

## Anti-money laundering and counter-terrorism financing disclosure statement 1 December 2011

### 1. HERITAGE BANK CORPORATE DETAILS

<b>Legal Name:</b>	Heritage Bank Limited
<b>Registered Office:</b>	400 Ruthven Street Toowoomba, QLD, 4350
<b>AFS Licence Number:</b>	240 984
<b>Australian Business Number:</b>	32 087 652 024
<b>AML/CTF Compliance Officer:</b>	Nathan Dearing Manager, Risk and Compliance 400 Ruthven Street, Toowoomba QLD 4350 (07) 4694 9601

### 2. LEGISLATIVE OBLIGATIONS UNDER THE ANTI-MONEY LAUNDERING AND COUNTER-TERRORISM FINANCING ACT 2006

#### Legislative Obligations:

Heritage is subject to the Anti-Money Laundering and Counter Terrorism Financing (AML/CTF) Act 2006 and the associated rules/regulations. This AML/CTF Program has been prepared in compliance with the requirements of the AML/CTF Act, Rules, Regulations and Guidance Notes.

Heritage's AML/CTF Program is designed to provide a system of risk-based controls to facilitate the identification, mitigation and management of Money Laundering and Terrorism Financing (ML/TF) risks. This AML/CTF Program establishes the framework of approval, compliance, governance, review, communication and the risk-management system.

#### Importance of the AML/CTF legislation:

In order to reduce the risk of financial, and other, crime and to make the Australian financial system more transparent and secure, in line with international standards, the Australian Government has implemented the AML/CTF Act.

#### Oversight of the AML/CTF Act:

The regulatory body responsible for the oversight of the AML/CTF Act is the Australian Transaction Reporting and Analysis Centre.

#### Compliance Statement:

Heritage, its Board and management are committed to preventing its customers, products, delivery channels, employees and agents being inadvertently or otherwise involved in the facilitation of money laundering or financing of terrorism or any other criminal acts.

### 3. APPROVAL OF HERITAGE BANK'S ANTI-MONEY LAUNDERING AND COUNTER-TERRORISM FINANCING PROGRAM

- **Management Approval:** 09th November 2007
- **Board Approval:** 22nd November 2007
- **Implementation:** 12th December 2007

### 4. PROGRAM GOVERNANCE

**The Board:** It is the responsibility of the Board of Heritage Bank to approve the AML/CTF Program and any associated amendments.

#### Audit and Compliance Committee:

In conjunction with the Senior Executive Group, the Audit and Compliance Committee will oversee the AML/CTF Compliance Program and ensure the Program is appropriate.

#### Senior Executive Group:

The Senior Executive Group will be responsible for overseeing the AML/CTF Program in addition to reviewing the Program.

**AML/CTF Compliance Officer:**

The AML/CTF Compliance Officer will be responsible for managing the day-to-day AML/CTF Compliance operations and adherence to this AML/CTF Compliance Program. An annual review of the Program will also be undertaken by the AML/CTF Compliance Officer.

**5. INTERNAL CONTROLS IMPLEMENTED****Record Keeping:**

Heritage will adhere to all of its record keeping requirements as specified in the AML/CTF Act and AML/CTF Rules.

**Employees:**

All employees will be responsible for complying with this AML/CTF Program and the AML/CTF Act.

**Agents:**

All agents of Heritage will be responsible for complying with this AML/CTF Program and the AML/CTF Act. This will include identifying Heritage members/customers as per the customer identification procedures which are compliant with the AML/CTF legislation.

**Program Review:**

The Internal Audit Department will conduct periodic audits.

**Reporting to AUSTRAC:**

Heritage will comply with all of its reporting obligations under the AML/CTF Act and the associated legislation. This obligation involves providing AUSTRAC with an annual compliance report and reporting any suspicious or threshold transactions.

**Know Your Customer Information Collection and Verification:**

Heritage is committed to having effective identification and verification procedures that will assist in the detection of money laundering and terrorism financing events. As such new identification procedures have been implemented, which are in line with the requirements specified in the AML/CTF legislation, to ensure Heritage meets its obligations in regard to knowing our customers.

**Customer Monitoring:**

Heritage will monitor customer transactions in accordance with its legal obligations and is committed to having a vigilant monitoring process in place.

**AML/CTF Training:**

An AML/CTF Awareness Training Program has been developed and provided to all staff members. The training has been based on the AUSTRAC training. Further staff training will be provided on an ongoing basis and as required to ensure continued compliance.

**Employee Due Diligence:**

In line with the requirements in the AML/CTF Act and Rules an employee due diligence program has been implemented.