



**Annual Report on Prevention
Plan of Corruption Risks and
Related Offenses 2023**

CLASSIFICATION

Public

IDENTIFICATION

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INDEX

SCOPE AND OBJECTIVE	3
MONITORING	3
FINAL CONSIDERATIONS.....	4
SUMARY OF RISKS.....	5
RISKS AND PREVENTION MEASURES	6

SCOPE AND OBJECTIVE

On December 9, 2021, Decree-Law 109-E/2021 (“Decree-Law”) was published in the Official Gazette, creating the National Anti-Corruption Mechanism (“MENAC”) and approving the General Regime for the Prevention of Corruption (“RGPC”).

In accordance with Decree-Law 109-E/2021 of December 9, ebankIT has drawn up the Prevention Plan of Corruption Risks and Related Offenses (PPCRRO).

According to Article 6(4) of the “General regime for the prevention of corruption”, published in the annex to Decree-Law 109-E/2021 of December 9, the implementation of the PPCRRO is subject to monitoring, carried out as follows:

- a) Preparation, in October, of an interim assessment report in situations identified as high or maximum risk;
- b) Preparation, in April of the following year, of an annual assessment report, including quantification of the degree of implementation of the preventive and corrective measures identified, as well as a forecast of their full implementation.

In this context, ebankIT presents its annual assessment report specifying the level of implementation of the preventive and corrective measures identified and their expected full implementation. The revision of the PPR is the result of an extensive analysis of the whole of ebankIT in which the risks in each of the organization's areas of activity were identified, as well as the preventive and corrective measures to mitigate these risks. ebankIT presents its annual evaluation report specifying the level of implementation of the preventive and corrective measures identified and their expected full implementation.

This report is published on the official website www.ebankit.com within 10 days of its implementation and any revisions or drafting.

MONITORING

The risk management for corruption and related offenses complements ebankIT's Enterprise Risk Management (FIN.0012.08) and Enterprise Risk and Opportunities Matrix (FIN.0012.08).

The purpose of the assessment was to conclude on the existence or otherwise of the preventive measures indicated in the PPCRRO and their evidence. This monitoring was not intended to test the design and operational effectiveness of the preventive measures implemented, since this will be part of the internal audit activity.

It should be noted that, following the GAP analysis on the Anti Financial Crime System carried out in 2023, the risk prevention and treatment measures provided for in the PPCRRO were evaluated.

In the current PPCRRO, 8 risks were identified, of which, after the application of preventive measures, 1, was classified as medium risk, 3 as low and 4 as very low.

As a result of the monitoring carried out, it can be seen that regarding the acquisition of goods and services and stock management, the mitigation measures have been fully implemented.

As a result of the monitoring carried out:

- Regarding the purchase of goods and services and stock management, the mitigation measures have been fully implemented;
- Concerning the training of internal auditors about money laundering and anti-corruption, we believe that we have acquired knowledge from GAP analysis on the benchmarks and best practices, as evidenced by the changes in procedures that have been made, and that we are now able to ensure independence with new employees in the area;
- It will be necessary to carry out an internal audit of the anti-corruption measures adopted in the organization after the period of implementation of the changes to the procedures;
- Regarding to information security management, to ensure that the defined controls are effective, it will be necessary to maintain the established processes and strengthen the cybersecurity controls with the planned investments and adaptation of the controls to the requirements of ISO/IEC 27001:2022;

In conclusion and in the pursuit of PPCRRO, it has been developing control instruments, to contribute to an effective management, based on values and principles of integrity and probity.

ebankIT's existing control instruments are:

- The Code of Ethics and Professional Conduct, revised in 2023, includes a set of ethical and deontological rules to be observed in the daily activity of its employees in line with new legal requirements;
- Anti-Money Laundering Policy, which recognizes ebankIT's concern with fraud and money laundering issues, especially considering it operates in a highly regulated market like banking;
- Third Party Management Policy, revised in 2023, with the aim of systematizing the workflow for selecting and contracting with suppliers, with considerations relating to risk analysis and due diligence already in place;
- Vendor Risk Assessment: Questionnaire sent to our partners and suppliers analyzing issues such as information security, cybersecurity, privacy, social and environmental responsibility;
- A whistleblowing channel is available on the ebankIT website;
- Policy on Anti-Corruption and Conflict of Interest Prevention.

FINAL CONSIDERATIONS

The monitoring carried out allows us to conclude that the control measures adopted in the PPCRRO have seen an increase in their degree of implementation, thus increasing the level of mitigation of the risks identified.

SUMMARY OF RISKS

There are several common risks that cut across the entire structure of the organization, as shown in the table below.

RISCOS	MEDIDAS DE PREVENÇÃO	AVALIAÇÃO ANUAL
Conflict of interest situations.	<p>Employees who are faced with a situation that could constitute a conflict of interest must request a waiver on the grounds of legal impediment. legal impediment, assuming that they must report this situation under the terms defined in the following ebankIT policies:</p> <ul style="list-style-type: none"> - Code of Ethics and Conduct; - AML Policy; - Information security policies and procedures; - Implementation of a whistleblowing channel; 	<p>Code of Ethics and Conduct. Anti-fraud and Money Laundering Policy. Rules of Use of Information System and Detailed Security policies, respectively. Whistleblowing Channel implemented. Revision of Enterprise Risk Management (ERM). Analysis of suppliers carried out in the management system review.</p>
Violation of the duty of impartiality.		
Potential discretionarity in the selection of external of external services within the scope of processes.		
Breach of duty of care (non-compliance with procedures).		
Breach of the duty.		
Fraud and Corruption.		

Table 1 - Risk Summary

The Measures to be implemented in 2024 have been established, as set out in the table below.

RISKS AND PREVENTION MEASURES

Inherent Risk					Residual Risk					Annual Review		Annual Review	
Activities	Risk	Preventive measures	G	P	Risk Level	Additional measures	G	P	Risk Level	Level of realization of measures 2022	Measures planned for 2023	Level of realization of measures 2023	Measures planned for 2024
Acquisition of goods and services	Failing to choose the optimal option for supplying goods or services to the company, while influencing or favoring certain entities to gain personal benefits or advantages.	1. Supplier Management Policy. 2. Finance Procedures. 3. Code of Conduct and Ethics.	4	2	Medium	1. Revision of the <i>Supplier Management Policy</i> . Awareness-raising through training for department heads.	2	1	Very Low	1. Training of Heads of Departments according to the new procedures on 02.02.23.	1. Develop an Anti-Corruption and Conflicts of Interest Policy. 2. Initiate internal audits.	Closed (100%)	Perform Anti-Corruption and Conflict of Interest Policy internal audit.
Acquisition of goods and services	Influence of suppliers (goods and/or services) on the organizational structure and favoritism toward the entities involved in awarded contracts.	1. Supplier Management Policy. 2. Finance Procedures. 3. Code of Conduct and Ethics.	4	2	Medium	Revision of the Supplier Management Policy. Awareness-raising through training for department heads.	2	1	Very Low	1. Training of Heads of Departments according to the new procedures on 02.02.23 2. Implementation of the Vendor Risk Assessment.	1. Develop an Anti-Corruption and Conflicts of Interest Policy. 2. Initiate internal audits.	Closed (100%)	Perform Anti-Corruption and Conflict of Interest Policy internal audit.
Cash/fund management	Undue access to funds in bank accounts and appropriation of amounts by falsifying/tampering with documents.	1. Finance Procedures. 2. Incident Response Plan.	4	2	Medium	Not applicable	4	2	Medium	Established controls proved to be effective.	Not applicable	Closed (100%)	Perform Anti-Corruption and Conflict of Interest Policy internal audit.

Inherent Risk					Residual Risk					Annual Review		Annual Review	
Activities	Risk	Preventive measures	G	P	Risk Level	Additional measures	G	P	Risk Level	Level of realization of measures 2022	Measures planned for 2023	Level of realization of measures 2023	Measures planned for 2024
Report activities	Altering fundamental information related to budget execution (budget monitoring).	1. Sending the monthly budget execution file to each department for review and validation.	3	1	Very Low	Not applicable	3	1	Very Low	Established controls proved to be effective.	Not applicable	Closed (100%)	Perform Anti-Corruption and Conflict of Interest Policy internal audit.
Auditing activities	Potential loss of independence and objectivity, devaluation of evidence of wrongdoing, collusion/cover-up of irregular practices	1. Adoption of Internal Audit methodology in accordance with ISO 19011. 2. Review of audit reports and conclusions (4 eyes principle).	4	1	Low	Not applicable	4	1	Low	Audits are planned for 2024.	Training internal auditors in Money Laundering and Anti-Corruption	In Implementation (80%): 1. GAP analysis performed by independent external entity. 2. Audits to be performed on 2024	Perform internal audit.
Information Security and Management	Undue access to confidential information in the context of financial proposals.	1. Controls within the scope of ISO/IEC 27001 2. SOC 2 Type 2 report	3	1	Very Low	Not applicable	3	1	Very Low	Maintenance of ISO/IEC 27001 certification ensured	Strengthening cybersecurity controls.	In Implementation (80%)	Maintain the established processes and strengthen cybersecurity controls with the planned investments and adaptation of controls to the requirements

Inherent Risk					Residual Risk					Annual Review		Annual Review	
Activities	Risk	Preventive measures	G	P	Risk Level	Additional measures	G	P	Risk Level	Level of realization of measures 2022	Measures planned for 2023	Level of realization of measures 2023	Measures planned for 2024
													of ISO/IEC 27001:2022.
Information Security and Management	Dependence on critical suppliers	Monitor activities by auditing critical suppliers	4	2	Medium	Supplier Management Policy Review	4	1	Low	Implementação do Vendor Risk Assessment.	Not applicable	In Implementation (80%)	Perform Anti-Corruption and Conflict of Interest Policy internal audit.
Information Security and Management	Weaknesses in maintaining the confidentiality, integrity, and availability of information.	Maintenance of the information security system in accordance with ISO/IEC 27001.	4	2	Medium	Training activities to increase awareness and knowledge of best practices in cybersecurity.	4	1	Low	Additional measures successfully implemented proved effective: 1. Sharing session on social engineering on 30.11.22; 2. Maintenance of ISO 27001 certification.	1. Updating of controls 27001:2022. 2. Awareness-raising sessions planned at the AMC.	In Implementation (80%)	Maintenance of measures planned for 2023.

Table 2 - Risks and Preventive Measures

LEGEND:

G: Severity [1 - Insignificant - 2 - Marginal - 3 - Considerable - 4 - Significant]

P: Probability [1 - Rare - 2 - Occasional - 3 - Frequent - 4 High]

Risk Levels: [Low - 1 to 5] [Moderate - 6 - 10] [High - 11 - 15] [Very High - 16 - 20]

Level of Implementation:

In progress	0%	The Document/Template is under development
In preparation	15%	The document is being drafted
Under review	40%	The document is being revised
Being approved	50%	The document is in its final version but lacks approval
Being implemented	80%	The Document is approved and publicized
Closed	100%	The entire document is implemented and there is evidence of its implementation