

HOUSE OF REPRESENTATIVES STANDING COMMITTEE ON ECONOMICS

REVIEW OF THE FOUR MAJOR BANKS AND OTHER FINANCIAL INSTITUTIONS

SMALLER BANKS SECTOR

Teachers Mutual Bank Limited

TMB02QON:

Dr. MULINO: I've asked this of all the banks who have attended today. It's around AML/CTF. It's an area where all banks, small, medium, and large, are committed to capacity and resilience, but obviously there are some challenges. I'm wondering whether you have any observations on your experiences. I'd be interested in how much you've invested in that and how that's tracking over time and what some of the challenges have been.

Mr James: Again, the bank obviously has an AML/CTF compliance program in place. We review and implement oversight and report on compliance. There have been no major issues identified going forward with the AML/CTF compliance. The bank obtains independent assurance going forward. We believe it's a key component of doing business these days and we're supportive of this. There are some challenges around the implementation, but they're not insurmountable. We think it's a really important practice and we've had no issues to date whatsoever.

Would you be able to give us on notice an indication of how much, in broad terms, you're investing in it by, say, headcount and dollars?

ANSWER:

Teachers Mutual Bank Limited's is committed to ensuring the robustness of the financial system and consistently invests in improving our people, processes and technology in this regard. Our current headcount in AML/CTF management is 3 FTE, and the yearly spend is approximately \$560,000. This figure includes staff costs as well as technology to support PEPs, Sanctions and Adverse Media Monitoring, AML/CTF transaction monitoring, on boarding identity verification and independent reviews.