
GENERAL DECLARATION ON THE FINANCIAL CRIME COMPLIANCE POLICIES OF SANTANDER GROUP

Introduction

Spain is a member country of the European Union and the Financial Action Task Force (“FATF”), subject to European regulation, and responsible for transposing into the national legislation the EU Directives on the prevention of the use of the financial system for the purposes of money laundering or terrorist financing.

Santander Group, under the legal entity Banco Santander, S.A., and all its businesses, branches and subsidiaries incorporated in Spain as well as all other countries in which the Group is established, are committed to and collaborate completely with the international efforts and initiatives to prevent money laundering and terrorist finance, as well as comply with international sanctions programs.

Banco Santander, S.A., is incorporated in Santander, Paseo de Pereda, 9-12, Spain, with CIF A-39000013. The entity is registered with the Bank of Spain under number 0049, and subject to supervision in anti-money laundering and countering the financing of terrorism (“AML/CFT”) by the Executive Service of the Commission for the Prevention of Money Laundering and Monetary Offenses (“SEPBLAC”), as well as the relevant supervisors in the countries in which the Group is established.

The Bank is a founding member and active participant in the Wolfsberg Group, which is an association created to develop frameworks and guidance for the management of financial crime risk in general, with a more recent and strategic focus on enhancing the effectiveness of global AML/CFT programs.

The Financial Crime Compliance Program

Santander Group has developed and implemented a Financial Crime Compliance (“FCC”) Framework with the objective to: (i) establish the principles that the entities of the Group must follow in AML/CFT and to comply with international sanctions programs; (ii) define the respective roles and responsibilities to meet these requirements; (iii) establish the key FCC processes that the entities of the Group must implement; and (iv) identify the essential elements of associated governance.

The principal aspects of the Framework that reflect the minimum expectations of the Group are:

- **Zero tolerance** with respect to clients, suppliers, employees, contractors or other third parties, and all transactions, that could be related to financial crime, including

the failure to comply with the requirements and principles established in the Framework.

- **The obligation within the organization to prevent financial crime** by all employees, the executive leadership, and the members of governance forums and committees across Santander Group; the application of high ethical and conduct standards in the recruitment and conduct of directors, employees and agents.
- **Risk-based management** in established internal procedures, implemented controls, and decision-making in the context of financial crime prevention.
- **Absolute confidentiality and prohibition of disclosure** of analysis and reporting of suspicious operations.
- **Personal data protection** of electronic and hard copy information related to financial crime prevention, protected by sufficient security measures that control data use, storage, dissemination, protection and access, in line with the relevant data protection policies in order to ensure the protection of data owners' rights.
- **An adequate organizational structure** in the Corporation and the entities within Santander Group that ensures sufficient staffing, training, resources, technology and procedures, as necessary to comply with the internal standards of FCC.

Along with the Framework, Santander Group has developed policies and procedures focused specifically on FCC, including the core Group Policy for AML/CFT and the Group Policy for Sanctions and Financial Countermeasures, both of which must be complied with in all subsidiaries, branches, and business areas established in Spain and/or internationally.

The holistic management of financial crime risk

Santander Group is committed to the prosperity of society, acting in a simple, personal and fair way – we help people and businesses to prosper, supporting inclusive and sustainable growth. We recognize that the disruption of new technologies and the digital revolution in financial services can be a positive force for achieving this vision, always when there exists a commensurate level of technical dedication in transforming the associated FCC control environment.

With the aim of establishing and implementing effective systems for analyzing and managing all types of risk, the FCC Function is integrated within the greater function of Compliance and Conduct which together sit in the Risk Division. In this sense the FCC Function is constantly

interacting and collaborating with colleagues with the objective of identifying new types of financial crime risk and new challenges in their prevention.

This identification of risk goes beyond traditional understandings of financial crime, and ranges, for example, from environmental risk – where behind every environmental crime there is a financial network – to financial inclusion – where a lack of precision and innovation in financial crime compliance programs can impede access to the formal financial system in the communities in which we operate.

FCC is dedicated to the holistic management of risk to ensure we are an enabler within the Group to achieve its objectives and those of the greater society.

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