

# *Internship Report*

*on*

## *Money Laundering Risk and its Mitigation Process Adapted by Janata Bank Ltd.*

**(Performed at Uttara Dakhshinkhan Branch, Dhaka)**

**Prepared for:**

**Professor Dr. Md. Abul Hossain**

Coordinator (MBA Program)

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ID # 181-14-806

Program: Masters of Business Administration

Major: Finance



**Daffodil International University**

**Date of Submission: 1<sup>st</sup> November, 2019**

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*“Money Laundering Risk and Its Mitigation  
Process Adapted by Janata Bank Ltd.”*

**Performed at Uttara Dakhshinkhan  
Branch, Dhaka**



# Letter of Transmittal

1<sup>st</sup> November, 2019

Professor Dr. Md. Abul Hossain,  
Coordinator (MBA Program)  
Faculty of Business & Entrepreneurship  
Daffodil International University (Uttara Campus)

**Subject: Submission of the internship report titled "Money Laundering Risk and its Mitigation Process Adapted by Janata Bank Ltd".**

Dear Sir,

It is a great pleasure for me to submit my practicum report on the topic “**Money Laundering Risk and its Mitigation Process Adapted by Janata Bank Ltd**”. as a part of my MBA program. I left no stone unturned to make this report to the required standard. I express my heartiest gratitude to you to go through this report and make your valuable comments. It would be a great honour for me if you would add your highly valuable opinions and suggestions for the future.

Therefore, I pray and hope that your honor will be kind enough to consider and oblige my sincere assessment effort.

Thank you in advance for your kind assistance.

Sincerely yours,

*Khosh nur Zaman*

.....  
(KhoshNur Zaman)

ID: 181-14-806

Program:MBA

Major: Finance

## Student's Declaration

I am KhoshNur Zaman a student of Masters of Business Administration (MBA) of Daffodil International University declaring that the report on the topic “**Money Laundering Risk and its Mitigation Process Adapted by Janata Bank Ltd.**” is prepared for the internship program.

This is KhoshNur Zaman, student ID 181-14-806, enrolled in the Master of Business Administration (MBA) program of Daffodil International University, where the main focus lies in the financial discipline. I successfully completed my internship in the Uttara Dakhshinkhan Branch of Janata Bank Limited. This report has been written on the basis of hands on work experience during the three month's internship period.

I do hereby declare that this report has solely been prepared by me and it has not been prepared for any other purpose or reward.



*Khosh nur Zaman*

Sincerely yours,

.....

(KhoshNur Zaman)

ID: 181-14-806;

Major: Finance

## Certificate of Approval

This is to certify that KhoshNur Zaman, student ID number 181-14-806, enrolled in the MBA Program of Daffodil International University has completed her internship in the organization titled Janata Bank Limited in the Spring 2019 Semester. During her tenure of the internship, the student has been taken regular mentorship, guidance and supervision in order to prepare her Internship Report. The Internship Report titled **“Money Laundering Risk and its Mitigation Process Adapted by Janata Bank Ltd”** has been completed as per the detail required guidelines of the Department of Business Administration of the Daffodil International University.

*Abul Hossain*  
*01/11/2019*

.....  
**(Professor Dr. Md. Abul Hossain)**

Coordinator (MBA Program)

Faculty of Business & Entrepreneurship

Daffodil International University (Uttara Campus)

## Acknowledgement

This is the high time for me to express to Almighty Allah my deepest gratitude and heartfelt acceptance for giving me the opportunity to accomplish such a huge task of preparing this report. This report on “Money Laundering Risk and its Mitigation Process Adapted by Janata Bank Limited” has been prepared to fulfil the requirement of MBA degree. I am very much fortunate that I have received sincere guidance, supervision and co-operation from various people. I would like to express my gratefulness to Janata Bank Ltd. For short listing me as an internee in Janata Bank Ltd, Uttara Dakshinkhan Branch. Where I finished my internship programme. Then I would like to thank Professor Dr. Md, my boss. Abul Hossain, Coordinator (MBA Program), Faculty of Business & Entrepreneurship, whose guidance and assistance was required in the successful preparation of the report

Now, I would like to thank Md Asaduzzaman Assistant General Manager of main branch and General Manager of Uttara Dakshinkhan Branch of Janata Bank, to give me a chance to do my internee there. Then I would like to thank Md. Abdul Momin, who was my supervisor in JBL and has helped me to gather banking knowledge.

I would like to give special credit to all the workers of the Janata Bank Ltd. Uttara Dakshinkhan branch for their kind cooperation and assistance.

## Abstract

The value of a country's banking system is rising day by day. Without a sound banking system in modern economic times, it is quite unlikely for any country to progress in the industrial and commercial sector. The bank plays the key economic roles, knowing the performance of banks in their operational areas is important. In addition, the performance of banks should be measured due to the various parties involved in the banking industry.

Janata Bank Limited is the biggest public bank in Bangladesh and it is already at the top slot in terms of quality service to the customers. As the internship program requirement, I must have to submit a report to Daffodil International University. This is a great opportunity for me to learn the corporate environment and to judge myself. To fulfil that requirement, I have prepared a report on the practical experience that I gained at the time of working in JBL. My practicum report is on topic “Money Laundering Risk and its Mitigation Process Adapted by Janata Bank Ltd.” For completing the report, I studied on the topic and collected data from some primary and secondary sources. Here in this report I used both primary data and secondary data. The report is mainly divided into several parts. The first part gives an overview of Janata Bank Limited. The information for the organizational part was collected from annual reports, published reports, newspaper and web site of JBL.

In the topic part I described the Risk Management system, money laundering risk its mitigation process adapted by Janata Bank and the observation and findings of the money laundering risk on Janata Bank Limited. The report contains an important part named Findings, Recommendation and conclusion. In that part I described about my task and practical learning working in the bank. When I was working in JBL Uttara Dakhshinkhan Branch, I noticed that Uttara Dakhshinkhan Branch doesn't have all the proper information of Anti-Money Laundering risk management. So for collecting the proper and relevant information's I went to the main branch to collect the related information's for my report. Based on the research I have drawn some findings and gave some recommendations that will help to look deeply into the topic.

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# Chapter-01

## Introduction



## **1.1 Introduction:**

The banking business has been changed more rapidly and it will continue to change with the trend of modernization. Day-by-day competition among banks is increasing from both public and private sectors. In this competitive globalized business world every person should gain professional and technical skills with the theoretical knowledge. To develop practical professional skill in every sector, Daffodil International University (DIU) has undertaken the internship-training program for its MBA students. As a part of the Masters of Business Administration (MBA) course requirement, it is a 3 months long internship program on the topic of “Money laundering risk and its mitigation process adapted by Janata Bank Ltd.” to acquire knowledge about the banking, the problems that bank face for different types of risks and among them mainly money laundering risk and its mitigation process by which they control the risk. I took the internship with Janata Bank Ltd. (JBL) which is a well-known name in banking industry. The internship program will enrich my knowledge about the bank responsibility. This report was written as part of the internship program and meeting the MBA program requirement. Therefore, the banking business has become very complex and requires expertise. Being an intern the main challenge was to understand and relate the theoretical concept into real life experience.



## **1.2 Research Aims:**

To analyse the money laundering risk and risk management system of the bank, how they deal with their mitigation process, and how they are practicing those to control the system to secure from money laundering and its effect.

## **1.3 Research Objective:**

### **1.3.1 Broad Objective**

To know about the overall money laundering risk factors and risk management issues of the bank, in order to be efficient in banking by controlling the money laundering through following up its mitigation process law and enforcement for the betterment of banking system.

### 1.3.2 Specific Objectives

- I. To discuss Janata Banks money laundering risk management system.
- II. To know Janata Banks Anti money laundering procedures.
- III. To know about the suspicious transactions of Janata Bank LTD.bytheir developed written policies which are reported to prevent and detect the suspicious transactions.
- IV. To give recommendation on the findings, this can be more effective for money laundering risk management system of Janata Bank Ltd.

### 1.4 Scope of the study:

The study was on Money laundering risk and its mitigation process adapted by Janata Bank Ltd., what is the money laundering risk and how they mitigate their risk to secure their banking. I had a chance to study different types of risk and risk management system of JBL and then I practiced and practically observed the money laundering risk management policy of JBL, Uttara branch. As Janata Bank is a public bank it has to follow some rules and regulations of Bangladesh Bank. Bangladesh Bank has the risk management policy for anti-money laundering policy and studied those terms, conditions and characteristics. JBL is also under the policy of Bangladesh bank for the money laundering risk management process. As an interne I got necessary information's from the Head Office and got the chance to study on money laundering risk management and its mitigation process adapted by Janata Bank. I had an opportunity to talk and take interview of managers and employees of JBL to do my research.

#### 1.4.1 Limitations of the study:

During the research I faced some problem and there are some limitations in my research.

- 1) **Time Limitation:** For doing a research time is a very important factor. I finished the research within three months. More time would be very effective and would make this research more representative. If I would get more time, I could survey more people and also could give more time to each respondent. Also more time would help to look deeper in the problem.
- 2) **Lack of experience:** Being a student, this research on primary data doing a survey is the first research of that type. Preparing questionnaire, developing hypothesis and taking interview of people require a lot of skill. As it was for the first

time, I faced many problems in designing research approach, collecting data and analysing the data.

3) **Unavailability of the data:** For doing a research some primary and some secondary data is required. But I did not get all my required data and information. I had to collect many data by asking the officers and employees.

#### **1.4 Ethical Consideration:**

This study is provided for internship program completion. This research is done with the permission of the authority of the bank. All the information is given in the report either collected from the bank, bank's website, annual report and bank's employees or from the respondents of the research. All the information presented here is true and authentic. The data collected from the respondent through a primary questionnaire survey. The research is done for the first time with no prior experience so it may fail to meet the high standard.



## Chapter-02

### Overview of Janata Bank Limited



## 2.1 Organizational Background of JBL:

Janata Bank Limited is one of the country's largest business banks. It is a State-owned bank that was set up shortly after Bangladesh's liberation. It was actually a combination of two smaller banks, United Bank Limited and Union Bank Limited. The bank throughout the country has a very wide network of 872 branches. The approved capital is currently BDT 20,000 million and BDT 5,000 million is paid-up capital.

Janata Bank was transformed on 15 November 2007 into a limited company. JBL offers all commercial banking services. It also provides its customers with most modern banking services. Acceptances letter of credit, Janata Bank provides all commercial banking services to its clients focusing on the national interest and Sustainable growth.

The key areas of its operations can be defined as follows:

\*Credit programs

\*Retail/Personal Banking

\*Rural Banking / Credit Program

\*Foreign Remittance and NRB Banking

\*Micro Enterprises & Special Credit

\*International Banking

## Background:

With Bangladesh emerging as an independent, sovereign state in 1971 after a brutal nine-month war against the occupying army of Western Pakistan, a war full of blood and tears, the suffering and agony of millions of our loved ones, the challenge of rebuilding the country's already shattered financial base was felt as an urgent appeal of the day against the devastated economic reality of a newly born state.

## 2.2 Corporate Information of Janata Bank Limited:

Genesis	Janata Bank Limited, the 2nd largest State Owned Commercial Bank (SCB) playing pivotal role in overall financial activities of the country. The Bank emerged as 'Janata Bank' by combining the erstwhile United Bank Limited and Union Bank Limited under the Banks Nationalization Order (President's Order 26) of 1972 and was restructured as a
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	Limited company in November, 2007. Since inception in 1972 the Bank has commendably contributed to the socio-economic development of Bangladesh and helped structuring solid financial ground of the country as well. Janata Bank runs its business with 905 branches across the country including 4 overseas branches in United Arab Emirates.
Chairman	Shaikh Md. Wahid-uz-Zaman
Managing Director & CEO	Md. Abdus Salam
Company Secretary	Md. Mosaddake-Ul-Alam
Legal Status	Public Limited Company (governed by the Bank Companies Act 1991)
Registered Office	JanataBhaban,110, Motijheel Commercial Area, Dhaka-1000, Bangladesh.
Authorized Capital	BDT. 30,000 Million.
Paid up Capital	BDT. 19,140 Million.
Operating Profit	BDT. 10,683 Million.
Credit Rating	By Alpha Credit Rating Limited (On the basis of Audited Balance Sheet-2012,2011,2010,2009 & Other Information) Rating Mode Long Term Short Term Government Support AAA AR-1 Without Government Support A+ AR-2 Outlook Stable Date of Rating 19 September' 2013 Expiry Date 18 September' 2014
Branches	906
Employees	14244
Subsidiary Companies	<ul style="list-style-type: none"> <li>• Janata Capital and Investment Company Limited</li> <li>• Janata Exchange Company SRL, Italy</li> </ul>
P	9560000, 9566020, 9556245-49,

h o n e  P A B X	9565041-45, 9560027-30
FAX	88-02-9554460, 9553329, 9552078
Website	<a href="http://www.janatabank-bd.com">www.janatabank-bd.com</a>
SWIFT	JANB BD DH
E-mail	md@janatabank-bd.com

### 2.3 Corporate Governance of JBL:

A company's corporate governance is a collection of structures, rules and procedures, how it is guided and regulated, how it governs the way, how its managers run the company and how members of the board are accountable to investors and the company. It directly affects the mindset, transparency and responsibility of the company towards all stakeholders, including staff, investors and customers alike. The Bank is organized and established in line with Bangladesh Bank, Bank and Financial Institution Division of the Ministry of Finance and the Bangladesh Securities and Exchange Commission (BSEC)'s appropriate corporate governance standards and guidelines.

#### 2.3.1 Board of Directors

The Board of Directors, made up of 13 (Thirteen) members, has the power to coordinate, administer and handle its affairs on commercial consideration within the governing board rule. The board members, including M.D., are appointed by the government, of which at least three have expertise in the fields of finance, banking, trade, business, industry and agriculture.

## **Chairman of the Board of Directors**

Shaikh Md. Wahid-uz-Zaman

## **Members of the Board of Directors**

Dr. Jamaluddin Ahmed, FCA

Mr. Md. Emdadul Hoque

Mr. Nagibul Islam Dipu

Dr. R M Debnath

Mrs. Sangita Ahmed

Syed Bazlul Karim, B.P.M.

Prof. Mohammad Moinuddin

Mr. A.K.M Kamrul Islam, FCA

Dr. R M Debnath

Syed Bazlul Karim, B.P.M.

Prof. Mohammad Moinuddin

Mr. Md. Abu Naser

Mrs. Sangita Ahmed

Prof. Dr. Nitai Chandra Nag

Mr. A.K.M Kamrul Islam, FCA

Mr. Md. Mahabubur Rahman Hiron

Mr. Md. Abdus Salam, CEO & Managing Director

## **2.4 Mission and Vision of JBL:**

**Mission:** Janata Bank Limited will be an effective commercial bank by maintaining a stable growth strategy, delivering high quality financial products, providing excellent customer service through an experienced management team and ensuring good corporate governance in every step of banking network.

**Vision:** To become the effective largest commercial bank in Bangladesh to support socio-economic development of the country and to be a leading bank in South Asia.

## 2.5 Financial Performance Analysis

SI	Particulars	2011	2012	2013	2014	2015
01	Authorized Capital	20,000	20,000	20,000	30,000	30,000
02	Paid-up Capital	8,125.00	11,000.00	19,140.00	19,140.00	19,140.00
03	Reserve fund & surplus	25,944.20	6,476.66	17,976.20	20,315.70	22,897.39
04	Total shareholders' equity	34,069.20	17,476.66	37,116.20	39,455.70	42,037.35
05	Capital employed	246,852.15	292,026.69	310,499.23	310,499.23	347,178.92
06	Deposits	361,676.69	409,767.01	478,535.57	516,010.74	568,911.14
07	Loans and advances	257,801.03	305,339.57	285,747.65	319,773.25	349,861.30
08	Investments	95,257.29	108,342.04	193,269.66	196,713.53	219,150.10
9	Property, plant & equipment (Fixed Assets)	9,683.34	9,462.69	9,724.84	9,729.02	10,033.61
10	Total assets	446,111.42	511,129.41	586,082.98	628,415.27	683,157.58
11	Total off balance sheet exposures	151,206.83	112,558.95	99,726.43	72,495.16	121,570.93
12	Earning assets	376,071.00	379,867.18	461,290.06	496,785.00	548,634.47
13	Non-earning assets	70,040.42	131,262.23	124,792.92	131,630.27	134,523.11
14	Total Fixed assets	467.98	433.09	3,183.44	3,309.76	6,350.07
15	Net assets	42,037.35	39,455.70	37,116.20	17,476.66	34,069.20

16	Interest income	26,266.12	34,239.12	36,189.68	33,734.43	34,239.12
17	Investment income	6,109.83	7,811.43	13,736.50	16,742.67	18,260.44
18	Total income	40,635.53	49,515.62	55,071.85	56,393.00	55,678.82

**Source: Janata Bank Ltd Annual Report 2015**

**Table: Financial Highlights (Amount in Millions)**

19	Interest expenses	17,785.82	27,499.16	34,212.83	35,984.27	33,982.70
20	Total expenses	24,913.22	34,981.83	42,944.75	45,709.66	44,958.32
21	Net interest margin (NIM)	8,480.30	6,739.96	1,976.85	(2,249.84)	(3,327.53)
22	Net non-interest expenses	(1,132.18)	17.60	3,586.25	3,809.49	4,212.41
23	Operating profit	15,722.31	14,533.79	12,127.10	10,720.50	10,720.50
24	Earnings before interest, depreciation and tax	15,957.83	14,861.54	12,513.16	11,142.02	11,180.33
25	Profit before provision & tax	15,722.31	14,533.79	12,127.10	10,683.34	10,720.50
26	Profit before tax	8,875.67	(12,834.90)	10,625.32	5,733.05	6,560.05
27	Net profit after tax	4,444.91	(15,280.34)	9,551.39	3,813.15	4,807.88
28	Risk weighted assets (RWA)	306,426.40	318,980.32	333,923.30	354,202.50	365,625.15

29	Total required capital	30,642.64	31,898.03	33,392.33	35,420.25	36,562.52
30	Capital surplus/(deficit )	599.37	(20,117.67	908.71	1048.13	565.81
31	Return on average risk weighted assets	1.45%	-	2.86%	1.08%	1.31%
32	Classified loans & advances	15,040.00	53,201.69	31,766.86	37,375.67	43,181.70
33	Required provision for unclassified loans	2,997.90	2,240.40	2,946.45	2,474.43	2,690.70
34	Required provision for classified loans	8,175.17	31,771.65	19,015.33	21,434.72	17,670.80
35	Import	197,285.00	188,284.00	176,671.00	144,556.80	147,181.80
36	Export	153,758.00	156,525.00	153,252.00	154,079.70	145,373.60
37	Foreign Remittance	72,285.00	100,089.00	103,982.00	106,677.10	101,348.20
38	No. of Foreign Correspondent	336	398	386	398	408
39	Profit earning Assets	109,707.50	131,147.17	159,705.77	190,106.68	212,968.86
40	Non Profit earning assets	20,166.92	35,909.46	35,746.74	42,305.18	44,662.76
41	Investment as a % of total	92.42%	84.22%	86.79%	88.84%	87.59%

	Deposit					
42	Capital Adequacy Ratio	10.30%	10.30%	10.27%	3.70%	10.20%
43	Dividend					
	Cash	10.00	10.00	10.00	10.00	10.00
	Bonus	-	-	-	-	-
44	No. of shares	81.25	110.00	191.40	191.40	191.40
45	Cost of fund	9.15%	9.96%	10.21%	8.92%	10.17%
46	Net Asset Value per share	419.31	158.88	193.92	206.14	219.63
47	Earning per shares (EPS)	43.46	(138.91)	86.31	19.92	25.12
48	Operating profit per branch	18.01	16.37	13.52	11.82	11.81
49	Return on Equity (ROE)	16.32%	(49.74%)	30.09%	9.66%	11.44%
50	Return on Assets (ROA)	1.12%	(3.50%)	1.42%	0.61%	0.70%
51	No. of Shareholders	100% share owned by Government	100% share owned by Government	100% share owned by Government	100% share owned by Government	100% share owned by Government
52	No. of employees (in number)	15,020	15,071	15,485	14,413	14,151
53	No. of Branches (in	873	888	897	904	908

	number)					
54	Number of foreign correspondents (in number)	1,223	1,233	1,239	1,242	1,251

## 2.6 Primary Learning:

### Internship Activities:

I finished my internship at Janata Bank Ltd. When I was an intern, I had some responsibility and duties in the bank. I worked in pension department, bill department, and Foreign exchange department under Abdul Momin. He was very hostile. In working time, I face no problem he always helped me. When I was working I observed the banking Process of Janata Bank.

**A) Task Area:** Task area means the areas where I worked. My task area is given below, Pension department, Bill department, Foreign Exchange department.

**B) Position of Internship:** In Janata bank, I worked as an intern under the supervisor. They do not have any structured space or opportunities for the internship students. Internship time, I tried to take idea about how to improve the risk management system of Janata Bank, which is my research topic. So I gathered overall idea on this topic. Though I hadn't particular position but I did work randomly whenever I got opportunity.

**C) Daily Routine:** From the joining of my internship, I always try to maintain office time. Janata Bank's office time is 10 am to 3 pm. I went to the company in 5 days in a week. My main mission was to collect my required information, taking experience practically, to familiar with banking process. In Janata Banks Uttara branch, I did different type activities. Those are given bellow:

- i. **Office Visit:** Sometimes I visited the main branch by taking the permission from my supervisor to collect my necessary information's related my topic.
- ii. **Entry data:** Sometime when I worked under foreign exchange department I entry some local and foreign cash.
- iii. **Extract prepared:** I prepared the foreign extract document by the help of supervisor.



- iv. **Bill calculation:** When I was under the bill department, I recorded the bill according to their serial and calculate them.
- v. **Organizing coupons:** When I worked under the pension department I came to know about different types of coupons and also wrote different types of cheque related the pension.
- vi. **Attaching papers:** Sometimes I attached some papers and then register them to make the record of those.
- vii. **Register data:** Sometime I register data in IFDC, LC local, LC foreign, P.A.D (Paid against Document) register.
- viii. **P.A.D register entry:** I register the P.D.A means paid against document information in the registry book.
- ix. **EXREG:** I input the data of export related information in computer and entry the data in export register file.

## 2.7 Secondary Learning:

Internship program is the mandatory part MBA program for the student of Daffodil International University. The objective of internship is to provide the practical working experience before entering the professional working life. The nature of my job is describing in below-

- i. To learn how they manage their different types of risks of bank
- ii. To learn about money laundering risk of Janata Bank Ltd.
- iii. To get real banking work experience
- iv. To get an idea about how to do different types of works
- v. To learn time management
- vi. To learn how to communicate with other bank employees
- vii. To know how to deal with customer.

## Chapter-3

# Money Laundering Risk and it's Mitigation Process



### 3.1 Risk management:

Risk management is the mechanism by which risks to the assets and earnings of a company are identified, evaluated and managed. Such threats or risks can occur from a wide range of sources, including financial uncertainty, legal liabilities, failures in strategic planning, incidents, and natural disasters. Digitized businesses have become a top priority for IT security threats and data-related risks and risk management approaches to mitigate them.

As a result, a risk management strategy frequently involves the processes of organizations to detect and monitor risks to their digital assets, including proprietary corporate data, personal identifiable information and intellectual property of a company. Risk is characterized as the probability of failure, financial or otherwise. In the sense of credit growth, sustaining liquidity market and operational effects, the risks are inherent in the banking business. It is the management's duty to identify measurements and mitigate risks. The bank's risk management encompasses 6 (six) core banking risk areas and issued the required guidelines for managing and mitigating losses:

- (i) Credit risk management
- (ii) Foreign exchange risk management
- (iii) Assets- Liability risk management
- (iv) Money laundering prevention risk management
- (v) Internal control and compliance risk management
- (vi) Information and communication technology risk management

For each of the risk oriented areas, Janata Bank Limited has established separate guidelines for managing its own core risks,

#### a) Credit Risk Management:

Loans are the biggest and most obvious credit risk source. Credit risk can not be completely eliminated; by taking proper care, it can be reduced. We have credit risk management policy implemented to minimize credit risk in order to increase interest income and also meet profit goals.

#### b) Foreign Exchange Risk Management:

Foreign exchange risk is the risk that a difference between asset and liability composition can adversely affect net cash flow and banks' net equity value due to exchange rate movements. We've got a clear and sound strategy. To order to minimize the inherent risk to foreign exchange transactions, front office, and mid

office and back office operations, dealer room limits, individual limit of dealer are maintained.

**c) Asset-Liability Risk Management:**

Asset-liability management's main focus is on matching maturity, cost and yield rates of liabilities and assets. The risks are caused by maturity discrepancies and disproportionate changes in asset and liability levels. Our bank's ALCO is in place to mitigate these kinds of risks.

**d) Money Laundering Risk**

**Management:**Threat of money laundering is a national issue. Banks are attempting to battle this threat with Bangladesh Bank's support. In order to minimize the risk of money laundering, KYC and payment profile as well as CTR & STR monitoring are being practiced in our bank.

**e) Internal Control and Compliance Risk Management:**

It is a mechanism to ensure that an entity meets its goals with organizational efficiency and effectiveness, accurate financial reporting, compliance with laws, regulations and policies. Bank has a separate GM-led ICC Division to develop and enforce ICC policy to reduce internal control risk.

**f) Information and Communication Technology Risk**

**Management:**Janata Bank has taken enough steps to minimize the risk of ICT.ICT policy requirements include software security policies, physical security policies, encryption policies, Anti-virus policies, server security policies, IT asset management and recovery policies, disaster management policies, and network review policies. Effective enforcement of this policy would protect information technology system security and protection, including property and code used in the bank.

### **3.2 Money Laundering:**

The most common description of money laundering is the "turning of dirty or black money in to clean or white cash."Money laundering usually allows offenders to legitimize "dirty" money by combining it with "clean" money, thereby providing the source of their income with a legal cover.Money Laundering includes any crime under the legislation referred to in Section 2 (two) of the Money Laundering Prevention Act 2009 (Act No. 8 of 2009).The offences are as follows, assets acquired or obtained directly or indirectly by illegal mean unlawful sale and conversion, concealment of position or assistance in the above mentioned act of property acquired or earned directly or indirectly by legal or illegal means.Following the monthly CTR / STR reports from Bangladesh Bank's guidance to Bangladesh Bank, KYC document was in

roduced containing the transaction profile, proper email, valid source of revenue, etc. Which are checked when the account is opened to mitigate the risk of money laundering. In the light of land law, policy has been developed. In opening new account, KYC and TP are meticulously maintained, and in the case of old accounts, they are collected.

Massive training programs have been completed and are ongoing for employees in the related fields. Money Laundering is a serious threat to all countries' financial systems and leads to the destruction of the image and character of the country's sovereignty. On the international level, this has been widely recognized. The recognition resulted in concerted efforts around the world to combat this ultracriminal activity through the introduction of stringent laws, legislation and initiatives to stop money laundering.

The results of money laundering are horrific and damaging. Fighting money laundering is therefore very critical for a country's economy. Established in 1989, FATF (Financial Action Task Force) is a concrete step undertaken at global level. By enacting, Bangladesh's government responded to this issue. Money Laundering Prevention Act, 2002, which criminalizes money laundering and defines the role of banks in combating money laundering. Later on the law, was replaced by Money Laundering Prevention Act, 2009 with a lot of additions. Janata Bank Limited treated the battle against money laundering as a team effort and drafted this policy in line with the "Money Laundering Prevention Guidance Notes" & "Money Laundering Prevention Act, 2009" of the Bangladesh Bank. AML risk, as identified by the Bangladesh Bank, is one of the main risks in the banking sector. Failure to meet AML guidelines can result in a bank's bad reputation and legal risk. However, any of them may result in a bank's significant financial loss vis-à-vis diverting considerable management time and potential energy-solving issues. Anti Money Laundering policies are crucial to managing Banking's central threat effectively. Good and organized AML policies and execution protect the credibility of a bank / FI and banking integrity by reducing the risk that bank will become a platform for financial crime. They developed this policy for our bank in line with Bangladesh Bank's core risk guidelines on money laundering prevention & FATF's 40(forty) recommendations. The Policy was unanimously accepted at its 206th meeting on 2 November 2011 by the Board of Directors. Money Laundering is committed to covering up the profits of criminal activities by launders around the world. This exists in almost every country in the world, and usually a single scheme includes transferring money to hide its source through several nations. And the emergence of global financial markets makes money laundering easier than ever before, allowing illegal pr-

ceeds to be deposited secretly in one country and then transferred for use to any other country.

### **3.3 Money Laundering risk:**

The risk of money laundering is a national issue. With the guidance of the Bangladesh Bank, banks are trying to combat this threat. In order to minimize the risk of money laundering, KYC and payment profile as well as CTR & STR monitoring are being practiced in our bank. Definition of Money Laundering in “Money Laundering Prevention Act, 2009” 1.2.1 Section 2(Ta) of the Money Laundering Prevention Act, 2009 defines the offence of money laundering as follows:

#### **3.3.1 Stages of Money Laundering:**

There is no single laundering method of money. The initial gains typically take the form of cash in most criminal cases. For example, drug trafficking is almost always done with money, coercion, extortion, robbery and street level. This money should, by some means, enter the financial system so that it can be converted into a form that can be processed, stored or transported more easily. Given the variety of methods used, laundering is not a single act, but a process carried out in 3 simple steps, positioning, layering and integration. Placement - the actual removal from illegal activity of the initial proceeds. This is the cash flow from its source. The source can easily be disguised or misrepresented from time to time. This is followed by bringing it into circulation, both locally and abroad, through financial institutions, casinos, stores, exchange houses, security brokers and other companies. Layering separating illegal profits from their origins by creating complex layers of financial transactions designed to cover up the audit trail and provide anonymity. The purpose of this stage is to make the detection and discovery of a laundering activity more difficult. It is intended to make this impossible for law enforcement agencies to track illicit proceeds. Incorporation providing illegally generated property with obvious legitimacy. If the layering phase has been successful, incorporation schemes will return the laundered profits to the economy in such a way that they will re-enter the financial system as normal business funds. The three basic steps can take place as separate or independent stages. These may also occur at the same time or more often, may overlap. How to use the basic steps depends on the evasion tools available and the criminal organizations' requirements.

The table below provides some typical examples of the stages of money laundering.

Placement Stage	Layering Stage	Integration Stage
Cash paid into bank (sometimes with employees complicity or mixed with proceeds of legitimate business).	Sale or switch to other forms of investment.	Redemption of contract or switch to other forms of investment.
Cash exported.	Money transferred to assets of legitimate financial institutions.	False loan repayments or forged invoices used as cover for laundered money.
Cash used to buy high value goods, property or business assets.	Telegraphic transfers (often using fictitious names or funds disguised as proceeds of legitimate business).	Complex web of transfers (both domestic and international) makes tracing original source of funds virtually impossible.
Cash purchase of single premium life insurance or other investment.	Cash deposited in outstation branches and even overseas banking system.	
	Resale of goods/assets.	

### 3.3.2 Reason of Combating Money Laundering:

The financial, security and social consequences of money laundering are devastating. This provides the power to run and grow their criminal enterprises for drug dealers, pirates, terrorists, illegal arms dealers, crooked public officials and others. This drives the government's cost of increasing spending on law enforcement and health care (for example, drug addicts treatment). Money laundering decreases tax revenue from the government. It also makes it more difficult to collect tax from the states. This leads to higher rates of tax.

Money laundering distorts the value of resources and services and results in capital misallocation. It can lead to an unsustainable base of liabilities and unsound asset structures thereby generating risks for banks of financial instability. In the private sector, one of the most severe microeconomic effects of money laundering is felt. Money launderers often use front companies to cover the ill-gotten profits by combining their illegal proceeds with legal funds. Such front companies are able to subsidize their products and services at prices well below market rates because of large illegal funds. It makes it difficult to negotiate with front firms for legitimate businesses. This situation can result in criminal organizations crowding out legitimate private sector businesses. Money laundering moves economic power from the economy, government and people to criminals among its other negative socio-economic effects. Since laundered money can be used to bribe national institutions, the social and political costs of laundered money are also high. The corruption of officials and governments undermines society's moral fabric, weakens collective ethical standards, and corrupts our democratic



institutions. Nations can not afford to have their reputation, and banks, especially in today's global economy, can not have their image tarnished by an association with money laundering. A bank tainted by money laundering charges from regulators law enforcement agencies or the media risks losing its good reputation on the market as well as the country's reputation.

### 3.3.3 The Offence of Money Laundering:

The money laundering offences are, in summary:

**Offence of Money Laundering:** The act of money laundering will be treated as an offence [See Section 4(1) of the Act].

**Offence Committed by A Company:** If any offence under this Act has been committed by a company then every proprietor, director, manager, secretary, or other officer or employees or representative who had direct involvement with the offence shall be deemed to be guilty for such offence [See Section 27(1) of the Act]. However, it is a defense for any person as aforesaid can prove that such offence was committed without his knowledge or it has occurred despite his best efforts to prevent it [See Section 27(1) of the Act].

**Offence of Not Retaining Information:** It is an offence for reporting organizations not to retain correct and full information used to identify their customers during their account relationships. It is also an offence for reporting organizations not to retain transaction related records for at least 5 (Five) years after termination of relationships with the customers. (Sec-25(1)Kha.

**Offence of Not Reporting Suspicious Transactions:** It is also an offence for reporting organizations not to make a report to Bangladesh Bank where they suspect that a money laundering offence has been or is being committed. (Sec-25(1)Gha.

**Offence of Not Providing Information on Demand:** It is also an offence for reporting organizations not to provide customer identification and transaction records to Bangladesh Bank from time to time on demand.

**Offence of Violating Freezing or Attachment Order:** It is an offence for any person to violate any freezing order or attachment order passed under this Act [See Section 14(5) of the Act].

**Offence of Divulging Information:** It is an offence for a person to divulge any information relating to an investigation or any other related information to any person, organization or news media for the purpose of frustrating the investigation or making adverse influence over the investigation [Section 6(1) of the Act].



**Offence of Using or Publishing Information:** It is also an offence for any person, organization or agent authorized under the Act to use, publish or divulge any information except for the purpose of the Act, which was collected, received, retrieved and known by him/her during the period of his/her employment or appointment period or after completion of his/her employment or appointment contract [Section 6(2) of the Act].

**Offence of Obstructing or Refusing to Assist an Investigation:** It is an offence under the Act for any person to obstruct or refuse to assist the investigating officer engaged in any investigation under the Act [Section 7(1)(Ka) of the Act].

**Offence of Refusing to Submit Reports:** It is an offence under the Act for any person or refuse to submit reports or supply information without any reasonable ground under the Act [Section 7(1) (Kha) of the Act].

**Offence of Providing False Information:** It is an offence for any person to provide false information knowingly about the sources of funds or the identity of an account holder or the beneficial owner or nominee of an account [Section 8(1) of the Act].

### **3.3.4 REQUIREMENTS OF ANTI-MONEY LAUNDERING POLICY:**

The most important element of a successful antimoney laundering program is the Bank's senior management's commitment to developing and enforcing antimoney laundering targets that can prevent criminals from using their money laundering facilities, thus ensuring that they comply with their obligations under the law.

Senior management includes the CEO & Managing Director and the Bank's Board of Directors for the purposes of this rule. Senior management should send a signal that it is as worried about its image as it is about revenue, advertising and customer service. As part of the Bank's antimoney laundering program, on behalf of senior management, the CEO & Managing Director must give an annual report to all employees clearly setting out the Bank's stance against money laundering and any crime, facilitating money laundering and militant or criminal activity funding. Such a statement would show the Bank and its senior management's strong commitment to comply with all money laundering laws and regulations.

The statement of compliance policy should at a minimum include:

- a statement that all employees are required to comply with applicable laws and regulations and corporate ethical standards.

■ a statement that all activities carried on by the Bank must comply with applicable governing laws and regulations.

■ a statement that complying with rules and regulations is the responsibility of each individual in the Bank in the normal course of their assignments. It is the responsibility of the individual to become familiar with the rules and regulations that relates to his/her assignment. Ignorance of the rules and regulations is no excuse for non-compliance.

■ a statement that should direct employees to a compliance officer or other knowledgeable individuals when there is a question regarding compliance matters.

### **3.3.5 Establishment of Anti-Money Laundering Department:**

The Bank shall create a separate AntiMoney Laundering Department (AMLDD) at its head office to manage and control the overall operations of AML and CFT. Until the Department of Anti-Money Laundering is formed, the General Banking Department's Anti-Money Laundering Section (AMLS) will perform AML and CFT related tasks. AMLDD must adopt and execute the Bank's corporate antimoney laundering policies, practices and activities and report directly to the Chief Compliance Officer for Anti-Money Laundering (CAMLCO).

### **3.3.6 Functions of Anti-Money Laundering Department (AMLDD) will be:**

1. Create, track, update and execute the Anti-Money Laundering / CFT Policy of the Bank.
2. Formulate, monitor, review and enforce the policy and identification process for the Bank's Know Your Customer (KYC) to identify suspicious transaction / account activities.
3. Issue circulars, directions and spread Bangladesh Bank antimoney laundering circulars and policy recommendations to the Bank's branches and officials concerned.
4. Ensure timely monitoring and compliance with Bangladesh Bank antimoney laundering, including CTR, STR, KYC Update, Taskforce Information & other Bangladesh Bank information, etc.
5. Track the AML compliance and independent testing procedures of the Bank and any corrective measures. CEO & Chief Executive Officer AntiMoney Laundering Compliance Officer (CAMLCO) Central Conformance Unit (CCU) (AML Section) AntiMoney Laundering Compliance Officer (BAMLCO).
6. Conduct branch audit and control offices related to compliance with Antimoney laundering

7. Respond to queries of a question requiring directions to the branches to apprehend apprehensions about money laundering.
8. Develop and implement training courses to increase the Bank's enforcement awareness level in conjunction with the Bank's Training Institute (JBTI).
9. Put a report on the state of the Bank's antimoney laundering operations at least once a year before the Board of Directors.
10. Extend all out cooperation to Bangladesh Bank Inspection Team, Internal Audit Team and External Audit Team and other law enforcement Agencies as and when required.

### **3.4 Transaction Monitoring Process:**

Monthly Account Review: The appointed officer must review previous month's account transactions to detect modifications or anomalies or discrepancies with the defined Transaction Profile (TP) of the customers. These analysis can be done with the help of Ledger and Cash Book. Analysis Points: The following points should be reviewed:

- a. Monthly deposit no.: TP vs. actual payment declared,
- b. Maximum deposit amount: TP vs. Actual transaction declared,
- c. Monthly total deposit: TP vs. actual transaction declared,
- d. Monthly withdrawal no.: TP vs. actual transaction announced,
- e. Maximum amount per withdrawal: TP vs. Actual transaction declared,
- f. Monthly total withdrawal: TP vs. actual transaction declared,
- g. Geographic origin / destination (e.g. bank issue, branch issue, etc.).

### **3.5 DETECTION AND REPORTING OF SUSPICIOUS TRANSACTIONS:**

Statutory Obligation for Reporting of Suspicious Transactions Section 25(1)(Gha) of the Money Laundering Prevention Act, 2009 obligates us to make a report to Bangladesh Bank where a suspicion arises that a money laundering offence has been or is being committed.

In this regard, all branches must ensure that,

- Each relevant employee knows the person whom they should report as suspicious;
- There is a clear reporting chain under which those suspicions will be passed without delay to the Chief Anti Money Laundering Compliance Officer (CAMLCO). Once employees have

reported their suspicions to the appropriate person in accordance with the proper internal reporting procedure, they have fully satisfied their statutory obligations.

**Among all these core risks, now I am going to broadly discuss about my research topic, Money laundering risk and its mitigation process adapted by Janata bank Ltd.**



## Chapter-4

### Money laundering risk and it's mitigation process adapted by Janata Bank Limited



#### **4.1 Risk Management committee of Janata Bank:**

A risk management committee of the board has been formed as per BRPD Circular No.11 dated 27 October 2013 Bank Company Act-1991 sec-15(b)(3) comprising of five members from the Board of Directors.

#### **4.2 Risk Management system of Janata Bank:**

Our bank's risk management approach has been outlined with the following key elements for better risk management and a good risk management process, leading to successful result even in difficult business conditions:

- a. Framework for risk management which includes board and senior management;
- b. Organizational policies, procedures have been developed, risk limits have been defined and enforced to effectively and efficiently manage business operations;
- c. Adequate information systems for identifying, measuring, monitoring, controlling and managing risk are in place to support and support all business operations.
- d. Established internal control and thorough audit quality are in a timely fashion to identify any shortcomings in the internal control system.

#### **4.3 Risk Mitigation Methodology of Janata Bank:**

For each threat, they have separate methodology for mitigation. Identifying, assessing and evaluating risk is the critical and first step in risk mitigation. To do so, a risk management report that discusses all potential key risks in banking is prepared on a monthly and a half early basis. In its monthly meeting, the Risk Management Committee reviews the study, defines the risks and provides guidance to minimize them.

#### **4.4 Risk Monitoring and reporting system of Janata Bank:**

- Janata Bank has a separate Management Information System Department which provides necessary information to Risk Management Department and senior management for understanding the bank's positions and risk exposures in time.
- A strong risk management monitoring culture has been framed in our bank to address all sorts of material risks;
- An effective risk monitoring procedure exists in our bank to identify and measure all quantifiable and material risk factors;

#### **4.5 How Janata Bank Limited Can Help in Combating Money Laundering:**

A good understanding of a customer's business and history of financial transactions and commitments is one of the best ways to prevent and counter money laundering. In this theory, Janata Bank Limited has already implemented a sound "Know Your Customer" policy to record customers' complete and correct information to avoid participation in money laundering.

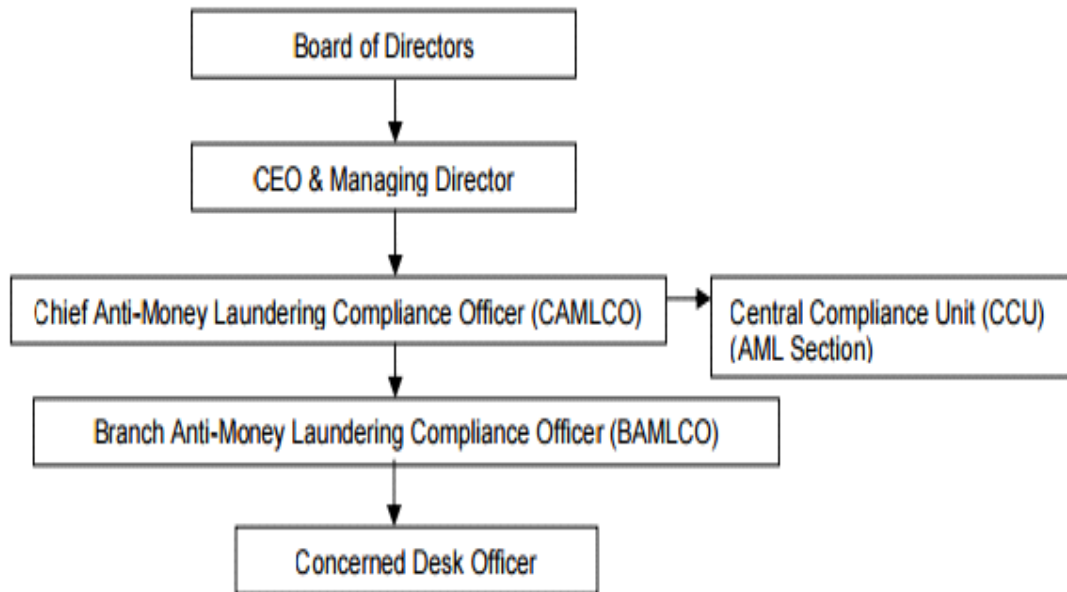
Thus, the Bank's efforts to combat money laundering are largely focused on the process where the activities of the launderer are more susceptible to recognition and are therefore largely focused on the deposit taking procedures. i.e., the placement stage. Thus, the Bank's efforts to combat money laundering are largely focused on the process where the activities of the launderer are more susceptible to recognition and are therefore largely focused on the deposit taking procedures. These documents can also provide useful information about corruption schemes involving people and organizations. The Bank's Section & Training Institute for Anti-Money Laundering (JBTI) also deals with employee training programs designed to raise awareness of money laundering techniques and tools, etc., in order to combat money laundering.

#### **4.6 Anti-Money Laundering Policy (AML Policy) of Janata Bank Limited:**

Janata bank has been developed keeping in consistency with the "Guidance Notes on Prevention of Money Laundering" & relevant circulars issued by Bangladesh Bank to facilitate implementation of the Money Laundering Prevention Act, 2009. Since banks are vulnerable to use by money launderers, the Bangladesh Bank (Bangladesh Central Bank) tests the adequacy of banks' anti-money laundering procedures and the degree of compliance with those procedures. As a banking firm, Janata Bank Limited is required to comply with Bangladesh Bank's laws, regulations and guidelines from time to time. Its policy is intended to help Janata Bank Limited comply with the anti-money laundering rules and regulations of Bangladesh. Janata Bank Limited plans to use this framework as a guideline for determining the adequacy of its internal controls, regulations and anti-money laundering procedures.

#### **4.7 Janata Bank Limited Anti-Money Laundering Organogram:**

Janata Bank Limited's Anti-Money Laundering Organization is listed below.



#### 4.8 TRAINING AND AWARENESS:

Statutory Requirements, Section 23(1)(Cha) of the Act requires Bangladesh Bank to provide training and arrange meetings, seminars etc. for the officers and staffs of the reporting organizations or any other organizations or institutions as Bangladesh Bank may consider necessary for the purpose of proper implementation of the Act. Since Banks themselves have responsibilities under the Act in relation to identification, reporting and retention of records, Janata Bank Limited must ensure that its employees are adequately trained to discharge their responsibilities.

Janata Bank Limited shall take appropriate measures to make its employees aware of:

- Policies and procedures to prevent money laundering and for identification, record keeping and internal reporting;
- Legal requirements; and
- Provide employees with training in recognition and handling of suspicious transactions;

The Need for Employees Awareness: The effectiveness of this Policy depends on the extent to which Janata Bank's employees appreciate the serious nature of the background against which the legislation has been enacted.

In this context, Janata Bank Limited shall introduce comprehensive measures to ensure that-

- All employees are fully aware of their own responsibilities and statutory obligations;



■ All employees are aware that they can be personally liable for failure to report information in accordance with internal procedures.

■ All employees are trained in a manner that they co-operate fully and provide prompt reports of any suspicious transaction. Education and Training Programs: All relevant employees of the Bank should be educated in “Know Your Customer (KYC)” requirements. The training in this respect should cover:

■ The need to know the true identity of the customer; and

■ The need to know about the type of business activities expected in relation to that customer at the outset to understand what might constitute a suspicious activity; relevant employees should be alert to any change in the pattern of a customer’s transactions or circumstances that might constitute criminal activity.

New Employees: All new employees, irrespective of the level of seniority shall be trained on:

■ Background to money laundering,

■ Anti-money laundering laws, regulations, circulars and instructions,

■ reporting of suspicious transactions,

■ reporting of cash transactions, and

■ Self-assessment and independent testing procedures.

#### **4.9 Money Laundering Risk Mitigation adaption by Janata Bank:**

- They have incorporated the following major issues in the respective policy and followed them to mitigate money laundering and terrorist financing risks:
- Antimoney laundering compliance policy has been established, implemented and maintained. In our headquarters, they founded CAMLCO and BAMLCO in all branches.
- The law outlines the rule of Know Your Customer (KYC) when opening new accounts, tracking existing accounts for irregular or suspicious activities.
- There is an unusual / suspicious payment control system that needs to be reported to the Central Bank.
- Cash Transaction Report (CTR) shall be sent to the Central Bank on a monthly basis for BDT 1.00 million or more in cash transactions per day.
- Bangladesh Bank is notified of suspicious transactions as and when found.
- Bank officials were educated on strategies to prevent money laundering.

- The above issues have been completely complied with.

#### **4.10 Observation about the money laundering risk and mitigation process adapted by Janata Bank:**

- The money laundering Act was made in 2002 and it's followed by JBL from 2003.
- They have all the paper like books and brochures about money laundering mitigation process and other policies.
- About the money laundering mitigation process is not clearly known by all employees of JBL, because different department deals with different works. So according to them it's not clearly known to them all.
- All the rules, regulation and policy of money laundering and its mitigation process are made by the Bangladesh Bank and JBL is ordered to follow them.
- JBL have to report about their money laundering CTR and STR monthly to the Bangladesh Bank. And after receiving the report Bangladesh bank give some review about the report.
- JBL have training system to aware their employees about the money laundering risks.
- JBL have high level structures and policies to mitigate the money laundering risk.
- JBL also have branch wise money laundering mitigation system handled by BAMLCO. Who have to report about the branch money laundering situation once a month to the area based management bank.
- Sometime submitted STR of JBL is very low then CTR, that time Bangladesh Bank do audit to the JBL to investigate cause of the difference.
- The STR of JBL is very low in rating then the private and foreign banks of our country.
- JLB organize training mandatory to the employees of JBL to take proper knowledge about the money laundering risk and its mitigation process through the whole year.
- Bangladesh bank don't put that much pressure for any errors or dissatisfied report related to the money laundering mitigation process of Janata Bank.

**Chapter-5**  
**Findings, Recommendations**  
**and**  
**Conclusion**



জনতা ব্যাংক লিমিটেড  
**Janata Bank Limited**



## 5.1 Findings:

Though Janata Bank has all the policies, rules and regulations of anti-money laundering, but they are not always use to follow them up.

Bangladesh Bank provides Janata Bank Ltd. with all the rules and regulations related to money laundering prevention strategy, but that is not known to all Janata Bank employees. The monthly report that Janata Bank have to submit to the Bangladesh bank, sometime some made properly. Because Bangladesh Bank don't pressurize JLB that much for that. The STR is very much low the CTR, in the other hand another foreign banks and private banks of our country have high rating in this case. Because JBL is not that mush serious about this issue. But they are trying to handle it seriously now days. Sometime because of the pressure from the upper level and sometime for different types of hazard the STR is not reported properly to the Bangladesh Bank sometime when Bangladesh Bank notices far difference between CTR & STR, they send people for audit the case to JBL, and JBL gave penalty several times for this unexpected issue of money laundering risk controlling.

1. Janata Bank has its board and senior management approved policies and procedures to stop money laundering.
2. Janata Bank Limited has a legal and regulatory enforcement program that includes an officer assigned to oversee and supervise the AML process.
3. In order to prevent, track and report suspicious transactions, Janata Bank Ltd. has developed written policies detailing processes.
4. JBL has a risk-based analysis of its client base and its transactions.
5. Janata Bank has policies and procedures that require all customer identification and transaction related records to be kept.

## 5.2 Recommendations:

1. Janata Bank has its board and senior management approved policies and procedures to stop money laundering. Though they have these entire things, all the employees of Janata Bank are not aware about the money laundering issue. So, Janata Bank Ltd. should grow more aware about the money laundering risk and its mitigation process.

2. Janata Bank Limited has a legal and regulatory enforcement plan that includes an officer assigned to manage and supervise the AML process. So, the other employees of Janata Bank Ltd. should properly follow the structure, which they have on Anti-Money Laundering dedicatedly, to prevent any kind of risk and problem.

3. In order to prevent, track and report suspicious transactions, Janata Bank Ltd. has developed written policies detailing the procedure. Each branch-wise handling of the STR and reporting about that to the area branch is a very crucial issue. So, Janata Bank Ltd. should focus more on this issue to mitigate the money laundering risk and report maximum STR to the area branch.

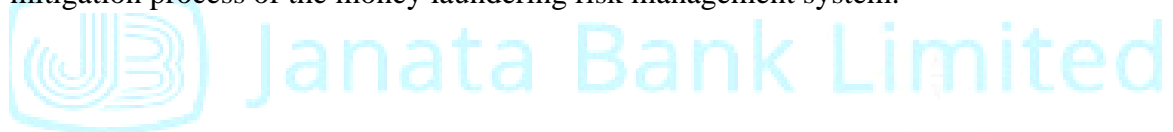
4. JBL has a risk-based assessment of its customer base and its transactions, but they do not use this analysis properly. But they should properly start to use this assessment, because now a day there is a huge competition in the banking world and different types of risks are arising now days. As we know money laundering risk is one of them. So, Janata Bank Ltd. should focus and maintain their rules about risk-based assessment to mitigate the risk.

5. JBL is required to collect data on the business activities of its clients in the light of KYC procedures. The branches of the bank also face different problems and issues affected by the money laundering risk. So, Janata Bank Ltd. should follow up the KYC procedure strictly to avoid any unexpected money laundering risk.

6. Janata Bank has policies and procedures that allow all customer identity and transaction related records to be maintained. But those policies and procedures are treated as a bookish record maximum time. But they can easily identify the STC case by following up this procedure, so they should adapt this mitigation process to control their money laundering risk.

### 5.3 Conclusion:

It is necessary to know the relevance between theory and practical knowledge as well. So as a partial requirement of MBA program I get attached to Janata Bank Ltd. to complete my internship. I want to place my potentiality in to the practical field for this prospect. We should study financial strategy because we all use financial factors in every aspects of bank. If we want to work in a bank, we need to know about financial factors and strategies because financial people play most important role in bank activities. Financial jobs are inherently interesting because of the variety of people encountered and activities undertaken. After conducting this report successfully I got a very clear idea about the weaknesses and strengths of Janata Bank Ltd. (Risk management). With the increase of standards of living, good service demand in banking sector is growing at an elevated rate. As a result, a good numbers of people are engaging with Janata Bank Ltd. for banking day by day. Finally, based on my report i can say that in banking sector Janata Bank Ltd. is a renowned govt. bank and huge role in development of the country. So, Janata Bank Ltd. can add more improvement to their money laundering risk management system, to increase their controlling power over the mitigation process of the money laundering risk management system.





- Types of Risk Management:<https://finance.mapsofworld.com/risk-management/types/>
- For SWOT analysis of Janata Bank I followed this link:  
<http://www.assignmentpoint.com/business/management/swot-analysis-of-janata-bank-limited.html>
- Bank related information for risk management system are collected from this link:  
<http://www.janatabank-bd.com/>
- Anti-Money Laundering Policy of JBL:[http://www.jb.com.bd/includes/pdf/AML\\_Policy.pdf](http://www.jb.com.bd/includes/pdf/AML_Policy.pdf)





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