

Regulatory Compliance Statement (the “Statement”)

GarantiBank BBVA International (hereinafter referred to as the “Bank” or “GBI”), its branches and affiliates, are committed to maintain a compliance culture and high standards of professional conduct are maintained by every employee. The standards this compliance culture are in line with national, international and European legislation, local authorities regulations and market standards.

In this sense GBI cooperates with law enforcement and regulatory agencies to combat financial crime referring to money laundering (all crimes including but not limited to: fraud, tax evasion, human trafficking), bribery and corruption, terrorist financing, the financing of proliferation of weapons of mass destruction and other related threats to the integrity of the international financial system.

Although the Managing Board has the overall responsibility for ensuring compliance, it is important to stress that all staff have a duty in respect of compliance. Therefore, the mitigation of any compliance risk is a shared responsibility. For this GBI has implemented, in line with the business practice the following structure:

1. The first line is formed by business areas and the business support unit, primarily responsible for the implementation and maintenance of proper control measures with respect to compliance.
2. The second line of defense is formed by the risk management functions. including the compliance function. that support the line management and provide advice on the implementation and maintenance of compliance.
3. The third line of defense is formed by the internal audit function, which assesses the functioning and effectiveness of the business units and the risk management and compliance activities.

The Bank to comply with it’s legal and market obligations has developed and maintains a sound compliance framework, which includes policies, procedures, processes and periodical trainings to staff members on related topics between others:

1. Tax

Facilitation of customers’ transactions that may involve tax fraud and tax evasion goes against our values and our Garanti Code of Conduct and is unacceptable. GBI has designed tax criteria that are aimed to prevent facilitation of tax fraud and tax evasion and the effectiveness of the tax criteria is frequently monitored. Being part of the BBVA Group, GBI takes into account BBVA’s Tax Principles: Integrity, Prudence and Transparency. These principles are already embedded in GBI’s business values as described in our “Tax Integrity Policy”.

2. Code of Conduct

The “Code of Conduct” is consistent with the values of BBVA Group, this document sets out the standards of behavior which GBI’s employees should adhere behaving with due respect for the applicable laws and regulations, with integrity and transparency, and acting with the prudence and professionalism appropriate to the social impact of the financial industry.

This includes the behavior of GBI's personal towards their customers, colleagues, business and society.

3. Compliance with Laws and Financial Crime Compliance

GBI is committed to complying with Laws (including applicable financial crime compliance laws and regulations such as those related to anti money laundering, anti-bribery and corruption) in all jurisdictions in which operates.

It is part of GBI compliance culture to require our customers to comply with all applicable Laws, and to conduct their business in a lawful manner. GBI's framework is the basis for maintaining the Bank's fight against money laundering and terrorist financing. Adherence to the set of minimum standards set out in related Policies is mandatory for all employees and management of the Bank, its branches and representative offices in any location.

This framework includes:

- Anti-Money Laundering & Anti-Terrorism Financing Policy
- Client Acceptance and CDD Policy
- Code of Conduct
- Anti-Corruption Policy\

4. Sanctions

Within the framework of the Group's Policy to prevent or stop the utilisation of its products and services for illicit ends (money-laundering and the financing of terrorist activities, basically), this rule spells out the guidelines for action that must be followed by GarantiBank BBVA International (GBI) when carrying out transactions or maintaining business relations with some of the countries, jurisdictions or entities designated by particular national or international bodies, as established in this document.

It is Garanti BBVA Group policy to apply the obligations established by UN/EU/OFAC to reject the processing of financial and trade transactions with designated countries, jurisdictions, persons and entities directly or indirectly. GBI does not conduct business relationship with sanctioned persons/entities designated by UN/EU/OFAC.