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.	Index for 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 must establish mechanisms to ensure, in an adequate and strict manner, the production, handling and timely disclosure of information addressed to its corporate bodies, shareholders, investors and remaining stakeholders, to the financial analysts and to the market in general.	Items: 21- Board of Directors, 55 to 65 and Recommendations: I.3.1. and I.3.2.	Compliant
I.2.1.(1) I.2.1.(2)	I.2.1. The companies should establish criteria and requirements concerning the profile of the new members of corporate bodies, that match the function to perform, being that, beyond individual attributes (such as competence, independence, integrity, availability and experience), those profiles must consider diversity requirements, particularly gender, able of contributing for a better performance of the body and for achieving balance in the respective composition.	Items:16, 17, 19, 24, 26, 33 and 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 its internal commissions must have internal regulations – namely on the exercise of the respective attributions, chairmanship, frequency of the meetings, functioning and duties of its members, fully disclosed on the website of the company, and minutes should be drawn from their meetings.	Items: 20 to 23, 27, 34, 61 and 67	Compliant
I.2.3.(1) I.2.3.(2) I.2.3.(3)	I.2.3. The composition, the number of annual meetings of the management, supervisory bodies and of its internal commissions should be disclosed through the company's website.	Items: 21, 23, 27 and 67	Compliant

	Recommendations and sub-recommendations from the Corporate Governance Code from IPCG.	Index for Items of Part I of the Report	Compliance
I.2.4.	I.2.4. The company must adopt a policy for the communication of irregularities (*whistleblowing*), able of ensuring the proper means to communicate and process the same, safeguarding the confidential nature of the information conveyed and of the informant, whenever such is requested.	Item: 49	Compliant
I.3.1.	I.3.1. The articles of association or other equivalent methods adopted by the company must set up mechanisms to ensure that, within the boundaries of the applicable legislation, it is permanently ensured to the members of the management and supervisory bodies, the access to all information and employees of the company to assess the performance, the standing and development prospects of the company, including, namely, the minutes of meetings, the documents supporting the decisions made, the call notices and the filing of the documents relating to the meetings of the executive management body, without damaging the access to any other documents or to people to whom explanations 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. By an internal regulation or equivalent mean, the members of corporate bodies and committees are bound 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 to 22, 27, 49, 89 to 91	Compliant
I.4.2.	I.4.2. Procedures must be adopted to guarantee that the member in conflict does not interfere in the decision-making process, without harming the duty of providing the information and clarifications that the body or commission or the respective members may eventually ask.	Item: 20	Compliant
I.5.1.	I.5.1. The management body must disclose, in the corporate governance report or by other mean available to the public, the internal procedure to verify transactions with related parties.	Items 10, 37, 89 to 91	Compliant
I.5.2.(1) I.5.2.(2)	I.5.2. The management body must communicate the results of the internal procedure to verify transactions with related parties to the supervisory body.	Items:10, 89 to 91	Compliant

	Recommendations and sub-recommendations from the Corporate Governance Code from IPCG.	Index for Items of Part I of the Report	Compliance
II.1.(1) II.1.(2)	II.1. The company must not establish an excessively high number of share required to confer the right to one vote and must explain in the corporate governance report its option whenever the same implies a deviation to the principle that to one share shall correspond one vote.	Items: 5, 12, 14 and 48 Not applicable	Compliant
II.2.	II.2. Companies 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.	Items: 5, 12, 14, 48	Non-compliant but explained
II.3.	II.3. The company must implement the appropriate means for the participation of the shareholders at the general meeting by electronic means, under terms proportionate to their size.	Item: 12	Compliant
II.4.	II.4. The company must also implement adequate resources for the exercise of the right to use the remote vote, including by mail and by electronic means.	Item: 12 (first part)	Non-compliant but explained
II.5.(1) II.5.(2)	II.5. The 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.	Items: 5 and 13	Non-compliant but explained
II.6.(1) II.6.(2)	II.6. Defensive measures should not be adopted if they imply payments or the assumption 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 free transferability of shares and the free appraisal by the shareholders of the performance of members of the management body.	Item: 4	Compliant
III.1.	III.1. Without damaging the legal functions of the chairperson of the board of directors, if this one is not independent, the independent directors should appoint from amongst them a a coordinator to, namely: (i) act, whenever necessary, as the interlocutor with the chairperson of the board of directors and with the remaining directors; (ii) make efforts so that they dispose of the necessary means and conditions to be able to perform their functions; and (iii) coordinate them in the assessment of the performance by the management body as foreseen i recommendation V.1.1.	Item: 18	Non-compliant but explained

	Recommendations and sub-recommendations from the Corporate Governance Code from IPCG.	Index for Items of Part I of the Report	Compliance
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 commission for financial matters must match the size of the company and the complexity of the risks inherent to its activity and enough to efficiently ensure the functions entrusted to them and this value judgement must be described in the governance report.	Items:18 and 21	Compliant
III.2.(2)		Item 21 - Audit Committee	
III.2.(3)		(Not applicable)	
III.3.	III.3. In any case, the number of non-executive directors must exceed that of executive directors.	Item: 18	Compliant
III.4.	III.4. Each company must include a number not inferior to one third, but always plural, of non-executive directors complying with the independence requirements. 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: 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.	Index for 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 (cooling-off period).	Item: 18	Not applicable
III.6.(1) III.6.(2)	III.6. 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 prior to their approval by the management body.	Item: 21 - Audit Committee, 27 a) and 37	Compliant
III.7.(1) III.7.(2) III.7.(3)	III.7. The companies must set up specialized internal commissions to deal, separately or cumulatively, with the matters on corporate governance and assessment of performance. In case the remunerations commission foreseen by article 399 of the Companies Code has been set up and such is not forbidden by law, this recommendation may be complied with through the attribution to this commission of competences on said matters.	Items: 22, 24, 27 and 29	Compliant
IV.1.(1) IV.1.(2)	IV.1. The management body must approve, through an internal regulation or an equivalent mean, the performance regime of the executive directors and their exercise of executive functions in entities outside the group.	Item: 21 - Executive Committee and 26-B	Compliant
IV.2.(1) IV.2.(2) IV.2.(3)	IV.2. The management body should assure that the company acts in accordance with its objectives, and should not delegate its competence, namely, with respect to: i) definition of the strategy and general policies of the company; ii) organization and coordination of the entrepreneurial structure; iii) issues which should be considered strategic due to their amount, risk or special features.	Item: 21 - Board of Directors	Compliant
IV.3.(1) IV.3.(2)	IV.3. In the annual report, the management body explains in what terms the strategy and the major policies defined seek to ensure the long-term success of the company and which are the main contributions thar result for the community in general	Item: 21 - Board of Directors and Audit Committee and 27 a) Committee for Risk Assessment and Annual Report - Business Model, Strategy, Risk and Outlook and non-financial information, etc.	Compliant
V.1.1.(1) V.1.1.(2) V.1.1.(3)	V.1.1. The management body must assess every year its performance as well as the performance of its commissions and of delegated directors taking into account the compliance with the company's strategic plan and with the budget, the management of risks, the internal functioning of the management body and the contribution given by each member for that purpose as well as the relations established between the company's bodies and commissions.	Items: 24 and 25	Compliant

	Recommendations and sub-recommendations from the Corporate Governance Code from IPCG.	Index for Items of Part I of the Report	Compliance
V.2.1	V.2.1. The company must set up a remunerations commission, the composition of which ensures its independence versus management. It may be a remunerations commission appointed in accordance with article 399 of the Companies Code.	Items: 66 and 67	Compliant
V.2.2	V.2.2. The setting up of the remunerations should be a responsibility of the remunerations commission or of the general meeting, pursuant to a proposal made by that commission.	Items: 66 and 67	Compliant
V.2.3.(1) V.2.3.(2)	V.2.3. For each mandate, the remuneration commission or the general meeting, pursuant to a proposal made by that commission, must also approve the maximum amount of all the compensations to be paid to a member of any body or commission of the company due to the respective termination of functions and that situation and respective amounts must be disclosed by means of the governance report or the remunerations report.	Items: 66, 69, 76, 80, 83 and 84	Compliant
V.2.4.	V.2.4. In order to be able to provide information or explanations to the shareholders, the chairperson or, in his/her impediment, other member of the remunerations commission must attend the annual general meeting of shareholders and in any other of the respective agenda includes an item related with remuneration of the members of the company's bodies and commissions or if such attendance is required by shareholders.	Items: 66 and 67	Compliant
V.2.5.	V.2.5. Within the budgetary limitations of the company, the remuneration commission must be able to freely decide the engagement by the company of the advising services that are required or convenient for the exercise of its functions.	Items: 25, 27-b) and 67	Compliant
V.2.6.	V.2.6. The remunerations commission must guarantee that these 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 its express authorisation	Items: 25, 27-b) and 67	Compliant
V.2.7.	V.2.7. Bearing in mind the alignment of interests between the company and executive directors, a portion of their remuneration should be of a variable nature to reflect the sustained performance of the company and does not encourage excessive risk-taking.	Items: 69, 71 and 73	Compliant
V.2.8.(1) V.2.8.(2)	V.2.8. A significant portion of the variable component must be partially deferred in time for a period not inferior to three years, associating it to the confirmation of the performance sustainability, in accordance with the terms defined by the company by means of a regulation.	Items: 69 and 72	Compliant
V.2.9	V.2.9. When the variable remuneration comprehends the attribution of options or other instruments that are directly or indirectly dependent on the value of the shares, the beginning of the exercise period must be deferred for a period of time not inferior to three years.	Item: 85	Not applicable

	Recommendations and sub-recommendations from the Corporate Governance Code from IPCG.	Index for Items of Part I of the Report	Compliance
V.2.10.	V.2.10. The remuneration of the non-executive members of the management body should not include any component whose value depends on the performance or value of the company.	Item: 69	Compliant
V.3.1.	V.3.1. 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.3.2.	V.3.2. Unless the size of the company does not justify it, the function of follow-up and support to the appointment of senior managers must be attributed to a nominations commission	Item: 27-b)	Compliant
V.3.3.	V.3.3. This commission includes a majority of independent non-executive members.	Items: 17 and 27-b)	Compliant
V.3.4.	V.3.4. The nominations commission must make available its terms of reference and must induce, in the extent of its competences, transparent selection processes that include effective mechanisms for the identification of potential candidates and that those presenting the greatest merit, are better suited for the demands of the function are selection to be included in the proposal. It must also promote, within the organization, an adequate diversity, including of gender.	Items: 17, 24 and 25	Compliant
VI.1.(1) VI.1.(2)	VI.1. The management body must debate and approve the strategic plan and the risk policy of the company, including the definition of risk levels deemed acceptable.	Items: 21- Board of Directors, 27-a), 53 and 54	Compliant
VI.2.(1) VI.2.(2) VI.2.(3)	VI.2. The supervisory body must set out its internal organization by implementing periodical control mechanisms and procedures aiming at ensuring that the risks effectively incurred by the company are consistent with the objectives established by the management body	Items: 21 - Audit Committee, and 50 to 54	Compliant
VI.3.(1) VI.3.(2)	VI.3. The internal control system, comprising the risk management function, compliance and internal audit, should be structured in terms that match the size of the company and the complexity of the risks inherent to its activity and the supervisory body must assess it, within the scope of its competence to supervise the effectiveness of this system and propose the required adjustments.	Items: 50 to 54	Compliant
VI.4.	VI.4. The supervisory body must issue an opinion on the work plans and on the resources allocated to the services of the internal control system, including the risk management functions, compliance and internal audit and may propose the adjustments deemed necessary.	Items: 21 - Audit Committee, 50 to 55	Compliant

	Recommendations and sub-recommendations from the Corporate Governance Code from IPCG.	Index for Items of Part I of the Report	Compliance
VI.5.	VI.5. The supervisory body must be the recipient of the reports made by the internal control services, including the risk management functions, compliance and internal audit 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 - Audit Committee, 50-a) and 55	Compliant
VI.6.(1) VI.6.(2) VI.6.(3)	VI.6. 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.	Item: 54	Compliant
VI.7.(1) VI.7.(2)	VI.7. The company must establish supervision procedures, periodical assessment and of adjustment of the internal control system, including an annual assessment of the degree of internal compliance and the performance of that system, as well as the projections to change the previously defined risk framework.	Items: 21 - Board of Directors and 54	Compliant
VII.1.1.	VII.1.1. The internal regulations of the supervisory body must impose that it supervises the adequacy of the process for the preparation and disclosure of financial information by the management body, including the adequacy of the accounting policies, of estimations, of judgements, of relevant disclosures and their consistent application in the different financial years, in a duly documented and communicated way.	Items: 21 - Audit Committee, 37 and 55	Compliant
VII.2.1.	VII.2.1. Through an internal regulation, the supervisory body must define, in accordance with the applicable legal requirements, the supervision procedures aimed at ensuring the independence of the statutory auditor.	Items: 21 - Audit Committee, IV. Statutory Auditor and 45	Compliant
VII.2.2.(1) VII.2.2.(2)	VII.2.2. The supervisory body should be the main item of contact of the external auditor 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, Title IV-Statutory Auditor and 45	Compliant
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