

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

The vision of the *Group* is to be Australia's bank of choice, driven by a purpose to feed into the prosperity of its customers and communities. Financial crime, including money laundering (*ML*) and terrorism financing (*TF*), threatens the prosperity, trust, and wellbeing of the *Group's* customers and communities. Effective management of the risk of financial crime is therefore fundamental to the *Group's* purpose.

The *Group* is required by law to comply 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 (No.1) (Cth) (AML/CTF Rules)* (collectively referred to as the "*AML/CTF Legislation*"). The primary objective of the *AML/CTF Legislation* is to provide measures to detect, deter, and disrupt money laundering, terrorism financing and other serious financial crimes. The Australian Transaction Reports and Analysis Centre (*AUSTRAC*) plays a dual role as both the *AML/CTF* regulator, as well as Australia's financial intelligence unit.

The *Group AML Policy* applies to Bendigo and Adelaide Bank Limited (*BEN*) and its controlled entities (collectively, the '*Group*'), its directors (executive and non-executive), *employees*, *Authorised Representatives*, *Community Bank companies* *third party suppliers* and third parties acting for or on behalf of the *Group* (hereafter referred to as "*Applicable Parties*").

Group Anti-Money Laundering and Counter Terrorism Financing (AML/CTF) Policy Objective

The objective of this *AML/CTF Policy* is to set out:

- The *Group's* formal approach for the identification, treatment, and management of Money Laundering and Terrorism Financing (*ML/TF*) risks;
- The compliance obligations and expectations within the *Group* associated with the *ML/TF* risks;
- The roles and responsibilities of the Three Lines of Defence in managing the *ML/TF* risks and compliance obligations and associated compliance risks which is an important element in establishing and maintaining a strong compliance culture.

Group Anti-Money Laundering and Counter Terrorism Financing (AML/CTF) Policy Principles

One of the key obligations of the *Group* must comply with are the requirements set out in the *AML/CTF Legislation*. Under the *AML/CTF Legislation*, reporting entities are required to have a framework, policies, procedures, processes, systems, and controls in place in order to comply with the regulatory obligations. The *Group's AML/CTF Policy* documents outlines below the requirements, internal objectives and Policy Principles as applicable to the *Group* in aiming to prevent, detect, and not knowingly facilitate money laundering and/or terrorism financing.

- **Governance and Oversight of the Group's Joint AML/CTF Program:** This is done by the *Group's* governing Board and Senior Management.
- **Appointing a nominated AML/CTF Compliance Officer:** The Chief Compliance and Financial Crime Officer has been appointed as the *AML/CTF Compliance Officer* who reports directly to the *Group Chief Risk Officer (CRO)*, 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 but not limited to product, customers, channels and jurisdictions.
- **Training and 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 (OCDD) on customers and Beneficial Owners (if any), which incorporates Know Your Customer (KYC) principles to ensure records are up to date and conduct Enhanced Customer Due Diligence (ECDD) on customers and Beneficial Ownerships (if any) assessed as high risk, such as politically Exposed Persons (PEPs) in senior positions, their relatives and close associates. This also includes 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 time frame.
- **Independent Review:** The AML/CTF Compliance Officer will engage appropriately skilled resources to conduct an independent review of Part A of the Group's Joint 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 (BRC) and/or Board Audit Committee, Operational Risk Committee and where relevant Subsidiary Boards.
- **AUSTRAC Relationship and feedback:** The Group Chief Risk Officer (CRO) is accountable for the Group's relationship with AML/CTF Regulator, AUSTRAC. The Group is committed to an open and co-operative relationship with AUSTRAC.
- The Group prohibits certain products, services and customers engaging in illegal activity and may display characteristics that present an unacceptable level of risk, based upon decisions guided by ML/TF risk appetite and corporate social responsibility.

Compliance and Disciplinary Action

Non-compliance with the Group AML Policy will be treated seriously, and where applicable, can be subject to disciplinary action including the potential termination of employment.

Any staff member who knowingly or recklessly breaches the Group's AML 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 AML related matters.