



Implementation Policy of Anti Money Laundering (AML) and Counter Financing of Terrorism (CFT) PT Bank Mandiri (Persero) Tbk.

The application of the AML-CFT program is an obligation for all parties, especially for banks as financial services companies. Given the increasingly widespread practice of money laundering, including the misuse of the use of accounts to accommodate terrorism funding, it requires commitment from all parties to support the implementation of the AML-CFT program.

Money Laundering crimes have become one of the topics that has touched the attention of the world because it has a significant impact in disrupting the stability of a country's economy. Therefore, the organization of the Financial Action Task Force on Money Laundering was formed to play a role in setting policies and providing recommendations on steps to prevent money laundering and terrorism financing that must be applied effectively by all States.

Bank Mandiri as one of the banks that has networks in all parts of Indonesia with diverse products and/or services is very vulnerable to the risk of money laundering and terrorism financing. Therefore, banks need to mitigate these risks by carrying out various prevention efforts, through the effective implementation of the AML-CFT program, including by applying a Risk Based Approach.

AML-CFT Policy

In line with the latest developments related to the AML-CFT program and in connection with the OJK Regulation No. 12 / POJK.01 / 2017 concerning the Implementation of the Anti-Money Laundering and Combating the Financing of Terrorism Program in the Financial Services Sector, which among other things regulates the application of the AML-CFT within the Financial Conglomerate, so Bank Mandiri has made improvements to the AML-CFT Program implementation policy, based on 5 (five) Pillars for AML-CFT Program Implementation, namely :

1. Active supervision of the Board of Commissioners and Directors;
2. Policy and Procedure;
3. Internal Control;
4. Management Information System; and
5. Human Resources and Training.

Improvements to the Policy include :

1. Match the perceptions and understanding of all levels of the Bank regarding the importance of implementing the APU PP program;
2. Become a guideline in mitigating risks including legal risk, reputation risk, and operational risk;
3. Become a guideline in the preparation of product operational procedures and other banking activities based on prudential banking;
4. Fulfil the provisions in POJK regarding the Implementation of the AML and PPT Program in the Financial Services Sector.





Organizational Structure AML-CFT

In order to increase the effectiveness of the AML-CFT program implementation at Bank Mandiri, it is necessary to support the active supervision of the Board of Commissioners and Directors so that they can motivate employees and work units in establishing a culture of compliance in all levels of the Company. The supervision includes the risk management of AML-CFT in Subsidiaries which is under the coordination of the AML-CFT Special Work Unit.

The implementation of the AML-CFT program is carried out by the AML-CFT Special Work Unit which is structurally under the Bank Mandiri Compliance Unit and is directly responsible to the Director in charge of the compliance function. The AML-CFT Organizational Structure can be described as follows.

In order for the AML-CFT program to be implemented effectively and meet regulatory requirements, in addition to the AML-CFT UKK at the Head Office, there is Anti Money Laundering Officer (AMLO) based in the Regional Office to carry out the supervision function of implementing the AML-CFT program at the Branch Office. In addition, taking into account operational tasks and business complexity, the AML-CFT Person in Charge (PIC) has been appointed at each Branch Office to oversee and carry out operational activities in accordance with the provisions of the AML-CFT program implementation at their respective Branch Offices.

AML-CFT Program

Bank Mandiri's commitment to implementing the AML-CFT program consistently and effectively implemented in the program includes the following :

1. Integrating the application of the AML-CFT program in the Financial Conglomerate through the establishment of AML-CFT policies and procedures by Subsidiaries and Overseas Branch Offices that are in line with the policies and procedures of Bank Mandiri while adhering to the regulations governing the AML-CFT program.
2. Application of the AML-CFT program in the Financial Conglomerate through the formulation of policies and procedures related to the exchange of information for the purpose of Customer Due Diligence and risk management between Bank Mandiri and Subsidiaries and between Subsidiaries.
3. Increasing the compliance culture in the implementation of the AML-CFT program which was followed up with efforts to improve the operational quality of Branch Offices in accordance with the provisions of AML-CFT on an on-going basis through the AML-CFT Pilot Branch Office program.
4. Establishing and fostering cooperation and coordination with Regulators and law enforcers, especially in the field of AML-CFT through the provision of customer data/information that has been determined as a suspect or subject of examination.
5. Preparation of renewal of the risk assessment methodology based on the Risk Based Approach by taking into account the factors related to the Customer; Country or Geographic Area; Products, Services or Transactions; and/or Distribution Channel (Delivery Channel).
6. Carrying out AMLO test and training in each region to improve AMLO competency in analyzing Suspicious Financial Transactions and the operation of using AML System.
7. Establishing and fostering cooperation with data provider units in fulfilling customer data and transaction information for the purpose of analyzing customer transactions.





8. Improving the quality and monitoring of reporting of Cash Transaction Reports, Fund Transfers and Foreign Transactions Financial Transaction Reports, Suspicious Financial Transaction Reports, and Integrated Service User Information Systems without exceeding Service Level Agreement (SLA) determined by the Regulator.
9. Conducting research on financial transactions of candidates for Regional Election in 2018 including the Special Campaign Fund Account used by supporters of Regional Election participants, in order to participate in realizing a clean Indonesia.
10. Perfecting the Reporting Application System and AML-CFT which includes, among other things, improving the appearance of the Report, adding Transaction Codes monitored by the transaction, adding Watch-lists from the List of Suspected Terrorists and Terrorist Organizations, List of Proliferation Funds for Weapons of Mass Destruction and List of Negative Information sourced from Mass Media on AML System.
11. Providing supporting data for the Company's operational activities in the form of customer classification according to the risks and providing data on the opponent's account information.
12. Increasing awareness of AML-CFT for employees at all levels of the organization through AML-CFT training with several media namely classroom training, e-learning and socialization to all employees of Branch Offices/Work Units at Bank Mandiri and Subsidiaries.

