

## **CEO's Statement on AML/CFT**

I need hardly say how money laundering and terrorist financing create threats for the sustainable growth of a country's economy. Now-a-days these are the burning issues around the globe. Human trafficking, immense rise in drug trade, illegal arms dealing, and extremist financing all are now major but common concerns for almost all countries. Alarmingly, combating money laundering and stopping criminal networks are becoming difficult day by day with the advancement of technology and globalization of financial services. Because of their transnational nature many governments are now working hand in hand on these issues.

Bangladesh has very recently become eligible for graduation from LDC to Developing Country Status. Prevention of money laundering and terrorist financing is a must for our country for further progression towards its goals. Also financial institutions are particularly vulnerable to money laundering and terrorist financing. Therefore, being a leading financial institution of the land, at the onset of a new year we sincerely commit to be vigilant against the money launderers and terrorist financiers and continue the adoption of the policy of being compliant with all regulations under the legal framework of "Money Laundering Preventions Act 2012 (MLPA, amended in 2015) and Anti-Terrorism Act, 2019 (ATA, amended in 2012 & 2013) and all other regulatory instructions.

The Board of Directors of LankaBangla Finance Limited regularly supervises money laundering and terrorist financing control procedures of the company and sets the tone at the top for handling these issues as prevention of these crimes is considered as an integral part of LBFL's risk management strategy by the board.

To comply with all regulatory guidelines as well as to ensure that the organization is not being used by the launderers and terrorist financiers, LBFL has established a Central Compliance Unit (CCU) and nominated an Executive Vice President as Chief Anti Money Laundering Compliance Officer (CAMLCO). The CCU is also equipped with one Deputy CAMLCO and other officials to handle AML/CFT related matters thoroughly. In addition, Branch Anti Money Laundering Compliance Officers are also appointed at all branches to ensure compliance with AML/CFT related regulations at branch level. LBFL management updates its AML related policies at regular interval which are duly approved by board. Also all other business policies are aligned with internal AML policies.

To counter money laundering and extremist financing LBFL management regularly trains its employees to help its employees detect and prevent these financial crimes as well as to ensure that suspicious activities and transactions can be identified and reported thereby protecting LankaBangla from being used for illegal purposes. Effectiveness of these trainings are also assessed through various evaluation processes and such activities will be continued in this year too. Penalty for failure to perform in accordance with AML/CFT framework is also ensured by our HR policy.

In parallel with the growth of versatile customer base, stringent Know-Your-Customer policy, effective risk assessment and due-diligence processes are established to confirm that LBFL deals only with legitimate customers and performs legitimate financial transactions. However, rigorous monitoring of transactions will be continued and if any suspicion doesn't pass a basic plausibility check, then it will be reported to BFIU within shortest period.

This year LBFL management will work more on the development of additional testing procedures to detect and prevent gaps in compliances and reduce legal hazards. Continuous monitoring of media reports on money launderers and terrorist financiers should be done too. We also commit to keep the transaction records that are comprehensive enough to establish an audit trail. The message of LBFL management is unambiguous: in no manner, LBFL will allow money launderers and terrorist financiers to use our organization for any illegal purposes.

All employees of LBFL are hereby requested to align themselves with the above commitments and meticulously follow the policy, Guidance notes on AML and CFT and master circular issued by BFIU to uphold the image of the entity.