

Policy on the Implementation of Anti Money Laundering, Countering the Financing of Terrorism and Countering the Proliferation of Weapon Mass Destruction of Financing Program (AML CFT & CPF)

Versi 10.0 – Maret 2025

The management of PT Bank Danamon Indonesia Tbk ("Bank") is fully committed to continuously implementing Anti Money Laundering, Countering the Financing of Terrorism and Countering the Financing of Proliferation of Weapons of Mass Destruction (AML CFT & CPF) Program in accordance with Law No.8 of 2010 on the Prevention and Eradication of the Crime of Money Laundering (ML), Law No.9 of 2013 on the Prevention and Eradication of the Crime of Financing Terrorism (TF), SEOJK 2013 on the Prevention and Eradication of the Criminal Acts of Financing Terrorism (TF), SEOJK No.32/SEOJK.03/2017 on the Implementation of Anti-Money Laundering and Countering the Financing of Terrorism (AML CFT) Programs in the Banking Sector and POJK No.8 of 2023 on the Implementation of Anti Money Laundering, Countering the Financing of Terrorism, and Countering the Financing of Proliferation of Weapons of Mass Destruction (AML CFT & CPF) Programs in the Financial Services Sector.

To run effectively, the implementation of the AML CFT & CPF Program considers the risks of MLTFPF:

A. Active supervision of the Bank's Directors and Board of Commissioners

1. Active supervision of the Bank's Directors at least includes:
 - a. Propose written Policies and Procedures regarding the implementation of AML CFT & CPF Program to the Board of Commissioners.
 - b. Ensure the implementation of AML CFT CPF Program is implemented in accordance with the written Policies and Procedures that have been determined.
 - c. Establish a dedicated Working Unit and/or appoint an official responsible for the implementation of the AML CFT & CPF Program.

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- d. Supervise the compliance of the Working Unit in implementing the AML CFT & CPF Program.
 - e. Ensure that written policies and procedures regarding the implementation of the AML CFT & CPF Program are in line with changes and development of products, services, and technology in the financial services sector and in accordance with the development of the MLTFPP modes.
 - f. Ensure that officials and/or employees, especially employees from related Working Unit and new employee(s), have attended training related to the implementation of the AML CFT & CPF Program 1 (one) time in 1 (one) year.
 - g. Ensure that there is a discussion related to the implementation of AML CFT & CPF Program in the Directors meeting.
2. Active supervision of the Bank's Board of Commissioners at least includes:
- a. Ensure that the Bank has policies and procedures for the implementation of AML CFT & CPF program.
 - b. Approve the Policies and Procedures for AML CFT & CPF Program Implementation proposed by the Directors.
 - c. Evaluate the implementation of AML CFT & CPF Program of Policies and Procedures.
 - d. Supervise the implementation of the Directors' responsibility for the implementation of AML CFT & CPF Program.
 - e. Ensure that there is a discussion related to the implementation of the AML CFT & CPF Program in the Directors and Board of Commissioners meeting.

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B. AML CFT & CPF Policies and Procedures

The AML CFT and CPF Policies and Procedures includes the following provisions:

1. Customer Due Diligence and Enhanced Due Diligence in the context of identification and verification of Prospective Customer/Customer data as well as updating Customer data in accordance with the level of Customer risk, including the classification method for determining Customer risk carried out by the Branch and related Working Unit against potential money laundering, terrorism financing, proliferation funding of weapons of mass destruction, identification and verification of Beneficial Owner (BO)/Ultimate Beneficial Owner (UBO) data.
2. Screening against Sanctions Lists issued by Local Regulators and Global MUFG using AML System at the onboarding time and before transaction is executed.
3. Continuous monitoring and analysis of transactions to identify the suitability of Customer transactions with Customer profiles, including closing business relationships and rejecting transactions in the context of implementing AML CFT and CPF Program.
4. Identify, assess and mitigate the risk of money laundering, terrorism financing and proliferation of weapons of mass destruction financing related to the Bank's products and services.
5. Reporting to relevant Regulators, namely Suspicious Financial Transaction Reports (STR), Cash Financial Transaction Reports (CTR), International Foreign Financial Transaction Reports (IFTI) and Integrated Service User System Reports (SIPESAT) to PPATK.
6. Employee transaction monitoring procedures as part of Know Your Employee (KYE) implementation.

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7. Administration of due diligence documents and other documents related to AML CFT & CPF Program at least 7 (seven) years since the end of the business relationship with the Customer.

C. Financial Conglomeration

In terms of the implementation of AML CFT & CPF Program in Financial Conglomeration, the Bank acts as the Main Entity and required to ensure the implementation of AML CFT & CPF Program in all subsidiaries is in line with the implementation of AML CFT & CPF Program in the Bank (Main Entity).

D. AML CFT & CPF Risk Assessment

The Bank has developed a risk-based approach method to measure AML CFT & CPF risks at the Customer level (Customer risk rating) and bank-wide (bank AML risk rating) conducted through Individual Risk Assessment (IRA) and Global Risk Assessment (GRA) annually.

E. Internal Control

The Directors are responsible for ensuring that the Bank has an effective internal control system with adequate policies, procedures, and internal monitoring, limitation of authority and responsibility of work units related to the implementation of AML CFT & CPF Program and independent examination to ensure the effectiveness of AML CFT & CPF Program implementation.

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Independent examination in this case is carried out by the Internal Audit Working Unit as a Working Unit that implements internal control.

In addition, there is a clear separation of functions, duties and responsibilities between operational Working Unit and Working Unit that carry out control functions and internal control systems, both functional and inherent, which can ensure that the implementation of the AML CFT & CPF Program by related Working Unit is in accordance with established policies and procedures, so as to be able to timely detect weaknesses and irregularities that occur in the implementation of the AML CFT & CPF Program.

F. Management Information System

The Bank has an information system that can effectively identify, analyze, monitor and provide reports on the characteristics of transactions conducted by Customers for the purpose of monitoring Customer profiles and transactions.

The information system is maintained and refined on an ongoing basis including periodic parameter adjustments by considering the business complexity, transaction volume and risk of the Bank against the parameters used to identify suspicious financial transactions.

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To facilitate monitoring in order to analyze suspicious financial transactions, the Bank has and maintains an integrated Customer profile (single Customer identification file) that covers all accounts owned by one Customer at the Bank where the information contained in the single CIF covers all products and services used by the Customer.

G. Human Resources and Training

1. Human Resources

The Human Capital (HC) team implements pre-employee screening procedures for every new employee recruitment.

In addition, there is an employee profile recognition and monitoring program as part of the application of Know Your Employee (KYE) to all employees by screening in accordance with the screening procedures for recruitment of prospective employees in the Bank applicable in the Human Capital team.

2. Training

The training program aims to ensure that the Bank's Employees and Management have an adequate understanding of the AML CFT & CPF Program and can carry out their duties and responsibilities in eradicating and combating MLTFPF.

The training method uses interactive methods with materials tailored to the training participants.

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Employees who supervise the implementation of the AML CFT & CPF Program, Compliance Directorate, Frontliners, Internal Audit and other employees must receive regular training at least 1 (one) time in 1 (one) year.