

The caption Obligations not covered by the Group Pension Fund - amounts payable by the Group includes the amount of Euros 9,309,000 (31 December 2016: Euros 17,818,000) related to the actual value of benefits attributed associated with mortgage loans to employees, retirees and former employees and the amount of Euros 3,733,000 (31 December 2016: Euros 3,837,000), related to the obligations with retirement benefits already recognised in Staff costs, to be paid to former members of the Executive Board of Directors, as referred in note 49. This balance also includes the amount of Euros 5,000,000 regarding to restructuring costs. These obligations are not covered by the Group Pension Fund and therefore, correspond to amounts payable by the Group.

As at 31 December 2016, this caption also included the amount of Euros 21,337,000 related to the seniority premium.

The caption Amounts payable on trading activity includes amounts payable within 3 business days of stock exchange operations.

#### 40. SHARE CAPITAL, PREFERENCE SHARES AND OTHER EQUITY INSTRUMENTS

The Bank's share capital, as at 31 December 2017, amounts to Euros 5,600,738,053.72 and is represented by 15,113,989,952 ordinary, book-entry and nominates shares, without nominal value, which is fully paid.

As referred in note 47, the Board of Directors of BCP has resolved on 9 January 2017, to increase the share capital of BCP from Euros 4,268,817,689.20 to Euros 5,600,738,053.72, through an offering to existing holders of BCP's ordinary shares pursuant to their respective pre-emption rights, and other investors who acquire subscription rights, to subscribe for 14,169,365,580 new ordinary, book entry and registered shares, without nominal value. The resulting number of BCP ordinary shares is 15,113,989,952.

In November 2016, and in accordance with the resolution of the General Meeting of Shareholders of 21 April 2016 to suppress the pre-emptive right of the shareholders, the Board of Directors of BCP has approved a resolution for the increase of BCP's share capital, from Euros 4,094,235,361.88 to Euros 4,268,817,689.20, by way of a private placement of 157,437,395 new shares offered for subscription by Chiado at a subscription price of Euros 1.1089 per new share.

In October 2016, Banco Comercial Português proceeded with a reverse stock split, without decrease of the share capital, of the shares representing the Bank's share capital, by applying a regrouping ratio of 1:75, every 75 shares prior to the reverse split corresponding to 1 share thereafter, which is applicable to all the shares, in the same proportion. Thus, BCP's share capital at that date, in the amount of Euros 4,094,235,361.88, was represented by 787,186,977 shares.

The share premium amounts to Euros 16,470,667.11, corresponding to the difference between the issue price (Euros 0.0834 per share) and the issue value (Euros 0.08 per share) determined under the scope of the Exchange Offer occurred in June 2015.

As at 31 December 2017, the balance preference shares amounts to Euros 59,910,000.

The preference shares includes two issues by BCP Finance Company Ltd which considering the rules established in IAS 32 and in accordance with the accounting policy presented in note 1 h), were considered as equity instruments. The issues are analysed as follows:

- 439,684 preference shares with par value of Euros 100 each, perpetual without voting rights in the total amount of Euros 43,968,400, issued on 9 June 2004.
- 15,942 preference shares with par value of Euros 1,000 each, perpetual without voting rights, in the total amount of Euros 15,942,000, issued on 13 October 2005.

The balance Other equity instruments, in the amount of Euros 2,922,000 includes 2,922 perpetual subordinated debt securities with conditional coupons, issued on 29 June 2009, with a nominal value of Euros 1,000 each.

As referred in note 47, on 9 February 2017, BCP reimbursed the remaining CoCos to the Portuguese State in the amount of Euros 700 million. This repayment, which marks the return to the normalization of BCP's activity, had previously been approved by the European Central Bank, subject to the success of the capital increase that BCP concluded on that date.

Pursuant to the conditions of the issue of Core Tier I Capital Instruments underwritten by the State, under Law no. 63-A/2008 and Implementing Order no. 150-A/2012 (CoCos), the Bank could not distribute dividends until the issue was fully reimbursed.

As at 31 December 2017, the shareholders who hold individually or jointly 2% or more of the capital of the Bank, are the following:

Shareholder	number of shares	% share capital	% voting rights
Fosun Group - Chiado (Luxembourg) S.a.r.l. held by Fosun International Holdings Ltd	4,089,789,779	27.06%	27.06%
Sonangol - Sociedade Nacional de Combustíveis de Angola, EP, directly	2,946,353,914	19.49%	19.49%
BlackRock, Inc. (*)	427,218,720	2.83%	2.83%
EDP Pension Fund (**)	319,113,690	2.11%	2.11%
<b>Total Qualified Shareholdings</b>	<b>7,782,476,103</b>	<b>51.49%</b>	<b>51.49%</b>

(\*) According to the press release of 29 December 2017

(\*\*) Imputation in accordance with paragraph f) of paragraph 1 of Article 20 of the Portuguese Securities Code.

## 41. LEGAL AND STATUTORY RESERVES

Under Portuguese legislation, the Bank is required to set-up annually a legal reserve equal to a minimum of 10 percent of annual profits until the reserve equals the share capital. Such reserve is not normally distributable. In accordance with the proposal for the application of results for the year 2016 approved at the General Shareholders' Meeting held on 10 May 2017, the Bank increased its legal reserve in the amount of Euros 6,931,000. As at 31 December 2017, the amount of Legal reserves amounts to Euros 222,806,000 (31 December 2016: Euros 215,875,000).

In accordance with current legislation, the Group companies must set-up annually a reserve with a minimum percentage between 5 and 20 percent of their net annual profits depending on the nature of their economic activity and are recorded in Other reserves and retained earnings in the Bank's consolidated financial statements (note 43).

The amount of Statutory reserves amounts to Euros 30,000,000 (31 December 2016: Euros 30,000,000) and correspond to a reserve to steady dividends that, according to the bank's by-laws, can be distributed.

## 42. TREASURY SHARES

This balance is analysed as follows:

	Banco Comercial Português, S.A. shares	Other treasury stock	Total
<b>2017</b>			
Net book value (Euros '000)	88	205	293
Number of securities	323,738 (*)		
Average book value (Euros)	0.27		
<b>2016</b>			
Net book value (Euros '000)	2,880	-	2,880
Number of securities	2,689,098 (*)		
Average book value (Euros)	1.07		

(\*) As at 31 December 2017, Banco Comercial Português, S.A. does not held treasury shares and does not performed any purchases or sales of own shares during the period. However, this balance includes 323,738 shares (31 December 2016: 2,689,098 shares) owned by clients. Considering the fact that for some of these clients there is evidence of impairment, the shares of the Bank owned by these clients were considered as treasury shares, and, in accordance with the accounting policies, written off from equity.

The own shares held by the companies included in the consolidation perimeter are within the limits established by the Bank's by-laws and by "Código das Sociedades Comerciais".

Regarding treasury shares owned by associated companies of the BCP Group, as referred in note 50, as at 31 December 2017, the Millenniumbcp Ageas Group owned 142,601,000 BCP shares (31 December 2016: 8,694,500 shares) in the amount of Euros 38,531,000 (31 December 2016: Euros 9,312,000).