

**PREVENTION OF MONEY LAUNDERING AND THE FINANCING
OF TERRORIST ACTIVITIES**

The Prevention of Money Laundering and the Financing of Terrorist Activities (henceforth referred to jointly as the Prevention of Money Laundering) constitutes, above all, a priority objective that the BBVA Group associates with its pledge to promote and uphold the well-being of the different communities in which it operates.

For the BBVA Group, ensuring that its products and services are not used for illegal purposes likewise constitutes an essential requirement for safeguarding its corporate integrity, and thereby one of its main assets, namely, the trust of the people and institutions it deals with on a day-to-day basis (customers, employees, shareholders, suppliers, etc.).

To achieve the above two objectives, as a global financial group with branches and subsidiaries that operate in numerous countries, the BBVA Group has adopted a Model for Managing the Risk of Money Laundering and the Financing of Terrorist Activities. This Model is followed in all the entities forming part of the BBVA Group, and not only takes into account the regulations on prevention of money laundering in the jurisdictions in which BBVA operates, but also incorporates the best practices of the international financial industry in this regard.

This Model is made up of the following elements:

- An organizational structure with the resources required to manage this function and a clear assignment of responsibilities in each unit.
- A body of regulations that determines the obligations and care required in this sphere; particularly important are those relating "know your customer" (KYC).
- The implementation of measures monitoring customers, aimed at identifying possible suspicious activities and guaranteeing they are reported to the competent authorities.
- The execution of communication and training plans for employees. These plans are designed according to the level of exposure of each group at risk of money laundering. Its aim is to maintain an appropriate level of sensitivity and provides the capacity required to comply with the applicable law.

- Permanent communication between Head Office and all the subsidiaries and branches of the BBVA Group, to ensure continuous monitoring and supervision in this regard.
- Finally, the need for independent review, with the aim of verifying and checking the implementation and effectiveness of the rest of the elements of the Model independently.

As indicated above, it is important to stress that the Model for Managing the Risk of Money Laundering and the Financing of Terrorist Activities is not static. The BBVA Group adapts to any new situations that may arise to ensure continuous adjustment of the Model in line with the best international practices in these matters.