



## **GENERAL DECLARATION ON THE POLICIES AND PROCEDURES FOR THE PREVENTION OF MONEY LAUNDERING AND TERRORIST FINANCING (AMLCFT) OF BANCO SABADELL GROUP.**

Banco de Sabadell, S.A. is a commercial bank registered in the Bank of Spain's registry of banks and bankers.

Banco de Sabadell, S.A. and all the companies within Banco Sabadell Group have always applied a policy of strict compliance with the regulations above and beyond the legal standards.

Institutional, economic and financial information on the Banco Sabadell group is available via its website [www.grupbancsabadell.com](http://www.grupbancsabadell.com), where information regarding the group, number of employees and branches, chief lines of business, members of the Board of Directors and General Management, main shareholders, the structure and composition of the Banco Sabadell group worldwide and the Wolfsberg questionnaire is made available.

Additional information can be found on the Bankers Almanac and KYC Registry from the Swift Portal, which contains the banking license and other relevant documents concerning our Group.

Spain, as a member state of the FATF, has national legislation regarding Anti Money Laundering and Counter Financing of Terrorism (from now on referred to as "AML/CFT") as a result, amongst others, of the transposition of the European Union Directives via the Law 10/2010 dated April 28<sup>th</sup>, the Royal Decree-Law 304/2014, dated May 5<sup>th</sup> and the Royal Decree-Law 7/2021 dated April 27<sup>th</sup>.

Regarding the Group's activity, internal structure and actions related to AML/CFT, please note the following:

- The global policy of the Banco Sabadell group consists in strictly complying with all the legal requirements in all the countries in which it operates, and it is actively committed to the efforts carried out concerning anti-money laundering and counter terrorism financing. This policy is applicable to all managers, directors and employees of Banco de Sabadell, S.A. Furthermore, the subsidiaries and offices abroad, which are subject to the respective AML/CFT laws of each of the countries in which they are established, have additional specific procedures to comply with the legal regulations that are applicable to them.
- The chief elements of the policy and procedures on AML/CFT of the Group are the following:
  - a) Existence of the group's Internal Control Body (ICB). The ICB, through the Regulatory Compliance department, is the management body responsible for the application of the AML/CFT policies and procedures established to comply with the current AML/CFT legislation, and its mission is to analyse, control and report to the Spanish Financial Intelligence Unit (SEPBLAC) all the information concerning transactions or events that may be related to ML/FT in accordance with the established procedures.

The ICB is chaired by the Chief Risk Officer and it is composed by the heads of the various divisions and business units of the group (including the subsidiaries and affiliates that are "obliged entities" and are therefore subject to the Spanish laws and regulations on AML/CFT). In this body there is therefore direct or indirect representation of all the "obliged entities" within Banco Sabadell group.
  - b) Existence of a Central AML/CFT Unit and a network of Regulatory Compliance Correspondents in the different subsidiaries and offices abroad. This internal organisation ensures a uniform compliance with the Group's AML/CFT policies.

- c) Existence of a Customer Acceptance Policy based on customer identification procedures, Know Your Customer (KYC), risk scoring and different levels of due diligence depending on the risk, which include, among other measures, and prior to the establishment of business relations, the identification of customers through official documents. In case of legal entities, the beneficial owner is identified as required by law. Due diligence processes are carried out on an ongoing basis throughout the business relationship (its periodicity depending on the customer's risk).
- d) Specific procedures in place for the establishment of business relations with non-face-to-face customers. The scope is restricted to the two following types of customers:
  - i) Natural persons resident in specific low-risk jurisdictions that are subscribed to the Hague Convention. The registration process for said individuals requires notarial intervention, additional information (apostilled by the Hague where applicable), answering a specific KYC questionnaire and prior approval from Regulatory Compliance.
  - ii) Natural persons not classified as high-risk (and who meet pre-established requirements) through a specific identification procedure by videoconference (streaming recording, without alteration) and through a biometric verification system that allows the validation between the photograph of the identity document and that of the person through video, as well as the validation of the authenticity of the identification document.
- e) Screening of customers (including beneficial owners in the case of legal persons) both prior to the establishment of business relations and on an ongoing basis throughout the business relationship, against the lists of sanctions applicable to Banco Sabadell (UN, EU), as well as other lists that Banco Sabadell considers relevant (OFAC, HM Treasury).
- f) Specific procedures for the detection and identification of Politically Exposed Persons (PEP) or their direct Relatives and Close Associates (RCA) and their periodic review and monitoring. The establishment of business relations with PEP and RCA customers requires the approval of the ICB through its delegated committee.
- g) Anonymous accounts do not exist and are not allowed.
- h) Existence of an Acceptance Policy for entities with which a correspondent relationship is established. The establishment and maintenance of correspondent relationships with financial institutions categorised as high-risk (including those based in high-risk countries) are approved by the Internal Control Body through its delegated committee. Likewise, entities classified as low or medium risk require prior authorisation from the AML/CFT Unit.
- i) No business relations are established with shell banks.
- j) Specific software to detect, monitor and analyse suspicious operations and, if applicable, report to the Spanish Financial Intelligence Unit (SEPBLAC).
- k) Internal standards and procedures in order to detect and analyse operations that could be related to sanctioned countries before they are executed. Banco Sabadell group is committed to comply with all restrictive measures adopted by the international community, UN, EU and OFAC. A specialized team analyses these operations in order to check that there's no relation to a sanctioned person or entity, nor the import or the export of the products (or even double use goods) is prohibited, and they fully comply with sanctions regulations.

- l) Mandatory and ongoing training activities for all employees of the group (including case studies and mandatory exams). In addition, and for certain roles, training activities are provided by specialised external firms. Likewise, and also focused on certain roles, there are face-to-face training courses given by a regulatory compliance officer.
- m) Regular supervision by the group's Internal Audit which, among many other aspects, analyses the group's monitoring procedures.
- n) Annual audit by an independent external expert to assess the effectiveness, adequacy and regulatory compliance of the systems and procedures in place for the Prevention of Money Laundering and Terrorism Financing (including monitoring procedures).
- o) Unless the relevant local legislation mandates for a longer period, documentation, information, and records are retained for a period of 10 years from the end of the business relationship with the customer, and in the case of transactions or operations, for a period of 10 years from their processing. The filing system ensures the proper management, availability, and traceability of documentation, both for internal control purposes and to meet the requirements of the authorities in due time and form.

For any matter related to the content of this document and other questions concerning the Compliance function, please contact:

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