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## **GENERAL DECLARATION ON THE FINANCIAL CRIME COMPLIANCE PROGRAMME 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, comply with international sanctions programmes and prevent bribery and corruption.

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 of thirteen global banks which aims to develop frameworks and guidance for the management of financial crime risks, particularly with respect to know your customer, anti-money laundering and counter terrorist financing policies.

### **The Financial Crime Compliance Programme at Santander**

At Santander, the business functions within the Group maintain the primary responsibility for managing financial crime risk and to support and promote the organisation's risk culture. The Financial Crime Compliance Function in turn is responsible for monitoring and overseeing financial crime risks and for ensuring adequate policies and procedures have been implemented to effectively manage the business within the Group's established risk appetite.

Financial crime compliance today at Santander covers money laundering, terrorist financing, violation of international sanctions programmes, bribery, corruption, tax evasion and elements of external fraud.

The Group is fully committed to the fight against financial crime, seeks out continuous improvement in its control framework, and does not tolerate compliance failures with financial

crime regulations both internationally and in the countries in which it operates. The Financial Crime Compliance Function has developed a *Financial Crime Compliance Corporate Framework* with the objective of:

- Establishing the principles that must be adhered to by entities of Santander Group in relation to the prevention of financial crime;
- Defining the roles and responsibilities necessary for effective financial crime risk management;
- Identifying the financial crime compliance key processes to be developed and embedded within the entities of the Group in compliance with the Group policies and procedures that must be adopted locally; and
- Defining the essential features of FCC governance at a Corporation and local level.

The full Framework, approved by the Board of Directors, reflects the minimum expectations of the Group on financial crime compliance, is directly adopted by all Santander majority-owned subsidiaries and branches, and is available [here](#).

Along with the Framework, Santander Group has developed policies focused specifically on financial crime compliance, including the core Group Policy for AML/CFT, the Group Policy for Sanctions and Financial Countermeasures, and the Group Policy for Anti-Bribery and Corruption, as well as a series of procedures, protocols, manuals and guides to support Santander subsidiaries in embedding the Group's control framework within their local operations.

### **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 recognise 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 financial crime compliance control environment.

With the aim of establishing and implementing effective systems for analysing and managing all types of risk, the Financial Crime Compliance Function is integrated within the greater function of Compliance and Conduct, which together sit in the Risk Division. In this sense, the Financial Crime Compliance 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 programmes can impede access to the formal financial system in the communities in which we operate. It is critical that financial crime compliance is an enabler, not a barrier, to the Group's responsible banking strategies, particularly on areas like financial inclusion.

The Financial Crime Compliance Function continues to identify and develop new approaches, both internally and via public-private partnership, on responding to existing and emerging threats, while addressing legacy compliance challenges via the Group Financial Crime Compliance Strategic Transformation Programme. The Strategic Transformation Programme is focused on four pillars:

- A global control framework and robust approach to governance;
- Effective name and payment screening to support international sanctions programmes aimed at defending human rights and civil liberties, and deterring corruption and armed conflict;
- Sustainable, dynamic approaches to customer due diligence; and
- Next generation transaction monitoring to improve the Group's ability to provide valuable leads to law enforcement on suspicious activity.

The Board of Directors and senior management within Santander continue to see and reinforce the importance of the Financial Crime Compliance Strategic Transformation Programme as the bank's holistic response to legacy compliance challenges while preparing the bank's functional and technical control framework for the future.

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