



Bank's positioning at the  
international market and  
compliance reputation

/ DELIVERING CERTAINTY

# Key-take-aways

- ◆ Global regulators are becoming more active, fines are increasing, putting additional pressure on banks to get their house in order.
- ◆ A knock on effect of this is far greater scrutiny of foreign correspondents – particularly outside of Western Europe.
- ◆ Being able to demonstrate tight AML controls will make foreign banks more attractive to do business with and can act as a strong differentiator.

# Agenda



**Overview of Global trends**



Feedback from Russian clients



Implementing a robust, efficient, AML screening solution



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# These are broad themes that will set the direction for financial firms globally

- ◆ The fight against money laundering is spreading internationally, and regulators are becoming more active with high profile fines against big name firms.
- ◆ The UN has introduced additional sanctions against Iran and North Korea that will mean even greater screening requirements.
- ◆ The Financial Action Task Force (FATF) has recommended member countries screen domestic PEPs as part of their standard due diligence process.
- ◆ Increasingly, regulators such as the US Department of Justice are focusing on financial institutions' tax compliance standards and systems (FATCA).

# Global trends show ever increasing value of bank fines

## Bank fines for AML violations scale with the severity of the violation

Fines levied for a range of reasons from internal "payment stripping" to knowingly making payments to sanctioned countries.



We expect the number of AML fines to increase in 2013

# AML and sanction fines means impact on the bottom line will be significant



Fine in \$ million	Reason	Year	As % of FY pre-tax profit	FY pre-tax profit/loss in \$ million
1,920	Money laundering lapses	2012	8.5%	22,706
667	Anti-sanctions	2012	9.1%	7,299
619	Anti-sanctions	2012	9.7%	6,394
536	Anti-sanctions	2009	7.4%	7,213
350	Anti-sanctions	2009	20.7%	1,689
298	Anti-sanctions	2010	3.1%	9,494

Source: Reuters, US Treasury, DOJ, SEC, FSA, Companies

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# Feedback from Russian Banks point to increasing AML compliance workloads

- ◆ The AML compliance requirements of foreign Correspondent Banks in addition to those of the local Russian Regulators is increasing.
- ◆ The need to identify domestic PEPS is resulting in increased work loads.
- ◆ The complexity of managing this ever growing data screening requirement is increasing and is putting pressure on internal systems.
- ◆ These increased regulations are also resulting in additional AML Compliance controls which impacts on payments efficiency..



As the scope of screening increases, so does work load. This introduces the need for an automated screening solution.



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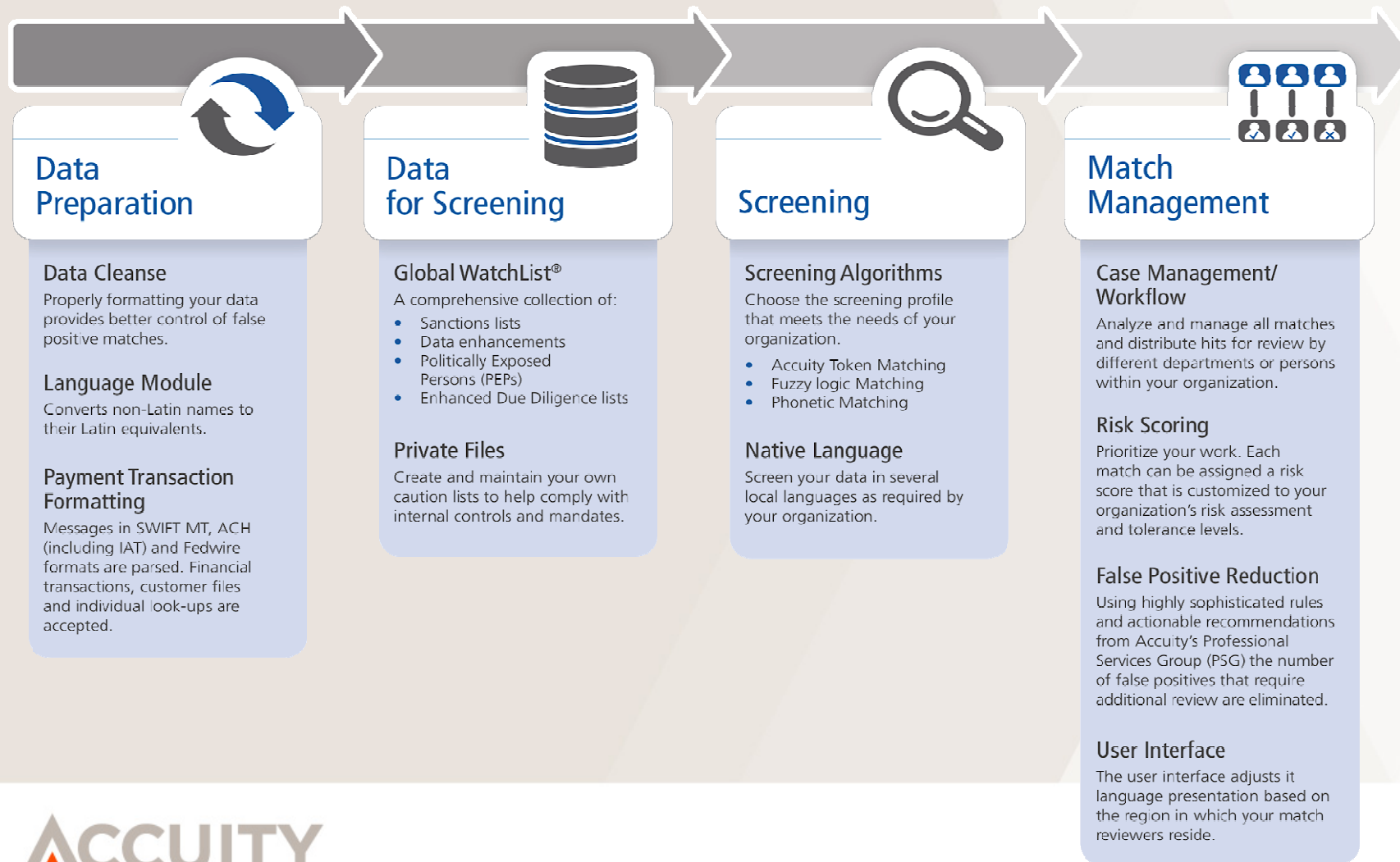


**Implementing a robust, efficient, AML screening solution**

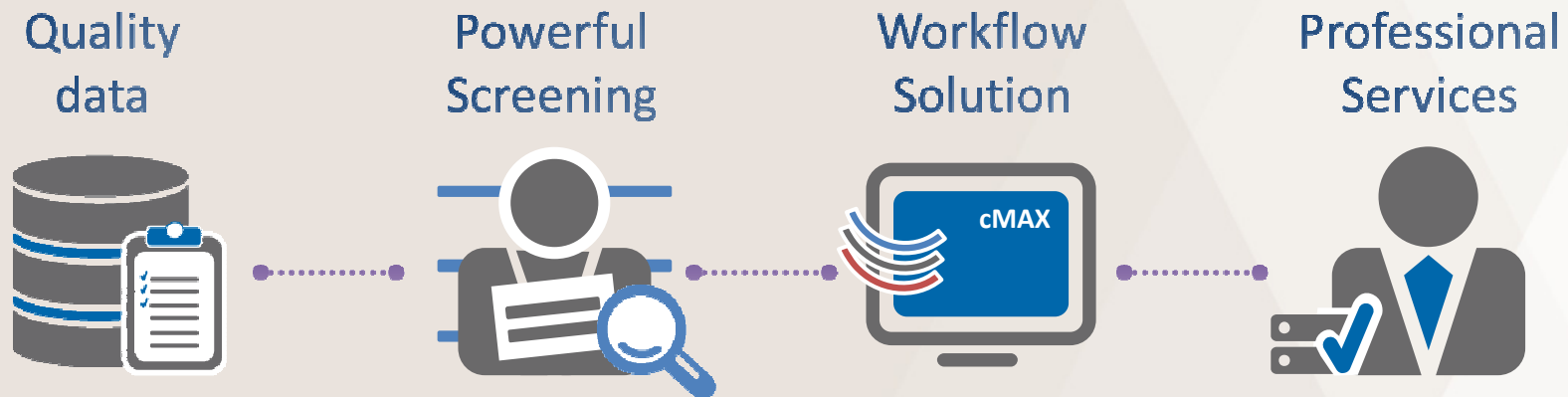


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# There are many facets to consider for a robust, efficient AML solution:



# Accuity is the only solution provider that includes Data, Screening and Services



## Accuity offers you:

The industry's most comprehensive data including 100% coverage of regulatory lists from around the world, 1.3million PEP records and over 30,000 media sources for negative news.

Marketing leading software, capable to screen transactions in real time and accounts in batch.

A group of industry experts who will assist with the design, build and implementation of an effective screening solution – including extensive user training and false positive reduction.



# Internationally recognised and accredited



Accuity's Compliance Link and Enhanced OFAC List are endorsed by the American Bankers Association.



Accuity is the Law Society's preferred AML e-verification supplier for PEP and Sanctions screening.



The Banking Association for Central and Eastern Europe endorse and use Accuity solutions for bank to bank KYC



Accuity's Due Diligence module was developed in association with the Wolfsberg Group.



Accuity's Product Management and Professional Services personnel have earned the prestigious credential of Certified Anti-Money Laundering Specialist.



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