

Find out what complex compliance challenges are really costing your business

Explore key findings from the LexisNexis® Risk Solutions
2019 True Cost of AML Compliance Study for the United States and Canada



AML compliance costs have continued to increase at a dramatic pace

Annual AML compliance costs for U.S. and Canadian financial services firms totaled \$31.5 billion in our recent survey. For large and small banks alike, the current compliance landscape is complicated by:

- Rigorous and evolving regulatory demands
- Increasingly stringent sanctions requirements
- Rapidly growing footprint of non-bank payment providers

This e-book takes an in-depth look at the results of the LexisNexis® Risk Solutions 2019 True Cost of AML Compliance Study for the United States and Canada. Explore more to find out the cost of AML compliance, see the areas of greatest spend and understand the impacts of rising compliance demands at the enterprise level.



\$31.5 billion

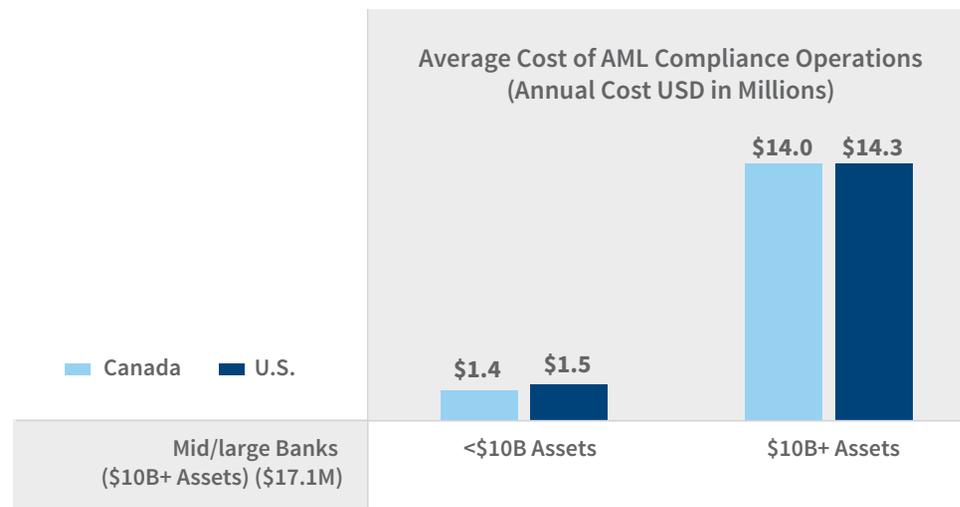
annual compliance costs for U.S. and Canadian Financial Services Firms





AML compliance costs are already staggering and expected to rise

As sanctions and regulatory demands expand for U.S. and Canadian financial services firms, the cost to remain compliant has significantly increased. Keeping pace with the current environment of escalating, continually evolving global regulatory requirements places a great deal of cost and operations burdens on financial services firms. Balancing optimal compliance with core business objectives and competitive pressures further complicates the cost outlook.



16%

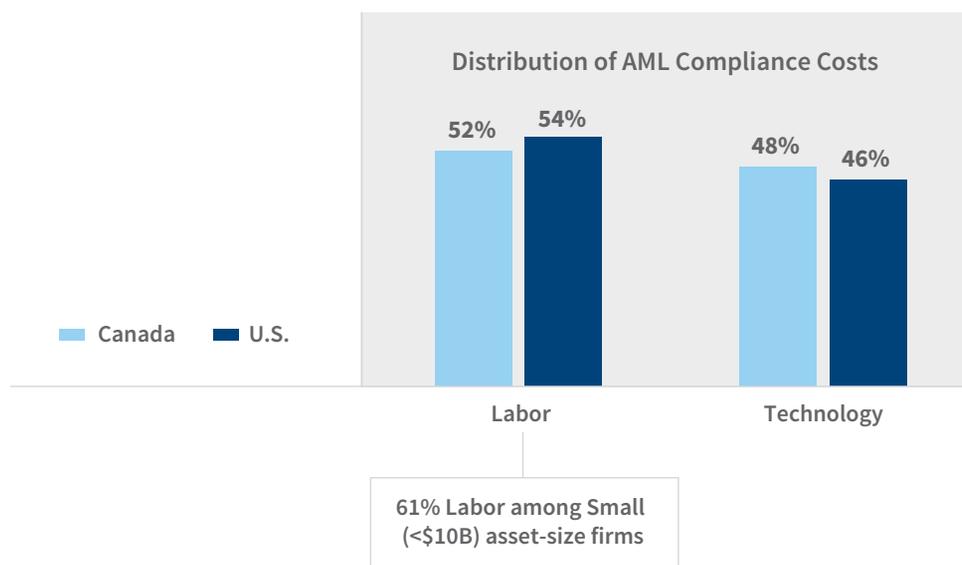
is the average increase in AML compliance costs in the last 24 months for U.S. financial services firms. For Canadian firms, that number is 6%.

14%

is the average expected increase in AML compliance costs in 2019 for U.S. financial services firms. Canadian financial services firms expect a 6% increase in AML compliance costs in 2019.

Labor costs consume over half of annual compliance budgets as productivity concerns linger

Labor and technology represent the biggest compliance cost outlays for most financial services firms. Despite the significant amount spent on labor, productivity challenges and concerns about compliance workforce job satisfaction show no signs of abating. This indicates that adding more human resources is not a sustainable answer to the growing complexities of the AML compliance environment.



54%

of respondents feel AML compliance demands have a moderate to large negative impact on productivity.

68%

of respondents are somewhat to very concerned about the job satisfaction of their compliance staff.

57

employees comprise the average Full Time Equivalent (FTE) Staff employed in overall AML compliance operations for the financial services firms we surveyed.

29 hours

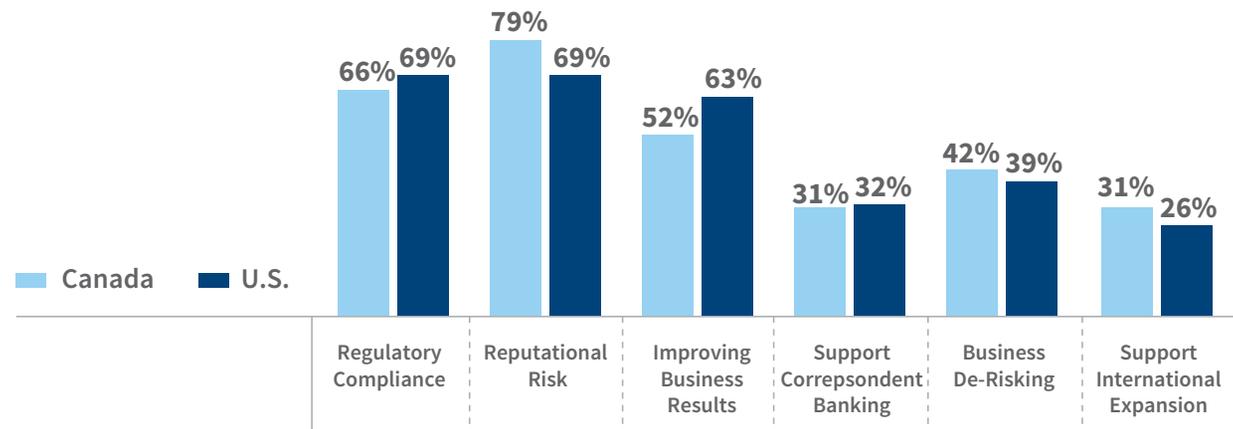
Canadian financial services firms lose an annual average of 29 hours of lost productivity per FTE compliance analyst due to job dissatisfaction. For U.S. financial services firms, this number is 26 hours of lost productivity per FTE compliance analyst due to job dissatisfaction.

An effective, cost-efficient compliance program contributes to long-term profitability and success

An effective, cost-efficient compliance program is essential to survive the complex and changing global compliance climate and flourish in the competitive and fast-moving marketplace.

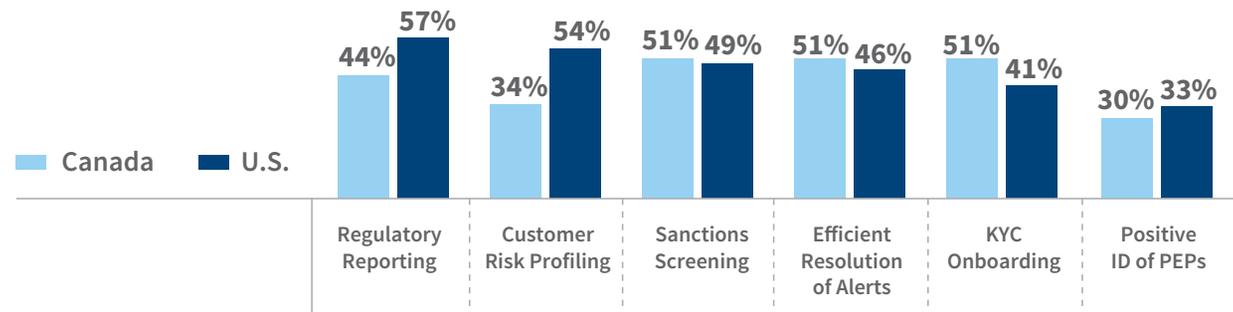
The main drivers for compliance initiatives illustrate the impact AML compliance has on overall business performance objectives.

Drivers of AML Initiatives in Respondents' Organizations (Ranked Among Top 3)



At the same time, ongoing, persistent challenges complicate the route to a fully optimized compliance program.

Key Challenges for Compliance Screening Operations (% Ranked Among Top 3)





Achieve compliance that contributes to enterprise efficiencies

An optimal AML compliance program is not an option for today's financial services firm. It is an essential to sustaining business success. LexisNexis® Risk Solutions offers the financial crime compliance expertise, technology and risk intelligence to enable your business to align key resources and achieve a more effective, cost-efficient compliance program.

By combining advanced analytics and unmatched global identity intelligence with innovative technologies like machine learning, Artificial Intelligence (AI) and technology automation, we deliver precise risk perspective that enables your business to quickly recognize relevant risk and complete critical financial crime compliance processes. Our end-to-end compliance solutions enhance critical compliance workflows across the enterprise and the entire customer lifecycle without disrupting day-to-day business.

Let us show you how to make compliance work for your business.

For more information, call 866.277.8407 or visit: risk.lexisnexis.com/2019TrueCostofAMLComplianceStudy

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