

Summary of the Self-Assessment Report

Banco Comercial Português, S.A.

Summary of the Self-Assessment Report (Group)

This summary is presented in accordance with the requirements of article 60 of Banco de Portugal 3/2020 ('Notice').

The self-Assessment Report (Report) prepared in accordance with the requirements of article 55 of the Notice, in force since 16 July 2020, and Instruction 18/2020 of Banco de Portugal ('Instruction') contains the results of the self-assessment made by Group Banco Comercial Português, S.A. ('Group') concerning the adequacy and efficiency of the internal control system of the financial group to ensure compliance with the requirements defined in article 51 of the Notice, as well as in relation to the coherence between the internal control systems of the subsidiaries and the internal control system of the parent-company, Banco Comercial Português, S.A. ('parent-company' or 'Bank'), with reference to 31 January 2021.

The Report includes a description of the activities specifically developed, ongoing and planned for 2021, intended to ensure the implementation and compliance with the requirements of the Notice and of the Instruction, at the Group's level.

The process for the adoption of the Notice was promoted by the Board of Directors of Group BCP and had an impact on the Group's organization and on its risk management and internal control systems. This process counted with the intervention of multi-disciplinary teams, was led by the internal control functions and was followed-up very closely by the Board of Directors and by the Audit Committee of the Group.

This being a project within the scope of the Group, the Bank, as parent-company, issued the required instructions enabling the entities of the Group to ensure compliance with the requirements of the Notice and of the Instruction and exercised a ongoing monitoring of the activities developed to guarantee the above-mentioned coherence between the internal control and corporate governance systems of the Group.

The work carried out for the adoption of the Notice included the initiatives transcribed hereafter:

- The Board of Directors, through the internal control functions of the Bank, promoted the adoption of the Notice and of the Instruction by the Group's subsidiaries and several

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meetings were held with the local internal control functions and formal reporting procedures were defined to ensure the availability of the Self-Assessment Reports.

- With the support provided by the external Auditor, the Board of Directors promoted the process for the preparation of a gap-analysis on the adequacy and alignment of the Bank's internal rulings and Group codes versus the requirements of the Notice and its conclusions served as the basis for the identification by the Group, of the required action plans to solve the identified gaps and respective prioritization, proposed actions and corresponding implementation deadlines.
- The Board of Directors promoted the revision of the organizational structure and the adjustments of the responsibilities of each one of the collegiate bodies and of the internal control functions versus the additional responsibilities imposed by the Notice. In that sense, it promoted the revision of its own regulations and also the ones of its several Committees, including the Audit Committee, in order to align the competences and responsibilities defined therein, as well as the decision-making circuits and of communication between the Board of Directors, the Audit Committee, the internal control functions and the Supporting Committees of the Board of Directors, with the requirements of the Notice.
- The definition of a model for the classification of deficiency's risk was made to be transversally applied by the three internal control functions of the Group within the scope of their activities as 2nd and 3rd line of defence of the Internal Control System of the Group, in accordance with the definitions deriving from the application of the Instruction's provisions, notably the adoption of a new method for the classification of deficiencies, categories of risk and deficiencies reporting model.
- The Group's perimeter was also defined, i.e., the entities to be included, or not, in the perimeter of the Group's self-assessment report, as set forth by article 58 (1 e) of the Notice.
- Training actions, internal and external, were also carried out on the impact of the Notice and of the instruction on the internal control system, on the corporate governance model and on the organizational culture, which comprised 96 Employees, of whom 15 members of the management and supervisory bodies, 39 members of senior management and 25 key-functions members. The Compliance Office included in its

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2021 Action Plan the carrying out of training sessions for the remaining employees of the Bank, in order to disclose the impact of the Notice on their activities.

The *gap analysis* made by the External Auditor, the results of which were analysed and reported to the Board of Directors and to the Audit Committee of the Bank, was able to identify a number of themes that require intervention and the main gaps were identified concerning the new themes that the Notice regulates and wherein it introduced a in-depth change.

Due to the number of very significant changes that the Notice introduces and as a result of the several initiatives mentioned above, the Group developed an action plan with the purpose of structuring and establish a timeline for all the adjustments necessary to comply with the requirements of the Notice until the reference date of the forthcoming reporting, 30 November 2021. This plan comprises, among other initiatives:

- Revision of the internal regulations of the Group and of its subsidiaries, to ensure the formalisation and alignment of the internal procedures with the requirements defined in the Notice.
- Ensure the formalisation of contracts for the common services provided by the internal control functions.
- Ensure the internal and external availability of all the documents mentioned in the Notice.
- Adjustment of the periodical reports of the internal control functions to the requirements of the Notice.

The Report also contains a description (i) of the organizational structure and of the corporate governance model of the Group, which are in line with the market's best practices on corporate governance issues, including the assignment of responsibilities to the Board of Directors, which is duly detailed in the Corporate Governance Report (ii) of the plan of actions for the provision of training on themes foreseen in the Notice, attended and to be attended by the members of the management and supervisory bodies, by the remaining senior managers and by the key-function holders of the Group's entities and, (iii) the methodology developed to classify the internal control deficiencies.

Within the scope of the Report, a description and characterisation is also made on the deficiencies open on the reference date – 31 January 2021. A set of deficiencies with an impact on the Group's internal control system was identified, all with risk level F2 (Medium) and F1

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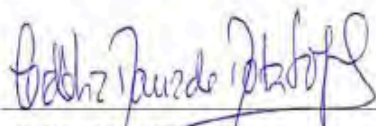
(Low), except 12, considered to be risk F3 (High), and one considered to be risk F4 (Severe). All deficiencies provide for measures and deadlines for their respective correction.

Individual self-assessment reports of the Bank, as the parent company, and of the subsidiaries included in the report's perimeter, which include the annual self-assessment/independence reports from the heads of the risk management, compliance and internal audit functions, were made in accordance, respectively, with articles 27, 28, and 32, of the Notice. These annual self-assessment reports confirm the independence of each one of the internal control functions.

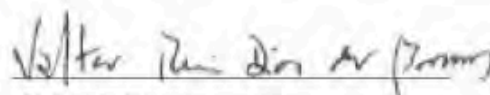
The Report also includes the assessment of the Group's management and supervisory bodies, in accordance with the provisions of articles 56 and 57 of the Notice, respectively.

Within the scope of the assessment to be made by the Group's supervisory body, the Audit Committee concluded, as a result of the work carried out, of the cumulative evidence collected, pondering the current and potential impacts of the deficiencies that remain open, as identified in the previous paragraphs, and considering the need to develop an additional set of procedures to fully comply with the requirements of the Notice, that the internal control system of the financial group is adequate and efficient and that there is coherence between the internal control systems of the subsidiaries and the one of the parent-company, in all materially relevant aspects, in accordance with the requirements of the Notice.

The Board of Directors also concluded, considering the above-mentioned open deficiencies and the gaps to resolve in order to fully adopt the Notice, that the internal control system of the financial group is efficient versus the requirements defined in the Notice.



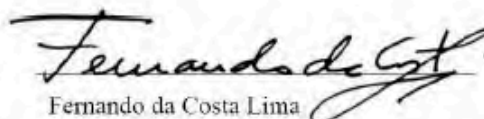
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Summary of the Self-Assessment Report (Individual)

This summary is presented in accordance with the requirements of article 60 of the Notice of Banco de Portugal 3/2020 ('Notice').

The Self-Assessment Report ('Report') prepared in accordance with the provisions of article 55 of the Notice, in force since 16 July 2020 and of Instruction 18/2020 of Banco de Portugal ('Instruction') contains the results of the self-assessment made by Banco Comercial Português, S.A. ('Bank') concerning the adequacy and efficiency of the organizational culture in force, its internal control and corporate governance systems, including the remuneration practices and remaining themes handled at the Notice, with reference to 31 January 2021.

The Report includes a description of the activities specifically developed, ongoing and planned for 2021, intended to ensure the implementation and compliance with the requirements of the Notice and of the Instruction.

The process for the adoption of the provisions of the Notice was developed by the Board of Directors of Group BCP. The activities developed were led by the parent-company and were continuously monitored by it in order to ensure the consistency of the internal control and corporate governance systems of the Group.

The project for the adoption of the Notice had an impact on the Bank's organizational structure and on its risk management and internal control systems. This process counted with the intervention of multi-disciplinary teams, conducted by the internal control functions and was followed-up very closely by the Board of Directors and by the Audit Committee of the Bank.

The work carried out for the adoption of the Notice included the initiatives transcribed hereafter:

- With the support provided by the external Auditor, the Board of Directors promoted the process for the preparation of a gap-analysis on the adequacy and alignment of the Bank's internal rulings versus the requirements of the Notice and its conclusions served as the basis for the identification by the Bank, of the required action plans to solve the identified gaps and respective prioritization, proposed actions and implementation deadlines.

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- The Board of Directors promoted the revision of the organizational structure and the adjustments of the responsibilities of each one of the collegiate bodies and of the internal control functions to the additional responsibilities imposed by the Notice. In that sense, it promoted the revision of its own regulations and also the ones of its several Committees, including the Audit Committee, in order to align the competences and responsibilities defined therein, as well as the decision-making circuits and of communication between the Board of Directors, the Audit Committee, the Control Functions and the Supporting Committees of the Board of Directors, with the requirements of the Notice.
- The definition of a model for the classification of risks and deficiencies was made to be transversally applied by the three internal control functions of the Bank, within the scope of their activities as 2nd and 3rd line of defence, of the Internal Control System of the Bank, in accordance with the definitions deriving from the application of the Instruction's provisions, notably the adoption of new methods for the classification of deficiencies, categories of risk and deficiencies reporting model.
- Training actions, internal and external, were also carried out on the impact of the Notice and of the instruction on the internal control system, on the corporate governance model and on the organizational culture, which comprised 94 Employees, of whom 15 members of the management and supervisory bodies, 37 members of senior management and 25 key-functions holders. The Compliance Office included, in its 2021 action plan, the carrying out of training sessions for the remaining employees of the Bank, in order to disclose the impact of the Notice on their activities.

The *gap analysis* made by the External Auditor, the results of which were analysed and reported to the Board of Directors and to the Audit Committee of the Bank was able to identify a number of themes that require intervention, the main gaps being identified regarding the new themes that the Notice regulates and those wherein it introduced an in-depth change.

Due to the number of very significant changes that the Notice introduces and as a result of the several initiatives mentioned above, the Bank developed an action plan with the purpose of structuring and establishing a timeline for all the adjustments necessary to comply with the requirements of the Notice until the reference date of the forthcoming reporting, 30 November 2021. This plan comprises, among other initiatives:

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- Revision of the internal regulations of the Bank to ensure the due formalisation and alignment of the internal procedures with the requirements defined in the Notice;
- Ensure the formalisation of contracts for the common services provided by the internal control functions;
- Ensure the internal and external availability of all the documents mentioned in the Notice;
- Adjustment of the periodical reports of the internal control functions to the requirements of the Notice.

The Report also contains a description (i) of the organizational structure and of the corporate governance model, which are in line with the market's best practices on corporate governance issues, (ii) of the plan of actions for the provision of training on themes foreseen in the Notice, attended and to be attended by the members of the management and supervisory bodies, by the remaining senior managers and by the key-function holders, and (iii) the methodology developed to classify the internal control deficiencies.

Within the scope of the Report, a description and characterisation is made on the deficiencies open on the reference date – 31 January 2021. A number of deficiencies are open, all with risk level F2 (Medium) and F1 (Low), except 8, one considered to be at risk level F4 (Severe) and 7 considered to be at risk level F3 (High). All deficiencies provide for measures and deadlines for their respective correction.

A part of the preparation of the Report, the annual self-assessment/independence reports of the heads of the risk management, compliance and internal audit functions, were also made in accordance, respectively, with articles 27, 28 and 32, of the Notice, and are included in the Report. In these self-assessment reports, each function describes its composition and main competences and responsibilities, being confirmed the independence of each one of the internal control functions by the respective heads (no incidences were reported). In addition, each report identifies which are the open deficiencies related with each function. There is only one deficiency with risk F4 “severe”, identified in the risk management function.

The Report also includes the assessment of the Bank's management and supervisory bodies, in accordance with Articles 56 and 57, of the Notice, respectively.

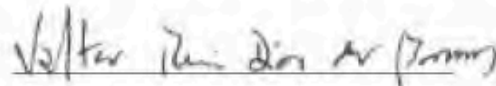
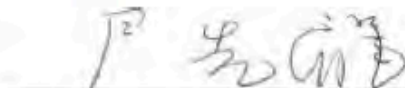
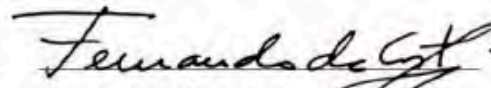
Within the scope of the assessment performed by the Bank's supervisory body, the Audit Committee concluded, as a result of the work carried out, of the cumulative evidence collected,

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pondering the current and potential impacts of the deficiencies that remain open, as identified in the previous paragraphs, and considering the need to develop an additional set of procedures to fully comply with the requirements of the Notice, on the adequacy and effectiveness of the internal control system and the organisational culture of the Bank in all materially relevant aspects, in accordance with the requirements of the Notice.

The Board of Directors also concluded, considering the above-mentioned open deficiencies and the gaps to resolve in order to fully adopt the Notice, on the effectiveness of the internal control system of the Bank versus the requirements defined in the Notice.


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