



Caixa Geral de Depósitos, S.A. Group

SANCTIONS POLICY

APRIL 2025

1. DEFINITION

International sanctions are restrictive measures imposed on individuals, entities, jurisdictions, and organizations with the aim of maintaining or establishing international peace and security, protecting human rights, democracy, and the rule of law, preserving national sovereignty and independence, and safeguarding other fundamental state interests, as well as preventing and combating terrorism and the proliferation of weapons of mass destruction.

These restrictive measures are implemented by countries or international organizations that maintain lists of designated individuals, groups, or entities. Notable examples include the European Union under the Common Foreign and Security Policy (CFSP), the Sanctions Committee in accordance with United Nations Security Council Resolutions (UNSCR), the Office of Foreign Assets Control (OFAC), and the Office of Financial Sanctions Implementation (OFSI).

Types of restrictive measures include:

Diplomatic measures: Restrictions affecting diplomatic relations.

Admission and movement restrictions: Restrictions on the admission or movement of individuals (e.g., visa and travel bans).

Commercial restrictions: Restrictions on trade relations between countries, including:

- Arms embargoes and related material of any kind, including weapons and ammunition, military vehicles and equipment, paramilitary equipment, and spare parts;
- Export/import restrictions on dual-use goods and equipment, particularly those that could be used for internal repression;
- Sector-specific embargoes (e.g., oil, natural gas, transport);
- Bans or controls on the provision of certain types of technical assistance, training, financial or technical support.

Financial restrictions: Restrictions targeting financial institutions, services, and/or markets, including:

- Freezing of funds and economic resources;
- Investment restrictions;
- Prohibition of financial transactions;

- Prohibition of financing and provision of financial and technical assistance, brokerage services, and other services related to prohibited activities.

2. APPLICABILITY

The enforcement of imposed sanctions is mandatory for both the public and private sectors, affecting the operations of credit institutions such as BNU Timor.

CGD is bound to comply with international sanctions and restrictive measures issued by the United Nations and the European Union, and this compliance is mandatory for the Bank, in accordance with applicable legislation.

In Timor-Leste, Law No. 17/2011, of December 28, amended and republished by Law No. 4/2013, of August 14, requires the freezing of funds and other economic assets of terrorists, those who finance terrorism, and terrorist organizations designated by the UNSC, in accordance with instructions from the Central Bank.

Furthermore, since BNU Timor is a Branch of CGD, headquartered in Portugal, it adheres not only to UNSC sanctions but also to EU CFSP and OFAC sanctions.

3. GENERAL PRINCIPLES OF ACTION

BNU Timor has implemented a compliance program that includes an international sanctions policy, managed by the Financial Crime Directorate (DFC), located in Portugal.

The Financial Crime Directorate is responsible for ensuring that the sanctions policy complies with applicable laws and sanctions, regularly monitors its effectiveness, and promotes necessary changes for improvement.

BNU Timor has implemented policies and procedures to ensure the institution does not establish or maintain business relationships, or process transactions, for or on behalf of sanctioned individuals, entities, or countries.

Accordingly, it conducts screening of clients and transaction participants against sanctioned lists issued by the CFSP, UNSC, OFAC, OFSI, among others.

BNU Timor's client acceptance policy is based on a risk-based approach, with an active screening system in place at the time of establishing a business relationship.

It also regularly screens its customer database and conducts online screening of incoming and outgoing international transfers.

If a person, entity, or vessel appears on international sanctions lists or is subject to restrictive measures, BNU Timor will refuse to establish or maintain the business relationship and will abstain from carrying out any transactions involving such parties.

Within the framework of its anti-money laundering and counter-terrorist financing (AML/CFT) system, client and transaction monitoring systems are in place, and alerts are analyzed by a technical team within the compliance area.

When establishing or maintaining correspondent banking relationships with foreign banks, BNU Timor conducts a compliance risk analysis, including scoring all institutions and risk assessments for high-risk counterparts.

Compliance staff receive regular training to ensure understanding and application of the sanctions policy.

BNU Timor maintains active collaboration with supervisory and judicial authorities in the application of sanction regimes.

Ângelo Campos
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April 2025