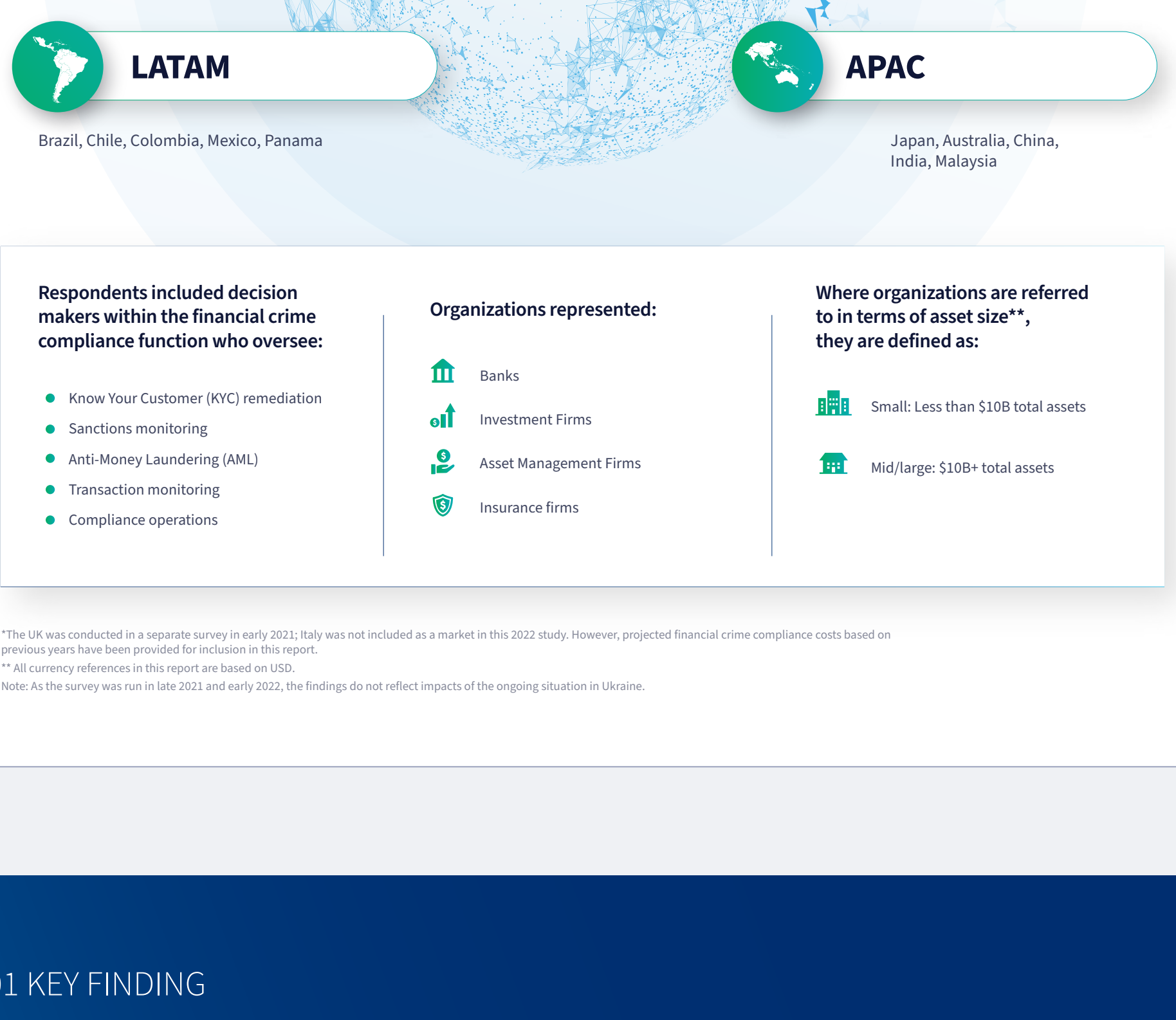


True Cost of Financial Crime Compliance Study

Global Summary

The global true cost of financial crime compliance series provides industry-driven insight into financial crime compliance around the world.

We surveyed 1,088 financial crime compliance decision makers across multiple markets and organization types:



01 KEY FINDING

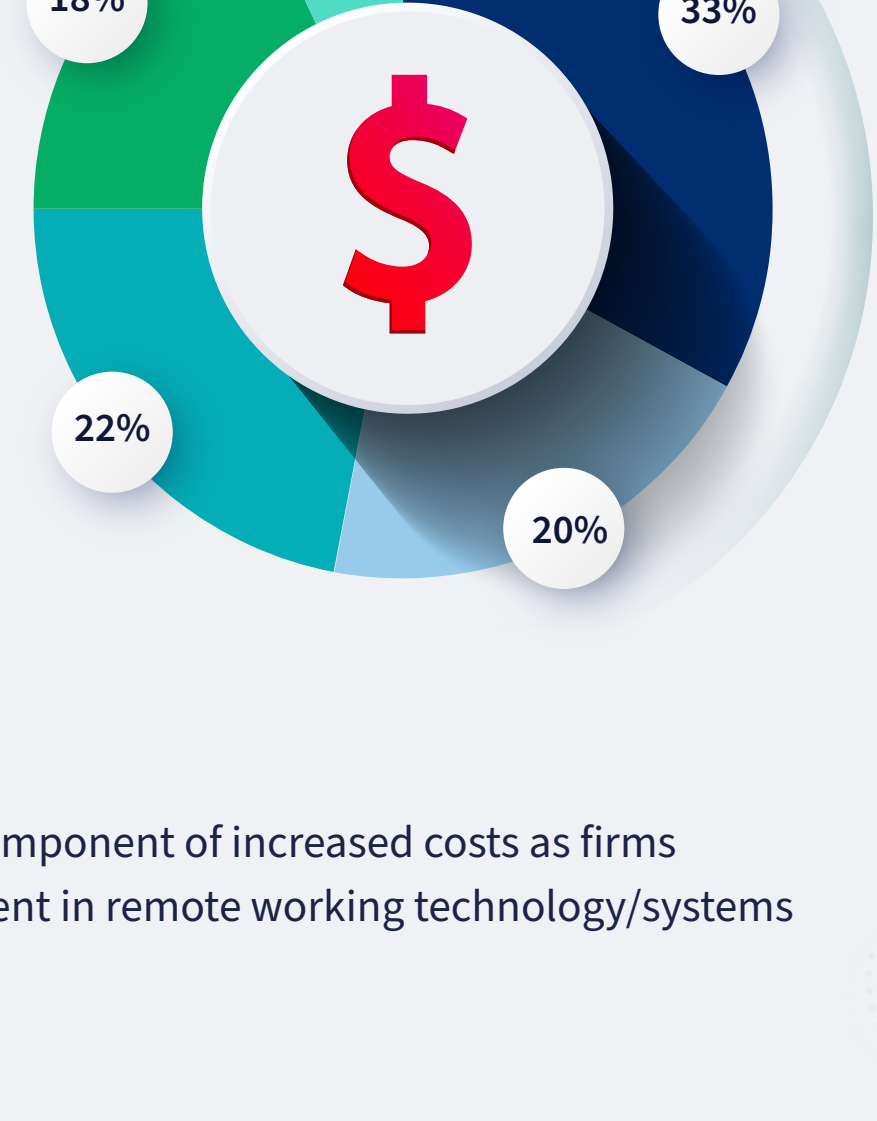
The projected total cost of financial crime compliance across all financial institutions in the 2022 study markets in North America, LATAM, EMEA and APAC is **\$274.1B**.



02 KEY FINDING

The average annual cost of financial crime compliance per organization has risen by double-digits since the pandemic began in 2020, with U.S. financial institutions reporting the highest YOY dollar changes.

Global Average



Labor, in the form of salaries, is the single largest component of increased costs as firms continue to hire, though costs also include investment in remote working technology/systems and compliance software.

Factors Driving AML Compliance Costs

% Ranked Among Top 3



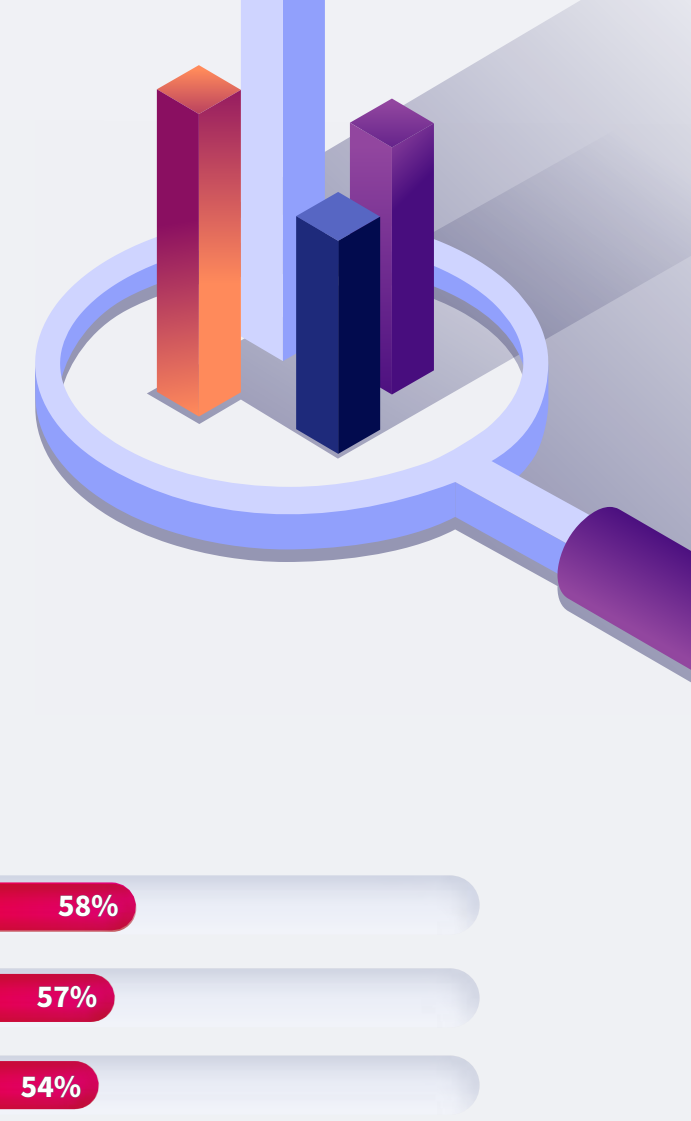
03 KEY FINDING

Financial institutions are being exposed to an increasing level of various types of financial crime, including those involving digital payments, cryptocurrency, third parties and trafficking of proceeds.



04 KEY FINDING

As the scope of financial crime increases, financial institutions are dealing with a broader set of screenings and compliance operations challenges. The digital transformation and Open Banking contributes to this.



Better KYC data and analysis is needed.

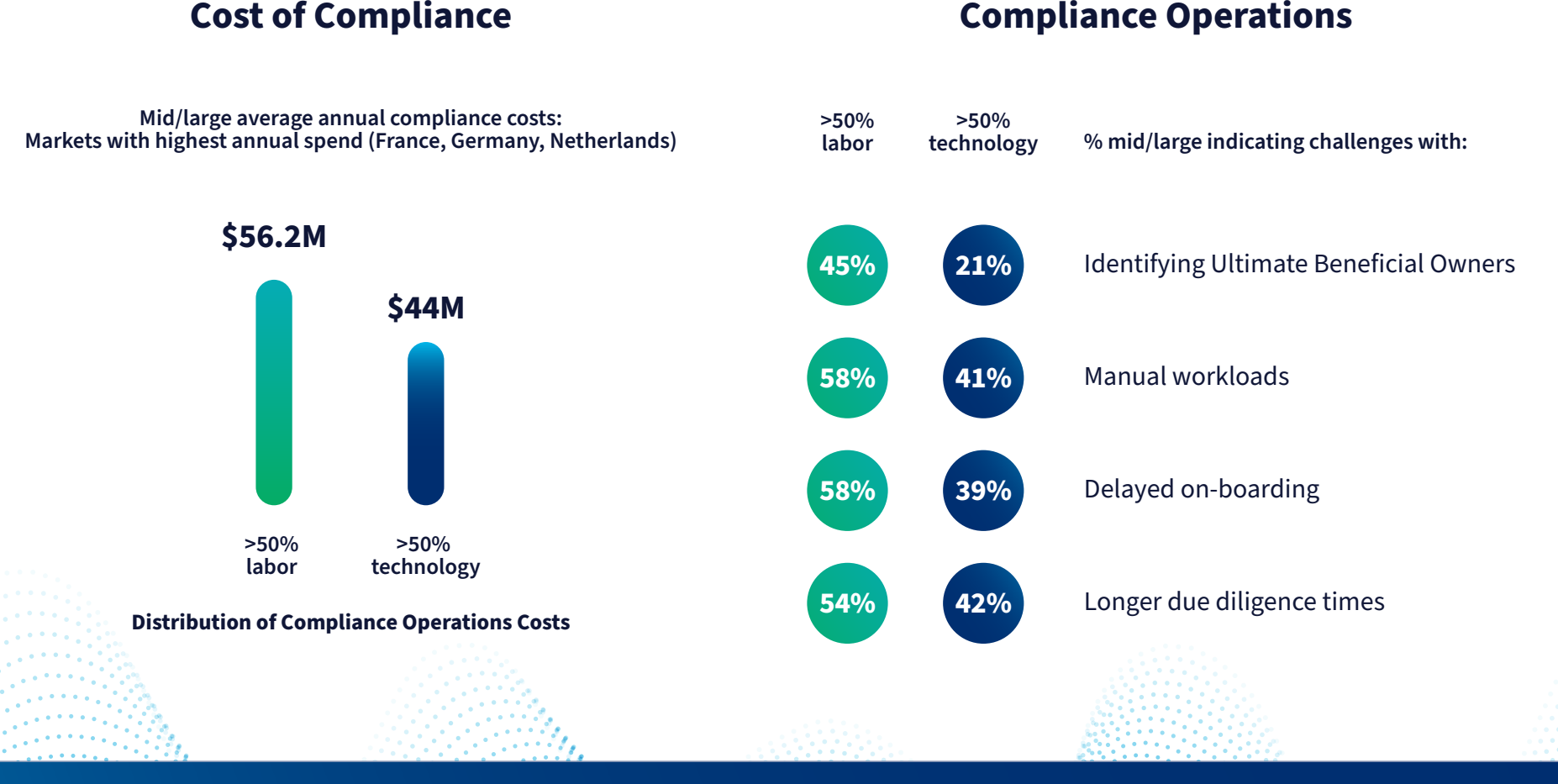
% Ranked Among Top 3



05 KEY FINDING

Financial institutions that have invested in technology solutions, to support financial crime compliance efforts, have experienced lower costs and fewer compliance operations challenges.

As an illustration, mid/large financial firms in the highest spending EMEA markets (France, Germany and Netherlands) which dedicate 50% or more of their annual compliance costs to technology experienced:



A multi-layered solution approach to financial crime compliance and identity proofing is essential as criminals become more sophisticated.

Effective Solution

It is important to assess both the individual and the business (if a business account) with a need for real-time behavioral data/analytics.

- Investigate both the physical (name, address, documents) and digital identity attributes (the digital footprint, devices, and behavior of the entity)
- Assess both the individual (Is this the right person?) and the transaction (Are there anomalies with the transaction?)
- Incorporate both the individual(s) (KYC) and the business(es) (KYB)
- Leverage data analytics to assess risks and behaviors in real-time



How LexisNexis® Risk Solutions can help. LexisNexis® Risk Solutions is ready to support your company reduce the cost of financial crime. Contact us to learn more.

risk.lexisnexis.com/fcc-en