

**PT Bank OCBC NISP, Tbk  
Anti Money Laundering &  
Counter Financing Terrorism**

# **QUOTE OF ANTI MONEY LAUNDERING AND COUNTER FINANCING TERRORISM POLICY**

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## **I. INTRODUCTION**

PT Bank OCBC NISP, Tbk (“Bank”) is a public listed company incorporated under the provisions of The Company Act No. 40, year 2007. Bank officially became a Commercial Bank in 1967, Foreign Exchange Bank in 1990 and Public Company in Indonesia Stock Exchange since 1994. Bank is committed to the highest standards in effort to comply with the applicable Anti Money Laundering and Counter Financing Terrorism (AML-CFT) standards. The Quote provides an introduction to anti money laundering and counter financing terrorism regulation.

The Management (BOD and BOC) and all employees are required to adhere the standards to protect Bank and its reputation from being misused for money laundering and/or terrorist financing or other illegal purposes. Bank is supervised by the Financial Supervisory Authority (Otoritas Jasa Keuangan - OJK) and other related regulator such as Indonesian Financial Transaction Reports And Analysis Centre (PPATK). Government has enacted laws and rules designed to implement the anti-money laundering and counter financing terrorism. The goal of these laws is to detect and prevent money laundering and potential terrorist financing. Bank will adhere to applicable laws and regulations in Indonesia.

Bank will verify its AML – CFT framework, goals and strategies on an periodical basis and maintain an effective program for the Bank’s business that reflects the best practices for financial institution.

## **II. GOVERNANCE**

The Bank has Supervisory Board under Compliance Director, and the implementation of AML – CFT Program handled by Division Head of AML – CFT and all the team members (“Division”) which has been appointed by the Management. The Division is responsible for adherence to applicable AML – CFT Program derived from the INTRAC and OJK.

Bank has created a set of policy and procedures concerning general AML standards and principles. The governance ensures that the standards are implemented into day-to-day operational activities. All policy and procedures are published on accessible media so it can be accessed by all employees. They are subject to periodical review to ensure their conformity with updated AML – CFT regulations.

## **III. CUSTOMER DUE DILIGENCE**

Bank has implemented know your customer (KYC) procedure to assure all kinds of customers are subject to identification and verification process. The KYC has been implemented in all branches and business units. The goals are Bank has sufficient information and data about the customers profile, whom they deals with, and also the Ultimate Beneficial Owners (UBOs). The procedures include mandatory documents requirements, enhanced due diligence for politically exposed persons (PEPs) and customers from high risk businessess or countries, name screening, and the ongoing monitoring and updating data of all existing customers.

Bank must refuse to open an account or has to close an existing account, if the following:

- a) Cannot fix a reasonable belief that it knows the true identity of the customer and/or UBOs and/or the nature of business concerning the identification of the customers are not met;
- b) Known and/or suspected the utilization of fake documents;
- c) Assets that are known or suspected to be the proceeds of criminal activity;
- d) Enter into business relationships with individuals or entities known or suspected to be a terrorist or a criminal organisation or listed on sanction lists;
- e) Maintain anonymous accounts or accounts operate for shell banks.

#### **IV. CORRESPONDENT BANKING**

Bank has implemented procedures for correspondent banking. The procedures cover, but are not limited to:

- a) Request to provide sufficient information to fully understand of the nature of its business, management and ownership structure, bank's regulation and supervision in the respondent's country, compliance to regulations and supervision including assessment of compliance of the respondent bank's AML/CTF program;
- b) Risk-classification of correspondent banking relationships;
- c) Obtaining senior officer approval of the establishment of new correspondent banking relationships;
- d) Apply transaction monitoring and filtering on transactions.

Bank will not open an account or establish business relationship for shell banks. Correspondent banks have to provide confirmation that they will not provide banking services to or engage in business with shell banks.

#### **V. REGULATORY REPORTING**

Bank has an obligation to report cash transaction with certain amount based on relevant regulation, suspicious transaction/activity, and international fund transfer. Suspicious transactions must be handled and escalated with approval of Senior Management prior reporting to regulator.

#### **VI. AML - CFT PRODUCT AND ACTIVITY ASSESSMENT**

Certain products and services offered by banks may pose a higher risk of money laundering or terrorist financing depending on the nature of the specific product or service offered. The products and services may facilitate a higher of anonymity, or involve the handling of high volumes of currency. Bank has implemented risk measurements and analysis as ex-ante action to mitigate money laundering or terrorism financing risk and prevent breach of regulations.

## **VII. RECORD RETENTION**

Bank has to record all data and or information regarding customers documents and its financial transactions. Bank maintains customers documentations for minimum of 5 (five) years, notwithstanding to longer retention as required by Company Documentations Act. Bank will provide information and/or documents competent authorities as ordered by laws and regulations, when required.

## **VIII. TRAINING**

Bank has implemented AML – CFT training program for all staff. Bank’s training program is tailored to the operations and business unit to assure all staffs are aware of different patterns, methods, techniques, and typologies of money laundering or terrorist financing which may occur in daily operational activities. The training programs cover policy and procedures for the implementation of AML – CFT Program as well as roles and responsibilities of employees to assist in the eradication of money laundering or terrorist financing.

## **IX. INTERNAL CONTROL**

Bank has an effective internal control system. Bank’s AML – CFT Program is subject to independent control by Internal Audit function. The control demonstrates the adequacy of policy, procedures, internal monitoring, and responsibilities of working units associated with the implementation of AML – CFT Program.

The Quote is an integral part of Bank’s Anti-Money Laundering and Counter Financing Terrorism Policy and shall take effect from May 18, 2015.