

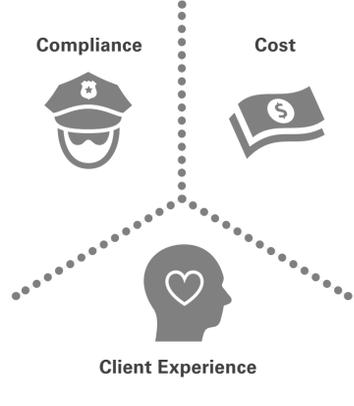
7 Oracle Responses to Celent's Report on Financial Crime Technology

Meeting the AML Challenge



In June 2018, Celent published *Dawn of a New Era in AML Technology* – a report looking at the challenges for AML today and how these might be solved. We've identified seven key findings where advanced analytics can help financial institutions improve compliance programs and gain competitive advantage.

1. THE COMPLIANCE TRILEMMA



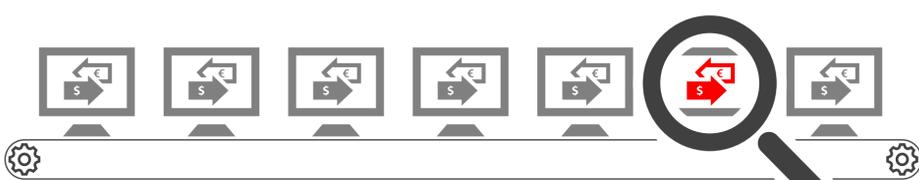
Celent says:
"Financial institutions are struggling with a trilemma: ensuring compliance; managing cost; without adversely impacting client experience."

We say:
"Don't treat compliance as a cost; embrace it as a competitive advantage."

The Oracle Advantage: Take on profitable business without compromising compliance with Oracle Financial Services Anti Money Laundering

2. DATA MANAGEMENT HEADACHES

Banks report that 50–65% of analysts' time is spent doing low-level data management¹



Celent says:
"Current practices are dominated by suboptimal use of data and technology that is resulting in numerous and growing challenges in AML operations."

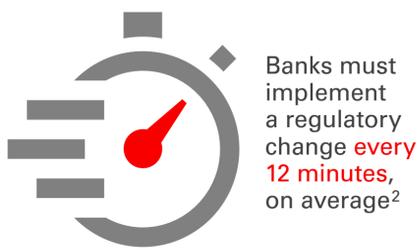
We say:
"Good data management should be priority number one."

The Oracle Advantage: Understand, improve, govern, and protect your data with Oracle Enterprise Data Quality

3. HANDLING REGULATORY CHANGES

Celent says:
"Keeping pace with rapid changes in regulations is a major pain point."

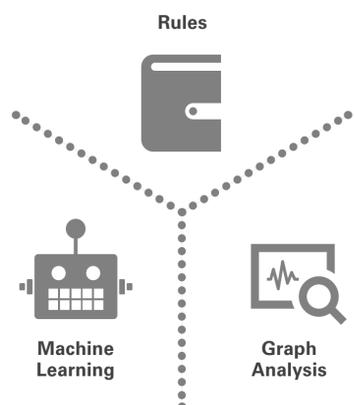
We say:
"Use intelligent compliance tools to identify hidden and new risks and protect against them."



Banks must implement a regulatory change every 12 minutes, on average²

The Oracle Advantage: Quickly deploy discovered patterns to production with Oracle Financial Services Financial Crime and Compliance Studio

4. GRAPH-BASED DETECTION



Celent says:
"Rules based technology and siloed operations are proving to be inadequate in detecting evolving criminal behavior."

We say:
"Combine rules, machine learning, and graph analysis for the best outcomes."

The Oracle Advantage: Use graph analytics, ML, and SQL to explore financial crimes data in the enterprise data lake with Oracle Financial Services Crime and Compliance Studio

5. SMARTER ALERT PRIORITIZATION

Banks typically report 90–99% of all alerts are false positives³



Celent says:
"Alerts should be assigned to investigators based on alert risk and investigator seniority to drive efficient investigation and feedback."

We say:
"Banks that adopt automated alert prioritization can avoid the cost of manually dispositioning false positives."

The Oracle Advantage: Use machine learning to score alerts and route them to specific investigator groups with Oracle Financial Services Anti Money Laundering Event Scoring

6. INVESTIGATING CASES, NOT JUST ALERTS

Celent says:
"Advanced analytical tools will bring down costs and improve productivity levels."

We say:
"Intelligently combine alerts from multiple systems into cases."

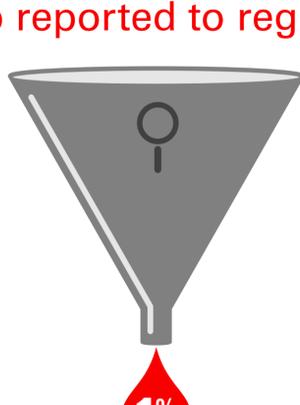


"We have seen 30–50% efficiency improvements in several use cases and PoCs"⁴

The Oracle Advantage: Consolidate investigations for AML, KYC, fraud, and sanctions filtering with Oracle Financial Services Enterprise Case Management

7. STATISTICALLY SOUND THRESHOLDS

Only around 1% of investigated activity ends up reported to regulators⁵



Celent says:
"Few financial institutions undertake a quantitative approach to tuning."

We say:
"Let your detection engine set your thresholds optimally –and automatically."

The Oracle Advantage: Automate and quantify tuning based on graph analytics with Oracle Financial Series ATT

DISCOVER MORE ABOUT THE YEAR AHEAD



2017 was the year for PoCs. 2018 is the year of wider Advanced Analytics adoption across Financial Crime, Compliance and AML.



The full Celent report
Reach the full Celent report *Dawn of a New Era in AML Technology*



Oracle's response
Read our full, 7-point response e-Book



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¹ Arin Ray, Dawn of a New Era in AML Technology, Celent, 2018.
² Chris Skinner, Chris Skinner's blog.
³ Arin Ray, Dawn of a New Era in AML Technology, Celent, 2018.
⁴ Arin Ray, Dawn of a New Era in AML Technology, Celent, 2018.
⁵ Sunil Mathew, Head of Data Science and Financial Crime & Compliance Analytics, Oracle.

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