



THE POWER TO KNOW.

## Impact

“We anticipate saving approximately \$1 million annually through the adoption of predictive analytics to reduce low-value work items and improve the quality of investigations and SAR filings.”

Director of fraud and financial crimes  
for a large, regional US-based bank

## Challenges

- **Inflexibility.** Current AML systems are unable to keep up with the changes necessary to adapt to evolving and rapidly changing AML risks.
- **System limitations.** Rules-based systems are inadequate and cannot support segmented monitoring of customers and peer groups or produce cross-channel views of illicit behavior.
- **Lack of integration.** Nonintegrated systems and processes mean little to no sharing of information about customer risk among systems.
- **Resource constraints.** There aren't enough analysts available to investigate everything that needs to be investigated, so many instances of fraud may go undetected.
- **Inadequate monitoring systems.** Current monitoring systems don't cover an institution's unique risks and often fail to address vulnerabilities like willful blindness.
- **Narrow view of risk.** Current risk indicators are often based solely on recent transactions and do not take historical behaviors and expected activity into consideration.

## How can we make sure that our anti-money laundering efforts are keeping up with regulatory requirements?

### YOUR GOAL: Decrease regulatory risk, reduce false positives, increase efficiency

In the decade since 9/11, financial institutions worldwide have invested heavily in best-of-breed anti-money laundering (AML) monitoring solutions. In fact, an institution's AML program is one of its most scrutinized risk management functions. Institutions, trade groups and regulatory bodies continue to recognize the need to integrate data and processes from security, fraud and compliance functions to form a more efficient platform for managing financial crimes risk.

White collar crimes have increased in recent years, at least partly in response to economic pressures caused by the recent financial crisis. The economic crisis also has caused many institutions to focus on capital liquidity and credit risk exposures, and there is renewed regulatory emphasis on improved due diligence, monitoring, investigation and regulatory filing practices.

### OUR APPROACH

Banks seek end-to-end AML capabilities that will help them integrate data and knowledge about suspicious activity across the enterprise. We approach the problem by delivering software and services to help you:

- **Provide unmatched depth of analysis in your AML program** by incorporating all institutional knowledge – including past customer behavior, expected behavior and known CIP information across all accounts.
- **Guard against system obsolescence** with a proven data model that supports transaction type, product, service, channel, account, customer and household dimensions, as well as the ability to import new data feeds.
- **Reduce false positives and enhance investigator performance** by applying scenarios and risk factors to transactions and automatically generating alerts that are subjected to additional processes – e.g., suppression, risk scoring and routing – so investigators can focus on high-risk events rather than chasing all simple alerts.
- **Improve the effectiveness of investigations** with an automated risk classification process that risk-ranks alerts based on every customer transaction across every account and makes available all supporting data in the decision process.
- **Rapidly aggregate alerts into a case for further investigation** using a Web-based investigation interface that supports the management, investigation and reporting needs of AML analysts and investigators, and automatically documents and retains actions pertaining to a case for audit or regulatory review purposes.
- **Gain more insight into trends in customer behavior** by using business analytics to generate ad hoc queries and reports or powerful data mining capabilities to analyze alert and case aging, analyst productivity and high-risk activities.

The SAS® solution also includes an easy-to-use, point-and-click administration environment that lets you modify or create new scenarios and risk factors, and create customized routing rules for distributing the workload to compliance analysts.



## THE SAS® DIFFERENCE: An AML solution tailored to your unique risks

Regardless of whether your institution chooses to integrate fraud, security and/or compliance functions, the SAS solution has been designed to exploit data and information from your fraud and security systems to reduce technology and investigation costs.

With SAS, you get:

- **Transparency.** With SAS, you can easily understand AML monitoring processes. All scenarios and risk factors are clearly documented to explain the business logic used to generate work items, and contextual “red flags” indicate why one event is considered riskier than another.
- **Adaptability.** The SAS solution is adaptable to your institution’s individual risk profile. Scenarios and risk factors are derived directly from the bank’s AML risk assessment and can be easily changed as your institution’s risk exposures change.
- **Depth of coverage.** While a bank’s AML program is typically measured by its ability to capture known suspicious activity, the SAS solution employs processes that go beyond traditional parameter-driven, rules-based monitoring systems and use more of your institution’s own knowledge to identify potentially suspicious behavior.

SAS also provides a centralized data repository that lets you manage multiple subsidiaries from a central location. This means monitoring more risks with fewer redundant hardware resources while ensuring that data governance and compliance policies are followed. With a single, consistent enterprise data warehouse, you can also add on other applications (e.g., enterprise risk) as your needs grow and change.

## CASE STUDY: A large, regional bank based in the US

### Situation

The bank was looking for a way to gain a comprehensive view of financial transactions across its many lines of business so it could monitor transactions for unusual or suspect behavior, as well as comply with anti-money laundering legislation.

### Solution

SAS provided the bank with an anti-money laundering solution that included:

- A comprehensive transaction surveillance and analysis process.
- The ability to refine detection measures and logic to more accurately report exceptions throughout the enterprise.
- Predictive models for examining potentially suspicious patterns or anomalies in financial transactions.

### Results

The bank now has a fully integrated alert monitoring, workflow and case management solution for use in the fight against money laundering and the financing of terrorism.

## What if you could ...

### Easily adapt to changing needs

What if you could quickly and easily adapt your AML monitoring solution as your regulatory needs change and/or new threats emerge?

### Risk-based monitoring

What if investigators had access to a list of prioritized alerts based on risk scores that incorporate KYC data, transactions, historical behavior and expected activity across all accounts?

### A proven methodology

What if your AML solution provider had a proven implementation methodology to get you up and running on time and on budget, and a monitoring methodology that has been reviewed and favorably received by multiple regulatory agencies?

## You can. SAS gives you THE POWER TO KNOW®.

## SAS FACTS

- SAS customers make up 97 percent of banks in the FORTUNE Global 500®.
- More than 3,100 financial institutions worldwide are SAS customers.
- SAS has more than three decades of experience working with financial institutions all over the world.

Learn more about SAS software and services for financial services:  
[www.sas.com/fsi](http://www.sas.com/fsi)



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