

Oracle Financial Crime and Compliance Management (FCCM)

Select Business Success Stories

25
YEARS

+

E *xperience*
*xp***ertise**
*x***cellence**

Fighting Financial Crime



Tier 1 Bank in the U.S.

U.S.-based Tier 1 bank with operations in 35 countries with over 70 million customers

Challenges

- Needed an end-to-end solution that would improve **AML effectiveness and efficiency**
- Lacked **standard monitoring** across its diverse lines of business
- Relied on **siloes, complex, and antiquated monitoring rules**
- Lacked the **centralized data governance** to manage them
- Huge number of **false-positive alerts**
- **Slowed processes, poor customer satisfaction, higher costs, and increased compliance complexity**

Solution

| Oracle Financial Crime & Compliance Solution | | |
|--|---------------------------------|---------------------|
| Customer On Boarding | Transaction Monitoring | |
| Customer Risk Classification | Domestic Cross Broder Screening | |
| Customer Screening | Regulatory Reporting | |
| Unified Compliance View | Centralized Investigation | Real Time Screening |

Business Outcome

- A **one-stop solution** to meet all AML requirements
- **Advanced library of pre-configured AML scenarios and granular segmentation capabilities** that enabled precise monitoring, helping reduce the false positives
- Fulfilling all **regulatory and statutory requirements**
- Achieved more **accurate and efficient risk scoring**
- Managed to **automate management of external regulatory and internal governance policies**
- Achieved **reduced costs, robust AML compliance, effective financial crime detection and improved customer satisfaction**



U.S. Based Asset Management Firm

A large global asset management firm, headquartered in the U.S. with approx. USD779 billion in assets under management

Challenges

- Seeking a **major overhaul of its Sanctions and AML Compliance program**
- Had a **legacy “black-box” system** that provided limited matching and lacked configurability
- **Needed robust coverage and flexibility** to surgically tune matching rules and manage sanctions lists to meet business and regulatory needs
- Wanted to **upgrade the existing** transaction monitoring system
- Had an in-house case management which **could not provide flexible workflows, process automation**
- Existing applications were running on **outdated, on-premises infrastructure stack** that had performance issues and was difficult to maintain.

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Business Outcome

- Achieved **Flexibility, Configurability, Scalability, Usability and improved ROI** by moving to Oracle Cloud Infrastructure (OCI).
- Out-of-the-box, pre-configured screening and granular rule configuration **that improved the quality of hits, drastically reducing the false positives**
- **Centralized case management** capabilities that provided full insights into entity, historical activity and related details
- **Holistic entity view**, breaking the siloes between their Sanctions, AML, and KYC data
- Fulfilling all **regulatory and statutory requirements** while **optimizing operational and compliance costs**

U.S. Multinational Investment Bank

Amongst the top 10 largest investment bank in the world (by revenue), providing clients with capital markets and financial advisory services, institutional brokerage, securities research, and asset management

Challenges

- Seeking **streamlining and modernization of its AML Compliance program**
- Wanted a solution that would **meet its cloud-readiness strategic goals**
- Had a **legacy, inefficient, and outdated system with frequent and costly upgrades**
- **System lacked functionality** to view complex corporate and ultimate beneficiary ownership structure.
- **Extremely high false positives** due to poor analytics capabilities in existing system
- **Needed an effective and efficient transaction monitoring system** to meet business and regulatory needs
- **Scalability, reliability and cost overruns** issues

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Business Outcome

- Out-of-the-box, pre-configured, proven scenarios that **improved efficacy and effectiveness of AML Compliance program**
- Advanced analytics powered by AI/ ML helped efficiently identify (UBOs) and other external entities, **saving time and providing a 360° view of customers.**
- Leveraged FCCM on Oracle Cloud Infrastructure (OCI) that **provided scalability, agility, reliability, reduced time to market, lower IT costs and optimized resource investment**



Tier 1 Bank in Vietnam

Largest lender and commercial bank by assets , boasting nearly \$20 Bn. in assets, serves consumers and businesses through nearly 500 branches and 1200 Compliance users

Challenges

- Customer identification program(CIP) involved repeated tasks , **resulted in longer time to board customer & periodic risk assessment.**
- Screening & processing of Domestic & Cross border **transaction nearly took 6 to 8 Hours time** , which breaches Service level agreement resulting in Regulatory non-compliance & Business loss
- **Time to investigation was more** , resulting in **breach of Internal audit SLA** which increased compliance, regulatory & reputation risk

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Business Outcome

- **Improved response time** enabling Bank to minimize Compliance , regulatory & reputation Risk
 - **1200+ Concurrent users** across **400 branches** were able to **screen & process** customer , **domestic & cross border payments in real time** within **seconds**
- **Unified Compliance view** & Centralized investigation tool
 - 360-degree view of customer risk in a single intuitive window** providing completeness of data required for investigation considering all risk
 - Time to investigation **reduced by 30%**
 - Reduction in **compliance cost by 20 to 25 %**
 - Regulatory & Internal Audit **SLA are adhered**



Tier 1 Bank in S. Korea

One of largest bank in South Korea (measured in assets and also the largest foreign exchange bank)

Challenges

- **Required a larger coverage** than Transaction Monitoring (10+ years client of MANTAS)
- Adhering to **15+ countries regulations and needs**
- Constant **regulatory challenges** from various countries
- Addressing/managing **growing alert volumes**
- **Limited integration** with other compliance apps (KYC, Sanctions, etc.)

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Business Outcome

- **Integrating results** from KYC
- **Intelligent Correlation** to reduce workload
- **Branch specific workflows**
- **Leverage FCCM** knowledge and training by Oracle



Tier 1 Bank in S. Korea

One of oldest and largest bank in South Korea with over 500 branches all across South Korea and over 25 overseas branches and representative offices globally.

Challenges

- **Compliance deficiencies** and internal control failures
- Faced a **major penalty** from the US Regulatory Authority for not complying with stipulated BSA/AML Compliance guidelines
- Meet local needs while **delivering global industry standards for** quality, culture and service levels
- Focus on small mid cap business' in Korea and overseas, needed solution that could **help it scale business** in multiple countries, while complying with local and global standards
- Needed **one solution for all AML requirements** that could integrate seamlessly with a custom core banking solution built in-house

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Business Outcome

- **Achieved effective and efficient AML compliance** through accurate and comprehensive risk assessments, pre-screening of customers through appropriate KYC programs, and audit and monitoring of transaction and customer activity.
- Fulfilling all **regulatory and statutory requirements**
- **Global standardization** and implementation of industry best practices while meeting local requirements
- **Seamless integration** with core banking and customer management
- A **one-stop solution** to meet all AML requirements
- Handling of local and global communications through global oracle resourcing



Top-5 Re-Insurer in the World with over €24 B revenue and 3,200 employees

- Currently implementing Sanctions Optimization solution leveraging Compliance Studio



Sanctions Screening Problem at the re-insurer

Offshore'd L0 Operations

10 analysts located in Manila, working 90% of individual alerts and 50% of entity alerts

111k alerts per year

87k individual alerts and 24k entity alerts – significant growth expected in the near future

Costs at ~€300k per year

Estimated total cost of Philippines operations for OWS sanctions screening, based on 5-8 mins processing time for individual alerts and 15 mins for entities

High false positives rate

Only 1/1000 Chinese individual alerts are “initially reviewed” / true positives

Top 10 global bank consolidates customer screening functions on Oracle's trusted platform

120 million

Records Screened Daily

40+ million

Customers Protected

60+

Countries Protected



Following a US\$ billion+ fine and regulatory DPA the bank needed a proven partner to help transform their AML and compliance screening operations

Choosing Oracle enabled the bank to deliver advanced continuous diligence capabilities, consolidating multiple, disparate screening applications onto a single trusted platform



Tier 1 Bank in APAC Region

CHALLENGES

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Time to investigation was high , resulting in **breach of Internal audit SLA** which increased compliance, regulatory & reputation risk

Largest lender and commercial bank with over \$20 B. in assets, serving millions of consumers and businesses through nearly 500 branches and 1200 Compliance users

BUSINESS OUTCOME

Improved response time enabling Bank to **minimize Compliance , regulatory & reputational Risk**

- 1200+ Concurrent users across 400+ branches were able to screen & process customer , domestic & cross border payments in real time within seconds

Unified Compliance view & Centralized investigation tool

- 360-degree view of customer risk in a single intuitive window providing completeness of data required for investigation considering all risk
- Time to investigation **reduced by 30%**
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- Regulatory & Internal Audit SLA are adhered





Customer



Business Problem

A U.S. multinational bank streamlines operations with Oracle Financial Services Anti-Money Laundering

This customer is one of the largest multinational investment banks and financial services holding companies in the United States, with total assets of approximately \$3 trillion. Across 40 worldwide lines of businesses, this customer has 275 million accounts and 200 million customers, and processes up to 200 million transactions per day across 40 global lines of business.

- The customer was facing significant regulatory scrutiny over compliance issues and billions of dollars' worth of fines.
- Regulators and internal business needs required the bank to reevaluate and enhance their Global Risk and Compliance processes and systems.
- The bank's financial crime department was operating on 18 siloed systems, with systems unable to manage scenarios and alerts for the large volume of transactions.
- They set out to find a technology partner that could implement one global system capable of handling the huge volume of transactions across 40 global lines of business.



A U.S. multinational bank streamlines operations with Oracle Financial Services Anti-Money Laundering



Oracle Solution

The Oracle Financial Crime and Compliance Management solution streamlined compliance operations across 40 global lines for the bank.

Oracle Financial Services Anti-Money Laundering was implemented across three operational hubs – New York, London and Singapore – with each hub covering multiple countries.



Value Delivered



Global Implementation

The implementation covered multiple geographies, some of which included multiple in-country hubs that have strict data privacy laws.



Infrastructure Performance

The customer recognized that Oracle Exadata was the best infrastructure for AML processing, and that Oracle Exadata could deliver the performance and scalability needed to meet ever-accelerating SLAs for AML processing.



Ease of Implementation

The bank quickly realized that one of the biggest added benefits of Oracle is being able to clone the existing setup for a new instance without having to shut down operations of existing Oracle instances or other competitor solutions in the bank's technology ecosystem.



Speed of Implementation

New instances took an average of six months – including data gathering, testing, and go-live – all while the other regions could continue to work on the system, saving time and money.



Reduced Transaction Processing Time

The client has seen a significant decrease in the amount of time it takes to process transactions, which satisfies both regulatory and management requirements.

A U.K. global bank eliminates operational siloes with Oracle Financial Services Anti-Money Laundering



Customer



Business Problem

A Tier-1 global bank, headquartered in London, needed to bolster its anti-money laundering solution.

Following a fine of more than \$1 billion and an agreement with the regulator, this bank recognized its model of multiple, disparate anti-money laundering applications, processes, and methodologies was no longer viable or cost effective.

The bank needed to implement a financial crime and compliance management solution to fill gaps found by the U.S. regulator and to fulfill regulatory requirements and anticipate new regulations.



A U.K. global bank eliminates operational siloes with Oracle Financial Services Anti-Money Laundering

The bank eliminated operational silos with a centralized Oracle Anti-Money Laundering solution.



Oracle
Solution



Value
Delivered

Oracle's approach to compliance aligned with the bank's strategy to address anti-money laundering requirements. This led to Oracle Financial Services Anti-Money Laundering being selected for transaction monitoring.

The bank leveraged standard product functionality and Oracle's AML library to monitor all anti-money laundering behaviors.

With Oracle, the bank can monitor all correspondent banking transactions and large corporate customers and pseudo customers of correspondent banking.

Post implementation the Oracle solution has:

Over
500,000
daily transactions

12
scenarios in products
with daily, weekly,
biweekly, and
monthly frequency

512
threshold sets
corresponding
to scenarios

104
jurisdictions covered

Target processing time
for monthly scenarios is
8 hours

Future rollout
planned for
50+ countries

A Saudi Arabian financial institution bolsters its onboarding program with Oracle Financial Services Know Your Customer

Large, Saudi Arabian financial institution.

The bank did not have a dedicated KYC system. Their existing system did not satisfy requirements. Oracle was approached to see what was offered in this space, and how the offering could fulfil their complex end to end KYC requirements.



Customer



Business Problem

A Saudi Arabian financial institution bolsters its onboarding program with Oracle Financial Services Know Your Customer



Oracle
Solution

- Real-time integration with Siebel Account Opening System using IBM MQ middleware request-response messages.
- Customized KYC web service for bank as per their existing model for retail and corporate customers.
- New real-time KYC web service under design for EZ transfer (customers who have access for only remittance product) customers with different score card.
- Reports designed for KYC online service in OBIEE as a separate dashboard.
- KYC batch system is integrated with UDSA (Unified Data Staging Area), from this system Informatica ETL jobs sends data to FCCM staging area (STG tables).
- All these batches are automated using OFSAA ESIC utility for back-to-back processing.
- KYC batch tasks are customized for customer risk model.
- OFSAA KYC is integrated with bank Active Directory server.



Value
Delivered



Bank has been able to meet regulatory changes on time and successfully.



Enterprise KYC platform for all LOBs reduced cost of compliance.



Optimized workflows for better investigation process and reduced cost of compliance.



Comprehensive KYC model provides better customer segmentation followed by reduced AML risk.



Seamless on-boarding process from compliance perspective through real-time integration with Oracle KYC, reduced on-boarding process time.



Integration with CRM system for consistent customer information helped reduce manual ETL process and reduced maintenance cost.



Dashboard and MIS analytics reports to measure the performance of their KYC program.



Seamless KYC process with several third-party system integrations.

ORACLE