

Social responsibility

BPI interprets its corporate responsibility as being the set of duties and obligations the Institution is bound by towards the community of which it forms a part and to the specific interest groups that depend on its activity: Customers, shareholders, Employees and investors, represented in the capital market where the shares are subjected to permanent scrutiny.

From this perspective, the exercise of corporate social responsibility assumes multiple dimensions of quite contrasting natures which from the outset entail compliance with the Law and applicable regulations, the observance of specific conduct rules, the corporate governance policy and its execution, the relationship with Investors, the promotion of quality service and the policy of human resources advancement, as well as the support for initiatives within society in fields such as solidarity, culture, education and research, innovation and entrepreneurship and the environment.

As has become customary, BPI's Annual Report deals with each one of these topics under specific chapters, duly highlighted in the text, while presenting in this chapter an overview of the Bank's involvement in each one of the major themes in which the exercise of BPI's social responsibility is referred to.

CORPORATE GOVERNANCE POLICY

Since its inception BPI has pursued a set of practices and guiding principles, the application of which ensures a diligent, effective and balanced management of the interests of all its Shareholders and other stakeholders.

Some of the structural pillars of BPI's governance policy are the creation of value as management's overriding objective, the adoption of best market practices in terms of communication and the dissemination of information, the independence of executive management *vis-à-vis* any Shareholder or specific interest groups, and the commitment to stringent standards of ethical and professional conduct. These aspects are described in greater detail in a specific annual report which BPI has published since 2000, when such practice was not yet mandatory for quoted companies in Portugal.

The bank has implemented – in the majority of cases ahead of time –, the corporate governance recommendations emanating from the CMVM (Portuguese securities market commission), while also keeping

abreast of the pronouncements and publications on this matter of the European Commission, the OECD and other national and international bodies.

INVESTOR RELATIONS

BPI attributes great importance to keeping an open and transparent relationship with shareholders, investors, financial analysts, the authorities and other capital market players.

Consequently and long before it was already common practice amongst companies listed on the stock exchange, BPI created in 1993 a structure dedicated exclusively to this end – the Investor Relations Division which reports directly to the Executive Committee of the Board of Directors and to the Chairman of the Board of Directors.

The dissemination of accurate, timely, regular, clear and unbiased information that is relevant for assessing its shares listed on the stock market constitutes one of BPI's primary concerns.

In the BPI Group's Corporate Governance Report information is provided about the investor relations' activity undertaken in 2013.

QUALITY OF SERVICE

The maintenance of superior service-quality standards for its Customers has always been a BPI distinguishing hallmark.

The Bank's action in the realm of service quality is centred on 3 fundamental pillars:

- Market: monitoring of the quality perceived by the market through the analysis of the internal and external service-quality indices.
- Customers: adoption of methodologies for enhancing the quality of Customer attendance.
- Internal: monitoring of the in-house quality of service provided to the commercial network by the structures involved in the business processes.

During the course of 2013, BPI stepped up its work involving the internal methods for gauging Customer satisfaction, not only by way programmes for supporting

and monitoring service quality within the commercial teams but also through the systematised dissemination of training-related and information content. This action permitted achieving very positive results in the primary indices and market surveys.

As concerns the market's evaluation:

- according to the ECSI Portugal – National Customer Satisfaction Index, BPI maintains its relative position amongst the banks surveyed, occupying in 2013 third position in the satisfaction index, and with 85% of BPI Customers declaring their satisfaction with the service received;
- the Financial System's Base Survey (BASEF), published by Marktest, confirms once again that BPI boasts the highest level of satisfaction amongst the Portuguese financial system's five largest banks as regards the overall and attendance satisfaction indicators, a leading position it has always held, as well as satisfaction with products. The same survey also places BPI in first place with respect of share of abandonment;
- mystery Customer – Branch Attendance – presented its historical peak in the first half of the year, repeating this feat again at the end of the year.

Turning to in-house instruments for monitoring Customer satisfaction:

- Service Quality Index (SQI-Bank), the annual satisfaction index which gathers Customers' opinions about the quality of the service provided by the Bank as an organisation, reaches its historical high in 2013;
- Service Quality Index (SQI-Branch), principal index monitoring Customer satisfaction with the service received by the Bank. Based on a quarterly survey, it presented its historical maximum point since it was first launched in 2004 at the end of the year.

ADVANCEMENT OF HUMAN RESOURCES

4 366 Employees received training in 2013, in a total of 67 thousand hours. The training provided with recourse to different methodologies (classroom, e-learning and on-the-job) had as its prime goal the development of technical and behavioural skills for backing up commercial activity, thereby preparing Employees for the new market challenges. The Bank maintains its support for academic training, with a view to encouraging the ongoing personal and professional advancement of its Employees.

Still in this respect, it is worth mentioning in 2013 the launching of a programme of 250 paid internships with a duration of 1 year, integrated as part of the Movement for Employment programme, a joint initiative of the Fundação Calouste Gulbenkian and COTEC Portugal in partnership with the Instituto do Emprego e Formação Profissional. This initiative which will materialise at the beginning of 2014, seeks to combat unemployment amongst young qualified people. It attracted more than 7 200 candidacies and will entail a cost of 1.5 million euro for BPI and of 1.95 million euro for the State.

PATRONAGE

In the exercise of the patronage aspect of its social responsibility, BPI is governed by the following principles of action: privileged relationship with first-class institutions in Portuguese society; the logic of continuity which permits entities, through a long-term bond, to effectively plan their activities; and preferential support for projects and teams which clearly demonstrate the ability to become sustainable over the short term.

In 2013, the Bank intensified yet again its backing for initiatives involving the society in which it expresses social responsibility, with a total contribution of 4.79 million euro, in response to the manifestations of the needs of institutions arising from the country's present macroeconomic situation. In the last 7 years, the Bank has contributed an average figure of around 4.35 million euro per annum.

BFA – Banco de Fomento Angola, in which BPI has a 50.1% shareholding, continued to support important activities through its social fund. At the end of 2013 the social fund's net assets totalled 18 million dollars.

In the social solidarity arena, the following were the most salient initiatives:

- The Solidarity Campaign – Ajude uma Criança a Sorrir (Help a Child to Smile) – which enabled offering gifts to some 20 thousand children from 466 regional solidarity institutions. The 676 Christmas trees in BPI commercial outlets were decorated with a card which indicated the name and the present that each child wanted for Christmas. The presents were offered by the Bank's Customers and Employees. Besides the distribution of the presents, BPI also participated with a donation of 200 euro to each institution. Still as regards this initiative, BPI continued to make donations to institutions operating at national level. In total, a total of 160 000 euro was given in the Christmas period to solidarity institutions around the country.
- Renewed support for Raríssimas – Associação Nacional de Deficiências Mentais e Raras (for the mentally handicapped), which contributed to making viable the inauguration of the Casa dos Marcos in November 2013. This is an innovative project on a transnational scale directed at those suffering from rare diseases, the respective families, carers and friends, through the availability of a series of specialist services, including a residential home and an occupational activities centre.
- Other noteworthy initiatives in this domain are the renewal of backing for EPIS – Empresários pela Inclusão Social, whose activity is centred on combating failure and school abandonment; to Fundação de Direitos Humanos Pró-Dignidade; to Novo Futuro – Associação de Lares para Crianças; to Cruz Vermelha Portuguesa; to BUS – Bens de Utilidade Social; to Igreja N.ª Senhora de Fátima; to Liga do Hospital D. Estefânia; to Associação Crescer Ser; to Oficinas de S. José; to Associação Crianças Desaparecidas, to Caritas de São Miguel and to REAPN – Rede Europeia Anti-Pobreza.



BPI Solidarity. Thank you.

In Angola, BFA lent its support to the following initiative:

- Projecto Hospital Pediátrico (paediatric hospital project) – as part of the celebration of its 20th anniversary + 1 million Customers. BFA co-funded the acquisition of equipment for the Centro de Apoio ao Doente Anémico, of the Hospital Pediátrico David Bernardino, endowing it with the best attendance conditions under the out-patient regime.
- Projecto Palanca Parade – Social responsibility which involved artists, brands and companies in Angola, and whose mission is to canvass support for underprivileged children in need of minor surgery to correct physical deficiencies. BFA invited the artist Guilherme Manpuya to paint BFA's Palanca.
- Projecto Banco Alimentar Angola (food bank) – BFA associated itself with the Food Bank as Official Bank. The project which began to be structured in 2013 envisages a broad array of initiatives in 2014.
- Projecto Taça Palanquinhas Super Cuia – BFA sponsored the 2nd staging of the child-juvenile soccer tournament known as “Taça Palanquinhas Super Cuia”. It is a social responsibility project which involved some 3 500 children aged between 8 and 12.

In Mozambique, BCI continued to support the Associação “Amigos sem Fronteiras” (friends without borders) promoting the availability of an amount earmarked for the payment of costs directly related to the higher education of underprivileged children who are residing at the University Training and Support Centre located in the city of Beira.

In the context of the public commitment assumed to apportion part of the revenue generated by the utilisation via POS of its “Daki” debit cards in transactions realised by its Customers, channelling this for supporting social solidarity causes and institutions without any additional charges for the card holders, BCI gave donations to the following institutions: Instituto Nacional de Gestão de Calamidades (INGC); PIRCOM; Hospital Rural de Morrumbala; Hospitais Gerais de Mavalane e da Machava; Centro de Saúde da Polana-Caniço; Organização Não-Governamental “Aldeia de Crianças SOS de Moçambique” and Casa do Gaiato.

In the Health field, BCI followed through its concerted blood-donor action at national level and the regular donation of quantities of child milk to the Paediatric Ward of the Hospital Geral da Machava.

Still in this domain, of note was the support provided for the staging in Maputo of the 7th Conference dealing with colon, uterus, breast and prostate cancer in Africa with the objective of raising awareness, testing and access to the prevention of those diseases on the African continent.

The long-term sponsorships were renewed for the Federação Moçambicana de Futebol (FMF) (national football federation), the Clube de Desportos da Costa do Sol, the Clube Ferroviário de Maputo, the Clube Desportivo da Universidade “A Politécnica”, the Grupo Desportivo Têxtil do Púngué and the Liga Desportiva Muçulmana de Maputo.

Culture

BPI continued to sponsor in 2013 renowned national institutions dedicated to the arts, such as the Museu de Serralves (museum) and the Casa da Música (concert hall), of which the Bank was a founder, and to the Fundação Calouste Gulbenkian (foundation), with whom it associated for the 12th consecutive year in the cycle of Great World Orchestras.

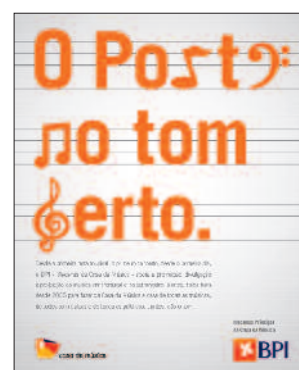
- Sole Patron of the Museu de Serralves, which registered more than 423 thousand visits in 2013.
- Patron of the Great Annual Exhibition in 2013 entitled “Mel Bochner – Se a Cor Muda” which received more than 90 thousand visitors.
- Patron of “Serralves em Festa” – 40 hours of non-stop culture, with more than 100 activities, more than 256 cultural sessions and more than 90 thousand visitors in 2013.
- Chief patron of Casa da Música, with more than 500 thousand visitors in 2013, of whom 237 thousand were spectators.
- Patron of Sala Suggia, known as the heart of the Casa da Música, with more than 100 thousand spectators.
- Patron of the festival “À volta do Barroco”, a festival where the performers were renowned artists and groups attached to the Casa da Música.

- Sponsor of “Verão na Casa” (summer at home), with a wide variety of shows on the Avenida dos Aliados, which terminated with two big concerts given by the Orquestra Jazz de Matosinhos and the Symphony Orchestra, which attracted 10 thousand spectators.
- Patron of the cycle of concerts of the Great World Orchestras 2013, with more than 8 thousand visitors.
- BPI sponsored a retrospective show of Filipe Oliveira Baptista, a Portuguese fashion designer with great international projection on the world fashion stage. “Filipe Oliveira Baptista” is the first exhibition at MUDE–Museu do Design e da Moda, dedicated to a creator of national fashion. Starting in October, the exhibition received some 60 thousand visitors by the end of the year.
- In 2013, BPI signed a protocol with the Museu Nacional de Arte Antiga with the aim of re-installing this museum’s Collection of Portuguese Paintings and Sculpture.

Also meriting mention was the renewal of patron status of the Fundação Casa de Mateus, Museu de Arte Contemporânea de Elvas, Centro Nacional de Cultura, Museu do Caramulo, Teatro Viriato in Viseu and the support given to the Fundação Luís Miguel Nava and to Árvore – Cooperativa de Actividades Artísticas. Continuity was also given to its backing for the Vila do Conde International Short Film Festival and to the Jornal As Artes entre as Letras.



Serralves and BPI. Together for culture.



Porto in the right tone.

In Mozambique, BCI maintained the status of patron of the Espaços Museológicos (music venues) under the aegis of the Universidade Eduardo Mondlane. 2013 was also marked by the strengthening of the partnership with the Fundação Malangatana Valente Ngwenya (FMVN). One of the ways to afford greater visibility to the partnership and to attain its goals translated into the placing on BCI branches' walls of posters depicting details of the Bank's art collections, amongst which panels in iron which were exhibited at the Bank's head office branch – an original work by the master Malangatana, an exclusive piece forming part of BCI's collection.

Several exhibitions were staged, together with the launching of a number of literary works which took place at the Bank's Mediateca.

The Bank also renewed its patronage of the Companhia Nacional de Canto e Dança (CNCD) (song and dance company) and the Academia "Dança Para Ti" (dance academy).

It maintained the partnership for the 3rd consecutive year with the Associação dos Escritores Moçambicanos (AEMO) (national writers guild), promoting the awarding of the BCI Annual Literature Prize. It also gave its backing to the staging of cultural festivals and the VIth consecutive edition of the "Festival da Marrabenta".

Education and research

In the education and research field, BPI had protocols in place with a total of 32 tertiary education institutions at the end of 2013. The most noteworthy included the long-term protocols with the Instituto Superior Técnico, with special mention of the backing for the "IST Innovation Seminars" and the social support for students from the PALOP's (African Portuguese-speaking countries); with the Fundação para a Ciência e Tecnologia as a sponsor of the Lisbon MBA; with Universidade Nova de Lisboa – Economics Faculty; with Universidade Católica Portuguesa; with Fundação Escola Americana de Lisboa; with Escola de Tecnologias Navais da Armada, with Escola de Fuzileiros da Armada and with Universidade do Algarve in the granting of 5 Excellence Bursaries in the amount corresponding to a year's tuition fees.

With the object of actively contributing to increasing financial literacy, BPI undertook for the third consecutive year a series of initiatives at public and private schools devoted to "The importance of saving". In 2013, it was present at 187 sessions involving more than 10 thousand participants. This initiative is a response to the challenge launched by the National Financial Education Plan promoted by the Bank of Portugal.

In 2013, also worth noting was the protocol signed with the Ministry for Education and Science which permitted the creation of the Key for Schools PORTUGAL project, the main medium-term objective of which is to contribute to the population's widespread certification of English-language proficiency, conferred by one of the world's most celebrated learning institutions, namely Cambridge University, and one of the most reputable English-proficiency certification institutes, the Cambridge English Language Assessment. Mention is also made the ongoing support for the Jus Gentium Conimbrigae and for the Instituto de Direito Penal Económico e Europeu (European and economic penal law institute), both attached to Coimbra University's Law Faculty, as well as the cooperation with the Catholic University's Associação Escola Superior Biotecnologia.

In Angola, BFA established a close alliance with the Catholic University, which translated into the distribution of annual prizes to the best Economics and Management Faculty students and the sponsorship of the MBA Atlântico course.

In Mozambique, BCI renewed the partnership with the Universidade Eduardo Mondlane, through the granting of study bursaries to students with limited financial means; the Universidade Pedagógica – Delegação de Nampula received backing for the feasibility of an innovative concept for enhancing access to the new technologies in the Nampula Province. The predominant guideline in previous years, characterised by the incentive for and adoption of Excellence through the rewarding of merit and good academic performance, was followed through with the presentation of prizes to the best final-year students at the Graduation ceremonies held at more than 20 Medium and Higher Education institutions scattered around the entire country.

Innovation and entrepreneurship

In 2013, BPI sponsored and organised a number of initiatives advocating innovation and entrepreneurship, which are presented in the chapter of this report dedicated to the “BPI Brand”, and which included: the 1st edition of APPY DAY BPI, the launch of the Agricultural Prize and the support for the EXIT TALKS initiative.



APPY DAY – 24 hours to create the best APP (advertising campaign).

For the 4th consecutive year, the Prémios BPI Inovação awards were presented, and which are designed to reward BPI Employees who propose ideas which promote innovation with respect to the bank's products, services or processes.

Special mention is made of the work done at iTGROW – Software e Sistemas, ACE, an innovative joint-venture project in Portugal backed by BPI and Critical Software which focuses on the IT qualification of recent graduates by means of a training and proficiency-honing programme conducted in a professional environment. In 2013 it is worth highlighting the partnership with Coimbra University in the launching of the “Acertar o Rumo” programme. This refers to a professional training programme directed at young university graduates – in domains with a strong base founded on logical and mathematical rationale – with talent, the will to learn and to commit to alternative areas with good career opportunities, namely in the Information Technologies arena.

BPI was a sponsor for the 5th consecutive year of the New Idea Competition, a Business Plan Competition for students of the Universidade Nova de Lisboa. The initiative is promoted by the UNL Dean's Entrepreneurship Office with the goal of affording students an integrated-learning experience in the entrepreneurial sphere. In the 2013, the 1st BPI Prize went to Suitappliances, a project aimed at renewing the appearance of old equipment at reduced prices.

Conservart, a tool conceived to create and manage all the files and / or artistic works relating to conservation, received the 2nd BPI Prize. The 3rd BPI Prize was presented to Seabooking, a digital platform which aggregates the best maritime activities, offering tourists search and price-comparison features.

BPI supported for the 8th consecutive year and since its creation the PME Inovação COTEC BPI Prize, sponsored by COTEC with the aim of honouring small and medium-sized enterprises (SME) with innovative attitude and businesses, serving as examples of value creation for the country.

In 2013, the first prize went to Imperial – Produtos Alimentares, S.A. and WIT – Consultoria e Software para a Internet Móvel, S.A. The jury gave an honourable mention to SISCOG – Sistemas Cognitivos, S.A., for its innovative business.

6th edition of FAZ – Prémio Empreendedorismo Inovador na Diáspora Portuguesa, sponsored by COTEC, which annually honours those Portuguese who distinguish themselves abroad as entrepreneurs in their host countries. Mapril Baptista was the winner of the 2013 edition.

Environment

In the environmental responsibility field, BPI gave continuity to a number of internal initiatives which contributed to preserving the environment through the reduced consumption of energy and paper.



Welcome to the digital world (advertising campaign)

In 2013, the Bank reduced from 700 to 80 the number of servers required to support the Bank's applications used by Customers and Employees in a project which permitted, by means of the virtualisation of servers, curbing energy consumption. Throughout the year, the document-management process was extended to lending operations, resorting to the digitisation of documents which contributed to decreasing the flow of physical processes at the Bank.