

POLICY OF ANTI FRAUD STRATEGY

Background

PT Bank Tabungan Pensiunan Nasional Syariah Tbk is committed to prevent all kinds of violation and/or Fraud, and ensure immediate follow up on any cases of fraud to minimize the harm to the customers and/or the Bank, including the spread of negative publicity in the society and the loss of public confidence to the Bank (reputation risk).

The Bank obliges all the employees to act with honesty, integrity and highest standard of professionalism to actively participate in protecting and keeping the company assets, customer's fund, and the interest of stakeholders by obeying all the internal procedures and prevailing legal regulations. Every employee is expected to actively participate in preventing the occurrence of Fraud, that amongst others includes reporting or informing any indication of fraud incidents (whistle blowing).

The Bank has established Fraud Management Unit (FMU) as the Unit responsible to manage and resolve fraud cases by involving several related units in the Bank to implement the anti fraud strategy.

Objectives

The objectives of the Policy is to provide the reference for the Bank in controlling Fraud by taking not only preventive measures but also including the efforts to detect and investigate fraud cases and to improve the system as part of the integrated strategy in fraud control.

Scope

This policy applies bank-wide and consists of 4 (Four) Pillars of Anti-Fraud Strategy that involves several related Units in the implementation of Anti Fraud Strategy.

1. Prevention

- a. Apply and implement Good Corporate Governance (GCG) to prevent and control Fraud risk through active supervision of the Board of Commissioners and Board of Directors.

- b. Effectively operationalize the whistle blowing mechanism through socialization, ease of access, providing protection and confidentiality guarantee to every whistle blower, and objectively follow through every information about any allegation of fraud indication from whistle blower.
- c. Apply zero tolerance for fraud by imposing the consequences clear sanction to every employee committing fraud.
- d. Build anti-fraud awareness in the employees, through a number of media available for the Bank employees.
- e. Continuous socialization through the induction training and periodic training for employees to ensure that all employees are equipped with adequate knowledge about anti-fraud strategy.
- f. Apply the KYE Principles as the method of fraud prevention and control from the human resources aspect.

2. Detection

- a. The Bank utilizes whistleblowing system as the infrastructure that is accessible for all the Employees / Informer to report all kinds of allegation of fraud incidents. Through this system, the confidentiality of the informer is guaranteed by the Bank.
- b. The Bank has established special units embedded in each line of business to inspect the implementation of process and procedures according to the prevailing Standard Operating Procedures.
- c. The Bank conducts the detection process in a proactive manner.

3. Investigation, Reporting, and Sanction

The Bank has established a unit that amongst others is in charge of doing the investigation for any indication of fraud according on the policy of the boundaries of investigation that is implemented in each relevant unit in the undertaking of the work processes according to the Standard Operating Procedures.

On periodic basis, the Bank reports the occurrence of fraud to the Regulator (in this case Financial Services Authority). Whereas, for the imposition of sanction to the fraudster and the related party, the Bank establishes a Fraud Committee that involves every business units, Human Capital Unit and Fraud Management Unit. The Fraud Committee holds regular meeting that is stipulated in the prevailing regulation.

4. Monitoring, Evaluation, and Follow Up

The Bank has developed fraud reporting system that registers all the occurrence of fraud incidents. All information or data of fraud incidents are documented, maintained and updated for periodic evaluation and identification of corrective action.