



## **2021 Corporate Governance Report**

**Banco Interatlântico**

This document is an English translation of the original Portuguese language document “Relatório de Governo Societário 2021” delivered by Banco Interatlântico, S. A. and approved at the board of directors’ meeting of 25 March 2022. In the event of any inconsistency, the original version prevails.



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## 1. Introduction

Banco Interatlântico, S.A. (hereinafter referred to as BI) prepared this Corporate Governance Report, for Fiscal Year (FY) 2021, in accordance with the Code of Governance for Financial Institutions, with the Code of Governance for Issuers of Securities admitted to Trading on a Regulated Market and in accordance with the other applicable legal and regulatory standards.

## 2. Mission

BI intends to consolidate itself as a Bank that provides a global, high-quality Financial Service, which stands out for its relevance and strong responsibility in contributing to high ethical standards, the country's economic development, increasing competitiveness, capacity for innovation and employee satisfaction.

As a bank that is part of an international Financial Group, BI must seek to evolve by balancing profitability, growth and financial solidity, always within a framework of prudent risk management, and always committing to be a benchmark in the Cape Verde market.

## 3. Values

BI's activity and the conduct of its Employees are guided by the following essential values:

- **Precision**, which includes objectivity, professionalism, technical competence and diligence, always with a view to achieving higher levels of quality and economic, financial, social and environmental efficiency by adopting banking and financial best practices;
- **Transparency** in information, namely with regard to service conditions and the organisation's performance, acting with truth and clarity;
- **Investment security**, where prudence in risk management and the Institution's stability and soundness are key criteria;
- **Organisational and personal responsibility** for one's own actions, seeking to correct any negative impacts, as well as a socially responsible behaviour and a commitment to sustainable development;
- **Integrity**, understood as scrupulous compliance with legal, regulatory and contractual obligations, as well as with the ethical values and business principles adopted;
- **Respect** for entrusted interests, acting with courtesy, discretion and loyalty, as well as for the principles of non-discrimination, tolerance and equal opportunities.



## 4. Main Strategic Goals

Banco Interatlântico developed its activity around the 3 Strategic Vectors established in 2021:

1. Growth - profitability, market and customer share, international business
2. Innovation – commercial offer, channels and customer service
3. Consolidation - risk mitigation and qualification of resources (human and technological)

## 5. Statement of Compliance

BI presents information that expresses the Institution's understanding on the degree of compliance with the recommendations of the Code of Corporate Governance for Financial Institutions established in the Regulation of the Bank of Cape Verde (BCV) and the Code of Governance for Issuers of Securities established in the Regulation on General Audit of the Securities Market (AGMVM).

The tables below describe compliance with the recommendations. In case of non-compliance, it will include the grounds thereof.

Recommendations of the Code of Corporate Governance for Financial Institutions - BCV	Statement of Compliance	Grounds for non-compliance with recommendations
I. MANAGEMENT		
I.1. Executive Management		
I.1.1. The board of directors shall delegate the day-to-day management of the financial institution and each executive director should be specifically entrusted with certain matters.	Compliant.	
I.1.2. The board of directors shall approve internal regulation governing its functioning, including regulations for the executive committee.	Compliant.	
I.1.3. When Directors who carry out executive duties are requested by other members of governing bodies to supply information, they shall provide answers in a timely manner with information that adequately responds to the request made.	Compliant.	
I.1.4. The board of directors shall ensure that the financial institution acts in a manner consistent with its objectives, and should not delegate its authority, in particular, with regard to: (i) outlining the company's strategy and general political strategies; (ii) outlining the group's corporate structure;	Compliant.	



(iii) decisions that should be considered strategic due to their amount, risk or special characteristics.		
I.1.5. The Regulation of the board of directors shall stipulate that the exercise, by executive directors, of executive duties in companies outside the group should be previously authorised by the board of directors itself or by the supervisory body.	Compliant.	
I.1.6 The board of directors of credit institutions shall include at least two resident executive members.	Compliant.	
<b>I.2 Non-executive Management</b>		
I.2.1. The board of directors shall include the necessary number of non-executive members to ensure effective monitoring, supervision and assessment of the activity of the other members of the board of directors.	Compliant.	
<p>I.2.2. Non-executive directors shall include an appropriate number of independent members, taking into account the governance model that is adopted.</p> <p>For this purpose, a Director is considered to be independent when he/she is not associated with any group of specific interests in the company nor is under any circumstances that may affect his/her impartiality of analysis or decision, namely by virtue of:</p> <ul style="list-style-type: none"> <li>a) Having been an employee of the company or of a company with which it has been in a controlling or group relationship in the last three years;</li> <li>b) In the last three years, having provided services or established a significant commercial relationship with the company or with a company with which it is in a controlling or group relationship, either directly or as a partner, director, manager or director of a legal person;</li> <li>c) Being the beneficiary of remuneration paid by the company or by a company with which it is in a controlling or group relationship, in addition to the remuneration earned as a director;</li> <li>d) Living in a non-marital partnership or being a spouse, relative or lineal kin up to, and including, the 3rd degree, in the collateral line, of directors or natural persons who are, directly or indirectly, holders of qualifying holdings;</li> <li>e) Being a qualifying shareholder or representative of a qualifying shareholder.</li> </ul>	Compliant.	
I.2.3. If the chairman of the board of directors exercises executive duties, this body should appoint, from among its members, an independent Director to ensure the coordination of the work of the other non-executive members and the conditions for them to decide in an independent and informed manner, or find another equivalent mechanism to ensure this coordination.	Not applicable.	The Chairman of the management body does not perform executive duties, as there are five members of the Board of Directors who do.



<p>I.2.4. The board of director shall set up specialised committees to assist it in the exercise of its management duties, taking into account criteria of rationality and organisational efficiency.</p>	<p>Compliant.</p>	<p>In addition to the Executive Committee, the Board of Directors set up the Audit, Control and Conflict-of-Interests Committee and the Risk Management Committee.</p>
<p><b>I.3. Diversity</b></p>		
<p>I.3.1. Financial institutions shall establish criteria and requirements for the profile of new members of the board of directors, appropriate to the function to the duties they will perform. In addition to individual attributes (such as independence, integrity, experience and competence), these profiles should consider diversity requirements, paying particular attention to gender, which may contribute to improving the body's performance and balancing its composition.</p>	<p>Compliant.</p>	
<p>I.3.2. Financial institutions shall establish and publish a programme to ensure, by 2020, balanced gender representation in the composition of governing bodies, distinguishing between executive and non-executive management positions.</p>	<p>Compliant.</p>	<p>The Bank ensures a balanced gender representation, as recommended by the Law.</p>
<p><b>II. SUPERVISION</b></p>		
<p>II.1. The chairman of the supervisory body should be independent, in accordance with the applicable legal criteria, and possess the appropriate powers to perform the respective duties.</p>	<p>Non-compliant.</p>	<p>The Chairman of the Supervisory Board, previously considered independent by the BCV, has come to be considered non-independent. Due to his particular experience and curriculum, the shareholders decided to keep him in office, considering, positively, that he brings added value and reputation to the Institution.</p>
<p>II.2. The supervisory body should be the main interlocutor of the external auditor and the first recipient of the respective reports, and is responsible, in particular, for proposing the respective remuneration and ensuring that the appropriate conditions for the provision of services are in place within the institution.</p>	<p>Compliant.</p>	<p>The External Auditor is appointed by the Supervisory Board, after an evaluation process, for decision by the General Meeting.</p>



<p>II.3. The supervisory body should assess the functioning of the internal control and risk management systems and propose adjustments as necessary.</p>	<p>Compliant.</p>	<p>The supervisory body is responsible for issuing opinions and assessing the Bank's internal control system, and there are matters that should be mandatorily reported to the Supervisory Board, set out in the Bank's rules and Policies and in the Supervisory Board's Regulations.</p>
<p>II.4. The supervisory body should give its opinion on the work plans and resources allocated to the internal audit services and services that ensure compliance with the rules applied to the institution, and should be the recipient of the reports made by these services, at least with regard to matters related to accountability, the identification or resolution of conflicts of interest, and the detection of potential illegal practices.</p>	<p>Compliant.</p>	
<p><b>III. INTERNAL CONTROL</b></p>		
<p>III.1. The management body of the financial institution should ensure the existence of sufficient and adequate material and human resources to perform the duties and tasks inherent to the internal control system and should promote the necessary training actions focused on internal control matters.</p>	<p>Compliant.</p>	
<p>III.2. In order to ensure the independence of the internal control system, those responsible for the internal audit, compliance control, and risk management areas should report hierarchically to a director who is not responsible for the areas under supervision.</p>	<p>Compliant.</p>	<p>Those responsible for the control areas report to the Committees of the Board of Directors, made up mostly of independent, non-executive Directors.</p>
<p>III.3 Financial institutions should provide internal whistle-blowing mechanisms that ensure adequate protection for bona fide whistle-blowers.</p>	<p>Compliant..</p>	
<p><b>IV. REMUNERATION</b></p>		
<p>IV.1. All members of the Remuneration Committee or equivalent should be independent from the executive members of the management body, and this committee should include, at least, one member with knowledge and experience in remuneration policy matters.</p>	<p>Compliant.</p>	
<p>IV.2. The statement on the remuneration policy of the management and supervisory bodies should indicate, in particular:</p>	<p>Compliant.</p>	



<p>a) Identification and explanation of the criteria used to determine the remuneration to be attributed to the members of the governing bodies;</p> <p>b) Information regarding the maximum potential amount, in individual terms, and the maximum potential amount, in aggregate terms, to be paid to the members of the governing bodies, and identification of the circumstances under which these maximum amounts may be due;</p> <p>c) Information regarding the enforceability or unenforceability of payments relating to the dismissal or termination of appointment of directors.</p>		
IV.3. The remuneration of executive members of the management body should be based on actual performance and discourage excessive risk-taking.	Compliant.	
IV.4. The remuneration of non-executive members of the management body and the remuneration of members of the supervisory body should not include any component whose value depends on the performance of the financial institution or its value.	Compliant.	
IV.5. The variable component of the remuneration should be overall reasonable in relation to the fixed component of the remuneration, and maximum limits should be set for all components.	Compliant.	
IV.6. A significant portion of the variable remuneration should be deferred for a period of no less than three years, and the right to receive the deferred component should depend on the continued positive performance of the company during that period.	Compliant.	
IV.7. When the dismissal of a Director is not due to serious breach of his/her duties, nor to his/her unfitness for the normal exercise of his/her duties, but is nonetheless due to inadequate performance, the financial institution should be equipped with the adequate and necessary legal instruments in order to ensure that any damages or compensation, beyond those which are legally due, are not enforceable.	Compliant.	
<b>V. INFORMATION</b>		
V.1 Institutions should provide, on their websites, in Portuguese and English, access to information on their evolution and current economic, financial and corporate governance status.	Compliant.	
V.2 Financial institutions should make available on their websites, in Portuguese and English, at least the following information: <ul style="list-style-type: none"> <li>a) The institution's reports and accounts for the last two years;</li> <li>b) <i>Curriculum vitae</i> of the financial institution's Directors;</li> <li>c) Internal policies adopted by the financial institution;</li> <li>d) Adequacy assessment reports and other preparatory information for the General Meeting.</li> </ul>	Compliant.	





Recommendations of the Code of Governance for Issuers of Securities - AGMVM	Statement of Compliance	Grounds for non-compliance with recommendations
<b>I - General Part</b>		
<b>INFORMATION</b>		
The company should establish an organisational structure that ensures the precise and timely disclosure of information to shareholders, investors, financial analysts, and the market in general.	Compliant.	
The Board of Directors, the supervisory body and any committees created to support the governing bodies should have internal regulations.	Compliant.	
The company should provide, on its website, access to relevant information on its economic and financial indicators and governance model and practices, comprising: <ul style="list-style-type: none"> <li>- the internal regulations of the governing bodies and corporate committees;</li> <li>- the composition, number of annual meetings of the management and supervisory bodies and of the corporate committees;</li> <li>- the accounting documents for the last three years;</li> <li>- the calls for general meetings and the proposals submitted to the general meetings.</li> </ul>	Compliant.	
<b>FINANCIAL INFORMATION AND AUDIT</b>		
The supervisory body should establish and monitor formal, clear and transparent procedures on how the company selects and deals with the external auditor or certified accountant and on the supervision of the auditor's compliance with the independence rules imposed by law and professional standards.	Compliant.	
The company should promote the rotation of the auditor after two or three terms of office, depending on whether they last for four or three years, respectively.	Compliant.	
The company's internal regulations should ensure that the provision of audit services by the auditor or by another entity belonging to the same network is conditional upon authorisation by the supervisory board.	Compliant.	
<b>CONFLICT OF INTEREST</b>		
The company should establish effective mechanisms to prevent the existence of actual or potential conflicts of interest between the members of the governing bodies or committees and the company.	Compliant.	
Directors should inform the Board of Directors of all transactions involving securities issued by the company, as well as those involving financial instruments related to them, carried out by themselves or by any person closely related to them, namely their spouse or non-marital partner, dependent descendants and other family members living with them for more than one year, as well as	Compliant.	



any other entity that is directly or indirectly controlled by them, set up for their benefit or of which they are a director.		
Transactions between related parties should be approved, negotiated and executed so as to ensure that potential conflicts of interest are adequately managed and that the interests of the issuer and its shareholders are protected.	Compliant.	
<b>ORGANISATION AND GOVERNANCE MODEL</b>		
The company should carry out an annual assessment of its governing bodies and of the individual performance of its members.	Compliant.	
The company should carry out an annual assessment of the options taken regarding its corporate governance model and internal organisational structure.	Compliant.	
The Board of Directors should set up the specialised committees deemed necessary to assess, outline, monitor, supervise or oversee specific management matters or areas, covering, separately or cumulatively, matters related to remuneration and performance assessment, appointments of senior managers and the performance of the executive management body.	Compliant.	
The company should have an effective internal control system that is appropriate to its size, complexity and the risks affecting its activity.	Compliant.	
The regulations of the Board of Directors should ensure that, in the event of a conflict of interest, the member of the Board of Directors who is involved in a conflict should inform the company in advance of the existence of the conflict and should describe the nature and extent of such interest and, where the interest is substantial, should abstain from participating in any meeting at which any proposal relating to such conflict of interest is discussed or voted on, without prejudice to compliance with other legal or regulatory rules on conflict of interest.	Compliant.	
The company should promote a balanced relationship with regard to the gender of the members of its governing bodies, committing to include at least 30% of the under-represented gender in its governing bodies.	Compliant.	
The company promotes the best efforts so that its Articles of Association, regulations, other documents regulating the life of the company and the practices adopted are amended, to ensure that the inclusion of candidates on lists to be submitted to a vote at a general meeting by shareholders, or the presentation of candidates for appointment by the administrative and supervisory body, is preceded by a selection and evaluation process.	Compliant.	
The members of the management and supervisory bodies should have the duty to immediately inform the company of any fact subsequent to their appointment that alters or may alter - according to a reasonable assessment - the evaluation of their individual	Compliant.	



aptitude, reputation, experience, competence and knowledge, availability or suitability for the duties assigned to them.		
<b>SUPERVISORY BODY</b>		
The members of the supervisory body should have the necessary experience and professional qualifications to exercise their duties, taking into account the responsibility underlying the exercise of the powers assigned to them, the complexity of the company's activity and its size.	Compliant.	
The supervisory body should include at least one member who is an auditor or certified accountant.	Compliant.	
At least half of the members of the supervisory body should be independent.	Compliant.	
<b>RELATIONSHIPS BETWEEN BODIES</b>		
The regulations of the Board of Directors should provide that the members of the company's governing bodies have the power to demand information about the company's activity from the other members of the same body and from the other company's governing bodies, to the extent that this is necessary or convenient for the full exercise of their powers.	Compliant.	
The regulations of the Board of Directors should stipulate that the Directors who perform executive duties, when so requested by other members of the governing bodies, should provide the information requested by them in a timely and appropriate manner.	Compliant.	
The regulations of the Board of Directors should stipulate that, until it is made public, in accordance with the law, all members of the governing bodies, employees, shareholders, service providers and other persons who have had access to privileged information must observe strict confidentiality, regardless of the nature of their employment relationship with the company.	Compliant.	
<b>II - Issuers of shares or other securities that grant the right to subscribe to or acquire them</b>		
<b>GENERAL MEETING AND SHAREHOLDER PARTICIPATION</b>		
The company should encourage its shareholders to participate and vote at the General Meetings.	Compliant.	
The Chairman and, if any, the Vice-Chairman of the Board of the General Meeting should be independent.	Compliant.	
<b>MANAGEMENT BODIES</b>		
The company should include an adequate number of independent non-executive Directors, at least more than half the number of executive Directors, who should be particularly responsible for: <ul style="list-style-type: none"> <li>- Monitoring the effectiveness of internal control systems;</li> <li>- Monitoring the preparation and disclosure of financial information;</li> <li>- Monitoring compliance with internal rules on the prevention and management of conflicts of interest;</li> </ul>	Compliant.	



- Actively contributing to outlining and implementing of the company's strategy.		
The company should submit the possibility of executive Directors performing executive duties in other companies to the prior approval of the Board of Directors or the supervisory body.	Compliant.	
The company should adopt a Remuneration Policy that ensures the alignment of the interests of Directors and other managers with the interests of the company and that is based on effective performance.	Compliant.	
The structure of the individual remuneration of Directors should ensure a balance between the fixed and the variable component and between short-, medium- and long-term incentives; the payment of a part of the variable remuneration of no less than 30% should be deferred for a minimum period of 3 years.	Compliant.	
The company should disclose in its corporate governance report the remuneration of its executive Directors, the existing share distribution plans and the general outlines of its retirement benefit systems.	Compliant.	
When the size of the company so justifies, a remuneration committee composed of a majority of independent members should be set up.	Compliant.	
<b>III - Issuers of bonds and other debt securities</b>		
<b>BONDHOLDERS' MEETINGS</b>		
Issuers of bonds and other debt securities should ensure and bear the costs relating to the adequate human, technical and material resources required for holding bondholders' meetings and the full performance of the powers of the common representative of the bondholders.	Not applicable.	
The decisions of the Bondholders' Meeting concerning proposals for composition and arrangement with creditors, as well as for authorising the common representative to initiate legal proceedings, as well as any other matters related to the exercise of rights arising from the ownership of bonds before the issuer should be approved, on first call, by half of the votes corresponding to all bondholders and, on second call, by two thirds of the votes cast.	Not applicable.	
<b>COMMON REPRESENTATIVE OF THE BONDHOLDERS</b>		
The common representative of the bondholders should be independent from the issuer, which shall not be deemed to be the case when he/she benefits or has benefited from particular advantages of the company, when he/she has established a significant commercial relationship with the company or with another company that is in a controlling or group relationship with	Not applicable.	



it, or when he/she is linked to the interests of a competing company.		
The common representative of the bondholders should inform the Bondholders' Meeting of any supervening fact that generates or may generate a situation in which the pursuit of the bondholders' common interest conflicts with his/her own interest, or with the interest of a person or entity linked to him/her.	Not applicable.	
In the cases mentioned above, the common representative of the bondholders may not act on behalf of the bondholders until the Bondholders' Meeting authorises it, on first call, by half of the votes corresponding to all bondholders and, on second call, by two thirds of the votes cast.	Not applicable.	
The common representative of the bondholders should pursue the common interest of the bondholders and exercise his/her powers by ensuring equal treatment of the bondholders.	Not applicable.	
Only in exceptional cases may the common representative of the bondholders promote forms of exercising the rights arising from the ownership of bonds that favour one or more bondholders. This possibility, as well as the simultaneous pursuit of particular interests of bondholders, depends on authorisation by a majority resolution of the Bondholders' Meeting, in which the relevant bondholder may not vote and which must have the favourable vote of the affected bondholders.	Not applicable.	

## 6. Shareholding Structure

### I. Capital Structure

BI is a limited liability company incorporated under Cape Verdean law, established in 1999. Its share capital is 1,000,000,000 CVE, divided into shares worth 10,000 CVE each.

70% of the company is owned by Caixa Geral de Depósitos, and the remaining 30% is owned by Cape Verdean companies and individuals, as shown in the following table:

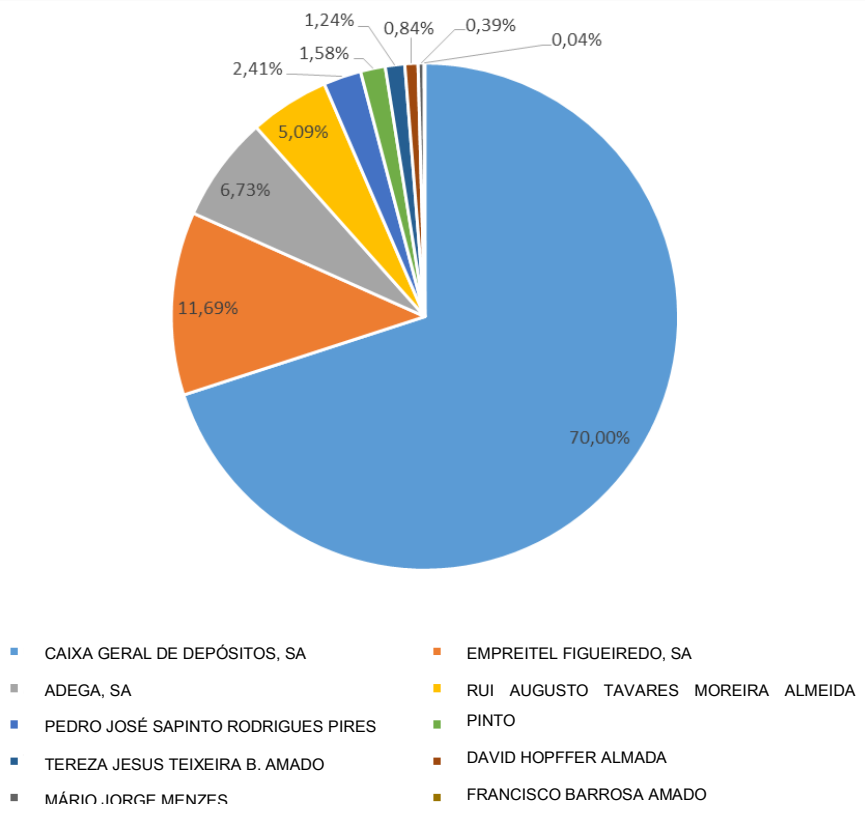


Figure 1 - BI shareholding structure

With regard to the transferability of their shares, shareholders should have the right of preference in the transfer of their securities to third parties, except in the case of a company with which the transferor is in a group or control relationship.

As for the scheme to which the renewal or revocation of defensive measures is subject, there are no statutory limits on the number of votes that may be held or exercised by a single shareholder, individually or in conjunction with other shareholders.

## II. Shares or Bonds Held

The holders of qualified shareholdings are listed in the table below, together with the number of shares, percentages of capital held and corresponding percentage of voting rights<sup>1</sup>:

<sup>1</sup> According to BI's Articles of Association, every 5 shares correspond to 1 vote.



Shareholder Name	No. of Shares	No. of Votes	% of Votes
CAIXA GERAL DE DEPÓSITOS, SA	70,000	14,000	70.00%
EMPREITEL FIGUEIREDO, SA	11,687	2,337	11.69%
ADEGA, SA	6,732	1,346	6.73%
RUI AUGUSTO TAVARES MOREIRA ALMEIDA PINTO	5,089	1,018	5.09%
PEDRO JOSÉ SAPINHO RODRIGUES PIRES	2,406	481	2.41%
DAVID HOPFFER ALMADA	1,580	316	1.58%
TEREZA JESUS TEIXEIRA B.AMADO	1,240	248	1.24%
FRANCISCO BARBOSA AMADO	839	168	0.84%
MÁRIO JORGE MENEZES	337	77	0.39%
RACAN, Lda.	40	8	0.04%

On 31 December 2021, BI held stakes in the following companies:

Title	2021					
	Acquisition value	% held	Total value (Net)	Fair Value Reserve	Deferred Taxes	Reserves Minus Taxes (Note 20)
<b>Equity instruments measured at fair value</b>						
Banco Comercial do Atlântico, S.A.	238,746	5.40%	300,021	71,285	(15,996)	55,289
Visa International Service Association	1,323	n.d.	57,509	56,185	(12,608)	43,577
A Promotora, Sociedade de Capital de Risco de Cabo Verde, S.A.R.L.	15,307	3.79%	15,393	86	(1,476)	(1,390)
Sociedade Cabo Verdiana de Tabacos, S.A.	10,095	0.65%	16,671	6,577	(19)	6,558
	<u>265,471</u>		<u>389,593</u>	<u>134,133</u>	<u>(30,099)</u>	<u>104,034</u>

The percentages of direct interest shown above are representative of the share capital held.

In accordance with the law and BI's Articles of Association, the resolutions of the General Meeting, upon a proposal from the Board of Directors, on increasing the share capital are taken by a qualified majority of the shareholders' votes, requiring a majority of at least 75% of the share capital. This share capital may be increased one or more times and shareholders have the right of preference in subscribing to new shares, in proportion to their holdings in the share capital.

The members of the Board of Directors and the Supervisory Board do not hold any shares and bonds.



## 7. Corporate Bodies and Committees

BI's governance model consists of a Board of Directors and a Supervisory Board. In accordance with the Articles of Association, the Board of Directors delegates the day-to-day management of the company to an Executive Committee.

The members of BI's governing bodies are elected by deliberation of the General Meeting for a period of three years and may be re-elected one or more times.

On 23 July 2021, the Board of Directors approved changes to the Bank's organisational chart.

In this context, the following table shows the structure of the Bank's corporate governance model; the competences of the various governing bodies are also described below:

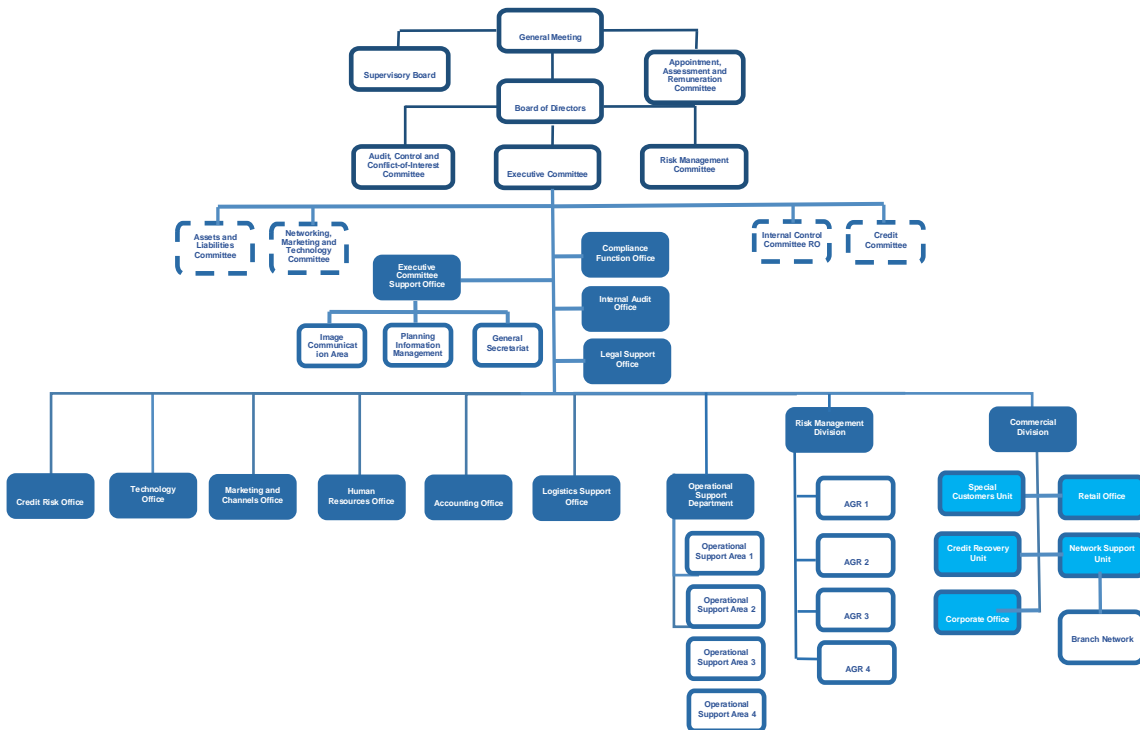


Figure 2 - Banco Interatlântico - Organisational Chart

### I. General Meeting

The General Meeting consists of a chairman and one or two secretaries, elected every three years.





The Board of the General Meeting is composed as follows:

<b>Name</b>	<b>Position</b>	<b>Term of Office (Start-End)</b>	<b>No. of Terms of Office</b>
Mário Jorge Menezes	Chairman	2020-2022	1
Francisco Fortunato Paulino Barbosa Amado	Secretary	2020-2022	4
Alexandre José Matias Nunes Mendes	Secretary	2020-2022	1

BI's Articles of Association may be amended in accordance with banking legislation, and the amendment projects must be duly substantiated and approved by the General Meeting.

The Meeting does not provide for limitations on the exercise of voting rights. Since each vote corresponds to five shares, the Bank's Articles of Association provide that, if shareholders do not have a sufficient number of shares to attain one vote, they may group together and be represented by one of them in order to exercise their vote.

In addition to the above and also in accordance with the Articles of Association, there are no limitations concerning the voting rights that may be exercised by a single shareholder or by shareholders that are in any relationship with the shareholder in question that may contribute to the attribution of voting rights, pursuant to Article 93(1) of the Securities Market Code.

Furthermore, in accordance with the Bank's Articles of Association, decisions are taken by an absolute majority of the votes of shareholders present or represented at the General Meeting. Decisions on the merger, de-merger, transformation and dissolution of the company and on any increase in share capital shall always require a majority of at least 75% of the share capital.

The General Meeting deliberates on all matters for which it is granted powers by the law and the Articles of Association, and is especially responsible for:

- Assessing the report of the Board of Directors, discussing and voting on the balance sheet, accounts and the opinion of the Supervisory Board;
- Deliberating on the proposed appropriation of profits;
- Carrying out an assessment of the company's management and supervision, and dismissing or expressing its lack of confidence in any, some or all of the Directors;
- Electing the Board of the General Meeting, the Directors, the members of the Supervisory Board and their Alternates;
- Deliberating on any amendments to the articles of association and capital increases;



- Authorising the purchase and sale of real estate, as well as investments, either amounting to more than 20% of the share capital;
- Deliberating on the remuneration of the members of the governing bodies, being able to appoint a Remuneration Committee for this purpose;
- Dealing with any other matters for which it has been called, providing that the corresponding powers have been assigned to it under the law.

## II. Management

### Board of Directors

The Board of Directors is composed of an odd number of members, at least five, one of whom being the Chairman and another Vice-Chairman, elected at a General Meeting by an absolute majority of votes.

On 10 January 2021, an Executive Director resigned and was replaced at the General Meeting of 31 May 2021. Subsequently, on 20 August 2021 a Non-Executive Director resigned from her position and was replaced, by resolution of the shareholders, on 22 December 2021.

Currently, the Board of Directors is composed as follows:

Name	Position	Term of Office (Start-End)	No. of Terms of Office	Qualification
José João Guilherme	Chairman	2020-2022	1	Non-Executive
José António da Silva de Brito	Vice-Chairman	2020-2022	1	Non-Executive
Pedro Bruno Cardoso Braga Gomes Soares	Member	2020-2022	3	Executive
Manuel Fernando Monteiro Pinto	Member	2020-2022	6	Executive
Fernando Manuel Domingos Maximiano <sup>2</sup>	Member	2020-2022	1	Executive
José Manuel dos Santos Afonso Serra <sup>3</sup>	Member	2020-2022	1	Executive
Eurísanda Venúlda Cardoso Tavares Rodrigues	Member	2020-2022	1	Executive
Dirceu César Lopes do Rosário	Member	2020-2022	1	Executive
Paulo Jorge Carneiro de Figueiredo Silva	Member	2020-2022	1	Non-Executive
Maria João Duarte Fonseca Pacheco de Novais	Member	2020-2022	1	Non-Executive and Independent
Maria Zenaida da Rocha Costa Neves Leite	Member	2020-2022	1	Non-Executive and Independent
Neusa Margarida Lima Ferreira Delgado <sup>4</sup>	Member	2020-2022	1	Non-Executive and Independent
Leonilda Rocha Semedo <sup>5</sup>	Member	2020-2022	1	Non-Executive and Independent

<sup>2</sup> Resigned from office in January 2021.

<sup>3</sup> Elected at the General Assembly on 31 May 2021.

<sup>4</sup> Resigned from office in August 2021.

<sup>5</sup> Elected by a resolution of the shareholders on 22 December 2021.



As mentioned above in the compliance statement, BI is guided by values and principles of professionalism, transparency, integrity, tolerance, non-discrimination, and equal opportunities. For this reason, the Bank is developing its work to promote gender parity and align equality policies in the constitution of the members of the governing bodies.

We should note that there are members of the Board of Directors who also have a professional relationship with some of BI's shareholders.

With regard to the powers of the Board of Directors, these derive from the law and are transposed in the Company's Articles of Association, and it is particularly responsible for:

- Managing corporate business and carrying out all acts and operations relating to the company's object that do not fall within the competences assigned to other governing bodies;
- Actively and passively representing the company in and out of court, being able to withdraw, acquiesce or acknowledge in any legal action, and undertaking to abide by the ruling of arbitrators in case of an arbitration agreement;
- Purchasing, selling or otherwise disposing of, or encumbering rights and assets, movable or immovable;
- Establishing the company's technical-administrative organisation, its internal operating rules, as well as staff regulations and their remuneration;
- Constituting duly empowered authorised representatives, as it may deem appropriate, including the power to appoint substitutes;
- Exercising any other powers assigned to them by law and by the shareholders.

The activity of the Board of Directors is set out in the Regulation of the Board of Directors, which can be consulted on Banco Interatlântico's website.

The Board of Directors meets quarterly or whenever convened by its Chairman. Minutes are drawn up for all meetings, recording the resolutions passed and the lists of attendees. In 2021, there were 4 meetings and two absences.

The Remuneration Policy<sup>6</sup> provides for the assessment of Directors, setting out the following criteria for assessing their performance:

#### Quantitative Criteria

- Solvency
- Profitability

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<sup>6</sup> Available for consultation at [www.bi.cv](http://www.bi.cv)



- Efficiency
- Market position
- Assumption of credit risk
- Liquidity

#### Qualitative Criteria

- Level of customer complaints
- BI and CGD Group reputation indicators
- Qualitative performance indicators associated with each of the functions and/or business areas under the responsibility of each of the Executive Directors.

The Appointment, Assessment and Remuneration Committee was created to ensure compliance with this policy. In this Report, this topic is developed in Chapter VII on Remuneration.

All the members of the Board of Directors have proven to be available to perform their duties, as evidenced by their attendance record. They dedicated the necessary time proportional to the relevance of the matters they had to deal with, measured in the light that they present for society, as well as the tasks assigned to each of them.

In this context, it is important to mention the positions held simultaneously in other companies by the members of the Board, namely:

Member	Company(ies)	Position held
José João Guilherme	Caixa Geral de Depósitos, S.A.	Executive Director
	Banco Nacional Ultramarino, S.A	Non-Executive Chairman
	Fidelidade-Companhia de Seguros, S.A	Non-Executive Member
	Eugénia de Almeida Foundation	Non-Executive Director
	Luso-Spanish Chamber of Commerce and Industry	Member of the Senior Management
	University of Lisbon	External and independent member of the General Board
José António da Silva de Brito	Caixa Geral de Depósitos, S. A.	Executive Director
Manuel Fernando Monteiro Pinto	SISP	Non-Executive Director, representing BI
Paulo Jorge Carneiro de Figueiredo Silva	Empreitel Figueiredo, SA	Chairman Board of Directors
	ITS-Imobiliária Turística de Salamansa, SA	Chairman Board of Directors
	Grupo Figueiredo, SGPS	Chairman Board of Directors
Maria João Duarte Fonseca Pacheco de Novais	MJN Advogados	Partner and Lawyer
Maria Zenaida da Rocha Costa Neves Leite	Business and Governance School of the University of Cape Verde	Professor and Researcher
Neusa Margarida Lima Ferreira Delgado	Empresa de Electricidade e Água, SA.	Head of the Planning and Control Unit at Electra



### Executive Committee

In accordance with BI's articles of association, the Board of Directors may delegate the ordinary management and representation of the company to an Executive Committee. It currently consists of five Directors, one of whom is the Chairman. Both its composition and the powers and conditions of the respective delegation are set out in minutes by the Board of Directors through the Regulations of the Executive Committee.

The Executive Committee is composed of the following members:

Name	Position	Term of Office (Start-End)	No. of Terms of Office
Pedro Gomes Soares	Chairman	2020-2022	3
Manuel Monteiro Pinto	Member	2020-2022	6
Fernando Maximiano <sup>2</sup> acima <sup>2</sup>	Member	2020-2022	1
José Afonso Serra <sup>3</sup>	Member	2020-2022	1
Eurisanda Rodrigues	Member	2020-2022	1
Dirceu do Rosário	Member	2020-2022	1

In particular, the Executive Committee is responsible for the following:

- The Board of Directors delegates the day-to-day management of the Company to the Executive Committee;
- The Board of Directors shall decide on the limits of the delegation of powers granting on it, for that purpose, the necessary powers and competences, except for those that it reserves to itself in accordance with legal and statutory provisions;
- The delegation of powers of the Board of Directors to the Executive Committee is expressed, in addition to the provisions of the Law and the Articles of Association, by the Policies, Regulations and Risk Appetite Statement approved by the Board of Directors;
- Without prejudice to its collegiate competence, the Executive Committee may assign to one or more of its Members direct responsibility for specific areas and sub-delegate to one or more of its Members the exercise of one or more of its delegated powers.

As a rule, the Executive Committee meets weekly. Minutes are drawn up for all meetings, recording the resolutions passed.

The operating rules of the Executive Committee were updated on 30 December 2019 and can be found on Banco Interatlântico's website at [www.bi.cv](http://www.bi.cv).



### III. Supervision

#### Supervisory Board

The supervision of the Bank's corporate activity is a responsibility of the Supervisory Board, comprising a President, two full members and an alternate member.

Name	Position	Term of Office (Start-End)	No. of Terms of Office	Qualification
José Manuel Nunes Liberato	Chairman	2020-2022	2	Non-independent
José Mário de Sousa	Member	2020-2022	2	Independent
Carlos Alberto Rodrigues	Member	2020-2022	1	Independent
Maria Madalena Duarte Almeida	Alternate Member	2020-2022	1	Independent

The Supervisory Board is mainly responsible for:

- Attending the meetings of the Board of Directors and the General Meeting whenever it deems it convenient or is called to do so;
- Examining, whenever deemed convenient, the Bank's bookkeeping;
- Monitoring the functioning of the Institution and compliance with the laws, the Statutes and the regulations applicable to it;
- Issuing opinions on the budget and annual accounts;
- Supervising the Bank's Management, checking the Institution's vaults whenever it is deemed convenient, subject to the inherent safety rules;
- Calling the Board of Directors' attention to any matter that should be considered and to giving its opinion on any matter submitted to it by that body;
- With respect to the External Auditor:
  - i. Proposing its appointment to the General Meeting;
  - ii. Supervising the auditing of the company's financial statements;
  - iii. Supervising the independence of the External Auditor and, within this framework, assessing and deciding, after hearing the Audit, Control and Conflicts-of-Interest Committee, on the provision by the External Auditor of additional services to BI, as well as on the respective conditions;
  - iv. Proposing its dismissal to the General Meeting, whenever there is just cause for it.

The operating rules of the Supervisory Board can be found at Banco Interatlântico's website , at [www.bi.cv](http://www.bi.cv).

The Supervisory Board should hold ordinary meetings at least once every three months and extraordinary meetings whenever convened by the respective President. In 2021, there were 6 meetings and no absences.



All the members of the Supervisory Board have proven to be available to perform their duties, as evidenced by their attendance record. They dedicated the necessary time proportional to the relevance of the matters they had to deal with, measured in the light that they present for society, as well as the tasks assigned to each of them.

In this context, it is important to mention the positions held simultaneously in other companies by the members of the Board, namely:

Member	Company(ies)	Position held
José Manuel Nunes Liberato	BCI (Mozambique)	Member of the Supervisory Board
	BCGA (Angola)	Member of the Supervisory Board
	Champalimaud Foundation	Advisor to the Management
José Mário de Sousa	OPACC	Chairman of the Governing Board
Carlos Alberto Rodrigues	Foya Branca Hotel	Managing Director
Maria Madalena Duarte Almeida	Coopensino-Cooperativa de	Chairman of the Board of Directors
	Ensino Superior	

#### **Appointment, Assessment and Remuneration Committee (CNAR)**

At the General Meeting held on 31 May 2021, amendments to the Regulations of the Remuneration Committee were approved, transforming this Committee into the Appointment, Assessment and Remuneration Committee (CNAR).

This body is responsible for updating and reviewing the Remuneration Policy, whenever deemed appropriate or necessary, in order to ensure compliance with its objectives and requirements, namely:

- Promoting an annual analysis and evaluation of the application of the Remuneration Policy;
- Identifying any effects arising from the application of the Remuneration Policy in BI's risk, capital and liquidity management that recommend a review thereof;
- Identifying updates, revisions and other adjustment measures deemed appropriate;
- Corporately reporting to CGD, as the maximum consolidating entity, the conclusions resulting from the analysis carried out by the CNAR, under the terms of the paragraph above.
- Issuing the annual statement on the remuneration policy of the members of the Board of Directors and the Supervisory Board, to be submitted for approval by the General Meeting, in compliance with the applicable legislation and regulations;
- Consulting with the heads of the audit, compliance, risk management and other units, who may be asked to make any contributions deemed relevant for the purposes of the foregoing;
- Ensuring compliance with the remaining duties assigned by the Remuneration Policy.



The CNAR is also responsible for presenting to the General Meeting the conclusions from the analysis carried out under the aforementioned terms.

The other responsibilities of this Committee are to propose to the General Meeting the remuneration values, as well as the fixed and variable components included therein, where applicable, as well as to issue an opinion on the performance evaluation of the Holders of Relevant Positions (HRP), for which purpose it may consult, if it so wishes, the Corporate HRP.

This Committee has the following composition:

Name	Position	Qualification
José Manuel Nunes Liberato	Chairman	Non-independent
Maria João Duarte Fonseca Pacheco de Novais	Member	Independent
Maria Zenaida da Rocha Costa Neves Leite	Member	Independent

The Regulation of CNAR was approved on 31 May 2021 and can be found on BI's website at [www.bi.cv](http://www.bi.cv).

#### ***CURRICULUM VITAE* - MEMBERS OF THE GOVERNING BODIES**

The professional qualifications and curricular information of the members of BI's governing bodies, namely the Board of Directors, the Supervisory Board and the Remuneration Committee are in Annex I to this Report.

#### **IV. External Auditor**

The annual auditing of BI's accounts is carried out by an independent external entity and, in accordance with the law, it is the Supervisory Board's responsibility to recommend the appointment of the External Auditor to the General Meeting.

According to Article 7(1) of BCV Notice 4/2014, *banks must promote the rotation of the certified auditor (...) at the end of two or three terms of office, depending on whether they are four or three years long, respectively.*

In 2017, the Supervisory Board proposed to the General Meeting, which approved its proposal, that Banco Interatlântico's accounts for 2017 be audited by Ernst & Young Audit & Associados - SROC, S.A. - Sociedade de Revisores Oficiais de Contas, represented by António Filipe Dias da Fonseca Brás. This company was hired for 4 years between 2017 and 2020.

On 22 June 2021, the General Meeting approved the appointment of Ernst & Young Audit & Associados-SROC, S.A. for a second 4-year term as external auditor.





Descriptions	Term			To be provisioned
	EUR	CVE	CVE + VAT	CVE
<b>2021 Audit</b>				
EY-Audit Fees	40,000.00 €	4,410,600	5,072,190	5,072,190
EY-Impairment Report	14,720.00 €	1,623,101	1,866,566	1,866,566
EY-Regulatory Provisions Report	6,125.00 €	675,373	776,679	776,679
EY-Audit Expenses - Travel, Accommodation and Meals				
EY-Other expenses				
<b>Total Audit -</b>	<b>60,845.00 €</b>	<b>6,709,074</b>	<b>7,715,435</b>	<b>7,715,435</b>

## V. Transactions with Related Parties

BI carries out transactions with the CGD Group and, as at 31 December 2021, BI's financial statements include the following transactions with related parties:

	2021				
	Caixa Geral de Depósitos Group				
	CGD	Branch in France	Banco Comercial do Atlântico	Promotora	Associates
<b>Assets:</b>					
	177,32				
Cash equivalents at other credit institutions	1	850	315	-	-
Investments at credit institutions	-	-	-	-	-
Financial assets available for sale	-	-	300,021	15,393	-
Loans and advances to customers	-	-	-	-	-
Impairment	-	-	-	-	-
Investments in subsidiaries, associates and joint ventures	-	-	-	-	118,588
Other assets	-	-	-	-	1,359
<b>Liabilities:</b>					
Deposits from other credit institutions	-	-	-	-	-
Deposits from customers and other loans	(9,912)	-	-	(72)	(120,090)
Other subordinated liabilities	-	-	-	-	-
Other Liabilities	-	-	-	-	-
<b>Off-balance sheet:</b>					
Guarantees provided	-	-	-	-	-
<b>Income:</b>					
Interest and similar income	-	-	-	-	-
Income from equity instruments	-	-	-	-	-
Income from services and fees	-	-	-	-	46,534
Income from associates	-	-	19,997	66	21,640

**Costs:**

Interest and similar costs	-	(47)	-	-	-
Expenses with services and fees	(1,059)	(120)	-	-	(1,956)
General administrative expenditure	-	-	-	-	(31,576)
Impairment of other assets, net of reversals and recoveries	-	-	-	-	-

In order to comply with the control and efficiency required in transactions with related parties, BI integrates a series of procedures for approving the business in question.

BI's organisational and management structures that propose Transactions with Related Parties must submit their proposal for approval by the Executive Committee or by the Board of Directors, depending on the body responsible for approving the business in question. As such, this proposal should include the following information:

- Description of the main terms and conditions of the transaction, including its economic value;
- Reference to the contract formation procedures adopted, namely as to their modality, selection criteria, measures foreseen to prevent or solve potential conflicts of interest and the reasoning behind the choice made;
- Demonstration that the terms of the transaction are in line with normal market conditions.

## VI. Preventing conflicts of interests

At BI, the prevention of conflicts of interest is regulated in a specific Policy, namely the Global Policy for the Prevention and Management of Conflicts of Interest (PGPGCI).

The PGPGCI outlines as situations of conflict of interest whenever BI and/or its employees in the performance of their activities and/or duties, have their own interests that may interfere, or are likely to interfere, with the duties of loyalty, diligence, neutrality, independence of mind and respect for the interests entrusted to them and may result from situations of conflict between them, BI, its customers, its employees, shareholders, suppliers, and related parties, updated in 2021.

It also establishes that the members of the Board of Directors and Supervisory Board must provide statements with regard to the holdings and property interests held, directly or indirectly, in BI or in companies in which they have stakes, the relationships they maintain with suppliers, customers, financial institutions, or any other business partners of BI.

In 2021, all reports of conflicts of interest of the new members of the Governing Bodies were gathered.



No incompatibilities were found between the exercise of management positions at BI and those held by the members of the Board of Directors, arising from any other regulations.

To date, the members of the Board of Directors have complied with all legal and regulatory provisions arising from the exercise of their positions and any positions they may exercise simultaneously.

Based on the procedures and control mechanisms set forth in the Policy, several situations were analysed by the GFC in 2021, but none of them were found to entail a conflict of interest.

In 2021, the annual report was prepared and its implementation, as well as any guidelines issued by the supervisory authorities in 2020 were assessed and monitored.

## VII. Remunerations

Since 2000, BI had a Remuneration Committee, appointed by its shareholders at the General Meeting, which established the rules and amounts of the salaries, compensation and allowances granted to the members of the company's Governing Bodies.

On 7 April 2017, the Remuneration Policy establishing the structure, amounts and conditions for granting remunerations to the members of BI's governing bodies was approved at the General Meeting held on that day, and the amendments to the current Remuneration Policy were approved at the General Meeting held on 31 May 2021, having as main objectives and requirements:

- a) Ensuring compliance with the applicable legal and regulatory provisions;
- b) Promoting and being consistent with a sound and prudent risk management;
- c) Avoiding situations of conflict of interest.

The setting of the remuneration amounts and the determination of the fixed and variable components included in them, where applicable, is the responsibility of the General Meeting, under proposal of the Appointment, Assessment and Remuneration Committee in compliance with the requirements of the Remuneration Policy.

### **Remuneration of Executive Directors**

The remuneration of Executive Directors comprises a fixed component and a variable component; the latter is not guaranteed.

The value of the variable component of the remuneration of Executive Directors may not exceed the fixed remuneration, to ensure that the fixed component represents a sufficiently high proportion of the total remuneration of Executive Directors, in order to allow the application of a fully flexible policy regarding the variable component, including the possibility of it not being paid. Additionally, the total value of the variable component of the variable remuneration of all Executive Directors cannot exceed the maximum percentage



of net profits for the year, as set annually by the General Meeting, following a proposal presented by the CNAR. This value takes into account the overall performance and results of BI; the policy followed in this matter in comparable institutions, and the evolution of the overall value set for the variable remuneration of all of the Bank's employees.

### Remuneration of Non-Executive Directors

The remuneration of Non-Executive Directors comprises a fixed component and does not include any variable component, nor is its granting dependent on the Bank's results. This remuneration and the terms of its payment are determined by resolution of the General Meeting or, when appointed, by the CNAR.

The following remuneration policy for members of BI's Governing Bodies is currently in force:

Governing Bodies	Gross Annual Remuneration (amounts in CVE)
Chairman of the Executive Committee	8,400,000
Member of the Executive Committee National	5,600,000
Member of the Executive Committee Expatriate	5,110,000
Chairman of the Board of Directors	1,750,000
Vice-Chairman of the Board of Directors	1,610,000
Non-Executive Director	1,540,000
Chairman of the Supervisory Board	1,440,000
Member of the Supervisory Board	720,000
Chairman of the Board of the General Meeting	1,080,000
Secretary of the Board of the General Meeting	540,000

BI's Remuneration Policy is published on the website at [www.bi.cv](http://www.bi.cv), for public consultation.

## VIII. Internal Control and Risk Management

An internal control system is defined as a set of strategies, systems, processes, policies, and procedures outlined by the management body, as well as a set of actions undertaken by this body, and by the other employees of the institution, with a view to ensuring three goals:

- An efficient and profitable performance of the activity, in the medium and long term (performance goals);
- The existence of complete, relevant, reliable and timely financial and management information (information goals);
- Compliance with the applicable legal and regulatory provisions (compliance goals), including those relating to the prevention of money laundering and terrorist financing, as well as professional and ethical standards and practices, internal and statutory rules, rules of conduct and customer relations, guidelines from the governing bodies and the recommendations of the Basel Committee



on Banking Supervision and the Committee of European Banking Supervisors (now the EBA), in order to protect the reputation of the institution and prevent it from being subject to sanctions.

In 2011, BI, in line with the Caixa Geral de Depósitos Group, approved guidelines for the governance model for managing operational and internal control, with the aim of developing management capacities in these matters. In 2017, the Corporate Operational Risk Management Policy (transposed in the same year in the BI) defining a wide range of control procedures that cut across different processes, which are carried out on a day-to-day basis, as well as control functions within the Organisation that, as a whole, contribute to risk exposure being mitigated and kept at low levels, and whose model is based on four phases, namely identification, assessment, monitoring, and mitigation.

Also as part of its corporate policies and in line with Caixa Geral de Depósitos, BI has created the Risk Management Function and established and published management policies for the various categories of risk listed below: (i) credit risk; (ii) reputational risk; (iii) IT risk (iv) market risk; (v) liquidity risk; (vi) balance sheet interest rate risk; (vii) operational risk; (viii) compliance risk ).

This is how the Bank guarantees adequate risk control based on this management system and an efficient communication and monitoring process.

Therefore, specific and cross-cutting responsibilities have been outlined for certain BI divisions, which together and in coordination with the other structures, develop activities to guarantee an adequate internal control system:

#### **Board of Directors (CA)**

It is responsible for reviewing and approving the profile, strategy, policies, management methodologies, ensuring the implementation of adequate internal control, risk management, reporting, supervision and accounting structures, and approving the annual report on BI's internal control system, issuing an overall opinion on its adequacy and effectiveness.

#### **Executive Committee (CE)**

This body supports the Board of Directors in outlining the profile, strategy, policies and management methodology and their implementation at BI; monitors the preparation and conclusions of the report on the internal control system; approves the action plans aimed at mitigating operational risk and strengthening the internal control system.



### **Appointment, Assessment and Remuneration Committee (CNAR)**

Advises the Board of Directors on the filling of any vacancy in the governing bodies, on the preparation of recommendations regarding prospective members of the management and supervisory bodies, as well as on making judgements on their assessment and respective remuneration policy.

### **Audit, Control and Conflict-of-Interest Committee (CACI)**

The CACI is responsible for monitoring the activity of the Executive Committee of the BI Board of Directors, ensuring compliance with legal and regulatory conditions, the Bank's Articles of Association and the rules issued by the supervisory authorities, the general policies, standards and practices established internally, as well as assessing and promoting the effectiveness and efficiency of the Internal Audit Function, ensuring direct functional reporting of this function, making a critical assessment of the Bank's Internal Control System and becoming aware of situations of conflict of interest and the management measures that are adopted.

As part of its powers, the CACI is chaired by a Non-Executive Director and additionally composed of two Non-Executive and Independent Directors and is responsible for:

- Assessing the Internal Regulation of the Audit Function, approving the Internal Audit activity plans and assessing the respective activity reports, monitoring them, assessing the conclusions of the respective audit actions and reporting to the Executive Committee and the Supervisory Board (if applicable) the recommendations it deems appropriate regarding the matters that were audited;
- Obtaining periodically updated information on the areas or subjects covered by the audits carried out by Internal Audit, and assessing operational procedures, with a view to promoting the efficient management of the respective activities, through an appropriate control environment, solid risk management, an efficient information and communication system, and an effective internal control monitoring process;
- Monitoring the developments in the main processes under the responsibility of Internal Audit, assessing the activities carried out by the Internal Audit Office in each semester;
- Promoting, at BI, the pursuit of the basic objectives set in terms of internal control and risk management by the Bank of Cape Verde, as well as in the supervisory directives aimed at credit institutions and financial companies, and the corporate standards applicable to the Bank;
- Being informed of the prudential reports relating to BI's activity;
- Being informed of all the Inspections carried out at BI by the Bank of Cape Verde and other competent entities;



- Being informed of the activity plans of the Compliance and Risk Management Functions, after their approval by the Risk Management Committee;
- Being informed of the annual opinion(s) issued by the Supervisory Board on the adequacy and effectiveness of the internal control system and the opinion(s) of the Statutory Auditors on the internal control system underlying the process of preparation and disclosure of financial information, pursuant to the BCV Notice and the BdP Notice;
- Being informed of the annual reports provided for by law and corporate regulations;
- Assessing the monitoring of compliance with the Code of Conduct and being informed of the deficiencies found in this monitoring, as well as of breaches of the Code;
- Being informed of situations of conflict of interest that are identified and management measures that are taken;
- Promoting the institution, promotion and control of measures to detect and prevent situations that are deemed conflicts of interest in the Bank's regular activity;
- Assessing the reports of the external auditors;
- Being informed of the progress of inspections carried out by supervisory bodies and other authorities.

#### **Risk Management Committee (CGR)**

The CGR is responsible for supporting and advising the Board of Directors on BI risks' management, considering both its individual and consolidated perimeters, assessing and promoting the effectiveness of the Risk and Compliance Functions, monitoring the Bank's strategy and risk appetite, overseeing consistency across all major products and services offered to customers, monitoring the policies for managing all risks related to the Bank's activity, assessing and promoting the effectiveness and efficiency of BI's internal control processes and issuing opinions on the appointment of external consultants that the supervisory function decides to hire for advice or support.

As part of its powers, the CGR is chaired by the CRO of the CGD Group and additionally integrates two non-executive and independent Directors, being responsible for:

- Assessing and promoting the effectiveness of the Risk and Compliance Functions ;
- Monitoring BI's risk strategy and risk appetite;
- Advising the Board of Directors on BI's overall, current and future risk appetite and risk strategy as a credit institution, taking into account all types of risks, both financial and non-financial, in order to ensure that they are harmonised with the institution's business strategy, objectives, culture and corporate values;



- Assisting the Board of Directors in overseeing the implementation of BI's risk strategy by senior management;
- Overseeing the consistency between all significant products and services offered to customers, as well as the institution's business model and risk strategy, submitting correction plans to the Board of Directors when that analysis shows that the aforementioned conditions do not adequately reflect the risks;
- Examining whether the incentives set out in BI's remuneration policy take into account risk, equity, liquidity and expectations regarding income, including revenue dates;
- Monitoring the management policies for all risks related to BI's activities, both financial and non-financial, namely business and strategy, solvency, liquidity, interest rate, credit, market, pension fund, operational, IT, compliance and reputational risks;
- Advising the Board of Directors on BI's current and future generic policies regarding risk assumption, management, control, hedging and risk mitigation factors;
- Analysing specific categories of risks, provided for by law and corporate regulations, monitoring and assessing the risks of non-compliance with the obligations to which BI is subject;
- Analysing the adequacy of the allocation of resources to the management of risks regulated by the national and European legislation in force, as well as by the corporate standards approved by BI;
- Assessing and promoting the effectiveness and efficiency of BI's internal control processes, namely by assessing the recommendations of the Risk Management Function, the Compliance Function, the 1<sup>st</sup> line of defence, internal or external auditors, and the Supervisor. Monitoring the proper implementation of the adopted measures;
- Assessing the processes, methodologies and models for assessing assets and external credit ratings and approving the most significant aspects of the rating and risk estimation processes.
- Analysing a range of possible scenarios, including stress scenarios, to assess how the institution's risk profile reacts to external and internal events;
- Monitoring the models for measuring risk and calculating own funds adopted internally;
- Issuing opinions on the appointment of external consultants that the supervisory function decides to hire for advice or support;
- Monitoring the rating and scoring models ;
- Outlining and updating an action plan for all risks;
- Performing the other duties assigned to the risk committee provided for by law and corporate standards.





### **Compliance Function Office (GFC)**

This office is responsible for coordinating compliance risk management at Banco Interatlântico. In this context, the Office is responsible for coordinating and safeguarding the proper implementation of procedures to prevent money laundering and terrorist financing, as well as to prevent market abuse. It is responsible for:

- Keeping a Repository of legal and regulatory Standards applicable to banking and financial intermediation and ensuring that it is constantly up to date;
- Identifying, based on the Regulatory Repository, the legal and regulatory duties applicable to the main functional areas of activity developed by BI, using the legal support of the GAJ (Legal Support Office) where justified;
- Assessing the adequacy of the internal rules and regulations to the legal and regulatory framework in force and to best practices, identifying the gaps and supporting the other BI Divisions involved in promoting their elimination;
- Identifying the diplomas made available for public consultation, and preparing proposals indicating the Division that should lead the consultation and promote a response by communicating BI's position, always with the support of the GFC and the GAJ and the others involved by the affected functional areas;
- Collaborating and supporting other BI Divisions in regulatory matters;
- Preparing and controlling the implementation of the Office's activity plan and performance goals;
- Preparing the Office's annual budget;
- Preparing a report, at least once a year, on the activity that was carried out and any deficiencies found, to inform the Executive Committee and the Supervisory Board;
- Checking the GFC contents on BI's website, together with the AIC;
- Ensuring coordination with the GTI in extracting and processing information to support the GFC's activity;
- Identifying, analysing and measuring compliance risks, in order to assess the legal and regulatory compliance of policies and procedures adopted by BI for carrying out its activity, including compliance with rules of conduct and customer relations;
- Reporting any deficiencies found to the EC and proposing the adoption of corrective and/or preventive measures, monitoring their implementation;
- Promoting, with the responsible Divisions, the elimination of compliance gaps found in the BI's rules and regulations;
- Checking, in advance, the compliance of the products and financial instruments to be issued and/or marketed by BI, as well as their communication and advertising;



- Issuing an opinion on the impact of the development of new activities or the provision of new services on BI's compliance risk profile;
- Analysing, with the support of the GAJ, BI's performance in matters relating to corporate governance in the light of the applicable legislation and best market practices, especially with regard to monitoring compliance with the principles of good governance;
- Preparing an immediate report to the EC on any non-compliances found by the GFC, or reported by other Divisions, which indicate a violation of legal obligations, rules of conduct and relations with customers or other duties that may cause BI or its employees to incur in administrative offences;
- Keeping an updated record of these non-compliances and of the measures proposed and adopted to correct and/or prevent them;
- Annually reviewing the activities that are carried out, according to the evolution of BI's compliance risk profile, planning a greater focus on functional areas with higher risk;
- Collaborating with the GRH in the training of BI employees in the context of courses, seminars or workshops developed by external entities, and coordinating and promoting internal training activities on compliance, prevention of money laundering, combating terrorist financing and prevention of market abuse;
- Periodically preparing reports on the activities developed as part of compliance risk monitoring for reporting to the Executive Committee.
- Analysing the alerts generated by the anti-money laundering system and carrying out preliminary analyses with a view to filing or opening investigation proceedings;
- Checking, analysing and making decisions regarding alerts generated by comparison with databases containing politically exposed persons and entities sanctioned by the various international lists, namely the United Nations, the European Union and the United States' Office of Foreign Assets Control, when opening accounts, issuing and receiving transfers and periodically checking the Customer Database;
- Conducting screening analyses of suspicious transactions to prevent market abuse;
- Following-up on the acceptance and monitoring scoring as part of the 'Know Your Customer' policy;
- Complying with the duty of examination and due diligence with regard to banking correspondents, politically exposed persons (enhanced vigilance) and customers with a high-risk profile in terms of AML/CTF;
- Managing IT tools related to the prevention of money laundering and the prevention of market abuse;
- Periodically preparing reports on the activities developed as part of the monitoring of transactions and customers, for reporting to the Executive Committee.
- Coordinating, establishing and ensuring the proper implementation of procedures regarding the prevention of money laundering, terrorist financing, and market abuse;



- Searching, identifying and/or analysing, on its own initiative or at the request of BI's Business Units, operations that may entail risks of money laundering, terrorist financing, and market abuse;
- Ensuring external representation before supervisory authorities, Judicial Authorities, Police and UIF in matters related to money laundering, terrorist financing, and market abuse;
- Reporting suspicious transactions to the competent authorities after deliberation;
- Collaborating with the GRH in the training of BI employees in the context of courses, seminars or workshops developed by external entities, and coordinating and promoting internal training activities on prevention of money laundering, combating terrorist financing and prevention of market abuse;
- Following-up on and monitoring, in person or remotely, the activity of BI's divisions, with regard to the prevention of money laundering and market abuse;
- Periodically preparing reports on the activities developed and the operations identified and analysed as part of the prevention of money laundering and market abuse, for reporting to the Executive Committee and to the supervisory and control entities, receiving all the information required for this purpose from BI's Divisions.

#### **Operational Risk and Internal Control Committee (CROCI)**

It is responsible for assessing and promoting the effectiveness of BI's internal control systems, assessing the annual reports of the control functions and on the internal control system, being informed of the annual opinion of the Supervisory Board on the adequacy and effectiveness of the internal control system and of the external auditor on the internal control system underlying the process of preparation and disclosure of financial information.

As part of its responsibilities, the CROCI is responsible for:

- Checking whether the operational risk management procedures and methodologies are in line with BI's profile, strategy and operational risk management policies and aligned with what has been established for the CGD Group;
- Checking whether the operational risk level is in accordance with the established profile and limits;
- Monitoring the results obtained in the different components of the management methodology in place, namely the operational risk event collection process, the risk and control self-assessment, and the risk indicators;
- Approving action plans aimed at mitigating operational risk and strengthening the internal control system, communicating them to the Board of Directors and the Executive Committee;
- Analysing and assessing the current and monthly status reports provided to the DGR by the owners on the state of resolution of internal control deficiencies, the measures proposed to mitigate the



risks that were identified and the justification and grounds for failing to meet the deadlines proposed for their implementation.

### **Internal Audit Office (GAI)**

The GAI is responsible for controlling, conducting internal audits and monitoring Banco Interatlântico's internal control systems:

- Contributing to an internal control culture in all Banco Interatlântico's Divisions, through a proactive and pedagogical attitude;
- Assessing the suitability of the processes underpinning the functioning of Banco Interatlântico in the light of the policies, priorities and strategic plans defined, proposing possible corrective measures and monitoring their implementation;
- Assessing the adequacy and effectiveness of risk management and measuring systems;
- Checking compliance with internal standards and external legislation and regulations governing the activity;
- Assessing the integrity, reliability and timeliness of prudential management information and financial information, on an individual and consolidated basis, reported periodically to the Supervisory Bodies and made available to the Board of Directors, the Supervisory Body and the Management Bodies;
- Evaluating the degree of efficiency in the use of the material and human resources assigned to the activity;
- Coordinating internal audit activities with the other Control Functions - Risk Management Function and Compliance Function - considering their respective functions, responsibilities and competencies, in order to minimise the duplication of efforts and to ensure adequate risk coverage;
- Cooperating and sharing information with the Supervisory and Inspection Bodies and the External Auditor, in order to ensure an adequate level of risk coverage and to optimise or complement the actions carried out;
- Ensuring that regular meetings are held with the other Control Functions to strengthen coordination and share information regarding matters within the remit of each function, and also to create synergies and alignment between their respective activities;
- Providing immediate information to the Internal Audit Function of the Group and to the Management and Supervisory Bodies on control, risk, governance and other matters of relevance and/or material impact on the activities of Banco Interatlântico;
- Certifying internal control deficiencies, under the terms defined in the Management Policy of Internal Control Deficiencies, and reporting to the Management and Supervisory Bodies and to the



Internal Audit Function of the Group on the result of follow-up actions on the recommendations made;

- Carrying out evaluations, enquiries and reviews, when requested by the Management and Supervisory Bodies.

### **Risk Management Division (DGR)**

The DGR, as the body responsible for risk management at BI, promotes the implementation of measures to strengthen risk management and produce more relevant information and reports on the management of the various risks and the Bank's risk profile.

Its objective is to ensure the coordination of the management, monitoring and control of the risks arising from Banco Interatlântico's activity, namely by:

- Designing, developing and implementing risk management, in a timely and comprehensive manner, focusing on the Bank's activities, including risk management and analysis models;
- Coordinating and/or participating in structuring projects across the Bank, emanating from supervisory authorities or imposed by the shareholder, which result in changes in the Bank's risk management processes and procedures;
- Supporting the functioning and operation of the Risk Management Committee and the Assets and Liabilities Committee.

The local FGR has sought to centrally manage risk governance, which involves:

- a) Establishing and maintaining a common view on risks;
- b) Promoting a risk observance culture;
- c) Creating conditions for risk disclosure;
- d) Integrating practices related to risk management;
- e) Ensuring alignment between risk strategies and business risk strategies and the applicability of risk management;
- f) Assessing, proposing and disclosing the most appropriate risk tolerance levels;
- g) Setting and maintaining levels of responsibility in risk management;
- h) Identifying the human resources required for risk management;
- i) Carrying out risk analyses across the various divisions of each entity.



In 2020, the Risk Management Office (GGR) became the Risk Management Division (DGR), composed as follows:

**a) AGR-1 Financial Risk Area:**

Division responsible for ensuring the identification, assessment, measurement, monitoring, control and reporting of credit risk, wholesale portfolio management results, market risk, balance sheet liquidity and interest rate risk, and BI's solvency risk.

It is also responsible for preparing and controlling the Division's activity plan and budget, as well as for providing administrative and integrated support to the Division as a whole.

**b) AGR-2 Operational Risk and Non-Financial Risks Area:**

Division responsible for ensuring the identification, assessment, measurement, monitoring, control and reporting of operational risk (with the exception of model risk), as well as for ensuring the overall supervision of BI's Business Continuity Management.

It is also responsible for ensuring the identification, assessment, measurement, monitoring, control and reporting of BI's non-financial risks (excluding operational risk).

**c) AGR-3 Risk-Planning and Strategy Area**

Division responsible for the *Enterprise Risk Management Framework* (ERM), Risk Governance, for coordinating cross-cutting processes involving the risk management function, for developing and monitoring internal models used in risk management across BI, as well as for coordinating projection exercises and stress tests at BI.

This area is also responsible for improving the quality of the data used in risk management, as well as increasing the level of automation in the processes of information extraction, processing and reporting.

**d) AGR-4 Internal Control Area:**

Division responsible for monitoring the internal control model implemented at BI and for ensuring and promoting a risk culture among the various BI divisions.



## Main types of risks

Type of Risk	Prospect	RAS Metrics	Rationale
<b>Solvency risk</b>	Increase	<ul style="list-style-type: none"> <li>• <i>Total capital ratio</i> ●</li> <li>• <i>Leverage ratio</i> ●</li> </ul>	<p>Although, on the one hand, there is the possibility of a regulatory change in the way regulatory provisions are calculated which may justify the need to increase Own Funds, on the other hand, there are some measures in the scope of Covid19 that reduced the pressure on Own Funds until 21 December.</p> <p>The constant monitoring of the regulatory ratio, public consultations, and the periodic production of projections/estimates of its developments in aspects that may impact on own funds allow for an active and preventive management, justifying the assessment as non-material.</p>
<b>Credit Risk</b>	Stable Decrease	<ul style="list-style-type: none"> <li>• <i>Impairment coverage of NPE</i> ●</li> <li>• <i>Cost of risk</i> ●</li> <li>• <i>NPE Ratio</i> ●</li> <li>• <i>NPL ratio</i> ●</li> </ul>	<p>It is understood that credit risk, in net terms, is very relevant, given the weight of this activity within the Bank. Additionally, the ratio of default, together with the concentration of about 80% of the loan portfolio in 20 Customers/economic group justifies the classification of this risk.</p>
<b>Strategy</b>	Stable Decrease	<ul style="list-style-type: none"> <li>• <i>Return on equity (ROE)</i> ●</li> <li>• <i>Return on assets (ROA)</i> ●</li> <li>• <i>Cost to income ratio, recurrent</i> ●</li> </ul>	<p>The risks and uncertainties at the macroeconomic level (reinforced by the current situation of COVID-19), as well as the lack of control of the processes associated with the recovery of NPLs, namely delays in the courts, justify the materiality attributed. However, with the application of controls, strategic risk becomes non-material.</p>



<b>Market Risk</b>	Stable Decrease	<ul style="list-style-type: none"> <li>• <i>Total abs. net value of exposure to FX risk</i> ●</li> <li>• <i>Sum of short FX position (abs. value)</i> ●</li> <li>• <i>FX position VaR</i> ●</li> </ul>	<p>In general, BI is not exposed to market risk other than foreign exchange risk. Most of the portfolio is in local currency (CVE). Regarding the others, the bank is mainly exposed to the Euro and the existence of the exchange rate peg between EUR and CVE mitigates this risk. The volume of other currencies is residual and, as such, the market risk is very residual.</p>
<b>Balance Sheet Interest Rate Risk</b>	Stable	<ul style="list-style-type: none"> <li>• <i>Economic value of equity at risk (var. ±50bp) as % OF</i> ●</li> <li>• <i>Impact on earnings of the 12M accumulated repricing gap (var. ±50bp)</i> ●</li> </ul>	<p>IRRBB is perceived as something material (gross materiality) given BI's reliance on demand deposits. However, while there is some optionality risk because of the possibility of early mobilisation of term deposits and early settlement of loans, the risk is considered immaterial from a net perspective.</p>
<b>Liquidity risk</b>	Stable	<ul style="list-style-type: none"> <li>• <i>Credit to deposits ratio</i> ●</li> <li>• <i>Liquidity Coverage Ratio (LCR)</i> ●</li> <li>• <i>Net stable funding ratio (NSFR)</i> ●</li> <li>• <i>Collateral available for local Central Bank funding</i> ●</li> </ul>	<p>Liquidity risk is perceived as somewhat material (gross materiality), since 99% of the bank's resources are deposits. With the pandemic scenario, there were changes in the stock deposit between Dec.19 and Dec.20.</p> <p>In a contingency scenario, the treasury bond portfolio can be used as an instrument to obtain liquidity. From a net perspective, in relation to all the above items and also other existing mitigation measures, including daily liquidity monitoring, this risk is perceived as non-material.</p>





<b>Sovereign Risk</b>	Stable	<p><i>Duration of Sovereign bond portfolio</i> ●</p> <p><i>Exposure to national sov. Risk (Cape Verde – only Tbills and Tbonds)</i> ●</p>	<p>Cape Verde's rating has been revised to B- by Moody's. Cape Verde enjoys political stability and governmental transitions do not involve significant changes in terms of macroeconomic aspects.</p> <p>There are some concerns due to the current circumstances, namely the issue of the pandemic and its impact on tourism (approximately 40% of GDP) and the indebtedness of GDP, which are monitored.</p> <p>In view of the above, sovereign risk is regarded as somewhat material.</p>
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### Risk Appetite Framework

The Risk Appetite Framework (RAF) determines the strategy for outlining, communicating and monitoring BI's risk appetite.

This model is therefore a key element in the process of developing and implementing the Bank's strategy and Risk Appetite.

The purpose of the Risk Appetite Framework is to establish the governance model and involvement of the different areas of the Bank, risk management and monitoring mechanisms and the integration of Risk Appetite in the risk management and decision-making processes. This document formalises the overall approach, including policies, processes, controls and systems, based on which Risk Appetite is outlined, communicated, monitored and operationalised.

Thus, the following elements are outlined:

- Areas involved and their roles and responsibilities
- Responsibility for metrics and limits
- Risk monitoring and reporting choreography
- Response mechanisms to breaches of tolerance or limit levels
- Model for integrating Risk Appetite into management practices
- Processes for reviewing and updating the RAS/RAF
- Process for 'cascading' metrics and limits to Group entities



With a view to making the Risk Management Policies operational throughout 2021, the Bank reinforced the implementation of a set of action plans to ensure that previously identified gaps are filled.

### **Control mechanisms and procedures aimed at ensuring compliance with AML and CTF legislation**

Money laundering and terrorist financing are phenomena with a worldwide impact that distort and undermine financial and economic systems.

BI, aware of the impact and negative effects of the aforementioned phenomena, has been permanently concerned with combating them, and therefore its activity is guided by principles of ethics, stringency, transparency, stability, and security.

BI has established a Compliance Function, formally set up, provided with sufficient autonomy and responsibility, independent, permanent and effective, which is ensured by the Compliance Function Office (GFC), whose main objectives include managing compliance risk, the risk of money laundering and terrorist financing, with particular emphasis on compliance with legal obligations, established good practices, and the ethical principles and duties to which BI is subject. In this context, the Office is responsible for coordinating and safeguarding the proper implementation of procedures to prevent money laundering and terrorist financing, as well as to prevent market abuse.

In order to ensure compliance with legal and regulatory standards in force in Cape Verde and at the corporate level of the Caixa Geral de Depósitos, SA Group, the Bank has implemented an effective internal control system based on a risk-based approach (RBA) with regard to anti-money laundering (AML) and counter-terrorism financing (CTF), which enables effective measures to be taken to assess, understand, mitigate risks and outline appropriate due diligence measures according to the risk associated with the type of customer, business relationship, transaction, product, and origin and destination of funds.

BI has implemented IT tools focused on AML and CTF that allow monitoring transactions, classifying customers according to risk level, and filtering sanctioned customers and politically exposed persons.

In 2021, in terms of AML/CTF, we highlight the following activities:

- As required by Article 40 of BCV Notice 05/2017, FAI-BI carried out effectiveness tests focused on BI's internal control system, particularly AML and compliance risk;
- Exercise to review the Risks and Controls Matrix and the Risk Matrix - Business Risk Assessment with regard to AML and CTF;



- Drawing up of the first Compliance Risk matrices with regard to Ethical Risk and Governance Risk, with the main goal of determining the impact and the probability of occurrence of events that constitute Compliance Risk at BI in these matters;
- Continuous professional training, which plays an important role in reinforcing the skills necessary for the proper performance of duties, as well as for individual development, is a crucial aspect and, in 2020, despite the fact that it was an atypical year due to the pandemic, the continuous qualification of the employees of the Office and other BI, S.A. Divisions was ensured by other means, namely remotely, and we highlight the following courses:
  - ✓ *Workshop for the Compliance Officers of CGD Group Entities*, which took place between 27 and 31 January; it was provided by the DC/CGD and attended by 2 employees (CO and a technician);
  - ✓ *Workshop - Governance: Audit, Control and Compliance* promoted by ATTF/BCV between 3 and 12 March, which was attended by 2 BI employees from the Compliance Function Office and the Risk Management Office;
  - ✓ Training in Prevention of Money Laundering and Combating Terrorism Financing organised by the ATTF/BCV from 4 to 6 and 11 to 13 August, which was attended by 1 GFC employee;
  - ✓ Training - AML/CTF & International Sanctions aimed at Governing Bodies, which took place on 12 November and was provided by KPMG;
  - ✓ Training in Classification of deficiencies with the participation of the CO, held on 27 November and provided by the DGR/CGD;
  - ✓ Specialist Training - AML/CTF and Sanctions provided by KMPG; the first phase took place between 2 and 4 December and was attended by employees from the GFC, GAI, DGR and GAJ.

## Preventing Corruption

At BI, the prevention of corruption and related offences is regulated in a specific policy - Policy for the Prevention of Corruption and Related Infringements (PPCIC).

This Policy determines the guiding principles for the detection and prevention of corruption practices and related offences, the potentially more vulnerable areas, describing the preventive measures to be taken up and the responsible entities, as well as the rules applied to the monitoring, assessment and update of the Policy itself.

We should also note that the PPCIC establishes that BI must provide training to all its employees on issues related to the prevention of corruption and related offences.

With regard to corruption, the Policy for Preventing Corruption and Related Infringements, published in 2019, systematises the general action principles for detecting and preventing corruption and related offences, the



measures and persons responsible for that prevention, identifying the most potentially exposed areas, as well as monitoring, assessing and updating the Policy itself.

In 2020, BI adopted the Plan for Preventing Corruption and Related Infringements, which implements the guidelines set out in its Policy for Preventing Corruption and Related Infringements (PPCIC).

The respective annual report on the execution of the plan for managing risks associated with corruption and related infringements was prepared in May 2021, and the Plan for Preventing Corruption and Related Infringements was revised in December 2021.

## **Reporting Irregularities**

The adoption of an Internal System or Reporting Irregular Practices (SCIPI) at BI is in line with the guidelines issued by international and national authorities.

The first internal regulation governing the reporting of irregular practices was approved and published in 2016, meeting the provisions of Article 74 of Law No. 62/VIII/2014, of 23 April. With the introduction of the new legal framework, the need arises to review and change internal regulations, adopting the new rules that have been established.

With the new rules introduced in 2020 by Law no. 81/IX/2020 on the reporting of irregular practices by financial institutions and listed companies, the internal regulations on the Internal System for Reporting Irregular Practices were revised, updated, and republished on 21 September 2021, highlighting changes in the corporate scope of the following rules:

- Reporting Areas
- Author of the Report
- Handling Reports.

Banco Interatlântico, S.A. has a system for managing the internal reporting of irregular practices, based on procedures which range from receipt of the report sent to the Supervisory Board to responses on analysis and handling, which have been altered to include the deadline for responding to the receipt of the report and the deadline for responding to the author of report, hierarchical reporting and to the Supervision of the person who is the subject of the report, the reference date for drawing up the Annual Report (30 November of each year and subsequent forwarding of the Report to the Executive Committee, the Risk Management Committee and the BCV by 31 December of each year), as well as monitoring of the Internal Reporting System by the GFC in coordination with the Chairman of the Supervisory Board.



## Code of Conduct

BI has a Code of Conduct, adopted in 2008 and updated in 2021, which is in accordance with Notice No. 4/2017, of 7 September, of the Bank of Cape Verde. This document is available at [www.bi.cv](http://www.bi.cv) and is an important instrument that formalises and makes the management of ethics in the business context operational.

Furthermore, BI has adopted a Code of Conduct Management Model that is currently being updated.

In 2021, the Code of Conduct was updated at corporate level and received recommendations from the Bank of Cape Verde in terms of compliance assessment and validation (Notice no. 3/2014 amended by Notice no. 3/2019, article 8B(5)), which were duly accommodated.

The employment contracts of all employees (fixed/indefinite term and trainees) and the contracts of new suppliers have been updated, and the contracts of old suppliers are being updated to include the clause of acceptance of the code of conduct and the duty of confidentiality.

BI's Code of Conduct enshrines principles of action (Article 10 - 'Independence of interests') and rules of professional conduct (Article 27 - 'Conflicts of interests') on the situations of conflicts of interest that may occur in the exercise of its activity, as well as a means of internal communication of irregular practices (Article 38 - 'Communication of Irregular Practices') which may become an effective mechanism for managing situations of conflict of interest. It also establishes the duty of employees not to get involved in any situations conducive or likely to be associated with this phenomenon. (Article 34 - 'Corruption').

## 8. Appendices

### Appendix I - *Curriculum Vitae* - Members of the Governing Bodies

Professional qualifications and curricular information of the members of the **Board of Directors** .

#### CHAIRMAN

José João Guilherme

#### Education:

- Attendance of the Master's Degree in Economics of the Faculty of Economics of the Nova University of Lisbon
- Degree in Economics from the Portuguese Catholic University
- 'Customised' programme for BCP managers, from INSEAD
- PADE - Corporate Senior Management Programme, from AESE
- Programme for Executives, from INSEAD



Current Professional Status:

- Chairman of the Board of Directors of Banco Interatlântico
- Member of the Board of Directors and Executive Committee of Caixa Geral de Depósitos
- Non-Executive Chairman of the Board of Directors at Banco Nacional Ultramarino in Macau
- Non-Executive Member of the Board of Directors at Fidelidade - Companhia de Seguros, SA
- Non-Executive Director of the Board of Directors at Fundação Eugénio de Almeida
- Member of the Board at the Luso-Spanish Chamber of Commerce and Industry
- External and independent member of the General Board at the University of Lisbon

Professional Experience Relevant to the Position:

- He cooperated with Private Equity ECS Capital, managing several companies
- Member of the Board of Directors of Novo Banco
- Vice-Chairman of the companies Investwood and IFM SA and Chairman of VIROC, SA
- Member of the Executive Board of Directors of Banco Comercial Português
- Member of the Board at ELO-Portuguese Association for Economic Development and Cooperation
- Chairman of the Remuneration Committee of SOFID
- Member of the Board of Directors of the Millennium BCP Foundation
- Member of the Board of Directors and Vice-President of the Board of Directors of Millennium BIM Moçambique
- CEO at Millennium BIM Moçambique

**VICE-CHAIRMAN**

José António da Silva de Brito

Education:

- Postgraduate Degree - Banking Management Study Programme at the Higher Institute of Banking Management and Portuguese Catholic University (1991-1992)



- Degree in Economics from the Faculty of Economics of the Nova University of Lisbon (1987)
- Participation in the 'International Banking Programme', 1990 edition, organised by the Surrey Summer School in London

Current Professional Status:

- Vice-Chairman of the Board of Directors of Banco Interatlântico
- Non-Executive Member of the Board of Directors at Caixa Geral de Depósitos and Member of the Audit Committee

Professional Experience Relevant to the Position:

- Central Manager of CGD's Financial Markets Department, with primary responsibility for treasury, debt issuance and management, and management of investment and trading portfolios
- Executive director at MTS - Portugal, Sociedade Gestora do Mercado Especial da Dívida Pública, SGMR, SA, representing CGD
- Head of CGD's Financial Markets Department
- Member of the Board of Directors of Caixagest - Técnicas de Gestão de Fundos SA, representing CGD
- Deputy Director of CGD's Treasury and Capital Markets Department
- Deputy Director at CGD, responsible for the Trading Room
- Head of CGD's Money Markets Room

**MEMBER**

Pedro Bruno Cardoso Braga Gomes Soares

Education:

- Postgraduate Degree in Business Management, INDE/ISCTE, Lisbon, Portugal
- Degree in Law, Faculty of Law of the University of Lisbon, Portugal

Current Professional Status:



- Member of the Board of Directors and Chairman of the Executive Committee of Banco Interatlântico, S.A.

Professional Experience Relevant to the Position:

- Deputy General Manager (non-resident), CGD's Luxembourg Branch
- Manager of CGD's Corporate Governance Support Department (DGC)
- Deputy Manager (non-resident), CGD's Luxembourg Branch
- Manager of CGD's International Business Department (DNI)
- Technician at CGD's International Business Department (DNI)
- Head Office Liaison Officer, CGD London Branch

**MEMBER**

Manuel Fernando Monteiro Pinto

Education:

- Postgraduate Degree in Internal Audit and Management Control, ISCTE/INDEG, Portugal
- Degree in Banking Management, ISGB, Portugal

Current Professional Status:

- Member of the Board of Directors and Member of the Executive Committee of Banco Interatlântico, S.A.

Professional Experience Relevant to the Position:

- Chairman of the Executive Committee and Member of the Board of Directors at BISTP
- Guest Assistant Professor in the General Accounting Study Programme at IPA
- Coordinator of the Commercial Network Audit Office at Caixa Geral de Depósitos' DAI
- Internal auditor at Caixa Geral de Depósitos' DAI
- Technician at CGD's Operational Support Department
- Commercial functions at CGD branches





## MEMBER

Fernando Manuel Domingos Maximiano

### Education:

- PADE - Corporate Senior Management Programme from IESE-University of Navarra
- Degree in Business Organisation and Management from the Higher Institute of Economics and Management

### Current Professional Status:

- Member of the Board of Directors and Member of the Executive Committee at Banco Interatlântico, S.A.<sup>7</sup>
- Member of the Board of Directors of Caixa Gestão de Activos (until 2020)

### Professional Experience Relevant to the Position:

- Member of the Board of Directors of Fundger (formerly known as Fundimo)
- Member of the Board of Directors of Sogrupu III, at CGD Luxemburgo (*Lusopensiones and Lusogest*)
- Member of the Board of Directors of Caixagest
- Chief Executive Officer at Caixagest
- Investment Portfolio Manager at Caixagest
- Investment Portfolio Manager at UAP-Union des Assurances de Paris

## MEMBER

José Manuel dos Santos Afonso Serra

### Education:

- Executive Programme: Customer Strategic Management in Banking, by AESE Business School

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<sup>7</sup> Until January 2021.



- Advanced Programme in Management of Financial Institutions, by Universidade Católica Portuguesa
- Degree in Business Administration and Management from Universidade Católica Portuguesa

Current Professional Status:

- Member of the Board of Directors and Member of the Executive Committee of Banco Interatlântico, S.A.<sup>8</sup>

Professional Experience Relevant to the Position:

- Marketing Director, Caixa Geral de Depósitos
- Director at Yunit, S.A.
- Director at Caixatec, S.A
- Chief Executive Officer at Caixatec, S.A
- Director at Multivector, S.A
- Chief Executive Officer at Imoport.com-multimedia, S.A
- Coordinator of CGD's Electronic Channels Commercial Department
- Commercial Coordinator at Caixa Geral de Depósitos

**MEMBER**

Eurisanda Venulda Cardoso Tavares Rodrigues

Education:

- Master's Degree in Mathematics and Applications from the Faculty of Science and Technology of the Nova University of Lisbon
- Degree in Mathematics from the Faculty of Sciences and Technology of the Nova University of Lisbon

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<sup>8</sup> Since May 2021.



Current Professional Status:

- Member of the Board of Directors and Member of the Executive Committee of Banco Interatlântico, S.A.

Professional Experience Relevant to the Position:

- Coordinator of Banco Interatlântico's Executive Committee Support Office
- Head of the Planning and Management Information Area at Banco Interatlântico
- Technician at Banco Interatlântico's Risk Management Office
- Financial Auditor at Deloitte

**MEMBER**

Dirceu César Lopes do Rosário

Education:

- Master's Degree in Management and Industrial Strategy from the ISEG-Higher Institute of Economics and Management of the University of Lisbon
- Postgraduate Degree in Corporate Finance and Control from the ISCTE-University Institute of Lisbon
- Degree in Accounting and Auditing from the Higher Institute of Accounting and Administration of Coimbra

Current Professional Status:

- Member of the Board of Directors and Member of the Executive Committee of Banco Interatlântico, S.A.

Professional Experience Relevant to the Position:

- Coordinator of the Credit Risk Office, Banco Comercial do Atlântico (BCA)
- Credit Risk Senior Technician/Analyst, Banco Comercial do Atlântico (BCA)

**MEMBER**

Paulo Jorge Carneiro de Figueiredo Silva



Education:

- Attendance of the Master's Degree in Statistics and Information Management, ISEGI, Nova University of Lisbon
- Degree in Management from the Higher Institute of Management, Lisbon
- Senior APG Advanced Management Programme, Amana-Key, São Paulo

Current Professional Status:

- Member (Non-Executive) of the Board of Directors of Banco Interatlântico
- Chairman of the Board of Directors of Empreitel Figueiredo, SA
- Chairman of the Board of Directors of ITS-Imobiliária Turística de Salamansa, SA
- Chairman of the Board of Directors of Grupo Figueiredo, SGPS

Professional Experience Relevant to the Position:

- Director and Chairman of the Board of Directors of Empreitel Figueiredo, SA, empresa de engenharia e construção
- Director and Chairman of the Board of Directors of ITS - Imobiliária Turística de Salamansa
- Manager at STM - Sociedade de Transportes Marítimos, SA
- Managing Partner at AUDIT - Auditoria e Consultoria, Lda
- Managing Partner at COSEL - Corretores de Seguros, Lda

**MEMBER**

Maria João Duarte Fonseca Pacheco de Novais

Education:

- Magistracy Study Programme from the Centre for Judicial Studies of Lisbon
- General Management Study Programme from the Higher Institute of Management
- Degree in Law from the Faculty of Law of the University of Lisbon

Current Professional Status:

- Member (Non-Executive and Independent) of the Board of Directors of Banco Interatlântico



- Member of the CNAR at Banco Interatlântico
- Partner and Lawyer at MJN Advogados

Professional Experience Relevant to the Position:

- Independent Energy Producer Advisor to the Government of Cape Verde
- Legal Advisor to the IV World Economic Forum
- Partner at Brown Rudnick LLP, providing legal advice to the Ministry of Finance (TACV Cabo Verde Airlines Debt Resolution Process)
- Legal Advisor to ENAPOR, in the Arbitration Process related to the Port of Sal Rei-Boa Vista
- Legal advisor to the Privatisation Unit of the Ministry of Finance
- Legal Advisor to Cabo Verde Investimento in the negotiation with an international group for the privatisation process of all Cape Verde ports, Ministry of Finance, to develop the first and second Millennium Challenge Account Compact Programme
- Legal Advisor to the National Mission Group of the Government of Cape Verde, Ministry of Finance, to develop the first and second Millennium Challenge Account Compact Programme
- World Bank consultant for the Cape Verde Public Contracting Law
- World Bank and Dutch Embassy consultant for CPAR (Country Procurement Assessment Report) for public procurement in Cape Verde

**MEMBER**

Maria Zenaida da Rocha Costa Neves Leite

Education:

- Attendance of the PhD in Management from the University of Minho-Portugal
- Master's Degree in Global Management from ISCTE - Higher Institute of Labour and Business Sciences-Lisbon-Portugal
- Degree in Business Management from the Federal University of Rio Grande do Sul - Porto Alegre – Brazil

Current Professional Status:

- Member (Non-Executive and Independent) of the Board of Directors of Banco Interatlântico



- Member of the CNAR at Banco Interatlântico
- Professor and Researcher at the Business and Governance School of the University of Cape Verde

Professional Experience Relevant to the Position:

- Chairwoman of the Board of Directors of the School of Business and Governance of the University of Cape Verde
- Executive Director at Correios de Cabo Verde
- University Professor
- Technician at the Investment Department of Agência Cabo-Verdiana de Investimentos
- Customer Service Quality Technician at TACV - Cabo Verde Airlines
- Head of Customer Relations at TACV - Cabo Verde Airlines
- Commercial technician at Cabo Verde Telecom

**MEMBER**

Neusa Margarida Lima Ferreira Delgado

Education:

- Master's Degree in Business Management from ISCTE - Higher Institute of Labour and Business Sciences-Lisbon-Portugal
- Postgraduate Degree in Business Management from ISCTE- Higher Institute of Labour and Business Sciences-Lisbon-Portugal
- Degree in Management from ISCEE/ISCTE- - Higher Institute of Economic and Business Sciences, Cape Verde

Current Professional Status:

- Member (Non-Executive and Independent) of the Board of Directors of Banco Interatlântico<sup>9</sup>
- Head of the Planning and Control Unit at Electra-Empresa de Electricidade e Água, S.A

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<sup>9</sup> Until August 2021.



Professional Experience Relevant to the Position:

- Head of the Internal Audit Unit at Electra-Empresa de Electricidade e Água, SA
- Coordinator of the Control and Internal Audit Office at Electra-Empresa de Electricidade e Água, SA
- Coordinator of the Accounting Department at Electra-Empresa de Electricidade e Água, SA
- Technician in the Planning and Investment Analysis Department - Financial Control of Investment Projects at Electra-Empresa de Electricidade e Água, S.A
  
- Head of the Administrative, Financial and Commercial Area of Electra-Empresa de Electricidade e Água, SA.

**MEMBER**

Leonilda Rocha Semedo

Education:

- Post-graduate degree in Business Management at the Higher Institute of Economic and Business Sciences of Cape Verde
- Degree in Industrial Engineering and Management, University of Aveiro

Current Professional Status:

- Member (Non-Executive and Independent) of the Board of Directors of Banco Interatlântico<sup>10</sup>
- Business consultant for studies, projects, coaching, training (micro-enterprises in Luxembourg, ILO and UNDP youth project in Cape Verde, among others)

Professional Experience Relevant to the Position:

- Executive Director at the Former Agência Pública Caboverdiana
- Vice-Chairman of the Chamber of Commerce of Industry, Agriculture and Services of Barlavento
- General Manager at Sociedade de Segurança Industrial, Marítima e Comercial

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<sup>10</sup> From December 2021.



- Manager at the Company Semedo & Semedo

Professional qualifications and curricular information of the members of the **Supervisory Board**.

## **CHAIRMAN**

José Manuel Nunes Liberato

### Education:

- Degree in Economics from the Higher Institute of Economics of the Technical University of Lisbon

### Current Professional Status:

- Chairman of the Supervisory Board at Banco Interatlântico
- Chairman of the Remuneration Committee at Banco Interatlântico

### Professional Experience Relevant to the Position:

- Chief of Staff of the Presidency of the Portuguese Republic
- Director responsible for the areas of Agriculture, Fisheries, Regional Policy, Transport and Tourism, Employment and Social Affairs and Culture of the European Parliament
- Secretary General of the Portuguese Association of Electrical Engineering Industrialists (APIEE)
- Member of the Board of Directors of the Foreign Investment Institute
- Economic Expert of the Committee on the Environment and the Committee on International Investment and Multinational Enterprises, among others, of the United Nations and the Council of Europe

## **MEMBER**

José Mário de Sousa

### Education:

- Student at the Master's Degree in Taxation at ISCAL/ISCEE
- Postgraduate Degree in Taxation at ISCAL/ISCEE





- Degree in Law from the University of Havana
- University Study Programme in Auditing (equivalent to a Bachelor's Degree in Administration and Accounting), Cape Verde Business and Governance School (formerly known as CENFA)

Current Professional Status:

- Member of the Supervisory Board of Banco Interatlântico, S.A.
- Chairman of the Governing Board of OPACC

Professional Experience Relevant to the Position:

- Chairman of the Technical Board of OPACC
- Inspector General of Finance, IGF
- Chairman of the Arca Verde Liquidation Committee
- Chairman of the Caixa de Crédito Rural de Santa Catarina Liquidation Committee
- Head of the Praia Finance Department

**MEMBER**

Carlos Alberto Rodrigues

Education:

- Master's Degree in Business Management from ISCTE, Portugal
- Degree in Accounting and Administration, specialising in Financial Audit, from the Higher Institute of Accounting and Administration of Lisbon, Portugal
- Bachelor's Degree in Accounting and Administration from the Higher Institute of Economic and Business Sciences, Cape Verde

Current Professional Status:

- Full Member of the Supervisory Board of Banco Interatlântico, SA <sup>11</sup>
- Alternate Member of the Supervisory Board at Banco Interatlântico, S.A.<sup>12</sup>

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<sup>11</sup> From May 2020 onwards.

<sup>12</sup> Until April 2020.



- CEO at the Hotel Foya Branca, SA, São Vicente, Cape Verde,

Professional Experience Relevant to the Position:

- Executive Director, at MEDICENTRO, Lda, São Vicente, Cape Verde
- University Professor at Lusófona University, São Vicente, Cape Verde
- University Professor at ISCEE, São Vicente, Cape Verde
- Technical Supervisor of the Accounting and Auditing Area at CONFIRA, Lda, São Vicente, Cape Verde
- Administrative and Financial Director at ALUCAR, SA., São Vicente, Cape Verde
- Member of the Supervisory Board at Electra, SA
- Statutory Auditor at FAMA, SA

**MEMBER ALTERNATE**

Maria Madalena Duarte Almeida

Education:

- Attendance of the Master's Degree (MBA) from ISCTE- IUL- University Institute of Lisbon- Portugal, in partnership with ISCEE
- Degree in Finance from the Higher Institute of Economics from the Technical University of Lisbon, Portugal

Current Professional Status:

- Chairman of the Governing Board at Coopensino - Cooperativa de Ensino Superior, Founding Entity of ISCEE - Higher Institute of Economic and Business Sciences

Professional Experience Relevant to the Position:

- Chairman of the Governing Board at Coopensino - Cooperativa de Ensino Superior, Founding Entity of ISCEE - Higher Institute of Economic and Business Sciences
- Since 2016, Statutory Auditor AT SOCIEX-Sociedade Cabo-verdiana de Importação e Exportação, SA



- Head of GARP-Office of Administration and Public Relations- at ENAPOR, SA-Empresa Nacional de Administração dos Portos, SA of Cape Verde
- Head of the General Secretariat AT ENAPOR, SA and Responsible for the Marketing area
- Head of Administration and Development of Human Resources at ENAPOR-Empresa Nacional de Administração dos Portos, E.P., Cape Verde
- Head of Internal Audit at ENAPOR E.P



## 9. Opinion of the Supervisory Board

In compliance with the powers set forth in Article 2(2) of Notice No. 7/2017 of the Bank of Cape Verde - Regulation on the Annual Corporate Governance Report, the Supervisory Board must certify, through an opinion attached to the report, whether the report on the corporate governance structure and practices that has been disclosed fully complies with the provisions under Article 2(1) of Notice No. 7/2017 and with the report structure set out in the annex to Notice No. 7/2017.

The Supervisory Board assessed the degree of compliance with the good corporate governance practices that BI is obliged to achieve in accordance with the Corporate Governance Code for Financial Institutions and the rules established as to the content of the Corporate Governance Report set forth in Notice No. 7/2017 and AGMVM Regulation No. 1/2016, issuing the following opinion:

### 1. On the structure of the Corporate Governance Report:

CORPORATE GOVERNANCE REPORT		IDENTIFICATION		DISCLOSURE	
		YES	NO	YES	NO
<b>A.</b>	<b>Statement of Compliance</b>	✓		✓	
<b>B.</b>	<b>Shareholding Structure</b>	✓		✓	
I.	Capital Structure	✓		✓	
II.	Shareholdings and Bonds held	✓		✓	
<b>C.</b>	<b>Corporate Bodies and Committees</b>	✓		✓	
I.	General Meeting	✓		✓	
a)	Composition of the Board of the General Meeting	✓		✓	
b)	Exercise of voting rights	✓		✓	
II.	Board of Directors	✓		✓	
a)	Composition	✓		✓	
b)	Operation	✓		✓	
c)	Committees within the administrative or supervisory body and delegated directors	✓		✓	
III.	Supervision	✓		✓	
a)	Composition	✓		✓	
b)	Operation	✓		✓	
c)	Competences and functions	✓		✓	
IV.	External Auditor	✓		✓	
V.	Transactions with Related Parties	✓		✓	
VII.	Remunerations	✓		✓	
VIII.	Internal Control and Risk Management	✓		✓	



The Supervisory Board considers that the report fully complies with the structure set out in the annex to Notice No. 7/2017 (mandatory information).

2. On the content of the document:

The Supervisory Board considers that the information in the submitted report is complete, true, clear and objective.

3. On corporate governance practices:

The Bank has failed to adopt one of the recommendations of the Corporate Governance Code, while adopting all the others applicable to the institution.

Regarding the recommendation that was not adopted, related to the independence of the chairman of the supervisory body, the Supervisory Board merely notes that there was no change of holder, but rather of classification by the BCV and that the shareholders are informed of this fact.

In view of the above, the Supervisory Board considers that there has been a positive evolution in the degree of compliance with good practices.

Aware of the difficulty to ensure full compliance in its market and the adverse conditions experienced in 2021, the Supervisory Board recommends that shareholders continue to pursue compliance with the recommendations of the Corporate Governance Code.

Cidade da Praia, 24 March 2022

CHAIRMAN OF THE SUPERVISORY BOARD

(José Liberato)

MEMBER OF THE SUPERVISORY BOARD

(José Mário de Sousa)



MEMBER OF THE SUPERVISORY BOARD

(Carlos Rodrigues)