

52. Related parties

As defined by IAS 24, are considered related parties of the Group, the companies detailed in note 60 - 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, namely 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 41.

A) Balances and transactions with qualified shareholders

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

	(Thousands of euros)	
	2018	2017
Assets		
Financial assets at amortised cost		
Loans and advances to customers	101,350	62,822
Debt instruments	150,614	150,614
Financial assets at fair value through profit or loss		
Financial assets held for trading	6,102	11,704
Financial assets at fair value through other comprehensive income	32,968	n.a.
Financial assets available for sale	n.a.	61,356
Others	53	-
	291,087	286,496
Liabilities		
Resources from customers	162,665	282,970
	162,665	282,970

Loans and advances to customers are net of impairment in the amount of Euros 744,000 (31 December 2017: Euro 77,000).

During 2018 and 2017, the transactions with qualified shareholders, reflected in the consolidated income statement items, are as follows:

	(Thousands of euros)	
	2018	2017
Income		
Interest and similar income	10,858	7,188
Commissions	6,834	5,880
	17,692	13,068
Costs		
Interest and similar expenses	116	807
Commissions	124	256
	240	1,063

The balances with qualified shareholders, reflected in the guarantees granted and revocable and irrevocable credit lines, are as follows:

	(Thousands of euros)	
	2018	2017
Guarantees granted	100,329	39,164
Revocable credit lines	56,670	242,565
Irrevocable credit lines	150,121	121
	307,120	281,850

B) Balances and transactions with members of the Board of Directors and key management members

The balances with related parties discriminated in the following table, included in asset items on the consolidated balance sheet, are analysed as follows:

	(Thousands of euros)			
	Loans and advances to customers		Financial assets held for trading	
	2018	2017	2018	2017
Board of Directors				
Non-executive directors	7	24	-	-
Executive Committee	114	124	-	-
Closely related people	301	13	-	-
Controlled entities	-	-	-	22
Key management members				
Key management members	6,155	6,611	-	-
Closely related people	629	480	-	-
Controlled entities	17	78	-	-
	7,223	7,330	-	22

The balances with related parties discriminated in the following table, included in liabilities items in the consolidated balance sheet, are analysed as follows:

(Thousands of euros)

	Resources from credit institutions		Resources from customers	
	2018	2017	2018	2017
Board of Directors				
Non-executive directors	-	-	5,915	556
Executive Committee	-	-	868	2,664
Closely related people	-	-	322	1,844
Controlled entities	-	14,838	30	459
Key management members				
Key management members	-	-	6,133	7,134
Closely related people	-	-	2,353	1,680
Controlled entities	-	-	1,818	1,728
	-	14,838	17,439	16,065

During 2018 and 2017, the transactions with related parties discriminated in the following table, included in income for items of the consolidated income statement, are as follows:

(Thousands of euros)

	Interest and similar income		Commissions' income	
	2018	2017	2018	2017
Board of Directors				
Non-executive directors	-	-	16	78
Executive Committee	-	-	12	28
Closely related people	-	1	5	15
Controlled entities	-	-	-	148
Key management members				
Key management members	43	46	46	64
Closely related people	9	8	28	36
Controlled entities	-	3	9	10
	52	58	116	379

During 2018 and 2017, the transactions with related parties discriminated in the following table, included in cost items of the consolidated income statement, are as follows:

(Thousands of euros)

	Interest and similar expense		Commissions' expense	
	2018	2017	2018	2017
Board of Directors				
Non-executive directors	71	3	2	2
Executive Committee	-	2	-	1
Closely related people	-	4	-	1
Controlled entities	-	63	-	-
Key management members				
Key management members	26	38	2	2
Closely related people	3	5	1	1
Controlled entities	1	2	2	2
	101	117	7	9

The Guarantees granted, revocable and irrevocable credit lines granted by the Group to the following related parties are as follows:

(Thousands of euros)

	Guarantees granted		Revocable credit lines		Irrevocable credit lines	
	2018	2017	2018	2017	2018	2017
Board of Directors						
Non-executive directors	-	98	22	83	-	-
Executive Committee	-	-	70	105	-	-
Closely related people	-	-	39	104	-	-
Controlled entities	-	-	-	25	-	-
Key management members						
Key management members	-	-	429	393	50	8
Closely related people	-	-	163	153	24	-
Controlled entities	-	-	14	16	-	-
	-	98	737	879	74	8

The fixed remunerations and social charges paid to members of the Board of Directors and Key management members are analysed as follows:

(Thousands of euros)

	Board of Directors					
	Executive Committee		Non-executive directors		Key management members	
	2018	2017	2018	2017	2018	2017
Remunerations	3,720	3,779	1,215	786	6,406	6,651
Supplementary retirement pension	5,658	776	-	-	-	-
Post-employment benefits	(5)	19	-	-	(120)	(18)
Other mandatory social security charges	895	887	291	189	1,582	1,648
	10,268	5,461	1,506	975	7,868	8,281

Considering that the remuneration of members of the Executive Committee intends to compensate the functions that are performed in the Bank and in all other functions on subsidiaries or governing bodies for which they have been designated by indication of the Bank or representing it, in the latter case, the net amount of the remunerations annually received by each member would be deducted from the fixed annual remuneration attributed by the Bank.

During 2018, the amount of remunerations paid to the Executive Committee, includes Euros 85,000 (30 December 2017: Euros 104,000), which were supported by subsidiaries or companies whose governing bodies represent the Group's interests. During 2018 and 2017, no variable remuneration was attributed to the members of the Executive Committee.

During 2018 no severance payments were made to key management members. During 2017, were paid Euros 150,000 of severance payments to one key management member.

As approved at the General Shareholders' Meeting of May 2018, the balance Supplementary retirement supplement includes the amount of Euros 4,920,000 related to the payment of a single and extraordinary contribution of BCP to the pension funds of the Executive Directors in functions between 2015/ 2017.

The shareholder and bondholder position of members of the Board of Directors, Key management members and persons closely related to the previous categories, the movements occurred during 2018, is as follows:

Shareholders / Bondholders	Security	Number of securities at		Acquisitions	Disposals	Date	Unit
		31/12/2018	31/12/2017				Price
Euros							
MEMBERS OF BOARD OF DIRECTORS							
Ana Paula Alcobia Gray	BCP Shares	0	0				
Cidália Maria Mota Lopes (1)	BCP Shares	2,184	2,184				
João Nuno Oliveira Jorge Palma	BCP Shares	32,695	32,695				
Jorge Manuel Baptista Magalhães Correia	BCP Shares	88,500	n/a				
José Manuel Elias da Costa	BCP Shares	0	0				
José Miguel Bensliman Schorcht da Silva Pessanha	BCP Shares	1,748	1,748				
Lingjiang Xu	BCP Shares	0	0				
Maria José Henriques Barreto de Matos de Campos (2)	BCP Shares	0	0				
Miguel de Campos Pereira de Bragança	BCP Shares	365,968	365,968				
Miguel Maya Dias Pinheiro	BCP Shares	361,408	361,408				
Nuno Manuel da Silva Amado	BCP Shares	1,025,388	1,025,388				
Rui Manuel da Silva Teixeira (3)	BCP Shares	36,336	36,336				
Teófilo César Ferreira da Fonseca (4)	BCP Shares	10,000	0	10,000		29-Nov-18	0.240
Valter Rui Dias de Barros	BCP Shares	0	0				
Wan Sin Long	BCP Shares	0	0				
Xiao Xu Gu	BCP Shares	0	0				
KEY MANAGEMENT MEMBERS							
Albino António Carneiro de Andrade	BCP Shares	2,000	0	2,000		6-Dec-18	0.245
Américo João Pinto Carola (5)	BCP Shares	503	503				
Ana Isabel dos Santos de Pina Cabral (6)	BCP Shares	39,040	39,040				
Ana Maria Jordão F. Torres Marques Tavares (7)	BCP Shares	82,635	82,635				
André Cardoso Meneses Navarro	BCP Shares	267,888	267,888				
António Augusto Amaral de Medeiros	BCP Shares	42,656	42,656				
António José Lindeiro Cordeiro	BCP Shares	0	0				
António Luís Duarte Bandeira (8)	BCP Shares	113,000	113,000				
Artur Frederico Silva Luna Pais	BCP Shares	328,795	328,795				
Belmira Abreu Cabral	BCP Shares	0	0				
Carlos Alberto Alves	BCP Shares	106,656	106,656				
Filipe Maria de Sousa Ferreira Abecasis	BCP Shares	0	0				
Francisco António Caspa Monteiro (9)	BCP Shares	29,354	29,354				
Gonçalo Nuno Belo de Almeida Pascoal	BCP Shares	48	48				
Hugo Miguel Martins Resende	BCP Shares	11,984	11,984				
João Manuel Taveira Pinto Santos Paiva	BCP Shares	500	500				
Jorge Filipe Nogueira Freire Cortes Martins	BCP Shares	1,600	1,600				
Jorge Manuel Machado de Sousa Góis	BCP Shares	0	0				
José Gonçalo Prior Regalado (10)	BCP Shares	0	0				

n/a - not available

The paragraphs indicated in the tables above for the categories "Members of Board of Directors" and "Key management members", identify the people to who they are associated with the category "People closely related to the previous categories."

Shareholders / Bondholders	Security	Number of securities at		Acquisitions	Disposals	Date	Unit Price
		31/12/2018	31/12/2017				Euros
José Guilherme Potier Raposo Pulido Valente	BCP Shares	138,719	138,719				
Luis Miguel Manso Correia dos Santos	BCP Shares	21,328	21,328				
Maria Manuela de Araujo Mesquita Reis (11)	BCP Shares	106,656	106,656				
Maria Rita Sítima Fonseca Lourenço	BCP Shares	42,385	42,385				
Mário António Pinho Gaspar Neves	BCP Shares	30,000	30,000				
Mário Madeira Robalo Fernandes	BCP Shares	0	0				
Miguel Pedro Lourenço Magalhães Duarte	BCP Shares	30,600	30,600				
Nelson Luís Vieira Teixeira	BCP Shares	285	285				
Nuno Alexandre Ferreira Pereira Alves	BCP Shares	1,800	1,800				
Nuno Miguel Nobre Botelho	BCP Shares	0	0				
Pedro José Mora de Paiva Beija	BCP Shares	0	0				
Pedro Manuel Macedo Vilas Boas	BCP Shares	0	0				
Pedro Manuel Rendas Duarte Turras	BCP Shares	14,816	14,816				
Pedro Trigo de Moraes de Albuquerque Reis	BCP Shares	0	0				
Ricardo Potes Valadares	BCP Shares	10,613	10,613				
Rosa Maria Ferreira Vaz Santa Bárbara	BCP Shares	8,204	8,204				
Rui Emanuel Agapito Silva	BCP Shares	0	0				
Rui Fernando da Silva Teixeira	BCP Shares	12,614	12,614				
Rui Manuel Pereira Pedro	BCP Shares	149,328	149,328				
Rui Nelson Moreira de Carvalho Maximino	BCP Shares	0	0				
Rui Pedro da Conceição Coimbra Fernandes	BCP Shares	0	0				
Teresa Paula Corado Leandro Chaves do Nascimento	BCP Shares	0	0				
Vânia Alexandra Machado Marques Correia	BCP Shares	0	0				
Vasco do Carmo Viana Rebelo de Andrade	BCP Shares	0	0				

PERSONS CLOSELY RELATED TO THE PREVIOUS CATEGORIES

Alexandre Miguel Martins Ventura (1)	BCP Shares	2,184	2,184				
Américo Simões Regalado (10)	BCP Shares	880	880				
Ana Isabel Salgueiro Antunes (5)	BCP Shares	29	29				
Ana Margarida Rebelo A.M. Soares Bandeira (8)	BCP Shares	2,976	2,976				
António da Silva Bandeira (8)	BCP Shares	20,000	20,000				
Francisco Jordão Torres Marques Tavares (7)	BCP Shares	1,016	1,016				
José Francisco Conceição Monteiro (9)	BCP Shares	18,002	18,002				
José Manuel de Vasconcelos Mendes Ferreira (6)	BCP Shares	1,616	1,616				
Luís Filipe da Silva Reis (11)	BCP Shares	280,000	336,000		56,000	21-Dec-18	0.233
Maria Avelina V C L J Teixeira Diniz (7)	BCP Shares	16,770	16,770				
Maria Eugénia Pinto Tavares da Fonseca (4)	BCP Shares	37	37				
Maria Helena Espassandim Catão (3)	BCP Shares	576	576				
Ricardo Gil Monteiro Lopes de Campos (2)	BCP Shares	96,240	96,240				
Ricardo Miranda Monteiro (9)	BCP Shares	1,639	1,639				
Rita Miranda Monteiro (9)	BCP Shares	1,639	1,639				

The paragraphs indicated in the tables above for the categories "Members of Board of Directors" and "Key management members", identify the people to who they are associated with the category "People closely related to the previous categories."

c) Balances and transactions with associated companies

The balances with associated companies included in the consolidated balance sheet items, except for investments in associated companies, are as follows:

	(Thousands of euros)	
	2018	2017
Assets		
Loans and advances to credit institutions repayable on demand	5	1,803
Financial assets at amortised cost		
Loans and advances to credit institutions	293,553	316,630
Loans and advances to customers	65,577	63,907
Debt instruments	950	1,851
Financial assets at fair value through profit or loss		
Financial assets held for trading	107,843	91,099
Other assets	14,579	12,868
	482,507	488,158
Liabilities		
Financial liabilities at amortised cost		
Resources from credit institutions	189,106	207,073
Resources from customers	541,422	539,788
Non subordinated debt securities issued	132,911	334,720
Subordinated debt	474,873	480,426
Financial liabilities held for trading	27,275	40,323
Financial liabilities designated at fair value through profit or loss	31,995	138,471
Other liabilities	3	15
	1,397,585	1,740,816

As at 31 December 2018, the associated company Millenniumbcp Ageas Grupo Segurador, S.G.P.S, S.A. holds 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).

During 2018 and 2017, the transactions with associated companies included in the consolidated income statement items, are as follows:

	(Thousands of euros)	
	2018	2017
Income		
Interest and similar income	14,438	12,356
Commissions	58,026	56,679
Other operating income	1,378	1,188
	73,842	70,223
Costs		
Interest and similar expenses	47,830	52,760
Commissions	38	50
Other operating losses	862	-
Other administrative costs	95	12
	48,825	52,822

The guarantees granted and revocable credit lines by the Group to associated companies, are as follows:

	(Thousands of euros)	
	2018	2017
Guarantees granted	21,325	8,288
Revocable credit lines	9,862	863
Irrevocable credit lines	14,011	-
Other revocable commitments	4,906	-
	50,104	9,151

Under the scope of the Group's insurance mediation activities, the remunerations from services rendering are analysed as follows:

	(Thousands of euros)	
	2018	2017
Life insurance		
Saving products	33,715	32,914
Mortgage and consumer loans	19,158	18,695
Others	24	31
	52,897	53,657
Non - Life insurance		
Accidents and health	17,298	16,035
Motor	3,705	3,411
Multi-Risk Housing	6,433	5,985
Others	1,197	1,037
	28,633	26,468
	81,530	80,125

The remuneration for insurance intermediation services were received through bank transfers and resulted from insurance intermediation with the subsidiary of Millenniumbcp Ageas Group (Ocidental - Companhia Portuguesa de Seguros de Vida, S.A.) and with Ocidental - Companhia Portuguesa de Seguros, SA. The Group does not collect insurance premiums on behalf of Insurance Companies or performs any movement of funds related to insurance contracts. Thus, there is no other asset, liability, income or expense to be reported on the activity of insurance mediation exercised by the Group, other than those already disclosed.

The receivable balances from insurance intermediation activity, by nature, are analysed as follows:

	(Thousands of euros)	
	2018	2017
Funds receivable for payment of life insurance commissions	14,545	12,713
Funds receivable for payment of non-life insurance commissions	7,292	6,658
	21,837	19,371

The commissions received result from the insurance mediation contracts and investment contracts, under the terms established in the contracts. The mediation commissions are calculated given the nature of the contracts subject to mediation, as follows:

- insurance contracts – use of fixed rates on gross premiums issued;
- investment contracts – use of fixed rates on the responsibilities assumed by the insurance company under the commercialization of these products.

d) Transactions with the Pension Fund

The balances with the Pension Fund included in Liabilities items of the consolidated balance sheet are as follows:

	(Thousands of euros)	
	2018	2017
Assets		
Other assets	58	-
Liabilities		
Resources from customers	279,851	326,562
Subordinated debt	14,340	41
	294,191	326,603

During 2018 and 2017, there were no transactions of financial assets between the Group and the Pension Fund.

During 2018 and 2017, the balances with the Pension Fund included in income and expense items of the consolidated income statement, are as follows:

	(Thousands of euros)	
	2018	2017
Income		
Commissions	564	821
Expenses		
Interest expense and similar charges	89	2,271
Other administrative costs	15,028	19,018
	15,117	21,289

The balance Other administrative costs corresponds to the amount of rents incurred under the scope of Fund's properties which the tenant is the Group.

As at 31 December 2018, the amount of Guarantees granted by the Group to the Pension Fund amounted to Euros 5,000 (31 December 2017: Euros 5,000).

53. Consolidate balance sheet and income statement by operational segments

The segments presented are in accordance with IFRS 8. In accordance with the Group's management model, the segments presented correspond to the segments used for management purposes by the Executive Committee. The Group offers a wide range of banking activities and financial services in Portugal and abroad, with a special focus on Commercial Banking, Companies Banking and Private Banking.

Segments description

A. Geographical Segments

The Group operates in the Portuguese market, and also in a few affinity markets with recognised growth potential. Considering this, the geographical segments are structured in Portugal and Foreign Business (Poland, Mozambique and Other). Portugal segment reflects, essentially, the activities carried out by Banco Comercial Português in Portugal, ActivoBank and Banco de Investimento Imobiliário.

Portugal activity includes the following segments: i) Retail Banking; ii) Companies, Corporate & Investment Banking; iii) Private Banking and iv) Other.