



**CaixaBank Group Corporate Policy for  
Anti-Money Laundering and Counter  
Terrorist Financing and for management  
of Sanctions and International Financial  
Countermeasures**

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**I. BASIS AND OBJECTIVES**

CaixaBank, S.A. (hereinafter "CaixaBank"), as the parent of the companies which make up its Group<sup>1</sup> (hereinafter referred to together as either the "Group" or the "CaixaBank Group") is firmly committed to the prevention of money laundering, to the prevention of the financing of terrorist activities and to compliance with Programmes of Sanctions and International Financial Countermeasures (hereinafter "Sanctions"), and proactively applies the most stringent international standards in this regard<sup>2</sup>.

Financial crime is a universal and global phenomenon which homes in on the disappearance of commercial barriers and the globalisation of the economy to materialise. Combating this phenomenon requires and demands a coordinated response by the international community in general and the finance sector in particular, to prevent themselves from being inadvertently and involuntarily utilised for unlawful purposes.

The purpose of this Corporate Policy for Anti-Money Laundering and Counter Terrorist Financing and for management of Sanctions and International Financial Countermeasures (hereinafter the "Policy") is to (i) establish **a framework of compliance** at Group level which must be applied by all companies in the exercise of their activities, areas of business and relations both at home and abroad to prevent money laundering and the financing of terrorism and to comply with the various programmes of sanctions and international financial countermeasures applicable; (ii) define roles and responsibilities in this area; (iii) provide a basis for the definition and application of policies and procedures at Group subsidiaries; and (iv) establish the governance framework.

The application of the measures set out in this Policy must guarantee mandatory compliance with the regulations applicable in all jurisdictions where the CaixaBank Group exists and operates.

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<sup>1</sup> For the purposes of this Policy, in addition to CaixaBank, S.A., any subsidiaries controlled by CaixaBank, S.A. as defined in Article 42 of the Spanish Commercial Code are also understood to form part of the CaixaBank Group

<sup>2</sup> As Section 2.3 of the Bank's Code of Ethics stipulates, "*the bank is committed to upholding the highest legal and ethical standards and best possible professional conduct in its business, in the interest of its customers, the community and all parties who in different ways are engaged in direct relations with the Bank*"

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## II. CONCEPTS

The following definitions are used for the purposes of interpretation and application of this Policy:

**Money laundering:**

- Converting or transferring assets, in the knowledge that these assets originate from a criminal activity or from participation in a criminal activity, for the purposes of concealing or disguising the unlawful origin of the assets or assisting any parties involved to elude the legal consequences of their actions.
- Concealing or disguising the real nature, origins, location, provision, movement or ownership of assets or entitlements to assets, in the knowledge that these assets originate from a criminal activity or from participation in a criminal activity.
- Acquiring, possessing or using assets in the knowledge, when they are received, that they originate from a criminal activity or from participation in a criminal activity.
- Participation in any of the activities stipulated in the preceding paragraphs, association to perpetrate such acts, attempting to perpetrate them and assisting, instigating or advising someone to perpetrate them or assist in perpetrating them.

Assets that originate from a criminal activity shall be understood as any assets the acquisition or possession of which originates from a crime, material or non-material assets, real estate or movables, tangible or intangible, and any legal documents or instruments irrespective of their format, including electronic or digital formats, accrediting ownership of such assets or entitlement to them, including the amount of tax evasion in the event of fiscal crimes.

Money laundering shall be considered to exist even if the activities which generated the assets were carried out on the soil of another State.

Finally, it should be noted that the following phases are usually distinguished in the money laundering process:

1. **Placement or concealment:** Putting cash from criminal activities into financial

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circuits or exchanging it for other kinds of assets.

2. **Accumulation:** Carrying out transfers or movements among different products or services in a jurisdiction or jurisdictions for the purposes of breaking up, accumulating, concealing, transferring the amounts and depositing them in jurisdictions that are less stringent in their investigations into the origins of large fortunes or in accounts where the origin of the money has a legal semblance, or carrying out any other transactions which prevent the true origins from being traced.

3. **Integration:** Putting money into the financial system with an appearance of legitimacy.

CaixaBank Group entities and companies may be used during any phase of the process described, mainly during the "placement" phase, and thus the necessary internal control measures must be taken to manage this risk.

### **Financing of terrorism**

Supplying, depositing, distributing or collecting funds or assets, by any means, directly or indirectly, with the intention of using them or in the knowledge that they shall be used, totally or partially, to perpetrate any of the terrorist crimes stipulated in the criminal regulations applicable.

The financing of terrorism shall be considered to exist even if the funds or assets were supplied or collected on the soil of another State.

### **Programmes of sanctions and international financial countermeasures**

Political, diplomatic or economic instruments used by countries and international or supranational bodies to implement restrictive measures to prevent infringements of international law, of human rights or of civil rights and liberties.

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### **III. SCOPE OF APPLICATION**

The Policy is applicable to all CaixaBank Group companies that are obliged to adhere to it by anti-money laundering regulations or programmes of Sanctions. The Policy must be adopted in all jurisdictions where CaixaBank and its subsidiaries conduct their activity, relations or business.

The Boards of Group companies shall adhere to this Policy. Any units tasked with prevention and supervision functions shall draw up their own regulations and procedures for the purposes of proper implementation, realisation and compliance. Group companies shall adapt their regulations and procedures in accordance with any specific legal requirements applicable to them in each jurisdiction, and must have prior approval by the Compliance department of CaixaBank, as the Group's parent company, to confirm that these adaptations are consistent and do not contradict the Policy. Following validation by CaixaBank's Compliance department, regulations must be submitted to the Group's Internal Control Body for final approval.

### **IV. PRINCIPLES AND STANDARDS APPLICABLE**

The main principles and standards constituting the prevention framework regulated by this Policy are as follows:

1. Risk Assessment
2. Due Diligence
3. Detection, control and examination of transactions
4. Reporting of suspect transactions
5. Control of lists of Sanctions and notification of detections
6. Retention of documentation
7. Training
8. Roles and responsibilities
9. Consolidated risk management

#### **1. Risk Assessment**

The exposure of Group companies to the risks of Money Laundering, the Financing of Terrorism and Sanctions is directly related to the type of business or activity, the products sold, the services provided, marketing channels, the typology and characteristics of customers and/or any jurisdictions in which they may operate.

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In order to maintain a proper control and prevention framework with a risk-based approach, Group Companies must be categorised in accordance with their level of risk to guarantee the application of greater supervision of companies, segments, channels, jurisdictions or products with higher levels of risk.

## **2. Due Diligence**

The policy for approval of customers and due diligence measures may not under any circumstances entail any infringement of rights in jurisdictions in which the Group Company conducts its business.

Customer approval policy is a dynamic process, and establishes a compliance framework at Group level which may vary in accordance with the levels of risk in certain segments or activities, depending on exposure to risk at any given time. The approval policy must meet international standards and the "KYC" principle, *Know Your Customer*, with a particular focus on guaranteeing proper knowledge of customers and their activities at all times.

The *Know Your Customer* principle and due diligence policies shall always be applied with a risk-based approach, and shall ensure that the measures applied are appropriate to the underlying risk of money laundering, the financing of terrorism or Sanctions.

2.1.1. Classification of customers. Customers of Group Companies must be segmented and classified in accordance with risk as a feature to devise prevention and control measures to mitigate exposure to risk, to enable stricter measures and controls to be applied to customers showing greater risk.

Controls and procedures must ensure proper continuous monitoring of the business relationship in order to adapt the level of risk, and therefore the measures to be applied, to the circumstances of the customer's risk at any time.

Appraisals of the level of risk shall be documented at CaixaBank Group companies on the basis of their activities and operations. For the purposes of determining this classification, at least the factors relating to the company's exposure to risk and its customers or suppliers shall be taken into account, including an analysis of the following factors:

- Customer characteristics:

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- Activity.
- Geographic area.
- Politically Exposed Person (PEP).
- Genuine Identity.
- Property or control structure.
- Characteristics of products or services:
  - Type of product.
  - Business segment.
  - Channel of relations.
- Characteristics of the operation:
  - Origin of funds.
  - Transactions.

Group Companies must at least use the following customer classification, depending on the level of risk identified:

**2.1.1.1 Parties that cannot be admitted:** Business relationships with individuals or legal entities in any of the following situations cannot be permitted:

- Persons who, during the approval process, could not be subjected to the due diligence measures set out in this Policy.
- Persons on national or international lists of Sanctions and those that cannot be approved as customers pursuant to the programmes of Sanctions defined in this Policy and in the legal provisions applicable in this regard.
- Persons operating businesses the nature of which makes it impossible to verify the legitimacy of the transactions or the origin of the funds.
- Persons refusing to supply documentation for full official identification of the owner and/or the real beneficiary or which, having supplied this documentation, refuse to allow the Bank to keep a digitalised copy of it.
- Persons supplying documents which are manifestly false or harbour serious doubts as to their legality, legitimacy and non-manipulation, or who do not provide sufficient guarantees.
- Persons refusing to provide the necessary information or documentation in relation to verification of the declared activities or the origin of funds, and the purpose and nature of the commercial relationship with the bank.
- Persons and legal instruments in relation to which the ownership or control structure cannot be determined, or companies the real owner of which cannot be ascertained.
- Shell banks and financial institutions operating with this type of bank.



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- Persons or entities attempting to carry out transactions in relation to financial activities, gambling, betting, payment institutions, currency exchange or other activities without official permits or other mandatory requisites.
- Any other category not covered by the above, which must be rejected in the light of legal regulations or by the Company's internal policy.
- Individuals or legal entities which were Group customers at some point and ceased to be customers pursuant to this Policy.

**2.1.1.2 Persons of above-average risk:** acceptance of these persons as customers is in any event subject to the application of enhanced due diligence measures, and shall require centralised approval. The following persons or entities shall be included in this category:

- Foreign and national politically exposed parties.
- Foreign and national legal entities the real owner and/or an administrator of which is a foreign or national politically exposed person (PEP).
- Individuals or legal entities resident in or native to a high-risk jurisdiction, and those that, although not actually in this situation, are controlled by individuals or entities in high-risk jurisdictions.
- Customers with links to the production, marketing, distribution and sale of weapons and other military equipment.
- Payment entities, money transfer and/or foreign currency exchange services, casinos, companies operating recreational gaming and other companies with links to gambling with official permits or other mandatory requisites, and any other risk sector when the specific procedures so require.
- Companies with bearer securities, when their ownership or control structure has been ascertained.

**2.1.1.3. Other persons or entities shall be subject to normal or simplified due diligence measures** as established in the regulations applicable or in internal regulations and procedures.

**2.1.2. Formal identification of customers:** any regulations and procedures implementing this Policy must ensure that Group Companies properly identify all their customers in accordance with the legislation applicable at any given time and in each jurisdiction, which in any case shall include verification of identities by means of valid and current documents.

Under no circumstances shall business relationships be continued with persons who have not been identified, and products or services may not be contracted anonymously, through encryption or in a fictitious format.

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Prior to the establishment of business relationships or transactions, the real party involved must be identified. This obligation implies that, in the event of indications or certainty that customers are not acting on their own behalf, precise information must be compiled to ascertain the identity of the parties on behalf of which they are acting. There must also be sufficient documentation to accredit authorisation for their actions.

- 2.1.3. Knowledge of the customer's activity and assets: before a business relationship is established, Group companies must at least compile information concerning the customer's professional or business activity and the origin of the funds or assets.

Depending on the level of risk assigned to customers, further measures may be applied, consisting of verification by means of documents and reliable external sources of the information supplied by customers, especially in connection with their professional or business activity, the origin of the funds or assets and any other relevant information in accordance with internal procedures and regulations.

### **3. Detection, control and examination of transactions**

Group companies must have the resources for detecting, controlling and examining transactions. These resources shall be applied based on risk, and in any case shall entail the three basic scenarios of detection of transactions:

- a. Internal reporting of indications by Group employees.
- b. Detection of potential suspect transactions through the alert systems established (systems at each Group company and/or centralised systems).
- c. Notifications by supervisory bodies or police or court authorities.

The detection of suspect transactions entails a detailed and comprehensive analysis aimed at determining the effective existence of signs of money laundering and the financing of terrorism. The methodology for performing this analysis must be set out in a specific procedure known as the *Special Examination Procedure*<sup>3</sup>. This analysis shall in any case be centralised at a unit common to all Group companies operating in the same jurisdiction.

The monitoring system shall be automated, and shall conduct a review of activities on the basis of the standards identified at any given time by the law and best practices.

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<sup>3</sup> Refers to the Spanish law term "Examen especial"

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#### **4. Reporting of suspect transactions**

Group companies shall voluntarily report to the supervisory bodies and/or Financial Intelligence any event or transaction or any attempted event or transaction which, following the special examination, determines that the transaction shows indications or certainty of links to money laundering or the financing of terrorism.

Specifically, supervisory bodies shall be notified of any transactions showing any ostensible inconsistencies in relation to the nature or volume of activity of past operations of customers.

The decision to report shall be taken in a centralised fashion in each jurisdiction by the persons or bodies designated to this end, and the report shall be made by the official representative with the competent authorities. The report shall in any case contain information on the decision taken with respect to continuation of the business relationship, and the grounds for this decision.

Notwithstanding the report through indications, the bank shall immediately take further measures to manage and mitigate risk, and this must take account of the risk of disclosure.

Group employees must refrain from carrying out any transactions with respect to which there are indications or certainty of links to money laundering or the financing of terrorism.

Group employees, management or agents shall not disclose to the customer or to third parties that information has been reported to internal control bodies or to the supervisory body, or that transactions are being examined or may be examined to ascertain if they involve money laundering or the financing of terrorism.

#### **5. Control of lists of Sanctions and notification of detections**

To ensure compliance with the restrictions imposed by programmes of Sanctions, Group companies must:

- Identify and follow the programmes of Sanctions established by the United Nations (UN), the European Union (EU), the OFAC and any local programmes applicable in the jurisdictions in which the Group companies operate.
- Assess the risks associated with activities relating to the Programmes of Sanctions for the purposes of determining the risks of participation or involvement in activities restricted or prohibited by the Sanctions;
- Refrain from carrying out or participating in operations or transactions with sanctioned parties;
- Adhere to prohibitions and restrictions in carrying out transactions, making payments or in commercial relations, and refrain from carrying them out when they entail non-compliance with the programmes of Sanctions;

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- Block access to assets and funds when required to do so by the programmes of Sanctions, notifying these circumstances to the authorities administering the programmes of Sanctions;
- Implement internal control procedures and prevention mechanisms for proper compliance with the obligations of Group companies, which shall include procedures and tools for automated filtering (screening).

## **6. Retention of documentation**

CaixaBank Group companies shall establish documentation conservation policies which meet the legal requirements applicable in each jurisdiction. The minimum conservation period shall be as determined by pertinent legislation at any given time, and shall never be less than 10 years.

The documentation which must be kept in accordance with prevention laws includes at least the following aspects:

- It shall specifically keep the following to be used in any investigation or analysis concerning possible cases of prevention by the supervisors or any other competent authority:
- Copies of documents which are mandatory for the purposes of due diligence measures, specifically including copies of documents substantiating identification, statements by the customer, documentation and information supplied by the customer or obtained from reliable independent sources.
- Originals or probatory documents or registers properly accrediting the transactions, the parties involved in the transactions and business relationships.
- Any documentation formalising compliance with reporting obligations and internal control:
  - Reports to supervisory bodies
  - Notification of the appointment of representatives for Financial Intelligence authorities.
  - Special-examination dossiers.
  - Reports of suspect transactions sent to supervisory bodies and documentation in connection with these reports.
  - Information requirements and tracing requests received from supervisory bodies.

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- Annual reports on examinations by external experts and related documents.
- Minutes of the meetings of internal control bodies, with a record also kept of the minutes and documents of other bodies with respect to aspects affecting prevention.

## **7. Training**

Creating awareness of the risks associated with these crimes is a key feature of the fight against money laundering and the financing of terrorism.

CaixaBank Group's companies must define, maintain and apply employee training programmes to guarantee a proper level of awareness among all staff, as required by law, and shall establish policies to guarantee mandatory training in anti-money laundering, counter terrorist financing and Sanctions for all staff (including senior management and the board of directors) on a regular basis in accordance with exposure to risk in their company activities.

AML/CTF training programmes at all CaixaBank Group companies must be validated by the CaixaBank Regulatory Compliance unit as the Group's specialist department, after they have been validated by the company departments responsible for training and compliance, with records kept along with evidence of the training provided, its contents, and employees who have been given training and undergone this successfully.

## **8. Roles and responsibilities**

As per regulations, CaixaBank Group companies must have a governance structure and internal organisation to meet their obligations concerning identification and anti-money laundering, counter terrorist financing and Sanctions, guaranteeing proper compliance with reporting obligations in each jurisdiction to the competent authorities for each company, and also guaranteeing proper lock-down and freezing of funds or economic resources arising from the application of international sanctions and countermeasures.

For the purposes of compliance with these obligations, the function of anti-money laundering, counter terrorist financing and sanctions must be assigned to a unit or a department and, in cases where this is applicable due to the activities or business, a Responsible Party must be appointed. The Responsible Party shall be appointed on a full-time or part-time basis depending on the company and the type of business, as transpires from the principle of an approach based on the risk of money laundering/financing of terrorism and sanctions, and shall report on a functional basis to the person responsible for prevention at the group.

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Responsibility for applying processes to identify customers shall mainly lie with those who are in direct contact and conduct relations directly with customers and are directly involved in the initial establishment of relations with customers, applying the policies concerned (first line of defence) at all times.

By way of an independent second line of defence, the main activities of the Anti-Money Laundering and Counter Terrorist Financing function, among others, shall be as follows:

- Definition and implementation of prevention policies, regulations and procedures.
- Supervision of the application of and compliance with prevention policies, regulations and procedures, using a risk-based approach.
- Definition of a compliance programme and plan for the purposes of compliance with the regulations applicable.
- Validation and supervision of internal controls to ensure proper knowledge of customers.
- Maintaining fluid contact and communications with supervisory bodies, authorities and regulators.
- In the case of heads of prevention located in jurisdictions other than that of CaixaBank, rapidly reporting and notifying the Group party responsible of any relevant aspects in connection with the prevention model in their jurisdictions and the associated risks.
- Conducting a regular appraisal of risk exposure and proposing corrective and remedial measures to make good any weaknesses or non-compliances.

The Internal Audit function shall carry out regular reviews of the most relevant aspects of the functions involved in the Group prevention model and their adaptation to this Policy and to the other regulations and procedures applicable.

## **9. Consolidated risk management**

CaixaBank considers that the best way to combat the risks associated with this policy is consolidated management of the risks, and uniform and aggregate management of information in connection with management of these risks at Group level, irrespective of any jurisdiction in which Group companies may operate.

The principle of aggregate or consolidated management is thus one of the mainstays of the prevention model, and coordinates the efforts of all Group companies uniformly, and also assesses and manages risk in an aggregate fashion.

Thus all companies making up the Group shall keep CaixaBank regularly informed of high-risk relationships, data on sensitive activities and their associated risks, responding

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rapidly to any information requests that may be issued by CaixaBank in its management of regulatory and reputational risk in connection with money laundering, the financing of terrorism and Sanctions.

In any case, these obligations are understood without prejudice to strict compliance with the regulations applicable, most particularly regulations concerning data protection and privacy. CaixaBank and Group companies shall take the necessary measures to maintain the confidentiality and privacy of data reported in this manner between Group companies.

## **V. GOVERNANCE**

Implementation of the prevention, management, control and decision-making functions addressed in this Policy and their implementing regulations requires a solid governance structure to guarantee the involvement of CaixaBank's decision-making bodies and management and administration units, and close cooperation among Group companies.

During the process for transposition and adaptation of this Policy, each Group company shall identify the governance and decision-making bodies with responsibility for taking decisions, supervising and controlling the risks associated with this Policy.

To this end:

- The management bodies of each Group company shall be responsible for the following tasks:
  - Undertaking ultimate responsibility for approving and applying this Policy and any regulations implementing same;
  - Supervising compliance with rules and regulations in this regard;
  - Ensuring the adoption of any corrective, mitigation and remedial measures identified as the consequence of internal control procedures or supervisory activity;
  - Approving the appetite for risk
- When this has been decided by the management body in the terms set out in internal bylaws and regulations, the board committees (Risk Committee and/or Audit Committee) shall also be responsible for the following:
  - Assisting and advising the management body in defining and assessing the regulations and procedures implementing this Policy;
  - Monitoring regulatory changes, advising and assessing their impact on internal regulations and procedures;

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- Incorporating the risks associated with this Policy in the company's ordinary risk management;
- CaixaBank may also determine and define other collegiate bodies or committees with responsibility for this issue at Group level, as non-statutory bodies. For example, although the following list is not exhaustive, CaixaBank governance bodies and management responsible at Group level may designate the following:
  - A Compliance Committee, the main responsibility of which shall be to offer advice on decision-making to governance bodies, and decision-making in connection with the general management of compliance risk.
  - An anti-money laundering / counter terrorist financing / sanctions committee, with at least the following functions:
    - Ordinary management decision-making in relation to the risks of this Policy;
    - Validating Compliance programmes at Group companies;
    - Regularly checking, assessing and supervising the risks associated with this Policy, proposing the adoption of any corrective and mitigation measures it may deem appropriate with respect to any weaknesses or non-compliances that may have been identified in internal control processes and in the course of supervisory and inspection activities.
  - This prevention committee may delegate some of its executive and decision-making functions to a delegate body that ensures decisions are taken rapidly.

**VI. DATE OF VALIDITY, INTERPRETATION, APPROVAL AND ADMINISTRATION  
OF THE POLICY**

This Policy and any subsequent amendments and updates thereof must be approved by the CaixaBank Board of Directors.

The Head of the CaixaBank Prevention Unit shall be responsible for administration and interpretation of the Policy and for verification of proper adaptation of its contents at Group companies.

This Policy shall come into force when it is published through internal communication channels, and shall be updated periodically.