BancoBNI
Banco de Negócios Internacional

Anti-Money Laundering and Counter Terrorism Financing Policy (AML/CTF)

Compliance Division (CD)

July | 2019

International Business Bank
Che Guevara Av., nº 42-A- Maculusso Borough
Ingombota Municipality
Luanda - Angola
POBox/Postal Code 578

Tel: +244 222 632 900

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Ingombota Municipality
Luanda - Angola
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1 | INICIAL PROVISIONS

1.1. Scope

In compliance with the laws, regulations, and recommendations of the relevant international entities on Money Laundering Prevention and Combating Terrorist Financing (hereinafter AML/CTF), The International Business Bank (hereinafter referred to as "BNI" or "Bank") has defined a set of control policies, procedures and systems in order to identify, evaluate, monitor and mitigate the potential risks inherent in its customers and their business relationships.

1.2. Objective

The Anti-Money Laundering and Anti-Terrorist Financing Policy ("Policy") aims to ensure that BNI complies with legal and regulatory rules on the prevention of money laundering and terrorist financing, avoiding its involvement in operations related to those types of crimes.

In this context, this policy aims to:

- Establish the guiding principles, parameters of action and due diligence to be adopted by BNI in the prevention, detection, management and mitigation of money laundering and terrorist financing risks, as well as the effective enforcement of restrictive and international sanctions;
- Ensure compliance with legal and regulatory requirements in the prevention of money laundering and the financing of terrorism;
- To safeguard the Bank's exposure to situations that include a potential risk to configure the crime of money laundering and/or terrorism financing;

1.3. Concepts and Definitions

The listed concepts should prevail throughout the text of the policy, with its formulated definition:

1. **Internal system control**: Is the integrated set of policies and processes, permanent and transversal to the whole institution, carried out by the management body and other employees in order to achieve the objectives of, efficiency in the implementation of operations, risk control, reliability of accounting information and management support, and compliance with legal regulations and internal guidelines;

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2. **Money Laundering (ML):** Any event designed to conceal the nature and origin of funds from illicit activities foreseen in the Law, in order to make these funds appear legitimate. In general, this process comprises three stages, namely placement, concealment and integration;

3. **Terrorist Financing (TF):** Collection of funds intended for terrorism, regardless of the legality of such funds;

4. **Correspondent bank:** A financial institution that establishes a partnership agreement with another financial institution to be represented;

5. **A Front bank:** a financial institution incorporated in a state or jurisdiction in which it has no physical presence involving administration and management and is not part of a regulated financial group;

6. **Beneficiary (BEF):** Natural persons who are the last owners or final control of a customer or persons in the interest of which an operation is carried out, and shall include:

I. **In the case that the client is a collective:**

   a. Individuals who ultimately hold direct or indirect ownership or control of 20% or more of the company's capital or the voting rights of the collective, other than a company listed on a regulated market, subject to information requirements in accordance with international standards;

   b. Individuals who, otherwise, exercise control over the management of the legal person or collective.

II. **If the client is a legal entity that manages and distributes funds:**

   a. The Individuals benefiting from at least 20% of their assets when future beneficiaries have already been determined;

   b. The category of individuals in whose main interest, the collective has been incorporated or is active, when future beneficiaries have not yet been determined;

   c. Individuals who exercise control not less than 20% of the assets of the collective.

7. **Suspicious transactions:** Transactions with strong evidence of being related to or configure the practice of money laundering, terrorist financing or other crimes;

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8. **Conflict of Interest:** Occurs when an employee, through the exercise of his or her duties, may intervene or influence a decision or decision process in which he/she directly or indirectly has a personal interest, from which he/she may derive potential advantage for himself/herself, family members, friends or known;

9. **Chief Compliance Officer (CCO):** Responsible for the implementation of the anti-money laundering and terrorist financing prevention system, including its internal control procedures, and also responsible for centralizing information and reporting on money laundering operations and the financing of terrorist financing and terrorism to the Financial Intelligence Unit and other competent authorities.

10. **Politically Exposed Persons (PEPs):** Individuals who have held, or held for a year, political or public positions, as well as close family members and persons who are known to have close corporate or business relationships with them.

1.4. Applicability

Pursuant to the effects of this policy, in particular regarding the powers and responsibilities as those provided for therein, it is considered that the *Chief Compliance Officer* (**"CCO"**) is responsible for *the Compliance Division* (**"CD"**) who in turn, is the organic unit responsible for the implementation of this Policy.

This Policy applies to all BNI Employees, and the principles, rules and procedures described are mandatory.

1.5. Liability

Within the scope of the Bank's obligations:

a) The Board of Directors (BD) approves and revises this Policy, promotes an institutional culture in the framework of **AML/CTF**, based on an adequate and effective internal control system, consistent with current legislation and appoints the compliance officer.

b) The Executive Committee (EC) to implement the strategy for preventing money laundering and combating terrorist financing;

c) The Compliance Division (CD):

   i. Implement, monitor and evaluate internal procedures for prevention and detection of **ML** and **TF**;

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ii. Assess actions to be taken following detection of customers and/or suspicious transactions and actual customers or beneficiaries on sanction lists;

iii. Report operations liable to configure the practice of money laundering and terrorist financing to the FIU and other competent authorities;

iv. Report to the Internal Control Committee (ICC) information on the risk assessment carried out and the effectiveness of the implementation of measures under the prevention of money laundering and terrorist financing and to propose the adoption of improvement measures that may be deemed necessary

d) Internal Audit Division (IAD) periodically and independently assess the procedures, processes and controls internally instituted on the **ML** and **TF** prevention program.

1.6. Obligations in AML and CTF headquarters

The **Law No. 34/11, of 12 December**, established preventive and repressive measures to combat the laundering of illicit advantages and the financing of terrorism, such actions are criminalized in Articles 60 and 64. ° in conjunction with **Law No. 03/14 of 10 February**, concerning the offenses underlying money laundering and terrorist financing.

In the prevention and prosecution of these crimes, the Bank and its employees are legally subject to a set of obligations, which are as follows:

i. **Identification and Verification Obligation:** The Bank shall require the identification and verification of the identity of its customers, and if applicable, their representatives and beneficial owner;

ii. **Due Diligence:** In addition to identifying customers, their representatives and beneficial owners, the Bank should obtain information on the purpose and intended nature of the business relationship, know the customer's risk profile and adjust its due diligence procedures and the degree of risk;

iii. **Obligation to refuse:** The Bank shall refuse to establish a business relationship, carry out an occasional transaction or even terminate the business relationship, provided that the identification and due diligence obligations are always met;

iv. **Retention obligation:** The Bank shall retain for a period of ten (10) years from the time the transaction is made or after the end of the business relationship the customer and transaction records;

v. **Reporting obligation:** The Bank shall, on its own initiative, immediately inform the Financial Intelligence Unit (FIU), whenever it knows, suspects or has sufficient reason to suspect that

a transaction likely to be taking place, ongoing or attempted. associated with the commission of the crime of ML/TF or any other crime;

vi. **Obligation to abstain:** The Bank shall refrain from executing any operations, provided that it is found to be justified on suspicion of constituting a crime;

vii. **Obligation to cooperate:** The Bank shall promptly provide cooperation to the FIU and supervisory and supervisory authorities upon request;

viii. **Confidentiality:** The Bank, the members of its governing bodies and all their employees may not disclose to the client or to a third party that they have transmitted legally due communications or that a criminal investigation is ongoing;

ix. **Control obligation:** The Bank shall have risk assessment, risk management, audit and internal control policies, processes and procedures in place, as well as adequate procedures to ensure stringent employee hiring criteria to enable them to at any time are able to comply with the obligations laid down by law;

x. **Training obligation:** The Bank must ensure adequate training for its employees and managers, in order to comply with the obligations imposed by **Law No. 34/11, of 12 December**, and regulations regarding the prevention and prosecution of money laundering and financing of terrorism.

1.7. Policy Approval and Amendment

Amendments to the previous version: Modifications were inserted in this Policy regarding the framework and the related procedures.

Amendment/Revision:

The present policy shall be subject to revision according to the following criteria:

- **Periodicity:** At least, every two years or whenever modifications in compliance are verified in the current regulation.
- **Author/Version:** Compliance Division/version 02.
- **Revision:** Compliance Division, so as to allow for the update, according to the Board of Director guidelines which may be deemed necessary and whenever:
  - Important alterations occur (i) in the market, (ii) in the Bank's strategic guidelines and/or (iii) in the regulation issued by the supervisory boards or other legislations

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that BNI is subjected to, as long as said alterations affect the necessary compliance under the rules.

- Alterations important to the organic or functional structure of the Bank are adopted, impacting the Quality Management System's relevant functions.

- **Approval:** in the justified periodicity, a new version shall be approved by the Board of Directors.

- **Disclosure and Access:** this policy's publication aims to contribute to the establishment of a controlled and strict environment effective in the operationalization of the processes related to acquiring the goods and services mentioned above.

This Policy's updated version has been disclosed and, made available and accessible in the form of an electronic file on the INTRANET, ensuring that its content may be consulted by any employee.

All printed copies are deemed non-controlled copies.

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2 | APPROACH TO THE AML/CTF PROGRAM

2.1. Framework

The anti-money laundering and combating terrorism financing program relies on a Risk Based Approach, in other words, the Bank must identify and assess the areas potentially vulnerable to money laundering and terrorism financing, as well as establish the controls for the different identified risks.

2.2. AML/CTF Internal Procedures and Methods

The Bank defined a set of internal regulations and Policies focused on the prevention of its involvement in possible money-laundering and terrorism financing situations, as way of safeguarding its reputation and financial stability. The **AML/CTF** policies are:

a) Client identification and acceptance policy;

b) Monitoring and analysis of high-risk accounts and entities policy;

c) Reporting on suspected operations and activities policy;

d) Establishment and maintenance of correspondent partnerships policy;

e) Sanctions Policy;

f) Training and awareness of **ML/TF** risks policy.

These documents are on continuous updating, ensuring that the Bank is, at any given moment, in Compliance with the several guidelines to which it is affiliated.

2.3. Obligation of identification and verification

The Bank adopts all the necessary procedures in order to assess the real identity of its clients, representatives and/or effective beneficiaries, according to the 12th December **Law nº 34/11**, whenever:

a) A business partnership is established;

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b) An amount equal or higher, in national currency, to the equivalent of USD 15.000,00 (fifteen thousand United States of America dollars), regardless of the transaction having been carried out in a single or multiple operations that appear to be connected to each other;

c) Operations, regardless of their amount, are suspected of being related to money laundering or terrorism financing crimes;

d) There are doubts about the authenticity or compliance of the client's identification data.

When the client is a legal person or an arrangement or, in any case, whenever there is knowledge or well-founded suspicion that a client is not acting of their own account, The Bank must obtain from said client the required information for the identification of their effective beneficiary, and take the appropriate measures to verify it, according to the risk of **ML/TF**.

The implementation of the obligation of identificaton comprises the following procedures:

a) The registration of identifying features regarding the clients, the representatives and effective beneficiaries of business partnerships and sporadic transactions;

b) Confirming the authenticity of the obtained identifying features.

The Bank must, in any circumstance, keep record of the details that clearly prove that it confirmed the authenticity of the identifying features.

According to article 22.° of **Law n° 34/11 of 12th January**, the Bank can resort to a third-party institution for the compliance of the obligation of identification of its clients, when said institution is a financial entity subject to the **AML/CTF** legal provisions and is qualified to do so. However, without prejudice to the third party's responsibility during the implementation of the obligation of identification, the Bank retains liability for the implementation's strict compliance.

Whenever it resorts to a third-party institution for the implementation of the obligation of identification, the Bank must, in case the amount of information received from the institution is insufficient and the associated risk justify it, complement said information and undertake a new identification.

2.4. Obligation of diligence

The duty of diligence alongside the duty of identification constitutes a procedure of client surveillance, and the Bank is obliged to its fulfillment whenever a business partnership is established or a sporadic transaction, of an equal or higher amount, in national currency, to the equivalent of USD 15.000,00 (fifteen thousand United States of America dollars), regardless of the

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transaction having been carried out in a single or multiple operations that appear to be connected to each other, is executed.

The Bank is also obliged to comply to the duty of diligence whenever, in the scope of a business partnership or any sporadic transaction, regardless of their amount, are suspected of being related to the crimes of money laundering or terrorism financing.

The Bank adopts the necessary procedures and norms in order to assess the real identity of its Clients, representatives and/or effective beneficiaries, as well as obtain all the information relevant and pertinent to the opening and maintenance of a commercial relationship, taking into account the following aspects:

a. The objective and motivation of the business partnership intended for establishment;

b. The origin and destination of the funds to be moved;

c. The nature of the income sources and the Client's patrimony, in order to assess its lawfulness;

d. The expectable transactional profile; and,

e. The coherence and consistency of the collected information in the face of the expectable transactional profile of the Client.

Although the guidelines on the **ML/TF** matter are applied to all new Clients, these should also be applied to the existing Clients based on weighed criteria of risk and materiality, in other words, as the rating process of the Client **ML/TF** risk is dynamic, the appropriate procedures shall be applied to all Clients and existing accounts according to the risk to them attributed or see their risk increase according to the criteria established by the Bank, in line with the current laws and regulations.

In accordance to what was said above, it is necessary to guarantee that all the business accounts, political parties, religious and charity organizations, foundations, trusts, offshore vehicles, among others, of the Clients that predominantly or exclusively resort to new technologies with Online platforms (Internet and Mobile Banking) or especially maintain non-presential and remote relations, are subjected to the adjusted KYC standards which assure that the identity of its final beneficiaries is obtained, as well as the transactional profile of said accounts.

The Diligence procedures shall be adapted according to the Clients' **ML/TF** level of risk. In this context, all the information collected by the Bank about the Client must be considered when establishing a relationship, just as in the course of the business relationship.

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3 types of Diligence were defined, according to the potential **ML/TF** risk automatically attributed by the Dixtior Compliance Solution tool, being described in detail the process and calculation formula in the Manual of **AML/CTF** Procedures. Based on this rating:

1. In cases where the Client represents low risk (risk level 1), medium low or medium (risk levels 2 and 3), normal Diligence procedures should be carried out;

2. In cases where the Client represents medium high or high (risk level 4 and 5) and in the specific cases defined in this Policy, reinforced Diligence (**"DD"**) procedures should be carried out; and,

3. Simplified Diligence procedures can be carried out in specific provisions of the Law (e.g.: Administrations or Public companies).

The possibility of implementation by third parties is also applicable to the duty of diligence, as was similarly stated on the compliance of the obligation of identification, although this situation can only take into account the following procedures:

a) The adoption of measures prone towards the understanding of ownership structure and clients' control when they are legal people or arrangements;

b) The information gathering on the business partnership's objective and nature;

c) The information collecting about the origin and destination of the funds to be moved by the clients.

2.4.1. Normal Due Diligence

According to article 5 (**Establishment of Business Partnerships**) of Notice nº 22/2012, the Bank must gather and maintain the information related to its clients, its representatives and effective beneficiaries, aside from verify the authenticity before the start of the business relationship, requesting at the very least, the following elements:

1. **Natural persons:**

The Bank owns a set of new account forms for natural persons' account in order to carry out the gathering of information, namely:

- Client's personal information file;
- Subscription forms;
- KYC (Know Your Customer) forms;

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- Self-certification form for Natural Persons according to the ***FATCA*** legislation.

The information to be collected and completed in the various account opening forms is in line with the information defined by law, namely:

a. Full name and signature;

b. Date of birth;

c. Nationality;

d. Full Home Address or, in case it's not possible, any other contacts that are considered valid by the financial banking institution;

e. Profession and employer, when they exist;

f. Name of the identification document used, identification number, expiration date and issuing entity;

g. Income nature and amount;

h. Tax Identification Number (NIF).

2. Legal Persons:

The Bank owns a set of new account forms for legal persons' accounts in order to carry out the gathering of information:

- Client's personal information file;
- Natural Persons' form with powers of movement;
- Subscription forms;
- KYC (Know Your Customer) form;
- Self-certification form for entities according to the ***FATCA*** legislation.

The information to be collected and to be completed in the various account opening forms is in line with the information defined by law, namely:

a. Full corporate name of the legal person;

b. Social object and purpose of the business;

c. Head office address;

d. Tax Identification Number (NIF);

e. Registration number of the commercial register;

f. Identity of the Unitholders in the capital and the collective voting rights equal to or greater than 20%;

g. Identity of the legal person's attorneys and their mandate.

3. **Sole traders:**

a. Social denomination;

b. Head office address;

c. The social object; and

d. All identifying elements required of Natural Persons.

4. **Centers of collective interest without legal personality:**

BNI shall proceed to the identification of Interests centers without legal personality (trusts) or similar legal instruments without legal personality, such as:

- The autonomous assets;
- Real estate condominiums in horizontal property;
- The underlying inheritances; and
- Trusts of foreign law.

Interest centers with no legal personality (trusts) or similar legal instruments are subject to the same identification procedures as collective individuals, at least identifying the following elements with the necessary adaptations:

- The founder (settlor);
- The trustee or trustees of trust funds;
- The healer, if applicable; and,
- BEF.

Commercial companies during the incorporation process, the opening and operation of the accounts is governed by applicable law.

2.4.2. Simplified Due Diligence

Unless there are suspicions of money laundering or terrorist financing, the Bank is exempted from compliance with the identification requirement when:

a) The customer is the State or a legal person governed by public law of any kind, integrated into central or local government;

b) The customer is a public authority or body subject to transparent and supervised accounting practices.

In accordance with Article 9 of **Law No. 34/2011 of 12 December 12**, paragraph 2, the Bank must in any case collect sufficient information (company name and address) to verify whether the client falls into one of the categories or professions above, for example by consulting reliable public information

Simplified due diligence procedures are the waiver or simplification of compliance with the following obligations:

- Identification and verification of the identity of its customers, and if applicable, their representatives, and the beneficial owner;
- Obtaining information about the purpose and intended nature of the business relationship;
- Obtaining information relating to clients that are legal entities or entities without legal personality, which allows to understand the ownership and control structure of the client; and
- Obtaining information, where warranted by the client's risk profile or transaction characteristics, on the origin and destination of funds handled in connection with a business relationship or in the conduct of an occasional transaction.

The following are examples of simplified due diligence, without prejudice to others that are more appropriate to the identified risks:

a) Verification of the identification of the client and the beneficial owner after the establishment of the business relationship;

b) Reducing the frequency of updates of elements collected in compliance with the duty of identification and due diligence;

c) The reduction of the intensity of continuous monitoring and the depth of analysis of operations, when the amounts involved in them are of low value;

d) Failure to collect specific information and failure to take specific measures to understand the object and nature of the business relationship, when it is reasonable to infer the object and nature of the type of transaction or business relationship established.

Simplifying due diligence procedures in the above cases does not exempt the Bank from conducting business relationship monitoring in order to identify suspicious money laundering and terrorist financing transactions, nor to keep up-to-date information obtained during the course of the business. of business relationship

Nevertheless, a Customer risk assessment will always be required as the Bank adopts simplified due diligence procedures only for low risk cases. Where there are indications that a customer fulfills one of the situations that may be the subject of simplified due diligence procedures, but is however found to pose a high risk to the Bank, additional or reinforced identification and due diligence procedures will be performed.

2.4.3. Enhanced Due Diligence

The Bank has adopted a set of increased due diligence measures for clients and operations that, by their nature or characteristics, may reveal a higher risk of money laundering or terrorist financing, commensurate with and appropriate to the degree of risk associated with the client. or transaction, taking into account the specific circumstances of the business relationship or the occasional transaction.

The Bank is required to perform enhanced due diligence procedures, when provided by law, in the following situations:

i. Politically Exposed Persons (PEPs);

ii. Non-profit organizations;

iii. Establishing a business relationship and conducting transactions without the physical presence of the customer;

iv. Corresponding institutions;

v. Private Banking

- When the risk assessment indicates that the business relationship or occasional transaction has a high risk of ML and TF.

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Additional due diligence measures (Enhanced Due Diligence or Due Diligence) are considered, for example:

a) Obtaining additional information on customers, their representatives or beneficial owners, as well as on operations;

b) The performance of additional steps to prove the information obtained;

c) The intervention of higher hierarchical levels to permit the establishment of business relations, the execution of occasional transactions or performing transactions in general;

d) The intensification of the operations monitoring procedures, with a view to detecting any suspicion indicator and subsequent communication to the competent authorities;

e) Monitoring the monitoring of the business relationship by the compliance officer or other Bank employee who is not directly involved in the business relationship with the customer.

2.5. ML/TF risk assessment indicators

The Bank develops a **ML/TF** Risk Rating Model applicable to all Customers and beneficial owners, which, acting in real time for the purpose of risk level assignment, is based on the weighting of Customer characteristics, known throughout the year. of the KYC procedure. This system allows, through automated scoring, to assign each Client an adjusted and differentiated risk level.

The **ML/TF** risk assessment model is based on the following factors:

a. Client;

b. Transactions;

c. Country risk or geographical location (i.e. nationality, place of birth / country of registration, geographies of activity, Profession / CAE);

d. Distribution channel; and,

e. Desired products and services.

Additionally, consideration should also be given to the client's political exposure (if it is a PEP) as well as the seniority of the business relationship (i.e. older relationships, where the Bank should have a deeper understanding of the customer's transactional profile, may have lower risk compared to new relationships).

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The risk of the business relationship or transaction, occasional or otherwise, and consequently applicable due diligence measures should be determined by combining the risk factors.

2.6. Business Relationship Monitoring

The purpose of the implemented control is to protect the Bank from the various risks and to permanently monitor the execution of operations, ensuring their compliance with the legal framework, the pre-defined internal policies and procedures taking into account the client profile involved, allowing the detection of indicative or suspicious transactions relevant for **ML/TF** purposes.

In the context of established controls related to transactional monitoring, the Bank performs an assessment embodied in the comparative analysis of alerts generated by automatic tool procurement monitoring, according to specific parameters, adopting diligence measures reinforced whenever the nature of the counterparty and / or the level of risk, so appropriate, in the context of prevention of money laundering and terrorist financing.

Monitoring and control activities include, but are not limited to, the following practices:

a. Monitoring and control of clients and medium-high / high **ML/TF** risk level transactions;

b. Monitoring and control of transactions involving medium-high / high risk **ML/TF** countries;

c. Monitoring and control of complex and/or extraordinary transactions;

d. Monitoring the consistency between transactions and information gathered about Customer's activity, risk profile and financial assets on a permanent basis. This activity involves not only timely transactions (daily alerts) but also the temporal analysis of the Customer's transactional profile in terms of average amounts and number of transactions executed (monthly alerts);

e. Controlling, by computer means, transactions that exceed a predetermined value (per Customer's risk level) and whether they are consistent with the Customer's profile;

f. Monitoring and control of related timely transactions that as a whole exceed the legal limit required for Customer identification;

g. Monitoring and transaction control involving entities subject to various sanctions and embargoes, included in the lists of suspicious entities issued by the United Nations, European Union and Office of Foreign Assets Control (for the purpose of compliance with the control of these restrictions internationally enacted), as well as Internal Lists,

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preventing / restricting transactions or forcing Enhanced Due Diligence. In this context, the Bank defines priority of action in real time, according to the reason that determined the "filtering" of the operation;

h. Controlling the completion and updating of Customer's information and documents to be kept in paper or computer form, as well as additional information to be included in electronic funds transfers;

i. Control transactions made by means or untrusted non-face manner.

Regardless of the above criteria and regardless of the Customer's **ML/TF** risk level, the country involved in the transaction or the complexity and danger of the transaction, particular attention should be paid to all conduct and / or activities whose characterizing elements may aggravate the risk or susceptibility of relationships with money laundering or terrorist financing crimes, and information and documentary evidence should be collected on the compliance and rationale of the transactions under consideration.

The Bank has internally defined a Policy for the Analysis and Monitoring of High-Risk Entities and Accounts, which establishes Group-specific practices and procedures for these Customer categories.

The Compliance Division is responsible for ensuring that all existing active account transactions are continuously monitored and any unusual or inappropriate standards in their operation trigger a Customer rating review process based on the updated due diligence (Enhanced Diligence).

2.7. Denial Obligation

BNI shall refuse to enter into a business relationship or conduct any occasional transaction when:

a. The provided elements for the identification of the client, are his representative or the beneficial owner, if any, are not provided;

b. Information on the ownership and control structure of the client, the nature, purpose of the business relationship and the origin and destination of the funds is not provided.

In addition, BNI should further analyze the circumstances with the intention of determining possible reasons for not providing the information and their possible relationship with the **ML/TF** Crime Commission. When the Bank knows, suspects or has sufficient reason to suspect that the lack of information is related to the commission of a **ML/TF** crime, the Bank should:

1. Immediately report to the Financial Intelligence Unit;

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2. Where applicable, consider terminating the business relationship, or alternatively block any movement within the business relationship as long as the missing information is not made available.

2.8. Conservation obligation

BNI retains for a period of 10 years from the moment of the transaction or after the end of the business relationship the following documents:

1. Copies of the documents or other technological supports proving the fulfillment of the obligation of identification and diligence;

2. A record of transactions which are sufficient to permit the reconstitution of each transaction to be provided as evidence as necessary;

3. Copy of all business correspondence exchanged with the customer;

4. Copy of communications made to the **FIU** and other competent authorities.

Records and supporting evidence of operations must allow:

a. Fully reconstitute their track record and, in particular, the complete circuit of the funds or other assets moved to their final destination, even where intermediary institutions, agents of financial institutions or any other persons are involved in the execution of the transactions. or entities;

b. Identify all players in the circuit, including the ordering, intermediary and beneficiary institutions, the agents of the financial institutions and any other persons or entities

2.9. Communication obligation

Proper monitoring and control of customers and transactions is a key activity used by the Bank to detect, identify and track atypical and / or potentially suspicious transactions or activities.

BNI, on its own initiative, shall immediately inform the Financial Intelligence Unit (**"FIU"**) whenever it knows, suspects or has sufficient reason to suspect that an operation that could be associated with money laundering, terrorist financing or any other crime regardless of the amount involved. To this end, the Bank has a Reporting Policy on suspicious transactions or activities that aims to define clear and timely internal procedures so that all employees know how to proceed if they detect or suspect any operation.

In addition, the Bank reports to the **FIU** daily all transactions in cash equal to or greater in national currency than the equivalent of USD 15,000 and maintains a fully collaborative relationship with the competent authorities in each jurisdiction, ensuring, under the law, access to information deemed relevant and, whenever necessary and in compliance with the applicable legal provisions, shall submit a report, which focuses on transactions or activities that show abnormal ("suspicious") characteristics, to the competent entities.

The information provided may only be used in criminal proceedings and the identity of the person providing it may not be disclosed under any circumstances.

2.10. Obligation to abstain

Whenever a particular transaction is found to be suspicious and likely to be a criminal offense, BNI, in addition to the obligation to identify and verify identity, shall refrain from performing any operations related to the customer's request and await the decision, communicated in writing or by any other means, the information of which is subsequently confirmed by the Financial Intelligence Unit (**FIU**).

The Bank shall immediately inform the **FIU** that it has refrained from executing the transaction, which may order the suspension of the execution of the suspicious transaction by notifying the subject entity for that purpose. In the event of a decision to suspend the operation of suspected money laundering or terrorist financing operations, the **FIU** may order the suspension for a maximum of 28 days.

For its part, the **FIU** must request the Attorney General's Office (**PGR**) to confirm the suspension decision within 10 working days of the date of its decision. The PGR shall give its opinion within 10 days of the **FIU** request date. If the PGR does not do so within the said period, the suspension decision shall be deemed confirmed. If PGR decides not to confirm the suspension decision, the **FIU** shall inform the Bank that it will continue the operation.

If the Bank considers that the abstention from the execution of the operation is not possible or that, after consultation with the **FIU**, may be detrimental to the prevention or future investigation of the **ML/TF**, such operation may be carried out and the Bank shall provide the information concerning the operation to the **FIU** immediately.

2.11. Obligation to cooperate

BNI shall promptly cooperate with the **FIU** and the competent authorities to supervise and supervise compliance with legally established duties, upon their request, by providing them with information on certain transactions performed by clients and providing related documents.

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Whenever a formal investigation process is initiated, the Bank shall cooperate with the competent judicial and police authorities.

2.12. Confidentiality Obligation

BNI and the members of its governing body, persons performing management, management or leadership functions, as well as its employees, agents and other persons who provide it on a permanent, temporary or occasional basis, may not disclose the customer or a third party that provided the communications legally owed or that is an ongoing criminal investigation into a particular operation.

2.13. Duty control

It is the responsibility of the Bank's Board of Directors to actively promote an effective **ML/TF** institutional prevention culture based on an adequate and effective internal control system that is fully consistent with regulatory requirements and whose principles are fully understood and applied by other employees.

The Chief Compliance officer is responsible for continuously monitoring the internal control system, assessing the adequacy, adequacy and timeliness of its policies, means and procedures, ensuring the centralization of information from all Bank business areas and communications to competent authorities, and coordinate the preparation of periodic reports to be sent to the National Bank of Angola on the prevention of **ML/TF**.

It is incumbent upon the Internal Audit Function, with the support of the Compliance Function, to periodically carry out autonomous evaluations of the **ML/TF's** internal control system for prevention, with a view to assessing its effectiveness. The effectiveness tests should be performed at intervals of no more than 24 months and should cover all segments of the Bank's activity, and their intensity, scope and frequency are graded according to the degree of risk associated with each of its business areas.

Compliance with applicable legal and regulatory provisions within the scope of the Compliance Department's control functions is also assessed, as provided for and on a regular basis, by External Auditors, subject to specific opinion and information to the supervisory authority, including the corresponding reports. annual activities in the function of preventing money laundering and terrorist financing.

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2.14. Training obligation

The Bank has a risk of Money Laundering and Terrorism Financing training and awareness policy appropriate to the specific functions performed by its collaborators and executives related to the prevention of **ML/TF** that aims to guarantee to them complete and updated knowledge about:

a. The current and applicable legal framework in this domain;

b. The preventive policies, means and procedures defined and implemented by the institution;

c. The guidelines, recommendations and information of the legal authorities, police authorities, supervision authorities or the sector representative associations;

d. The typologies, tendencies and techniques associated to **ML/TF**;

e. The vulnerabilities of the services and products made accessible by the Bank and the emerging specific risk;

f. The reputational risks and consequences of misdemeanor ensuing from the non-compliance of the **ML/TF** prevention duty;

g. The specific business responsibilities when it comes to the **ML/TF** prevention and, in particular, the operational procedures associated to the compliance of the preventive duties.

The first line of defense intervention is a strategic action matrix related to **ML/TF** phenomenon. In this context, yearly training cycles are established through the e-learning platform for all Bank employees, subject to the final certification. Additionally, in-person training sessions are held in the areas more vulnerable to the risks of **AML/CTF**, also promoting knowledge updates and trainings specific to the employees and technical personnel on the **AML/CTF** role.

The Bank also keeps a continuously updated record of the employees' participation on the actions in question, as well as the preservation, for a period of five years, of the training manuals used in said actions.

2.15. Specific Obligations

BNI as a Financial Institution is subject to the above-mentioned obligations, with the specifications in the implementation of obligations by third parties, enhanced due diligence, collaboration, reviewing and reporting:

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a. The opening and maintenance of accounts anonymous or under clearly fictitious names is explicitly prohibited;

b. The Bank can resort to a third-party institution for the compliance of the obligation of identification of its clients, when said institution is a financial entity subject to the **AML/CTF** legal provisions and is qualified to do so. However, without prejudice to the third party's responsibility during the implementation of the obligation of identification, the Bank retains liability for the implementation's strict compliance and diligence;

c. The Bank applies enhanced diligence measures to transnational banking correspondence relations with institutions located in third countries;

d. The Bank does not establish correspondence relationships with "Shell banks", adopting diligence so as to prohibit relationships of the same nature with other baking financial institutions that are known for allowing their accounts to be used by Shell banks;

e. The Bank has the system and means to respond promptly and in full to the information requests presented by the UIF and the competent authorities, aiming to determine if, in the past five years, business relationships were established with a specific particular or legal person and the nature of said connections;

2.16. Specific review and report obligation

The Bank must pay special attention to the transactions and business relationships with clients coming from or to countries which don't or insufficiently apply the international **AML/CTF** requirements and produce in writing the results of the carried-out review on these transactions and business relationships.

Additionally, when a business relationship is established with a certain country or jurisdiction subject to additional counter-measures decided by the Angolan State, competent international organizations or supervision authorities, which can decide the immediate reporting obligation of such operations to the Financial Intelligence Unit, when an equal or higher amount, in national currency, to equivalent of USD 5.000,00 (five thousand United States of America dollars).

If, as a result of the implementation of the reviewing obligation, the Bank decides not to report to the competent authorities about an operation that has been subjected to analysis, it must include in the document or record:

a. The reasons behind the decision of not reporting, including, at least, the information as complete as possible, on the operations reported and others related to them, as well as the motives that support the inexistence of concrete factors of suspicion;

b. Reference to any eventually established informal contacts with said authorities, and the indication of the corresponding dates and used means of communication.

2.17. Non-compliance

The breach of the established in the present policy constitutes a serious violation of the conduct duties and, consequently, is susceptible to the implementation of disciplinary measures, contractual penalties or potential criminal liability.

The legal person's responsibilities don't exclude the personal responsibility of said agents. According to articles 13 and 15 of **Law n.º 34/2011**, the information provided by the Bank in good faith on a particular transaction that reveals well-founded suspicions and is liable to be a crime does not constitute a violation of the duty of secrecy, nor does it imply the accountability of the one in charge of reporting.

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3 | FINAL PROVISIONS

1. It is the Compliance's Division (**CD's**) responsibility, under the guidance of the ***Chief Compliance Officer***, to develop and continuously update the present policy, being subject to the assessment of the Internal Control Committee, remaining accountable for the submission of the Policy, and its revision proposals, to the approval of BNI's Board of Directors.

2. Whenever the need for revisions stems from alterations in other norms, the Internal Control Committee proposes changes the CA to assess and approve.

3. The Money Laundering and Terrorism Financing (**ML/TF**) prevention and detection program must be periodically reviewed by external and internal audit.

4. It is the CD's responsibility to keep track of the compliance of the rules present in this policy and other internal norms which are complementary to them in an ethical, deontological and prudential sense, such as the code of conduct and the normative on financial intermediation activities.

5. The present Policy revokes the November 2016's version of the Anti-Money Laundering and Counter Terrorism Financing Policy.

6. This Policy shall enter into force on the date of its approval.

Approved by the Board of Directors on the 9th of July 2019.

José T. Boyol

Vice President of the Board of Directors

BANCO DE NEGÓCIOS INTERNACIONAL, S.A.

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4 | ANEX I - APPLICABLE LEGAL INSTRUMENTS

4.1. Legal and Regulatory Framework

BNI aims for the strict compliance of the legal and regulatory framework with focus on the banking activity related to money laundering and terrorism financing prevention. In this context, the following standout:

1. **Legislation:**

- **Law n. º 19/17, of 25th August** - Law on Prevention and Combat against Terrorism;
- **Law n. º 13/15, of 19th June** - Law of International Judicial Cooperation in Criminal Matters;
- **Law n. º 3/14, of 10th February** - Law on Criminalization of the Underlying Money Laundering Offences;
- **Law n. º 34/11, of 12th December** - Law prevention and suppression of money laundering and terrorism financing, which revoked Law n. º 12/10, of 9th July;
- **Law n. º 1/12, of 12th January** - Law of international acts designation and enforcement;
- **Presidential Decree n. º 39/17, of 6th March** - Amendment of the Organic Statute of the Financial Intelligence Unit and the Supervision Committee;
- **Presidential Decree n. º 214/13, of 13th December** - Regulation of the Designation and Enforcement of International Judicial Acts;
- **Presidential Decree n. º 212/13, of 13th December** - Organic Statute of the Financial Intelligence Unit;
- **Presidential Decree n. º 35/11, of 15th February** - that established the organization and functioning of the Financial Intelligence Unit;
- **Regulation N. º 4/16, of 2nd June** - Approves the Regulation that establishes the Conditions for the Money Laundering and Terrorism Financing Prevention.

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2. **Regulation:**

- **Notice n. º 22/12, of 25th April** - Conditions for Operating the Obligations Foreseen in Law 34/11;
- **Instruction n. º 13/18, of 19th September** - Money Laundering and Terrorism Financing Prevention in International Commercial Operations;
- **Instruction n. º 24/16, of 16th November** - Enhanced Due Diligence;
- **Directive n. º 2/DRO/DSI/15, of 10th December** - Money Laundering and Terrorism Financing Prevention Guide in Correspondent Banks and Client Banks relationships;
- **Directive n. º 1/DRO/DSI/15, of 12th October** - Money Laundering and Terrorism Financing - Self-assessment Questionnaire;
- **Directive n. º 02/DSI/2013, of 1st July** - Guide on the Implementation of a Money Laundering and Terrorism Financing Prevention Program;
- **Directive n. º 04/DSI/2012 of 24th July** - On the freezing of funds and economic resources of Designated Persons, Groups or Entities;
- **Directive n. º 03/DSI/2012, of 24th July** - Identification and Reporting of Designated Persons, Groups and Entities;
- **Directive n. º 01/DSI/12, of 10th April** - On the reporting of suspected operations to the Financial Intelligence Unit.

3. **International Recommendations**

Recommendations and provisions emanating from international entities such as **FAFT - *Financial Action Task Force*** and **ESAAMLG - *Eastern and Southern Africa Anti-Money Laundering Group***, namely:

- 40+9 Recommendations of the FATF/GAFI on money laundering and terrorism financing;
- United Nations Convention against illicit traffic in Narcotic Drugs and Psychotropic substances;
- United Nations Convention against transnational organized crime;
- United Nations International Convention for the suppression of terrorism financing.

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