

BANCO COMERCIAL DO ATLÂNTICO, S.A.**Anti-Money Laundering and Terrorist Financing Policies****Disclosure Statement****1. Administrative Information**

- **Legal name:** BANCO COMERCIAL DO ATLÂNTICO (BCA)
- **Place of incorporation:** Praia, Cabo Verde
- **SWIFT / BIC Code:** BCATCVCV
- **Data established:** 1st September, 1993
- **Registered at:** BCV - Banco de Cabo Verde
- **Registration N^o:** Nr. 01/2000
- **Banking License:** Nr. 294, issued 6th September, 1993
- **Tax identification N^o:** 200151606
- **Legal status:** Joint stock company
- **Shareholder:**

SHAREHOLDERS	SHARE	AMOUNT (CVE)	%
AGRUPAMENTO CGD/INTERATLÂNTICO	697.446	697.446.000	60,193%
CGD	631.328	631.328.000	54,487%
BI	66.118	66.118.000	5,706%
INPS	-	0	0,000%
CAIXA GERAL DE DEPOSITOS	89.504	89.504.000	7,725%
GARANTIA	76.322	76.322.000	6,587%
TRABALHADORES	27.418	27.418.000	2,366%
ASA - AEROPORTO E SEGURANÇA AÉREA, SA	28.780	28.780.000	2,484%
OUTROS ACCIONISTAS	239.217	239.217.000	20,646%
TOTAL	1.158.687	1.158.687.000	100,000%

- **Head office/legal address:** PO Box 474, Avenida Amílcar Cabral
Praia -Santiago
Cabo Verde
- **Regulators:** Banco de Cabo Verde www.bcv.cv

- **Financial Institution Register:** Nr. 01/2000
- **External Auditors:** Ernst & Young – Audit & Associados – SROC, S.A.
- **AML contact:** Compliance Support Office
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2. Relevant International and National Framework

2.1 International Recommendations:

Cape Verde is a member of the Intergovernmental Action Group on Money Laundering in Africa (GIABA) that was established by the Authority of Heads of State and Government of the Economic Community of West African States (ECOWAS) in the year 2000, being one of the main answers and contributions of ECOWAS in the fight against money laundering. GIABA is a specialized institution of ECOWAS, responsible for the prevention and control of Money Laundering and Terrorist Financing in the West African Region and has been an associate member of the FATF since June 2010.

Cape Verde has also been a member of the Egmont Group since 1 February 2017. The Egmont Group assemble 152 Financial Intelligence Units, and provides a platform for the safe exchange of knowledge and financial intelligence in combating money laundering and terrorist financing.

BCA is a financial institution very committed and involved in the fight against money laundering and the financing of terrorism, whereby observes the policies developed and promoted by the FAFT / GIABA and seeks to adapt and update its internal procedures in order to comply with the recommendations relatives to the prevention of money laundering, namely:

- 40 FAFT / GIABA Recommendations (developed in 1990, revised in 1996, 2003, 2004 and 2012) that establish an embracing and consistent system of measures that countries must adopt to combat money laundering and terrorist financing, as well as the financing of the proliferation of weapons of mass destruction. Considering that countries have diverse legal, administrative and operational systems and different financial systems, which makes it impossible for them to take the same measures to counter threats, these recommendations have established an international standard that countries must adopt to identify risks and develop policies and Coordination, constituting an advanced, complete and consistent framework of measures to combat money laundering and terrorist financing.
- 9 FATF / GIABA Special Recommendations issued in October 2001 when the FATF decided to expand its mandate to also address the issue of financing terrorist acts and

organizations, taking an important step in creating Special Recommendations on Terrorist Financing that were revised in 2003 together with the other 40 recommendations, being (40 + 9) universally recognized as the international standard for preventing money laundering and countering the financing of terrorism (AML / CFT).

In addition, BCA has adopted all measures and policies implemented and recommended by its majority shareholder - Caixa Geral de Depósitos, SA.

2.2 National Legislation and Regulation:

At the national level, the Government of Cape Verde has been making efforts in this fight through the adoption of modern legislation on combating money laundering and terrorism and its financing, approved in April 2009 and January 2013, respectively, and revised in March 2016 absorbing all best practices and especially FATF recommendations.

The implementation of new structures aimed at prevention, such as the creation and operation of the FIU - Financial Information Unit, as well as a more adequate control of the financial institutions installed in Cape Verde, is also of great importance in this field as well as the Supervision by the Central Bank - Banco de Cabo Verde - and the government, which can be observed through the following laws and regulations:

- **Law Nr. 78 / IV / 93 of 12/07** - Punish the conversion, transfer, concealment of assets or products resulting from drug trafficking;
- **Law 38 / VII / 2009 of 20 April** with changes made by **Law 120 / VIII / 2016 March 24** - The establishment of measures to prevent and combat crime, property, values and money laundering rights;
- **Decree-Law Nr. 9/2012** - with the organization, competence and functioning of FIUs- Financial Intelligence Unit, established by **Decree-Law Nr. 1/2008, of 14/01**. Currently working with the Ministry of Justice;
- **Law Nr. 27 / VIII / 2013 of 21 January** with changes made by **Law Nr. 119 / VIII / 2016 of 24 March** - establishing measures for the prevention and repression of terrorism and its financing;
- **Notice nº 5/2017** – Notice about conditions, mechanisms and procedures required to effectively fulfill the preventive duties of money laundering and terrorist financing in the scope of the provision of financial services subject to the supervision of the Bank of Cape Verde.

3. Measures to Prevent Money Laundering (AML) and Combating the Financing of Terrorism (CFT) in the BCA.

The BCA defines policies and procedures that ensure that the operations are carried out in accordance with the current national legislation regarding AML and CFT.

According to BCA internal policies (in compliance with national regulations and international recommendations), all its departments should apply equivalent measures, in relation to customer identification, correspondent banking and document retention.

Internal compliance policies and procedures, such as internal control, risk assessment and risk management and auditing, are also implemented to prevent money laundering and terrorist financing.

As the majority shareholder is CGD, BCA adopts and complies with the additional measures defined by the shareholder to prevent the risk of money laundering and terrorist financing. In addition, BCA have an application that automatically identifies and manages the risk of money laundering in accordance with national and international regulations.

BCA has a AML / CFT program that identifies, mitigates and manages the risk of money laundering and terrorist financing. The program (**M.P. Nº 001 2019 - GESTÃO DE RISCO - RISCO COMPLIANCE - LAVAGEM DE CAPITAL E COMBATE AO TERRORISMO**) was approved by the Executive Committee and is a responsibility of all departments that should, all times and in all circumstances, observe the letter and spirit of the laws, regulations, codes of conduct and good practices.

Since Cape Verde is a member of the Intergovernmental Action Group on Money Laundering in Africa (GIABA), which is an associate member of the FATF, BCA has decided to implement the following measures:

Compliance Office: Creation and implementation of the Compliance Office, which is a top-level body, supported by an independent structure, permanent and effective of control and monitoring compliance of the obligations that emanate of laws, regulations, rules of conduct, ethical principles and other duties to which the Institution is subject. The objective of this Board is to ensure the coordination of the overall management of compliance risk in the BCA by encouraging the mitigation of compliance risks and the implementation of adequate measures for the resolution of detected deficiencies or defaults in close collaboration with the other BCA departments. For that:

- Develops measures and procedures, monitors and regularly evaluates their suitability and effectiveness, to detect any risk of non-compliance;
- Monitors and assesses internal control procedures for the prevention of money laundering and terrorist financing and is responsible for centralizing the information and communication to the competent authorities;
- Tracks and analyses the operations of the BCA with a view to preventing money laundering, combating terrorist financing and preventing market abuse, ensuring that identified suspicious situations are reported to the competent authorities;
- Ensures the identification of situations of compliance risk and its mitigating or corrective measures, ensuring the follow-up of the implementation and the continuous monitoring of the activity from the point of view of compliance;

- Promotes actions that contribute to an organizational culture of compliance in the BCA, based on high standards of ethics and integrity, ensuring compliance training for all BCA employees,
- Respond to the official entities in all questions on this subject;
- Develops staff training program.

Internal measures and procedures: Elaboration and implementation of a compliance risk management model that aims to establish an integrated set of permanent and systematic processes that ensure an appropriate understanding of the nature and magnitude of compliance risks underlying the activity developed, thus contributing to an adequate implementation of BCA's strategy and mission. This model aims to manage risk through its identification, analysis, classification and selection of treatment and follow-up with a view to its mitigation.

Independent audit and compliance review function: Implementation of an internal audit system that has specific audit programs to evaluate the compliance function and the Compliance Office reviews the compliance of all policies and operational procedures related AML / CFT. Audit and compliance programs are approved by the Executive Committee.

Knowledge and monitoring of the client: Definition and application of internal policies and procedures that ensure compliance with the obligation of identification of its clients (in compliance with the **Notice of the Bank of Cape Verde Nr. 3/2017**) and makes use of computer tools to monitor the transactions carried out by its clients who are regularly filtered by comparison with relevant lists to identify sanctioned entities and PEPs.

Politically Exposed Persons (PEP's): Enhanced due diligence on PEPs transactions or beneficial owners who are PEPs

Holders of Other Political or Public Charges: Through a filtering system BCA closely monitors transactions which clients or beneficial owners exercise or have held political or public positions as defined in **Article 2 (2) of Law 120 / VIII / 2016 of March 24, 2016**.

Anonymous or numbered accounts: BCA does not provide customers anonymous or numbered accounts.

Document Conservation: Keep documents related to customer identification, as well as proof of transactions (in paper format, or any other), for a period of 7 years after it has been made, even if the business relationship has already terminate.

Suspicious Operations Monitoring: Monitor suspicious operations with the collaboration of BCA employees, especially agency employees and also by a computer application, using a risk-based approach. BCA have an application that allow in real-time the filtering by confronting relevant listings to identify sanctioned entities and PEPs, and according to the client's risk profile, monitor the transaction and detect transactions suspicions.

Suspicious Operations Communication: Implement internal policies and procedures in order to comply with its legal obligation to centralize the operation and report to the competent authorities on suspected transactions of money laundering or terrorist financing.

Communication of relevant bank transactions on accounts and verification of transfers: Report relevant banking transactions that exceed CVE 1,000,000.00 (or less if suspected) to the competent authorities, in particular to the Financial Intelligence Unit. The details of the International Money Transfer (IMT) transactions such as the name of the payer and the payee and address are checked against the international lists. BCA has implemented internal policies and procedures in order to comply with applicable legislation.

Training: Definition of measures and procedures for the prevention of money laundering and terrorist financing, and every year provide AML / CFT training to all units, especially those in the commercial network, about detection and communication of suspicious transactions.

Recruitment and follow-up of Employees: The recruitment of employees is based on rigorous criteria and high performance requirements (suitability, honesty, responsibility and technical capacity in the performance of duties) and BCA has implemented processes that guarantee continuous access to training and knowledge and that protect the safety of the identity, honesty and integrity of employees.

Correspondent Banking: Implementation of a due diligence procedure's manual based in risk criteria that includes knowledge of the correspondent business's nature, license to operate, quality of its management, ownership and effective control and its AML / CFT policies. In addition, a continuous monitoring of the correspondent's accounts is carried out. The establishment of relations of correspondence, regardless of their degree of risk, is subject to the deliberation of the Executive Committee, and the principles of managing compliance risk in BCA, as defined in the regulations in force, must be safeguarded, and the Compliance Function Support Office (GFC) is responsible for filling the gaps arising from its interpretation or possible omissions.

Shell Banks: BCA does not establish or maintain business relations with Shell Banks.

Payable-through Accounts: BCA does not provide this type of service.

Evaluation of transfers against international lists: Set up a computerized solution to filter the incoming transfers and send against the lists of sanctioned persons and entities, issued by the CFSP, CSNU, OFAC, among others.

Sanctions Policy: Elaboration of a compliance program, which includes the international sanctions policy, which is managed by the Compliance Office, which is responsible for assessing whether the sanctions policy complies with applicable laws and sanctions, monitors on a regular basis, and promotes the necessary changes in order to be improved.

Implementation of a set of policies and procedures to ensure that the Institution does not establish or maintain business relations, nor does it process operations for / in the benefit of sanctioned persons, entities or countries. In this sense, it filters out clients and stakeholders in operations against the lists of persons and entities sanctioned, issued by the CFSP, CSNU, OFAC, among others. BCA's sanctions policy is available on the BCA website: www.bca.cv

4. Wolfsberg AML Questionnaire

Follows the principles established in Wolfsberg AML Questionnaire regarding AML / CFT. BCA's Wolfsberg AML Questionnaire is available on the BCA website: www.bca.cv.

5. USA Patriot Act Certificate

According to the Uniting and Strengthening America by Providing Appropriate Tools Required to Intercept and Obstruct Terrorism Act 2001, BCA can always be requested to provide Certification Regarding Accounts for Foreign Banks. The BCA's USA Patriot Act is available on the BCA website: www.bca.cv

Banco Comercial do Atlântico

May 15, 2020