

AMB Responds to AUSTRAC Statement

For Immediate Release: Sydney; 04/05/2021.

Australian Military Bank acknowledges AUSTRAC's media release of 4 May 2021 and the remedial direction requiring AMB to review and uplift its compliance with Australia's AML/CTF laws.

AMB CEO, Darlene Mattiske-Wood said: "We thank AUSTRAC for highlighting our commitment to uplifting our AML/CTF controls and continuing the implementation of our remediation action plan. While we have much of this work underway, we will fully implement the AUSTRAC remedial direction and continue to cooperate with AUSTRAC during this work."

The program of strengthening risk and compliance, has been led by Ms Mattiske-Wood, who was appointed in March 2020. Ms Mattiske-Wood has 20 years' experience in member-owned financial institutions.

From her commencement in 2020, and acting on the findings in 2019 regarding previous AUSTRAC investigations, Ms Mattiske-Wood has proceeded to build a consolidated leadership team while implementing increased enterprise risk and compliance capability to strengthen the Bank's foundations.

The Bank has integrated and restructured its Enterprise Risk and Compliance functions within the business, established a Financial Crime and Fraud unit, developed new processes for customer screening and reviewed and enhanced the risk and compliance training for staff, executives and the Board. The Bank expects to complete the necessary compliance enhancements this year following a staged implementation program since early 2020.

"The Board and leadership team of Australian Military Bank, consider our regulatory and legal obligations to be our priority along with our member focus," Ms Mattiske-Wood said.

"The work we are doing to strengthen our foundations around reporting and compliance monitoring are a critical demonstration of our commitment to the standards expected.

"While there has been no direct impact on our members, the systems we are required to have in place and report on are designed to ensure that this remains the case.

"We have already made significant enhancements over the past 12 months in response to ongoing discussions with AUSTRAC," Ms Mattiske-Wood said.

"We will continue to work with AUSTRAC and respect the important role they play in stopping financial crime."

About:

Australian Military Bank is a member-owned Mutual bank that has been helping Australian Defence personnel and their families make the most of their money since 1959. As Australia's longest serving Defence financial institution, Australian Military Bank specialises in service and products that integrate into the unique aspects of life in the armed services.

As a mutual organisation, Australian Military Bank is run for the benefit of members who are also our shareholders.

Australian Military Bank

Timeline:

1959: Founded as the Navy (Civil Staff) Co-op. Ltd.

1971: Membership extended to civilian employees of the Army and RAAF in NSW

1983: We merge with Army Defence (NSW) Credit Union and rebrand as Australian Defence Credit Union (ADCU)

2008: Selected by Department of Defence as one of three DHOAS home loan providers

2014: Achieve in excess of \$1 billion funds under management

2015: Military Reward Account launched and partner charities appointed

2015: Membership exceeds 50,000 and changed name to Australian Military Bank

2018: Launch of new Core and Digital Banking offerings

2020: Military Rewards Account hits \$200,000 in donations & announces Drive Safe 2020 sponsorship

2021: Became a Gold Pledge Partner with Soldier On

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