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**novobanco**

**ANTI-MONEY LAUNDERING AND  
COUNTER-TERRORIST  
FINANCING STATEMENT**

2023

novobanco

# 1. COMPANY INFORMATION

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**Novobanco** is subject to the laws, regulations and instructions applicable in Portugal for the banking sector and owns a network of agencies, branches, subsidiaries and business units which are bound both by Portuguese laws and the laws of the countries in which they operate.

- **Name:** Novobanco, S.A.
- **Address:** Avenida da Liberdade, n.º 195, 1250-142 Lisbon, Portugal
- **SWIFT:** BESCPTPL
- **Legal status:** Limited liability corporation
- **Legal entity/Lisbon commercial register no:** 513 204 016
- **Website:** [www.novobanco.pt](http://www.novobanco.pt)
- **Share capital:** €6,567,843,862.91
- **Shareholders:** Nani Holdings S.G.P.S., S.A. (75.00%), Resolution Fund (Legal Entity in Public Law) (13.04%) and Directorate-General of the Treasury and Finance (11.96%)
- **Supervisory authorities:** European Central Bank ([www.ecbc.europa.eu](http://www.ecbc.europa.eu)), Bank of Portugal ([www.bportugal.pt](http://www.bportugal.pt)), CMVM - Portuguese Securities Market Commission ([www.cmvm.pt](http://www.cmvm.pt)), and ASF - Insurance and Pension Fund Supervisory Authority ([www.asf.com.pt](http://www.asf.com.pt)).
- **External Auditors:** EY – Ernst & Young Audit & Associados – SROC, S.A.
- **Telephone:** (+351) 213 804 536 / Fax: (+351) 213 804 581
- **Email:** [compliance@novobanco.pt](mailto:compliance@novobanco.pt)

# 2. STANDARDS AND RECOMMENDATIONS

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## INTERNATIONAL STANDARDS AND RECOMMENDATIONS

As Portugal is a member state of the European Union and a founding member of the Financial Action Task Force (FATF/GAFI), **novobanco** prevents and detects money laundering and terrorist financing in accordance with the following legislation (non-exhaustive list):

- **Directive (EU) 2019/1153** of the European Parliament and of the Council, of 20 of June 2019, laying down rules facilitating the use of financial and other information for the prevention, detection, investigation or prosecution of certain criminal offences;

- **Directive (EU) 2018/1673** of the European Parliament and of the Council, of 23 of October 2018, on combating money laundering by criminal law;
- **Directive (EU) 2018/843** of the European Parliament and of the Council, of 30 of May 2018, amending Directive (EU) 2015/849, on the prevention of the use of the financial system for the purposes of money laundering or terrorist financing, and amending Directives 2009/138/EC and 2013/36/EU;
- **Directive (EU) 2015/849** of the European Parliament and of the Council of 20 of May 2015, on the prevention of the use of the financial system for the purposes of money laundering or terrorist financing;
- **40 FATF Recommendations** on the prevention of money laundering and terrorist financing, dating from 1990 and revised in 1996, 2003, 2004 and 2012, including the latest revision of 9 recommendations on terrorist financing.

#### PORTUGUESE LEGISLATION

- **Law No. 99-A/2021**, of 31 of December, amends several legal acts, including Law No. 83/2017 of 18 of August, which establishes measures to combat money laundering and terrorist financing;
- **Law No. 58/2020**, of 31 of August, transposes Directive (EU) No. 2018/843 on the prevention of the use of the financial system for the purposes of money laundering or terrorist financing and Directive (EU) No. 2018/1673 on combating money laundering by criminal law;
- **Law No. 97/2017**, of 23 of August, governing the application and enforcement of restrictive measures approved by the United Nations or by the European Union, and establishing the penalty scheme applicable to the breach of these measures;
- **Law No. 89/2017**, of 21 of August, governing the legal scheme of the Beneficial Owner Central Registry, pursuant to Article 34 of Law no. 83/2017 of 18 of August;
- **Law No. 83/2017**, of 18 of August, establishing measures for combating money laundering and terrorist financing;
- **Law No. 52/2003**, of 22 of August, establishing measures for combating terrorism.

### 3. MEASURES ON THE PREVENTION OF MONEY LAUNDERING AND TERRORIST FINANCING

**Novobanco** believes that effective policies for the Detection and Prevention of Money Laundering and Combating Terrorist Financing (AML/CTF) are greatly strengthened through the efficient management of available resources, so that dispersion is minimised and adequate attention is paid to pursuing the integrated knowledge of counterparties, transactions and processes.

Accordingly, **novobanco** has established an AML/CTF Policy applicable to all entities of the novobanco Group, which sets out the control standards required to conduct business in accordance with the applicable AML/CTF laws, rules and regulations. This Policy is made available to the Group's other entities, which must adopt, apply and have it approved by their governing bodies, with the adaptations strictly necessary to suit their operating circumstances, in order to guarantee compliance with the legislation and regulations applicable to them in terms of AML/CTF and Restrictive Measures.

In this regard, **novobanco** applies the following policies and procedures:

- **Due diligence of counterparties:** **novobanco** has procedures and tools in place to ensure that due diligence of the customer is carried out and includes identification and verification requirements and that the principles of know your customer ("KYC") are complied with. The establishment or maintenance of any business relationship is underpinned by a risk-based approach, which provides for the adoption of effective KYC measures and enhanced due diligence through risk classification in terms of ML/TF.
- **Customer Non-Acceptance Policy:** to prevent the risk of ML/TF, **novobanco** refuses to establish or maintain a business relationship with the following characteristics (non-exhaustive list):
  - Natural or legal persons who do not co-operate with the novobanco Group and refuse to provide the legally required information or documentation;
  - Natural or legal persons referred to in official lists of Sanctions or Restrictive Measures, namely those adopted by the UN Security Council, the European Union or OFAC;
  - Resident natural persons or legal entities incorporated in jurisdictions considered prohibitive in terms of ML/TF;
  - Credit institutions and financial or similar companies not registered or authorised by the competent authorities, including those publicly disclosed by the Bank of Portugal;
  - Legal or natural persons who consider themselves to be designated entities under Section 311 of the USA Patriot Act;

- Anonymous or numbered accounts or natural persons wishing to establish a business relationship using clearly fictitious names;
  - Payable through accounts;
  - Establishing or maintaining business relations or correspondence with shell banks or organisations;
  - Establishing correspondence relationships with other credit institutions located in jurisdictions considered prohibitive in terms of ML/TF.
- **Due diligence enhanced counterparties:** **novobanco** has a ML/TF risk classification system for counterparties that makes it possible to identify situations legally classified as potentially high risk, for new or existing business relationships, and ensure that they are subject to conditional acceptance. These situations are subject to scrutiny and the application of enhanced due diligence on counterparties assessed as higher risk, such as Politically Exposed Persons (PEPs), Family Members and Associates of PEPs and Holders of Other Political or Public Office (HOPPP).
  - **Monitoring, control and analysis of operations:** **novobanco**, through a risk-based approach, has procedures and systems in place to monitor counterparty transactions with the ultimate aim of identifying and reporting suspicious transactions to the competent authorities. In order to constantly monitor the performance of customers, customer transaction profiles are analysed, and customers undergo evaluation and comparison based on historical customer knowledge, the underlying economic rationale of the professional position and/or business sector, and their potential involvement in situations of ML/TF risk, while also considering the regions involved.
  - **AML Training:** **novobanco** holds regular, specific training sessions to teach employees how to recognise transactions potentially involving ML/TF and act according to the law and its associated regulatory norms. In order to ensure full compliance with the training obligation, as referred to in law, and to implement the measures set out in Bank of Portugal Notice no. 1/2022 of 6 of June, **novobanco** has developed and established training policies and procedures on AML/CTF which are incorporated into the Group's overall strategy;
  - **Independent audit:** **novobanco** has regular independent audit programmes in place to review AML/CTF policies and procedures.

## 4. WOLFSBERG QUESTIONNAIRE

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**Novobanco** follows the principles contained in the Wolfsberg AML Questionnaire regarding AML/CTF. This document, which is updated periodically, is published on the bank's website: [www.novobanco.pt](http://www.novobanco.pt).

## 5. USA PATRIOT ACT

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According to the USA Patriot Act ("*Uniting and Strengthening America by Providing Appropriate Tools Required to Intercept and Obstruct Terrorism Act 2001*"), **novobanco** provides, whenever necessary, Certification for Foreign Bank Accounts.

The USA Patriot Act has been published on the bank's website: [www.novobanco.pt](http://www.novobanco.pt).

### **novobanco Group**

Signed on 20 of february 2024



**Pedro Bernardino**

(RCN novobanco)

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**Pedro Pinto**

(Group Head of Compliance)

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