

52. Consolidated Balance sheet and Income statement by geographic and 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 and ActivoBank.

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 Euros 2.5 million. 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 Euros 2.5 million, 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 Euros 1 million);
- 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.

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 segment resulted from aggregating the subsidiaries and business units integrated in each segment. For the business units in Portugal, the aggregation process reflects the impact from capital allocation and balancing process in the balance sheet and income statement, based on average figures. The balance sheet headings for each business unit and Portuguese subsidiaries were re-calculated, considering the replacement of the equity book values by the amounts assigned 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 2019 and 31 December 2018 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. In this case, the allocation 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 2019. 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 2019, the net contribution of the major business segments, for the income statement and balance sheet, is analysed as follows:

(Thousands of Euros)

	Commercial banking			Companies, Corporate and Investment banking	Private banking	Other	Consolidated
	Retail in Portugal	Foreign business (1)	Total				
INCOME STATEMENT							
Interest and similar income	501,354	1,033,548	1,534,902	328,785	27,867	99,891	1,991,445
Interest expense and similar charges	(26,135)	(284,166)	(310,301)	(53,738)	(7,855)	(71,023)	(442,917)
Net interest income	475,219	749,382	1,224,601	275,047	20,012	28,868	1,548,528
Commissions and other income	426,328	285,123	711,451	162,345	57,555	16,997	948,348
Commissions and other costs	(43,919)	(163,886)	(207,805)	(26,920)	(7,526)	(134,450)	(376,701)
Net commissions and other income ⁽²⁾	382,409	121,237	503,646	135,425	50,029	(117,453)	571,647
Net gains arising from trading activity ⁽³⁾	16,798	88,247	105,045	396	3,998	33,874	143,313
Share of profit of associates under the equity method	-	2,518	2,518	-	-	40,471	42,989
Gains / (losses) arising from the sale of subsidiaries and other assets	-	4,335	4,335	-	9	27,563	31,907
Net operating revenue	874,426	965,719	1,840,145	410,868	74,048	13,323	2,338,384
Operating expenses	488,002	468,816	956,818	126,073	46,513	40,068	1,169,472
Impairment for credit and financial assets ⁽⁴⁾	(25,237)	(111,122)	(136,359)	(270,784)	1,602	17,413	(388,128)
Other impairments and provisions ⁽⁵⁾	(8)	(59,458)	(59,466)	15	-	(94,067)	(153,518)
Net income / (loss) before income tax	361,179	326,323	687,502	14,026	29,137	(103,399)	627,266
Income tax	(111,661)	(92,690)	(204,351)	(3,452)	(7,711)	(23,764)	(239,278)
Income / (loss) after income tax from continuing operations	249,518	233,633	483,151	10,574	21,426	(127,163)	387,988
Income / (loss) arising from discontinued operations	-	-	-	-	-	13,412	13,412
Net income / (loss) for the year	249,518	233,633	483,151	10,574	21,426	(113,751)	401,400
Non-controlling interests	-	(99,756)	(99,756)	-	-	359	(99,397)
Net income / (loss) for the year attributable to Bank's Shareholders	249,518	133,877	383,395	10,574	21,426	(113,392)	302,003

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

(2) Includes net fees and commissions income, other operating income / (loss), net gains from insurance activity and dividends from equity instruments.

(3) 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 and results from derecognition of financial assets measured at fair value through other comprehensive income.

(4) 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 and at amortised cost not associated with credit operations).

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

As at 31 December 2019, the net contribution of the major operational Segments, for the balance sheet, is analysed as follows:

(Thousands of Euros)

BALANCE SHEET							
Cash and Loans and advances to credit institutions	9,488,042	1,425,056	10,913,098	1,678,262	2,706,079	(8,917,036)	6,380,403
Loans and advances to customers ⁽¹⁾	22,028,660	17,065,043	39,093,703	11,971,158	645,486	564,358	52,274,705
Financial assets ⁽²⁾	384,926	6,220,579	6,605,505	-	5,389	9,725,291	16,336,185
Other assets	197,446	778,715	976,161	49,208	25,060	5,601,686	6,652,115
Total Assets	32,099,074	25,489,393	57,588,467	13,698,628	3,382,014	6,974,299	81,643,408
Resources from other credit institutions ⁽³⁾	616,186	443,268	1,059,454	4,413,047	512	893,945	6,366,958
Resources from customers ⁽⁴⁾	28,855,517	20,842,418	49,697,935	7,882,707	2,793,225	473,273	60,847,140
Debt securities issued ⁽⁵⁾	1,399,948	278,290	1,678,238	1,797	94,973	1,300,890	3,075,898
Other financial liabilities ⁽⁶⁾	-	546,892	546,892	-	67	1,604,603	2,151,562
Other liabilities ⁽⁷⁾	46,786	688,540	735,326	67,409	18,811	999,050	1,820,596
Total Liabilities	30,918,437	22,799,408	53,717,845	12,364,960	2,907,588	5,271,761	74,262,154
Equity and non-controlling interests	1,180,637	2,689,985	3,870,622	1,333,668	474,426	1,702,538	7,381,254
Total Liabilities, Equity and Non-controlling interests	32,099,074	25,489,393	57,588,467	13,698,628	3,382,014	6,974,299	81,643,408
Number of employees	4,635	11,295	15,930	597	230	1,828	18,585
Public subsidies received	-	-	-	-	-	-	-

(1) 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.

(2) 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, assets with repurchase agreement and hedging derivatives.

(3) Includes resources and other financing from central banks and resources from other credit institutions.

(4) 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).

(5) Includes non subordinated debt securities at amortized cost and financial liabilities at fair value through profit or loss (debt securities and certificates).

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

(7) Includes provisions, current and deferred tax liabilities and other liabilities.

(8) Foreign Business segment considers 8,615 employees from Poland corresponding to 8,464 FTE - Full-time equivalent.

As at 31 December 2018, the net contribution of the major business segments, for the income statement, 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	460,036	886,236	1,346,272	343,043	30,273	170,151	1,889,739
Interest expense and similar charges	(38,012)	(276,786)	(314,798)	(62,663)	(8,528)	(80,119)	(466,108)
Net interest income	422,024	609,450	1,031,474	280,380	21,745	90,032	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 ⁽²⁾	370,616	118,111	488,727	143,978	49,458	(124,909)	557,254
Net gains arising from trading activity ⁽³⁾	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	834,882	1,643,600	424,806	75,410	42,708	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 ⁽⁴⁾	(11,976)	(75,538)	(87,514)	(453,636)	329	76,445	(464,376)
Other impairments and provisions ⁽⁵⁾	(9)	(14,680)	(14,689)	(8)	1	(122,030)	(136,726)
Net income / (loss) before income tax	329,648	383,164	712,812	(156,166)	33,828	(32,265)	558,209
Income tax	(102,261)	(85,421)	(187,682)	50,036	(8,592)	8,221	(138,017)
Income / (loss) after income tax from continuing operations	227,387	297,743	525,130	(106,130)	25,236	(24,044)	420,192
Income arising from discontinued operations	-	-	-	-	-	(1,318)	(1,318)
Net income / (loss) for the year	227,387	297,743	525,130	(106,130)	25,236	(25,362)	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	175,377	402,764	(106,130)	25,236	(20,805)	301,065

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

(2) Includes net fees and commissions income, other operating income / (loss), net gains from insurance activity and dividends from equity instruments.

(3) 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 and results from derecognition of financial assets measured at fair value through other comprehensive income.

(4) 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 and at amortised cost not associated with credit operations).

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

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

(Thousands of Euros)

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 ⁽¹⁾	21,257,724	12,977,414	34,235,138	13,092,522	573,712	221,924	48,123,296
Financial assets ⁽²⁾	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 ⁽³⁾	913,040	483,416	1,396,456	4,310,909	1,640	2,043,791	7,752,796
Resources from customers ⁽⁴⁾	27,168,263	16,988,098	44,156,361	7,883,217	2,577,072	631,586	55,248,236
Debt securities issued ⁽⁵⁾	1,018,395	188,446	1,206,841	769	54,691	1,443,884	2,706,185
Other financial liabilities ⁽⁶⁾	-	304,002	304,002	-	1,428	1,271,583	1,577,013
Other liabilities ⁽⁷⁾	38,566	514,180	552,746	60,772	10,559	1,050,836	1,674,913
Total Liabilities	29,138,264	18,478,142	47,616,406	12,255,667	2,645,390	6,441,680	68,959,143
Equity and non-controlling interests	1,004,361	2,525,121	3,529,482	1,104,656	458,950	1,870,818	6,963,906
Total Liabilities, Equity and Non-controlling interests	30,142,625	21,003,263	51,145,888	13,360,323	3,104,340	8,312,498	75,923,049
Number of employees	4,637	8,889	13,526	725	226	1,590	16,067
Public subsidies received	-	-	-	-	-	-	-

(1) 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.

(2) 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.

(3) Includes resources and other financing from central banks and resources from other credit institutions.

(4) 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).

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

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

(7) Includes provisions, current and deferred tax liabilities and other liabilities.

(8) Foreign Business segment considers 6,270 employees from Poland corresponding to 6,132 FTE - Full-time equivalent.

As at 31 December 2019, 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	501,354	328,785	18,093	99,891	948,123	785,688	247,860	9,774	1,991,445
Interest expense and similar charges	(26,135)	(53,738)	(7,695)	(71,023)	(158,591)	(218,355)	(65,465)	(506)	(442,917)
Net interest income	475,219	275,047	10,398	28,868	789,532	567,333	182,395	9,268	1,548,528
Commissions and other income	426,328	162,345	26,936	16,997	632,606	226,526	58,597	30,619	948,348
Commissions and other costs	(43,919)	(26,920)	(1,928)	(134,450)	(207,217)	(148,993)	(14,893)	(5,598)	(376,701)
Net commissions and other income ⁽²⁾	382,409	135,425	25,008	(117,453)	425,389	77,533	43,704	25,021	571,647
Net gains arising from trading activity ⁽³⁾	16,798	396	395	33,874	51,463	73,382	14,865	3,603	143,313
Share of profit of associates under the equity method	-	-	-	40,471	40,471	-	-	2,518	42,989
Gains / (losses) arising from the sale of subsidiaries and other assets	-	-	-	27,563	27,563	(2,082)	6,417	9	31,907
Net operating revenue	874,426	410,868	35,801	13,323	1,334,418	716,166	247,381	40,419	2,338,384
Operating expenses	488,002	126,073	20,154	40,068	674,297	369,753	97,817	27,605	1,169,472
Impairment for credit and financial assets ⁽⁴⁾	(25,237)	(270,784)	1,563	17,413	(277,045)	(93,542)	(19,999)	2,458	(388,128)
Other impairments and provisions ⁽⁵⁾	(8)	15	-	(94,067)	(94,060)	(58,397)	(1,062)	1	(153,518)
Net income / (loss) before income tax	361,179	14,026	17,210	(103,399)	289,016	194,474	128,503	15,273	627,266
Income tax	(111,661)	(3,452)	(5,421)	(23,764)	(144,298)	(63,931)	(28,094)	(2,955)	(239,278)
Income / (loss) after income tax from continuing operations	249,518	10,574	11,789	(127,163)	144,718	130,543	100,409	12,318	387,988
Income / (loss) arising from discontinued operations	-	-	-	13,412	13,412	-	-	-	13,412
Net income / (loss) for the year	249,518	10,574	11,789	(113,751)	158,130	130,543	100,409	12,318	401,400
Non-controlling interests	-	-	-	359	359	(65,141)	(34,067)	(548)	(99,397)
Net income / (loss) for the year attributable to Bank's Shareholders	249,518	10,574	11,789	(113,392)	158,489	65,402	66,342	11,770	302,003

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

(2) Includes net fees and commissions income, other operating income / (loss), net gains from insurance activity and dividends from equity instruments.

(3) 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 and results from derecognition of financial assets measured at fair value through other comprehensive income.

(4) 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 and at amortised cost not associated with credit operations).

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

As at 31 December 2019, the net contribution of the major geographic segments, for the balance sheet is analysed as follows:

(Thousands of Euros)

BALANCE SHEET									
Cash and Loans and advances to credit institutions	9,488,042	1,678,262	2,075,021	(8,917,036)	4,324,289	724,030	701,026	631,058	6,380,403
Loans and advances to customers ⁽¹⁾	22,028,660	11,971,158	273,602	564,358	34,837,778	16,432,968	632,075	371,884	52,274,705
Financial assets ⁽²⁾	384,926	-	-	9,725,291	10,110,217	5,436,994	783,585	5,389	16,336,185
Other assets	197,446	49,208	13,234	5,601,686	5,861,574	468,044	217,627	104,870	6,652,115
Total Assets	32,099,074	13,698,628	2,361,857	6,974,299	55,133,858	23,062,036	2,334,313	1,113,201	81,643,408
Resources from other credit institutions ⁽³⁾	616,186	4,413,047	-	893,945	5,923,178	392,671	12,192	38,917	6,366,958
Resources from customers ⁽⁴⁾	28,855,517	7,882,707	2,193,470	473,273	39,404,967	19,157,713	1,684,705	599,755	60,847,140
Debt securities issued ⁽⁵⁾	1,399,948	1,797	94,973	1,300,890	2,797,608	278,290	-	-	3,075,898
Other financial liabilities ⁽⁶⁾	-	-	-	1,604,603	1,604,603	546,892	-	67	2,151,562
Other liabilities ⁽⁷⁾	46,786	67,409	1,060	999,050	1,114,305	583,474	105,066	17,751	1,820,596
Total Liabilities	30,918,437	12,364,960	2,289,503	5,271,761	50,844,661	20,959,040	1,801,963	656,490	74,262,154
Equity and non-controlling interests	1,180,637	1,333,668	72,354	1,702,538	4,289,197	2,102,996	532,350	456,711	7,381,254
Total Liabilities, Equity and Non-controlling interests	32,099,074	13,698,628	2,361,857	6,974,299	55,133,858	23,062,036	2,334,313	1,113,201	81,643,408
Number of employees	4,635	597	144	1,828	7,204	8,615	2,680	86	18,585
Public subsidies received	-	-	-	-	-	-	-	-	-

(1) 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.

(2) 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, assets with repurchase agreement and hedging derivatives.

(3) Includes resources and other financing from central banks and resources from other credit institutions.

(4) 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).

(5) Includes non subordinated debt securities at amortized cost and financial liabilities at fair value through profit or loss (debt securities and certificates).

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

(7) Includes provisions, current and deferred tax liabilities and other liabilities.

(8) In Poland, the number of employees presented corresponds to 8,464 FTE - Full-time equivalent.

As at 31 December 2018, the net contribution of the major geographic segments, for the income statement, 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)	(80,119)	(187,280)	(174,610)	(101,829)	(2,389)	(466,108)
Net interest income	422,024	280,380	11,246	90,032	803,682	426,289	183,508	10,152	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 ⁽²⁾	370,616	143,978	26,090	(124,909)	415,775	77,580	40,532	23,367	557,254
Net gains arising from trading activity ⁽³⁾	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	42,708	1,313,986	559,541	241,628	71,369	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 ⁽⁴⁾	(11,976)	(453,636)	82	76,445	(389,085)	(45,959)	(34,140)	4,808	(464,376)
Other impairments and provisions ⁽⁵⁾	(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	(32,265)	161,648	240,321	117,193	39,047	558,209
Income tax	(102,261)	50,036	(6,436)	8,221	(50,440)	(61,910)	(22,160)	(3,507)	(138,017)
Income / (loss) after income tax from continuing operations	227,387	(106,130)	13,995	(24,044)	111,208	178,411	95,033	35,540	420,192
Income arising from discontinued operations	-	-	-	(1,318)	(1,318)	-	-	-	(1,318)
Net income / (loss) for the year	227,387	(106,130)	13,995	(25,362)	109,890	178,411	95,033	35,540	418,874
Non-controlling interests	-	-	-	4,557	4,557	(89,027)	(32,307)	(1,032)	(117,809)
Net income / (loss) for the year attributable to Bank's Shareholders	227,387	(106,130)	13,995	(20,805)	114,447	89,384	62,726	34,508	301,065

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

(2) Includes net fees and commissions income, other operating income / (loss), net gains from insurance activity and dividends from equity instruments.

(3) 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 and results from derecognition of financial assets measured at fair value through other comprehensive income.

(4) 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 and at amortised cost not associated with credit operations).

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

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

(Thousands of Euros)

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 ⁽¹⁾	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 ⁽²⁾	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 credit institutions ⁽³⁾	913,040	4,310,909	-	2,043,791	7,267,740	428,274	13,203	43,579	7,752,796
Resources from customers ⁽⁴⁾	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 ⁽⁵⁾	1,018,395	769	54,691	1,443,884	2,517,739	188,446	-	-	2,706,185
Other financial liabilities ⁽⁶⁾	-	-	-	1,271,583	1,271,583	304,002	-	1,428	1,577,013
Other liabilities ⁽⁷⁾	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	6,441,680	49,889,426	16,773,815	1,662,388	633,514	68,959,143
Equity and non-controlling interests	1,004,361	1,104,656	59,216	1,870,817	4,039,050	1,951,400	476,114	497,342	6,963,906
Total Liabilities, Equity and Non-controlling interests	30,142,625	13,360,323	2,113,031	8,312,497	53,928,476	18,725,215	2,138,502	1,130,856	75,923,049
Number of employees	4,637	725	143	1,590	7,095	6,270	2,619	83	16,067
Public subsidies received	-	-	-	-	-	-	-	-	-

(1) 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.

(2) 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.

(3) Includes resources and other financing from central banks and resources from other credit institutions.

(4) 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).

(5) Includes non subordinated debt securities at amortized cost and financial liabilities at fair value through profit or loss (debt securities and certificates).

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

(7) Includes provisions, current and deferred tax liabilities and other liabilities.

(8) In Poland, the number of employees presented corresponds to 6,132 FTE - Full-time equivalent.

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

	(Thousands of euros)	
	2019	2018
Net contribution		
Retail banking in Portugal	249,518	227,387
Companies, Corporate and Investment banking	10,574	(106,130)
Private Banking	11,789	13,995
Foreign business (continuing operations)	243,270	308,984
Non-controlling interests ⁽¹⁾	(99,756)	(122,366)
	415,395	321,870
Amounts not allocated to segments		
Net interest income of the bond portfolio	(1,615)	30,531
Foreign exchange activity	8,576	22,222
Gains / (losses) arising from sales of subsidiaries and other assets	27,563	27,130
Equity accounted earnings	40,471	55,115
Impairment and other provisions ⁽²⁾	(76,654)	(45,586)
Operational costs ⁽³⁾	(40,068)	(29,388)
Gains on sale of Portuguese public debt	69,444	14,889
Mandatory contributions	(66,627)	(66,471)
Loans sale	(28,897)	(49,343)
Income from other financial assets not held for trading mandatorily at fair value through profit or loss ⁽⁴⁾	(28,806)	(11,130)
Taxes ⁽⁵⁾	(23,764)	8,221
Income from discontinued operations	13,412	(1,318)
Non-controlling interests	359	4,557
Others ⁽⁶⁾	(6,786)	19,766
Total not allocated to segments	(113,392)	(20,805)
Consolidated net income	302,003	301,065

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

(2) Includes impairments for non-current assets held for sale, impairments for other assets, provisions for administrative infractions, various contingencies and other impairments and/or provisions not allocated to business segments.

(3) Corresponds to revenues/costs related restructuring costs.

(4) Includes gains/(losses) from corporate restructuring funds.

(5) 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.

(6) It includes other operations not allocated previously namely funding for non-interest bearing assets and strategic financial investments, net commissions and other operating income / expenses and other income from financial operations.