

## 8. OTHER OPERATING INCOME / (COSTS)

The amount of this account is comprised of:

	(Thousands of euros)	
	2017	2016
<b>Operating income</b>		
Income from services	26,777	24,983
Cheques and others	9,948	11,119
Gains on leasing operations	6,003	8,509
Rents	1,189	1,193
Other operating income	13,820	16,756
	<b>57,737</b>	<b>62,560</b>
<b>Operating costs</b>		
Taxes	(13,777)	(11,347)
Donations and contributions	(3,154)	(3,369)
Contribution over the banking sector	(28,011)	(22,235)
Resolution Funds Contribution	(7,684)	(5,204)
Contribution for the Single Resolution Fund	(17,167)	(20,306)
Contributions to Deposit Guarantee Fund	(27)	(104)
Losses on financial leasing operations	(994)	(330)
Other operating costs	(12,622)	(11,436)
	<b>(83,436)</b>	<b>(74,331)</b>
	<b>(25,699)</b>	<b>(11,771)</b>

The balance Contribution over the banking sector is estimated according to the terms of the Decree-Law no. 55-A/2010. The determination of the amount payable is based on: (i) the annual average liabilities deducted by core capital (Tier 1) and supplementary capital (Tier 2) and deposits covered by the Deposit Guarantee Fund, and (ii) notional amount of derivatives.

The balance Contribution to the Resolution Fund corresponds to the periodic contributions that must be paid to the Fund, as stipulated in Decree-Law No 24/2013. The periodic contributions are determined by a base rate, established by the Bank of Portugal through regulatory instruments, to be applied in each year and which may be adjusted to the credit institution's risk profile on the basis of the objective incidence of those contributions. The period contributions affect the liabilities of the credit institutions members of the Fund, as per the article 10 of the referred Decree-Law, deducted from the liability elements that are part of the core capital and supplementary and from the deposits covered by the Deposit Guarantee Fund.

The balance Contribution to the Single Resolution Fund ("SRF") corresponds to the Bank's annual ex-ante contribution to support the application of resolution measures at EU level. The SRF has been established by Regulation (EU) No 806/2014 (the "SRM Regulation"). The SRF is financed from ex-ante contributions paid annually at individual level by all credit institutions within the Banking Union. Contributions to the SRF take into account the annual target level as well as the size and the risk profile of institutions.

In calculating the ex-ante contributions, the SRF applies the methodology as set out in the Commission Delegated Regulation (EU) 2015/63 and European Parliament and of the Council Regulation (EU) 806/2014. The annual contribution to the Fund is based on the institution's liabilities excluding own funds and covered deposits considering adjustments due to derivatives and intra group liabilities and on a risk factor adjustment that depends on the risk profile of the institution.

In accordance with Article 67(4) of SRM Regulation and in accordance with the Intergovernmental Agreement on the transfer and mutualisation of contributions to the SRF, the ex-ante contributions are collected by national resolution authorities and transferred to the SRF by 30 June of each year.

During 2017, the Bank delivered the amount of Euros 17,167,000 (2016: Euros 20,362,000) to the Single Resolution Fund. The total value of the contribution attributable to the Bank amounted to Euros 20,197,000 (2016: Euros 23,955,000) and the Bank opted to constitute an irrevocable commitment, through a constitution of a bailment for this purpose, in the amount of Euros 3,029,000 (2016: Euros 3,593,000), not having this component been recognised as a cost, as defined by the Single Resolution Council in accordance with the methodology set out in Delegated Regulation (EU) No 2015/63 of the Commission of 21 October 2014 and with the conditions laid down in the Implementing Regulation (EU) 2015/81 of the Council of 19 December 2014.

## 9. STAFF COSTS

The amount of this account is comprised of:

	(Thousands of euros)	
	2017	2016
Remunerations	257,225	234,615
Mandatory social security charges		
Post-employment benefits (note 44)		
Service cost	(16,054)	(761)
Cost / (income) in the liability coverage balance	4,536	4,467
Cost / (income) with early retirement programs and mutually agreed terminations	12,506	3,049
Collective Labour Agreement	(39,436)	(168,871)
	(38,448)	(162,116)
Other mandatory social security charges	82,674	72,110
	44,226	(90,006)
Voluntary social security charges	7,311	15,135
Other staff costs	16,647	12,125
	325,409	171,869

At the end of December 2016 it was concluded the revision of the Collective Labour Agreement (ACT), between the BCP Group and two of the unions representing the group's employees, which introduced changes in the Social Security chapter and consequently in the pension plan financed by the BCP Group Pension Fund, as described in accounting policy 1v) and note 44. The negotiation with the "Sindicato dos Bancários do Norte" (SBN), which was also involved in the negotiations of the new ACT, was only concluded in April 2017 with publication in the "Boletim de Trabalho e Emprego", with the effects of this new ACT recorded in the financial statements as at 31 December 2017, for SBN's associated employees.

Under the context of the amendments to the ACT, there were also changes in the benefit related to the seniority premium which was replaced by the End of career premium (note 44). During 2017, the impact of this change amounted to Euros 4,826,000 (2016: Euros 18,763,000) and is reflected in the balance Remunerations.

The average number of employees by professional category, at service in the Bank, is analysed as follows by category:

	2017	2016
Top Management	972	982
Intermediary Management	1,645	1,686
Specific/Technical functions	2,887	2,878
Other functions	1,622	1,710
	7,126	7,256