

## 51. Related parties

As defined by IAS 24, are considered related parties of the Group, the companies detailed in note 61 - 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 Article no. 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) 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)	
	2019	2018
<b>Assets</b>		
<b>Financial assets at amortised cost</b>		
Loans and advances to customers	99,564	100,700
Debt instruments	159,160	150,614
<b>Financial assets at fair value through profit or loss</b>		
Financial assets held for trading	5,525	6,102
Financial assets at fair value through other comprehensive income	108,361	32,968
Others	53	53
	<b>372,663</b>	<b>290,437</b>
<b>Liabilities</b>		
Resources from customers	121,570	162,665
	<b>121,570</b>	<b>162,665</b>

Loans and advances to customers are net of impairment in the amount of Euros 210,000 (31 December 2018: Euro 650,000).

During 2019 and 2018, the transactions with qualified shareholders, reflected in the consolidated income statement items, are as follows:

	(Thousands of euros)	
	2019	2018
<b>Income</b>		
Interest and similar income	12,547	10,858
Commissions	5,447	6,834
	<b>17,994</b>	<b>17,692</b>
<b>Costs</b>		
Interest and similar expenses	8	116
Commissions	175	124
	<b>183</b>	<b>240</b>

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

	(Thousands of euros)	
	2019	2018
Guarantees granted	99,792	100,329
Revocable credit lines	49,750	56,670
Irrevocable credit lines	150,000	150,121
	299,542	307,120

## 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 on the consolidated balance sheet, are analysed as follows:

	(Thousands of euros)			
	Loans and advances to customers		Resources from customers	
	2019	2018	2019	2018
<b>Board of Directors</b>				
Non-executive directors	2	7	7,892	5,915
Executive Committee	107	114	631	868
Closely related people	277	301	419	322
Controlled entities	-	-	30	30
<b>Key management members</b>				
Key management members	6,066	6,155	8,744	6,133
Closely related people	933	629	3,272	2,353
Controlled entities	12	17	1,801	1,818
	7,397	7,223	22,789	17,439

In accordance with Article 85, no. 9, of RGICSF, in the year of 2019 no credits were attributed.

During 2019 and 2018, the transactions with related parties discriminated in the following table, included in income items of the consolidated income statement, are as follows:

	(Thousands of euros)			
	Interest and similar income		Commissions' income	
	2019	2018	2019	2018
<b>Board of Directors</b>				
Non-executive directors	-	-	21	16
Executive Committee	-	-	14	12
Closely related people	-	-	5	5
<b>Key management members</b>				
Key management members	43	43	37	46
Closely related people	10	9	35	28
Controlled entities	-	-	8	9
	53	52	120	116

During 2019 and 2018, 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	
	2019	2018	2019	2018
<b>Board of Directors</b>				
Non-executive directors	172	71	1	2
<b>Key management members</b>				
Key management members	19	26	1	2
Closely related people	2	3	1	1
Controlled entities	1	1	2	2
	194	101	5	7

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

(Thousands of euros)				
	Revocable credit lines		Irrevocable credit lines	
	2019	2018	2019	2018
<b>Board of Directors</b>				
Non-executive directors	39	22	-	-
Executive Committee	157	70	-	-
Closely related people	37	39	-	-
<b>Key management members</b>				
Key management members	748	429	-	50
Closely related people	176	163	-	24
Controlled entities	20	14	-	-
	1,177	737	-	74

The fixed remuneration 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				Key management members	
	Executive Committee		Non-executive directors		2019	2018
	2019	2018	2019	2018		
Fixed remuneration	3,055	3,720	1,859	1,215	6,675	6,406
Variable remuneration	479	-	-	-	1,019	-
Supplementary retirement pension	611	5,658	84	-	-	-
Post-employment benefits	3	(5)	-	-	(123)	(120)
Other mandatory social security charges	711	895	430	291	1,652	1,582
	4,859	10,268	2,373	1,506	9,223	7,868

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 performed in subsidiaries or governing bodies for which they have been designated by indication or in representation of the Bank, in the latter case, the net amount of the remuneration annually received by each member of the Executive Committee will be deducted from the fixed annual remuneration attributed by the Bank.

During 2019, the amount of remuneration paid to the Executive Committee includes Euros 94,000 (2018: Euros 85,000) supported by subsidiaries or companies whose governing bodies represent the Group's interests, while the remuneration paid to the Board of Directors in the referred conditions include the amount of Euros 55,000 (2018: Euros 85,000).

In 2019, the Bank distributed variable remuneration in accordance with the remuneration policies for the members of the management and supervisory bodies and for employees, approved for 2018, as described in accounting policies 1 S4) and 1 S5).

In 2019, the Executive Committee's variable remuneration incorporates shares in the amount of Euros 210,000. It was also assigned to the Executive Committee a variable remuneration deferred over a 3-year period in the amount of Euros 268,000 and 1,042,295 shares. During 2018 no variable remuneration was paid to the Executive Committee's.

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

In 2019, the remunerations and social security charges supported with the Bank's key management members are, by segment, as follows:

(Thousands of euros)

	Key management members				Total
	Retail	Corporate	Private Banking	Others	
Fixed remuneration	855	1,656	451	3,713	6,675
Variable remuneration	148	211	55	605	1,019
Post-employment benefits	(41)	21	9	(112)	(123)
Other mandatory social security charges	211	414	109	918	1,652
	1,173	2,302	624	5,124	9,223
Number of beneficiaries	6	9	2	29	46

As described in accounting policies 1 S4) and 1 S5), in 2019 in accordance with the remuneration policies for employees considered key management members, approved for 2018, it was assigned a variable remuneration deferred over a 3-year period in the amount of Euros 542,000. During 2018 no variable remuneration was paid to key management members.

During 2019, variable remunerations were paid to 46 key management members and were provided severance payments to three key management members in the amount of Euros 1,077,000, of which the highest amounts to Euros 657,000. During 2018, no severance payments were provided to key management members.

The shareholder and bondholder position of members of the Board of Directors, key management members and people closely related to the previous categories, as well as the movements occurred during 2019, are as follows:

Shareholders/Bondholders	Security	Number of securities at		Acquisitions	Disposals	Date	Unit Price
		31/12/2019	31/12/2018				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				
Fernando da Costa Lima	BCP Shares	18,986	18,986				
João Nuno Oliveira Jorge Palma	BCP Shares	231,676	32,695	198981.0	*	25-Oct-19	0.202
Jorge Manuel Baptista Magalhães Correia	BCP Shares	88,500	88,500				
	Bonds (a)	1	0	1.0		26-Feb-19	200000
José Manuel Elias da Costa	BCP Shares	0	0				
José Miguel Bensliman Schorcht da Silva Pessanha	BCP Shares	175,707	1,748	173959.0	*	25-Oct-19	0.202
Lingjiang Xu	BCP Shares	0	0				
Maria José Henriques Barreto de Matos de Campos (2)	BCP Shares	169,450	*** 96,240	73210.0	*	25-Oct-19	0.202
Miguel de Campos Pereira de Bragança	BCP Shares	564,949	365,968	198981.0	*	25-Oct-19	0.202
Miguel Maya Dias Pinheiro	BCP Shares	581,117	361,408	219709.0	*	25-Oct-19	0.202
Nuno Manuel da Silva Amado	BCP Shares	1,025,388	1,025,388				
	Bonds (a)	2	0	2.0		31-Jan-19	200000
Rui Manuel da Silva Teixeira (3)	BCP Shares	212,043	36,336	175707.0	*	25-Oct-19	0.202
Teófilo César Ferreira da Fonseca (4)	BCP Shares	10,000	10,000				
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	5,000	2,000	3000.0		31-Jan-19	0.193
Alexandre Manuel Casimiro de Almeida	BCP Shares	0	121,440		121440.0	14-May-19	0.252
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	0	42,656		42656.0	17-Apr-19	0.251
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				
Bernardo Roquette de Aragão de Portugal Collaço	BCP Shares	0	0				
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				
Helene Xin Xia	BCP Shares	0	0				
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				
Jorge Manuel Nobre Carreteiro	BCP Shares	9,468	9,468				
José Carlos Benito Garcia de Oliveira	BCP Shares	0	0				
José Gonçalo Prior Regalado (10)	BCP Shares	0	0				

The notes stated in the table above for the categories "Members of Board of Directors" and "Key management members" identify the people who they are related to in the category "People closely related to the previous categories".

(a) - Tejo Project - Fixed Rate Reset Perpetual Temporary Write Down Additional Tier 1 Capital Notes

Shareholders/Bondholders	Security	Number of securities at		Acquisitions	Disposals	Date	Unit Price Euros
		31/12/2019	31/12/2018				
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 de Los Angeles Sanchez Sanchez (13)	BCP Shares	0	0				
Maria Helena Soledade Nunes Henriques	BCP Shares	170,974	170,974				
Maria Manuela de Araújo Mesquita Reis (10)	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				
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 Francisco da Silva Dias (12)	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 Morais 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	91,297	91,297				
Rui Manuel Pereira Pedro	BCP Shares	149,328	149,328				
Rui Miguel Alves Costa	BCP Shares	162,881	162,881				
Rui Nelson Moreira de Carvalho Maximino	BCP Shares	0	0				
Rui Pedro da Conceição Coimbra Fernandes	BCP Shares	0	0				
Vânia Alexandra Machado Marques Correia	BCP Shares	0	0				

#### PEOPLE CLOSELY RELATED TO THE PREVIOUS CATEGORIES

Alexandre Miguel Martins Ventura (1)	BCP Shares	2,184	2,184				
Álvaro Manuel Coreia Marques Tavares (7)	BCP Shares	25,118	25,118				
Américo Simões Regalado (11)	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				
Filomena Maria Brito Francisco Dias (12)	BCP Shares	4,290	4,290				
Francisco Jordão Torres Marques Tavares (7)	BCP Shares	1,016	1,016				
Guilherme Sanchez Oliveira Lima (13)	BCP Shares	300	0	300.0		17-Oct-19	0.187
José Francisco Conceição Monteiro (9)	BCP Shares	18,002	18,002				
José Manuel de Vasconcelos Mendes Ferreira (5)	BCP Shares	1,616	1,616				
Luís Filipe da Silva Reis (10)	BCP Shares	280,000	280,000				
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	169,450	96,240	***			
Ricardo Miranda Monteiro (9)	BCP Shares	1,639	1,639				
Rita Miranda Monteiro (9)	BCP Shares	1,639	1,639				

The notes stated in the table above for the categories "Members of Board of Directors" and "Key management members" identify the people who they are related to in the category "People closely related to the previous categories".

(\*) identifies the increment of shares occurred in 2019 corresponding to variable remuneration of 2018.

(\*\*) person in the category "People closely related to the previous categories" is equally a "Key management member".

(\*\*\*) position held in which the primary account holder is part of "People closely related to the previous categories" or "Key management member".

## 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)	
	2019	2018
<b>Assets</b>		
Loans and advances to credit institutions repayable on demand	597	5
Financial assets at amortised cost		
Loans and advances to credit institutions	250,621	293,553
Loans and advances to customers	68,062	65,577
Debt instruments	-	950
Financial assets at fair value through profit or loss		
Financial assets held for trading	101,391	107,843
Other assets	13,997	14,579
	<b>434,668</b>	<b>482,507</b>
<b>Liabilities</b>		
Financial liabilities at amortised cost		
Resources from credit institutions	120,999	189,106
Resources from customers	617,256	541,422
Non subordinated debt securities issued	45,622	132,911
Subordinated debt	355,297	474,873
Financial liabilities held for trading	18,448	27,275
Financial liabilities designated at fair value through profit or loss	31,070	31,995
Other liabilities	22	3
	<b>1,188,714</b>	<b>1,397,585</b>

As at 31 December 2019, the associated company Millenniumbcp Ageas Grupo Segurador, S.G.P.S., S.A. holds 142,601,002 BCP shares (31 December 2018: 142,601,002 shares) in the amount of Euros 28,891,000 (31 December 2018: Euros 32,727,000).

During 2019 and 2018, the transactions with associated companies included in the consolidated income statement items are as follows:

	(Thousands of euros)	
	2019	2018
<b>Income</b>		
Interest and similar income	13,425	14,438
Commissions	57,265	58,026
Profits from financial operations	10,363	-
Other operating income	870	1,378
	<b>81,923</b>	<b>73,842</b>
<b>Costs</b>		
Interest and similar expenses	41,771	47,830
Commissions	22	38
Other operating losses	1,242	95
Losses from financial operations	13,411	-
Other administrative costs	1,136	862
	<b>57,582</b>	<b>48,825</b>

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

	(Thousands of euros)	
	2019	2018
Guarantees granted	7,982	21,325
Revocable credit lines	3,951	9,862
Irrevocable credit lines	600	14,011
Other revocable commitments	4,907	4,906
	17,439	50,104

Under the scope of the Group's insurance mediation activities, the remuneration from services provided is analysed as follows:

	(Thousands of euros)	
	2019	2018
<b>Life insurance</b>		
Saving products	35,783	33,715
Mortgage and consumer loans	20,122	19,158
Others	31	24
	55,936	52,897
<b>Non-Life insurance</b>		
Accidents and health	18,758	17,298
Motor	3,959	3,705
Multi-Risk Housing	6,712	6,433
Others	1,315	1,197
	30,744	28,633
	86,680	81,530

Remuneration from insurance intermediation services was received through bank transfers and resulted from insurance intermediation with the subsidiaries of Millenniumbcp Ageas Group (Ocidental - Companhia Portuguesa de Seguros de Vida, S.A. and Ocidental - Sociedade Gestora de Fundos de Pensões, S.A.) and with Ocidental - Companhia Portuguesa de Seguros, SA. The Group does not collect insurance premiums on behalf of Insurance Companies nor performs any movement of funds related to insurance contracts. Thus, there is no other asset, liability, income or expense to be reported related to the activity of insurance mediation exercised by the Group, other than those already disclosed.

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

	(Thousands of euros)	
	2019	2018
Funds receivable for payment of life insurance commissions	13,877	14,545
Funds receivable for payment of non-life insurance commissions	7,729	7,292
	21,606	21,837

The commissions received result from insurance mediation contracts and investment contracts, under the terms established in the contracts in force. The mediation commissions are calculated according to 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 commercialisation of these products.



## D) Transactions with the Pension Fund

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

	(Thousands of euros)	
	2019	2018
<b>Assets</b>		
Other assets	-	58
<b>Liabilities</b>		
Resources from customers	31,391	279,851
Financial liabilities measured at amortised cost		
Non subordinated debt securities issued	14,426	14,306
Subordinated debt	-	34
	45,817	294,191

During 2019, the Pension Fund holds Perpetual subordinated debt securities (Adt1) in the amount of Euros 1,575,000, issued by Banco Comercial Português, S.A. During 2019 and 2018, there were no transactions related to other financial instruments between the Group and the Pension Fund.

During 2019 and 2018, income and expenses with the Pension Fund included in the items of the consolidated income statement are as follows:

	(Thousands of euros)	
	2019	2018
<b>Income</b>		
Commissions	836	564
<b>Expenses</b>		
Interest expense and similar charges	306	89
Other administrative costs	14,274	15,028
	14,580	15,117

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

As at 31 December 2019, the amount of guarantees granted by the Group to the Pension Fund amounts to Euros 5,000 (31 December 2018: Euros 5,000).