

BCP GROUP
ANNUAL REPORT

2ND INTERNAL CONTROL SYSTEM
REPORT ON COMBATING
CORRUPTION

2 0 2 4

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1. FRAMEWORK

Based on Decree-Law No. 109-E/2021, of December 9 (“DL No. 109-E/2021”), which establishes the General Regime for the Prevention of Corruption (“RGPC”), the Banco Comercial Português Group (“BCP Group”) has implemented the [Plan for the Prevention of Corruption Risks and Related Infractions](#) (“PPRC”) within the mechanisms and systems that comprise its compliance program.

Under the provisions of the RGPC (incorporated into the PPRC), the first Annual Report of the Internal Control System for Combating Corruption (“Report”) was prepared in 2023, with reference to September 30, 2023. This report was approved by the Compliance and Operational Risk Committee and is available on our website, millenniumbcp.pt.

Considering the Report, the BCP Group presents its second report, covering the period from October 2023 to November 2024.

During the period under review, no events were recorded that could be classified as corruption or related offenses, making it unnecessary to prepare a report with the same level of detail as the previous one.

In this regard, the present report refers to the detailed content of the previous report, dated September 30, 2023, particularly the descriptions in its chapters and subchapters (namely: 2. Objectives and Reporting Model; and 3. Prevention of Corruption Risks and Related Offenses within the BCP Group, except for subchapter 3.5.).

2. CONTROL SYSTEMS

The BCP Group implements and renews its internal control mechanisms and systems, both directly and indirectly, focusing on combating corruption, specifically with the aim of preventing and mitigating potential cases of corruption. These mechanisms are duly established in our internal regulations and are reflected in the behaviors we promote among our board members, supervisory bodies, employees, and service providers. Their effectiveness can be demonstrated through the reports issued regarding the communication of irregularities identified in section 2.2.

Among the mechanisms identified throughout this report, we highlight the introduction of two significant instruments in combating related offenses:

1. The creation of a Fraud Prevention Area within BCP's Compliance Office, responsible for monitoring and supervising the controls implemented by the Group's entities to manage fraud risk. This area focuses on effective prevention, timely detection, and rigorous response, as well as developing comprehensive strategies to mitigate various fraud risks (both external and internal), strengthening internal controls through coordination with the first and third lines of defense; and

2. The creation of a Group Code that defines the concepts, general principles, and guidelines applicable to the prevention, detection, and combat of fraud within the BCP Group. Key elements of the Group Code include the creation of a common fraud taxonomy, the establishment of specific responsibilities for each of the three lines of defense, and the outlining of general governance and reporting principles that all entities within the Group must adhere to.

2.1 Updated Standards

To assess the timeliness and effectiveness of the internal control system for combating corruption and related offenses, we conducted an analysis of the regulations the BCP Group relies on, either directly or indirectly. This analysis revealed that the BCP Group maintains a continuous process of updating the regulations that guide its activities, triggered by changes in the regulatory framework, the adoption of best practices, or the identification of potential gaps that need to be addressed. In this way, the Group ensures regular and ongoing compliance with applicable regulations and best practices.

| Standard | Number of Revisions 01/10/2023 to 30/11/2024 | Publication Date | Scope of Application |
|---|--|--|---|
| Anti-Money Laundering and Counter Financing of Terrorism Policy | 1 | 19/08/2024 | BCP Group ¹ |
| Code of Conduct | 2 | 07/10/2023 27/03/2024 | BCP Group |
| Policy for the Prevention and Management of Conflicts of Interest | 1 | 02/08/2024 | BCP Group |
| Authorization of Expenses, Negotiation and Awarding of Purchases, Payment Authorization, and Invoice Processing | 1 | 20/02/2024 | BCP Group em Portugal ² |
| Credit granting, monitoring, and recovery | 4 | 30/11/2023 22/01/2024 09/07/2024 27/09/2024 | Banco Comercial Português Banco Activobank |
| Development of Products and Services | 2 | 13/12/2023 11/04/2024 | BCP Group in Portugal |

¹ Grupo BCP e subsidiárias no exterior que não são constituídas em base consolidada com o Banco Comercial Português S.A.;

² Banco Comercial Português, S.A., Banco Activobank, S.A. e Interfundos – Sociedade de Gestão de Fundos de Investimento Imobiliário, S.A.;

| | | | |
|--|---|--------------------------|---|
| Policy on the Reporting of Irregularities | 1 | 28/02/2024 | Banco Comercial Português Banco Activobank |
| Regulatory Process on Related Parties | 2 | 29/11/2023 02/08/2024 | Banco Comercial Português Banco Activobank |
| Policy for the Management and Processing of Claims | 1 | 14/10/2023 | Banco Comercial Português Banco Activobank |
| Anti-Corruption and Anti-Bribery Policy | 1 | 30/05/2024 | BCP Group |

2.2 Communication of Irregularities

In the period from December 1, 2023, to November 30, 2024, the BCP Group monitored and analyzed all reported irregularities, assessing whether any warranted further investigation. The reported irregularities – except for those deemed clearly inappropriate – were duly and thoroughly investigated by the BCP Group with the utmost diligence. This list reflects the circumstances that were reported and investigated.

| Comunicação | Classificação | Qualificação |
|---|---------------|--|
| 1) Inability to Access the Account. | Non-Anonymous | Given the alleged facts, this situation was not considered an irregularity under the Policy on Communication of Irregularities and, consequently, was also not deemed a case of corruption or a related offense. |
| 2) External Fraud Affecting a Bank Client. | Non-Anonymous | Given the nature of the complaint and the parties involved, it was determined that the fraud occurred outside the Bank. Therefore, it was not classified as an irregularity under the Policy on Communication of Irregularities, nor as a case of corruption or a related offense. |
| 3) A Client Disputed the Quality of Service Received at a Branch. | Non-Anonymous | Given the alleged facts, this situation was not considered an irregularity under the Policy on Communication of Irregularities and, consequently, was also not deemed a case of corruption or a related offense. |
| 4) Client Questioned the Bank About a Delay in Processing a Transfer. | Non-Anonymous | Given the alleged facts, this situation was not considered an irregularity under the Policy on Communication of Irregularities and, consequently, was also not deemed a case of corruption or a related offense. |

| | | |
|---|---------------|--|
| 5) Potential Risk Associated with the Breach of the Duty of Confidentiality. | Non-Anonymous | <p>Based on the information provided, although it was initially considered a potential irregularity under the Policy on Communication of Irregularities, it was concluded to be a technical issue related to maintaining the confidentiality of information during conversations with clients.</p> <p>Consequently, it was not classified as a case of corruption or a related offense.</p> |
| 6) A Client Filed a Complaint About Difficulty Accessing Their Account. | Non-Anonymous | <p>After analyzing the facts presented, it was concluded that the issue was limited to a technical matter attributable to the client.</p> <p>Thus, this situation was not considered an irregularity under the Policy on Communication of Irregularities and, consequently, was also not deemed a case of corruption or a related offense.</p> |
| 7) An Individual Alleged That Their Condominium Account Was Being Accessed by a Company Using Forged Meeting Minutes. | Non-Anonymous | <p>Based on the information provided, the alleged facts were not considered an irregularity under the terms of the Policy on Communication of Irregularities and, consequently, were also not classified as a case of corruption or a related offense. This decision was based on the lack of sufficient data in the reported information that would enable the Bank to categorize the alleged facts as a case of corruption or a related offense.</p> |
| 8) Report by a Member of the Workers' Committee Regarding the Misuse of the Committee's Email. | Non-Anonymous | <p>Given the alleged facts, this situation was not considered an irregularity under the Policy on Communication of Irregularities and, consequently, was also not deemed a case of corruption or a related offense.</p> |
| 9) A Client Informed the Bank That a Third Party Was Illegitimately Communicating on Their Behalf. | Non-Anonymous | <p>Given the alleged facts, this situation was not considered an irregularity under the Policy on Communication of Irregularities and, consequently, was also not deemed a case of corruption or a related offense.</p> |

| | | |
|---|---------------|--|
| 10) A Client Informed the Bank That the Lack of Diligence by Several Employees Resulted in Their Company Entering PER (Special Revitalization Process). Additionally, They Reported a Potential Corruption Case Without Providing Sufficient Details. | Non-Anonymous | <p>Based on the information provided, it was considered that the potential offense of "passive corruption in the private sector," as defined and penalized under Article 8 of Law No. 20/2008, of April 21, might be at issue.</p> <p>The Audit Directorate conducted an investigation into the alleged facts but did not identify any evidence supporting the reported irregularities.</p> <p>Following a formal inquiry with each of the Bank's employees involved and an analysis of the presented evidence, it was concluded that there was no basis for any of the allegations.</p> |
| 11) A Letter Was Addressed to a Member of the Board of Directors Alleging the Crimes of Theft and Document Forgery. | Anonymous | The Audit Directorate conducted an investigation into the facts mentioned in the complaint but found no evidence to support the allegations. For this reason, the complaint was deemed unfounded and subsequently archived. |
| 12) A Client Disputed a Delay in the Processing of a Transfer. | Non-Anonymous | Given the alleged facts, this situation was not considered an irregularity under the Policy on Communication of Irregularities and, consequently, was also not deemed a case of corruption or a related offense. |
| 13) An Employee Alleged an Attempted Fraud by a Client. | Non-Anonymous | The Audit Directorate investigated the facts mentioned in the complaint and confirmed the existence of actual fraud resulting from the forgery of documentation submitted by the client. This led to the termination of the contractual relationship with the client and a subsequent report to the DCIAP (Central Department of Investigation and Penal Action). As the complaint originated from an employee, the internal procedure is considered effective. |
| 14) Complaint Regarding Suspicious Transfers to a Specific Current Account. | Anonymous | To date, the bank is still in the investigation phase. |

| | | |
|---|-----------|--|
| 15) Complaint Regarding Suspicious Transfers to a Specific Current Account. | Anonymous | To date, the bank is still in the investigation phase. |
|---|-----------|--|

As shown in the summary table below, we found that, after analyzing the 15 communications received through the "Report Irregularities" channel or other channels provided by the BCP Group, in accordance with the applicable legislation, two situations were identified that required a detailed analysis:

1. A circumstance of corruption was alleged in case 10. However, based on the evidence presented, it was concluded that there is no basis for any of the allegations.
2. The second circumstance relates to case 13, where a client allegedly committed fraud to obtain credit. According to the definition of corruption or related offenses established by Decree-Law No. 109-E/2021, it was not considered as such, as it did not fall under the scope of "fraud in obtaining credit." Additionally, the forged documents were immediately detected by the employee.

The fact that the report was made by an employee demonstrates that the internal control procedures were effective in fulfilling their purpose. In response, the bank terminated the contractual relationship with the client and made the corresponding report to the DCIAP, thereby addressing the identified situation.

| | Total Communications | Anonymous | Non-Anonymous | Cases of Corruption |
|------------|----------------------|-----------|---------------|---------------------|
| BCP | 15 | 3 | 12 | 0 |
| Activobank | 0 | 0 | 0 | 0 |

After becoming aware of a potential situation of corruption or related offense, the BCP Group conducts an assessment of the adequacy of the mechanisms implemented to prevent the occurrence of the mentioned circumstance. In case 13, it was concluded that the adopted mechanisms were adequate, sufficient, and proportionate.

It is important to emphasize that the BCP Group maintains the highest standards of diligence to ensure that all potential irregularities, regardless of the channel through which they are reported, are detected, categorized, and analyzed, with the appropriate internal procedures applied, as established.

2.3 Training

As part of its internal communications, the BCP Group published six articles on the intranet between the fourth quarter of 2023 and November 2024, addressing, both directly and

indirectly, the topic of corruption and related offenses. The goal of these publications was to ensure that all employees were fully informed about the applicable regulations.

| | Compliance Fraud Cases | Invoice Fraud Cases | Zero Tolerance for Corruption | Essential Fraud | External Fraud | Internal Fraud |
|------|------------------------|---------------------|-------------------------------|-----------------|----------------|----------------|
| Data | 12/10/2023 | 30/01/2024 | 12/03/2024 | 15/10/2024 | 22/10/2024 | 29/10/2024 |

With the aim of fostering a culture of transparency and communication, we shared, through the articles, the available channels for our employees and third parties to report irregularities. This procedure reflects our strong commitment to promoting an ethical and integrity-driven work environment, where everyone feels comfortable reporting any irregularities.

On September 30, the BCP Group launched a training program aimed at deepening the issues related to corruption and related offenses, complementing the existing training on the Code of Conduct, which also addresses this topic and is regularly updated. As of the issuance of this report, the completion rate of the training was 46%, with full completion scheduled for February 25, 2025.

3. MAIN RISKS

Following the activities carried out by the BCP Group and as part of the ongoing monitoring in areas with higher exposure to the risk of corruption and related offenses, it was concluded that the internal control systems and anti-corruption mechanisms implemented in these areas are adequate and sufficient to mitigate these risks.

Each banking activity and process with a higher potential for exposure to corruption was classified based on the identified corruption risk, following the methodology described in the PPRC. The table below presents the classifications assigned to each banking activity and process with high exposure potential, considering the residual risk. These classifications were evaluated and approved by the Compliance and Operational Risk Committee on July 20, 2023.

The Compliance Office highlights the absence of events warranting a review of the assessments of banking activities and processes with higher potential exposure to the risk of corruption and related offenses, remaining in compliance with the residual risk classification previously conducted in November 2023.

Residual Risk Classification for Banking Activities and Processes with Potentially Higher Exposure

| Banking Activities and Processes with Potentially Higher Exposure | Probability of Occurrence | Severity of Impact | Residual Risk Classification |
|--|---------------------------|--------------------|------------------------------|
| Authorization of Extraprofessional Activities | Low | Low | Low |
| Analysis of Suspected Money Laundering and Terrorism Financing Cases | Low | Moderate | Low |
| Commercial Customer Service | Low | Moderate | Low |
| Allocation and Acceptance of Donations and Sponsorships | Low | Low | Low |
| Credit Granting | Low | Moderate | Low |
| Procurement of Goods or Services | Low | Moderate | Low |
| Management of Legal and Administrative Processes | Low | Moderate | Low |
| Preparation of Financial and Accounting Information | Low | Moderate | Low |
| Recruitment | Low | Low | Low |
| Transactions in Financial Markets | Low | Moderate | Low |

4. CONCLUSION

The BCP Group, through its Compliance Office, in collaboration with the Risk Office and the Audit Directorate, considers that the internal control system for preventing the risk of corruption and related offenses is adequate and proportional to the risks identified in the PPRC. In this regard, it is concluded that:

(1) Zero-Tolerance Approach:

The BCP Group adopts a zero-tolerance policy toward practices that directly or indirectly constitute circumstances of corruption and related offenses, reaffirming its strong commitment to ethics and integrity.

(2) Effectiveness of the Internal Control System:

The BCP Group's internal control system, comprising appropriate procedures, mechanisms, and policies, is considered robust and effective in mitigating the risks identified in the PPRC. At this time, no revisions to the system are recommended.

(3) Training and Awareness of Our People:

BCP Group employees receive regular and appropriate training on policies and procedures related to the prevention of corruption and related offenses, ensuring they are fully aware of their responsibilities and obligations.

(4) Proactive Approach to Risk Management and Mitigation:

Although no areas requiring immediate improvement have been identified, the BCP Group remains committed to maintaining a proactive approach to managing and mitigating the risk of corruption. This commitment includes the continuous review of internal procedures and the implementation of preventive measures against acts of corruption.

(5) Absence of Detected Circumstances of Corruption:

The BCP Group has not identified any circumstances that could constitute acts of corruption or related offenses, reflecting the effectiveness of the internal control system and the organization's ethical culture.

Porto Salvo, 20th December 2024

Pedro Dias

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