AGENDA

• General Trends
• Convergence to FCIU
• AML 3.0
• SAS Strategy
GENERAL TRENDS

- Recent Enforcement Actions
  - HSBC
  - Banamex (Citigroup)
  - Standard Chartered
- GeoPolitical
  - International Wires (Drugs & Terrorism)
  - Corruption
- Regulatory Pressure (US & European)
AML OVERVIEW

FCIU

- Fraud Prevention
  - Strategy
  - Operations
- AML
- Security
  - Internal
  - External

“FCIU”
Financial Crimes Investigation Unit
The FCIU is “Second Line” system providing an additional Investigation level that looks for cross border, cross product AML risk. This provides a true holistic enterprise monitoring capability.
GLOBAL FINANCIAL INTELLIGENCE PLATFORM (FIP)

**ENGAGEMENTS**

**APPROACH**

- **CENTRAL GOVERNANCE**
  - Summary cross-border alert data & analytics
  - Monitor investigations

- **REGIONAL OPERATIONS**
  - Data / systems hubs
  - Monitoring unique to regions
  - In-country investigation teams

- **“SAFETY NET”**
  - Surf all internal / external data for early detection of risks

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This allows the bank to manage their financial crime risk rather than managing the regulators.
AML OVERVIEW

AML 3.0

Automated Surveillance
“status quo”
“batch processing”
“known behaviors”
“structured data”

Proactive Discovery
“big data analytics”
“dynamic / in-memory”
“unknown patterns”
“unstructured data”

ANALYTICS USE CASES
• Segmentation
• Peer-Based Anomaly Detection
• Alert Prioritization and Routing
• Automated Alert Triage & Scoring
• Client Risk Rating
• Holistic Customer Assessment
• Emerging Risk Analysis
• Model Risk Governance
OUR STRATEGY

WHY SAS AML?

In-Memory
- Cloud Friendly
- Full Data Populations
- Quick Impact Assessments
- Multi-Cycle Processing
- Effective Challenge
- Ability to Look-Back

IP
- Releases every 6 Month
- Enhanced Functionality
- Building Templates
- Building Effectiveness Reporting
- Model Documentation
- Experts

Authoring
- Decision Tree
- Threaded Rules
- What-If Simulation
- Scenario Transparency
- Scenario Management
- Anomaly
- Predictive Models

Optimization
- Publishing Methodology
- Education: “Teaching to Fish”
- Alert Scoring & Triage
- Piloting with a large bank
SAS CREDENTIALS IN AML/CFT COMPLIANCE

Security Intelligence Financials

- $100m revenue
- 41% growth
- Fastest growth in solutions

Analyst View

- "Magic Quadrant": Data Integration, Business Intelligence & Analytics
- "Leader" in Big Data Predictive Analytics, Enterprise Fraud Management
- "Leader" Anti-Money Laundering

SAS Anti-Money Laundering™ Customers

- Bank of America
- Bank of Tokyo Mitsubishi- Japan
- Commonwealth Bank of Australia
- Huntington Bank
- Santander US
- TD Bank
- Union Bank
- Wells Fargo

US Regulatory Presence

- Federal Reserve
- Internal Revenue Service
- Office of the Comptroller of the Currency (OCC)
- Financial Crimes Enforcement Network (FinCEN)
SAS EXPERIENCE  AML REPLACEMENT

CHALLENGES
• Heightened regulatory pressures
• Need to scale their transaction monitoring processes
• Desire to improve model risk tuning & optimization
• Current vendor used “black box” analytics
• Apply network analytics against historical investigations to quantify nexus between AML and Fraud

SOLUTION
• High Performance AML
• Peer Grouping and Anomaly Detection
• Enterprise Case Management
• Visualization (Visual Analytics & Visual Scenario Designer)

PROFILE
• GLOBAL TIER 1 BANK