Report on

Challenges of Combating Anti-Money Laundering Activities and the Financing of Terrorism: A Case Study on Dhaka Bank PLC, Bangladesh

By

Anindya Dhar
ID: 20304072

A report from an internship turned into the BRAC Business School in order to fulfill a portion of the requirements for a Bachelor of Business Administration degree.

BRAC Business School
BRAC University
November 2024

Declaration

It is therefore declared that

1. The internship report that was sent in was created entirely by me or us while we were pursuing our degrees at Brac University.

2. The report doesn't include any content that has already been written or published by a third party, unless it is properly referenced with thorough and correct referencing.

3. Nothing in the report has been submitted or accepted for credit toward any other degree or certificate from a university or other organization.

4. I/We have given credit to all primary sources of assistance.

Student's Full Name & Signature:

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Anindya Dhar
ID: 20304072

Supervisor's Full Name & Signature:

—---

H. M. Arif, PhD
Assistant Professor, BRAC Business School
BRAC University

Letter of Transmittal

H. M. Arif, PhD
Assistant Professor
BRAC Business School
BRAC University
Kha- Merul Badda, Dhaka

Subject: Submission of internship report on

Dear sir,

With all due respect and humility, I would like to introduce myself as Anindya Dhar, ID 20304072, a BRAC Business School undergraduate. The chance to report on my internship, titled "Challenges of Combating Anti-Money Laundering Activities and the Financing of Terrorism: A Case Study on Dhaka Bank PLC, Bangladesh," is very appreciated.

A report based on quantitative research. Naturally, it is the last course I need to take to obtain a bachelor's degree in business administration. I should also mention that I have the opportunity to do my internship at Dhaka Bank Plc. was beneficial. While collaborating with the MIS team of the Credit Risks Management Department, I investigated Dhaka Bank Aml & Cft adoption procedures, made connections between business research and academic studies, and acquired regulatory expertise. It might be difficult to write a report during an internship, and because of the necessity, this report was completed quickly.

As a result, I really hope that you will take into account any inconsistencies in my report.

Sincerely yours,

Anindya Dhar
ID: 20304072
BBS, BRAC University

Non-Disclosure Agreement

The undersigned Brac University student and Dhaka Bank PLC have made and engaged into this agreement.

…………..Anindya Dhar………………

Acknowledgement

This report was made possible through the generous cooperation and support of many individuals.

First of all, I am very grateful to Almighty God for giving me the strength and power to complete this report successfully.

I am grateful to my supervisor, Assistant Professor at BRAC School of Business, Dr .H.M Arif. His assistance was vital in the preparation of this report.

I would especially like to thank Md. Shaheenul Islam, Vice President (AML & CFT), Dhaka Bank Ltd., for his wise counsel and support during this process. The Principal Officers of the AML & CFT Department, Md. Yasir Arafat Rishat and Md. Zahidul Karim, have my sincere gratitude for their collaboration and for sharing important knowledge with me throughout my internship.

Finally, I would like to express my sincere thanks to my beloved parents for their unconditional love and support, my sister for always being there for me, and my friends who have directly and indirectly supported and encouraged me in this process.

Executive Summary

My work experience with Dhaka Bank PLC focused on AML and CFT through economic crime prevention and regulatory compliance at the bank. I monitored STRs and SARs while conducting investigations into money laundering while analyzing financial crime reports as part of my duties which improved my knowledge of banking compliance practices alongside risk management principles.

Chapter 1 summarizes my internship in the AML and CFT department, where I analyzed the transaction, prepared the report and investigate suspicious accounts. I developed skills in accordance and AML monitoring systems, faced challenges with complex processes.

The chapter 2 provides detailed information on Dhaka Bank PLC including its financial achievements along with risk management solutions and market competition analysis. The report demonstrates the bank's strong financial liquidity position and profitable elements while identifying present market growth possibilities. The analysis includes evaluations of internal and external factors based on SWOT assessments through which the bank's strengths, weaknesses, opportunities and threats can be identified. The research shows that the bank maintains stability and has potential growth opportunities.

Chapter 3 finds out the key challenges in the bank's Anti money laundering and combating the financial crime department (AML & CFT), including frequent regulatory changes, poor IT infrastructure, and resource restrictions. The recommendations focus on improvements through technology, training, and regulatory cooperation.

Keywords: AML & CFT, SWOT, Money laundering, STRs, SARs, Regulatory.

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Chapter 01

Overview of Internship

1.1 Student Information

Name: Anindya Dhar

Student ID: 20304072

Program: Bachelor of Business Administration

Major: Accounting

1.2 Internship Information:

Period: 3 (Three) months.

Company Name: Dhaka Bank PLC

Department/Division: Anti Money Laundering & Combating the Financial Terrorism (AML &CFT)

Address: Holding No. 71, Purana Paltan Lane, Dhaka 1000.

Internship Company Supervisor's Information:

Name: Shaheenul Islam

Position: Vice President & In charge (AML & CFT)

Job Scope – Job Description/Duties/Responsibilities:

Job Description- As an intern of AML & CFT Department I had the following job responsibilities-

- Monitoring of transactions: I have to regularly review and analyze the customers transactions to identify the suspicious activities.
- Reporting: Prepare authentic reports to files STR and SAR
- Investigation: Conduct deep search into potential money laundering or terrorist financing activities.

- Account verification in AML documents: The process involves reviewing the names mentioned in AML documents and cross-referencing to identify any corresponding accounts in Dhaka Bank Used with a dedicated software function to simplify this search and ensure accuracy. The primary objective is to determine whether the individuals listed in the AML documents maintain accounts with the bank. This role is an important and important responsibility in the department.
- Media News: I have to make daily news regarding money laundering issues from internet newspapers

1.3 Internship Outcome:

Students Contribution to the firm:

During my tenure in the AML & CFT department of Dhaka Bank Plc, I actively supported several key initiatives that supported the company's efforts to combat financial crime and ensure compliance. My key responsibilities included managing customer transactions and investigating suspicious activity. By adhering to the policies and procedures of the bank, I played a role in the successful management of projects. I also helped develop Suspicious Transaction Reports (STRs) and Suspicious Activity Reports (SARs), ensuring the integrity and accuracy of these important documents, which are used to create cases of possible money laundering and report terrorist financing to the relevant authorities. In addition, I investigated potential financial crimes and assisted in the investigation process, which involved analyzing customer data, transaction history, and relevant information to assist the department in decision-making Another important contribution was reporting a variety of daily newsletters summarizing money laundering and financial crime cases from online newspapers and . These reports helped the department stay abreast of outside trends and emerging threats. Through this responsibility, I was able to contribute meaningful project objectives, and gain valuable insight into the critical AML & CFT function.

Students Benefit:

Internship in the AML & CFT department of Dhaka Bank Plc has provided me with valuable learning experience and professional development opportunities. First, it enhanced my understanding of financial crime prevention strategies and compliance in the banking sector, particularly in the area of counter-terrorism and counter-money laundering in the fight against financial crime. I gained practical knowledge of real-world banking operations and developed strong analytical and problem-solving skills by actively participating in transaction follow-up, report development and research analysis

Additionally, by being close with experienced professionals, including my supervisor and team members, I can learn how to enhance communication, teamwork, and work environment Tools and techniques for detection and prevention of the edge of financial crime added great value to my technical skills. Also, my daily press reporting helped me hone my critical analysis and thinking skills by analyzing context and understanding its implications for the banking industry.

This internship not only reinforced my academic learning by providing hands-on experience but also gave me practical knowledge, industry expertise and professional insight which will definitely benefit my future entrepreneurial endeavors.

Problems/Difficulties (encountered throughout the internship time)

Technical learning curve: Initially it was difficult to understand the complex AML-CFT implementation, including transaction management systems and regulatory systems

Data Processing: Extensive attention and attention to detail was required to handle large amounts of communication data and ensure STR-SAR accuracy within tight deadlines

Employee Communication: Adapting to the corporate environment and meeting managerial expectations took time, especially in clarifying complex tasks.

1.4 Recommendations for Future Internships

To enhance the work experience, it is recommended that organizations provide a structured orientation program at the outset to familiarize trainees with company policies, procedures and expectations This can help minimize the initial learning curve and ensure trainers have been able to adapt quickly. Providing clear and well-defined tasks with detailed instructions can also improve performance and ensure that trainees understand their responsibilities. Regular feedback from supervisors is essential to guide trainees so that they can refine their performance and solve any challenges they may encounter. Additionally, allowing access to learning materials such as training materials, workshops, or online courses on topics such as law enforcement and financial crime prevention can facilitate trainers' technical knowledge and skills on. Encouraging communication with team members and other departments can be more reflective of the organization's work and create a more cohesive and enjoyable learning environment. These strategies can significantly increase the value of work experience for trainees and the organization.

For the recruitment session : Almost all the commercial banks follow the same process.

Chapter 2 (Organization Part: Overview of Dhaka Bank Limited)

2.1 Introduction:

This chapter provides an overview of Dhaka Bank Limited, focusing on its operations and departments. It will examine how the bank handles its operations, management and marketing practices, as well as assess its financial position in the banking industry. In addition, the chapter also includes a market competition analysis of Dhaka Bank. The data have been collected under the guidance of the inspector and were obtained from the official website of the Bank of Dhaka and other reliable online sources, including Google The main objectives of this report are outlined below.

Figure 01: Dhaka Bank Logo
Source: DblPLC Website

2.1.1 Objectives:

The main objective of this section is to provide an overview of the management, trading and financial activities of Dhaka Bank Limited, with a specific focus on its Kakrail headquarters but the scope of this study extends beyond that. The objectives of this report are as follows.

1. Analyze the overall business and marketing strategy of Dhaka Bank Limited.

2. Identify the challenges faced by the organization as well as strengths and weaknesses.

3. Suggestions were made to address the issues and enhance the performance of Dhaka Bank Limited.

2.1.2 Scope of the study:

The main limitations encountered during the preparation of this report are described below.

1. A banking arrangement to retain certain data and information for privacy reasons.
2. Secondary information on the banking industry in Bangladesh is limited, and there is a lack of relevant books, papers and journals, especially on the bank's specific focus on Anti money laundering banking initiatives
3. Complete information was not available from one branch and travel to other branches was restricted.
4. The time period of 12 weeks was not enough to thoroughly examine all departments within Dhaka Bank Limited. In addition, the lack of experience in preparing performance reports presented some challenges.

2.1.3 Methodology

The design part of this research is entirely based on personal observations and secondary data. Information is collected from reliable sources such as press releases, news reports, policy experts, government documents, newspapers, websites, other related sources etc. The main objective of the survey is to provide employment management, trading strategies and summary business practices of Dhaka Scheduled Banks.

A small survey of 12 employees of the bank was conducted to collect data focusing on service quality and anti-money laundering measures implemented in the Kakrail branch As such besides, the research includes my own discoveries and insights gained during training. The Internet has also become a valuable data collection tool. This study relies primarily on qualitative data from secondary sources, including brief customer satisfaction surveys.

2.1.4 Significance of Study

For the banking sector, it is important to measure brand reputation, target customers, growth potential, and financial performance to identify areas for improvement and make informed Management decisions. Effective practices and operational efficiencies are key to achieving this goal.

This section of the research proposal outlines a study aimed at conducting an in-depth analysis of the branding and general operations management strategies used by Dhaka Bank Limited. The review seeks to provide valuable insights into the bank's business strategies, business practices and overall branch operations. The findings will help identify areas for improvement and make recommendations to strengthen the bank’s future performance.

2.2 Overview of the Organization

Introduction

Dhaka Bank Limited, the leader of the private banking sector in Bangladesh, has been able to transform its illustrious past into a fruitful present and lay a strong foundation for a promising future. Since its inception in 1995, it has demonstrated unwavering commitment and strength in the financial sector, earned the trust of the public through exceptional customer service and delivered returns for shareholders and these attributes have provided its position among the top financial institutions in the country.

To compete and adapt to national and global economic trends, Dhaka Bank Limited has adopted automation in all its branches, ensuring efficiency and modernization Since its establishment as a public sector a limited company under the Companies Act, 1994, the bank commenced commercial business on July 5, 1995 with an authorized capital of Rs. 1,000 million and the initial capital payment of Rs. 10 crore and works. As on 31st December 2011, the principal payment had increased to Rs. 3,590,457,030, while the total deposits including capital and deposits amounted to Rs. As of December 31, 2010, 2,036,368,754.(wiki/dhaka bank, 2016)

Current Situation of DBL

Dhaka Bank Limited operates in the country through 69 branches, 6 SME service centres, 6 CMS units and 1 offshore banking subsidiary, with extensive media presence around the world, the Bank plans to expand its come into play again by opening new branches in the current financial year.

Dhaka Bank offers a wide range of banking and financial services to suit the needs of both individual and corporate clients These services are supported by advanced technology and a highly motivated team of professionals. As part of its commitment to excellence, Dhaka Bank offers real-time online banking services through all its branches, ATMs and online banking channels

Known for its friendly private sector, cutting-edge technology, tailored solutions for business needs, global sales and marketing networks and competitive investment returns, Dhaka Bank Limited has become a favorite in the banking sector station

Goal of DBL

To be the premier financial institution in the country providing high quality products and services backed by latest technology and a team of highly motivated personnel to deliver Excellence in Banking (Dhaka Bank Limited, n.d.)

Mission of DBL

“To be the premier financial institution in the country providing high quality products and services backed by the latest technology and a team of highly motivated personnel to deliver “Excellence in Banking.”(Dhaka Bank Limited, n.d.)

Vision of DBL

“At Dhaka Bank, we draw our inspiration from the distant stars. Our team is committed to assure a standard that makes every banking transaction a pleasurable experience. Our endeavor is to offer you razor sharp sparkle through accuracy, reliability, timely delivery, cutting edge technology, and tailored solutions for business needs, global reach in trade and commerce and high yield on your investments.”(Dhaka Bank Limited, n.d.)

Objectives:

1. Prioritize a strong customer focus by building relationships based on loyalty, exceptional service, and mutual benefit.

2. Work collaboratively as a team to serve the interests of the organization as a whole.

3. Strive for continuous innovation and improvement in business.

4. Value and respect individuals, by making decisions based on their merits.

5. Recognize and reward outstanding work.

6. To achieve sustainable growth while enhancing and diversifying products and services.

Products and Services of DBL

Product 01 (Liability product)	**Product 02 (Asset Product)**	**Product 03 (Services)**
Savings Bundled	Home loan	Locker
Deposit	Personal loan	E Banking
Pension	Car loan	Sms banking
Scheme	Vacation loan	ATM Card
Special Deposit Scheme	Loan of any verified purpose	Visa Debit credit card
Deposit Double Scheme		Dollar endorsement
Gift Cheque		Utility bills

Managing Director
Additional Managing Director
Deputy Managing Director
Senior Executive Vice President
Executive Vice President
Senior Vice President
Vice President
First Vice President
Senior Assistant Vice President
Assistant Vice President
Senior Principal Officer
Principal Officer
Management Trainee Officer
Senior Officer
Officer
Trainee Officer
Supporting Staff

Figure 2: Organogram of DBL
Source: DblPLC Website

The aforementioned organogram was created using the data that the bank's human resources department supplied.

Management Practices

Leadership Style:

Dhaka Bank Plc follows a democratic leadership style. Based on my experience, the branches, including the Kakrail branch, hold weekly meetings, where all employees, from junior to senior staff, have a chance to voice their opinions. As an intern, I was also encouraged to share my ideas at these meetings.

Before making any decision, the branch manager consults with the operations manager and other staff to exchange views. Similarly, decision-making officers in the bank, including chief executive officer (MD), deputy director general (DMD), and other senior officers, as well as branch managers and subordinates discuss Also attend branches across the country on a regular basis to interact with junior and senior staff.

From my internship experience, I learned that the bank's leadership style fosters a sense of ownership and innovation among employees. Employees view the Bank as an integral part of themselves and are deeply committed to achieving its vision and objectives. While at the bank, I noticed that my colleagues were often willing to go beyond normal business hours to meet accounting goals, promote the bank's services, and communicate with customers to do so. In my opinion, this level of commitment can be attributed to the democratic leadership style of the bank.

Recruitment and Selection:

Dhaka Bank Plc, the financial institution in Bangladesh follows a well-structured recruitment process to ensure that competent and qualified candidates are recruited. The process generally involves the following steps.

Vacancies to be shown:

HR works closely with the departments to identify vacancies and document the requirements for each position. A detailed job description is prepared describing the qualifications, skills and experience required for the role.

Recruiters:

Dhaka Bank uses several strategies to attract potential clients:

Central Job Offering: Jobs are offered through job openings to current employees through internal positions and postings.

External Services:

Online Job Portals: Vacancies are posted on popular job portals like Bdjobs.com and Jobsbd.com.

Social Media: Platforms such as LinkedIn and Facebook are used to reach more people.

Campus Recruitment: Conducts recruitment campaigns at universities and colleges to engage with students.

Employee Referrals: Employees are encouraged to refer qualified candidates for open positions.

Screening and Shortlisting:

Applications are evaluated on the basis of educational qualifications, relevant experience and other criteria. Shortlisted candidates are invited for further research.

Options:

Written Test: Depending on the role, candidates may be required to take an aptitude, psychometric, or subject-specific test.

Interview: General interviews assess candidates' technical skills, communication skills, problem solving abilities, and culture fit within the organization.

Evaluation and Background Research: Validation of information provided by candidates through referencing and background checks.

Handout and Onboarding:

Successful applicants will receive handouts describing business policies and procedures.

A comprehensive onboarding process is designed to familiarize new employees with the bank's culture, policies and procedures.

Minimum Educational Qualification of employee

Category of Staff	Educational Qualification
Professional	BBA(Accounting, Finance, Banking, Marketing, Management), MBA, MBM, PHD
Semi professional	Honors, Masters (Economics, Math, English) Diploma in certificate Banking.
Non professional	S.S.C to MBA(any discipline)
MILSS	Minimum Class 8

Figure 3 : Status of Qualification

Source: DblPLC Website

Salary System:

In our talk on salaries, Mr. Yasir Arafat Rishat, Principal officer, Kakrail Branch, Dhaka Bank Plc, explained the bank's simple salary structure, which he called the "Top 3 Salary Structure" above the minimum requirements set by Bangladesh Bank. Dhaka Bank follows a fixed salary structure, where salary increments are given based on performance appraisals. In addition to regular salaries, employees receive festive bonuses, bonuses, gratuities and other incentives. However, due to confidentiality arrangements, this study did not disclose the specifics of the compensation system.

Divisions of Dhaka Bank PLC:

If the Jobs are not arranged considering their interdependence and are not allocated in a certain division it would be very difficult to control the system efficiently. A state of haphazardness would arise if there were no divisions, and the

A division's performance would not be evaluated. This work has been expertly handled by Dhaka Bank Ltd. The following are Dhaka Bank Limited's (DBL) various divisions:

Figure 04: Divisions of DBL
Source: DblPLC Website

Branches of DBL:

In addition to its extensive global network of correspondents, the Bank has 71 branches, 3 SME Service Centers, 2 Islamic Banking Centers, 2 offshore Banking Units, and 1 subsidiary nationwide. In the current fiscal year, the Bank intends to open additional branches to enlarge the network.

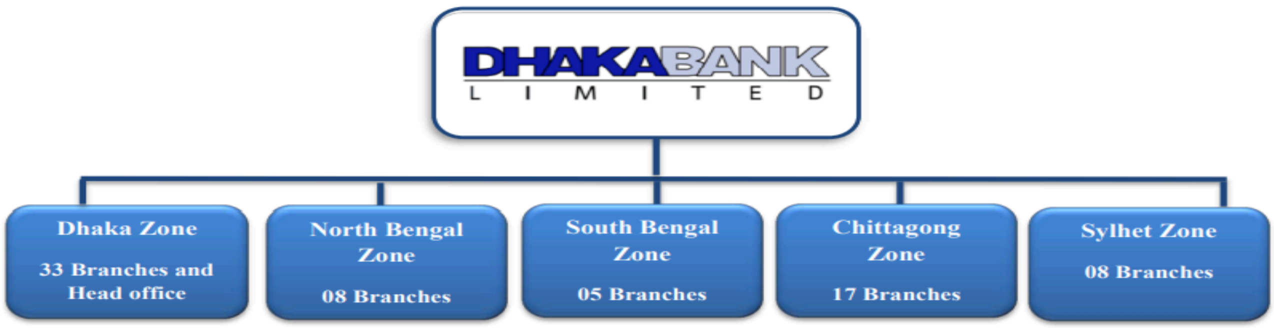

Figure 05: Branches of DBL
Source: DblPLC Website

Initiatives for Training and Development:

Dhaka Bank Ltd. uses a range of methods to train its employees. First, newly hired staff members go through a six-month to one-year probationary period where they learn about the bank, its culture, and their focused activities. To gain extensive exposure to a variety of divisions and sub-departments, they also take part in work rotation activities. Additionally, every six months, the bank hosts brief workshops and growth programs. For instance, a number of the bank's branches recently conducted quick seminars to evaluate women's roles in the workplace.

2.4 Marketing Practices:

Marketing Strategy:

A wide range of commercial services are offered by Dhaka Bank. These diverse banking service offerings function as a single marketing strategy to attract clients.

I'll now compare Dhaka Bank's marketing strategies to the four Ps of marketing. The four Ps of marketing are: place, pricing, marketing, and product. These are the exterior and internal elements of enterprises that people or organizations use to market themselves.

Product: The several services that Dhaka Bank offers its clients are its goods. These consist of offshore banking, SME banking, corporate banking, retail banking, and Islamic banking. Various baking services generate a distinct clientele base. Corporate clients are served by corporate banking. Project financing, trade finance, cash management solutions, and many more services are offered by corporate banks.

Personal use is the purpose of retail banking. They offer services such as auto loans, FDR, and deposits,home loans, among other things. Additionally, Dhaka Bank is well-liked for SME banking. Dhaka Bank offers a variety of lending options to suit the needs of diverse clients.

They also offer loans based on Islamic Shariah. Below are some examples of banking services:

Islamic Banking: Dhaka Bank's Islamic banking, adhering to Shariah ideas, contributes 30% of the financial institution's enterprise. With branches in Motijheel and Muradpur, Chittagong, it gives riba-free loans and schemes like Mudaraba Hajj Savings and Deposit Double schemes.

SME Banking: SME offerings account for 25% of Dhaka Bank's loans. They provide various mortgage options, together with problem-free Shuchona loans for brand spanking new borrowers and aid ladies entrepreneurs. Non-economic tools like I-khata (digital bookkeeping) decorate the purchaser experience.

Offshore Banking: Located in Savar EPZ, this unit serves Non-Resident Bangladeshis (NRBs) and operates in USD, competing efficiently in a overseas-ruled sector.

RMG Financing: Since 2013, Dhaka Bank has supported the RMG sector, one of Bangladesh's biggest export individuals, via a devoted RMG division, catering to garment enterprise customers.

Price: They charge a certain amount of money for the many services they offer their clients. Their account maintenance fees are 300 Taka (half a year) for current accounts and 100 Taka (half a year) for savings accounts over 10,000 to 25,000 each year). Customers must pay 4,000 taka for a small locker, 6,000 taka for a medium locker, and 8,000 taka for a large locker. Additionally, they charge interest rates and offer loans to their clients. For instance, they charge 15–19% APR on personal loans. Additionally, they offer their clients interest on the deposit. Interest rates on deposits range from 3% to 8%, depending on the service, quantity, and duration.

Place: Dhaka Bank serves customers nationwide through 108 branches and its accessible website. The recently launched EZY Bank app makes it easier to open an account, increasing service availability.

Promotion: The Communications and Branding department focuses on creating a strong corporate image through social media, branding and advertising. They support events like Baridhara Pitha Utshob, Dhaka Folk Fest and run promotional campaigns like Mastercard launches. Credit card holders can enjoy discounts at hotels, resorts and shops.

Figure 06: Benefits of using cards of DBL

Source: DblPLC Website

2.5 Financial Performance Analysis

An essential component of any firm is financial analysis. An organization can determine the company's level of financial stability with the aid of this financial study. CAMELS rating is typically used by banks for financial analysis. Thus, I'm going to analyze the CAMELS ratings for 2018 and 2019. Here are some financial details about Dhaka Bank Limited as well as the

Components	Rating 1	Rating 2	Rating 3	Rating 4	Rating 5
Capital Adequacy					
Capital Adequacy Ratio	≥15%	12% - 14.99%	8% - 11.99%	7% - 7.99	≤6.99%
Tier 1 Capital/Risk Weighted Assets	≥5%	4.5% - 5%	3.5% - < 4.5%	3% - < 3.5%	< 3%
Assets Quality					
Classified Loan / Total Loans	<3%	3% <5%	5% - < 10%	10% – <15%	≥15%
Actual Provisioning / Required Provisioning	100%	95% - < 100%	80% - < 95%	50% - < 80%	<50%
Management					
Management Expenses/Total Earning	≤25%	30% – 26%	38% – 31%	45% – 39%	≥46%
Earnings					
ROA	≥1.3%	0.8% – < 1.3%	0.4% – <.8%	0.16 – <.4%	<0.16
ROE	≥ 9%	7% - <9%	5% - <7%	2%– <5%	<2%
Liquidity					
Liquidity Ratio L1	≤55%	62% - 56%	68% – 63%	80% – 69%	≥81%
Liquidity Ratio L2	≥50%	45% - 49.99%	38% - 44.99%	33% - 37.99	≤32%
Sensitivity Ratio					
Total Securities To Total Assets	≤25%	30% - 26%	37% - 31%	42% - 38%	≥43%

Source: Bangladesh bank.

Figure 07: CAMEL Rating standards

Source: Online

Below are all of the bank's financial assessments and results. Prime Bank Ltd.'s annual reports for the preceding three fiscal years (2021–2023) provided the information used in the financial analysis.

Ratio Analysis from the Perspective of the Customer

A customer wants to know if the bank can properly manage their deposit and provide enough money in an emergency. The performance situation during the last three years is shown in the image below.

Customer Point of View	2021	2022	2023
Liquidity Coverage Ratio (LCR)	103.59%	103.85%	103.91%
Debt Equity Ratio (percent)	15.57%	15.68%	16.38%
Credit to deposit ratio	84.97	83.28	85.98

Table 01: Customer point of View

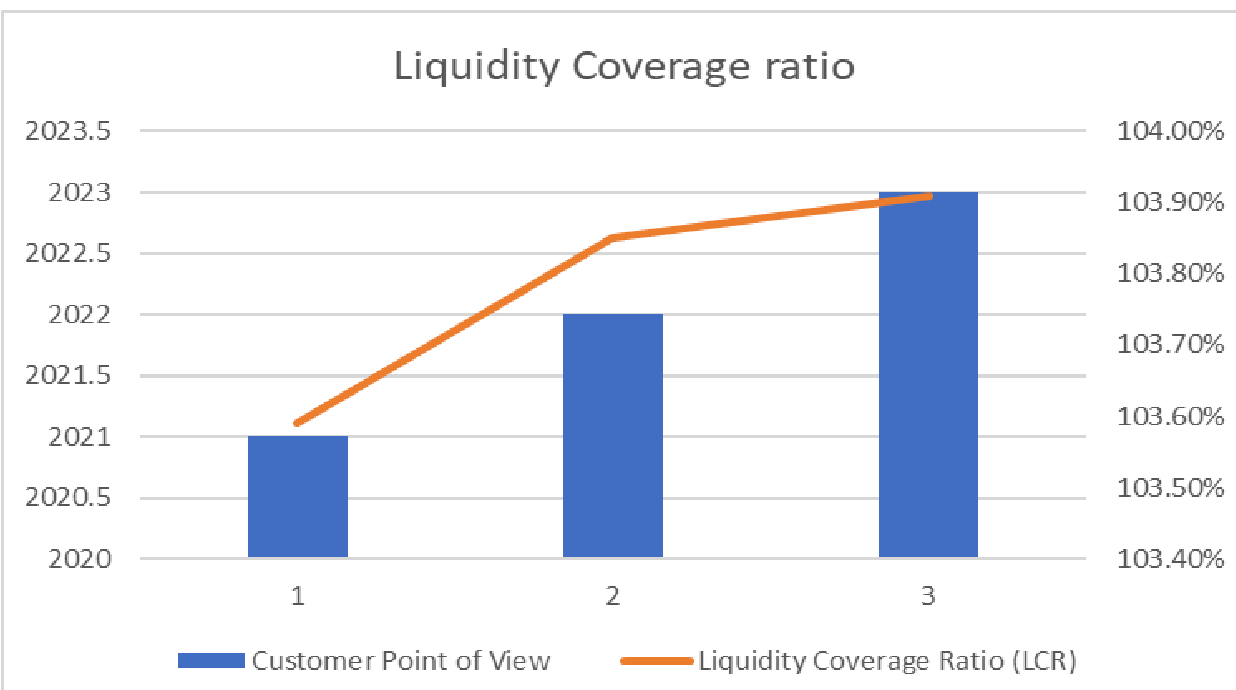

Figure 08: Liquidity Coverage ratio

Explanation: Liquidity Coverage Ratio (LCR) measures the bank's ability to meet short-term obligations in liquid assets. A value above 100% indicates that the bank has sufficient liquidity to cover potential inflows.

- 2021: 103.59%, 2022: 103.85%, 2023: 103.91%—Consistent, lower rates reflect the fund's position and liquidity.
- From a customer perspective, this provides confidence in the bank's safety, reliability and ability to deal with financial stress.

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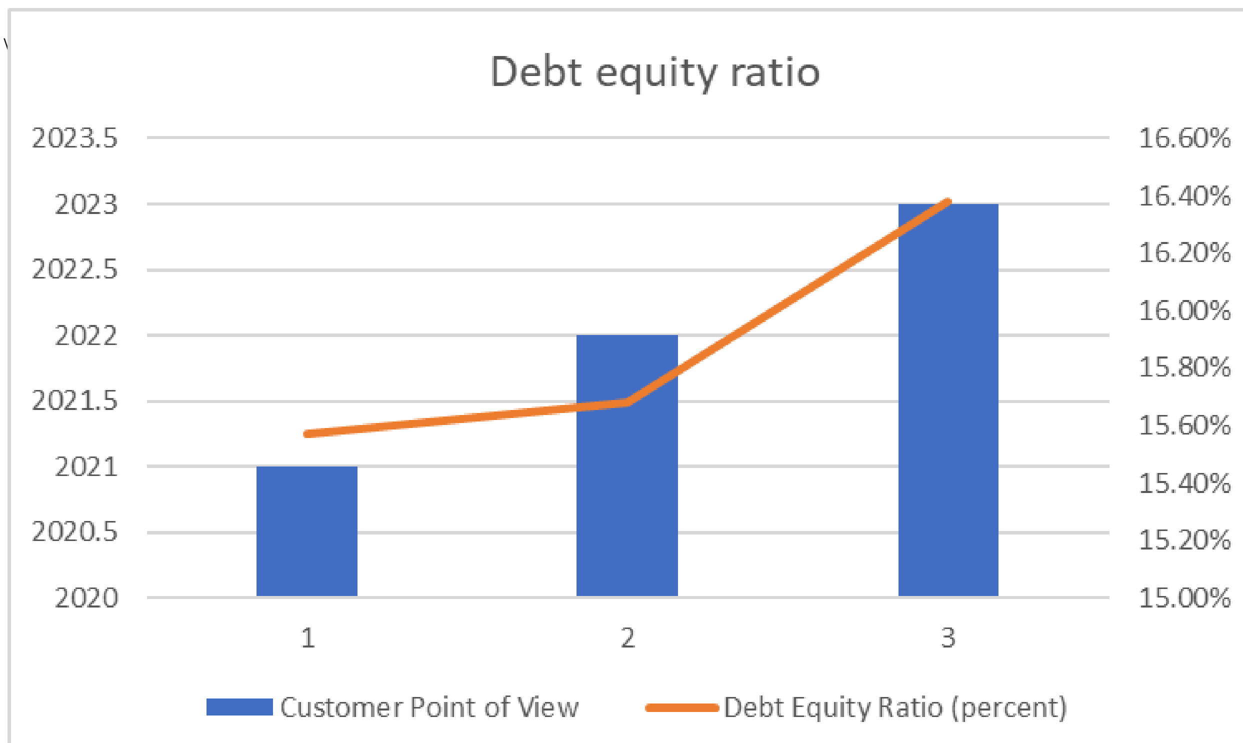


Figure 09: Debt to equity ratio

Explanation: Debt to equity indicates how much of a company's cash flow is financed by debt and equity.

- 2021: 15.57%, 2022: 15.68%, 2023: 16.38%.
- A slight increase indicates that the company is using more debt while remaining financially sound.
- For clients, this means reliability and controlled financial risk.

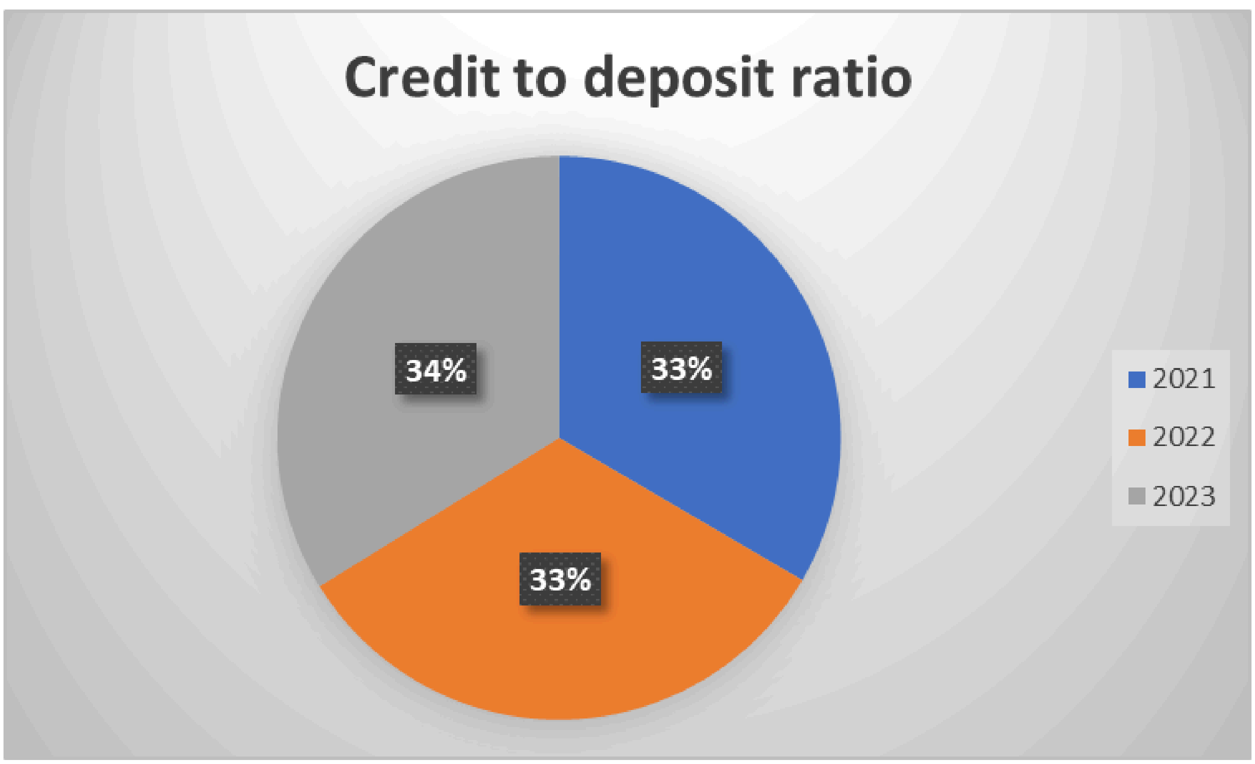


Figure 10: Credit to deposit

Explanation: The ratio of credit to deposit shows how efficiently a bank uses deposits to make loans:

- 2021: 84.97%, 2022: 83.28%, 2023: 85.98%.
- A slight adjustment reflects a balance between debt and equity.
- For consumers, this means safer investments and more efficient financial management.

From the Perspective of Shareholders:

A shareholder wants to make money off of the shares they own. Consequently, they give greater weight to stocks, investments, and asset returns. These proportions are going to impact

the amount they receive for every share. The important details that a shareholder wants to know are highlighted in the table below.

Shareholders Point of view	**2021**	**2022**	**2023**
Return On Assets (ROA)%	0.48	0.49	0.48
Return On Equity (ROE) %	8.03%	8.09%	8.14
Price Earnings Ratio (times)	6.86	7.58	7.27
Return On Capital employed	53%	51%	50%

Table 02: Shareholders Point of view

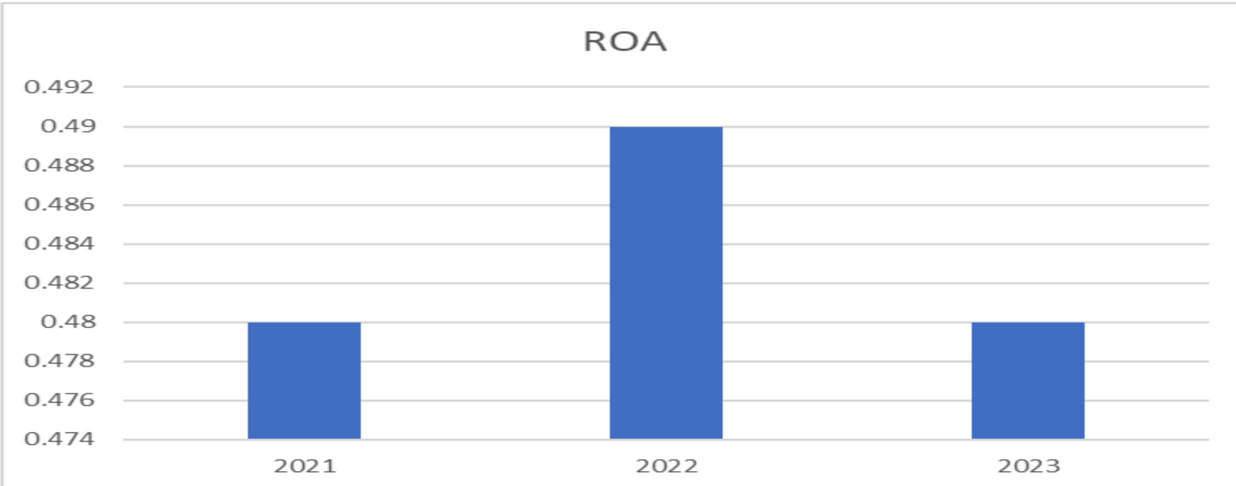


Figure 11: Return on Assets

Explanation: Return on assets (ROA) measures how efficiently a company uses its assets to generate profit.

2021: 0.48%, 2022: 0.49%, 2023: 0.48%.

ROA remained stable, indicating consistent use of assets.

Shareholder perception: A stable ROA reflects reliable performance, but a low percentage indicates low profitability relative to total assets.

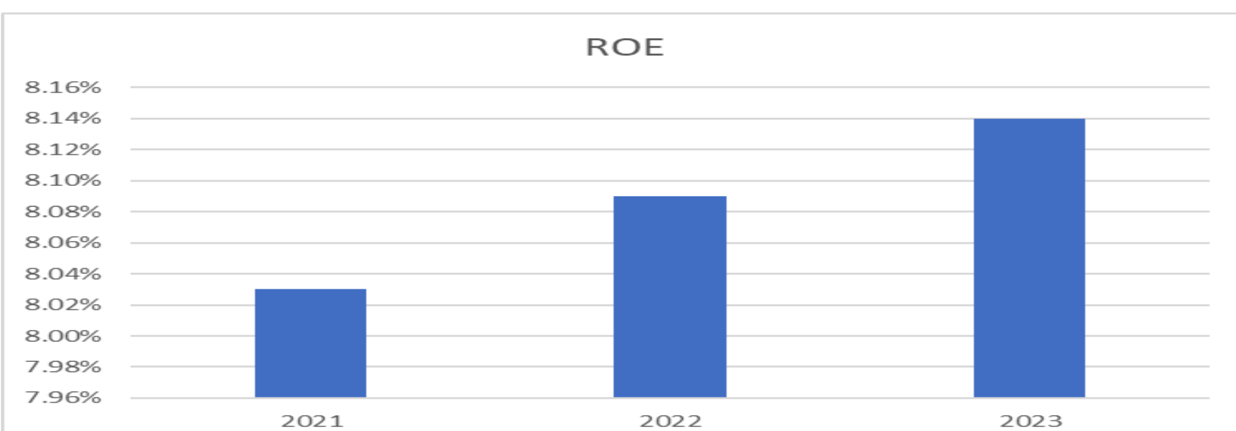


Figure 12: Return on equity

Explanation: Return on equity (ROE) measures how well a company generates returns on shareholders' equity.

- 2021: 8.03%, 2022: 8.09%, 2023: 8.14%.
- A slight increase also indicates continued profitability.

Shareholder views:

- It reflects consistent returns from their investments.
- It means they look at stable management and potential for improvement.

In short, an increasing ROE indicates a more efficient use of capital, which increases shareholder confidence.

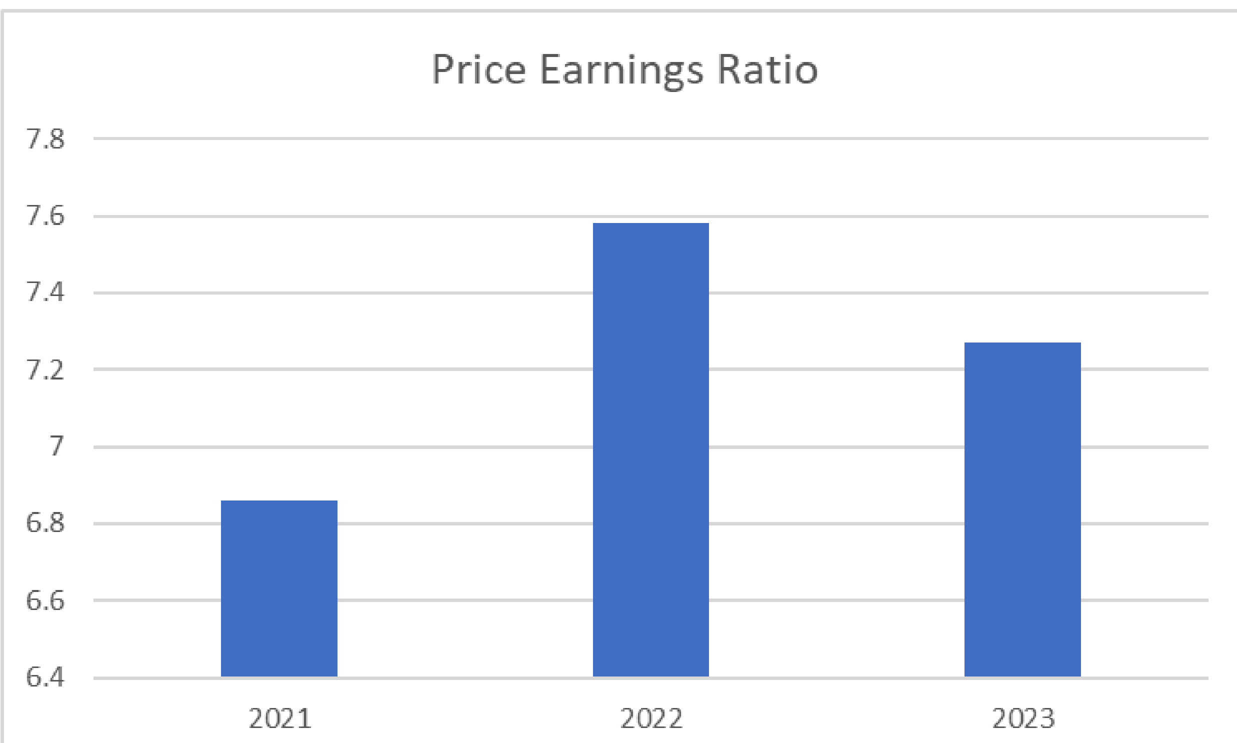


Figure 13: price earning ratio

Explanation: The price-to-earnings (P/E) ratio measures how much investors are willing to pay for each share of a company's earnings.

- 2021: 6.86, 2022: 7.58,
- Growth in 2022 indicates that investors are more confident, while a slight decline in 2023 indicates caution or expectation of growth.
- Shareholder perspective: A stable P/E ratio reflects consistent earnings and market confidence, and indicates that investments are in balance.

Figure 14: Return on capital

Explanation: Return on Capital Employed (ROCE) measures the profitability of a company and how well it uses its capital to generate income.

- 2021: 53%, 2022: 51%, 2023: 50%.

Shareholder views:

- The slight decline in ROCE over the years indicates a slight decline in capital efficiency.
- Although prices remain high, shareholders may see a slight decline as a sign to watch for potential concerns in terms of capital expenditure or profitability.

Overall, the company is still profitable, but the trend may prompt shareholders to wonder how capital is being used.

2.6 Accounting Practices

Dhaka Bank Plc follows a mix of accounting standards, including:

IFRS (International Financial Reporting Standards): Dhaka Bank adopts IFRS as the basic framework for its financial reporting to ensure conformity with global standards.

Bangladesh Banking Regulations: The bank abides by the specific rules and guidelines issued by the Bank of Bangladesh, Central Bank of Bangladesh. This rule applies to banking operations and aspects of financial statements.

Audit Organization of Islamic Financial Institutions (AAOIFI) Standards: For Islamic banking services, Dhaka Bank uses the standards issued by AAOIFI to ensure compliance with Islamic financial principles.

The financial statements of Dhaka Bank are audited by independent auditors to ensure their accuracy and compliance with applicable auditing standards. The bank also produces an annual report which provides detailed information on its financial performance, risk management and corporate governance.

2.7 Operations Management and Information System Practice

Operations Management management practices

Centralized Management: Dhaka Bank uses a centralized management system, through which key functions such as risk management, compliance and IT are managed from the head office. This approach ensures operational stability, it is efficient and well maintained.

Process innovation: The bank continuously reviews and redesigns its processes to identify and eliminate inefficiencies. It uses advanced tools and techniques to streamline operations and reduce operating costs.

Risk Management: Dhaka Bank has a dedicated risk management department that manages various risks, including credit risk, market risk, operational risk and compliance risk The bank provides risk management and robust policies play a role in mitigating potential risks.

Quality Control: The bank has a strong focus on quality to ensure accurate and timely delivery of services. Quality control methods are applied at various stages of production to reduce errors and deficiencies.

Customer Service: Dhaka Bank has prioritized customer satisfaction and implemented effective customer service strategies. This includes providing 24/7 customer support, efficient complaint resolution mechanisms and personalized banking solutions.

Information System Practice

Core Banking System (CBS): Dhaka Bank uses a state-of-the-art CBS to manage its core banking activities. The system enables seamless integration of banking functions such as account management, loan processing and transactions.

Digital Banking: The bank offers a wide range of digital banking services including internet banking, mobile banking and digital wallets. These services are driven by advanced IT infrastructure and security measures.

Data Analytics: Dhaka Bank uses data analytics to gain valuable insights into customer behaviour, market trends and business performance. This data-driven approach allows the bank to make informed decisions and improve its business efficiency.

Cyber security: Cyber security is a priority for Dhaka Bank. The bank has implemented stringent cyber security measures to protect sensitive customer information and prevent cyber attacks. It includes a firewall, intrusion detection system and encryption technology.

IT Infrastructure: The bank invests in modern IT infrastructure, including high-speed connectivity, data centers and server farms.

This provides reliable and efficient banking services.

2.8 Industry & Core Analysis

An evaluation of the market to determine their place in it is called an industry analysis. Two categories of analysis exist. There are two types of analysis: internal and market.

Porter's Five Forces Model:

Bangladesh has a large number of banks. This is the external market analysis:

● **New entrant threat:** There is little risk of new entrants. due to the fact that in Bangladesh

There are already numerous banks that are well-known. Entering this industry is therefore challenging.

Furthermore, opening a bank requires a large amount of capital as well as a number of legal procedures.

● **Competitive Rivalry Threat:** There is a significant risk of competitive rivalry. There are now 61 scheduled banks operating in Bangladesh. Additionally, all banks offer their clients essentially the same services. Thus, there is fierce competition amongst the banks.

- **Buyer Bargaining Power:** Buyers have significant bargaining power. because consumers have a wide range of choices. In contrast to many banks, they can thus choose customer-friendly services with ease. Customers now have more choices to Select from. Switching comes at a significant cost.

- **Bargaining Power of supplier:** Bargaining Consumer deposits, mortgages and mortgage securities, and loans from other financial organizations are examples of banks' suppliers. They can determine whether they have sufficient resources to offer all services based on this. The scenario determines the supplier's power, which ranges from medium to high. They possess significant power if the financial market is in a poor state.
- **Power of Substitute:** The substitute's power is minimal. Insurance, mutual funds, and fixed income securities are examples of substitutes. Typically, people don't move to these replacement businesses.

SWOT ANALYSIS

A SWOT analysis is a framework used by businesses to identify their opportunities, threats, weaknesses, and strengths. It is a company-wide internal analysis. I'll now talk about the SWOT analysis of the Dhaka bank:

Strength

- **Established company:** In Bangladesh, Dhaka Bank is a highly reputable company. This is among Dhaka Bank's greatest advantages. They can draw in a lot of clients thanks to their positive brand image.

- **Brand expansion:** The operations of Dhaka Bank were extended. There are two of their subsidiaries. One of the advantages is this.
- **Employee relations:** Maintaining strong bonds among employees is crucial. The atmosphere at Dhaka Bank is kept up nicely. They host numerous events for the staff each year that foster positive working relationships.

Weakness:

- **Inadequate marketing initiatives:** In comparison to other banks, they have inadequate marketing initiatives. They don't engage in a lot of marketing. Lack of sponsorship, advertising campaigns, and many other things.
- **Similar Service:** The absence of diversification is another flaw. They offer services that are comparable to those of all other banks. Therefore, there aren't any unique services that could draw clients.

Opportunity:

- **Competitive Advantage:** Dhaka Bank may have an edge over rivals if it introduces fresh and creative services. There may be a significant possibility because Dhaka Bank is well-known and has numerous offices throughout Bangladesh in order to obtain a competitive edge.
- **Product Expansion:** By establishing other subsidiaries, they may meet market demand and grow the business. This is a significant potential.

Threat:

- **New bank emergence:** There are a lot of banks opening up these days, which could pose a serious risk. Customers will switch to new banks if they offer services with more rewards.
- **Similar Service:** Every bank offers a comparable service to Dhaka Bank.

  It may pose a serious risk. because clients have a wide range of possibilities. Customers may therefore be transferred to other banks.

2.9 Summary and Conclusion

I covered the company's overall state and all of its operations in this chapter, including management procedures, marketing strategies, and financial analysis. Here, I also conduct competitive and industrial analysis. The background of

Dhaka Bank and how its departments and activities have been changing daily. In general, they are growing their organization across the nation. There are more than 100 branches across the nation. They have a robust human resources department and are running their firm efficiently. In the financial sector, they are in a very strong position. Furthermore, Dhaka Bank has a steady financial position.

2.10 Recommendations

Dhaka Bank continues to perform well and is constantly improving its performance. For further efficiency, the following suggestions may be considered.

Increase marketing efforts: Dhaka Bank should invest more in marketing strategies by organizing campaigns and other promotional activities.

Increased Training Program: The bank needs to provide more training to improve the skills of its employees.

Strengthen CSR initiatives: Corporate social responsibility (CSR) activities should be given more attention to enhance community involvement and the bank's reputation.

Creating a market research team: Hiring a dedicated market research team will help the bank better understand customer needs and improve promotional efforts.

Chapter 3

Challenges of Combating Anti-Money Laundering Activities

3.1 Introduction:

In this chapter, I will have a look at the challenges and boundaries confronted by using the Anti-Money Laundering (AML) and Combating the Financing of Terrorism (CFT) Department at Dhaka Bank PLC, Bangladesh. Along with that, the look at will discover the mechanisms and impacts of money laundering and the particular challenges encountered by way of the financial institution's AML-CFT department in addressing these issues. This evaluation aims to offer an in-depth know-how of the hurdles and barriers that influence the effectiveness of Dhaka Bank's AML-CFT initiatives.

3.2 Problem Statement

Money laundering refers to the illicit technique of converting black money, generated thru unlawful activities together with smuggling, terrorism, and human trafficking, into legitimate white cash. It is a substantial global problem, posing severe challenges to economies and societies internationally.

In Bangladesh, cash laundering stays a vital issue. Among developing international locations, Bangladesh ranks thirty third in terms of cash laundering activities. This phenomenon drastically impacts the state's financial system, undermines protection, and reduces authorities' sales. Offshore financing is frequently used as a device for laundering cash, with the price range being transferred to international locations just like the USA, Canada, Switzerland, and others. According to The Financial Express deposits from Bangladesh into Swiss banks were step by step increasing due to the fact 2004. Individuals worried about laundering regularly target nations or institutions where shifting illicit funds is less difficult, frequently the use of methods such as depositing cash in banks to legitimize it.

To fight this issue, the Bangladesh government brought the Money Laundering Prevention Act in 2002. However, the initial implementation yielded limited success. In response, the act became up to date in 2012, mainly to the established order of the Bangladesh Financial Intelligence Unit (BFIU) below Bangladesh Bank. The BFIU plays a pivotal function in monitoring and addressing money laundering activities throughout the country. Additionally, below the directive of the BFIU, all banks and monetary institutions, which include Dhaka Bank, created Anti-Money Laundering (AML) and Combating the Financing of Terrorism (CFT) divisions. These committed division’s goal to prevent cash laundering and cut back crook economic activities.

This chapter 3 delves deeper into those issues, examining the mechanisms of cash laundering, the measures taken through the Bangladeshi government, and the position of Dhaka Bank's AML-CFT division in addressing these demanding situations

Research Question(RQ):

RQ1: How do frequent regulatory changes impact the compliance effectiveness of the AML/CFT department?

RQ2: To what extent do resource limitations, including staffing and budget constraints, affect the operational efficiency of the AML/CFT department?

RQ3: How do technological limitations, such as inadequate IT systems and data integration issues, impact AML/CFT compliance efforts?

RQ4: What are the primary challenges faced by the AML/CFT department in conducting effective customer due diligence, particularly for complex corporate structures and high-risk individuals?

RQ5**:** How do evolving money laundering and terrorist financing tactics affect the ability of the AML/CFT department to detect and prevent illicit financial activities?

3.3 Objectives:

The main objective of this study is to identify and analyze the challenges and constraints faced by the Anti-Money Laundering (AML) and Counter-Financial Terrorism (CFT) Department of Dhaka Bank Plc, Bangladesh. This study aims to examine the internal and external factors that hinder effective AML/CFT implementation, such as regulatory compliance, technical limitations, resource constraints, evolving criminal procedures.

- Identifying internal challenges such as resource limitations, workforce training, and technological infrastructure.

- Examining external barriers including evolving financial crime tactics, regulatory complexity, and compliance with international standards.
- Assessing the impact of policy and regulatory frameworks on the bank's AML/CFT practices.
- Exploring the effectiveness of current monitoring systems in detecting suspicious activities.
- Providing recommendations to enhance the efficiency and effectiveness of Dhaka Bank's AML/CFT operations.

3.4 Significance:

The significance of this observes lies in its potential to address one of the most pressing worldwide demanding situations—money laundering and the financing of terrorism—by using focusing on the Anti-Money Laundering (AML) and Combating the Financing of Terrorism (CFT) Department at Dhaka Bank PLC, Bangladesh. The studies offer valuable insights into the barriers hindering powerful AML/CFT practices, permitting the financial area to reinforce its systems and enhance usual integrity. By figuring out the gaps between policy and practice, this look provides a foundation for refining regulatory frameworks, making extra pragmatic and powerful strategies to combat monetary crimes. It also sheds light on the internal and outside demanding situations faced with the aid of monetary institutions, imparting actionable tips to bolster institutional capacity and enhance detection mechanisms. Furthermore, by inspecting the complexities of regulatory compliance and alignment with global standards, the study helps efforts to hold worldwide economic credibility and partnerships. Addressing these challenges has broader implications for economic stability and sustainable improvement in Bangladesh, as preventing monetary crimes immediately affects country wide protection and economic resilience. This research no longer simplest complements the information of AML/CFT operations in growing international locations however additionally serves as a vital useful resource for professionals and policymakers dedicated to mitigating the risks of monetary crimes.

3.5 Methodology:

This research follows a qualitative approach. Initially, an exploratory survey is conducted with about 20 employees from the branch to acquire a wide information of the issues they stumble upon. Following this, semi-based interviews have been performed with senior members of the top control. These interviews will provide deeper insights into the strategic and operational challenges impacting the branch's effectiveness. The combination of survey information and interview insights will offer a comprehensive perspective on each of the inner and outside boundaries to AML/CFT operations, allowing for a more nuanced evaluation. The collected facts will be thematically analyzed to pick out key patterns and demanding situations, forming the basis for actionable recommendations to enhance the branch's potential to fight economic crimes.

3.6 Literature Review

The Anti-Money Laundering (AML) and Combating the Financing of Terrorism (CFT) departments in banks face various inner and outside challenges that hinder their capability to correctly come across and save you from financial crimes. This assessment explores the challenges faced by using those departments, focusing on aid barriers, workforce training, technological infrastructure, evolving economic crime approaches, regulatory complexity, and the compliance with global requirements. The overview also evaluates the impact of policy and regulatory frameworks on AML.

3.6.1 Challenges in AML & CFT Practices

Resource limitation

One of the major challenges faced by AML & CFT departments in banks is financial and human resource constraints. AML implementation requires significant investments in technology, personnel and training (Hassan, 2020). According to Baur and Kopp (2020) , resource constraints can lead to underutilization of advanced technologies needed to detect complex financial crimes. Smaller banks such as Dhaka Bank may find it difficult to compete with larger financial institutions for budgeting for AML & CFT compliance, resulting in long delays in compliance processes and outdated technical systems (Foley & Dimmitt, 2021).

Furthermore, companies with limited resources tend to prioritize core operations over AML efforts, which can lead to a lack of audit and control measures, as noted by Giovanetti and Marti (2021), resources is restricted often with a reactive rather than proactive approach to financial crime, leaving the bank vulnerable as an imminent threat will be coming.

Staff training

Lack of properly trained personnel is another major internal barrier to effective implementation of AML & CFT practices. The sophistication of modern financial crimes requires AML professionals to continually update their skills and knowledge. However, as highlighted by Alfaro et al. (2019), banks often struggle to invest effectively in employee training due to financial constraints and competing priorities. Without up-to-date training, employees may not be able to spot suspicious practices or interpret complex regulatory requirements, undermining the effectiveness of AML & CFT programs.

Giovanetti and Marti (2021) further emphasize that the high turnover rate among AML professionals exacerbates the problem. The continuous recruitment and training cycle not only increases operating costs but also affects the department's continued and steadfast efforts in the prevention of financial crimes.

Technical design process

Technical infrastructure is key to the success of AML & CFT departments. Old systems, manual processes and lack of integration between platforms hinder the timely detection of financial crimes. According to Ali (2021), many banks especially in emerging markets like Bangladesh rely on ineffective legacy systems that do not manage the vast interconnectedness and complexity of today's economy. They engage in power.

Furthermore, Gupta et al. (2020) argue that the adoption of synthetic intelligence (AI) and system learning (ML) technology is essential to enhance the performance of surveillance systems. However, imposing those technologies requires significant capital funding and information, which may be a challenge for smaller establishments including Dhaka Bank.

3.6.2 External barriers to effective AML and CFT practices

Plan of financial crimes

Financial criminals are becoming increasingly sophisticated, constantly changing their tactics to evade detection. As Hassan (2020) has noted, the emergence of new financial technologies such as cryptocurrency and peer-to-peer lending systems pose significant challenges to AML & CFT departments to detect illegal activities This technology allows they are anonymous communications that are hard to detect, different from traditional surveillance systems And they are. The lack of regulation on financial innovations further complicates the efforts of banks such as Dhaka Bank to remain compliant with AML and CFT regulations (Ali, 2021).

In addition, the increasing use of offshore accounts and shell companies for money laundering and terrorist financing requires a robust and global approach to monitoring and reporting. According to Bauer and Kopp (2020), financial institutions should increase their cross-border operations to better monitor and prevent illicit financial flows.

3.6.3 Compliance with complex regulations and international standards

The complexity of international and local AML and CFT regulations presents a significant external barrier. According to Alfaro et al . (2019), banks have to navigate myriad regulations from local authorities and international bodies such as the Financial Action Task Force (FATF). Dhaka Bank, like many other banks, has to comply with FATF recommendations, as well as internal regulations set by the Central Bank of Bangladesh. Inconsistencies in regulatory requirements between different jurisdictions make it difficult for multinational financial institutions to establish a single compliance strategy (Hassan, 2020).

Furthermore, the constant updating of these regulations requires frequent revisions to compliance plans, increased administrative costs and the risk of non-compliance Foley and Dimmitt (2021) argue that changes the rapid pace of regulatory emergence makes it difficult for financial institutions to stay ahead of potential threats, often leading to reactive rather than proactive measures

3.6.4 The impact of policy and regulatory frameworks on AML/CFT practices

The policy and regulatory framework that guides AML & CFT efforts plays an important role in the regulatory functioning of the banking department. Effective legislation contributes to a more consistent and transparent approach to economic crime, while a weak legal framework can make a difference in enforcement and accountability, enforcement cannot be played by policy makers in ensuring legislative clarity, consistency and updating. such as Gupta et al. (2020) no.

However, as emphasized by Hassan (2020), poorly formulated regulations can place undue burdens on smaller financial institutions, hindering their ability to effectively implement compliance policies. For Dhaka Bank, navigating these regulatory pressures and ensuring continuity of operations is an ongoing challenge.

3.6.5 Effectiveness of current monitoring systems

Current surveillance systems at banks are essential to detect suspicious activities and ensure compliance with AML & CFT regulations. However, technical limitations, lack of integration, and inefficiencies often hamper the effectiveness of these systems. Traditional methods of identifying suspicious activity, such as manual testing, are inadequate in the face of increasingly complex financial transactions (Baur & Kopp, 2020). Integrating advanced technologies such as AI and machine learning to enhance Dhaka Bank's detection capabilities can help monitor transactions automatically, reduce false positives, and enable the identification of risky transactions greater than the same (Giovannetti & Marti, 2021).

Several recommendations have been made to improve the efficiency and effectiveness of Dhaka Bank’s AML & CFT operations:

Investment in technology: Dhaka Bank should prioritize the adoption of modern technologies such as AI and ML to improve its transaction tracking systems. These technologies can help identify suspicious applications in a more accurate and rapid manner, reducing the risk of missing critical threats (Gupta et al., 2020).

Employee Training and Retention: Given the importance of trained employees in combating financial crime, banks should continue to invest in training programs to ensure that employees are aware of changes in the latest legal and economic crime policy (Giovannetti & Marti, 2021) . In addition, efforts should be made to improve consistency within the department to improve employee retention.

Resource allocation: The bank should allocate appropriate resources to its AML & CFT operations, ensuring that the department has the necessary equipment, personnel and technology to effectively meet its objectives. This may involve partnering with external vendors to obtain specialized AML software solutions.

Regulatory Cooperation: The Bank of Dhaka should strengthen its administrative and international organizations to ensure compliance with evolving regulations and to stay ahead of the emerging financial crime measures (Alfaro et al., 2019).

3.7 Analysis and finding:

Survey Findings : In this phase, I have analyzed the information amassed through an exploratory survey questionnaire. Based on this evaluation, I have developed numerous sample questions. The survey concerned a pattern length of 20 participants. Although this sample length won't be enough to comprehensively examine the overall situation of money laundering or completely apprehend Dhaka Bank's measures, it gives precious initial insights into the difficulty. Among the 20 respondents, 80% have been male, and 20% have been women. Below, I present some key findings from the survey evaluation

Regulatory Complexity and Changing Landscape:

Frequent regulatory amendments, complex AML/CFT rules and high -match costs present important challenges for the AML/CFT department in Dhaka Bank PLC.

The results of the survey indicate that 95% of those surveyed agree that frequent regulation modifications make it difficult to comply, policy updates, staff training and system adjustment require extensive time and resources for adjustment. This not only focuses on core operations, but also increases accidental risk of non-transport.

In addition, 100% of those surveyed accepted the complexity of the AML/CFT rules as a major challenge, which led to potential misinformation, operating disabilities and match intervals. The complex character of these rules requires clear guidance, continuous training and advanced compliance equipment to ensure effective implementation. In addition, 90% of those surveyed agree that compliance costs a significant financial burden, which affects the distribution of resources and operating efficiency. Expenses related to special personnel, training and system upgrading, emphasize the budget for the department, making it necessary to use cost -effective solutions such as automation to maintain compliance while optimizing resources.

These findings outline the need for strategic investments in compliance technology, improved training programs and better regulatory communication to effectively navigate these challenges.

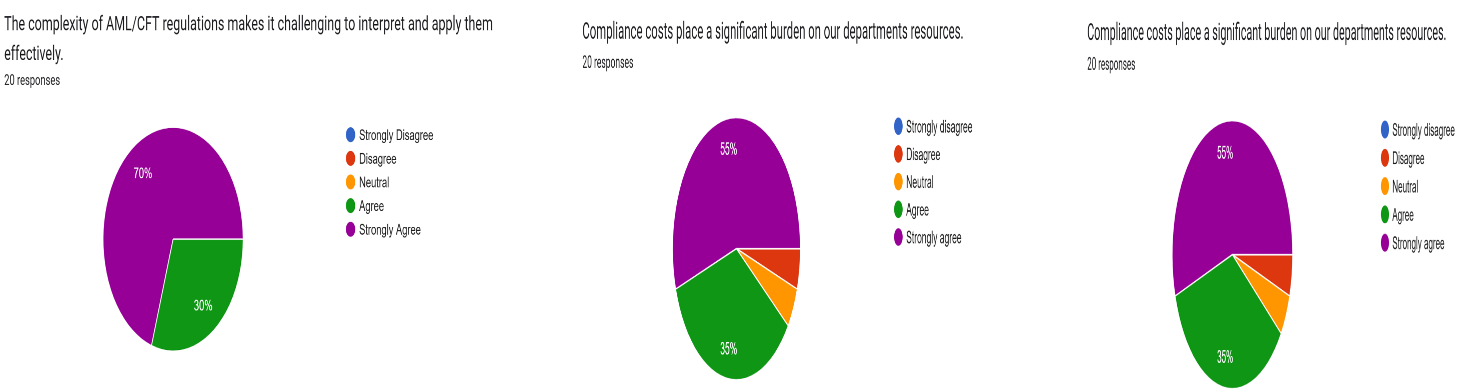


Figure: Responses from RQ 1

Resource Constraints:

Understaffing, lack of budget and lack of skilled personnel faces significant challenges for the AML/CFT department in Dhaka Bank PLC, which leads to obstacles to its ability to effectively fight financial crime.

The findings of the survey show that 85% of those surveyed believe that their ability to monitor and analyze suspicious activities adversely affects. Increased cost is monitored, delay in detection of financial offenses and difficulties in handling reporting requirements. In order to solve this problem, more employees must be hired or use technology.

In addition, 100% of those surveyed agreed that the limited budget distribution prevents the department's ability to obtain the necessary AML/CFT equipment and technologies. Budget shortages prevent investment in advanced surveillance systems, AI analysis and staff training, reducing general efficiency and compliance efficiency. A more strategic approach, where to advocate increased funds and prioritize cost -effective solutions, is necessary to reduce this challenge.

In addition, 100% of the lack of skilled personnel was a major concern, which emphasizes the ongoing training and professional development needs. Inadequate competence may delay misinterpretation of regulations, ineffective conformity strategies and financial offenses. Investment in skills development programs and targeted recruitment can increase the capacity of the department to detect and prevent money laundering and financing a terrorist.

These findings outline the need for a comprehensive strategy that includes expansion of the workforce, technological progress and continuous training to strengthen the operational capacity of the AML/CFT department.

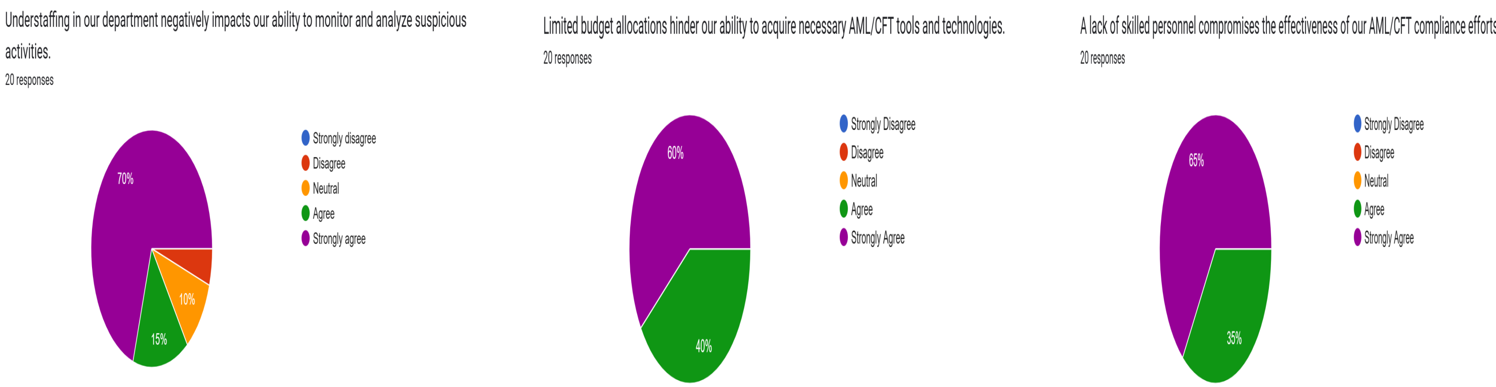


Figure: Responses of RQ2

Technological Challenges:

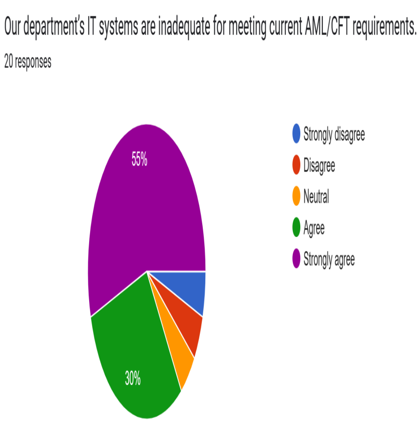
Problems with data integration, insufficient IT infrastructure and cyber security threats challenge the AML/CFT department in Dhaka Bank PLC, which affects risk assessment, compliance and overall operation.

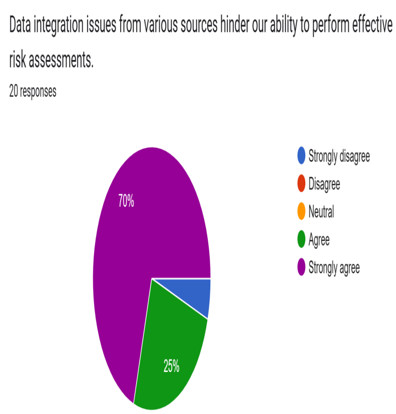
The findings of the survey indicate that 95% of those surveyed believe that data integration questions prevent effective risk assessment. The fragmented data prevents the department from achieving a comprehensive approach to customer activities, which increases the risk of transferring over identifying suspicious behavior. Implementation of advanced data integration solutions and training personnel on use can increase the risk analysis and compliance with regulations.

In addition, 85% of those surveyed agree that the department's IT infrastructure is insufficient for the current AML/CFT requirements. Obstacle of old system transactions, regulatory reporting and advanced analysis, leading to a leading delay and compliance intervals. Upgrading the IT system with AI-driven analysis, automation and secure data sharing mechanisms is important for strengthening AML/CFT inserts.

Cyber security puts these challenges more in danger, with 100% of those surveyed acknowledging their influence. Risk operative integrity such as data, hacking and ransomware can destroy customer chairs and interfere with matching efforts. Strengthening cyber security measures - such as encryption, secure access protocol and regular system audit - can ensure digital infrastructure and ensure compliance with regulations.

These findings highlight the immediate need for IT modernization, data integration solution and cyber security structure to increase the capacity of the department to effectively detect and prevent financial offenses.





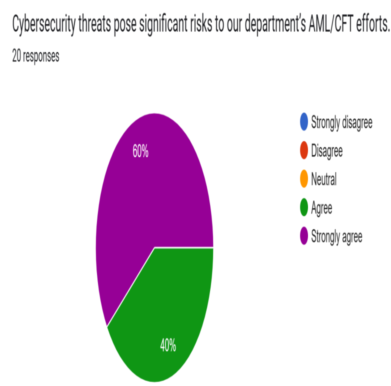


Figure: Responses of RQ 3

Customer Due Diligence (CDD) Challenges:

Identification of favorable owners, who confirm high-risk customer identification and monitor multi-judgmental transactions, emphasizes the resources and matching efforts, Dhaka Bank presents important challenges for the AML/CFT department at PLS.

The results of the survey indicate that 95% of those surveyed are struggling to identify favorable owners in complex corporate structures. Smooth ownership, non-transparent systems and hidden cash flows make the right hard work difficult, which increases the risk of financial crime. Strengthen guidelines, take advantage of the global database and increase the training of staff can improve favorable owner's identity.

In addition, 100% of those surveyed expose high -risk customer identification. Incomplete data, fraud documents and obstacent verification system prevent risk assessment. Using advanced technologies such as biometric authentication and AI-operated identification verification, with strong international cooperation, can increase accuracy and efficiency.

In addition, 90% of those surveyed report monitoring of multi-jurisdictional transactions in the tribes. Complex regulatory structures, separation of international banking standards and requirements for compliance with violations create operating barriers. Investment in advanced surveillance systems, promote interbank collaboration and strengthen regulatory partnerships can streamline the monitoring of the border choir transaction.

These findings emphasize the need for technical solutions, political reforms and international cooperation to increase the department's capacity to compete with the department's money laundering and economic crimes effectively.

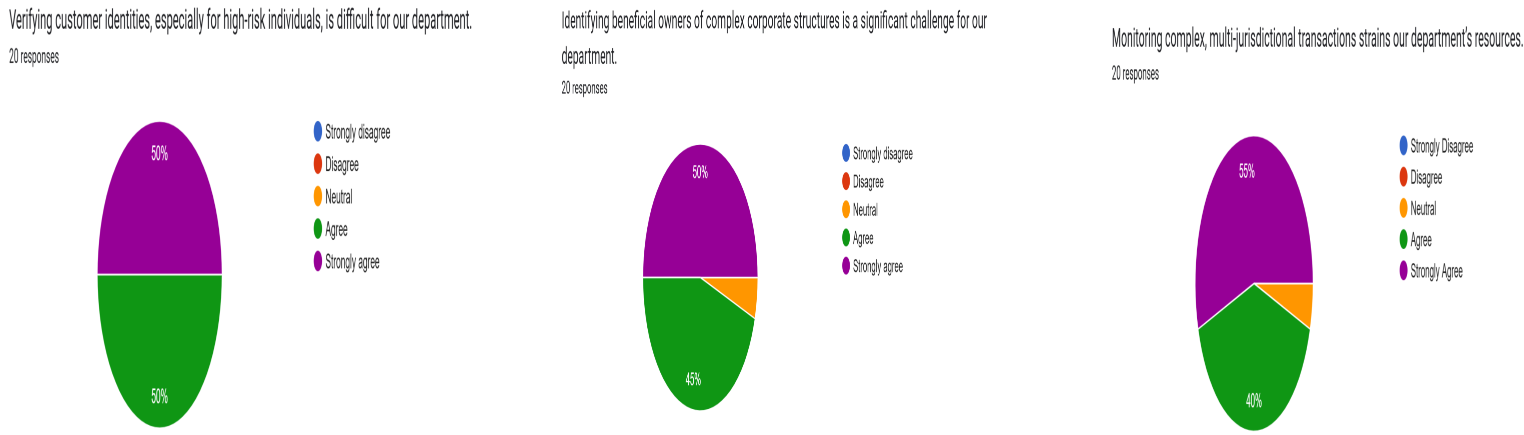


Figure: Responses of RQ 4

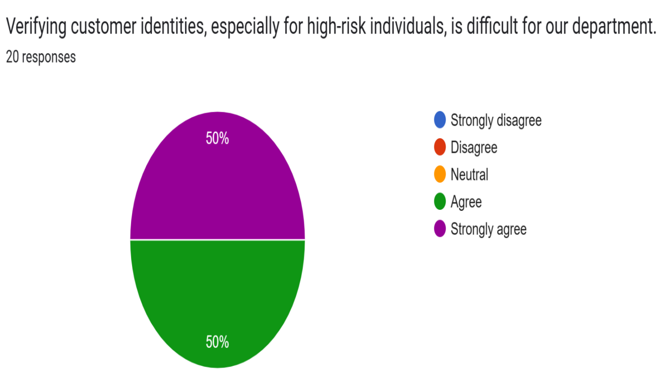
Evolving Criminal Tactics

Sophisticated money laundering technology and developed terrorist financing risk Dhaka Bank presents significant challenges for the AML/CFT department at PLS, and requires continuous adaptation and investment in advanced technologies and international cooperation.

The findings from the study indicate that 100% of those surveyed agreed that sophisticated money laundering technology makes it difficult to detect and prevent illegal activities. Techniques such as layering, trade -based money laundering and use of cryptocurrency or shell companies are complicated to detect cash flow and identify suspicious activities in real time. The department must invest in advanced detection systems, including AI, machine learning and other new technologies, to increase the ability to identify complex money laundering methods. Training and international cooperation from ongoing employees are also required to be ahead of the dangers that develop.

Similarly, 100% of those surveyed admitted that the risk of terrorist financing requires continuous adaptation. Dynamic nature of terrorist financing - often covering hidden mechanisms such as charity, human trafficking or microfinance - is difficult for financial institutions to detect and stop. To solve this, the department must improve the capacity for active risk management through ongoing investigations, system updates and increased cooperation with international authorities. Advanced technologies that are able to identify suspected patterns in terrorist financing are important to be compatible with new dangers.

These conclusions emphasize the need from Dhaka Bank to invest Dhaka Bank in technology, strengthen the expertise of employees and to maintain strong international participation to compete with both money laundering and terrorist financing.



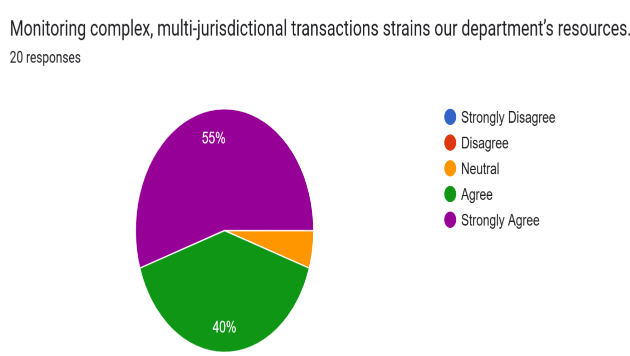


Figure: Responses of RQ 5

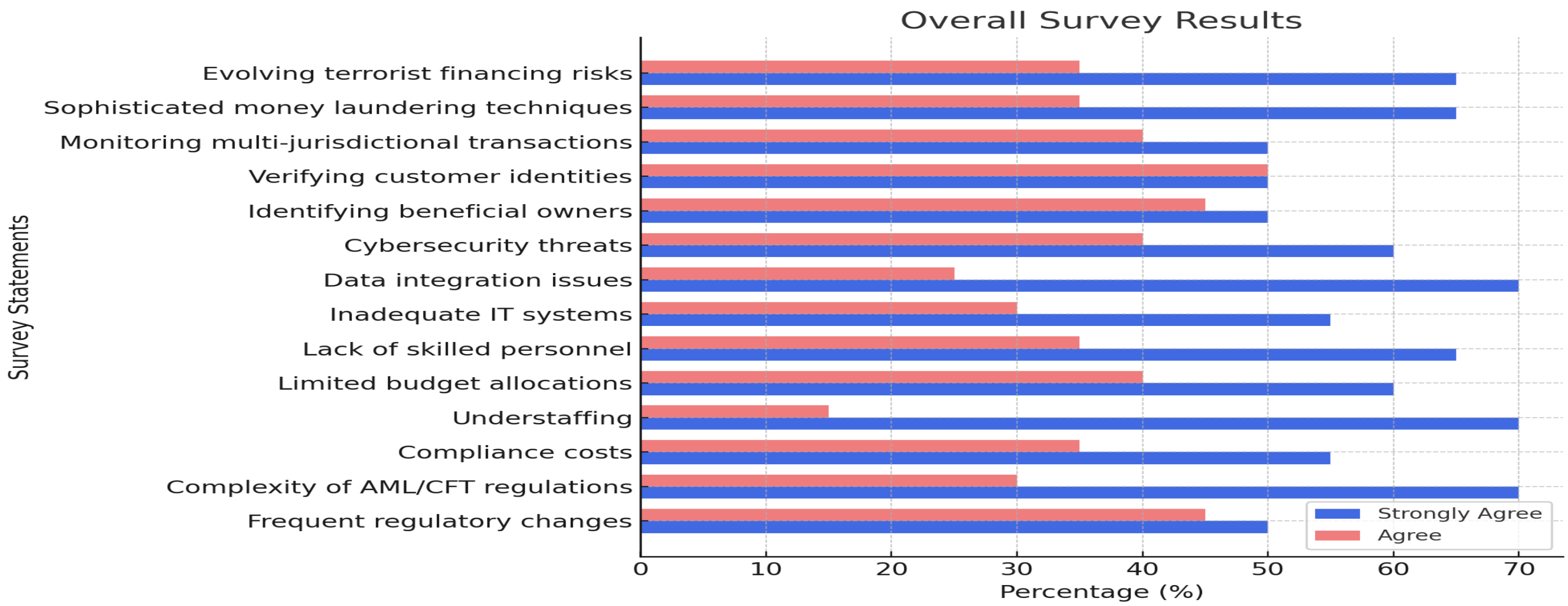


Figure: Overall survey result

Interview analysis and findings

I conducted interviews with the Vice President who is the Head of the AML and the CFT department together with assistant Vice Presidents and Principal Officers.The intense interviews carried out with contributors of Dhaka Bank's AML/CFT department supplied critical insights into the challenges they face and the elements hindering their operational effectiveness. The evaluation of the responses has found out several ordinary issues, underscoring the complexity and multi-faceted nature of the issues.

Frequent Regulatory Changes and Complexity

Respondents constantly emphasised the difficulties in staying compliant with often changing AML/CFT rules. The constant updates create widespread operational disruptions, requiring the department to divert attention and sources from proactive tracking to compliance modifications. The complexity of policies regularly necessitates external consultation, slowing down choice-making and increasing the chance of non-compliance.

Resource Constraints

An ordinary topic changed into the severe effect of understaffing and limited finances allocations on the branch's potential to feature correctly. Staff shortages mean that existing personnel are overburdened, frequently leading to undertaking prioritization that leaves a few flagged activities inadequately investigated. The lack of investment restricts the branch from acquiring superior monitoring tools, forcing reliance on previous structures and guide strategies, which can be less effective and greater error-prone.

Technological Limitations and Data Integration Challenges

The inadequacy of the department's IT infrastructure was highlighted as an important barrier to powerful AML/CFT operations. Respondents referred to that previous systems and poor information integration talents lead to delays and inefficiencies, especially in hazard assessment and transaction monitoring. Fragmented information systems make it tough to create a unified view of client hobby, extensively hindering the detection of suspicious patterns.

Evolving Risks and Adaptation Challenges

Respondents stated that at the same time as the branch strives to preserve up with evolving money laundering strategies and terrorist financing risks, the tempo of trade regularly leaves gaps in their defenses. The loss of predictive analytics tools and global partnerships limits the branch's capacity to proactively address new threats. Current techniques are in large part reactive, with efforts focused on adapting after new strategies are recognized in preference to anticipating them.

Workforce Challenges

The interviews discovered large problems in recruiting and preserving skilled personnel for AML/CFT compliance. The area of interest nature of the sector and the high workload associated with the role make it challenging to keep a stable team of workers. While ongoing schooling programs are in location, they may be frequently inadequate to equip a group of workers to deal with an increasing number of state-of-the-art economic crimes.

Sophisticated Money Laundering Techniques

Sophisticated laundering strategies, including the use of cryptocurrencies, shell organizations, and multi-jurisdictional transactions, were highlighted as essential barriers. These strategies are becoming tougher to locate with existing tools and require advanced structures and know-how that the branch currently lacks.

Overall summary of the Interviews

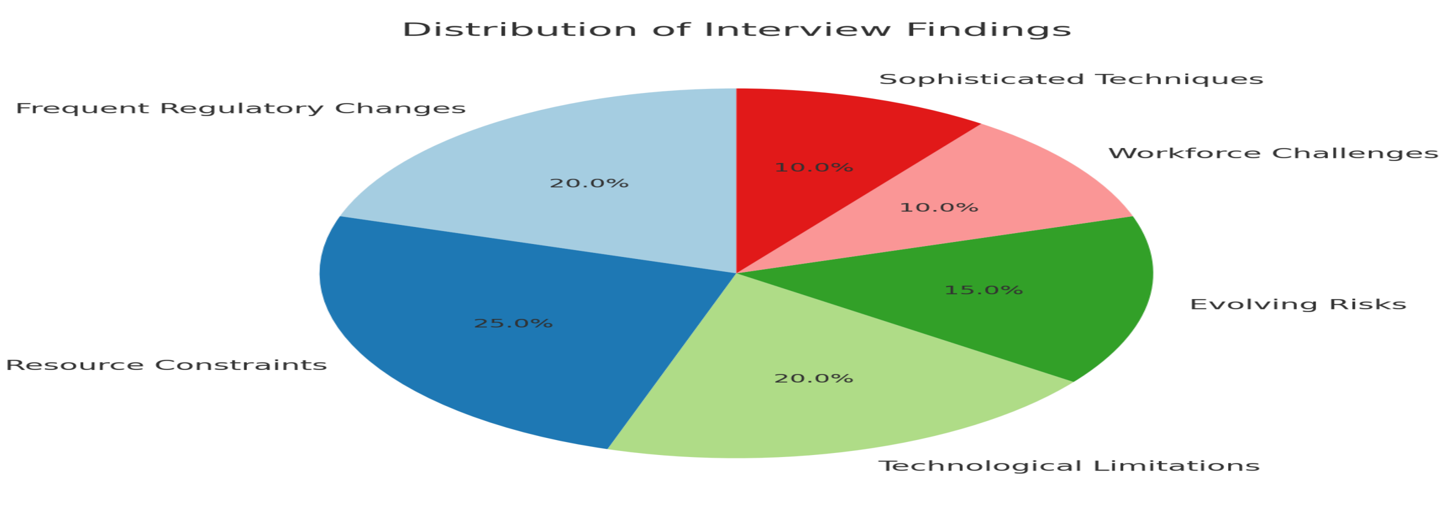


Figure: Distribution of Key Challenges Identified Through Interview Findings

The percentages inside the pie chart have been decided based on the frequency and emphasis of problems mentioned within the interviews. Resource constraints have been identified as the maximum crucial challenge (25%), followed by means of frequent regulatory adjustments (20%) and technological barriers (20%) due to their direct impact on compliance and operational efficiency. Evolving risks (15%) were massive but visible as much less immediate, at the same time as staff challenges (10%) and complicated laundering strategies (10%) have been crucial but secondary worries. These weights reflect the relative importance of every issue as perceived by using the respondents, presenting a clean prioritization for addressing challenges.

3.8 Conclusion and Discussion

The aim of this study was to examine the challenges and obstacles as anti-mani money laundering (AML) and to compete with the financing of the Department of Terrorism (CFT) in Dhaka Bank PLC, Bangladesh. Objectives of our study were to examine:

- the effect of frequent changes on compliance.
- the effect of staffing and budget limit.
- the challenges from insufficient IT infrastructure and data problems.
- the difficulty in verifying complex institutions
- the impact of latest laundering and financing tactics.

Conclusions suggest that frequent regulatory changes interfere with AML/CFT operations and force a reactive compliance method that increases the risk of proper holes and non-compliance. Resources, including the staff's deficiency and budget restrictions, create imbalances in the workload, delays Investigations and prevents using advanced AML solutions. Technical limitations, such as chronic IT systems and poor data integration, weak risk assessment, increase manual errors and slow transaction reporting. Effective customer causes hard work is also challenged by skilled ownership and difficulties in verifying customers with high risks due to complex corporate structures and fraud documents. In addition, the development of money laundering and terrorist financing strategy, including Cryptocurrency transactions and shells, emphasizes the additional capacity of the department to detect illegal activities, which highlights the need for strong global cooperation and AI analytics.

Research results suggest that these challenges require a multidimensional approach to cope with these challenges. Dhaka Bank should invest in advanced technologies, increase staffing and training and improve the regulator's collaboration. The introduction of the AI-inum monitoring system, improved risk assessment tools and streamlined compliance processes will strengthen the bank's ability to handle financial offenses. In addition, regulatory bodies should provide clear guidance and more flexible frameworks to help banks use AML/CFT rules without excessive operational stress.

Overall, while Dhaka Bank has made commendable efforts in AML/CFT contamination, regulatory farming, resource allocation and continuous improvement in technical adaptation are necessary to effectively reduce new financial crime risk.

3.9 Recommendation

To strengthen the AML & CFT department in Dhaka Bank PLC., the following recommendations should be implemented:

- **Improvement of staff:** Recruit more, carry out regular training and improve storage.
- **Technical upgrade:** Use advanced monitoring devices, integrate computer system and market cyber security.
- **Adequate financing:** Technical and secure budget support for staffing needs.
- **Compliance and regulation:** Forms dedicated teams and simplify the guidelines.
- **Risk evaluation:** Improve the owner's identification and high -risk customer confirmation.
- **AI and analyzes:** Utilize AI premature discovery and risk monitoring.
- **Global cooperation:** Strengthen international partnership and intelligence sharing.

3.9.1 Limitations of the study

This study acknowledges several limitations that may affect the overall findings. First, qualitative methods, which offer fine-grained, detailed insights, may limit the generalizability of the results to other financial institutions or broader contexts The sample size minimum with 20 employees conducting exploratory research and two members of senior management for in-depth interviews

Second, the study relies heavily on participants' willingness and openness to share their experiences and opinions. Response bias may be present, as employees may be reluctant to discuss sensitive or important information due to fear of repercussions or confidentiality concerns. Furthermore, given the differences in organizational structures, resources and compliance levels, focusing on one bank—Dhaka Bank Plc—might preclude the applicability of the findings to other banks or financial institutions on the edge of Bangladesh or the world.

Finally, time and resource constraints may have limited data collection and in-depth analysis. While thematic analysis provides a systematic way to identify patterns, it cannot fully capture the complexities and nuances of the AML/CFT challenge. Despite these limitations, the study aims to provide meaningful insights that can inform future research and practical interventions in the area of economic crime prevention.

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