alrajhi bank Malaysia

AML/CFT/CPF Policy Statement

Our Commitment

Al Rajhi Banking and Investment Corporation (Malaysia) Berhad (“ARBM” or “the Bank”), as a subsidiary of the Al Rajhi Banking Group, is firmly committed to conducting its business with integrity, ethical standards and in full compliance with all applicable laws and regulatory requirements. The Bank adopts a **zero-tolerance approach** towards money laundering, terrorism financing, proliferation financing, dealings with sanctioned persons or activities, bribery and corruption, and the use of proceeds of unlawful activities.

ARBM recognises its responsibilities as an Islamic financial institution to safeguard the integrity and stability of the financial system and to support national, regional and international efforts to combat financial crime, in line with the Al Rajhi Bank Group’s compliance culture and values.

Legal and Regulatory Framework

ARBM operates in accordance with all applicable laws and regulatory requirements in Malaysia, including but not limited to the following:

- Islamic Financial Services Act 2013 (IFSA);
- Anti-Money Laundering, Anti-Terrorism Financing and Proceeds of Unlawful Activities Act 2001, as amended from time to time ; and
- policy documents, guidelines and directives issued by Bank Negara Malaysia (BNM).

The Bank’s AML/CFT/CPF and sanctions framework is aligned with the Financial Action Task Force (FATF) Recommendations and international best practices.

As part of the Al Rajhi Bank Group, ARBM also takes into consideration applicable requirements, standards and guidance issued by the Saudi Central Bank (SAMA), as advised by Al Rajhi Bank KSA, to the extent relevant. Where there are differences between regulatory or group requirements, the Bank adopts the more stringent standard, subject always to full compliance with applicable local laws and regulatory requirements, and without prejudice to the primacy of BNM as ARBM’s primary regulator.

Governance and Accountability

The Board of Directors bears ultimate responsibility for the governance and oversight of ARBM’s AML/CFT/CPF and Sanctions framework.

Senior Management is accountable for ensuring that appropriate policies, procedures, systems and controls are implemented and maintained to identify, assess, manage and mitigate financial crime risks in line with the Bank’s risk profile and regulatory expectations.

An **independent Compliance function** supports the Board and Senior Management by:

- providing advice and guidance on AML/CFT/CPF and sanctions matters;
- monitoring compliance with applicable laws, regulations and internal policies; and
- fostering a strong and sustainable compliance culture across the Bank.

Risk-Based AML/CFT/CPF Programme

ARBM adopts a risk-based approach to identifying, assessing, and managing money laundering, terrorism financing, and proliferation financing risks. The Bank conducts enterprise-wide risk assessments covering risks arising from customers, beneficial ownership structures, products and services, delivery channels and geographic exposure. Controls, monitoring, resources and mitigation measures are designed and applied proportionately based on the Bank's assessed risk profile.

Customer Due Diligence, ongoing monitoring, targeted financial sanctions controls, proliferation financing risk mitigation, and regulatory reporting are implemented in accordance with applicable legal and regulatory requirements and international standards.

Customer Due Diligence

ARBM applies appropriate Customer Due Diligence (CDD) measures to identify and verify customers, beneficial owners, and persons authorised to act on behalf of customers, and to understand the nature and purpose of customer relationships. Enhanced Due Diligence (EDD) is applied where customers are assessed to be of higher risk.

Ongoing Monitoring and Reporting

Customer relationships and transactions are subject to ongoing monitoring to detect unusual or suspicious activities. Where there are reasonable grounds for suspicion, the Bank ensures that such matters are reviewed and reported promptly to the relevant authorities in accordance with applicable laws and regulatory requirements.

Targeted Financial Sanctions and Proliferation Financing Controls

ARBM complies with all applicable targeted financial sanctions, including obligations arising from United Nations Security Council resolutions and domestic designation requirements. In support of prudent correspondent banking relationships and international financial crime risk management, the Bank also screens customers, counterparties and transactions against other internationally recognised sanctions lists, including those issued by major foreign authorities, in accordance with applicable laws and the Bank's approved sanctions governance framework.

The Bank recognises the risk of proliferation financing, including the financing of restricted activities relating to the proliferation of weapons of mass destruction, and implements measures to prevent its products, services and delivery channels from being misused for such purposes. Proliferation financing risks are addressed primarily through the Bank's targeted financial sanctions framework, including the implementation of obligations arising from United Nations Security Council resolutions and domestic designation, supported by customer due diligence, transaction monitoring and escalation arrangements commensurate with the Bank's risk profile.

Foreign Account Tax Compliance Act (FATCA) & Common Reporting Standard (CRS)

The Bank complies with all Foreign Account Tax Compliance Act (FATCA) and Common Reporting Standard (CRS) obligations, including customer classification, data collection and reporting, in accordance with requirements and timelines prescribed by the Inland Revenue Board Malaysia. Appropriate controls and governance arrangements are maintained to ensure the accuracy, completeness and timeliness of such reporting.

Employee Training and Awareness

ARBM provides regular training to all employees, including role-appropriate training to ensure awareness of AML/CFT/CPF and sanctions obligations, emerging financial crime risks, and individual responsibilities in preventing and detecting financial crime. Training programmes are periodically reviewed to remain aligned with emerging risks, regulatory developments and changes in the Bank's risk profile.

Continuous Enhancement

The Bank remains committed to continuously strengthening its AML/CFT/CPF and sanctions framework in response to evolving risks, regulatory developments and international best practices.

Geok Hui Anna Tan
Chief Compliance & Integrity Officer
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