

For financial assets classified at level 3 recorded in the balance sheet at fair value, the movement occurred during the year 2016 is presented as follows:

| (Thousands of euros)                          |                         |                           |                         |                  |
|---|-------------------------|---------------------------|-------------------------|------------------|
| <b>2016</b>                                   |                         |                           |                         |                  |
| <b>Financial assets</b>                       |                         |                           |                         |                  |
|   | <b>held for trading</b> | <b>available for sale</b> | <b>Held to maturity</b> | <b>Total</b>     |
| <b>Balance on January 1</b>                   | 198,001                 | 1,680,544                 | -                       | 1,878,545        |
| Gains / (losses) recognised in profit or loss |                         |                           |                         |                  |
| Results on financial operations               | 73,845                  | 106,079                   | -                       | 179,924          |
| Impairment and other provisions               | -                       | (261,682)                 | -                       | (261,682)        |
| Transfers changes in structure                | (7,447)                 | (19,582)                  | -                       | (27,029)         |
| Transfers between levels                      | 332,859                 | 13,525                    | 100,806                 | 447,190          |
| Purchases                                     | 82,343                  | 75,965                    | -                       | 158,308          |
| Sales, repayments or amortizations            | (65,381)                | (222,793)                 | -                       | (288,174)        |
| Gains / (losses) recognised in reserves       | -                       | (76,439)                  | -                       | (76,439)         |
| Exchange differences                          | -                       | (622)                     | -                       | (622)            |
| Accruals of interest                          | -                       | 1,176                     | -                       | 1,176            |
| <b>Balance as at December 31</b>              | <b>614,220</b>          | <b>1,296,171</b>          | <b>100,806</b>          | <b>2,011,197</b> |

#### 49. POST-EMPLOYMENT BENEFITS AND OTHER LONG TERM BENEFITS

The Group assumed the liability to pay to their employees pensions on retirement or disability and other obligations, in accordance with the accounting policy described in note 1 w).

As at 31 December 2017 and 2016, the number of participants in the Pension Fund of Banco Comercial Português covered by this pension plan and other benefits is analysed as follows:

| (Thousands of euros)             |               |               |
|----------------------------------|---------------|---------------|
|                                  | <b>2017</b>   | <b>2016</b>   |
| <b>Number of participants</b>    |               |               |
| Pensioners                       | 16,711        | 16,524        |
| Former Attendees Acquired Rights | 3,375         | 3,386         |
| Employees                        | 7,368         | 7,537         |
|                                  | <b>27,454</b> | <b>27,447</b> |

In accordance with the accounting policy described in note 1 w), the Group's pension obligation and other benefits and the respective coverage for the Group based on the projected unit credit method are analysed as follows:

| (Thousands of euros)   |                    |                    |
|--|--------------------|--------------------|
|  | <b>2017</b>        | <b>2016</b>        |
| Projected benefit obligations  |                    |                    |
| Pensioners   | 1,993,181          | 1,959,977          |
| Former attendees acquired rights   | 206,687            | 221,860            |
| Employees  | 849,702            | 910,812            |
|  | <b>3,049,570</b>   | <b>3,092,649</b>   |
| Pension fund value   | <b>(3,166,351)</b> | <b>(3,124,330)</b> |
| Net (assets) / liabilities in balance sheet (notes 32)   | <b>(116,781)</b>   | <b>(31,681)</b>    |
| <b>Accumulated actuarial losses and changing assumptions effect recognised in Other comprehensive income</b> | <b>3,191,607</b>   | <b>3,220,601</b>   |

In 2017, following the authorization of the Insurance and Pension Funds Supervisory Authority, the BCP group's pension fund agreement was amended. The main purpose of this process was to incorporate into the pension fund the changes made to the Group's Collective Labour Agreement (CLA) in terms of retirement benefits and also to pass on to the pension fund the responsibilities that were directly in charge by the companies (extra-fund liabilities). The pension fund has a share exclusively related to the financing of these liabilities, which in the scope of the fund is called an Additional Complement, which in December 2017 amounted to Euros 297,146,000. The End of Career Premium also came to be borne by the pension fund under the basic pension plan.

As at 31 December 2016, the projected benefit liabilities include Euros 324,210,000 which correspond to Extra-fund liabilities and as such are not covered by the Pension Fund.

The change in the projected benefit obligations is analysed as follows:

|  | 2017                        |                |                  | 2016                        |            |           |
|--|-----------------------------|----------------|------------------|-----------------------------|------------|-----------|
|  | Pension benefit obligations |                | Total            | Pension benefit obligations |            | Total     |
|  | obligations                 | Extra-Fund     | Total            | obligations                 | Extra-Fund | Total     |
| <b>Balance as at 1 January</b>                                   | <b>2,768,439</b>            | <b>324,210</b> | <b>3,092,649</b> | 2,824,165                   | 311,522    | 3,135,687 |
| Service cost   | (16,391)                    | -              | (16,391)         | (741)                       | -          | (741)     |
| Interest cost / (income)   | 57,548                      | 6,390          | 63,938           | 69,715                      | 7,537      | 77,252    |
| Actuarial (gains) and losses                                     |                             |                |                  |                             |            |           |
| Not related to changes   |                             |                |                  |                             |            |           |
| in actuarial assumptions   | 26,082                      | (2,336)        | 23,746           | 21,828                      | (1,690)    | 20,138    |
| Arising from changes   |                             |                |                  |                             |            |           |
| in actuarial assumptions   | -                           | -              | -                | 93,570                      | 18,553     | 112,123   |
| Payments   | (79,847)                    | (16,759)       | (96,606)         | (70,534)                    | (21,576)   | (92,110)  |
| Early retirement programmes and terminations by mutual agreement | 13,957                      | -              | 13,957           | 4,164                       | -          | 4,164     |
| Contributions of employees                                       | 8,274                       | -              | 8,274            | 8,398                       | -          | 8,398     |
| Changes occurred in the Collective Labour Agreement (CLA)        | (39,997)                    | -              | (39,997)         | (182,126)                   | 9,864      | (172,262) |
| Transfer between plans   | 311,505                     | (311,505)      | -                | -                           | -          | -         |
| <b>Balance at the end of the year</b>                            | <b>3,049,570</b>            | <b>-</b>       | <b>3,049,570</b> | 2,768,439                   | 324,210    | 3,092,649 |

As at 31 December 2017 the value of the benefits paid by the Pension Fund, excluding other benefits included on Extra-fund, amounts to Euros 79,847,000 (31 December 2016: Euros 70,534,000).

The Pension benefit obligations include the liabilities with health benefits and correspond, as at 31 December 2017, to the amount of Euros 306,822,000 (31 December 2016: Euros 313,509,000).

Additionally, regarding the coverage of some benefit obligations related to pensions, the Bank contracted with Ocidental Vida the acquisition of perpetual annuities for which the total liability as at 31 December 2017 amounts to Euros 65,266,000 (31 December 2016: Euros 68,530,000), in order to pay:

- i) pensions of former Group's Board Members in accordance with the Bank's Board Members Retirement Regulation;
- ii) pensions and complementary pension to pensioners in accordance with the Pension Fund of the BCP Group employees established in 28 December 1987, as also to pensioners, in accordance with other Pension Funds, that were incorporated after on the BCP Group Pension Fund and which were planned that the retirement benefits should be paid through the acquisition of insurance policies, in accordance with the Decree - Law no. 12/2006.

Ocidental Vida is 100% owned by Ageas Group and Ageas Group is 49% owned by the BCP Group.

## CHANGES IN THE CLA

At the end of December 2016, a revision of the Collective Labour Agreement (CLA) was reached between the BCP Group and the Workers' Trade Unions, "Federação dos Sindicatos Independentes da Banca" and "Federação Nacional do Sector Financeiro", resulted in a profit of Euros 191,507,000 (of which Euros 19,245,000 do not correspond to benefits post-employment). Regarding the "Sindicato dos Bancários do Norte" ("SBN"), which was also involved in the negotiations of the new CLA, formalize the acceptance of the amendments to the CLA in April 2017 and, as such, the Bank only recognise the impact of changes from CLA to employees associates of SBN in 2017.

The profit arising from the changes amounts to Euros 44,853,000 (of which Euro 4,856,000 do not correspond to benefits post-employment). The new CLAs have already been published by the Ministry of Labour in Bulletin of Labour and Employment.

The most relevant changes that occurred in the CLA and can be described as follows:

- Change in the retirement age (presumed disability) from 65 years to 66 years and 2 months in 2016. This age is not fixed and increases at the beginning of each calendar year one month. So in 2017 the retirement age is 66 years and 3 months. It was agreed that the retirement age in each year, fixed by the application of the above mentioned rule, cannot exceed in any case the normal retirement age in force in the General Social Security Regime. For the actuarial calculation, a progressive increase in retirement age was considered up to 67 years and 2 months.

- It was introduced a change into the formula for determining the employer's contribution to the SAMS, which is no longer a percentage of the Pensions (Euros 88 per beneficiary and Euros 37.93 in the case of pensioners). This amount will be updated by the salary table update rate. This change has no impact on participants and beneficiaries, both in terms of their contributions and in their benefits.

- A new benefit and retirement was introduced called End of Career Premium. At the retirement date the participant is entitled to a capital equal to 1.5 times the amount of the monthly remuneration earned at the retirement date. This benefit replaces the Seniority premium that was awarded during active life. This benefit, to be attributed at the retirement date or in the event of death, is considered to be a post-employment benefit by which it becomes part of retirement liabilities. This benefit is not included in the pension fund agreement and as such was considered as Extra-Fund.

During 2017 and 2016, the changes in the value of plan's assets is analysed as follows:

|  | (Thousands of euros) |                  |
|--|----------------------|------------------|
|  | 2017                 | 2016             |
| <b>Balance as at 1 January</b>   | 3,124,330            | 3,157,869        |
| Contributions to the Fund  | -                    | 125,000          |
| Employees' contributions   | 8,274                | 8,398            |
| Actuarial gains / (losses)   | 52,740               | (170,384)        |
| Payments   | (79,847)             | (70,534)         |
| Expected return on plan assets   | 59,402               | 72,750           |
| Amount transferred to the Fund resulting from acquired rights unassigned related to the Complementary Plan | 1,452                | 1,231            |
| <b>Balance at the end of the year</b>  | <b>3,166,351</b>     | <b>3,124,330</b> |

The elements of the Pension Fund's assets are analysed as follows:

|  | 2017                                      |           |                 | 2016                                      |           |                 |
|--|---|-----------|-----------------|---|-----------|-----------------|
| Asset class  | Assets with market price in active market | Remaining | Total Portfolio | Assets with market price in active market | Remaining | Total Portfolio |
| Shares   | 278,231                                   | 95,757    | 373,988         | 423,343                                   | 102,756   | 526,099         |
| Bonds and other fixed income securities              | 1,058,953                                 | 4,922     | 1,063,875       | 1,187,721                                 | 159,618   | 1,347,339       |
| Participations units in investment funds             | -   | 808,873   | 808,873         | -   | 259,312   | 259,312         |
| Participation units in real estate funds             | -   | 264,025   | 264,025         | -   | 243,680   | 243,680         |
| Properties   | -   | 254,317   | 254,317         | -   | 282,673   | 282,673         |
| Loans and advances to credit institutions and others | -   | 401,273   | 401,273         | -   | 465,227   | 465,227         |
|  | 1,337,184                                 | 1,829,167 | 3,166,351       | 1,611,064                                 | 1,513,266 | 3,124,330       |

The balance Shares includes an investment of 2.71% held in the Dutch unlisted insurance group "Achmea BV", whose valuation as at 31 December 2017 amounts to Euros 94,382,000 (31 December 2016: Euros 101,471,000). This valuation was determined by the Management Company based on the last independent valuation carried out by Achmea solicitation.

The balance Properties includes buildings owned by the Fund and used by the Group's companies which as at 31 December 2017, amounts to Euros 253,971,000 (31 December 2016: Euros 281,991,000), mostly a set of properties called "Taguspark" whose book value as at 31 December 2017 amounts to Euros 243,750,000 (31 December 2016: Euros 269,287,000). This book value was calculated on the basis of valuations performed by independent expert evaluators performed in 2017.

The securities issued by Group's companies accounted in the portfolio of the Fund are analysed as follows:

|  | (Thousands of euros) |                |
|--|----------------------|----------------|
|  | 2017                 | 2016           |
| Fixed income securities                              | 41                   | 129,966        |
| Loans and advances to credit institutions and others | 326,562              | 351,766        |
|  | <b>326,603</b>       | <b>481,732</b> |

The evolution of net (assets) / liabilities in the balance sheet is analysed as follows:

|  | (Thousands of euros) |                  |
|--|----------------------|------------------|
|  | 2017                 | 2016             |
| <b>Balance as at 1 January</b>   | <b>(31,681)</b>      | <b>(22,182)</b>  |
| <b>Recognised in the income statement:</b>   |                      |                  |
| Changes occurred in the Collective Labour Agreement  | (39,997)             | (172,262)        |
| Service cost   | (16,391)             | (741)            |
| Interest cost / (income) net of the balance liabilities coverage   | 4,536                | 4,502            |
| Cost with early retirement programs  | 13,957               | 4,164            |
| Amount transferred to the Fund resulting from acquired rights unassigned related to the Complementary Plan | (1,452)              | (1,231)          |
|  | <b>(39,347)</b>      | <b>(165,568)</b> |
| <b>Recognised in the statement of comprehensive income:</b>  |                      |                  |
| Actuarial (gains) / losses   |                      |                  |
| Not related to changes in actuarial assumptions  |                      |                  |
| Deviation between the estimated and the actual income of the fund  | (52,740)             | 170,384          |
| Difference between expected and effective obligations  | 23,746               | 20,138           |
| Arising from changes in actuarial assumptions  | -                    | 112,122          |
|  | <b>(28,994)</b>      | <b>302,644</b>   |
| Contributions to the fund  | -                    | (125,000)        |
| Payments   | (16,759)             | (21,575)         |
| <b>Balance at the end of the year</b>  | <b>(116,781)</b>     | <b>(31,681)</b>  |

During 2017, no contributions were made to the Pension Fund by the Group's companies (31 December 2016: contributions in cash of Euros 125,000,000).

The estimated contributions to be made in 2018, by the Group and by the employees, for the Defined Benefit Plan amount to Euros 10,044,000 and Euros 8,164,000, respectively.

In accordance with IAS 19, as at 31 December 2017, the Group accounted post-employment benefits as a gain in the amount of Euros 39,347,000 (31 December 2016: loss of Euros 165,568,000), which is analysed as follows:

|   | (Thousands of euros) |                  |
|---|----------------------|------------------|
|   | <b>2017</b>          | <b>2016</b>      |
| Current service cost  | (16,391)             | (741)            |
| Net interest cost in the liability coverage balance                             | 4,536                | 4,502            |
| Cost / (income) with early retirement programs and mutually agreed terminations | 12,505               | 2,933            |
| Changes occurred in the Collective Labour Agreement                             | (39,997)             | (172,262)        |
| <b>(Income) / Cost of the year</b>  | <b>(39,347)</b>      | <b>(165,568)</b> |

Within the framework of the three-party agreement between the Government, the Banking and the Trade Unions, the bank's employees in activity as at 31 December 2010 under the CAFEB / ACT regime were integrated into the General Social Security System (RGSS) with effect from 1 January 2011. The integration led to an effective decrease in the present value of the total benefits reported at the retirement age to be borne by the Pension Fund, and this effect is recorded on a straight-line basis over the average period of active life until the normal retirement age is reached. The calculation of the liability for pensions carried out periodically by the actuary considers this effect and is calculated taking into account the actuarial assumptions in force, ensuring that the liabilities calculated with reference to 31 December 2010, not considering the effect of the integration of bank employees into the General Social Security Scheme are fully covered and deducted from the amount of the effect recognised until the date. The component of this effect for the year is recognized under the heading "Current service costs".

## BOARD OF DIRECTORS PLAN

As the Board of Directors Retirement Regulation establish that the pensions are increased annually, and as it is not common in the insurance market the acquisition of perpetual annuities including the increase in pensions, the Bank determined, the liability to be recognised on the financial statements taking into consideration current actuarial assumptions.

In accordance with the remuneration policy of the Board Members, the Group has the responsibility of supporting the cost with the retirement pensions of former Group's Executive Board Members, as well as the Complementary Plan for these members in accordance with the applicable rules funded through the Pension Fund, Extra-fund and perpetual annuities.

In order to cover liabilities with pensions to former members of the Executive Board of Directors, under the Bank's Board of Directors Retirement Regulation the Bank contracted with Occidental Vida to purchase immediate life annuity insurance policies.

To cover the update of contracted responsibilities through perpetual annuities policies, based on the actuarial calculations, the Group recognised a provision of Euros 3,733,000 (31 December 2016: Euros 3,837,000).

The changes occurred in responsibilities with retirement pensions payable to former members of the Executive Board of Directors, included in the balance Other liabilities (note 39), are analysed as follows:

|                                       | (Thousands of euros) |              |
|---------------------------------------|----------------------|--------------|
|                                       | <b>2017</b>          | <b>2016</b>  |
| <b>Balance as at 1 January</b>        | <b>3,837</b>         | <b>4,245</b> |
| Reversal                              | (104)                | (408)        |
| <b>Balance at the end of the year</b> | <b>3,733</b>         | <b>3,837</b> |

Considering the market indicators, particularly the inflation rate estimates and the long term interest rate for Euro Zone, as well as the demographic characteristics of its employees, the Group considered the following actuarial assumptions for calculating the liabilities with pension obligations:

|   | 2017                                 | 2016                                 |
|---|--------------------------------------|--------------------------------------|
| Salary growth rate                                      | 0.25% until 2019<br>0.75% after 2019 | 0.25% until 2019<br>0.75% after 2019 |
| Pensions growth rate                                    | 0% until 2019<br>0.5% after 2019     | 0% until 2019<br>0.5% after 2019     |
| Discount rate / Projected Fund's rate of return         | 2.1%                                 | 2.1%                                 |
| Mortality tables  |                                      |                                      |
| Men   | TV 88/90                             | TV 88/90                             |
| Women (a)   | TV 88/90 - 3 years                   | TV 88/90 - 3 years                   |
| Disability rate   | Non applicable                       | Non applicable                       |
| Turnover rate   | Non applicable                       | Non applicable                       |
| Normal retirement age (b)                               | 66 years and 3 months                | 66 years and 2 months                |
| Total salary growth rate for Social Security purposes   | 1.75%                                | 1.75%                                |
| Revaluation rate of wages / pensions of Social Security | 1%                                   | 1%                                   |

a) The mortality table considered for women corresponds to TV 88/90 adjusted in less than 3 years (which implies an increase in hope life expectancy compared to that which would be considered in relation to their effective age).

b) The retirement age is variable. In 2017 it is 66 years and 3 months and will increase by 1 month for each calendar year. This age cannot be higher than the normal retirement age in force in the General Social Security System (RGSS). The normal retirement age in RGSS is variable and depends on the evolution of the average life expectancy at 65 years. For the purposes of the actuarial calculation, it was assumed that the increase in life expectancy in future years will be one year in every 10 years. However, as a prudential factor it was used a maximum age of 67 years and 2 months.

The assumptions used on the calculation of the actuarial value of the liabilities are in accordance with the requirements of IAS 19. No disability decreases are considered in the calculation of the liabilities.

As defined by IAS 19, the discount rate used to update the responsibilities of the Bank's pension fund was determined on 31 December 2016, based on an analysis performed over the market yield regarding a bond issues universe – with high quality (low risk), different maturities (appropriate to the period of liquidation of the fund's liabilities) and denominated in Euros - related to a diverse and representative range of issuers. As at 31 December 2017 and 31 December 2016, the Bank used a discount rate of 2.1% to measure its liability for defined benefit pension plans of its employees and managers.

As at 31 December 2017, no changes were made to these actuarial assumptions. As at 31 December 2016 the Group taking into consideration the positive deviations observed in the last financial year and the current trend of wages evolution and the economic situation at this time, determined a growth rate of wages progressive of 0.25% by 2019 and 0.75% from 2019 and a growth rate of pensions from 0% by 2019 and 0.50% from 2019.

Net actuarial gains amounts to Euros 28,994,000 (31 December 2016: actuarial losses amounts to Euros 302,644,000) and are related to the difference between the actuarial assumptions used for the estimation of the liabilities and the values actually verified and the change in actuarial assumptions, are analysed as follows:

| (Thousands of euros)  |                                  |                      |                                  |                      |
|---|----------------------------------|----------------------|----------------------------------|----------------------|
|   | Actuarial (gains) / losses       |                      |                                  |                      |
|   | 2017                             |                      | 2016                             |                      |
|   | Values effectively verified in % | Amount of deviations | Values effectively verified in % | Amount of deviations |
| Deviation between expected and actual liabilities                     |                                  | 23,746               |                                  | 20,138               |
| Changes on the assumptions:   |                                  |                      |                                  |                      |
| Discount rate   |                                  | -                    |                                  | 224,619              |
| Salary growth rate and total salary rate for Social Security purposes |                                  | -                    |                                  | (88,973)             |
| Pensions increase rate  |                                  | -                    |                                  | (39,621)             |
| Mortality tables  |                                  | -                    |                                  | 24,537               |
| Other changes*  |                                  | -                    |                                  | (8,440)              |
| Return on Fund  | 4.16%                            | (52,740)             | -2.62%                           | 170,384              |
|   |                                  | (28,994)             |                                  | 302,644              |

(\*) Change in the methodology for determining the retirement age in accordance with the General Social Security System.

The change in the wage growth assumption includes, in 2016, the effect of changing the growth rate of the pensionable wage and the change in the rate of growth of the total salary used for the purposes of calculating social security responsibility.

As at 31 December 2017, the actuarial losses not resulting from changes in assumptions amount to Euros 23,746,000 (31 December 2016: Euros 20,138,000).

In accordance with IAS 19, the sensitivity analysis to changes in assumptions, is as follows:

| (Thousands of euros)    |  |           |           |           |
|-------------------------|--|-----------|-----------|-----------|
|                         | Impact resulting from changes in financial assumptions |           |           |           |
|                         | 2017   |           | 2016      |           |
|                         | -0.25%   | 0.25%     | -0.25%    | 0.25%     |
| Discount rate           | 132,021  | (124,057) | 134,744   | (126,913) |
| Pension's increase rate | (129,840)  | 122,024   | (122,043) | 160,604   |
| Salary growth rate      | (35,094)   | 37,265    | (36,049)  | 38,509    |

| (Thousands of euros)       |  |          |          |          |
|----------------------------|--|----------|----------|----------|
|                            | Impact resulting from changes in demographic assumptions |          |          |          |
|                            | 2017   |          | 2016 (*) |          |
|                            | - 1 year   | + 1 year | - 1 year | + 1 year |
| Changes in mortality table | 97,661   | (98,209) | 72,748   | (97,787) |

(\*) The sensitivities presented were determined based on the application of the same conditions to the whole population, that is, as at 31 December 2016, the affiliates of the "Sindicato dos Bancários do Norte" are considered to have the same plan as the rest. It is considered that this simplification does not materially affect the analysis.

During 2017 and 2016, a sensitivity analysis was performed to a positive variation and a negative variation of one percentage point in the value of the health benefits costs, the impact of which is analysed as follows:

|                      | (Thousands of euros)     |       |                          |         |
|----------------------|--------------------------|-------|--------------------------|---------|
|                      | Positive variation of 1% |       | Negative variation of 1% |         |
|                      | 2017                     | 2016  | 2017                     | 2016    |
| Pension cost impacts | 27                       | 29    | (27)                     | (29)    |
| Liabilities impacts  | 3,068                    | 3,135 | (3,068)                  | (3,135) |

## DEFINED CONTRIBUTION PLAN

According to what is described in accounting policy 1 w ii), in the scope of the Defined Contribution Plan provided for the BCP Pension Fund of the BCP Group, no contributions were made in 2016, for employees who have been admitted until 1 July 2009, because the following requirements have not been met: (i) Bank's ROE equals or exceeds the rate of government bonds of 10 years plus 5 percentage points, and (ii) distributable profits or reserves exist in the accounts of Banco Comercial Português.

For employees who have been admitted after 1 July 2009, are made monthly contributions equal to 1.5% of the monthly remuneration received by employees in the current month, either by themselves or by the Group and employees. This contribution has a mandatory character and is defined in the Collective Labour Agreement of the BCP Group, and does not have a performance criterion. The Group accounted as staff costs the amount of Euros 62,000 (31 December 2016: Euros 48,000) related to this contribution.

## 50. RELATED PARTIES

As defined by IAS 24, are considered related parties of the Group, the companies detailed in note 59 - List of subsidiary and associated companies of Banco Comercial Português Group, the Pension Fund, the members of the Board of Directors and key management members. The key management members are the first line Directors. Beyond the members of the Board of Directors and key management members, are also considered related parties people who are close to them (family relationships) and entities controlled by them or in whose management they have significant influence.

As the transactions with subsidiaries are eliminated in consolidation, these are not included in the notes to the Group's consolidated financial statements.

According to Portuguese law, in particular under Articles 109 of the General Law for Credit Institutions and Financial Companies, are also considered related parties, the qualified shareholders of Banco Comercial Português, S.A. and the entities controlled by them or with which they are in a group relationship. The list of the qualified shareholders is detailed in note 40.

## A) TRANSACTIONS WITH QUALIFIED SHAREHOLDERS

The balances reflected in assets of consolidated balance sheet with qualified shareholders, are analysed as follows:

|                                     | (Thousands of euros) |         |
|-------------------------------------|----------------------|---------|
|                                     | 2017                 | 2016    |
| <b>Assets</b>                       |                      |         |
| Loans and advances to customers     | 213,436              | 237,577 |
| Financial assets held for trading   | 11,704               | 15,814  |
| Financial assets available for sale | 61,356               | 106,390 |
|                                     | 286,496              | 359,781 |
| <b>Liabilities</b>                  |                      |         |
| Resources from customers            | 282,970              | 390,965 |
|                                     | 282,970              | 390,965 |

Loans and advances to customers are net of impairment in the amount of Euros 77,000 (31 December 2016: Euro 130,000).