





# Economic responsibility

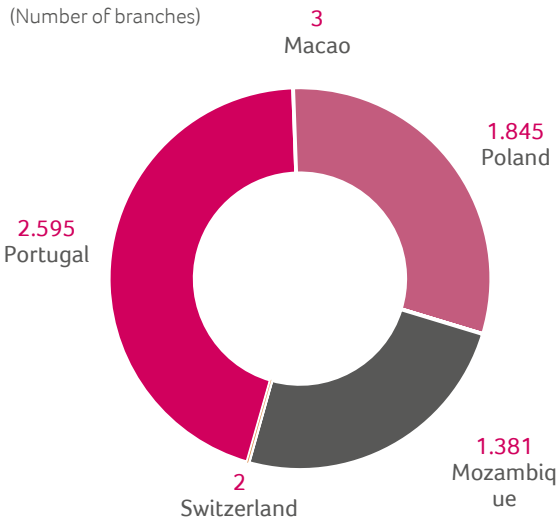
# Economic responsibility

The BCP Group has been developing its activity in a responsible manner towards Employees, Customers, Shareholders, Suppliers and remaining Stakeholders, always guiding its performance by the compliance with internal principles of rigour, the applicable legislation and the regulations issued by the supervision and regulatory authorities:

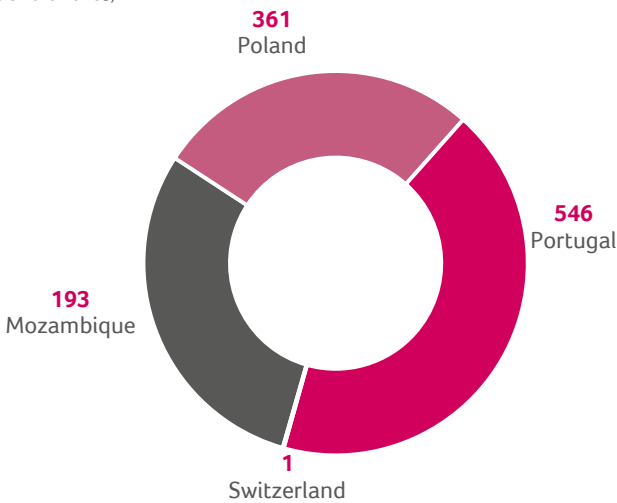
## Millennium network

Millennium bcp is a bank with its decision-making centre in Portugal; it is the largest Portuguese private bank, serving, in 2018, approximately 4.9 million Customers with a network of 1,101 branches. The international activity of Group Millennium is carried out by banking operations headquartered in affinity markets and in countries with a recognized growth potential – Poland, Switzerland and Mozambique -, where it operates, under the Millennium brand, with 555 agencies.

**Costumers**  
(Number of branches)



**Branches breakdown**  
(Nr. of branches)

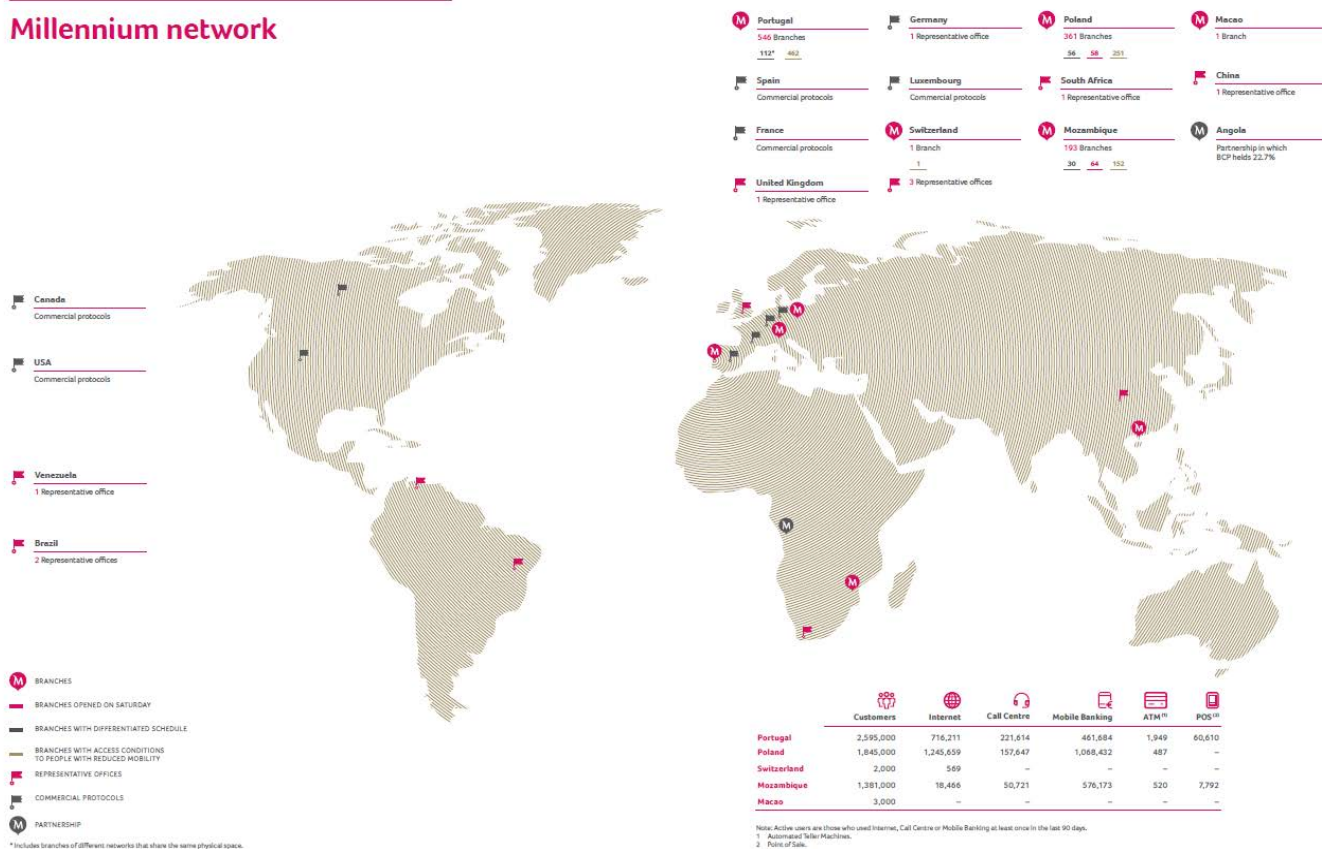


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5.8 million clients,  
in 2018, of which 2.6 million in Portugal...

Moreover, Group BCP also ensures a presence in the five continents by means of representation offices, branches, business protocols and business promoters.

## Millennium network



## Accessibilities

Material issue: ACCESSIBILITIES

The BCP Group is constantly seeking to be near its customers by means of diversified distribution channels – Branches, Internet, Call Centre, Mobile Banking, ATM and POS – to adequately respond to the contact needs between the Customer and the Bank.

## REMOTE CHANNELS AND SELF-BANKING

	Internet	Call Centre	Mobile Banking	ATM (*)	POS (**)
Portugal	716.211	221.614	461.684	1.949	60.610
Poland	1.245.659	157.647	1.068.432	483	-
Switzerland	569	-	-	-	-
Mozambique	18.466	50.721	576.173	520	7.792
<b>TOTAL OF INTERNACIONAL OPERATIONS</b>	1.264.694	208.368	1.644.605	1.003	7.792
<b>TOTAL</b>	1.980.905	429.982	2.106.289	2.952	68.402

Considered Customers/ active users those who used Internet, Call Centre or Mobile Banking at least once in the last 90 days.

(\*) Automated Teller Machines

(\*\*) Point of Sales

In the wake of its social commitment, it promotes accessibility to disabled persons in the several channels used to contact the Bank: i) the Branches are accessible to individuals with a reduced mobility. In Portugal and in Mozambique, as in the remaining Group's operations, the Bank promoted a policy of prioritized service in the entire Branch network ii) internet with functions that observe the recommendations issued by the Web Accessibility Initiative (WAI). In Poland, Bank Millennium was the first bank to be awarded with the certificate "Internet site without barriers", renewed in 2018; and iii) ATMs with equipment for blind customers such as headphone socket and keyboards that are programmed to give vocal instructions. The Call Centre - available 24 hours per day in several languages and Mobile Banking, for the rapid and easy access that they represent, are also privileged access channels for disabled or blind persons.



The Branches continue to represent a relevant contact channel for many clients. Thus, in order to meet the several accessibility needs of its Customers, the Bank is diversifying the hours when it is open to the public in the several countries where it operates. Within this scope, one must highlight the Branches that give access to individuals with a reduced mobility, which correspond to 85% of the total network in Portugal and to 73%, in the remaining countries. In Portugal, 112 branches have differentiated office hours going from 8.30 a.m. to 7.00 p.m.. Poland has 56 branches with these office hours and Mozambique has 30.

We must also mention the opening of Branches on Saturday, extended working hours that, abroad, can be found at a total of 122 branches and even represent, as is the case in Mozambique, more than 1/3 of the branches of this operation.

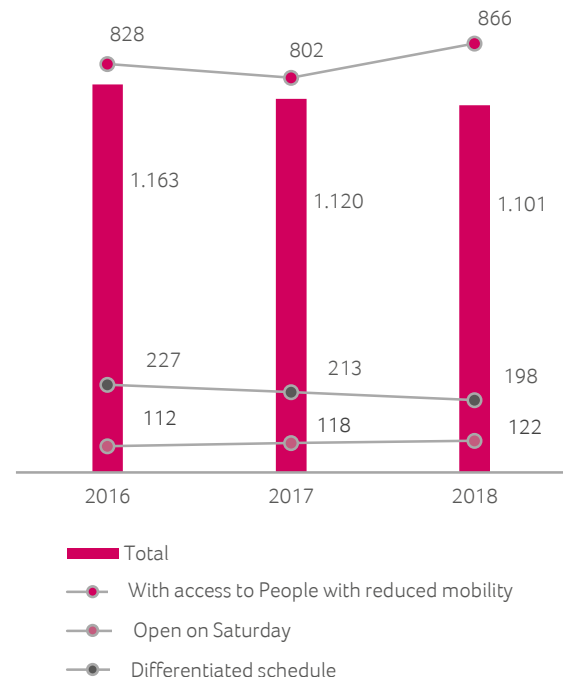
In Portugal, Millennium bcp continues to revolutionize its branch network. The Customer Branch Experience 2.0 of Millennium bcp is an innovative approach focused on the client, made through a cultural change, the re-design of products and processes and the integration of digital channels.

In the new generation of Branches, paper is no longer used and the formalization of agreements is replaced by digital signatures through tablets; the treasury activity will be available 24 hours a day with the new smart transaction machines, the first to allow the automatic payment of cheques at any time, as well as withdrawals and deposits of coins. This equipment can also be used without a Multibanco card. The client only has to use the multichannel code provided by the Bank.

Apart from the technological innovation, the Branches also offer spaces especially devoted to Clients, with lounge areas, free wi-fi, wireless chargers and areas providing digital experiences with access to the Bank's apps. The communication with the client is also innovative, with a digital price list and electronic advertising panels.

Within this context, the Bank already inaugurated 42 branches with this new layout in the entire country, a process that, within the context of the global renewal and modernization of the Branch Network, will be pursued during the next few years.

**Branches accessibilities**  
(Number of branches)







## Information Security

Material issue: ELECTRONIC SECURITY

The information security programme implemented at the Bank is oriented towards the protection of information, taking into account confidentiality, integrity and its availability in accordance with legal and regulatory requirements. Information is protected in a manner that is consistent with its importance, value and sensitivity so as to increase the Group's resilience and ensure the protection of stakeholders, reputation and the activities for the creation of value.

The information security policy establishes the guidelines for the implementation and maintenance of the security program of Millennium bcp. It is based on a structured set of policies, rules of procedures and standards, aligned with international good practices, namely the regulation ISO/IEC 27001 - Information security management systems – Requirements and with the guidelines EBA/GL/2017/05 - Guidelines on ICT Risk Assessment.

The security programme is a set of fundamental general principles aimed at protecting the network and systems infrastructure and the information placed therein, namely the organization of security, the awareness regarding information security, classification of information, control over accesses, segregation of functions, response to security incidents, assessment of the security risk, the recovery capacity and supervision.

In order to prevent, detect and mitigate intrusion attempts, the practice of illicit acts and new threats to security, the Bank ensures a 24x7 security monitoring and an incident response procedure, as well as a routine procedure to evaluate the risk of business supporting information systems.

Considering that the IT Safety is a responsibility of all, Millennium bcp initiated in 2016 an IT Safety Awareness action addressed to all Bank's employees in Portugal, covering a set of relevant issues, namely passwords, workstations, e-mail, internet and mobility.

Millennium bcp contracted the platform BitSight Security Rating, which enables getting an indicative on the global performance in terms of the Bank's cyber-security as also obtain compare it with the rest of the Portuguese Banks. This platform identifies commitment indicators (e.g. Infected machines, inappropriate configurations, incorrect behaviour by the users, etc.), analyses them and applies sophisticated logarithms to produce *security rating*. During 2018 the period of time under analysis, Millennium bcp kept, in a consistent manner, one of the best safety ratings of the Portuguese banking industry.

Additional reference must be made to the business continuity management system implemented at the Bank, through which it ensures the availability of the processes and systems supporting more critical business.

## Shareholders

Millennium bcp created a service for its shareholders, the Millennium bcp's Shareholders Club, through which it intends to be closer to its shareholders. Through the Millennium bcp's Shareholders Club, the shareholders may establish a closer communication with the Bank where they invested. Apart from being able to subscribe available products and services at preferred conditions, they also gain access to benefits and discounts with the Bank's partners.

In 2018, more than 530 discount vouchers were issued in the wake of the 192 established partnerships.

Millennium bcp's Shareholders Club is free of charge and is hosted in a specific area of the website millenniumbcp.pt. This area also gives the shareholder the possibility of getting information on the BCP Group's most relevant events and activities, accessing the information addressed to investors and well as receiving a specific Newsletter.

## Employees



In line with the Sustainable Development Goals (SDGs) of the United Nations.

LABOUR CONDITIONS AND HUMAN RIGHTS

### Material issue:

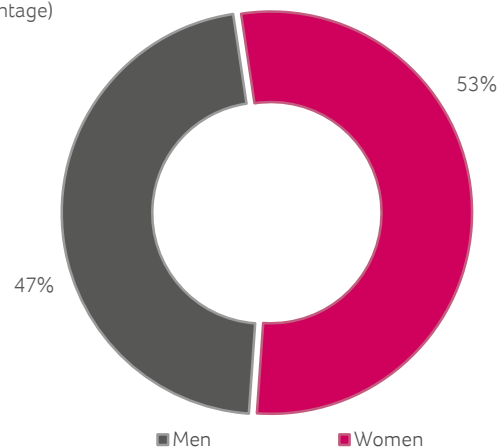
Group BCP gives to all its employees a fair and equal treatment, with equal opportunities, promoting meritocracy in all stages of their professional careers, defining the remuneration of the employees in accordance with his/her category and degree of compliance with the established goals, observing a salary ratio of 1:1 between men and women, with similar functions and levels of responsibility.

The general principles ruling the BCP Group contain values and performance guidelines applicable to all employees resulting in an express orientation so that, regardless of their hierarchical level or responsibilities, all Employees act in a fair manner refusing any discrimination but also in the reaffirmation of the alignment with the ten Global Compact Principles, according to which the Group recognises and supports the freedom of association and the right to the collective negotiation of work contracts and rejects the existence of any form of forced and mandatory work and of child labour.

The commitments undertaken by the BCP Group within the scope of human rights, labour conditions and equal opportunities are also enshrined in the corporate policies, of which the policies on Human Rights, Equality and Non-Discrimination and Occupational Health and Safety are an example. These policies are available for consultation on the Bank's website, in the Sustainability area

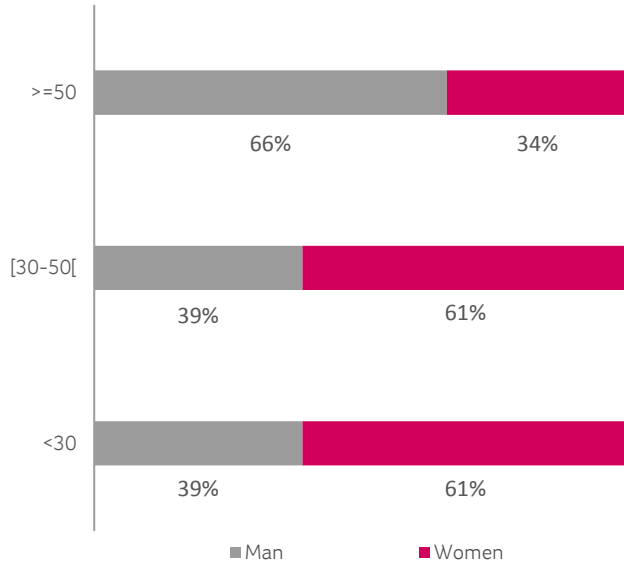
[https://ind.millenniumbcp.pt/pt/Institucional/sustentabilidade/Pages/cod\\_internos.aspx](https://ind.millenniumbcp.pt/pt/Institucional/sustentabilidade/Pages/cod_internos.aspx)

Breakdown by gender  
(Percentage)

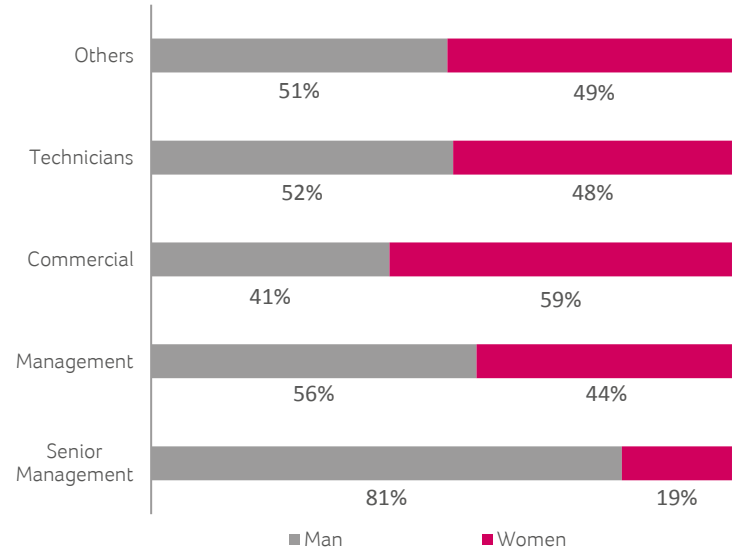


GRI 405-1G

### Age breakdown by gender (Percentage)



### Professional category by gender Percentage



Information about the number of employees (not FTE's - Full Time Equivalent) for: Portugal, Mozambique, Switzerland and Poland.

Within the scope of gender diversity in the Board of Directors, in 2018, globally, in the Group 25% of these functions were performed by women.

Within the scope of gender diversity in management functions (Executive Committee/Senior Management and Management) in 2018, globally, 41% of these functions were performed by women – 21% in Portugal, 59% in Poland, 30% in Mozambique and 27% in Switzerland. In commercial functions, this figure increases to 59% in the Group, i.e. 46% in Portugal, 75% in Poland and 60% in Mozambique.

Millennium bcp reinforced its commitment to gender equality by renewing the subscription of the Commitment Agreement of the *Fórum Organizações para a Igualdade* (IGen). This Forum, promoted by the *Comissão para a Igualdade no Trabalho e no Emprego* (CITE), aims to encourage adherents to implement concrete and tangible actions that guarantee gender equality.

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*BCP maintains its commitment, as Signatory,  
with the ten principles of the  
Global Compact of the United Nations*



The Organizational Environment Questionnaire addressed to the Employees of BCP in Portugal is now carried out every two years. In the edition carried out in 2018, with a reply rate of 77% - 10 percentage points above the one recorded in 2016 - this instrument of the Satisfaction Management System points towards an overall improvement in all Motivation and Satisfaction indicators of the employees of Millennium bcp. The global satisfaction is now of 75 index points

A survey on the Employees satisfaction and motivation also takes place every two years in Poland to assess global satisfaction, satisfaction with one's unit, with the work environment or with direct hierarchy. The most recent survey obtained a global recommendation and satisfaction index of 71%.

## Material issue:

PROXIMIDADE E CONFIANÇA

Within the scope of the strengthening of the mechanisms for bringing the Employees and top managers closer together - one of the actions foreseen in the Sustainability Master Plan 2014-18 -, besides the visits made by the Executive Committee to branches and central services and the establishment of regional meetings with Employees, were also carried out regular television interviews with the Chairman of the Executive Committee wherein the Employees have the opportunity to raise questions on the Bank's life.

## Training

GRI 404-1

The development of the personal and professional competences of the Employees is one of the Bank's priorities considering the need to ensure its ongoing alignment with the strategic goals defined by the organization. Seeking to promote excellence in the relations established with Customers, the Bank recognises the importance of ongoing training to ensure business sustainability and endeavours to provide its Employees with the tools necessary for the execution of their activities.

In overall terms, 6,233 training actions were ministered, corresponding to over 625 thousand hours of training, with an average of 39 training hours per Employee. During 2018, the training effort kept its focus not only on the commercial areas, but also on technical, operational and compliance areas and on team management.



	2018	2017	2016	Change % 18/17
<b>NUMBER OF PARTICIPANTS <sup>(1)</sup></b>				
Presencial	42,906	47,731	39,350	-10.1%
E-learning	158,845	270,833	194,499	-41.3%
Distance Learning	63,512	62,143	68,914	2.2%
<b>NUMBER OF HOURS</b>				
Presencial	298,361	326,841	241,384	-8.7%
E-learning	121,634	469,357	94,199	-74.1%
Distance Learning	205,998	143,575	171,046	43.5%
<b>BY EMPLOYEE</b>	<b>39</b>	<b>59</b>	<b>32</b>	<b>-34.3%</b>

(1) The same Employee could have attended several training courses.



In Portugal and in order to respond to the challenges placed by the market and as a way to comply with the increasing legal and regulatory demands, the Bank founded in January 2016 its corporate school, the Millennium Banking Academy (MBA), the first in-house academy of a Bank in Portugal, certified by the General-Directorate of Employment and Work Relations (DGERT).

The Millennium Banking Academy is based on the talent of some of the Bank's best Employees and its aim is to share knowledge and disclose good practices, being also a school envisaged for the outside world since our abilities are proven in the reality of the market.

The mission of the MBA is to promote Millennium bcp as a prominent banking school in Portugal, developing professionals with ethical behaviour, technical excellence and rigour in the actions they perform.

The MBA i) ensures that the Bank provides adequate training to each individual at the right moment and with the quality that one expects from the Bank; ii) increases the internal resources and talent for the development of competences and knowledge on the banking business; and iii) establishes a space for sharing information and for innovation with other countries.

2018 was also marked by the expansion of the leadership competences program, following a pilot successfully carried out in the Operations Division in 2017.

This program, named M Power, has the purpose the development competences for a Sustainable Leadership and comprises more than 300 Employees, from among young managers and Employees with potential.

This program has the special feature of ensuring flexible paths in the extent that the participants are able to shape them in accordance with their needs, selecting from optional elements, apart from the mandatory base components, accumulating credits which will contribute to value their professional career in terms of leadership.

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*In 2018, the average number of training hours per Employee was 39...*

Globally, in Portugal in 2018, 364 training sessions took place, 192 in person, corresponding to a total of 325.006 hours. Regarding themed areas, the Bank continued to be mainly focused on matters related with the commercial activity, management and finance and legal and regulatory issues

In Portugal, in 2018, with an average of 7.1 hours of training through attendance per Employee, the Bank was not able to reach the 8 hours established goal.

By 2019, continuing a strategy that guarantees more and better training, we aim to increase the percentage of hours of on-the-job training to more than 5%.

In Poland, the bank continued to invest in the training of its employees always with the purpose of developing technical and behavioural competences, able to improve quality and efficiency in the work developed and in the compliance with the goals of Bank Millennium, always in line with its corporate values.

It is within this context that the Employees participate, every year, in external and internal training actions on specific issues, as well as in congresses and conferences.

In 2018, the bank carried out 5,356 training sessions, in a total of 258,622 hours, investing significantly in issues related with Client service, products, compliance, risk, health and safety. Thus, the bank continued to provide commercial training that, including the preparation of new employees, also includes carrying out workshops in Client service, sales, credit and investment and also e-learning courses on products - new or improved -, procedures and bank apps.

The carrying out of training due to the implementation of new regulatory and legal frameworks is also a priority, as for example, in 2018, the training on data protection and information security.

In the Prestige segment, training privileged the increase the knowledge on financial markets, investment, products, commercial techniques, trading and on how to manage the relations established with the Clients. Regarding Companies, the bank implemented a similar programme, implemented through e-learning courses and workshops given by two external companies. The Company Advisers were also trained by an external company on national and regional support funds

From the initiatives carried out by Bank Millennium, we



## M#leaders

must point out the “M#leaders”, an innovative programme of structured development for managers and directors with the objective of enhancing their leadership competences.

By resorting to a holistic approach combining workshops, case studies, group coaching and brainstorming, participants were given the possibility of increasing their knowledge on leadership, management, communication, team work and motivation.

A training program on leadership, with two-year duration, was also initiated, being addressed to the Branch Managers of the Retail network.

In this country, we must also point out the “Millennium Campus”, a new program for the acquisition and increase of knowledge and competences intending to contribute to develop innovation in the organization. Structured based on regular sessions with professors coming from some of the most prestigious world universities, it is preferably addressed to expert technicians and heads of organic units from central services and commercial networks.

In 2018 and in terms of Compliance, Bank Millennium trained 6,229 Employees. In risk related issues, Bank Millennium gave specialized training to 176 Employees and in Occupational Health and Safety, it trained 3,522 employees, versus the 2,819 trained in 2017.

In Switzerland, whose training actions virtually include all its Employees, the actions developed, in a total of 1,708 hours, addressed commercial and risk issues. Reaching 75 Employees, 97% of its staff, they essentially consisted in training sessions especially designed to cope with the needs identified in this operation. More than 90% of the Employees of Bank Millennium also received training on Human Rights.





In Mozambique, the year is marked by the first year of activity of the Millennium bim Academia (MBA).

The mission of this training academy, the first of a bank institution in Mozambique, is developing, within an environment of continued learning and sharing of knowledge, professionals with ethics, a technique of excellence and rigour in the activities they exercise.

Based on three main pillars: i) ensuring training per functions for the Retail Employees; ii) providing diversified and consistent training to support the Employee's main needs; iii) Creation of a training curriculum per employee, it provided in 2018, a total of 41,898 of general and specialized training hours to 2,637 employees.

In this second year of activity are also worth mentioning, the training program addressed to the Commercial Division - "Charm Clients and Sell Solutions" -, with which the Bank tried to reinforce the skills of more than 1,000 Employees of the *front-office*, but also the leadership program "Lider Millennium bim 4.0" addressed to around 150 Employees with 1st line and 2nd line management functions.

In 2018, Millennium bim, trained 1,432 Employees in issues related with Compliance, 117 in issues related with Risk and 127 related with occupational safety and health.

## Talent management

Managing individuals is one of the strategic pillars of the competitiveness of the BCP Group. Together with the development of generic and specific competences it is crucial, in a perspective of the Bank's sustainability, to identify Employees with potential and talent to exercise functions with increased responsibility and complexity.

The development programmes used in the different countries where the Group operates are especially designed for employees showing high performance levels and potential and provide: i) a more transversal vision of the business and of the Organization's best practices to the newly-admitted employees; and ii) addressed to employees with experience, the opportunity to acquire crucial competences enabling them to, in the future, exercise functions with a higher degree of complexity and responsibility.

In Millennium bcp, in Portugal, 2018 was featured by the carrying out of the program InGenious Young Employees. It is a program envisaged and conceived for young people with an academic background in quantitative areas. With a duration of approximately one year, it trained 29 trainees distributed amongst the several bank's Divisions. Training was one of the major bets of this program, comprising diversified contents program on Banking, *Analytics and Soft Skills*.

This Program, which made a difference in the attraction and development of young talents, was distinguished in the HR 2018 Awards with the award "Best Trainees Academy", attributed by Instituto Informação Recursos Humanos.

In Poland, we must emphasize the internship programmes "Millennium Bankers" and "Expert Start-Up" - which, in its 2018 edition, counted with 67 and 4 participants, respectively -, and also the internal platform for the recommendation for the hiring of candidates suggested by the Bank's employees - the "Sharehire" - through which the Bank identifies candidates that better match the required profile.

The Millennium Academy, that promotes training sessions free of charge for students - with the assistance from bank experts - and the purpose of providing knowledge on the specific nature of the work developed in the banking sector, had, in 2018, the participation of 612 students.

Bank Millennium, within the scope of a partnership with the Faculty of Economics of Warsaw, created the first Coworking Centre for Start-ups. The objective of the Centre is to put together students and graduates who created or are in the process of create their own *start-up* and wish to compare their ideas with the business reality. It is a place for meetings, networking and debates with experts from both the University and Bank Millennium.

Also in Mozambique, within an increasing demanding context, Millennium bim continued to be extremely focused at attracting and hiring young talents. This way, and with the purpose of preparing the future generation of leaders, the bank identified Employees with High Levels of Performance and Potential, based on their merit, competences and skills for the assumption of new responsibilities.

The bank also launched the 4th edition of the programme "People Grow", under the motto "Give the right step towards your future". This programme that, for the first time, benefited from a visual image, a specific platform and a series of lectures held in the main universities of the country, received more than 2,600 applications.

Millennium bim also supported the launching of the Yearbook of Mozambican Students with Higher Education, an initiative from the Câmara de Comércio Portugal Moçambique.

## Evaluation and Recognition

GRI 404-3

At the BCP Group, the individual performance assessment models, based on a process of counselling and guidance towards the development of skills, gives rise to opportunities of dialogue between the senior staff and their Employees, enabling the further deepening of a culture of personal accountability for the development of their careers.

The level of involvement of the Employees in the evaluation process – of those who evaluate and those that are evaluated – was the same if compared with the previous years and the evaluation process registered a participation of around 97.1%.

In Portugal, where 98.5% of the Employees were evaluated, the bank implemented two new processes of the People Management model that separate the evaluation of the Employee's performance (past) from their Development (future). These two cycles take place in two different occasions.

The M Desempenho has two components: objectives and behaviours; the expected behaviours from each Employees are aligned with the Bank's values. The M Desenvolvimento, the new process to manage the professional development of the Employees wherein the Employee self-assesses his/her competences, proposes improvement actions and respective plan for their implementation and shares his/her professional evolution prospects, enabled, during 2018, to satisfy many of the needs identified by the Employees, namely in terms of training but also in terms of mobility, being possible to ensure mobility for around 30% of Employees who wished to be transferred to another area.

72.4% of those being evaluated and 87.3% of the evaluators replied that they are satisfied or very satisfied – with the evaluation method and around 0.87% are not satisfied.

The international activity evaluated 98% of its employees; Poland evaluated 100% and Mozambique 95%.

Together with a permanent attitude of incentive towards the development of the Employees and the adoption of practices of excellence, the BCP Group maintains a policy of recognition of the merit and of the commitment shown by each Employee by means of: i) an incentive system applied throughout the Bank; ii) a plan of professional development due to merit; and iii) specific awards attributed to Employees that were excellent in the exercise of their functions.

The BCP Group, together with the formal performance evaluation process, identifies and recognises Employees that were excellent in the performance of their functions by means of specific awards, notably the Excellence Award – delivered at the Bank's objectives meetings.

Hence, the Bank distinguished 14 Employees, in 5 different categories, in Mozambique.

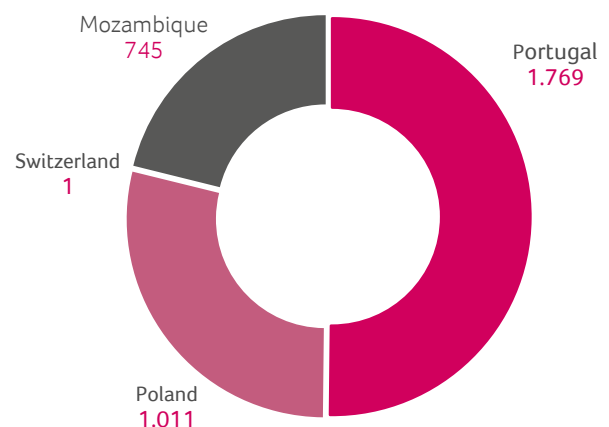
Poland, the Bank launched the 2nd edition of the programme IM-Pakt, an innovative initiative wherein the Employees appoint and vote for their colleagues. In this programme, 40 Employees were recognised for their performance..

In this operation, 8 Employees were also recognized with a distinction awarded by the Chairman of the Board of Directors for their participation in key projects.

Within this context, and back in Portugal, the Millennium Recognition Program, initiated in 2017, intends to recognize the best Employees and bring visibility to all those who commit and distinguish by means of three types of distinctions: M Impacto, M Líder and M Valores (M Impact, M Leader and M Values).

Millennium  
**PEOPLE**  
*Pessoas que fazem a diferença*

**Promotions**  
(Number of Employees)



By enabling the sharing amongst all Employees the exemplary projects, contributions and attitudes, it gives visibility to Employees, teams and projects that embody the values of Millennium, contributing for the union of all employees around a mission and common values.

An internal website was created for that purpose so that all employees can see how people get recognition at Millennium bcp, who gets it and why. In a clear and transparent manner, each employee can see the rules, the different categories to receive awards, make an application or support other people's applications.

The second edition of this program distinguished 70 Employees.

In the whole of Group BCP, materializing a policy for recognising merit, the Bank ensured the professional appreciation of 3,526 employees (1,912 women and 1,614 men) of which 1,769 employees in Portugal, 1,011 in Poland and 745 in Mozambique.

## Innovation

The BCP Group continues to bet on the ongoing improvement, believing in the value that can be generated by the innovation processes, stimulating creativity and the sharing of experiences by all Employees.

The internal programmes for the generation of ideas - Mil Ideias -, with 91 suggestions in Portugal (35 in 2017), - Call 2 Action - in Poland and - Ideias que Contam (Ideas that Matter) - in Mozambique are based on the recognition that the Employees are a creative force that generates valuable ideas, representing a means to value and increase their individual abilities through the direct participation with an idea or indirectly through comments or votes.

In Mozambique the "Fórum - Ideias que Contam" (Ideas that Matter), a space for sharing and discussing ideas which, throughout the year, counted on the participation of 109 Employees, responsible for more than 191 ideas and 340 Comments. Three ideas were already adopted and 1 is waiting to be implemented.

These programmes, which are being reassessed in all countries, are the basis for the continuous improvement of the internal processes of the organization, for the increase not only of the value of the products and services offered to Clients but also the ability to make a swift adaptation to new realities, namely functional, and represent an opportunity for the identification of good practices that can be extended to the entire organization

## Staff - Evolution

In 2018, the number of employees of the BCP Group increased 1.4% (225 Employees) versus 2017. Of the 16,061 Employees of the Group, 56% worked in the international business and 44% in Portugal.

### EMPLOYEES

	2018	2017	2016	Change.% 18/17
TOTAL IN PORTUGAL	7,095	7,189	7,333	-1,3%
Poland	6,270	5,945	5,964	5,5%
Switzerland	77	71	72	8,5%
Mozambique	2,619	2,631	2,551	-0,5%
TOTAL INTERNATIONAL	8,966	8,647	8,587	3,7%
TOTAL	16,061	15,836	15,920	1,4%

In Portugal, the downward trend in the number of Employees continued, with 226 having left, 78% of whom through mutual agreement and/or retirement plans and the admission of 120 new Employees. Among the Employees who left, 57% worked in the commercial areas and 11% in management functions.

In Poland, the total staff number also declined (-0.5% relative to 2017), with 167 having left, 42% of whom of their own initiative, and 60% allocated to commercial areas, which was partially offset by the recruitment process, with the integration of 151 Employees.

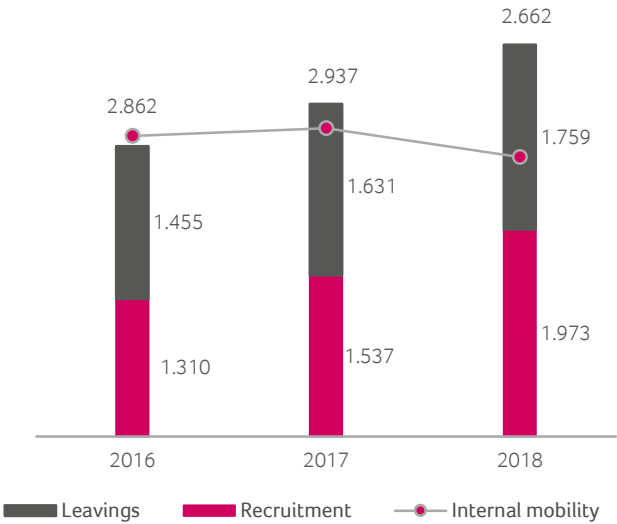
However, in Mozambique, the bank maintained its trend of growth of number of Employees (5.5%) with the recruitment of 1,687 Employees and 1,356 Employees leaving the Bank, 75% of the latter of their own initiative and 74% allocated to commercial areas.



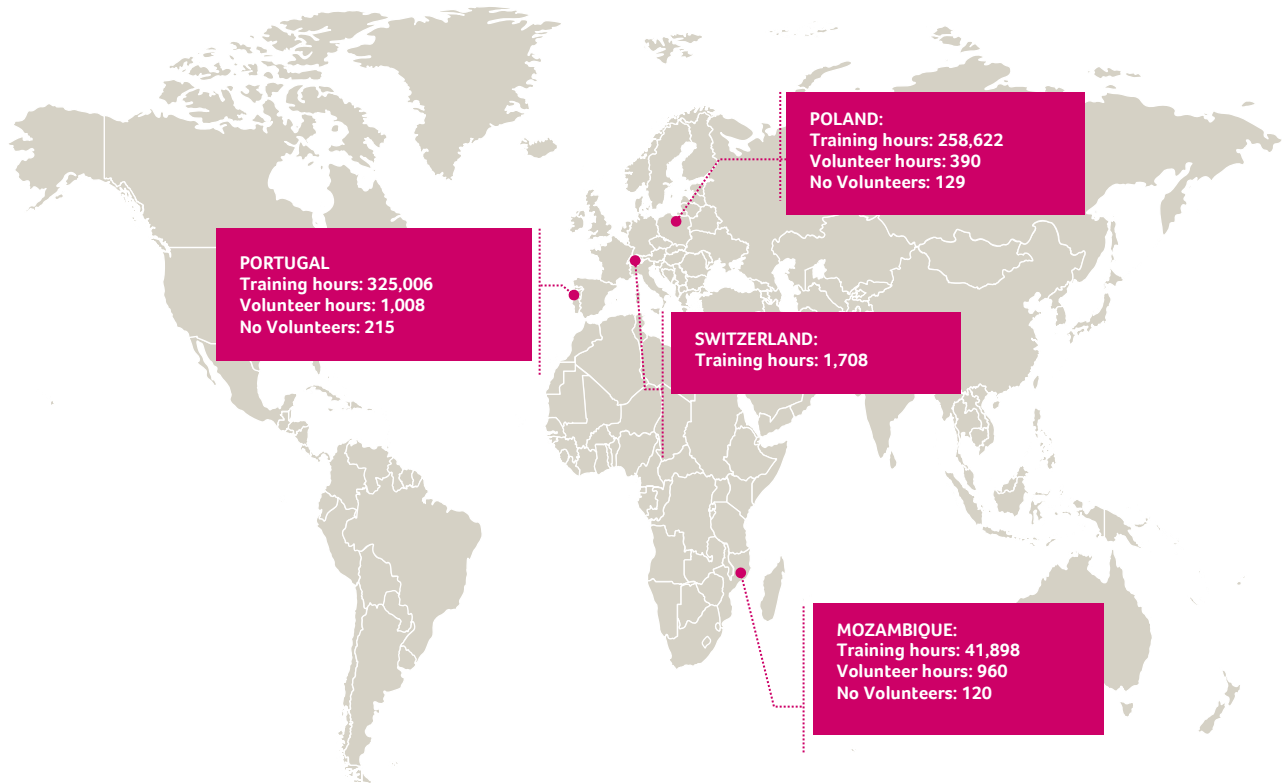
The BCP Group sees mobility as an opportunity for the Employees to develop their professional careers and their skills, and therefore fosters their contact with different realities of the Bank whenever possible. Thus, the employees' internal mobility processes are of strategic importance for Millennium.

In 2018, 16.6% of the Group's Employees were involved in internal mobility processes, notably in Portugal and Mozambique where 22.5% and 37.0%, respectively, of the Employees changed areas/ departments.

Employees turnover and mobility  
(Number of Employees)



MAP WITH SOCIAL PERFORMANCE EVOLUTION BY LOCATION



## Ethics and professional conduct

### Material issue:

VALUES, ETHICS AND CONDUCT

Millennium bcp considers that the respect for its defined mission and values and also the compliance with its strategy depends, first and foremost, on each Employee and therefore it fosters a culture of rigour and responsibility, based on permanent information disclosure, training and monitoring mechanisms able to ensure strict compliance with the established rules of conduct

## Compliance office

The Compliance Office's mission is to assure that all the management bodies, the functional structures and all the Group's employees comply with the legislation, rules and requirements that guide the activities carried out by the Bank and its subsidiary companies in order to avoid the risk of the institution incurring in legal or regulatory sanctions, financial losses or negative effects in terms of reputation, resulting from non-compliance with the laws, codes of conduct and good business practices and duties that bind the company.

Within the scope of the prevention of money laundering and terrorism financing, the activities of the compliance area include filtering operations to comply with the sanctions and embargoes regimes imposed by the competent national and international authorities, monitoring them to prevent potentially irregular situations and also the prior validation, substantive and formal, of the opening and maintenance of entities and accounts and of credit operations. These functions, based on tailored technological solutions, also include the definition and management of the risk models in view of the evolution shown by the several variables that lead to the computation of scorings to apply to the operations.

Millennium also initiated a new process for the update of data on money laundering and terrorism financing of its correspondent banks, (RMA - *Relationship Management Application*) holders of an account, in order to mitigate reputation risks for the Bank, ensuring that its business partners comply with the international regulations.

The Bank also reinforced the detection mechanisms related with the increase of risk in some countries, particularly regarding transactions related with "bit coins" as indicated by the European Commission and also reinforced the practices for the prevention of money laundering and terrorism financing, in accordance with law nr. 83/2017, of 18 August - Regime for the prevention of money laundering and terrorism financing of Banco de Portugal.

Against this background, the implementation of specific training activities and the monitoring of the Compliance Office teams have been a constant feature and a priority. Thus, joint action with the different business areas enabled the training, in Portugal, of 30,300 employees in various topics related to the activity of the Compliance Office, always focused on the Employees' awareness of the need to adopt a professional conduct and behaviour in accordance with a culture of ethics and rigour when performing daily duties.

These figures, which represent an increase if compared to 2017 (year when the training on the new Code of Conduct of BCP took place) continue to translate the importance given to training actions on Internal Control, but also on the prevention of money laundering and terrorism financing, of which one may highlight, in Portugal:

- Training on the alterations introduced due to the entrance into force of the MiFID2, mandatory for all employees (mandatory certification) with direct or indirect responsibilities in the sale of financial products to clients, comprising new certifications and the update of the existing ones.
- Training on the new regulations on data protection (GDPR - General Data Protection Regulation);
- Training on prevention of insider dealing;
- Update of knowledge on money laundering and terrorism financing practices taking into consideration the alterations due to Law nr. 83/2017, for the Employees in Portugal.

**TRAINED EMPLOYEES <sup>(1)</sup>**

GRI 406-1

AML/CTF, Market Abuse, Internal Control, Monitoring of Transactions and Legal Subjects

	2018	2017	2016	VAR.% 18/17
Activity in Portugal	30,300	28,123	747	7.7%
International Activity	2,219	9,093	5,725	-75.6%
<b>TOTAL</b>	<b>32,519</b>	<b>37,216</b>	<b>6,472</b>	<b>-12.6%</b>

(1) The same Employee could have attended several training courses.

To provide the Employees with the necessary competences to deal with complex diligence processes, namely those presenting non-negligible risks, in order to decrease operational and fraud risks continues to be part of the Group's activities plan.

We must also mention the new version of the Code of Conduct published in 2017. This Code enshrines the main values and conduct and corporate responsibility standards to be observed by the Bank and by all the companies' part of the BCP Group.

This Code of Conduct is directly applicable to the members of the management and supervision bodies, all employees of the Group, with or without a permanent work contract and to the companies providing outsourcing services to the Group.

To this extent, it works as a general main guideline to face potential ethical conflict and help in the making of an appropriate decision.

The Code of Conduct and a set of compliance rulings and policies that rule the bank's activity are available for consultation on the website, governance area.

[https://ind.millenniumbcp.pt/en/Institucional/governacao/Pages/normas\\_regulamentos.aspx](https://ind.millenniumbcp.pt/en/Institucional/governacao/Pages/normas_regulamentos.aspx)

Moreover, and given the importance of keeping an internal communication flow on compliance issues, the Bank continued to provide the Employees, through the Bank's Intranet, with regular information on how the Employees must perform to comply with their duties of honesty, solvency and financial integrity foreseen in the Code of Conduct; the violations and non-compliance with those duties are sanctioned in accordance with the provisos of the internal regulations.

In accordance with the regulations in effect, the Bank gave to the Compliance Office the function of supervising and validating all the contents of the advertising items, detached or included in advertising campaigns of products and services sold by the Group. The trend, already observed in 2016 and 2017, of compliance with the duties of information and transparency in the advertising of financial products and services was consolidated by the Marketing and Communication Divisions and BCP did not have any administrative proceeding brought against it by Banco de Portugal or by CMVM.

Relations of cooperation and loyalty have also been maintained with the judicial authorities and with national and international conduct supervision authorities. Within this scope and by its own initiative, it made a total of 783 communications to local Judicial Entities and replied to 2.402 requests.

**COMMUNICATIONS TO LOCAL JUDICIAL ENTITIES**

	2018	2017	2016	VAR.% 18/17
<b>OWN INICIATIVE</b>				
Activity in Portugal	431	300	196	43,7%
International Activity	352	228	176	54,4%
<b>RESPONSE TO REQUESTS</b>				
Activity in Portugal	364	160	254	-37,0%
International Activity	2.038	1.167	750	36,7%
<b>TOTAL</b>	<b>3.185</b>	<b>1.855</b>	<b>1.376</b>	<b>71,7%</b>



## Internal audit

The Audit Division is a component of the internal control system of BCP whose main mission is to ensure before the Bank's Stakeholders - and in particular to the Audit Committee and to the Executive Committee - the efficiency and adequacy of the Bank's internal control system as a whole and also to ensure the adequacy of the governance and risk management processes used by the Bank and by the Group.

The mission of the Audit Division is exercised in accordance with the internal audit principles internationally recognized and accepted and in accordance with the guidelines approved by the Executive Committee of the Board of Directors, with a prior opinion issued by the Audit Committee. The objective of this mission is to ensure the existence of an efficient and appropriate control environment, a sounder risk management system and an efficient information and communication system through the establishment of an effective monitoring system for the internal control system of the Bank and of the Group.

The exercise of the internal audit function is paramount amongst the functions attributed to the Audit Division and has a permanent and independent nature.

The audit programs include the assessment of behavioural issues, the compliance with the legislation and with all the remaining rules and codes of conduct, the proper use of the delegated competences and the respect for the performance principles in force in what concerns the relations established with the Clients, internal and external. Pursuant to the strategic guidelines defined for the internal audit function, the bank has been intensifying the adoption of the integrated method/end-to-end in audits and processes.

Throughout 2018, as part of the execution of its Activities Plan, the Audit Division also assessed the issues related with the management of environmental and social practices resulting from or related with the object of each audit in particular. Particularly in what concerns the audits made to the networks, one must also point out the mechanisms to prevent and detect practices showing that money is being laundered.

The prevention and mitigation of the risk of fraud as well as the detection and investigation of fraud attempts or situations, internal or external and the execution and monitoring of the consequent eventual disciplinary or judicial proceedings are also a priority in the distribution of resources allocated to the Audit Division. All the claims, complaints or denouncement of situations that show socially inappropriate behaviours by the Employees, either among themselves or relating to Customers are also assessed and investigated and will originate disciplinary proceedings whenever deemed justified.

In 2018, the preventive controls carried out and the subsequent individual assessments of potentially irregular situations as well as of situations reported by other organic units of the Bank originated 334 preliminary investigation proceedings. That same year, 17 disciplinary proceedings brought against Employees of the Bank in Portugal were completed. By the end of the year there were 7 proceedings underway. None of the cases involved situations of corruption.

## DISCIPLINARY PROCEEDINGS AS RESULT OF RULES VIOLATION

GRI 419-1

	2018	2017	2016	VAR.% 18/17
<b>Activity in Portugal</b>				
Internal rules	<b>13</b>	14	16	-7,1%
External rules	<b>4</b>	6	7	-33,3%
<b>Total</b>	<b>17</b>	20	23	-15,0%

The head of the Audit Division is also responsible for coordinating the audit function in all the subsidiary companies of the BCP Group promoting the harmonization of procedures and assessment criteria and the sharing of knowledge, namely by assisting them in the preparation and execution of audits relating to interests that are common to the several institutions.

The standardization of the practices in force in the internal audits of the several operations of the Group increased throughout the years either by the adoption of joint approach methods, safeguarding eventual differences due to local regulations or by the setting up of audit teams, at Group level, responsible for the execution of audits relating to specific issues in any of the countries where the Group operates

Also within the scope of Ethics and Professional Conduct and to reinforce the commitment of Millennium bcp towards Individuals and Society, it subscribed and published the Human Rights, Equality and Non-Discrimination Policy and, among other, the Sustainability, Social, Environmental and Human Rights Policies. These policies are available for consultation on the Bank's website, in the Sustainability area. [https://ind.millenniumbcp.pt/pt/Institucional/sustentabilidade/Pages/cod\\_internos.aspx](https://ind.millenniumbcp.pt/pt/Institucional/sustentabilidade/Pages/cod_internos.aspx)

## Service quality

### Material issue:

SERVICE QUALITY

In Millennium bcp service quality is ensured by the ongoing implementation of initiatives that contribute to achieve an enhanced rigour and control of execution, ensuring that the operational and business processes function in an efficient and reliable manner, being continuously monitored and perfected, thus contributing towards a progressive and consistent increase of customer satisfaction.

## Satisfaction Survey

GRI 102-43, 102-44

In Portugal, Millennium bcp continues to focus on the model of assessment of Customer experiences. 24 hours after interaction with the Bank, the Customer is invited to answer a brief questionnaire to assess Customer satisfaction with this experience with the Bank and the corresponding level of recommendation.

In 2018, the indicator NPS (*Net Promoter Score*), that translates the level of recommendation of the Bank recorded, in the case of Prestige Clients, an increase to 62,2 points, 4,7 points than in 2017; the Mass Market segment, that improvement showed an increase of 3.9 points, to 69.8. Regarding the NPS of Business Clients, it also recorded an expansion, improving to 60.2 (56.9 in 2017). Based on these results per segment, the global NPS of Millennium bcp is 67.7%, favourably comparing with 64.4% in 2017. Over 140,000 Customers were surveyed.

Apart from the experiences of Clients with Branches and/or Client Managers, where the indicators mentioned above are based upon, Millennium bcp also assesses other Client experiences namely (i) Account Opening, (ii) handling of Claims, (iii) interaction with the Contact Centre, (iv) use of Internet Banking and (v) the moment when the Account is closed - to be able to assess why the Bank lost those clients, (vi) the use of Internet banking and (vii) the utilization of new Millennium Transactions Machines (MTM). Globally, in 2018, the Clients evaluated more than 190.000 experiences with Millennium.

The Bank also undertook another "Mystery Client" action which, with 4 vacancies, totalled more than 2,000 visits to Mass Market Branches. In 2018, the results achieved record a slight deviation versus the ones recorded in 2017 and reached, by the end of the year, the target of 81% of completion of the customer service choreography defined by the Bank.

The programme "#1 in Customer Experience" is a transformational project to provide clients with distinctive and memorable experiences through the ongoing improvement of the product and service range, the adaptation of the Bank's channels to today's trends, the simplification of processes and, naturally, the development of the Employees' skills.

In 2018, Millennium continued the program "Training #1" in the Mass Market Branches, every month, approaching themes aligned with the Bank's strategy. Thus, the employees were able to develop skills related with investment products, personal loans, cards, mortgage loans, retirement solutions, and offer for the Business Segment, opening of an account via and entitlement of heirs' process.

A weekly systematic of "Mini-Training #1", was also introduced, consisting in a 15 minutes session to be made as a team at the weekly sales meeting with the purpose of reminding and practice of relevant aspects of Customer servicing.

Considering the results achieved with the program in Mass Market, a similar project for the transformation of the Client's Experience was launched in the Prestige segment. The project began with a behavioural and commercial techniques training for all Prestige Managers and Branch Managers, followed by a process for the certification of the more than 500 Managers involved. In 2019, the project will continue with the implementation of the monthly training systematic "Training #1" at the Prestige Branches, together with the practice of weekly "Mini-Trainings #1".



The Bank carried out 26 surveys, using different approaches, for monitoring the satisfaction of the Clients with the several Direct Channels and Business Networks. Regarding the remote channels satisfaction levels, they remained high. An example of this are the 86% of the user clients who replied that they are happy or very happy with Internet Banking - Individuals of which the 90% who wish to continue to use this service and the 90% of companies that wish to continue using the Internet Banking - Companies are a good example.

As a result of the work developed by the direct channels, the Bank was, among other awards, distinguished by the US magazine Global Finance as "The best digital bank in 2018" in Portugal and in Mozambique, within the scope of "The World's Best Consumer Digital Banks". Millennium bcp was also distinguished by Global Finance in the categories "Best Online Deposit, Credit and Investment Product Offerings" and "Best Information Security and Fraud Management" - Individuals and Corporate websites - in Western Europe.

Since Employees constitute one of the strategic pillars of the BCP Group, their level of satisfaction with the service provided by the different internal areas - with direct relation and reflection on the quality of the guaranteed Customer service - is an important endogenous indicator to assess the Bank's effectiveness and perceived efficiency.

The opinion surveys were maintained regarding the satisfaction with the internal service among Employees who interact with other areas to perform their duties, in order to, as part of a continuous improvement policy, identify opportunities for improvement and optimisation of the processes, technological solutions and procedures in force.

In Portugal, these opinion surveys started, as of 2018, to be carried biannually. The global value reached in the survey made in 2017, was 80.2 i.p., showing a positive development if compared with the previous three-year period.

In Mozambique, in 2018, the value recorded was 71 i.p. and 74 i.p., in the Swiss operation.

With the objective of enhancing the measurement of the satisfaction and loyalty of the several Customer segments, Millennium bcp continued to follow-up several external market studies made by specialized companies so as to get indicators enabling to position the Bank in the sector and assess, in an ongoing manner, the market's perception in what concerns the quality of the service provided, the Bank's image and the products and services it trades.

One of these studies is the CSI Banca, carried out by Marktest. It is a reference study for the banking sector, made in 2 annual stages, based on an econometric model that aims measuring the satisfaction and loyalty of the Customer and its perception of the quality of the products and services pursuant to a benchmarking rationale. The CSI Banca index, wherein Millennium bcp ranked 1st in the last six months of 2018, is a result of two indexes, one which intends to evaluate the satisfaction of the Clients which prefer to use the Banks' branches (Index CSI Balcão) and another which intends to evaluate the satisfaction of the Clients who prefer to use internet banking solutions (CSI Internet Banking Index).

Another study that the Bank follows-up is the BFin, made by DataEe, focused at the characterization of the banking sector in Portugal, according to the companies perspective, relating to products and services made available by the Banks. In the 2018 survey, Millennium bcp is the main Bank for all the segments of companies, being also leader in the sectors, Commerce, Services and Exporting Industries and Portugal 2020.

Millennium bcp stands out in this study once again as the most innovative and efficient Bank with products better adjusted to the companies and closer to the Clients.

One needs to point out, within this context, that being distinguished with the Consumers Choice Award, in the category "Large Banks" attributed in 2018, represents the recognition of the effort that Millennium bcp has been making for the modernization and simplification of bank products and services, but also of the significant bet on the proximity with the Clients, on a faster servicing and on the sustainability of the value proposals.

In the international activity, customers' overall satisfaction levels with the Bank recorded a value of 80 index points (i.p.), influenced by the downturn in Mozambique, which fell from 79 to 73 i.p.

In this operation, the evaluation and monitoring of Customer Satisfaction is permanent through market studies addressed to the different business segments and through specific surveys - of which the ones regarding Remote Channels are the most recent example - and the "Mystery Client" in the Bank's branches. Globally, in 2017, the Bank carried out 2 market studies and 4 direct or specific surveys which enabled getting the opinion of more than 2,200 Clients.

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In the Evaluation of Experiences of Clients from the Prestige Segment - which had 3 cycles in 2018 - the following experiences were taken into consideration: (i) Account Opening; (ii) 6 months after the account opening; (iii) Manager Contact/Visit; (iv) Credit Granting; and, (v) handling of a claim. Globally, in these surveys, with the participation of more than 1,100 Clients, the degree of recommendation reached 81 p.i..

The Operating Quality index of the branches of Millennium bim, recorded in 2018, an increase to 3.2 points, thus exceeding in 0.2 the goal defined for the year. This positive performance, consolidating the improvement actions resulting from the "Mystery Client" evaluations, enables ensuring a service level in Client servicing that is consistent and constant throughout the entire network

An additional reference must be made to the implementation of the model to evaluate Customer Experience in Millennium bim, through the NPS (Net Promoter Score) indicator. This 1st survey interviewed 735 Clients, and reached an aggregated value of 52.4 i.p..

In Poland, Bank Millennium also benefits from robust processes and evaluation instruments to assess the quality of the service provided to clients. In Poland, with 87 i.p. of global satisfaction, the internet banking and mobile banking channels reached 97% of positive reviews in 2018. Also branch servicing showed a very positive evolution, showing 91% of satisfaction.

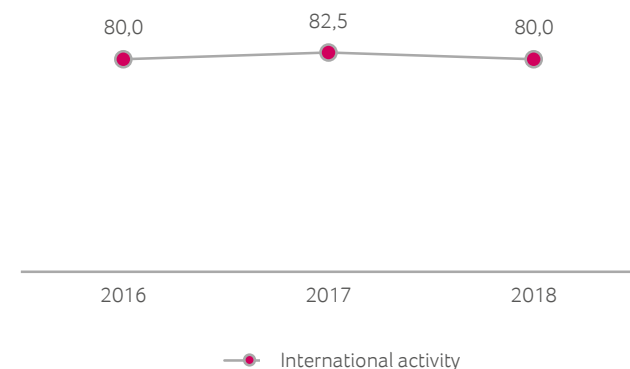
Aligned with the recommendation made by the Clients, also the recognitions made by several independent entities confirm the quality of the service provided by the Bank in this country. Additional reference must be made to the 17th edition of the ranking "Newsweek Friendly Bank 2018", and Bank Millennium was one of the best classified in all competing categories.

This operation, apart from the regular satisfaction surveys addressed to the Retail (NPS of 51%), Prestige (NPS of 33) and Companies (NPS of 41) - segments, also carries out "Mystery Client" actions by means of an outsourcer.

Bank Millennium, materializing an holistic approach and aware of the impact that the growing popularity of the new digital channels is having in the behaviour and needs of the clients - an impact which is not only seen in electronic banking but also in traditional channels, namely the branches, -, has been making evaluations which, with the use of innovative techniques, enabled to improve the service space and choreography.

Lastly, in 2018, the Bank carried out 5 market studies and 22 direct or specific surveys which enabled getting the opinion of more than 61,000 Clients throughout the year.

### Costumers satisfaction (Index points)



Information not available for Switzerland.

## Claims

Concerning claims on products and services, one of the priorities of the BCP Group is to ensure the ongoing improvement of its management in the countries where it operates, either by optimizing, simplifying and accelerating the reply procedures or by the regular assessment and monitoring of the satisfaction of the claimants with the solution presented to them. The identification and assessment of the origin of the claims aiming at their correction are also part of an unequivocal orientation of the Bank for Client servicing.

	2018	2017	2016	VAR.% 18/17
<b>CLAIMS REGISTERED</b>				
Activity Portugal	<b>26.648</b>	22.104	20.423	20,6%
International Activity	<b>81.596</b>	54.814	53.940	48,9%
<b>CLAIMS RESOLVED</b>				
Activity Portugal	<b>24.296</b>	20.649	18.454	17,7%
International Activity <sup>(1)</sup>	<b>83.157</b>	54.535	51.894	52,5%

(1) Includes valid claims related with the disregard of the privacy of Customers in Poland (80) and in Mozambique (15) based on the wrong processing of personal data and operational errors.

In Portugal, the claims are managed by the Customer Care Centre (CAC). The total number of claims in this operation showed an increase of 20.6% if compared with the previous year, with a total of 26,648. A significant portion of these claims regards entries in the current account and mortgage loans. The effort to rapidly solve the claims has been a constant concern of the Bank, which has been able to ensure an average response time of 2 business days.

In Poland, the number of claims presented amounted to 68,007, showing a 47.6% increase versus the previous year. The majority of these claims and of the increase recorded (73%) is attributable to current and term accounts, credit and debit cards and transactions made with cards. To improve the measured satisfaction with the claims resolution, Bank Millennium has been developing a programme for the continued improvement and simplification of this process and defined as a goal a 7-day deadline to conclude the process. An average deadline that in 2018 was still of 11 consecutive days.

In Mozambique, recording 13,587, the number of claims also grew 55.5% if compared with the same period of 2017. These claims are mostly attributable to cards and current accounts. This operation, due to the simplification of the claims workflow and process improvements was able to keep an average claims resolution deadline of 18 working days.

The Clients of Millennium bcp may also bring to the Client Ombudsman claims due to actions or omissions by the Bank's corporate bodies and Employees. All the claims addressed to the Ombudsman Office are firstly handled and managed by the Bank's concerned areas and the Ombudsman Office is exclusively responsible for analysing and issuing a final opinion to claims received in connection with prior claims presented by the Clients that obtained an unfavourable decision.

The Ombudsman's Office, regulated by its own Regulations, is a body independent from the Bank's hierarchical structures, defending and upholding the rights, guarantees and legitimate interests of Millennium bcp's customers that address it.

## OMBUDSMAN OF MILLENNIUM BCP

### Activity in Portugal

	2018	2017	2016	VAR.% 18/17
<b>CLAIMS REGISTERED</b>	<b>1.848</b>	1.534	1.247	20,5%
Claims	<b>1.342</b>	1.099	926	22,1%
Requests	<b>458</b>	390	288	17,4%
<b>NEW CLAIMS</b>	<b>48</b>	45	33	6,7%
Concluded	<b>45</b>	44	32	2,3%
Complaints upheld	<b>22</b>	24	13	-8,3%
Complaints rejected	<b>23</b>	20	19	15,0%
Average resolution time (days)	<b>14</b>	18	28	-22,2%

Thus, and looking at the activity developed in 2018, the Ombudsman Office received 1,848 claims (1,534 in 2017), a figure representing, in accrued terms, a 20% increase versus 2017.

The Ombudsman Office analysed 1,342 Claims (1,099 in 2017), that were forwarded to the Customer Care Centre, the area responsible for ensuring the analysis and final response to the claimants; 458 Requests (390 in 2017), were forwarded to the respective services of the Bank which are responsible for ensuring the claims assessment and final response to the claimants and 48 New Claims (45 in 2017) which, for their nature, were analysed and replied by the Ombudsman Office.

The acceptance rate regarding New Claims was 49% and the average response time was 14 days (18 days in 2017).

The issues - from a product or financial standpoint - that raised the greatest number of claims from the Clients, were those related to "Current Accounts" (26% versus 25% in 2017) and "Mortgage Loans" (14% versus 17% in 2017).

When one assesses the business areas with a greater number of claims, the one showing the highest number is Retail Banking, with 90% followed by Activobank with 4%.