for the amount equal to the net investment made in the leased assets.

Interest included in installments charged to customers is recorded as revenues, while amortization of principal, also included in the installments, is deducted from the global amount of the loan initially extended. Recognition of the financial earnings reflects a constant periodic rate of return on the lessor's net outstanding investment.

m) Marketable securities received for deposit

Marketable securities received for deposit are recorded in the off-balance-sheet accounts at market price, or where unquoted, at the corresponding nominal value (see Note 25).

n) Deposit Guarantee Fund

Pursuant to Decree-Law no. 298/92, December 31, the Deposit Guarantee Fund was created in 1994, and the initial contributions to be made by all participating institutions, which include BES and some Group companies, were defined.

The initial contribution made at year-end 1994, shown under the Accruals and Deferrals assets heading was determined by application of a coefficient of 0.2% on average customer deposit balances over the 1992 financial year, and is amortized by the straight-line method over 5 years beginning in 1995, as a charge to income.

For 1995 and following years, the contribution coefficient applicable to the average monthly balances of eligible deposits, as defined in Banco de Portugal Notice no. 9/95, September 15, was set at 0.1%.

Annual contributions are recognized as costs for the financial year in which they are paid. The unpaid portion of annual contributions, which is guaranteed by certificates of deposit (see Note 6), will be recognized by the Bank as a cost when and if its payment is required by the Deposit Guarantee Fund.

o) Charges from the introduction of the Euro and Year 2000 problem

Charges specifically identified as linked to the introduction of the Euro are taken to Pre-paid expenses and will be charged to earnings up to the end of 2001, as defined in Banco de Portugal Circular letter no. 32/98/DSB, November 23. Charges specifically linked to the resolution of the

Year 2000 problem are, according to their nature, entered under the tangible or intangible assets headings, and depreciated in accordance with the principle employed for this category of assets (3 to 4 years).

p) Securitization of financial assets

The Group carries out asset securitization transactions with specific financial entities created by third parties for the purpose, these entities issuing debt in international financial markets to finance these transactions. The Group's accounting policy relative to these transactions is to record the sale of assets and withdraw them from the balance sheet whenever the buyer (the financial entity) acquires, without recourse, all rights and obligations inherent to these assets (see Note 7).

If the Group possesses an agreement to repurchase those assets for a value other than their fair value, or if it retains a substantial part of the risks and benefits associated to their possession, or if, under the securitization transaction's terms, the buyer is entitled to return them, such assets will not be withdrawn from the Group's balance sheet.

q) Fund flow statement

For the purposes of the funds flow statement, the heading Cash and cash equivalents corresponds to the sum of cash balances (see Note 4) and claims at sight on credit institutions (see Note 5).



NOTE 4 - Cash and Cash Equivalents with central banks

	BES		Consolidated	
	2000	1999	2000	1999
Cash	195 287	188 177	214 975	212 548
Sight deposits with central banks	411 069	413 051	584 730	591 195
	606 356	601 228	799 705	803 743

The Sight deposits with central banks heading includes mandatory deposits with Banco de Portugal intended to satisfy legal minimum cash requirements. According to the European Central Bank Regulation (CE) no. 2818/98, of December 1, 1998, minimum cash requirements kept as sight deposits with Banco de Portugal earn interest, and correspond to 2% of deposits and debt certificates maturing in less than 2 years, excluding deposits and debt certificates of institutions subject to the European System of Central Banks' minimum reserves requirements. At the end of 2000 these deposits earned interest at an average rate of 4.05% (1999 – 3%).

NOTE 5 - Credit accounts with Credit Institutions

	BES		Consolidado	
	2000	1999	2000	1999
Due from domestic credit institutions				
Sight deposits	5 198	6 768	29 905	23 049
Checks for collection	489 659	390 011	526 849	461 194
Other liquid assets	<u>71 334</u>	<u>38 917</u>	<u>72 112</u>	<u>39 829</u>
	566 191	435 696	628 866	524 072
Due from foreign credit institutions				
Sight deposits	97 846	39 409	227 035	71 617
Checks for collection	11 345	9 913	12 346	11 602
Others	<u>-</u>	<u>-</u>	<u>-</u>	<u>504</u>
	109 191	49 322	239 381	83 723
	675 382	485 018	868 247	607 795

Uncollected checks on domestic and foreign credit institutions were sent for collection during the first working days following the dates at reference.

NOTE 6 - Due From Credit Institutions And Other Items

	BES		Consolidated	
	2000	1999	2000	1999
Placements with domestic credit institutions				
Certificates of deposit	288 112	355 518	307 414	380 578
Interbank money market	938 390	574 356	450 623	561 272
Notice and time deposits	273 547	122 031	98 480	70 196
Loans	191 544	172 245	29 576	43 211
Placements at very short term	2 687	-	2 687	5 078
Other placements	7 835	78 960	23 106	107 551
	1 702 115	1 303 110	911 886	1 167 886
Placements with foreign credit institutions				
Notice and time deposits	2 757 696	1 748 386	1 518 417	1 721 975
Loans	185 703	202 263	191 536	204 652
Placements at very short term	111 140	79 972	111 999	79 972
Other placements	225 055	714 342	911 077	898 873
	3 279 594	2 744 963	2 733 029	2 905 472
	4 981 709	4 048 073	3 644 915	4 073 358
Less:				
Provision for past due claims on credit institutions	(2 684)	(2 604)	(2 689)	(2 604)
Provision for country risk	(30 329)	(18 163)	(30 391)	(18 186)
Total provisions (see Note 20)	(33 013)	(20 767)	(33 080)	(20 790)
	4 948 696	4 027 306	3 611 835	4 052 568

With the introduction of the new legal regime for minimum cash requirements, as referred to in Note 4, BES and the Group, as other banking institutions, were required to subscribe to certificates of deposit, series A and B, issued by Banco de Portugal, which make up the heading Placements with domestic credit institutions - Certificates of deposit.

As of 31 December 2000, the Bank only held series B certificates of deposit, in the amount of Euro 288,112 thousand, which bear interest at the average annual rate of 3.7% (1999 - 2,6%). During the reporting year, the Bank i) repaid series B certificates of deposit in the amount of Euro 64,983 thousand and ii) paid its annual contribution to the Deposit Guarantee Fund (FGD) through deli-

very of certificates in the amount of Euro 2,423 thousand. From the overall amount of certificates of deposit, Euro 17,262 thousand are pledged in guarantee of the irrevocable commitment for payment of the remaining portion of the 1997, 1998, 1999 and 2000 contributions to the FGD.

Besides certificates of deposit, the main placements with domestic credit institutions as of 31 December 2000 bear interest at an average rate of 4.59% (1999 – 3.30%). Deposits with foreign credit institutions bear interest at rates prevailing in the international markets in which the Bank and the Group do business.

These assets show the following breakdown by remaining life to maturity:

	BES		Consolidated	
	2000	1999	2000	1999
Up to 3 months	3 289 170	3 150 507	2 541 831	3 136 321
From 3 months to 1 year	964 770	516 390	407 948	612 838
From 1 to 5 years	620 049	313 365	588 938	259 799
Over 5 years	104 931	65 122	103 409	61 711
Indeterminate maturity (past due principal and interest)	2 789	2 689	2 789	2 689
	4 981 709	4 048 073	3 644 915	4 073 358

As of 31 December 2000, the balance under the heading Placements with domestic credit institutions - Interbank money market, includes placements made in the country by BES's international branches, in the amount of Euro 151,478 thousand (1999 – Euro 121,267 thousand).

NOTE 7 – Advances And Loans To Customers

	BES		Consolidated	
	2000	1999	2000	1999
Domestic loans				
Loans in current account	5 482 507	4 370 831	6 102 941	4 951 277
Housing credit	2 783 742	2 075 392	6 939 819	5 616 180
Commercial discounts	733 106	604 234	793 796	653 111
Overdrafts on current account	629 001	428 423	699 277	491 411
Other documentary credits	197 548	141 654	304 505	211 974
Financial leasing receivables	15 670	13 019	894 509	656 573
Factoring receivables	90 080	39 255	342 045	178 799
Other loans	1 136 765	1 095 072	2 217 128	1 773 396
	11 068 419	8 767 880	18 294 020	14 532 721
Foreign loans	1 681 259	1 213 240	3 086 986	2 065 138
	12 749 678	9 981 120	21 381 006	16 597 859
Past-due loans and interest	218 577	209 447	408 207	389 486
	12 968 255	10 190 567	21 789 213	16 987 345
Less:				
Provision for past-due loans and interest	(176 513)	(172 487)	(303 449)	(281 601)
Provision for country risk	(1 424)	(2 182)	(2 269)	(2 918)
Total provisions (see Note 20)	<u>(177 937)</u>	<u>(174 669)</u>	<u>(305 718)</u>	<u>(284 519)</u>
	12 790 318	10 015 898	21 483 495	16 702 826

In addition to provisions for past-due loans and interest and country risk, the Bank and the Group show other provisions under liabilities (see Note 20) in the amount of Euro 177,261 thousand (1999 – Euro 138,328 thousand) and Euro 254,728 thousand (1999 – Euro 194,237 thousand), respectively, which are also intended to cover credit risks.

In August 1999 BES carried out its first asset securitization transaction, selling to Lusitano No. 1 Limited a consumer credit portfolio recorded in its balance sheet for the amount of Euro 250,000 thousand. At the time of sale, no gain or loss was entered in the Bank's income statement. Lusitano No. 1 Limited financed this acquisition through

the issuance of bonds in international financial markets, which were secured by the set of loans transacted. Under the issue's terms, the bondholders have no right of recourse.

BES cannot be held responsible for any amount of non-performing loans in the consumer credit portfolio sold that exceeds the collateral deposited with Lusitano No. 1 Limited. This collateral deposit will correspond to a maximum of 5% of the nominal value of the credit portfolio sold.

Lusitano No. 1 Limited's only activity will be to hold the consumer credit portfolio purchased from BES. The payment of capital and interest relative to the bonds issued by this entity will

depend exclusively on this portfolio and on the collateral deposited by the Bank. Through the purchase of residual certificates issued by Lusitano No. 1 Limited, the Bank became entitled to the residual value of this entity's assets, after liabilities towards the bondholders have been settled. The interest paid quarterly on these residual certificates is taken to the income statement.

This securitization operation also presents the following features:

a) Notes issued by Lusitano No. 1 Limited

	Senior	Junior
Rating		
- Fitch	AAA	A
- Moody's	Aaa	A2
- Standart & Poor's	AAA	A
Amount (thousand euros)	233 700	16 300
Coupon rate	Euribor 3m + 0,36% pa	Euribor 3m + 0,75% pa
Redemption	Up to Set/2007	Up to Set/2007
Securities held by BES	No record	No record

b) Commitments retained by BES:

- Cash reserve: in the amount of Euro 12,500 thousand, recorded in the Other assets heading.
- Liquidity lines and guarantees: non-applicable.

c) Intervening entities:

- Purchasers of credits: Lusitano No.1 Limited and Deutsche Bank (Portugal);
- Manager of credits: BES

As of 31 December 2000, outstanding assets in, and guarantees extended to, Latin American, Asian, African, and other countries classified as sovereign risks, totalled Euro 566,141 thousand (1999 – Euro 405,406 thousand) distributed as follows:

	Consolidated						
	2000					1999	
	Placements in Securities	Placements in Credit Institutions	Customer Loans	Other assets	Off balance Sheet Items	Total (1)	Total (1)
Asia Pacific	33 374	44 127	12 563	-	671	90 735	82 580
South Korea	11 516	26 486	-	-	-	38 002	10 347
Turkey	38	13 822	-	-	186	14 046	6 479
China Popular Republic	1	50	7 732	-	-	7 783	8 052
Hong Kong	19 609	3 769	4 559	-	6	27 943	40 900
India	2 210	-	-	-	-	2 210	3 289
Malaysia	-	-	120	-	-	120	4 976
Others	-	-	152	-	479	631	8 537
Latin America	92 942	32 317	150 776	253	29 971	306 259	176 611
Brazil	92 942	18 098	69 368	228	28 421	209 057	115 813
Panama	-	-	42 007	-	-	42 007	1 974
Bahamas	-	17	15 195	23	-	15 235	25 863
Argentina	-	11 515	-	-	32	11 547	5 001
Guatemala	-	-	10 747	-	-	10 747	-
El Salvador	-	-	5 373	-	-	5 373	4 978
Chile	-	2 687	1	-	1 271	3 959	2 523
Mexico	-	-	3 021	-	-	3 021	13 896
Venezuela	-	-	2 331	1	1	2 333	1 698
Colombia	-	-	1 465	-	174	1 639	2 787
Others	-	-	1 268	1	72	1 341	2 078
Western Europe	5 614	4 764	9 762	68	24	20 232	32 954
Poland	-	4 715	7 000	68	20	11 803	6 594
Hungary	4 102	-	-	-	-	4 102	7 919
Slovenia	-	-	2 711	-	-	2 711	-
Russia	1 512	9	2	-	4	1 527	3 866
Czech Republic	-	40	-	-	-	40	14 575
Others	-	-	49	-	-	49	-
Africa	5 788	120 247	54 991	33	3 161	184 220	137 468
Angola	-	120 039	976	-	1 586	122 601	122 800
Morocos	5 648	18	44 263	32	549	50 510	6 587
South Africa	-	190	5 840	-	382	6 412	787
Cape Verde	140	-	3 895	-	127	4 162	6 073
Others	-	-	17	1	517	535	1 221
Total	137 718	201 455	228 092	354	33 827	601 446	429 613
Less:							
Provision for country risk	(2 533)	(30 391)	(2 269)	(112)	-	(35 305)	(24 207)
Total	135 185	171 064	225 823	242	33 827	566 141	405 406

(1) – Bonds of foreign public issuers yielded interest at rates prevailing in the international markets in which the Bank and the Group do business.

As of 31 December 2000, total exposure to Angola and Brazil included Euro 6,085 thousand (1999 – Euro 21,095 thousand) and Euro 15,045 thousand (1999 – Euro 24,521 thousand) in trade

financings maturing in less than 1 year, extended to Brazilian and Angolan customers, respectively. Most of the remaining Angolan debt is secured by guarantees.

The total amount of provisions set up by BES in accordance with Banco de Portugal regulations is considered sufficient to cover potential losses on realization of these assets and guarantees.

These customer loans show the following breakdown by remaining life to maturity, as of 31 December 31 2000 and 1999:

	BES		Consolidado	
	2000	1999	2000	1999
Up to 3 months	3 559 747	3 606 429	4 476 512	4 169 407
From 3 months to 1 year	1 354 636	1 793 817	2 580 881	2 599 296
From 1 to 5 years	4 301 614	2 137 424	6 080 463	3 374 073
Over 5 years	3 533 681	2 443 450	8 243 150	6 455 083
Indeterminate maturity (past-due loans and interest)	218 577	209 447	408 207	389 486
	12 968 255	10 190 567	21 789 213	16 987 345

NOTE 8 – Placements in Securities

	BES						Consolidated	
	Trading Securities		Investment Securities		Total		2000	1999
	2000	1999	2000	1999	2000	1999		
Bonds and other fixed-income securities								
Domestic public issuers								
Medium and long-term public debt instruments	10 871	790	16 575	23 898	27 446	24 688	104 128	94 487
Bonds of other public issuers	-	-	10 002	14 873	10 002	14 873	10 002	14 874
Foreign public issuers	69 705	130 038	1 248 450	1 017 194	1 318 155	1 147 232	1 453 939	1 186 267
	80 576	130 828	1 275 027	1 055 965	1 355 603	1 186 793	1 568 069	1 295 628
Less: Accumulated provisions	-	-	(8 286)	(13 438)	(8 286)	(13 438)	(8 776)	(13 198)
	80 576	130 828	1 266 741	1 042 527	1 347 317	1 173 355	1 559 293	1 282 430
Other issuers								
Bonds and other securities	55 250	2 927	3 030 782	3 268 502	3 086 032	3 271 429	2 184 627	2 602 663
Less: Accumulated provisions	-	-	(44 125)	(24 111)	(44 125)	(24 111)	(47 911)	(28 426)
	55 250	2 927	2 986 657	3 244 391	3 041 907	3 247 318	2 136 716	2 574 237
Own securities	36 632	-	-	-	36 632	-	41 869	10 225
	172 458	133 755	4 253 398	4 286 918	4 425 856	4 420 673	3 737 878	3 866 892
Shares and other variable income securities								
Shares	38	-	174 258	333 079	174 296	333 079	279 803	405 827
Participation units -								
Investments funds	62 877	641 340	155 386	180 377	218 263	821 717	262 838	850 749
Other securities	136 059	1 282	2 869	1 508	138 928	2 790	139 496	2 796
Plus: Fluctuations in placements in securities	15	212	-	-	15	212	55	212
	198 989	642 834	332 513	514 964	531 502	1 157 798	682 192	1 259 584
Less: Accumulated provisions	(19)	(502)	(68 353)	(23 481)	(68 372)	(23 983)	(81 273)	(31 010)
	198 970	642 332	264 160	491 483	463 130	1 133 815	600 919	1 228 574
Total placements in securities	371 447	776 589	4 638 322	4 839 431	5 009 769	5 616 020	4 476 757	5 168 100
Less: (see Notes 3.3 d) and 20)								
Accumulated loss provisions	(19)	(502)	(118 354)	(58 216)	(118 373)	(58 718)	(135 427)	(69 631)
Accumulated country risk provisions	-	-	(2 410)	(2 814)	(2 410)	(2 814)	(2 533)	(3 003)
	(19)	(502)	(120 764)	(61 030)	(120 783)	(61 532)	(137 960)	(72 634)
	371 428	776 087	4 517 558	4 778 401	4 888 986	5 554 488	4 338 797	5 095 466

As of 31 December 2000, the breakdown of securities by remaining life to maturity was as follows:

	BES			Consolidated
	Trading Securities	Investment Securities	Total	Total
Up to 3 months	-	271 984	271 984	168 628
From 3 months to 1 year	39 777	358 056	397 833	477 777
From 1 to 5 years	151 469	2 250 646	2 402 115	2 018 086
Over 5 years	117 659	1 400 439	1 518 098	965 725
Indeterminate maturity	62 542	357 197	419 739	846 541
	371 447	4 638 322	5 009 769	4 476 757

Yields on fixed-income securities at balance sheet date fluctuated within the following ranges:

	BES	
	2000	1999
Portuguese public debt instruments	2,750% - 10,625%	2,750% - 11,875%
Bonds of other public domestic issuers	6,125%	3,375% - 5,0%
Bonds of other issuers	4,5% - 8,0%	1,5% - 14,375%

Bonds of foreign public issuers yielded interest at rates prevailing in the international markets in which the Bank and the Group do business.

As of 31 December 2000, BES carried fixed-income securities at a total cost of Euro 4,253,398 thousand (1999 – Euro 4,286,918 thousand), compared with the following nominal value (or reimbursement value at maturity) and market value:

	BES	
	2000	1999
Nominal value	4 296 535	4 291 995
Market value	4 270 201	4 307 867

On the same date the Group carried fixed-income securities at a total cost of Euro 3,476,206 thousand (1999 – Euro 3,676,714 thousand), compared with market value of Euro 3,454,900 thousand (1999 – Euro 3,698,737 thousand).

As of 31 December 2000 BES and the Group had own shares in portfolio in the amount of, respectively Euro 73 283 thousands and Euro 74 121 thousand (see Note 3.3 d)).

NOTE 9 – Equity Holdings

	BES				Consolidado			
	2000		1999		2000		1999	
	Direct Share Holding	Cost of holding (1)	Direct Share Holding	Cost of holding (1)	Direct and indirect Share Holding	Book Value or Cost of Holding (1)	Direct and indirect Share Holding	Book Value or Cost of Holding (1)
Associated companies								
INTERATLNTICO	50,00%	85 531	27,15%	86 445	50,00%	-	27,15%	-
ES SEGUROS	31,00%	4 639	40,00%	5 986	31,00%	2 844	40,00%	3 467
BES VÉNÉTIE	21,00%	7 061	21,00%	7 061	21,00%	6 741	21,00%	7 985
SCI GEORGES								
MANDEL	22,50%	2 401	22,50%	2 401	22,50%	2 282	22,50%	2 259
EUROP ASSISTANCE	23,00%	1 147	23,00%	1 147	23,00%	1 377	23,00%	1 427
ESUMÉDICA	24,84%	395	24,75%	170	24,84%	370	24,75%	150
FIDUPRIVATE	24,76%	31	24,76%	31	24,76%	69	24,76%	50
COMINVEST	-	-	-	-	25,00%	1 547	53,33%	3 696
Boavista Espírito Santo DTVM	-	-	-	-	-	-	44,00%	1 022
ESAF FP	-	-	-	-	100,00%	1 518	100,00%	943
E,S,I,A,M,	-	-	-	-	49,00%	30	49,00%	20
QUADRIGA	-	-	-	-	26,78%	272	-	-
ES BANKEST	-	-	-	-	50,00%	8 662	-	-
		101 205		103 241		25 712		21 019
Less: Provision for capital losses (3)		(47 386)		-		-		-
		53 819		103 241		25 712		21 019
Other holdings								
Companhia de S, Tranquilidade	-	-	0,13%	639	-	-	0,13%	639
FIEP-Fundo p/ int,E,Port,,SGPS	17,00%	16 971	10,50%	10 475	19,50%	19 465	13,00%	12 969
Fundo Europeu de Investimento	0,15%	3 000	0,15%	3 000	0,15%	3 000	0,15%	3 000
Multiger	-	-	4,99%	1 126	-	-	7,42%	2 250
SPGM - Sociedade de Investimentos, SA	8,37%	1 044	8,74%	1 090	9,37%	1 169	8,80%	1 217
SIBS	7,88%	1 068	7,88%	1 068	8,58%	1 231	8,58%	1 232
Fundo de Turismo - Cap, Risco	15,00%	748	15,00%	748	15,00%	748	15,00%	748
Norpedip	2,73%	748	2,73%	748	2,73%	748	2,73%	748
Sulpedip	2,73%	748	2,73%	748	2,73%	748	2,73%	748
Centralcontrol, SGPS	-	-	25,00%	623	-	-	25,00%	623
Finageste	0,65%	435	0,65%	435	0,67%	457	0,67%	454
Unicre	8,80%	220	8,80%	220	9,09%	594	9,09%	594
Banco Inter-Unido	49,85%	211	49,85%	211	49,85%	211	49,85%	211
Fundo de Turismo - SGFI	13,33%	50	13,33%	50	13,33%	50	13,33%	50
Servimédia	-	-	10,00%	50	-	-	10,00%	50
Kredit Bank PBI	19,86%	82 066	10,00%	27 651	19,86%	82 066	10,00%	27 651
BMCE Bank	3,05%	27 092	-	-	3,05%	27 092	-	-
Bradesco	1,20%	89 537	-	-	1,20%	89 537	-	-
Portugal Telecom	1,77%	226 415	-	-	1,77%	226 415	-	-
PT Multimédia	3,04%	157 653	-	-	3,04%	157 653	-	-
PT Multimédia.com	2,80%	74 176	-	-	2,80%	74 176	-	-
ESEGUR	24,00%	60	24,00%	60	24,00%	60	24,00%	60
MULTIPESSOAL	22,52%	100	22,52%	100	22,52%	100	22,52%	100
Quinta dos Cónegos	-	-	-	-	78,19%	4 862	78,19%	4 863
United Investments Portugal	-	-	-	-	0,27%	369	0,27%	369
SGF - Soc, Gest, FP	-	-	-	-	5,21%	52	22,91%	229
NovaBase, SGPS	-	-	-	-	4,00%	16 682	-	-
Fatshoe.com	-	-	-	-	12,64%	6 343	-	-
Lagos Sport (2)	-	-	-	-	3,51%	120	4,38%	150
HLC - Centrais de congeração (2)	-	-	-	-	24,49%	898	-	-
Macrotrur SGPS (2)	-	-	-	-	-	-	-	-
Generg (2)	-	-	-	-	10,00%	3 178	10,00%	3 676
Portugália (2)	-	-	-	-	-	-	4,64%	1 526
Aleluia (2)	-	-	-	-	15,00%	811	15,00%	748
Siparex Development (2)	-	-	-	-	0,61%	151	0,61%	150
ESFI, SA (2)	-	-	-	-	24,00%	1 499	33,64%	2 200
Outras		<u>2 371</u>		<u>447</u>		<u>31 809</u>		<u>7 964</u>
		684 713		49 489		752 294		75 219
Less: Provision for capital losses		(786)		(1 014)		(5 497)		(2 893)
		683 927		48 475		746 797		72 326
Total		785 918		152 730		778 006		96 238
Less: Provision for capital losses		(48 172)		(1 014)		(5 497)		(2 893)
		737 746		151 716		772 509		93 345

(1) For equity holdings purchased in foreign currencies, the fluctuation between acquisition and end-of-period exchange rates is recorded in the balance sheet under the Accruals and Deferrals - value fluctuations heading, in accordance with Banco de Portugal regulations.

(2) Indirect holdings through ES Capital.

(3) In the consolidated accounts this provision is included in the Fund for General Banking Risks heading.

The provision for losses in other equity holdings was intended to cover potential problems on realization of some of these holdings.

NOTE 10 - Equity Holdings In Subsidiaries

This heading covers shareholdings relative to which the Bank holds a direct or indirect controlling interest (see Note 2) and as such are fully consolidated.

	BES							
	2000				1999			
	Nº of share	Direct Share Holding	Nominal Value	Cost of Holding	Nº of Shares	Direct Share Holding	Nominal Value	Cost of Holding
BIC	30 000 000	100,00%	5,00	208 521	18 000 000	100,00%	5,00	148 521
BESI	14 000 000	100,00%	5,00	159 834	6 809 760	48,64%	5,00	48 081
BESSA	9 237 500	85,43%	8,00	79 884	4 425 000	73,75%	6,01	32 579
BES.COM c)	50 000 000	100,00%	1,00	50 000	-	-	-	-
SPAINVEST	399 999	100,00%	8,82	21 977	399 999	100,00%	8,82	21 977
BESLEASING MOBILIÁRIA	3 334 408	77,01%	4,99	21 768	3 325 027	76,79%	4,99	21 719
BES ORIENTE	199 500	99,75%	133,77	26 527	198 300	99,15%	124,33	24 654
E,S, BANK c)	6 377 050	98,45%	2,69	68 776	-	-	-	-
ES CAPITAL	3 964 060	79,28%	5,00	19 774	3 964 060	79,28%	5,00	19 777
BESLEASING IMOBILIÁRIA	1 951 456	75,64%	4,99	8 142	1 942 856	75,30%	4,99	8 095
ESAF, SGPS	1 527 500	65,00%	4,99	7 619	1 527 500	65,00%	4,99	7 622
EUROGES	2 400 000	100,00%	4,99	12 142	2 400 000	100,00%	4,99	12 142
ESDI	486 000	34,71%	4,99	2 960	486 000	34,71%	4,99	2 958
ES DEALER	285 000	57,00%	5,00	3 800	285 000	57,00%	5,00	3 801
CREDIBOM	1 199 310	59,97%	5,00	5 982	1 199 310	59,97%	4,99	5 982
Qta dos Cónegos a)	377 400	51,00%	4,99	3 064	377 400	51,00%	4,99	3 064
CREDIFLASH	849 997	84,94%	4,99	4 094	549 997	78,57%	4,99	2 594
ESCLINC	100	100,00%	8 722,14	873	200	100,00%	2 488,55	498
CÊNTIMO b)	1	55,00%	137 169,42	409	1	55,00%	137 169,42	409
ES COBRANÇAS	75 000	46,88%	4,99	374	75 000	46,88%	4,99	374
GESFINC	28 000	35,00%	4,99	140	28 000	35,00%	4,99	140
ESGER e)	-	-	-	-	24 940	83,13%	4,99	125
ESGEST	20 000	100,00%	4,99	100	20 000	100,00%	4,99	100
ES REPRESENTAÇÕES	49 995	99,99%	0,55	28	49 995	99,99%	0,56	28
BESNAC	1 000	100,00%	0,72	35	1 000	100,00%	0,72	35
BES FINANCE	25 000	100,00%	1,07	27	25 000	100,00%	1,00	25
E.S.F. CONSULTANTS c)	450 100	90,02%	5,00	2 251	-	-	-	-
E.S. CONTACT CENTER c)	945 000	45,00%	1,00	945	-	-	-	-
E.S. PLC	29 994	99,98%	1,27	38	30 000	100,00%	1,27	38
ESOL d)	1 000	100,00%	1,07	1	1 000	100,00%	1,00	-
BESOL d)	1 000	100,00%	1,07	1	1 000	100,00%	1,00	-
				710 086				365 338

a) Company excluded from the consolidation

b) Limited liability partnership

c) Company set up/purchased in 2000

d) See Notes 2 and 22

e) Company excluded from the consolidation in 2000

NOTE 11 – Intangible Assets

	BES		Consolidated	
	2000	1999	2000	1999
Costs to be amortized over several years	11 209	10 709	18 859	18 146
Automatic data processing system	215 507	163 063	247 850	183 787
Others	<u>12 282</u>	<u>9 411</u>	<u>27 120</u>	<u>20 471</u>
	238 998	183 183	293 829	222 404
Intangibles in progress	<u>56 251</u>	<u>59 796</u>	<u>58 046</u>	<u>61 277</u>
	295 249	242 979	351 875	283 681
Accumulated depreciation	(162 770)	(110 614)	(197 125)	(133 204)
	132 479	132 365	154 750	150 477

During the financial year ending on 31 December 2000, the movement under this heading was as follows –

	BES					
	Opening Balance	Acquisitions	Disposals	Transfers	Exch.rate var. & Other Mov.	Closing balance
Gross value	183 183	9 557	(130)	46 368	20	238 998
Fixed assets in progress	59 796	43 192	-	(46 737)	-	56 251
Accumulated depreciation	(110 614)	(52 159)	15	-	(12)	(162 770)
Total	132 365	590	(115)	(369)	8	132 479

	Consolidated					
	Opening Balance	Acquisitions	Disposals	Transfers	Exch.rate var. & Other Mov.	Closing balance
Gross value	222 404	23 430	(1 697)	48 273	1 419	293 829
Fixed assets in progress	61 277	47 126	(28)	(50 294)	(35)	58 046
Accumulated depreciation	(133 204)	(60 546)	15	155	(3 545)	(197 125)
Total	150 477	10 010	(1 710)	(1 866)	(2 161)	154 750

The impact of consolidated companies is for the first time included in the Exchange rate variation & other movements column.

NOTE 12 – Tangible Assets

	BES		Consolidated	
	2000	1999	2000	1999
Premises				
For own use	344 793	347 652	431 875	429 979
Improvements to leased property	117 078	107 591	128 946	118 285
Others	<u>14</u>	<u>269</u>	<u>1 933</u>	<u>2 738</u>
	<u>461 885</u>	<u>455 512</u>	<u>562 754</u>	<u>551 002</u>
Equipment				
Computer equipment	124 165	111 950	165 112	145 948
Furniture and materials	50 012	47 441	81 443	74 715
Machinery and tools	13 753	13 488	16 999	16 540
Internal installations	61 619	57 107	77 219	71 139
Transportation material	10 645	9 482	20 579	17 438
Security equipment	15 317	14 301	19 357	18 181
Others	<u>342</u>	<u>334</u>	<u>1 093</u>	<u>829</u>
	<u>275 853</u>	<u>254 103</u>	<u>381 802</u>	<u>344 790</u>
Other fixed assets				
Works of art	<u>6 858</u>	<u>5 906</u>	<u>8 029</u>	<u>6 878</u>
	<u>744 596</u>	<u>715 521</u>	<u>952 585</u>	<u>902 670</u>
Fixed assets in progress				
Premises	11 919	15 782	11 687	16 375
Improvements to leased property	6 231	7 751	6 501	7 781
Computer equipment	12 808	12 954	13 215	13 318
Others	<u>642</u>	<u>70</u>	<u>4 859</u>	<u>70</u>
	<u>31 600</u>	<u>36 557</u>	<u>36 262</u>	<u>37 544</u>
	<u>776 196</u>	<u>752 078</u>	<u>988 847</u>	<u>940 214</u>
Accumulated depreciation	(458 732)	(431 855)	(540 992)	(498 364)
	317 464	320 223	447 855	441 850

During the financial year ending on 31 December 2000, the movement under this heading was as follows:

	BES						
	Net Opening Balances	Acquisitions	Disposals	Deprec. for Year	Transfers	Exch Rate Variation & Others	Net Closing Balances
Premises	222 977	1 978	(7 674)	(11 968)	13 257	22	218 592
Equipment	54 863	22 105	(383)	(22 281)	6 143	(33)	60 414
Other fixed assets	5 826	957	(4)	-	-	79	6 858
Fixed assets in progress	36 557	14 435	-	-	(19 400)	8	31 600
Total	320 223	39 475	(8 061)	(34 249)	-	76	317 464

	Consolidated						
	Net Opening Balances	Acquisitions	Disposals	Deprec. for Year	Transfers	Exch Rate Variation & Others	Net Closing Balances
Premises	307 509	4 321	(7 674)	(14 427)	16 183	300	306 212
Equipment	89 998	37 641	(1 588)	(33 970)	6 918	(1 647)	97 352
Other fixed assets	6 799	1 048	(4)	-	(1)	187	8 029
Fixed assets in progress	37 544	22 114	(68)	-	(23 340)	12	36 262
Total	441 850	65 124	(9 334)	(48 397)	(240)	(1 148)	447 855

The impact of consolidated companies is for the first time included in the Exchange rate variation & others column.

As of 31 December 2000, the accumulated result of revaluation of tangible assets was as follows –

	BES					
	2000			1999		
	Premises	Equi- pment	Total	Premises	Equi- pment	Total
Cost	210 582	267 379	477 961	208 957	243 967	452 924
Revaluation	<u>269 453</u>	<u>28 782</u>	<u>298 235</u>	<u>270 088</u>	<u>29 066</u>	<u>299 154</u>
Revalued cost	480 035	296 161	776 196	479 045	273 033	752 078
Depreciation at cost	79 925	187 696	267 621	71 237	171 700	242 937
Revaluation depreciation	<u>163 368</u>	<u>27 743</u>	<u>191 111</u>	<u>161 306</u>	<u>27 612</u>	<u>188 918</u>
Total depreciation	243 293	215 439	458 732	232 543	199 312	431 855
Net value						
at acquisition cost	<u>130 657</u>	<u>79 683</u>	<u>210 340</u>	<u>137 720</u>	<u>72 267</u>	<u>209 987</u>
Revaluation included in net tangible assets	106 085	1 039 107 124	108 782	1 454	110 236	
Net revaluation amounts	236 742	80 722	317 464	246 502	73 721	320 223

	Consolidated					
	2000			1999		
	Premises	Equi- pment	Total	Premises	Equi- pment	Total
Cost	302 474	374 361	676 835	295 814	331 225	627 039
Revaluation	<u>278 708</u>	<u>33 304</u>	<u>312 012</u>	<u>279 344</u>	<u>33 831</u>	<u>313 175</u>
Revalued cost	581 182	407 665	988 847	575 158	365 056	940 214
Depreciation at cost	91 785	252 379	344 164	80 088	223 903	303 991
Revaluation depreciation	<u>164 757</u>	<u>32 071</u>	<u>196 828</u>	<u>162 527</u>	<u>31 846</u>	<u>194 373</u>
Total depreciation	256 542	284 450	540 992	242 615	255 749	498 364
Net value						
at acquisition cost	<u>210 689</u>	<u>121 982</u>	<u>332 671</u>	<u>215 726</u>	<u>107 322</u>	<u>323 048</u>
Revaluation included in net tangible assets	113 951	1 233	115 184	116 817	1 985	118 802
Net revaluation amounts	324 640	123 215	447 855	332 543	109 307	441 850

NOTE 13 – Other Assets

	BES		Consolidated	
	2000	1999	2000	1999
Advances on capital subscriptions	28 832	45 740	39 340	71 712
Gold, other precious metals, numismatics, coins and other liquid assets	15 439	13 238	18 901	34 312
Property and premises (see Note 3.3 ii))	20 339	21 044	63 104	73 114
Sundry debtors	59 102	64 175	108 896	84 591
Subordinated assets	7 660	7 263	7 660	7 263
Securities held in lieu of loan recoveries	-	-	17 437	18 323
Interest subsidies on housing credit	-	-	49 601	60 030
Checks for collection	-	3 162	95 503	40 636
Tax credit	17 199	-	19 653	2 454
Futures and options	26 659	80 815	30 272	83 908
Sundry	<u>72 508</u>	<u>108 679</u>	<u>60 515</u>	<u>69 965</u>
	<u>247 738</u>	<u>344 116</u>	<u>510 882</u>	<u>546 308</u>
Provisions for other placements	(3 460)	(2 700)	(18 386)	(18 909)
Provisions for country risk	<u>(112)</u>	<u>(100)</u>	<u>(112)</u>	<u>(100)</u>
Total provisions (see Note 20)	<u>(3 572)</u>	<u>(2 800)</u>	<u>(18 498)</u>	<u>(19 009)</u>
	244 166	341 316	492 384	527 299

As of 31 December 2000, the Bank's tax credit heading includes (i) Euro 12,755 thousand relative to corporation tax (IRC) recoverable on the 2000 financial year and (ii) Euro 4,216 thousand relative to deferred tax refunds (see Notes 18 and 31).

NOTE 14 – Accruals And Deferrals (Assets)

	BES		Consolidated	
	2000	1999	2000	1999
Accrued income	404 308	291 227	447 034	343 936
Lending operations pending settlement	116 899	14 091	148 247	68 535
Prepaid expenses	11 242	117 052	24 480	138 042
Value fluctuations	19 971	36 826	34 837	32 207
Company store	1 439	1 521	1 909	2 070
Stock exchange transactions pending settlement	19 857	180 934	69 960	202 218
Others	118 146	96 445	166 127	122 415
	691 862	738 096	892 594	909 423

As of 31 December 1999 the Pre-paid expenses heading included the balance of extraordinary contributions to BES Pension Funds relative to early retirements, in the amount of Euro 106,648 thousand (See Note 3.3. j)).

As of 31 December 2000 the Bank's Value fluctuations heading reflects the net balance of foreign exchange differences in financial investments (positive – Euro 24,063 thousand; negative – Euro 44,034 thousand).

As of 31 December 2000 and 1999, the heading Stock exchange transactions pending settlement under assets and liabilities (see Note 19) shows the net balance of the Bank's and the Group's sale and purchase orders for which payment has not yet been received.

NOTE 15 – Due To Credit Institutions

Sight, term, and notice liabilities to credit institutions consist of the following:

	BES		Consolidated	
	2000	1999	2000	1999
Sight deposits				
In Portugal	28 460	104 137	66 753	194 297
Abroad	<u>346 499</u>	<u>760 523</u>	<u>395 547</u>	<u>784 614</u>
	<u>374 959</u>	<u>864 660</u>	<u>462 300</u>	<u>978 911</u>
Time or notice deposits				
In Portugal				
Time deposits and other funds	67 439	351 203	1 053 299	1 181 677
Interbank money market	189 000	42 932	320 483	148 497
Deposits and rediscounts with Banco de Portugal	<u>9 353</u>	<u>28 037</u>	<u>9 353</u>	<u>28 037</u>
	<u>265 792</u>	<u>422 172</u>	<u>1 383 135</u>	<u>1 358 211</u>
Abroad				
Time deposits and other funds	8 853 278	6 524 088	5 809 375	5 709 810
Assignment of loans under agreement to repurchase	<u>173 106</u>	<u>114 105</u>	<u>625 442</u>	<u>114 105</u>
	<u>9 026 384</u>	<u>6 638 193</u>	<u>6 434 817</u>	<u>5 823 915</u>
	<u>9 292 176</u>	<u>7 060 365</u>	<u>7 817 952</u>	<u>7 182 126</u>
Total	<u>9 667 135</u>	<u>7 925 025</u>	<u>8 280 252</u>	<u>8 161 037</u>

As of 31 December 2000, time deposits and other funds from foreign credit institutions included Euro 5,677,423 thousand (1999 – Euro 3,014,995 thousand), relative to the respective liabilities of BES international financial offices and its Foreign Financial Branch with respect to credit institutions abroad.

The maturity breakdown under this heading was as follows:

Maturities	BES		Consolidated	
	2000	1999	2000	1999
Payable at sight	374 959	864 660	462 300	978 911
Payable at term				
Up to 3 months	5 757 877	5 293 364	4 028 923	4 627 532
From 3 months to 1 year	2 263 867	1 005 247	2 109 139	1 478 866
From 1 to 5 years	1 270 432	761 754	1 677 281	1 070 171
Over 5 years	-	-	2 609	5 557
	9 292 176	7 060 365	7 817 952	7 182 126
	9 667 135	7 925 025	8 280 252	8 161 037

NOTE 16 – Amounts Due To Customers

The balance under this heading is made up as follows:

	BES		Consolidated	
	2000	1999	2000	1999
Sight deposits				
Current accounts	5 325 054	4 665 615	6 376 443	5 540 073
Time deposits				
Time deposits with notice	5 758	9 358	5 758	9 357
Time deposits	3 446 597	3 203 041	7 030 472	6 037 395
Checks and payment orders	37 778	50 080	56 300	66 011
Sales transactions under agreement to repurchase (see Note 8)	-	-	68 074	93 126
Consigned funds	9 176	5 455	10 759	7 038
Others	154 763	330 416	159 489	338 783
	3 654 072	3 598 350	7 330 852	6 551 710
Savings deposits				
Emigrants	-	-	5 647	7 507
Pensioners	459 700	482 601	480 608	509 028
Others	1 947 398	1 838 150	1 966 201	1 853 453
	2 407 098	2 320 751	2 452 456	2 369 988
Total	11 386 224	10 584 716	16 159 751	14 461 771

The maturity breakdown of liabilities under the above heading was as follows:

Period	BES						Consolidated	
	2000			1999			2000	1999
	Saving Deposits	Other Deposits	Total	Saving Deposits	Other Deposits	Total	Total	Total
Payable at sight	-	5 325 054	5 325 054	-	4 665 615	4 665 615	6 376 443	5 540 073
Payable at term								
Up to 3 months	2 077 904	2 003 062	4 080 966	1 979 118	2 471 490	4 450 608	6 730 517	6 635 275
From 3 months to 1 year	328 899	1 222 006	1 550 905	341 633	1 086 054	1 427 687	2 391 339	2 045 695
From 1 to 5 years	295	264 444	264 739	-	1 884	1 884	368 783	43 051
Over 5 years	-	164 529	164 529	-	38 837	38 837	292 638	40 416
Indeterminate	-	31	31	-	85	85	31	157 261
	2 407 098	3 654 072	6 061 170	2 320 751	3 598 350	5 919 101	9 783 308	8 921 698
	2 407 098	8 979 126	11 386 224	2 320 751	8 263 965	10 584 716	16 159 751	14 461 771

NOTE 17 – Debt Securities

As of 31 December 2000 and 1999, outstanding debt securities, on an individual and on a consolidated basis, consisted of the following:

	BES		Consolidated	
	2000	1999	2000	1999
Debt securities				
Shelf bonds	689 586	552 847	872 853	1 028 921
Euro Medium Term Notes	-	-	2 605 133	1 139 194
Certificates of deposit	1 589 691	1 187 291	1 604 824	1 234 983
Others	71 629	-	95 201	23 454
	2 350 906	1 740 138	5 178 011	3 426 552

The maturity breakdown is as follows:

	BES		Consolidated	
	2000	1999	2000	1999
Up to 3 months	1 253 326	880 313	1 554 295	914 711
From 3 months to 1 year	679 092	333 850	730 953	394 813
From 1 to 5 years	372 810	525 975	2 367 571	2 117 028
Over 5 years	45 678	-	525 192	-
	2 350 906	1 740 138	5 178 011	3 426 552

The characteristics of these debt securities are shown in the following chart:

Issuer	Designation	Issue Date	Currency	Amount (000' euros)	Global yield interest rate	Interest Payment Period	Maturity	Listed
BES								
Bonds in circulation								
	Shelf bonds indexed to a basket of world indices	Abr / 97	EUR	7 482	a)	at maturity	2002	Lisbon
	Shelf bonds indexed to a basket of world indices	Mar / 98	PTE	29 928	a)	at maturity	2001	Lisbon
	Shelf bonds indexed to a basket of world indices - 2nd Series	Mar / 98	PTE	4 988	a)	at maturity	2001	Lisbon
	Shelf bonds indexed to a basket of equities in power companies	Abr / 98	PTE	4 988	a)	at maturity	2001	Lisbon
	Shelf bonds indexed to a basket of world indices - 3rd and 4th Series	Jun / 98	PTE	19 952	a)	at maturity	2001	Lisbon
	Shelf bonds Emigrant Savings	Jul;Ago;Set/98	PTE	124 699	a)	at maturity	2001	-
	Shelf bonds indexed to PSI-20	Mai / 99	EUR	5 000	a)	at maturity	2002	-
	Shelf bonds European electricity- 1st, 2nd and 3rd issues	Abr;Mai;Ago/99	EUR	27 250	a)	at maturity	2001	-
	Shelf bonds Poupança Mais - 1st and 3rd issues	Fev e Abr/99	EUR	17 000	2,625% – 3,50%	at maturity	2002	-
	Shelf bonds Poupança Mais - 2nd issue	Mar/99	EUR	5 987	2,95% – 3,50%	at maturity	2004	-
	Shelf bonds Natural Gal - 1st and 2nd issues	Mai e Jul/99	EUR	15 000	a)	at maturity	2001	-
	Shelf bonds Iberian motorways	Jun/99	EUR	11 750	a)	at maturity	2001	-
	Fixed-rate shelf bonds - 1st and 2nd issues	Set/99	EUR	4 825	3,4%	at maturity	2002	-
	Shelf bonds Euro Stoxx 50 - 1st, 2nd and 3rd issues	Set;Out e Nov/99	EUR	10 500	a)	at maturity	2001	-
	Shelf bonds Euro Stoxx - 2004	Dez/99	EUR	10 000	a)	at maturity	2004	-
	Shelf bonds F.P.O.F.	Nov/99	EUR	5 000	a)	at maturity	2005	-
	Shelf bonds EUROTOP 100 - 1st, 2nd and 3rd issues	Jan e Fev/99	EUR	23 500	a)	at maturity	2002	-
	Shelf bonds European telecommunications	Mar/99	EUR	12 500	a)	at maturity	2001	-
	Shelf bonds Mobile communications - 1st issue	Abr/99	EUR	12 500	a)	at maturity	2001	-
	Shelf bonds Mobile communications - 2nd issue	Ago/99	EUR	5 500	a)	at maturity	2002	-
	Shelf bonds BES Aforro 5 years - 1st and 2nd issues	Out e Nov/99	EUR	15 000	3,12% – 5,15%	at maturity	2004	-
	Shelf bonds BES Aforro Aug;Sep;Oct;Dec/99	Ago;Set;Out e Dez/99	EUR	15 900	3,00% – 4,50%	at maturity	2002	-
	Shelf bonds Rendimento Mais 1st Series	Jun/00	EUR	10 857	5,8	anual	2008	-
	Shelf bonds Rendimento Mais 2nd Series	Jun/00	EUR	4 950	5,95	anual	2008	-
	Shelf bonds DSL equities basket	Mai/00	EUR	8 600	a)	at maturity	2003	-
	Shelf bonds Eurostoxx 50 Jan;Feb;Mar;Apr;May;Jun/00	Jan-Jun/00	EUR	29 700	a)	at maturity	2002-2005	-
	Shelf bonds Electricity	Mai/00	EUR	1 800	a)	at maturity	2003	-
	Shelf bonds Dax 2003	Abri/00	EUR	8 750	a)	at maturity	2003	-
	Shelf bonds Savings 1st and 2nd issues	Jan/00	EUR	7 500	3,25%-4,5%	at maturity	2003	-
	Shelf bonds WAP basket Sep/00	Set/00	EUR	5 788	a)	at maturity	2003	-
	Shelf bonds WAP basket Oct/00	Out/00	EUR	1 686	a)	at maturity	2002	-
	Shelf bonds Rendimento Mais 3rd Series	Jul/00	EUR	6865	4,41% – 8,07%	anual	2008	-
	Shelf bonds Rendimento Mais 4th Series	Ago/00	EUR	7 118	4,48% – 8,14%	anual	2008	-
	Shelf bonds Rendimento Mais 5th Series	Set/00	EUR	5 142	4,39% – 8,05%	anual	2008	-
	Shelf bonds Euro Stoxx 50 Jul/00	Jul/00	EUR	3 750	a)	at maturity	2003	-
	Shelf bonds Euro Stoxx 50 Aug/00 - 1ª e 2nd Series	Ago/00	EUR	9 742	a)	at maturity	2003	-
	Shelf bonds Euro Stoxx 50 Aug/00	Ago/00	EUR	10 896	a) + 1%	at maturity/annual	2005	-
	Shelf bonds Euro Stoxx 50 Nov/00	Nov/00	EUR	1 044	a)	at maturity	2002	-
	Shelf bonds Euro 50 Stoxx Dec/00	Dez/00	EUR	1 102	a)	at maturity	2003	-
	Shelf bonds indexed to a basket of world indices Dec/00	Dez/00	EUR	5 715	a) + 1%	at maturity/annual	2005	-
	Shelf bonds BES-SFE Electricity 2001	Mai/99	EUR	2 000	a)	at maturity	2001	-
	Shelf bonds BES-SFE Natural gas	Jul/99	EUR	1 250	a)	at maturity	2001	-
	Shelf bonds BES-SFE Mobile communications	Ago/99	EUR	2 500	a)	at maturity	2002	-
	Shelf bonds BES-SFE Euro Stoxx 50 - 1st, 2nd, 3rd, 4th and 5th issues	Set;Out e Nov/99	EUR	10 250	a)	at maturity	2001	-
	Shelf bonds Emigrant savings	Jul;Ago e Set/98						
		Jul;Ago;Set;Out;Nov;Dez/99	EUR	99 050	de 2,6% a 4,5%	at maturity	2002	-
	OShelf bonds BES-SFE FRN-1999	Jun/99	EUR	15 000	3,67%	trimestral	2001	-
	OShelf bonds BES SFE Fixed-rate - 2002	Set/99	EUR	3 800	3,4%	at maturity	2002	-
	OShelf bonds BES-SFE Euro Stoxx 50 - 1st, 2nd, 3rd, 4th and 5th issues	Jan;Fev;Mai;Jun/00	EUR	5 350	a)	at maturity	2002-2005	-
	OShelf bonds BES-SFE (Emigrant savings)	Jan;Fev e Jun/00	EUR	15 250	de 3,25% a 5,50%	at maturity	2003	-
	OShelf bonds BES-SFE Euro Stoxx 50 Non residents	Jul;Ago;Set; e Dez/00	EUR	10 840	a)	at maturity	2003	-
	OShelf bonds BES-SFE Euro Stoxx 50 Non residents	Nov/00	EUR	429	a)	at maturity	2002	-
	OShelf bonds BES-SFE WAP basket Non residents	Set/00	EUR	2 886	a)	at maturity	2003	-
	OShelf bonds BES-SFE WAP basket Non residents	Out-00	EUR	727	a)	at maturity	2002	-
				<u>689 586</u>				
Other securities								
	Index linked notes BES-CAYMAN	Dez/00	USD	10 746	a)	at maturity	2009	-
	Commercial paper	Nov;Dez/00	EUR/USD	60 883	4,96% – 6,68%	at maturity	2001	-
	Certificates of deposit	-	PTE	1 589 691	3,5%	-	-	-
Total to be carried				2 350 906				

Issuer	Designation	Issue Date	Currency	Amount (000' euros)	Global yield interest rate	Interest Payment Period	Maturity	Listed
BES	Total BES / carried from previous page							
	Bonds in circulation			689 586	-	-	-	-
	Other securities			<u>1 661 320</u>	-	-	-	-
				2 350 906				
BIC	Bonds in circulation							
	Shelf bonds BIC 98 - 1st issue	Fev / 98	EUR	124 699	5,1875%	half-yearly	2001	-
	Shelf bonds BIC 98 - 2nd issue	Abr / 98	EUR	149 640	5,375%	half-yearly	2002	-
	Shelf bonds BIC 98 - 3rd issue series (A, B, C)	Jul / 98; Ago/98; Set/98	EUR	249 399	5,0625%	half-yearly	2003	-
	Shelf bonds BIC 98 - 4th issue series (A, B, C)	Out / 98; Nov/98; Dez/98	EUR	299 279	5,3125%	half-yearly	2004	-
	Shelf bonds BIC 99 - 1st issue series (A, B, C)	Fev / 99; Mar/99; Abr/99	EUR	300 000	5,5026%	half-yearly	2006	-
	Shelf bonds BIC 99 - 2nd issue series (A, B)	Mai / 99; Jun/99	EUR	250 000	5,7224%	half-yearly	2007	-
	Shelf bonds BIC 99 - 3rd issue series (A, B)	Set/99; Nov/99	EUR	200 000	5,704%	half-yearly	2008	-
	Shelf bonds BIC/SFE 2000 - 1st issue	Set/00	EUR	75 000	5,3238%	half-yearly	2005	-
	Other securities							
	Certificates of deposit	-	PTE	<u>15 133</u>	3,65%	-	-	-
				1 663 150				
BESLEASING MOBILIÁRIA	Bonds in circulation							
	Shelf bonds BLM 00	Nov/00	EUR	<u>50 000</u>	6M Euribor	half-yearly	2005	-
				50 000				
BESLEASING IMOBILIÁRIA	Bonds in circulation							
	Shelf bonds BLI 99	Dez / 99	EUR	12 000	5,6407%	half-yearly	2009	-
	Shelf bonds BLI 00	Nov/00	EUR	<u>60 000</u>	5,8337%	half-yearly	2010	-
				72 000				
BES FINANCE	Bonds in circulation							
	Euro Medium Term Notes Programm	Fev / 98	EUR	250 000	3M Euribor +10bp	quarterly	2001	Luxembourg
	Euro Medium Term Notes Programm	Fev / 99	EUR	400 000	3M Euribor +15bp	quarterly	2004	Luxembourg
	Euro Medium Term Notes Programm	Jul / 99	EUR	400 000	3M Euribor +10bp	quarterly	2009	Luxembourg
	Euro Medium Term Notes Programm	Jan / 00	USD	322 407	3M USD Libor +15bp	quarterly	2005	Luxembourg
	Euro Medium Term Notes Programm	Set / 00	EUR	500 000	3M Euribor +15bp	quarterly	2003	Luxembourg
	Euro Medium Term Notes Programm	Nov / 00	EUR	225 000	3M Euribor +18.75bp	quarterly	2005	Luxembourg
	Euro Medium Term Notes Programm	Nov / 00	USD	322 407	3M USD Libor +20bp	quarterly	2005	Luxembourg
	Euro Medium Term Notes Programm	Dez / 00	GBP	<u>80 115</u>	3M GBP Libor +5bp	quarterly	2002	Luxembourg
				2 499 930				
BESI	Bonds in circulation							
	Shelf bonds Banco ESSI 98	Mai / 98	PTE	24 940	5,4574%	half-yearly	2001	Lisbon
	Bes Investimento Caixa - zero coupon	Set / 98	PTE	2 494	-	at maturity	2002	Lisbon
	Euro Medium Term Notes Programm	Diversas	EUR	<u>105 203</u>	5,9188%	quarterly / annual	Diversas	-
				132 637				
EUROGES	Other securities							
	Commercial paper	Out/00	EUR	<u>22 500</u>	5,2105%	Issued at a discount	2001	-
				22 500				
BESNAC	Other securities							
	Commercial paper	Dez/00	USD	<u>1 072</u>	6,395%	at maturity	2001	New Iorque
				1 072				
Total				6 792 195				
	Bonds in circulation			2 487 037				
	Euro Medium Term Notes			2 605 133				
	Certificates of deposit			1 604 824				
	Other securities			95 201				
				6 792 195				
	Eliminations (Bonds in circulation)			1 614 184				
	Total Consolidated			5 178 011				

a) Variable yield determined according to the change in the associated basket, as defined in the terms and conditions.

b) Call option may be exercised on 12th and 16th coupons at a premium of 0,25% and 0,1%, respectively.

NOTE 18 – Other Liabilities

	BES		Consolidated	
	2000	1999	2000	1999
ICorporation tax payable	39 349	24 022	47 337	38 023
Other government taxes payable	10 460	10 375	18 813	16 326
CSundry non-resident creditors	4 904	5 557	42 783	23 683
Other suppliers resident in Portugal	21 287	17 812	28 967	33 564
Other creditors	13 810	42 223	38 695	60 554
Others	1 585	1 330	3 934	2 933
	91 395	101 319	180 529	175 083

As of 31 December 2000, the balance of corporation tax (IRC) payable includes Euro 34,759 thousand corresponding to deferred taxes payable derived from the revaluation of derivatives operations (see Note 31).

NOTE 19 – Accruals And Deferrals (Liabilities)

	BES		Consolidated	
	2000	1999	2000	1999
Deferred charges	326 952	234 704	445 261	291 208
Unearned income	82 839	13 562	104 070	29 848
Sundry transactions pending settlement	15 447	10 664	46 712	32 497
Collection pending settlement	13 102	9 477	24 682	14 340
Discount on currency and interest rate swaps	5 533	434	4 227	434
OStock exchange transactions pending settlement	-	-	56 944	28 017
Others	6 288	2 690	51 438	32 303
	450 161	271 531	733 334	428 647

NOTE 20 - Provisions

	Provisões apresentadas no Activo						
	Provisions for claims from credit institutions	Provisions for past due loans and interests	Provisions for customers loans doubtful of collection	Provisions for losses on investment securities	Provisions for equity holdings	Provisions for losses and other holdings	Total
BES							
Balance at 31.12.98	6 679	137 539	12 430	45 939	1 052	3 287	206 926
Exchange rate diff. and others	1 049	539	-	1 513	6	191	3 298
Transfers	185	75	-	-	115	(300)	75
Increases	15 697	69 607	673	86 147	292	914	173 330
Use	-	(37 450)	-	(15 154)	-	(324)	(52 928)
Recovery of overprovisions	(2 843)	(3 741)	(5 003)	(56 913)	(451)	(968)	(69 919)
Balance at 31.12.99	20 767	166 569	8 100	61 532	1 014	2 800	260 782
Exchange rate diff. and others	1 485	693	(60)	452	(249)	323	2 644
Transfers	(1 612)	3 215	-	1 612	-	-	3 215
Increases	14 983	43 478	3 764	158 214	62 940	527	283 906
Use	-	(45 025)	(1 000)	(3 003)	-	-	(49 028)
Recovery of overprovisions	(2 610)	(1 129)	(668)	(98 024)	(15 533)	(78)	(118 042)
Balance at 31.12.00	33 013	167 801	10 136	120 783	48 172	3 572	383 477
Consolidated							
Balance at 31.12.98	6 883	222 429	20 161	52 828	8 410	19 703	330 414
Exchange rate diff. and others	1 053	878	-	1 494	(16)	233	3 642
Transfers	185	788	(1 252)	-	85	(269)	(463)
Increases	15 727	147 296	14 793	95 914	923	3 467	278 120
Use	-	(45 958)	(4 640)	(15 153)	-	(549)	(66 300)
Recovery of overprovisions	(3 058)	(52 312)	(17 664)	(62 449)	(6 509)	(3 576)	(145 568)
Balance at 31.12.99	20 790	273 121	11 398	72 634	2 893	19 009	399 845
Exchange rate diff. and others	1 492	1 596	1 317	258	2 887	505	8 055
Transfers	(1 612)	4 094	(690)	1 612	65	(262)	3 207
Increases	15 184	95 550	11 958	169 972	4 002	1 479	298 145
Use	-	(57 852)	(1 000)	(3 003)	(172)	(1)	(62 028)
Recovery of overprovisions	(2 774)	(27 702)	(6 072)	(103 513)	(4 178)	(2 232)	(146 471)
Balance at 31.12.00	33 080	288 807	16 911	137 960	5 497	18 498	500 753

	Provisões apresentadas no Passivo				Total
	Provisions for pensions and other liabilities	Fund for general banking risk	General credit de risk	Total	
BES					
Balance at 31.12.98	-	-	114 155	114 155	321 081
Exchange rate diff. and others	-	-	1 174	1 174	4 472
Transfers	-	-	(75)	(75)	-
Increases	-	-	24 277	24 277	197 607
Use	-	-	-	-	(52 928)
Recovery of overprovisions	-	-	(1 203)	(1 203)	(71 122)
Balance at 31.12.99	-	-	138 328	138 328	399 110
Exchange rate diff. and others	-	-	903	903	3 547
Transfers	-	-	(3 215)	(3 215)	-
Increases	-	-	47 935	47 935	331 841
Use	-	-	(91)	(91)	(49 119)
Recovery of overprovisions	-	-	(6 599)	(6 599)	(124 641)
Balance at 31.12.00	-	-	177 261	177 261	560 738
Consolidated					
Balance at 31.12.98	2 594	10 046	159 390	172 030	502 444
Exchange rate diff. and others	-	(110)	1 514	1 404	5 046
Transfers	-	(274)	737	463	-
Increases	1 676	2 459	36 113	40 248	318 368
Use	(758)	-	-	(758)	(67 058)
Recovery of overprovisions	-	(1 402)	(3 517)	(4 919)	(150 487)
Balance at 31.12.99	3 512	10 719	194 237	208 468	608 313
Exchange rate diff. and others	(2)	1 789	1 345	3 132	11 187
Transfers	-	-	(3 207)	(3 207)	-
Increases	996	65 824	73 897	140 717	438 862
Use	(772)	-	(851)	(1 623)	(63 651)
Recovery of overprovisions	-	(24 253)	(10 693)	(34 946)	(181 417)
Balance at 31.12.00	3 734	54 079	254 728	312 541	813 294

Note 21 – Subordinated Debt

Designação	Entidade Emitente	Data Emissão	Moeda	Montante (mil Euros)	Taxa de Juro	
					indexante	spread
Subordinated shelf bonds	BES	Nov/93	EUR	99 760	Lisbor 6m	+ 0,125%
Subordinated shelf bonds	BES	Abril/96	EUR	59 857	Lisbor 6m	+ 0,15%
Subordinated shelf bonds	BES	Jun/97	EUR	99 760	Lisbor 6m	+ 0,15%
Subordinated perpetual bonds	BES	Jun/97	EUR	99 760	Lisbor 3m	+ 0,68%
					Lisbor 3m	+ 2,18%
Subordinated loans	BES (Caimão)	Mar/00	USD	214 434	Libor 3m	+ 0,68%
Subordinated loans	BES (Caimão)	Nov /00	USD	53 735	-	-
Subordinated loans	BES (Caimão)	Nov /00	EUR	300 000	-	-
Subordinated loans	BES (Caimão)	Mar /00	USD	147 262	Libor 3m	+ 0,195%
Subordinated loans	BES (Caimão)	Mar /00	USD	104 722	Libor 12m	+ 0,210%
Participation certificates	BES	Várias	PTE	167	Parte Fixa + Parte Variável	
				<u>1 179 457</u>		
Subordinated shelf bonds BIC 93	BIC	Mar/93	EUR	9 590	TBA	x 1,055
Subordinated shelf bonds BIC 95	BIC	Out/95	EUR	24 940	Lisbor 6m	+ 0,3%
Subordinated perpetual bonds BIC 97	BIC	Nov/97	EUR	49 880	Lisbor 3m	+ 0,73%
					Lisbor 3m	+ 2,23%
Subordinated perpetual bonds BIC 98	BIC	Nov/98	EUR	24 940	Lisbor 3m	+ 1,95%
					Lisbor 3m	+ 2,95%
Subordinated loans	BIC (Cayman)	Jan/00	EUR	40 000	Euribor 3m	+ 1,80%
Subordinated loans	BIC (Cayman)	Dez/00	EUR	<u>60 000</u>	Euribor 3m	+ 1,80%
				<u>209 350</u>		
Subordinated perpetual bonds	BES Finance	Jun/97	USD	214 938	(a)	+ 0,625%
					(a)	+ 2,125%
Subordinated bonds	BES Finance	Nov/99	USD	53 735	-	-
Subordinated bonds	BES Finance	Mar/00	EUR	<u>300 000</u>	-	-
				<u>568 673</u>		
Subordinated shelf bonds	Besl. Mobiliária	Dez/99	EUR	<u>12 000</u>	Euribor 6m	+ 1,12%
Subordinated perpetual bonds	Credibom	Nov/99	EUR	<u>9 000</u>	Euribor 3m	+ 1,50%
					Euribor 3m	+ 2,50%
Subordinated shelf bonds	BESI	Dez/96	PTE	29 928	Lisbor 6m	+ 0,5%
Subordinated shelf bonds	BESI	Dez/98	EUR	19 952	Euribor 6m	+ 0,6%
				<u>49 880</u>		
				<u>2 028 360</u>		
TOTAL						
Subordinated perpetual bonds				398 518		
Subordinated shelf bonds				709 522		
Subordinated bonds				920 153		
Participation certificates				167		
				<u>2 028 360</u>		
Eliminations				945 338		
Consolidated				1 083 022		

(a) Offer rate for US\$ deposits announced by Telerate. (b) Interest from these bonds may never fall below the annual base rate (TBA) prevailing over the same period

(c) The first coupon was based on a 15% rate.

(d) The first coupon was based on the 6th-month Lisbor plus a 0.50% margin, subject to a 10% floor.

(e) BESI has the right, 15 days before 30 December 2001 (10th coupon) to convert the issue to a fixed rate of 8% p.a., in which case interest will become payable annually and in arrears.

(f) The first coupon is based on the 6-month Lisbor plus a 0.60% margin.

Interest Rate		Maturity	Call Option		Listed
present rate	On coupons		On coupons	Associated Premium	
5,1250%	1.º to last (b)	2003	11.º / 13.º / 16.º	0,125% / 0,1% / 0,075%	Lisbon
5,4375%	1.º to last	2006	11.º / 13.º / 16.º	0,125% / 0,1% / 0,075%	Lisbon
5,1875%	1.º to last	2007	11.º / 13.º / 16.º	0,125% / 0,1% / 0,075%	Lisbon
5,7063%	1.º ao 28.º	-	28.º and following	-	Lisbon
-	After 28.º				
7,1438%	-	2002	-	-	-
7,8000%	-	2009	-	-	-
6,6630%	-	2010	-	-	-
8,7094%	-	2001	-	-	-
8,7813%	-	2001	-	-	-
8,5391%	-	Várias	-	-	Lisbon
5,1875%	2.º to last (c)	2003	10.º / 12.º / 14.º / 16.º / 18.º	0,125% / 0,1% / 0,075% / 0,05% / 0,025%	Lisbon
5,5000%	2.º to last (d)	2002	10.º / 12.º	0,125% / 0,1%	Lisbon
5,9287%	1.º ao 28.º	-	28.º and following	-	Lisbon
-	After 28.º				
7,1310%	1.º ao 28.º	-	28.º and following	-	-
-	After 28.º				
6,8690%	1.º to last	-	19.º and following	-	-
6,8690%	1.º to last	-	15.º and following	-	-
6,8063%	1.º ao 20.º	-	20.º and following	-	Luxemburgo
-	After 20.º				
7,8000%	1.º ao 20.º	2009	-	-	Luxemburgo
6,6250%	1.º ao 10.º	2010	-	-	Luxemburgo
4,7122%	1.º to last	2009	10.º and following	-	-
5,0000%	1.º ao 20.º	-	20.º and following	-	-
	After 20.º				
5,3160%	1.º to last (e)	2006	-	-	Lisbon
5,5280%	2.º to last (f)	2008	14.º	-	Lisbon

Participation certificates

The balance at 31 December 2000, totalling Euro 167 thousand, relates to the 1990 issuance, resulting from the capitalization of reserves (bonus certificates). In 2000 the Bank fully reimbursed the 1989 issuance (Euro 197 thousand).

As of 31 December 2000, the participation certificates yielded 8.5% p.a. (1999 – 8.4%).

Total charges attributed to subordinated liabilities, recognized and paid by BES during the financial years ending on 31 December 2000 and 1999, were as follows:

	BES			
	2000		1999	
	Charges attributed	Charges Paid	Charges attributed	Charges Paid
Shelf bonds	11 409	10 481	8 550	8 748
Perpetual bonds	4 957	4 949	3 665	3 665
Participation certificates	22	33	37	49
	16 388	15 463	12 252	12 462

Note 22 – Minority Interests

As of 31 December, minority interests were as follows:

	2000	1999
BESOL	269 226	249 170
ESOL	268 883	248 710
BESI	-	75 653
BESSA b)	669	-
BESLEASING MOB.	4 814	5 197
ESAF SGPS	8 695	9 338
ESDI	4 401	4 364
CREDIBOM	7 805	5 661
BESLEASING IMOB.	2 674	2 235
ES CAPITAL	75	175
ES DEALER	-	1 207
BES ORIENTE	246	219
CREDIFLASH	388	379
E.S. FINANCIAL CONSULTANTS a)	186	-
GESFINC	32	35
ES CONTACT CENTER a)	795	-
E.S. BANK a)	535	-
CÊNTIMO	-	(15)
	569 424	602 328

a) Companies included in the consolidation in 2000.

b) Minority interests resulting from sub-consolidation in BESSA

The minority interests of ESOL correspond to the Euro equivalent of US\$100 million and US\$150 represented by 10 million shares of preferred, (non-voting) stock, nominal value US\$25 per share, issued by that company in the US in November of 1993 and August of 1999, respectively.

These preferred shares, which are listed on the New York Stock Exchange, pay a quarterly dividend of 8.5% p.a. on nominal value, as follows:

- US\$ 100 million - on March 31, June 30, September 30 and December 31 of each year;

- US\$ 150 million – on March 1, June 1, September 1 and December 1 of each year, beginning December 1, 1999.

BESOL issued 10 million shares of non-voting preferred stock, nominal value US\$25 each, for which a London Stock Exchange listing was obtained in November of 1996. The escudo equivalent of the US\$250 million raised corresponds to the respective minority interest shown.

These preferred shares pay a quarterly dividend based on 3-months Libor for US\$ deposits plus a margin of 1.95% p.a.. Dividend dates are February 15, May 15, August 15, and November 15 of each year.

Preferred shares of ESOL issuance are redeemable wholly or in part at nominal value at ESOL's option, from December 1, 2003 (1st issue) and 1 September 2004 (2nd issue), while those of BESOL issuance are redeemable from 1 October 2001 onwards, subject to prior approval of Banco de Portugal.

Dividends and principal repayments relative to either of the two above-mentioned issues are

unconditionally guaranteed by BES, as there were earnings and reserves at the end of the previous year available for distribution to the Bank's shareholders.

During the reporting year, the Bank and the Group paid dividends totalling Euro 21,584 thousand (1999 - Euro 17,303 thousand), and Euro 45,941 thousand (1999 - Euro 31,195 thousand), respectively. As of 31 December 2000 and 1999, this expense borne by the Group relative to these preferred stocks was shown in the consolidated income statement under the Minority interests.

These shares rank lower than any BES liability, and pari passu relative to any preferred shares that may come to be issued by the Bank.

Note 23 – Movement In Equity Accounts

	BES				
	Balance at 31.12.99	Increases	Reductions	Trans- fers	Balance at 31.12.00
Capital subscribed	587 500	189 250	-	223 250	1 000 000
Share premium account	221 788	264 338	-	(192 564)	293 562
Reserves:					
Legal reserves	41 100	-	-	16 261	57 361
Other reserves	136 790	-	(138 935)	31 132	28 987
Revaluation reserves	<u>30 680</u>	<u>6</u>	<u>-</u>	<u>(30 686)</u>	<u>-</u>
	208 570	6	(138 935)	16 707	86 348
Profit for period					
1999	162 563	-	(115 170)	(47 393)	-
2000	-	134 375	-	-	134 375
	1 180 421	587 969	(254 105)	-	1 514 285

	Consolidated					
	Balance at 31.12.99	Increases	Reductions	Consolidation & Revaluation differences	Trans- fers	Balance at 31.12.00
Capital subscribed	587 500	189 250	-	-	223 250	1 000 000
Share premium account	221 788	264 338	-	-	(192 564)	293 562
Reserves:						
Legal reserves	41 100	-	-	-	16 261	57 361
Other reserves	39 653	-	(138 935)	(129 894)	89 688	(139 488)
Revaluation reserves	<u>30 680</u>	<u>6</u>	<u>-</u>	<u>-</u>	<u>(30 686)</u>	<u>-</u>
	111 433	6	(138 935)	(129 894)	75 263	(82 127)
Retained earnings	27 818	-	(4 208)	-	(23 610)	-
Profit for period						
1999	205 515	-	(123 176)	-	(82 339)	-
2000	-	227 993	-	-	-	227 993
	1 154 054	681 587	(266 319)	(129 894)	-	1 439 428

- Subscribed capital and share premium account

In 1999 the Bank redenominated the shares representing its capital into Euros, subsequently renominating them to 5 Euros each. As a result, the Bank's capital is now represented by 117,500 thousand shares of common stock, nominal value 5 Euros each.

In 2000 the Bank increased its capital from Euro 587,500 thousand to Euro 1,000,000 thousand through the issuance of 82,500,000 new dematerialized bearer shares of common stock, nominal value 5 euros each, as follows:

- 44,650,000 new shares through capitalization of reserves and share premium account available for the purpose; each 100 shares held gave the right to 38 new shares;

- 29 375 000 new shares for subscription by shareholders, one new share for each 4 held, at the price of 11 Euros each;
- 2,475,000 new shares, at the price of 11.50 Euros each, for subscription by active employees employed by BES under permanent binding contracts, as well as by domestic Financial Institutions and Companies that are subject, as the Bank, to banking supervision on a consolidated basis, and also to the employees of the banking complementary grouping of companies (ACE) of which BES is a member;
- 6,000,000 new shares for preference subscription by Portugal Telecom, SA, at the price of 17 Euros each.

Proceeds from this capital increase totalled Euro 453.6 million.

As of 31 December 2000 the Bank's share capital, totalling Euro 1,000,000 thousand, was represented by 200,000 shares of common stock, nominal value 5 Euros each, which were subscribed and paid by the following, among others:

	% Capital	
	2000	1999
BESPAR - Sociedade Gestora de Participações Sociais, SA	41,98%	43,00%
Caisse Nationale de Credit Agricole	9,18%	6,09%
Companhia de Seguros Tranquilidade Vida, SA	4,68%	4,59%
Companhia de Seguros Tranquilidade, SA	1,42%	1,79%
Others	42,74%	44,53%
	100,00%	100,00%

- Stock-based Incentive Scheme (SIBA)

The Bank's General Meeting of 20 June 2000 approved the implementation of a stock-based incentive scheme. The first stock bonus plan was carried out in 2000 and involved the award of 1,789 thousand shares (0.89% of total share capital), for an overall amount of Euro 30.9 million. This amount is included under the Other assets – Sundry debtors heading (see Note 13).

- Legal reserve

The sole permitted uses of the legal reserve are as coverage of accumulated losses or to increase capital. Portuguese legislation applicable to the banking sector (Article 97 of Decree-Law no. 298/92, December 31) requires that the legal reserve be credited with a minimum of 10% of each year's net earnings until it grows to an amount equal to the registered capital.

- Other reserves and retained earnings

Other reserves and retained earnings include, in addition to (non-distributed) earnings from previous years, Euro 269,977 thousand corresponding to the amortization of accumulated positive consolidation and revaluation differences (see Note 3.2), and Euro 138,935 thousand, corresponding to the amortization of deferred pension costs (See Note 3.3 j)).

These two effects resulted in the following movements:

	1999	Movement	2000
(i) Consolidation and revaluation differences			
BESSA	8 899	-	8 899
BESLEASING MOBILIÁRIA	5 447	(5)	5 442
BESLEASING IMOBILIÁRIA	(893)	6	(887)
BIC	54 768	-	54 768
EUROGES	(130)	1	(129)
CREDIFLASH	224	(26)	198
CÊNTIMO	284	14	298
BESI	8 021	34 524	42 545
BES VÉNÉTIE	1 078	204	1 282
ES DEALER	2 145	(298)	1 847
ESGER (a)	50	(50)	-
E.S. CAPITAL	-	(45)	(45)
ESAF-SGPS	2 120	(2 156)	(36)
INTERATLÂNTICO	55 482	-	55 482
ESDI	135	(1)	134
MULTIPESSOAL	623	(623)	-
ESEGUR a)	1 811	(1 811)	-
E.S. BANK b)	-	37 035	37 035
E.S. FINANCIAL CONSULTANTS b)	-	284	284
BES.COM c)	-	1840	1840
HISCAPITAL b)	-	4 356	4 356
E.S. INVERSIONES b)	-	56 640	56 640
GESFINC	19	5	24
	140 083	129 894	269 977
(ii) Deferred pension costs	-	138 935	138 935
	140 083	268 829	408 912

a) Company excluded from the consolidation in 2000.

b) Company included in the consolidation in 2000.

c) Resulting from the sub-consolidation of the associated company Quadriga.

The Bank's 1999 earnings were appropriated as follows:

Legal reserves	16 261
Other reserves	31 132
Appropriation to -	
Pension fund	16 460
Dividends to shareholders	82 250
Employee bonus	16 460
	162 563

- Revaluation reserves

As referred, the value of revaluation reserves was incorporated into capital.

NOTE 24 – Retirement Pensions

In compliance with the collective labor agreement for the banking sector entered into with the unions, the Bank undertook to grant its employees, or their families, old age, disability, and widows' pensions. Pension payments consist of a rising percentage, based on years of service, of each year's negotiated salary scale for the active workforce.

In accordance with Decree-Law no. 396/86, November 25, the Bank created on 30 December 1987, a pension fund to cover the above-mentioned pension payment to active members of the workforce as of that date.

With reference to 31 December 2000 and 1999 (i) liabilities for past services, determined by the actuarial study made by the pension fund management company, based on the actuarial assumptions defined in Banco de Portugal Notice 6/95, September 21; (ii) the net worth of the Fund; (iii) the contributions made by the Bank during each of these years and (iv) the shortfall in coverage, can be summarized as follows:

	BES	
	2000	1999
(i) Liabilities for past service -		
Current pensions	601 899	551 406
Active members of the workforce	<u>209 326</u>	<u>202 991</u>
(a)	<u>811 225</u>	<u>754 397</u>
(ii) Net worth of the ACTV pension fund		
Value of fund at beginning of year	674 175	582 446
Contributions:		
Of the Bank	65 550	69 917
Of other contributing entities	1 579	1 521
Net earnings of Fund	(9 003)	58 399
Pensions paid	<u>(43 119)</u>	<u>(38 108)</u>
Value of fund at year end	<u>689 182</u>	<u>674 175</u>
(iii) Shortfall of coverage	(a)-(b)	80 222

As regards the existing coverage shortfall as of 31 December 2000, approximately Euro 93,9 million relate to the initial deficit in assets ascertained when Notice 6/95 came into force (1999 – Euro 100.7 million), and the remainder (Euro 28.1 million) originated in negative deviations vis-à-vis the Fund's expected earnings (see Note 3.3 j)).

In 1998, the Bank and the Group's subsidiaries decided to set up an autonomous open-end pension fund - the Fundo de Pensões Aberto GES - to fund complementary pension benefits of retired and active employees. This fund's responsibilities and coverage were funded as described in Note 3.3 j). As at 31 December 2000, the situation of the fund, in the part pertaining to the Bank, was as follows -

	BES	
	2000	1999
(i) Liabilities for past service –		
Complementary benefits for current pensions	19 971	15 113
Active members of the workforce	<u>17 633</u>	<u>15 912</u>
	37 604	31 025
(ii) Net worth of Fundo de Pensões Aberto GES -		
Initial value of fund	17 720	9 063
Contributions of the Bank	9 135	9 043
Net earnings of Fund	(163)	892
Complementary benefits paid	<u>(2 446)</u>	<u>(1 278)</u>
Value of Fund at year end	<u>24 246</u>	<u>17 720</u>
(iii) Coverage difference	<u>13 358</u>	<u>13 305</u>
(iv) Shortfall to be funded till 2003	7 669	10 225

The Bank's contributions to the two funds in 2000 included: (i) Euro 32,287 thousand relative to extraordinary expense incurred in the first half of the year with early retirements, amortized against Reserves (see Notes 3.3 j) and 23); (ii) Euro 16,460 thousand from the 1999 profit allocation; (iii) Euro 16,673 thousand as an offset against Staff Costs; and (iv) Euro 9,265 thousand relative to amortize the deficit in the fund's assets, as an offset against Extraordinary losses (see Note 3.3 j)).

As of 31 December 2000 and 1999 past service pension liabilities were calculated in accordance with the following assumptions, based on the

mortality table TV 73/77, and the present value of projected and present salaries for active and retired personnel, respectively:

Forecast rates of salary increase	4%
Forecast income from fund	7%
Pension growth rate	3%

The Bank intends to keep commissioning periodic actuarial studies for the purpose of updating liabilities incurred in this area and, eventually, confirm the assumptions arrived at.

The combined liabilities of the Bank and its subsidiaries (the BES Group) for retirement pensions, which totalled Euro 920,453 thousand on 31 December 2000 (1999 – Euro 843,690 thousand) are covered as to approximately 84% (1999 - 88%) by existing provisions and pension funds in the amount of Euro 776,593 thousand (1999: Euro 745,712 thousand).

NOTE 25 – Off-Balance-Sheet Headings

	BES		Consolidated	
	2000	1999	2000	1999
Liabilities and endorsements				
Guarantees and endorsements	6 177 557	4 065 148	3 768 162	3 319 400
Documentary credits outstanding	219 510	157 266	230 523	169 641
Others	34 700	-	311 433	250
	6 431 767	4 222 414	4 310 118	3 489 291
Commitments				
Irrevocable credits	1 626 095	1 339 033	2 631 736	2 276 334
Revocable credits	-	17 499	39 928	514 300
	1 626 095	1 356 532	2 671 664	2 790 634

As of 31 December 2000, the Guarantees and endorsements headings included Euro 249,399 thousand in securities in the Bank's own portfolio earmarked as collateral for an irrevocable line of credit from Banco de Portugal, within the framework of the Major Transactions Payment System (SPGT). No drawings had been made against this credit line up to reporting date.

In the course of their activities, the Bank and Group BES employ derivative currency and inte-

rest-rate instruments (i) to satisfy their customers' needs, (ii) to manage exchange and interest-rate risks associated with their assets and liabilities and off-balance-sheet items and (iii) to take positions that enable them to benefit from the market trend in light of expectations.

These instruments are associated with (i) market risks inherent in fluctuating exchange and/or interest rates, and (ii) credit risk represented by contract substitution at current market rates.

As of December 31, 2000 and 1999, funds employed for these purposes were as follows:

	BES				Consolidated					
	2000				1999	2000				1999
	Contract value (1)	Market value (2)	Balance value (3)	Credit risc (4)	Contract value (1)	Contract value (1)	Market value (2)	Balance value (3)	Credit risc (4)	Contract value (1)
Foreign exchange operations -										
Spot										
Purchase	131 965	(38)	-	-	612 867	155 541	2 689	-	2 689	727 072
Sale	132 003				608 985	152 852				723 991
Forward										
Proprietary trading										
Purchase	-	-	-	-	-	94 216	304	304	4 755	-
Sale	-	-	-	-	-	93 937	-	-	-	-
Hedging										
Purchase	52 340	1 294	1 303	1 716	4 945 383	52 340	1 294	1 285	1 716	5 487 979
Sale	51 036				4 921 517	51 036				5 445 002
Currency Swaps -										
Proprietary trading										
Purchase	-	-	-	-	-	60 868		889	1 357	-
Sale	-	-	-	-	-	60 192				-
Hedging										
Purchase	10 295 511	4 225	(3 193)	427 508	2 648 693	10 281 942	(4 328)	(1 701)	427 103	3 545 104
Sale	10 326 344				2 632 655	10 320 326				3 545 469
Interest Rate Swaps -										
Proprietary trading										
Purchase	29 044 598	94 617	94 617	498 278	29 026 841	30 127 005	92 027	92 027	511 796	32 547 003
Hedging	1 898 318	(1 076)	25 578	44 709	5 927 184	2 045 786	65	25 644	47 713	6 192 245
Credit Default Swaps -										
Proprietary trading										
Purchase	349 638	3 145	3 145	11 119	119 291	349 638	3 135	3 135	11 119	119 291
Equity/Index Swaps -										
Proprietary trading										
Purchase	454 144	(5 578)	(5 578)	9 530	72 988	474 824	(5 629)	(5 629)	11 611	116 582
Hedging	75 046	(4 689)	(769)	-	9 050	47 246	(3 086)	(467)	-	9 050
Currency Interest Rate Swaps -										
Proprietary trading										
Purchase	373 271				35 802	241 835				126 325
Sale	354 210	5 579	5 579	9 386	35 691	204 810	6 252	6 252	6 954	128 502
Hedging										
Purchase	264 042	2 188	(362)	17 753	546 515	159 042	6 673	(216)	15 733	744 904
Sale	257 696				531 522	151 954				715 348
Forward Rate Agreements -										
Proprietary trading										
Purchase	8 873 752	2 678	2 678	31 120	19 480 094	8 827 272	2 162	2 162	30 781	21 868 378
Futures -										
Proprietary trading										
Purchase	9 102 294	-	-	-	107 412	9 125 184	-	-	-	975 115
Option contracts traded in organized markets										
Interest Rate Options -										
Proprietary trading										
Purchase	8 315 607	3 745	-	-	3 333 011	8 315 607	3 745	-	-	3 333 011
Sale	10 162 649	(10 546)	-	-	4 483 058	10 162 649	(10 546)	-	-	4 483 058
Equity Options -										
Proprietary trading										
Purchase	157 429	2 072	-	-	15 657	179 054	2 221	-	-	15 657
Sale	7 010	(881)	-	-	10 552	26 182	(881)	-	-	10 552
Options and interest rate caps and floors traded in OTC markets										
Foreign exchange options -										
Proprietary trading										
Purchase	229 905	17 844	21 176	17 844	108 117	229 905	17 844	21 176	17 844	139 876
Sale	229 662	(258)	(304)	-	227 824	229 662	(258)	(304)	-	262 083
Hedging										
Purchase	-	-	-	-	60 000	-	-	-	-	60 000
Sale	-	-	-	-	65 000	-	-	-	-	65 499
Swaption -										
Proprietary trading										
Purchase	-	-	-	-	-	50 000	(60)	-	-	139 199
Sale	470 000	4 510	(440)	4 510	50 000	520 000	4 720	(440)	4 510	189 199
Hedging										
Purchase	-	-	-	-	-	39 928	(1 419)	-	-	29 928
Equity Options -										
Proprietary trading										
Purchase	118 098	215	1 643	215	-	171 341	157	1 643	421	-
Sale	106 136	(1 200)	(1 534)	-	-	155 501	(905)	(1 534)	295	-
Hedging										
Purchase	-	-	-	-	-	499	-	-	-	-
Interest Rate Caps and Floors -										
Proprietary trading										
Purchase	229 043	889	889	889	119 750	1 891 255	6 897	6 897	6 897	1 121 200
Sale	248 996	(861)	(861)	-	135 687	1 528 883	(7 234)	(7 234)	-	1 137 149

(1) - Theoretical or nominal value of contract.

(2) - The market value of products traded in organized markets corresponds to their quotation. For all other products, it represents the income or cost incurred in the eventual closing of open positions, bearing in mind existing market conditions and the valuation models currently employed.

(3) - Book value represents the income or costs accrued and not yet payable or receivable that are inherent from open positions.

(4) - The credit risk represents the positive difference between the amounts payable and receivable that arise from open positions.

As of 31 December 2000 and 1999, in addition to contingent liabilities and currency and interest-rate derivatives, the following balances were outstanding under the off-balance-sheet headings –

	BES		Consolidated	
	2000	1999	2000	1999
Deposit and custody of securities	21 645 325	21 751 982	24 701 925	23 537 030
Securities received for collection	167 705	164 424	204 715	216 099

Customers' securities in the Bank's custody included under the Deposit and custody of securities heading are for the most part held by the Group company specializing in the provision of that service.

NOTE 26 – Foreign Currency Assets And Liabilities

As of 31 December 2000, the Euro equivalents of items under the asset, liability, and off-balance-sheet headings of the Bank and of the Group, expressed in foreign currency, as well as their relative weighting in net assets and total liabilities, were as follows –

	BES					Total	%
	2000						
	US Dollars	Pounds sterling	Japanese Yens	Other foreign currencies			
Assets	7 807 444	830 570	420 279	1 002 889	10 061 182	37,5%	
Liabilities	8 831 413	899 263	473 664	663 333	10 867 673	43,0%	
Net Assets/(Liabilities)	(1 023 969)	(68 693)	(53 385)	339 556	(806 491)		
Forward exchange operations	1 071 283	68 679	61 326	8 734	1 210 022		
Overall foreign exchange position	47 314	(14)	7 941	348 290	403 531		
The overall foreign exchange position is represented by -							
Risk-free foreign exchange position (1)	69 675	-	-	310 760	380 435		
Operating foreign exchange position (2)	(22 361)	(14)	7 941	37 530	23 096		

(1) The risk-free foreign exchange position represents essentially the medium and long-term investments, expressed in foreign currencies, made by the Bank in its associated companies and subsidiaries abroad and by Group BES in associated companies.

(2) The operating foreign exchange position in each foreign currency represents the net open position, since the Bank's branches and subsidiaries abroad manage their foreign exchange exposure in light of the currencies in which they operate and not in light of the basic currency in which the Bank's and Group's financial statements are expressed (Euros).

	Consolidated					
	2000					
	US Dollars	Pounds sterling	Japanese Yens	Other foreign currencies	Total	%
Assets	8 014 442	714 482	414 580	1 058 850	10 202 354	30,1%
Liabilities	9 253 860	780 499	467 458	829 915	11 331 732	34,9%
Net Assets/(Liabilities)	(1 239 418)	(66 017)	(52 878)	228 935	(1 129 378)	
Forward exchange operations	1 229 562	69 282	61 191	8 728	1 368 763	
Overall foreign exchange position	(9 856)	3 265	8 313	237 663	239 385	
The overall foreign exchange position is represented by -						
Risk-free foreign exchange position (1)	(8)	-	-	198 647	198 639	
Operating foreign exchange position (2)	(9 848)	3 265	8 313	39 016	40 746	

(1) The risk-free foreign exchange position represents essentially the medium and long-term investments, expressed in foreign currencies, made by the Bank in its associated companies and subsidiaries abroad and by Group BES in associated companies.

(2) The operating foreign exchange position in each foreign currency represents the net open position, since the Bank's branches and subsidiaries abroad manage their foreign exchange exposure in light of the currencies in which they operate and not in light of the basic currency in which the Bank's and Group's financial statements are expressed (Euros).

NOTE 27 – Revenue Sources According to Geographical Markets

As of 31 December 2000, the Bank's main sources of revenues, broken down by geographical areas, were as follows –

	Portugal	United Kingdom	United States Of america	Spain	Off-shore of Madeira	Off-shore Caimão	Others	Total
BES								
Interest and similar income	1 153 207	548 488	150 240	14 554	123 406	2 113	21 536	2 013 544
Income from securities	32 221	-	-	-	-	-	-	32 221
Fees	163 034	1 117	2 336	373	24 238	-	747	191 845
Dealing profits	2 615 554	1 420	11 251	969	327 523	7	379	2 957 103
Other operating income	38 280	509	-	5	99	-	4	38 897
	4 002 296	551 534	163 827	15 901	475 266	2 120	22 666	5 233 610

	Portugal	Reino Unido	Estados Unidos da América	Espanha	Off-shore Madeira	Off-shore Ilhas Caimão	Macau	Luxemburgo	Irlanda	Outros	Total
Consolidated											
Interest and similar income	1 522 758	550 133	169 945	74 054	105 436	18 401	11 172	119	10 365	24 433	2 486 816
Income from securities	11 233	-	-	125	-	-	60	-	-	76	11 494
Fees	273 680	1 302	5 912	23 538	24 252	174	155	6 711	189	2 198	338 111
Dealing profits	3 113 322	54 267	12 828	37 369	341 100	3 108	338	-	25 455	7 140	3 594 927
Other operating income	74 832	509	2 522	842	5 258	930	1	-	-	2 109	87 003
	4 995 825	606 211	191 207	135 928	476 046	22 613	11 726	6 830	36 009	35 956	6 518 351

NOTE 28 - Personnel

As of 31 December 2000, the BES Group's workforce was distributed among the following broadly-defined business areas –

	Consolidated	
	2000	1999
Employed by BES	5 370	5 418
Employed by Group financial subsidiaries	2 474	2 289
Total employed by Group financial companies	7 844	7 707
Employed by other companies essentially providing services to customers outside the Group	1 174	472
	9 018	8 179

As of 31 December 2000 Bank and Group BES personnel came under the following distribution by category –

	BES		Consolidated	
	2000	1999	2000	1999
Senior management	219	167	503	347
Middle management	878	891	1 294	1 230
Specialists	1 116	968	2 802	1 685
Administrative personnel	2 931	3 138	4 032	4 638
Ancillary personnel	38	66	190	91
Branches	188	188	197	188
	5 370	5 418	9 018	8 179

Total compensation paid to members of the corporate bodies and the statutory auditors in the 2000 and 1999 financial years was as follows -

	BES		Consolidated	
	2000	1999	2000	1999
Board of Directors	1 860	1 432	4 626	4 516
Auditors	10	10	122	48
	1 870	1 442	4 748	4 564

Loans extended to members of the Group's corporate bodies totalled approximately Euro 1,252 thousand (1999 – Euro 773 thousand).

NOTE 29 – Other Operating Income and Expenses

	BES		Consolidated	
	2000	1999	2000	1999
Other operating income				
Reimbursement of sundry expenditures	170	205	4 742	5 342
Income from sundry services	30 726	22 501	66 990	39 515
Others	<u>8 001</u>	<u>26 367</u>	<u>15 271</u>	<u>30 985</u>
	<u>38 897</u>	<u>49 073</u>	<u>87 003</u>	<u>75 842</u>
Other operating expenses				
Remuneration of participation certificates	14	20	14	20
Membership fees and donations	1 211	1 307	1 961	1 786
Others	1 724	3 505	4 033	5 940
	2 949	4 832	6 008	7 746

Remuneration of participation certificates corresponds to the unsecured variable portion.

NOTE 30 – Extraordinary Income And Losses

	BES			
	Extraordinary Income		Extraordinary Losses	
	2000	1999	2000	1999
Capital gains on fixed assets	6 454	11 402	-	-
Capital losses on fixed assets	-	-	212	183
Losses relating to previous years	-	-	283	229
Gains relating to previous years	2 559	2 898	-	-
Recovery of interest and expenditure on overdue loans	4 233	8 112	-	-
Cancellation of loan interest	-	-	918	2 080
Recovery of bad debts	3 114	4 659	-	-
Pension charges	-	-	9 265	6 709
Indemnities for non performance of contracts	36	75	9	15
Others	654	2 314	2 520	754
	17 050	29 460	13 207	9 970

	Consolidated			
	Extraordinary Income		Extraordinary Losses	
	2000	1999	2000	1999
Capital gains on fixed assets	10 134	55 646	-	-
Capital losses on fixed assets	-	-	1 104	918
Losses relating to previous years	-	-	4 012	466
Gains relating to previous years	4 884	5 951	-	-
Recovery of interest and expenditure on overdue loans	4 629	8 170	-	-
Cancellation of loan interest	-	-	918	2 080
Recovery of bad debts	4 337	6 270	-	-
Pension charges	-	-	10 146	7 819
Indemnities for non performance of contracts	101	85	14	15
Others	7 329	4 020	5 934	10 529
	31 414	80 142	22 128	21 827

As of 31 December 1999, the Capital gains on fixed assets heading included Euro 36,592 thousand relative to the capital gain obtained by Group BES on the sale of a holding in SIC – Sociedade Independente de Comunicações, SA.

NOTE 31 – Taxes

The Bank and its subsidiaries domiciled in Portugal are subject to taxation in accordance with the corporate income tax code (IRC) and to local taxes.

Group BES determined its income tax liability for the 2000 and 1999 financial years on the basis of a nominal rate of 32% (Law 3-B / 2000, April 4) and 34% (Decree-Law no. 44/98, March 3), respectively.

The tax authorities have the power to review the Bank's determination of its annual taxable earnings, as well as those of its subsidiaries domiciled in Portugal, for a period of five years as regards the financial year of 1998 and previous years, and for a period of 4 years for 1999 and subsequent years. Hence it is possible that some additional taxes may be assessed, mainly as a result of differences of interpretation of the tax law. However, the Bank's board of directors, and those of its subsidiaries domiciled in Portugal, are confident that there will be no further material tax assessments within the context of the financial statements.

Taxes charged to earnings already paid or pending payment by the Bank and by the Group respecting the 2000, 1999 and 1998 financial years were as follows -

	BES			Consolidated		
	2000	1999	1998	2000	1999	1998
Provision for corporation tax	26 792	19 508	18 730	63 987	48 508	42 627
Corporation tax paid	12 755	6 479	18 091	38 442	21 478	24 900

The effective rate of tax paid on earnings is lower than the nominal IRC rate because of the tax incentives and benefits to which BES and the Group are entitled, specifically, respecting earnings

from operations in the Madeira Free Zone overseas financial branches, the distribution of earnings to the pension fund and to the employees (see Note 23), tax benefits pertaining to earnings from financial interests and Portuguese public debt instruments and the fact that taxes on gains in derivatives are treated as deferred tax due.

NOTE 32 – Dealings With Subsidiaries And Associated Companies

As of 31 December 2000 and 1999, the Bank's outstanding loans and payables to associated companies and subsidiaries were as follows: -

	BES									
	2000					1999				
	Placements	Deposits	Guarantees	Earnings	Costs	Placements	Deposits	Guarantees	Earnings	Costs
Subsidiaries										
BESLEASING MOB.	147 193	571	-	7 148	44	113 731	30	-	2 684	-
BESLEASING IMOB.	121 904	-	-	3 783	-	62 794	-	-	1 397	-
BIC	1 740 967	58 615	-	81 188	3 786	1 174 185	19 209	-	46 867	95
ES COBRANÇAS	580	806	-	-	31	609	514	-	-	1 452
ES DEALER	-	65	-	-	-	-	75	-	-	-
ES ACE	-	1 828	-	-	11 410	-	1 771	-	-	9 427
ESAF SGPS	24 781	305	-	8 330	286	-	2 140	-	11 457	-
BESSA	1 102 976	1 159 551	-	61 239	86 500	179 891	341 906	-	6 230	13 113
ESGEST	-	45	-	-	646	-	45	-	-	574
GESFINC	-	186	-	-	283	-	10	-	-	319
ESDI	-	1 640	-	-	3 486	-	1 377	-	-	3 147
BESNAC	-	1 068	-	-	2 119	-	998	-	-	2 988
EUROGES	142 868	11 309	-	5 031	122	63 582	4 444	-	898	-
CREDIFLASH	22 678	1 919	-	8 344	-	22 890	5	-	3 157	-
CÊNTIMO	43	15	-	-	214	-	10	-	-	205
CREDIBOM	42 804	-	-	2 241	-	37 036	-	-	1 586	-
BESOL	-	252 420	-	8 911	27 657	-	233 712	-	-	17 303
ESGER a)	-	-	-	-	-	249	65	-	-	-
BESI	28 112	6 022	-	13 638	7 611	85 614	19 318	-	3 432	314
BES ORIENTE	96 160	62	-	7 759	2 240	104 528	50 000	-	3 641	2 723
BES FINANCE	-	3 091 494	3 068 603	-	113 875	-	1 296 261	1 298 855	-	38 901
ES CAPITAL	-	234	-	-	85	-	10	-	-	-
ESOL	269	720	-	2 273	3 859	-	40	-	-	-
ES PLC	191 668	5 748	-	8 436	139	110 249	1 033	-	459	80
ES BANK b)	1 182	21 520	-	62	237	-	-	-	-	-
BES.COM b)	3 700	40 062	-	88	15	-	-	-	-	-
	3 667 885	4 656 206	3 068 603	218 471	264 645	1 955 358	1 972 973	1 298 855	81 808	90 641
Associated Companies										
ESUMÉDICA	2 245	500	-	-	-	-	594	-	-	-
EUROP ASSISTANCE	-	858	-	-	-	-	-	-	-	-
FIDUPRIVATE	-	3	-	-	-	-	224	-	-	-
BES VÉNÉTIE	611 847	652 189	-	4 937	7 392	776 174	1 031 863	-	41 944	36 567
ES SEGUROS	18	10 743	-	-	-	-	389	-	404	-
	614 110	664 293	-	4 937	7 392	776 174	1 033 070	-	42 348	36 567

a) Company excluded from the consolidation in 2000.

b) Companies purchased/set up in 2000.

As of 31 December 2000, the overall amount of debits and credits of Group BES relative to dealings with subsidiaries and associated companies of Group ESFG (the Bank's holding company) may be summed up as follows –

	Group BES	
	2000	1999
Assets	1 155 901	1 334 922
Liabilities	1 090 292	1 522 033
Off-balance-sheet items	13 440	37 691

NOTE 33 –Subsequent Events

These are the most salient events that took place after the balance sheet date:

a) BES FINANCE made two issues of bonds under the US\$ 4,000 million Euro Medium Term Notes Program, respectively Euro 150,000 thousand on 24 January 2000, maturing in July 2002, and Euro 400,000 thousand, maturing in January 2006.

NOTE ADDED FOR TRANSLATION

The accompanying financial statements are a translation of financial statements originally issued in Portuguese in accordance with generally accepted accounting principles and with the disclosures required for the banking sector in Portugal, some of which may not conform with or be required by generally accepted accounting principles in other countries. In the event of discrepancies the Portuguese language version prevails.

To the
Shareholders of
Banco Espírito Santo, SA
Lisbon

8.5 Independent Auditors' Report

To the
Shareholders of
Banco Espírito Santo, SA
Lisbon

1 We have examined the attached financial statements of Banco Espírito Santo, SA (the "Bank"), which consist of the individual and consolidated balance sheets as of 31 December 2000, the respective income statements and funds flow statements for the financial year then ended, together with the explanatory notes. These financial statements are the responsibility of the Bank's Board of Directors. Our responsibility is to express an opinion on those financial statements, based on our examination.

2 Our audit was performed in accordance with the International Auditing Norms. These norms require that the examination be planned and executed with the purpose of obtaining an acceptable degree of assurance as to the absence of materially relevant misstatements. An examination includes the verification, on a test basis, of evidence supporting the amounts and information shown in the individual and consolidated financial statements. An examination also includes an assessment of the reasonableness of the accounting principles adopted, and the main estimates used by the Bank's Board of Directors in the preparation of the financial statements, and an assessment of the reasonableness of the overall presentation of the financial statements. We believe that our examination provides an acceptable basis for the expression of our opinion on those financial statements.

3 In our opinion, the above-mentioned individual and consolidated financial statements present in a true and appropriate manner, in all materially relevant respects, the financial situation, both individual, and consolidated, of Banco Espírito Santo, SA, as of 31 December 2000, as well as the individual and consolidated results and cash flows for the financial year then ended, in conformance with the accounting principles and other arrangements and practices prevailing in Portugal with respect to the banking system.

4 Without prejudice to our opinion as expressed in the preceding paragraph, we note that, as referred in the attached notes, under 3.3 j) and 23, and after being authorized by Banco de Portugal to do so, in 2000 the Bank amortized against Reserves the balance of pre-paid expenses relative to liabilities for early retirements, which in the balance sheet was deferred to 30 June 2000. This originated a reduction of Euro 138,935 thousand in Assets and Shareholders' equity.

Lisboa, 12 March 2001

PriceWaterhouseCoopers

8.6 Audit Committee

8.6.1 The Report and Opinion of the Audit Committee

Dear Shareholders,

1 Under the terms of the law and pursuant to the mandate conferred upon us, we present our report on our auditing activities as well as our opinion on the report of the Board of Directors and Individual and Consolidated Financial Statements for the financial year ending on 31 December 2000 presented by the Board of Directors of Banco Espírito Santo, S.A..

2 During the reporting year we accompanied the activity of the Bank and of its most significant subsidiaries and associated companies with the frequency and depth that we judged convenient. We verified the regularity in keeping accounting records and supporting documents and watched over the observance of the law and the statutes.

3 We also accompanied the works developed by Belarmino Martins, Eugénio Ferreira & Associados - Sociedade de Revisores Oficiais de Contas, Statutory Auditors and members of this board, and analyzed the attached Legal Certification of Accounts which deserved our agreement. We also acquainted ourselves with the contents of the annual report issued by the Statutory Auditors in compliance of article 451 of the Commercial Companies Code which was addressed to the Bank's Board of Directors.

4 In the discharge of our functions we verified that:

- the individual and consolidated balance sheets, the individual and consolidated income statements, broken down by nature and source of results, the funds flow statements, together with the explanatory notes, afford a

good understanding of the individual and consolidated financial situation of the bank and of its results;

- the accounting policies and valuation criteria adopted are adequate;
- the Board of Directors' report affords a good understanding of the performance and situation of the Bank and its subsidiaries and associated companies, and sheds light on the most salient aspects; and;
- the proposed application of earnings does not infringe applicable legal and statutory requirements.

5 Accordingly, we express our opinion that:

- the report of the Board of Directors be approved; and
- the Individual and Consolidated Financial Statements and the application of earnings be approved.

6 In conclusion, we wish to express our thanks to the Board of Directors, the Executive Committee, and all of the Bank's employees with whom we were in contact, for the valuable cooperation we received in the discharge of our duties.

Lisboa, 12 March 2001

Chairman

Jacques dos Santos

Members and Statutory Auditors

Rui Barros Costa

Vogal Revisor Oficial de Contas

Belarmino Martins, Eugénio Ferreira & Associados

– Sociedade de Revisores Oficiais de Contas,

represented by

César Abel Rodrigues Gonçalves

8.6.2 Legal Certification of Accounts and Auditors' Report

Individual Financial Information

Introduction

1 Under the terms of applicable legislation, we present the Legal Certification of Accounts and the Auditors' Report on the financial information contained in the reporting documents of Banco Espírito Santo, SA (the Bank) for the year ended on 31 December 2000. These documents consist of the Report of the Board of Directors, the balance sheet as of 31 December 2000 (which shows net assets of Euro 26,816,824 thousand and shareholders' equity of Euro 1,514,285 thousand, including a profit for the year of Euro 134,375 thousand), the income statement, broken down by nature and source of results, and the funds flow statement for the financial year ended on that date and the respective annexes and explanatory notes.

Responsibilities

2 It is the responsibility of the Bank's Board of Directors: (i) that the Report of the Board of Directors and financial statements present in a true and appropriate manner the financial situation of the Bank, the results of its operations and the funds flows; (ii) that the historical financial information be prepared in conformance with the accounting principles and other arrangements and practices prevailing in Portugal with respect to the banking system, and that it be thorough, true, opportune, clear, objective and lawful, as required by the Securities Code; (iii) to adopt appropriate accounting policies and criteria; (iv) to maintain an appropriate system of internal controls; and (v) to disclose any relevant fact that influenced its activity, financial situation or results.

3 Our responsibility consists of verifying the financial information contained in the reporting documents referred, specifically as to whether it is thorough, true, opportune, clear, objective and lawful, as required by the Securities Code, with the purpose of expressing a professional and independent opinion on that information, based on our audit.

Scope

4 Our audit was performed in accordance with the Technical Norms and Audit Directives of the Chamber of Statutory Auditors, which require that it be planned and executed with the purpose of obtaining an acceptable degree of assurance as to whether the financial information contained in the financial statements is free from materially relevant misstatements. To that end, our audit included (i) verification, on a test basis, of the evidence supporting the amounts and disclosures contained in the financial statements, and assessment of the estimates, based on judgments and criteria defined by the Bank's Board of Directors that were used in their preparation; (ii) an assessment as to whether the accounting policies adopted and their disclosure are suitable, bearing the circumstances in mind; (iii) verification of the applicability of the principle of continuity; (iv) an assessment as to the suitability, in overall terms, of the presentation of the financial statements; and (v) verification as to whether the financial information is thorough, true, opportune, clear, objective and lawful.

- 5 Our audit also encompassed the verification of whether the financial information contained in the Report of the Board of Directors was consistent with the remaining reporting documents.
- 6 We believe that our audit provides an acceptable basis for the expression of our opinion.

Opinion

- 7 In our opinion, the above-mentioned financial statements present in a true and appropriate manner; in all materially relevant aspects, the financial situation of Banco Espírito Santo, SA as of 31 December 2000, the results of its operations and the funds flow statements for the financial year ended on that date, in conformance with the accounting principles and other arrangements and practices generally adopted in Portugal for the banking sector; and the information contained in them is thorough, true, opportune, clear, objective and lawful, as required by the Securities Code.

Observation

- 8 Without prejudice to our opinion as expressed in the preceding paragraph, we note that, as referred in the attached notes, under 3.3 j) and 23, and after being authorized by Banco de Portugal to do so, in 2000 the Bank amortized against Reserves the balance of pre-paid expenses relative to liabilities for early retirements, which in the balance sheet was deferred to 30 June 2000. This originated a reduction of Euro 138,935 thousand in Assets and Shareholders' equity.

Lisboa, 12 March 2001

Belarmino Martins, Eugénio Ferreira & Associados
– Statutory Auditors, represented by

César Abel Rodrigues Gonçalves, R.O.C.

Legal Certification of Accounts and Auditors' Report on the Consolidated Financial Information

Introduction

1 Under the terms of applicable legislation, we present the Legal Certification of Accounts and the Auditors' Report on the consolidated financial information contained in the reporting documents of Banco Espírito Santo, SA (the Bank) for the year ended on 31 December 2000. These documents consist of the Report of the Board of Directors, the consolidated balance sheet as of 31 December 2000 (which shows net assets of Euro 33,936,292 thousand, minority interests totalling Euro 569,424 thousand and shareholders' equity of Euro 1,439,428 thousand, including a profit for the year of Euro 227,993 thousand), the consolidated income statement, broken down by nature and source of results, and the consolidated funds flow statement for the financial year ended on that date and the respective annexes and explanatory notes.

Responsibilities

2 It is the responsibility of the Bank's Board of Directors: (i) that the Report of the Board of Directors and consolidated financial statements present in a true and appropriate manner the consolidated financial situation of the Bank, the consolidated results of its operations and the consolidated funds flows; (ii) that the historical financial information be prepared in conformance with the accounting principles and other arrangements and practices prevailing in Portugal with respect to the banking system, and that it be thorough, true, opportune, clear, objective and lawful, as required by the Securities Code; (iii) to adopt appropriate

accounting policies and criteria; (iv) to maintain an appropriate system of internal controls; and (v) to disclose any relevant fact that influenced the activity, financial situation or results of the group of companies included in the consolidation.

3 Our responsibility consists of verifying the financial information contained in the reporting documents referred, specifically as to whether it is thorough, true, opportune, clear, objective and lawful, as required by the Securities Code, with the purpose of expressing a professional and independent opinion on that information, based on our audit.

Scope

4 Our audit was performed in accordance with the Technical Norms and Audit Directives of the Chamber of Statutory Auditors, which require that it be planned and executed with the purpose of obtaining an acceptable degree of assurance as to whether the financial information contained in the consolidated financial statements is free from materially relevant misstatements. To that end, our audit included (i) verification that the financial statements of the companies included in the consolidation had been properly audited, and in those important cases where they had not been audited, verification, based on sampling, of the evidence supporting the amounts and disclosures contained in those financial statements, and assessment of the estimates, based on judgments and criteria defined by the respective management body, that were used in their preparation; (ii) verifica-

tion of the consolidation procedures, and the application of the equity method; (iii) an assessment as to whether the accounting policies adopted and their disclosure are suitable, bearing the circumstances in mind; (iv) verification of the applicability of the principle of continuity; (v) an assessment as to the suitability, in overall terms, of the presentation of the consolidated financial statements; and (vi) verification as to whether the financial information is thorough, true, opportune, clear, objective and lawful.

- 5** Our audit also encompassed the verification of whether the consolidated financial information contained in the Report of the Board of Directors was consistent with the remaining reporting documents.
- 6** We believe that our audit provides an acceptable basis for the expression of our opinion.

Opinion

- 7** In our opinion, the above-mentioned consolidated financial statements present in a true and appropriate manner; in all materially relevant aspects, the consolidated financial situation of Banco Espírito Santo, SA as of 31 December 2000, the consolidated results of its operations and the consolidated funds flow statements for the financial year ended on that date, in conformance with the accounting principles and other arrangements and practices generally adopted in Portugal for the banking sector; and the information contained in them is thorough, true, opportune, clear, objective and lawful, as required by the Securities Code.

Observation

- 8** Without prejudice to our opinion as expressed in the preceding paragraph, we note that, as referred in the attached notes, under 3.3 j) and 23, and after being authorized by Banco de Portugal to do so, in 2000 the Bank amortized against Reserves the balance of pre-paid expenses relative to liabilities for early retirements, which in the balance sheet was deferred to 30 June 2000. This originated a reduction of Euro 138,935 thousand in Assets and Shareholders' equity.

Lisboa, 12 de Março de 2001

Belarmino Martins, Eugénio Ferreira & Associados
– Statutory Auditors,
represented by
César Abel Rodrigues Gonçalves, R.O.C.



9

International Division



9 International Division

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