

Anti-Money Laundering and Counter Terrorism Financing (“AML/CTF”) Policy Statement

Bendigo and Adelaide Bank Limited and its controlled entities (collectively “the Group”), as defined by the Group Definition, ensures compliance with the *Anti-Money Laundering and Counter-Terrorism Financing Act 2006* (Cth) (“AML/CTF Act”) and the *Anti-Money Laundering and Counter-Terrorism Financing Rules Instrument 2007* (“AML/CTF Rules”) (collectively “AML/CTF Legislation”). This is not simply because we are required to but because it is the right thing to do for our organisation and for our customers.

The primary objective of the AML/CTF Legislation is to provide measures to detect, deter and disrupt money laundering (“ML”), terrorism financing (“TF”) and other serious financial crimes.

The Australian Transaction Reports and Analysis Centre (“AUSTRAC”), who plays a dual as both the AML/CTF regulator, as well as Australia’s financial intelligence unit, has made rules relating to AML/CTF obligations. The Group has implemented the requirements of the AML/CTF Act and Rules and has adopted internal policies, procedures, systems, and controls to ensure ongoing compliance.

The AML/CTF Policy applies to the Group, and it includes, but is not limited to:

- Oversight of the Group’s joint AML/CTF Program: This is done by the Group’s governing Board and Senior Management
- The appointment of a Nominated AML/CTF Compliance Officer: The Head of Group Financial Crime Risk & Money Laundering Reporting Officer (“MLRO”) has been appointed as the AML/CTF Compliance Officer. The Head of Group Financial Crime Risk & MLRO reports directly to the Group Chief Risk Officer, is a member of the Senior Management of the Group and has access to the Board Risk Committee on a regular basis.
- ML/TF Risk Assessment: It incorporates an assessment of the ML/TF risk associated with a number of risk attributes, including; products, customers, channels, and jurisdictions.
- Training & Awareness: All existing employees and new employees are required to complete general AML/CTF awareness training. Targeted role specific training is required to be completed by staff in roles where there a heightened element of ML/TF risk or are involved in AML/CTF processes.
- Employee Due Diligence: The Group has adopted risk based systems and controls with respect to conducting employee due diligence via screening of any prospective employee who could be in a position to facilitate the commission of a ML/TF offence in connection with a designated service.
- Ongoing Customer Due Diligence: The Group conducts ongoing Customer due diligence, which incorporates Know Your Customer (“KYC”) principles and conducting Enhanced Customer Due Diligence (“ECDD”) on customers assessed as higher risk, such as Politically Exposed Persons (“PEPs”) in senior positions, their relatives, and close associates. This also includes a Transaction Monitoring Program.
- Reporting Obligations: This includes the investigation and reporting of Threshold Transaction Report (“TTR”), Suspicious Matter Report (“SMR”) and International Funds Transfer Instructions (“IFTI”) to AUSTRAC within the prescribed timelines.

- **Independent Review:** The AML/CTF Compliance Officer will engage appropriately skilled resources to conduct an independent review of the AML/CTF program on a regular basis. The results of the review, including any report, are to be provided to the senior management and to the Board Risk Committee and/or Board Audit Committee, Operational Risk Committee, and where relevant Subsidiary Boards.
- **AUSTRAC Relationship and Feedback:** The Group Chief Risk Officer is accountable for the Group's relationship with the AML/CTF Regulator, AUSTRAC. The Group is committed to an open and co-operative relationship with AUSTRAC.
- The Group prohibits certain products, services and customer types based upon decisions guided by ML/TF risk appetite and corporate social responsibility.

Compliance and Disciplinary Action

Any staff member who knowingly or recklessly breaches the Policy and associated supporting standards and procedures can be subject to disciplinary action.

If required, steps will be taken to comply with any law that requires such matters to be reported to a law enforcement agency. The Group will, as required by law, cooperate with any law enforcement agency responsible for investigating or enforcing any sanctions programs.