"An Analysis of Banking Crime Prevention Measures: A Case Study on Agrani Bank PLC"

An Internship Report submitted in partial fulfillment of the requirements for the Degree of Master of Business Administration (MBA)

SUBMITTED To:

Md. Amdadul Hoque

Associate Professor

Department of Finance and Banking

Faculty of Business Studies

Comilla University, Cumilla

SUBMITTED BY:

Labiba Islam

Class ID: 22317029

Registration No: 22317029

Session: 2022-23

Master of Business Administration

Department of Finance and Banking

Comilla University, Cumilla

DATE OF SUBMISSION

26 May, 2025

Letter of Transmittal

Date: 25th May, 2025

Md. Amdadul Hoque
Associate Professor
Department of Finance and Banking
Comilla University, Cumilla

Subject: Submission of Internship Report.

Dear Sir,

This is my pleasure to present my Internship Report entitled- "An Analysis of Banking Crime Prevention Measures: A Case Study on Agrani Bank PLC" I have conducted my MBA internship program in Agrani Bank PLC, Shyamoli Branch and effect from the 18th March to 20th May 2025 with your kind supervision. I have invested my every effort to find out financial functions performed by Agrani Bank. This report not only reflects my academic learning but also bridges the gap between theoretical knowledge and real-world business practices.
I believe that the knowledge and experience I gathered during the internship period will be helpful in my future professional life. I will be grateful to you if you are kind enough to accept my report for evaluation and oblige thereby.

Thank you for your time and kind supervision. It would really be my pleasure if you find this report more useful and informative.

Sincerely yours,

………………………
Labiba Islam
ID No: 22317029
Session: 2022-23
Master of Business Administration
Department of Finance and Banking
Comilla University, Cumilla

Student Declaration

I, **Labiba Islam**, a student of Master of Business Administration, Department of Finance and Banking, Comilla University, do hereby declare that the internship report on" An Analysis of Banking Crime Prevention Measures: A Case Study on Agrani Bank PLC" is the original one and has been prepared by myself and has not been submitted anywhere for any degree, diploma, title or recognition.

The report was prepared under the supervision of **Md. Amdadul Hoque,** Associate Professor, Department of Finance and Banking, Comilla University, Cumilla.

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Labiba Islam
ID No: 22317029
Session: 2022-23
Master of Business Administration
Department of Finance and Banking
Comilla University, Cumilla

Supervisor's Certificate

This is to certify **Labiba Islam**, ID 22317029, is a student of Department of Finance and Banking, Comilla University has successfully completed her on **"** An Analysis of Banking Crime Prevention Measures: A Case Study on Agrani Bank PLC " under my supervision as a partial fulfillment of the requirement of Master of Business Administration (MBA) Degree from Comilla University, Cumilla.

The Report has been prepared and carried out under my guidance and supervision, is a record of the authentic work which is carried out successfully, I think this program will be helpful for her in the future to build up his career successfully.

She is permitted to submit the Report. I wish her success and prosperity.

…………………………

Md. Amdadul Hoque

Associate Professor
Department of Finance and Banking
Comilla University, Cumilla

Acknowledgement

I want to start by expressing my sincere gratitude to the Almighty Allah, the most merciful and generous, for his kindness and for providing me with the chance to successfully finish the internship and to complete the internship report on time. In every step of this study, valuable help and suggestions from many individuals and institutional experts supported me. Now it gives me an immense pleasure to acknowledge them with my gratitude.

My Internship at Agrani Bank PLC. was an exclusive opportunity for me to understand the banking sector of Bangladesh. I've learned a lot about banking operations; its conveniences, limitations, and prospects. In addition, the preparation of this report has led me to go deep and strengthen my understanding of this area.

I extend my deep gratitude to my supervisor **Md. Amdadul Hoque**, Associate Professor, Department of Finance and Banking, Comilla University. for his guidance, suggestions, and encouragement for the preparation of this report. Without his guidance I could not have finished this work on time. He provided me the full support and ideas necessary in analyzing the industry and thus to accomplish my goal.

I have tried my best in order to serve every objective of this report and tried to prepare the report securely. However, there might be some mistakes or limitations due to my limited aptitude and time constraint. In this regard, I kindly seek your consideration as I am in the process of learning to be successful.

To conclude, I am also grateful to all of the respected teachers of the Finance and Banking Department for their continuous inspiration, assistance throughout these years.

Sincerely,

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Labiba Islam
ID No: 22317029
Session: 2022-23
Master of Business Administration
Department of Finance and Banking
Comilla University, Cumilla

Executive Summary

In recent years, banking crime has become a major global concern, particularly for financial institutions. International efforts have grown focused on measures to prevent money laundering, cybercrime, bank fraud, terrorist financing, and cybercrime. Serious risks to consumers and counterparties may arise from financial institutions' failure to implement appropriate policies to combat banking crime. Although it is difficult to quantify the consequences of money banking crime on economic development, it is evident that these crimes harm financial institutions and lower economic productivity by promoting crime and corruption.

The report's first section will give readers a solid grasp of banking crime and the disastrous repercussions it has on the economy, security, and society. Additionally, it will go into the needs, methods, and justifications for fighting financial crime.

Due to a weak financial system and insufficient regulatory framework, banking crime is more difficult to combat in developing nations like Bangladesh than in industrialized ones. Bangladesh Bank publishes guidelines to make the Prevention of Money Laundering Act easier to apply. In order to maintain the safety and soundness of their institutions, all financial institutions are required by Bangladesh Bank guidelines to establish policies against money laundering, combatting financing of terrorism, and combating banking fraud.

The impact of legal and regulatory compliance, risk assessment, the KYC process, transaction reporting, and AML (anti-money laundering) training on banking crime will be the primary emphasis of this paper. The next section of this report will elaborate on the actions that Agrani Bank PLC has made to stop financial crime.

The relationship and significant influence between the independent and dependent variables were shown in this study through the use of ANOVA, correlation, and regression analysis. The analysis will end with recommendations for the Bank. I am certain that the recommendations will provide helpful direction for future steps to stop banking crime.

Table of Contents

Chapter - 01

Introduction

1.1 Introduction

Crimes in the banking industry include a variety of nonviolent offenses where some victims get financial gain while others suffer financial loss. The globalization of financial systems, the rise in trade volume, and the speed of communication technology have all been very beneficial to the financial industry. However, banking crime has unfortunately evolved and grown. Consequently, the battle against financial crimes is becoming more and more important. These crimes are frequently sophisticated and structured in a nonviolent manner, yet they can do large financial harm to individuals and organizations. In this regard, a comprehensive policy involving all banking industry components is necessary to combat this kind of crime, which has grown to be a severe menace. Financial crime is becoming a bigger worry for Bangladesh's policymakers, banks, and other financial sector stakeholders, just like it is in other developed and developing nations. According to a previous survey conducted by the Bangladesh Institute of Bank Management (BIBM), between 2014 and 2016, over 65% of Bangladeshi banks had one or more financial crime events. Among the various varieties, online and check-related scams occur most frequently. The majority of check frauds occur in other nations' economies as well. Money laundering, however, is now a significant issue. Remarkably, throughout the 2014-2016 study periods, around 35% of Bangladeshi banks reported no financial crime. Even though it appears excellent that the banks did not suffer any losses as a result of financial crimes, it is possible that the institutions were reluctant to reveal information regarding criminal incidents. Furthermore, some credit-related misdeeds have not yet been classified by banks as financial crimes. The costs associated with the expanding scam are enormous. The banks are facing a great deal of pressure in the shape of onerous compliance requirements due to the global increase in financial crimes. Globally, central banks and policy officials are becoming increasingly concerned about cases of trade-based money laundering. Even if Bangladesh's anti-money laundering (AML) laws comply with internationally recognized standards, there is always room for improvement in how they are enforced. Banks must take legal compliance and setting fair prices for both importable and exportable goods more seriously. For the banks, compliance is already a major problem, and they ought to be prepared for the financial effects of such developments. AML regulation compliance needs to be a shared issue. Heavy financial fines were imposed in multiple cases when the compliance criteria were not met. Sonali Bank PLC of Bangladesh was penalized by the UK supervisory authorities for not adhering to the AML-related compliance rules, along with a considerable number of other banks worldwide. In reaction to the change, the majority of Bangladeshi banks have recently experienced the termination of their correspondent banking relationships. It has created additional difficulties for trade service facilitation. Even while the majority of neighborhood banks were able to find other ways to assist their customers in trading, the adjustments increased the expense and risk for the banks. Regarding IT-related fraud, there have been several recent cases exposing clients' and certain bankers' lack of expertise and awareness regarding IT security. Numerous internet frauds have been discovered to be the result of inadequate understanding of financial information security. It's also true that outside criminal organizations are becoming incredibly cunning when it comes to committing financial crimes in the region. The majority of significant financial crimes connected to Bangladesh's banking industry are exposed as frauds rather than by the banks' internal control framework. The banking industry's top concerns these days are internal audit and credit-related control failures. Banks are able to sue defaulters in court under our legal system, but most of the time, the process of recovering a debt is seen as difficult and drawn out. Large sums of delinquent debts are therefore awaiting recovery through the legal system. In general, the plaintiff finds little inspiration in the results of these judicial actions, which deters the banks. Probably the most important institutional obstacle to combating financial crime in the banking sector is due diligence. Global developments, particularly those pertaining to money laundering and terrorist financing, have prompted authorities to demand that banks adhere to strict Know Your Customer (KYC) requirements. Even stricter Know Your Customers (KYC) requirements ought to apply to clients of multinational trades. It involves more than just routinely evaluating the client. The country's banking sector is extremely concerned when internal actors engage in financial crimes or involve themselves with foreign crime groups. The dynamic environment necessitates keeping an eye on how staff and clients are arranging their operations. Increased internal actor involvement makes Know Your Customer (KYC) necessary.

1.2 Background of the Study

Real-world application in a practical setting is an important component of every academic program. Even a vast amount of theoretical information is useless unless it can be used in real-world situations. Consequently, in order to reap some benefits from theoretical knowledge and increase its fruitfulness, correct application of knowledge is required. We only learn about the value of theoretical knowledge when we actively work in these domains and apply our theoretical understanding to real-world situations. An internship is a process of applying theory to real-world situations. The report is titled " An Analysis of Banking Crime Prevention Measures: A Case Study on Agrani Bank PLC**".** This research would be highly beneficial to me in my practical life as an MBA student.

1.3 Problem Statement

Banking crimes pose a serious threat to the modern corporate community. In actuality, no bank is really impervious to it. The public looks to banks for total accountability, equity, openness, and efficient communication. All banks anticipate that their employees will carry out their duties honestly and without engaging in any unethical behavior. Rather than exercising extreme caution, there are numerous documented instances of banking fraud in Bangladesh's banking industry. What are the primary factors that deter financial crime is a question that comes up. This is the issue that calls for this investigation.

1.4 Objectives of the Study

Broad Objective:

My report's primary goal is to identify the factors that influence banking crime prevention rather than to provide an explanation for why banking crime occurs.

Specific Objectives:

- To know the measures taken by Argani Bank PLC to reduce or control banking crimes.
- To know the effectiveness of legal and regulatory compliance on preventing banking crime.
- To know risk assessments have an impact on combating banking crime.
- To know the effectiveness of the KYC process to reduce banking crime.
- To know the effectiveness of AML training to reduce banking crime.
- Knowing the reporting of transactions can help to reduce banking crime.

1.5 Significance of the Study

This study focuses on Agrani Bank PLC, one of the major state-owned commercial banks in Bangladesh, with the aim of gaining insight into the nature, causes, and preventive interventions of banking crimes in its business operations.

Theoretical Significance: This research expands current theoretical understanding by connecting financial risk management and organizational behavior with criminology, contributing to both criminological and financial theories. It proposes a new framework for analyzing banking crimes and contextualizing Crime in State-Owned Enterprises (SOEs):

Practical Significance: The study provides some recommendations that can help Agrani Bank and similar institutions to enhance internal controls, compliance regimes, and employee accountability mechanisms to reduce the risk of crime, strengthen their risk assessment mechanisms to support to regulatory bodies and restore public's confidence

1.6 Scope of the Study

This paper includes observations and first-hand accounts of working in several Bank departments during internships and service terms. The primary subjects of this study are Agrani Bank PLC's financial services, organizational structure, and bank performance.

This internship report discusses Agrani Bank PLC's efforts to avoid crime and combat it, including:

1. General Banking: Careful while opening an ATM,
2. Cash handling and remittance: posting and passing checks
3. Advance Banking: Careful with documentation and collateral connected to loan approval

It has been produced after much discussion with both clients and bank staff. I had the wonderful opportunity to gain extensive knowledge of all the banking operations carried out by Agrani Bank PLC when I was writing this report. It also aided in giving me firsthand knowledge of a top Bangladeshi state bank.

1.7 Research Question

- How Argani Bank PLC is taking measures to reduce or control banking crimes?
- Whether legal and regulatory compliance have any impact on preventing banking crime?
- How much risk assessment has an impact on banking crime?
- Whether the KYC process prevents banking crime?
- How much does AML training help to reduce banking crime?
- Whether the reporting of transactions has an impact on reducing banking crime?

1.8 Literature Review

Comparatively speaking, banking crime is a contemporary issue in Bangladesh. As such, there is an opportunity to identify novel tendencies bolstered by the experiences of those governments who have implemented their opposing concealment structure. Due to the intent of the legislation, and the mindset of the financial markets and the economy as a whole, this is frequently required. An analysis of the market literature in the field reveals the following observations, which emphasize the importance of analysis even more in this regard:

The EAG (2013) Typology Report on Money Laundering in the Security Markets has suggested Entomb Alia ijef.ccsenet.org. According to the International Journal of Economics and Finance Vol. 11, No. 10; 2019 56, countries that have not classified stock exchange offenses such swapping, market manipulation, and securities-related fraud as money laundering or terrorist financing (ML/TF) offenses may need to make the necessary changes to their legal frameworks.

Banking crime and money laundering can have devastating economic consequences. Fighting it should be a priority for all countries and is not incompatible with financial market liberalization**.** (Peter J. Quirk Publication Date: 01 Jan 1997).

According to the FATF (2013) Report on "The Role of Hawala and other Similar Service Suppliers (HOSSPs) in Concealing and Terrorist Financing," one of the foremost issues facing regulators and their governments is the proper supervision of HOSSPs. The international community will handle the resulting vulnerability by moving the HOSSPs under a highly restrictive and strictly implemented risk-based AML/CFT framework.

Sultana Sharmeen Karim (2016) placed a strong emphasis on developing a conceptual framework for the problems relating to cybercrime in Bangladesh's banking industry. She concentrated on the idea of common crimes committed in banks and the financial industry, such as E-Money Laundering and ATM fraud. She proposes minimizing cybercrime from financial transactions by utilizing contemporary technology and assigning qualified human resources and equipment. In their study, Akin Olawale (2016) identified a number of consequences of money laundering, including financial, political, and economic ones. They recommended stiffening penalties and harmonizing money laundering rules.

Moh Zali and Ach Maulidi (2018) concentrated on developing a conspiracy theory of crime that takes into account the deterrent effect against offenders such as dishonest local business employees, corrupters, and money launderers. Additionally, they recommend that laws prohibiting money laundering be enforced and that anti-money laundering organizations be established in order to effectively discourage financial intermediaries' avaricious behavior that encourages money laundering.

Ricky Leung concentrated on the cybersecurity laws of Singapore, Hong Kong, the United States, and the United Kingdom. Additionally, he says that for consumer banks with online banking platforms, teaching clients the fundamentals of reducing cybersecurity risks is perhaps just as crucial as making sure the bank's internal systems, controls, and procedures are robust enough. A report titled "Most banks remain susceptible to cyber-attacks" was released in the Dhaka Tribune on February 5, 2018. It shows that on January 6, 2013, the Islami Bank Bangladesh Limited website was accessed by the Tunisian hacker known as Human Mind Cracker.

According to Kovalenko (2016), crime prevention is a complex multi-level system consisting of subjects, objects and preventive measures. The subject of crime prevention can be any authority, organization, private person that performs at least one of the following functions in this activity: organization, coordination, implementation or direct participation in the process (Kovalenko, 2016).

1.9 Methodology of the Study

This analysis is qualitative in nature and the primary data basis. I include the Journals, Laws, Newspapers Articles, and articles. Firstly, I try to find out the problems. The reasons behind banking crime are different variables related to the prevention of banking crime and also how banking sector crime has been done. Then I try to give the mystic scenario of banking crime in Bangladesh as well as Argani Bank PLC. Then I find the Acts which are related to such crimes. Then I find the loopholes of our laws and want to give an opinion on it and describe the process to implicate my research.

Research Design:

This is a Qualitative Research (Questionnaire analysis), which reveals the different variables related to the prevention of banking crime and also how banking sector crime has been done.

Data Sources and Collection Procedure

This report was created using a combination of primary and secondary data. The following list of sources has been utilized to compile and acquire data:

Primary Sources:

- Questionnaire Survey
- Direct Personal Interview
- Bangladesh Bank's Guideline Book on AML

Secondary Sources:

- Annual Report of Argani Bank PLC.
- Different written document Argani Bank PLC Web site

Questionnaire Design:

Population

The people who work at Argani Bank PLC and have a connection to banking crime, either directly or indirectly, were the target group. It has been produced after much discussion with both clients and bank staff. I had a fantastic opportunity to gain extensive knowledge of all the banking operations carried out by Argani Bank PLC when I was creating this report. It also aided in giving me firsthand knowledge of a top public bank in Bangladesh.

Sample Unit

The employees of Argani Bank PLC who work in Argani Bank are considered as a sample unit.

Sample Size

The total sample size was 150 officers of Argani Bank PLC.

Data Analysis and Reporting:

The variables used in the survey instrument have been abbreviated in order to facilitate the analysis procedure. Analysis of Variance (ANOVA) is used to clarify the results and also for hypothesis testing. The following software was used for data analysis.

- ✔ **Statistical Package for Social Science (SPSS)**

1.10 Limitations of the Study

It was a great opportunity for me to work in Argani Bank PLC as an intern and make a report on "Crime in Banking Sector and Prevention of Banking Crime: An Analytical Hypothecation on Agrani Bank PLC". However, there were undoubtedly some restrictions when creating this report. Writing a report on acquired practical experience in a brief amount of time is a difficult assignment. The following issues and restrictions were observed during the preparation of this report:

- Lack of information, which was necessary for the study, was its primary limitation.
- The bank employee is unable to share certain information because of security concerns and other business requirements.
- Argani Bank PLC's statistics and other information are disorganized, which is why the bank was unable to supply all of the information.
- Many of the issues could not be included in the current study due to time constraints.
- The bank staff was so busy that they were unable to give adequate time.
- Not having the chance to visit multiple branches.

Chapter - 02

Profile of Agrani Bank PLC

2.1 Industry Overview:

As a developing economy People's Republic of Bangladesh has inspired to develop its industry to market economic processes. Over the last 3 decades just about the country has seen spectacular growth of the industry. The industry in People's Republic of Bangladesh has even gone a step further by promoting money inclusion of the terribly poor in rural areas. Units of that microfinance and microcredit are the policy instruments to attain that objective. This has helped to expand the validation of the agricultural economy, and as a consequence it's become additional market- oriented. Such market orientation of the agricultural economy conjointly expedited continuous resource transfer from rural areas to urban areas. Currently the largest threat to achieving sustained economic progress has become the industry itself, particularly the state-owned banks, this can be despite the People's Republic of Bangladesh adopting internationally recognized banking practices like Metropolis III Accord. The redoubled financialisation of the People's Republic of Bangladesh economy conjointly created an atmosphere wherever immense wealth has been accumulated by a vicinity of the made by defrauding banks, specifically state-owned banks. It's usually advised that the securities market scams in People's Republic of Bangladesh area unit presumably to be joined to the present deceitful money observer with the last word goal of feat management of varied listed firms by bankrupting little investors. Bangladesh's industry is currently moon-faced with a slow- motion hanking crisis in the main at the government-run banks beside some non-public sectors. The government aforementioned the present banking and non-banking money sectors area unit within the most vulnerable position, things are somewhat gaining any higher for the most part thanks to in no time credit growth and state directed lending and loan restructuring. All this raises the danger of an economic condition. Six state-owned industrial banks account for nearly 1/4 of all bank assets within the country, the government. appoints their chief executives and board members and sometimes influences them to activities with unfortunate effects.

2.2 Industry history

A bank is an institution that deals with cash and cash value instruments. A bank could be a money mediator that accepts deposits and channels those deposits into loaning activities, either directly or through capital markets. "A bank could be a money institution that uses cash deposited by customers for investment, pays it out once needed, makes loans at interest -Oxford lexicon (1508). “Banking suggests that the accretive, for the aim of loaning or investment, of deposits of from the general public, due on demand or otherwise, and withdrawal by queue, draft, order or otherwis”. Brief history of Banking in Bangladesh: once the liberation war and also the ultimate independence of People’s Republic of Bangladesh the govt. The head of the country organized the country house branch of the banking concern of Pakistan because of the lack of financial institutions in the country and named it People's Republic of Bangladesh Bank .This reorganization was done consistent to People's Republic of Bangladesh Bank Order, 1972, and also the People's Republic of Bangladesh Bank came into existence with retrospective result from sixteen Gregorian calendar month 1971. The bank was accountable for regulating currency, dominant credit and financial policy, and administering exchange management and also the official interchange reserves.

The People's Republic of Bangladesh government at the start nationalized the whole domestic industry and proceeded to reorganize and rename the assorted banks. Foreign-owned banks were allowed to continue doing business in the People's Republic of Bangladesh. The insurance business was additionally nationalized and has become a supply of potential assets. Cooperative credit systems and communication savings offices handled service to tiny individual and rural accounts. The new industry succeeded in establishing moderately economical procedures for managing credit and interchange.

The primary performance of the system throughout the asses was to finance trade and also the public sector, that alone absorbed seventy-five p.c of total advances. The government's encouragement throughout the late asses and early one sass of agricultural development and personal business brought changes in loaning ways. Managed by the People's Republic of Bangladesh Shirks Bank, a specialized agricultural banking establishment, loaning to farmers and fishermen dramatically dilated, the amount of rural bank branches doubled between 1977 and 1985, to quite three, 330 Denationalization personal and personal) industrial growth junction rectifier the People's Republic of Bangladesh Bank and also the UN agency to focus their loaning on the rising private producing sector, regular bank advances to non-public agriculture, as a share of sector GAP, rose from a pair of pc in FYI 1979 to eleven p.c in FYI 1987. No sound project-appraisal system in place to evaluate viable borrowers and allocate funds.

loaning establishments didn't have adequate autonomy to settle on borrowers and came and were typically taught by the political authorities. In addition, the motivation system for the banks stressed disbursements instead of recoveries, and also the accounting and debt assortment systems were inadequate to wear down the issues of loan recovery. It became additional common for borrowers to default loans than to repay them; the loaning system was merely disbursing grant help to non-public people WHO qualified for loans additional for political than for economic reasons, the speed of very on agricultural loans was solely twenty-seven pc in FYI 1986, and also the rate on Industrial loans was even worse.

As a result of this poor showing, major donors applied pressure to induce the govt, and banks to is firmer action to strengthen internal bank management and credit discipline. As a consequence, recovery rates began to enhance in 1987. The National Commission on cash, Credit and Banking counsel broad structural changes in People's Republic of Bangladesh system of Monetary intervention early in 1987, several of which were designed into a three-year countervailing funding facility signed by People's Republic of Bangladesh with the MIFF in February 1987.

2.3 Organization Overview

Following the Bangladesh Banks (Nationalization) Order 1972 via President's Order No. 26 of 1972, which rebranded the old Habib Bank Limited and Commerce Bank Limited as Agrani Bank, Agrani Bank became a Nationalized Commercial Bank. On May 17, 1507, the Bank was established in accordance with the Companies Act of 1994 as a State-owned Commercial Bank. Through a vendor's agreement signed on November 15, 1507, between the Board of Directors of ABL and the Ministry of Finance of the People's Republic of Bangladesh, Agrani Bank Limited assumed the business, assets, liabilities, rights, and obligations of Agrani Bank on a going concern basis, with retroactive effect from July 1, 1507. On July 7, 2023, at the bank's head office in Dhaka, the shareholders of Agrani Bank Limited approved adopting the PLC suffix for the lender, Agrani Bank PLC. This was the third special and extraordinary general meeting.

The Board of Directors, which currently consists of the Chairman, five Directors, the MD, and the CEO, is in charge of Agrani Bank PLC. The Managing Director and Chief Executive Officer leads the Bank; Deputy Managing Directors and General Managers support the

Managing Director. The bank's head office comprises 37 Divisions, 53 regional offices, and 11 Circle offices. ABL is a technology pioneer, having established 975 branches, 36 corporate, 43 widely dispersed AD (authorized dealer) branches, and all of these branches offering real-time online banking. In addition, we have five subsidiaries: a remittance house in Singapore, Malaysia, and Canada; a merchant bank; a finance company for small and medium-sized enterprises (SMEs); and so on.

The first commercial bank in Bangladesh that is owned by the state and offers agent banking is Agrani Bank PLC. At the moment, ABL operates 567 agent booths in Bangladesh's rural areas, conducting agent banking operations. Since February 28, 2010, the Islamic Banking System of Agrani Bank PLC has been run under the 'Islamic Banking Unit'. The Islamic financial system is now run through sixty windows. Agrani Bank PLC is dedicated to provide for the country.

2.4 Company Profile

Name of the Company	Agrani Bank Limited
Managing Director and CEO	Syed Abdul Hamid
Company Secretary	Md. Ekramul Hakim
Legal Status	Public Limited Company
Date of Incorporation	17 May 1507
Registered Office	9D Dilkhusha Commercial Area, Dhaka-1000, Bangladesh
Authorised Capital	Tk. 800 Crore
Paid Up Capital	Tk. 497 Crore
Reserve and Retained Earnings	Tk. 420 Crore
No. of Employees	11,443
No. of Branches	867

2.5 Organizational structure

Agrani Bank Limited (ABL) is the first state-owned commercial bank in Bangladesh to provide agent banking services. Currently, ABL has 400 agent booths in Bangladesh's rural districts, conducting agent banking operations. Agrani Bank Limited has operated its Islamic Banking system through 15 Islamic Banking Windows from February 28, 2010, operating it as the "Islamic Banking Unit." The goal of Agrani Bank Limited is to support the nation.

ORGANIZATIONAL STRUCTURE OF AGRANI BANK LTD

2.6 Vision

To become the best leading state-owned commercial bank of Bangladesh operating at international level of efficiency, quality, sound management, excellent customer service and strong liquidity.

2.7 Mission

To operate ethically and fairly within the stringent framework set by our regulators and to assimilate ideas and lessons from the best practices to improve our business policies and procedures to the benefit of our customers and workforce.

2.8 Nature of Business

The Principle conditioning of the bank includes furnishing all kinds of marketable banking services to its guests. The conditioning can be classified in the following ways

- ⇛ Corporate Banking.
- ⇛ Project Financing.
- ⇛ SME Finance.
- ⇛ Consumer Credit.
- ⇛ International Trade.
- ⇛ Trade Finance.
- ⇛ Loan Syndication
- ⇛ Foreign Exchange Dealing.
- ⇛ Rural and Micro Credit.
- ⇛ NGO- Linkage Loan.
- ⇛ Investment..
- ⇛ Money Market Operation.
- ⇛ Capital Market Operation.
- ⇛ Remittance.
- ⇛ Government Treasury Function

2.9 Core Values

The values of Agrani Bank Limited (ABL) would help the bank in perceiving its workers to work as a platoon towards accomplishment of assigned duties and responsibility for achievement of asked objects. Platoon work Open communication, discussion and commerce amongst the workers would ensure junction of conduct and sweats towards achieving the common thing.

Ethics: Everyone must provide adherence to ethical practices of banking.

Objectivity: All persons will have a specific objective in accomplishing their tasks.

Integrity: Protection of a customers and shareholders' interest is a vital element for societal trust.

Excellence: Efficient performance and effectiveness are preconditions to ensure quality service to the huge customer base of the bank.

Innovation: New products are the needs of the time for which continuous action deiven researches are carried out.

Self-Reliance: Every employee will have their own attitude towards the bank and self confidence in his work for the benefit of the bank.

Transparency: Information is to be open for all stakeholders.

Accountability: All employees are liable for their work and will remain liable to their respective superior for accomplishment of tasks.

Core Strengths

- ✔ Transparent and Fast Decision Making.
- ✔ Efficient Team of Performers.
- ✔ Satisfied Customers.
- ✔ Internal Control.

- ✔ Skilled Risk Management.
- ✔ Diversification.

Core Competencies

- ✔ Knowledge
- ✔ Experience and Expertise.
- ✔ Customer Orientation/ Focus.
- ✔ Transparency.
- ✔ Determination.
- ✔ Zeal for Improvement.
- ✔ Reliability.

Chapter - 03

Theoretical Aspects

3.1 Definition of Banking Crime

Over the past 30 years, governments all across the world have grown more concerned about banking crime. The impact of banking crime varies depending on the circumstances, which gives rise to a number of difficulties including this one. It is now commonly acknowledged that the occurrence of criminal activity driven by economic motives in several communities poses a significant risk to the growth and stability of economies.

Financial crime can be classified into two basically distinct but connected categories of behavior.

First, there are the illicit operations that deceitfully bring wealth to the participants. For instance, using insider information for one's own gain or using deception to obtain someone else's property are always done with the goal of obtaining a material advantage. As an alternative, someone might lie to get something of value for someone else.

Second, there are financial crimes that shield an already-obtained advantage or help to make it easier to take one. These crimes do not entail the dishonest taking of a benefit. An instance of this type of behavior is when someone tries to evade prosecution by trying to launder the illegal proceeds of another crime.

Who Commits Banking Crime?

Financial crime can be broadly classified into seven classes of individuals:

- Large-scale frauds are being committed by organized crime groups, including terrorist organizations, more frequently in order to finance their activities.
- Corrupt heads of state have the ability to plunder their nations' coffers—many of which are impoverished—by using their position and authority.
- In order to misrepresent a company's genuine financial status, business leaders or top executives may alter or misreport financial statistics.
- Employees at all levels of the organization pilfer money and other assets.
- Fraudulent activities from outside the corporation may be carried out by contractors, suppliers, customers, or individuals with no affiliation with the company.

- In order to more simply and quickly generate larger and better outcomes, external fraudsters are increasingly working together with employees.
- Lastly, a further category of individuals who have committed financial crimes includes successful individual criminals, serial or opportunist fraudsters who are in possession of their proceeds.

What Are the Main Types of Banking Crime?

Banking crime is commonly considered as covering the following offences:

- Fraud
- Money Laundering
- Terrorist Financing
- Cybercrime

3.2 Bank Fraud

Bank fraud is the illegal act of trying to obtain money from a financial institution. A criminal offense involves providing false information to a bank or acting under false pretenses in order to obtain financial assets.

Types of Bank Fraud:

There are various types of bank fraud, and they keep evolving as the world leans more toward technology enhancement as fraudsters hatch new methods of obtaining cash illegally. Some types of bank fraud include:

- ✔ **Identity theft** is acquiring another person's private information like social security numbers and street addresses, then using it to obtain money fraudulently. For example, a scammer uses someone's driver's license information to obtain a loan from that person's bank.

- ✔ **Credit card** fraud is getting someone else's credit card information and using it to make purchases is known as. For instance, con artists can get hold of someone's credit card details, use it to make purchases on Amazon, and then charge the cardholder.
- ✔ **Check fraud** is the act of fraudulently using checks to accomplish fraudulent operations, including check forging, is known as check fraud. For instance, a fraudster can access a person's check, impersonate them, and present the check to the bank in order to withdraw money.
- ✔ **Internet fraud** is electronically scamming or spying on people to obtain their personal information and use it for fraudulent activities. For example, a scammer uses spyware to obtain an individual's bank account logins and then uses the information to transfer that person's cash to another account.

Why is the Banking Sector Vulnerable to Fraud?

The financial sector presents an almost impossible challenge when it comes to detecting and combating fraud because of the frequently complicated nature of financial services. There are both internal and foreign dangers. They could originate from outside the company or from within. Significant fraudulent activities are increasingly being committed by combinations of external and internal fraudsters.

The victims might be the clients or the financial sector companies. Seldom do fraudulent activities result in financial gains. The money that is being targeted for fraud is usually already in the financial system, but in order to muddle the audit trail, it will definitely need to be moved.

3.3 Money Laundering

In recent years, money laundering has become a significant global financial risk. Money laundering is a very complicated and dynamic crime.

Money laundering is defined as follows under the Money Laundering Prevention Act of 1509:

- Transferring, converting, remitting, or bringing property or proceeds obtained through the commission of an offense abroad to Bangladesh with the goal of hiding the proceeds' illicit origin, or transferring property or proceeds abroad obtained by lawful or unlawful means
- Execute or attempt to execute a financial transaction in a manner that will avoid being subject to the act's reporting requirements
- Execute such activities with the intention of hiding the true source of such proceeds or property
- Attempt to execute such activities
- Willfully assist in or conspire to execute such activities.

Reasons behind Money Laundering:

Money laundering is mostly done by criminals for three reasons:

1. To prove the funds' legitimacy
2. Cover Up Illicit Procurement Sources
3. Prevent being looked into and apprehended

3.4 What is Terrorist Financing?

Money for terrorist activities is obtained through terrorist financing. It may involve money obtained from both legal and illicit sources, including drug trafficking, fraud, smuggling of guns and other items, kidnapping, and extortion. Legal sources of funding include individual gifts, corporate revenues, and charity organization income. Terrorists conceal the identities of their sponsors and the final beneficiaries of the monies by using strategies similar to those employed by money launderers in order to avoid detection by law enforcement. If the profits of crime are utilized to finance terrorist activities, there may also be a direct connection between money laundering and terrorist financing. However, compared to money laundering, financial transactions linked to the funding of terrorism typically involve lesser sums of money.

How is Banking Crime Linked to Terrorist Financing?

Like any criminal organization, a terrorist group that is successful is one that is able to establish and maintain a strong financial infrastructure. Terrorist organizations depend on financial backing to accomplish their goals.

The following methods are typically thought to be used by terrorist organizations to raise money:

- Authoritative sources, like mishandling charitable organizations or respectable companies;
- Self-financing (i.e., via supporters or members);
- Illegal activity
- actions in failing states and other safe havens; state sponsors

Terrorists frequently have access to money from a range of international sources and use ever-more-advanced methods to transfer it between countries. They use a variety of financial services products and the assistance of experts like bankers, accountants, and attorneys to handle their finances.

3.5 Cyber Crime in Banking Industry

Cybercrime is any illegal conduct that takes place online or through a computer. Put another way, digital misbehavior is known as cybercrime, when a criminal uses a computer or other electronic device and the internet to commit a variety of crimes, including money transfers and withdrawals through unauthorized access.

In summary, the banking sector provides a wide range of services to its customers and clients, including credit card services and online banking. "Debit card payments made online" Consumers can simply transact and manage their accounts via the internet and mobile devices from anywhere in the world, and they have round-the-clock access to all types of bank facilities. Although these services are helpful to users, as we all know, they also have a negative aspect that includes robberies and hackers.

By breaching banking websites and clients' accounts, they exploit those services, causing havoc in accounts and stealing money from them. The most notable case was "in which one hacker took one taka from each account but received a large sum of money with that one taka."

Consequences of Cyber Crimes: The victims of cybercrime may have long-term repercussions. Hacking, credit infringement, loan taking, and other cyber threats are carried out by cyber attackers and can have disastrous consequences for the banking industry.

Below are The Effects:

- Loss of money
- Disclosure of private information
- Legal ramifications
- Theft and sabotage of personally identifiable information
- At danger for damage to reputation

Cybercrime Types Associated with the Banking Industry:

1. **Hacking:** Hacking is a kind of cybercrime when a perpetrator tries to get around security by breaking into consumer accounts or financial websites. Nonetheless, hackers have legal remedies under Sections 379 and 406, as well as Section 43(a) in conjunction with Section 66 of the Information Technology (Amendment) Act, 1508. According to the IT Act, a hacker may be sentenced to a maximum of three years in prison, five lakh rupees in fines, or both.
2. **Keylogging:** Also known as "keystroke logging" or "keyboard capturing," It is the practice of covertly recording (logging) the keys pressed on a keyboard while the user is unaware that their actions are being monitored. These can be quite dangerous for obtaining private data, including bank account information.

3. **Viruses:** These are a particular kind of self-replicating software that spreads infection by inserting copies of itself into executable code or documents. A virus is an executable file that has been contaminated by software that causes it to act oddly. It spreads by joining itself to executable files, such as program files and operating systems. The infection could spread by itself during the executable file loading procedure. On the other hand, malware known as worms are capable of copying and dispersing copies from the victim's computer to other computers. Without changing or erasing any files, worms replicate and spread copies of themselves from the user's PC to other machines.
4. **Crimes at the Point of Sale and ATM Skimming:** Installing a skimming device on top of the machine keypad to make it appear like a real keypad or a device linked to the card reader to make it appear like it is a component of the machine is one way to get into ATMs or point-of-sale (POS) systems. On these devices, malware that directly takes credit card information could also be deployed. ATMs with successfully installed skimmers can acquire card numbers and personal identification numbers (PINs), which are subsequently copied and used for fraudulent transactions.

Cybercrime's Effect on Banks

Geopolitical and global macroeconomic issues have placed the banking industry in a difficult and thought-provoking situation. The banking industry is under pressure to review its current practices in order to perform more thorough assessments and lower risks. Technology-driven approaches have been used in risk management.

The proliferation of mobile networks in daily life and the advancement of information and technology (IT) have made financial services more accessible to a wider audience. Though technological advancements have made financial services more accessible and affordable, they have also increased the risk of becoming a target for cyberattacks. The bank's profits are indirectly impacted by cybercriminals' clever ways for not only stealing money but also for snooping on businesses and obtaining sensitive business data. The banking sector has to collaborate with government agencies and watchdog groups to develop a control model in order to prevent these cybercrimes.

The primary area of interest in this case is the dearth of an effective compilation service in the banking sector that is capable of identifying cybercrime tendencies and building a model around them.

Ways to Prevent Cybercrime:

Significant financial losses have been caused by the worrying rise in crimes inside the banking sector. Since banking is the most significant pillar of our economy, as is well known, cyberattacks must be avoided. Customers and banks alike should be made aware of the risk involved and the safety precautions taken to thwart the cyberattack.

The "Inter-Departmental Information Security Task Force (ISTF)," which the government formed to guarantee the effective execution of all cyber security policy themes, has the National Security Council as its nodal organization. The national nodal organization entrusted with looking into computer security events as they happen is called the "Computer Emergency Response Team (CERT-In)".

One of the main concerns with cybercrime is jurisdiction. Cybercrime exists in every state, therefore regardless of where they live, everyone should be able to recognize it and be on the lookout for it. It happens occasionally that victims of cybercrime are unable to disclose the crime for a variety of reasons, including living in a remote area, being unsure of where to report, or having privacy concerns. The absence of a well-organized internet cybercrime monitoring system means that many cybercrime incidents get unreported.

The new IT Act should include a definition of cybercrime and a list of circumstances under which the Act would have extraterritorial authority. The IT Act ought to cover the legislative groundwork for cyber regulation in India. Even when the intermediaries' responsibilities are ambiguous, they should be made explicit.

Chapter - 04

Conceptual Framework

4.1 Variables

In order to conduct a systematic and meaningful analysis of banking crimes and their prevention within Agrani Bank PLC, it is essential to define and contextualize the key variables of the study. These variables form the backbone of the research framework and guide both the data collection and analytical process. The variables are categorized into dependent and independent variables, each playing a distinct role in establishing causal or correlative relationships.

Dependent Variables

Prevention of Banking Crime:

Any conduct that involves dishonest or fraudulent behavior for the aim of obtaining personal financial benefit is often referred to as banking crime, while it can also refer to the unlawful conversion of property ownership. Banking crime comes in many forms. The most frequent offenses against banks are:

- **Money Laundering**
- **Terrorism Financing**
- **Bank Fraud**
- **Cybercrime**
- **Tax Evasion**
- **Forgery**
- **Identity Theft**

Independent Variables

➔ **Legal and Regulatory Compliance:** Legal and Regulatory compliance can be broadly defined as the adherence to laws, regulations, and guidelines created by government legislations and regulatory bodies applicable to an organization based on the industry and jurisdiction in which it operates.

- ➔ **Risk Assessment:** During a risk assessment, a bank evaluates its operational procedures in comparison to a list of possible risks and weaknesses, taking into account any possible consequences. It should be mandatory for banks to take the necessary actions to determine and evaluate their risks of money laundering and terrorist funding
- ➔ **KYC Process:** In an increasingly global economy, financial institutions are more vulnerable to illicit criminal activities. Know Your Customer (KYC) standards are designed to protect financial institutions against fraud, corruption, money laundering and terrorist financing.

  Effective KYC processes are the backbone of any successful compliance and risk management programme, and the demands of meeting KYC obligations are intensifying. With anti-money laundering (AML) and KYC compliance growing in importance as more stringent regulatory requirements come into force, banks and corporates are dedicating significant resources and time to KYC compliance processes.

- ➔ **Reporting of Transactions (ML/TF):** Under the Proceeds of Crime (Money Laundering) and Terrorist Financing Act (PCMLTFA) and related Regulations, all reporting entities (REs) and RE personnel are required to report suspicious transactions. If an employee feels that their company has not filed a suspicious transaction report as required by the PCMLTFA and related Regulations, they are only expected to report suspicious transactions to FINTRAC.
- ➔ **AML Training:** The Anti-Money Laundering and Combating the Financial Terrorism (AML-CFT) Law's Article (21) mandates that the AML compliance officer provide continuing training for his staff members. Cabinet Decision No. (10) of 2019 addresses this issue.

  Employees must be given the necessary skills and knowledge through training programs in order to assist businesses in preventing financial terrorism and money laundering from the start. Financial institutions are more vulnerable to employee-accessed financial terrorism. It aids in defining the internal control systems' rules, practices, and enforcement that are pertinent to the organizations in preventing financial terror attacks and possible money laundering.

Independent Variables **Dependent Variable**

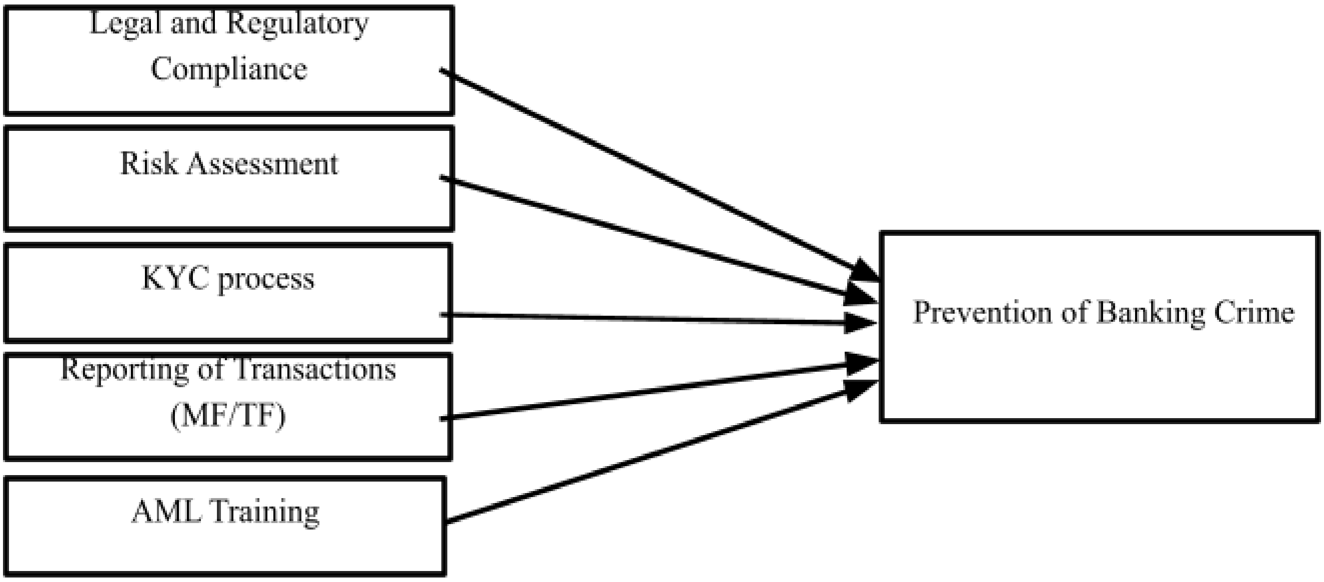

Figure 4.1: Conceptual Framework

4.2 Development of Hypothesis

The above mentioned conceptual framework provides the foundation for hypothesis development. We have formulated two hypotheses on the bases of data collection for this research and findings of previous research. First is the null hypothesis and second is the alternative hypothesis which is mentioned below.

H0: There is no relationship between independent variables such as Legal and Regulatory Compliance, Risk Assessment, KYC Process, AML training, Reporting of Transactions and dependent variable Prevention of Banking Crime.

***H1*:** There is a relationship between independent variables such as Legal and Regulatory Compliance, Risk Assessment, KYC Process, AML training, Reporting of Transactions and dependent variable Prevention of Banking Crime.

4.3 Model Development and Specification

An economic model is developed for this study in order to testify the relationship between the dependent variable and independent variable. Crime in the banking sector can be depicted in the form of the following equation.

$BC = \alpha 0 + \beta 1 (LRC) + \beta 2 (RA) + \beta 3 (KYC) + \beta 4 (RT) + \beta 5 (AT) + \varepsilon$

Where,

BC= Prevention of Banking Crime,

$\alpha 0$= intercept,

LRC=Legal and Regulatory Compliance,

RA=Risk Assessment,

KYC=KYC Process,

RT= Reporting of Transactions,

AT= AML Training,

ε=Coefficient of error term.

β=Coefficient (The beta coefficient is the degree of change in the outcome variable for every 1 unit of change in the predictor variable)

Chapter – 05

Data Analysis and Interpretation

5.1 Descriptive Analysis

Descriptive Statistics

Titles	Mean	Standard Deviation	N
Banking Crime	2.7516	.74001	150
Legal and Regulatory Compliance	2.7930	.90519	150
Risk Assessment	3.3789	.94831	150
KYC process	3.4576	.94120	150
Reporting Of transactions (ML/TF)	3.3830	9.8687	150
AML Training	3.4327	.83653	150

Interpretation

According to the table the mean value for banking crime is 2.75 which means that the average value of the crime in banks in recent periods. Also the value of standard deviation for banking crime is. 74 which is closed to the mean value where the total respondents N=150. Here the mean value of Legal and Regulatory compliance is 2.79 and standard deviation is. 91. The mean value of Risk assessment, KYC process, reporting of transactions are respectively 3.38, 3.45, 3.38 and the standard deviation are .95, .94, .99.

Correlations

		Banking Crime	Legal and Regulatory Compliance	Risk Assessment	KYC process	Reporting Of transactions (ML/TF	AML Training
Banking Crime	Pearson Correlation	1	.260**	.364**	.397**	.403**	.353**
	Sig. (2-tailed	.001	.000	.000	.000	.000	.000
	N	150	150	150	150	150	150

Legal and Regulatory Compliance	Pearson Correlation	260**	1	.248**	.201*	.271**	.246**
	Sig. (2-tailed	.000		.002	.011	.001	.002
	N	150	150	150	150	150	150
Risk Assessment	Pearson Correlation	.364**	.248**	1	.462**	.438**	.394**
	Sig. (2-tailed	.000	.002		.000	.000	.000
	N	150	150	150	150	150	150
KYC process	Pearson Correlation	.397**	.201*	.462*	1	.679**	.505**
	Sig. (2-tailed	.000	.011	.000	.000	.000	.000
	N	150	150	150	150	150	150
Reporting Of transactions (ML/TF	Pearson Correlation	.403**	.271**	438**	.679**	1	.585**
	Sig. (2-tailed	.000	.001	.000	.000		.000
	N	150	150	150	150	150	150
AML Training	Pearson Correlation	.353**	.246**	.394**	.507**	.585*	1
	Sig. (2-tailed)	.000	.002	.000	.000	.000	
	N	150	150	150	150	150	150

Interpretation

The Pearson correlation method is the most often used approach for numerical variables. It assigns a value between − 1 and 1, where − 1 denotes a whole negative correlation, 1 indicates a total positive correlation, and 0 indicates no link. Recall that by definition, the correlation coefficient for every variable that is related to it is 1. There is a significant association between banking crime and each other variable.

In the above table correlation between Legal and Regulatory Compliance, Risk assessment, KYC process, Reporting of transaction and AML training with banking crime is respectively .260,. .364, .397,.403,.353 which means there have a positive relationship between them within 150 respondents. All the P values are below 0.05 which indicate all the variables are significant. That means there is a significant relationship between prevention of Banking crime and Legal and Regulatory Compliance, Banking crime and Risk Assessment, and so on.

So, in the analysis of the correlation part, I see that the entire variable is significant. So, these independent variables are highly significant and correlated with prevention of banking crime.

<u>5.2Model Summary</u>

Mode	R	R Square	Adjusted Square	Standard Error of Estimation	R Square Change	F change	df1	df2	Sig. F change	Durbin Watson
1	.493^a	.243	.218	.6543	.243	9.941	5	145	.000	2.011

a. Predictors: (constant), AML Training, Legal and Regulatory Compliance, Risk Assessment, KYC process, Reporting Of transactions (ML/TF)

b. Dependent variable: Banking Crime

Interpretation:

R: Simply, Pearson's correlation coefficient, the value of r between a negative one and a positive one (-1 and a +1). So, here, R value is a positive relationship.

R Square: Value less than 1 indicates that at least some variability in the data cannot be accounted for by the model. So, 0.243 indicates that 24% of the variability in the outcome data cannot be explained.

F Change: To ascertain the significance of a R square change, a F change is a test that is based on the F-test. The addition of a variable improves the model prediction greatly if there is a significant F change.

Durbin-Watson: A test statistic in statistics called the Durbin Watson statistics is used to find autocorrelation in the residuals of a regression study. It is always assumed that the Durbin Watson Statistic has a value between 0 and 4. D=2 in this case suggests that there isn't any serial correlation.

5.3 ANOVA^a

Model		Sum of Square	df	Mean Square	F	Sig.
1	Regression	21.274	5	4.255	9.941	.000^b
	Residual	66.343	145	.428		
	Total	87.618	150			

a. Dependable variable: Banking Crime

b. Predictors: (constant), AML Training, Legal and Regulatory Compliance, Risk Assessment, KYC process, Reporting Of transactions (ML/TF).

Interpretation:

Here, the significance value is 0.000 (P=0.000), which is less than 0.05. Since this value is usually set at 0.05, any value will result in significant effects. Exact significance is 0.000, so the effects would be statistically significant. P>0.05 is the probability that the null hypothesis is true. 1 minus the P value is the probability that the alternative hypothesis is true. A statistically significant test result means that the test hypothesis is false or should be rejected. A p value greater than 0.05 means that no effect was observed

5.4 Coefficients ^a

		Unstandardized Coefficients		Standard Coefficients		
Model		B	Std. Error	Beta	t	Sig.
1	(constant)	.967	.268		3.604	.000
	Legal and Regulatory Compliance	.104	.060	.127	1.726	.025
	Risk Assessment	.127	.064	.162	1.982	.049
	KYC process	.121	.078	.154	1.546	.030
	Reporting Of transactions (ML/TF).	.100	.078	.134	1.280	.203
	AML Training	.090	.079	.102	1.141	.256

Interpretation:

Look at the sign of the beta coefficient; it's important. When the predictor variable increases by one unit, the outcome variable will also increase by the beta coefficient value if the beta coefficient is positive, meaning that the other predictor variables remain stable.

Here, Legal and Regulatory Compliance significant value is .025, Risk Assessment significant value is .049, KYC process significant value is .030 which is less than 0.05. These values are considered significant in statistics. Besides, other values are insignificant because these values are greater than 0.05. P>0.05. 1 minus the P value is the probability that the alternative hypothesis is true. A statistically significant test result means that the test hypothesis is false or should be rejected. A p value greater than 0.05 means that no effect was observed.

5.5 Findings

The literature reviewed confirms an increasing wave of banking crime that has impacted negatively on the good will and economic growth of financial institutions, indirectly through loss of trust in the digital infrastructure or directly through fraud and extortion in both developing and developed countries.

Based on these results, we can say that prevention of Banking Crime is positively related with Legal and Regulatory compliance, Risk Assessment, KYC Process, Reporting of Transactions and AML training. That means by ensuring these services the banking crime rate is reduced by Argani Bank PLC and for this doesn't face any banking crime in recent years.

The analysis of coefficient, Risk Assessment and Legal and Regulatory Compliance, KYC Process are doing an excellent job. But Reporting of Transactions, AML Training dimensions require a little more improvement. Then the Crime rate would be reduced more. Thus, we can conclude, Argani Bank PLC’s overall performance is good but just a little improvement in few areas would perfect the result in order to diminish crime rate in this growing banking industry.

Chapter – 06

Conclusion and Recommendation

6.1 Conclusion

The most notable aspects of Argani Bank PLC are its cutting-edge digital banking offerings and proficiency in corporate and institutional banking. The main purpose of this research was to examine the impact of Legal and Regulatory Compliance, Risk Assessment, KYC Process, Reporting of Transactions, AML Training on the Crime rate of the banking sectors of Bangladesh. For this purpose, we studied different articles and investigations made by different researchers to explore the impact. For the purpose of this study, I have selected Argani Bank PLC and collected data through questionnaires. Likert scale was used to measure the extent. I made two hypotheses *H0* which was that Legal and Regulatory Compliance, KYC Process, Risk Assessment, AML Training and Reporting of transactions (ML/TF) do not have any impact on the prevention of banking crime of Argani Bank PLC. And the other was H1 that Legal and Regulatory Compliance, KYC Process, Risk Assessment, AML Training, Reporting of transactions (ML/TF) have a significant impact on the prevention of banking crime of Argani Bank PLC. This research through questionnaires not only testified to our hypothesis but also provided a bunch of information about prevention of banking crime. The research results revealed that Legal and Regulatory Compliance, KYC Process, Risk Assessment, Reporting of Transactions, AML Training have a significant impact on the prevention of banking crime of Argani Bank PLC. And these factors successfully prevent banking crime and some factors need to be improved slightly.

6.2 Recommendations

This research gave knowledge about how Argani Bank PLC is taking measures to reduce or control banking crimes. Argani Bank PLC has applied legal and regulatory compliance, Risk assessment, KYC process, AML training, Reporting of transactions (ML/TF) to prevent banking crime. The banking authority should be more aware to reduce banking crime and damage incurred due to it. Different new software should be used in banks to overcome banking crime. Every bank is struggling in different ways to control and avoid banking crimes. But still there is dire need to improve it more.

- Centralized Fraud Risk Management Unit.
- Strengthen Cybersecurity Infrastructure.
- Automated workflows are necessary for Argan Bank PLC to guarantee the efficiency of their operations.
- They ought to stay in close contact with Bangladesh Bank in order to receive sound counsel when required.
- Consistent training initiatives to improve staff productivity and raise awareness of cutting-edge methods for stopping banking crime.
- Develop and Enforce a Clear Whistleblower Policy.
- Higher penalties for breaking individual legislative obligations
- The Bank ought to expand the purported transaction area.
- Real-Time Transaction Monitoring and Automated Alerts.
- Use of Blockchain Technology for Audit Trails.

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Questionnaire

Section A: Demographic Information

1. Name (Optional): ______________________
2. Age: _________________________
3. Job Title: _____________________________
4. Department: ___________________________
5. Years of Experience in the Banking Sector:
    - ○ Less than 1 year
    - ○ 1–3 years
    - ○ 4–7 years
    - ○ More than 7 years

Please rate the following statements on a scale of 1 to 5:
(1 = Strongly Disagree, 2 = Disagree, 3 = Neutral, 4 = Agree 5 = Strongly Agree)

Section B: Legal and Regulatory Compliance

6. Our bank strictly follows all legal and regulatory requirements issued by Bangladesh Bank.
7. There are clear internal policies to ensure compliance with anti-money laundering (AML) laws.
8. Compliance procedures are regularly reviewed and updated to reflect new regulations.
9. Staff are aware of the legal consequences of non-compliance with financial regulations.
10. Our compliance team plays an active role in identifying and mitigating banking crimes.

Section C: Know Your Customer (KYC) Process

11. Our bank performs proper due diligence before onboarding new clients.
12. We have a reliable system for verifying customer identity.
13. Enhanced Due Diligence (EDD) is applied for high-risk clients.
14. KYC documentation is updated periodically.
15. There are clear procedures in place to detect suspicious customer behavior.

Section D: Risk Assessment

16. We conduct regular risk assessments to identify financial crime vulnerabilities.
17. Risk assessment results are used to design appropriate mitigation measures.
18. The bank classifies customers based on their risk profile.
19. Staff are trained to recognize operational and compliance risks.
20. The results of risk assessments are shared with relevant departments.

Section E: Reporting of Transactions (ML/TF)

(ML = Money Laundering, TF = Terrorist Financing)

21. Our bank has a system in place to monitor transactions for suspicious activity.
22. We report suspicious transactions (STRs) to the relevant authorities promptly.
23. Staff are familiar with the process of filing suspicious transaction reports (STRs).
24. High-value transactions are automatically flagged for review.
25. We maintain proper records of all reportable transactions.

Section F: AML Training

26. I have received formal training on Anti-Money Laundering (AML) policies.

27. AML training is conducted regularly at our bank.

28. The training covers real-life scenarios to help detect financial crime.

29. Employees understand their role in preventing money laundering.

30. The bank evaluates the effectiveness of AML training programs.

Section G: Overall Impact on Crime Prevention

31. I believe these compliance measures significantly reduce banking crime.

32. The bank has experienced a reduction in financial crime due to these practices.

33. Management takes proactive steps to address crime-related issues.

34. Technology used by the bank is effective in detecting and preventing financial crime.

35. I feel confident in our bank's ability to prevent and respond to criminal activities.