

## 40. Other liabilities

This balance is analysed as follows:

	(Thousands of euros)	
	2018	2017
Creditors:		
Associated companies	44	82
Suppliers	46,144	39,197
From factoring operations	26,323	24,937
For futures and options transactions	13,731	10,972
For direct insurance and reinsurance operations	3,614	6,056
Deposit account and other applications	75,453	56,467
Obligations not covered by the Group Pension Fund - amounts payable by the Group	13,431	21,281
Other creditors		
Residents	27,915	32,259
Non-residents	257,902	38,568
Holiday pay and subsidies	58,609	56,685
Interests and other amounts payable	46,685	19,821
Operations to be settled - foreign, transfers and deposits	277,452	333,205
Amounts payable on trading activity	10,603	1,441
Other administrative costs payable	5,194	3,527
Deferred income	71,329	67,009
Loans insurance received and to amortised	59,641	57,010
Public sector	35,791	35,631
Other liabilities	270,213	184,345
	<b>1,300,074</b>	<b>988,493</b>

The balance Obligations not covered by the Group Pension Fund - amounts payable by the Group includes the amount of Euros 6,363,000 (31 December 2017: Euros 9,309,000) 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 2017: Euros 3,733,000), 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 51.

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

## 41. Share capital, Preference shares and Other equity instruments

The Bank's share capital, as at 31 December 2018, amounts to Euros 4,725,000,000 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 49, pursuant the resolutions of the General Meeting of the Bank of 5 November 2018, the share capital of the Bank was reduced from Euros 5,600,738,053.72 to Euros 4,725,000,000 maintaining the number of nominative shares (15,113,989,952) book-entry shares without nominal value. The reduction in share capital of Euros 875,738,053.72 was made by incorporation of reserves including actuarial differences.

As at 31 December 2018, 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 amounted to Euros 59,910,000 and included 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 F), were considered as equity instruments. As referred in note 49, BCP Finance Company announced, in 2018, the early redemption of the referred Preference Shares at its nominal value plus any accrued and unpaid dividends.

These issues were 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.

As at 31 December 2018, 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 at 31 December 2018, the shareholders who individually or jointly hold 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	4,118,502,618	27.25%	27.25%
Sonangol - Sociedade Nacional de Combustíveis de Angola, EP, directly	2,946,353,914	19.49%	19.49%
BlackRock, Inc. (*)	512,328,512	3.39%	3.39%
EDP Pension Fund (**)	315,336,362	2.09%	2.09%
<b>Total Qualified Shareholdings</b>	<b>7,892,521,406</b>	<b>52.22%</b>	<b>52.22%</b>

(\*) In accordance with the announcement on 5 March 2018 (last information available).

(\*\*) Allocation in accordance with Art. 20 (1.f) of the Portuguese Securities Code.

## 42. Legal and statutory reserves

Under Portuguese legislation, the Bank is required to annually set-up a legal reserve equal to a minimum of 10 percent of annual profits until the reserve equals the share capital, or until the sum of the free reserves constituted and the retained earnings, if higher. Such reserve is not normally distributable. In accordance with the proposal for the application of the 2017 results approved at the General Shareholders' Meeting on 30 May 2018, the Bank increased its legal reserve in the amount of Euros 11,802,000. Thus, as at 31 December 2018, the amount of Legal reserves amounts to Euros 234,608,000 (31 December 2017: Euros 222,806,000).

In accordance with current Portuguese 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 44).

The amount of Statutory reserves amounts to Euros 30,000,000 (31 December 2017: Euros 30,000,000) and correspond to a reserve to steady dividends that, according to the bank's by-laws, can be distributed.

## 43. Treasury shares

This balance is analysed as follows:

	Banco Comercial Português, S.A. shares	Other treasury stock	Total
<b>2018</b>			
Net book value (Euros '000)	74	-	74
Number of securities	323,738 (*)		
Average book value (Euros)	0.23		
<b>2017</b>			
Net book value (Euros '000)	88	205	293
Number of securities	323,738 (*)		
Average book value (Euros)	0.27		

(\*) As at 31 December 2018, Banco Comercial Português, S.A. does not hold treasury shares and did not purchased or sold own shares during the period. However, this balance includes 323,738 shares (31 December 2017: 323,738 shares) owned by clients. Since 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, deducted to 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 at 31 December 2018, the Millenniumbcp Ageas Group owns 142,601,002 BCP shares (31 December 2017: 142,601,002 shares) in the amount of Euros 32,727,000 (31 December 2017: Euros 38,531,000), as referred in note 52.