

90. Details of transactions that were subject to control in the referred year.

In 2019, were subject to control by the Compliance Office and the Audit Committee of the Board of Directors 16 opinions on credit operations and three on contracting of products or services relative to members of the management and supervisory bodies and shareholders with stakes greater than 2% of the Banks' share capital and entities related to them, of a total value of approximately 3,976 million Euros. The indicated amount includes extensions and reviews of limits.

91. A description of the procedures and criteria applicable to the supervisory body when same provides preliminary assessment of the business deals to be carried out between the company and the holders of qualifying holdings or entity-relationships with the former, as envisaged in Article 20 of the Securities Code.

Any business to be conducted between the Company and owners of qualifying holdings or entities which are in any relationship with them, are the object of appraisal and exclusive deliberation by the Board of Directors, supported by analyses and technical opinions issued by the Audit Committee, which in turn take into account approvals given by the Credit Division, in the case of credit operations, or by the Procurement Division and/or other areas involved in the contract, in the case of contracts for the supply of products and services. All the operations, regardless of their respective amount, and according to item 10 above, require a prior opinion issued by the Compliance Office in relation to the legal and regulatory compliance of the proposed operations.

II. Elements relative to business

92. Details of the place where the financial statements including information on business dealings with related parties are available, in accordance with IAS 24, or alternatively a copy of said data

On this issue, see the information provided in the Annual Report for 2019, in appraisal 51 of the Notes to the Consolidated Financial Statements.

Part II

Evaluation of the Compliance with the Recommendations and sub-recommendations from the Corporate Governance Code from IPCG.

The Bank assesses the compliance and justifies the non-compliance with the recommendations and sub-recommendations of the Corporate Governance Code from IPCG in the following table:

EVALUATION OF THE COMPLIANCE WITH THE RECOMMENDATIONS AND SUB-RECOMMENDATIONS FROM THE CORPORATE GOVERNANCE CODE FROM IPCG

	Recommendations and sub-recommendations from the Corporate Governance Code from IPCG.	Table of Contents for the Items of Part I of the Report	Compliance
I.1.1.(1) I.1.1.(2) I.1.1.(3)	I.1.1. The company shall establish mechanisms to ensure, in an appropriate and rigorous manner, the production, processing and timely disclosure of information to its corporate bodies, shareholders, investors and other stakeholders, financial analysts and the market in general.	Items: 21- Board of Directors, 55 to 58, 65 and Recommendations: I.3.1., I.3.2.	Compliant
I.2.1.(1) I.2.1.(2)	I.2.1. Companies should establish criteria and requirements regarding the profile of new members of the corporate bodies appropriate to the function to be performed, and in addition to individual attributes (such as competence, independence, integrity, availability and experience), these profiles should consider diversity requirements, paying particular attention to gender, which may contribute to improving the performance of the body and the balance in its composition.	Items: 16, 17, 19, 24, 26 and 33, 36 and Recommendation: V.4.1.	Compliant
I.2.2.(1) I.2.2.(2) I.2.2.(3) I.2.2.(4) I.2.2.(5) I.2.2.(6)	I.2.2. The management and supervisory bodies and their internal committees shall have internal regulations - in particular on the exercise of their duties, chairmanship, frequency of meetings, functioning and framework of duties of their members - and detailed minutes of their meetings shall be drawn up.	Items: 21, 22, 23, 27 and 34	Compliant
I.2.3.(1) I.2.3.(2) I.2.3.(3)	I.2.3. The internal regulations of the management and supervision bodies and of their internal commissions must be fully disclosed on the company's website.	Items: 21 to 23, 27, 34 and 61	Compliant
I.2.4.(1) I.2.4.(2)	I.2.4. The composition, number of annual meetings of the management and supervisory bodies and their internal committees shall be disclosed on the company's website.	Items: 21, 23, 27 and 67	Compliant
I.2.5.(1) I.2.5.(2)	I.2.5. The company's regulations shall provide for the existence and ensure the functioning of mechanisms for the detection and prevention of irregularities, as well as the adoption of a policy for the communication of irregularities (whistleblowing), which guarantees the appropriate means for the communication and treatment of such irregularities, safeguarding the confidentiality of the information transmitted and the identity of the notifier, whenever this is requested.	Item: 49	Compliant

Recommendations and sub-recommendations from the Corporate Governance Code from IPCG.		Table of Contents for the Items of Part I of the Report	Compliance
I.3.1.	I.3.1. The articles of association or other equivalent means adopted by the company shall establish mechanisms to ensure that, within the limits of the applicable legislation, members of the management and supervisory bodies are permanently guaranteed access to all information and employees of the company for the evaluation of the company's performance, situation and development prospects, including, in particular, the minutes of meetings, documentation supporting the decisions taken, the call notices and the filing of meetings of the executive management body, without prejudice to access to any other documents or persons from whom clarifications may be requested.	Items: 21, 23, 26 and Recommendation: I.1.1.	Compliant
I.3.2.	I.3.2. Each body and committee of the company must ensure, in a timely and adequate manner, the flow of information, from the respective call notices and minutes, necessary for the exercise of the legal and statutory powers of each of the other bodies and committees.	Items: 21, 22 and 27	Compliant
I.4.1.	I.4.1. An obligation should be put on members of corporate bodies and committees to inform, in a timely manner, their respective body or committee of the facts that may constitute or give cause to a conflict between their interests and the company's interest.	Items: 10, 20, 49, 89 to 91	Compliant
I.4.2.	I.4.2. Procedures shall be adopted to ensure that the member in conflict does not interfere in the decision-making process, without prejudice to the duty to provide information and clarifications requested by the body, the committee or its members.	Item: 20	Compliant
I.5.1.(1) I.5.1.(2)	I.5.1. The management body should define, with binding prior opinion of the supervisory body, the type, scope and minimum value, individual or aggregate, of the transactions with the related parties that: (i) require the prior approval of the management body; (ii) and those that, because they are of a higher value, also require a prior favourable opinion from the supervisory body.	Items: 10, 37, 89 to 91	Compliant
I.5.2.(1) I.5.2.(2)	I.5.2. The management body should, every six months, report to the supervisory board all the businesses covered by Recommendation I.5.1.	Items: 10, 89 to 91	Compliant

	Recommendations and sub-recommendations from the Corporate Governance Code from IPCG.	Table of Contents for the Items of Part I of the Report	Compliance
<p>II.1.(1)</p> <p>II.1.(2)</p>	<p>II.1. The company should not set an excessively high number of shares required to confer the right to one vote, and should make its choice explicit in the governance report whenever it implies a deviation from the principle that each share corresponds to one vote.</p>	<p>Items: 5, 12, 14 and 48</p> <p>Not applicable</p>	<p>Compliant</p>
<p>II.2.</p>	<p>II.2. The Company should not adopt mechanisms that hinder the taking of deliberations by their shareholders, in particular establishing a deliberative quorum higher than that established by law.</p>	<p>Items: 5, 12, 14, 48</p>	<p>Non compliant but explained</p>
<p>II.3.</p>	<p>II.3. The company must implement adequate resources to exercise the right to use correspondence vote, including by electronic means.</p>	<p>Item: 12. (First part)</p>	<p>Compliant</p>
<p>II.4.</p>	<p>II.4. The company shall implement adequate means for shareholders to participate in the meeting by electronic means.</p>	<p>Item: 12. (Paragraph 4 et seq.)</p>	<p>Non compliant but explained</p>
<p>II.5.(1)</p> <p>II.5.(2)</p>	<p>II.5. Articles of association of the company which foresee the limitation of the number of votes which may be held or exercised by a single shareholder, individually or in combination with other shareholders, must also establish that, at least every five years, the alteration or maintenance of this statutory provision will be subject to deliberation by the General Meeting – without requirement of a quorum larger than that legally established – and that, in this deliberation, all the votes cast will count, without the application of this limitation.</p>	<p>Items: 5 and 13</p>	<p>Non compliant but explained</p>
<p>II.6.(1)</p> <p>II.6.(2)</p>	<p>II.6. Defensive measures should not be adopted that determine payments or the incurrence of expenses by the company in the event of the transfer of control or change of the composition of the management body, and which might hinder the economic interest in the transfer of shares and the free appraisal by the shareholders of the Director's performance.</p>	<p>Item: 4</p>	<p>Compliant</p>

Recommendations and sub-recommendations from the Corporate Governance Code from IPCG.		Table of Contents for the Items of Part I of the Report	Compliance
III.1.	III.1. Without prejudice to the legal functions of the Chairman of the Board of Directors, if the latter is not independent, the independent directors shall appoint a lead independent director among themselves, to: (i) act, whenever necessary, as a contact person with the Chairperson of the Board of Directors and with the other Directors, (ii) make sure that they have the necessary conditions and means to carry out their duties; and (iii) coordinate them in the performance assessment by the management body provided for in the recommendation V.1.1.	Item: 18	Non compliant but explained
III.2.(1)	III.2. The number of non-executive members of the management body, as well as the number of members of the supervisory body and the number of members of the Financial Matters Committee must be appropriate to the size of the company and the complexity of the risks inherent to its activity, but sufficient to efficiently ensure the functions entrusted to them.	Items: 18 and 21	Compliant
III.2.(2)		Item: 18	
III.2.(3)		Item 21 - Audit Committee	
III.3.	III.3. In any case, the number of non-executive directors must exceed that of executive directors.	(Not applicable)	
III.4.	III.4. Each company shall include not less than one third but always a plural number of non-executive directors who meet the requirements of independence. For the purposes of this recommendation, a person is considered independent as long as he/she is not associated with any group of specific interests in the company, or is not in a position susceptible to affect his/her ability to make an impartial analysis or decision, in particular due to: <ul style="list-style-type: none"> i. Having exercised for more than twelve years, consecutive, or not, functions in any corporate body of the company; ii. Being an employee of the company over the last three years or a company which is in a controlling or group relationship; iii. Having, in the last three years, provided services or established a significant business relationship with the company or company with which said company is in a control or group relationship, either directly or as a partner, board member, manager or director of the legal person; iv. Receiving remuneration paid by the company or by a company that is in a controlling or group relationship in addition to the remuneration derived from carrying out the tasks as a director; v. Living in non-marital cohabitation or being the spouse, relative or relative-in-law in a straight line and until the 3rd degree, inclusively, in the collateral line, of directors of the company, of a legal person holder of a qualifying stake in the company or of natural persons directly or indirectly holding qualifying stakes; vi. Being the holder of a qualifying stake or representative of a shareholder with qualifying stakes. 	Item: 18	Compliant

Recommendations and sub-recommendations from the Corporate Governance Code from IPCG.		Table of Contents for the Items of Part I of the Report	Compliance
III.5.	III.5. The provisions of paragraph (i) of recommendation III.4 shall not preclude the qualification of a new director as independent if, between the termination of his duties in any company body and his new designation, at least three years have elapsed -off period).	Item: 18	Not applicable
III.6.(1) III.6.(2)	III.6. Non-executive directors should participate in the definition, by the Board of Directors, of the strategy, main policies, corporate structure and decisions that should be considered strategic for the company due to their amount or risk, as well as in the evaluation of their compliance	Item: 21 - Board of Directors	Compliant
III.7.(1) III.7.(2)	III.7. The supervisory board shall, within the framework of its legal and statutory powers, collaborate with the executive board of Directors in defining the strategy, main policies, corporate structure and decisions that should be considered strategic for the company due to their amount or risk, as well as in the evaluation of their compliance.	Items: 15, 17 and 21	Not applicable
III.8.(1) III.8.(2)	III.8. In compliance with the powers conferred upon it by law, the supervisory body should, in particular, monitor, assess and give opinion on the strategic guidelines and risk policy defined by the management body.	Items: 21 - Audit Committee, 27 a) and 37	Compliant
III.9.(1) III.9.(2) III.9.(3)	III.9. Companies must set up specialised internal committees appropriate to their size and complexity, covering, separately or cumulatively, matters of corporate governance, remuneration and performance evaluation, and appointments.	Items: 22, 24, 27 and 29	Compliant
III.10.(1) III.10.(2) III.10.(3)	III.10. The Audit Committee, Supervisory Board and Audit Board should issue statements on the work plans and resources allocated to the internal audit services and to the services which strive to ensure compliance with the regulations applied to the company (compliance services), and should receive the reports produced by these services at least when concerning matters related to the presentation of accounts, the identification or resolution of conflicts of interests and the detection of potential illegalities.	Items: 37, 50 to 52	Compliant

Recommendations and sub-recommendations from the Corporate Governance Code from IPCG.		Table of Contents for the Items of Part I of the Report	Compliance
III.11.(1) III.11.(2) III.11.(3)	III.11. The supervisory body and the financial matters committee shall monitor the efficiency of the systems and of risk management, internal control and internal audit and propose any necessary adjustments.	Items: 21, 37 and 50	Compliant
III.12.(1) III.12.(2)	III.12. The Supervisory Body should issue an opinion on the work plans and resources allocated to the internal control, including control of compliance with the regulations applied to the company (compliance services) and of internal audit, and should receive the reports produced by these services at least when concerning matters related to the presentation of accounts, the identification or resolution of conflicts of interests and the detection of potential irregularities.	Items: 21, 37, 50 and 51	Compliant
IV.1.(1) IV.1.(2)	IV.1. The management body must approve, by means of internal regulations or equivalent means, the performance of directors and the exercise by them of executive functions in entities outside the group.	Item: 21 – Executive Committee	Compliant
IV.2.(1) IV.2.(2) IV.2.(3)	IV.2. The management body should ensure that the company acts in accordance with its objectives and shall not delegate powers, in particular with regard to: i) definition of the strategy and main policies of the company; ii) organisation and coordination of the corporate structure; iii) matters that should be considered strategic due to their amount, risk or special characteristics	Item: 21 – Board of Directors	Compliant
IV.3.(1) IV.3.(2)	IV.3. The management body shall set objectives on matters of risk-taking and ensure that these objectives are met.	Item: 21 – Board of Directors and Audit Committee, and Item 27 a) Committee for Risk Assessment	Compliant
IV.4.	IV.4. The supervisory body shall organise itself internally by implementing periodic control mechanisms and procedures in order to ensure that the risks effectively incurred by the company are consistent with the objectives set by the management body	Item: 21 – Board of Directors and Audit Committee	Compliant
V.1.1.(1) V.1.1.(2) V.1.1.(3)	V.1.1. The management body should evaluate annually its performance, as well as the performance of its committees and of the delegated directors, taking into account compliance with the company's strategic plan and budget, risk management, the internal functioning of the management body and of its committees, as well as the relationship between the company's bodies and committees.	Items: 24 and 25	Compliant

Recommendations and sub-recommendations from the Corporate Governance Code from IPCG.		Table of Contents for the Items of Part I of the Report	Compliance
V.1.2.	V.1.2. The supervisory body shall supervise the management of the company and, in particular, annually evaluate compliance with the company's strategic plan and budget, risk management, the internal functioning of the management body and its committees, as well as the relationship between company bodies and committees.	Items: 21 - Audit Committee and 37	Compliant
V.2.1.(1) V.2.1.(2)	V.2.1. The establishment of remunerations should be made by a committee whose composition ensures its independence from management.	Items: 66 and 67	Compliant
V.2.2.(1) V.2.2.(2)	V.2.2. The remunerations commission shall approve, at the beginning of each term of office, the implementation and confirmation, on an annual basis, of the remuneration policy of the corporate bodies and commissions of the company, within the scope of which the respective fixed components are established, and, with regard to executive directors or directors temporarily in charge of executive tasks, if there is a variable component of the remuneration, the respective criteria for attribution and measurement, the limitation mechanisms, the mechanisms for the deferment of the payment of the remuneration, and the remuneration mechanisms based on options or shares of the company itself.	Items 27 b), 66, 67, 69, and 72 to 74 and 85	Compliant
V.2.3.(1) V.2.3.(2) V.2.3.(3) V.2.3.(4)	V.2.3. The statement on the remuneration policy of the management and supervisory bodies referred to in article 2 of Law 28/2009, of 19 June, should also contain: i. The total remuneration broken down by the different components, the relative proportion of the variable remuneration, an explanation of how the total remuneration complies with the remuneration policy adopted, including how it contributes to the long-term performance of society, and information on how performance criteria were applied. ii. Remuneration from companies belonging to the same group; iii. The number of shares and of options on shares granted or offered and the main conditions for the exercise of the rights, including price and the date of that exercise and any alteration in those conditions; iv. Information on the possibility of claiming the repayment of a variable remuneration	Items: 66, 69, 77, 78, 80 and 85 Item: 77 Items :77 and 78 Items: 77 and 85 Items: 69 and 71	Compliant

Recommendations and sub-recommendations from the Corporate Governance Code from IPCG.		Table of Contents for the Items of Part I of the Report	Compliance
V.2.3.(5)	v. Information on any deviation from the procedure for implementing the approved remuneration policy, including an explanation of the nature of the exceptional circumstances and an indication of the specific elements subject to derogation;	Items: 66 and 69	
V.2.3.(6)	vi. Information on the payability or non-payability of amounts relative to termination of duties of directors.	Items: 72 and 80	
V.2.4.(1) V.2.4.(2)	V.2.4. For each term-of-office, the remunerations Commission shall also approve the directors' pension scheme, if the articles of association do so allow, and the maximum amount of all compensation to be paid to the member of any body or committee of the company by virtue of the termination of duties.	Items: 66, 69 e 76, 80, 83 and 84	Compliant
V.2.5.	V.2.5. In order to provide information or clarification to the shareholders, the chairman or, in his or her absence, another member of the remunerations Commission shall be present at the annual general meeting and at any other meeting if the respective agenda includes a matter related to the remuneration of corporate bodies and commissions of the company or if such presence has been requested by shareholders.	Item: 67	Compliant
V.2.6.(1) V.2.6.(2)	V.2.6. Within the limits of the company's budget, the remunerations commission should be free to decide whether the company should hire consulting services necessary or advisable for the performance of its duties. The remunerations Commission shall ensure that the services are provided with independence and that the respective service providers will not be engaged for the provision of any other services whatsoever to the company itself or to others that are in a controlling or group relationship, without the express authorisation of the Commission.	Items: 25, 27-b) and 67	Compliant
V.3.1.	V.3.1. Bearing in mind the alignment of interests between the company and executive directors, a portion of their remuneration should be of a variable nature so as to reflect the sustained performance of the company and does not encourage excessive risk-taking.	Items: 69, 71 and 73	Compliant
V.3.2.(1) V.3.2.(2)	V.3.2. A significant part of the variable component shall be partially deferred over time, for a period of not less than three years, linking it to the confirmation of the sustainability of performance, as defined in company regulations.	Items: 69 and 72.	Compliant
V.3.3.	V.3.3. Does not exist		

	Recommendations and sub-recommendations from the Corporate Governance Code from IPCG.	Table of Contents for the Items of Part I of the Report	Compliance
V.3.4.	V.3.4. When the variable remuneration includes options or other instruments directly or indirectly dependent on the value of the shares, the beginning of the exercise period shall be deferred for a period of not less than three years.	Item: 85	Not applicable
V.3.5.	V.3.5. The remuneration of the non-executive members should not include any component whose value depends on the performance or value of the company.	Item: 69	Compliant
V.3.6.	V.3.6. The company shall be equipped with the appropriate legal instruments so that the termination of functions before the end of the term-of-office does not give rise, directly or indirectly, to the payment to the director of any amounts other than those provided for by law, and shall make explicit the legal instruments adopted in the corporate governance report.	Items: 72, 76, 80, 83, and 84	Compliant
V.4.1.	V.4.1. The company should, under such terms as it deems appropriate, but in a manner that can be demonstrated, promote that proposals for the election of members of corporate bodies are accompanied by a justification on the suitability of the profile, expertise and curriculum to the function of each candidate.	Items: 17, 24 and 25	Compliant
V.4.2.	V.4.2. Unless the size of the company does not justify it, the function of monitoring and supporting the appointment of senior management should be assigned to a nominations committee.	Item: 27. b)	Compliant
V.4.3.	V.4.3. This committee includes a majority of independent non-executive members.	Items: 17. and 27-b)	Compliant
V.4.4.	V.4.4. The nominations committee shall make its terms of reference available and shall, to the extent of its competence, lead transparent selection processes that include effective mechanisms for identifying potential candidates, and that those with the greatest merit, best suited to the requirements of the position and promoting adequate diversity, including gender, within the organisation should be chosen for proposal.	Items: 17, 24 and 25	Compliant
VI.1.(1) VI.1.(2)	VI.1. The Management body must discuss and approve the company's strategic plan and risk policy, including the definition of risk levels considered acceptable.	Items: 21-Board of Directors 27-a), 53 and 54	Compliant

Recommendations and sub-recommendations from the Corporate Governance Code from IPCG.		Table of Contents for the Items of Part I of the Report	Compliance
VI.2.(1) VI.2.(2) VI.2.(3) VI.2.(4) VI.2.(5)	VI.2. Based on its risk policy, the company must establish a risk management system, identifying (i) the main risks to which it is exposed in the development of its activity; (ii) the probability of their occurrence and their impact; (iii) the instruments and measures to be adopted with for the purpose of their mitigation; (iv) monitoring procedures for their follow-up; and (v) the supervisory procedure, periodic evaluation and adjustment of the system.	Items: 53 and 54	Compliant
VI.3.(1) VI.3.(2)	VI.3. The company shall evaluate annually the degree of internal compliance and the performance of the risk management system, as well as the prospects of changing the previously defined risk framework.	Item: 54	Compliant
VII.1.1.	VII.1.1. The internal regulation of the supervisory body shall require that it oversees the adequacy of the process of preparation and disclosure of financial information by the management body, including the adequacy of accounting policies, estimates, judgements, relevant disclosures and their consistent application between financial years, in a duly documented and communicated manner.	Items: 37 and 55	Compliant
VII.2.1.(1) VII.2.1.(2) VII.2.1.(3) VII.2.1.(4)	VII.2.1. Through internal regulations, the supervisory body must define: (i) The criteria and the process for the selection of the statutory auditor (ii) The methods used by the company to communicate with the statutory auditor (iii) The supervisory procedures designed to ensure the independence of the Statutory Auditor (iv) Other than auditing services which can not be provided by the Statutory Auditor	Items: 21-Audit Committee, 37, Chapter IV-Statutory Auditor and 45	Compliant
VII.2.2.(1) VII.2.2.(2)	VII.2.2. The supervisory body shall be the main interlocutor of the statutory auditor in the company and the first receiver of the respective reports, being entrusted, in particular, with proposing the respective remuneration and ensuring that the company provides the appropriate conditions for the provision of the audit services.	Items: 21-Audit Committee, 37, Chapter IV-Statutory Auditor and 45	Compliant

Recommendations and sub-recommendations from the Corporate Governance Code from IPCG.		Table of Contents for the Items of Part I of the Report	Compliance
VII.2.3.	VII.2.3. The supervisory body should evaluate annually the work, independence and suitability for the performance of duties carried out by the statutory auditor and propose, to the competent body, the auditor's dismissal or the termination of the work contract whenever there is just cause for that.	Items: 21 - Audit Committee, 37 and 45	Compliant
VII.2.4.(1) VII.2.4.(2) VII.2.4.(3)	VII.2.4. The statutory auditor should, under his/her duties, verify the application of the remuneration policies and systems of the governing bodies, the efficacy and operation of the internal control mechanisms and report any failures to the supervisory body.		Not applicable
VII.2.5.	VII.2.5. The statutory auditor should cooperate with the supervisory body and should immediately provide information on any irregularities that it has detected, relevant to the performance of the functions of the supervisory body and any difficulties encountered in the performance of its duties.	Item: Chapter IV – Statutory Auditor	Compliant