

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.

Retail Banking includes the following business areas:

- Retail network, which ensures the monitoring of individual customers, entrepreneurs, merchants and small and medium enterprises with a turnover less than 2.5 million euros. The Retail network strategic approach is to target "Mass Market" customers, who appreciate a value proposal based on innovation and speed, as well as Prestige and Small Business customers, whose specific characteristics, financial assets or income imply a value proposal based on innovation and personalisation, requiring a dedicated Account Manager;
- Retail Recovery Division that accompanies and manages the responsibilities of customers or economic groups in effective default, as well as customers with bankruptcy requirement or other similar mechanisms, looking through the conclusion of agreements or payment restructuring processes that minimizes the economic loss to the Bank; and
- ActivoBank, a bank focused on clients who are young, intensive users of new communication technologies and who prefer a banking relationship based on simplicity, offering modern products and services.

Companies, Corporate and Investment Banking segment includes:

- Companies and Corporate network, which monitors clients included in the corporate segment, economic groups and institutional entities, with a turnover higher than 2.5 million euros, offering a wide range of traditional banking products complemented by specialised financing;
- Large Corporate network that assures the relationship and the monitoring of a set of Groups / Clients, which in addition to Portugal, develop their activity in several geographies (Poland, Angola, Mozambique and East), providing a complete range of value-added products and services;
- Specialised Monitoring Division which carries out the monitorisation of business groups that have high and complex credit exposures or that show relevant signs of impairment;
- Investment Banking unit, that ensures the offer of products and specific services, in particular financial advice, including corporate finance services, capital market transactions and analysis and financing structuring in the medium to long term;
- Trade Finance Department (from Treasury and Markets International Division), which coordinates the business with banks and financial institutions, boosting international business with the commercial networks of the Bank and institutional custody services for securities;
- Specialised Recovery Division which ensures efficient tracking of customers with predictable or effective high risk of credit, from Companies, Corporate, Large Corporate and retail networks (exposure exceeding 1 million euros);
- Specialized Credit and Real Estate Division, which ensures integrated and specialized management of real estate business of the Group. Regarding credit for real estate development, it ensures the economic viability of real estate and tourist projects. In the area of specialized credit for Factoring and Confirming products, it ensures the operational management of contracts and collections and in the real estate sector ensures the sustainability and quick return of these assets to the market.
- Interfundos with the activity of management of real estate investment funds.

The Private Banking segment, for the purposes of geographical segments, comprises the Private Banking network in Portugal and the provision of advisory services and the asset management activity provided by the Wealth Management Division. For the purposes of business segments also includes Banque Privée BCP in Switzerland and Millennium bcp Bank & Trust in Cayman Islands that are considered Foreign Business on geographical segmentation.

Following the process of obtaining authorization from the Executive Commission for State aid, the Bank entered into an agreement with the European Commission's Directorate-General for Competition (DG Comp) with the goal of gradually divesting from a set of portfolios, which was identified as an autonomous segment called "Non-Core Business Portfolio (PNNC)" for the purposes of preparation of the consolidated balance sheet and income statement by operating segments until 31 December 2017. Once this commitment was formally concluded at the end of 2017, the operations included in PNNC, as well as the respective results, were distributed to the original business segments, determining the reassessment of the allocation criteria. The information with reference to 31 December 2017 has been restated to ensure its comparability with the current position.

All other businesses not previously discriminated are allocated to the Other segment (Portugal) and include centralized management of financial investments, corporate activities and operations not integrated in the remaining business segments and other amounts not allocated to segments.

Foreign Business includes the following segments:

- Poland, where the Group is represented by Bank Millennium, a universal bank offering a wide range of financial products and services to individuals and companies nationwide;
- Mozambique, where the Group is represented by BIM – Banco Internacional de Moçambique, a universal bank targeting companies and individual customers; and
- Other, which includes other countries activity such as Switzerland where the Group is represented by Banque Privée BCP, a Private Banking platform under Swiss law and Cayman Islands by Millennium bcp Bank & Trust, a bank designed for international services in the area of Private Banking to customers with high financial assets (Affluent segment). The Other segment also includes the contribution of the associate in Angola.

B. Business Segments

For the purposes of business segments reporting, Foreign Business segment comprises the Group's operations developed in other countries already mentioned excluding the activity of Banque Privée BCP in Switzerland and Millennium bcp Bank & Trust in the Cayman Islands which, in this context, are considered in Private Banking segment.

Business segments activity

The figures reported for each business segment resulted from aggregating the subsidiaries and business units integrated in each segment, also reflecting the impact from capital allocation and balancing process of each entity in the balance sheet and income statement, based on average figures. The balance sheet headings for each subsidiary and business unit were re-calculated, taking into account the replacement of the equity book values by the amounts attributed through the allocation process, based on the regulatory solvency criteria.

Considering that the process of capital allocation complies with the regulatory criteria of solvency in force, as at 31 December 2018 and 31 December 2017 the risk weighted assets, and consequently the capital allocated to the business segments, are determined in accordance with the Basel III framework, pursuant to the CRD IV/CRR. The capital allocated to each segment resulted from the application of a target capital ratio to the risks managed by each segment, reflecting the application of the Basel III methodology previously referred. Each operation is balanced through internal transfers of funds, with impact on the net interest income and income taxes of each segment, hence with no impact on consolidated accounts.

Commissions and other net income, as well as operating costs calculated for each business area, are based on the amounts accounted for directly in the respective cost centres, on the one hand, and the amounts resulting from internal processes for allocating revenues and costs, for another. As an example, for operational costs, the first set includes costs recorded for telephones, travel, travelling accommodation and representation expenses and to advisory services, and in the second set of costs are included correspondence, water and electricity and rents related to spaces occupied by organic units, among others. The allocation of this last set of costs is based on the application of pre-defined criteria related to the level of activity of each business area.

The following information has been prepared based on the individual and consolidated financial statements of the Group prepared in accordance with international financial reporting standards (IFRS), as adopted by the European Union (EU), at the reference date and with the Organization of the Group's business areas in force on 31 December 2018. Information relating to prior periods is restated whenever it occurs changes in the internal organization of the entity susceptible to change the composition of the reportable segments (business and geographical).

The information in the financial statements of reportable segments is reconciled, at the level of the total revenue of those same segments, with the revenue from the demonstration of the consolidated financial position of the reportable entity for each date on which is lodged a statement of financial position.

As at 31 December 2018, the net contribution of the major operational segments, for the income statement and balance sheet, is analysed as follows:

(Thousands of Euros)

	Commercial banking			Companies, Corporate and Investment banking			Other	Consolidated
	Retail in Portugal	Foreign business ⁽¹⁾	Total	banking in Portugal	Private banking			
INCOME STATEMENT								
Interest and similar income	460,036	886,236	1,346,272	343,043	30,273	170,151	1,889,739	
Interest expense and similar charges	(38,012)	(278,030)	(316,042)	(62,663)	(11,313)	(76,090)	(466,108)	
Net interest income	422,024	608,206	1,030,230	280,380	18,960	94,061	1,423,631	
Commissions and other income	411,761	255,775	667,536	171,552	56,691	5,282	901,061	
Commissions and other costs	(41,145)	(137,664)	(178,809)	(27,574)	(7,233)	(130,191)	(343,807)	
Net commissions and other income	370,616	118,111	488,727	143,978	49,458	(124,909)	557,254	
Net gains arising from financial operations (2)	16,079	62,487	78,566	436	4,207	(4,661)	78,548	
Share of profit of associates under the equity method	-	34,060	34,060	-	-	55,115	89,175	
Gains / (losses) arising from the sale of subsidiaries and other assets	(1)	10,774	10,773	12	-	27,131	37,916	
Net operating revenue	808,718	833,638	1,642,356	424,806	72,625	46,737	2,186,524	
Operating expenses	467,085	361,500	828,585	127,328	41,912	29,388	1,027,213	
Impairment for credit and financial assets (3)	(11,976)	(75,538)	(87,514)	(453,636)	329	76,445	(464,376)	
Other impairments and provisions (4)	(9)	(14,680)	(14,689)	(8)	1	(122,030)	(136,726)	
Net income / (loss) before income tax	329,648	381,920	711,568	(156,166)	31,043	(28,236)	558,209	
Income tax	(102,261)	(85,096)	(187,357)	50,036	(8,461)	7,765	(138,017)	
Income / (loss) after income tax from continuing operations	227,387	296,824	524,211	(106,130)	22,582	(20,471)	420,192	
Income / (loss) arising from discontinued operations	-	-	-	-	-	(1,318)	(1,318)	
Net income / (loss) for the year	227,387	296,824	524,211	(106,130)	22,582	(21,789)	418,874	
Non-controlling interests	-	(122,366)	(122,366)	-	-	4,557	(117,809)	
Net income / (loss) for the year attributable to Bank's Shareholders	227,387	174,458	401,845	(106,130)	22,582	(17,232)	301,065	
BALANCE SHEET								
Cash and Loans and advances to credit institutions	8,676,928	1,280,716	9,957,644	218,221	2,513,580	(8,718,866)	3,970,579	
Loans and advances to customers (5)	21,257,724	12,977,414	34,235,138	13,092,522	573,712	221,924	48,123,296	
Financial assets (6)	20,838	6,148,434	6,169,272	-	1,481	10,976,994	17,147,747	
Other assets	187,135	596,699	783,834	49,580	15,569	5,832,444	6,681,427	
Total Assets	30,142,625	21,003,263	51,145,888	13,360,323	3,104,342	8,312,496	75,923,049	
Resources from other credit institutions (7)	913,040	1,700,259	2,613,299	4,310,909	358,109	470,479	7,752,796	
Resources from customers (8)	27,168,263	16,988,098	44,156,361	7,883,217	2,577,072	631,586	55,248,236	
Debt securities issued (9)	1,018,395	188,446	1,206,841	769	54,691	1,443,884	2,706,185	
Other financial liabilities (10)	-	140,645	140,645	-	1,428	1,434,940	1,577,013	
Other liabilities	38,566	514,180	552,746	60,772	10,559	1,050,836	1,674,913	
Total Liabilities	29,138,264	19,531,628	48,669,892	12,255,667	3,001,859	5,031,725	68,959,143	
Equity and non-controlling interests	1,004,361	1,471,635	2,475,996	1,104,656	102,483	3,280,771	6,963,906	
Total Liabilities, Equity and Non-controlling interests	30,142,625	21,003,263	51,145,888	13,360,323	3,104,342	8,312,496	75,923,049	
Number of employees	4,637	8,751	13,388	725	226	1,590	15,929	
Public subsidies received	-	-	-	-	-	-	-	

(1) Includes the contribution associated with the investments held in Angola, in Banco Millennium Atlântico;

(2) Includes results from financial operations at fair value through profit or loss, results from foreign exchange, results from hedge accounting operations, results from derecognition of financial assets and financial liabilities measured at amortised cost, results from derecognition of financial assets measured at fair value through other comprehensive income;

(3) Includes impairment of financial assets at amortised cost, for loans and advances of credit institutions, for loans to customers (net of recoveries - principal and accrual) and for debt instruments related to credit operations. It also includes impairment of financial assets at fair value through other comprehensive income;

(4) Includes impairment for other assets and provisions.

(5) Includes loans to customers at amortised cost net of impairment, debt instruments at amortised cost associated to credit operations net of impairment and balance sheet amount of loans to customers at fair value through profit or loss;

(6) Includes debt instruments at amortised cost not associated with credit operations (net of impairment), financial assets at fair value through profit or loss (excluding the ones related to loans to customers), financial assets at fair value through other comprehensive income net of impairment, assets with repurchase agreement and hedging derivatives;

(7) Includes resources and other financing from central banks and resources from other credit institutions;

(8) Corresponds to deposits and other resources from customers (including resources from customers at amortised cost and customer deposits at fair value through profit or loss);

(9) Includes non-subordinated debt securities at amortised cost and financial liabilities at fair value through profit or loss (debt securities and certificates);

(10) Includes financial liabilities held for trading, subordinated debt and hedging derivatives.

As at 31 December 2017, the net contribution of the major operational segments, for the income statement and balance sheet, is analysed as follows:

(Thousands of Euros)

	Commercial banking			Companies, Corporate and Investment banking in Portugal	Private banking	Other	Consolidated
	Retail in Portugal	Foreign business ⁽¹⁾	Total				
INCOME STATEMENT							
Interest and similar income	473,858	845,166	1,319,024	385,446	38,514	171,226	1,914,210
Interest expense and similar charges	(63,530)	(279,494)	(343,024)	(104,088)	(14,195)	(61,628)	(522,935)
Net interest income	410,328	565,672	976,000	281,358	24,319	109,598	1,391,275
Commissions and other income	376,220	257,572	633,792	166,721	53,540	11,528	865,581
Commissions and other costs	(34,097)	(126,363)	(160,460)	(26,129)	(6,703)	(110,232)	(303,524)
Net commissions and other income	342,123	131,209	473,332	140,592	46,837	(98,704)	562,057
Net gains arising from trading activity	17,529	81,507	99,036	462	(18,057)	66,935	148,376
Share of profit of associates under the equity method	-	39,844	39,844	-	-	51,793	91,637
Gains / (losses) arising from the sale of subsidiaries and other assets	(141)	4,135	3,994	-	-	145	4,139
Net operating revenue	769,839	822,367	1,592,206	422,412	53,099	129,767	2,197,484
Operating expenses	469,577	343,143	812,720	116,961	38,682	(14,182)	954,181
Impairment for credit and financial assets	(58,436)	(88,628)	(147,064)	(438,072)	(5,602)	(96,391)	(687,129)
Other impairments and provisions	(45)	(47,298)	(47,343)	140	-	(190,480)	(237,683)
Net income / (loss) before income tax	241,781	343,298	585,079	(132,481)	8,815	(142,922)	318,491
Income tax	(70,666)	(82,597)	(153,263)	40,302	(8,087)	90,889	(30,159)
Income / (loss) after income tax from continuing operations	171,115	260,701	431,816	(92,179)	728	(52,033)	288,332
Income / (loss) arising from discontinued operations	-	-	-	-	-	1,225	1,225
Net income / (loss) for the year	171,115	260,701	431,816	(92,179)	728	(50,808)	289,557
Non-controlling interests	-	(109,144)	(109,144)	-	-	5,978	(103,166)
Net income / (loss) for the year attributable to Bank's Shareholders	171,115	151,557	322,672	(92,179)	728	(44,830)	186,391
BALANCE SHEET							
Cash and Loans and advances to credit institutions	7,127,614	674,263	7,801,877	306,599	2,419,315	(6,998,757)	3,529,034
Loans and advances to customers	20,776,882	12,226,228	33,003,110	13,527,270	580,336	522,776	47,633,492
Financial assets (2)	21,172	5,391,786	5,412,958	-	2,183	7,742,920	13,158,061
Other assets	112,769	596,867	709,636	33,161	9,654	6,866,412	7,618,863
Total Assets	28,038,437	18,889,144	46,927,581	13,867,030	3,011,488	8,133,351	71,939,450
Resources from other credit institutions	1,143,583	1,492,783	2,636,366	4,641,705	339,949	(130,663)	7,487,357
Resources from customers	25,037,376	15,130,262	40,167,638	8,174,722	2,515,603	329,854	51,187,817
Debt securities issued	873,375	276,960	1,150,335	2,880	37,563	1,817,013	3,007,791
Other financial liabilities	-	86,081	86,081	-	2,020	1,657,399	1,745,500
Other liabilities	37,370	471,569	508,939	57,731	5,972	758,607	1,331,249
Total Liabilities	27,091,704	17,457,655	44,549,359	12,877,038	2,901,107	4,432,210	64,759,714
Equity and non-controlling interests	946,733	1,431,489	2,378,222	989,992	110,381	3,701,141	7,179,736
Total Liabilities, Equity and Non-controlling interests	28,038,437	18,889,144	46,927,581	13,867,030	3,011,488	8,133,351	71,939,450
Number of employees	4,731	8,461	13,192	741	217	1,577	15,727
Public subsidies received	-	-	-	-	-	-	-

(1) Includes the contribution associated with the investments held in Angola, in Banco Millennium Atlântico.

(2) Includes financial assets held for trading, financial assets designated at fair value through profit or loss, financial assets held to maturity, financial assets available for sale, hedging derivatives and assets with repurchase agreement.

As at 31 December 2018, the net contribution of the major geographic segments, for the income statement and balance sheet, is analysed as follows:

(Thousands of Euros)

	Portugal					Poland	Mozambique	Other (1)	Consolidated
	Retail banking	Companies, Corporate and Investment banking	Private banking	Other	Total				
INCOME STATEMENT									
Interest and similar income	460,036	343,043	17,732	170,151	990,962	600,899	285,337	12,541	1,889,739
Interest expense and similar charges	(38,012)	(62,663)	(6,486)	(76,090)	(183,251)	(175,176)	(102,506)	(5,175)	(466,108)
Net interest income	422,024	280,380	11,246	94,061	807,711	425,723	182,831	7,366	1,423,631
Commissions and other income	411,761	171,552	27,674	5,282	616,269	200,753	55,022	29,017	901,061
Commissions and other costs	(41,145)	(27,574)	(1,584)	(130,191)	(200,494)	(123,173)	(14,490)	(5,650)	(343,807)
Net commissions and other income	370,616	143,978	26,090	(124,909)	415,775	77,580	40,532	23,367	557,254
Net gains arising from financial operations (2)	16,079	436	418	(4,661)	12,272	52,980	9,506	3,790	78,548
Share of profit of associates under the equity method	-	-	-	55,115	55,115	-	-	34,060	89,175
Gains / (losses) arising from the sale of subsidiaries and other assets	(1)	12	-	27,131	27,142	2,692	8,082	-	37,916
Net operating revenue	808,718	424,806	37,754	46,737	1,318,015	558,975	240,951	68,583	2,186,524
Operating expenses	467,085	127,328	17,405	29,388	641,206	270,149	91,350	24,508	1,027,213
Impairment for credit and financial assets (3)	(11,976)	(453,636)	82	76,445	(389,085)	(45,959)	(34,140)	4,808	(464,376)
Other impairments and provisions (4)	(9)	(8)	-	(122,030)	(122,047)	(3,112)	1,055	(12,622)	(136,726)
Net income / (loss) before income tax	329,648	(156,166)	20,431	(28,236)	165,677	239,755	116,516	36,261	558,209
Income tax	(102,261)	50,036	(6,436)	7,765	(50,896)	(61,803)	(21,944)	(3,374)	(138,017)
Income / (loss) after income tax from continuing operations	227,387	(106,130)	13,995	(20,471)	114,781	177,952	94,572	32,887	420,192
Income / (loss) arising from discontinued operations	-	-	-	(1,318)	(1,318)	-	-	-	(1,318)
Net income / (loss) for the year	227,387	(106,130)	13,995	(21,789)	113,463	177,952	94,572	32,887	418,874
Non-controlling interests	-	-	-	4,557	4,557	(88,798)	(32,153)	(1,415)	(117,809)
Net income / (loss) for the year attributable to Bank's Shareholders	227,387	(106,130)	13,995	(17,232)	118,020	89,154	62,419	31,472	301,065
BALANCE SHEET									
Cash and Loans and advances to credit institutions	8,676,928	218,221	1,869,029	(8,718,866)	2,045,312	740,447	540,268	644,552	3,970,579
Loans and advances to customers (5)	21,257,724	13,092,522	231,839	221,924	34,804,009	12,268,269	711,562	339,456	48,123,296
Financial assets (6)	20,838	-	-	10,976,994	10,997,832	5,448,454	699,980	1,481	17,147,747
Other assets	187,135	49,580	12,163	5,832,444	6,081,322	268,046	186,692	145,367	6,681,427
Total Assets	30,142,625	13,360,323	2,113,031	8,312,496	53,928,475	18,725,216	2,138,502	1,130,856	75,923,049
Resources from other institutions (7)	913,040	4,310,909	-	470,479	5,694,428	1,521,257	137,064	400,047	7,752,796
Resources from customers (8)	27,168,263	7,883,217	1,998,106	631,586	37,681,172	15,417,499	1,570,599	578,966	55,248,236
Debt securities issued (9)	1,018,395	769	54,691	1,443,884	2,517,739	188,446	-	-	2,706,185
Other financial liabilities (10)	-	-	-	1,434,940	1,434,940	140,645	-	1,428	1,577,013
Other liabilities	38,566	60,772	1,018	1,050,836	1,151,192	435,594	78,586	9,541	1,674,913
Total Liabilities	29,138,264	12,255,667	2,053,815	5,031,725	48,479,471	17,703,441	1,786,249	989,982	68,959,143
Equity and non-controlling interests	1,004,361	1,104,656	59,216	3,280,771	5,449,004	1,021,775	352,253	140,874	6,963,906
Total Liabilities, Equity and non-controlling interests	30,142,625	13,360,323	2,113,031	8,312,496	53,928,475	18,725,216	2,138,502	1,130,856	75,923,049
Number of employees	4,637	725	143	1,590	7,095	6,132	2,619	83	15,929
Public subsidies received	-	-	-	-	-	-	-	-	-

(1) Includes the contribution associated with the investments held in Angola, in Banco Millennium Atlântico;

(2) Includes results from financial operations at fair value through profit or loss, results from foreign exchange, results from hedge accounting operations, results from derecognition of financial assets and financial liabilities measured at amortised cost, results from derecognition of financial assets measured at fair value through other comprehensive income;

(3) Includes impairment of financial assets at amortised cost, for loans and advances of credit institutions, for loans to customers (net of recoveries - principal and accrual) and for debt instruments related to credit operations. It also includes impairment of financial assets at fair value through other comprehensive income;

(4) Includes impairment for non-current assets held for sale, investments in associated companies, goodwill, other assets and provisions.

(5) Includes loans to customers at amortised cost net of impairment, debt instruments at amortised cost associated to credit operations net of impairment and balance sheet amount of loans to customers at fair value through profit or loss;

(6) Includes debt instruments at amortised cost not associated with credit operations (net of impairment), financial assets at fair value through profit or loss (excluding the ones related to loans to customers), financial assets at fair value through other comprehensive income net of impairment, assets with repurchase agreement and hedging derivatives;

(7) Includes resources and other financing from central banks and resources from other credit institutions;

(8) Corresponds to deposits and other resources from customers (including resources from customers at amortised cost and customer deposits at fair value through profit or loss);

(9) Includes non-subordinated debt securities at amortised cost and financial liabilities at fair value through profit or loss (debt securities and certificates);

(10) Includes financial liabilities held for trading, subordinated debt and hedging derivatives.

As at 31 December 2017, the net contribution of the major geographic segments, for the income statement and balance sheet, is analysed as follows:

	Portugal									(Thousands of Euros)
	Retail banking	Companies, Corporate and Investment banking	Private banking	Other	Total	Poland	Mozambique	Other (1)	Consolidated	
INCOME STATEMENT										
Interest and similar income	473,858	385,446	23,906	171,226	1,054,436	564,267	289,045	6,462	1,914,210	
Interest expense and similar charges	(63,530)	(104,088)	(7,410)	(61,628)	(236,656)	(170,858)	(116,146)	725	(522,935)	
Net interest income	410,328	281,358	16,496	109,598	817,780	393,409	172,899	7,187	1,391,275	
Commissions and other costs	376,220	166,721	24,067	11,528	578,536	198,348	59,225	29,472	865,581	
Commissions and other costs	(34,097)	(26,129)	(1,472)	(110,232)	(171,930)	(106,983)	(19,380)	(5,231)	(303,524)	
Net commissions and other income	342,123	140,592	22,595	(98,704)	406,606	91,365	39,845	24,241	562,057	
Net gains arising from trading activity	17,529	462	457	66,935	85,383	51,044	10,808	1,141	148,376	
Share of profit of associates under the equity method	-	-	-	51,793	51,793	-	-	39,844	91,637	
Gains / (losses) arising from the sale of subsidiaries and other assets	(141)	-	-	145	4	3,891	243	1	4,139	
Net operating revenue	769,839	422,412	39,548	129,767	1,361,566	539,709	223,795	72,414	2,197,484	
Operating expenses	469,577	116,961	15,250	(14,182)	587,606	258,205	84,938	23,432	954,181	
Impairment for credit and financial assets	(58,436)	(438,072)	(3,638)	(96,391)	(596,537)	(60,681)	(27,947)	(1,964)	(687,129)	
Other impairments and provisions	(45)	140	-	(190,480)	(190,385)	(8,822)	1,276	(39,752)	(237,683)	
Net income / (loss) before income tax	241,781	(132,481)	20,660	(142,922)	(12,962)	212,001	112,186	7,266	318,491	
Income tax	(70,666)	40,302	(6,095)	90,889	54,430	(56,323)	(26,462)	(1,804)	(30,159)	
Income / (loss) after income tax from continuing operations	171,115	(92,179)	14,565	(52,033)	41,468	155,678	85,724	5,462	288,332	
Income / (loss) arising from discontinued operations	-	-	-	1,225	1,225	-	-	-	1,225	
Net income / (loss) for the year	171,115	(92,179)	14,565	(50,808)	42,693	155,678	85,724	5,462	289,557	
Non-controlling interests	-	-	-	5,978	5,978	(77,683)	(29,117)	(2,344)	(103,166)	
Net income / (loss) for the year attributable to Bank's Shareholders	171,115	(92,179)	14,565	(44,830)	48,671	77,995	56,607	3,118	186,391	
BALANCE SHEET										
Cash and Loans and advances to credit institutions	7,127,614	306,599	1,526,711	(6,998,757)	1,962,167	559,047	424,966	582,854	3,529,034	
Loans and advances to customers	20,776,882	13,527,270	304,302	522,776	35,131,230	11,354,379	871,850	276,033	47,633,492	
Financial assets (2)	21,172	-	-	7,742,920	7,764,092	4,899,703	492,082	2,184	13,158,061	
Other assets	112,769	33,161	6,741	6,866,412	7,019,083	222,481	161,589	215,710	7,618,863	
Total Assets	28,038,437	13,867,030	1,837,754	8,133,351	51,876,572	17,035,610	1,950,487	1,076,781	71,939,450	
Resources from other credit institutions	1,143,583	4,641,705	-	(130,663)	5,654,625	1,646,767	91,879	94,086	7,487,357	
Resources from customers	25,037,376	8,174,722	1,748,452	329,854	35,290,404	13,715,985	1,414,277	767,151	51,187,817	
Debt securities issued	873,375	2,880	37,563	1,817,013	2,730,831	276,960	-	-	3,007,791	
Other financial liabilities	-	-	-	1,657,399	1,657,399	86,081	-	2,020	1,745,500	
Other liabilities	37,370	57,731	1,015	758,607	854,723	363,306	108,263	4,957	1,331,249	
Total Liabilities	27,091,704	12,877,038	1,787,030	4,432,210	46,187,982	16,089,099	1,614,419	868,214	64,759,714	
Equity and non-controlling interests	946,733	989,992	50,724	3,701,141	5,688,590	946,511	336,068	208,567	7,179,736	
Total Liabilities, Equity and non-controlling interests	28,038,437	13,867,030	1,837,754	8,133,351	51,876,572	17,035,610	1,950,487	1,076,781	71,939,450	
Number of employees	4,731	741	140	1,577	7,189	5,830	2,631	77	15,727	
Public subsidies received	-	-	-	-	-	-	-	-	-	

(1) Includes the contribution associated with the investments held in Angola, in Banco Millennium Atlântico.

(2) Includes financial assets held for trading, financial assets designated at fair value through profit or loss, financial assets held to maturity, financial assets available for sale, hedging derivatives and assets with repurchase agreement.

Reconciliation of net income of reportable segments with the net income attributable to shareholders

	(Thousands of euros)	
	2018	2017
Net contribution:		
Retail banking in Portugal	227,387	171,115
Companies, Corporate and Investment banking	(106,130)	(92,179)
Private Banking	13,995	14,565
Foreign business (continuing operations)	305,411	246,864
Non-controlling interests (1)	(122,366)	(109,144)
	<u>318,297</u>	<u>231,221</u>
Amounts not allocated to segments:		
Interests of hybrid instruments	-	(6,343)
Net interest income of the bond portfolio	30,531	48,153
Interests written off	-	18,728
Own credit risk	-	(494)
Foreign exchange activity	22,222	16,557
Gains / (losses) arising from sales of subsidiaries and other assets	27,130	145
Equity accounted earnings	55,115	51,793
Impairment and other provisions (2)	(45,586)	(286,871)
Operational costs (3)	(29,388)	14,182
Gains on sale of public debt	14,889	54,417
Mandatory contributions	(66,471)	(57,859)
Loans sale	(49,343)	(9,229)
Taxes (4)	7,765	90,889
Income from discontinued operations	(1,318)	1,225
Non-controlling interests	4,557	5,978
Others (5)	12,665	13,899
Total not allocated to segments	<u>(17,232)</u>	<u>(44,830)</u>
Consolidated net income	<u>301,065</u>	<u>186,391</u>

(1) Corresponds mainly to the income attributable to third parties related to the subsidiaries in Poland, and in Mozambique.

(2) Includes provisions for property in kind and for funds specialized in the recovery of loans, administrative infractions, various contingencies and other unallocated to business segments.

(3) Corresponds to revenues/costs related to the impacts arising from restructuring costs and the revision of the Collective Labour Agreement (the latter, only in 2017).

(4) Includes deferred tax revenue, net of current non-segment tax expense, namely the tax effect associated with the impacts of the previous items, calculated based on a marginal tax rate.

(5) It includes other operations not allocated previously namely funding for non-interest bearing assets and strategic financial investments.